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When this report was researched and written, Kosovo was formally under the administration of the UN as per UN Security Council Resolution 1244. On 17 February 2008, the Kosovo Assembly declared independence and its commitment to implement the settlement proposal of UN Special Envoy Martti Ahtisaari.

That declaration followed two years of negotiations that resulted in no clear agreement between Kosovo and Serbia on Kosovo's future status. However, pending guidance from the Security Council, the UN in Kosovo will continue to consider UN SC Resolution 1244 (1999) as the legal framework for the implementation of its mandate in light of evolving circumstances.

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Foreword

Kosovo's unilateral declaration of independence on 17 February 2008 was a powerful statement of intent. By claiming recognition as an independent nation and announcing its desire to become a full partner in Europe, Kosovo pledged to become a modern, open and inclusive society. The road towards the goals of Europe's Lisbon Treaty since then has been paved with some successes in aligning Kosovo's legislative frameworks with European ideals and bringing greater opportunity and freedoms for its citizens.

Kosovo's laudable effort, however, begins to stumble as the work of change moves from the Assembly in Pristina out to its cities, towns and villages. Efforts to implement legislation on the ground are still severely hampered by a legacy of conflict that left tensions within and between societal groups and by fledgling governance structures that are still weak and struggling to catch up after an era of economic and socio-cultural repression. Too many Kosovan men, women and children are becoming discouraged at the slow pace of change and frustrated at the ongoing struggle to achieve fulfilling, prosperous lives. This is especially true for those vulnerable to poverty or discrimination, be they the elderly, people with disabilities, or people belonging to ethnic minority communities.

As the baton of leadership in Kosovo passes to a newly elected government, the challenge is to find a new strategy to unlock the hidden potential of this small but significant part of Europe. Economic growth, though greatly needed, on its own is not the key. Kosovo's people themselves must be at the core of any sustainable solutions.

When the first global Human Development Report was launched by the United Nations Development Programme in 1990, it introduced a revolutionary concept: that people are the real wealth of nations. Real progress can only be achieved by bringing equal opportunity to all people and harnessing their energies for development. No matter how much national economies may grow, countries remain poor in pocket and spirit unless every member of society is given an equal chance to thrive. The most recent Global HDR, launched in November 2010, returns to this concept twenty years later by measuring the development of nations not by their Gross Domestic Products, but by the inclusiveness and fairness of their societies.

This Kosovo Human Development Report aims to challenge the status quo in Kosovo, just as its global parent did, by reframing Kosovo's development goals in terms of its people rather than just its economy and its laws. It explores the

specific difficulties that groups which are particularly excluded face in accessing their rights.

The concept of social inclusion is central to the European family. Europe has pledged to become the world's most competitive economy – and it understands that this can only be achieved by concurrently aspiring to become the world's fairest and most open place to live. Social inclusion, however, goes far beyond Europe – to the core of human rights and human dignity, and it is decisive in determining what kind of society Kosovans will to create today, to leave for their children to inherit.

The message of this report, therefore, is both challenging and hopeful. It informs Kosovo's authorities and its people that while conditions may be difficult after so much turmoil, the power to transform their circumstances is in their hands. Kosovo's bright future will not occur through sudden leap to wealth and political maturity. A longer process is required that must be rooted in more sincere dialogue between different communities and between people and their leaders. A climate of scarce resources necessitates serious and thoughtful prioritization of multiple competing needs and demands. A Kosovo-owned, people-centred development strategy seems a logical step forward. As tough choices are contemplated, the findings and recommendations of this Kosovo HDR can help in ensuring that such a strategy is shaped to liberate the full wealth of human capital across Kosovo's social spectrum. This can only be achieved through a resolute focus on lifting the most vulnerable and socially excluded into the mainstream. It is the only sustainable means by which an agenda for social change can find a long-term policy home, and true leadership emerge from Kosovo's new administration.

The UN is ready and eager to support such a strategy. Social inclusion, as the foundational platform of the Universal Charter of Human Rights, underlies the new, five-year action plan for the UN agencies, funds and programmes comprising the UN Kosovo Team. The UNKT Common Development Plan is designed to support Kosovan people as they look to create stronger links with their leaders, improve local services, participate in decisions affecting their communities, clean up their environment and foster stronger social justice. It aims to build a partnership with them, as they seek to fulfil their potential.

These longed-for changes will not happen overnight. Their roots are fragile and may take time to grow and flower. Until they do, the UN will continue to stand alongside the Kosovan people - and do its best to lift the burdens of those who need it most.

Osnat Lubrani
UN Development Coordinator
UNDP Resident Representative



Acknowledgements

Preparation Team: Mytaher Haskuka; Levent Koro; Lulzim Cela; Denis Nushi; Iris Duri

Lead Consultant: Claire Hajaj

Consultant: Arkadii Torytsin

Swiss Cooperation Office Kosovo Peer Review Group: Samuel Waelty, Country Director; Guido Beltrani, Deputy Country Director; Arjeta Byci Lleshi, National Programme Officer; Kushtrim Mehmetaj, National Project Officer;

(Following persons are listed as per alphabetical order)

Contributors: Angela Mazer; Arabella Arcuragi; Faton Bislimi; Hasnije Ilazi; Hillen Francke; Luljeta Krasniqi; Seb Bytyci; Vjollca Krasniqi;

UN Kosovo Team Peer Review Group: *UNDP:* Alex Standish; Atdhe Hetemi; Brikena Sylejmani; Jocelyne Talbot; Nora Sahatciu; Parviz Fartash *UNICEF:* Agron Gashi; Beate Dastel; Dren Rexha; Laura Fragiacomio; Luciano Calestini; *UNIFEM:* Flora Macula; Kaoru Yamagiwa; *UNHCR:* Andrew Ginsberg; *OHCHR:* Agon Vrenezi; *UNFPA:* Doina Bologna; Fatime Arenliu-Qosaj; Ilona Olehlova; Visare Mujko-Nimani; *IOM:* Jorge Baca Vaughan; *WB:* Agim Demukaj; *WHO:* Arditah Tahirukaj;

Quality Assurance: Balasz Horvath; Paola Pagliani; Susanne Milchner; Tim Scott;

Language proof readers: Armend Muja; Burbuqe Dobranja; Danijela Mitic; Jonathan Sedgwick;

Focus Group Conducted by: "Foundation Together Kosova" and UNDP - Kosovo Research and Policy Team

Focus Groups' Participants: *"People with Disabilities":* Faik Berisha; Faruk Kukaj; Fatime Berisha; Fexhrije Begolli; Halit Abdullahu; Islam Hamiti; Mahije Dedushaj; Mehreme Llumnica; Mimoza Musliu; Qendrim Kaqabaci; Valbona Murati; *"RAE":* Egzon Sehari; Vedat Salih; Arben Mazreku; Arsen Elshani; Edon Korllari; Fadil Pecari; Ramadan Krasniqi; Anton Krasniqi; *"Unemployed":* Valbona Krajku; Zana Hoxha; Kaltrina Lika; Vigan Maloku; Din Terpuri; Alba Cakalli; Islam Planeja; Anton Gojcaj; *"Youth":* Vjosa Pllava; Rina Qipa; Viona Maloku; Bulza Bala; Sanije Shekagjiu; Yllka Meqa; Beste Morina; Denis Karahoda; Aulona Myrseli; Dren Pallusha;

Abbreviations

ALMP	Active Labour Market Programme
BEEPS	Business Environment and Enterprise Performance Survey
BLL	Blood Lead Level
CARDS	Community Assistance for Reconstruction, Development and Stabilization
CBK	Central Bank of Kosovo
CDC	Center for Disease Control and Prevention
CEC	Central Election Commission
CEDAW	Convention on the Elimination of all Forms of Discrimination against Women
CRGP	Center for Research and Gender Policy
EC	European Commission
EU	European Union
EUR	Euro
FDI	Foreign Direct Investment
FSDEK	Finnish Support to the Development of Education in Kosovo
GDP	Gross Domestic Product
GNI	Gross National Income
HDI	Human Development Index
HIV/AIDS	Human Immunodeficiency Virus / Acquired Immune Deficiency Syndrome
ICT	Information and Communication Technology
IDP	Internally Displaced Persons
IMF	International Monetary Fund
IPA	Instrument for Pre-Accession
KCA	Kosovo Cadastre Agency
KEC	Kosovo Education Center
KEDP	Kosovo Educator Development Programme
KHDR	Kosovo Human Development Report
MEF	Ministry of Economy and Finance
MEST	Ministry of Education, Science and Technology
MLGA	Ministry of Local Government Administration
MLSW	Ministry of Labour and Social Welfare
MOH	Ministry of Health
MSM	Men who have Sex with Men
NAP	National Action Plan

NGO	Non-Governmental Organization
NIPH	National Institute for Public Health
OECD	Organization for Economic Co-Operation and Development
OMC	Open Method of Coordination
PES	Public Employment Service
PPP	Public Private Partnership
PTK	Post and Telecom of Kosovo
RAE	Roma, Ashkali and Egyptian
RPL	Recognition of Prior Learning
RWCT	Reading and Writing for Critical Thinking
SHE-ERA	Women Business Association
SME	Small and Medium Enterprise
SOK	Statistical Office of Kosovo
UN	United Nations
USD	United States Dollars
WHO	World Health Organization

Executive Summary

The UN's Human Development Reports (HDR) were the first to identify a close inter-linkage between national development and the fairness and inclusiveness of a country's social base. In the two decades since the first HDR appeared, published by the United Nations Development Programme (UNDP), "social inclusion" has grown into a partner theory of human development. It is defined as a fair and mutually-empowering relationship between individuals and broader society – along with its norms, laws and institutions – allowing individuals equal capacity to fulfill their potential. Based on this definition, the UN has promoted human development and social inclusion as more accurate and deeper measure of national progress than economic growth alone.

Social inclusion has particular meaning for Kosovo, as it reaches a critical decision point in its history. Kosovo's sights are set on parity with other European nations as well as EU membership in the near future; however, both of these goals will require a considerable course change in current economic and governance trajectories. Kosovo's macro-economic and traditional social indicators are not encouraging, with limited growth of Gross Domestic Product (GDP) failing to reduce the 48 percent unemployment rate, a poverty rate stagnating at 45 percent, Europe's highest fertility rate and ongoing discrimination

between ethnicities, as well as against women.

To assist Kosovo in transforming this picture, the Kosovo HDR seeks to define and explore the concept of social inclusion as it applies to Kosovo's socio-economic balance. It analyzes how exclusive policies and practices affect the economic sphere, both in terms of access to means of income and access to life's critical necessities. It examines exclusion as it affects Kosovans reaching for education and a basic standard of health. Finally, it looks at how gaps in these sectors are influencing public trust and eroding participation in Kosovo's hard-won democratic process.

The report analysis is based largely on a survey of the perceptions of more than 6,400 respondents entitled Kosovo Mosaic Survey: "Public Services and Local Authorities in Focus", published by UNDP in 2009. It also synthesizes the findings of a wide range of other reports and surveys, as well as the more limited data available from Kosovo's institutions and Statistical Office.

Some of the findings herein are surprising and counter-intuitive. For example, economic growth and even active employment have not protected the most vulnerable Kosovans from poverty. Nearly a third of those unable to meet critical needs have jobs paying less than a survival wage for their families. Urban areas are more vulner-

able to unemployment than rural areas, relying heavily on business and job markets as primary sources of income, but this fact locks farmers into subsistence living as their only access to factor markets. Voter rates are falling fastest amongst the young – usually the most politically active of all age groups.

However, the sheer scale of exclusion across Kosovan society is perhaps the report's most marked and important finding. Far from being a minority phenomenon, exclusion is a majority condition, experienced by a wide range of people across many dimensions of life. Exclusion – whether from economic life, social services or civic engagement – is a critical development challenge for Kosovo that considerably erodes the full contribution of its people as economically active, healthy and educated citizens.

How could such a state of affairs have arisen, after so much early promise and development investment? Although the root causes of exclusion differ slightly by sector, the report identifies some common drivers that present urgent and immediate challenges. All ultimately lead to a lack of central and high-level leadership on social inclusion, allowing inconsistent and uncoordinated policies, denying central and local implementing authorities the guidance they badly need and offering no point of reference to civic and community organizations wishing to engage with institutional authorities.

Other governance causes of exclusion naturally follow from this central point: a lack of accountability to implement the wealth of high-quality social laws already on the books, a weak evidence base for monitoring results, the emergence of regional inequities during the decentralization process and difficulties faced by ministries seeking to work

together across sectors. Kosovo faces profound social challenges to the realization of social inclusion due to two mutually reinforcing drivers of social exclusion specific to the situation in Kosovo:

- 1) the legacy of the recent conflict which produced tensions between and within societal groups, and;
- 2) weak governance capacity that limits the implementation of policies to foster social inclusion.

These drivers have created cultural attitudes which foster *de facto* discrimination against certain groups and reinforce self-exclusion among the most ostracized. Governance and social drivers of exclusion are manifested in a visible disconnect in the normal democratic feedback cycle, where authorities make little effort to seek input from the excluded and the public has retreated from political activism, weary of trying to make their voices heard.

The report highlights two particular factors for policy change that also concern Kosovo's international partners: lack of social cohesion and a failure of self-reliance. Kosovo's EU aspirations demand a deep social cooperation, in which different ethnic and social identities view each other as allies rather than competitors in the race to achieve long-cherished goals. However, Kosovo's effort to coalesce as a society has been complicated in part by large international investment affecting its delicate socio-economic balance. This investment, albeit well-intentioned and important for Kosovo's future, has limited an essential process of "natural selection" that would normally allow the gradual emergence of internally-sustained and locally-valued social policies, networks and organizations. As a result, Kosovo has a great number of social policies and development

agents without any true sense of ownership or any consistent means of distinguishing the genuinely useful and relevant from those whose existence relies entirely on external support.

The report also identifies social groups feeling the impact of exclusion more deeply than others. These groups risk becoming Kosovo's invisible population unless they are moved quickly up the policy prioritization ladder and are made the primary focus of Kosovo's development agenda:

1. The long-term unemployed, accounting for 82 percent of Kosovo's unemployment, drifting ever further away from contribution to a competitive market economy, face critical challenges meeting the basic costs of healthy living and are more likely to pass challenges in social participation and education on to their children;
2. Disadvantaged children and youth, particularly children of Kosovo's 18 percent in extreme poverty, rural girls and children of ethnic minorities, who are educationally disadvantaged and are less well-nourished than their peers, are far less likely to have access to school either because of cost, distance or family decisions, unprepared for future participation in the workforce and the future face of Kosovo;
3. Rural women, who carry the greatest burden of Kosovo's poor record on gender equity, where less than a quarter of women participate in the labour market and account for only six percent of business owners, a fraction are elected to public office compared to men despite a good-quality anti-discrimination law passed by the Assembly, an unacceptably high proportion are functionally illiterate, a quarter (23 percent) are anaemic and many are victims of violence in the home;
4. Kosovo-Roma, Ashkali and Egyptian (RAE) communities, the poorest and most excluded of all European communities, who find ostracization instead of solidarity and support in Kosovo. Whose access to health, education and economic participation are universally lower than any other ethnic group in Kosovo, often by multiple factors, many of whom live in Europe's most toxic environment being slowly poisoned by lead contamination and who are forced to choose self-exclusion as the route to maintaining their life's most positive factor – a strong internal ethnic bond; and
5. People with special needs, many of whom cannot physically access the health and education facilities they desperately need (with only 10 percent in mainstream education as a result), are stretched to fund costly medicines, unable to source appropriate treatment to improve their life opportunities and largely shut out of the labour market without any social alliance to improve their wellbeing.

Where do the answers lie? Considering Kosovo's many decades of repression and neglect, its current difficulties are understandable. Its wealth of human capital and strong international support still represent a powerful opportunity for change. As a first step, the report argues for a remodeling of the structure of socio-economic development in Kosovo. Reforms must be more paced to allow a more natural emergence of policy vision and truly valued civil institutions. Macro-economic goals must be tempered by inclusive social policies, with sectors working together to take a more holistic approach to the multi-dimensional challenges faced by beneficiaries. Outreach by authorities and institutions to the communities they serve must become more open, consistent and responsive to rebuild public trust. Extra effort needs to be injected into this process by communities and authorities alike to overcome the phenomenon

of self-exclusion, whereby some groups have lost the will to seize opportunities for dialogue and participation.

To create a genuine momentum for change, the report recommends concrete actions that are not only necessary, but should be well within the capacities of the new administration:

- Institute high-level leadership on social inclusion, including setting a timeframe for creation of a Kosovo Development Strategy. This is essential to promote internal coherence and cooperation on social policies;
- Refocus on implementation of its policies, introducing accountability, a stronger evidence-base and targeted budgeting into its processes;
- Introduce responsiveness into the decentralization process, allowing sector-specific remedial action for the most urgent examples of exclusion;
- Institute a public consultation process into policy design and formulation that specifically reaches out to excluded groups and makes extra effort to account for self-exclusion;
- Launch a national campaign in support of social cohesion, under high-level leadership, to challenge damaging and discriminatory social norms and give excluded communities and the broader majority

the opportunity to speak, form alliances and understand their common interests;

- Strengthen an inclusive labour market, not only through job creation and rural reform but also by aligning the education system to labour market needs and creating job-seeker and adult education schemes;
- Foster self-reliance through re-targeting Kosovo's social assistance programme to reach the poorest, linking unemployment and child benefits where possible to poverty-alleviation approaches (for example, linking child benefits for older children to school attendance) as re-formulating social transfers to reduce inequalities across regions;

Above all, Kosovo's youth-heavy demography puts it in a unique and enviable position. Kosovan youth, particularly its young women, can be supported and promoted as the drivers of an inclusive society. An energetic, technologically literate and ambitious generation needs to be connected to outlets for economic enterprise and political activism. Given the chance, this group of nearly one million is ready to step over cultural and ethnic divides that have kept Kosovo far beneath its potential for too long. They are the true stakeholders in Kosovo's future. They have the most to gain from the opportunities waiting inside them - and in their society - to be unlocked.

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Introduction

1. Where is Kosovo headed?

After decades of political and social turbulence, Kosovo has recently experienced some decisive and formative changes. The “Constitution of Kosovo”, which envisages a significant role for the European Union in Kosovo, entered into force on 15 June 2008. In the past three years Kosovo has been recognized by 70 countries, joined the International Monetary Fund (IMF) and the World Bank and is aspiring to become a full member of the European Union (EU).

With such high ambitions, the trajectory of change across Kosovo’s governance structures and macro-economy has necessarily been extremely steep. Of Kosovo’s neighbours taking a similar path, none are burdened with quite such a heavy legacy of political discrimination and neglect. Most, if not all, are much further ahead. They remain an incentive to encourage Kosovo’s ongoing efforts, but also serve as a reminder of just how far there is to go.

Kosovo’s significant international presence has also reconfigured itself to support the EU accession process – both financially and with a high volume of mentoring and technical assistance. Since 2000, the international community has probably invested more non-military resources per capita in Kosovo

than in any other post-conflict arena. The EU, Kosovo’s largest donor, has announced its intention to devote more funds to Kosovo per capita than to any other place in the world over the next three years.¹ Already the EU alone has provided nearly one billion EUR to Kosovo between 2000 and 2006² through the CARDS programme (Community Assistance for Reconstruction, Development and Stabilization) and a further 426 million EUR under the Instrument for Pre-Accession Assistance (IPA) from 2007.³ Other development partners, including the US Government and UN agencies, funds and programmes, have provided even more with a view to remodeling Kosovo’s entire political and economic structures to align with European standards.

The sheer weight of change required has created a human development conundrum. In striving for an ideal future of prosperity and stability, Kosovo risks stalling its internal human development process. The EU accession process is extremely complex, requiring a vast remodeling of legislative frameworks, compliance with a very high standard of governance and regional cooperation to maintain a fundamental philosophical cohesion across the European family. This process has brought both benefits and pressures for Kosovo’s governance structures, which have been passed on

to its society. A dramatic effort to bring new laws onto the books and adjust social policies has left less space for accountable implementation of these laws in ways that impact people's lives.

As a result, while Kosovo's eventual destination should rightfully be as a full European partner – the road ahead seems very long and hard to a large proportion of Kosovan men, women and children. Their lives take an altogether different trajectory, one determined by the myriad social and economic challenges they face. These include:

- *Economic stagnation:* Kosovo has struggled since 1999 to translate natural resources into productivity, revitalize non-state enterprises for private sector growth and create an investment-friendly business climate. Unsurprisingly, Kosovo's GDP per capita is currently the lowest in Europe. Although the International Monetary Fund (IMF) has predicted it will grow by three percent annually from 1,766 to 2,360 EUR over the next six years, Kosovo has yet to demonstrate its capacity for inclusive and fair distribution of revenues throughout its society;⁴
- *Widespread poverty:* About 45 percent (just over 2 in 5 Kosovans) live below the World Bank poverty line and one in five is unable to meet their critical needs. Poverty is higher among those living in large families – which frequently have many unemployed members and relatively lower education levels. Those living in poverty are also geographically concentrated in the rural areas and in a few regions of Kosovo such as Prizren and Gjilan/Gnjilane;⁵
- *High levels of unemployment:* An estimated 45 percent of the labour force is unemployed, with unem-

ployment rates for youth at 73 percent and women's unemployment at 81 percent. The job market swells by an average 30,000 young jobseekers every year, with little opportunity available to them;⁶

Being young and unemployed makes a person handicapped in terms of future planning, such as marriage or having a family. You can become a burden to family and this often can create conflicts in family, which results in exclusion even from the family.

Unemployed participant of a focus group

- *Poor quality of life:* Kosovan men, women and children are falling behind the health and educational standards of their European neighbours. Health indicators in Kosovo are among the worst in Europe. The infant mortality rate is 18-49 per 1,000 and the under-five child mortality is 35-40 per 1,000 live births, thus representing the highest in Europe. High prevalence of tuberculosis poses another challenge for the health sector.⁷ Education quality is also highly variable and selective – particularly for children with any form of physical or learning disability. Pre-school education is virtually non-existent outside of Pristina. Systematic environmental degradation also erodes quality of life. Contributing factors include outdated agricultural practices, land erosion through construction, uncontained industrial waste and uninformed lifestyle choices;
- *Pervasive discrimination:* Kosovo's ethnic minorities are much more likely to suffer the worst impact of Kosovo's socio-economic chal-

allenges. In particular, conditions for Kosovo-RAE are closer to those found in the least developed countries. The level of unemployment for RAE communities, where 75 percent of male youth aged 15-24 are unemployed, for example, is much higher than the Kosovo average.⁸ Discrimination also severely limits the contribution of Kosovan women – most clearly in the economic sector – and Kosovo’s disabled, many of whom are largely excluded from participation in normal life.

These challenges are, to a greater or lesser degree, by-products of a single causative factor: social exclusion. In simple terms, this means denying certain groups their right to contribute economically, politically and socially to their society - thereby limiting the full potential of that society. Exclusion can happen deliberately, through institutional discrimination, or inadvertently, through cultural practices that in effect restrict individual rights and liberties. Whatever its cause, the effect is always the same - a self-limiting and unequal development process.

Social exclusion as a concept (and its counterpart, social inclusion), is deeply connected to the human development process. It is also becoming a core philosophy of the European family. In 2000 at a landmark meeting in Lisbon, European Union leaders agreed to establish a Union-wide Social Inclusion Process, to co-ordinate their policies for combating poverty and social exclusion, and to prepare National Action Plans (NAP) against poverty and social exclusion. This recognized the essential interlinkages between under-development and social exclusion, and - more importantly - stressed the

primacy of open, equal societies over more traditional economic indicators of national well-being such as GDP or Gross National Income (GNI).

To understand where Kosovo is headed on its road to statehood, it is therefore more pertinent to ask where its society going, and what key factors will affect Kosovo’s social trajectory. Ultimately, it is the health and cohesion of its society that may prove the decisive factor in Kosovo’s EU ambitions.

2. Understanding social exclusion: Kosovo Human Development Report 2010

The Kosovo Human Development Report 2010 examines traditional socio-economic indicators, from poverty and unemployment to health and education, from the perspective of social inclusion. It highlights how discrimination - deliberate or otherwise - affects Kosovo’s socio-economic balance, its political process and its EU-orientated policy goals. Finally, it offers some recommendations on how the move towards a more inclusive society might be managed, as a fundamental precursor to economic and political progress.

The report takes the EU approach to social inclusion as its conceptual basis. The EU has defined social inclusion as “a process which ensures that those at risk of poverty and social exclusion gain the opportunities and resources necessary to participate fully in economic, social and cultural life and to enjoy a standard of living and well-being that is considered normal in the society in which they live.”⁹ The process should ensure that excluded or marginalized groups have greater participation in decision making which affects their lives.¹⁰

This approach to social inclusion differs from a traditional, poverty-ori-

entated basis for examination of social inequities. It extends beyond the issues of employment or income and addresses other factors and reasons why people are excluded socially. Kosovo has complex multi-dimensional mechanisms and cycles that exclude individuals and groups from taking part in the critical process of socio-economic and political exchange. Moreover, the approach shifts the focus from “vulnerability” as an individual or group characteristic to societal barriers preventing full participation, thus leaving excluded people at the margins.

For example, a young woman or man without sufficient education and skills may easily end up in a cycle of poverty and dependency on social assistance. Since most unemployment in Kosovo is long-term, they are easily convinced that finding a job will be impossible. Their children may then accept the idea that being unemployed is socially acceptable. Without recourse to opportunity, feelings of inadequacy and lack of social influence come to dominate the family’s interaction with the community. Marginalization swiftly follows. Social contacts are reduced with all except immediate family or other long-term unemployed. Lifting families out of this cycle, once it is well established, becomes extremely challenging.

It is even harder to address exclusion when it comes packaged as social rejection. This is the unfortunate reality for many of Kosovo’s ethnic minorities – in particular Kosovo-RAE communities. Their lack of integration into Kosovo’s society manifests itself as higher than average unemployment, much lower levels of education and extremely low housing standards compared to the rest of the population. This in turn

prevents them from seeking greater integration, and reinforces the strong internal bonds that keep them separate from their mainly Kosovo-Albanian neighbours. Fear of the unknown and unwillingness to accommodate differences also underlies exclusion of other minority groups (not necessarily ethnic minorities), such as people with disabilities or young people from poorer backgrounds. They may be dissuaded from continuing beyond compulsory education by inaccessibility of university buildings, high charges and an absence of institutional and family support.

Not only minorities are excluded in Kosovo. Women – nearly 50 percent of the population – are denied their full right to contribute socio-economically and politically – for a range of cultural reasons which this KHDR seeks to examine. Young people, particularly the poor, have also demonstrated an increased disaffection with a political process they feel does not represent them – threatening to de-link Kosovo’s democracy with the generation it was developed to serve.

Governments are responsible and accountable for setting adequate legislative, administrative and budgetary measures to put in place a system which prevents social exclusion. Kosovo’s authorities have taken some important steps in this direction. The constitution incorporates The Convention on the Elimination of All Forms of Discrimination against Women (CEDAW); addresses the rights of minorities by incorporating the Framework Convention on the Protection of National Minorities of the Council of Europe and includes the Convention on the Rights of the Child.¹¹ The Kosovo Action Plan for People with Disabilities 2009-2011 was developed and adopted through

an inclusive process. Home care services for those suffering from mental and psychiatric disorders are provided for in legislation. Some community mental health centers and residential housing have also been established under the authority of the Ministry of Health.¹²

Yet despite the legislative progress, many of these laws and regulations often remain “paper promises” – merely statements of good intent. Implementation is almost universally weak, monitoring extremely uneven and proper reporting limited. Announcement of a policy is often equated with its implementation. This is one effect of the desire to align technically with EU standards as quickly as possible. Real impact on people’s lives is a secondary consideration – not often duly prioritized and budgeted for.

This KHDR provides recommendations and identifies priorities to move towards the implementation of existing laws, along with the development and effective implementation of new policies to further eliminate barriers to social inclusion. The report also points at the importance of selecting targets and indicators for regular measuring and reporting on progress in the area of social inclusion. Although the onus of implementation of laws and policies is on Kosovo’s administration, this KHDR also emphasizes the critical role of civil society and the media to promote and realize true social inclusion. Finally, it explores the necessary changes needed to create a participatory approach to policymaking.

A range of international analytical tools and Kosovo statistical sources are drawn on for this report; however, a significant share of analysis is based on data the 2009 Kosovo Mosaic Survey: *Public Services and Local Authorities*

in Focus, published by UNDP. The Mosaic Survey collected data from 6,400 respondents across the full spectrum of Kosovan society. It measures perception and awareness on a variety of factors affecting daily life and individual interactions with local government. Through this survey, significant inequalities across social groups, age and between the genders can be both quantitatively and qualitatively defined.

3. Report structure and chapter outline

Chapter 1 - Social inclusion and human development - conceptual background: this chapter introduces the concept of social exclusion, its dimensions, and manifestations. It establishes the conceptual linkages between human development and social inclusion. It analyzes social exclusion as a process and state of being excluded from the life of a community, municipality, society and the world. It explores the potential of a social inclusion-based analysis to better understand the social dynamics of deprivation from public services, poverty and equality in Kosovo. By combining both objective and subjective measures of exclusion, it identifies the multiple and many-layered drivers of exclusion in Kosovo – as well as opportunities for interventions that promote inclusion.

