

# **Impact of Social Assistance Cash Benefit Scheme on Children in Kosovo**

**- report to UNICEF Kosovo -**

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## **Executive Summary**

The social assistance cash transfer system aims to reach the poor and vulnerable families in Kosovo and provide them with cash assistance. This study assesses the reach and impact of Kosovo's social assistance cash transfer programme with respect to children and represents one of three distinct studies in Kosovo as part of the UNICEF Global Child Poverty Study. The objective of this study is to produce a child-centred analysis of the current cash assistance programme and tackles two core questions i) in how far does the programme reach children? and ii) how does the programme impact children? The analysis is based on both quantitative and qualitative information, including administrative data, household budget survey data, focus group discussions and in-depth interviews.

An extensive poverty assessment of Kosovo's population and children shows that poverty is a widespread and persistent problem. Almost half of the whole population is considered absolutely poor and one out of 6 children is extremely poor. Generally, children are disproportionately affected by poverty with higher poverty incidence and depth. There are large differences between regions, with Ferizaj being the region with highest poverty rates and Gjilani with the lowest poverty rates. Large differences can also be observed for different ethnic groups. The incidence of poverty in Kosovo is by far the highest when compared to other countries in the region. Poor families and their children live in difficult and harsh conditions. Families have difficulties to provide for basic needs and make ends meet. Coping strategies include the collection of iron, searching through garbage or begging. These harsh living conditions were found in poor families regardless of whether they received social assistance or not.

The social assistance scheme in Kosovo is targeted towards poor families on the basis of proxy-means (asset) and means (income) testing. Social assistance is awarded to two categories of eligible families 1) families with all dependent family members that are not working or 2) families with able-bodied persons and at least one child under the age of five or orphan under the age of 15. Families must belong to either one of these categories and pass the asset and income test to be able to receive social assistance. The benefit level of social assistance is determined by the difference between a family's income and the monthly gross standard rate, which depends on the number of family members.

Coverage of the social assistance scheme in Kosovo is limited. Kosovo spends a relatively small share on social assistance. The amount of social assistance as a share

of total social welfare spending has also decreased over the last years. The average benefit that beneficiaries have received remained fairly stable over time. Social assistance covers 11 percent of the whole population and 13 percent of all children in Kosovo. The large majority of families receiving social assistance are families with children. Coverage of the poor population is also limited; 19 percent of all poor individuals and 23 percent of all poor children live in a family receiving social assistance. Coverage rates are higher for the poorest quintile, amounting to respectively 30 percent for the whole population and 35 percent for children. The social assistance scheme is well-targeted with little leakage to non-poor families. Simulating the situation with respect to poverty without the existence of a social assistance scheme shows that especially the depth of poverty would be considerably higher. Hence, the current social assistance scheme is effective in alleviating the situation of the poor to a certain extent.

Experiences of social assistance recipients, non-recipients as well as employees of the Centers for Social Work (CSW) provided a more detailed insight into the social assistance scheme. Many found the application process for social assistance to be complex and costly in terms of time and money. Furthermore, the re-application period of 6 months was considered too short as it requires applicants to incur the same costs for the collection of all documents again. Certain eligibility criteria for social assistance were considered too strict and illogical. Two most notable criteria included the ownership of land and having a child under the age of 5 in the family. The eligibility criteria only consider the size of the land owned, disregarding its quality and possibility of use for agriculture. Eligibility criteria for social assistance in category 2 states that a family must have at least one child under the age of 5 in the family, although costs incurred for children might actually increase as children grow older to school fees and other needs. Opinions with respect to creation of dependency as a result of social assistance were mixed. Whilst some respondents indicated that the receipt of social assistance might lead to a disincentives with respect to employment, others indicated that there are simply too little employment opportunities for social assistance recipients to find a way out of social assistance. The level of benefits was generally considered to be too low to help families to meet their monthly basic needs. Benefits are spent on basic items such as food and medication and are usually spent within the first two weeks of the month. Many families buy on credit to support themselves for the remaining period. Children are badly affected by the poor and vulnerable conditions of the families that they live in. They do not receive proper nutrition, might not be able to go to school and also experience feelings of shame.

Simulations of various alternative social assistance schemes or adjustments to the current policy provide insight into their effectiveness in terms of poverty reduction and feasibility in terms of costs. The replacement of the current social assistance scheme with a universal child benefit for all children would considerably reduce poverty incidence and depth but also represent a very costly programme. Limiting the age groups of children receiving a universal benefit reduces the costs of the programme but also limits the effectiveness in terms of poverty reduction. Adjustments to the current social assistance scheme might present a cost effective measure that also has the possibility to reduce poverty incidence and gap. One such adjustment is to increase the benefit level for children in age group 6-18 by 5 Euro. This amendment would be feasible in terms of costs and also considerably reduce incidence and depth of poverty amongst the total population and children.

## **Acknowledgments**

This study is a joint effort by UNICEF Kosovo, UBO Consulting and the Maastricht Graduate School of Governance and the result of cooperation with many partners. We would like to acknowledge the support from the Ministry of Labor and Social Welfare (MLSW), especially with respect to the collection of administrative and qualitative data. We would also like to thank the Ministry of Economy and Finance (MEF) for the provision of administrative data. Furthermore, this study would not have been possible without the support of the Statistical Office of Kosovo (SOK), which has provided us with the Household Budget Survey (HBS) data and provided technical support. We also acknowledge the support by the World Bank with respect to the analysis of the HBS data and the hospitality of the Centers for Social Welfare (CSW's) for hosting the interviews and focus group discussion. Finally, we would like to thank the participation of the many respondents of the interviews and focus group discussions for sharing their thoughts and experiences.

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## **1) Introduction**

This report provides an assessment and analysis of the impact of the Social Assistance Cash Transfer system in Kosovo on children. It represents one of three distinct studies in Kosovo as part of the UNICEF Global Child Poverty Study. The objective of this study is to produce a child-centred analysis of the current cash assistance programme in Kosovo. The two core questions of the study include i) in how far does the programme reach children? and ii) how does the programme impact children? A clear overview and understanding of the current cash assistance programme as well as the current situation of child well-being in Kosovo is a pre-requisite to be able to answer these questions. Finally, the study aims to provide recommendations to improve the programme's impact on children in terms of outreach and impact.

## **2) Data and Methodology**

The analysis in this report builds on both quantitative as well as qualitative information.

### **a) Quantitative data**

Sources of *quantitative information* are two-fold. The Household Budget Survey (HBS) 2006/2007 allows for an analysis of micro-data, considering the living conditions of households and individuals. Administrative data is used to serve as background information about social policies in place, their budgets and costs.

#### *Household Budget Survey*

The Household Budget Survey (HBS) is implemented by the Statistical Office of Kosovo (SOK) and has become an important tool for poverty monitoring and evaluation purposes (WB 2009). The HBS began in 2002 and has been administered on a monthly basis by SOK (WB 2007). The data used in the current study is from 2006/2007 or wave 5. Despite its importance and core role in the poverty monitoring and evaluation process, the HBS has a few shortcomings. Firstly, an outdated sampling frame might imply large sampling errors (WB 2007). Kosovo's last reliable census was in 1981, which is still used for selecting areas and thus households for the sample. The list of enumeration areas that was selected on the basis on the outdated census is questionable as the composition of the population and administrative boundaries have changed. Secondly, there is limited field supervision to ensure quality and accuracy of the data collection (WB 2009). The data for June 2006 to June 2007 from wave contains 2397 households and 13650 individuals. It is representative at the national and regional level.

#### *Administrative data*

The administrative data used in this report was collected from the Ministry of Labor and Social Welfare (MSLW) and the Ministry of Economics and Finance (MEF). Monthly data on the social assistance programme from September 2005 to March 2009 was shared by the MSLW. The data includes the total number of families and

family members receiving social assistance by municipality, the amounts allocated to social assistance by municipality and the distribution of family and family members receiving social assistance over the different categories by region. The data shared by MEF contains the annual budget and actual expenditures for different types of social protection programmes from 2004 to 2008.

## **b) Qualitative information**

The *qualitative information* to assess the impact of social assistance cash benefits on children consists of in-depth interviews with key stakeholders and focus group discussions, supplemented with small questionnaires filled in by the focus group participants. The information obtained through the qualitative research can complement the quantitative data analysis and provide a more detailed and in-depth picture of the potential impact of the benefit scheme on children. On the one hand, we focus on children living in families that are social assistance recipients. On the other hand, we also include poor but non-recipient families with children in the analysis to investigate why certain poor (groups of) families are excluded from social assistance. The collection of qualitative information was conducted in a number of selected municipalities. Sampling and recruitment of participants in focus group discussions took place through the Centers for Social Work (CSW's).

### *Focus group discussions*

Focus group discussions were conducted by UBO consultants with poor families with children that are grouped along a number of characteristics. Sampling of focus group participants took place along the lines of these characteristics to create groups that are as homogenous as possible and similar in terms of the possible impact of (not) receiving social assistance on children. These characteristics include whether the family is a social assistance recipient or not, whether the family lives in a rural or urban area (in Prishtina or secondary towns) and the ethnic background of these families. The specific subdivision and number of focus groups is illustrated in Table 1. The envisaged number size of focus groups was 8-10 participants, adding to a total of 96-120 participants.

**Table 1 Sampling design of focus group discussions**

	Urban		Rural			Total
	<i>Prishtina</i>	<i>Secondary town (Ferizaj)</i>	<i>Albanian (Deçan and Drenas)</i>	<i>Serbian (Kamenice – Runilug community)</i>	<i>RAE (Fushe Kosove)</i>	
<b>SA recipients</b>	1	1	2	1	1	6
<b>Poor non-recipients</b>	1	1	2	1	1	6
<b>Total</b>	2	2	4	2	2	12

Sampling occurred in a random manner on the basis of CSW registers and with the help of CSW employees. Social assistance beneficiaries were selected from the list of families receiving social assistance from the CSW. Poor non-beneficiaries were selected from lists of families that had applied for social assistance but were rejected or from lists of families that received social assistance before but no longer met the eligibility criteria. The recruitment of poor non-beneficiaries in this manner excludes

poor families that are not aware of the social assistance programme or that have not applied for social assistance for another reason. Nevertheless, this method of recruitment proved most feasible given the practical constraints. A team from UBO consultants together with a CSW employee conducted housevisits to personally invite social assistance beneficiaries and poor non-beneficiaries for the focus group discussions. The actual number of focus group discussions and respondents is presented in Table 2. Qualitative data collection by means of focus group discussions in the Serbian community proved to be very difficult due to the politically sensitive situation. It was decided not to use the transcripts of these communities.

**Table 2 Actual number of respondents in focus group discussions**

	Urban		Rural			Total
	<i>Prishtina</i>	<i>Secondary town (Ferizaj)</i>	<i>Albanian (Deçan and Drenas)</i>	<i>Serbian (Kamenice – Runilug community)</i>	<i>RAE (Fushe Kosove)</i>	
<b>SA recipients</b>	1 (8)	1 (8)	2 (21)	0	1 (11)	5 (48)
<b>Poor non-recipients</b>	1 (6)	1 (7)	2 (19)	0	1 (9)	5 (41)
<b>Total</b>	2 (14)	2 (15)	4 (40)	0	2 (20)	12 (89)

*In-depth interviews with key stakeholders*

In each selected municipality, the directors of the CSW as well as one employee that is directly involved in the application and verification process of the social assistance cash transfer system were invited for an in-depth interview. The interviews were conducted by UBO consultants. The interviews with CSW directors and employees provided an opportunity to gain an insight from the service providers.

All focus group discussions and in-depth interviews were recorded and transcribed in English. The transcripts were analyzed with the use of color coding schemes. Specific colors were attached to sentences or consistent collection of sentences by individual respondents according to the subject discussed. The categories of subjects that were indicated by different colors included family’s living conditions, eligibility criteria, application procedure, level of benefits, fairness of award benefits, use of benefits and special issues for children. All color coded sections were consequently considered in more detail for the analysis of the qualitative information.

**3) Children and Poverty in Kosovo**

This section provides the context with respect to children and poverty in Kosovo. We provide demographic estimates and poverty figures for different groups in society. Generally, little information is available about the specific living conditions of children in Kosovo. An analysis of poverty amongst children and families with children has not been a standard component of the World Bank Poverty Assessments for Kosovo so far. A number of separate studies have been undertaken, such as the Situation Analysis (Kusari and Villadsen 2007), providing an insightful but limited picture of children’s lives. This section presents information based on both quantitative and qualitative data and aims to provide a clear and consistent picture of poverty, and especially child poverty, in Kosovo.

**Children represent more than one-third of the whole population in Kosovo.**

Kosovo has a very young population. Demographic estimates for the population in Kosovo are presented in Table 3 and the population pyramid in Figure 1. Figures indicate that 36 percent of all individuals are children below the age of 19 years. The majority of children live in rural areas, a slightly higher proportion than the overall population. The population pyramid also clearly visualizes the large representation of individuals below the age of 20 years within the whole population of Kosovo.

**Table 3 Demographic estimates 2006/07<sup>1</sup>**

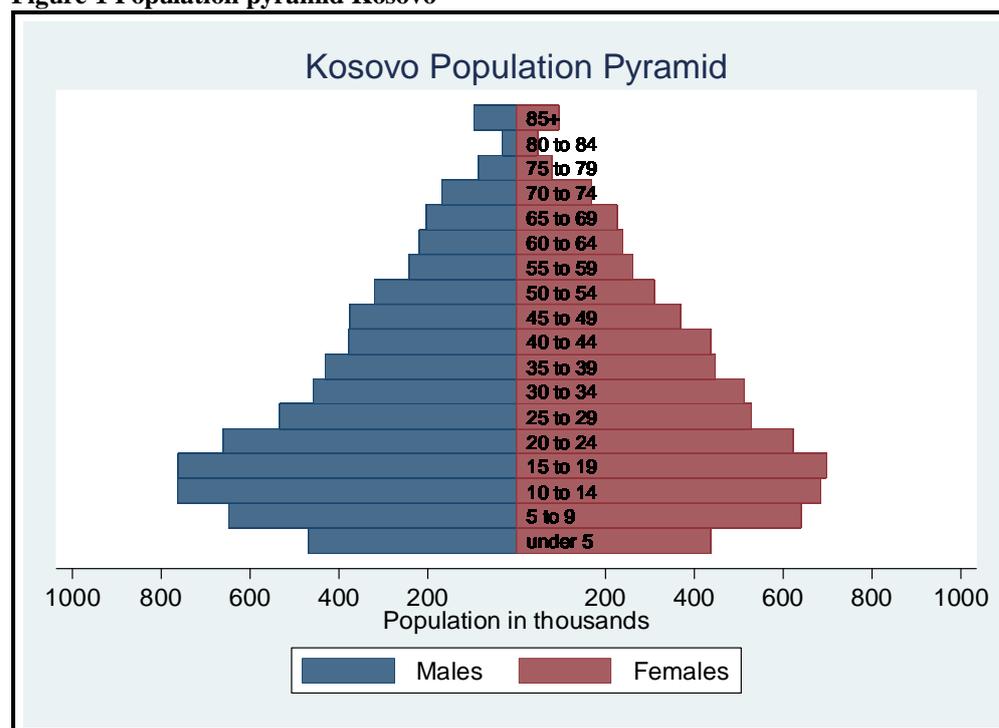
	<b>Proportion of total population</b>	<b>Proportion of children</b>
<i>Gender</i>		
Male	50,2	52,3
Female	49,8	47,7
<i>Area</i>		
Urban	35	31,8
Rural	65	68,3
<i>Region</i>		
Gjakove	12,5	13,4
Gjilani	11,0	11,4
Mitrovice	17,4	17,2
Peje	10,8	10,4
Prizren	16,4	16,4
Prishtine	21,9	21,1
Ferizaj	10,0	10,1
<i>Ethnicity</i>		
Albanian	91	93,4
Serbian	5,1	3,3
Other	3,8	3,4
<i>Agegroup</i>		
<19	36,4	100
19-59	51,7	
>59	11,9	

*Source: Authors' own calculations on basis of HBS 06/07*

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<sup>1</sup> All results in this paper based on HBS 2006/07 estimates are weighted using sampling weights.

