

**Profile of the Social Security System in Kosovo  
(within the meaning of UNSC Resolution 1244  
[1999])**

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Printed in Kosovo

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## Acronyms

AIP	Labour Inspection Agency
BSPK	Union of Independent Trade Unions of Kosovo
CEFTA	Central European Free Trade Agreement
DPA	Department of Pension Administration
DPT	General Tax Department of Tirana
EAR	European Agency for Reconstruction
EULEX	European Union Rule of Law Mission in Kosovo
ETF	European Training Foundation
ESK	Statistics Office of Kosovo
EU	European Union
FSSH	Health Insurance Fund of Albania
HBS	Household Budget Survey
HDR	Human Development Report
ISCED	International Standardized Classification of Education
ILO	International Labour Organization
ISSH	Social Insurance Institute of Albania
IPEC	International Programme for the Elimination of Child Labour
IMF	International Monetary Fund
ISKSH	Health Care Insurance Institute of Albania
KPST	Kosovo Pension Savings Trust
LSMS	Living Standards Measurement Survey
MASHT	Ministry of Education, Science and Technology
MPMS	Ministry of Labour and Social Welfare
MSH	Ministry of Health
MEF	Ministry of Economy and Finance
SME	Small and Medium-sized Enterprises
OECD	Organization for Economic Cooperation and Development
OSCE	Organization for Security and Cooperation in Europe
GDP	Gross Domestic Product
PAYG	Pay-As-You-Go
QKSH	Health Care Centres
QMF	Family Medicine Centres
QPS	Centres for Social Work
TMK	Kosovo Protection Corps
UN	United Nations
UNMIK	United Nations Interim Administration Mission in Kosovo
UNFPA	United Nations Population Fund
USAID	United States Agency for International Development
VET	Vocational and Educational Training
WB	World Bank
WHO	World Health Organization
ZPP	Public Employment Office

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## Introduction

This report presents a preliminary assessment of the current social security system in Kosovo.<sup>1</sup> To carry out this study, the ILO Subregional Office for Central and Eastern Europe contracted two Albanian experts:

Mr Qemal Balliu, Executive Director of the Business Development Foundation, and  
Mr Ali Emini, Deputy General Director of the Social Insurance Institute.

According to the terms of reference, the study includes the following main components:

- 1) the general context of the macroeconomic situation in Kosovo, in particular including demographic trends and the social and economic situation of the population;
- 2) a general overview of the current social security system, including: (a) social insurance and pensions, (b) health insurance and future strategies and (c) other systems of social protection;
- 3) an analysis of the relevant issues and recommendations for possible improvement through consultations with the relevant stakeholders.

After reviewing the existing literature on the social security system in Kosovo, both experts went on mission to Prishtina from 18 to 22 May 2009 to collect data and information directly from the organizations concerned and to consult the main stakeholders. They held meetings with the Ministry of Labour and Social Welfare, the Ministry of Health, the Statistics Office of Kosovo, the Union of Independent Trade Unions of Kosovo and the Chamber of Commerce of Kosovo. After drafting the initial report, both experts carried out a follow-up mission to Prishtina, from 21 to 23 July 2009, in order to present the initial draft report to the main stakeholders and to ask them for any corrections, comments or suggestions which might improve it.

The draft report was revised by incorporating the technical comments of Kenichi Hirose, Senior Specialist in Social Security, ILO Subregional Office for Central and Eastern Europe.

This report is organized as follows. Chapter 1 sets out the general demographic and economic framework for the analysis of the social security system in Kosovo. Chapter 2 provides updated information on the salient features of the main social security subsystems in Kosovo. Chapter 3 concludes with general observations on the further development of the social security system in Kosovo.

The authors wish to thank all those who contributed to this study. Special thanks are due to the representatives of the ILO/IPEC Office in Prishtina and the ILO National Coordinator in Albania for their administrative support during the missions of the two Albanian experts.

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<sup>1</sup>Throughout this report, references to Kosovo should be taken to be within the meaning of UNSC Resolution 1244 [1999].

# 1 Demographic, economic and social context

## 1.1 Overview

Kosovo has a total land area of 10,887 km<sup>2</sup>, with more than two million inhabitants. The capital of Kosovo is Prishtina, with a population of over half a million. Kosovo is divided administratively into seven regions and 36 municipalities (communes).

Kosovo's current status was established by the United Nations in UN Security Council (UNSC) Resolution 1244, adopted on 10 June 1999, which places Kosovo under the temporary administration of the United Nations Mission in Kosovo (UNMIK). On 17 February 2008, Kosovo declared its independence. However, on 8 October 2008, the UN General Assembly decided to ask the International Court of Justice (ICJ) for a non-binding advisory opinion on the legality of Kosovo's declaration of independence from Serbia. *Throughout this report, all references to Kosovo should be taken to be within the meaning of UNSC Resolution 1244 [1999].*

## 1.2 Macroeconomic situation

In recent years, Kosovo has made major progress in its transition to a market economy. A number of organizations, such as the UN, the EU and USAID, have been assisting in the development of Kosovo through various programmes and projects. As shown in Table 1, in the past few years GDP growth has been progressive, reaching 5 per cent in 2008. However, Kosovo still receives a considerable amount of funds from external sources. The remittances of emigrants amounted to 16.6 per cent of GDP at the end of 2008, while financial assistance from the international community accounted for 15 per cent.

**Table 1. Key macroeconomic indicators, 2004–08**

Year	2004	2005	2006	2007	2008
GDP (€ million)	2,348	2,384	2,341	2,474	2,684
GDP growth (%)	3.2%	-1%	2.6%	2.8%	5%
GDP per capita (€)	1,195	1,143	1,152	1,197	1,277
Inflation (%)	-1.4	-1.4	1.5	4.2	4.0
Remittances (% of GDP)	9.3	12.0	15.0	16.0	16.6

As shown in Figure 1, the largest share of GDP in 2007 came from services and trade, with 60 per cent, while agriculture and industry each accounted for 20 per cent of GDP.

**Figure 1. Economic sectors as a proportion of GDP (%)**



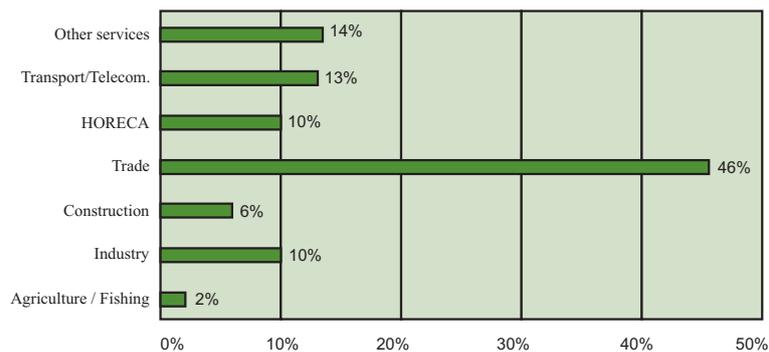
Despite the significant financial and technical assistance from the international community, the incomes of Kosovars remain low; average per capita income in 2008 was €1,277. The high level of unemployment – up to 40 per cent – has resulted in growing emigration and work in the informal economy. The total number of unemployed in July 2008 was 335,920, a 1 per cent increase on July 2007. Due to the large size of the informal economy, the registered unemployment may not fully reflect the employment situation in the private sector.

The financial sector in Kosovo remains in a good state, despite the global financial crisis. Currently, seven commercial banks, nine insurance companies and two pension funds are operating in Kosovo. The use of the euro as legal tender contributes to Kosovo’s stable economy and maintains inflation at an acceptable rate, providing a sound basis for monetary policy. One of the benefits of allowing use of the euro is the elimination of the cost of transactions related to trade exchanges and payments in Europe. Prior to 2008, Kosovo was not allowed to receive foreign financial support since it was not a member of an international financial institution. Since Kosovo became a member of the IMF and the World Bank in 2009, it can receive loans and technical assistance from them, as well as from European and other international financial institutions.

In 2006, under the aegis of UNMIK, Kosovo became a member of the Central European Free Trade Agreement (CEFTA). The CEFTA and EU member states continue to be Kosovo’s two main trading partners, each accounting for 37 per cent of total trade in the first half of 2008 (EU Report 2008). Kosovo’s main export products are metals and metallic products (nearly 50 per cent of general exports in 2007). Mineral products, mainly oil, remain the most important imported products, accounting for 20 per cent of total imports in 2008.

The number of small and medium-sized enterprises (SMEs) in Kosovo has increased in recent years, showing a stable rise from 8 to 12 per cent per year. By 2009, the number of SMEs had reached 67,950, 46 per cent of which were in trade, 13 per cent in transport and telecommunications and 10 per cent in industry (see Figure 2).

**Figure 2. Sectoral breakdown of Kosovan enterprises, 2008 (%)**



### 1.3 Demographic trends

According to the Statistical Office of Kosovo (ESK), the population of Kosovo at the end of 2007 was 2.13 million, with an ethnic composition of 92 per cent Albanians and 8 per cent other minorities.

**Table 2. Trends in population growth, 1971–2007**

Year	Population	Rate of increase
1971	1,243,093	-
1981	1,584,440	27%
1991	1,956,196	23%
2007	2,126,708	9%

Source: ESK 2008

In the 1980s and 1990s, Kosovo exhibited high rates of population growth, as a result of high fertility rates and low mortality rates. This trend has been changing gradually, resulting in a slow-down in population growth rates. The total fertility rate is approximately three children per woman, and life expectancy is 69 years. Natural population growth in recent years is estimated in the range of 34,000 to 35,000 persons, as shown in Table 3. The rate of population growth is 1.46 per cent, according to UNFPA estimates (2003).

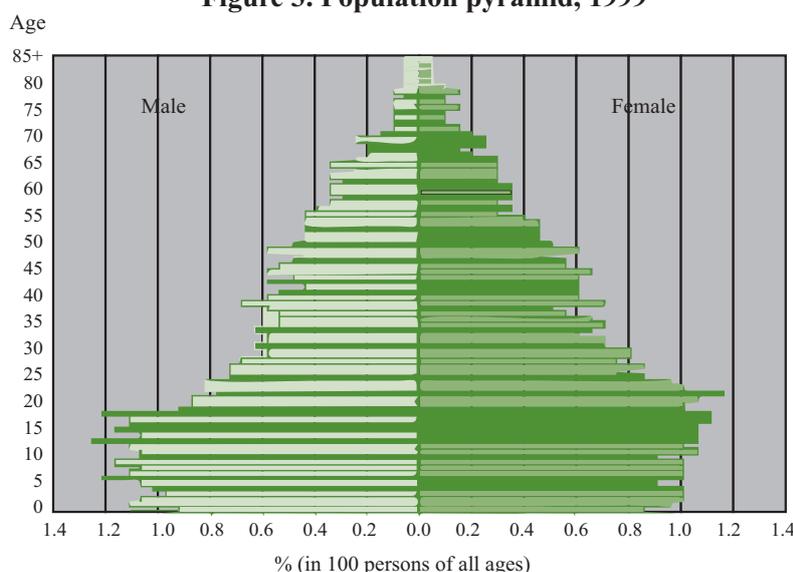
**Table 3. Population growth, 2005–08**

Year	2005	2006	2007	2008
Population ('000)	1,999	2,032	2,067	2,102
Real growth ('000)	34	34	34	
Rate of increase in %	1.73%	1.73%	1.73%	1.78%

Source: IMF 2008

The population of Kosovo is young, with an average age of 23 years. Approximately one-third of the population is under 15 years old, while only 6 per cent are older than 65 years. The working age population between 15 and 64 years makes up 61 per cent of the total population. Figure 3 shows the sex and age structure of the population, based on a UNFPA survey conducted in 1999. It is observed that the population pyramid has a wide base, which reflects the large number of children, but there is a noticeable absence of males aged 20–50 years, due to emigration.