Chapter 2 - Economic and labour market exclusion: this chapter develops an innovative approach towards a concept of economic exclusion. Rather than resting on traditional poverty definitions, it lays out a definition of economic exclusion based on factor markets and factors of production such as labour, land, capital, and the ability to purchase the necessary goods and

services. The chapter examines specific institutional, policy and attitudinal drivers of economic exclusion – with a particular focus on examining access to employment, social protection systems and public utilities.

Chapter 3 - Access to education and exclusion: literacy and an education focused on “life readiness” are strongly connected to life opportunity and social inclusion. Chapter 3 presents a concept of inclusive education and describes how reforms of the education system in Kosovo have impacted social inclusion. The chapter identifies a number of groups excluded from education and analyses the mechanisms of their exclusion – presenting specific recommendations to address the barriers.

Chapter 4 - Health care services and exclusion: equal access to quality healthcare helps improve health outcomes for socially excluded groups. Chapter 4 presents key demographic and health indicators of the Kosovo population. It identifies challenges and successes in the field of healthcare reforms and how they have affected the processes of exclusion/inclusion. The chapter identifies socially excluded groups and mechanisms of their exclusion from the healthcare system,

including poverty and other social factors. It concludes with recommendations for addressing health inequalities and furthering social inclusion.

Chapter 5 - Political participation and exclusion: inclusion is impossible if people cannot equally and fully participate in decision-making processes. The chapter examines the concept of social exclusion through a political lens. Patterns and trends of political participation in Kosovo are examined, followed by a more detailed analysis of socially excluded groups and the mechanisms of their exclusion. The chapter concludes by identifying challenges to promoting inclusion in political processes and providing specific recommendations as to how the barriers to social inclusion can be tackled and eliminated.

Chapter 6 - Findings and recommendations: this chapter summarizes key drivers of social inclusion and lists Kosovo’s primary socially excluded groups. Strategic and sector-specific recommendations towards realization of social inclusion are provided and elaborated.

Social inclusion and human development a conceptual background¹³

“The obvious is the most difficult to see: The true wealth of a country is its people.”

Mahbub ul Haq, founder of the Human Development Reports

1.1 Social inclusion/ exclusion: evolution of the concept in Europe

What is social exclusion? There are currently multiple definitions. However, each one emphasizes a process through which deprivation is driven by alienation from the mainstream - locking individuals or groups out of normal economic, social and political processes.

From this perspective, social exclusion is both a process and an outcome. The process occurs when the institutions and social constructs that allocate resources and assign value operate in ways that systematically deny some groups full participation in society.¹⁴ The outcome is “a complex and dynamic set of relationships that prevent individuals or groups from accessing resources and asserting their rights”.¹⁵

Rooted in French and German sociology,¹⁶ social exclusion is a largely European construct. In France, the term “social exclusion” was first used in the 1970s to refer to the plight of those who fell through the net of social protection - the poor, people with mental and physical disabilities, as well as racial and ethnic minorities. In early debates on social exclusion and marginality, social exclusion was usually nar-

rowly viewed as individual-level challenge experienced by some individuals¹⁷ who were not able to participate in mainstream society. As the concept evolved, it started to include societal, institutional, policy and cultural barriers as well as individual-specific challenges.

When the European Commission (EC) adopted the term in the late 1980s, social exclusion as a concept was finally absorbed into Europe’s internal political discourse.¹⁸ Over time, it became understood as both a relative and absolute concept. Exclusion can only be judged by comparing the circumstances of an individual (or group or community) relative to others within the same society. However, the individual’s right to “a life associated with being a member of a community” is fundamental, transcending borders and different socio-cultural norms.¹⁹

When first introduced into the EU policy discourse, the concept of social inclusion posited participation in the labour force as the primary nexus of social interaction. The concept understood social exclusion in terms of exclusion from the paid labour force and explicitly assigned an active obligation to the State to identify and remove barriers to full participation in paid employment and to regularly report on its progress. The adoption of the Lisbon Strategy in 2000, however,

and the launch of a renewed EC social agenda in 2008, have deepened the EU's understanding of the centrality of social exclusion to its own goals. The EU and all its members now envisage their future in terms of opportunities, access, and solidarity - creating open societies and learning economies, empowering individuals to realise their potential while helping those unable to do so.

The concept of social exclusion has therefore moved beyond economics and the labour force to encompass political and broader social and cultural dimensions. It defines the barriers to participation much more broadly and has correspondingly broadened the responsibilities of the State and other stakeholders to identify and address social, political, institutional and other

social Inclusion Process or "social OMC" helps countries improve their own social policies through policy learning and exchange of good practices. The OMC was formalised in the context of the Lisbon Strategy, which united EU members to make their Union "the most competitive and dynamic knowledge-based economy in the world, capable of sustainable economic growth with more and better jobs and greater social cohesion".²⁰ The EC monitors the processes of inclusion in its member states through various instruments such as the Laeken indicators. These are a set of 18 indicators which are used to monitor success in meeting Common Objectives of EU Social Policy Agenda aimed at alleviating poverty and social exclusion in member states (see Table 1.1 below).²¹

TABLE 1.1 European Union (Laeken) indicators

	Primary indicators	Secondary indicators
Low income	By age and gender	Low income rate by threshold
	By work status	Low income rate by fixed threshold
	By household type	Low income rate before social transfers
	By housing tenure	Gini coefficient
	Low income amounts	Persistent very low income
	By work status	
	Persistent low income	
	Depth of low income	
Work	Regional cohesion	Long term unemployment share
	Long term unemployment rate	Very long term unemployment rate
	Jobless households	
Education	Not in education or training	Low educational attainment
Health	Life expectancy at birth	
	Self-defined health status	

Source: <http://www.poverty.org.uk/summary/eu.htm>, last accessed on September 26, 2010

barriers to social inclusion.

Today, 'combating social exclusion' is the driver behind the EU's Open Method of Coordination (OMC) in the field of employment and social policies. The EU Social Protection and So-

1.2 Mechanisms and drivers of social exclusion

Lack of power, or unequal power relations, is at the root of every type

of exclusion. Discriminatory policies and practices limit the interactions of groups and individuals with their social, legal, and economic environments. Discrimination is not limited to race, religion and gender. It extends to geographical areas, income, education levels, health status and age. It happens in highly industrialized nations as well as in developing countries. Social exclusion is more pernicious and damaging than poverty alone. Its multiple dimensions affect every area of life, including:

- Economic exclusion, which results from inequalities in ownership of assets, incomes and employment opportunities;
- Exclusion from social services, which results from inequalities in access to a range of services – education, health, housing, and social protection;
- Exclusion from political participation, which results from unequal access to political opportunities, justice, freedoms, institutions and decision making mechanisms at many levels (from national to community level); and
- Cultural status exclusion, which results from differences in recognition and (*de facto*) hierarchical status of different groups' cultural norms, customs and practices.

These dimensions of social exclusion tend to reinforce each other.²² Variables that induce social exclusion tend to act together at various levels and over time to produce the effects that are commonly referred to as relational-based deprivation. Excluded groups and individuals have little access to decision-making bodies and little chance of influencing decisions

or policies that affect them. As they fall down the social scale, they become increasingly marginalized. While exclusion may result from shocks during the course of life or in periods of societal transition, it is most frequently triggered by circumstances of birth. Being born into poverty or to relatively unskilled parents, for example, inevitably makes a child far more likely to be excluded and to pass exclusion on down the generations.

Social exclusion has three primary drivers: (i) structures and institutions: public and private sectors both contribute to exclusion by either fostering discrimination or failing to act to protect the excluded; (ii) values and behavioural patterns: these determine discriminatory attitudes and cultural practices that regulate norms in society and among groups (including forms of self-exclusion); and (iii) policies: these reflect and respond to both structures and values, codifying them for long-term application.

Social exclusion is most likely to occur where there are:

Discriminatory laws and inadequate law enforcement. Discriminatory or inappropriate legislation is a primary cause and perpetuator of social exclusion. These frequently spring from insufficient understanding of the dynamics of vulnerability and inadequate reflection of the needs of socially excluded groups in policy instruments. Existing policies promoting social inclusion may not be effective in protecting excluded groups due to their lack of commitment, inadequate resources and lack of policy enforcement and oversight. In addition, where adequate legislation is in place, poorly enforced laws can make such legislation meaningless.

Ineffective institutional support mechanisms. Where institutions are inefficient, unaccountable and unresponsive they cannot create opportunities or provide an adequate safety net for the socially excluded. Institutional failures can extend to private sector, faith-based and civil society institutions – which can deepen social exclusion by failing to promote and provide equality of opportunity to all groups and promoting rooted concepts.

Only two streets have not been paved in my neighbourhood, and one of the streets is inhabited by Roma, where I live, and there are 10-12 houses with Roma in the other street and only these two streets are not paved.

RAE participant of a focus group

Weak rule of law. Where rule of law does not operate to prevent the expression of prejudice, social and political biases can rule individual opportunity. In such climates, discrimination on the basis of ethnicity and gender may result in exclusion from the labour market or participation in political processes. In extreme cases, it can lead to overt hostility and violence against certain groups. Lack of trust in the rule of law process can prevent excluded groups from taking up their rights despite the existence of legislation to protect them.

Discriminatory social values and cultural practices. Cultural liberty is critical to human development. Freedom to express a cultural, religious, ethnic or sexual identity and to enjoy gender equality is a fundamental human right. Where this freedom goes against a socio-cultural norm, exclusion is a very real risk. There are multiple manifestations of this type of exclusion across society; for example, where

minorities lack cultural services to support their native culture, or are unable to find jobs because of their skin colour. It is equally possible for groups to participate in their own exclusion – a far more challenging situation. Where minority groups do not integrate sufficiently to read and write the national language, for example, their access to education, political life and to justice becomes extremely precarious.²³

There are cases where people are hidden and locked in their houses in villages. Occasionally we are lucky and find new members in town who have disabilities and we invite them to meet with us in order to have communication with other people who face similar difficulties regarding social exclusion. There are households in which family members with disabilities are totally isolated from the outside world.

Disabled participant of a focus group

Inequalities between groups. Inequalities that exist *de facto* or *de jure* among groups can increase exclusion. These can include, for example, inequalities in terms of class/wealth and access to resources. Frequently, they include gender relations shaped by formal and informal rules for men and women, boys and girls to participate in decision-making and control resources. In ethnically diverse societies, dominant ethnic groups may define the degree and form of discriminatory practices towards disadvantaged groups including language and religious practices. Social groups living in certain regions with poorly developed infrastructure may have limited access to state support and services that can lead to their exclusion. Even if all social groups are provided with the same level of opportunity,

socially excluded groups cannot necessarily enjoy equally the benefits of such opportunity. When deprivation is prolonged throughout the lifespan of individuals or groups, it can result in an intergenerational transfer of exclusion. The transfer of exclusion is sustained by continued external and internal shocks, thus making it difficult for existing generations to provide better opportunities for the next generations.

I have completed several computer courses in hardware and fixing computers. I have applied for a position but they haven't even called me for the test, and I was told that since I am a woman I may not understand much about these things and thus may not be able to do the job.

Youth participant of a focus group

1.3 Linkages between human development and social inclusion

Human development and social exclusion are two complementary concepts. Both focus on equitable human opportunity as a measure of social progress and human capacity as the primary engine of progress. From the human development point of view, social inclusion is the process and outcome linked to the full spectrum of human fulfillment. If the objective of development is to create an enabling environment for people to enjoy long, healthy and fruitful lives, exclusion can hamper choices and opportunities. Human development cannot take place in a context of social exclusion.

The human development paradigm, founded in 1990 (by Mahbub ul Haq, Amartya Sen, Francis Stewart and Paul

Streeten) and promoted through the UNDP Human Development Reports, sets itself apart from previous development theories by arguing that economic growth does not automatically trickle down to improving people's well-being. The concept of human development proceeds from the perspective of the individual. It incorporates the language of "capabilities" to assert that each individual, by virtue of his or her existence, has a moral right to develop his or her inherent capacities (intellectual, physical, social) to the fullest extent possible and to exercise the greatest possible freedom of choice in shaping his or her own life within their society.

The human development concept thus advocates putting people at the centre, as both the means and end of development. The goal of development is therefore defined as the expansion of human choices, freedoms and capabilities.²⁴

Through this approach, human development emphasizes the "agency" of people themselves. It seeks to improve human lives in the sense of wellbeing and freedom and also to realize human capacity to radically change and improve societies. Human development thus emphasizes two simultaneous processes: 1) formation of human capabilities as an explicit development objective; and 2) the use people make of their acquired capabilities to fulfil their life goals and potential. It promotes the idea that human action and initiative is itself central to removing obstacles to human development.

By emphasizing the diversity of human needs, human development was thus conceived as an alternative to traditional policy prescriptions – such as the neo-liberal Washington Con-

“The basic purpose of development is to enlarge people’s choices. In principle, these choices can be infinite and can change over time. People often value achievements that do not show up at all, or not immediately, in income or growth figures: greater access to knowledge, better nutrition and health services, more secure livelihoods, security against crime and physical violence, satisfying leisure hours, political and cultural freedoms and sense of participation in community activities. The objective of development is to create an enabling environment for people to enjoy long, healthy and creative lives.”

Mahbub ul Haq

sensus - which dictated a set of standard reforms and their sequencing, often regardless of national realities. The human development approach advocates a holistic approach to development that must embrace a wide range of choices that people value: more income, greater access to knowledge, better nutrition and health services, more secure livelihoods, security

capital but as the ultimate focus of development. The causal link between economic growth and improved well-being does not arise automatically, but rather has to be created consciously through public policies. These policies should be tailored for each context but based on the simultaneous, not sequential, achievement of four fundamental principles:

1

Efficiency/productivity: the optimal use of human capital through investment in the education, health, aspirations and skills of people as well as efficient use of resources.

2

Equity: distributive justice and the fair distribution of incomes and assets through equal access to opportunities.

3

Sustainability: concern for not only present generations but future ones as well.

4

Empowerment/participation: enabling people to attain a level of individual development that allows them to make choices close to their hearts. Freedom has both a constitutive value (value by itself) and an instrumental value (as a means to efficiency and to equity).

against crime and physical violence, satisfying leisure hours, political and cultural freedoms, a sense of participation in community activities, self-respect and dignity.

Economic growth, therefore, is only a means to better human welfare - not an end in itself. Human beings are not perceived merely as instruments for production through increasing human

Social inclusion complements the human development lens in a number of ways. It recognizes the significance of social processes of active and passive exclusion and the role of informal as well as formal institutions in addressing exclusion. Under the social inclusion concept, linkages can more easily be drawn between traditional governance structures – national or-

ganizations and laws - and vital but less tangible social concepts such as values, trust, networks, family ties and friendships. The concept therefore enables a more detailed and tailored approach to human development, particularly in contexts where inequalities are both institutionalized and part of the social fabric. Human development strategies can, as a result, become more targeted to address the particular forms of discrimination, powerlessness, lacking or inadequate legal and policy frameworks and accountability failures that exclude some individuals and groups from their fundamental human rights.

social exclusion in Kosovo is perhaps hindering a critical reform and recovery process in a range of ways that are, as yet, poorly understood.

A comparison of the individual components of the HDI in the region (see Table 1.2 below) reveals that Kosovo's poor performance on this account is mainly due to the fact that it has the lowest GNI per capita and the lowest Life Expectancy rate in the region. The results of this comparison are not surprising. Poverty in Kosovo is widespread. About 45 percent (just over 2 in 5 Kosovans) live below the poverty line, which is set at 43 EUR per month.

B
O
X

1.1

Social Exclusion/Inclusion and Human Development:
Comparison of Two Complementary Concepts

- The two concepts are complementary in policy terms: human development bears a stronger focus on what needs to be achieved; while social inclusion focuses on how it should be achieved.
- Social inclusion adds the process dimension of exclusion (the agents, groups, and institutions that exclude) to the human development concept.
- A social inclusion perspective can thus help sharpen strategies for achieving human development by addressing the discrimination, exclusion, powerlessness and accountability failures that lie at the root of poverty and other development problems.
- Social exclusion can limit freedoms and choices, both as a process and as an outcome, thus reducing human development.
- Inclusion is therefore an essential precursor to universal human development.

1.4 Lessons for Kosovo

The correlation between social exclusion and human development carries important lessons for Kosovo. Despite recent improvement, Kosovo's human development index (HDI) – a critical measure of progress for people – is the lowest in the region. This suggests that

Health indicators are among the worst in the region. The under-five infant mortality, in particular, estimated at 35-40 per 1,000 live births is the highest in Europe.

Yet, there has been recent improvement in Kosovo's HDI, which points to some possible policy directions. From 2007 to 2010, Kosovo's HDI increased marginally from 0.678 to 0.700. This im-

	Human Development Index (HDI)	Life expectancy at birth (years)	Mean years of schooling	Expected years of schooling	Gross national income (GNI) per capita
Slovenia	0.828	78.8	9.0	16.7	25,857
Montenegro	0.769	74.6	10.6	14.4	12,491
Croatia	0.767	76.7	9.0	13.8	16,389
Bulgaria	0.743	73.7	9.9	13.7	11,139
Serbia	0.735	74.4	9.5	13.5	10,449
Albania	0.719	76.9	10.4	11.3	7,976
Bosnia and Herzegovina	0.710	75.5	8.7	13.0	8,222
Macedonia (The former Yugoslav Republic)	0.701	74.5	8.2	12.3	9,487
Kosovo	0.700 ²⁵	69.0 ²⁶	11.4 ²⁷	12 ²⁸	5,575*

Sources: Indicators for countries in the region taken from the UNDP Global Human Development Report 2010. Indicators for Kosovo calculated by UNDP Kosovo Research and Policy Unit according to the GHDR 2010, p.215.

* IMF Country Report No. 10/245, July 2010

provement is not purely attributable to a rise in GDP; this time period also saw a significant increase in the number of high schools and university education facilities, public and private, leading to a significant increase of enrolment rates in secondary and tertiary education, adult literacy rate and mean years of schooling (see Table 1.3).

ing poverty and unemployment rates – and the ongoing and even worsening disparities between groups suggests that the benefits of GDP growth are not shared equally across society. The most vulnerable are missing out. If economic and governance progress leave large segments of the population behind, then Kosovo's EU aspirations may be long delayed.

Year	2007	2010
Life expectancy index	0.840	0.844 ²⁹
Education index	0.712	0.748 ³⁰
GDP index	0.521	0.543 ³¹
HDI value	0.678	0.700

Note: For HDI calculation see Annex 2

The relationships between GDP growth, public spending on health and education and human development indicators in Kosovo are complex. The rise from 2007- 2010 suggests that public spending does impact daily life in Kosovo and improve wellbeing for many. However, the stagnation of many other key indicators – includ-

Kosovo has some of the highest unemployment rates and the lowest public expenditure on social protection compared to the countries in the region. It is estimated that about 48 percent of the labour force was unemployed in 2008. Unemployment tends to be long term, where nearly 82 percent of the unemployed are out of work for more than 12 months. Only 3.7 percent of GDP or 12.7 percent of total government expenditure is allocated for social protection. Moreover, the social protection system does not reach 75 percent of the poor and tends to reinforce dependency and the *status quo*. In this context, migration and remittances have been an effective

mechanism for mitigating poverty in Kosovo.

The poor are geographically concentrated in rural areas and in a few regions of Kosovo. Many groups and individuals living in rural areas are more excluded in terms of access to health care and education, as well basic utilities. 36 percent of households reported that they do not have access to one such essential service as tap water, sanitation and electricity.

Members of the minority Roma, Ashkali and Egyptian (RAE) communities are more socially and economically excluded than others. Employment among these communities, for instance, is much lower than the average; just 75 percent of male youth aged 15-24 are unemployed. One quarter of RAE children does not attend primary school at all and the picture is worse with regard to secondary school.

Other groups are also threatened by exclusion from jobs, education and health. The unemployment rate for youth stands at 73 percent. This unemployment is also marked by gender disparity. The unemployment rate for women is 55 percent, while for men it

is 39 percent. The number of students that are pushed out of school continues to be high, especially among girls. Only 10 percent of children with disabilities are enrolled in school. Pensioners are often excluded from quality services as their monthly pensions are not sufficient to cover the costs of regular care and essential medicines.

When viewed through the lens of social inclusion, Kosovo's reform and renewal effort requires re-thinking to prioritize its equity as much as (if not more than) its speed. This is essential to develop the potential of the people of Kosovo – and achieve social inclusion as it is understood across Europe. In reframing the human development process in Kosovo, objective measures of social exclusion (e.g., disparities in poverty levels, literacy levels, access to public services, unemployment etc.) and subjective measures of exclusion (e.g., perceptions and opinions on exclusion, satisfaction with services and political representation, readiness to participate in the democratic process) are equally important as guides towards future policy recommendations. The following chapters elaborate how such a re-framing might be achieved.

Economic and labour market exclusion

2.1 Uneven economic development since 1990

The 1990s were a deeply challenging decade for Kosovo's economy. During the build-up to the 1999 conflict, the economy deteriorated with the loss of export markets and collapse of many socially-owned enterprises. Massive disinvestment, poor economic policies, international sanctions and neglect of enterprises caused substantial deindustrialization. Mineral extraction, energy and agriculture - formerly key pillars of the Kosovo economy - significantly declined.

After 1999, Kosovo made considerable progress towards economic recovery, with rapid growth typically found in the early years of post-conflict recovery and reconstruction. Economic policy reform and institution building helped the necessary adjustments towards a market economy. The international donor community played a positive role by successfully mobilizing and spending a total of 1.96 billion EUR for Kosovo between 1999 and 2003.³² Kosovo's significant international presence has also reconfigured itself to support an EU accession process - both financially and with a high volume of mentoring and technical assistance. The EU alone provided over 1.0 billion EUR to Kosovo between 2000 and

2006 through the CARDS programme (Community Assistance for Reconstruction, Development and Stabilisation) and over 426 million EUR under the Instrument for Pre-Accession Assistance (IPA) between 2007 and 2010.

High volumes of remittances were also transferred during the same period, becoming a surprisingly significant factor in recovery process. Remittances together with international aid paid for reconstruction of houses as well as for physical and social infrastructure (such as roads, schools and health centers). Remittance-related support was so widespread as to be almost universal. Out of those with family members abroad, 82 percent of Kosovo-Albanians received financial support - compared to only 14 percent of Kosovo-Serbs (see Table 2.1).

TABLE 2.1 My family member(s) that live abroad support me financially

	K-Albanian %	K-Serb %	Others %
on a regular basis	30.4	1.3	14.9
occasionally	51.5	12.3	41.8
never	16.2	85.1	40.3
DK/NA	1.9	1.3	3.0
Total	100.0	100.0	100.0

Source: UNDP, Early Warning Reports, January 2009

Remittances and donor funding together contributed to a double-digit annual growth rate in Gross Do-

mestic Product (GDP) from 2000-2001. However, as the post-conflict boom subsided, growth in 2002–2005 significantly slowed down. A reduction in international financial support and the scaling-back of the United Nations (UN) presence hit GDP growth from construction and trade. Kosovo’s agriculture and industrial sectors – which had never fully recovered – were also affected.

In 2005-2008, GDP once again accelerated, growing at an average annual rate of more than 4 percent, even reaching 5.4 percent in 2008. Growth was mainly driven by strong domestic demand (consumption and investment) fuelled by domestic credit growth,³³ a significant increase in public investment and sustained levels of worker remittances and donor activity. The privatization process also made its incremental contributions to investment and growth in recent years. Privatization accelerated in 2005 after a very slow start in 2004. This led to an increase in the overall level of investment (both domestic and foreign) and export growth, (see Table 2.2).

The recent global economic downturn affected Kosovo through a decline in exports, foreign investment and remittances. Exports recorded a decrease by 18 percent (from 198.5 million EUR in 2008 to 162.6 million EUR in 2009). However, as exports of goods only account for about 5 percent of GDP, the impact has been small relative to the impact in neighbouring countries. According to preliminary data from CBK, in 2009 foreign direct investment (FDI) in Kosovo declined by 20.5 percent (from 366 million EUR in 2008 to 291 million EUR in 2009) since the global financial crisis negatively affected investors’ interest in major destinations for FDI including the energy sector. Remittances, the single largest inflow category in the balance of payments, have not yet witnessed the sharp decline that some had feared. However, Kosovo escaped the worst impact of the crisis, ironically, because of its limited integration into the global economy. GDP growth reverted to 4 percent in 2009.

Public expenditure, particularly for capital investment, also increased over the period of 2008-2009. Kosovo

TABLE 2.2 Main Macroeconomic Indicators, 2003 – 2010

Main Indicators/Years	2003-2005	2006	2007	2008	2009	2010
Growth rates³⁴ %						
GDP	3.0	3.9	5.0	5.4	3.8	4.3
GDP per capita	0.1	2.4	3.8	3.8	2.3	2.8
Consumer Price Index (CPI)	-0.7	0.6	4.4	9.4	-2.2	1.4
% of GDP						
Revenues	20.2	22.3	25.9	25.3	29.5	25.4
Expenditures	22.2	19.9	18.9	25.3	31.3	29.7
Primary balance	-2.0	2.4	7.0	0.0	-1.8	-4.3
Current account balance (after grants)	-7.6	-4.4	-10.2	-16.3	-18.4	-17.3
Nominal GDP (in millions of EUR)	3,023	3,191	3,464	3,724	3,792	4,028
Nominal GDP per capita (in EUR)	1,480	1,520	1,629	1,726	1,731	1,812
Population (in thousands)	2,042	2,100	2,126	2,158	2,190	2,223

Source: Macroeconomic Department, MEF and IMF Aide-Memoire, September 2009

managed to increase its public expenditures by 20 percent or about 188 million EUR from 950.5 million EUR in 2008 to 1138.6 million EUR in 2009. Significant increases were recorded in all categories of public expenditure in 2009. Salaries and wages increased from 221.7 million EUR to 264.4 million EUR; goods and services from 157.9 to 216.7 million EUR; transfers and subsidies from 218.5 to 257 million EUR; and finally capital expenditures from³⁴ 7.1 to 400 million EUR. It should be noted that the increase of public expenditure was not a result of sustainable increase in taxes or an increase in international aid. Rather it was due to utilization of surplus from the previous year and from a one-off non-tax revenue dividend payment from Post and Telecommunications of Kosovo (PTK), the publicly owned enterprise in amount of 200 million EUR (or 5% of GDP).

The detrimental impact of Kosovo's uneven growth and – more pertinently – its shaky foundation for growth can be clearly seen in the condition of its labour market. Private consumption fuelled by remittances and foreign aid is not a reliable platform for private sector development. In Kosovo the private sector remains largely informal, unregulated and increasingly struggles to deliver reliable, long-term and well-remunerated employment. Despite positive GDP and HDI values, Kosovo's labour market remains stagnant and restricted. Based on the latest labour force survey,³⁵ about 48 percent of the labour force was estimated to be unemployed,³⁶ while 73 percent of youth was unemployed in 2008. Unemployment tends to be long-term, where nearly 82 percent of the unemployed are out of work for more than 12 months. According to some public

opinion polls, unemployment is seen by Kosovans as the most important issue facing Kosovo.³⁷

The measures of Kosovo's labour resource utilization such as labour force participation rate (percentage of working-age persons in an economy who are employed and are unemployed but looking for a job) and employment rate (percentage of adults working for pay, and thus in a position to earn income to take care of themselves and their families) are the lowest in the Western Balkan region (46 percent and 24 percent respectively) and far lower than average EU figures. The same measures for women are extremely low (respectively 26.1 percent and 10.5 percent). More than half of the working age population of Kosovo was unemployed in 2008 while 58 percent of women (15-64 years) were unemployed.³⁸

TABLE 2.3 Key labour market indicators, percentages (2004-2008)

	2004	2006	2008
Labour force participation rates	46.2	52.3	46.0
Employment rates	27.9	29.0	24.1
Unemployment rates	39.7	44.9	47.5

Source: SOK, Labour Force Surveys (2004-2008)

High unemployment rates lead to high, persistent and widespread income poverty rates. A 2007 World Bank Poverty Assessment Report based on 2005 and 2006 data found that about 45 percent of the population in Kosovo was poor³⁹ and unable to meet human needs while 18 percent was extremely poor⁴⁰ and unable even to meet basic survival needs. Another 18 percent of the population lived just above the poverty line. These poverty rates are very high compared to neighbouring countries. Moreover, they are not reducing over time. The Bank's

report also identifies that poverty and vulnerability levels would be much higher without the safety net provided through migration and remittances. Poverty in Kosovo remains largely a rural phenomenon⁴¹ disproportionately affecting large families, female headed households, people with disabilities, unemployed persons, precarious job holders (mainly 'per diem' workers) and self-employed agricultural households.

The peculiarities of Kosovo's economic context – rising GDP but stagnant poverty and unemployment rates – point to exclusion as a factor undermining inclusive economic growth. Since economic exclusion is necessarily more complex than economic deprivation (poverty), this chapter seeks to understand the mechanisms that underlie and perpetuate it – before looking to solutions.

a challenging exercise. The data on economic exclusion are often distorted by such factors as the underground economy, un-reported remittances, and poorly developed statistical and social protection systems. To identify socially excluded groups in the economic area, the analysis seeks to map groups excluded from two essential and mainstream economic processes, namely:

1. all factor markets/ factors of production such as labour, land, capital; and
2. the ability to purchase necessary goods and services.