**Figure 1 Population pyramid Kosovo**



Source: Authors' own calculations on basis of HBS 06/07

**The average household in Kosovo holds 7 members, of which 3 are children.**

The average household in Kosovo consists of 7 household members, with little variation between area and region of residence. Demographic estimates in Table 4, however, also indicate that there are considerable differences between household sizes when considering ethnicity. Whilst Albanian households have an average of 7 to 8 household members, Serbian households are generally smaller. These differences are also reflected in the average number of children in the household; the average number of children in Albanian households is three, whilst this is only one for Serbian households. The average number of children per household in Kosovo is 3.

**Table 4 Average hh size and number of children per hh**

	Average household size	Average # children in household
Total	7.3	2.8
Area		
Urban	6.7	2.4
Rural	7.9	3.2
Region		
Gjakove	8.0	3.3
Gjilani	7.0	2.7
Mitrovice	6.9	2.5
Peje	7.6	2.8
Prizren	7.3	2.9
Prishtine	6.5	2.4
Ferizaj	7.6	3.0
Ethnicity		
Albanian	7.6	2.9
Serbian	4.6	1.3
Other	6.0	2.1

Source: Authors' own calculations on basis of HBS 06/07

### **Box 1 Methodology poverty measurement**

#### **Methodology for the measurement of poverty**

The poverty measures in this study follow the World Bank (WB) methodology. This method was chosen to ensure consistency with the WB Poverty Assessments and Poverty Updates. Household expenditures are used as the welfare indicator and equalized using the OECD equivalence scales to arrive at the expenditures per adult equivalent. The extreme (food) poverty line lies at €0.93 per day and the absolute poverty line lies at €1.42 per day in 2002 prices. Household expenditures were consequently deflated using the Consumer Price Index by IMF. All poverty estimates are weighted using a post-stratification weight. The poverty measures used in this study are the poverty headcount /incidence and poverty depth. Poverty headcount or incidence indicates the proportion of the population below the poverty line. The poverty depth indicates the average distance to the poverty line as a percentage of the poverty line and provides an indication of the depth of poverty.

### **Poverty in Kosovo is widespread and persistent**

Table 5 displays the poverty incidence rates for different groups in society broken down by gender, area, region and ethnicity for the period June 2006 to May 2007. Results indicate that poverty is a widespread phenomenon for all groups in society of Kosovo. Almost half of Kosovo's population lived in poor and vulnerable conditions in 2006/07<sup>2</sup>. This poverty incidence is comparable to that in previous years of 2003/04 and 2005/06, hovering around 44 to 45 percent (WB 2007). Poverty gap ratios, which are a measure of the depth of poverty, indicate that poverty is rather shallow. In other words, many people find themselves at a small distance from the poverty line. Poverty estimates indicate that gender inequality is limited with only slightly higher poverty rates for women. Rural areas are more prone to poverty but discrepancies are limited. Regional differences, however, are more profound. Ferizaj, Mitrovice and Gjakove are the three poorest regions with poverty incidence rates for the overall population ranging from 70 to 51 percent. Gjlani is the least impoverished region with 17 percent of the total population in that region living in poverty. Poverty incidence rate and poverty gap ratios by age group suggest that children in school age (age 5-18) are the most vulnerable group. They experience the highest risk to poverty as well as depth of poverty in comparison to younger children and adults. The breakdown of poverty rates by ethnicity indicates that Serbians experience the lowest poverty rates while ethnic minorities are most prone to poverty.

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<sup>2</sup> Poverty is determined by consumption per adult equivalent per day below the national poverty line of €1.42 expressed in 2002 prices.

**Table 5 Absolute and extreme poverty 2006/07**

	Total population				Individuals living in households with children				Children			
	Absolute poverty		Extreme poverty		Absolute poverty		Extreme poverty		Absolute poverty		Extreme poverty	
	poverty headcount	poverty gap	poverty headcount	poverty gap	poverty headcount	poverty gap	poverty headcount	poverty gap	poverty headcount	poverty gap	poverty headcount	poverty gap
Total	45,4	13,2	16,8	4,0	46,7	13,5	17,1	4,1	48,1	14,4	18,3	4,5
<i>Gender</i>												
Male	44,7	12,8	16,4	3,8	46,2	13,2	16,6	3,9	46,8	13,6	17,3	4,1
Female	46,1	13,5	17,3	4,1	47,2	13,8	17,5	4,2	49,5	15,2	19,5	4,8
<i>Area</i>	***	***										
Urban	40,8	12,6	16,1	4,2	42	13,1	16,7	4,5	44,4	14,4	18,2	5,2
Rural	47,9	13,5	17,2	3,8	49,1	13,7	17,3	3,8	49,7	14,4	18,4	4,1
<i>Region</i>	***	***	***	***	***	***	***	***	***	***	***	***
Gjakove	51,1	14,7	17,8	4,4	52,9	15,2	18,7	4,7	52,9	15,5	19,3	4,7
Gjilani	17,0	4,0	4,2	0,8	15,1	3,2	2,9	0,5	14,9	3,2	3,1	0,6
Mitrovica	52,8	16,8	24,9	5,7	58,4	18,9	27,7	6,4	59,1	19,9	29,2	7,3
Peje	43,1	13,6	19,1	5,5	43,9	14	19,8	5,8	44,2	14,9	21,4	6,5
Prizren	40,3	9,4	9,4	1,9	40,1	8,8	7,9	1,7	42,4	9,8	9,5	2,0
Prishtine	44,5	11,4	12,2	2,2	45,3	11,5	12,1	2,0	49,2	13,1	14,3	2,2
Ferizaj	70,1	24,7	35,1	9,3	70,8	25,1	35,4	9,7	71	25,4	35,1	10,1
<i>Age</i>	***	***	***	***	***	***	***	***	***	***	***	***
0-4	45,3	13,0	16,4	4,0	45,3	13,0	16,4	4,0	45,3	13,0	16,4	4,0
5-18	48,7	14,7	18,8	4,6	48,7	14,7	18,8	4,6	48,7	14,7	18,8	4,6
19-59	43,7	12,3	15,5	3,6	45,7	12,9	16,1	3,8	na	na	na	na
>59	44,8	13,4	18,1	4,2	45,9	12,8	16,2	3,5	na	na	na	na
<i>Ethnicity</i>	***	***	***	***	***	***	***	***	***	***	***	***
Albanian	45,6	13	16,5	3,7	46,7	13,3	16,8	3,9	48	14,2	18,0	4,2
Serbian	36,5	11,7	16,4	4,3	37,6	10,7	14,3	3,3	38,1	10,9	14,9	3,3
Other	52,8	18,8	25,9	8,7	58,2	20,9	28,2	10,1	60,3	23	31,0	11,4

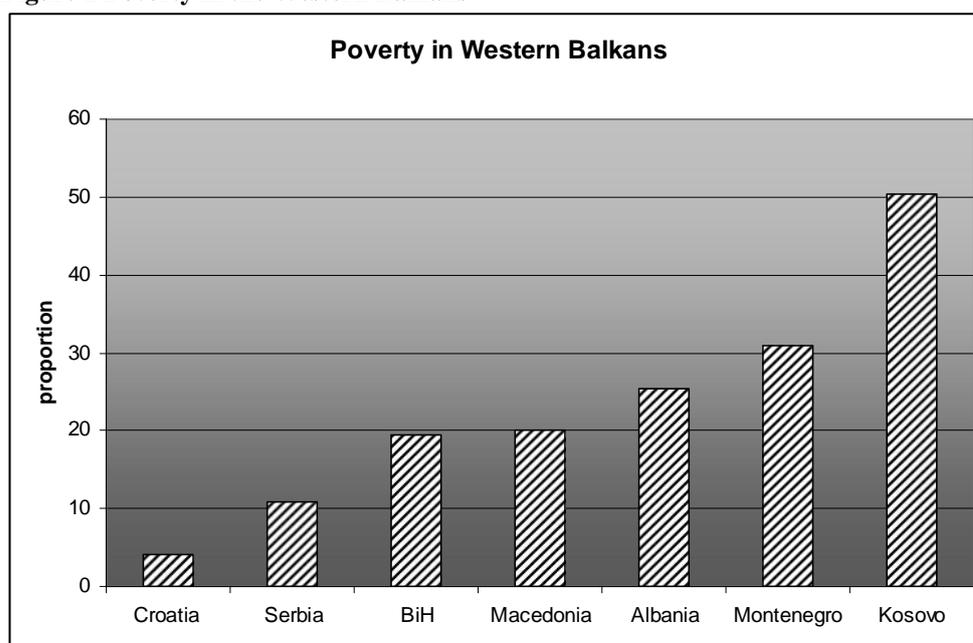
Source: Authors' own calculations on basis of HBS 06/07

Note: \*\*\*<0.001, significance level chi-squared group equality of means

### Kosovo is the poorest country in the region

A comparison with other countries further confirms the severe poverty situation in Kosovo. Figure 2 presents poverty incidence rates on the basis of absolute national poverty lines for the first half of this decade, displaying large disparities between countries. Poverty incidence was 4 percent for Croatia, 20 percent for Macedonia and 50 percent for Kosovo. In other words, the poverty risk in Kosovo is by far the highest in the region.

Figure 2 Poverty in the Western Balkans

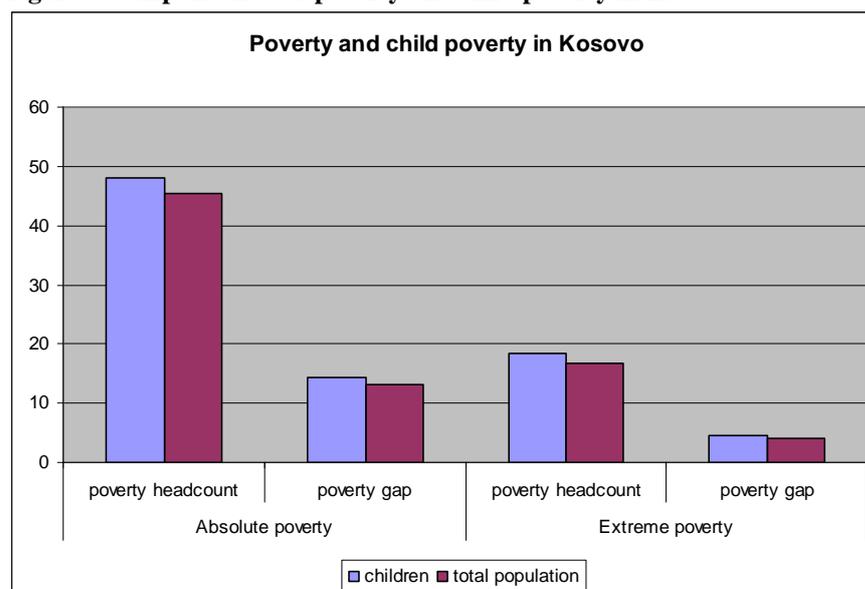


Source: DFID 2004

### Children are more prone to poverty

A comparison of poverty of the total population with poverty of individuals living in households with children and children indicates that children are more exposed to poverty. Poverty rates and gap ratios in Table 5 are higher for individuals living in families with children and even higher when considering only children. The disadvantaged position of children in comparison to the total population is also depicted in Figure 3. In other words, children are amongst the most vulnerable groups in society in Kosovo. In line with these findings, one can also observe that poor households generally have more children than non-poor households. Estimates in Table 6 indicate that this is especially visible in the regions of Gjakove and Mitrovice and for other ethnicities.

**Figure 3 Comparison total poverty and child poverty in Kosovo**



Source: Authors' own calculations on basis of HBS 06/07

**Table 6 Average number of children in poor and non-poor households**

	Average # children in poor households	Average # children in non-poor households
<i>Total</i>	3.0	2.7
<i>Area</i>		
Urban	2.8	2.1
Rural	3.2	3.2
<i>Region</i>		
Gjakove	3.7	2.8
Gjilani	2.3	2.8
Mitrovica	3.2	1.9
Peje	2.7	3.0
Prizren	3.1	2.8
Prishtine	2.7	2.2
Ferizaj	2.8	3.3
<i>Ethnicity</i>		
Albanian	3.2	2.8
Serbian	1.4	1.1
Other	2.5	1.7

Source: Authors' own calculations on basis of HBS 06/07

The distribution of child poverty over different demographic groups in Table 7 indicates the proportion of poor belonging to that specific demographic group. With respect to children, we observe that the majority of the poor children live in rural areas. One out of five absolutely poor children and more than one out of four extremely poor children live in the Mitrovica region. A fairly small proportion of poor children live in the Gjilani region. The large majority of poor children can be found amongst the Albanians, which is also the largest ethnicity in the country.

**Table 7 Contribution to child poverty**

	Children	
	Absolute poverty	Extreme poverty
<i>Gender</i>		
Male	50.9	49.2
Female	49.1	50.8
<i>Area</i>	***	***
Urban	29.4	31.4
Rural	70.6	68.6
<i>Region</i>	***	***
Gjakove	14.8	14.2
Gjilani	3.5	1.9
Mitrovica	21.4	27.4
Peje	9.6	12.2
Prizren	14.5	8.4
Prishtine	21.6	16.5
Ferizaj	14.9	19.4
<i>Ethnicity</i>		
Albanian	93.2	91.6
Serbian	2.6	2.7
Other	4.2	5.7

Source: Authors' own calculations on basis of HBS 06/07

Note: \*\*\*<0.001, significance level chi-squared group equality of means

### Box 2 Logistic regression and marginal effects

The probability of an individual or child being poor is the dependent variable within the estimation models while the factors possibly influencing this outcome are the independent or explanatory variables. When testing for the probability of such a binary outcome, a regression model based on ordinary least squares (OLS) causes a number of problems (Long, 1997, Diekmann and Jann, 2008). The most prominent problem is that of its functional form. A linear regression model assumes that the level of change in the dependent variable is constant for all levels of the independent variables. However, when the dependent variable consists of a probability, it is very likely that the impact of the independent variables increases or decreases as the predicted probability approaches 0 or 1 (Long, 1997). To overcome this and other problems when estimating a regression model with a binary outcome, one can use logistic regression. This method does not assume a linear relationship between the dependent and independent variables and is therefore more appropriate. However, as a result the coefficients of the explanatory variables do not have a clear interpretable meaning (Diekmann and Jann, 2008). In order to obtain a more intuitive interpretation of the coefficients, we calculate and present marginal effects in the text. These marginal effects indicate the percentage point change in the probability to be poor when changing the independent variable by a factor of one, assuming all other variables constant.

### **Gender, educational attainment and occupational status of the household head, the presence of children in the household and area and region of residence significantly impact the risk to poverty and child poverty**

A number of characteristics of the household head and the household as a whole significantly impact the poverty and child poverty risk. The use of logistic regression gives marginal effects for these characteristics and their level of significance, which are presented in Table 8. Results indicate that the educational attainment level and occupational status of the household head have a significant impact on poverty for both the overall population and children. The risk to poverty becomes smaller with increasing levels of education of the household head. Whilst the completion of

primary education by the household head decreases overall and child poverty risks by 14 percentage points in comparison to the situation of an illiterate household heads, this increases to 41 to 45 percentage points in case of higher education. Poverty risks increase when household heads are not employed with a salary but have a different occupational status. When the household head is unemployed or a housekeeper, the probability for a child to be poor increases with 29 percentage points. The presence of children increases the overall poverty risk by 7 percentage points. Locational characteristics of the household also significantly impact the probability to be poor. Living in a rural area increases the risk to poverty by 4 percentage points for both the overall population and children. Regional effects are stronger with Gjlani and Ferizaj being the most noticeable regions. The risk to poverty decreases by 38 to 47 percentage points when living in Gjlani region rather than the reference region Gjakove. Living in Ferizaj, however, increases the poverty risk by 24 percentage points for both the overall population and children.

