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The effectiveness of Social Assistance scheme in Kosovo

R·I·T **Kosovo**TM

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5/31/2017

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Submitted to RIT Kosovo as part of requirement for education

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Jehona Karavidaj

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Society of RIT Kosovo

Executive Summary

Social Assistance Schemes are part of social protection systems that aim poverty alleviation. Social assistance benefits are designed with the purpose of providing the poor with minimum standards of living as means to escape from poverty. Different countries have implemented different provisions regarding the amount of social assistance benefits, the eligibility criteria, as well as the types of cash and in-kind benefits provided as part of social assistance schemes. These differences have been based on the conditions and instruments each country has used to target the marginalized groups.

The development of social protection schemes in Kosovo has started in the beginning of 21st century with support and intervention of international organizations led by their priorities and interests. In the beginning, when UNMIK came in 1999 the main focus of the scheme was emergency relief; two years after the focus shifted to a social safety net where UNMIK was tasked with development of new social assistance scheme. In 2001 the MLSW and DSW established the social assistance scheme. Law on Social Assistance Scheme in Kosovo was enacted in 2003 which regulates the monthly amount of benefits for families who fulfill the eligibility criteria's. In January 2009 decentralization of current scheme occurred and the responsibility was passed to Centers for Social Work (CSW). The Social Assistance Scheme in Kosovo is composed of three parts: last-resort income support (LRIS) scheme, war veteran benefits, and disability pensions. The LRIS component aims poverty alleviation.

In this Honors project, I analyze the effectiveness of Social Assistance Scheme in alleviating poverty in Kosovo. A major part of my analysis consists of a critical review of provisions of The Law on Social Assistance. The analysis shows that the current provisions of the Law are well targeted; however, there are issues with the coverage and with the amount of social assistance, which is considered insufficient to help the beneficiaries escape from poverty. Information obtained from interviews suggests that there are issues with the design of the scheme that create space for exclusion and at the same time end up benefiting some non-poor households which

accounts for inclusion error. In the end, recommendations are provided on how to address the shortcomings of the schemes.

Acronyms

MLSW Ministry of Labor and Social Welfare

WB World Bank

UNESCO United Nations Educational, Scientific and Cultural Organization

UNICEF United Nations International Children's Emergency Fund

UNDP United Nations Development Programme

GAP Institute Institute for Advanced Studies

CSW Center for Social Work

DSA Division of Social Assistance

CBK Central Bank of Kosovo

CPI Consumer Price Index

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I. Introduction

This Honors Project analyzes on the Social Assistance Scheme in Kosovo and its effectiveness in terms of: poverty reduction, targeting and coverage of the poor, and implications for the labor market in Kosovo.

Poverty is one of the main issues that world's population faces and that has been standing in top of all development problems (Sherab 1). Households living in poverty tend to be in bad health, undernourished, unable to attend school, and excluded from social life (Todaro& Stephen 202). This therefore contributes to a lower human capital, and in turn increases the chance of households to be sucked in poverty for a long period. Poverty produces economic inefficiencies due to inability of the poor to take a loan for education or to open a business. Moreover, a less healthy and inadequately nourished population is more likely to be less productive and this hampers the economic growth as well. Therefore, designing policies that work on alleviating poverty provides incentives for the poor to participate in development process of the country as a whole (Todaro& Stephen 234). For Kosovo, poverty is one of the main challenges (5). Based on 2011 data from Kosovo Agency of Statistics (KAS), the poverty line in Kosovo is 1.72€ per day, where 29.7 percent of population is considered to be poor ("Country Snapshot" 6). Kosovo is considered to be the second poorest in Europe with a per capita income of \$7400 (21).

Social protection system includes both contributory and noncontributory benefits. Contributory benefits include pensions and unemployment insurance which are limited to contributors of the scheme and noncontributory benefits include social assistance program which are targeted to the poor. However, the social protection system may have different components differing from country to country. In most European countries, social assistance plays a significant role. The design and implementation of such program is related to the conditions set by the country and its institutions (Neubourg, Castonguay & Roelen 5). Even though not the only one, social assistance scheme in Kosovo is the main instrument for poverty alleviation (Sherab 3). Therefore, social

assistance scheme plays a significant role in providing low income families with a minimum standard of living (Publication on Social Welfare Statistics 2015 13).

It is a program guaranteeing minimum income and financed from the state's budget which was implemented in 2000. In 2015, approximately 26,000 families and 107,000 households benefited from the program. The average size of a family was around 5 households and average benefit was 81.2€ on a monthly basis. An effectively designed social assistance will lift many poor people from poverty. The social assistance benefits in Kosovo are regulated by the Law No. 2003/15 on Social Assistance Scheme in Kosovo, Law on Amending and Supplementing the Law on Social Assistance scheme in Kosovo under the constitution of Republic of Kosovo and administrative instructions. Based on the abovementioned Laws, households who are classified as either dependent or not able to work are eligible for social assistance. Nonetheless, the law has been criticized for the criteria it has set to define eligibility for social assistance, the effects on targeting poverty and implications for the market. The criteria listed to prove eligibility for social assistance come to be very restrictive resulting in exclusion of many poor households who are in need of social assistance. Representatives from the studies performed on the value of social assistance claim that many of criteria are even hard to be measured. On the study conducted by UNDP, recipients and non-recipients of social assistance have also shown their concerns about the benefits being insufficient to cover their needs for the entire month. Therefore, considering the high rate of poverty in Kosovo and the fact that social assistance is the main source of income for many families that live in poverty, the design of a well targeted scheme, that reduces exclusion errors but at the same time avoids dependency needs careful attention and solution.

This Honors Project provides an in depth qualitative analysis of the Social Assistance Scheme in Kosovo. Firstly, is given a description how the social assistance scheme history begins and why countries started to design such schemes. Then, based on literature review it highlights the studies that have been done on effects of social assistance scheme on targeting poverty in Kosovo, and how successful have these schemes been to reach their goal. The effect of social assistance benefits in Kosovo will be compared with other regional countries and successful

examples of developing countries. Further, the project analyzes the current social assistance Scheme in Kosovo, and other provisions that aim poverty alleviation of the poor. Issues such as how the system functions, what are the eligibility criteria and how it works are addressed. Finally, by analyzing the Law and Administrative instructions that support provisions of the Law, recommendations are given on how could the current provisions be improved to ensure a better targeting of the poor in order to help them have a minimum standard of living.

The research methodology consists of the literature review, semi-structured interviews with relevant stakeholders and in-depth analysis of current Law on Social assistance scheme in Kosovo and other provisions in addition to the Law.

II. Background information of the problem

i. Literature review

Historically poverty has indicated lack of income. The so called, income poverty, was defined as a state when family's income falls below a minimum level which differed among countries. This income level was measured based on number of family members. The World Bank defines poverty in absolute terms. Based on World Banks definition, extreme poverty is living on less than US \$1.25 per day (PPP), and moderate poverty as less than \$2 a day (World Bank). On national level, governments set the poverty line based on household's income (Ehrenpreis 4).

However, poverty cannot be determined only based on a low level of income. Based on a UNDP study, people are considered to be poor, when they are deprived of income and other conditions that constrain their active participation in the society. Therefore, the definition of poverty has been reshaped as a human condition that involves many dimensions (Ehrenpreis 4).

According to a well-known economist, Amartya Sen, "poverty is the deprivation of opportunity". Development and well-being of people, "means eliminating all the factors that hinder the process such as poverty, lack of economic opportunities, social or political discriminations, lack of

freedom to raise opinion, unresponsive or oppressive regime.”("Looking at Poverty, Beyond Lack of Income.")

According to Hyman, poverty brings crime and social unrest (Hyman 260). Even though many see charity as their moral responsibility, relying on this type of help to provide income support to the poor is unstable. Whereas social transfers have been a vital tool for industrialized countries, they are an essential instrument for poverty reduction on low and middle income countries (Michael, Niekerk, and Quene 16).

Social assistance benefits require redistribution of the income from the non-poor to the poor (Hyman 261). This income redistribution to the poor can be seen as a public good because people believe that the society benefits when poverty is reduced. In addition, income redistribution provides benefits in term of social stability because a society where incidence of poverty is high is most probably going to experience social unrests and violence (Hyman 265). However, Hyman states that there is need for government to set some standards for eligibility for the benefits because relying on voluntary donations would result in providing benefits lower compare to efficient amount because of free rider problem ¹ (Hyman 266).

The Economic Policy Research Institute’s report on the impact of social transfer on developing countries concludes that social transfers are needed not only to reduce the income poverty but also for providing broader development. In developing countries households use social transfer mainly for better nutrition. In other countries, social transfers are provided to encourage empowering of women. Social transfer ensures a better standard of living which contributes to better education and health especially for children and women. (Michael, Niekerk, and Quene 16).

A study about the effect of social protection programs on reducing poverty in European countries has been done by Neubourg, Castonguay and Roelen. Based on their study the performance of social assistance in Europe can be measured by looking at efficiency in terms of targeting, coverage, and reducing inequality and dependency (Neubourg, Castonguay & Roelen 21). In

¹ type of market failure when people benefit from something e.g. Resource or collective good without paying for it.

continental Europe, social protection systems are very effective to reduce duration and also incidence of poverty. Studies have shown that social transfers have contributed to reduce the level of absolute and relative poverty for countries such as Belgium, Denmark, Germany, Greece, Spain, France, Austria and the Netherlands mainly because of the generous benefits in these countries (Neubourg, Castonguay & Roelen 11). The public spending in social protection programs in Europe is higher than in United States. Sweden spends up to 50% of GDP for social protection programs and other countries from Western Europe spend up to 30-45% of their GDP on social protection (Neubourg, Castonguay & Roelen 6). When compared to other social protection programs, social assistance seems to account for the least effect on poverty reduction in European countries (Neubourg, Castonguay & Roelen 27).

Neubourg, Castonguay and Roelen have looked at ways countries have tried to reduce costs of social assistance benefits and avoid dependency of beneficiaries by providing instruments to include them in labor market (Neubourg, Castonguay & Roelen 35). An effective social assistance program helps in lifting many people from poverty, and reduces the income gap between people in poverty line and those below poverty line (Neubourg, Castonguay & Roelen 29).

It is very curious, however, the fact that the issue of social assistance in Kosovo has been mostly analyzed by international organizations such as World Bank and UNDP and has not gained interest by local research.

ii. Impact of social assistance

According to Neubourg, Castonguay and Roelen social assistance and other social protection systems are created to lift households from poverty by providing benefits in cash or in kind which will make them no longer in need for these benefits. However, if the beneficiaries continue to be part of the system for a long time than the issue is dependency on benefits (Neubourg, Castonguay & Roelen 30). Studies on European countries show that a given degree of dependency is normal, but the effectiveness of social assistance should be judged in comparison to the degree that the dependency is avoided.

Studies on different countries have shown that the duration on social assistance scheme in many cases seems to be high. Therefore, this shows the effect that social assistance has on creating incentives for people to enter labor market and permanently leave the system of being dependent on benefits (Neubourg, Castonguay & Roelen 31). In addition, beneficiaries of government assistance might provide disincentives to work if receiving an income would mean a reduction of in-kind benefits or cash assistance (Hyman 272).

Economists have looked at this issue in terms of an income effect unfavorable to work. An increase in income increases the consumption of leisure considering leisure as a normal good. Being eligible for a subsidy can even create incentives for the individuals to drop out from the labor force (Hyman 290). As Hyman states, work disincentives result depending on how the benefits get reduced as the income the individual earns in market increase. This in addition to income effect creates a substitution effect that reduces the hours worked because working increase the income earned from market but decreases transfer payments (Hyman 290).

However, the effect of social assistance benefits on work incentives is ambitious. Based on qualitative studies of Roelen and Gassman in Kosovo, it has been indicated that the opportunities to work for beneficiaries of social assistance are low and the level of social assistance is low to be dependent on (Roelen& Gassman 247). Whereas, some workers of CSW state that social assistance make the beneficiaries "parasites" and they do not have the willingness to work (Roelen& Gassman 247).