The most severe form of exclusion is exclusion from all factor markets: i.e., an excluded individual or household cannot participate in any normal production processes, and does not earn any income through profit, wages, rent or interest. Exclusion from all factor markets usually (but not always) leads to the second form of exclusion – inability to purchase necessary goods and services. This form of exclusion is essentially synonymous with poverty – the

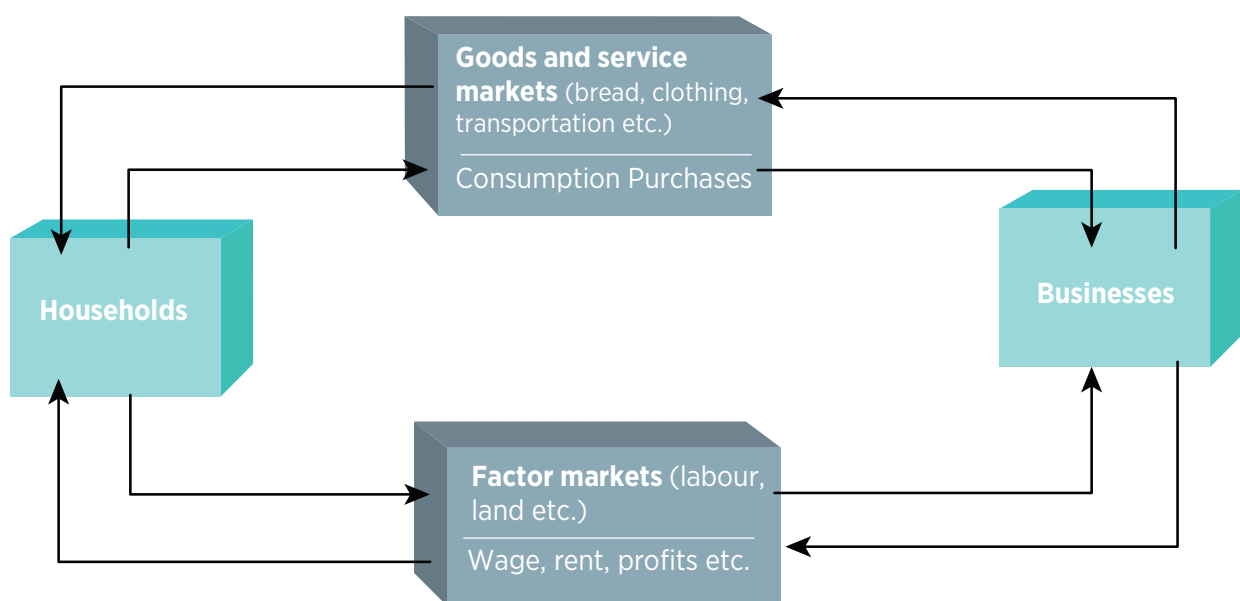
2.2 Mechanisms and drivers of economic and labour market exclusion

Identifying social exclusion mechanisms in transitional countries is always

FIGURE

2.1

Two mainstream economic processes: factor and goods and services markets



absence of material well-being and inability to meet critical needs. Individuals or households then become reliant on social safety nets and/or remittances.

(i) Exclusion from all factor markets: the UNDP’s Kosovo Mosaic: Public Services and Local Authorities in Focus survey (2009) indicates that approximately eight percent of Kosovans are excluded from all sources of income as a worker, land owner or employer and they are not receiving any kind of factor incomes such as wage, rent, and profits.⁴² The labour market is the primary source of access to factor markets: nearly half of all Kosovans (42.7 percent) rely on it without any other source of income (e.g. business ownership or arable land).

have all	8.3%
no arable land	12.2%
no business	22.2%
no arable land and no business	42.7%
unemployed	0.8%
no arable land and unemployed	0.5%
unemployed and have no business	5.6%
no arable land, no business and no employment	7.6%
Total	100.0%

Source: Calculated from Kosovo Mosaic Survey, UNDP 2009

(ii) Exclusion from basic goods and services: this form of exclusion assumes inability to afford a “minimum” consumption sufficient to provide the necessities of life. “Minimum” consumption includes enough

food, shelter, clothing, basic health, education and essential services to give a person the minimum needed for human decency. In Kosovo, as assessed by the 2009 Kosovo Mosaic Survey, it is calculated that 21 percent of the population is excluded from all basic goods and services.

Table 2.5 below examines in depth the distribution of households’ exclusion from basic goods and services based on the lack of their access to different factor markets. The data, once again, indicates the extreme fragility of Kosovo’s labour market. Those sheltered from the labour market (i.e. business owners and land owners) are, on the whole, able to meet their critical needs. No business owners, and only 2.7 percent of landowners, are excluded from basic goods and services. In addition, employment alone does not protect from exclusion from goods and services. The data show that 30.2 percent of those households excluded from basic goods and services have one employed member. This confirms that the wages received are not always sufficient to lift households from exclusion. Similarly, 28.7 percent of those unable to meet their critical needs are poor despite access to both land and the labour market. The vast majority - 85.9 percent - of those unable to meet their most critical needs participate in factor markets in one way or another.

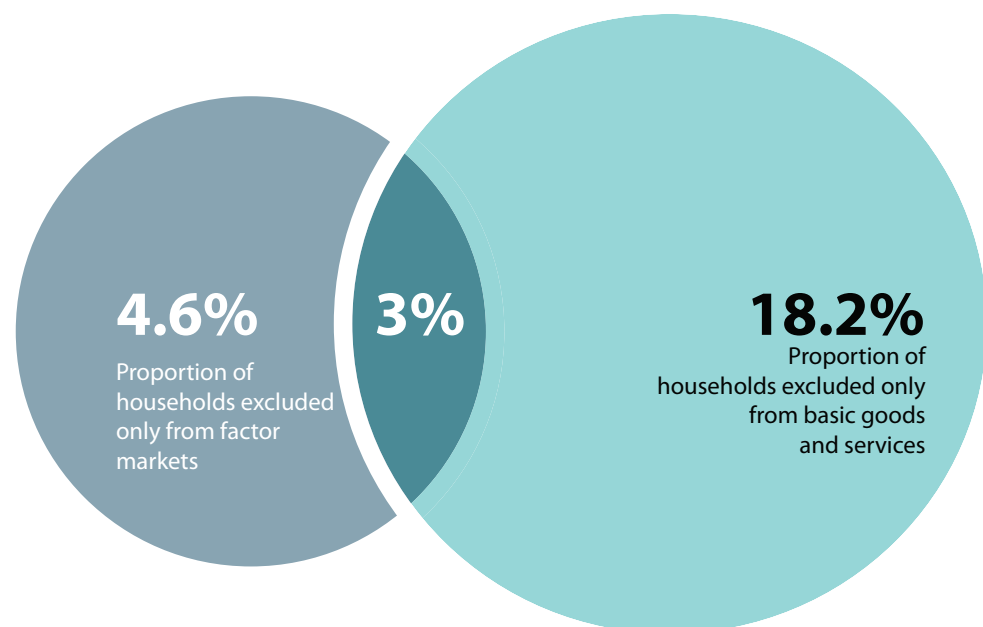
	% of excluded	% all Kosovo
Have all factor markets	8.0	1.7
have business and employment	4.6	1.0
have land and employment	28.7	6.1
have only employment	30.2	6.4
have land and business	1.8	0.4
have business	0.0	0.0
have only land	12.6	2.7
have no factor markets	14.1	3.0
TOTAL	100	21.2

The overlap between those excluded from factor markets and those excluded from basic goods and services is surprisingly small: of the total 7.6 percent of households excluded from all factor markets, more than half (about 60 percent) are able to meet their critical needs. This discrepancy can be explained by the fact that around 20 percent of households receive remittances⁴³ and around 8 percent of households receive social protection transfers.

nism in Kosovo are joblessness, low productivity in agriculture sector and the weak social protection system.

Joblessness: in the previous sub sections we have seen how a lack of jobs leads to exclusion from essential and mainstream economic processes. Joblessness may also lead to weakening of motivation and make the long-term unemployed even more passive. Youth unemployment can take a particularly high toll, leading to the long-run loss of

FIGURE 2.2 Intersection between those that are excluded from factor markets and those excluded from basic goods and services



In Kosovo, the role of social protection transfers is limited to improving the welfare of the population⁴⁴ because the current social protection system⁴⁵ is characterised by very limited benefits⁴⁶ and low coverage of the poor.⁴⁷ However, studies have shown that migration and remittances have been the most effective mechanism for reducing the poverty of recipient families.⁴⁸

(iii) Drivers of exclusion: the three primary drivers of the exclusion mecha-

self-esteem. Unemployment can weaken family harmony and coherence and increase gender divisions.

In the previous sections we have also seen that employment alone does

If you are over 40, it is very difficult to get a steady job therefore I have to take more seasonal and temporary jobs.

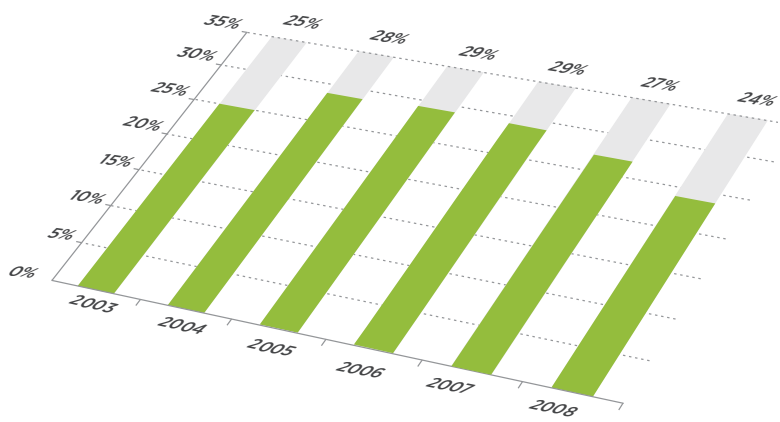
An unemployed participant of a focus group

not protect from exclusion from goods and services.⁴⁹ This confirms that there are many workers engaged in low-paid and low-productivity jobs who do not earn enough to move out of poverty.

Unfortunately, Kosovo has not succeeded in raising the share of the population that is gainfully employed and job opportunities remain scarce. Employment-to-population ratios have stayed nearly steady during the period of 2003-2008 (see Figure 2.3), when Kosovo experienced an almost “jobless” GDP growth outside of the capital Prishtinë/Priština. While the growing population and the low skill level of job-seekers are some factors contributing to this disappointing outcome, the inadequate level of labour demand remains the key constraint. Labour demand has been insufficient to absorb new labour force entries and reduce the pool of the unemployed. Inadequate labour demand is also main cause for poorly remunerated and low productivity jobs.

There are two possible causes of the slow growth in labour demand (employment): first, the low growth rate of per capita real GDP and secondly, the ‘pattern of growth’. Economic growth during the period 2003-2005 was only slightly higher than the population growth meaning that the GDP per capita remained essentially stagnant. For the period of 2003-2009, GDP per capita growth rate averaged barely 1.8 percent. An average annual growth in per capita income of less than 2 percent is simply not high enough to induce strong labour demand and poverty reduction – particularly without institutional mechanisms for equitable and poverty-focused distribution of revenues. Experiences of other countries show that 2 percent growth in per capita GDP translates into a minimum of 1 percent an-

FIGURE 2.3 Employment rate (percentage of working age population)



Source: SOK, Labour Force Surveys (2003- 2008)

nual growth in per capita personal consumption.⁵⁰ A consumption increase of 1 percent would barely prevent an increase in poverty when the inequality in the country is increasing.⁵¹

In addition, growth has been dominated by only two sectors: construction and trade (imports), in response to increased consumption financed by foreign aid and remittances. Kosovo’s agriculture and manufacturing sectors - essential engines of private sector growth, job creation and foreign direct investment (FDI) - failed to recover.⁵² This growth pattern which is characterised by low private sector investments in productive sectors and is based on private consumption (fuelled by remittances) limits the capacity of the economy to generate additional jobs and leads to lower increases in employment.

Extractive industries such as mining and minerals are another potential source of growth that remain underutilized mainly due to problems with property rights and lack of sound and transparent legal and institutional frameworks for investment. Problems

have been compounded by the ongoing poor performance of the energy sector. Business cannot thrive in a climate of frequent and unpredictable power outages. The business environment also continues to suffer from many weaknesses of policy and regulatory practices. In the World Bank Doing Business Report 2009 Kosovo was ranked as the 113th country out of 183 countries. The report emphasized Kosovo's problems in dealing with the post-registration phase of starting a business, which includes operational licensing and a variety of permits (ranking 164th), construction permits (ranking 176th), and contract enforcement (ranking 157th).⁵³

Low productivity in agriculture sector: the agriculture sector, which along with food processing, is considered to have a comparative advantage and growth potential, remains disorganized and is characterised by average small land plots, inefficient production practices, low factor productivity, and limited income generation. As a result, many smallholder farmers remain mired in poverty.

The average farm size utilized in Kosovo is about 1.4 hectares normally spread over multiple plots. This farm structure leads to subsistence farming and prevents the sector from meeting its production potential. Agricultural productivity and yields are low in small farming. Combined with the low access to technical assistance and lack of credit, agricultural farming is performed with inadequate use of inputs as well as outdated farming and management practices.

Inadequate and untargeted social protection: the current social protection system in Kosovo consists of

a narrowly targeted social assistance benefit and a network of social work centres that provide counselling and referral services to individuals and families at risk (young offenders, orphans, victims of domestic violence, etc.), as well as a three-pillar pension system comprising a flat-rate basic pension, a mandatory advance funded scheme and a voluntary enterprise-based scheme. The pension system is complemented by special schemes for war invalids, early retirement to support restructuring in the mining sector and a recently introduced disability pension.

In Kosovo, the social protection system is far from fulfilling its main function which is protection against deprivation. The World Bank calculates that in the absence of the social assistance, poverty would be higher by about 2 percentage points; whereas in the absence of pensions poverty would be higher by about 4 percentage points.⁵⁴ This is largely because the current social protection system is characterised by very limited benefits, and low coverage of the poor.

The current policy defines two categories eligible for social assistance: Category One households are those without any member of the family capable of working, and Category Two households are those with only one member capable of working who is registered as unemployed with the Public Employment Service (PES) and is actively seeking work, and with at least one child under the age of 5 or an orphan under the age of 15. The pension system in Kosovo is also far from adequate – seen as a symbolic gesture to Kosovo's 138,900 elderly. As a flat-rate system, it makes very limited distinction between length and amount of contribution. A household with

more than half of its members who are elderly faces a poverty risk of 62.3 per cent higher than all other household categories.

The cash benefits provided to social assistance beneficiaries are insufficient to bring them out of poverty. The minimum social assistance is 35 EUR for one family member and 75 EUR for families with seven or more members (see table 2.6), while the average salary in Kosovo is about 250 EUR. Overall, the average amount of money poor families receive per month in Kosovo is approximately 60 EUR (14 EUR per member of the family). A person living on social assistance in Kosovo has in average 0.46 EUR per day to live on. This scheme was introduced in 2003 and has not changed despite social stagnation and persistent poverty.

The low benefits provided to social assistance beneficiaries are a result of limited funds dedicated for this segment. Kosovo's public expenditure on social protection as a percentage of GDP is the lowest in the region, with only 3.7 percent of the GDP or 12.7 percent of total institutional expenditures allocated for social protection.

Furthermore, the current social protection system is characterised by low coverage of the poor. The social protection system does not reach over 75 percent of the poor and has reinforced dependency and the *status quo*. Only 34 percent of those who are being reached by social protection transfers are extremely poor. Targeting in the social assistance system is relatively weak and currently about a third of social assistance recipients are non-poor. Social protection is focused at the level of household, where the employment status of family members is the main factor deter-

mining their eligibility and amounts of social assistance. Such a narrow set of criteria does not do justice to people in need of government support.

TABLE 2.6 Levels of social assistance

Family size	Social assistance in EUR
One member	35
Two members	50
Three members	55
Four members	60
Five members	65
Six members	70
Seven and more	75

Source: Ministry of Labour and Social Welfare

2.3 Who is affected by economic and labour market exclusion?

(i) Groups excluded from all factor markets (by location, education, ethnicity and gender). Exclusion from all factor markets is a largely urban phenomenon. The excluded are mainly concentrated in urban areas, specifically in secondary towns. Education levels correspond inversely to levels of exclusion. Kosovo-RAE groups are also associated with higher-than-average exclusion rates. There are major gender disparities in exclusion from all market factors, with women much more likely to be excluded from employment and business ownership.

Location: the residents of all towns except for the capital Prishtinë/Priština have higher incidence of exclusion from factor markets than the overall Kosovo rate. This can be explained by the fact that the majority of households living in villages own arable land, while households in the capital Prishtinë/Priština have better access to labour markets.

The incidence of exclusion from all factor markets varies widely across regions. According to the Mosaic Survey, the Prizren and Gjilan/Gnjilane regions have higher incidence of exclusion from factor markets compared to the Kosovo average rate, whereas Gjakova/Djakovica and Mitrovicë/Mitrovica have the lowest incidence of exclusion. Furthermore, while the incidence of exclusion is lowest in the capital Prishtinë/Priština, the Prishtinë/Priština region ranks higher than the overall Kosovo rate due to surrounding municipalities.

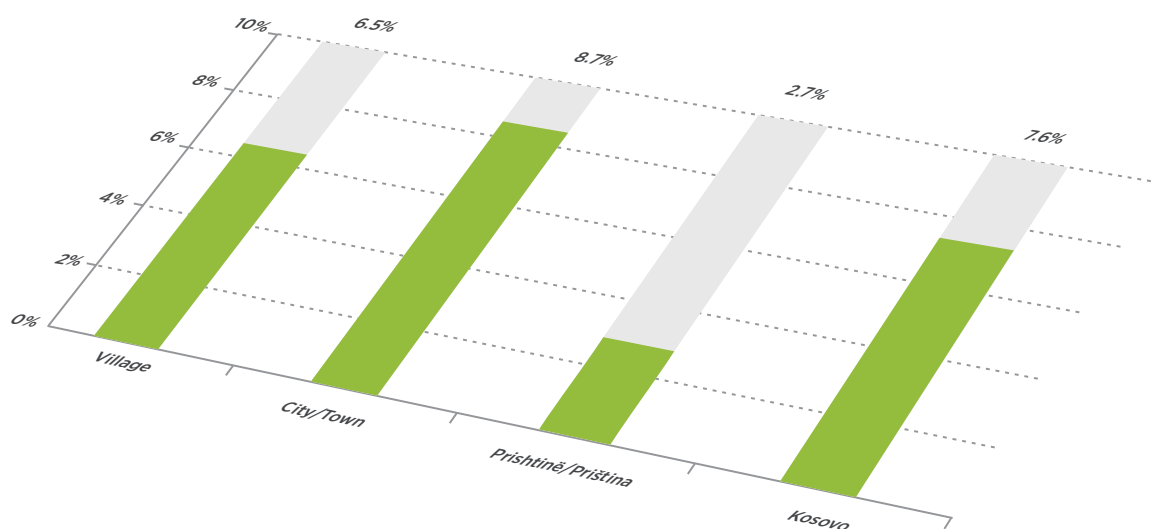
In Dragash/Dragaš and Malishevë/Malisevo (both in the Prizren region) there is a higher incidence of exclusion from factor markets, at 22.5 percent and 15.5 percent of households excluded from all factor markets respectively, while Viti/Vitina (in the Gjilan/Gnjilane region) has a higher incidence of exclusion from factor markets, at 18.6 percent. Prishtinë/Priština region, Fushë Kosovë/Kosovo Polje

and Lipjan/Lipljane rank higher with 16.5 percent and 13.6 percent respectively.

Education: as expected, exclusion rates from all factor markets were lower for individuals with high levels of education. The more educated had lower incidence of exclusion from factor markets because of their better employment prospects and access to the labour market (see Figure 2.6 below)

Ethnicity: Kosovo-RAE communities have the highest exclusion rates from factor markets with 40.6 percent excluded from all factor markets. Kosovo-Albanian exclusion is similar to the Kosovo average at 8.1, while Kosovo-Turks and Kosovo-Bosnians face an exclusion rate of 5.4 percent. The lowest incidence of exclusion is among Kosovo-Serbs, at 3 percent. Kosovo-RAE households experience a higher rate of unemployment than the Kosovo average (58 percent versus 45 percent), with

FIGURE 2.4 Percentage of households excluded from all factor markets across various settlement sites

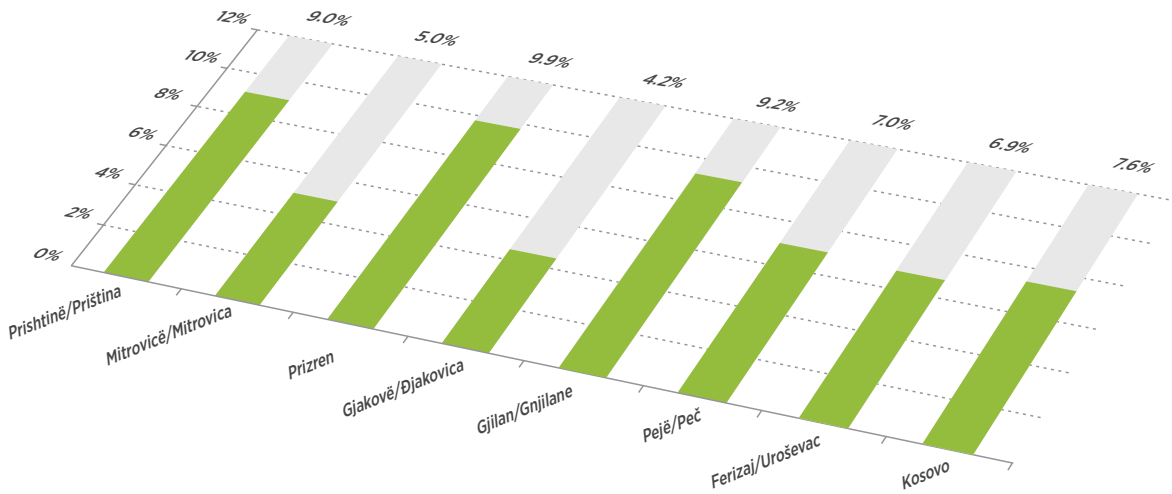


Source: Calculated from Kosovo Mosaic Survey, UNDP 2009

FIGURE

2.5

Percentage of households excluded from all factor markets across regions



Source: Calculated from Kosovo Mosaic Survey, UNDP 2009

75 percent of male youth aged 15-24 unemployed. Only 8 percent of working Roma hold managerial positions in comparison to 13.9 percent of ethnic Kosovo-Serbs and 15.8 percent of other minority groups.

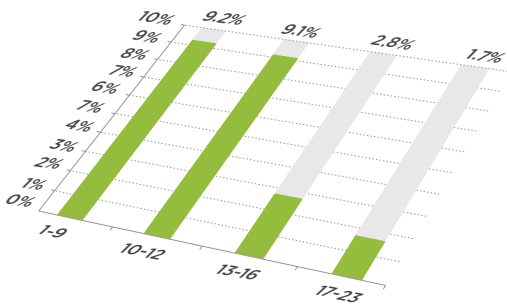
participation rates among women, in 2008 the female unemployment rate was about 17 percentage points higher than the one for the males.

Employment is only one facet of women's exclusion from factor markets. Their participation as owners of land or business is even lower. SHE-ERA, a women's business association in Kosovo, reported that only 6 percent of all registered businesses were owned by women in 2006.⁵⁶ The 'Women

FIGURE

2.6

Years of schooling and exclusion from all factor markets



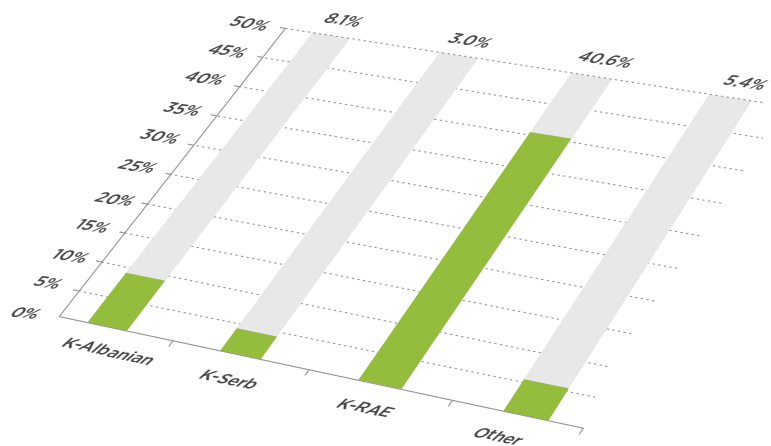
Source: Calculated from UNDPs Mosaic Survey

Gender: women in Kosovo face much lower access to factor markets than men (see Table 2.7).⁵⁵ According to the latest Labour Force Survey, labour force participation rates are distinctively lower for women: 26.1 percent compared to 65.8 percent for men. This means that out of 10 women that are of working age, 7.4 do not participate in the labour market. By comparison, the EU average female labour force participation rate in 2007 was 64 percent. Despite relatively low partici-

FIGURE

2.7

Percentage of households excluded from all factor markets broken down by ethnicity



Source: Calculated from UNDPs Mosaic Survey

Entrepreneurs in Kosovo' report lists many obstacles that hinder women's ability to start businesses and secure sustainable livelihoods. Based on this report, the majority of businesswomen respondents replied that the main obstacles to the growth of their business are family obligations and responsibilities. Furthermore, 20 percent of businesswomen stated that they had many difficulties in obtaining loans from banks in Kosovo, mainly due to

of education; and 3) being a member of a Kosovo-RAE community and to a lesser extent a member of a Kosovo-Albanian family.

Location: while the incidence of exclusion from factor markets was higher in urban areas, the incidence of exclusion from basic goods and services is much higher in rural areas. Consequently, residents of rural areas and secondary cities face a far greater risk of exclusion from basic goods and services

TABLE 2.7 Key labour market indicators by gender (2004-2008)

	2004		2006		2008	
	Men	Women	Men	Women	Men	Women
Labour force participation rates	67.8%	25.2%	69.6%	30.6%	65.8%	26.1%
Employment rates	46.4%	9.9%	46.1%	11.8%	37.7%	10.5%
Unemployment rates	31.5%	60.7%	34.6%	61.6%	42.7%	59.6%

Source: Calculated from Kosovo Mosaic Survey, UNDP 2009

high interest rates, short repayment periods and unavailability of loans for business start-ups. Businesswomen are also often unable to meet the requirement to provide property as collateral during loan applications. Most of Kosovo property is registered under the male names (husband, father, or brother) and only in very special cases (in female headed families) women own property in their own name.⁵⁷

(ii) Groups excluded from basic goods and services (by location, education, ethnicity and access to public utilities): looking at the population subgroups, three characteristics stand out for raising the incidence of exclusion from the minimum acceptable level of goods and services: 1) living in rural areas and to a lesser extent in secondary cities; 2) having low levels

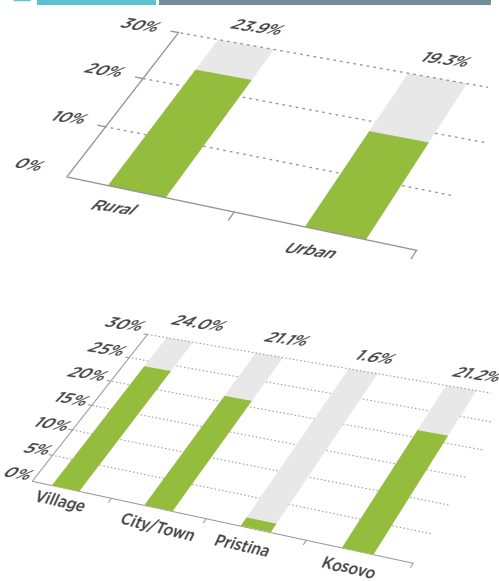
in comparison with Prishtinë/Priština.

From a regional perspective, the Prizren and Ferizaj/Uroševac regions had higher incidence of exclusion from basic goods and services compared to the average rate for all of Kosovo whereas the Gjakovë/Gjakovica, Mitrovicë/Mitrovica and Pejë/Peć regions had the lowest incidence of exclusion from basic goods and services. At the municipal level Skenderaj/Srbica, Obiliq/Obilić, Glogovc/Glogovac, and Malishevë/Malisevo had the highest incidence of exclusion from basic goods and services respectively with 43 percent, 53 percent, 38 percent and 40 percent, while Leposaviq/Leposavić, Zubin Potok, Zvečan/Zvečan, Shtërpçë/Štrpce and Mamushë/Mamuša reported zero exclusion from basic goods and services.

Education: the probability of exclusion from basic goods and services is negatively correlated with educational attainment. The incidence of exclusion from basic goods and services of those with basic education (1-9 years of schooling) is much higher relative to other groups with more education, reflecting their lack of skills and knowledge to benefit from existing

(the average rate is 21.2 percent). Only 1.4 percent of Kosovo-Serb households are excluded from basic goods and services.

