

Kosovo: Decentralisation processes, challenges, lessons learnt and good practices

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1. Overall social welfare system

The social protection system in Kosovo consists of social insurance, targeted social assistance in the shape of social and family services as well as other smaller programs assisting vulnerable groups. The Ministry of Labour and Social Welfare (MLSW) has been established¹ in 2000 and is responsible for the organization and provision of social and family services in accordance with the social welfare policies, as well as the development and implementation of labour and employment policies.

The social protection is mainly delivered by income transfers such as: (i) pensions (universal basic pension for those over the age of 65 or partial for those that have contributed for 15 years to the old Yugoslav pension system); (ii) early retirement benefits for a very small number of war veterans; (iii) protection of surviving relatives of fallen soldiers and civilians, as well as for families of those missing; (iv) social assistance scheme, which provides assistance to a limited set of beneficiaries; and (iv) other transfers, which include a non-contributory disability pension; and benefits for children with disabilities. The social protection budget also finances other services including: social care services, provided by decentralized centers for social work, and focused mostly on child protection services; and employment services for those registered as unemployed but willing to work.² The total number of beneficiaries from all these above-mentioned schemes is about 330.000 persons³

The poor, disabled, children, pensioners, war invalids and families of martyrs are identified as main vulnerable groups. The social assistance scheme⁴ provides financial assistance to families with incomes below a certain level, determined by the MLSW and the Ministry of Finance. Monthly fees depend on the number of family members, while there are two categories of beneficiary families based on income and the ability to work. UNDP Kosovo's

¹ UNMIK Regulation 2000/24

² WB, (2014) Kosovo Public Finance Review, Fiscal Policies for a Young Nation (available at: http://www.wds.worldbank.org/external/default/WDSContentServer/WDSP/IB/2015/06/10/090224b0828b8614/1_0/Rendered/PDF/Kosovo000PubliOsfor0a0young0nation.pdf)

³ Murati, V., and Berisha, Q., (2010) Social Policies in Kosovo and their Adequacy in the Kosovo Reality (Politikat Sociale në Kosovë: Skemat Sociale dhe Përshtatshmëria e tyre me Realitetin Kosovar,) supported by Friedrich Ebert Stiftung Foundation.

⁴ Law on Social Assistance Scheme" No. 2003/15.24 and No. 04 / Z-09625 Law on Amending and Supplementing Law no. 2003/15 on Social Assistance Scheme in Kosovo.

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2014⁵ indexation of the minimum basket of goods consumption shows that the cost of the minimum basket of goods has changed. For a household with four members, the minimum average cost is €164.25 per month.

Social protection policies are limited and do not cover basic needs of population, while laws and regulations are not always respected, such as in the case of the social assistance which does not reflect the inflation increase. The existing policy framework is considered as poor and inadequate, while it has also been accepted that more targeted social policies are needed to improve the social life in Kosovo⁶.

The Law on Social and Family Services defines the provisioning of family and social services and care for persons in Kosovo. Social care services are provided in the form of nursing care, advice and financial support. The law also determines who can provide social services, which includes homes, as well as specialized day care centers and institutions. The MLSW is managing special institutions that are providing accommodation for people with needs or providing emergency shelters for vulnerable individuals. Furthermore, this Law also establishes support for families caring for children with physical and mental disabilities under the age of 18, while material support is in the form of monthly fees managed by the MLSW.

The emphasis of social protection is placed on the working status of the help seeker and not to his social needs. There is no scheme of unemployment insurance, maternity scheme or schemes of family insurance for children. The social protection system does not include the 75 percent of the poor and is considered as contributing to dependency and status quo.⁷

2. Relevant indicators

Kosovo is one of the few European countries with a growing population with 38 percent of Kosovo's population is under the age of 198 and half is under the age of 25. Income per capita is about €3,000, while unemployment is very high at 30 percent⁹.