**Table 8 Marginal effects poverty and child poverty**

	<b>Poverty</b>	<b>Child poverty</b>
	b/se	b/se
<i>Characteristics of the household head</i>		
Age of the hh head	-0.006*** (0.001)	-0.006*** (0.001)
Hh head is Serbian	-0.004 (0.029)	-0.026 (0.063)
Hh head has other ethnicity	0.119*** (0.025)	0.095* (0.045)
Hh head is female	-0.162*** (0.028)	-0.297*** (0.047)
Hh head has no education	-0.097** (0.030)	-0.041 (0.052)
Hh head has completed primary education	-0.141*** (0.027)	-0.134** (0.047)
Hh head has completed secondary education	-0.254*** (0.029)	-0.239*** (0.049)
Hh head has completed vocational training	-0.409*** (0.036)	-0.365*** (0.064)
Hh head has completed higher education	-0.413*** (0.036)	-0.446*** (0.065)
Hh head is subsistence farmer/self-employed	0.073*** (0.016)	0.119*** (0.026)
Hh head is unemployed/housekeeper	0.218*** (0.018)	0.286*** (0.031)
Hh head is retired/disabled	0.177*** (0.021)	0.217*** (0.036)
<i>Characteristics of the household</i>		
Number of hh members	0.004* (0.002)	-0.004 (0.003)
Children are present in the hh	0.074*** (0.020)	
Hh lives in a rural area	0.037** (0.012)	0.039* (0.020)
Hh lives in Gjlani	-0.387*** (0.021)	-0.467*** (0.037)

Hh lives in Mitrovica	0.083*** (0.021)	0.109** (0.035)
Hh lives in Peje	-0.039* (0.019)	-0.057 (0.033)
Hh lives in Prizren	-0.119*** (0.021)	-0.126*** (0.035)
Hh lives in Prishtine	-0.036 (0.020)	-0.025 (0.034)
Hh lives in Ferizaj	0.243*** (0.020)	0.245*** (0.034)
constant		
Number of observations	13438	4784
P-value	0.0000	0.0000
Adjusted R-Squared		
BIC	16.673.063	5.942.628

*Source: Authors' own calculations on basis of HBS 06/07*

*Notes: \*  $p < 0.05$ , \*\*  $p < 0.01$ , \*\*\*  $p < 0.001$*

*Reference categories are hh head is Albanian, hh head is male, hh head is illiterate, hh head is employed, hh lives in urban area and hh lives in Gjakove*

The gender of the household is also found to be a significant factor in determining a child's poverty risk with a significantly lower poverty risk for children living in female-headed households. If the household head is female, the probability to be poor is reduced by 16 percentage points for the overall population and by 30 percentage points with respect to children when compared to their situation in case of a male household head. The interpretation of this result, however, should be done with caution. The group of children living in female-headed households in the sample is very small, making it difficult to draw conclusions on the basis of this analysis.

### **Children in Kosovo suffer deprivation in the areas of water and sanitation**

In addition to monetary poverty measures, we also consider the situation of children with respect to a number of other wellbeing indicators that are available from the data set. Incidence rates of deprivation with respect to a number of these alternative indicators show that the vulnerable situation of children is not only apparent from monetary poverty indicators but also reflected in other issues. Generally, the results with respect to education are positive. Incidence rates in Table 9 indicate that 5 percent of all individuals in Kosovo older than 6 years of age are illiterate. Almost all children between 6 and 19 are going to school or have finished primary or secondary education. Nevertheless, estimates also show that a considerable share of the population in Kosovo suffers from deprivation with respect to water and sanitation. Incidence rates are marginally higher for children. 16 percent of all children live in a house without a flush toilet and almost one out of four children lives in a house without a bathroom. Furthermore, 13 percent of all children do not have a water tap in their house.

**Table 9 Incidence rates for other wellbeing indicators**

	Total population	Children
	incidence rate	incidence rate
<i>Education</i>		
individual is illiterate	5.2	
individual has not finished school (primary or secondary) and is not attending school		0.3
<i>Sanitation</i>		
no flush toilet in house	14	15,7
no bathroom in house	21,3	23,1
<i>Water</i>		
no water tap in house	11,5	13,4
<i>Housing</i>		
no brick/cement walls	3,6	4

Source: Authors' own calculations on basis of HBS 06/07

Note: the indicator for illiteracy only consider individuals older than 6 years of age. The second education indicator refers to children older than 6 and younger than 19 years of age.

#### 4) Social Assistance and Children in Kosovo – a general description

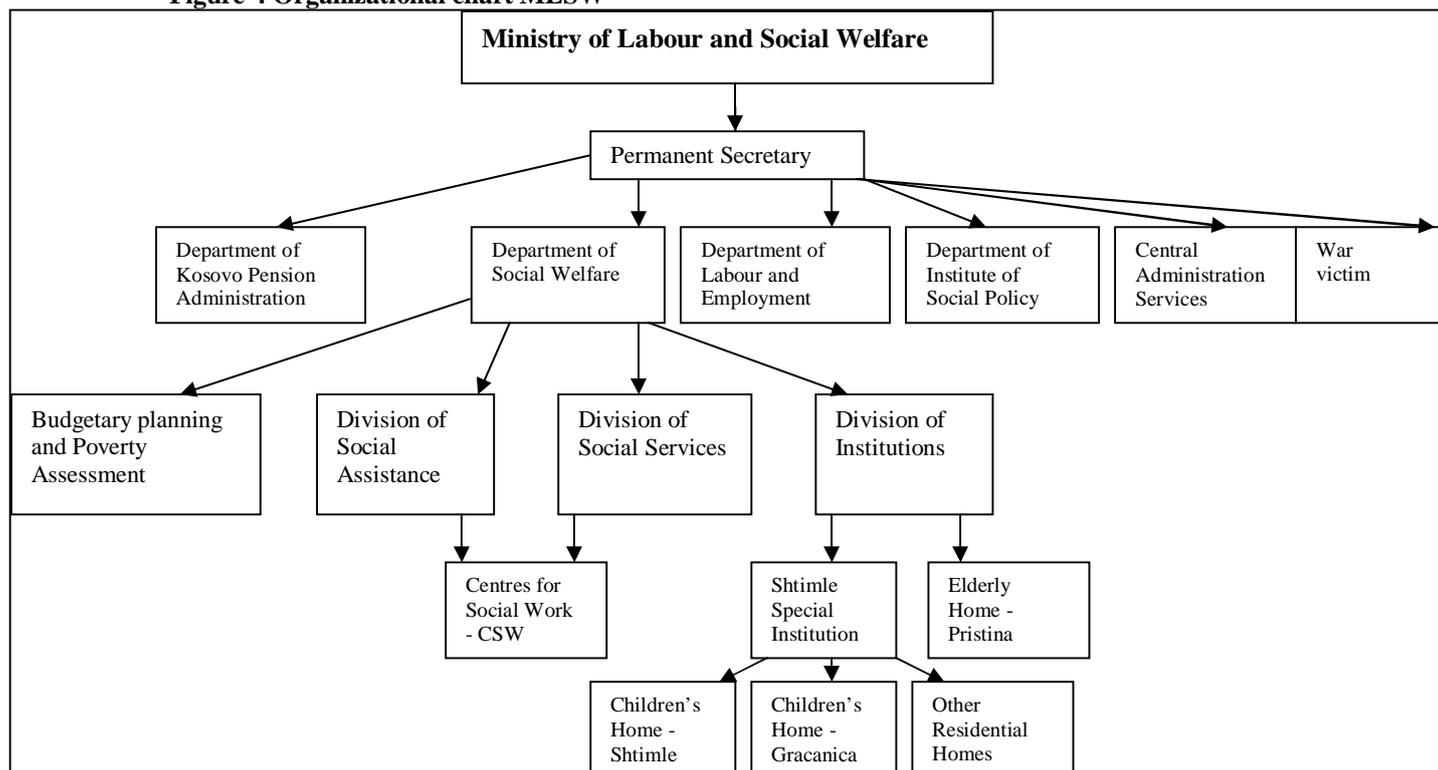
##### a) Institutional setting

In order to alleviate poverty in Kosovo, within the Ministry of Labour and Social Welfare (MLSW) and the DSW, there are a number of distinct functional Schemes of receiving monetary benefits from the Kosovo Consolidated Budget. The social protections system in Kosovo consists of a number of elements, including different types of pensions, invalidity benefits, electricity benefits, among others<sup>3</sup>. There is no scheme specifically targeted towards children, such as a universal child benefit. Children indirectly benefit from the other benefit schemes when they are part of a family with one or more recipients of other benefits. A specific scheme to highlight is the Scheme for Families of Children with Permanent Disability. It is a new scheme that was introduced at the beginning of 2009, based on the Law No. 03/L-22 on Material Support for Families of Children with Permanent Disability, which will cover the category of persons with permanent disability – the category that so far has not received any support or material benefits from the state. Beneficiaries from this scheme will be the families that take care of children with permanent disability up to 18 years of age. The amount of monthly benefit will be 100 € per month for each child and it is expected that around 3000 persons will benefit from this scheme. In reference to social assistance; due to the specific design of especially the social assistance scheme, the majority of recipients will be part of families with children.

<sup>3</sup> More specifically, these programs include Social Assistance Scheme (SAS, 2000) and Special Needs Scheme (SNS, 2003); Scheme of War Invalids and their relatives (ILAT, 2001/2008); Scheme of Essential Pension and Contribution based Pensions (PTH 2002/2008); Scheme of Disability Pensions (PPAK, 2004); Scheme for Trepça Pensioners (PT 2003); Scheme for Families of Children with Permanent Disability (2009);

The social assistance scheme is part of Kosovo’s social security scheme and provides cash transfers to poor families. The Department of Social Welfare at the Ministry of Labour and Social Welfare (MLSW) is responsible for the social assistance scheme but Law no. 2003/15 specified that MLSW designated the Centres for Social Work (CSW’s) at municipal level to administer the scheme. Applications are handled by the CSW’s as well as the process of verification and validation. Payment of transfers takes place at the central level by the Ministry on a monthly basis. CSW’s submit their lists of beneficiaries to the MLSW after which benefits are transferred to the family’s accounts. Figure 4 represents the organizational chart for the MLSW in 2007.

**Figure 4 Organizational chart MLSW**



Source: Kusari and Villadsen (2007)

The current decentralization process will shift more responsibilities to the municipal level. The CSW’s will become the responsibility of the municipalities rather than the Ministry. The respective responsible municipal division is the Directorate of Health and Social Service. Payment of transfers will still take place at the central level and be executed by MLSW. Devolution of social services and social assistance has started in January 2009 and was on-going during the writing of this report. Although some CSW employees have commented on the decentralization process and its potential advantages or drawback, it is too early to draw any conclusions.

**b) Eligibility criteria**

Social assistance is only available for families that satisfy a considerable number of eligibility criteria. A family is defined as a person who lives alone and who has no other family members present in the household or a person who lives with a spouse or co-habiting partner, parents and children, including adopted, fostered or children of the spouse (Law no. 2003/15). Eligible families fall into one out of two categories;

- 1) **Category one:** a family where all members are dependents and these dependents are not working. Dependents include persons older than 18 with permanent or severe disabilities that disable them to work for remuneration; full-time carers of persons with a permanent disability, persons that are 65 years or older or children under the age of five; children up to 14 years of age; children of 15 to 18 years of age in full-time secondary schooling; single parents with at least one child under the age of 15.
- 2) **Category two:** a family where there is a family member able to work and at least one child under the age of 5 or an orphan under the age of 15 in full-time care.

### c) Targeting

Targeting is based on a hybrid form of proxy-means and means testing, including an **asset test** and **income test**. Firstly, the family's assets are to be assessed. A number of assets are regarded non-reckonable and will not be counted in the asset test, including savings in Mandatory Individual Savings Pensions, property used as primary residence and livestock for domestic use. Reckonable assets that are counted in the asset test include, for example, property, land, livestock or vehicles that could be used for commercial or income-generating purposes. A number of these reckonable assets immediately disqualify a family from receiving social assistance, such as property that is 0.5 hectares or larger, motorized wheelchair for disabled persons or machinery. Other reckonable assets are valued to assess a family's eligibility, including lump-sum payments resulting from pensions, deposits or injury compensation. The value of the reckonable assets results in the Net Monthly Asset Value. Secondly, the family's income is assessed. A range of income sources are not-reckonable and thus not counted for the income test, such as payments taken into account for the asset test, basic pensions, disability pensions and home produce. Income that is regarded reckonable and valued for the income test includes income from rent or hire, remittances, pensions from the Individual Savings Pensions and from outside Kosovo. The value of the reckonable income results in the Net Monthly Income Value.

The family's actual benefit is calculated by deducting the family's reckonable net monthly income from the gross standard rate. The monthly Gross Standard Rates as determined in Law 2003/15 have remained unchanged until 2009. From the January 1 2009, the Government has increased social assistance by 5 Euros (GAP 2009). The original and new Gross Standard Rates are presented in Table 10. Comparing the monthly Gross Standard Rates to the poverty line indicates that benefits are very low. At a daily poverty line per adult equivalent of €1.42 in 2002 prices, this amounts to approximately €43 per month. In other words, the maximum benefit that a household of one person is entitled to is not sufficient to cover the poverty gap.

**Table 10 Gross Standard Rates for SA**

Family size	Monthly Gross Standard Rate (Euro)	Monthly Gross Standard Rate (Euro) since January 2009
One person	35	40
Two persons	50	55
Three persons	55	60
Four persons	60	65
Five persons	65	70
Six persons	70	75
Seven persons or more	75	75

Source: UNMIK 2003a (for first column)

#### **d) Application procedure**

Social assistance applicants have to go to one of the 32 CSW's in Kosovo to start their procedure. Applicants have to be at least 16 years of age and all applications have to be made in person, using the Social Assistance Application Form (UNMIK 2003b). In order to apply, the applicant as well as all family members aged 16 years and older need to be in the possession of a valid UNMIK Civil Registration ID Card as well as other documents based on the Law on the SNS, No. 2003/15 and shown during the application process. Family members younger than 16 years of age need a birth certificate (UNMIK 2003b). In addition, the applicant needs to submit a set of documents to the CSW in order to determine the validity of the application. These documents can include: death certificate (for orphan family members or single parents), declaration of unemployment, divorce certificate (for single parents), doctor's certificate of disability, land cadastre certificate, letter from CSW of original residence stating that family does not receive social assistance there and for IDP's, marriage certificate, school certificate (for children between 15 and 18 years of age in full-time education), tax, registration and insurance documents as well as other documents that are deemed relevant by the CSW (UNMIK 2003b). Home visits are often carried out by CSW employees to verify eligibility of the applicant's family. After the application has been submitted, the applicant needs to be informed by the CSW in writing within 45 days about the decision to grant social assistance or not (UNMIK 2003a).

An application for social assistance is only valid for 6 months after which a new application needs to be submitted with a new set of documents. If the application is rejected, applicants have the right to appeal in writing to the Director of the CSW. Such an appeal should be made within 14 days after the notification of the official decision and the CSW should make an appeal decision within 21 days after receipt of the appeal. If the applicant does not agree with the appeal decision, there is the opportunity to make further appeal in writing to the Appeals Commission, which should review and decide on the appeal within 21 days.

### **5) Social Assistance and Children in Kosovo – what the data tells us**

#### **a) Coverage**

The Kosovo Social Assistance scheme is considered one of the most efficient in the Western Balkans region (Gueorguieva 2008). Program coverage is limited but there is little leakage of resources. Improvement of the program's efficiency should therefore

be focused on collection of information of the applications and the verification process rather than the tightening of the eligibility criteria. The latter would primarily result in exclusion from large groups of poor families (Gueorguieva 2008).

### **Kosovo is spending a relatively small share of GDP on social expenditures**

In comparison to other countries in the region, Kosovo allocates a relatively low share of its GDP on social security and social protection. Table 11 presents the expenditures on social security and social protection as a percentage of GDP for the Western Balkan region in 2003. Whilst Croatia and BiH allocate a share of 19 to 15 percent of GDP to social security, this only amounts to 6 percent in Kosovo.