**Figure 3. Population pyramid, 1999**



Source: UNFPA 1999

## 1.4 Labour market

It should be noted that the labour market data should be treated with care, due to limited availability and quality. A lack of recording of population data in recent years adds further difficulty to estimating the labour market situation and future trends. Based on its Annual Report for 2008, the Labour and Employment Department of the Ministry of Labour and Social Welfare estimates that the total number of unemployed registered with the Public Employment Office (ZPP) was 334,595 persons at the end of 2008, a 0.4 per cent rise on the previous year. The labour market in Kosovo can hardly absorb the 35,000 new job seekers who enter it each year. The high level of unemployment in Kosovo is ascribed to a number of reasons, including the weak initial production base, structural reforms linked to privatization, the low level of domestic and foreign investments, the lack of effective active employment policies and the low qualification level of jobseekers (EU Report 2008).

The unemployment rate in 2008 was 41 per cent (58 per cent for females and 33 per cent for males), based on the data prepared by the IMF, the ESK and the Ministry of Labour and Social Welfare. The high unemployment rate is noted mainly among the young, aged 15–24 years, as shown in Table 4.

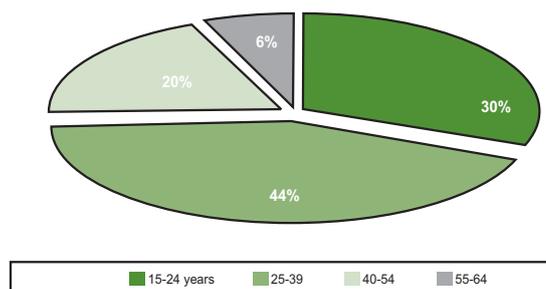
**Table 4. Labour market indicators, 2008**

Indicators	Total	Males	Females	Ages 15–24
Population composition	100%	51%	49%	19%
Number of inhabitants	2,153,000	1,098,000	1,055,000	411,000
Population of working age (as a % of the population of all ages)	64%	62%	65%	
Population of working age	1,371,000	686,000	685,000	411,000
Unemployed	335,900	177,800	158,100	101,700
Employed	481,000	365,800	115,200	72,300
Active population	816,900	543,600	273,300	174,000
Participation rate	60%	79%	40%	42%
Unemployment rate	41%	33%	58%	58%
Employment rate	35%	53%	17%	18%

Source: ESK 2008

Figure 4 shows unemployment by age groups in 2008, estimated by the ESK. The largest unemployment share is that of those aged 25–39, at 44 per cent, followed by those aged 15–24, at 30 per cent.

**Figure 4. Unemployment by age groups, 2008**



As shown in Figure 5, 60 per cent of the unemployed are unskilled workers, with only a pre-primary, primary or lower secondary education, while 26 per cent have completed secondary school.<sup>2</sup>

**Figure 5. Unemployment by occupational skill level, 2008**

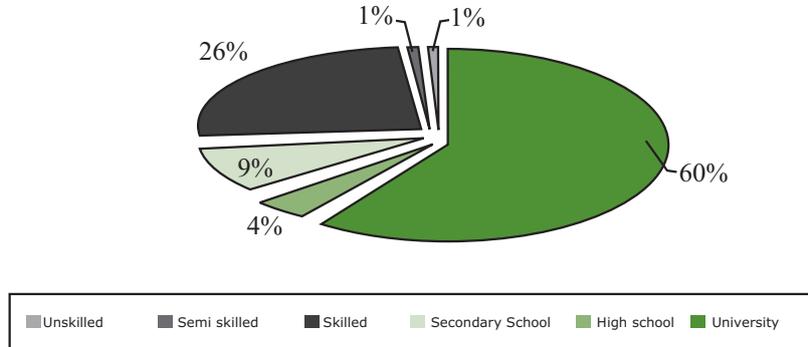
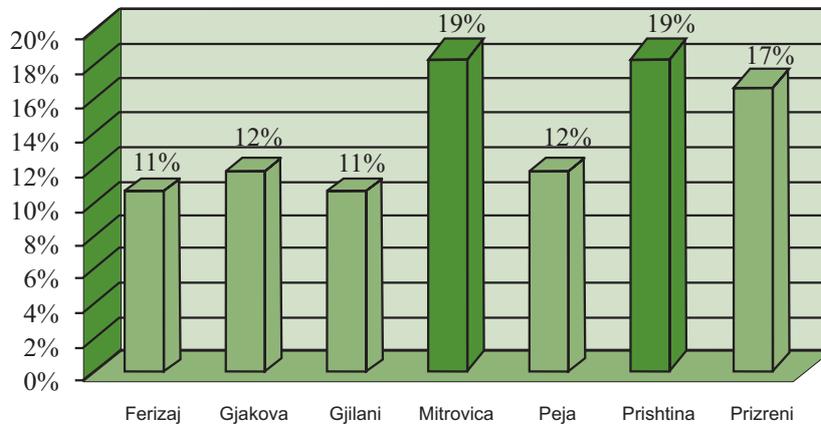


Figure 6 presents unemployment rates by region. The regions of Prishtina and Mitrovica have the highest unemployment rates, at 19 per cent.

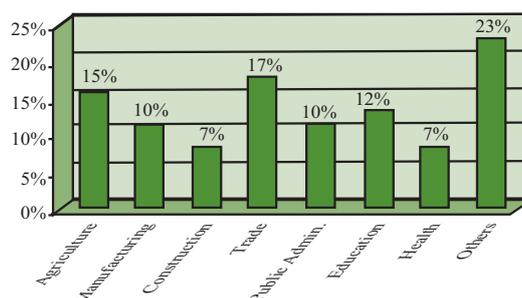
**Figure 6. Unemployment by region, 2008**



As shown in Figure 7, the sectoral composition of employment is as follows: agriculture 14.6 per cent, manufacturing 10.4 per cent, trade 16.9 per cent, public administration 9.6 per cent, education 12.1 per cent and health care 7 per cent.

<sup>2</sup>According to the International Standardized Classification of Education (ISCED), unskilled persons are those in groups 0–2, that is, persons with pre-primary, primary or lower secondary education, while those in ISCED group 3 are those with a secondary education.

**Figure 7. Employment by sector, 2007**



## 1.5 Informal economy

In Kosovo, the growing size of the informal economy is a major concern. The development and implementation of effective strategies to shift informal activities to the formal sector must be given top priority.

To date, there has been no comprehensive analysis of the informal economy in Kosovo. A recent assessment carried out by the European Agency for Reconstruction (EAR) in 2007, which adopted the definitions of the OECD and the household macroeconomic budget model, estimates the size of the informal economy in Kosovo at between 27 and 35 per cent of GDP in 2004–06. Nearly 85 per cent of this is attributed to workers who do not pay social insurance contributions or personal income tax.

According to a study conducted by the World Bank in 2003, more than half of employed persons in Kosovo either work without an employment contract or are employed by unregistered enterprises. The problem of informal employment has also been highlighted by an ILO survey, according to which 50 per cent of young people work informally, 73 per cent of whom do not pay social insurance contributions.

The institution mandated to combat informal employment is the Labour Inspection Agency (AIP), which was established on the basis of the UNMIK Regulation on Basic Labour Law in Kosovo (2001/27). The tasks and responsibilities of the AIP were defined by the Labour Inspectorate Act in Kosovo (2002/09), which was amended in 2008 by the Act Amending and Supplementing the Labour Inspectorate Act (2008/03/L-017). Based on current law, the AIP monitors the implementation of legal provisions in the areas of labour relations, labour security and protection of employees' health and safety in the workplace. The AIP had one general inspector, three deputy general inspectors and 51 labour inspectors in 2009 (the number of labour inspectors will rise to 55 in 2010). The AIP's report for the first quarter of 2009 concludes that, in the 1,801 inspections it carried out, it identified 40 unlicensed enterprises which avoided all obligations and 72 enterprises which employed 274 workers with no employment contract. The AIP estimates that 30 per cent of workers had no employment contract in 2008. The AIP lacks human and financial resources, while the professional qualifications of its employees are below the desirable level. To reduce informal employment, the AIP collaborates with other institutions, such as the tax authorities, the police, trade unions and employers' organizations.

## 1.6 Poverty

In terms of the Human Development Index, Kosovo is at the bottom of South Eastern Europe

and is among the least developed societies in Europe. Unemployment has been identified as one of the main causes of poverty in Kosovo. The political circumstances of the past few decades have contributed to the lack of investment, the low expansion of businesses and the limited number of new business start-ups, as well as to the low level of general and vocational education.

In 2004, UNDP conducted a study to measure poverty in Kosovo, using two kinds of Human Poverty Indicator (HPI). The first indicator, HPI-1, is devised to measure the incidence of extreme poverty, whereas the second indicator, HPI-2, measures non-extreme poverty. According to the Human Development Report 2004, the level of extreme poverty in Kosovo fell from 17.6 per cent in 2001 to 9.7 per cent in 2003, whereas the percentage of the population incapable of meeting their daily needs increased from 11.9 per cent to 13 per cent, as shown in Table 5. Although other indicators – such as the unemployment level and the percentage of people living on only 2 US dollars per day – show a decline in poverty, they still remain at a high level.