Based on Todaro and Smith one possible policy designed to reduce poverty are direct provision of public consumption of goods and services to the poor. More specifically, it refers to direct transfers and subsidies such as public health, school lunches provision of food and water in remote areas, government policies to keep prices of some foods low etc. Direct transfers and subsidies seem to work well but they need to be designed carefully to target the poorest and not to make them dependent on the benefits (Todaro& Smith 246).

One major impact of transfer programs is the distortion on the behavior of the beneficiaries in aspect of loss of efficiency. These programs result in consumption of goods and services beyond the point where marginal of benefit of the individual beneficiary equals marginal social cost.

Furthermore, some poor might result in changing their behavior to fulfill eligibility requirements to benefit from the programs (Hyman 272).

iii. Targeting and coverage in Kosovo

Targeting and coverage measure the effectiveness of social assistance in reaching the poor families, by looking at the percentage of the non-poor households that receive benefits, and the poor households that do not benefit from the scheme respectively. Based on Gassman and Roelen for most social assistance and social safety net schemes reduction of poverty remains the main objective (Gassman& Roelen 238). When states have a limited budget, means targeted benefits are the best option for societies to reduce poverty (Gassman& Roelen 239). The targeting of the poor depends on other issues such as administrative burden, targeting errors, and labor market incentives and other consequences such as political support and corruption. In addition, poor administration and lack of information, results in coverage of a few poor and exclusion of most vulnerable. Ravallion argues that, social assistance should be evaluated in two aspects: efficiency on its targeting performance, and effectiveness which measures its impact on poverty. Efficiency is assessed in terms of inclusion error, which measures the percentage of the non-poor receiving social assistance, and exclusion error mainly the exclusion of poor people which is measured in terms of coverage rates or the percentage of the poor population receiving such assistance (Gassman& Roelen 243).

Different qualitative assessments have concluded that current mechanism in Kosovo has space for exclusion. However, in term of effectiveness, it seems to be effective in reducing poverty and reaching the poor's despite its low coverage (Gassman& Roelen 245). Studies have shown that social assistance represent a high percentage of total expenditures of households which points out the importance of this source of income for these families.

World Bank has reported that social assistance programs have had low effect on poverty alleviation, despite the targeting because of the low coverage and also because of the modest amount that these families receive. The benefits received are not sufficient to bring them out of

poverty ("Republic of Kosovo Study For Poverty Profile In European Region" 36). Based on Roelen and Gassman qualitative assessments have concluded that social assistance is not enough to fulfill the basic needs of a family. The low amount of social assistance does not let them to cover expenses during the full month and sometimes they need to buy on credit (Roelen & Gassman 246). Furthermore, World Bank has calculated that incidence of poverty would be only two percentage points higher in the absence of social assistance ("Republic Of Kosovo Study For Poverty Profile In European Region" 36).

Last resource income support (LRIS) is more accurate in targeting than other social protection tools. Based on World Banks report 73% of the benefits go to the poorest quantile, and 80% go to 40% of the poorest population ("Public expenditure in Kosovo" 35). UNICEF has compared Kosovo's social assistance to other world programs. Based on their study the performance of Kosovo's social assistance scheme with respect to targeting is standing good compared to benefits in other countries. For example, US Food Stamp program and Lithuanian targeted benefits are in the top with 80% of benefits going to poorest quantile. Kosovo ranks quite well with 73% of benefits going to poorest quantile (Gassman& Roelen 39). Based on their study largest inclusion errors are found in programs in Russia, Mexico, Argentina and Uzbekistan and some other countries in which only 35% of benefits go to the poorest (Gassman& Roelen 39). Among 3% of social assistance benefits are considered leakage benefits, because they go to the rich. Leakage of benefits that are given to non-poor households, account for inclusion error. From the overall population, 7.7% non-poor and 6% of non-poor children receive social benefits as main source of income. Whereas, if we consider social assistance as a component of overall income, the inclusion error increases to 17% for children, and 20% for overall population (Roelen& Gassman 37).

Based on World Banka study, when comparing its generosity with other ECA counties Kosovo seems to stand quite well and among the highest since the benefits cover 43.4% of the pre-transfer consumption of poorest 20% of the population. However, the LRSI program is not standing well with coverage. It covers, 39% of those in poorest quantile, which means that more than 60% of the poorest are not receiving benefits from the main poverty alleviation instrument

used (“Public expenditure in Kosovo” 35). However, improvements have been made since in 2005 when only 32.6% of poorest were covered by social assistance benefits (“Republic Of Kosovo Study For Poverty Profile In European Region” 36). The well targeting accuracy is hidden by the weak coverage. The coverage has shown to be low for the poorest quantile in all Western Balkan Countries (Laderchi, Ruggeri and Savastano 228). (Figure 1)

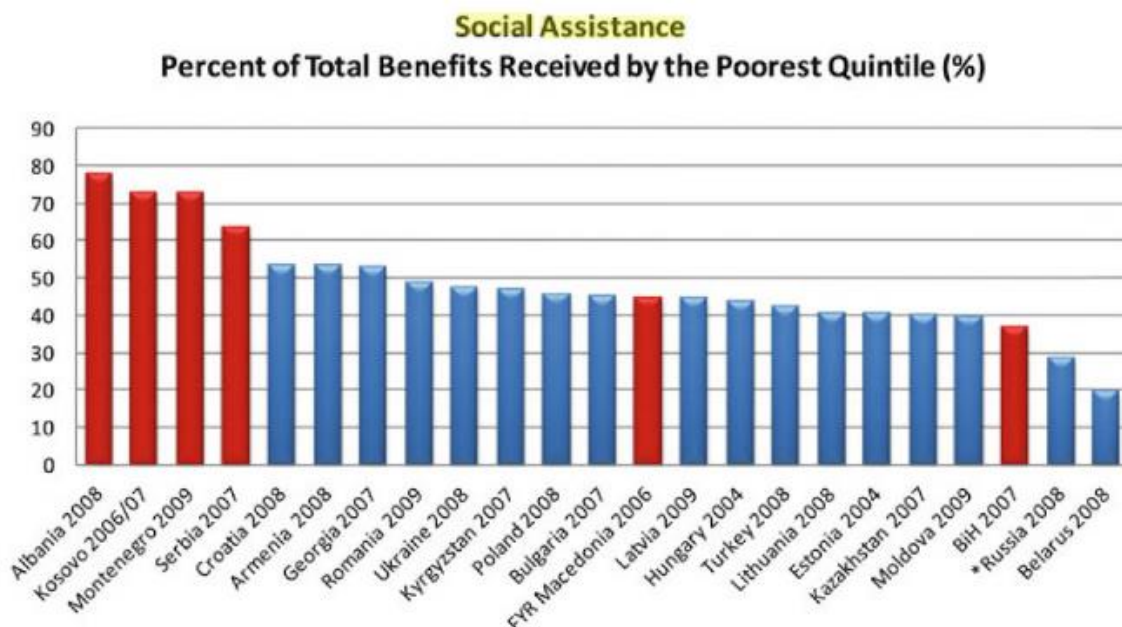


Figure.1.:Percent of Total Benefits Received by the Poorest Quintile (%)

Source: Poverty and Exclusion in the Western Balkans

Less than one third of the population living below the national poverty line which is 1.72 € per day receives the monthly benefit, which is lower than the average in the region. In addition, the average per capita benefits on the bottom quantile was approximately €0.55 per day (Feher, Jirasavetakul, and Jousten 26).

When measuring its efficiency, we account for exclusion error. LRIS excludes some vulnerable groups who find themselves eligible but not receiving social assistance benefits. These include: poor families with children above age of 5; families which have a parcel of land more than 0.5ha

even though they may not be using it; people who are unable to provide all sort of documentation required to prove their eligibility and which are needed for recertification every 6 months. The criteria requiring reapplication every 6 months is a shorter period than for other ECA countries where recipients need to be recertified annually, and is leaving many families without receiving benefits ("Republic Of Kosovo Study For Poverty Profile In European Region" 36). On Gassman and Roelen study recipients and non-recipients of social assistance have reported that strict eligibility criteria causes many households who in fact need social assistance to be excluded (Gassman& Roelen 245).

Nevertheless, based on some scholars, relying on targeting performance for the effect of programs on poverty may not be reliable. Van de Walle (1998) and Ravallion (2003) argue that "although the improvement of targeting performance has its merits, it should be considered an instrument towards poverty reduction rather than an aim in itself." (Gassman& Roelen 247)

III. Methodology

The main objective of this Honors project was to analyze the effectiveness of Social Assistance Scheme in Kosovo, identify the problems with current scheme, and suggest certain recommendations to what actions should be taken for the better functioning of the scheme.

In order to achieve the main objective of the research, this study was based on qualitative research approach. Data has been collected from secondary sources where, the main source of Information has been the analysis of Laws in question. In addition, references are made regarding the scholarly articles and reports from different international organizations who previously have analyzed this issue.

Aiming to get personal view from people who deal closely with this issue 3 interviews have been conducted as part of this research. The interviews were semi-structured interviews and were conducted with representatives from government institutions and organizations that have analyzed the impact of law on Social Assistance. The following sub-sections will show the details of the research methods used for this project.

I. Semi-Structured Interviews

With the aim of understanding the impact of the law on poverty reduction, targeting the poor and its implications for the labor market and economy as a whole, qualitative data collection has been conducted with representatives from public institutions and non-governmental organizations. In order to maintain the confidentiality of the information, the names of the persons interviewed will not be provided. However, in order to understand the relevance of the persons interview for the subject the names of the institutions they come from will be given. Three semi-structured interviews have been conducted with three representatives. The questions from the interviews are provided in Annex II. The data from the interviews and additional information gathered have been used for the research.

The interviews have been conducted with these representatives:

Interviewee A:

This interview was hold with the Representative from Division for Social Assistance in Kosovo. The interview has been conducted in offices of the Division for Social Assistance in Prishtina on November 2016. Prior to the interview, consent information has been provided to the representative. The responses have been written during the interview on behalf of their permission, and detailed information about the statistics of beneficiaries and spending has been provided in hard copy from the representative.

Interviewee B:

This interview was conducted with a Former Representative from UNDP Project about “Real value of social assistance in Kosovo” that was published in 2014 in cooperation with MLSW. The interview has been recorded to be used for the project upon authorization of the participant. The consent form has been signed previously on confidentiality of the information to be used for the purpose of the research. The main objective of this interview was to understand what they have concluded from their study on the effect of social assistance, the problems and obstacles they had overcome during the study. The interview took place during October 2016.

Interviewee C:

The third interview was conducted with the Representative from MLSW. The interview has been conducted via e-mail. The main objective of this interview was to understand the view of the Ministry on the performance of current scheme and changes they are taking in account to implement in the future. The response on the questions was received on January 2017.

II. Secondary sources

The analysis of secondary data was one major source of information for this research. As mentioned above, secondary data has been collected from Ministry of Labor and Social Welfare, namely, the Division for Social Assistance. The main focus has been on social assistance scheme in Kosovo, since its implementation in 2010. The reports provided from the abovementioned institutions have been used to analyses the changes in benefits from year to year. The Law on Social Assistance Scheme in Kosovo, and additional Laws designed to provide support for families are analyzed. In addition, reports from World Bank, UNDP, Kosovo Statistical Agency on expenditures on social assistance were employed for the completion of the research.

III. Limitations

Limitations faced during the research constrained the ability to get a correct view on the situation being studied. Limitations for the methodology have been the inability to conduct surveys with focus groups. However, based on previous reports, published information has been taken on the opinions of beneficiaries and non-beneficiaries for current scheme design. The lack of statistical evidence was one of the limitations on collecting the data necessary to analyze the issue. Another limitation, was the lack of updated data on poverty statistics which would enable a better analysis of the performance of social assistance scheme from year to year. The interviews are not enough to analyze the effectiveness of social assistance scheme in poverty. In addition, one of the interviews was conducted via e-mail which posed limitations to obtain all the information that would otherwise be learned if the interview was conducted face to face.

IV. Poverty and Social Assistance in Kosovo

Based on World Bank data, the food poverty line in Kosovo is calculated as the cost necessary to undertake minimum daily calories of 2,100 kcal per person. Whereas the absolute poverty line is estimated based on the cost needed to satisfy basic needs for food, education, housing and others ("Republic Of Kosovo Study For Poverty Profile In European Region" 21).

