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# THE REAL VALUE OF SOCIAL ASSISTANCE

An assessment of Social Assistance  
benefit adequacy

2014



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## THE REAL VALUE OF SOCIAL ASSISTANCE

An assessment of Social Assistance benefit adequacy

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The statements in this publication are those of the authors and do not represent the views of UNDP.

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## Acronyms

<b>COICOP</b>	Classification of Individual Consumption by Purpose CPI Consumer Price Index
<b>DSW</b>	Department of Social Welfare
<b>GDP</b>	Gross Domestic Product
<b>HBS</b>	Household Budget Survey
<b>KAS</b>	Kosovo Agency of Statistics
<b>MLSW</b>	Ministry of Labour and Social Welfare USDA United States Department of Agriculture

# Social Assistance Scheme in Kosovo: A brief review of legislation

The Social Assistance Scheme in Kosovo\* was established in 2003 to protect families that experience socio-economic difficulties. As the only social protection mechanism targeted specifically to poverty alleviation, the eligibility criteria for this transfer categorize the beneficiaries of the scheme narrowly into two categories:

- 1. Category I:** families in which all the members are dependent and not working; and
- 2. Category II:** families in which there is one family member able to work and registered as unemployed with the Employment Offices of the Ministry of Labour and Social Welfare (MLSW), at least one child younger than five (5) years or an orphan younger than fifteen (15) years under family's full-time care, and all the other family members are dependent.

The legislation regulating the Social Assistance Scheme (Law no. 2003/15) defines the following as dependent individuals:

- persons aged 18 years or older who have permanent and severe disabilities hindering them to work for remuneration;
- persons aged 65 years or older;
- full-time caregivers of a person(s) with permanent disability or of a person(s) aged 65 or older needing full-time care or of a child(ren) under the age of 5 years;
- persons younger than 14 years;
- persons aged 15-18 years inclusive who are attending secondary school education full-time; and
- single parents with at least one child under the age of 15.

In addition to these categorical criteria, the 2003 legislation stipulates that applicants for Social Assistance must also pass a means test to be eligible for the benefit. This test is a measurement of calculable and non-calculable assets and income of the applicants.

The asset test involves an estimation of whether the land, property, motor vehicles, livestock and equipment owned by the family are and/or can be used for domestic or commercial purposes. For instance, ownership of the following automatically disqualify a family from receiving Social Assistance: property or land larger than 0.5 hectares (regardless of whether it is used productively), motor vehicles other than those used solely by the family for domestic purposes or motorized wheelchair(s); livestock used for other than domestic non-commercial purposes, property, land or commercial business or state-owned enterprise and/or machinery that can be used for income-generating purposes.

As it regards to the income test, it excludes all sources of income tested in the asset test, includes payments from the Individual Savings Pensions Scheme, rent or hire and internal and international remittances, and excludes payments from the Basic Pension Scheme, Disability Pension Scheme and home produce for consumption of the family.

The monthly amount of Social Assistance paid to eligible families is calculated by deducting the family's calculable net monthly income from the Monthly Gross Standard Rate. The Monthly Gross Standard Rate is calculated by using the number of family members but the following are excluded in the calculations: family members that are aged 65 years or older; those in receipt of a Disability Pension; and the ones receiving benefits from the scheme "Benefits for the war invalids of Kosovo and for the next of kin of those who dies as a result of the armed conflict in Kosovo".

*\*All references to Kosovo in this report are made in the context of UN Security Council Resolution 1244 (1999).*

According to the administrative directive *Implementing Rule No.2003/XX on Implementing the Law on Social Assistance Scheme in Kosovo*, the maximum Monthly Gross Standard Rates of Social Assistance for 2003 were set as follows in the second column in Table 1.

Table 1: Social Assistance Monthly Gross Standard Rates, 2003, 2009 and 2012

Family size	Monthly Gross Standard Rates 2003	Monthly Gross Standard Rates as of January 2009	Monthly Gross Standard Rates as of Rates of June 2012**
Family with one (1) person	€35	€40	€40
Family with two (2) persons	€50	€55	€55
Family with three (3) persons	€55	€60	€60
Family with four (4) persons	€60	€65	€65
Family with five (5) persons	€65	€70	€70
Family with six (6) persons	€70	€75	€75
Family with seven (7) persons	€75*	€80	€80
Family with eight (8) persons	€75	€80*	€85**

\*The legislation sets a limit of €75 per month for families that have more than seven (7) members. In January 2009, the limit was raised to €80 per month for such families.

\*\* The 2012 amendments to legislation remove the limit of €80 for families with more than seven (7) members; an additional €5 is added to the monthly benefit for every additional member up to 15 family members. These amendments include also a child allowance of €5 per month for each child of beneficiaries aged 0-18 years.