**Table 11 Share of expenditures as percentage of GDP**

	<b>Expenditure on social security</b>	<b>Expenditure on social protection</b>
<i>Year</i>	<i>2003</i>	
<i>Croatia</i>	19.3	26.5
<i>BiH</i>	15.3	21.4
<i>Serbia</i>	15.3	20.9
<i>Montenegro</i>	15.7	23.0
<i>Macedonia</i>	6.8	12.0
<i>Albania</i>	6.7	10.0
<i>Kosovo</i>	5.8	10.3
<i>EU-25</i>		28.0

*Source: Bartlett and Xhumari (2007)*

*Note: Social security is defined as cash benefits including pensions, paid sick leave, family and child allowances, unemployment benefit and income support and benefits in kind excepting health benefits.*

*Social protection includes social security benefits plus public expenditure on health care.*

### **The size of the social assistance programme in Kosovo is modest and has become smaller over the last few years**

Administrative data from the Ministry of Labor and Social Welfare from 2005 to 2008 indicates that the size of the social assistance programme has decreased over the last few years. In terms of the number of recipients as well as the absolute amount awarded, the social assistance programme has decreased in size. Figures in Table 12 indicate that the total number of families receiving social assistance was 42,052 in December 2005 and it decreased by almost 20 percent in December 2008. The average benefit per family and family member, however, remained fairly stable. The average benefit awarded per family amounts to about € 61 and € 14 per family member. Note that these benefits have not been adjusted for inflation. Hence, in real terms, the benefit has actually decreased over the years. The reduction in the number of recipients might be attributed to a number of reasons. Firstly, the combination of increased nominal incomes over time and fixed gross monthly rates could explain a reduction in the number of eligible families. Less families are eligible when their nominal incomes have increased whilst the threshold at which they are tested, the monthly gross rates, have remained the same. Considering that these rates have been increased in January 2009, we might see an increase in the number of social assistance recipients again for the upcoming year. A second explanation of the declining number of recipient might relate to increased monitoring of eligibility. Stricter verification of eligibility over time might result in smaller numbers of eligible households.

Table 13 presents data on annual budget and actual expenditures for different types of social welfare programmes from 2004 to 2008. The bottom row indicates that the share of social assistance in the total budget and expenditures with respect to the total budget and actual expenditures on social welfare has decreased from 35/34 percent to 18 percent. The smaller share of the social assistance programme in social welfare is partly due to the reduction of the absolute amount in Euro spent allocated to social assistance and partly a result of other social welfare programmes that have been introduced in the last few years.

**Table 12 Number of social assistance beneficiaries and amount of total social assistance benefit per municipality for December 2005 – December 2008**

<b>Administrative data MSLW Social Assistance 2005- 2008 by municipality</b>												
	<b>December 2005.</b>			<b>December 2006.</b>			<b>December 2007.</b>			<b>December 2008.</b>		
<b>CSW</b>	<b>Families</b>	<b>Family members</b>	<b>AMOUNT</b>									
<b>Pejë/Pec region</b>												
<b>Pejë /Pec</b>	1.813	7.481	109.303,00 €	1.711	7.204	103.101,00 €	1.683	7.092	103.708,00 €	1.625	6.819	97.185,00 €
<b>Gjakovë /Djakovica</b>	1.413	6.058	85.655,00 €	1.451	6.400	88.610,00 €	1.400	6.318	86.000,00 €	1.367	6.239	84.334,00 €
<b>Klinë/Klina</b>	926	4.450	58.038,00 €	1.010	4.761	63.282,00 €	1.050	4.875	65.277,00 €	1.060	4.921	67.253,00 €
<b>Istog / Istok</b>	738	3.274	45.003,00 €	749	3.322	45.503,00 €	764	3.396	46.482,00 €	747	3.357	45.510,00 €
<b>Deçan /Decani</b>	1.361	6.053	82.840,00 €	1.524	6.789	94.520,00 €	1.165	5.449	74.300,00 €	1.204	5.689	76.495,00 €
<b>Gjilani/Gnjilane region</b>												
<b>Gjilan / Gnjilane</b>	1.365	5.665	81.783,00 €	1.434	6.027	86.553,00 €	1.267	5.391	76.657,00 €	1.077	4.554	64.979,00 €
<b>Novoberde /Novo Brdo</b>	168	656	10.045,00 €	163	649	9.650,00 €	156	635	9.380,00 €	133	563	8.320,00 €
<b>Viti / Vitina</b>	674	2.981	44.515,00 €	694	3.131	45.495,00 €	732	3.401	46.950,00 €	636	3.026	41.665,00 €
<b>Kamenicë / Kamenica</b>	592	2.603	36.980,00 €	581	2.579	36.335,00 €	524	2.356	32.940,00 €	468	2.024	29.130,00 €
<b>Ranilug</b>	357	1.257	20.585,00 €	382	1.382	22.300,00 €	396	1.434	22.685,00 €	365	1.289	21.075,00 €
<b>Ferizaj / Uroševac</b>	1.575	6.928	96.639,00 €	1.393	6.262	85.865,00 €	1.336	6.225	83.448,00 €	1.234	5.832	77.338,00 €
<b>Sterpce</b>	260	843	14.425,00 €	344	1.101	19.980,00 €	436	1.340	23.565,00 €	445	1.369	24.145,00 €
<b>Shtërpcë(Firaja)</b>	224	1.009	14.165,00 €	223	1.023	13.885,00 €	201	939	12.665,00 €	180	830	11.245,00 €
<b>Kacanik / Kacanik</b>	886	4.009	54.905,00 €	878	4.015	54.633,00 €	865	4.065	54.654,00 €	830	3.885	52.080,00 €
<b>Prishtinë/Prishtina region</b>												
<b>Prishtinë / Prishtina</b>	3.704	14.435	222.706,00 €	3.532	14.157	211.412,00 €	3.259	13.257	196.819,00 €	928	3.790	57.238,00 €
<b>Kodra e Trimave</b>										1.211	5.059	75.645,00 €
<b>Kodra e Diellit</b>										606	2.374	35.835,00 €
<b>Glogovc / Glogovac</b>	2.563	12.445	166.132,00 €	2.309	11.309	148.401,00 €	1.982	9.850	130.360,00 €	1.798	8.926	115.095,00 €
<b>Fushë Kosovë/KosovoPolje</b>	980	3.964	58.727,00 €	969	4.145	59.119,00 €	910	4.069	56.439,00 €	893	4.141	56.130,00 €
<b>Lipjan/Lipljane</b>	1.720	7.840	106.847,00 €	1.802	8.313	112.127,00 €	1.468	6.902	92.204,00 €	1.415	6.684	89.234,00 €
<b>Obiliq /Obilic</b>	947	3.802	57.706,00 €	859	3.520	51.611,00 €	761	3.184	46.315,00 €	619	2.679	38.324,00 €
<b>Podujevë/Podujevo</b>	1.537	7.641	97.465,00 €	1.334	6.658	84.491,00 €	1.251	6.231	79.984,00 €	1.100	5.398	72.395,00 €

Shtime/Stimlje	660	3.230	41.532,00 €	652	3.231	41.840,00 €	595	2.986	37.683,00 €	580	2.950	37.727,00 €
<b>Prizren/Prizren region</b>												
Prizren/Prizren	2.147	8.986	129.475,00 €	2.002	8.399	119.888,00 €	1.804	7.561	108.934,00 €	1.613	6.683	95.810,00 €
Dragash/Dragas	602	2.405	36.870,00 €	543	2.166	33.265,00 €	423	1.686	26.465,00 €	346	1.323	20.560,00 €
Malishevë/Malisevo	963	5.015	62.865,00 €	807	4.245	53.835,00 €	743	3.895	48.258,00 €	738	3.929	48.475,00 €
Rahovec/Orahovac	820	3.681	50.143,00 €	816	3.609	49.691,00 €	745	3.368	45.978,00 €	653	2.904	40.105,00 €
Suharekë/Suva Reka	1.147	5.691	71.990,00 €	1.031	5.104	64.979,00 €	827	4.073	51.831,00 €	756	3.733	47.487,00 €
<b>Mitrovicë/Mitrovica region</b>												
Mitrovicë /Mitrovica(S)	3.213	13.289	194.431,00 €	3.085	13.241	187.438,00 €	2.860	12.518	175.291,00 €	2.568	11.416	158.646,00 €
Vushtrri/Vucitrn	2.367	10.470	149.373,00 €	2.150	9.806	133.827,00 €	1.979	9.271	124.808,00 €	1.926	9.078	121.615,00 €
Skenderaj/Srbica	2.984	14.196	193.273,00 €	2.787	13.636	176.928,00 €	2.251	11.344	143.905,00 €	1.875	9.606	121.500,00 €
Mitrovica/Mitrovicë(N)	1.297	2.975	65.939,00 €	1.274	2.998	65.045,00 €	1.278	3.021	66.130,00 €	1.322	3.248	70.825,00 €
Zvecan/Zvecan	584	1.459	30.514,00 €	557	1.389	28.124,00 €	553	1.396	28.253,00 €	843	2.201	42.711,00 €
Leposaviq/leposavic	894	2.190	48.707,00 €	909	2.317	44.892,00 €	870	2.237	43.054,00 €	569	1.454	29.228,00 €
Zubin Potok	571	1.140	25.056,00 €	614	1.243	27.319,00 €	636	1.284	28.285,00 €	577	1.254	26.445,00 €
	<b>42.052</b>	<b>178.121</b>	<b>2.564.632,00 €</b>	<b>40.569</b>	<b>174.131</b>	<b>2.463.944,00 €</b>	<b>37.170</b>	<b>161.049</b>	<b>2.269.707,00 €</b>	<b>34.307</b>	<b>149.227</b>	<b>2.101.784,00 €</b>
<b>Average amount per</b>	<b>Family</b>	<b>Family member</b>										
	<b>60,99 €</b>	<b>14,40 €</b>		<b>60,73 €</b>	<b>14,15 €</b>		<b>61,06 €</b>	<b>14,09 €</b>		<b>61,26 €</b>	<b>14,08 €</b>	

Source: Administrative data provided by MSLW

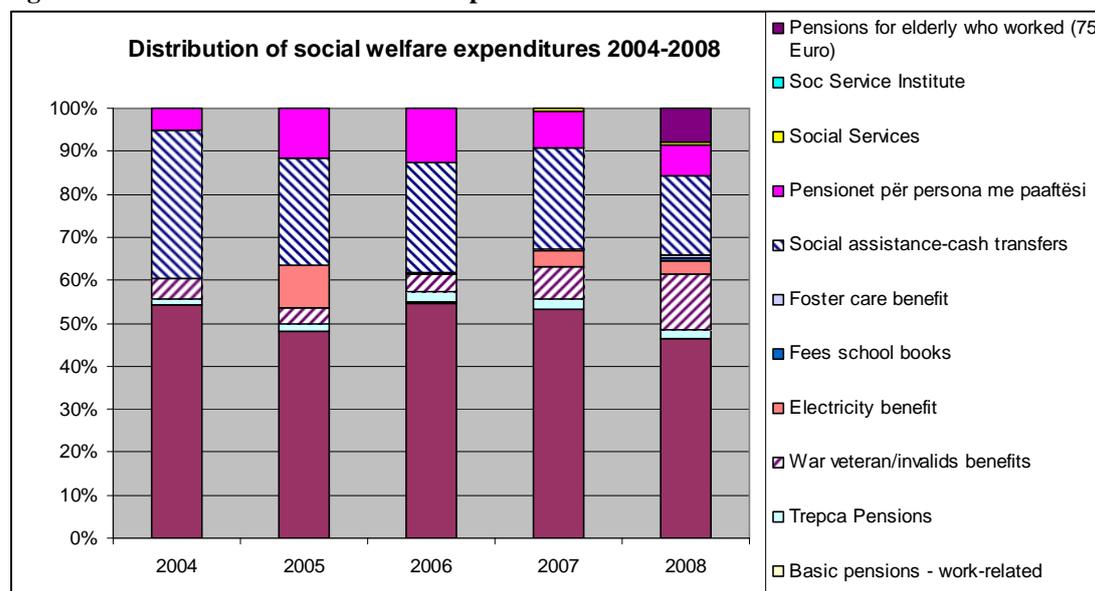
**Table 13 Annual budget and actual expenditures for different types of social welfare benefits in Euro 2004 - 2008**

Type of social welfare	2004		2005		2006		2007		2008	
	Budget	Actual expenditures								
Basic pensions - old-age	51.998.165	50.605.099	62.512.000	60.395.021	64.287.926	64.279.287	63.282.000	63.196.695	65.746.920	65.630.259
Basic pensions - work-related					139.150	121.097	100.000	99.600	100.000	99.874
Trepca Pensions	1.589.280	1.260.000	2.820.000	2.500.179	2.955.390	2.953.720	2.865.760	2.818.480	2.803.760	2.775.750
War veteran/invalids benefits	4.560.000	4.377.434	7.200.000	4.468.181	4.971.564	4.845.752	8.828.480	8.770.832	19.792.480	18.417.154
Electricity benefit			12.700.000	12.700.000			4.500.000	4.500.000	4.500.000	4.500.000
Fees school books					200.000	199.996	350.000	349.995	2.391.198	1.225.781
Foster care benefit							198.000	77.684	2.375.181	892.193
Social assistance-cash transfers	35.150.000	32.337.878	28.888.000	31.248.337	30.232.235	30.195.678	29.990.000	28.017.565	27.028.000	26.065.990
Pensionet për persona me paaftësi	9.952.000	4.763.970	13.900.000	14.619.447	14.907.230	14.795.369	13.192.000	10.092.562	10.250.080	10.016.528
Social Services							850.000	689.807	160.000	825.915
Soc Service Institute							30.000	28.160	30.000	28.200
Pensions for elderly who worked (75 Euro)									12.285.609	11.289.103
<b>total</b>	<b>103.249.445</b>	<b>93.344.381</b>	<b>128.020.000</b>	<b>125.931.165</b>	<b>117.693.495</b>	<b>117.390.899</b>	<b>124.186.240</b>	<b>118.641.379</b>	<b>147.463.228</b>	<b>141.766.746</b>
<b>share of social assistance</b>	<b>0,34</b>	<b>0,35</b>	<b>0,23</b>	<b>0,25</b>	<b>0,26</b>	<b>0,26</b>	<b>0,24</b>	<b>0,24</b>	<b>0,18</b>	<b>0,18</b>

Source: Administrative data provided by MEF

The stacked bars in Figure 5 represent the same data as shown in Table 13. It becomes immediately visible that the share of social assistance cash transfers has decreased over time and other schemes have been introduced. The pensions for elderly that have worked were introduced in 2008 and social services, albeit at a very small size, were introduced in 2007.

**Figure 5 Distribution of social welfare expenditures 2004-2008**



Source: Administrative data provided by MEF

The social assistance programme in Kosovo is limited in size with a relatively small number of recipients as a proportion of the total population. Table 14 indicates the proportion of total population and child population living in households that receive social assistance as the main source of income or as a component of household income. When asked about the main source of household income, 6 percent of all respondents indicate this to be social assistance. When considering the population receiving social assistance both as main income or part of their income, 11 percent of the whole population is a social assistance beneficiary<sup>4</sup>. Receipt is slightly higher for children, with 9 percent of children living in a household with social assistance as the main source of income and 13 percent of children living in a household receiving social assistance as main income or a component of household income.

<sup>4</sup> Respondents having indicated that social assistance is the main source of income but who consequently did not report any income received in the last month are not included as social assistance beneficiaries.

**Table 14 Coverage of social assistance programme**

	Proportion of total population with SA as main source of household income (%)	Proportion of total population receiving SA (%)	Proportion of children living in households receiving SA as main source of household income (%)	Proportion of children living in households receiving SA (%)
Total	6	10,9	8,6	13,4
<i>Gender</i>				
Male	5,8	10,6	7,7	12,6
Female	6,3	11,2	9,5	14,2
<i>Area</i>				
Urban	5,8	9,6	8,7	12,9
Rural	6,2	11,7	8,5	13,6
<i>Region</i>				
Gjakove	5,2	12,3	6,6	13,7
Gjilani	2,1	4,7	2,4	4,3
Mitrovica	10,1	16,8	15,1	22,6
Peje	4,4	7,5	6,9	10,8
Prizren	3,1	7,1	4,1	7,2
Prishtine	9,2	14,4	13,8	18,5
Ferizaj	3,8	8,2	5,1	9,5
<i>Ethnicity</i>				
Albanian	5,8	10,8	8,2	13,0
Serbian	2,4	2,3	1,7	2,8
Other	16,3	24,4	24,8	33,7
<i>Agegroup</i>				
<19	8,6	13,4	8,6	13,4
19-59	4,9	9,9		
>59	3	7,9		

Source: Authors' own calculations on basis of HBS 06/07

### **The large majority of individuals receiving social assistance live in a family with children**

Approximately 9 out of 10 social assistance beneficiaries live in a family with children below the age of 19 years. The large presence of children amongst households with social assistance recipients is largely due to the design of the programme. Category 2 of the programme stipulates that at least one of the household members needs to be a child under the age of 5 or a foster child under the age of 15. These criteria result in families being ineligible for social assistance when they do not have small children. Furthermore, two-thirds of all individuals with SA recipients in the household live in rural areas while one-thirds lives in urban areas. More than half of all household heads with social assistance recipients in the household are unemployed. Results in Table 15 also show that only a small group of social assistance beneficiaries live in a female-headed household.