Kosovo is considered to be the second poorest country in Europe with a per capita income of \$7400, after Moldova with per capita income of \$3500 (21). According to World Bank, the poverty line after being adjusted for inflation is 1.72€, and extreme poverty line is 1.20€ per adult per day (2011). Based on Household Budget Survey (HBS), which is used to measure the value of the expenditures on food consumed by the households, about 29.7% of population are below poverty line, and 10.2% live in extreme poverty ("Consumption poverty in the Republic of Kosovo in 2011" 4). Kosovo has an HDI of 0.739 which is the lowest in the region ("About Kosovo"). Given the level of household consumption, is shown that poverty depends on size, composition of the family and the region. Full poverty and Extreme poverty in 2011 were higher in rural areas than in urban areas as can be shown by Figure 2 below ("Consumption poverty in the Republic of Kosovo in 2011" 3).

Figure 1: Poverty and extreme poverty headcount by location (%) 2009-2011
 Source: HBS 2009-2011

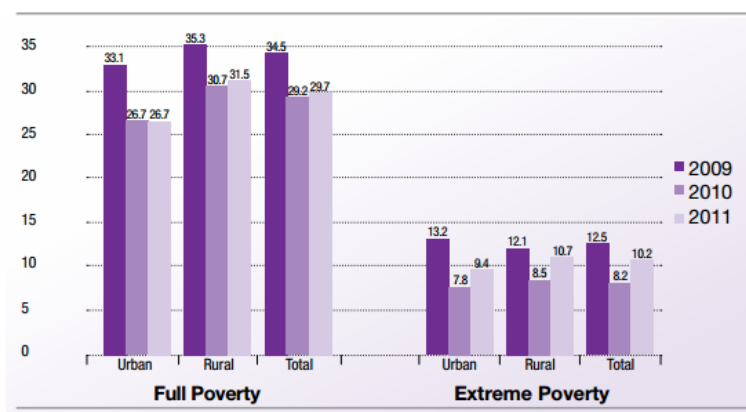


Figure. 2.: Poverty and extreme poverty headcount by location

Source: KAS- Kosovo Agency of Statistics

Poverty incidence is higher in larger families such as those with 8 members whereas the lowest is for families of 3 members. Based on Kosovo Agency of Statistics (KAS), 1/3 of average size families are considered to be poor (Figure 2) (“Consumption poverty in the Republic of Kosovo in 2011” 5).

Figure 3: Poverty incidence by household size (%) 2011
 Source: HBS 2011

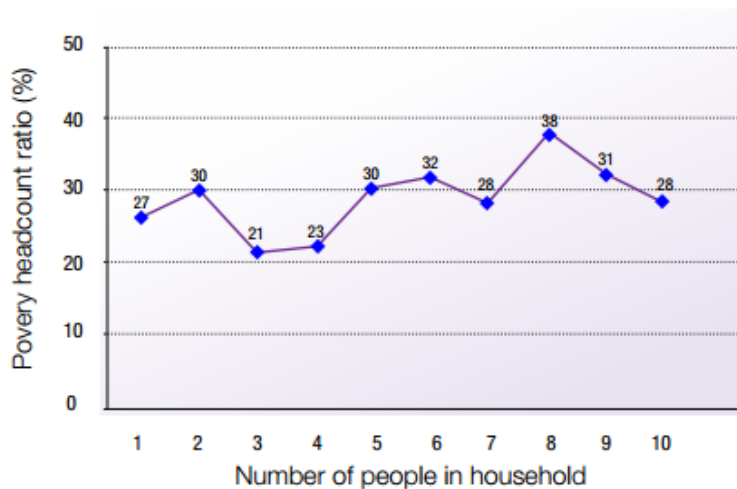


Figure.3.: Poverty incidence by household size (%)

Source: KAS- Kosovo Agency of Statistics

Furthermore, poverty incidence is higher for single female headed household, for retirees, unemployed, disabled people, and less educated individuals (“Consumption poverty in the Republic of Kosovo in 2011” 6). About two third of the poor households have less than secondary education (“Consumption poverty in the Republic of Kosovo in 2011” 8). (Figure 3)

Figure 7: Poverty headcount rate and distribution of the poor by highest level of education completed (aged 15 and above) (%) 2011
Source: HBS 2011

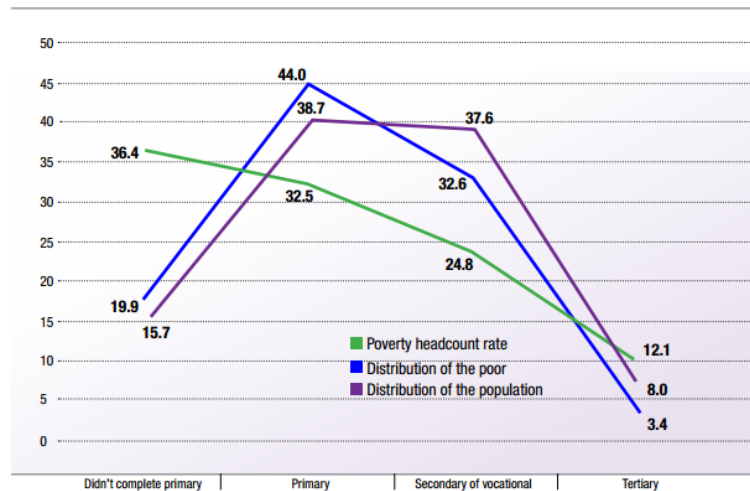


Figure.4.: Poverty headcount and distribution of the poor by level of education (age 15 and above)

Source: KAS- Kosovo Agency of Statistics

Unemployment is linked to poverty, and statistics show that unemployed families have the highest extreme poverty indices. Many family members in unsteady jobs are below poverty line, and about 35% are neither employed not in education or training ("Country Snapshot." 7). The unemployment remains very high (27.5%) and employment rate is 29.2%, which is the weakest in the Europe based on the latest labor force survey. Youth unemployment (ages 15-24 years old) is 52.7%, which does not contribute to poverty alleviation at all. In addition, the labor force participation rate among the working age population of 40.2% is below the average of 70% set by World Bank (ASK Data 11, "Country Snapshot." 7). According to data of World Bank 30% of the poor are unemployed.

Child poverty which is 32.8%, is higher than the poverty rate for overall population, and families with children are more likely to be poor ("Consumption poverty in the Republic of Kosovo in 2011" 11).

i. Social assistance scheme in Kosovo

Social assistance scheme is one of the main instruments used to provide resources for families in need in order to ensure a minimum standard of living (Sherab 3).

The development of social protection schemes in Kosovo has started in the beginning of 21st century with support and intervention of international organizations lead by their priorities and interests. While in the beginning, the main focus was emergency relief, 2 years after UNMIK came, in 1999 it shifted to a social safety net where UNMIK was tasked with development of new social assistance scheme. In 2001, the MLSW and DSW established the social assistance scheme but the responsibility passed to CSW due to decentralization that took place in January 2009 (Roelen& Gassman 239).

Social assistance Scheme in Kosovo is composed of three parts: last-resort income support (LRIS) scheme, war veteran benefits, and disability pensions. The largest share of the social assistance scheme is comprised of Last-resort income support (LRIS), which targets explicitly the poor. LRIS is cash transfer provided to family's when "one or more of family members are classified as either dependent or not able to work" ("Kosovo Public Expenditure Review" 34). This includes the elderly over age of 65, disabled adults, single parent of children younger than 15, and families where all members are unemployed. Last-resort income support is the only program that aims poverty alleviation (Elezaj 6). Being financed by the state the benefits are provided in cash transfers, and the eligibility criteria is set by the Law on Social Assistance Scheme in Kosovo. Since now the administration is on municipal level they need to make sure that they will improve its implementation and better provide data exchange between municipal and central level. ("Kosovo Public Expenditure Review" 36). Centre for Social Work officials make sure to adress the worst cases of poverty and assist to the needs of citizens in preparing the necessary documentation to prove their eligibility. They also work on taking off from the list persons who no longer need the monthly social assistance ("Republic Of Kosovo Study For Poverty Profile In European Region" 33).

War veteran benefits, which accounts for one third of total social assistance spending, are the benefits provided to the war veterans and families of those who lose their members in war and,

civil victims. The third category, comprising of the smallest share of total spending, is disability pension, which is provided in cash for Kosovo citizens who are unable to work due to disabilities they have (“Kosovo Public Expenditure Review” 33).

ii. Performance of social Assistance Scheme in 2015

Based on criteria’s set on the Law and provision on sub-legal acts, the social assistance has been received by 25,788 families and 106,530 members in 2015. Based on data of Kosovo’s Statistical Agency (KSA) from last registration of population there are 1,820,631 residents in 297,090 families. When we compare these numbers, we get that 8,68% families receive social assistance and 5.85% members or citizens (MLSW 13). In addition, 19.43% of families under social assistance scheme live with less than 1.73 per day, and 80.84% live on less than 1.20 per day (MLSW 24).

Month	Nr. Of families in SAS	Mmber in SAS	Amount
January	27.280	114.020	2,071,878.00 €
February	26.390	110.479	2,009,824.00 €
March	26.510	110.916	2,092,089.00 €
April	25.709	108.053	1,962,310.00 €
May	27.063	113.264	2,090,930.00 €
June	26.947	112.563	2,040,185.00 €
July	27.057	112.720	2,037,435.00 €
August	27.338	114.197	2,086,550.00 €
September	27.606	115.231	2,090,680.00 €
October	26.736	111.126	2,038,055.00 €

November	25.788	106.530	2,366,941.40 €
December	25.943	107.452	2,398,526.25 €
Total:			25,285,403.65 €

Table.1. Number of families- members on Social Assistance Scheme – January- December2015

Source: DSA- Division of Social Assistance

As can be seen from the table above, number of families receiving social assistance has declined to 25,943 in 2015 from 27,280 in 2014, which is a drop of 5%. In addition, the number of individuals has declined to from 114,020 to 107,452 in 2015 (Publication on Social Welfare Statistics 2015 12). Since 2001, the number of beneficiaries has declined by double, from 54,769 to 25,551 beneficiaries, whereas the amount spent has declined until 2015 and then it experienced a steady increase in 2015. This sharp decline in number of beneficiaries especially through 2010 and 2015 has been mostly due to better inspection and monitoring and also requirements for cross reference information (241). This led to a decline in total social assistance spending and a decline in social assistance as a share of social protection. (Feher, Jirasavetakul, and Jousten 25). Despite the decline in number of beneficiaries the financial means have shown an increase of 16% or in amount 326,648.25€. This has been mainly because of the increase in social assistance monthly benefits by 25% in the end of November 2015 (MLSW- Report).

From 25,788 families under social assistance scheme, 16,430 or 64% are in the first category and 9,358 or 36% on the second as shown in the Figure below (Figure 2).