**Table 5. Poverty indicators, 2001 and 2003**

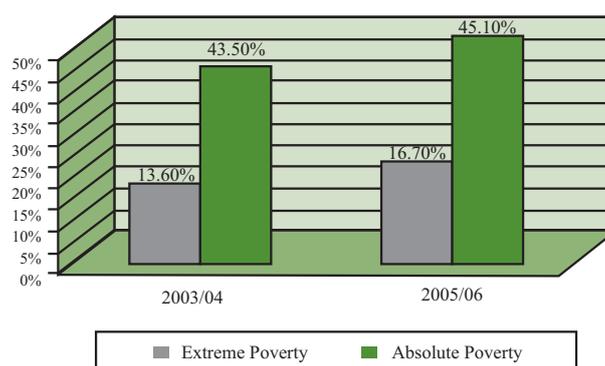
	2001	2003
<i>HPI-1 (applied to developing countries)</i>	17.6%	9.7%
Population failing to reach 40 years of age	25.30%	7%
Illiterate adults	6.50%	5.80%
People without running water	4.40%	27.40%
People without health services		8.90%
Child mortality	3.50%	3.50%
Children born underweight	4.10%	4.00%
People without a decent standard of living	11.90%	13%
<i>HPI-2 (applied to developed countries)</i>		36.70%
Population failing to reach 60 years of age		13.40%
Illiterate persons	6.50%	5.80%
People living on \$2 per day	50.30%	47.70%
Unemployment in the age group 15–64	50–55%	44.40%

Source: UNDP 2007

A detailed survey of poverty in Kosovo was conducted in 2001 by the World Bank's Living Standards Measurement Study (LSMS), covering 2,880 families, in cooperation with ESK. The survey estimates that the poverty line was €53.67 per month. The second poverty assessment was carried out in 2005 by the Household Budget Survey (HBS), involving 2,400 families. The poverty line in this case was estimated at only €42.30 per month. The latest assessment was carried out in 2007 (again, HBS with 2,400 families), but the poverty line remained unchanged compared to the previous survey in 2005.

Comparing the Household Budget Surveys of 2005 and 2007, the incidence of poverty increased from 43.5 to 45.1 per cent and the incidence of extreme poverty from 13.6 to 16.7 per cent (see Figure 8). The factors impacting on this poverty reduction are emigration and remittances, including pensions, from abroad.

**Figure 8. Poverty levels in Kosovo**



Regarding the detailed structure of poverty, the following observations were made:

- The incidence of poverty in families with more than seven members is 7 per cent higher than that of families with fewer than four members.
- The incidence of poverty of families with female breadwinners is 4 per cent higher than that of families headed by men.
- The incidence of poverty of unemployed persons is 50 per cent higher than that of employed persons. Between 32 and 35 per cent of employed persons are poor, the majority of whom are casual workers and miners.
- Poverty in rural areas is 5 to 10 per cent higher than in urban areas. The regions of Mitrovica and Ferizaj have the highest incidences of poverty in Kosovo.
- In addition, nearly 8 per cent of the population are living in multidimensional poverty; they are materially poor, without running water in their houses or access to sanitary and health services.

Economic conditions in Kosovo make it difficult to obtain sufficient resources for funding social protection, especially for vulnerable groups. With regard to savings social security schemes, the World Bank Survey of 2007 states that, due to their low coverage and low benefit level, the schemes have failed to have a significant impact on improving welfare.

In Kosovo, about 6.9 per cent of the population are in receipt of social assistance. Groups particularly vulnerable to poverty include: (i) large households, especially those with six or more members, (ii) families with dependents, (iii) families with female breadwinners, (iv) the unemployed and, to a certain extent, also the self-employed.

Another important factor contributing to poverty reduction is the large number of migrant workers and their remittances. It is estimated that 20 per cent of Kosovan households have a family member living abroad. The incidence of poverty in families with at least one emigrant member is 7 per cent lower than the average.

## 1.7 Education system

The efforts to develop an effective education system have been severely obstructed by the poor educational infrastructure, inadequate facilities, deficient curricula, a lack of qualifications among the teachers and sufficient financial resources.

UNMIK commenced reform of the education system in 1999. In 2002, responsibility for the development of the education system was transferred from UNMIK to the Ministry of Education, Science and Technology (MASHT). A number of international donors have contributed to the restructuring of the education system.

The EU is one of MASHT's main active partners in promoting high quality education in Kosovo. Based on the development plan for 2009, the EU – through its executive agency the European Training Foundation (ETF) – will focus its assistance on developing a strategic framework on lifelong education, covering all forms (formal and informal) and all levels (pre-primary, primary, secondary, university and for adults, on a continuing basis) of education and training.

According to ESK data, in the academic year 2007–08 approximately half a million students attended all levels of public schools in Kosovo. While the difference between males and females is small with regard to attendance at pre-primary and primary schools, the difference widens in relation to secondary and higher education, indicating that fewer females complete higher education (see Table 6).

**Table 6. Participation in public education, 2007–08**

Level	Education	Total	Females	Males	Males-Females difference (%)
0	Pre-primary education	24,315	11,756	12,559	7%
1+2	Primary and lower secondary	324,398	155,640	168,758	8%
1+2s	Primary and special lower secondary	722	276	446	62%
3	Upper secondary education	90,625	40,279	50,346	25%
3s	Special secondary education	167	55	112	104%
5	Tertiary education	25,840	12,610	13,230	5%
	Total	466,067	220,616	245,451	11%

Source: ESK 2008

The ratio of teachers to students in Kosovo for 2007–08 is just under 1:20, which is close to international standards. A small number of private schools have opened in recent years, attended by 2,606 students (pre-primary, primary and secondary level) in 2007–08, only 0.6 per cent of the total. There are no data in the latest ESK statistics on the number of students attending private universities and colleges.

In the new education system, pre-school education includes child care institutions – crèches for children aged 9 months to 3 years, kindergarten between the ages of 3 and 6 years and pre-primary grades in primary schools for children aged 5 and 6. According to UNICEF, only 10 per cent of children attend pre-school. According to the latest MASHT data, there are 40 kindergartens, located mainly in urban areas. It is estimated that 42 per cent of the children enrolled in secondary schools did not have any pre-school education.

Based on UNDP data, primary school attendance in Kosovo is around 95 per cent, while secondary school attendance is 75 per cent. One in every two young people leaves school at 18 years of age. Two out of three students leave school without qualifications. It is estimated that 12 per cent of students drop out of compulsory education and 28 per cent do not complete secondary school.

Currently in Kosovo there are 969 primary schools, 108 secondary schools and six special schools. Taken together, this meets only 60 per cent of the need for school facilities. One problem is the shortage of school buildings. Most schools teach in two or three shifts. Often, schools in rural areas are located far from where students live, making it difficult for them to attend lessons.

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The MASHT has developed a strategy for pre-university education 2007–17, defining the following main targets:

- ensure the quality, governance and effective management of the education system;
- build a functional system to ensure high-quality teaching, based on the standards of the developed countries;
- aim at the inclusion of all, equality and respect for diversity in education;
- establish an effective training system for teachers;
- guarantee a healthy environment for education;
- establish a stable relationship between education and general economic and social development;
- improve resources in the education system.

Currently, there are two public universities in Kosovo, one in Prishtina and the other in Mitrovica. The system being implemented at the University of Prishtina is based on the Bologna Process, which facilitates student mobility and credit transfers between universities. The MASHT has taken the necessary measures to improve the contents of subjects taught, the qualifications of faculty and the supervision of quality and management. In 2008, the MASHT asked the British Council of Accreditation to assess 33 private institutions of higher education in terms of national legislation, international standards and the Bologna Process. According to the final report, 32 out of 33 institutions were classified as below standard and were duly suspended by the MASHT. The Accreditation Agency of Kosovo has been asked to provide their accreditation once they have met the fundamental educational requirements.

Two important laws were passed in 2008. The first is the Law on the Framework of National Qualifications (2008/03-L-060), which enables the National Qualifications Authority to institutionalize qualification and certification procedures. The second is the Law on Education in the Municipalities (2008/03-L068), which seeks to regulate the organization of public educational institutions at the municipality level and to define the competences and responsibilities of the central and local authorities with regard to education (EC Report 2008).

Regarding vocational education and training (VET), in 2006 the Law on Vocational Education and Training (2006/02-L42) was passed, which seeks to adjust the VET system to European standards. In total, 56 schools offer VET in Kosovo. However, a lack of accreditation in these schools undermines the credibility of certification in the VET system. At the same time, there is no effective cooperation between the MASHT and the MPMS.

Between 2001 and 2007, the ILO ran a project entitled “The development of capacities for recovery and reconstruction in Kosovo”, which was designed to revitalise employment capacities and to assist in Kosovo’s transition to a market economy. The project achieved the following:

- strengthening labour market institutions, such as the Ministry of Labour and Social Welfare, Public Employment Agencies (ZPP) and the regional training institutions;
- creating the VET system for the unemployed;
- building up the capacities of labour market institutions with regard to service provision, including consultancy, orientation and identification of vacancies for jobseekers;
- developing a system which promotes self-employment through the VET system and employment services;
- strengthening the capacities of labour market institutions and the social partners with regard to the design, monitoring and evaluation of policies and employment programmes for the young.

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The programme offered training to young people with regard to skills and self-employment; helped job seekers to assess their employability; and provided assistance in starting up businesses. Training and coaching programmes were developed for the staff of the ZPP to enable them to identify and target young people at risk, and to use appropriate counselling and guidance skills. A media campaign was run and a toll-free number was set up to inform young people about their rights at work. As a result, by mid-2007, approximately 140,000 people had benefited from the employment and training services provided by the ILO project.

## 1.8 Child labour

Although Kosovo has made an effort to establish a legal and institutional framework to prevent child labour, there is a tradition in Kosovo that children work to help their families. Typically, this involves household chores and help with agricultural activities. Recently, there has been a considerable increase in the number of children working on the streets. Efforts to prevent and eliminate child labour are being made, with support from international organizations, such as the ILO and UNICEF.

Since 2004, the ILO has been running a technical cooperation programme against child labour and the exploitation and trafficking of children through the International Programme on the Elimination of Child Labour (IPEC). The aim of the IPEC programme is to help create a favourable environment in which the worst forms of child labour (WFCL) can be prevented, including:

- mainstreaming child labour in legislation and policies;
- capacity-building for public authorities, social partners and civil society;
- establishment and piloting of a Child Labour Monitoring System (CLMS);
- direct services for children involved in WFCL or at risk of involvement in WFCL;
- awareness raising.

With the help of the ILO–IPEC programme, Kosovo has adopted an Administrative Instruction on the Prevention and Immediate Prohibition of Hazardous Child Labour, which defines hazardous sectors and activities to be banned and facilitates the regular collection of statistical data.

The priorities of the ILO–IPEC in Kosovo for 2010 are as follows:

- support the authorities and social partners in drafting the Kosovo Action Plan for the Prevention and Elimination of WFCL;
- support the Ministry of Labour and Social Welfare in its efforts to expand the Child Labour Monitoring System across Kosovo to guarantee a national fact-based data collection system on child labour and a referral mechanism for the identification and protection of children with regard to WFCL;
- provide the public authorities, and workers' and employers' organizations with a firm knowledge of the ILO core conventions, including those on child labour, and build up their capacity to participate in the formulation and implementation of the Kosovo Action Plan, resource mobilization and awareness raising activities on ILO fundamental principles and rights at work, including the prevention and elimination of child labour.