⁵ UNDP Kosovo (2014) The real value of social assistance – an assessment of social assistance benefit adequacy (available at: <http://www.ks.undp.org/content/dam/kosovo/docs/Communications/Dokumenti%20The%20Real%20Value%20of%20Social%20Assistance%20ONLINE.pdf>)

⁶ ibid

⁷ Ristic, B., (2014) "Social Protection System in Kosovo", commissioned by EC

⁸ http://www-wds.worldbank.org/external/default/WDSContentServer/WDSPIB/2015/06/10/090224b0828b8614/1_0/Rendered/PDF/Kosovo000Publi0s0for0a0young0nation.pdf

⁹ <http://www.imf.org/external/pubs/ft/survey/so/2016/NEW012516A.htm>

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According to the national poverty line of €1.72 per day (2011 data) as defined by the Kosovo Agency of Statistics, 29.7 percent of its population of 1.8 million are considered poor. On the other hand, with the WB threshold of US\$5 PPP per person per day poverty rates shoot up to 80 percent¹⁰. Extreme poverty is reported to be higher among children, the elderly, households with disabled members, female-headed households, and certain ethnic minority households (especially in the Roma, Ashkali, and Egyptian communities)¹¹.

Widespread unemployment and a lack of quality jobs have contributed to poverty and income insecurity. With an estimated unemployment rate of above 30.0 percent in 2013 and With an employment rate of only 28.4 percent Kosovo has one of the weakest employment records in Europe. 55 percent of young people between the age 15–24 years are unemployed. The last census in 2011 registered only 15,000 people working in agriculture – around 3–4 percent of the population.

3. Mandates in the area of social welfare services

From 2009, municipal governments have the responsibility to provide social services, in accordance with the Law on Social and Family. A Memorandum of Understanding on the “Decentralization of the Social Welfare Services” between the MLSW and the Ministry of Local Government of Social Work has been signed. Yet, the provision of social services and its financing remains fairly centralized.

The Law on Family and Social Services¹² establishes the core principles, mechanisms, and procedures for providing support services, as well as the responsible institutions. It defines who the main responsible actors are:

The Ministry of Labour and Social Welfare is responsible for the overall organization and the provision of social and family services; development of policies and the preparation of strategic plans and coordination of the activities will all actors. Most of these functions are exercised by the Department of Social Policies and Family (DSPF), within the MLSW. This department includes Division for Social Policy, Division for Social Planning and Inclusion, a Division for Social Services, Division for Social Assistance, and the Division for People with Disabilities and Elderly People.

¹⁰ (<http://www.worldbank.org/content/dam/Worldbank/document/eca/Kosovo-Snapshot.pdf>)

¹¹ Ibid

¹² Law on Social and Family Services, No.02/L-17, adopted by the Assembly on 21. 04. 2005, and promulgated by the SRSG on 14.10.2005 as Regulation 2005/46

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The Department for Social Policies and Families is responsible for developing and implementing social policies, implementing the legislation, monitoring and applying standards, addressing requests for licensing, administrating benefit schemes and developing analysis in the field of social and family policies and services. It also supervises more than 44 CSWs located throughout Kosovo.

The Social Services Division (SSD) is responsible for monitoring the work of social service providers, including CSWs and NGOs. SSD also proposes, develops, and monitors the implementation of social service standards and procedures.

The Institute for Social Policy develops and promotes professional knowledge, skills and standards in the area of Social and Family Services, undertakes research in the area of Social and Family Services, promotes professional excellence through training, expert consultation and publishes relevant manuals, research reports and promotional materials.

The General Social and Family Services Council is responsible for the maintenance of professional standards and discipline in the area of Social and Family Services and acts as the licensing and registration authority for professionals working in this field. However, the Council is not yet entirely functional as it misses its legal, financial and operational structure¹³

Municipalities are responsible for ensuring the provision of social and family services within their territory, through the Centers for Social Work (CSW) with standards defined by the MLSW. The CSWs, funded by the municipal budgets, offer three types of services: social services, social assistance scheme, and administrative and financial services. The main services provided by CSW, include mental health, fostering, adoption, child protection, divorce and custody, domestic violence, marital counselling, drug and alcohol addiction, juvenile crime and offending behaviour, care for the elderly etc. Ministry allocates annual funds to the LGUs for purchasing the services, through public procurement procedures. The CSW conduct individual or household assessments for the identified or reported cases under their territory in need for services. A team of DSS coordinators monitor and advise the CSWs on implementation of policy and regulations, caseload tracking and status of clients using the Social Services Database, and providing guidance and training if needed for the CSW staff in their respective areas.