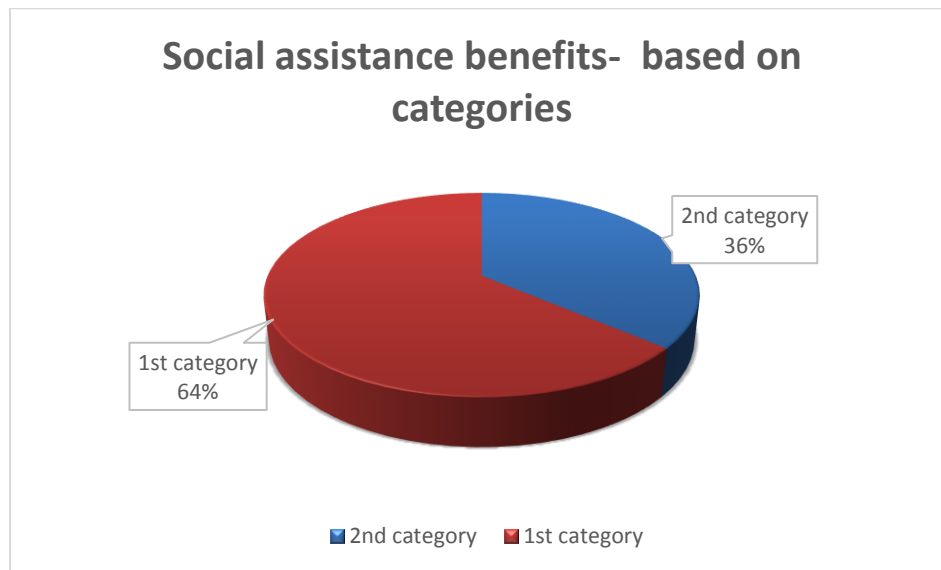


Figure. 5.: Number of families based on categories, December 2015
Source: DSA- Division of Social Assistance

All households that live in poverty and fulfill the criteria under the Law without difference in age, gender or nationality have the right to social assistance. Based on November 2015 data, 83,78% of beneficiaries of social assistance are Albanians, 5,36% Serbs, 8.8% from RAE community. Given that 91% of population are Albanian's, this means that 54% of Albanians are under social assistance scheme and 24% of RAE community while the others have a lower percentage. It is interesting however to see, that social assistance scheme has not been discriminatory against minorities. Table 2 shows that both Serb and non-Serb minorities receive social assistance in higher percentage than their share in population. While they account for only 4% of population, 9% of benefits are distributed to them. However, this suggest that that minorities are also more prone to poverty. In addition, we can notice that the number of family members in one family is quite high if we divide the number of family members with number of families for each nationality, especially for RAE community. Albanians also tend to have families with more members. This may be due to the criteria set to be eligible for social assistance to have a child under age of 5 (Table 1).

Nationality	Number of families	%	Number of family members	%
Albanians	20.783	80.6	89.226	83.78
Serbians	2.315	8.98	5.705	5.36
Rome	718	2.78	3.133	2.94
Ashkali	1.018	3.95	4.962	4.66
Egyptians	255	0.99	1.273	1.2
Bosnian	343	1.33	1.144	1.07
Turkish	96	0.37	269	0.25
Montenegrin	4	0.02	11	0.01
Kroatian	13	0.05	34	0.03
Others	84	0.33	301	0.28
Total	25.786	100	106.503	100

*Table.2. National structure of families on SAS, November2015
Source: DSA- Division of Social Assistance*

If we look the composition for social assistance scheme from age perspective, in December 2015, from 107,487 households in social assistance scheme 45,77 % (49,198) belong to the age group 0-18 and the other percentage of 54,32% or 58,289 households are over age 18 (Table 2). The high percentage of children in social assistance scheme is a concerning issue for our population (21). Child poverty is widespread and they are more prone to being poor than other age groups of population, which puts them in a disadvantaged position. Since 2012, families have started to receive an additional 5€ for every child to help maintain their health and nutrition. Based on 2015 data, the amount spent for this additional benefit has been 3,246,240€ (22). However, there is not any special program that targets exclusively children (241). Based on

Data's from CSW, 1/3 of population in absolute poverty consists of children. There is a high percentage of children that work and ask for money as well (35%).

N.r	Age	Females	%	Males	%	Total	%
1	01-18	24.854	23.12	24.344	22.64	49.198	45.77
2	19-25	6.789	6.31	6.797	6.32	13.586	12.63
3	26-35	7.506	6.98	5.935	5.52	13.441	12.50
4	36-45	8.963	8.33	7.788	7.24	16.751	15.58
5	46-50	2.715	2.52	2.839	2.64	5.554	5.16
6	51-55	1.766	1.64	2.020	1.87	3.786	3.52
7	56-60	1.216	1.13	1.202	1.11	2.418	2.24
8	65	851	0.79	816	0.75	1.667	1.55
9	66-70	231	0.21	236	0.21	467	0.43
10	71-75	166	0.15	120	0.11	286	0.26
11	76-80	119	0.11	62	0.05	181	0.16
12	81-84	72	0.06	22	0.02	94	0.08
13	85-90	39	0.03	8	0.007	47	0.04
14	90-	8	0.007	3	0.002	11	0.01
	Total	55.295	100%	52.192	100%	107.487	100%

*Table.3. Number of family members on SAS, based on age
Source: DSA- Division of Social Assistance*

Numbers on the composition of households under social assistance scheme based on gender, show a higher participation of women belonging to the age group 36-45 which can be related to the poverty among single female households (21). 5% of families are female headed households.

Sing female households receiving social assistance are 2,277 which is much higher than single male households. This is to be attributed to the fact the poverty among female households is higher than for male households (“Consumption poverty in the Republic of Kosovo in 2011” 6).

In addition, from the total number of families receiving social assistance, 23.02% are families with 4 members, 21.17% families with 5 members, and 16.18% with 3 members. From all the families on Social Assistance Scheme, the highest percentage comprise families with four and five members as shown in table 6 (24).

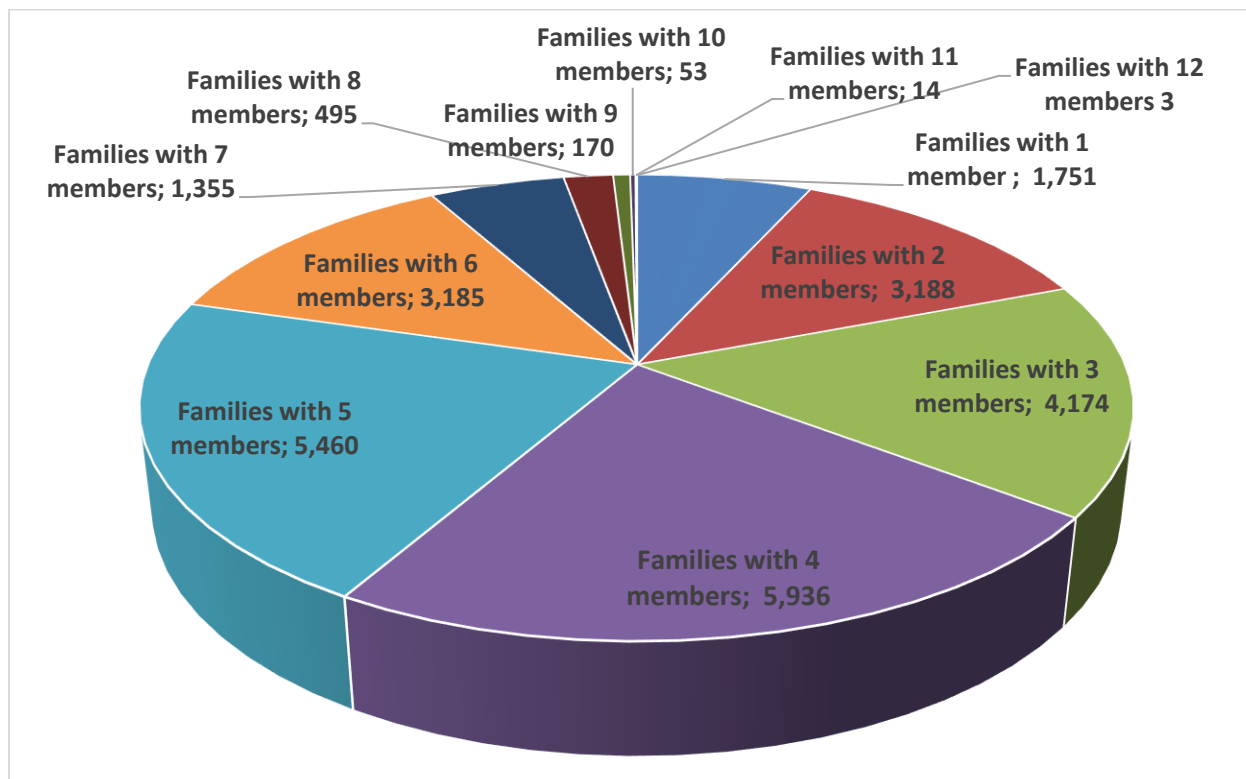


Figure.6.: Families on SAS, based on number of family member, November 2015
Source: DSA- Division of Social Assistance

Exceptional needs are special assistance payments provided to families in times when unexpected and not continuous situation arise (Law on Special Assistance). In 2015, from 368 requests for exceptional needs, 49 families received the benefit in amount 150 to 300 € and 243

families have received 100€. In total 38,600€ were spent for exceptional needs. Monthly benefits for exceptional needs are shown in table 4.

Nr.	Month	Number of requests	Approved		Rejected	Amount		TOTAL:
			100 €	150-300 €		100 €	150-300 €	
1	January	14	10	2	2	1,000.00 €	600.00 €	1,600.00 €
2	February	48	36	4	8	3,600.00 €	1,200.00 €	4,800.00 €
3	March	47	29	4	14	2,900.00 €	1,200.00 €	4,100.00 €
4	April	32	22	1	9	2,200.00 €	300.00 €	2,500.00 €
5	May	19	12	4	3	1,200.00 €	1,200.00 €	2,400.00 €
6	June	45	33	4	8	3,300.00 €	1,200.00 €	4,500.00 €
7	July	43	27	3	13	2,700.00 €	900.00 €	3,600.00 €
8	August	24	11	8	5	1,100.00 €	2,400.00 €	3,500.00 €
9	September	13	12	0	1	1,200.00 €	0.00 €	1,200.00 €
10	October	29	21	4	4	2,100.00 €	1,000.00 €	3,100.00 €
11	November	26	17	6	3	1,700.00 €	1,700.00 €	3,400.00 €
12	December	28	13	9	6	1,300.00 €	2,600.00 €	3,900.00 €
Total		368	243	49	76	24,300.00€	14,300.00 €	38,600.00 €

Table.4. Exceptional needs, January-December 2015

Source: DSA- Division of Social Assistance

In 2015, the budget allocated for social assistance beneficiaries has been 26,138,685.37€, from which 25,285,403.65€ has been spent until December. From January, even though the number of beneficiaries receiving social assistance has been decreasing, the spending has increased due to increase of the social assistance by 25%.

Further, beneficiaries of social assistance are deprived from area of water and sanitation more than other residents. The deprivation with respect to sanitation is 10% higher for social

assistance recipients, with respect to water is twice as high for social assistance beneficiaries compared to overall population (Gassman& Roelen 34).

iii. Provisions of Law

The social assistance scheme in Kosovo presented in 2000, is regulated by the Law No. 2003/15 on Social Assistance Scheme in Kosovo approved in 2003, Law No.04/L-096 on Amending and Supplementing Law on Social Assistance Scheme in Kosovo in 2012, and other administrative instructions. The budget for the scheme is allocated by the government.

Based on abovementioned Laws and other Administrative instructions that regulate social assistance scheme in Kosovo, eligible for social assistance scheme are citizens of Kosovo, foreign citizens with residence permit in Kosovo, and refugees or asylum seekers with possession of provisional protection who fulfill the criteria of one of the aforementioned categories (“Kosovo Public Expenditure Review” 34). First category comprises of households known as dependent or unable to work (retirees; children under age of 15; children under 18 attending education; adults unable to work permanently, persons who take care of a person with disability, elderly over age of 65 who need full time care, or a children under age of 5; and single parent who takes care of a child under age of 15 with no other person capable of working in family) (“Kosovo Public Expenditure Review” 34). Families/ households in this category should reapply for social assistance every 12 months (Publication on Social Welfare Statistics 2015 13). The second category includes family members who are able to work but are unemployed. During this period the Employment office shall provide the individual with trainings, employment programs as well as with public works and they make sure that the households are taking measures to find a job. The households need to obtain the certificate of unemployment from Employment office for the sole family member able to work but being unemployed(LASSA). In order to be eligible for social assistance under this category, families must have a child under age of 5, or an orphan under age of 15 taking care of (“Kosovo Public Expenditure Review” 34). Students who have reached age of 18 are considered to be able to work even if they continue with their studies (Law on Amending and Supplementing SA). Families/households in this

category should reapply for social assistance every 6 months (Publication on Social Welfare Statistics 2015 13).

Afterwards, the families belonging to one of the aforementioned categories should undergo income and assets test. The income test takes into account all the types of income except basic pensions and disability pension. However, it does not take into account income from informal activities and remittances. For the asset test, the beneficiaries are allowed to have non-reckonable assets such as: a place to live, land not more than 0.5 ha, motor vehicle used solely for family needs, and pensions savings.