**Table 15 Characteristics of social assistance recipients**

		Proportion of individuals receiving social assistance (%)
<i>living in households with children</i>		92,4
<i>living in households with elderly</i>		19,7
<i>by gender</i>	male	48,9
	female	51,1
<i>by area type</i>	urban	30,7
	rural	69,3
<i>by region</i>	Gjakove	14
	Gjilani	4,7
	Mitrovice	26,8
	Peje	7,4
	Prizren	10,7
	Prishtine	28,9
	Ferizaj	7,5
<i>by ethnicity</i>	Albanian	90,1
	Serbian	1,1
	Other	8,7
<i>by gender of the household head</i>		
	male	94,7
	female	5,4
<i>by main activity of the household head</i>		
	employer	0
	employee with salary	3,1
	subsistence farmer	8,2
	per-diem worker	8,6
	other self-employed	2
	retired/disabled	26
	unemployed	48,1
	housekeeper	2,6
	other	1,5
<i>by agegroup</i>	<19	44,5
	19-59	46,9
	>59	8,7

Source: Authors' own calculations on basis of HBS 06/07

### **Category 2 is the largest category in the social assistance scheme**

Administrative data from the Ministry of Labor and Social Welfare indicates that the majority of social assistance beneficiaries can be categorized in the category two. Figures in Table 16 indicate that 58 percent of all family members living in a family receiving social assistance are in category two. The distribution of social assistance beneficiaries over the two categories differs by region. In the Prishtina, Gjilan and Prizren regions, more than 60 percent of all social assistance beneficiaries belong to category 2. This share is lower in the Peje and Mitrovice region.

**Table 16 Number of SA beneficiaries and amount of SA per category in December 2008**

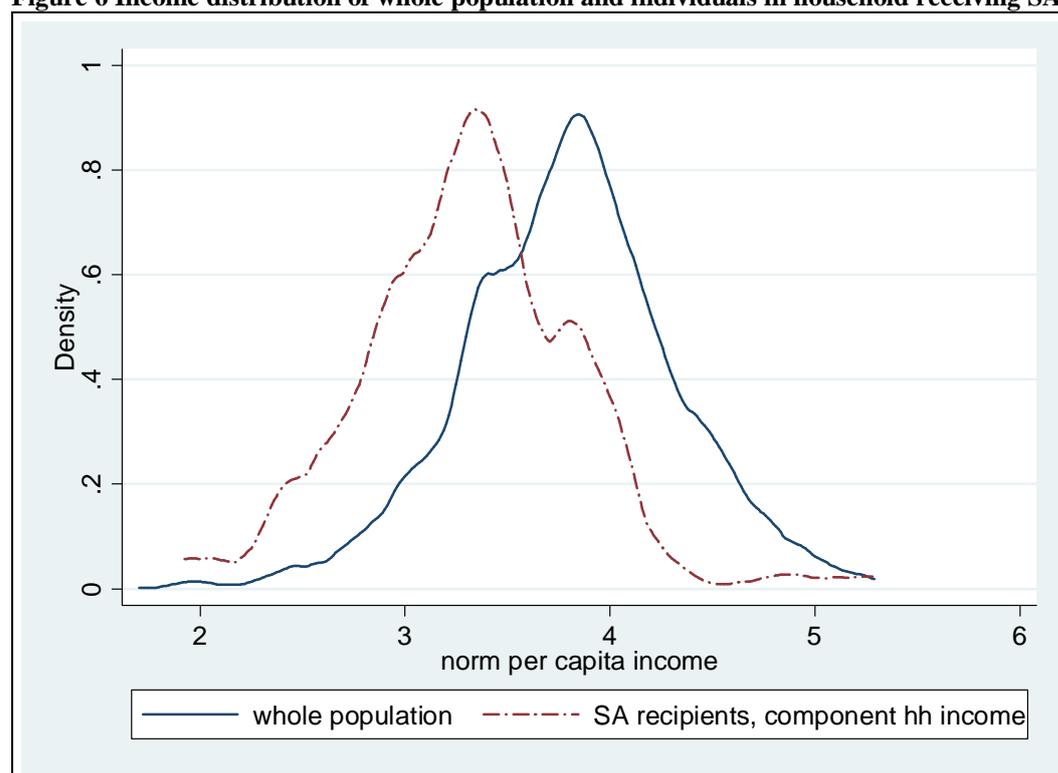
REGION	Category	Families	Family members	Proportion of SA beneficiaries	Amount (Euro)
PRISHTINE / PRISTINA	1	4120	15.725	37,4	243.756,00 €
	2	5046	26.276	62,6	333.752,00 €
		9166	42.001		
GJILAN / GNJILANE	1	2350	8.188	35,0	133.962,00 €
	2	3018	15.184	65,0	196.015,00 €
		5368	23372		
PEJE / PEC	1	3024	11.508	42,6	175.771,00 €
	2	2964	15.517	57,4	195.058,00 €
		5988	27025		
PRIZREN / PRIZREN	1	2018	7.193	38,7	113.773,00 €
	2	2088	11.379	61,3	138.664,00 €
		4106	18572		
MITROVICE / MITROVICA	1	5876	19.715	51,5	326.567,00 €
	2	3803	18.542	48,5	244.466,00 €
		9679	38257		
TOTAL BY CATEGORY	1	17.388	62.329	41,8	993.829,00 €
	2	16.919	86.898	58,2	1.107.955,00 €
TOTAL		34.307	149.227		2.101.784,00 €

Source: Administrative data provided by MSLW

### **The income distribution of individuals living in households with social assistance recipients is lower than for the overall population**

Figure 6 presents the distribution of normalized income per adult equivalent for the whole population and for those individuals living in households receiving social assistance as part of household income. The figure clearly indicates that the income distribution of social assistance recipients is equal to that of the whole population but at a lower level. In other words, individuals living in households receiving social assistance are generally poorer when compared to the overall population.

**Figure 6 Income distribution of whole population and individuals in household receiving SA**



Source: Authors' own calculations on basis of HBS 06/07

### Social assistance beneficiaries are more deprived with respect to other areas of wellbeing

Recipients of social assistance are relatively more disadvantaged with respect to the areas of water and sanitation than the general population. Table 17 provides incidence rates for other indicators of wellbeing for both the general population and those receiving social assistance. Deprivation with respect to sanitation is at least 10 percentage points higher for social assistance recipients compared to the total population. One out of four children living in households receiving social assistance as a component of income live in a house without a flush toilet and one out of three children live in a house without a bathroom. The incidence of deprivation with respect to water is twice as high amongst social assistance recipients in comparison to the overall population.

**Table 17 Incidence rates for other wellbeing indicators for total population and SA recipients**

	Total population	Total population receiving SA	Children	Children living in hh's receiving SA
	incidence rate	incidence rate	incidence rate	incidence rate
<i>Education</i>				
individual is illiterate	5.2	7.6		
individual has not finished school (primary or secondary) and not attending school			0.3	2.9
<i>Sanitation</i>				

no flush toilet in house	14	26.5	15,7	27.7
no bathroom in house	21,3	31.2	23,1	33.3
<i>Water</i>				
no water tap in house	11,5	23.7	13,4	25.1
<i>Housing</i>				
no brick/cement walls	3,6	4.1	4	3.8

Source: Authors' own calculations on basis of HBS 06/07

Note: the indicator for illiteracy only consider individuals older than 6 years of age. The second education indicator refers to children older than 6 and younger than 19 years of age.

### Coverage of the poor population by social assistance is limited

The proportions of the poor population receiving social assistance indicated in Table 18 point towards limited coverage of the poor population. Generally, coverage is higher when considering social assistance as part of household income rather than as the main source of income. Nevertheless, less than 20 percent of the poor population and 23 percent of all poor children in Kosovo live in households receiving social assistance benefits. Coverage is generally smaller in rural areas compared to urban areas and in the Prizren and Ferizaj regions. Individuals with the Serbian ethnicity experience a lower coverage rate than the Albanian majority (5 percent on average), whilst the RAE and other ethnic minorities have a considerable larger coverage rate (ranging from 25 to 45 percent).

**Table 18 Coverage of poor population**

	Proportion of poor population receiving SA as main income	Proportion of poor population receiving SA	Proportion of poor children living in households receiving SA as main income	Proportion of poor children living in households receiving SA
Total	12,3	19,2	16,8	23,2
<i>Gender</i>				
Male	12	18,5	15,6	21,6
Female	12,6	19,8	18	24,8
<i>Area</i>				
Urban	13,7	22,7	18,9	27,9
Rural	11,7	17,6	15,9	21,2
<i>Region</i>				
Gjakove	9,9	18,0	12,5	19,8
Gjilani	10,5	15,0	13,2	14,6
Mitrovica	17,2	28,0	23,6	34,3
Peje	9,2	15,2	13,8	21,1
Prizren	6,7	10,4	8,2	12,7
Prishtine	20,3	26,3	28	31,6
Ferizaj	4,5	10,6	6,1	11,9
<i>Ethnicity</i>				
Albanian	12	18,9	16,4	22,6
Serbian	4,6	5,0	4,6	5,3

Other	24,9	37,6	31,2	45,9
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Source: Authors' own calculations on basis of HBS 06/07

Note: \*\*\*<0.001, significance level chi-squared group equality of means

To gain a more detailed understanding of the coverage of the poorest groups in Kosovo, we look into the poorest and second poorest quintiles of the population. Estimates in Table 19 indicate the proportion of population and children in the poorest and second poorest quintile receiving social assistance. In the poorest quintile, 30 percent of the total population and 36 percent of all children receive social assistance. In other words, only one out of three individuals in the poorest quintile of Kosovo receives social assistance.

**Table 19 Coverage of population in poorest quintile**

	Proportion of population in poorest quintile receiving SA	Proportion of children in poorest quintile receiving SA
Total	29.9	35.8
<i>Gender</i>		
Male	30.0	36.9
Female	29.9	34.8
<i>Area</i>	***	***
Urban	32.6	39.6
Rural	28.6	34.1
<i>Region</i>	***	***
Gjakove	38.1	41.3
Gjilani	28.5	21.0
Mitrovice	37.0	46.5
Peje	28.6	37.4
Prizren	18.7	21.8
Prishtine	40.4	45.2
Ferizaj	14.3	16.9
<i>Ethnicity</i>	***	***
Albanian	30.0	34.6
Serbian	5.5	0.9
Other	65.0	74.4

Source: Authors' own calculations on basis of HBS 06/07

Note: \*\*\*<0.001, significance level chi-squared group equality of means

### **Other ethnic groups receive a relatively greater proportion of social assistance benefits**

Coverage rates in Table 19 indicate that coverage of the poor population differs considerably by ethnic group. Serbian households and children experience the lowest coverage rates whilst the other ethnic minorities face coverage rates between 63 and 73 percent. Table 20 and Figure 7 indicate the coverage of social assistance relative to their share in the population. The combined figures show that the majority of benefits is distributed to the Albanian population; 89 percent of the benefits are distributed to the Albanian population, which represents 91 percent of the population. It also becomes evident that the Serbian population receives less social assistance benefits than their share in the population. The other ethnic minorities, however, receive a

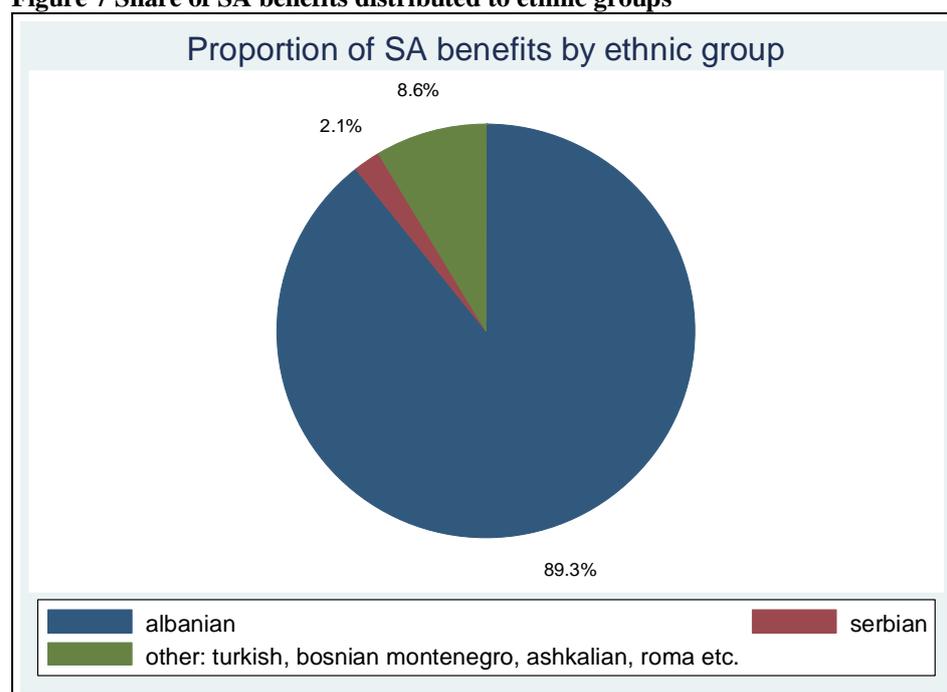
greater share of social assistance benefits relative to their share in the population. 9 percent of all benefits are distributed to the other ethnic minorities whilst they only represent 4 percent of the total population.

**Table 20 Proportion of ethnic groups in Kosovo**

	Total
Proportion of Albanians	91.0
Proportion of Serbians	5.2
Proportion of other ethnic groups	3.8

Source: Authors' own calculations on basis of HBS 06/07

**Figure 7 Share of SA benefits distributed to ethnic groups**



Source: Authors' own calculations on basis of HBS 06/07

## b) Leakage

### Leakage of social assistance to non-poor households and children is limited

Leakage of social assistance refers to social assistance benefits that are awarded to non-poor households or individuals, also known as the inclusion error. Considering social assistance as the main source of household income, results in Table 21 indicate inclusion errors of 7.7 percent for the overall population and 6 percent for children. In other words, 7.7 percent of all non-poor individuals in Kosovo live in a household with social assistance as the main source of income. By the same token, 6 percent of all non-poor children live in households with social assistance as the main source of income. Leakage of social assistance is higher when considering social assistance as a component of household income. Inclusion errors rise to 17 percent for the child population and 20 percent for the overall population.

**Table 21 Inclusion errors of SA**

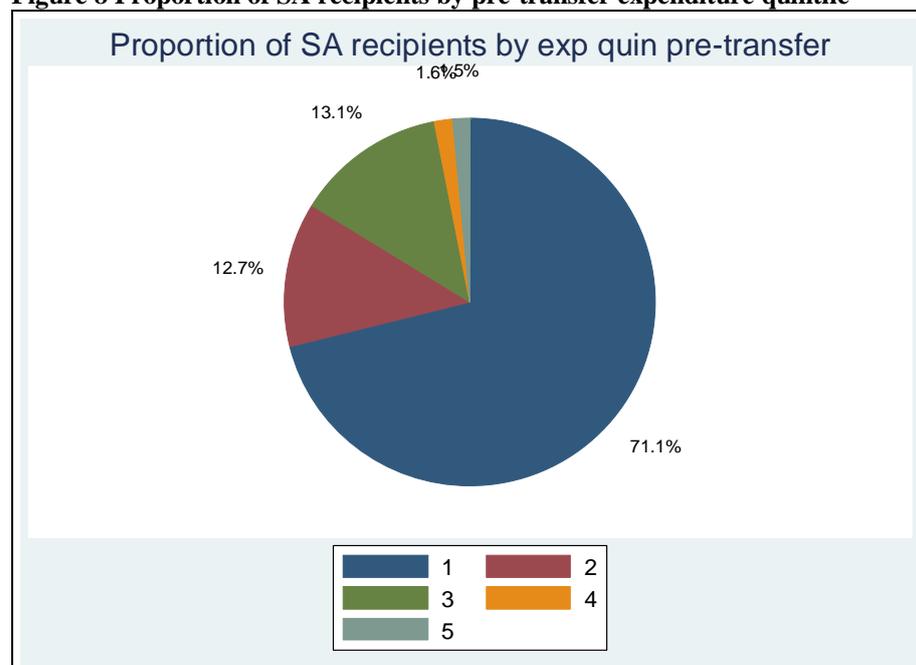
	<b>Total</b>
Proportion of individuals in households that are not poor receiving SA as main income	7.7
Proportion of individuals in households that are not poor receiving SA as a component of income	20.4
Proportion of children in households that are not poor receiving SA as main income	6.0
Proportion of children in households that are not poor receiving SA as a component of income	16.7

Source: Authors' own calculations on basis of HBS 06/07

### The targeting of social assistance benefits is quite accurate

The targeting performance of social assistance in Kosovo is good with relatively little leakage to non-poor households. The pie chart in Figure 8 indicates that 71 percent of all social assistance recipients belong to the first quintile on the basis of per capita expenditures pre-transfer. Only 15 percent of all SA recipients belong to the richest 60 percent of the population.