UNICEF conducted a comprehensive study of child labour in Kosovo. It analyses key features of child labour for the age group 6–15 (the period of compulsory education in Kosovo), including: (i) the most common types of child labour, (ii) working conditions for child labour, (iii) the relations between child labour and financial situation and (iv) the relations between child labour and education. The survey involved interviewing 354 working children aged 6–15 and 23 focus group

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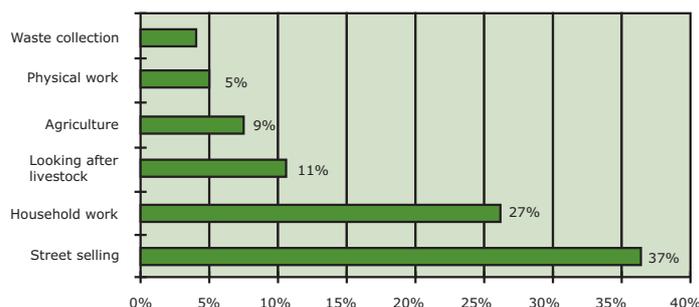
discussions, with the participation of parents, teachers and representatives of NGOs and central and local authorities.

Some of the most significant conclusions drawn by the study are as follows:

- The total number of working children is unknown.
- Working children are mostly engaged in selling products in the street or in markets; they also work in the home or in agricultural production (see Figure 9 below).
- Half of all working children are girls. The average age of working children is 12.5 years. On average they begin work from the age of 10.
- Children work mainly in the summer time and less in winter time, although three out of four work throughout the year. They work, on average, six hours per day in summer time and four hours per day during the school year, six days per week.
- Nearly 15 per cent of working children complain of health problems.
- Nearly 45 per cent of the families of the interviewed children do not receive social assistance.
- Their school attendance is high, however: about 87 per cent of them attend school, making use of the two- or three-shift system in schools.
- 13 per cent of working children do not attend school at all.
- The children have to work for several reasons, the main one being poverty.
- The average daily wage of children is €7, but only 40 per cent of them are paid.

If child labour is to be abolished in Kosovo, an integrated approach must be taken by the main actors, such as the MPMS, the Labour Inspectorate, the social partners and active international organizations, such as the ILO, UNICEF and the EU. The improvement of labour law by incorporating the Worst Forms of Child Labour Convention, 1999 (Convention No. 182) and the Worst Forms of Child Labour Recommendation, 1999 (Recommendation No. 190) would be a first step in this direction.

**Figure 9. Main jobs performed by children**



## 1.9 Health status

Prior to 1999, there was little opportunity to develop a modern health system in Kosovo. The Faculty of Medicine was founded at the University of Prishtina in 1986, comprising clinics where public health personnel can improve their expertise and capacities.

Notable progress has been made in the improvement of health services since the war of 1999. Considerable support has come from international donors and the general budget. Many health

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facilities have been constructed in recent years, resulting in an increase in the number of qualified health personnel and the number of patients treated in health centres and public and private clinics.

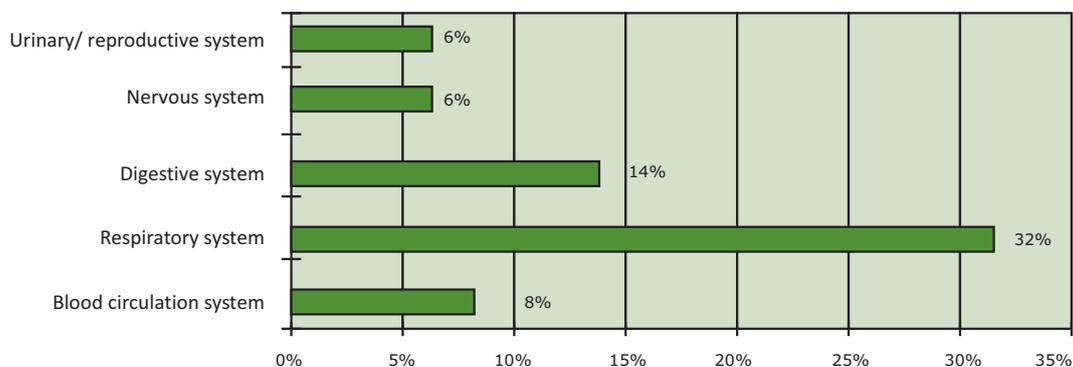
In order to develop the public health system, the World Health Organization (WHO) is supporting the following programmes:

- The development of public health strategies and policies, particularly for child and maternal health, mental health, communicable and non-communicable diseases, immunization, sexually transmitted diseases, environmental health, health development programmes and capacity-building with regard to the health system.
- Strengthening the community-based approach to mental health.
- Strengthening the public health system to develop an effective early warning system for monitoring communicable diseases, control and outbreak response.
- Promoting voluntary consultancy centres and integrated testing for HIV/AIDS in public institutions.
- Strengthening primary health care through a family-medicine approach.
- Addressing emergency health needs in the Mitrovica area with regard to lead and other heavy metal contamination.

The Law on Health (2004/4) defines the aims and objectives of the health system, the principles of health care, the responsible institutions, the health insurance system, the health inspectorate, the rights and obligations of the system with regard to public health, as well as the role and obligations of the Ministry of Health (MSH). The municipalities of Kosovo provide primary health care, giving priority to prevention, based on the principle of family medicine. Primary health care centres have been set up in all 36 municipalities in Kosovo. Meanwhile, family medicine centres and family medicine stations have been set up in smaller settlements. Secondary health care is provided at hospitals in urban areas and seven regional hospitals. These institutions offer specialized and hospitalization services. Professional services for mental health are provided within the framework of secondary health care services in some cities. Tertiary health care is provided by specialized medical experts employed at the University Clinical Centre in Prishtina.

Despite the recent improvements in the public health system, the population of Kosovo still suffers from high levels of morbidity and mortality. The data on medical visits to primary health care centres in 2007 reveal that the most frequent diseases were related to the respiratory system, the digestive system and the blood circulation system, as indicated in Figure 10.

**Figure 10. Most frequently encountered diseases in Kosovo, 2006**



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Infant mortality in Kosovo has declined since 2000, but is still the highest in Europe, with 35 deaths per 1,000 births (MDG Report 2002). Kosovo also has a high mortality rate among mothers giving birth to new babies, at nearly 23 per 1,000. Challenges in this field are linked to improvements in reproductive health, services for pregnant women, statistical data, implementation of priority areas of the Strategy for Reproductive Health 2007–17, priority implementation of the Law on Reproductive Health (2006/02-L76) and the Law on the Termination of Pregnancy (2008/03-L-110).

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## 2 Social security systems in Kosovo

This section describes the development of the social security system in Kosovo during the period 2001–08 and assesses its current state. The basic data were taken from the current legislation on social security, ESK statistics, technical reports by international organizations and information and opinions obtained in discussions held with representatives of the responsible departments in the MPMS, managers of the Kosovo Pensions Savings Trust (KPST) and the social partners.

### 2.1 Pension systems

#### 2.1.1 Overview

Prior to 1990, the employed population of Kosovo was insured under the pension system of the former Yugoslavia. The pension amount was determined on the basis of the number of contributory years and wages. The Autonomous Office of the Pension Fund of Kosovo was the administrative agency which collected contributions and paid benefits. The Autonomous Office of the Pension Fund was wound up in 1990 and its authority transferred to Serbia.

The armed conflict in Kosovo resulted in the total destruction of the pension system, notably including the damage or loss of pension insurance contribution records. There was an urgent need to reform the social security system to provide a basic income covering the whole population. In particular, the new pension system should address pensions for the following groups:

- Existing pensioners under the former Yugoslav pension system, whose pensions have not been paid since 1999.
- War invalids, who had not reached retirement age but were incapable of working.
- Unemployed persons who lost their jobs due to the war or privatization.

In 2001, UNMIK, in cooperation with a number of international organizations, started to develop a new pension system in Kosovo within the framework of the stabilization and integration reforms. Consequently, the pension system in Kosovo has been reformed in accordance with the following three-tier structure:

- (1) basic pensions for all residents of Kosovo (first tier);
- (2) mandatory savings pensions for employees (second tier);
- (3) voluntary supplementary pensions (third tier).

Regulation 2001/35 “On the Pension System in Kosovo” provides the basic legislative framework of the current pension system in Kosovo. This regulation was amended in 2005 by Regulation 2005/20.

The Law on the Methodology for the Determination of the Level of the Basic Pension in Kosovo (2002/1) defines the method of determining the level of the basic pension every year. It also defines the institutions responsible for assessing the value of the goods selected as satisfying the basic need for daily consumption of 2,100 calories per person.

The Law on Pensions for Persons with Disabilities or Totally Disabled Persons in Kosovo (2003/23) stipulates the eligibility criteria, the procedures for establishing disability, the role and obligations of medical commissions, the benefit amount and rules for the administration of the budget.

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## 2.1.2 Basic pension – first tier

### (1) Coverage

The basic pension system covers all citizens permanently resident in Kosovo. The benefit is flat rate and financed by transfers from the general budget.

The basic old-age pension is paid to persons over 65 years of age. In December 2008, a total of 138,847 persons – or 6.4 per cent of the population – received this benefit.

The basic invalidity pension covers persons between 18 and 64 years of age. Decisions on eligibility are taken by the medical commission set up by the MPMS. The basic invalidity pension is not paid if the beneficiary receives pensions from the veterans' scheme or receives social assistance benefits as a dependent family member. At the end of 2008, a total of 19,746 persons – or 0.9 per cent of the population – received this benefit.

The introduction of the universal basic pension increased the number of pensioners considerably. In 1998, the total number of pensioners stood at 82,203, which is equivalent to only 52 per cent of the figure in 2008.

### (2) Benefits

In 2008, the monthly basic pension was €40 for old-age pensioners, and €45 for invalids. According to the Law on the Methodology for the Determination of the Level of the Basic Pension in Kosovo (2002/1), the level of the basic pension is determined on the basis of the value of a food basket which covers minimum daily needs, equivalent to 2,100 calories. In December every year, the MEF estimates the reference values of the items in the food basket and determines the level of the basic pension for the next year, subject to general budget constraints.

The monthly amount of the basic old-age pension was €28 in 2002, €35 in 2003 and remained at €40 from 2004 to 2008. As the average monthly wage in 2008 was €237 in the public sector and €248 in the private sector, the basic pension is equal to only 16 or 17 percent of the average wage.<sup>3</sup> Since the amount of the basic pension was not indexed between 2004 and 2008, its level decreased in relation to the average wage. In 2002, the basic pension was equal to 20 per cent of the average public sector wage, but 16 per cent in 2008.

Table 7 compares the basic pension with GDP per capita between 2004 and 2008. Similarly, the basic old-age pension in terms of GDP per capita decreased from 33 per cent in 2004 to 29 per cent in 2008.

**Table 7. Pension benefits and income per capita, 2004–08**

Year	2004	2005	2006	2007	2008
Basic pension (€/year)	480	480	480	480	480
GDP per capita (€/year)	1,473	1,482	1,520	1,612	1,674
Pension/ GDP per capita	33%	32%	32%	30%	29%

Source: ESK 2009

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<sup>3</sup>It should also be noted that, since 2008, the favourable pension scheme has been implemented which provides an additional pension of €35 to pensioners who had contributed to the former pension system (for more details, see the next section). If this amount is added, the pension represents 30–32 per cent of the average wage.