Once these criteria are fulfilled, the applicant should also submit other documents that proves their status. The applicants are also visited from representatives from MLSW during the period. Finally, the eligible families receive the cash transfer, which is decided based on the formula about the monthly cash benefit, being the difference between the Monthly Gross Standard Rate fixed by the Ministry of Economy and Finance and MLSW, and the amount of actual income the family earns (“Kosovo Public Expenditure Review” 33). MGSR varies according to the size of the family, and excludes family members older than 65, members receiving disability pension and/or war veteran benefits. (Elezaj 7).

The monthly amount of social assistance varies depending on the family size, and larger families receive higher amount. The monthly amounts of social assistance since 2003 are shown in the table below:

Families based on number of family members	Increase in amount of social assistance				Average social assistance		
	Monthly amount of social assistance 2003	Monthly amount of social assistance for 5€ for every family 2009	Social assistance after amending and supplementing the Law (June 2012)	The increase of 25% since 01.11.2015	Families on SAS based on number of family members (November 2015)	Monthly amount of social assistance for family member	Daily amount of social assistance for family member

						(November 2015)	(November 2015)
Family of 1 member	35.00 €	40.00 €	40.00 €	50.00 €	1.751	50.00 €	1.64 €
Family of 2 members	50.00 €	55.00 €	55.00 €	68.75 €	3.188	34.37 €	1.13 €
Family of 3 members	55.00 €	60.00 €	60.00 €	75.00 €	4.174	25.00 €	0.82 €
Family of 4 members	60.00 €	65.00 €	65.00 €	81.25 €	5.936	20.31 €	0.67 €
Family of 5 members	65.00 €	70.00 €	70.00 €	87.50 €	5.460	17.50 €	0.57 €
Family of 6 members	70.00 €	75.00 €	75.00 €	93.75 €	3.185	15.62 €	0.51 €
Family of 7 members	75.00 €	80.00 €	80.00 €	100.00 €	1.355	14.28 €	0.47 €
Family of 8 members	75.00 €	80.00 €	85.00 €	106.25 €	495	13.28 €	0.44 €
Family of 9 members	75.00 €	80.00 €	90.00 €	112.50 €	170	12.50 €	0.41 €
Family of 10 members	75.00 €	80.00 €	95.00 €	118.75 €	53	11.87 €	0.39 €
Family of 11 members	75.00 €	80.00 €	100.00 €	125.00 €	14	11.36 €	0.37€
Family of 12 members	75.00 €	80.00 €	105.00 €	131.25 €	3	10.94 €	0.36 €
Family of 13 members	75.00 €	80.00 €	110.00 €	137.50 €	1	10.57 €	0.35 €
Family of 14 members	75.00 €	80.00 €	115.00 €	143.75 €	1	10.26 €	0.34 €
Family of 15 members	75.00 €	80.00 €	120.00 €	150.00 €	0	10.00 €	0.33 €
Average				98.31	25.786	17.85 €	0.58 €

Table.5. Amount and average of social assistance based on number of family members and increases through years (2003, 2009, 2012 and in November 2015 for 25 %)

Source: DSA- Division of Social Assistance

Based on the Law on Social Assistance scheme the monthly benefits should be adjusted for consumer price index and the price of food baskets. However, such adjustments have taken place only three times, in 2003 for change in Euro, in 2009, and 2015 (Feher, Jirasavetakul, and Jousten 28). In 2003, the legislation has limited the monthly benefits to 75€ for a family with more than 7 members. In 2009, the limit rose to 80€ for these families, and the benefits increased by 5€ for each member. The new legislation on 2012, removed the limit of 80€ for families with more than seven members, and the monthly social assistance benefit increased by 5€ for every additional member in family up to 15 members. It also introduced the child allowances of 5 euro for every child. In the table is shown that even after adjustments were made to remove the ceiling of 80€ for families with more than seven members, and after providing child allowances the amount of social assistance could not reach the amount of average wage or poverty line (Elezaj 8). In November 2015, the monthly benefits were increased by 25% (Publication on Social Welfare Statistics 2015 13).

Unsatisfied applicant can submit request for review no longer than 5 days after receiving the decision, and the Head of social assistance scheme reviews it within 10 days or transfers it to other higher body. Individuals unsatisfied with the decision of Authority may submit written complains to complain commission no later than 15 days from the date when the decision was received. The complaint commission must review and answer to the complaint no later than 21 days after receiving the complaint (6). If the individual is still unsatisfied with Complaint Commissions decision they may address their issue to the competent court within 30 days as stated in paragraph 11.3 on the Law on Social Assistance Scheme in Kosovo, and the Law on Amending and Supplementing Social Assistance Scheme in Kosovo.

Social assistance scheme is managed in 7 regional Centers for Social Work and 30 local Centers for Social Work of municiplatiy ("Kosovo Public Expenditure Review" 36). Since 2009 their administration is provided through municipaltiy. CSW is responsible for receiving applications and screening. After households deliver the application form, they are interviewed from CSW officials ("Republic Of Kosovo Study For Poverty Profile In European Region" 33). CSW keeps

the interviews and the list of potential beneficiaries is send to MLSW who decide about beneficiaries and the transfer (Feher, Jirasvetakul, and Jousten 25).

If the benefits are not taken from the bank within the period of 2 months they are withdrawn. In addition, if during the period families receive any form of income or transfers they should declare it. MLSW is allowed to provide "ad-hoc inspection" and check balances through tax administration (Feher, Jirasvetakul, and Jousten 25).

In addition to the Laws, Administrative instructions have been adopted. The law on social assistance scheme foresees the implementation of more specific administrative instructions via sublegal acts. The following acts that support social assistance scheme are:

Administrative instruction No.01/2010; Administrative instruction No.04/2013; Administrative instruction No.16/2013; Administrative instruction No.11/2013; Administrative instruction No.03/2013; Administrative instruction No.06/2013; Administrative instruction No.15/2012; Administrative instruction No.12/2007; Administrative instruction No.08/2010; Administrative instruction No.12/2013; Administrative instruction No.01/2009; Administrative instruction No.05/2009; Law No.04/L-083 on registering the unemployed and employed looking or jobs.

a. Special assistance payment

Special assistance payment are provided to families for exceptional needs that appear to be extraodrinoary and not continous. Based on Law on Social Assistance Scheme in Kosovo, nr.2003/15, Law Nr.04-L-096 on Amending and Supplementing Social Assistance Scheme in Kosovo, Article 4 on Administrative Instruction No.12/2013 households in case of exceptional needs are eligible for support from 150-300€ based on decision of commission as per abovementioned laws. These payments are provided in cases such as for: burrial of a family member, shelter or nutrion during time of disaster, damage of family economy and loss of the last money or other extraordinary needs. The amount for these special means is planned each year from the general budget. A budget starting from 100,000€ is planned each year for extraordinary needs.

b. Subsidizing electricity

In addition to cash benefits, assistance to families with low standard of living is provided through in kind benefits as well. For the eligible families/households under 1st and 2nd category MLSW subsidizes electricity. These and other reliefs provided to social assistance beneficiaries not supported by law are supported by Administrative instruction 15/2012, Article 5. Since 2005, Government of the Republic of Kosovo has allocated € 4.5 million in their budget for subsidizing electricity for households eligible for social assistance scheme, war veterans, war invalids and civil war victims. MLSW with Ministry of Economic Development, KEDS (Kosovo Energy Corporation), KESCO have signed a Memoranda of Understanding for subsidizing up to 400 KWh of electricity used per month for social assistance beneficiaries and households/families eligible under another social program. In 2014, approximately 22, 669 families received subsidies for electricity. The amount of electricity subsidized was 11€ for the month and a total of 130€ per year for a family (MLSW).

c. Public work programs

For eligible households/families under 2nd category (able to work but unemployed) public work programs are offered. This is realized through the cooperation of MLSW, respectively Department for labor and employment with CSW and Social Policy Division. As a result, in 2015, a number of households able to work, were engaged for public works such as cleaning of public spaces, rivers, parks, cleaning and regeneration of forests, construction of public objects such as schools and others. More specifically, in 2015, a total of 134 beneficiaries were engaged in public works, 131 of them males and three females. The greater number of beneficiaries has been in municipality of Prishtina followed by Fushe Kosove and Kastriot total beneficiaries engaged in public works in 26 municipalities (MLSW).

Other benefits to social assistance beneficiaries are: semester payments in Universities, Primary Medical services, release from taxes in some municipalities, release from payments of heat and water in Gjilan and Prishtina if the company decides to, and other voluntarily charities from local and international organizations. In addition, remittances have proven to be one potential source of income for some households in Kosovo. 14% of families receiving social assistance, benefit

from these remittances. Annual remittances are approximately €500-600 million or 13-15% of GDP.

d. Workfare

Since November 2016, MLSW has started the project of offering work subsidy for beneficiaries of social assistance in condition of working for a period of 12 months with the possibility of continuing. This is in form of wage subsidy, and they plan to start with up to 500 beneficiaries and provide a wage subsidy in the amount of 120-130€ to each employee employed by a private company in addition to its wage. From the moment they become part of labor force, they will not be eligible for social assistance anymore. All the beneficiaries would receive some training prior to work. This would help to reduce the percentage of inactive population and unemployment as well, but its effect on incentives to work for beneficiaries of social assistance is rather ambiguous ("Ministria Ofron Punë Për Të Dalë Nga Sociali.").

e. Material support for children with disabilities

Law No. 03/L-022 is adopted to provide material support for children with permanent disabilities who cannot perform daily necessities without another person's protection. This material support is provided to: immobile children, blind children and children with illnesses that do not allow them to move alone and perform their physiological needs. In order to ensure normal living conditions for children with permanent disabilities, these benefits are paid through their parent's bank account. After application is submitted with the required documents in CSW the case is reviewed by the committee and in the end a written report is signed from the committee president regarding the data on the case such as type of disability and severity, the need for permanent support, recommendations etc. The CSW reviews the cases, and issues a decision regarding the right to material support for families having a disabled child and satisfying the conditions.

f. Law on amending and supplementing the law on social and family services

Law on amending and supplementing the law on social and family services Law No. 02/L-17, consists of direct social care for persons in social needs such as for personal care, housework, mobility, and others. Material support is provided through money or means such as: shelter, food, clothing or sources of energy. The law defines families in need, where one or both of the

parents need assistance in providing care for the child, or when the parents may cause harm to the child because they are not able to provide adequate care. The providers of social and family services are in cooperation with Ministry for inspecting these services. Social care is provided in Municipalities for exceptional needs, and material assistance for children and their families. The child is provided with social care services if: he/she has no parental care, has a mental or physical disability or illness, has a family conflict, has problems with behavior, is delinquent, his/her parents cannot provide adequate caregiving for him due to disabilities or illnesses they have and has some other social problems. All children who have no support, are exposed to harm and/or abuse, and families who have problems with rising their children, are registered with CSW, and are visited by the CWS representatives to provide necessary services to families to make sure that children are being raised in a safe environment.

V. Analysis of results

i. Comparing social assistance scheme with the regional countries

When comparing Kosovo with other countries from the region (e.g. Albania, Serbia, Bosnia and Hercegovina, Macedonia, and Montenegro) can be seen that almost all of them have similar social assistance programs. They are means tested, provided in cash, with the monthly benefits varying according to the family size (“Kosovo Public Expenditure Review” 32). (see Appendix A). Comparing the situation with other Balkan countries, in 2008-2009, in BH due to the regressive cash transfers received by the veterans, there was a high amount of social assistance going to the non-poor. Based on IMF report, expenditures on war related benefits and other schemes, have a disproportionate share of social transfer (Feher, Jirasavetakul, and Jousten 6). The richest quantile received 17% of social assistance benefits, whereas only 20% of the safety nets went to the poorest. In Montenegro, the safety nets that goes to the poorest is quite low as well. Reports have shown that, coverage for the poorest quantiles are quite low in Western

Balkans and this is mostly due to the way these programs are designed that give space for exclusion (Laderchi, Ruggeri and Savastano 228).