Even though it is the only benefit that is specifically targeted to poverty alleviation and families, the Monthly Gross Standard Rates of Social Assistance were not set even at Kosovo's extreme (food) poverty line - €47 per month for a single-member family<sup>1</sup> - when the scheme was established in 2003 (see the values of extreme (food) poverty line for different sizes and structures of families in Table 2). In other words, the monthly amount of Social Assistance has been insufficient to cover even the minimum daily nutritional needs of individuals (2,100 kcal) and families since 2003.

Additionally, the monthly benefit amount for different families does not reflect adequately their household needs based on family size and structure (family structure refers to the number of adults and children in the family). Families with more than seven members received only €75 (2003 – 2009) and then €80 (as of January 2009) until 2012. The new legislative amendments moved this payment ceiling to households with 15 members.

A comparison of the monthly amount of Social Assistance – Monthly Gross Standard Rates plus the child allowance of €5 for each child aged 0-18 years added since October 2012 - with the extreme poverty line of 2003, shows that the present amount is inadequate for different sizes of families. Its value decreases and becomes almost negligible as a source of income for large families. For instance, a family of two adults and three children receives €85 per month even though the extreme (food) poverty line for such a family was €140 ten years ago (see Table 2).

<sup>1</sup> The monthly extreme (food) poverty line of €47 for a single-member household in 2003 was calculated by multiplying the daily extreme (food) poverty line of €0.93 per adult equivalent by the average number of days per month (30.4) and accounting for size and structure of the household, that is, the coefficient of the Adjusted equivalent size of the household which for a family of one member is 1.67 (see the Technical Note for details on calculations of the extreme (food) poverty lines). The Adjusted equivalent size of the household accounts for economies of scale and differences in household needs depending on household size and structure (i.e. number of adults and children) (World Bank, 2004, p.22).

The comparison above highlights an important issue: that the Social Assistance benefit has not been adjusted to changes in the macroeconomic conditions in Kosovo since the inception of the scheme. Of particular importance is the adjustment to the CPI that is stipulated by Article 9.1 of the Law on Social Assistance Scheme in Kosovo (Law no. 2003/15).

As the next sections will show, the addition of €5 in 2009, the removal of the ceiling of €80 for families with more than seven members, and the additional child allowance of €5 for each child aged 0-18 years were insufficient to level Social Assistance with the extreme poverty line let alone approximate it to the average wage in Kosovo.

Table 2: Extreme (food) poverty line (2002-2003) and monthly amounts of Social Assistance (2012), by family size and structure

Household size	Adult	Children	Adjusted adult equivalent size of household	The value of extreme (food) poverty line per month (2002-2003)	Monthly Gross Standard Rates plus child allowance as of October, 2012*
1	1	0	1.67	€47	€40
2	1	1	2.54	€72	€60
	2	0	2.81	€80	€55
3	1	2	3.32	€94	€70
	2	1	3.57	€101	€65
	3	0	3.81	€108	€60
4	1	3	4.04	€115	€80
	2	2	4.27	€121	€75
	3	1	4.50	€128	€70
	4	0	4.73	€134	€65
5	1	4	4.73	€134	€90
	2	3	4.95	€140	€85
	3	2	5.16	€147	€80
	4	1	5.38	€153	€75
	5	0	5.59	€159	€70
6	2	4	5.59	€159	€95
	3	3	5.79	€165	€90
	4	2	6.00	€170	€85
	5	1	6.20	€176	€80
	6	0	6.40	€182	€75

\* The average monthly amounts of Social Assistance were calculated by applying the 2012 amendments to legislation.

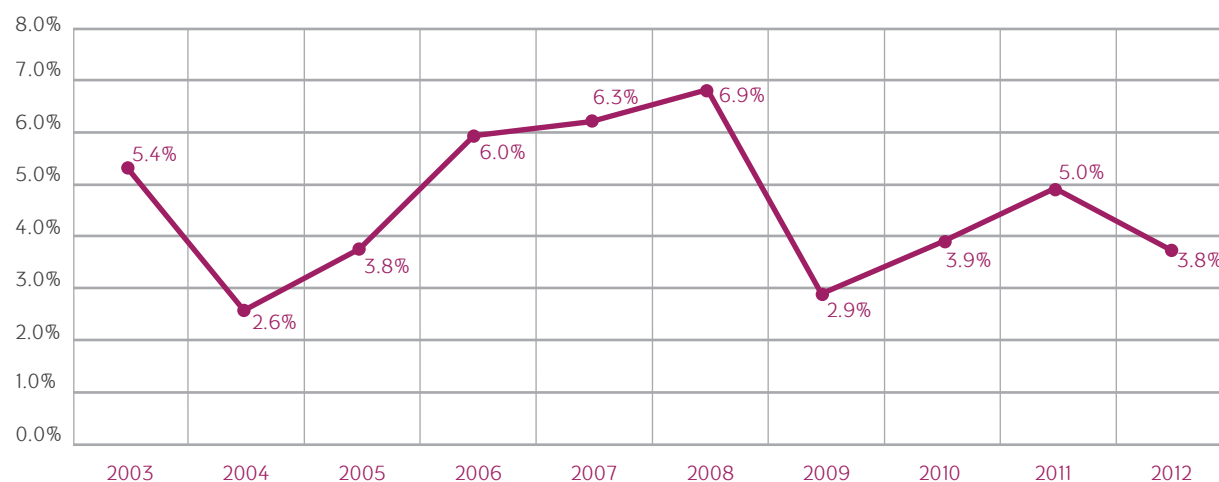
Source: World Bank, (January, 2004). Poverty and Inequality in Kosovo: Findings based on results of the Household Budget Survey 2002.