FIGURE 2.8 Exclusion rates from basic goods and services by different location and settlement sites

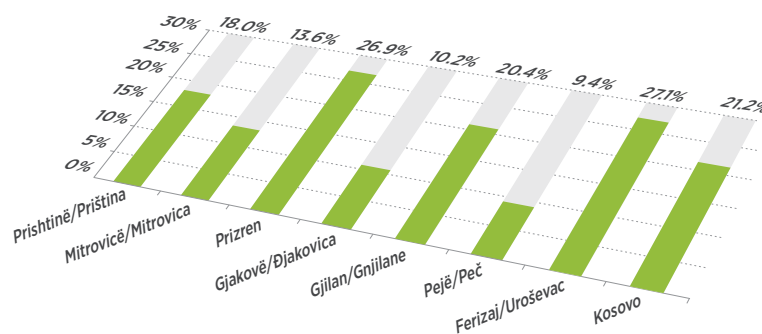


Source: Calculated from Kosovo Mosaic Survey, UNDP 2009

economic opportunities.

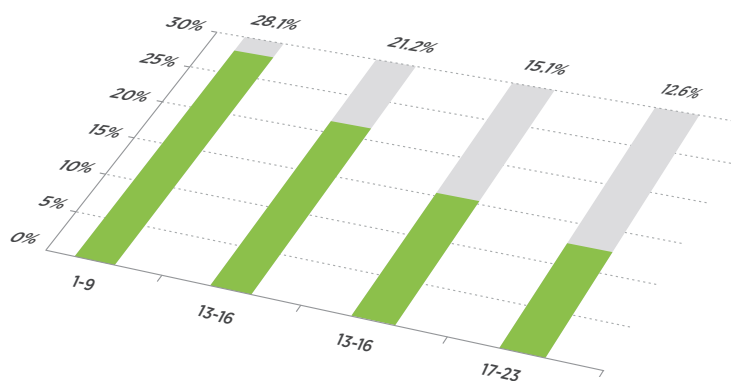
Ethnicity: the Kosovo-RAE communities face a substantially higher incidence of exclusion from basic goods and services (often several times higher than the Kosovo average) than the general population. Other ethnic groups such as Kosovo-Turks and Kosovo-Bosnians face a lower-than-average exclusion incidence rate with only 11.1 percent of households excluded from basic goods and services. The exclusion from basic goods and services rate for Kosovo-Albanians is three percentage points higher than the average exclusion rate for Kosovo

FIGURE 2.10 Exclusion rates from basic goods and services across regions



Source: Calculated from Kosovo Mosaic Survey, UNDP 2009

FIGURE 2.11 Years of schooling and exclusion rates from basic goods and services



Source: Calculated from Kosovo Mosaic Survey, UNDP 2009

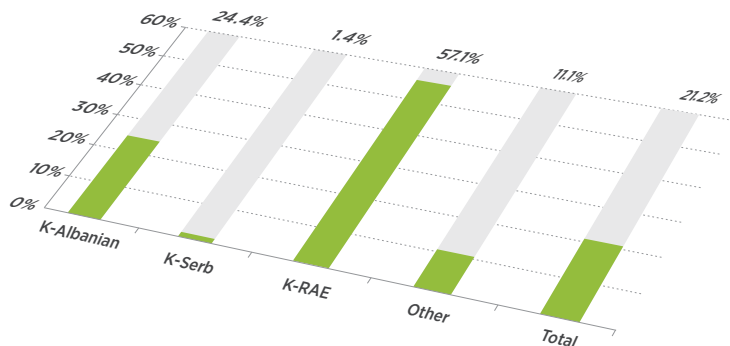
Access to utility services: lack of access to essential and health-promoting public services is a critical expression of exclusion. Clean water, sanitation, energy, telecommunications and other services contribute tangibly to the reduction of exclusion from both factor markets and basic goods and services. Since access to water, sanitation, and energy represent basic needs, meeting these needs increases productivity and overall well-being of the households. Moreover, access to utility services can also empower the households in their economic activities. For example, access to electricity is crucial to stimulate

and realize opportunities for economic activity and entrepreneurship.

According to the results of the Kosovo Mosaic Survey, around 36 percent of households reported that they do not have access to one of such essential utility services as tapped water, sanitation and electricity (see Table 2.8). The data indicates that 21 percent of households do not have access

because of exclusion from utility services. About 36 percent of non-excluded households still do not have access to these essential services. Nevertheless, access rates are better for non-excluded households than those for the households excluded from basic goods and services. At least 42 percent of excluded families lack access to a critical utility, compared to 36 percent of non-excluded families. Rural families living in villages have substantially

FIGURE 2.12 Ethnicity and exclusion from basic goods and services



Source: Calculated from Kosovo Mosaic Survey, UNDP 2009

to tapped water and 30 percent of households live without access to the sanitation system.

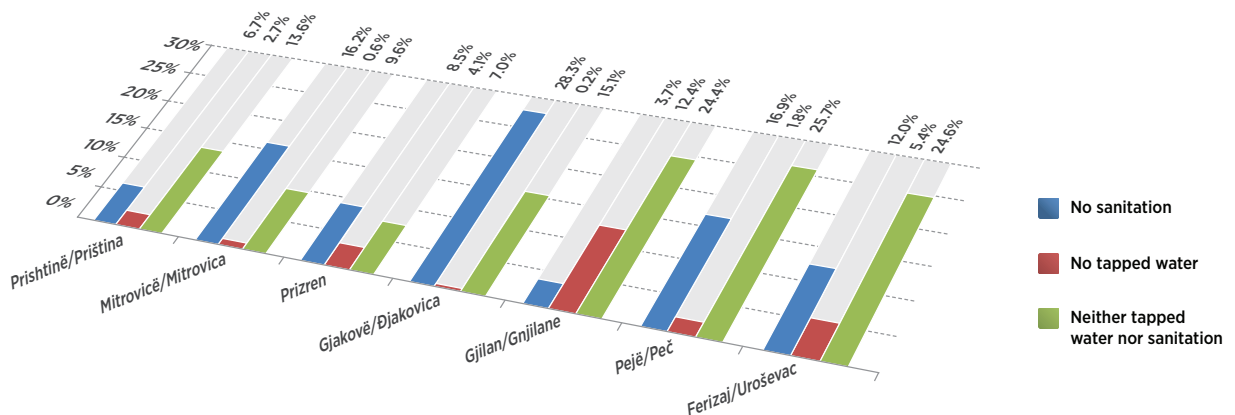
Exclusion from basic goods and services, however, does not only occur

TABLE 2.8 Percentage of households excluded from utility services

Essential Services	Percentage of households
Without sanitation system only	11.9 %
Without electricity only	2.1 %
Neither sanitation nor electricity	0.6 %
Without tapped water only	3.7 %
Neither sanitation nor tapped water	15.5 %
Neither tapped water nor electricity	0.2 %
Neither sanitation, tapped water nor electricity	2 %
Have access to all	63.7 %
Total	100 %

Source: Calculated from UNDPs Kosovo Mosaic Survey

FIGURE 2.13 Exclusion from utility services across regions



Source: Calculated from UNDPs Kosovo Mosaic Survey

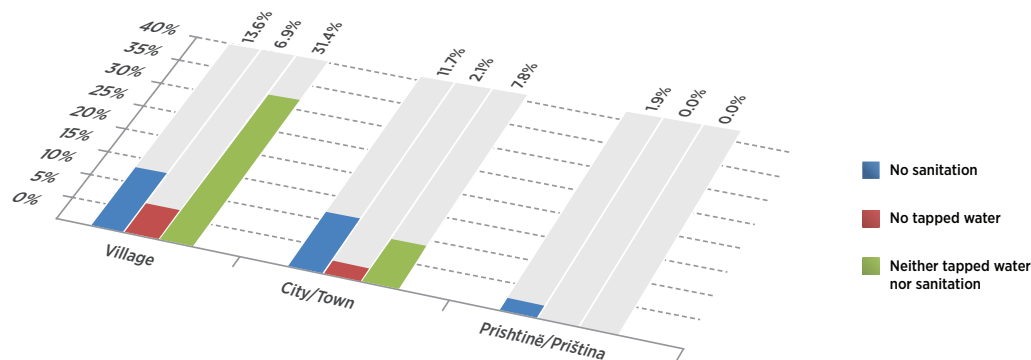
lower access to services than urban families. Regional variations also apply (see figures 2.13 and 2.14).

2.4 Promoting inclusive economic growth - policy recommendations

Kosovo's economic weaknesses

remittances and imports cannot open factor markets to those currently excluded – irrespective of the impact on GDP. Translating economic growth into higher employment levels and wider economic participation requires sensitive economic and social policies, and a sincere collective effort to integrate

FIGURE 2.14 Exclusion from utility services across different settlement sites



Source: Calculated from UNDP's Kosovo Mosaic Survey

have policy and structural roots, many of which Kosovo shares with other early transitional contexts. For example, a modern education system for an educated workforce cannot be built overnight. In addition, Kosovo still continues to suffer from some post-status political barriers hindering both exports and investments.

However, analysis of the complex linkages between factor market exclusion (limited economic participation) and exclusion from basic goods and services (equated with poverty) suggests that Kosovo's current economic trajectory needs a change in course. Economic exclusion – of which poverty is merely a subset – affects a surprisingly large proportion of Kosovans and deeply undermines their human development potential. Kosovo's broader economic outlook is similarly affected. A macro-economy dependent on aid,

the excluded into a stronger society.

Critical policy recommendations towards this goal are:

(i) Re-orient economic growth towards sustainable strengthening of the labour market

- **Reforming the energy and mining sectors is essential to expanding a sustainable labour market:** in particular, the mining sector needs urgent reform, including privatization, and the establishment of sound and transparent legal and institutional frameworks to encourage private sector investment. A reliable energy supply is a fundamental precursor to major industrial operation.
- **Investment climate reform must accelerate:** although considerable work has been undertaken at the central level in Kosovo to establish

a supportive investment climate, there are still many structural weaknesses in the system. The recently completed Business Environment and Enterprise Performance Survey (BEEPS) highlights corruption as well as crime and disorder as the second and third most common constraints for businesses following the unreliable energy supply.⁵⁸ Many firms – particularly rural businesses⁵⁹ - also point to the difficulty of accessing finance and its costs as a major constraint on their ability to invest and create new jobs. Where access to credit is improved, entrant firms can almost double their employment in their first four years.⁶⁰ Other critical investment climate priorities include improving registration of land and apartments within the Kosovo Cadastre Agency and supporting leasing arrangements, lowering the high-risk premiums and high transaction costs for banks and borrowers and exploring external financing options from multilateral development banks or venture and angel capital.

(ii) Boost inclusive growth and productivity in rural areas

- **Opportunities for inclusive rural employment – particularly for rural woman – must be more creatively explored:** a dynamic non-farm sector could provide opportunities for many of the currently excluded to move beyond subsistence living. Higher public investment in irrigation, land consolidation, infrastructure and education and training in rural areas could lead to expansion of the rural non-farm sector. Coordination failures and externalities in agriculture and rural non-farm sectors must also be addressed. For example,

rural tourism needs an adequate system of rural roads, and fruit and vegetables export sector requires complex phyto-sanitary standards. The institutional capacity of relevant ministries to identify and act on these issues must be strengthened.

- **Agricultural reforms must become more targeted to the productivity of smallholder farming and animal husbandry:**⁶¹ as farm sizes decline and the rural population grows, there are clear economic benefits in shifting to high value products, and developing the rural non-farm economy and animal husbandry. Potential activities include support for smallholder farmers by producer associations and cooperatives that would allow them to benefit from economies of scale in production and marketing. Kosovo-wide agriculture advisory and extension services⁶² could support farming families and could also provide better access to market intelligence and financial products such as leasing options and insurance services.⁶³ These kinds of support from the Ministry of Agriculture, Forestry and Rural Development could help upgrade farmers' technical capacities and facilitate adoption of new techniques that would lead to development of high value horticulture, poultry and dairy products.
- **A well-functioning land market, particularly rental markets, is needed to raise agricultural productivity:** action in this area will promote market mechanisms, eventually leading to the transfer of land to the most productive users. Improving the registration of land within the Kosovo Cadastre Agency (KCA) as well as enhancing

contract enforcement and privatization of socially owned land can significantly contribute to improvements in land market operations.

(iii) Equip vulnerable groups for decent work

- **Implement Active Labour Market Programmes (ALMPs) and other measures promoting employment:** ALMPs can be defined as policies that support labour market integration of those who seek work, usually the unemployed, but also the underemployed and the employed that are looking for better jobs. Typical active measures are job seeking assistance, labour market training, job-creation in the form of public and community work programmes, enterprise creation programmes and hiring subsidies. In the context of Kosovo, the authorities and specifically the Ministry of Labour and Social Welfare should carefully examine a battery of potential ALMPs and identify a limited number of interventions, keeping in mind that ALMPs have proven to be more successful for urban beneficiaries than rural ones.
- **Focus work-readiness programmes on long-term unemployed and new entrants to the job market:** these groups have the highest overall risk of exclusion. The long-term unemployed tend to suffer from a cumulative series of disadvantages which may include limited literacy skills, outdated competencies, disability or poor health and other factors. Prolonged unemployment and inactivity early in life are predictors of lower employability and wages in later adulthood, as well as risky behaviour and exposure to violence. Interventions should be comprehensive enough to address such
- **Introduce jobseeker schemes to prevent unemployment becoming long-term:** these schemes should operate immediately after losing a job or entering the job market. For each jobseeker, they could identify main obstacles to finding employment, propose specific measures to overcome them and define the person's obligations. Measures should be targeted on those most remote from the labour market and use profiling techniques to try and increase the effectiveness of targeting. The range of services provided could include child care, literacy courses and job-training.
- **Develop and implement coherent and comprehensive lifelong learning strategies to increase labour market integration, with a focus on women, disadvantaged ethnic minorities and the longterm unemployed:** training programmes should be developed in consultation with employers. Content and skills that are taught by Vocational Training Centers should closely match the demands of the labour market; training should be certified; and it should take place in close cooperation with private sector employers.
- **Scale-up support to small and me-**

Most of the job vacancies require working experience which most of us do not have. It is also difficult to get positions as interns that could help us to get jobs eventually.

Youth participant of a focus group

medium sized enterprises (SMEs): a good job is the best possible “social safety net.” SMEs generate more jobs per dollar of investment than any other branch of business - because relatively little capital is required to create each job. Creative support to SMEs could include self-employment schemes and micro-enterprise development programmes to target the better-qualified unemployed.

(iv) Gear social protection towards social inclusion and improve targeting

- **Re-direct social assistance resources to the poorest families:** legislation ensures that all citizens of Kosovo have equal access to social and family services, irrespective of differences in race, ethnicity, gender, mother tongue, religion, political affiliation, national or social origin, birth statute or any other difference. While this is laudable in principle, it has grave implications for Kosovo’s most vulnerable. There is a clear need to enhance means-testing so that family benefits are linked to concrete needs. Improved targeting should be a top priority of the Ministry of Labour and Social Welfare (MLSW) and should be supported by strengthening the administrative structure and capacity of the Ministry which can be achieved through greater clarification of the roles of local service providers and better use of information technology.
- **Establish minimum standards for basic social services and support their implementation among highly excluded groups:** where illiteracy, remote locations, lack of access to transport or other barriers stand between individuals and services, the MLSW should take remedial

action. Local social service providers may help beneficiaries bear the costs of housing, education, care or legal assistance, or else find alternative means to ensure services can be provided in their location.

- **Dedicate a higher percentage of GDP to social spending and social inclusion strategies:** this will allow an increase in targeted transfers to municipal authorities currently without sufficient financial resources to implement social inclusion strategies. Competencies of municipal authorities and local service providers could also be enhanced.
- **Reform the family allowances system:** flexible family benefit schemes are critical to alleviate poverty and increase inclusion. Policy options in this area include back-dating indexation of benefit levels to cover increased costs of the household basket, increasing the benefit paid to children of school age provided they attend school (thereby linking poverty alleviation with increased enrolment) and abolishing the upper limits of household benefits. A child benefit scheme would also have a dramatic impact on child poverty, potentially reducing it by eight base percentage points; however, Kosovo’s authorities must consider the potential administrative cost of means testing against the high actual cost and reduced targeting of universal benefits.⁶⁴
- **Account for the impact of the informal economy in social assistance – particularly for pensions:** often exploitative conditions associated with poor health and safety conditions, instability of employment and lack of pension coverage

produce a high risk of social exclusion in illness or old age.

- **Protect inclusion of the elderly during social assistance reform:** ensure that the pension system reforms do not leave the frail elderly without access to social assistance and care services.

(v) Strengthen targeted interventions for Kosovo-RAE and women

- **Provide funding for the implementation of the Kosovo Strategy for Integration of RAE (2009-2015) focusing on education, employment, health, and housing:** the strategy as it stands needs a more accountable implementation plan, including specific targets, performance measures and indicators. Line ministries and other institutions responsible for the Strategy implementation should be required to demonstrate and publicly report whether they are achieving their intended results.
- **Conduct a Kosovo-wide analysis on the specific cultural and economic barriers limiting women's participation in the labour**

Even as a Roma, even when you get employed in the private sector you have to prove yourself more than others in order to keep the position. One of the supermarket owners didn't employ a woman because she was Roma thinking that this would not be good for his business because the customers would notice that she is Roma. Roma with whiter skin have more advantages in employment compared to others who have darker skin.

RAE participant of a focus group

market: often highly educated women are unable to find gainful employment due to – for example - lack of affordable childcare, social norms on a woman's role and family demands for a woman to stay at home. Specific policy actions aimed to increase female participation in the labour market should be developed and implemented to address each barrier.

- **Develop and implement customized training programmes specifically for women wishing to work but still burdened with responsibilities at home:** this training should reflect labour market needs and be complemented by job counselling and placement services as a public-private cooperation.
- **Support higher involvement of women in enterprise ownership and business development:** this includes ensuring that women benefit equally from all enterprise support schemes implemented by SME Support Agency – for example, voucher scheme for business counselling and advice, business management trainings and business incubators. Support should be provided to financial institutions accessed by female entrepreneurs and producers (with a focus on secondary towns and rural areas) to improve their access to credit and other financial instruments. It is also necessary to evaluate past and existing pilot project interventions⁶⁵ aimed to support female entrepreneurship and the development of small enterprises. The evaluation can examine the impact, design and operational issues of these interventions as well

as identify lessons learned. The lessons learned can be disseminated to share successful female entrepreneurship practices in both traditional and non-traditional sectors. This may, in turn, contribute to the reduction of cultural barriers that women face in the business sector.

(vi) Promote economic opportunities in disadvantaged regions

- **Support improvement of social infrastructure in depressed municipalities and implement a series of job-creation measures in these regions:** Kosovo faces substantial differences in exclusion rates between urban and rural areas, and between first cities and smaller towns. These differences, if severe, risk perpetuating intergenerational exclusion and act as a drag on economic growth. Most countries seek to address regional inequalities through equalization transfers and/or targeted programmes in disadvantaged regions. Transfers will help in reducing inter-regional differences and promoting regional development through enhancements of regional social infrastructure and regional development. For instance, small and medium sized enterprises in municipalities with high unemployment could be supported with lower taxes, subsidies/loans and trainings.
- **Extend utility services in areas of high exclusion:** central and municipal authorities may explore the possibilities of public private partnerships (PPP) to support the

costly job of improving services for excluded groups. Maintenance of existing utility infrastructure is also urgent needed. While the private sector has a potentially strong role to engage in this area, a capable public sector is still fundamental for regulation and oversight.

- **Coordinate the decentralized provision of services with civic groups and NGOs:** civil society participation can play an important role in the struggle against poverty and social exclusion. Extensive consultations with civil society would not only enhance public sector accountability but also improve governance performance and rebuild trust in the governance process among excluded groups.
- **Strengthen the responsiveness, analytical and implementation capacity of municipal public administrations:** public administration at the municipality level requires a new type of adequately trained civil servant equipped with the skills and technical resources necessary to be more independent and responsive to local needs. Trainings targeting municipal administration managers may focus on such areas as inclusive planning, resource management and budgeting, human resources management, communication and coordination, and participatory approaches to decision making. An appreciation of human rights-based approaches – although conceivably the next step up for many municipal officials – can also be inculcated into municipal governance through these trainings.

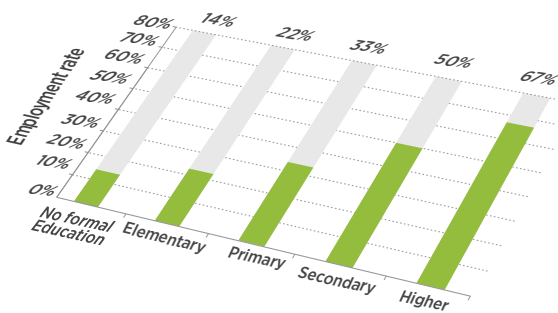
Access to education and exclusion

3.1 Access to education in Kosovo: a history of exclusion

Literacy and a well-rounded education are strongly connected to life-chances and human development. As the recent UNDP Mosaic survey demonstrates, education levels of Kosovans are positively correlated with their employment levels; .i.e., those with more years of schooling are more likely to be employed. About 67 percent of respondents with higher education said they were employed, compared to only 14 percent of those with no formal education.⁶⁶

for other public non-financial benefits such as reduction of crime, democratisation, improved public health, political stability and respect for human rights. However, these potential benefits cannot be achieved unless the following can be ensured: “an education system accessible to all and that is structured so as to promote specific values (e.g. inter-cultural dialogue) and equity in its learning outcomes.”⁶⁷ From an individual perspective a high quality education brings numerous gains such as higher productivity, increased family income, better health, a more dignified life, and an increased ability to make informed decisions.

FIGURE 3.1 Employment rates by education level



Source: Kosovo Mosaic Survey, UNDP 2009

According to the human development approach education has an instrumental value and an intrinsic value (being knowledgeable). As per the instrumental value in this report, education positively contributes to poverty reduction and creates opportunities

In light of the economic challenges outlined in Chapter 2, education towards a highly qualified workforce is perhaps Kosovo’s only chance to develop a globally competitive economy. The probability of falling into poverty is negatively correlated with educational attainment. The incidence of poverty of those with basic education (1-9 years of schooling) is very high relative to other groups, reflecting their lack of skills and knowledge to benefit from existing economic opportunities.

Unfortunately, many Kosovans believe that education is less relevant to job-seeking than having friends in key positions.⁶⁸ As things stand in

Kosovo today – they may be correct. Should these perceptions and conditions persist, Kosovo could continue to by the Serbian regime of the time and the Kosovo “parallel” educational system⁷⁰ was in place, enrolment of Al-

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3.1

UNICEF defines a quality education as

- Learners who are healthy, well-nourished and ready to participate and learn, and supported in learning by their families and communities;
- Environments that are healthy, safe, protective and gender-sensitive, and provide adequate resources and facilities;
- Content that is reflected in relevant curricula and materials for the acquisition of basic skills, especially in the areas of literacy, numeracy and skills for life, and knowledge in such areas as gender, health, nutrition, HIV/AIDS prevention and peace.
- Processes through which trained teachers use child-centred teaching approaches in well-managed classrooms and schools and skilful assessment to facilitate learning and reduce disparities.
- Outcomes that encompass knowledge, skills and attitudes, and are linked to national goals for education and positive participation in society.”

(Defining Quality in Education, UNICEF, 2000)

lag behind in building a competitive workforce and miss the opportunity to build a stronger economy.

Prior to 1999, Kosovo’s education system was government-funded and was free to households. Basic education was of good quality, and secondary school students performed relatively well. However, not all children in Kosovo could access these educational opportunities and economic, geographical and cultural factors created particular barriers for girls and children with disabilities. Between 1989 and 1992, before the imposition of the so-called “forceful measures”, Kosovo expanded its eight-year primary education to near universal enrolment, estimated at around 95 per cent.⁶⁹ After 1991-92 when repressive measures were established in Kosovo

banian speaking children in primary schools fell from over 304,000 in 1989 to just under 264,000 in 1999, a decline of some 13 percent.⁷¹ During this period, the reduction of enrolment rates came as a result of limited movement, security concerns, and high internal displacement of the Kosovo Albanian population under repression by the Serbian police.

Another big problem for people with disabilities in rural areas is the distance from educational institutions. Very often, the bad infrastructure of the road and the weather conditions make it impossible for people with disabilities to attend school.

Disabled participant of a focus group

These dramatic political developments affected the nature and patte-

rns of exclusion as well the composition of socially excluded groups. In addition to girls and children with disabilities, there was an increase in the percentage of non-Serb minorities, children from poor families and those from rural areas excluded from the education system. High education expenses such as costs of books, transportation and school-appropriate dress, concerns for personal security, and preferences for boys' in some communities contributed to high drop-out rates.⁷²

After 1999, the drive to align Kosovo's systems with European standards led to passage of vital legislation guaranteeing equal opportunities, non-discrimination and inclusion in the education sector.⁷³ The Constitution of Kosovo stipulates that every person enjoys the right to free basic education. Mandatory education is regulated by law and funded by public funds. Public institutions are required to ensure equal educational opportunities for all in accordance with specific abilities and needs.⁷⁴

According to the Law on Education in Municipalities, the Ministry of Education, Science and Technology is responsible for developing and implementing a non-discriminatory system of education that provides both formal and informal lifelong learning opportunities. The law calls for a number of provisions to achieve this goal: (1) inclusive policies for the integration of persons with disabilities into the education system, (2) a comprehensive certification system for all teachers in Kosovo, and (3) fostering school/community partnerships at the local level to allow parents and community members to participate in education activities.⁷⁵

As yet, these goals are dimly realized. The legacy of exclusion still hangs

over many Kosovans, particularly minorities and girls. Kosovo's authorities reported almost 308,000 students in the public school system in Kosovo in 2002. The percentage of students from ethnic minorities was as follows: 14,000 (4.5 percent) were children from the Kosovo-Serb community, 0.9 percent of students were Kosovo-RAE, and 2 percent were members of other minority groups.⁷⁶ In 2009/2010, Kosovo's authorities reported almost 440,452 students in the public school system in Kosovo. At least 96.6 percent were K-Albanians whereas just 3.4 percent were members of other minority groups. These data in themselves are illustrative of the challenge that minorities in Kosovo face when seeking quality learning.

Overall, Kosovo's enrolment rates have remained steadily high. According to the report: "*Kosovo Education in Figures 2008/09*," enrolment rates are 114.7 percent (this counterintuitive enrolment rate is explained in the report as due to the high migration rate levels in 1998/1999)⁷⁷ for lower secondary education and 81.8 percent for higher secondary education. The enrolment of students in universities has increased recently due to the establishment of a number of private universities (around 30).⁷⁸ In 2008/09, there were 7,797 students attending private universities, (on graduate and post-graduate courses) equivalent to 27 percent of the public university population.⁷⁹ Despite the higher enrolment rate, Kosovo still falls behind other countries of the region in terms of university graduates.⁸⁰

3.2 Mechanisms and drivers of exclusion from education

In any given village or town across Kosovo, potential students will demon-

strate a wide range of learning needs. Some may experience difficulties with reading, writing, or mathematics. Others may belong to ethnic minorities and not speak or write well in Albanian. Others may be from poor households that have difficulties buying food, footwear and books. Wheelchair users may need special physical access to schools and universities.

The mechanisms that shut many of these students out of the education process in Kosovo have unique historical/socio-cultural and governance roots, namely:

(i) Socio-cultural drivers

- **Inter-generational poverty and unemployment:** 48.6 percent of children 0-19 in Kosovo are classified as poor.⁸¹ As elsewhere, poverty – itself a product of low education – makes it very hard for children to reach the classroom. For those poor children who do attend, drop-out rates are higher and learning less easy. Poor children are excluded in a number of ways. Their families may not be able to afford even minimal outlays for books, clothing and meals. They may be obliged to work to supplement low family incomes. Their nutritional status essential for brain development and learning energy is often poorer than that of their counterparts. Their feelings of marginalization and relative worthlessness can make school a painful experience. Since poverty and lack of access to factor markets is directly correlated with education levels, their parents are unlikely to have high education standards themselves. Thus, there is often no role model in the household to encourage Kosovo's poor children to acquire an education. Prioritization of

education as a factor in household expenditures is likely to be lower among poor families.⁸²

- **A historical legacy of exclusion:** Kosovo's legacy of division greatly complicates the provision of equal opportunity to all potential students.⁸³ Organization of a parallel educational system by the Kosovo-Serb minority after the end of the armed conflict in Kosovo, as a form of self-exclusion from the formal educational system of Kosovo, is one of the biggest challenges to the functioning of an educational system in Kosovo as a whole. At the same time, this parallel system also prevents the collection of statistics on inclusion of the Kosovo-Serb students at all levels of education.
- **Low cultural prioritization of early childhood learning:** early childhood learning has been shown worldwide to promote higher school attendance and better quality of education. However, Kosovo has an alarmingly low rate of pre-school enrolment. Kindergartens and pre-schools are not only not part of the learning culture, but out of reach for the most vulnerable and those least likely to stay in school. Only 5,051 (around 12 percent) of pre-school children were in early learning in 2006-2007.⁸⁴ Children residing in rural areas often do not have access to preschool education programmes at all which negatively affects their early learning.⁸⁵ While 98.2 percent of children included in the preschool institutions are Kosovo-Albanians, only 1.7 percent are from other ethnic groups. In smaller municipalities (Malishevë/Malisevo, Dragash/Dragas, Junik, and Mamusha), there are no children reported to be enrolled in preschool institutions.
- **Discrimination in a vacuum of social cohesion:** above all, inclu-

sive education depends on deep cooperation between families, societies and governments to ensure that this fundamental right is met. In Kosovo, social cohesion is weak and fractured. Societies reject the full participation of minority groups (particularly RAE communities), hide disabled children and have little trust in their governance structures. The concept of education as a driver of life opportunity is also threatened by a climate of patronage, corruption and widespread unemployment. True mobilization of public, private, voluntary, economic and human resources towards education for all is therefore still an unrealized dream.