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- ii. Albania
 - Main scheme *ndihme ekonomike NE* (economic aid) introduced in 1993
 - 2006 reached some 112,000 households
 - Average benefit €16.82
 - Locally administered, (partially) financed through central block grants
 - Distinguishes between those with severe health and social problems and those temporarily vulnerable
 - Rural poor who own land, even if not cultivated, receive lower benefits
 - NE entitles recipients to electricity subsidies
 - Plans to completely decentralise the scheme

 - iii. Bosnia and Herzegovina
 - Complicated eligibility requirements administered by CSWs
 - Monthly payments, single payments and in-kind support possible
 - RS entity based scheme – each municipality sets rate at between 50% (for single person) to 100% (5+ member household) of average monthly wage in municipality
 - FBiH scheme varies by canton, linked to poverty line
 - 142,000 beneficiaries in FBiH

 - iiii. Montenegro
 - Main scheme *materijalno obezbjedjene porodice MOP* (family material support)
 - National scheme administered by CSWs with complicated requirements
 - Eligible families where no-one capable of work or where person capable of work is either pregnant, single parent or has dependent children or is caring for disabled person whose disability occurred before age 18
 - Means-tested: Household income must be less than €50 (1 person) to €95 (5 person +)
 - Benefits range from €50 (1 person) to €104.50 (5 persons +). Average payment is €76.74. Increases dependent on budgetary conditions.
 - 12,741 families receive MOP in 2007, double the number in 2000

Iiv. Serbia

- Main scheme *materijalno obezbedjene porodice MOP* (family material support)
- National scheme administered by CSWs with complicated requirements
- Families where no one capable of work (if capable then can receive only 9 out of 12 months)
- Means tested those below from 16% (1 person) to 32% (5 + persons) average income
- Rates in October 2007 from €56 (1 person) to €150 (5 + persons)
- 2006 48,00 families receive MOP or 122,134 persons

40

- Average €57 per household or €22 per person

Iv. Kosovo

- New scheme in 2000 amended by Law in 2003
- General budget financed administered by CSWs
- Category I no-one capable of work; Category II looking after child under 5 (10 if single parent)
- No income and less than half a hectare of land
- Rates from €35 (1 person) to €75 (7 + persons) unchanged since December 2003
- Currently 37,000 households or 162,00 people receive assistance
- Average benefit per household current €52
- Re-application every 6 months

ii. GDP, prices, government expenditures, average wages and other social transfers

Kosovo has been experiencing positive rates of economic growth since 1999. In 2008, it encountered an 8% increase in GDP mostly impacted by its expansionary fiscal policy (Elezaj 9). Per capita GDA shows also an increase from 1087 \$ to 4073\$ in 2014. However, the impact in economic growth has not been equal and the impact on reducing poverty, or generating new jobs has been very low (Elezaj 9).

In 2011, the CPI for all the products increased by 7.3%. There has been an increase in prices since 2003 of the main products that are used for daily consumption such as: bread, eggs and cereals. In 2003, their prices increased by 12,2%, in 2008 by 31.3% and in 2011 by 27.4%

(Elezaj 9) (Figure 7). Article 9.1 of the Law on Social Assistance Scheme in Kosovo states that social assistance benefits should be adjusted for CPI (consumer price index). However, the monthly amount of social assistance, has not taken in account changes in the macroeconomic conditions in Kosovo since the start of the implementation of the scheme. Adjustments have taken place only three times on ad hoc basis, in 2003, 2012, and 2015 (Feher, Jirasavetakul, and Jousten 28). The Interviewee C also indicated that the amount of social assistance is based on the amount of 1 point, where until September 2015 1point=1€. However, after analyzing the price increase during 2009-2015, on October 2015, 1point=1.25€. This meant that until October, a family with 1 household had 40 points=40€, and from October, for a family with 1 household had 40points=50€. The average amount of social assistance increased from 66.1€ in 2010, to 81.2€ in 2015, reflecting a 25% increase in 2015, and amendments in 2012. For an average family of four persons this means an increase of 13 cents per person per day from 0.54 cents in 2010, to 0.67 cents in 2015 (Feher, Jirasavetakul, and Jousten 26).

Consumer price index (2000=100) by commodity group, unit and time 2002-2014

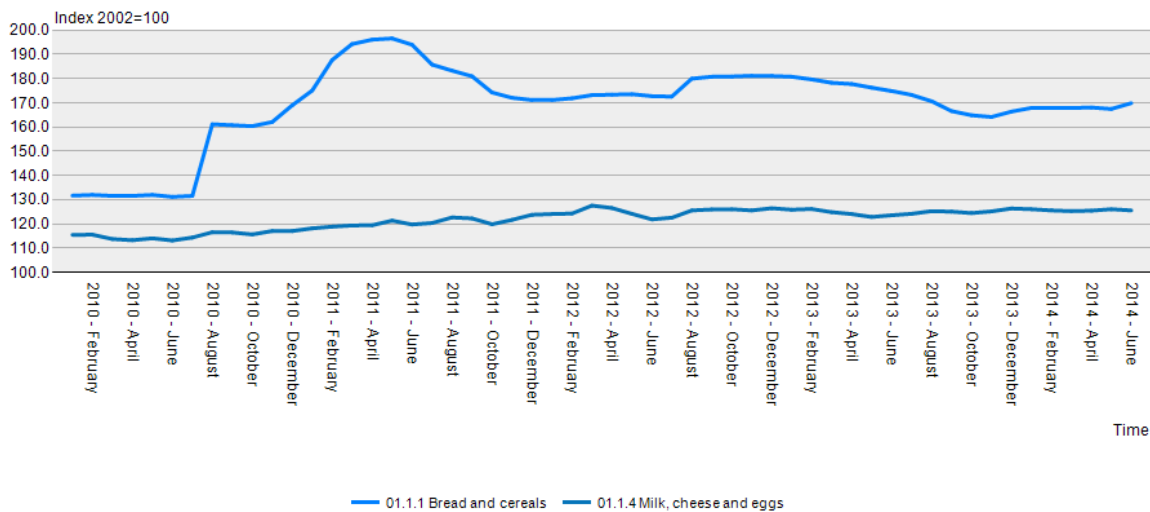


Figure.7.: Consumer price index by commodity group, unit and time

Source: KAS- Kosovo Agency of Statistics

Taking into account that beneficiaries of social assistance are the largest consumers of products such as bread, cereals, dairy and eggs the amount of social assistance is insufficient to cover the increase in prices of these products.

The rise in prices was followed with the increase in wages in nominal terms from 2003 to 2015. However, the beneficiaries of social assistance continued to receive the same monthly amount of social assistance despite the increase in prices of main commodities they consume in daily basis (Elezaj 10).

Average wages increased from 167 €/ month in 2003, to 372 €/ month in 2014. The highest average wage was achieved in June 2016, at 471 €/ month (ASK). However, the average monthly amount of social assistance was 56 €/month until 2009, it went up to 73 €/month in October 2012, and 98 €/month in 2015. When compared to the average wages in in 2016, the average wages were approximately 5 times more than average monthly amount of social assistance. This finding was stated also in report of UNDP in 2014 (Elezaj 10).

Based on World Bank report, Kosovo spends approximately 1.5% of GDP on social assistance.

This percentage is higher than spending in Montenegro and FYR Macedonia but less than in Albania, and even less compared to Croatia and Bosnia and Hercegovina. The factor that has contributed to this large amount of spending in social assistance is the veteran's benefits.

Therefore, if these benefits were to be lowered in Kosovo and Bosnia also the level of social assistance spending would be much lower ("Kosovo Public Expenditure Review" 31). Let alone, social assistance comprised only 0.6% of GDP on 2012 (Elezaj 11). Public spending on social assistance has shown a decline from 1.68% of GDP in 2005, to 1.37% in 2007, and it raised again in 2010 to 1.5% of GDP ("Kosovo Public Expenditure Review" 33).

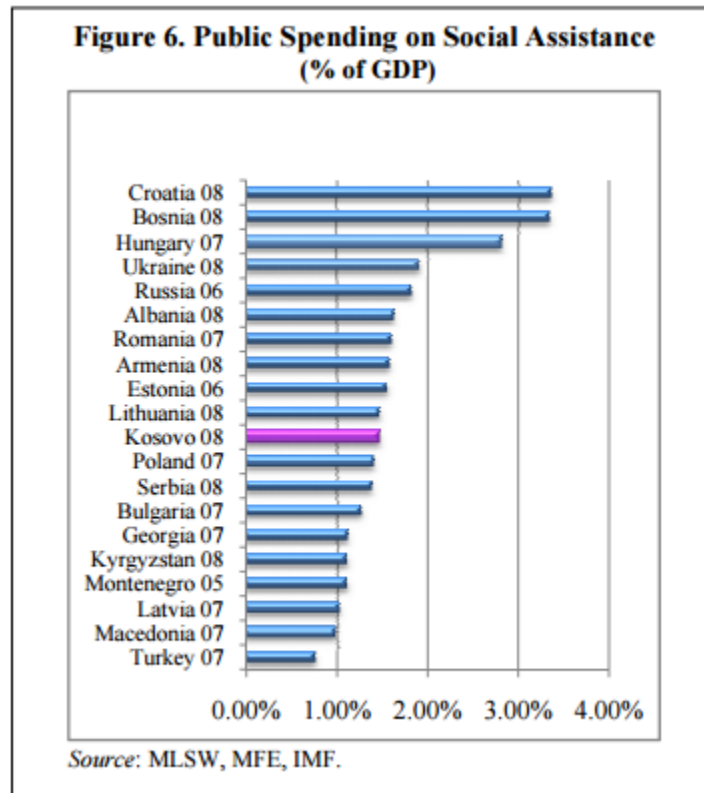


Figure.8.: Public spending on Social Assistance

Source: WB- World Bank

Public spending on LRIS declined from 1.1% of GDP in 2004, to 0.7% of GDP in 2009 (“Kosovo Public Expenditure Review” 45). The percentage of LRIS to total safety nets has shown a decline from 73% of total safety net spending it accounted in 2004, to 47% in 2009 (“Kosovo Public Expenditure Review” 45). In terms of number of households who receive benefits, LRIS is the second largest comprising of 43% of total number of beneficiaries. Moreover, the data shows a decline in the number of beneficiaries and expenditure on social assistance despite the high poverty rate and despite the increase in average wages and prices of main commodities (Elezaj 11). The total spending on social assistance decreased from 11.3% to 8.3%, due to better enforcements and tighter eligibility criteria. As a share of social protection, social assistance declined from 17% in 2010, to 8% in 2015 (Feher, Jirasavetakul, and Jousten 25).

iii. Effectiveness of social assistance

Social assistance scheme in Kosovo has not proven to be a good instrument for alleviating poverty. Information collected from previous studies, and from the personal interviews conducted suggest that the social assistance is not well targeted and therefore provides space for exclusion. The current eligibility criteria under law excludes many poor families, acting contrary to the aim of social assistance, which is poverty alleviation. In addition, some of the criteria specified are difficult to be verified (Feher, Jirasavetakul, and Jousten 27). Problems regarding current social assistance scheme can be classified as:

a. Problems with the current scheme

Current social assistance scheme has shown problems starting from the inconsistencies in the law, and then with the design of the scheme, and its implementation. Recommendations on how to deal with each of the abovementioned issues will be provided in the prospective sections.

The Law on Social Assistance Scheme in Kosovo has many inconsistencies. One of the problems appears to be the failure to include all the benefits that households are entitled to in the Law on Social Assistance Scheme in Kosovo. These creates difficulties for families to consider for which benefits they are eligible to apply. Moreover, the Law on Social Assistance does not include the services the beneficiaries are entitled to, other benefits such as subsidies for electricity, school payments, and other in kind benefits. Failure to inform the beneficiaries correctly is an important issue regarding the effectiveness of the scheme.

In determining eligibility criteria for social assistance, the household definition includes all family members that live together. However, when determining assessed income level, they tend to exclude those that receive basic pensions and disability pension, but it does not exclude those that receive other pensions such as war invalidity pensions. Therefore, pensioners that receive contributory pensions are counted in family size but only the difference between basic pension and contributory pension is counted as assessed income (Feher, Jirasavetakul, and Jousten 28).

