

Kosovo* introduces a universal child benefit and extends maternity benefit to unemployed women

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Kosovo's left-wing Government has introduced a universal cash child benefit (which, since November 2021, already covers children aged below 7 years and will be expanded to all children under 16 years by 2023 at the latest) and has extended maternity benefit to unemployed women. The programmes are financed from general taxation.

**This designation is without prejudice to positions on status, and is in line with UNSCR 1244 and the ICJ Opinion on the Kosovo Declaration of Independence*

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Description

In September 2021, about six months after it came into power, Kosovo's Government, led by the left-wing Lëvizja Vetëvendosje/Self-Determination Movement (LVV), introduced a universal cash child benefit and extended the maternity benefit to unemployed women.

A monthly universal child benefit of €20 is provided to children aged between 0 and 2 years. In November 2021, 68% of the population in the 0-2 years cohort was receiving benefits, a 30 percentage point increase compared with the September figure (first month of implementation); this reflects the fact that parents are getting used to online application procedures (Source: MFLT, 2021a).

The Government initially announced that a benefit of €10 a month would be provided to all children aged between 2 and 16, according to a phase-in plan that would begin in January 2022 and culminate in July 2023 (MFLT, 2021b). However, it was already eight months ahead of its plan in November 2021, when it provided €10 benefits also to children aged between 2 and 7 years old. In November, benefits were received by around 58% of this population cohort (Source: MFLT, 2021a).

The maternity benefit for unemployed women is paid for six months; it amounts to €170 a month, i.e. the value of the official minimum wage (MFLT, 2021c). Benefits in November 2021 covered about 17% of unemployed women who had given birth after 1 August (Source: MFLT, 2021a). Coverage is expected to increase in the next months with the administration improving the delivery of benefits.

These new features of Kosovo's social protection system are financed from general taxation. They derive from the Government's programme adopted in May 2021.



Outlook and commentary

Both programmes are welcome developments. Kosovo was providing targeted benefits only to children with disabilities and children in the care of relatives or in community care due to loss of biological parents or carers. It was also paying a maternity leave benefit to employed women financed by employers during the first six months of maternity leave (a 70% replacement rate of prior earnings), topped up by three more months financed by general taxation (a 50% replacement rate of the average wage in the public sector), and three more voluntarily unpaid months. Kosovo's female employment rate is however very low: 14.1% in 2020 (KAS, 2021a). This means that expenditure on maternity leave, as on targeted child benefits, was modest. Now, if both programmes are fully implemented and if expenditure is calculated on the basis of live birth statistics (KAS, 2021b), the new programmes will lead to more substantial expenditure, as they should cost in total around €91.5 million. Kosovo spent around 8.5% of its GDP on social protection in 2019 (author's calculation) compared to 28.1% on average in the European Union (Eurostat, 2021a); this budget is mainly spent on old-age pensions and various tax-financed particularistic benefits implemented during the past decade. The new programmes, by contrast, are a decisive turn towards a universal approach

and improve the existing “social contract” by striking a better intergenerational balance, through more spending on children and the working-age population.

The extension of maternity benefits to unemployed women has been criticised for pursuing “productivist goals” (e.g. Shahini, 2021), i.e. it may aim to encourage women to have children and remain in unemployment. The decision includes one criterion open to criticism - stipulating that women must have been unemployed for at least twelve months prior to giving birth to be eligible for the benefit: this may indeed help to encourage long-term unemployment. To guard against such potential outcomes, the Government decision had already added three more tax-financed payments (€170 a month) to the existing maternity leave benefits for employed women.

However, the positive features of the programmes may outweigh any concerns. Given the very rigorous eligibility criteria in the existing Social Assistance Scheme (the official poverty protection programme), the high female unemployment rate and very low median household income (in 2018 the median household equivalised income was about €170/month, i.e. about €330 if expressed in Purchasing Power Standards [PPS] compared to about 1,410 PPS for the EU average), these benefits will increase the resources of families, even if only modestly. This is

particularly true for the lower income groups, without the risk of failing to reach the right persons that results from some means-tested programmes. In addition, the benefit is also expected to improve the welfare of children. The at-risk-of-poverty-or-social-exclusion rate for children (0-17-year-olds) was 56.7% in Kosovo in 2018 (most recent data available) versus 24.6% for the EU-17 average (Eurostat, 2021b). Recent empirical evidence also indicates that rights to minimum benefits have been extended, similarly to rights of citizenship, in several European countries (see e.g. Dobrotić and Blum, 2020, for parental leave benefits).

Furthermore, the structural impediments, such as the extensive absence of available and affordable Early Childhood Education and Care (ECEC) services and lack of quality employment rights in the private market, are much more concerning determinants of female unemployment in Kosovo than these maternity benefits could be.

Funds for the faster than planned implementation of the child benefits very likely became available due to the negative effects of the COVID-19 pandemic on the implementation of the national budget. By the end of September 2021, only 58% of Kosovo’s total national budget for 2021 and only 38% of the budget allocated for capital investments was spent (MFLT, 2021d: 6-9).

Further reading

Dobrotić, I. and Blum, S. (2020) “Inclusiveness of parental-leave benefits in twenty-one European countries: Measuring social and gender inequalities in leave eligibility”, *Social Politics: International Studies in Gender, State & Society*, 27(3), 588–614.

Eurostat website (accessed 5 December 2021).

Kosovo Agency of Statistics (KAS) (2021a) “Labour force survey -2020”, Pristina: KAS (available [here](#)).

KAS (2021b) “Annual statistics of births”, Pristina: KAS (available [here](#))

Ministry of Finance, Labour and Social Transfers (MFLT) (2021a) Data on the number of beneficiaries issued to ESPN through personal communication. Own approximate coverage calculations based on official KAS data on live births.

MFLT (2021b) “Decision on determining the conditions and criteria for the partial implementation of the child benefit”, Pristina: MFLT (available [here](#)).

MFLT (2021c) “Decision on determining the conditions and criteria for the maternity benefit for unemployed women [referred in the Albanian language version of the decision as “lehonat”], Pristina: MFLT (available [here](#))

MFLT (2021d) “Nine-Month Financial Report – Budget of the Republic of Kosovo,” Pristina: MFLT (available [here](#))

Shahini, B. (2021) “Wage for reproduction [Pagë për riprodhim]”, Pristina: Sbunker.net (available [here](#))

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