(ii) Governance drivers

- **Weak accountability of policy implementation:** the MEST (Ministry of Education, Science and Technology) has made an effort to enshrine principles of inclusion in its sectoral policies.⁸⁶ For example, municipalities with minority communities are entitled to additional rights in education - such as the organization of higher education institutions (e.g., University in North Mitrovica). However, education laws, regulations and strategies often remain statements of good intentions without any follow-up implementation or proper reporting. These shortfalls are partially attributable to unrealistic planning, and also to limited sector-level implementation capacities. Mechanisms for policy implementation and adequate budget planning are lacking. This reflects a fundamental contradiction between official political commitment to an integrated and non-discriminatory educational system and the reality on the ground. As a consequence, instead of addressing the fundamen-

tal barriers to implementing new educational legislation, policymakers rather redraft or amend laws repeatedly.⁸⁷ In addition, the lack of census data makes it impossible to accurately calculate the percentage of children enrolled into the education establishments in Kosovo. The numbers range from 95-104 percent. Data on ethnic minorities and children with special needs are almost non-existent and unreliable.

- **Limited budget allocation for education and in particular for measures targeting social inclusion:** access to quality education depends mostly on the availability of finance, infrastructure, policies and programmes supporting quality inclusive education. With this in mind, Kosovo's education sector budget falls far short of needs. In 2001, Kosovo allocated around 3.8 percent of GDP to education, a figure comparable with low to medium income countries.⁸⁸ From 2004 to 2006 Kosovo's budget allocations for education increased from 3.9 percent to 4.4 percent of GDP.⁸⁹ However, in 2009 the budget allocation for education declined to 3.7 percent of GDP.⁹⁰ Although this is close to the EU average (4-5 percent of GDP), the actual amount allocated to the education system is insufficient considering the sector's needs. Insufficient budget allocations have a negative impact on the ratios of teachers to students in Kosovo. The teacher-student ratio in Kosovo is 18.2 to one in elementary, and 20.3 to one in secondary schools (MEST, 2009), an unbalanced ratio when compared with other countries in the Western Balkans. In Serbia, for example, the teacher-student ratio in 2006 was 13.8 to one in elementary and 10.7 to one in the secondary education.⁹¹ In developed countries the teacher-student ratio is

13.7 to one in elementary education, and 11.4 to one in secondary education.⁹²

- **Exclusive school infrastructure:** access to well-maintained, sanitary and safe educational facilities is imperative for supporting social inclusion initiatives in education. Despite substantial investment in new school infrastructure for Kosovo, urban areas still face challenges associated with a general lack of space and a growing number of students due to rural-urban migration. Achieving a minimum of 2 square meters of space per pupil and achieving that all classes are held in one sole building will remain a challenge for a considerable time in the future.⁹³ Many schools still have three-four shifts and are spread across several buildings. The physical condition of school infrastructure remains poor with schools lacking adequate buildings, appropriate space for learning and recreation, didactic material and equipment.⁹⁴
- **Non-inclusive educational reform:** Kosovo's essential reform and recovery effort has had unintentional negative effects on levels of social inclusion in the education system. In 2000/2001, the structure of the educational system in Kosovo changed from eight compulsory years of basic education plus four years of secondary education to a five-four-three year system for compulsory primary, secondary and upper secondary education. This change added a year – the ninth grade – to Kosovo's elementary education and shortened secondary education to three years.⁹⁵ As a result, more girls – particularly rural girls - have been dropping out of compulsory education. Many elementary schools, especially in rural areas, had to organise the ninth

grade in other locations due to a lack of available facilities – increasing travel distances beyond the means of many poor rural families.⁹⁶ Teacher quality has equally been affected by the adjustment and decentralization of the education system. The transfer of additional responsibilities to schools has not always been accompanied by the necessary capacity building, particularly in regard to working with children with disabilities.

- **Misalignment between the education system and labour market needs:** currently, there is lack of synchronization between the subjects and skills learned in school, and those that are necessary to succeed in life and to participate in the job market. This creates a significant barrier to social inclusion efforts in Kosovo.⁹⁷ Two main issues affect this process in Kosovo: 1) programme orientation in educational institutions is not aimed at job market needs, without any comprehensive research conducted to assess those needs; and 2) inadequate teaching methodology, especially at the secondary and higher education levels, and lack of practical programmes (as opposed to pure theoretical ones) produce weak results in preparing the future work force. The importance of this issue cannot be overstated. Together, the labour market and the education system are the two primary determinants of Kosovo's future.

3.3 Who is affected by exclusion from education?

To a greater or lesser extent, all of Kosovo's poor, disabled and minority children suffer degrees of exclusion from education. This analysis seeks to pin-

point these groups more precisely, in order to identify potential mechanisms for their inclusion.

(i) Children with special needs: according to OECD research based on comparative country analysis, in order to equip disadvantaged students with equivalent learning means, even in cases of severe disabilities, they should be educated in mainstream schools rather than in separate institutions.⁹⁸ The education of Kosovan children with special needs, as in many countries in the region, has historically been a neglected area. Prior to 1999 and immediately after the armed conflict, children with special needs were either accommodated in the small number of special schools, or were unable to attend school at all. The policies and practices of classification and placement of students with special needs were based mostly on the medical model of disability and did not encourage inclusion. In some cases children with minor disabilities were enrolled in mainstream schools without any special accommodations made for their educational needs.⁹⁹

Despite the current legislative progress, children with disabilities continue to have a high percentage of exclusion in education. The barriers to social inclusion that children with disabilities face are poverty, lack of resources and aid, lack of transportation to and from educational facilities, cultural attitudes, lack of special training for teachers, and absences of appropriate infrastructure.¹⁰⁰

As a result, only 10 percent of children with disabilities are enrolled in mainstreamed schools.¹⁰¹ The success of 'mainstreaming' some groups of chil-

An important issue is that even if laws exist, they are not necessarily applicable to disabled people, e.g. the law on Education. The Municipality doesn't provide access for people with disabilities; even schools do not have the necessary capacities to provide us with needed access. I am not even talking about special restrooms and lifts, which are nonexistent.

Disabled participant of a focus group

dren with special needs and reducing the amount of segregated schooling could be challenged when there are no special budget allocations to support inclusion of these groups. In total, 909 children with special needs enrolled in the school system in 2009/10 (up from 508 in 2002). Of these, 57 percent are in special classes in mainstream schools and 43 percent in special schools. Most of the children have intellectual disabilities. Gender inequalities are high with girls accounting for only 35 percent of the total.

(ii) Minority children: grave inequalities persist in access to education among ethnic groups. In 2005, almost all Kosovo-Albanian and Kosovo-Serb children were enrolled in primary school. By contrast, only 77 percent of children aged 7-14 among other ethnic groups (RAE, Turk, Bosniak, Gorani, and others) attended schools. Registration for girls among these groups was even lower - at 69 percent.¹⁰² Children from non-Serb ethnic minorities also spend less time in education than their counterparts. According to the UNDP Mosaic Survey (2009), Kosovo-Albanians have spent an average of 11.5 years in education, Kosovo-Serbs 11.2 years, and other minorities just 10.6 years.¹⁰³

Of all ethnic groups, Kosovo-RAE children face the most complex barriers to inclusion in education. Kosovo-

RAE students constituted a mere 1.43 percent (6,523 students) of total school enrolment in elementary and secondary schools in 2009 (MEST 2010). One quarter of all Kosovo-RAE children do not attend primary school at all, and two thirds or more (78 percent of girls and 62 percent of boys) are not in secondary school. Only 1.4 percent of Kosovo-RAE women and men attended or have finished high school and a tiny minority have completed or even attended university.¹⁰⁴ Overall, Kosovo-RAE children stay at school for the least amount of time and achieve academically less than other ethnic groups. As a result, more than 16 percent of Kosovo-RAE do not read or write. Illiteracy is more common among Kosovo-RAE women (25 percent) than men (8 percent) and is a result of significant drop-out rates for Kosovo-RAE girls.¹⁰⁵

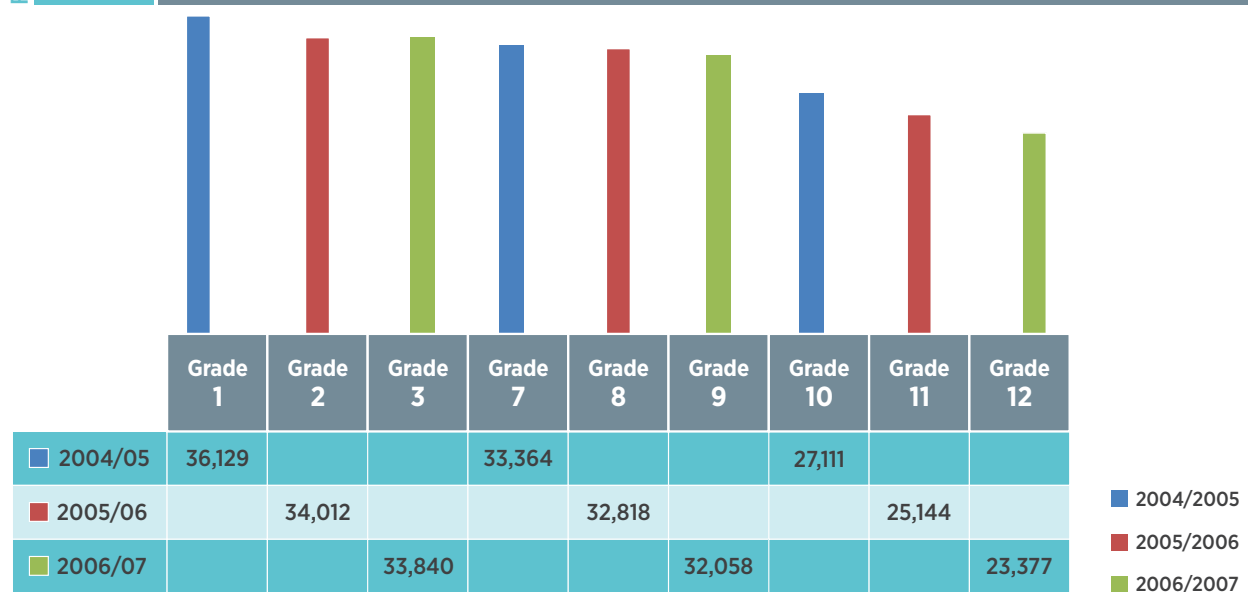
The barriers to inclusion in education for the Kosovo-RAE are exacerbated by problems of with civil registration. More than 10,000 out of the estimated 30,000 members of Kosovo-RAE community in Kosovo are estimated to be unregistered. This directly affects their access to basic documentation, public services and education.¹⁰⁶ Other barriers include poverty and cultural traditions, where poorly educated parents are unable to provide effective support and encouragement for their children's schooling. Language is a sensitive but critical issue; Kosovo-RAE children often attend schools in the Serb parallel system or in the Kosovo formal system depending on their place of residence and mother tongue. This is a huge disadvantage for Kosovo-Roma children, since many of them speak Romani at home.¹⁰⁷

Other ethnic groups also find their ethnic identity a barrier to quality edu-

cation. Within the Kosovo curriculum, the right of Kosovo-Bosniak and Kosovo-Turk students to be educated in their mother tongue education ends at primary school-level. Kosovo-Albanian students in northern Kosovo have access to primary education in their mother tongue, but have no support from their municipalities. Kosovo-Serb majority municipalities in northern Kosovo do not support transportation of Kosovo-Albanian students to and from schools.¹⁰⁸ Because of security reasons, children whose families cannot afford private transportation receive education in temporary, inadequate school facilities that lack even the basic conditions for learning.¹⁰⁹

(iii) Girls, especially those residing in rural areas: there is a growing tendency among young people to leave school before completing basic education. This compromises their future opportunities for human development. Estimates suggest that 33 percent of students drop out of school for economic reasons, which directly link to poverty. In addition, 15 percent of them drop out of school because they join the workforce in order to generate income for a living. This is more emphasized in rural areas.¹¹⁰

Girls are particularly at risk in this regard. Inclusion of girls in education is affected by numerous factors, such as traditional views on the role of women, poverty, and distance to schools. As a result of high drop-out rates among girls, in 2003, the ratio of girls to boys enrolled in primary school was 0.89. This is lower than the girls/boys ratio in any other transition country in Europe (0.94 was the average). At the secondary level, the girls/boys ratio declines further to 0.87 (grades 6-9) and 0.82 (grades 10-12).¹¹¹



Source: MEST, 2008

Figure 3.2 shows a decrease in the number of students in three levels: from grades one to three, grades seven to nine, and grades ten to twelve. The level of school drop outs from grades one to three is 6.3 percent, from grades seven to nine is 3.8 percent, and from grades ten to twelve is 13.8 percent. On a gender scale, boys drop out more frequently in the first five years of primary education and between their 10th and 12th years of schooling, while between grades six and nine, the drop-out rate is approximately the same in terms of gender parity.¹¹²

Over the past two years, there has been a large increase in the number of girls who have dropped out of school at both the primary and lower secondary levels. Male students, on the other hand, have seen a reduction in drop-out rates. Furthermore, girls, over the aforementioned time period have exhibited a lower than average transition rate from lower to upper secondary education when compared to that of boys (80.4 percent vs. 89.7 percent).

The culture of exclusion for girls does not end at school. As in many countries in the region, women are over-represented at the university level in specific academic fields that usually prepare graduates for lower paying jobs.¹¹³ For instance, there were 20,816 (50.6 percent) female students enrolled at the University of Pristina in 2008/2009. Proportions of female students vary by field of study, with the largest attending courses geared towards teaching: education (73.1 percent), philology (69.7 percent), and philosophy (58.8 percent). The smallest proportions of females were enrolled in mechanical engineering (15.7 percent), applied sciences (18.5 percent), electrical and computer engineering (27.3 percent), and civil engineering and architecture (25.8 percent).

(iv) Children in poorer municipalities: at the municipality level, key differences in historical trajectories, demographic factors, distribution of natural resources, fixed assets, institutions and traditions of education strongly affect the educa-

tional outcomes of inhabitants. As a result, mean years of education vary in Kosovo from municipality to municipality. When comparing mean levels of education between municipalities, there is a significant difference of 2.2 years between the lowest mean (Lipjan/Lipjane, at 10.1 years) and the highest (Prizren, at 12.3 years). Other municipalities with low mean years of education are Novobërdë/Novo Brdo, Fushë Kosova/Kosovo Polje, Hani i Elezit/Djeneral Janovic, Malishevë/Mališevo and Rahovec/Orahovac (for details see Table 3.1 below).

row. On the contrary, however, failing to provide these young people with quality education and the necessary skills for tomorrow's market needs is preparing to fail Kosovo's overall development prospects. Therefore, education is a public imperative - not only for social inclusion, but also for Kosovo's development prospects.¹¹⁴

Every country finds the road towards inclusive education paved with obstacles, including EU member states. Approaches must be country-specific and reflect national priorities. However, all must start from the same point: with changes to policy vision that can be mainstreamed into the whole education system. Specific interventions addressing one disadvantaged group or another cannot be effective in the long run. These recommendations are therefore based on the assumption that positive changes towards more inclusive education can happen if key actors in the process, including civil society and socially excluded groups themselves, are well prepared, have the necessary knowledge and motivation and the full support of Kosovo's authorities and development partners.

3.4 Promoting inclusion in education – policy recommendations

Kosovo has a limited demographic window of opportunity. Half of its population is under the age of 25. Armed with quality education, this generation of young people could serve as the economic engine of Kosovo tomor-

TABLE 3.1 Mean years of education by municipality

Municipality	Mean	Municipality	Mean
Lipjan / Lipjane	10.1	Junik	11.4
Novobërdë / Novo Brdo	10.2	Klinë / Klina	11.4
Fushë-Kosovë / Kosovo-Polje	10.4	Glllogovc / Glllogovac	11.4
Hani i Elezit / Djeneral Jankovic	10.5	Skenderaj / Srbica	11.5
Malishevë / Mališevo	10.6	Leposaviq / Leposavić	11.5
Rahovec / Orahovac	10.6	Vushtrri / Vuçitër	11.5
Kamenicë / Kamenica	10.8	Suharekë / Suvareka	11.5
Obiliq / Obilić	10.9	Gjilan / Gnjilane	11.6
Gjakovë / Djakovica	11.1	Mamusha	11.7
Zveqan / Zveçane	11.1	Viti / Vitina	11.8
Shtime / Štimlje	11.3	Shtërpcë / Štrpce	11.9
Istog / Istok	11.3	Kaçanik / Kačanik	12.0
Dragash / Dragaš	11.3	Prishtinë / Pristina	12.1
Zubin Potok	11.3	Deqan / Deçane	12.1
Podujevë / Podujevo	11.4	Peje / Peč	12.1
Mitrovicë / Mitrovica	11.4	Prizren	12.3
Ferizaj / Uroševac	11.4	Kosovo	11.5

(i) Increase the accountability of the education sector at central and municipal levels to deliver on social inclusion

- **Develop inclusive and consultative implementation plans for unimplemented legislation:** Kosovo's education system needs comprehensive structural and capacity reform with a focus on implementation and community consultation. Each law concerning education needs a specially assigned budget, timeline, targets, indicators and monitoring strategy. These should be devel-

Kosova Education Centre (KEC) was involved in training over 15000 local teachers between 2000 and 2008 in various innovative, interactive and inclusive teaching methodologies, techniques and approaches with Reading and Writing for Critical Thinking (RWCT), Step by Step, Social Justice, and Education for Children's Rights taking central role both by quantity (programmes last between 5 and 15 training days) and quality (usually the interest for these courses exceeds the offer). During this period, over 130 local trainers have been trained in inclusive and related approaches.

Mapping Policies and Practices for the Preparation of Teachers for Inclusive Education in Contexts of Social and Cultural Diversity Country Report for Kosovo, 2009

oped by MEST in consultation with key stakeholders, including representatives of socially excluded groups themselves. Since implementation is a difficult and often secondary process in Kosovo, the international community should reframe its efforts towards ensuring that existing legislation for inclusive education can be operationalized in the real world.

- **Tailor budget allocations towards strategies to promote the included:** inclusion-sensitive budgeting is fundamental to the process of social inclusion in education. Strategies to encourage inclusion require special and sustainable allocations, delivered on time from central authorities and executed by municipal authorities. For example, the MEST could consider allocating more funds for transportation to address the needs of rural communities. When secondary school education becomes obligatory it will be very

difficult for rural students to fulfil this requirement as travel to the nearest city is time-consuming and costly.¹¹⁵ If these and other options to promote inclusion are given a reliable funding source, Kosovo could make visible inroads to overcome barriers to inclusion - particularly logistical barriers for children ready to attend - in a relatively short space of time.

- **Strengthen the evidence base for social inclusion, including through the next census:** the weak evidence base for education policies in general, and particularly for the impact of exclusion on education, undermines the strength of future policy options. A number of opportunities to strengthen the evidence base may be forthcoming, including the planned census. In addition, ministries responsible for the implementation of programmes supporting social inclusion may develop and implement targeted surveys to obtain disaggregated data on specific socially excluded groups. For example, for persons and children with disabilities a survey could be conducted to estimate the number of those whose needs are met, not met or partially met, broken down by demographic profile, level of income, education level, level of disability and ethnicity. There is also a need to conduct research to identify gaps in services provided to some marginalized groups that may not be addressed through nationwide sector-specific tools. At the same time, systematic training should be provided for public servants to better the use of available data in policy development, budgeting, implementation and monitoring.

- **Equip teachers with inclusion-sensitive skills:** teachers can make all the difference when it comes to encouraging attendance and preventing drop-out rates. Kosovo's teachers need to be equipped to support socially excluded groups in classrooms. Since 2000, many local and international organisations and institutions such as the United Nations Children's Fund (UNICEF), the Kosovo Educator Development Program (KEDP), Finnish Support to the Development of Education Sector in Kosovo (FSDEK), and the Kosovo Education Center (KEC) have supported MEST to provide training programmes for Kosovan teachers, including trainings on inclusion. It has become urgent now that this knowledge and new methodologies are applied in practice.
 - **Strengthen capacities at the municipal level when implementing decentralization:** concerted action must be taken to build management capacities in schools, and strengthen linkages between schools and communities (through NGOs and other parent-teacher style associations). Implementation of the Law on Education is hampered at the local level by the lack of adequate financial and administrative capacities in the municipal education directorates under a newly decentralized system.¹¹⁶ Decentralization can improve resource allocation and services provision by bringing decision makers and service providers closer to residents. It can also lead to a higher level of responsiveness and customization where local public servants develop and implement unique solutions to specific local problems. The decentralization of education management can provide a positive opportunity for an increased role of the community in remedying issues of social exclusion in the school system. However, the realization of these opportunities depends entirely on institutional capacity on the ground, and inter-linkages with communities.
- (ii) Promote and prioritize education among those unlikely to be included**
- **Develop financial and cultural incentives for education among the poor, families with disabled children and RAE communities – focusing on girls:** Kosovo's young excluded students require a comprehensive social mobilization strategy, backed by financing, to open their access to schooling. The financial and cultural barriers experienced by poor, disabled and minority children cannot be overcome outside the context of their communities and families. However, promotion of education in principle, without solutions to pressing issues of family poverty, the high price of transport, the need for children to supplement incomes etc., may also be ineffective. Special strategies are needed to encourage the attendance and retention of rural girls who, as a group, are the least likely to receive a quality education. In addition to widespread community behaviour-change strategies, policy options for financial support include providing allocations for targeted forms of student support such as scholarships and subsidies on canteen meals and living allowances. To raise additional revenues to cover these targeted programmes, schools may charge for elective studies and extra-curricular activities.
 - **Encourage early childhood learning institutionally and culturally:** Kosovo must instill a culture of early

learning in its legislative framework and social psyche. This step could have a wider impact than on school attendance alone. Preschool institutions can play a very important role in overcoming ethnic barriers, gender, and other typical exclusion criteria early on. Once legislation is in place to enshrine early childhood development strategies, implementation at a community level would include establishment of more preschool education centres, in particular in rural areas and small cities. Public-private partnerships are also important to support attendance of particularly vulnerable young children.

(iii) Strengthen linkages between the labour market and education strategies

- **Strengthen inter-ministerial cooperation for mutually-reinforcing social inclusion strategies:** social inclusion, integration and life-long learning are the main guiding themes in existing education strategies, but these strategies are insufficiently linked to the next life step – the working world. It is critically important to integrate the implementation of MEST’s strategies (including for vocational education and science and technology) with other institutional strategies promoting social inclusion. Measures to improve inclusion in education should be supported with measures in other sectors such as health services, social welfare, and employment services. Ministries and agencies involved in implementing activities promoting social inclusion could coordinate resource allocations, management actions, and policies addressing related matters.
- **Build work-life readiness into the curriculum:** Kosovo’s curriculum needs revision to align it with

the needs of the labour market – and public-private partnerships must be mobilized to strengthen the links with the labour market. High school students should be provided with an opportunity to experience hands-on learning and explore various career options to develop the essential skills and habits required in the workplace. Comprehensive vocational training schemes should be developed to foster the skills needed in the market economy. These schemes can include students, the recently unemployed and low-skilled young jobseekers. Vocational schools and various apprenticeship programmes could also be supported under this initiative.

- **Implement a set of measures to promote lifelong learning:** with rapid change and constant requirements for new knowledge, few people now believe that an initial formal schooling or apprenticeship is an adequate preparation for a working life. Life-long learning has come to be widely acknowledged as an essential component of human development. This is illustrated in a recent EU-funded report Principles and

In Switzerland, the appropriate infrastructure exists in buildings to allow free movement and access for people with disabilities. Additionally there are toilets and special lifts for people with disabilities. I came back to Prishtinë/Prishtina when I was 11 years old, and I tried to register at the school. The director of the school personally rejected me. Although I eventually managed to register myself in another school, I was faced with a lot of problems regarding the acceptance of pupils in their friend circle. I didn't want to be treated differently than the other students, so I took all of the required tests and finished the school successfully despite the daily difficulties I encountered in my class. There is no access to schools for people with disabilities; such access is nonexistent in all Kosovan schools, as far as I know.

Disabled participant of a focus group

Operational Guidelines for the Recognition of Prior Learning (RPL) in Further and Higher Education and Training, which states, “[t]he concept of lifelong learning recognises that learning is not confined to childhood or the classroom (...) As such, it not only enhances social inclusion, active citizenship and personal development, but also competitiveness and employability.”¹¹⁷ Many of Kosovo’s adults desperately need such opportunities. Due to the years of instability in the country, their education has been disrupted. An effective political and economic transition in Kosovo requires people of all ages to obtain skills that will improve their ability to compete in the new economy.¹¹⁸ Currently, NGOs shoulder the primary burden for implementing remedial education programmes for adults and skill-

set training courses. These types of courses are currently made available to underserved communities, such as women, and ethnic minorities. Kosovo’s authorities must now take on this responsibility in a meaningful way, targeted at the most excluded groups and mindful of the particularly high generational and economic return on educating poor, excluded women.

- **Support the development of ICT skills:** to equip Kosovo’s future workforce, MEST should develop a programme allowing learners to develop Information and Communication Technologies (ICT) skills. Access to computers and internet facilities should be provided in public settings to help eliminate barriers to social inclusion outside the education sector.

Health care services and exclusion

4.1 The overall context and core health indicators in Kosovo

Living a long and healthy life is one of the key dimensions of human development and guaranteeing equal access to quality health services is a fundamental tool for achieving this aim. This goal is reflected in the Kosovo Constitution, which affirms that health is a fundamental human right. The Kosovo Health Law and specific health policies are guided by internationally recognized principles of equity, quality, solidarity and nondiscrimination, as well as sustainable and cost-effective financing. However, translating these principles into action remains a major governance challenge.

The concept of equity in health-care has emerged only within the last decade. During the 1990s, Kosovo experienced institutionalized discrimination (*de facto*, if not *de jure*), throughout the health care system. The repression of ethnic Albanians – both as health care providers and health care seekers – eroded the capacity of Kosovo’s authorities to ensure fundamental health rights. This weakened capacity remained present after the 1999 conflict. In response, the international community and the interim Kosovo authorities decided to introduce a new health financing system. The post-conflict health system

in Kosovo is largely tax funded from general revenue taxes. Other resources for the health sector are generated from the collection of copayments by patients¹¹⁹ and donor contributions.¹²⁰ Funds are transferred from the Ministry of Finance to the Ministry of Health, hospitals and municipalities in the form of earmarked health care grants for the provision of primary health care services. The MOH receives 22 percent of general funds for health, secondary and tertiary hospitals receive 51 percent, while municipalities receive the remaining 26 percent of health care budget allocations. On average, allocated institutional funds in recent years presented 9.2– 10.4 percent of the overall Kosovo budget.

Despite the challenges of revitalizing damaged health systems and networks, Kosovo’s overall demographic and health indicators have improved between 1999 and 2010. Life expectancy at birth, for instance, has increased from 67 years in 2005 to 69 years in 2008, while the perinatal mortality rate has decreased from 29.1 per thousand live births in 2000 to 19.3 per thousand live births in 2009.¹²¹ These improvements are not only a result of health care system reforms, but also a reflection of increased family income, stability, better education of the population on healthy life styles and many other factors.

Although these achievements are impressive, the health outcomes of Kosovans remain poor in comparison with neighboring Balkan and other European nations. For instance, Kosovans live on average 2 – 6 years less than citizens of neighboring Balkan countries and over 11 years less than citizens of the oldest EU member states (see Table 4.1). The main causes of death in Kosovo are related to cardiovascular diseases, followed by malignant diseases, and diseases of the respiratory system.¹²²

TABLE 4.1 Life expectancy at birth in selected European countries

Life Expectancy at Birth 2006 (years)			
Location	All	Female	Male
Albania	71	73	69
Bosnia and Herzegovina	75	78	72
Croatia	76	79	72
Montenegro	74	76	72
Serbia	73	76	71
Slovenia	78	82	74
Macedonia	73	76	71
France	81	84	77
Germany	80	82	77
Luxembourg	80	83	77
EU 15 Average	80.2		
Kosovo*	69	71	67

Source: WHO SIS (except for Kosovo* source SOK 2007); Life expectancy at birth by gender, check: <http://epp.eurostat.ec.europa.eu/tgm/table.do?tab=table&plugin=1&language=en&pcode=tps00025> (December 2010).