Financing of social services in Kosovo is centralized and goes mainly through Department of Family and Social Services. Centers for Social Work submit the list of beneficiaries and the list of their own expenditures directly to the Department of Social Welfare which designs the

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final budget that is submitted to MEF (Morina, 2007). Expenses for the CSW-s are gathered under one budget code therefore there are no specific budget lines allocated to CSW.

Other institutions involved in the provision of social services include, municipal Directorate for Health and Social Welfare, non governmental organizations, Institute of Social Policy and Community Mental Health Centres. The Non Governmental Organizations (NGOs) can provide social and family services on their own, or under contract agreements on behalf of Municipalities or Ministry of Labour and Social Welfare on condition that these NGOs¹⁴ are licensed, by the ministry, and such contracts are in line with the Annual Plans.

4. Issues of service development, gaps and obstacles for further decentralization

The decentralization process remains challenging for both municipalities and MLSW. Both are unclear about the source of revenues to fund social services, and their respective responsibilities. A number of social services remain centralized, including residential services for the elderly, community-based services for children and adults with disabilities, social services provided by NGOs, foster care benefits, and benefits for the families of children with disabilities. CSWs continue to be administratively linked to the central level¹⁵.

In March 2007, MLSW has accepted the "Support for Devolution of Social services" (DFID, Birks Sinclair & Associates Ltd) document as the official guideline for the decentralization (devolution) of social services in Kosovo (Morina, 2007). This plan raised the need of financing the existing and new social welfare services through grants allocated among municipalities according to a formula which reflects on the one side the needs (number of beneficiaries or potential beneficiaries of social services) and on other side the fiscal capacity per capita in every municipality, calculated based on own revenues.

4. Challenges and shortfalls

The EC Progress Report 2014¹⁶ (2014) maintains that decentralisation of social services is not fully or effectively implemented by the municipalities, and the budget formula for decentralisation developed in 2012 is not yet operational. The need to allocate dedicated grants earmarked for all social services in municipal budgets was also raised. Furthermore, better coordination of actions and allocation of resources is also required to provide effective social services.

¹⁴ data on the licensed and non licensed NGOs providing social care services and their geographical coverage is missing

¹⁵ Save the Children (2007) Social Services in Kosovo: Legal and Budget Assessment, drafted by Haxhikadrija, A., Rrecaj, B., at al

¹⁶ European Commission (2014) Kosovo* Progress Report

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The existing legal framework does not seem to be the real barrier for the system performance, it's the responsible institutions for the social welfare that face a number of issues as a result of a number of limited resources. While, NGOs able to address some of the social care needs of the community their efforts are hindered by the scarce funding opportunities. The need to enforce the licensing of social providers and NGOs has been raised as a critical instrument¹⁷ to support a better service provision and coverage.

The majority of existing social services remain fully or essentially centralised. This includes residential services to elderly, adults and children with disabilities (fully centralised); social services provided by the NGOs (fully centralised); and benefits for foster care and families with children with permanent disabilities (deconcentrated).¹⁸ It is interesting to observe that local governments are not allowed to use own-source revenues to cover salary costs and therefore have low marginal fiscal autonomy (the freedom to allocate additional revenues) to fund SCSs under their responsibility, which contributes to central financial constraints in delivering these services.

Decentralized CSWs find it difficult to provide social services in a systemic way based on local needs, given the financial, administrative and managerial demands placed on them by the central authorities. The units of CSWs responsible for social assistance still receive their wages from the MLSW, and the units of CSWs responsible for professional social welfare are mainly engaged in the administration of payment schemes for foster care and families with children with permanent disabilities and have little capacity to provide further social services.

CSWs are reported to be more responsive to the priorities of the MLSW than the needs of other municipal departments working with the people in need. The complex role of the CSW is not properly understood at the municipal level with many municipal departments thinking of the CSW mostly as of administrators of social assistance benefits rather than providers of social services to vulnerable population groups. Different reports point out the need for significant capacity building of stakeholders involved in social service provision especially regarding joint policy planning and implementation.