This needs to be addressed in order to provide an equal treatment for all the beneficiaries.

Regarding design of the scheme eligibility criteria is one issue that needs consideration. Strict eligibility criteria excludes many poor families and makes it more difficult for CSW workers,

who only have to reach a limited number of people and identify the right candidates for benefits. In the study of Roelen and Gassman, the interviews were conducted with CSW workers, and it was stated that there are many poor families who need benefits but do not get it, and there is nothing they can do about it (245). The Interviewee A indicated that, Kosovo needs to focus on completing and/or eliminating some criteria that exclude many poor families from receiving monthly benefits and services. Three main problems on eligibility criteria can be classified as below:

Firstly, the criteria to have a child under age of 5 for the second category has proven to be very restrictive and many families have been faced with the cut in social assistance just because their children reached age of 5. The age restriction does not seem to be reasonable because costs increase after age of 5 especially when the child goes to school and they need money for clothes and notebooks. In addition, in the study performed by Gassman and Roelen, some families have even responded that this age limit gives incentives for many of them to have additional children. For this reason, the average family size tends to be quite large in some groups such as REA community. A non-recipient of social assistance, in the study conducted by Roelen and Gassman has stated that his social assistance was stopped because his child passed the age of five (245). Instead, the first scenario for this problem would be to extend the limit on the age up to 16 years. The second scenario would include, a noncontributory universal child benefit to be distributed to all children under age of 15, which will be a powerful instrument in alleviating poverty and would not cause implications for labor market. Based on the Interviewee C, the criteria under 2nd category has excluded some families from social assistance because of age of child not being under 5. However, eliminating such criteria will have a huge impact on the budget but they are working on it with UNICEF to solve this issue. This, on the other side, shows that our institutions are more worried about the budget than for the needs of the poor people who need these benefits for survival. It is important to consider that the social assistance scheme should not be considered as a business, but rather its effectiveness in term of poverty reduction needs to be measured.

Second, the criterion criticized for being too restrictive is the size of the plot of land. To be eligible for social assistance under second category the size of the plot of land should not exceed 0.5 ha. This especially creates space for exclusion because it is not taken into account if land is being used for productive purposes. Based on Roelen and Gassman a plot of land in large size does not help you to provide income if you do not use it for productive purposes (Roelen& Gassman 245). This issue should be considered especially when there is a single female household. In this case, having a plot of land in size larger than 0.5 ha will not bring any income unless she can use it for productive purposes, because she has to take care of her children. In addition, if she is forced to sell it this means there will be nothing left for her children to use in the future for productive purposes. As quoted in Roelen and Gassman, one CSW employees has stated that “[...]based on the criteria a family cannot have more than 0.5 hectares of land, [...], to plant 1 hectare land you need to spend about 500€ which is impossible to be done by these families. Those families cannot sell their land to buy 100kg flour.” (44). Therefore, a better measure would be productivity of land rather than the amount in ha of land because many families that have do not use it for productive purposes and brings no income to them. This has been suggested in the study performed by World Bank based on the argument that owing a large plot of land not necessarily mean more income if it cannot be used for productive purposes (Roelen& Gassman 44).

Third, is the criterion under second category to prove that the household is unemployed. This could create disincentives to work or incentives to work informally in order to take the benefits of social assistance. In addition, it creates negative effect by discouraging another family member to look for a job and represent himself/herself as a full-time care taker of the dependent family members. This creates counter effect in the labor market and has opposing effect on poverty (Feher, Jirasavetakul, and Jousten 26). From interviews conducted in Rolene and Gassman studies, workers from CSW have stated, “[...]ex. if I invite a social assistance recipient to work for a day, and I may probably pay him 10€, he won’t accept because he receives social assistance plus is afraid that somebody from the center might see him working.” In addition, one of the employees claimed that assistance creates parasites that do not want to work anymore.

(43). Instead, redesigning the phasing out of social assistance in order to provide work incentives for beneficiaries is more than necessary. If the main target is poverty alleviation, then the beneficiaries should be encouraged to start working without applying to them penalty in the beginning, and enable them to earn more. Later on, as family earnings increase the transfer would decrease. At one level, when family earns enough he would no more need the benefits of social assistance. In addition, projects or incentives that create opportunities for social assistance beneficiaries should be created more often. The Interviewee A has stated that the beneficiaries of social assistance are invited to engage in public work but after 1 month and they are replaced with other workers. More opportunities for them would help to avoid dependency on social assistance because most of them apply for these benefits because there is not job for them. Great examples of programs introduced for avoiding dependency and providing incentives to enter labor force can be seen in European countries. Aiming to reduce the financial cost of social assistance benefits, and to avoid the dependency of beneficiaries, attempts have been made to make arrangements about social inclusion of recipients in labor market (Neubourg, Castonguay & Roelen 35). Some instruments used by countries such as Austria, Belgium, Germany, Denmark, Greece, France Ireland, Sweden, UK are: increasing tax credits by providing tax relief if recipients enter labor force, providing higher earnings when accepting a job, providing better chances and opportunities offer employment, introducing child allowances for children to help single parent households to accept jobs therefore their social benefit would not decline because they have a job (Neubourg, Castonguay & Roelen 37).

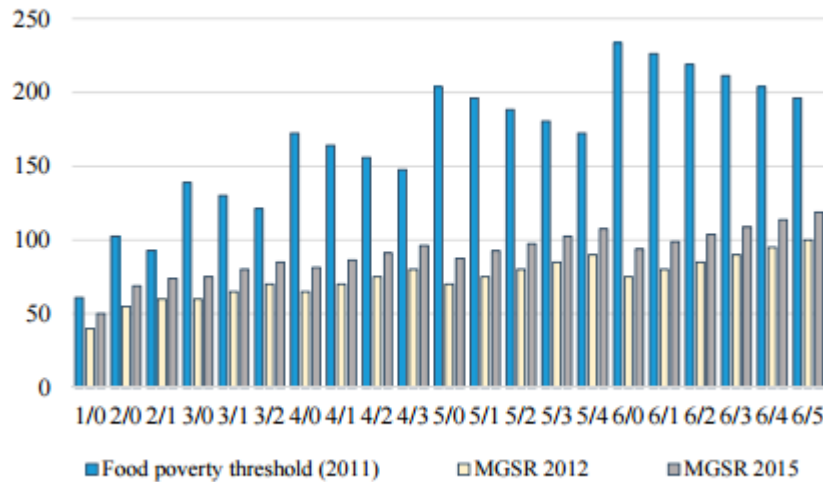
In some places, conditional cash transfers have been introduced. Food for Work Program in Bangladesh and, Maharashtra Employment Guarantee Scheme in India require the beneficiaries to work for public institutions before the food aid is provided. They guarantee a number of days of employment to families. The poor are required to build infrastructure such as roads, from their outlying areas to the town which will improve transportation. This provides a better incentive to screen the poor through workfare program (work in exchange for benefits). The benefits also appear on the fact that if the program would not be available these infrastructure projects would not take place at all (Todaro and Smith 247). These programs are seen applicable in Kosovo as

well, especially for projects on remote areas such as building roads that make passage possible through mountains.

When it comes to the design of the scheme, the issue that needs to be addressed is the monthly amount of social assistance. The amount of social assistance is low and insufficient to fulfill their basic needs for the entire month. Food basket is composed of 5 main commodities: sugar, bread, oil, milk, flour which incorporates 67.34% of main food basket. The price of this basket, for a household, for one month costs 115€/ day, which means 3.83€/ day. Consumption per household head costs 1386€/ year, if we divide this with 365 days we get 3.79€/ day. The average social assistance for household 0.58€/ day and 17.84€/ month which is not enough to fulfill basic consumption needs (Division of Social Assistance Report).

Average monthly amount of social assistance is 91.73€, for one household is 22.3€/ month and 0.73€/ day. However, the annual consumption for an economic family is 7,611€/ year which means 634.25€/ month (Table 7). Based on data on table 5 we can see that average daily amount of social assistance is 1.64 for one household which is lower than extreme poverty line(1.2€/ day).When it was first established in 2003, the Monthly Gross Standard rates of social assistance were not even at extreme poverty line which was -47 per single household, therefore was not enough to cover the basic nutritional needs (2100 kcal) (Elezaj 7).

Figure 8. MGSR vs. Food Poverty Benchmarks by Family Structure
(Total family member / Children)



Source: MLSW, and IMF staff estimates.

Figure 9.: MGSR vs. Food Poverty Benchmarks by family structure

Source: IMF- International Monetary Fund

The current amount of social assistance is not enough to bring families out of extreme poverty. In 2011 poverty line for a four-member family was 147.5€ to 172.4€/ month. However, the monthly amount for a family of 4 members is 81.3€ for a family with no children and 96.3€ for a family with 3 children (including child allowance) (Figure 9). The additional amount of social assistance due to additional family member is very low, and is not in same proportion to family size. For the second member, the amount of social assistance is 37.5% and for every additional member after the second is 12.5% (Feher, Jirasavetakul, and Jousten 28). Instead using an equivalence scale as it is an international practice, would be better for beneficiaries. This suggests that, the monthly amount of social assistance should be increased, and adjusted not only with CPI index to take into account the price increase, but also with living standards, because some necessities of today have been luxury goods years ago.

Year	Number of families	Number of households	Budget
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January 2001	50,686		542798.00 DM
January 2002	54,769	189,989	2,735,980.00€
January 2003	50,723	186,198	2,642,475.00€
January 2004	51,327	196,327	2,716,243.00€
January 2005	44,354	182,970	2,655,203.00€
January 2006	42,468	180,211	2,583,160.00€
January 2007	40,579	174,415	2,466,950.00€
January 2008	37,401	162,210	2,286,731.00€
January 2009	34,860	151,873	2,140,095.00€
January 2010	35,940	153,933	2,396,426.00€
January 2011	35,762	155,998	2,397,039.00€
January 2012	35,159	153,059	2,324,564.00€
January 2013	31,248	133,318	2,381,741.00€
January 2014	30,296	125,654	2,288,825.00€
January 2015	27,280	114,020	2,071,878.00€
January 2016	25,551	105,354	2,354,492.50€

Table.6.: Number of families, households and social assistance budget from 2001

Source: DSA- Division of Social Assistance

Since its implementation in 2002 the number of families has declined by half, and the number of beneficiaries by 44%. Whereas the budget of social assistance has been declining at an increasing rate until 2014, when the new legislation was in place. However, taking into account that Kosovo has been experiencing growth since 1999, the budget of social assistance should have stayed the same if not increased. The budget allocated for social assistance has decreased by 13% since 2002. If the budget would be the same as it was in 2002, given the number of beneficiaries, the average amount per household should have been 25.96€/month instead of 17.84€/ month. Annual budget for social assistance scheme in 2016 was 26 million €.

If we compare the budget of social assistance with the Kosovo's budget expenses and subsidies and transfers it can be seen that the subsidies and transfer have been increasing since 2008, mostly from 2013. However, the monthly amount of social assistance has not increased except in 2015. The subsidies and transfer have kept a constant trend since 2008 in terms of their percentage to total budget expenses, and what they expect in 2017 is to have a decrease in the percentage of transfer to the budget. In addition, if we look at the percentage of social assistance budget to the overall subsidies and transfer, a declining trend of social assistance over the total is

noticed. Whereas in 2008, they constituted a 1.08% of subsidies and transfer, in 2016 they were only part of 0.5% of transfers despite the increase of transfers in comparison to the budget.