Due to the Ministry of Health (MOH) policies and interventions, the overall immunization coverage has improved tremendously, from a very low 19 – 40 percent coverage rate following the 1999 conflict, to above 95 percent Kosovo-wide in 2009. The highest coverage is for Bacille Calmette-Guérin and initial doses of Diphtheria-Pertussis-Tetanus and Oral Polio Vaccine (all at 97 percent) and the lowest coverage for Measles, Mumps and Rubella (93

percent).¹²³ As a result, morbidity rate of vaccine preventable diseases has decreased. There are no noted vaccine-preventable diseases such as poliomyelitis and diphtheria, and Kosovo was declared polio-free in 2002 (see Table 4.2). Due to successful routine and campaign immunization activities, there have been no measles epidemics registered in the last ten years in Kosovo. Incidence of tuberculosis has dropped as well, from 56 per 100,000 in 2004 to

TABLE 4.2 Number of cases of vaccine preventable diseases in Kosovo 2008/2009

Disease	2008	2009
Poliomyelitis	0	0
Parotitis	797	731
Measles/Rubella	19	27
Hepatitis B	95	102
Diphtheria	0	0
Whooping Cough	37	28
Tuberculosis	948	901
Tetanus	0	0
Total	1,898	1,789

Source: NIPH Annual Report 2009

43 per 100,000 inhabitants in 2009.¹²⁴

Other infectious diseases continue to be widespread in Kosovo.¹²⁵ In 2009, there were 115,999 reported cases of infectious diseases with a morbidity rate of 5,510 per 100,000 inhabitants. The most frequently reported diseases were acute diarrheal syndromes, which account for almost 43 percent of total morbidity followed by acute respiratory tract infections. In 2009, Kosovo faced the Influenza A H1N1 virus pandemic with 308 confirmed cases and 14 deaths caused by the virus.¹²⁶ HIV/AIDS is also a growing concern, despite a low prevalence rate. Between 1986 and 2009 there were in total 80 registered cases of HIV/AIDS in Kosovo (six newly reported in 2009), with 27 re-

ported deaths. However, Kosovo faces a number of risks including a growing rate of intravenous drug use, sex work related to crime, low knowledge and awareness about HIV and prevention methods, a stigmatized and discriminated MSM¹²⁷ community, a rapidly changing context of social norms, the presence of a large mobile community and a health sector that is struggling to respond.¹²⁸ These factors warrant effective multi-sectoral preventive interventions in the long run.¹²⁹

4.2 Mechanisms and drivers of exclusion from the health care system

As numerous examples from Central and Eastern Europe demonstrate, a strong legal framework is not sufficient to ensure access to health care and sustain improvements in health outcomes for socially excluded groups. In Kosovo, the drivers of health care exclusion are institutional, socio-cultural and environmental. They can be defined as:

(i) A health care policy and financing gap: unlike other sectors, where contemporary legislation has upgraded the inclusiveness of policy frameworks, the MOH and other health authorities have not accounted for the needs of particularly vulnerable groups during policy formulation. For instance, mobile groups, including Kosovo-RAE communities as well as Internally Displaced Persons (IDPs), are not allocated any special types of outreach services under the law. As a result, these groups struggle to access such basics as quality antenatal care and family planning services – leading to unplanned pregnancies and poorly-cared for babies.¹³⁰ In addition, Kosovo’s health care sys-

tem is poorly financed and its limited resources are not efficiently managed. Poor health financing is identified as one of the main factors contributing to poor health outcomes and inequalities in health care. The cost of health care in Kosovo is largely passed onto the patient.¹³¹

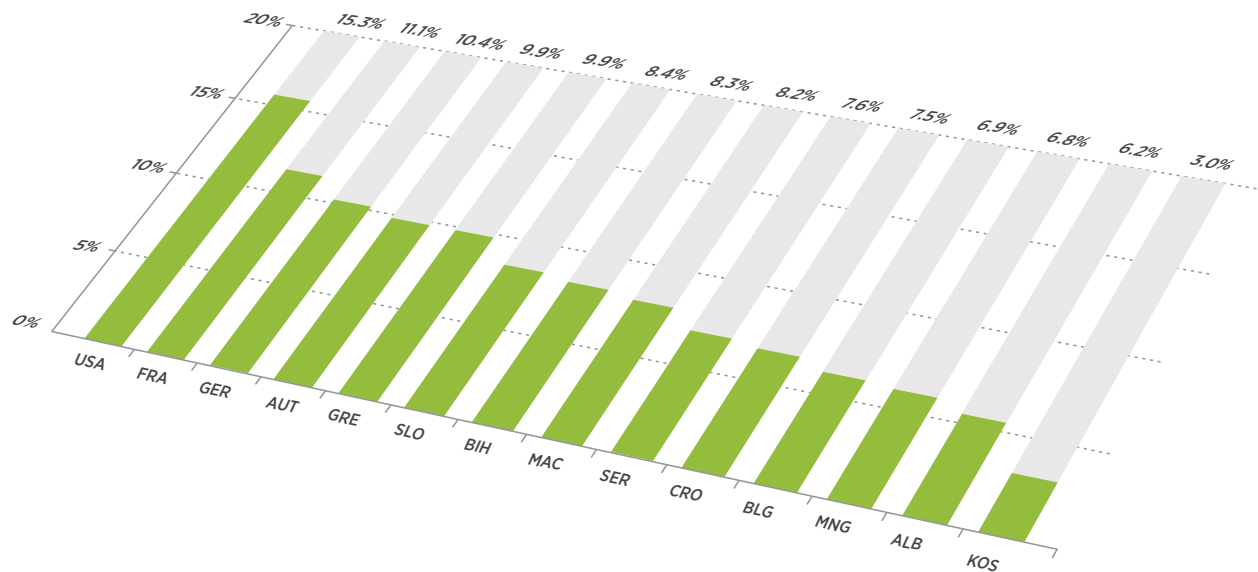
TABLE 4.3 Expenditures on health 2004-2009

	2004	2005	2006	2007	2008	2009
Kosovo expenditures on health (million EUR)	64.6	71.4	68.3	70.1	62.6	74.5*
Kosovo expenditures on health (percentage of GDP)	2.8	3.2	3.0	3.1	3.0	2.8
Kosovo expenditures on health (percentage of overall expenditures)	10.4	9.6	9.8	9.8	9.7	9.2
Primary health care grant (percentage overall expenditures on health)	28	25	26	27	26	26

Source: MEF; MLGA, SOK Kosovo Government Accounts 2004 – 2008; *MEF 2009.

In absolute terms, Kosovo’s allocation for health care remains relatively low, at 35 to 45 EUR (i.e., 50 – 75 USD) per capita, which is three to five times lower than that in neighboring countries. Based on the WHO Statistical Information System data for 2006, Albania allocates 174 USD, Macedonia 245 USD, Serbia 247 USD, BiH 258 USD, Montenegro 306 USD and Slovenia 1,599 USD per capita to health care.¹³²

(ii) Poverty and lack of social cohesion: poverty, social exclusion and health are strongly interrelated. Poor health can lead to social exclusion and poverty, while there are many ways in which living in a state of poverty and social exclusion can influence health outcomes. The World Bank estimates that 45 percent of Kosovans live in poverty and 18 percent in extreme poverty. In general, people with lower levels of education, occupation and/or income



Source: WHO SIS (except Kosovo source MEF 2008)

tend to have systematically higher morbidity and mortality rates.¹³³ Economically inactive men, for instance, have higher risks of premature death than those observed for employed men. Research over the last 15 years shows significant correlation between socio-economic status and health. On average, the more advantaged the individuals are, the better their health is – whether measured in terms of disease and mortality¹³⁴ or in terms of self-assessed physical and psycho-social health.¹³⁵ In Kosovo one third of the population has limited access to drinkable water and proper sanitation – with deprivation rising steeply among the poorest quintiles. The effect of poverty on exclusion is compounded by social fractures that prevent communities collaborating to improve universal health access. Kosovo's bitter inter-ethnic divides are one example, as Kosovo-Serbs refuse to seek services from health facilities run by Kosovo-Albanians, and vice versa.

(iii) Multiple challenges in accessing health care providers: Kosovo has

an extensive network of public health facilities, and the number of licensed and functional private health facilities is on the rise.¹³⁶ Over 80 percent of the population has access to some level of primary care within 10 minutes, and 99 percent within 20 minutes. However, the distance to a health care provider is not the only factor affecting inclusion. In UNDP's Kosovo Mosaic Survey (2009), the respondents were asked to answer the following question on health care: On the last occasion you needed to see a doctor or medical specialist, to what extent did each of the following factors make it difficult for you to do so?

1. Distance to doctor's office/ hospital/ medical centre;
2. Delay in getting appointment;
3. Waiting time to see doctor on day of appointment;
4. Cost of seeing the doctor; and
5. Cost of buying medicines.

The largest proportion perceived that they had to overcome all five factors to access the necessary health care. As Table 4.4 demonstrates, men experience

the same levels of difficulties as women in accessing health care services.

(iv) Lack of public health information:

good health is an outcome of good health awareness as much as good medical treatment. However, in Kosovo, health information – particularly in the field of nutrition – is not so easy to source. Good health nutritional information is particularly critical for women who are pregnant or raising young children. Unfortunately, Kosovo has not mobilized its resources to enable this vulnerable group to make critical choices about lifestyle, health, food and supplementation. Kosovo’s low rate of exclusive breastfeeding, for example, as well as the widespread prac-

tion in the public domain is often not sufficiently targeted towards those that need it most. This is despite clear evidence that the right information on nutrition combined with concerted supplementation and fortification efforts can make a tremendous difference to dangerous nutritional deficiencies. In 2001, for example, iodized salt was available to only 84 percent of households, and only 51 percent of pregnant women and young children showed normal values of urinary iodine excretion. In 2007, after a major public information campaign, 95 percent of families were using optimally iodized salt and 95 percent of pregnant women and children had urine iodine excretion meeting most

TABLE 4.4 Factors that constrain access to health care, by gender

		Gender		
		Male	Female	Total
<ul style="list-style-type: none"> • Distance to doctor’s office/ hospital/ medical centre; • Delay in getting appointment; • Waiting time to see doctor on day of appointment; • Cost of seeing the doctor; and • Cost of buying medicines. 	no factors	15.4%	15.1%	15.2%
	1 of the factors	17.3%	18.2%	17.8%
	2 of the factors	17.3%	17.2%	17.2%
	3 of the factors	13.4%	13.3%	13.3%
	4 of the factors	9.3%	9.5%	9.4%
	All the factors	27.3%	26.7%	27.0%
	Total	100.0%	100.0%	100.0%

Source: Kosovo Mosaic Survey, UNDP 2009

There is no health insurance for people with disabilities. All necessary treatments need payments as there are no such supplies provided by public health facilities. The social assistance from government is very low to help with access to health care.

Disabled participant of a focus group

tice of smoking during pregnancy and smoking around young children, speaks to a clear lack of knowledge throughout the population. Informa-

international standards for elimination of iodine deficiency. However, action on one nutrient alone is not enough. As things stand today, many women still die while giving birth to their babies in Kosovo. In 2008, there were 12 reported cases of maternal deaths in Kosovo.¹³⁷

(v) Environmental degradation:

environmental degradation is widespread in Kosovo – a consequence of pollutants, a weak waste management system, rampant and irresponsible

construction and neglect and abuse of natural resources.¹³⁸ Kosovo also has the highest incidence of lead contamination in the world. Outdated farming techniques and rapid deforestation for construction purposes are causing extensive damage to arable land and Kosovo's vulnerable forest areas. Industrial pollution in cities is very high: use of lignite coal ejects 25 tons of ash into the air every hour – 74 times higher than European environmental allowances.¹³⁹ Waste management programmes for industrial waste from major facilities such as the Trepça Complex are unable to cope with the sheer volume of contaminants. Information systems that might alert communities and mobilize a response are also largely absent. As a result, Kosovans are mostly their own worst enemies on the environmental front – contributing to widespread waste, littering the land and causing health damage to themselves and their families through heavy smoking. Those most vulnerable to health consequences from Kosovo's environment are the poor and ill-informed, and women and children without the influence and resources to change their environments. For example, UNICEF estimates that 60 percent of schools do not have access to safe drinking water and rely on water from wells which is often contaminated - affecting children's growth and learning and contributing to a cycle of exclusion.¹⁴⁰

(vi) Absence of specialist services: for all but the wealthiest Kosovans, accessing specialist health represents an enormous challenge. Kosovo lacks specialist cardio-surgery, oncology and some tertiary treatment and diagnostics services. Most patients have to travel outside of Kosovo, mainly to neighboring countries

such as Macedonia, Serbia, and even Turkey. Despite the lack of reliable data in this field, the MOH has reported spending several million EUR every year to support treatment of Kosovans abroad. In 2010 alone, the MOH allocated 2 million EUR from its budget for this purpose.¹⁴¹ For the period from January to June 2010 the MOH received 582 applications for treatment abroad, out of which 293 were supported by the MOH and went to treatment, while others are in the process or on waiting lists.¹⁴² Funds for treatment abroad are often exhausted by mid-year, leaving patients unfortunate enough to fall sick in quarters three and four without options.

4.3 Who is affected by healthcare exclusion?

(i) Families unable to afford medical treatment:

a health care seeker in Kosovo today may be asked to find funds for copayment, prescriptions and medical devices, diagnostics and basic health services. Supplementary costs include travel to and from health centres, as well as private, "under the table" payments for medical staff to facilitate treatment. In total, these costs add up to 6 percent of average household budgets.¹⁴³ Several studies indicate that out of pocket payments for healthcare in Kosovo accounts for 40-60 percent of overall health expenditure.¹⁴⁴ Medicines are by far the greatest health cost-burden on families – 80 percent of Kosovo's pharmaceutical market (40-45 million EUR each year) is financed through out of pocket payments.¹⁴⁵ The UNDP Kosovo Mosaic survey shows that 74.8 percent of Kosovans find the cost of drugs is the biggest barrier

to healthcare. For many, it is simply out of reach. Costs vary dramatically by region. On average families pay the most in Rahovec/Orahovac (43.23 EUR per month), Zubin Potok (35.12 EUR) Malishevë/Malisevo (34.14 EUR) and Leposaviq/Leposavic (32.77 EUR), compared with Lipjan/Lipjane (11.45 EUR) Decan/Decane (12.45 EUR), Prizren (15.00 EUR) and Prishtinë/Prishtina (16.81EUR). Municipalities with poorer access to drinkable water and sewage system tend to spend more on drugs. Families in the Rahovec/Orahovac municipality who do not have access to tap water spent over 100 EUR per month to purchase drugs, five times more than families that have access to tap water (20 EUR per month). Travel costs are equally variable by region. Those living in poor, rural and mountainous municipalities find it much more expensive to travel to medical centres than their urban-dwelling counterparts. The rural poor – with the least resources and perhaps the greatest medical needs – therefore carry the highest medical cost-burden.¹⁴⁶

(ii) Vulnerable age groups: although exclusion is not a function of age when it comes to health, certain age groups suffer particularly severe consequences if excluded from health care by other factors (such as poverty or distance). Young people without access to health-protecting services and information, for example, are developing life-long health problems. Smoking is perhaps the most widespread of the health challenges faced by the young – with little action from authorities and communities to protect youth or model

anti-smoking behavior. The promotion of a healthy lifestyle in schools has not become a top priority for Kosovo. The frail elderly are also at risk; with a monthly “pension” ranging between just 40-80 EUR per month, many are unable to afford medicines for chronic, age-related diseases. Women of child-bearing age suffer particularly when excluded from health information and services. Kosovo’s Nutritional Survey conducted in 2009 shows they are still not getting the nutrition they need, or giving the right nutrition to their children, despite the wide availability of food. Approximately 15.5 percent of school age children are stunted, or chronically malnourished, and 4.7 percent are severely stunted. Anaemia in school age children is at 15.7 percent, indicating a public health problem. Conditions for pregnant women are even worse. One quarter (23 percent) are anaemic¹⁴⁷ (anaemia remains a leading cause of maternal mortality worldwide).

(iii) People with special needs: people with disabilities and people living with chronic and malignant diseases also face significant barriers in accessing healthcare providers. Many people with disabilities live at or below the poverty line and have low levels of education (in part because many educational institutions remain non-accessible to them). As they are often unemployed, they depend on limited central and local authority resources to provide them with regular financial support, as well as the support of their relatives. In addition, most health care institutions remain physically inaccessible to many, making it impossible to assure them equal access to health services.

(iv) Residents of high-risk environments: one of the most important factors affecting health care outcomes is living in an environment with region-specific risk factors, such as soil, water and air pollution. The Mitrovicë/Mitrovica area, for example, is heavily polluted by lead and heavy metals, a product of its history as the largest lead production industrial area in Europe. Although lead production in Mitrovicë/Mitrovica was suspended in 2000 due to health concerns, communities living there must still deal with these environmental hazards and their negative health effects, in particular, elevated levels of lead in their blood. People affected with chronic lead intoxication, especially children, are at tremendous risk of a lifetime of developmental and behavioural disabilities and other adverse health conditions. If not relocated from the camps and treated immediately, these children face high risks of having neurological disorders, anemia, kidney problems, convulsions and fainting spells, bleeding gums and learning disabilities throughout their lives.¹⁴⁸

According to a WHO assessment of the Mitrovicë/Mitrovica region in 2004, 25 percent of all children aged two to three years had elevated (>10 mg/dl) Blood Lead Levels (BLL). WHO found that BLLs were even higher among the Kosovo-RAE communities living in three camps for internally displaced persons (IDPs) which had been established in the highly lead-contaminated area of Northern Mitrovicë/Mitrovica. The BLLs of the blood samples collected in 2004 from the Kosovo-RAE children in these three camps, Cesmin Lug, Kablar and Zitkovac, indicated that all

children had BLLs higher than 65 mg/dl.¹⁴⁹ In 2007, the health conditions of the residents of these camps remained challenging, despite the resettlement of a majority of the Kosovo-RAE families to Osterode Camp. A study by the US Center for Disease Control and Prevention (CDC) in 2007¹⁵⁰ showed that 30 percent of children in Cesmin Lug and Osterode maintained high capillary blood lead levels requiring chelation therapy.¹⁵¹ A later 2008 study conducted by the Mitrovicë/Mitrovica Institute for Health showed that lead levels in 21 of 53 children measured were higher than the testing equipment could measure, while only two showed levels within the norm of 10 mg/dl.¹⁵²

(v) Kosovo-RAE communities: from the perspective of multiple deprivations, Kosovo-RAE communities are by far the most excluded from health care. The segment of this community still living in temporary camps and in suburban ghettos is most vulnerable of all. Specific barriers to health inclusion faced by Kosovo-RAE communities include high poverty and unemployment rates (limiting their ability to meet health costs) and low education levels and high school drop-out rates (undermining their ability to make the best available health and nutrition choices). Those living in the Mitrovicë/Mitrovica region face another, even more serious risk: heavy metal poisoning from lead contamination. A Kosovo-RAE female child living in a temporary camp in Mitrovicë/Mitrovica will be the least healthy, the least nourished and have the least access to health care of all Kosovo's children.

4.4 Promoting inclusion in healthcare – policy recommendations

Kosovo has taken steps to introduce much-needed health reforms. However, the health system as a whole still fosters inequalities and is not yet the positive engine of Kosovo's transition which it has the potential to become. Possible policy shifts to create a more inclusive and development-focused health system are:

(i) Prioritize and restructure health sector financing

- **Develop an “equity” focused health budget model and associated accountability indicators:**

Kosovo needs to raise its health budget as a proportion of GDP spending into alignment with other EU countries. This re-alignment should be completed at central and municipal levels from an equity perspective, i.e., implementing a complete legislative and policy review to match increased financing with under-financed excluded groups. Key areas for policy review and increased institutional support include drug costs for the poor, elderly, pregnant women and children, outreach health services for remote areas, health information services to youth and women (including implementation of anti-tobacco legislation) and excluded groups, and particular support for communities suffering as a result of environmental hazards (focusing on Kosovo-RAE communities). Effective resource allocation models and their subsequent implementation depend entirely on consultation with the groups concerned. Realistic accountability strategies also need to be strengthened from the current haphazard system.

- **Revise and pass an inclusive Law on Health Insurance:** in April 2006, Kosovo introduced a Health Insurance Law, which aimed to introduce a health insurance model

We get 45 Euros per month. I definitely think that this contributes additionally to our exclusion. This amount of money isn't enough to even cover our medical therapy.

Disabled participant of a focus group

of financing health care through payroll taxes. Following analysis this law was turned back for revision. The new and revised Law on Health Insurance is in the current legislative agenda of the Ministry of Health. It has been submitted to the Prime Minister's Office for further refinement before resubmission to the Kosovo Assembly. The new law aims to implement the health insurance model in addition to the existing tax based system and foresees additional schemes to pool resources in order to increase the revenue base for the health sector. It is critical to balance this law with mechanisms to prevent over-emphasis on choice and efficiency at the expense of equity and solidarity for socially excluded groups. Such mechanisms could include decentralization of implementation, de-monopolization of provision and supporting tailored municipal level approaches.

- **Introduce greater control mechanisms and targeting into drug markets:** drug subsidies and distribution channels should be increased, with greater monitoring and accountability mechanisms attached. This would have a measurable impact on access to essential drugs for the most socially excluded groups such as the elderly with low

incomes, pregnant women and new mothers among the Kosovo-RAE and other low-income groups.

(ii) Tailor health information strategies to the most excluded, working at local level with other sectors

- **Implement locally-targeted public health campaigns:** since health exclusion has many very specific local manifestations, local health mobilization and information campaigns should be developed to increase health promoting and health seeking behavior, as well as improving the quality of service delivery. Health information systems must be developed in such a way that socially excluded groups can both participate in their propagation and absorb critical facts. Municipal-level campaigns should ideally be cross-sectoral, conducted in partnership with other local authorities (for example, Environment and Spatial Planning, Labour and Social Welfare and Education, Science and Technology), and other non-traditional partners including the private sector (e.g. industry, coffee houses, hairdressers etc) and civil society.
- **Focus on preventative care:** more funding should be allocated for preventive health care programmes where high-risk groups are identified, in order to improve health outcomes and reduce costs in the long-run.

(iii) Earmark special programmes for the excluded

- **Develop special health projects**

specifically for and with poor and rural women, children, youth and Kosovo-RAE: raising the basic health levels of these most excluded groups should be a development priority for Kosovo and all its international partners. Special projects should be identified to support their access to primary health care services, basic quality reproductive health care services, maternal and child health and nutrition services (particularly to increase exclusive breastfeeding, youth-friendly health services and emergency care). The MOH should also provide earmarked funding for projects targeting critical and chronic health problems – such as long-term lead poisoning among Kosovo-RAE families in Mitrovicë/Mitrovica – and provide more transfers to poor municipalities where health challenges are more significant.

- **Implement legislation for the disabled:** Kosovo should accelerate its implementation of the National Disability Action Plan for the Republic of Kosovo, 2009-2011 and report on its progress on an annual basis. Some priority areas that should be addressed include: implementation of additional health services for persons with disabilities to be included in the basic package of care (from early diagnostic to rehabilitation), provision of assistive devices for persons with disabilities and improving accessibility of healthcare providers.

Political participation and exclusion

5.1 Political participation and exclusion – the Kosovo paradox

Political participation is a key concept of both political science theory and political practice. A basic value of democracy, it defines the way in which trust is built and maintained between governance and the governed. As with any relationship, political participation implies active effort – from authorities, to provide fora for public opinion and demonstrate political responsiveness, and from society, to take advantage of opportunities for political expression and provide regular feedback, including at the voting booth. The healthiest democracies are those in which the degree of effort is proportionate and consistent between both sides, and the widest range of participation is supported.

“Without adequate levels of meaningful participation and representation, overall government performance and accountability will suffer, jeopardizing the establishment of an effective and responsive democratic system.”

UNDP Kosovo Human Development Report 2004

Although democracy is, by definition, the most participatory and representative of all political systems, it naturally produces a bias in favour of majority groups, norms and values. Those

with the greatest platforms for expression achieve the greatest representation in government. By definition, majorities have the most frequent opportunity to express their views and the greatest likelihood of generating a response. Inequality of representation and influence are, moreover, not “randomly distributed but systematically biased in favour of more privileged citizens – those with higher incomes, greater wealth, and better education – and against less advantaged citizens”.¹⁵³ This is a potential weakness of democracy, from the human development perspective. It requires corrective action by societies and governments, in the form of outreach to the socially weaker – often the poor, religious or ethnic minorities, people with special needs and, frequently, women.¹⁵⁴

Where such action is not taken, political exclusion is the result. As such, political exclusion and social exclusion are deeply connected and mutually-reinforcing.¹⁵⁵ Socially excluded individuals and communities are less likely to turn out to vote and to participate in non-electoral ways in decision-making processes.¹⁵⁶ Unable to make their voices heard, and unconvinced that authorities are interested in their opinions, they sink out of public debate. They become politically invisible – last on the list for decent housing, services, jobs and future prospects. In this way, nations undermine their own capacity and potential.

Kosovo’s record in this regard is strangely contradictory. Its legislation regarding political participation meets

the highest international standards. It is clear, transparent, accessible to the wider public and available online. Freedom of expression, the right of access to public documents, freedom of the media, freedom of gathering, freedom of association are all guaranteed constitutionally to every person equally.

The Constitution guarantees equal rights for all citizens to participate, to run for or hold public office, or to serve in government posts. There are no constitutional provisions that are likely to disenfranchise or otherwise disadvantage any voters. It is determined that “state institutions support the possibility of every person to participate in public activities and everyone’s right to democratically influence decisions of public bodies.”¹⁵⁷ It specifies that the exercise of public authorities in Kosovo shall be based upon the principles of equality of all individuals before the law and with full respect for internationally recognized fundamental human rights and freedoms, as well as protecting the rights of and encouraging the participation of all communities and their members.¹⁵⁸ It is further stated that no one shall be discriminated against on grounds of race, colour, gender, language, religion, political or other opinion, national or social origin, relation to any community, property, economic and social condition, sexual orientation, birth, disability or other personal status. Gender equality is ensured “as a fundamental value for the democratic development of the society, providing equal opportunities for both female and male participation in the political, economic, social, cultural and other areas of societal life.”¹⁵⁹

In addition to the Constitution, a number of other laws promote the inclusion of all citizens in political processes – for example, the right to access public documentation regarding

We, the people of Kosovo, determined to build a future of Kosovo as a free, democratic and peace-loving country that will be a homeland to all of its citizens; Committed to the creation of a state of free citizens that will guarantee the rights of every citizen, civil freedoms and equality of all citizens before the law.

The Kosovo Constitution

Kosovo’s institutions. According to the Law on Access to Official Documents,¹⁶⁰ “any habitual resident of Kosovo or any person who meets eligibility requirements for registration as a habitual resident of Kosovo, or any natural or legal person residing or having registered its office in Kosovo, has a right of access to documents of the institutions, subject to the principles, conditions and limits defined with Law”.

Equal political participation is also stipulated by Kosovo’s Laws on Gender Equality¹⁶¹ and Anti-Discrimination.¹⁶² These laws apply to all “natural and legal persons as regards both the public and private sectors, including public bodies, in relation to any action or inaction which violates the right or rights of any natural or legal person or persons to participation in public affairs, including the right to vote and be voted for”. Other laws ensuring political participation on equal terms, without distinction of any kind are the Law on Local Self Government,¹⁶³ Law on The Protection and Promotion of the Rights of Communities and Their Members¹⁶⁴, Law on Local Elections¹⁶⁵, Law on General Elections,¹⁶⁶ Law on Public Gatherings,¹⁶⁷ Law on Freedom of Association in Non-Governmental Organizations,¹⁶⁸ and the Law on Empowerment and Participation of Youth.¹⁶⁹

Despite such a well-developed legal framework guaranteeing and promoting equal political opportunities

for all Kosovans, the level of public participation in elections has declined in Kosovo since 2000 (see Figure 5.1 below). In line with previous chapters this speaks again to the profound gap between the adoption of these laws and their implementation. It also suggests a fracture of the trust that welds societies and governments into a democratic whole. Since political participation takes effort, it must be perceived as valuable and useful to the participant in some way. Clearly, political participation in Kosovo is failing this litmus test for a wide range of its citizens.

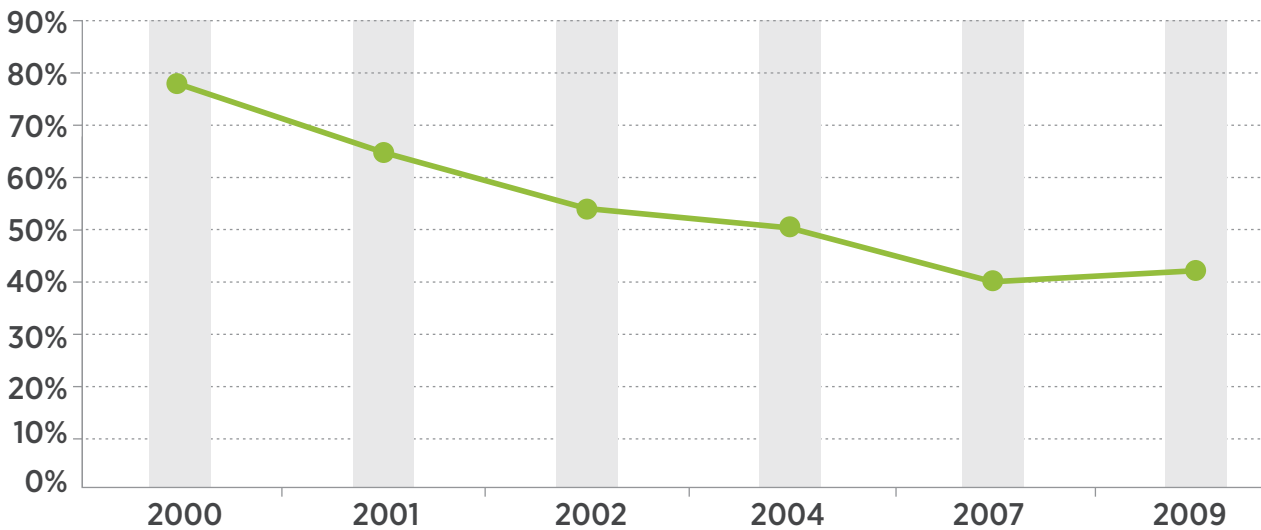
The figure below indicates how societies can move from a very inclusive political process to widespread political exclusion (including self-exclusion) in a short space of time. However, aside from general disenchant-

of political exclusion prior to 1999 has, ironically, made it even harder to adopt socially cohesive values implemented in Europe only after decades of peace and hundreds of years of statehood. This chapter examines some of the causes of Kosovo's socio-political fractures, in order to point at potential solutions.