The amount of the basic invalidity pension is determined in a similar way to the basic old-age pension. Invalidity pensions are payable if the claimant fulfils all legal requirements for invalidity and with certification from the medical commission.

### (3) Favourable pension

Based on Decision 13/277 (31.10.2007), the so-called Favourable Pension Insurance Scheme was implemented from 2008. The scheme provides additional pensions for the citizens of Kosovo over 65 years of age if they can prove that they had been pensioners or paid contributions for at least 15 years under the former system. The monthly pension amount is a flat rate of €35, which is paid in addition to the basic old-age pension.

The DPA estimates that 28,135 pensioners – representing nearly 20 per cent of all old-age pensioners – were in receipt of this pension in January 2009. It is estimated that the number of beneficiaries of this scheme will increase in future.

### (4) Benefit expenditure and funding

Table 8 presents the number of pensioners and expenditure in respect of basic old-age pensions for the period 2005–08. The number of pensioners has been increasing steadily. Since the basic pension was not indexed for the above period, budget transfers showed a slight decrease in terms of GDP.

**Table 8. Number of pensioners and pension expenditure (basic old-age pension), 2005–08**

Year	2005	2006	2007	2008
Number of pensioners	124,893	127,356	131,875	138,847
Pensioners/population (%)	6.03	6.06	6.19	6.42
Budget transfer (million €)	60.52	64.29	63.82	65.75
Budget transfer (% of GDP)	2	2	1.9	1.8

Source: KPST 2009

Table 9 presents the expenditure on basic invalidity pensions for the period 2004–08. The number of beneficiaries decreased from 21,150 in 2005 to 19,746 in 2008 and 18,091 in April 2009. In 2008, expenditure on invalidity pensions decreased by 28.8 per cent from the previous year. This reduction reflects the tightening up of benefit entitlement rules.

**Table 9. Pension expenditure (basic invalidity pension), 2004–08**

Year	2004	2005	2006	2007	2008
Budget transfer (million €)	12.8	12.8	15.3	13.4	10.4
Budget transfer (% of GDP)	0.4	0.4	0.5	0.4	0.3

Source: DPA 2009

Basic pensions and favourable pensions are funded by transfers from the general budget of Kosovo. The DPA and the MEF are responsible for preparing the pension-related budget.

Table 10 presents total pension expenditure, expressed as a percentage of GDP. Mainly due to the introduction of the favourable pension (estimated expenditure in 2008 is 31.5 million euros), total pension expenditure increased by 39 per cent in 2008.

**Table 10. Total pension expenditure, 2004–08**

Year	2004	2005	2006	2007	2008
Budget transfers (million €)	56.06	73.32	79.59	77.22	107.65
Percentage increase		31%	9%	-3%	39%
Budget transfer (% of GDP)	1.9	2.4	2.5	2.2	3

Source: DPA 2009

## **(5) Administration**

The basic pension scheme is administered by the Department of Pension Administration (DPA) under the Ministry of Labour and Social Welfare. The DPA was established in December 2003. The DPA is composed of three divisions: the Division of Pension Schemes, the Division of Pension Scheme Payments and the Division of Disability and Invalidity Insurance.

Basic pensions are paid to pensioners by bank transfer. The DPA opens a bank account for a pensioner with an authorized commercial bank chosen by the pensioner. As an administrative fee, the banks receive €5 per year for each account from the general budget. The banks are supervised by the Treasury Department under the MEF. The banks provide information on individual pensions through their electronic services. This electronic payment method enables the delivery of pensions in a secure and cost-efficient way, although the data need to be systematically improved, updated and monitored.

One challenge facing the scheme is the regular and efficient verification of the survival status of the pensioners; in Kosovo, there is no official system for the registration of deaths. As bank accounts can be maintained with the signatures of two family members, there are cases of family members continuing to draw pensions for a deceased pensioner or their survivors.

Initially, the Ministry of Labour and Social Welfare required the family members of deceased pensioners to inform their local office of the death of the pensioners. However, this proved unsuccessful. Therefore, it was decided that each pensioner would have to sign the bank statement every six months. In case of failure to provide such statements, the DPA will investigate the survival status of the pensioner.

To ensure consistent progress in this area, a specific request has been included in the medium-term budgetary programmes for the improvement of the IT system in coordination with other systems.

### **2.1.3 The mandatory savings pension – second tier**

#### **(1) Coverage**

The savings pension system covers employees and other economically active persons over 18 years of age. The contribution is mandatory for workers born after 1946. For workers born before 1946, participation is voluntary. Table 11 shows the coverage of the savings pension system.

**Table 11. The number of employers and employees in the Kosovo Pension Savings Trust, 2002–08**

Year	Number of employers	Number of employees	Increase (%)
2002	278	87,333	
2003	11,262	144,977	66%
2004	14,993	168,718	16%
2005	18,319	235,420	40%
2006	18,748	235,442	0%
2008	19,500	281,120	19%

Source: KPST 2009

## **(2) Benefits**

The mandatory savings system provides pensions to supplement the basic pension. It is a defined-contribution system. Hence the pension level depends on the amount of contributions paid and the income earned from their investment.

When a worker attains retirement age – that is, 65 years – if they have accumulated more than €2,000 in their savings account, the benefit is paid in monthly pension instalments. If the balance is less than €2,000, the benefit is paid as a lump-sum.

To provide a pension, the final balance in the individual savings account is used to purchase life annuities. The pension is paid until the death of the pensioner, after which it is transferred to their survivors. For married workers, it is compulsory to purchase an annuity with a survivors' pension. At this stage, most members are accumulating contributions in their individual savings accounts. However, in view of the fact that the first pensioners under this system are expected to start receiving payments from 2011, the detailed rules in the payment phase should be determined and information disseminated with sufficient lead time to allow workers to plan life after retirement.

## **(3) Contributions**

The main source of the savings pension is compulsory contributions. The contribution is set at 10 per cent of wages, shared equally between employers and employees.

The payment of contributions is compulsory for those born after 1946. This age limit was set so that members of this scheme can contribute at least 10 years to accumulate sufficient savings to purchase annuities on retirement.

Employees born in 1945 or earlier can pay voluntary contributions and receive benefits proportionate to their savings. The maximum voluntary contribution rate is 15 per cent.

## **(4) Investment of funds**

The contributions are invested in international capital markets by the KPST's fund managers. Returns on investment are allocated to individual savings accounts. The following data show the increase in the quantity of assets under the control of the KPST between 2002 and 2009. Total assets under KPST management amounted to €292 million by May 2009.

**Table 12. KPST asset growth, 2002–09**

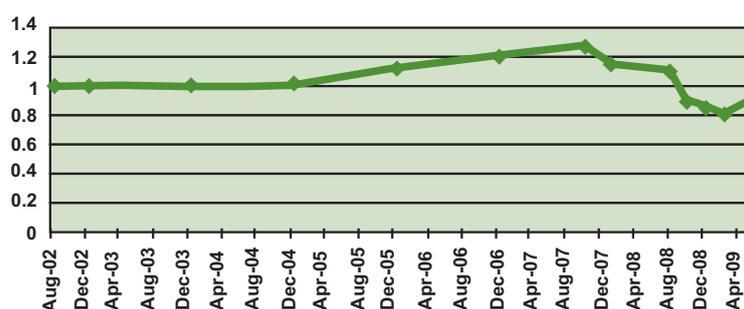
Year	Assets (million €)	Increase (%)
2002	8.63	
2003	34.8	303%
2004	79.96	130%
2005	141	76%
2006	200	42%
2007	280	40%
2008	240	-14%
May 2009	292	22%

Source: KPST 2009

Investments provided modest positive rates of return until 2007. Due to the global financial crisis commencing in 2008, however, the KPST made a loss of €92.1 million (around 29 per cent) in its assets in investment, which was more than the €71 million contributions collected in that year.

The KPST has investments in about 170 international companies. Figure 11 shows share value fluctuations in 2002–09.

**Figure 11. KPST share value fluctuations, 2002–09**



From mid-2008 until March 2009, the value of KPST investments fell continuously. However, the Administrative Council was not convened during this period. In May 2009, the Administrative Council of the KPST decided that if the final balance turned out to be less than total (nominal) contributions the the KPST would compensate the difference.

## **(5) Administration**

The Kosovo Pensions and Savings Trust (KPST) manages the mandatory savings pension system. It was founded in August 2002 as an autonomous, non-profit legal entity. The KPST is responsible for contributions and investments and guarantees contributors' savings. All contributions in its individual savings accounts are the property of the contributors and cannot be used for any other purposes. The investment of pension savings is carried out by a financial manager appointed by the Administrative Council.

The Administrative Council of the KPST is composed of seven members, including one employer representative and one employee representative. At least four members of the Council must have 10 years of professional experience as financial managers or analysts. The Administrative Council convenes when necessary, but at least every six months.

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The Tax Administration is responsible for verifying the payment of contributions by employers, the preparation of quarterly reports on contributions and the submission of inspection reports on the payments made to contributors' individual accounts. The Tax Administration must receive employers' documents regarding collected contributions within three months, and by the end of the fourth month it must compile a quarterly report on employee data. The Tax Administration also has the authority to enforce the collection of contributions, if evasion is detected.

The Trust has a certified data administration system which is audited annually to evaluate information accuracy, accounts and transactions. However, some contributions fail to be deposited in individual savings accounts. This happens due to the failure of some employers to submit quarterly reports and discrepancies between payments made by employers and the amount in the statements. At the end of 2007, a total of €44,500 had not been deposited in individual savings accounts. As a result of the KPST's efforts, the undeposited amount had been reduced to €28,876 by March 2009.

#### **2.1.4 The voluntary pension system – third tier**

This pension system is a voluntary private pension organized on an individual or enterprise basis. It supplements the first- and second-tier pension systems.

Voluntary pension funds are managed by a Board of Directors, with at least three members. The Central Bank of Kosovo regulates and supervises the private companies which offer voluntary pension insurance.

It is reported that participation in voluntary pension insurance has been low and that there has been no enterprise-based (occupational) pension scheme in Kosovo to date.

#### **2.1.5 Pension schemes for special groups**

In addition to the pension system covering the general population, there are also special schemes for former employees of the Kosovo Protection Corps (TMK) and for former workers in the mines of Trepçe.

##### **(1) Pensions for members of the Kosovo Protection Corps (TMK)**

The Law on Pensions of Members of the Kosovo Protection Corps (TMK) (2008/03L-100) regulates the pension rights of active members of the TMK and their survivors after the termination of the Corps. This scheme started in January 2009. The DPA is in charge of administration. The scheme is funded by transfers from the general budget of Kosovo.