**Figure 8 Proportion of SA recipients by pre-transfer expenditure quintile<sup>5</sup>**

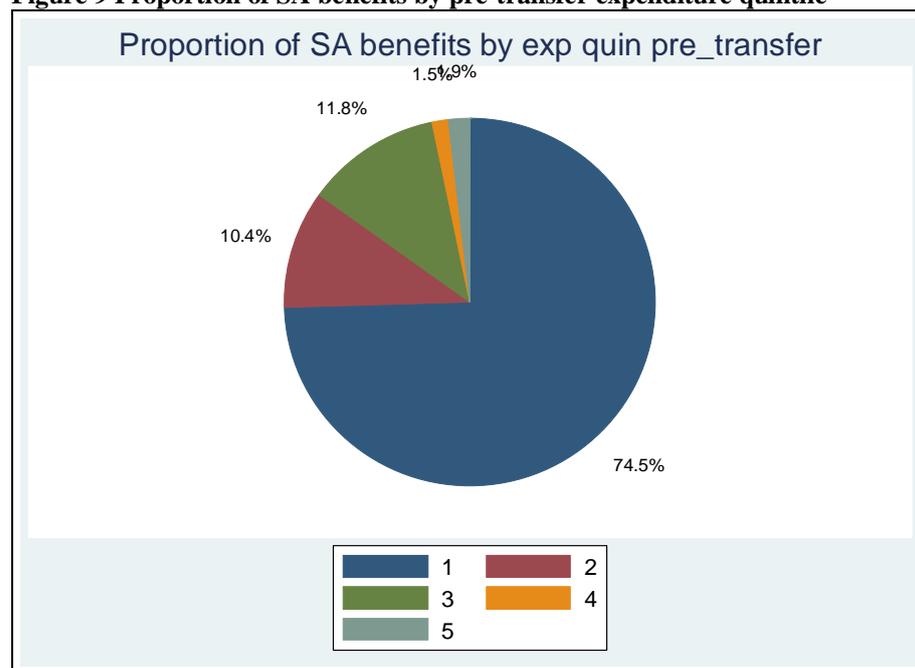


Source: Authors' own calculations on basis of HBS 06/07

Similar proportions hold when we look at distribution of SA benefits over various quintiles. The pie chart in Figure 9 presents the share of social assistance benefits distributed over the pre-transfer expenditure quintiles. 75 percent of social assistance benefits are distributed to individuals in the poorest quintile and 15 percent is distributed to the richest three quintiles in the population.

<sup>5</sup> The expenditure quintiles are calculated on the basis of pre-transfer expenditures to make sure that we consider the distribution of social assistance beneficiaries/benefits to those individuals that were poor before transfers. This holds for Figures 7 and 8.

**Figure 9 Proportion of SA benefits by pre-transfer expenditure quintile**

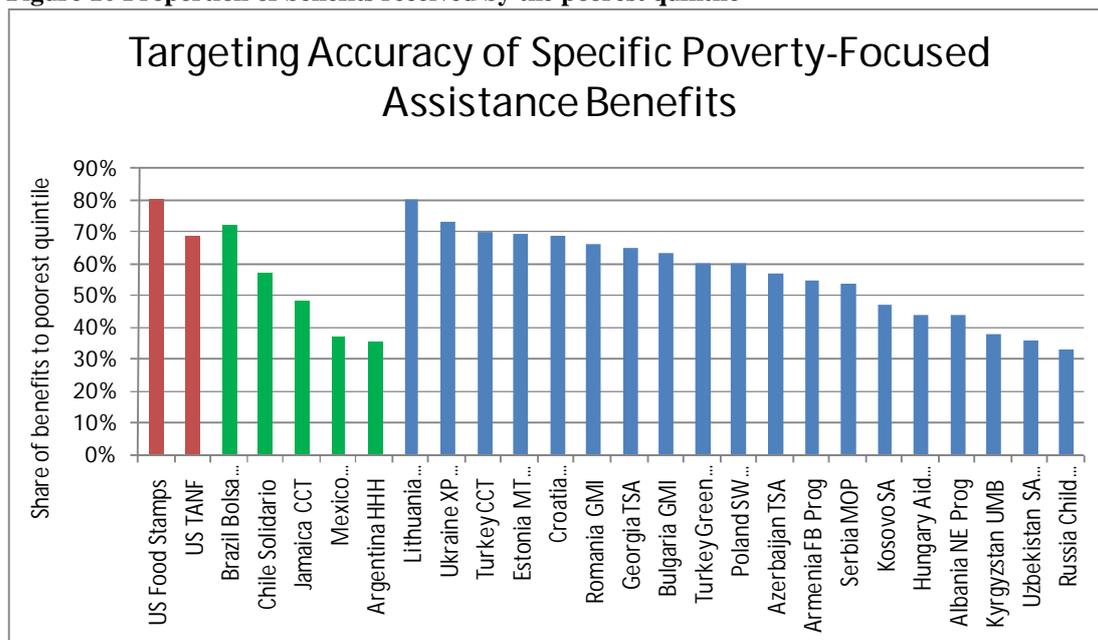


Source: Authors' own calculations on basis of HBS 06/07

**The targeting performance of the social assistance benefit in Kosovo is good in comparison to other countries**

The performance of the Kosovo social assistance scheme with respect to accuracy of targeting also proves to be relatively good when compared to other targeted assistance benefits in the world. Figure 10 presents the proportion of targeted benefits distributed to the poorest quintile for a wide range of countries. The US Food Stamps programme and the Lithuanian targeted benefits perform best with 80 percent of the benefits being distributed to the poorest quintile. The poorest performing programmes with the largest inclusion errors are those in Russia, Uzbekistan, Mexico and Argentina. Only about 35 percent of the benefits go to the poorest quintile. Kosovo's performance ranks high with an estimated 74 percent of all benefits distributed to the poorest quintile.

**Figure 10 Proportion of benefits received by the poorest quintile<sup>6</sup>**



Source: Lindert 2008

### Box 3 Calculating the counterfactual

The counterfactual situation in simulations of various scenarios with respect to social assistance benefits is calculated without making assumptions about substitution effects. The substitution effect of transfers (ie. the proportion of the transfer that would still be consumed even without receipt of the transfer due the search for alternative income sources) is usually based on the marginal propensity to consume. It proved impossible to calculate this marginal propensity to consume on the basis of the current data, possibly due to 1) too small proportion of individuals or households receiving transfers and 2) endogeneity problem of social assistance transfers. Given these problems, we analyze the adequacy of the social assistance scheme assuming no substitution of income. The counterfactual consumption pattern of households without social assistance has been adjusted to real terms and expressed in 2002 prices.

### c) Adequacy

**The abolishment of the current social assistance scheme would significantly increase poverty amongst recipients.**

Estimating poverty rates for the group of social assistance beneficiaries without the existence of a social assistance scheme indicates that especially the issue of extreme poverty would be aggravated. Poverty headcount rates in Table 22 show that the risk to absolute poverty for the total population and children is only slightly higher when there would be no social assistance scheme. Nevertheless, the depth of poverty as indicated by the poverty gap increases significantly. Furthermore, the risk to extreme poverty is increased by approximately 3 percentage points for both the total population and children without the existence of the social assistance scheme. The

<sup>6</sup> The authors are aware that the share of benefits distributed to the poorest quintile is quite different from our own estimates on the basis of HBS2006/07. They assume this is due to the use of different data and different methodologies, which can not be verified due to lack of information.

extreme poverty gap becomes four times larger for the total populations and twice as large for children. In other words, the average distance to the poverty line increases dramatically, indicating a large increase in the depth of extreme poverty.

**Table 22 Poverty headcount with and without receipt of SA**

	Total population				Children			
	Absolute poverty		Extreme poverty		Absolute poverty		Extreme poverty	
	Poverty headcount	Poverty gap						
<i>Current situation</i>	45,3	13,2	16,8	4,0	48,1	14,4	18,3	4,5
<i>No SA benefits</i>	46,5	15,5	19,4	16,7	49,3	17,4	21,6	8,2

Source: Authors' own calculations on basis of HBS 06/07

### **Social assistance benefits are an important component of household income**

Despite the low levels of social benefits, they do appear to be an important component of household income. Table 23 presents the size of the social assistance benefit as a share of total household consumption for both the total population and recipients only by quintile. The social assistance benefits represent 5 percent of household consumption when averaged over the whole population. This amounts to 41 percent when only considering the social assistance recipients. When considering the share of social assistance in household consumption for social assistance recipients in the poorest quintile, it can be observed that social assistance constitutes more than half of total household consumption. The average benefit per family is 63 Euro per month, which is in line with the findings from the administrative data in Table 12.

**Table 23 Social assistance as share of total household consumption**

quintile	share of total population	share of recipients only
1	16,2	54,2
2	3,4	31,9
3	1,1	18,2
4	1,8	25,2
5	0,1	11,9
average	4,5	41,3
average benefit in Euro	7	63,6

Source: Authors' own calculations on basis of HBS 06/07

## **6) Social Assistance and Children in Kosovo – experiences of recipients, non-recipients and CSW employees**

Generally, living conditions of families in poverty in Kosovo are very harsh. This holds for both social assistance beneficiaries and non-beneficiaries. Focus group respondents indicated that they can barely make ends meet and have difficulty to fulfill basic needs such as food, shelter and clothing for themselves as well as their

children. Many families have one or more family members with health problems that need treatment. Treatment and medication costs pose a large burden for these poor families. Many respondents indicated that there are not enough employment opportunities and chances to work their way out of poverty. Strategies to cope in these vulnerable conditions with an uncertain flow of income include living with extended family members, buying on credit, take children out of school and collecting garbage, iron and cans.

*“[...] even if we’ve survived the war,  
we’re still living a daily war now”*

**Quote from a member of the SA recipient  
group in Drenas**

#### **Box 4 Parallel system in Serbian communities**

Informal meetings as well as interviews with CSW employees have indicated the existence of a parallel system in Serbian communities. The majority of Serbian households receiving social assistance from the Government of Kosovo also receive benefits from the Government of Serbia. Apart from this anecdotal evidence, more information about the specific situation was not available. Due to the difficulties with qualitative data collection by means of focus group discussions, we could not investigate the issue further and provide more insight into the workings of this parallel system. Therefore, this study notes the existence of the parallel system but will not discuss the situation in more detail.

#### **a) Eligibility and Application**

##### **The application process is costly and re-application after six months is too soon**

Recipients and non-recipients of social assistance have indicated that the application process for social assistance is costly in terms of time and money. The collection of required documents is time-consuming and might be expensive if applications have to travel for obtaining their documents. For example, applicants living in another municipality than where they were born need to have a document from the municipality of birth stating that they are not receiving social assistance there. Furthermore, re-application with a full set of documents after six months is too soon. Re-application means that all documents have to be collected again, imposing a large burden on recipients every six months. Many indicate they have difficulties finding the financial means to collect all documents and don't see the necessity to collect all documents every six months. An extension of the period after which re-application is required was considered as a positive change in the system as it would decrease feelings of uncertainty and enable families to plan their expenditures.

*"[...] 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."*

**Quote from a member of the non-SA recipient group in Fushe Kosove**

*"[...] I think the six month reapplication process should change or be extended to 1 year at least, so we don't have to think about completing documents as often."*

**Quote from a member of the SA recipient group in Ferizaj**

### **The cut-off age of five years for children in Category 2 is too strict**

From both the focus group discussions and interviews with CSW employees, it became evident that the age criterion for children (category 2) is considered to be too restrictive. Currently, a family is no longer eligible for social assistance in category 2 when there is no child of age 5 or younger. This causes the exclusion of many families from the social assistance scheme, regardless of their living conditions. This criterion is generally also considered to be illogical as more costs need to be made for children when they grow older in terms of clothes and schooling. A number of respondents have indicated that this age criterion forms an incentive for families to have additional children to ensure the compliance with social assistance eligibility criteria. Other criteria that were mentioned as being too restrictive included the medical examination and the size of the plot of land families own. With respect to the latter criterion, it was suggested to take the productivity of the land into account rather than merely the size. Owning a large plot of land might not help families to generate more income if it can not be used for agriculture or other productive purposes.

*"[...] Because my child reached the age of five. This was the only reason why I was removed from social assistance scheme. I don't think this happens anywhere else in the world, just because the child is 5 years old they stop it."*

**Quote from a member of the non SA recipient group in Prishtina**

*"[...] Social assistance for kids is given until the age of 5. As far as I know from 6 -7 years old a kid starts school and than the need for assistance is even more required. That child needs to have books, notebooks and clothing"*

**Quote from a member of the non SA recipient group in Fushe Kosove**

### **A lot of families in need are excluded**

Primarily employees of the CSW's but also recipients and non-recipients of social assistance have indicated that the strict eligibility criteria of the social assistance scheme cause a lot of families in need to be able to receive social assistance. The reason for the exclusion of poor and vulnerable families is two-fold. On the one hand, CSW employees acknowledge the fact that they can only reach a limited number of people with the social assistance program, causing vulnerable and poor families to be excluded.

*“[...] I can freely say that half of the families that don't receive social assistance deserve it but the Law is as such and we can't do anything against it.”*

**Quote from a CSW employee**

On the other hand, CSW employees indicated that the strict eligibility criteria cause exclusion of poor families. The age criterion for applicants in category 2 and the land criterion in the asset test were mentioned as criteria that do not adequately distinguish poor from non-poor households.

*“[...] based on the criteria a family can't 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 can't sell their land to buy 100kg flour.”*

**Quote from a CSW employee**

Despite the clear evidence from the quantitative data that a lot of poor and vulnerable families are indeed excluded from the receipt of social assistance, there is also a belief amongst SA recipients and non-recipients that benefits are awarded to non-poor families. Although the analysis of targeting performance on the basis of quantitative data and the interviews with CSW employees clearly indicate that the inclusion error is small, there are still sentiments that social assistance are not fairly distributed.

### **Opinions on the creation of dependency are mixed**

Opinions of CSW employees about the question whether the receipt of social assistance creates dependency are mixed. On the one hand, social assistance is considered to create dependency, removing incentives for families to find employment or other sources of income.

*“[...] Social assistance creates parasite and takes away the person from the regular work schedule. That person doesn't have the willingness to work anymore, 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.*

**Quote from a CSW employee**

On the other hand, CSW employees acknowledge that many families live in harsh conditions with too little job opportunities for people to find their own employment. A number of CSW employees have also suggested that the government should take more responsibility in establishing employment projects or other initiatives to create alternative options for social assistance recipients and avoid dependent behavior.

*“[...] I think governmental institutions could help in this case by creating micro businesses or economy. I don't think it (SA) makes people dependent because a lot of people who were employed in some companies now these companies don't function anymore. These people now are without jobs so they are imposed to apply for social assistance.*

**Quote from a CSW employee**

## **b) Receipt and Spending**

### **The level of social assistance benefits is too low**

Respondents in the focus group discussions currently receiving social assistance or having received social assistance in the past as well as CSW employees indicate that the level of social assistance benefits is too low. Although the benefit levels have increased by 5 Euro since January 2009, benefits do not suffice to cover a family's basic needs. Social recipients have indicated that they are not able to make ends meet on the basis of the monthly social assistance benefit and can only cover expenses for the first two weeks. The level of benefit is too low to allow for the spreading of expenses. Coping strategies include buying on credit with stores, collecting iron or searching through garbage.