5.2 Mechanisms and drivers of exclusion from political participation

Political exclusion is a more complex phenomenon in Kosovo than sectoral exclusion (for example, from health or education services). It is an expression of the perceived value of a right – enfranchisement, for example – as much as delivery of that right. It also

FIGURE 5.1 Turnout levels in Kosovo Elections 2000-2009



Source: Democracy in Action ¹⁷⁰

ment with the political process, Kosovo is also facing a severe test of will to realize legislative provisions designed to ensure the inclusion of minority – and even unpopular – groups in political dialogue.¹⁷¹ Kosovo's own history

relies much more heavily on social cohesion, and the cooperation between differing ethnic groups to choose politics as a forum for airing differences rather than opting instead for social isolation or ostracization. The primary

mechanisms of exclusion from the political process in Kosovo are:

(i) Lack of accountable implementation of laws promoting political reform: although Kosovo's legislation on political participation meets international standards, its slow implementation and poor monitoring have opened a significant credibility gap in public perception. There has been little accountability in the public process to determine whether laws are achieving their intended results and benefiting excluded groups. Impatience is perhaps one causative factor – the hurry to bring Kosovo into technical alignment with EU standards has raised expectations far beyond actual performance (a function in itself of low accountability) and also Kosovo's capacity to deliver results even where real and visible efforts are being made.

There have been only a few attempts to monitor the level of implementation of laws and policies. The 2009 European Progress Report for Kosovo underlined that despite the fact anti-discrimination provisions have been included in the

Yes, in a way we feel culturally excluded. The only activities that are organised for the disabled people in Kosovo are those that are planned by NGO's that we are part of. Also we would love to have a TV Programme once every two weeks dedicated to people with disabilities in Kosovo.

Disabled participant of a focus group

Strategy and Action Plan for Human Rights in Kosovo 2009-2011, equal access to housing, education, employment and social security has not always been respected.¹⁷² The Assembly of Kosovo failed to undertake serious actions to include citizens in decision-making.¹⁷³ The number of public hear-

ings organized by parliamentary committees was limited and unsuccessful in bringing together appropriate experts and citizens for discussion of specific issues.¹⁷⁴ The Assembly of Kosovo has to implement additional measures to fulfill the minimum standards on inclusion of citizens in the process of decision-making.¹⁷⁵

Kosovo's uncertain status is another factor underlying lack of governance accountability. Cooperation with human rights bodies is limited, since Kosovo is neither a member of the UN nor of the Council of Europe. Consequently, Kosovo's citizens do not have the possibility to lodge a complaint with the European Court of Human Rights against Kosovo's authorities. Regarding the promotion and enforcement of human rights, in December 2008, Kosovo approved the Strategy and the Action Plan on Human Rights for the period 2009-2011. However, the mechanisms to ensure its implementation are not yet in place. Some municipal human rights units are not operational, in particular in Kosovo-Serb majority municipalities that are reluctant to cooperate with the central authorities. The Ombudsperson institution has only limited oversight of Kosovo-Serb parallel structures.¹⁷⁶

(ii) A donor-orientated civil society: civil society is an important contributor to social cohesion. For a nascent democracy, NGOs are a source of vital experience, expertise and information. They serve as a practical and critical link between authorities and the more vulnerable and voiceless social groups and, at their best, promote the transparency and accountability of the decision-making process. Since 1999, foreign development agencies and private foundations have invested several millions of Euros in Kosovo's NGOs. As a result of outside financial support, NGOs proliferated. According to the latest statistics provided by

the Department for Registration and Liaison with NGOs, there are 4,917 local NGOs and 447 international NGOs registered in Kosovo.¹⁷⁷

Unfortunately, most of these NGOs have been unable to shake their dependency on donor funds. Therefore, most of them tend to be service-oriented - organized around short-term, donor-funded projects, and without strong constituencies. Moreover, most are temporary and tend to dissolve or become inactive after donor money has been spent. Few NGOs have attempted to continuously shape policy in support of the interests of particular constituencies, be they women, minorities, the disabled, or other marginal groups. While Kosovo has witnessed a boom in civil society, donor dependency casts doubt on the sustainability of current levels of civic engagement and of effective society constituencies.¹⁷⁸ The monitoring capacity of NGOs is limited and their participation in the legislation process is poor.

Without a strategic approach for their interaction with civil society organizations, Kosovo's authorities have been unable to play a much-needed role to strengthen NGOs and give them an institutionalized place in the policy process. As a result, the vulnerable groups some NGOs represent are only ever consulted in an *ad hoc* manner, if at all. Their link to the political sphere is inconsistent and ephemeral, and without visible result.¹⁷⁹ Social support for NGOs is also weak – a vicious cycle fuelled by perception that they are neither truly effective nor orientated in a reliable way to social needs. According to the UNDP Kosovo Human Development Report 2008, less than one third of Kosovans think that NGOs are open to public participation. As one of the roles of NGOs is to promote participation, this is a worrying statistic.¹⁸⁰

(iii) Limited independence and impartiality of media: over the past

few years considerable progress has been made to develop the media in Kosovo. However, securing a transition of the media from a source of entertainment to a European-style “fourth estate”, i.e., impartial watchdog and public platform, has not been easy. The news media is still a minority pursuit in Kosovo. The combined circulation of all daily newspapers is no more than 30,000, the lowest per capita figure in Europe. There are many reasons for the newspaper industry's predicament, such as poor distribution and poor reading habits.¹⁸¹ Moreover, the development of private television stations has been negatively affected by Kosovo's weak economy and correspondingly sluggish advertising revenues. As a result, many newspapers and television programmes depend for their continued existence on public sector advertisements and international donor aid.¹⁸² Strong concerns have also been raised by the general public about political influence on newspapers.¹⁸³ The Press Council and the Association of Professional Journalists of Kosovo have often complained of political interference in the work of the media. Documented cases of political intimidation call for more robust measures by the Kosovo authorities in order to ensure the freedom of expression.¹⁸⁴

Kosovo's weak media environment does not, therefore, serve as a platform for Kosovo's full social spectrum. Instead, it is a vehicle for the more privileged Kosovans – literate, middle class, educated and ethnic-Albanians. Voices to challenge governance *status quo*, or invite a broader public debate on behalf of minority groups, are largely absent or marginalized. A more inclusive media would be a strong step forward towards a more inclusive society.

(iv) Socio-cultural discrimination: Kosovo battles deep-rooted socio-cultural blocks to a wide-ranging

political dialogue. Some are a legacy of Kosovo's ethnically-fractured past. Ethnicized democracies (i.e., democracies where voting patterns are determined by ethnic identities rather than by political values) tend to be particularly hard for ethnic minorities to penetrate. Kosovo's enclaves are, in this way, isolated from a wider political process and ethnic minorities within the enclaves (for example, a Kosovo-Albanian in a Kosovo-Serb enclave) might struggle to participate on an equal footing at the local level. Kosovo's ongoing population movement is aggravating tensions between communities rather than resolving them, as families seek to resettle from areas where they are no longer wanted. Minority groups such as the Kosovo-RAE have for too long been seen as a threat to social unity, rather than an important and welcome part of social diversity. These ongoing divides threaten Kosovo's deeply cherished goals of a stable and prosperous future as a full partner at the European table.

a political system that has made much noise but shown little real determination to bring more fairness and opportunity to their lives.

Nearly a third (30 percent) of seats in Kosovo's central and municipal Assemblies are reserved for female members.¹⁸⁶ However, the reality of participation contrasts starkly with their legal rights. A bare one fifth (20 percent) of public administration jobs are held by women – only a marginal increase since 1999. Implementation of legislation promoting the role of women in political and economic spheres remains weak, without sufficient institutional accountability to provide the requisite budgetary support and oversight.¹⁸⁷ Gender equality officers have not been appointed in all ministries and gender equality committees have only been established in two out of 30 municipalities. The President of Kosovo appointed a woman as chairperson of the Central Election Commission (CEC) on 14 May 2009. However, the nine-member Presidency of the Assembly does not have a female member, and the President's seven-member Cabinet has only two women. Only two of the 13 committees of the Assembly of Kosovo were chaired by women. No woman sits on the 11-member Committee on Foreign Affairs. The Committee on Internal Affairs and Security and that on Legislation and Judicial have a single female member each. Overall, out of 144 members of various assembly committees, only 31 percent are women.

Representation of women is little better at the local level. Women held between 22 and 28 percent of the seats in each municipal assembly in 2009. No municipal assemblies were led by women, and only ten vice chairs

5.3 Who is affected by exclusion from political participation?

(i) **Women, particularly the rural poor:** the cultural norms that keep many women at home, without jobs (the unemployment rate for women is 55 percent compared to 39 percent for men), looking after children and often out of education mean that women struggle to assert their political rights.¹⁸⁵ Illiteracy rates are three times higher among women than among men. While the absolute numbers of illiterate people are decreasing, the rate remains unchanged for women. The apathy of the unrepresented applies particularly to the most excluded women; they must overcome exhausting cultural and family barriers before even reaching

were women.¹⁸⁸ In minority communities, none of the non-Kosovo-Albanian senior positions are held by a woman.

Perhaps most critically, women themselves do not feel equipped for political participation. The skills and capacities of many have been downgraded in a society that sees them primarily as home-makers. Where families exist in subsistence living – in the poorest

As a female with disabilities you are doubly discriminated against, especially when considering rural/urban biases. For example, in villages, women with disabilities are totally excluded from society.

Disabled participant of a focus group

Domestic violence, for example, is a widespread and serious concern.¹⁸⁹ As a result, participation in civic activities is lower among women than men. According to the Kosovo Mosaic Survey 2009 data, 35.5 percent of female versus 40.6 percent of male respondents participate in politics (voting and political participation). Only 15.2 percent of women participated in political parties or political groups' actions in contrast to 19.2 percent of men. Only 11 percent of women contacted a politician or public official in comparison to 13 percent of male respondents who have done so. Around 16 percent of female respondents attended a public debate in comparison to 18 percent of male respondents.

TABLE 5.1 Gender breakdown of decision-making position-holders in Kosovo

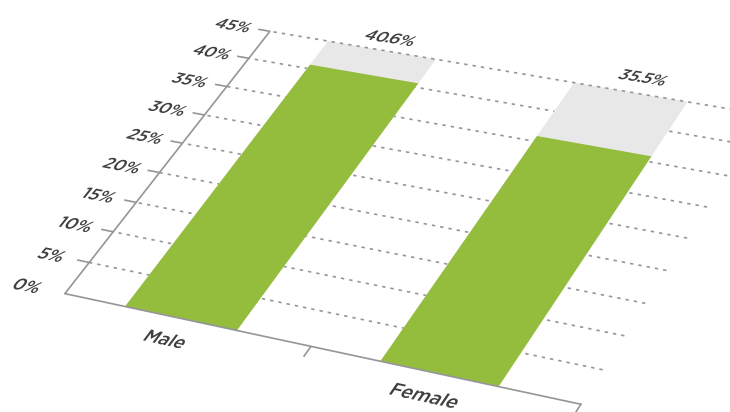
	Total	Women	Men
Ministers	18	2	16
Permanent Secretaries	18	2	16
Members of Parliament	120	35	85
Chairs of Parliamentary Committees	16	2	14
Mayors	36	0	36
Members of Municipal Assemblies	1836	459	1377

Source: Centre for Research and Gender Policy, 2010 (CRGP)

rural areas – illiteracy rates for women are unacceptably high and the burden of work precludes their focus on political activism. Most are unaware of their rights. Far too many live in a climate of fear which stifles their potential.

(ii) Young people: Kosovo's large young population is becoming increasingly disconnected from the political process: nearly 30 percent of 18 to 24 year olds have never voted, compared to 23.4 percent of the general population. Political disenchantment figures strongly in their lack of interest. One third (33 percent) of young non-voters feel excluded from the political process, compared to 25 percent of all non-voters. A UNICEF poll of youth opin-

FIGURE 5.2 Percentage of respondents who vote and participate in public and municipal meetings, by gender



Source: Kosovo Mosaic Survey, UNDP 2009

ion in 2010 indicates that youth feel largely ignored by decision-makers, with only 5.5 percent certain that their voices are heard by those in authority.

Youth activism is stifled in part through lack of institutional organization. In 2010, there were 13 active youth centres in Kosovo. Half of them lacked basic facilities and resources that would

ty groups in the political process, or making efforts to overcome self-exclusion. Exclusion is particularly rife among two ethnic groups: Kosovo-

TABLE 5.2 Voting patterns by age group

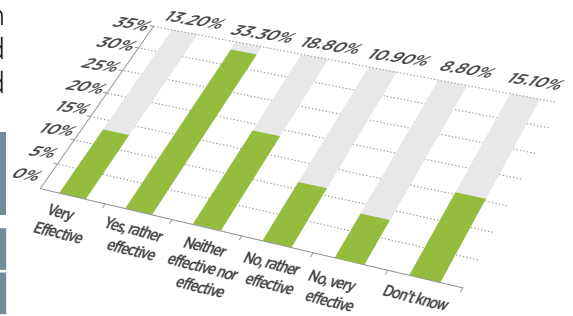
	% Voting			
	Age Group			Total
	18-24	25-45	>45	
I didn't vote	29.8	17.9	27.1	23.4
Didn't attend municipal public meeting	95.4	90.5	88.7	91.3

Source: Kosovo Mosaic Survey, UNDP 2009

allow them to function. Since the Ministry of Youth, Culture and Sports was established only about five thousand young people have benefited directly, out of a population of approximately 1 million under the age of 25.¹⁹⁰ And yet, the desire to believe in the political process is still evident. The proportion of young people who feel there is little point in voting is still outweighed by those who believe that voting serves some purpose (19.7 percent versus 46.5 percent). A UNICEF survey of youth opinion in 2010 noted a distinct correlation between belief in the political process and ethnic identity, i.e., Kosovo-Albanians has the greatest faith in the process and Kosovo-Serbs the least. Similarly, boys were given much more opportunity than girls to participate in after-school activities that might allow political engagement and youth activism to flourish. A girl's safety, reputation and housework were prioritized by families over her political engagement.

(iii) Ethnic minorities, particularly those without civil status: Kosovo has a poor record of including its minori-

FIGURE 5.3 Youth belief in effectiveness of voting to improve the country (15-24 years old)



Source: Unleashing Change: Kosovo Voices of Youth, UNICEF 2010

Serbs and Kosovo-RAE communities. Both groups are institutionally excluded and self-excluded. The overwhelming majority (86 percent) of Kosovo-Serbs did not vote in the 2007 elections.¹⁹¹ In the local elections of 2009, the number of voters among the Kosovo-Serb population increased. For these elections, 22 Kosovo-Serb political entities were certified and participated in 17 Kosovo municipalities, including the three municipalities in northern Kosovo – Zvecan/Zvecane, Leposaviq/Leposavic and Zubin Potok. However, there was no Kosovo-Serb turnout of voters in northern Kosovo. This boycott was partially ascribed to intimidation and threats by Serb parallel security forces and the mobilization of Kosovo-Serb radical political forces against the elections - and also lack of a credible Kosovo-Serb political entity participating in the elections.¹⁹²

The degree of Kosovo-Serbs' exclusion from political processes is reflected in their assessment of how mayors perform. Asked about their satisfaction

with the mayor and his job, two thirds of Kosovo-Serbs answered “somewhat dissatisfied” (33 percent) and “very dissatisfied” (21 percent) compared to just one fifth of Albanians. In terms of their satisfaction with the municipal administration, most Kosovo-Serb respondents again fell into the “somewhat dissatisfied” (34.5 percent) and “very dissatisfied” (27 percent) brackets.

K-Serbs’ dissatisfaction with political processes is confirmed by data from surveys exploring the reasons about why people consider emigrating from Kosovo. Whereas most Kosovo-

ethnic minorities sharing similar views), more than half of Kosovo-Serbs would wish to escape a disliked political status (52 percent).

The exclusion of ethnic minorities is most typified by the virtual absence of representatives of Kosovo-RAE communities in political life. The proportion of RAE holding political office is 8 percent of the rate among other ethnic minorities. Their exclusion has both a cultural and economic basis. Approximately half of RAE are classed as poor, a relatively high proportion (70 percent) are

TABLE 5.3 Satisfaction with the mayor’s performance, by ethnicity

	How satisfied are you with the mayor and his job?				
	K-Albanian	K-Serb	K-RAE	Other	Total
Very satisfied (%)	18.9	7.2	9.4	8.7	17.4
Somewhat satisfied (%)	58.2	26.9	43.8	67.5	54.9
Somewhat dissatisfied (%)	13.2	32.9	18.8	18.3	15.5
Very dissatisfied (%)	7.0	21.1	6.3	3.2	8.5
Refuses (%)	0.8	4.8	9.4	0.8	1.2
Don’t know (%)	1.9	7.1	12.5	1.6	2.5
Total (%)	100.0	100.0	100.0	100.0	100.0

Source: Kosovo Mosaic Survey, UNDP 2009

TABLE 5.4 What would be the reason for your emigration?

	Ethnicity		
	K-Albanian	K-Serb	Others
Unfavourable economic situation in family (%)	55.2	20.0	62.9
Joining the family (%)	4.9	8.0	9.7
Better economic opportunities abroad (%)	28.8	12.0	17.7
Dissatisfaction with the current political situation (%)	3.1	52.0	4.8
Something else (%)	1.8	0.0	0.1
Don’t know (%)	6.1	8.0	4.8
Total (%)	100.0	100.0	100.0

Source: Early Warning Reports, October 2007 to January 2009 and Faton Bislimi, Newborn Kosovo: Some Development and Public Policy Challenges, VICTORY University College - Pristina, Kosova Jalifat Publishing Co. - Houston, Texas, USA, June 2008.

vo-Albanians see emigration as a route to better economic opportunity (84 percent) and less than 3 percent cite politics as a reason to leave (with other

uneducated over the age of 12, up to one quarter of women are illiterate and only 42 percent are employed compared to 50 percent of all Kosovans. The

complex history between Kosovo-Albansians and Kosovo-RAE, their frequent population movements, strong internal ethnic bonds and common language have also precluded efforts to integrate them into Kosovan society. In some areas they are tolerated, in others they are discriminated against. In very few places are they being supported, consulted and represented.¹⁹³

Lack of civil status complicates political inclusion for RAE, up to one third of whom are not registered at birth and do not have any civil documentation. Although RAE are not the only community affected by lack of civil status (which violates a basic human right and puts individuals at risk of statelessness), they are certainly among the most vulnerable without significant recourse to broader legal and civil support networks. Kosovo's IDPs, many of whom are ethnically RAE, face equally high barriers to political representation and participation. Returnee families, particularly those re-settling into areas where they are ethnic minorities, have faced hostility from neighbours and struggle to achieve inclusive and fair political representation at the local level. These issues, representing ongoing fallout from Kosovo's decades of repression and 1999 conflict, are undermining its democracy and human rights record.

(iv) Residents of municipalities without political outreach efforts: political participation varies highly by municipality with participation lowest in areas with economic difficulties, geographical barriers or other complicating factors. There is a direct correlation between outreach on the part of authorities and participation in the political process – underlining once again the need for effort on both sides in the democratic cycle. In 2009, one out of three respondents reported being aware

of municipal public meetings organised within the last 12 months, with Kosovo-Serbs relatively less informed than Kosovo-Albansians (14 versus 32 percent). However, only 8 percent attended a municipal public meeting. In municipalities such as Dragash/Dragaš, where information outreach to inhabitants is very weak, attendance at municipal meetings is correspondingly low¹⁹⁴ (see Table 5.5 below).

TABLE 5.5 Public perceptions of openness of municipalities for citizen participation, by municipality

Municipality	Municipalities rated most open to citizen participation		
	Feel welcome	Feel informed	Attended meeting (s)
Skënderaj/Srbica	83 %	75 %	12 %
Dragash/Dragaš	77 %	1 %	0 %
Rahovec/Orahovac	60 %	15 %	2 %
Shtime/Štimlje	56 %	0 %	0 %
Gllgovc/Glogovac	50 %	35 %	3 %

Source: Kosovo Mosaic Survey, UNDP 2009

Among the five municipalities with the highest municipal meeting attendance rates, two have a Kosovo-Serb community: in Zubin Potok and Leposaviq/Leposavić, nine and eight percent of respondents respectively – marginally above the national average - had attended a municipal public meeting in the past year. No respondents from Dragash/Dragaš, Lipjan/Lipljan or Mamushe/Mamuša have attended a municipal public meeting in the last year – speaking to a profound disconnection between authorities and communities in these areas.¹⁹⁵

TABLE

5.6

Top six municipalities for public meeting attendance

	% of respondents attending public meetings
Skenderaj/Srbica	12
Zubin Potok/ Zubin Potok	9
Leposaviq/Leposavić	8
Peje/Peć	7
Gjilan/Gnjilane	4
Gjakove/Đjakovica	4

Source: Kosovo Mosaic Survey, UNDP 2009

5.4 Promoting inclusion in political processes - policy recommendations

Kosovans have fought long and hard for self-determination. Their democracy is a cherished symbol of their longed-for autonomy, rooted in the belief that every inhabitant of Kosovo deserves to have his or her voice heard. It would be a tragedy for Kosovans to lose faith in their political process after just a decade of its existence, and deeply ironic if a democracy born because of repression and exclusion became itself an instrument of exclusion.

Therefore, the health of Kosovo's political process depends on a more sincere effort from authorities on the one hand, and societal groups on the other, to activate opportunities for political expression among less privileged and powerful groups. Quota systems for ethnic and gender equity, while they may counterbalance the most severe forms of discrimination, do not address the drivers and mechanisms of exclusion. The data presented in this report give some important results. Therefore, key opportunities to broaden political inclusion and re-energize political activism should be considered as follows:

(i) Increase the accountability of the implementation of anti-discrimination laws and policies

- **Develop tailored implementation and monitoring systems for existing legislation promoting political inclusion:**

Kosovo's broad anti-discrimination legislation requires a more effective and accountable budgeting and implementation strategy. Unless these laws are adequately and sustainably financed, including for uptake promotion among vulnerable groups, they will not serve their intended purpose. Indicators need to be developed for priority areas, including participation of youth, women and RAE minorities. Responsible authorities should also be requested to report on progress before the Assembly of Kosovo on a regular basis.

- **Create inter-Ministerial coordination mechanisms to develop strategies for the politically excluded under the Prime Minister's Office:**

authorities responsible for education, youth, culture, economy, communities, internal affairs and justice in Kosovo should link to promote cooperation towards political inclusion. This is the only way to ensure policy cross-fertilization on such challenging issues of youth political activism, inter-ethnic conflicts and barriers to women's participation. In particular, Kosovo needs a strategy to address the right to participation for those without civil status – perhaps the most vulnerable of all of Kosovo's excluded groups.

(ii) Foster a climate of political awareness, with a particular focus on self-exclusion

- **Institutionalize civil society and media consultation in policy design:** Kosovo requires a systematic approach to civic consultation rather

er than the *ad hoc* system currently in place. A clear system should be mainstreamed into Kosovo's legislative process, replicated across all sectors and for all laws. At the same time, Kosovo's authorities and development partners should work to build the willingness and capacity of civic institutions representing excluded groups, including the media, to monitor government performance and be a productive agent for policy formulation.

- **Promote anti-discrimination campaigns at local and central levels:** extensive social mobilization should be conducted to mobilize awareness of human rights – particularly focusing on women and RAE communities. The purpose of outreach should be to strengthen social cohesion within the context of the civic process; i.e., to overcome self-exclusion as much as ostracization. This would require providing communities with opportunities for dialogue with each other, as much as with authorities. Such a complex programme would need to be implemented locally, and supported by civic leaders at a local level. However, the design of the initiative and its funding should be centrally regulated, and developed in consultation with Kosovo-wide civil society groups.
- **Promote political activism among youth:** special awareness building and civic education programmes should be designed and implemented to target youth – within the context of the Law on Empowerment and Participation of Youth. Opportunities for political dialogue and activism within and outside the current education system should be explored, to enable participation of both boys and girls – in-

cluding rural girls. Where youth centres are not sufficiently active and resourced, partnerships with higher academic and private institutions should be leveraged to promote them as places where young people can meet, give and receive feedback alongside authorities and develop strategies to improve their life prospects.

The government should find and experiment with various channels of communication to inform the youth and the general population about the important political process and legislation changes.

Youth participant of a focus group

- (iii) **Create local linkages between excluded groups and the political process at the municipal level**
- **Strengthen political dialogue and outreach through NGOs:** NGOs representing socially excluded groups should be strengthened, including through finding domestic and secure sources of financing (perhaps through private donations) NGOs should also be assisted to train communities on how to work together so that they can more effectively represent their common interests before the local and regional authorities.
- **Provide targeted outreach to excluded groups as part of the municipal planning process:** NGOs can also provide a critical link with excluded communities during municipal-level developments and budgetary planning. Municipal plans should be designed to promote further consultation with excluded groups, and common

public meetings are not always the best vehicle for such consultations – particularly for RAE unemployed, or vulnerable rural women. Tailored outreach programmes should be developed for these groups to include their views and provide them with feedback on the inclusion of those views in final plans and policies. In this respect, outreach for consultation must be a core part of all municipal budgeting.

(iv) Challenge institutional and socio-cultural factors limiting women's participation

- **Address the gender imbalance in Kosovo's public institutions:** improving the gender balance in central institutions is essential to strengthen governance structures, making them less vulnerable in crisis situations, including times of economic downturn. Rather than creating quotas, Kosovo should implement a positive-discrimination

hiring policy and institute accountability for hiring decisions. Since gender stereotyping is rife in public service employment, action must be taken to train female managers to better prepare them to apply for senior management positions.

- **Create social and institutional alliances by women, for women:**

Kosovo's female politicians, civil servants, journalists, business owners and unions need to work more closely together to increase opportunities for women and lobby for policy change. A Kosovo forum for women should be created, linking all of these groups, supported initially by international development partners but eventually through tax revenues. Targeted training for female politicians on how to promote women's priorities and concerns during policy formulation is also advisable.¹⁹⁶

Findings and Recommendations

6.1 Towards Lisbon or not? Kosovo's stark choice

In the first year of Kosovo's recovery from its damaging conflict and the beginning of its new era, European states met in Lisbon to discuss how to make their region the most competitive and advanced union in the world. The Lisbon Strategy of 2000 linked economic development and social inclusion in a cycle, premised on the concept that human potential is the fundamental starting point for true and sustainable progress. The action plan attached to this strategy may have fallen short by 2010, but it still represents a central vision for Europe's future.

Kosovo, with a past mired in internal division and its future sights firmly set on EU membership, faces a stark choice. Either it moves towards the Lisbon ideals of openness, inclusion and equal opportunity for all, or remains locked by the very challenges it once fought to escape.

All Kosovans are instinctively aware that a moment of decision is before them. In October 2009, the Assembly of Kosovo released a White Paper entitled Kosovo Social Inclusion Challenges, a declaration of political commitment by the Assembly of Kosovo to address the issues of social exclusion and promote the social inclusion agenda in Kosovo. Only through participation of all people in the development process can a society prosper and achieve hu-

man development. This KHDR was prepared to support these goals. It seeks to mobilize the joint efforts of a wide range of social stakeholders, including Kosovo's authorities, civil society, development partners and socially excluded groups to advance social inclusion in all aspects of life. Without such broad social 'buy-in', no policy addressing social inclusion will be sustainable and effective, regardless of the best intentions.

"People are the real wealth of a nation"
UNDP Global HDR 2010

Since the Lisbon Strategy was adopted, social exclusion has become a visible phenomenon in Newborn Kosovo. This final chapter provides a synthesis of the mechanisms that perpetuate exclusion across society, hoping to inspire innovative approaches to address them.

6.2 Significant findings and implications

- (i) **Drivers of social exclusion in Kosovo have common links across economic, education, health and political spheres**
- **Absence of policy leadership on social inclusion issues:** the lack of high-level leadership on social inclusion issues has left Kosovo's ministries without direction. In the absence of a fully Kosovo-owned

and created Human Development Strategy, the common policy vision to lead, coordinate and multiply social inclusion strategies will be hard to generate and sustain. As a result, while different government ministries share responsibility for different interventions promoting social inclusion, such as paying cash benefits, preparing young people for working life and helping labour market integration, there is little coordination between them to maximize investments. Lack of leadership permeates into all central and local authority mechanisms and is the forerunner of other governance challenges, including the widespread problem of accountability.