The eligibility conditions for receiving benefits are: (i) reaching 50 years of age (with early retirement, from 45 years of age), (ii) at least five years' service in the TMK and (iii) being an active member of the TMK when the TMK dissolution law came into force.

The pension amount is 70 per cent of the average net wage over the past three years. The early retirement pension is calculated as 50 per cent of the average net wage. In case of the death of a pensioner, their pension is partially inherited by their spouse or children, in the proportion of 60 per cent and 20 per cent respectively. In April 2009, 64 pensioners were receiving an average monthly benefit of €168.

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## **(2) Benefits for former workers in the mines in Trepçe**

Since 2004, a provisional scheme for underground workers has been in operation. This scheme was established in order to solve the social problems emerging from the restructuring of the enterprises in the Trepçe mining complex.

The eligibility conditions for receiving benefits are as follows: recipients must be (i) aged between 50 and 65 years, (ii) have worked for the enterprise for 10 years or more, (iii) not currently employed or self-employed and (iv) not receiving other social assistance. Benefit ceases when the recipient reaches 65 years of age.

The benefit amount is €80 euro per month. It is co-financed by the general budget (€50) and by enterprises (€30). In April 2009, around 4,100 persons received benefits from the scheme. Auditing reports by the DPA and the Tax Department indicate that nearly 4.5 per cent of beneficiaries have lost their entitlement since they no longer meet the above-mentioned eligibility conditions.

### **2.1.6 Issues with regard to the current pension system**

Our analysis revealed a number of issues with regard to the population coverage and benefit adequacy of mandatory pension systems.

#### **(1) Basic pension**

Under the current system, the basic pension represents a universal flat-rate pension at the subsistence minimum level. Its aim is to reduce poverty among the elderly and the disabled.

Compared to the former pension system, the basic pension has significantly widened access to pension benefits. Between 1998 and 2008, the number of pensioners almost doubled.

Due to financial constraints, the level of the basic pension has been kept at a rather low level. Moreover, the lack of indexation in recent years has led to a reduction in the purchasing power of basic pensions. Given that the incidence of poverty among families with elderly members is 62 per cent, the adequacy of the basic pension (including the indexation method) needs to be assessed through an analysis of its impact on poverty reduction for the elderly.

The pension system faces a complex challenge with regard to the contribution records which were lost during the war. In principle, any contributions made to the former pension system should be reflected in the current pension amount. However, the administrative costs of verifying the lost contribution records are estimated to be enormous. The favourable pension scheme introduced in 2008 is a partial solution to this problem. However, due to various administrative complexities, the amount is set at a flat-rate of €35 per month.

Regarding invalidity, it should be noted that the basic pension scheme provides benefits only in case of full incapacity, not partial disability. It has been reported that this can affect the medical committee's decision in its assessment of invalidity.

#### **(2) Savings pension**

The mandatory savings pension provides a second-tier pension based on contributions accumulated in individual savings accounts.

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Since this pension system is contributory, its coverage is a critical issue. In 2008, the number of contributors was 281,000, or 58 per cent of the estimated employed population.

Further extension of coverage faces the following challenges:

- the persistently high unemployment and the widespread informal economy restrict the number of workers in the formal employment sector;
- several studies have found evidence of contribution evasion; one report says that about 20 per cent of employees avoid paying social security contributions;
- enforcement capacity is weak; the Labour Inspection Agency (AIP) lacks human and financial resources and the technical capacity to perform effectively; labour inspectors sometimes find it difficult to have their decisions implemented, for example, the imposition of fines;
- irregular and low (sometimes non-monetary) incomes in the agricultural sector – representing 21 per cent of the employed population – result in an insignificant amount of contributions; this sector is heavily subsidized.

Unless the situation improves, there will be no significant increase in the coverage of the savings pension system. If a low coverage rate persists in the long term, a large number of elderly people can be expected to have to rely solely on the basic pension in the future.

In 2008, the savings pension system experienced a substantial decrease in its assets in investment. Losses exceeded contributions. As an emergency measure, its Administrative Council decided that the KPST should compensate the loss up to the principal in nominal values. One lesson learnt from this is that, under the savings pension system, the members have to bear the investment risk. Thus, the reduction in individual accounts will directly result in lower pensions in the future.

## **2.2. Social assistance and social welfare systems**

### **2.2.1 Overview**

The armed conflict in Kosovo resulted in a tremendous need for social assistance. In the post-conflict period, the first step towards re-establishing the social assistance system was taken by UNMIK through the reactivation of the Centres for Social Work (QPS). These centres commenced the provision of social assistance benefits in 2000.

In 2001 the social welfare programme covered 53,916 families with 186,308 members. It paid benefits in the amount of between DM 60 and DM 120 per family. According to a World Bank assessment in 2001, half of the population in Kosovo was living below the poverty line, over 12 per cent of whom were below the extreme poverty line.

In September 2001, the Social Welfare Department (DMS) was established within the Ministry of Labour and Social Welfare (MPMS). The DMS was tasked with designing comprehensive policies and strategies for the social protection system.

The current social protection system in Kosovo consists of social assistance and social and family services. The system was established within the framework of the following legislation. Benefits for war invalids are determined under a separate law.

- The Law on Families (2004/32) sets forth the fundamental principles of comprehensive protection for families and their members in Kosovo.

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- The social assistance scheme is based on the Law on the Social Assistance Scheme (2003/15). The scheme provides financial assistance to families with incomes below a certain threshold, determined by the MPMS and the MEF, and to families with members in need of care.
  - The Law on Social and Family Services (2005/02/L-17) lays down the rules and regulations on the provision of social and family services and care. These benefits are provided in the form of direct social care, advice and material support. The law also determines where social services are offered, which include people's homes, specialized daily care centres and residential institutions.
  - The Law on Material Support for Families of Children with Permanent Disabilities (2008/03/L-22) regulates assistance for families caring for children with limited physical and mental capacities until the age of 18. Material support takes the form of monthly benefits administered by the MPMS.
  - The Law on the Rehabilitation, Occupational Rehabilitation and Employment of Persons with Disabilities (2008/03/L-019) provides for the rehabilitation of persons with limited working capacity.<sup>4</sup> It also prescribes rules for their integration into the labour market in line with the conditions laid down in labour legislation.

The social assistance scheme and the social and family service scheme are organized on three levels: (i) the Social Welfare Department (DMS) in the Ministry of Labour and Social Welfare, (ii) Regional Centres for Social Work and (iii) Centres for Social Work (QPS) at the municipal level.

The DMS is composed of four divisions: (i) the Division of Social Assistance, (ii) the Division of Social Services, (iii) the Division of Institutional Care and (iv) the Division of Budgetary Analysis and Poverty Assessment.

A Regional Centre for Social Work has been established in each of the seven regions of Kosovo under the supervision of the DMS. Although in Kosovo management of the social protection system is centralized, recently a number of measures have been taken towards greater decentralization, bestowing more competences on local authorities.

There are 30 QPSs in the municipalities in Kosovo. These QPSs are primarily responsible for administering social assistance and delivering social and family services within their area.

## **2.2.2 Social assistance**

### **(1) Benefits**

Social assistance is payable to low income families that meet the eligibility criteria. The amount of monthly benefit is calculated according to the number of qualified family members.

A general eligibility condition for social assistance is that all family members are permanent residents of Kosovo. There are two categories of beneficiary families, according to income and ability to work.

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<sup>4</sup>Categories of persons with limited working capacity classified according to the cause of invalidity include: war invalids, civilian war invalids, invalids due to work injuries, persons born with physical or mental disabilities and those who became disabled by accident or sickness.

The first category includes low income families with no members who are able to work. This category of family consists of: (i) persons above 65 years of age and unemployed; (ii) children under 15 years of age; (iii) children who are in school and under 18 years of age; (iv) adults permanently unable to work; (v) single parents with a child under 10 years of age and with no other adult capable of earning; (vi) persons providing care for family members over 65 years of age or members permanently unable to work; (vii) in rural areas, the family owns less than half a hectare of land. Once the application is submitted, QPS officials will visit and interview the family to verify their living conditions.

The second category includes families which have members who are able to work, all of whom are unemployed. The conditions for this category of families are: (i) the unemployed family members are seeking a job; (ii) the family has at least one child under 5 years of age or an orphan; (iii) the family receives no other public assistance; (iv) the family does not own more than half a hectare of land; (v) the family does not own a vehicle, including a tractor or any other agricultural machinery.

The amount of monthly social assistance depends on the number of family members. The amount is determined by the MEF and the MPMS. For example, the amount of social assistance is €35 for a family with one member, and €50 for a family with two members, which is increased by €5 for each additional family member up to the maximum of €75 for a family with seven or more members.

Families classified in the first category can receive social assistance for six consecutive months. After six months, if the family's socioeconomic situation has not improved, they can apply again to continue social assistance. Families that are classified in the second category can receive financial assistance for six months based on the same conditions as the first category, with an additional condition that the jobseekers seek employment uninterruptedly. If the conditions of the family do not change after six months, they are eligible to reapply.

Social assistance is reduced if the family receives any other income, such as remittances or pensions from abroad. Social assistance is suspended if the income of the beneficiary family exceeds the minimum subsistence level (the "Gross Monthly Standard Ranking").

## (2) Benefit expenditure

Table 13 presents the number of beneficiaries of social assistance for the period 2006–08.

**Table 13. Social assistance: number of beneficiaries and expenditure, 2006–08**

Year	2006	2007	2008
Beneficiary families	40.569	37.170	34.307
Beneficiary family members	174.131	161.049	149.227
Average family size	4,29	4,33	4,35
Expenditure (million €)	N.A.	28,03	26,21
Expenditure (% of GDP)	N.A.	0,8	0,7
Average benefit per family (€/month)	N.A.	62,8	63,4
Average benefit per person (€/month)	N.A.	14,5	14,6

Source: MPMS 2009

Both the number of families and the number of members decreased over this three-year period. The table also shows the increase in the average size of beneficiary families. However, according

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to the DMS, the gradual decrease in the number of beneficiaries is due to intensified monitoring and supervision with regard to the eligibility criteria rather than to improvements in the social and economic situation of poor households in Kosovo.

In 2008, transfers from the general budget to the social assistance scheme amounted to €26.1 million, compared to €28 million in 2007, a decrease of about 6.3 per cent. Social assistance expenditure is 0.7 per cent of GDP and is considered very low in view of the high incidence of poverty in Kosovo.

### **2.2.3 Social and family services**

The scope of social and family services covers direct social care, counselling and, in special cases, material aid for people in need. The target groups of these services include: (i) children lacking parental care, (ii) children exhibiting anti-social behaviour due to disturbed relations in their families, (iii) elderly people who are unable to look after themselves, (iv) disabled persons or others with limited physical capacities, (v) people with limited mental capacities, (vi) people exposed to risks such as exploitation or abuse, domestic violence and trafficking and (vii) people addicted to alcohol or drugs.