Previously conducted analysis (DIFID 2011) suggests that the legislation developed so far to guide the transfer of competencies to municipalities does not contain clear directions about the formula, which should be used for allocation of resources to fund these transferred expenditures. Social Services represent only one function for which such decision yet has to be made.

¹⁷ SOLIDAR (2014) Supporting Social Investment in the Western Balkans: European Enlargement Monitoring Report, supported by EC

¹⁸ DIFID (2011) Efficient allocation of resources for decentralised provision of social services in Kosovo - Discussion paper for development of a budget formula, authors Laurie Joshua and Yuriy Dzhygyr

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The number of CSW workers on social services provision is limited. The average ratio in the Albanian majority areas is one social services provider for every 9,146 citizens, whereas in the municipalities with a Serb majority the ratio is one social services provider for every 3,816 citizens (Briscoe 2004).

CSW-s do not have financial or policy autonomy therefore can not employ any staff without approval and can not decide about the level of salaries for its staff therefore is unable to attract better qualified professionals.

5. Lessons learnt or good practices

During 2009-2011, the Government of Kosovo applied temporary practical rule for allocation of the Specific Social Services Grant, which divided its amounts based on the historical amounts of spending on this programme by the MLSW.

Previous assessments (Stubbs, Haxhikadrija 2008) of the social inclusion and protection systems highlights a number of obstacles such as the lack of accurate data upon which to make evidence-based policy choices; weak horizontal and vertical co-ordination, a clash between technical and political governance, the absence of public debate and stakeholder involvement in planning and managing services; weak implementation of policy commitments on addressing different groups; limited allocation on community-based social services as part of a preventive and protective social safety net; national social policies get often driven by agendas of international agencies¹⁹

Furthermore, the absence of functioning health system based on social insurance represents a risks for the most vulnerable communities. A White Paper on Social Policies has been drafted in 2009 but still has not been approved by GoK.

There is a lot to be done in terms of inter-institutional cooperation. Assessments of other authors (Murati, Berisha 2010) conclude that cooperation among municipalities and CSW is not satisfactory which has also been reflected in the service provision. The directorates for health and social welfare at the municipality level focus mainly in the cash benefits component, putting the burden to the CSW, which have a wider mandate.

Decentralisation did not produce positive results and it is argued (Murati, Berisha 2010) that

¹⁹ Stubbs, P., and Haxhikadrija, A., (2008) Social Inclusion and Social Protection in Kosovo, commissioned by EC

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the services have deteriorated because of the limited capacities and knowledge on social issues at the LG level. Furthermore, the effects have been also spread to the strengthening of the CSW structures with qualified staff, including legal amendments for improving their capacities.²⁰ Additionally these structures also need to mirror better their mandate and tasks in order to perform. Finally, there is need to also efforts towards strengthening capacities should not happen in isolation but should include of all actors engaged in social care service.

The first round of licensing of individual social and family service providers has been completed and the second phase of licensing has started. In 2014, four new minimum standards for social and family services were adopted, increasing the number to 16. However, the decentralisation of social services is still not been implemented by municipalities and allocation of funding from the central budget is still needed to ensure effective decentralisation.

Most social statistics other than demographic statistics still need to be produced, in line with the acquis. A pilot survey on income and living conditions (SILC) is being conducted. Resources should be provided for SILC to become a regular survey. Some social protection statistics are produced but the unemployment scheme needs to be added and the quality of administrative data needs to be improved. An annual labour force survey is carried out but the labour cost index, structure of earnings data and job vacancy statistics are still not produced. Public health and crime statistics are not yet in line with the acquis.

²⁰ Murati, V., and Berisha, Q., (2010) Social Policies in Kosovo and their Adequacy in the Kosovo Reality (Politikat Sociale në Kosovë: Skemat Sociale dhe Përshtatshmëria e tyre me Realitetin Kosovar,) supported by Friedrich Ebert Stiftung Foundation

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