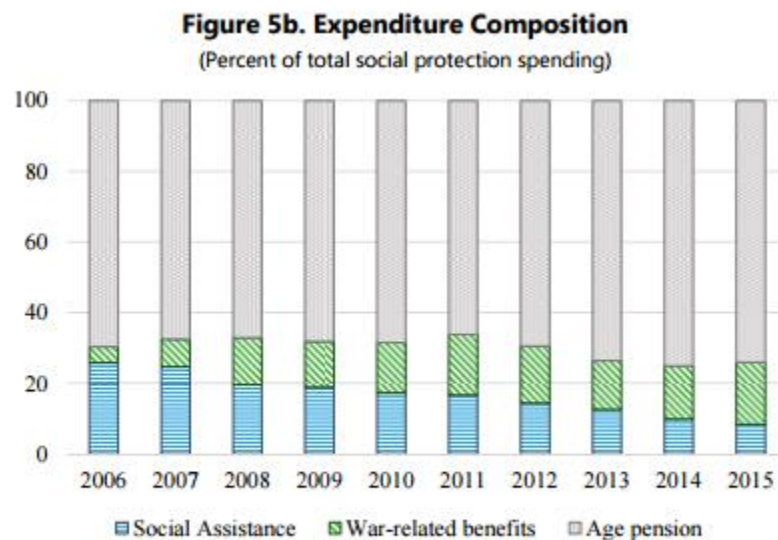


Figure.10.: Expenditure Composition

Source: IMF- International Monetary Fund

If we compare social assistance we other social protection programs, we can notice from the below figure a declining trend in percentage of social assistance since 2006 as compared to other social protection programs, where war related benefits have increased. This means that, the social assistance scheme is either having better targeting and the number of beneficiaries decrease, either poverty is being reduced or inequality is increasing.

Another potential problem that gives space for exclusion is the application process which despite large requirements for documents incurs also a lot of cost to them, especially when they have to travel from other places to take the necessary documents. Therefore, it results to be costly in time and money. The period of re-application of 6 month is very short, and many respondents in studies have shown their concerns that they remain for months without assistance just because of documents. One recipient from Fushe Kosove has stated that “every 6 months during the reapplication process we had to fulfill the criteria to be reselected and there wasn’t any problem at all the only problem was the money to get these documents” (Roelen& Gassman 43).

b. Problems with implementation

However, addressing the abovementioned issues does not solve the problem of social assistance for being a good instrument in poverty alleviation. There are also issues in regard to implementation of the law. Issues arise in controlling the conditions of eligibility, and problems of ineligible households receiving benefits. The implementation is very important in determining the success of social assistance programs. One important issue in implementation is to make sure that residents can easily access information regarding social assistance and even if they do not know how to apply they can address the right place for help. Therefore, it needs to make sure that individuals do not end up not receiving social assistance just because of absence of information, especially when the changes occur, and groups such as elderly or others are not informed (Neubourg, Roelen, Castonguay 33).

Due to inability to verify income, they rely on family and neighborhoods² visit to take information about their income. This may create space for incorrect exclusion if they notice a change in durable goods in the time of the visit, and it always gives space for fraud and personal judgment if officers are from their municipality (Feher, Jirasavetakul, and Jousten 27).

The criteria on financial assets are potentially difficult to be verified given current operating system. MLSW has not the databases necessary on measuring the income of eligible families that comes from remittances, rent, pensions and other transfers (Feher, Jirasavetakul, and Jousten 27). The only way they are measured is through the amount that passes through their bank account. Therefore, modifications to current system are necessary.

² Family and neighborhood visit- Is the visit in the neighborhood and the house of the family receiving social assistance to verify their durable goods when they notice a change.

VI. Conclusions

To conclude, results from this research paper show that poverty has been and remains a substantial problem for Kosovo. With 29.3% of population living in poverty, and 10.2% living in extreme poverty, indicates that incidence of poverty in Kosovo is high compared to other countries in the region. Social assistance is main instrument that targets poor families, for families who become eligible in one of the two categories it provides, and pass asset and income tests. However, criticism have been raised regarding the criteria set to prove eligibility under the Law on Social Assistance Scheme in Kosovo, the design of the Law and its implementations which provide space for exclusion.

First, through interviews, and information from previous reports on the scheme design, it is obvious that inconsistencies exist in the law with regard to structuring of the Law, and types of benefits that are designed to help the poor. Structuring of the Law needs to be adjusted in a way that includes all the benefits the households are entitled to. In addition, attention should be given to the definition of family when assessing income to make sure to include all the family members without exclusion.

On the interviews from non-governmental organization, who have been analyzing this issue for years, information has been gained regarding problems that exist with the design of the scheme and implications it has for labor market. In addition, based on the information gathered from interviews, and analysis of surveys conducted by UNICEF it is suggested that amount of social assistance is low, and insufficient to cover basic need for nutrition and health, not being able to consider even the needs for clothes and other necessities. Furthermore, the monthly amount of social assistance is not in same proportion to each family member. It has also been shown that strict eligibility criteria have left many poor families without social assistance. Criteria underlined as the ones that require attention are: the criteria of having a child under age of 5, which turns to create other implications in the family size thereafter; the criteria of having a plot of land no more than 0.5ha which does not take into consideration the productivity if land or if it is owned by a single female household who cannot use for productive purposes; and the criteria

of being unemployed which creates disincentives for work and implications for labor market. It can also be concluded that there is lack of opportunities for the poor to engage in public work and other project which would avoid dependency on social assistance, and incentives to enter in labor market. Therefore, adjustment to current social assistance scheme are needed in order to better impact poverty reduction and feasibility.

Other finding, mainly based on the analysis of monthly amount of social assistance, have shown that even though the number of beneficiaries has declined since its implementation, the budget divided for social assistance has not increased, but instead it has shown a decline. This decline has been compared with the growth of GDP, and budget on social transfer as well. Problems exist with the implementation of the law, regarding adjustments of monthly amount of social assistance with CPI index, but unfortunately the failure to do so shows it does not take in account the change in macroeconomic factors.

Lastly, findings mainly from the surveys that international Organizations have conducted with beneficiaries of social assistance have underlined the problem in implementation with regard to application process, which results to be costly and time consuming especially for the beneficiaries under second category, who need to reapply every 6 months. In addition, the verification process that institutions rely on assessing the income and assets of beneficiaries, need to be considered for further modification, because the current one leaves space for exclusion error by relying on family and neighborhood visits.

In conclusion, it is obvious that the Law on Social Assistance Scheme on Kosovo requires attention in order to produce necessary results in addressing poverty. The following section has listed some of the recommendation alternatives that can be followed by the Government.

VII. Recommendations

It is recommended the following alternatives to be considered by the Government in order to improve current social assistance scheme design in Kosovo, aiming poverty reduction and better coverage of the poor, which would in turn contribute to growth and development of Kosovo.

- Consolidate the legislation and include all the benefits that aim poverty reduction in one Law divided by different paragraphs. Therefore, the Law for Social Assistance would include the other benefits such as those for family services and children with disabilities divided in other paragraphs.
- Measure productivity of land rather than the amount in ha of land, because many families that have do not use it for productive purposes and brings no income to the. In account, should be taken single female households who may possess the land but are not able to use it.
- Increase the age limit for children on the criteria to be eligible for social assistance under 2nd category, because expenses increase as the child passes the age of 5 and this may create incentives to have additional children.
- Extend the application period for 2nd category to one year so the applicants do not have to face very often with the problem of travelling to obtain the needed documents, and this would help families to plan their expenditures.
- Modify the criteria under 2nd category which requires being unemployed.
Redesign the phasing out of social assistance for work incentives. If the main target is poverty, then create incentives that recipients in the beginning earn more if they start working without penalty. A better approach to provide incentives for individuals to work would be to make them eligible for social assistance even if they work, but reduce the amount of social assistance for 0.5euro for each euro earned in the market. Firstly, income guarantee need to be put in place that is the income floor and for every extra euro above that income floor the benefits of the person would be reduced by 0.5€. Provide

more workfare programs that increase incentives of social assistance beneficiaries to enter in labor market and earn their own income. Introducing conditional cash transfer in exchange for monthly benefit would be a good practice and it has worked in numerous countries. Government should create more employment projects that include social assistance beneficiaries, because most of them apply for these benefits because there is not job for them. This should also be monitored to make sure beneficiaries are not replaced with other skilled workers.

- Include all family members regardless of the benefits they receive when assessing income, and also all types of pensions received without excluding those that receive basic and disability pensions.
- Provide cash benefits during times when families have more expenses. There are times when they have over proportionally expenses such as: when children start school, and need clothes and books, during winter to buy woods. This is possible since the budget for exceptional needs is not being used in total.
- A noncontributory universal child benefit to be distributed to all children under age of 15 will be a powerful instrument in alleviating poverty.
- Monthly amount of social assistance need to be adjusted for inflation in prices of main commodities included in the food basket, and for living standard because what was not considered a necessity years ago, today is essential for life.
- Increase the level of MGSR to fulfill basic consumption needs.
- Use an equivalence scale so each additional beneficiary of social assistance in a family receives benefits in same proportion to family size.
- Modifications to current system are needed in assessing financial and productive assets in order to avoid space for fraud or personal judgment that is possible relying in family and neighborhood visits. Therefore, the CSW worker should not be the person deciding to stop the social assistance for beneficiaries, but they should send a note for further examination of the case.
- Provide control over beneficiaries who live abroad and receive social assistance.

Lastly, all the above-mentioned recommendations are expected to improve the situation of the design and implementation of social assistance, by producing desirable effect on poverty reduction, and avoiding the dependency on these benefits.

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Annex I: Informed Consent

SAMPLE
Informed Consent Form for Social Science Research
RIT Kosovo

Title of Project: *Social Assistance Scheme in Kosovo- Capstone Project*

Principal Investigator: Jehona Karavidaj, AUK Student

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1. **Purpose of the Study:** The purpose of this research study is to explore *how* effective social assistance scheme is on alleviating poverty
2. **Procedures to be followed:** You will be asked to answer *10 questions* during this interview.
3. **Duration:** It will take about *20 minutes* to complete the interview.
4. **Statement of Confidentiality:** Your participation in this research is confidential. The data will be used only for my capstone project regarding the effect of social assistance scheme in Kosovo on targeting poverty.
5. **Voluntary Participation:** Your decision to be in this research is voluntary. You can stop at any time. You do not have to answer any questions you do not want to answer.

You must be 18 years of age or older to take part in this research study. If you agree to take part in this research study and the information outlined above, please sign your name and indicate the date below.

You will be given a copy of this form for your records.

Participant Signature

Date

Person Obtaining Consent

Date

Annex II: Interview Questions:

Interview I:

1. In 2015, 3 years after your paper was published the legislation increased social assistance benefits for 25% for all beneficiaries. How do you think this change would improve its effectiveness in targeting the poor?
2. Does the social assistance scheme targets accurately the poor?
3. Do you believe that social assistance scheme in Kosovo lowers the incentives to work for those under the social assistance scheme?
4. How could the social assistance scheme in Kosovo be improved?
5. Do you think social assistance scheme in Kosovo is performing well and if not why you think so?
6. Do you think there is space for exclusion given current social assistance scheme? If yes why?

Interview II:

1. In the second category of social assistance scheme, are included people who are able to work. In case that member finds a job, how much should his salary be in order so he does not get penalized from the social assistance scheme?
2. Have there been attempts to introduce new programs in targeting poverty like conditional cash transfers since we have seen them working well in many countries?
3. What are next changes you are thinking to introduce to social assistance scheme in order to target better the poverty in Kosovo?
4. What is current coverage and have there been improvements since its implementation?

5. Does social assistance scheme takes into account the changes in macroeconomic factor such as CPI. If yes 6.why the social assistance benefits have not increased through years while CPI increased?
6. Why the veterans benefits are decided taking into account dhe minimum wage whereas social assistance benefits not?
7. Do you think that criteria to have a min 5ha and only one vehicle will have its counter impact on beneficiaries?
8. Do you believe that social assistance scheme in Kosovo lowers the incentives to work for those under the social assistance scheme?

Interview III:

1. How effective is Social Assistance scheme in lowering poverty in Kosovo?
2. Do you think changes should be undertaken in current Law on Social Assistance Scheme in Kosovo?
3. How much has the Law on Social Assistance taken into consideration changes in CPI and if not why?
4. What steps do you think should be taken regarding targeting of current social assistance scheme?
5. Do you think current Law on Social Assistance is creating space for exclusion?
6. While the number of beneficiaries has declines since 2000, the monthly amount of social assistance has not undertaken any major change expect the 25% increase in 2015 and the additional 5€ for each child. What is the reason for this?