- **Lack of accountable implementation of legislation and policy underlies social exclusion:** social equity is, by and large, enshrined in Kosovo's Constitution and its policies. However, there is a major breakdown between the passage of high-quality legislation and its timely implementation. The eagerness to align Kosovo with European standards in the political, economic and social sectors has outrun the capacity of its public officials. It has also, inadvertently, de-emphasized necessary budgetary and monitoring reforms that should accompany the passage of legislation. This means that anti-discrimination legislation, for example, cannot find expression in sectoral health or education strategies for lack of tailored budgeting to address barriers to health care access and school attendance among disenfranchised groups. The poor quality of Kosovo's statistics, underlined by the inability of the Statistical Office of Kosovo to provide and analyze disaggregated data for policy-making, further undermines accountability to ensure that strategies are effective in minimizing inequality.
- **A disconnect has grown between the public and governance cycles:** lack of accountable implementation has created a profound gap between governance and the governed - who should, by right, be participants in policy formulation and monitoring and thereby a cornerstone of institutional accountability. Currently, Kosovans have little say in the economic and socio-cultural policies set by authorities, nor ability to provide ideas and feedback except at the voting booth. Mechanisms to promote such consultation are *ad hoc* and do not account for the widespread exclusion of the most socially isolated groups. As a result, any consultation that does take place is geared almost entirely towards the socially powerful and serves to aggravate rather than minimize inequalities in policy design.
- **Lack of social cohesion and alienation perpetuates exclusion across sectors:** the fault lines in Kosovan society which legitimated an oppressive regime during the decades culminating in conflict undermine social inclusion in two ways: by perpetuating minority ostracization through the dominance of majority groups and by fostering self-exclusion within groups unwilling to integrate. Lack of social cohesion prevents the formation of community alliances to lobby for better health and education services, restricts access to labour markets to friends and colleagues rather than fostering a meritocracy, shuts the door to political participation on ethnic minorities and creates an enclave mentality among ethnic identities. Parallel Kosovo-Serb and Kosovo-Albanian health and education structures, and the high level of exclusion from factor markets, education and healthcare of Kosovo-RAE, are merely indica-

tors of a broader social problem. Lack of social cohesion is aggravated by legislative and administrative uncertainties and inequalities in the management of such sensitive issues as civil documentation for displaced and returnee families, property rights and other “reconciliation”-oriented issues lingering post-1999. Social fractures are also evident in the growing disparity between urban and rural areas in terms of access to utilities as well as basic goods and services, locking poor rural households into subsistence or near-subsistence living as their primary access to factor markets. Low voting levels and activism among young people are warning signs that lack of social cohesion is being passed on as a generational trap, discouraging young people from cross-cultural activities which would change their society for the better.

- **Failure of sectoral interlinkages undermines remedial efforts:** opportunities are being missed to address common aspects of social exclusion through sectoral cooperation. For example, high levels of youth unemployment are not being addressed by the Ministry of Economy and Finance through cooperation with the education sector to strengthen work-readiness programmes within Kosovo’s curriculum. Likewise, opportunities to improve health information for highly vulnerable groups – for example, poor rural girls – are not being pursued through extra-curricular school activities. The Ministry of Culture, Youth and Sports has not linked with the Ministry of Health to consider how vulner-

able adolescents, particularly from Kosovo-RAE communities, or even the young disabled, can advocate with local health authorities for improved services for their counterparts through existing Youth Centres. Such missed opportunities undermine efforts to address specific sectoral barriers to social exclusion in a cost-effective way – speaking once again to a lack of policy coherence at the central level that then becomes manifest in Ministerial plans.

- **Regional and urban/rural inequalities foster disparities between social groups:** Kosovo’s sectoral policies for employment generation, health and education, as well as its policies for social protection, have not accounted for different regional and geographical barriers to exclusion. Significant inequalities in access to factor markets, poverty, average years of educational attainment and healthcare standards exist between regions, as well as between urban and rural areas. Rural areas remain Kosovo’s key reservoir of poverty (lack of access to basic goods and services), whereas urban areas are more affected by lack of decent work and other income generating options. Lack of outreach services for health and education promotion, in local languages where necessary, hinder service uptake amongst those limited by distance and difficult geography.
- **Pervasive socio-cultural discrimination holds back large segments of society:** cultural norms around the role of women and girls and people with disabilities, as well as deep-rooted discrimina-

tion against certain ethnic groups (notably Kosovo-RAE), are draining Kosovo's full socio-economic potential. For women, people with disabilities, and Kosovo-RAE, these socio-cultural norms have led to the practices of self-exclusion from decision-making processes. Some groups contribute to exclusion by either resisting integration (in the case of Kosovo-RAE) or accepting and passing limitations on through daughters and other female family members. Fear of disapproval, ostracization and even violence are factors preventing women from challenging traditional roles and assuming a greater profile in Kosovo's political and economic life. Socio-cultural discrimination is particularly damaging when it comes to economic participation (with women and Kosovo-RAE having the least access to factor markets), and education. In education, gender parity is reducing rather than increasing over time and girls more often than boys are denied their right to learn because of poverty, distance or lack of prioritization.

- **Lack of self-reliance has a corrosive impact on human development:** international assistance to Kosovo, while well meant, has unbalanced its human development trajectory. Kosovo's economy has become dependent on international transfers, import taxes (made possible by a large international presence) and remittances. Its legislative and policy vision is being driven by external partners, and the pace of reform has outstripped capacity to deliver. Its civil society has grown to accommodate the need of international actors to execute aid budgets – limiting “natural selection” for NGOs whereby

only those genuinely valuable as a community factor would find sustainable domestic funding and thrive. Self reliance is a critical factor, therefore, in creating the necessary conditions for social inclusion to truly take root as Kosovo accepts the reality that its future is ultimately its own responsibility.

(ii) While exclusion is a broad phenomenon, some groups are particularly affected and require special support

1. **Long-term unemployed:** considering Kosovo's jobless GDP growth and high fertility rates, most unemployment in Kosovo is long-term. Nearly 82 percent of the unemployed are out of work for more than 12 months. The social safety nets represented by the family ends as children age, creating extreme vulnerability for the long-term unemployed and their families. Social assistance is not targeted to reduce dependency and there is an important absence of job-seeker schemes and learning opportunities. Unemployment precludes full access to health care (due to costs), limits the cycle of learning, increases the risk of poverty even with access to other factor markets and increases the risk of exclusion from public utilities and services. Education rates are lower among the unemployed. Rates of exclusion from factor markets are four times higher among those with under 10 years of schooling compared with those with 17 years or more. Unemployed families and their children are more likely to be excluded from learning, and more likely to require children to work to supplement family incomes.

2. Disadvantaged children and youth:

the young have the least economic and social power to break out of exclusion; it damages their life opportunities almost beyond repair and creates generational traps. Kosovo's excluded young people are members of poor families or families with a long-term unemployed wage earner, part of Kosovo-RAE communities, part of communities without sufficient access to services, environmental protection or information, those living in remote or rural areas and girls subjected to restrictive cultural practices. Young people are affected by economic factor market exclusion, with 48 percent classed as poor compared to a 45 percent Kosovo average. Youth unemployment rates stand at 73 percent, more than half as much again as the Kosovo average of 43 percent. Exclusion from education is a particularly grave issue for minority children trapped in parallel systems, paying the price for Kosovo's history of exclusion, as well as for girls in the context of diminishing gender parity in the classroom. Children of ethnic minorities are particularly badly affected by ostracization, lack of parental prioritization and the inability to attend school in a local language. The absence of high quality health information and adequate maternal, child, adolescent and reproductive health outreach for disadvantaged young people creates health and nutrition problems for many. Smoking, poor hygiene and unhealthy eating undermine their development, with just under one in seven stunted for their age and approximately one in six weak-

ened by anaemia. Young people are deeply conscious of their exclusion, reflected in diminishing voting patterns among young voters and a decrease in political activism despite a clear and still untainted desire to make a contribution to their society and work together across ethnic and cultural divides.

3. **Rural women:** Kosovo's *de facto* social exclusion of women's potential is a key factor in its economic decline and uncompetitive labour market. Labour force participation for women is 26.1 percent, compared to 65.8 percent for men and a European average of 64 percent. Women have higher unemployment rates than men and few other income sources, gravely limiting their access to factor markets (only 6 percent of business owners, for example, are women). Rural women in particular are most likely to be confined to subsistence living as well as being more likely to be illiterate and less able to access the services and information to which they are entitled. Factors that exclude rural areas in general from equal access to quality services (such as distance to services, poverty, cost of transport etc) are felt particularly hard by rural women and girls. These women and girls carry the greatest burden of work at home and are often forbidden to expand their horizons. Thus, women's health and nutrition is more likely to suffer in rural areas, with low rates of exclusive breastfeeding, high rates of smoking, high rates of anaemia (23 percent) and lower levels of education. Exclusion of rural women in this way not only holds back the development of rural areas, but

passes poor health and education values on to children already at high risk of exclusion.

4. Kosovo-RAE minorities: Kosovo-RAE communities are the face of exclusion in Kosovo. They have the highest exclusion rates from factor markets (40.6 percent cannot access any factor markets compared to just 8 percent of Kosovans in general). Nearly 60 percent are excluded from basic goods and services, unable to meet their critical needs, compared to a 21.1 percent Kosovo average. Kosovo-RAE households experience above average rates of unemployment (58 percent versus 48 percent), with 75 per cent of male youth aged 15-24 unemployed. Only 8 percent of working Kosovo-Roma hold managerial positions in comparison to 13.9 percent of ethnic Kosovo-Serbs and 15.8 percent of other minority groups. Kosovo-RAE children are the most excluded from education, with a quarter not attending primary school at all and two thirds or more not in secondary school. Only 1.4 per cent of Kosovo-RAE women and men attended or have finished high school and a tiny minority have completed or even attended university. At least 16 percent of Kosovo-RAE are illiterate, rising to one quarter among Kosovo-RAE women. The participation rate of Kosovo-RAE in public offices is just 8 percent of non-Serb ethnic minorities, while they compose more than one third of non-Serb minority population. For Kosovo-RAE living in the Mitrovicë/Mitrovica region, heavy metal poisoning from lead contamination is destroying their health and weakening capacity to escape exclusion. All Kosovo-

RAE children living near contaminated areas show deeply damaging levels of lead in their blood. The greatest problem that Kosovo-RAE families face, however, is socio-cultural. They are alienated from wider Kosovo society, frequently discriminated against, unrepresented and ignored. Inexistent opportunities for integration perpetuate exclusion. However, social inclusion in Kosovo cannot move forward if they are left behind. A Kosovo-RAE female child living in a temporary camp in Mitrovicë/Mitrovica is the most excluded individual in Kosovo, and deserves the greatest level of support.

5. People with special needs: only 10 percent of children with special needs are in mainstream education due to alienation, lack of adequate facilities and access and inability to travel. Employment is precluded to the physically disabled without adequate urban infrastructure and facilities to enable their access and work. This exposes the disabled to poverty in the absence of access to other factor markets (particularly in secondary towns and cities where factor markets other than employment and business are limited). The high cost of drugs, unavailability of specialist medical care and inaccessibility of healthcare centres also excludes many disabled people from healthcare that could improve their life opportunities.

(iii) Policy responses cannot address

"(...) we must put people themselves first, and develop their untapped potential. Human capital is Kosovo's greatest asset – from the vibrancy and enterprise of its youth – to the diversity of its cultural and ethnic heritage (...)"

Osnat Lubrani, Editorial in "Koha Ditore", December 2010

these sectors, groups or governance structures in isolation

Taking into account the realities of social exclusion in Kosovo, the following lessons can be drawn for future policy models:

in motion the design of a Kosovo-wide human development strategy to reduce social inequalities and enhance people's capabilities and opportunities. The implementation of this framework, supported

Pacing and prioritization

Progress towards legislative alignment with European standards should be paced according to Kosovo's capacity to implement. Over-legislation without implementation aggravates exclusion, by raising false expectations and decreasing political will to act.

Reframed perspectives

Economic reform must be tempered from a social policy perspective, i.e., increases in GDP cannot automatically expand the labour market and employment on its own does not protect from poverty.

Holistic approaches

Sectoral reforms in health, education and employment should be approached holistically, to understand how key interventions in one area can reinforce policy goals for the excluded in another and so make better use of limited resources.

Outreach

The process of legislative reform must promote active effort from excluded social groups and authorities to engage on interests. Assuming that participation is desired ignores the element of self-exclusion; repeated and sensitive outreach is needed to encourage participation.

Self-reliance

Internal sustainability must be a goal of social assistance programmers, NGOs and community consultation mechanisms.

6.3 Recommendations for policy change

- **Develop a Kosovo-wide development framework for social inclusion:** Kosovo's goal of fully-recognized nationhood depends on the performance of the public administration in providing critical services to the population and strengthening trust and confidence in governance through expanding the public debate on policy making. To effectively address the goals of social inclusion, Kosovo should set
- **Institute high-level leadership for social inclusion to promote cross-sectoral collaboration:** in the absence of effective leadership

by Kosovo's international partners, should institutionalize an annual process of reviewing and reformulating Kosovo-wide priorities for social inclusion to strategically align the policy and programme priorities of the line ministries and guide them in activating their own development frameworks from strategic higher-level direction.

and cross-ministerial collaboration, uncoordinated initiatives may jeopardize each-other. To improve policy coordination for an eventual Kosovo Development Framework, leadership on social inclusion should be formalized under the Prime Minister's office and supported by a co-ordinating committee of deputy ministers from relevant ministries. In addition to policy coordination, the committee may be responsible for the coordinated monitoring of policy implementation in the area of social inclusion.

- **Refocus governance efforts on implementation:** by ensuring financial coverage of laws. Kosovo's budgetary and monitoring processes require immediate and urgent reform. Financing for social inclusion policies must be institutionalized, particularly for the health and education sectors, as well as for gender-equity, people with special needs and the protection of Kosovo-RAE groups.
- **Refocus governance efforts on accountability:** by improving statistics and monitoring. Strategies and interventions should contain specific and measurable targets and indicators, tailored specifically towards priority social inclusion goals. To make these measures effective, the evidence base for social inclusion must be strengthened. The last comprehensive census in Kosovo was conducted in 1981 and the present demographic data are estimates. The Statistical Office of Kosovo needs urgent strengthening, and its links with line Ministries should be improved.
- **Ensure responsive and inclusive decentralization policies:** Kosovo must refocus its decentraliza-

tion policy on strengthening the relationships between authorities and communities. Currently, municipalities lack sufficiently strong financial and human resources to implement social inclusion policies developed at the central level. Resource allocation models between central and municipal levels must be proportional to the scale of challenges to ensure that the most vulnerable can benefit. The competencies of local administrators and service providers must also be improved, to provide clear direction on minimum standards of access to basic services.

- **Tailor sectoral resourcing to target specific barriers to social inclusion:** where exclusion is particularly marked, urgent remedial action should be taken through specific sectoral strategies to reach out the excluded. For example, in the health sector, the barriers faced by the frail elderly, rural women and their children, poor young people and Kosovo-RAE communities to access the most basic health services, absorb critical health information, protect themselves from environmental hazards (particularly chronic lead intoxication in Mitrovicë/Mitrovica) and pay for medicines should be addressed through locally tailored campaigns funded through central resources. In the education system, special campaigns must be implemented to increase access to mainstream education for the disabled, rural girls, Kosovo-RAE groups and pre-school children (particularly the poor) – including such initiatives as specially-funded transport to and from schools, establishing pre-school facilities, adapting schools for children with special needs and

outreach to parents and families to improve the prioritization of education among the excluded.

- **Institutionalize gender balanced public consultations at both central and local levels:** Kosovo requires an institutionalized rather than *ad hoc* public consultation mechanism to ensure that the voices of excluded groups can be heard during policy formulation, and feedback provided to groups once policies are developed. Particular care must be taken to ensure that both women and men are consulted from among vulnerable groups, as their issues and concerns will differ. Consultations, especially with socially excluded groups, may help to identify priorities for interventions, create consensus, explore ideas, improve acceptance of new proposals, find cost-efficient policy solutions and increase transparency in decision-making and service delivery. Local consultation mechanisms should also be established to target social assistance more effectively and activate people experiencing social exclusion. In order to mobilize their potential to link communities and authorities, NGOs require national support to move them from reliance on external funding to a more sustainable source based on their value to governance and communities.
- **Launch a Kosovo-wide campaign to promote social cohesion:** Kosovo needs to address its deepest social fractures before social inclusion policies can take root. This can only be achieved by increasing public awareness of the high socio-economic cost of discrimination, providing opportunities for inter-community dialogue and fostering mutual

engagement in the civic participation process by excluded groups on the one hand and political power-holders on the other. Such an extensive programme would necessarily have to be developed and funded at the central level, by the Kosovo coordination mechanism for social inclusion; however, it must also be tailored to individual municipal needs and included in municipal budgets. Three critical areas for social intervention include gender equity in the socio-economic and political sphere, rigid inter-ethnic tensions between Kosovo-Albanians and Kosovo-Serbs (including the security of returnees) and integration of discriminated Kosovo-RAE communities. Since a great deal of legislation already exists on all of these issues, a coordinated strategy should focus instead on selecting priority areas for action (both issue-based and geographical), allocating financing and developing indicators to measure shifts in public perception and social alliances for development.

- **Expand the labour market, with a focus on rural transformation:** since inclusive employment links closely to social cohesion and self-reliance, Kosovo cannot afford to wait for macro-economic changes to expand its labour market. In the interim, Kosovo must accelerate reforms to its business climate to allow SMEs to flourish, particularly in communities with very low employment rates and high disparities in employment between ethnic groups. A job-seeker initiative is urgently needed to direct young jobseekers and the recently unemployed towards work-readiness training and potential new job opportunities. Public-private partnerships would be essential

to the success of this scheme, by, amongst other things, encouraging training between jobs. As poverty is most persistent in rural areas, alternatives to subsistence farming must be explored – including making smallholder farming more efficient, introducing cooperatives to benefit from economies of scale in production and marketing, and sponsoring SMEs to promote the creation of non-agricultural rural jobs – particularly for rural women.

- **Align education and vocational training with the needs of the labour market, focusing on youth, long-term unemployed and women:** to compete in a market economy, Kosovo's future, new and current jobseekers need to develop skills demanded by the market. A lifelong work-readiness learning system should be introduced to increase labour market integration, especially for women and the long-term unemployed. This will require adjustment of Kosovo's curriculum to ensure high-school graduates have technical and technological competencies for skilled work, aligning university and vocational programmes with the needs of the labour market and creating work-training schemes in partnership with private employers. Adult learning opportunities, particularly for women, can be developed and co-funded through NGOs and public-private partnerships.
- **Reduce individual and regional inequalities through targeted social safety nets, including equalization social transfers:** Kosovo's social safety net should be targeted to minimize the share of non-poor recipients of social assistance. To reduce extensive child poverty, policy options include the introduction of a child benefit system and linkage of the benefits system for older children to their school attendance. The concept of social transfers could also be explored at the municipal level, to reduce inter-regional differences and strengthen weak social infrastructure at the local level. Since disparities within municipalities are as great if not greater than disparities between them, such transfers could be specific to zones experiencing the greatest challenges in outreach to excluded groups.
- **Position youth and women as the drivers of inclusion, working through the education system and public-private partnerships:** Kosovo's young people and the untapped potential of women are potentially powerful allies in the battle against social exclusion. Young people in particular have more elastic attitudes towards traditional gender and social roles, are more predisposed to link with each other across ethnic, cultural and gender boundaries and have the greatest stake in Kosovo's future.

Life in Kosovo 2010: A Snapshot

- The Human Development Indicator for Kosovo has increased from 0.740 in 2006 to 0.777 in 2010. However, it is important to note that, using the new methodology as per the Global Human Development Report 2010, the Kosovo HDI has been calculated at 0.700 in 2010. The growth of the overall HDI value was strongly influenced by the GDP index growth during the time-period of 2000-2007 and a significant increase in the number of high schools and university education facilities.
- Life expectancy at birth has increased from 67 years in 2005 to 69 in 2008, while the perinatal mortality rate has decreased from 29.1 per 1000 live births in 2000 to 19.3 in 2009. The overall immunization coverage has improved tremendously, from a very low 19 – 40 percent coverage rate following the 1999 conflict, to above 95 percent Kosovo-wide in 2009.
- There are high levels of unemployment. It is estimated that about 48 percent of the labour force was unemployed in 2008, while the unemployment rate for youth stood at 73 percent. Unemployment tends to be long-term, where nearly 82 percent of the unemployed are out of work for more than 12 months.
- A relatively high number of households (7.6 percent) are unemployed and do not own a business or arable land. 42.7 percent of households do not have business or arable land but they do participate in the labour market. Employment alone does not protect from poverty as 6.4 percent of poor households had employed members.
- Poverty is widespread. About 45 percent (just over 2 in 5 Kosovans) live below the poverty line (set at 43 EUR per month). Poverty is higher among those living in large families, those living with many unemployed members, and those who have low education levels. The poor are also geographically concentrated in rural areas and in a few regions of Kosovo such as the Prizren/ and Gjilan/Gnjilane regions.
- In the Prizren region, Dragash/Dragaš and Malishevë/Malisevo have a higher incidence of exclusion from factor markets with respectively 22.5 percent and 15.5 percent of households excluded from all factor markets, while in the Gjilan/Gnjilane region, Viti/Vitina had a higher incidence of exclusion from factor markets with 18.6 percent.
- Health indicators of the population are poor. Health indicators in Kosovo are among the worst in Europe.

The under-five infant mortality rate of 35-40 per 1,000 live births is the highest in Europe. High prevalence of tuberculosis is another health challenge.

- Communities in the Mitrovicë/Mitrovica live in an area heavily polluted by lead and heavy metals. Although lead production in Mitrovicë/Mitrovica was suspended in 2000 due to health concerns, communities living there must deal with these environmental hazards and their negative health effects, in particular, elevated levels of lead in their blood that put them at a risk of developmental and behavioural disabilities and other adverse health conditions.

The unemployment rate for women is 55 percent, while for men it is 39 percent.

- Migration and remittances have been an effective mechanism for reducing poverty in Kosovo. In Kosovo, the role of social protection transfers is characterised by very limited benefits and low coverage of the poor.
- Many groups and individuals lack access to utility services. 36 percent of households reported that they do not have access to one of such essential utility services as tap water, sanitation and electricity.
- Kosovo has the lowest public expenditure on social protection com-

In Prizren there is a radio station in the Roma language however, on the public television there is only one programme for 30 minutes once per week which is not much.

There is also a TV programme in one of the local TV channels but that one was for Ashkali and it was in the Albanian language.

RAE participant of a focus group

- Some ethnic groups are economically excluded more than others. Kosovo-RAE have the highest exclusion rates with 40.6 percent excluded from all factor markets. Kosovo-Albanians also face a higher exclusion rate than the average with 8.1 percent (average rate being at 7.6 percent). Kosovo-Turks and Kosovo-Bosnians face an exclusion rate of 5.4 percent, and finally the lowest incidence for exclusion is with Kosovo-Serbs at 3 percent. Employment among Kosovo-RAE communities, for instance, is much lower than the average; 75 percent of male youth aged 15-24 are unemployed.
- Women in Kosovo face much lower access to factor markets than men.

pared to the countries in the region, with only 3.7 percent of GDP or 12.7 percent of total government expenditures allocated for social protection. The social protection system does not reach over 75 percent of the poor and has reinforced dependency and the *status quo*.

- Many children of socially excluded groups do not have access to the publicly funded education system. One quarter of all Kosovo-RAE children do not attend primary school at all and the picture is worse with regard to the Kosovo-RAE attendance of secondary education where approximately 78 percent of females and 62 percent of males are not in attendance. Only 10 per-

cent of children with disabilities are enrolled in mainstream schools. The number of students that drop out of school continues to be high in Kosovo, especially among girls. Inclusion of girls in education is affected by numerous factors, such as traditional views on the role of women, poverty, and distances to schools.

- People living in rural areas are more excluded in terms of accessing health care. Factors that contribute to their exclusion include difficulty in obtaining an appointment to see a doctor or medical specialist, having to wait a long pe-

riod of time before seeing a medical doctor, and/or the overall cost of seeing a doctor and purchasing the required medications.

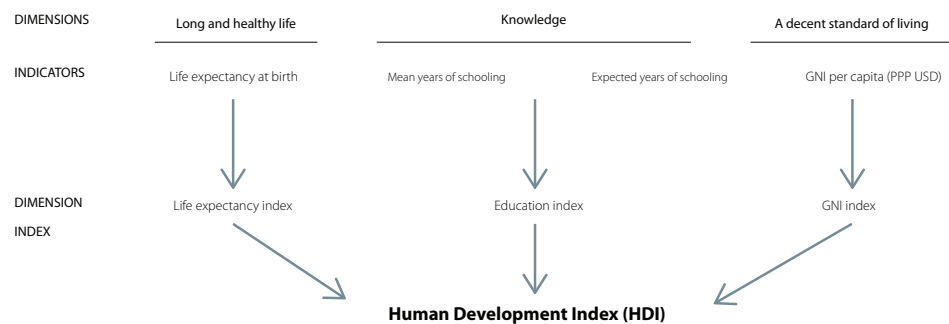
- Pensioners are often excluded from quality services and essential medicines as their pensions are not sufficient to cover the costs of a monthly supply of medicines.
- Kosovo-Serbs do not actively participate in political life in Kosovo. The overwhelming majority (86 percent) of Serbs did not vote in the 2007 elections. In the local elections of 2009 however, the number of voters among the Kosovo-Serb population has increased.

Technical Notes:

Human Development Index

according to the Global Human Development Report 2010

Human Development Index (HDI)



The Human Development Index (HDI) is a summary measure of human development. It measures the average achievements in a country in three basic dimensions of human development: a long and healthy life, access to knowledge and a decent standard of living. The HDI is the geometric mean of normalized indices measuring achievements in each dimension.

Data sources

- Life expectancy at birth: UNDESA (2009d)
- Mean years of schooling: Barro and Lee (2010)
- Expected years of schooling: UNESCO Institute for Statistics (2010a)
- Gross national income (GNI) per capita: World Bank (2010g) and IMF (2010a)

Creating the dimension indices

The first step is to create subindices for each dimension. Minimum and maximum values (goalposts) need to be

set in order to transform the indicators into indices between 0 and 1. Because the geometric mean is used for aggregation, the maximum value does not affect the relative comparison (in percentage terms) between any two countries or periods of time. The maximum values are set to the actual observed maximum values of the indicators from the countries in the time series, that is, 1980–2010. The minimum values will affect comparisons, so values that can be appropriately conceived of as subsistence values or “natural” zeros are used. Progress is thus measured against minimum levels that a society needs to survive over time. The minimum values are set at 20 years for life expectancy, at 0 years for both education variables and at USD 163 for per capita gross national income (GNI). The life expectancy minimum is based on long-run historical evidence from Maddison (2010) and Riley (2005). Societies can subsist without formal education, justifying the education minimum. A basic level of

income is necessary to ensure survival: USD 163 is the lowest value attained by any country in recorded history (in Zimbabwe in 2008) and corresponds to less than 45 cents a day, just over a third of the World Bank's USD 1.25 a day poverty line. Having defined the minimum and maximum values, the subindices are calculated as follows:

$$\text{Dimension index} = \frac{\text{actual value} - \text{minimum value}}{\text{maximum value} - \text{minimum value}} \quad (1)$$

For education, equation 1 is applied to each of the two subcomponents, then a geometric mean of the resulting indices is created and finally, equation 1 is reapplied to the geometric mean of the indices, using 0 as the minimum and the highest geometric mean of the resulting indices for the time period under consideration as the maximum. This is equivalent to applying equation 1 directly to the geometric mean of the two subcomponents. Because each dimension index is a proxy for capabilities in the corresponding dimension, the transformation function from income to capabilities is likely to be concave (Anand and Sen 2000c). Thus, for income the natural logarithm of the actual minimum and maximum values is used.

Aggregating the subindices to produce the Human Development Index

The HDI is the geometric mean of the three dimension indices:

$$(I_{\text{Life}}^{1/3} \cdot I_{\text{Education}}^{1/3} \cdot I_{\text{Income}}^{1/3}) \quad (2)$$

Expression 2 embodies imperfect substitutability across all HDI dimensions. It thus addresses one of the most se-

rious criticisms of the linear aggregation formula, which allowed for perfect substitution across dimensions. Some substitutability is inherent in the definition of any index that increases with the values of its components.

Example: China	
Life expectancy at birth (years)	73.5
Mean years of schooling (years)	7.5
Expected years of schooling (years)	11.4
GNI per capita (PPP US\$)	7,263

Note: Values are rounded.

$$\text{Life expectancy index} = \frac{73.5 - 20}{83.2 - 20} = 0.847$$

$$\text{Mean years of schooling index} = \frac{7.5 - 0}{13.2 - 0} = 0.568$$

$$\text{Expected years of schooling index} = \frac{11.4 - 0}{20.6 - 0} = 0.553$$

$$\text{Education index} = \frac{\sqrt{0.568 \cdot 0.553} - 0}{0.951 - 0} = 0.589$$

$$\text{Income index} = \frac{\ln(7,263) - \ln(163)}{\ln(108,211) - \ln(163)} = 0.584$$

$$\text{Human Development Index} = \sqrt[3]{0.847 \cdot 0.589 \cdot 0.584} = 0.663$$

Overall effects of the Human Development Index methodological improvements

The methodological improvements in the HDI, using new indicators and the new functional form, result in substantial changes. Adopting the geometric mean produces lower index values, with the largest changes occurring in countries with uneven development across dimensions. The geometric mean has only a moderate impact on HDI ranks. Setting the upper bounds at actual maximum values has less impact on overall index values and has little further impact on ranks.

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Chapter 1

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