*“[...] The amount that is given from social assistance I can tell you that doesn't even cover the minimum needs. If this amount was bigger it would be better because nobody receives this assistance for pleasure but to survive and feed the family.”*

**Quote from a member of the SA recipient group in Decan**

*"[...] Social assistance secures our food for two weeks after that we have to search through garbage cans and that's how we feed ourselves. [...] If we are stopped from collecting food from garbage cans I don't know how else we can live, we don't do this for pleasure but to survive."*

**Quote from a member of the SA recipient group in Fushe Kosove**

### **Social assistance benefits are spent in an ad hoc manner and on basic needs**

Recipients of social assistance have indicated that benefits are primarily spent on food and medicines. Many have indicated that schooling for children, clothing and housing costs only come in as a second priority. Information with respect to spending patterns again indicate that benefits are spent at the beginning of the month to settle the credit at the store for items bought in previous months and buy essentials such as food and medication. The low benefit and relatively short period of receipt of benefits (six months) does not allow for the planning of household spending.

*"[...] We usually owe food from a store, the owner trusts us because immediately after receiving social assistance we do the payment. He gives us food depending on the amount we receive from social assistance. I can't afford to buy clothing with 70€ [...] Most of the spending goes for food and medications. "*

**Quote from a member of the SA recipient group in Fushe Kosove**

*"[...] I try to cover the month with what I have and what is left I need to get food from a store and pay back with the assistance money. School for me is obliged and sometimes I have to make sacrifices for myself and please my kids."*

**Quote from a member of the SA recipient group in Ferizaj**

### **c) Children's experiences**

#### **Children experience feelings of shame**

Focus group respondents receiving and not receiving social assistance have indicated that their children experience feelings of shame and embarrassment resulting from their poor living conditions. Many parents mentioned that children are embarrassed to go to school because do not have proper clothing or shoes or books. They are bullied by other children because of their poor living conditions or because of their status as a social assistance recipient.

*“[...] My daughter is in grade 4th and one day the teacher asked all the students in general if they could raise their hands whoever receives social assistance, and she said that I didn’t know if I should raise my hand or not. Thus, my kids feel worse about it.”*

**Quote from a member of the SA recipient group in Ferizaj**

*“[...] The general living conditions in my family are very poor and there are cases when my 9 year old son is bullied from other kids. One day my son came home crying because other kids told him that you are poor, you don’t have a home and many other offensive things.”*

**Quote from a member of the SA recipient group in Decan**

### **Children in very poor conditions are more vulnerable**

Respondents living in very poor conditions in focus groups with social assistance recipients as well as non-recipients have indicated that their children face harsh conditions. They might not be able to stay in school because there is no money to buy proper clothing, books or notepads. Children also go out on the street to beg or collect cans or iron to earn some money. Although the parents would like their children to grow up in better conditions and to receive proper education, they do not have the means to prevent their children from begging or working.

*“[...] Families have kids that should be attending school but they stay home because they don’t have appropriate clothing and to a level probably the hygiene.”*

**Quote from a CSW employee about families receiving SA**

## **7) Alternative policies – their impact and cost**

In the following section, we simulate a few alternative policy options and analyze their impact on poverty and associated costs. The results of these simulations might inform social policy design and adjustments to the current social assistance programme.

**An increase in the level of social assistance benefits would lead to significant reduction of the incidence and depth of poverty**

An increase in the level of monthly social assistance benefits of respectively 25 or 50 percent has an important impact on poverty<sup>7</sup>. An increase of the benefit level by 25 percent decreases absolute poverty for the total population by 2.8 percentage points and extreme poverty by 3.6 percentage points. The absolute poverty gap would decrease by 3.6 percentage points and extreme poverty gap by 1.2 percentage points. These results are larger when considering children separately. Absolute and extreme poverty incidence decrease by respectively 3.5 and 4.9 percentage points and the absolute and extreme poverty gaps by respectively 2.8 and 1.7 percentage points. Increasing the social assistance benefit by 50 percent reduces the incidence and gap of poverty even further but to a lesser extent. The additional 25 percent increase in benefits reduces poverty incidence rates by less than percent. The impact with respect to the poverty gap is even smaller. In other words, an increase of monthly social assistance benefits by 25 percent has an important impact on poverty. However, an additional 25 percent increase to a total of 50 percent only reduces poverty incidence and depth for both the total population and children to a limited extent.

**Table 24 Change in poverty headcount with change in SA benefit levels**

	Total population				Children			
	Absolute poverty		Extreme poverty		Absolute poverty		Extreme poverty	
	Poverty headcount	Poverty gap						
<i>Current situation</i>	45,3	13,2	16,8	4,0	48,1	14,4	18,3	4,5
<i>Increase in SA benefit levels by 25 percent</i>	42,5	11,1	13,2	2,8	44,6	11,6	13,4	2,8
<i>Increase in SA benefit levels by 50 percent</i>	41,7	10,8	12,7	2,7	43,5	11,2	12,7	2,7

Source: Authors' own calculations on basis of HBS 06/07

**The impact of a universal child benefit scheme depends on its design**

Simulations of different types of universal child benefit schemes replacing the current social assistance scheme indicate that the impact on poverty depends on its design in terms of the size of the benefit and the groups of children eligible. Table 25 reports the incidence and depth for absolute and extreme poverty for the total population and children in case of different universal child benefit schemes<sup>8</sup>. The most generous scheme is presented in the bottom row, presenting poverty indicators for a scheme awarding a monthly benefit of 25 Euro to all children up to 19 years old. Under this scheme, absolute poverty for the total population would drop to 27 percent and almost half for children to 25 percent. The reduction in extreme poverty, both incidence and depth would also be very large. However, such a generous scheme might not be feasible in terms of costs.

<sup>7</sup> We consider an increase in benefits only for those households already receiving social assistance, keeping the number of social assistance recipients equal.

<sup>8</sup> Please note that the effects of the universal schemes are simulated assuming that there are no social assistance benefits. Furthermore, the schemes are universal, meaning that benefits are awarded regardless of the poverty status of the children. All children in the specified age groups receive the full monthly benefit.

Three other options have also been simulated; including a monthly benefit of 10 Euro distributed to all children, children under 5 years of age or children age from 5 up to 16. Estimates indicate that the impact on poverty differs considerably depending on the design. The most attractive option in terms of the impact on poverty would be the universal benefit of 10 Euro for all children up to 19 years of age. This scheme decreases the poverty incidence, especially with respect to absolute poverty. It has a small but significant impact on the depth of absolute poverty but little impact on the depth of extreme poverty in comparison to the current situation with social assistance. However, such a monthly benefit for all children in Kosovo might not be feasible in terms of costs. Awarding a monthly benefit of 10 Euro only to children under the age of 5 only slightly decreases the incidence of absolute poverty for the total population in comparison to the current situation with social assistance scheme and the situation without social assistance. However, all other poverty indicators show a worsened poverty situation in comparison to the current situation with social assistance but also to the situation without social assistance. Converting the current social assistance scheme into a universal scheme for children under 5 years of age would thus only do harm to the incidence and depth of poverty in Kosovo. A universal child benefit scheme targeted towards children in age 5-15 does reduce poverty figures in terms of both headcount and gap, except for the extreme poverty gap for the total population and children. Intuitively such a scheme would also be more appealing as many social assistance recipients have indicated that costs for children actually increase when they are five years or older. Limiting eligibility to specific age groups might also make the schemes more feasible in terms of costs. The cost implications will be considered in the next section.

**Table 25 Change in poverty headcount and gap with introduction of universal child benefits replacing social assistance<sup>9</sup>**

	Total population				Children			
	Absolute poverty		Extreme poverty		Absolute poverty		Extreme poverty	
	Poverty headcount	Poverty gap						
<i>No SA benefits</i>	46,5	15,5	19,4	16,7	49,3	17,4	21,6	8,2
<i>Current situation</i>	45,3	13,2	16,8	4,0	48,1	14,4	18,3	4,5
<i>Universal child benefits (10 Euro)</i>	38,5	11,2	14,2	3,9	39,6	11,9	15,4	4,5
<i>Universal child benefits (10 Euro) for children under 5</i>	44,0	13,4	17,2	4,6	46,4	14,9	19,0	5,5
<i>Universal child benefits (10 Euro) for children under 5-15</i>	41,5	12,4	15,6	4,5	43,1	13,4	17,2	5,4
<i>Universal child benefits (25 Euro)</i>	27,3	6,9	7,8	1,8	24,9	6,2	6,6	1,6

Source: Authors' own calculations on basis of HBS 06/07

<sup>9</sup> These simulations assume a 100% take-up of benefits (e.g. all children that are considered eligible for the benefits are also assumed to apply for and receive the benefits).

### Adjustments to the current social assistance scheme can significantly decrease poverty incidence and depth

The current social assistance cash transfer scheme can also be amended in such a way to reduce poverty incidence and gap in comparison to the current situation. Two amendments to the social assistance scheme were proposed by MLSW and therefore considered in specific for the policy simulation. The first amendment concerns children of school-age, namely 6-18. To account for the increased cost inherent to older children, families will receive 5 Euro extra per child in this age group. However, this is given the current eligibility criteria and gross monthly rates. The increase in benefit levels only counts for those families with children that already receive social assistance. The second proposed amendment concerns large families. In the current system, large families are discriminated against as families with 7 or more family members receive the same level of benefit. In order to account for larger family size, families with more than 7 members receive 5 Euro extra for each member. Again, this adjustment does not change the current eligibility criteria or the gross monthly rates.

A policy simulation was undertaken to assess the impact of these policy adjustment on the poverty incidence and gap amongst the whole population and children. Table 26 presents the poverty headcount and gap ratios. An increase of the benefit level for children in school age proves to have considerable impact on poverty incidence and depth for the whole population as well as children in specific. Especially the extreme poverty headcount is reduced significantly in comparison to the current situation, namely from 17 to 13 percent for the whole population and from 18 to 13.5 percent for children. The poverty gap for children is reduced by half when introducing this adjustment to the social assistance scheme. The adjustment accounting for larger households has a less considerable impact but implies a further reduction of poverty incidence and depth in comparison to the current social assistance scheme. A combination of both policy adjustments has the potential to reduce absolute poverty amongst the total population by 2.5 percentage points and extreme poverty up to 4.1 percentage points in comparison to the current situation. For children, this amounts to a reduction of 3.2 percentage points with respect to absolute poverty and 5.5 percentage points with respect to extreme poverty.

**Table 26 Change in poverty headcount and gap with introduction of adjustments to social assistance scheme**

	Total population				Children			
	Absolute poverty		Extreme poverty		Absolute poverty		Extreme poverty	
	Poverty headcount	Poverty gap						
<i>No SA benefits</i>	46,5	15,5	19,4	16,7	49,3	17,4	21,6	8,2
<i>Current situation</i>	45,3	13,2	16,8	4,0	48,1	14,4	18,3	4,5
<i>Increase in SA benefit by 5 Euro for children 6-18</i>	42,8	11,1	13,2	2,7	44,9	11,6	13,5	2,8
<i>Increase in SA benefit by 5 Euro for every additional member &gt;7 hh members</i>	44,6	12,8	16,2	3,6	47,4	13,9	17,4	4,0
<i>Combination of both SA adjustments</i>	42,7	11,0	12,7	2,7	44,9	11,5	12,7	2,7

Source: Authors' own calculations on basis of HBS 06/07

### The feasibility of alternative benefit schemes depend on their costs

The feasibility of some of the alternative benefit schemes as discussed before largely depend on their costs. Table 27 shows cost estimates for the various alternative schemes<sup>10</sup> in relation to the estimated poverty impact. Cost estimates are based on the population estimates of the various population groups as provided by HBS and the assumed level of benefit. We do not take into account other costs, such as administrative or targeting costs. On the basis of these estimates, the current social assistance scheme bears a cost of 2.1 million Euro per year. Using this cost estimate as a benchmark for the costing of the other programmes, it becomes apparent that most universal programmes will exceed the available budget. Introducing a universal child benefit of 25 Euro per month might have a large impact on poverty but costs 9 times as much as the current system at a cost of 18 million Euro. A universal child benefit scheme of 10 Euro per month is considerably less costly but is probably still too costly at 7 million Euro. More feasible options in terms of costs include the universal benefit of 10 Euro per month awarded to children of school age or under the age of 5. The cost of a universal benefit for children of school age is approximately twice as high as the current system. Replacing the current social assistance scheme with a universal benefit for all children under the age of 5 would incur a lower total cost of 1.4 million Euro. However, simulating the impact on poverty showed that a universal benefit for children under the age of 5 that replaces the current social assistance system would actually have a less beneficial impact on poverty.

**Table 27 Costing alternative social assistance programmes**

	<b>Costs</b>	<b>Absolute poverty headcount</b>	<b>Absolute poverty gap</b>
<i>No social assistance</i>	0	49,3	17,4
<i>Current social assistance scheme</i>	2.100.000	48,1	14,4
<i>Increase in SA benefit levels by 25 percent</i>	2.625.000	44,6	11,6
<i>Increase in SA benefit levels by 50 percent</i>	3.150.000	43,5	11,2
<i>Universal child benefits (10 Euro)</i>	7.274.780	39,6	11,9
<i>Universal child benefits (10 Euro) for children under 5</i>	1.351.980	46,4	14,9
<i>Universal child benefits (10 Euro) for children under 5-15</i>	4.547.250	43,1	13,4
<i>Universal child benefits (25 Euro)</i>	18.186.950	24,9	6,2

<sup>10</sup> These cost estimates exclude any administrative costs but are solely based on the number of eligible recipients and the amount of the benefit. As such, the costs are an underestimation of the budget that needs to be allocated for the social assistance scheme. Furthermore, the population estimates are based on the HBS 2006/07, which might diverge from population numbers from administrative data.

<i>Adjustment 1 - Increase in SA benefit by 5 Euro for children 6-18<sup>11</sup></i>	$354.270 + 2.100.000 = 2.454.270$	44.9	11.6
<i>Adjustment 2- Increase in SA benefit by 5 Euro for every additional hh member above 7 members<sup>12</sup></i>	$125.270 + 2.100.000 = 2.225.270$	47.4	13.9
<i>Combination of both adjustments</i>	2.579.540	44.9	11.5

Source: Authors' own calculations on basis of HBS 06/07

## 8) Policy conclusions

Based on the analysis of both quantitative and qualitative information, we can draw a number of conclusions with respect to the reach and impact of Kosovo's social assistance cash transfer scheme in reference to children. The objective of this study was to produce a child-centred analysis of the current cash assistance programme in Kosovo. The two core questions of the study include i) in how far does the programme reach children? and ii) how does the programme impact children? These two questions have been answered by means of analysis of quantitative and qualitative information. A number of these conclusions can also be framed into policy recommendations.

- **The current system excludes many poor and vulnerable families**

The issue of poverty in Kosovo is widespread and persistent with large poverty incidence rates that have remained largely the same over the last few years. Families living in poverty experience harsh living conditions and have problems to make ends meet, making them vulnerable to shocks and unforeseen events. The reach of the current social assistance scheme is not sufficient to cover all these families. To increase the coverage of the social assistance programme, more resources should be distributed to the social assistance scheme. Currently, a relatively small share of GDP and a decreasing share of social welfare spending is distributed towards social assistance and there might be space to increase this share in spending.

- **Targeting of the current system is adequate**

Although the social assistance scheme suffers from a large exclusion error, there is only a small inclusion error. The majority of benefits is awarded to families in the two poorest quintiles and only a small share of benefits is awarded to non-poor families. The system is thus targeted quite accurately and there is little leakage of funds. The combination of eligibility criteria, proxy-means and means-testing thus perform well in differentiating between the poor and non-poor.

- **Certain eligibility criteria are considered too strict by applicants**

Analysis of the qualitative data has clearly shown that recipients, non-recipients as well as CSW employees face great difficulties with the age criterion of children to be eligible for social assistance in Category 2. The criteria of this category specify that a

<sup>11</sup> Based on an estimate of 70.854 children in age 6-18 living in families receiving social assistance

<sup>12</sup> Based on an estimate of 25.054 additional family members living in families receiving social assistance and with more than 7 family members

child can not be older than 5 years and a (foster) child that is in need of permanent care can not be older than 15 years. This criterion was primarily put in place due to budget constraints and to keep the scheme financially sustainable. Parents with children older than 5 years of age are considered to be able to work as they do no longer need to care for a young child. Many non-recipients in the focus group discussions have indicated that their social assistance was stopped as a result of their children growing older, irrespective of whether their actual living condition has changed or not. Recipients, non-recipients and CSW employees have all indicated that they find this criterion unreasonable as children usually have more costs as they grow older. Another criterion that was considered too strict concerns ownership of land. The eligibility criteria only consider the size of the land owned, disregarding its quality and possibility of use for agriculture. A consideration of the actual quality of land in addition to the size of land was considered more appropriate.