These services are provided by social and family service staff, who are qualified professionals in the fields of social work, psychology, sociology, law or pedagogy. Some services are provided by non-governmental organizations. The General Council of Social and Family Services has been established to manage and supervise social and family service staff.

Family services and direct services comprise: (i) help with housework, such as cleaning, cooking and washing for people who are unable to do the housework themselves because of their age, limited abilities or sickness and have no family members to help; (ii) direct care provided at home, including bathing, personal hygiene and help in moving and standing up for persons who need such assistance due to age, disability or sickness and have no family member to help; (iii) care and services at day-care centres where people in need can get together, eat, receive help with maintaining personal hygiene, participate in work therapy and receive other forms of consultation and social care; (iv) specialized consultation services for persons addicted to alcohol or drugs and for persons with other psychological and social problems; (v) assistance by means of financial support, job protection and consultations for groups of people in need or for caretakers to enable them to form mutual or self-help groups; (vi) residential care for the elderly and people with special needs; and (vii) any other services relevant to social and family care.

The MPMS runs special institutions to provide accommodation for persons in need or provides emergency shelter for persons in need. A special institution in Shtime treats adults suffering from mental illness. In 2008, it had 127 residents. The House of the Elderly in Prishtina accommodates 110 persons. There are also residential institutions which provide temporary shelter for orphans or abandoned children.

The social and family service in Kosovo pays special attention to children without parental care due to death, disappearance or abandonment or temporary or permanent ignorance of who their parents are for various reasons. Although an initial effort is made to ensure that children grow up in their biological families, where it is suspected that children are suffering serious physical or mental abuse or are in danger in their own family, a standard court procedure may be initiated to remove the children from the parental or caretaker's home and accommodate them under more secure conditions. In response to the growing number of children who need care, many centres have been opened in collaboration with various non-governmental organizations to provide short-term and long-term accommodation for children. The children's situation is constantly monitored

by the DMS to guarantee adequate protection. For this purpose, the necessary financial assistance is provided to foster parents to cover the living, educational and medical expenses of the child.

## 2.2.4 Benefits for war invalids

Separately from the social protection system, which covers all Kosovo citizens, there is a special scheme which provides individual income support for (i) those who participated in the war and became invalids, and (ii) civilians who became invalids as a consequence of the war. Under this scheme, war invalids are classified into seven categories, depending on the extent of bodily damage.

The basic disability pension is set at 1.4 times the national minimum wage and an additional 30–100 per cent of the basic pension, depending on the extent of bodily damage. In addition, paid caretakers are assigned to disabled persons with very serious body damage.

According to the ESK data, the number of beneficiaries in 2008 was 11,509 (5,035 males and 6,474 females). Table 14 shows the number of beneficiaries by age group. Between January 2007 and December 2008, the number of beneficiaries increased by 3,039.

**Table 14. Beneficiaries of the war invalids scheme, 2008**

Age groups	<18	18–25	26–35	36–45	46–55	56–65	65>	Ukupno
Applicants (A)	130	423	2,881	4,014	3,546	2,755	2,582	16,331
Beneficiaries (B)	93	282	1,602	2,614	2,585	2,288	2,045	11,509
Ratio B/A	72%	67%	56%	65%	73%	83%	79%	70%

Source: MPMS 2009

Total expenditure on the war invalids scheme in 2008 amounted to €17.88 million, compared to €9.17 million in 2007, marking a steep increase of 95 per cent. If such high expenditure persists, the scheme will face a considerable financial challenge in the future.

**Table 15. Expenditure of the war invalids scheme, 2007–08**

Year	2007	2008
Expenditure (million €)	9.17	17.88
Beneficiaries	9,486	11,509
Average benefit per person (€/month)	80.56	129.46
Expenditure (%/GDP)	0.3	0.5

Source: MPMS 2009

## 2.3 Health care system

### 2.3.1 Public health care system in Kosovo

The basic legislation is the Law on Health (2004/04), which defines the health care system, the activities of health care centres (QKSH) and health care funding. All citizens of Kosovo are entitled to receive health care based on the principles of: equality, quality, integrity and accountability, inclusion and non-discrimination, sustainable financing, effective financing and co-financing.

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The services provided by health care institutions in Kosovo include:

- preventive health care,
- reproductive health care,
- health care for patients with specific diseases,
- rehabilitation, and
- hospitalization.

The Ministry of Health (MSH) is the leading agency in developing and implementing health care policy. The “Health Sector Strategy 2010–14” sets out the following five strategic objectives:

- 1) the overall reduction of morbidity and mortality among the population;
- 2) the improved management of existing resources, facilities and service quality;
- 3) the operationalization and provision of the health system with modern infrastructure;
- 4) the development and implementation of a health information system;
- 5) the establishment of a sustainable funding mechanism for health care.

Municipalities are responsible for the provision of primary health care and monitoring the health status of residents. The main providers of primary health care are as follows: centres for family medical services, ambulances, centres for emergency treatment, pharmacies and rehabilitation centres.

Primary health care comprises the following services:

- prevention, treatment, recovery and rehabilitation linked to diseases and injuries;
- health education and immunization;
- initial diagnosis and primary health care, including minor operations;
- promotion of oral and dental care;
- mental health care based in municipalities;
- community-based rehabilitation;
- supply of clean water and food.

The institutions which provide secondary health care include: hospitals, diagnostic and treatment centres, oral and dental health centres, mental health centres, community-based integration centres and special rehabilitation centres.

Secondary health care institutions provide the following services:

- outpatient health services, such as: diagnostic, treatment and rehabilitation services;
- inpatient health care, as well as diagnostic, treatment and rehabilitation services;
- health education for patients;
- professional support for the primary health care system.

Tertiary health care institutions provide specialized services and carry out other activities, including university medical education, research and scientific activity and post-university education and training. At the moment, the University Hospital of Prishtina is the only tertiary health care institution in Kosovo.

### **2.3.2 Health expenditure**

As indicated in Table 16, total health expenditure was €150.2 million – or 6.6 per cent of GDP – in 2006. Of this, private, out-of-pocket expenditure represented 48.5 per cent.

**Table 16. Health expenditure, 2006**

Indicators	€ (million)	Share	% GDP
Total health expenditure	150.2	100.0%	6.6%
Public expenditure	71.8	47.8%	3.2%
Private (out-of-pocket) expenditure	72.8	48.5%	3.2%
Assistance from donors	5.6	3.7%	0.2%

Source: World Bank 2008

Health services are provided free of charge in public institutions for certain groups identified in the law, including children up to 15 years of age, students, persons over 65 years of age, persons with disabilities and social assistance beneficiaries.

However, patients have to make out-of-pocket payments in various cases. There are official fees in health centres in Kosovo, as shown in Table 17.

**Table 17. Fees for medical services**

Services/Payments	Fees	Health centres
Medical check up	€2	Centres of Family Medicine
ECHO	€5	Regional hospitals
ECHO	€10	University Hospital Centre Prishtina
Diagnostic tests	€50	University Hospital Centre Prishtina

Source: MSH 2009

Patients have to pay private providers for medicines and health care services. The LSMS of 2000 reveals that average health expenditure with regard to private providers is 1.6 times higher than with regard to public providers. Moreover, if health centres do not have particular medicines in stock, patients have to purchase them from private pharmacies.

In addition, there is a practice of making informal payments to doctors and other medical personnel. In a survey in 2003, approximately 53 per cent of Albanians in Kosovo responded that they had paid informally for health services.

According to the HBS 2005/2006, the share of health expenditure in total family consumption ranges from 4.3 per cent to 8.9 per cent, depending on income level. The high share of private payments for health care services puts a burden on household budgets, in particular in low income households. There is, therefore, a clear need to introduce a risk-pooling mechanism through health insurance.

### 2.3.3 Debate on the introduction of health insurance

Reform of the health care funding mechanism is one of the priorities of health care policy in Kosovo. There is an urgent need to establish a social health insurance system in Kosovo.

The Law on Health Care (2004/04) states that citizens of Kosovo should have health insurance coverage through public or private health insurance schemes. However, at present there is no social health insurance system in Kosovo. One main reason is the difficulty of ensuring a sustainable contribution base for health insurance. Lack of human resources and weak institutional capacities constitute additional obstacles.

In 2007, a law on a health insurance system was approved. This law was intended to ensure funding for health insurance mainly from personal income tax. However, further analysis revealed that the revenue for health insurance would be insufficient, and the law was sent back for further discussion. The Health Sector Strategy 2010–14 states that the Ministry of Health should take follow-up action. The Strategy envisages that a new law on social health insurance should be promulgated by September 2009 and its implementation would begin in 2013.

In its study on health funding reform in Kosovo (2008), the World Bank estimated the possible economic and financial impact of the introduction of social health insurance. Table 18 summarizes the key results:

- Based on employment and wage data by sector, the total payroll is estimated at €1.1 billion.
- To make realistic assessments, the rate of contribution collection was assumed to be 100 per cent in the public sector, 50 per cent in the (non-agricultural) private sector and 20 per cent in agriculture.
- Assuming a uniform contribution rate of 10 per cent (this is less than in Macedonia, Serbia and Turkey, but more than in Albania), and taking into account contribution evasion in the private and agricultural sectors, contribution income to the health insurance fund is estimated at €62.2 million.

**Table 18. Estimated health insurance contributions (based on 2005 data)**

Sector	Public	Private	Agriculture	Total
Total employment	90.313	249.985	67.915	408.213
Share of workers (%)	22%	61%	17%	100%
Average wage (€/year)	1.800	3.600	720	
Total wage (€ million)	162,6	899,9	48,9	1.111,4
Contribution rate	10%	10%	10%	
Expected contributions (€ million)	16,3	90,0	4,9	
Collection rate	100%	50%	20%	166,7
Actual contributions (€ million)	16,3	45,0	1,0	62,2

Source: World Bank 2008

As a result of the introduction of social health insurance, the utilization of health services is estimated to be likely to increase by 10 per cent.<sup>5</sup> Taking into account this increase in health expenditure, estimated health insurance contributions would cover about 40 per cent of total health expenditure.

## 2.4 Other social security benefits

At present, Kosovo does not have the full range of social security schemes. Further to the social health insurance scheme, for instance, there is no unemployment insurance scheme, maternity benefits scheme or family benefits scheme for children. However, for employees, some of these benefits are provided within the framework of the General Collective Contract, with a certain budgetary subsidy.

<sup>5</sup>Alternatively, if the informal payments for medical personnel are reduced, a saving of €12 million is expected.

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Regulation 2001/27 “On Employment Relations” provides the eligibility conditions for compensation in case of retrenchment.

The General Collective Contract provides the right to paid leave during pregnancy and child care. According to this, at least 70 per cent of a worker’s wages should be paid for up to six months. The wages for the first three months are covered by the employer and the last three months are covered by the general budget.

The General Collective Contract also provides the right to compensation in cash in case of sickness. For the first month of sickness, loss of income is fully compensated by the employer. After the first month of paid sick leave, with certification by the medical commission, the employee can receive benefit for temporary work disability, financed by the general budget.

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### 3 Concluding remarks

This report summarizes the basic characteristics of the main existing and prospective social security systems in Kosovo. It is hoped that the information and analysis in this report will serve as a basis for the further improvement and development of a comprehensive social security system in the future.

Although such policy development will require more detailed technical work, we shall conclude with general considerations emerging from the analysis presented in this report. These considerations are not intended to cover all aspects of future social security policy development.

First, it is important that social security policy should be consistent with policies in the relevant areas and that the relevant policies should foster an enabling environment for the development of social security systems. Specific examples of such coordination include: (i) a labour market policy which promotes employment and encourages a shift from informal to formal employment; (ii) a policy to promote the efficient collection of social security contributions in compliance with the legislation; and (iii) a macroeconomic policy which promotes sustainable economic growth.

Second, it is crucial to secure sufficient and sustainable resources for expansionary policies, such as the introduction of new benefit schemes, the improvement of the benefit level and the extension of population coverage. The funding of the existing social security systems relies heavily on the general budget. In 2008, transfers from the general budget to the pension and social assistance schemes amounted to €163.4 million, which is equivalent to 4.51 per cent of GDP. One alternative resource which is not constrained by the general budget is contributions collected from wages. However, as observed in relation to the mandatory savings pension system, Kosovo faces considerable challenges with regard to high unemployment, the growing informal economy and a tendency towards contribution evasion.

Third, no new development or reform can be implemented effectively unless it is supported by accompanying improvements in administrative capacity. In this regard, there is a paramount need for capacity building to increase the knowledge, expertise and practical skills of managers and administrative staff. At the same time, improvements should be made in the organizational structure and the recruitment of specialized personnel. Coordination between relevant institutions, and between central and local offices, should be strengthened.

Fourth, future social security policy in Kosovo should meet international standards as embodied in the relevant ILO Conventions and Recommendations, as well as in EU Directives. It should also be noted that these international standards can provide guidance in policy development.

Fifth, efforts should be made to win the public's trust in the social security system. Consultation with stakeholders has revealed that the current social security system is unpopular among the public because it is perceived as a foreign scheme, imposed by the international community. A long-lasting solution can be obtained only through a well-informed and participatory policy dialogue. In this regard, the importance of the policy-making process must be stressed. In order to reach an agreed policy which is acceptable to all relevant stakeholders, a wide range of policy options should be presented, together with an assessment of their financial impacts. Although no pension system can be completely immune from political influence, the governance of pension reform policy-making can be improved through a transparent, well-informed and participatory policy-making process.

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## Annex A

For reference purposes, this Annex presents the Albanian experiences in the development and management of social insurance and health insurance systems.

### A.1 Social insurance system in Albania

The current Albanian social insurance system was established by the Law on Social Insurance in Albania (7703/1993). Historically, the first law dealing with social protection was promulgated in 1927. A more comprehensive social insurance law, covering public sector employees and employees of agricultural cooperatives separately, was designed in 1947. In 1966, a new law on social insurance was approved, but not fully implemented.

The current social insurance system in Albania comprises four schemes: (i) mandatory social insurance, (ii) voluntary social insurance, (iii) supplementary social insurance and (iv) special state insurance.

Mandatory social insurance is non-profit and based on the principles of contribution, individual responsibility for risk and intergenerational solidarity and social support.

The social insurance system covers the following benefits:

- for employees: maternity, sickness, occupational accidents and diseases, old age, invalidity, survivor and unemployment;
- for employers and self-employed: maternity, disability, old age and survivor.

The social insurance fund is financed by the contributions of employers, employees and self-employed persons, which amount to 80 per cent of the Social Insurance Institute (SII) budget, and transfers from state budget, amounting to 20 per cent of the SII's total annual budget. The total contribution rate is 24.5 per cent, of which 15 per cent is paid by the employer and 9.5 per cent by the employee.

The retirement age is 65 years for men and 60 years for women, with 35 years' service. The pension is the sum of the basic pension plus 1 per cent per year of the estimated career average wage. The maximum pension is set at twice the basic amount or 75 per cent of the net average wage for any three successive years in the last 10 years of employment, whichever is lower.

In Albania, separate systems are applicable to the urban and rural populations. This is because their contributory capacity is significantly different. While the contributions of urban employees are 13 times higher than those of farmers, the ratio of benefits is approximately 2 to 1. Rural workers/farmers pay a fixed amount of contributions determined by the Council of Ministers, one amount for lowland farmers and a lower amount for highland farmers. The system dependency rate is very high, at 60 beneficiaries per 100 contributors.

The social insurance system is managed by the Social Insurance Institute (SII). The SII is an autonomous institution under the authority of the Ministry of Finance. The Management Board of the SII comprises six representatives from the relevant ministries, three representatives of the employers' organizations and three representatives of the trade unions. The SII comprises 36 regional and district offices operating throughout the country. In addition to the management of the public pension fund, the SII is responsible for the collection of contributions in rural areas. Each rural household owning a plot of land is obliged to pay social insurance contributions for all members of working age (18 years and above) so that they may receive benefits at retirement age.

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The main problems with the Albanian pension system are summarized as follows:

- inadequate coverage of the elderly in the future as a result of the low number of active contributors today;
- decline of the benefit level due to price indexation of the maximum pension and depreciation of the national currency against the euro;
- under-declaration of contributory wages; and
- high subsidies for rural workers and pensioners.

Several private pension funds also operate in the country, which provide pension insurance for a rather limited number of people.

## **A.2 Health insurance system in Albania**

The Albanian health insurance system was established by the Law on Health Insurance in Albania (7870/1994). This law has been amended in recent years. The health insurance scheme is administered by the Health Insurance Institute (HII), which is a semi-autonomous public institution. The Chair of the Managing Board is the Minister of Health.

The HII has 12 Regional Offices and 22 Agencies. The HII employs 580 staff, of whom 130 are based in the headquarters in Tirana. Primary health care is provided by 413 health centres, with 9,359 staff. Secondary health care is provided in 39 hospitals, with 11,808 active personnel, including the Tirana University Hospital Centre, with 2,600 staff. In addition to the contributory insured workers, the health insurance scheme covers children up to 15 years of age, pensioners and disabled persons. The self-employed and farmers can become voluntary insured members of the HII scheme.

The HII is financed by contributions from insured persons and the state budget. The contribution rate is 3.4 per cent of the gross wage, shared equally by employer and employee. The budget of the HII in 2008 was ALL 24.2 billion (€186 million). Total contributions in 2008 reached ALL 6.3 billion (€48.5 million) or 25 per cent of overall expenditure. Collection of health insurance and social insurance contributions in urban areas is carried out by the General Tax Department, whereas in rural areas it is the task of the Social Insurance Institute.

The HII also manages the medicine reimbursement scheme, which covers vulnerable groups such as pensioners, disabled persons, veterans, pregnant women, children and insured people. The reimbursement rate ranges from 50 to 100 per cent of the price of medicines. The HII regularly updates the list of essential medicines, which comprised about 400 medicines in 2009. Reimbursement is carried out through the network of 700 pharmacies throughout the country, contracted by the HII. The medicine reimbursement scheme has a fund of ALL 4.7 billion (€36 million).

The key challenges faced by the Albanian health system are: increasing the financial resources allocated to the health system, improving health services and hospital management, reduction of the level of corruption and determination of the real costs of health services.

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## B.2 Relevant legislation in Kosovo

Type of legislation	Number	Name
UNMIK Regulation	2001/27	Regulation on Essential Labour Law in Kosovo
UNMIK Regulation	2001/35	Regulation on Pensions in Kosovo
Law	2002/1	Law on the Methodology for Setting the Level of Basic Pension in Kosovo and Determining the Commencement Date for the Provision of the Basic Pension
Law	2002/09	Law on the Labour Inspectorate in Kosovo
Law	2003/15	Law on the Social Assistance Scheme in Kosovo
Law	2003/23	Law on Disability Pensions in Kosovo
Law	2004/4	Law on Health
Law	2004/32	Law on the Family
Law	2005/02-L17	Law on Social and Family Services
Law	2006/02-L42	Law on Vocational Education and Training
Law	2006/02-L76	Law on Reproductive Health
Law	2008/03/L-017	Law on the Amendment and Supplementation of the Law on the Labour Inspectorate
Law	2008/03-L-019	Law on the Vocational Ability, Rehabilitation and Employment of People with Disabilities
Law	2008/03-L-022	Law on Material Support for Families of Children with Permanent Disabilities
Law	2008/03-L-060	Law on National Qualifications
Law	2008/03-L-068	Law on Education in the Municipalities
Law	2008/03/L-084	Amending UNMIK Regulation 2005/20 Amending UNMIK Regulation 2001/35 on Pensions in Kosovo
Law	2008/03-L100	Law on Pensions for Kosovo Protection Corps Members
Law	2008/03-L-110	Law on Termination of Pregnancy

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### B.3 Relevant ILO Conventions

Social Security (Minimum Standards) Convention	C102
Equality of Treatment (Social Security) Convention	C118
Invalidity, Old-Age and Survivors' Benefits Convention	C128
Discrimination (Employment and Occupation) Convention	C111, R111
Minimum Age Convention	C138, R146
Worst Forms of Child Labour Convention	C182, R190
Maternity Protection Convention	C103, R95, C183, R191
Workers with Family Responsibilities Convention	C156, R165
Labour Inspection Convention	C81
Occupational Safety and Health Convention	C155

### B.4 Interviewed persons

Basri Ibrahim	Department of Pension Administration (MPMS)
Muharrem Aziri	Department of Pension Administration
Isuf Ajeti	Department of Pension Administration
Muhamet Gjocaj	Social Welfare Department in MPMS
Bajram Kelmendi	Department of Social Welfare
Dëfrim Rifaj	Labour and Employment Department in MPMS
Fadil Rracaj	Labour and Employment Department
Skender Gashi	Agency of Labour Inspectorate in Kosovo
Agim Millaku	Agency of Labour Inspectorate
Haxhi Kamberi	Ministry of Health
Arsim Qafdarbasha	Ministry of Health
Bashkim Bellaqa	Department of Social Statistics in ESK
Ilir Berisha	Department of Economic Statistics in ESK
Agron Krasniqi	Kosovo Pensions and Savings Trust
Flamur Keqa	Chamber of Commerce of Kosovo
Haxhi Arifi	President of BSPK (Independent Trade Unions Confederation)
Xhafer Xhaferri	Deputy President of BSPK
Hasan Abazi	Independent Trade Unions Confederation (BSPK)
Bajram Caka	ISKSH Albania
Alfred Topi	ILO National Coordinator in Albania
Lindita Boshtrakaj	ILO IPEC Programme Manager in Kosovo
Eliza Thana	ILO IPEC Programme Assistant in Kosovo
Fatmir Burjani	ILO IPEC consultant for activities with employers organizations