- **The re-application period of 6 months presents a considerable burden on social assistance recipients**

Results from primarily the qualitative data have indicated that the re-application period of 6 months was considered too short by social assistance recipients. The process of re-application presents a burden for recipients as they have to pay for and collect new documents, implying considerable direct and indirect costs for recipients. An extension of the re-application period would decrease this burden significantly.

In response to the acknowledgement of this issue, a working group of the Directorate of Social Welfare has proposed an amendment to Law 2003/15 to extend application period to one year. Such an amendment will have to be approved in Parliament.

- **Benefit levels of the current system do not suffice for families to meet their basic needs**

Analysis of both quantitative and qualitative data indicates that a modest increase in the level of social assistance benefits has a significant impact on poverty. Recipients of social assistance pointed out that the current level of benefits is not sufficient to provide for the household's basic needs such as food, medication, clothing and housing. Moreover, social assistance recipients are unable to spread their spending over the whole month as the amount is insufficient and as such can not use social assistance to protect themselves against unexpected events with financial consequences. Coping strategies include buying food on credit, taking children out of school or sending children to work, beg or search for iron. An increase in social assistance benefit levels could ensure the provision of basic needs for the household for the entire month..

- **Universal child benefit schemes might have a large impact on poverty but might not be cost effective**

Policy simulations served to provide an indication of the impact of the replacement of the current social assistance scheme by a universal child benefit scheme and its associated costs. The replacement of the current social assistance scheme with a universal child benefit for all children would considerably reduce poverty incidence and depth but also represent a very costly programme. Limiting the age groups of children receiving a universal benefit reduces the costs of the programme but also limits the effectiveness in terms of poverty reduction.

- **Adjustments to the current social assistance scheme can positively impact poverty at feasible costs**

Adjustments to the current social assistance scheme might present a cost effective measure that also has the possibility to reduce poverty incidence and gap. One such adjustment, which has also been put forward by MLSW, is to increase the benefit level for children of school-age in age group 6-18 by 5 Euro. This amendment would be feasible in terms of costs and also considerably reduce incidence and depth of poverty amongst the total population and children. Another adjustment to the programme as suggested by MLSW includes the increase of benefits for larger families. In the current system, large families are discriminated against as families with 7 or more family members receive the same level of benefit. In order to account for larger family size, families with more than 7 members receive 5 Euro extra for each member. This adjustment has a less considerable impact than the adjustment for children of school-age but implies a further reduction of poverty incidence and depth in comparison to the current social assistance scheme. A combination of both policy adjustments has the potential to reduce poverty incidence and depth amongst the total population and children at a cost that is about 25 percent higher than the current social assistance scheme.

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## **Annex 1 Moderator’s guide Focus Groups and Interviews – Study on Cash Assistance Impact on Children**

### **PART I – SOCIAL ASSISTANCE CASH TRANSFER RECIPIENTS**

*(Note for moderators: focus groups with these participants aim to collect information about the importance of receipt of social assistance cash transfers, especially in relation to children. Main issues under consideration are: does the social assistance cash transfer contribute to children’s well-being, how important is the receipt of this type of transfer for the family and how is the money used. Furthermore, we wish to learn about the application process and feelings associated with the receipt of social assistance cash transfers, relating to the family as a whole and children in specific).*

#### **Preamble**

Thank you for agreeing to participate in this focus group discussion and for being present here today. My name is... [moderator] from UBO consultants and I will be the moderator for this discussion. I will be assisted by ... [notetaker], who will act as a notetaker during this session.

This focus group discussion is part of a larger study by UNICEF Kosovo that aims to investigate the cash benefits scheme in Kosovo and its impact on children. Each one of you has been invited to participate in this discussion because you are recipient of social assistance cash and have children in your family. We are conducting focus group discussions here in ... [name municipality] but also in other municipalities including ...[name municipalities]. The information from these discussions will be used to gain a better understanding of the social assistance cash system and its impact.

In a focus group discussion like this it is important that you express yourself and discuss openly. There are no right or wrong answers to the questions raised. On the contrary, we want to know what YOU think and hear your opinion. To be able to write up our report after the meeting, we will tape record this discussion. However, your responses will not be linked to your name or affiliation and will be anonymous. Furthermore, all the information collected through the discussions will be kept confidential and not be used for other purposes than this study.

Because we are taping the discussion for future reference, I might occasionally ask you to speak up, talk slower or speak one a time so that the discussions can be clearly understood from the tapes. I will act as the moderator of this discussion but want you to discuss freely and bring up the issues that you find important in relation to questions raised. You do not have to take turns when responding; it is always your turn. If you feel if you have an important idea, thought or contribution to the discussion, feel free to speak.

Before we start, I would again like to thank you in advance for taking the time to be here and discuss with us.

#### **Introductions**

Let’s start the discussion with a round of short introductions, indicating your name, role in the family and number and age of children in your family.

## **I General Living Situation**

1. How would you describe your family's and children's living conditions at this moment? How does it compare to other families living in your municipality?  
*(note that this is a general question to start the discussion, start with this general question and use subquestions to probe to obtain specific answers)*

- a. Do you feel you are able to provide your children with everything they need?
- b. In your opinion, would you consider your children to be better or worse off than other children in your municipality?

### **Special questions for RAE respondents**

2. To what extent do you consider your situation to be different from other communities living in Kosovo?  
*(to get a better idea of whether the RAE minorities consider themselves to be integrated with the community they live in or consider themselves to be a special or marginalized group)*

## **II Receipt of Social Assistance Cash Transfers**

1. How did you experience the application procedure?  
*(refers to the collection of application documents, assistance received from CSW, length of procedure, number of times that someone had to re-apply)*
2. In your opinion, are social assistance cash transfers awarded in a fair and appropriate manner?  
*(refers to eligibility criteria, possible discrimination in awarding benefits)*

### **Special questions for Serbian respondents**

*(probe to try and get an answer on these sensitive questions)*

3. Do you or one of your family members receive social assistance cash transfers from the Government of Serbia?
  - a. If yes, how did you apply for these?
  - b. If not, why not?
4. What is your opinion about the receipt of Serbian social assistance cash transfers parallel to Kosovo social assistance cash transfers?

## **III Use of Social Assistance Cash Transfers**

1. How important is the receipt of social assistance transfers for you and your family? What would it mean for you and your family if you did not receive the benefits?
2. How is the money spent?
  - a. What is the money spent on?  
*(refer to the spending pattern of last month's benefits and ask for the specific items it was spent on, such as food, clothing, shoes, housing costs, education, health costs, transport etc)*
  - b. How is it decided what the money is spent on?

*(refers to the prioritization of expenditures; is money reserved for specific purposes or spent on an ad hoc basis, to what extent are children a priority)*

3. Would you spend the money differently if receipt of benefits was guaranteed for a longer period of time? Why and how would this make a difference?
4. How do you feel about receiving social assistance cash benefits? Do you experience any feelings of shame?  
*(to find out whether there is stigma involved in the receipt of social assistance cash benefits)*

#### **IV Social Assistance Cash Transfers and Children**

*(these questions ensure that the social assistance cash transfers and their impact are discussed in relation to children; some of the issues might have been discussed in relation to previous questions)*

1. In your opinion, what is the impact of the receipt of social assistance cash transfers on your children? To what extent do you use the cash transfer to support your children?
2. Does the transfer enable your children to go to school or enjoy other services that wouldn't have been possible otherwise? If yes, how and which services?
3. How do you think that social assistance cash transfers can prevent children from working? Does this also hold for your children?
4. How do your children about living in a family with social assistance cash transfer recipients? Are they aware of living in a family receiving social assistance cash benefits and if so, do they feel ashamed or are they bullied by other children?

#### **V Improvements of the Social Assistance Cash Transfer Scheme**

1. In your opinion, what should be improved in the system?

#### **VI Closure**

1. Are there any other ideas or thoughts that you would like to share in relation to the social assistance cash transfer scheme that we haven't discussed?

## **PART II – NON SOCIAL ASSISTANCE CASH TRANSFER RECIPIENTS**

*(Note for moderators: focus groups with these participants aim to collect information about the coping and survival strategies of the poor families, especially in relation to children. Main issues under consideration are: are the families able to provide for their children, would the social assistance cash transfer contribute to children's well-being. Furthermore, we wish to learn about the reasons for not receiving social assistance cash transfers and the difficulties faced in application and verification procedures).*

### **Preamble**

Thank you for agreeing to participate in this focus group discussion and for being present here today. My name is... [moderator] from UBO consultants and I will be the moderator for this discussion. I will be assisted by ... [notetaker], who will act as a notetaker during this session.

This focus group discussion is part of a larger study by UNICEF Kosovo that aims to investigate the cash benefits scheme in Kosovo and its impact on children. Each one of you has been invited to participate in this discussion because you live in vulnerable conditions, have children in your family but are not a recipient of social assistance cash transfers. We are conducting focus group discussions here in ... [name municipality] but also in other municipalities including ...[name municipalities]. The information from these discussions will be used to gain a better understanding of the cash assistance system and its impact.

In a focus group discussion like this it is important that you express yourself and discuss openly. There are no right or wrong answers to the questions raised. On the contrary, we want to know what YOU think and hear your opinion. To be able to write up our report after the meeting, we will tape record this discussion. However, your responses will not be linked to your name or affiliation and will be anonymous. Furthermore, all the information collected through the discussions will be kept confidential and not be used for other purposes than this study.

Because we are taping the discussion for future reference, I might occasionally ask you to speak up, talk slower or speak one at a time so that the discussions can be clearly understood from the tapes. I will act as the moderator of this discussion but want you to discuss freely and bring up the issues that you find important in relation to questions raised. You do not have to take turns when responding; it is always your turn. If you feel if you have an important idea, thought or contribution to the discussion, feel free to speak.

Before we start, I would again like to thank you in advance for taking the time to be here and discuss with us.

### **Introductions**

Let's start the discussion with a round of short introductions, indicating your name, role in the family and number and age of children in your family.

## **I General Living Situation**

1. How would you describe your and your family's living conditions at this moment? How does it compare to other families living in your municipality?  
*(note that this is a general question to start the discussion)*
  
2. In your opinion, how would describe your children's situation and living conditions?  
*(start with this general question and use subquestions to probe to obtain specific answers)*
  - a. Do you feel you are able to provide them with everything they need?
  - b. In your opinion, would you consider your children to be better or worse off than other children in your municipality?

### **Special questions for RAE respondents**

3. To what extent do you consider your situation to be different from other communities living in Kosovo?  
*(to get a better idea of whether the RAE minorities consider themselves to be integrated with the community they live in or consider themselves to be a special or marginalized group)*

## **II Social Assistance Cash Transfers**

1. Have you every applied for a social assistance cash transfer?
  - a. If yes, how did you experience the application procedure?  
*(refers to the collection of application documents, assistance received from CSW, length of procedure, number of re-applications)*
  - b. If yes, why was your application denied?  
*(not being able to collect all documents, not meeting eligibility criteria such as too high income or assets etc.)*
  
2. Have you received social assistance cash transfers in the past?
  - a. If yes, why do you not receive them anymore?
  - b. If yes, what did you use the money for?
  
3. In your opinion, are social assistance cash transfers awarded in a fair and appropriate manner? If not, what are the main issues?  
*(refers to eligibility criteria, possible discrimination in awarding benefits, child too old and therefore no longer eligible)*
  
4. Why do you not receive social assistance cash transfers? Do you think that you should be entitled to receive social assistance benefits?

### **Special question for Serbian respondents**

*(probe to try and get an answer on these sensitive questions)*

5. Do you receive Serbian social assistance cash transfers? If yes, how did you apply for these?

### **III Social Assistance Cash Transfers and Children**

1. Are you able to provide for all basic needs for your child(ren) at the moment?  
(*basic needs refer to education, health care, clothing, shelter among others*)
  - a. If not, what are the basic needs you can not provide for?
  - b. If not, what are problems in providing for these basic needs and what would be possible solutions?
2. How would the receipt of a social assistance cash transfer impact the lives of your children? Do you think that the transfer would enable your child(ren) to go to school or enjoy other services that aren't possible now?
3. How important would the receipt of social assistance transfers for you and your family? What does it mean for you and your family that you do not receive the benefits?

### **V Closure**

1. Are there any other ideas or thoughts that you would like to share in relation to the social assistance cash transfer scheme that we haven't discussed?

### **PART III – CSW EMPLOYEES**

*(Note for moderators: this includes in-depth interviews with the director and an employee directly handling applications. By means of these interviews, we wish to obtain information about the application and verification process, the capacity of the CSW to handle applications and an assessment of problems and possible improvements of the social assistance cash transfer system.)*

#### **Preamble**

Thank you for agreeing to participate in this interview and for being present here today. My name is... [moderator] from UBO consultants and I will be the interviewer for this discussion. I will be assisted by ... [notetaker], who will act as a notetaker during this session.

This interview is part of a larger study by UNICEF Kosovo that aims to investigate the cash benefits scheme in Kosovo and its impact on children. You have been invited for an interview because you are employed as ... [name function] at the Center for Social Work. We are conducting interviews and focus group discussions here in ... [name municipality] but also in other municipalities including ... [name municipalities]. The information from these interviews will be used to gain a better understanding of the social assistance cash transfer system and its impact.

In an interview like this it is important that you express yourself and discuss openly. There are no right or wrong answers to the questions raised. On the contrary, we want to know what YOU think and hear your opinion. To be able to write up our report after the meeting, we will tape record this discussion. However, your responses will not be linked to your name or affiliation and will be anonymous. Furthermore, all the information collected through the discussions will be kept confidential and not be used for other purposes than this study.

Because we are taping the discussion for future reference, I might occasionally ask you to speak up or talk slower so that the discussions can be clearly understood from the tapes.

Before we start, I would again like to thank you in advance for taking the time to be here and discuss with us.

#### **Introductions**

Let's start with an introduction of yourself and your work at the CSW. Could you tell us what your function at the CSW entails and what your main tasks are? For how long have you been in your current position at the CSW?

#### **I General Living Situation of Social Assistance Cash Transfer Recipients**

1. How would you describe the families' living conditions that receive social assistance cash transfers at this moment? How does it compare to other families living in this municipality?
2. In your opinion, how would you describe the children's situation and living conditions of those children living in families that receive social assistance cash transfers? How does it compare to children living in other families in this municipality?

## **II Receipt and Use of Social Assistance Cash Transfers**

1. In your opinion, are social assistance cash transfers awarded to the most needy families? To what extent do the eligibility criteria allow for the distribution of transfers to the poorest families?  
*(refers to eligibility criteria, possible discrimination in awarding benefits)*
2. Do you think that everybody in need of social assistance cash transfers also receive benefits?
3. In your opinion, what is the impact of the social assistance cash transfer scheme on the recipient families?
4. What kind of other types of benefits might be appropriate to support families?
5. Do you believe that the social assistance cash transfer scheme creates dependency and if so, how?

### **Special question for Serbian municipalities**

*(probe to try and get an answer on these sensitive questions)*

6. How do you deal with Serbian social assistance cash transfers?
7. What is your opinion about the parallel system of social assistance cash transfers for Serbian recipients?

## **III Application Procedure of Social Assistance Cash Transfers**

1. What is your role in the application procedure, how are you involved?
2. How does the CSW/you evaluate a family's application? What does the process look like?  
*(ask for the length of the application procedure, whether home visits are always done to verify the family's eligibility, the frequency of home visits, the collection of documents by applicants)*
3. How do you assess the CSW's capacity to thoroughly evaluate and verify eligibility of applicants?
2. Do you feel you have the necessary information to properly evaluate a family's eligibility?

## **IV Improvements of the Social Assistance Cash Scheme**

1. To what extent do you believe that the decentralization process will affect your work and the implementation of the social assistance scheme?
1. In your opinion, what should be improved in the system?

## **V Closure**

1. Are there any other ideas or thoughts that you would like to share in relation to the social assistance cash transfer scheme that we haven't discussed?