## Social Assistance in context: GDP, prices, government expenditures, average wages and other social transfers

Kosovo's continuous economic growth since the end of the conflict in 1999 has been resilient even to the latest global economic and financial crisis. Its annual GDP growth climaxed in 2008 - at 7% - largely impacted by the expansionary fiscal policy (World Bank, 2010, p.1). A brief trend analysis of the GDP per capita shows that it also increased steadily until 2008 (World Bank, 2013, n.p). However, other welfare indicators demonstrate that the economic growth in Kosovo has not been as equitable and its impact on poverty alleviation and creation of new jobs has been meagre. The latest poverty measurements show that thirty percent of the population live with less than €1.72 a day, whereas 10.2% live below the extreme poverty line - with less than €1.20 a day - unable to meet even the basic daily needs for food (KAS & World Bank, 2013, p.3). Similarly, the most recent labour force survey (2012) shows that the unemployment rate is still very high (31%), while the share of adults who do not participate in the labour market reached an alarming rate of 63% in 2012 (KAS & World Bank, 2013, p.24).

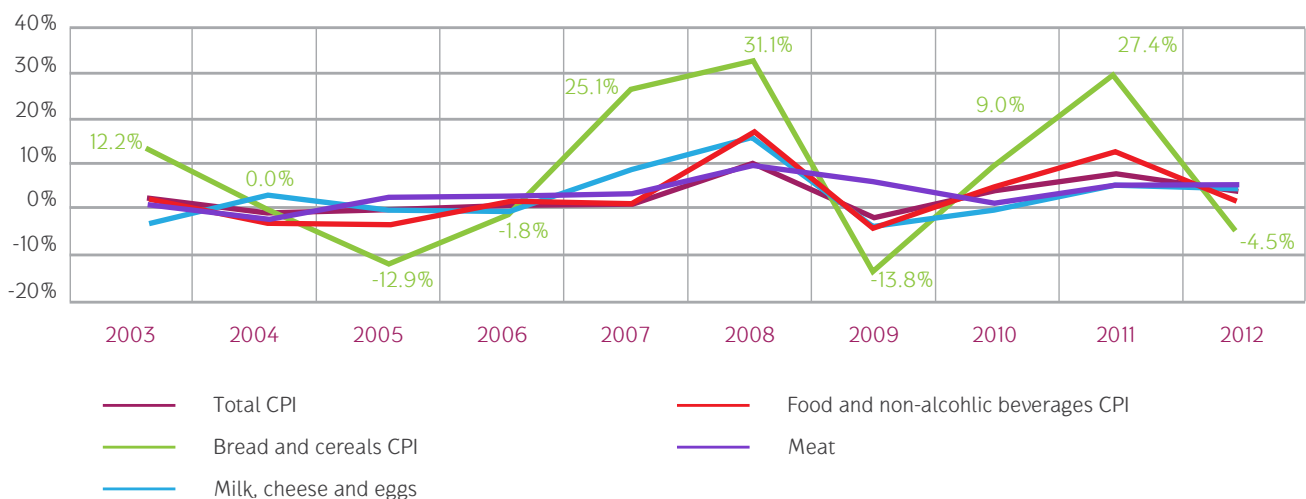
Figure 1 Annual increase in GDP in percent, 2002-2012



Source: World Bank, 2013. Retrieved from: <http://data.worldbank.org/country/kosovo>

The impact of economic growth on prices on the other hand has been rather significant. As the graph below shows, the Consumer Price Index (CPI) for all products increased by 9.4% in 2008 and 7.3% in 2011. The increase in the food and beverage CPI was even greater for these two years; 16% in 2008 and 12.2% in 2011. Bearing in mind that bread and cereals and dairy products and eggs comprise the largest share of consumption among poor households, it was of particular interest for this analysis to observe the volatility of CPI for these food categories. As Figure 2 shows, the increases in prices of bread and cereals are striking for the years when annual GDP growth was high: 12.2% in 2003, 25.1% in 2007, 31.1% in 2008 and 27.4% in 2011.

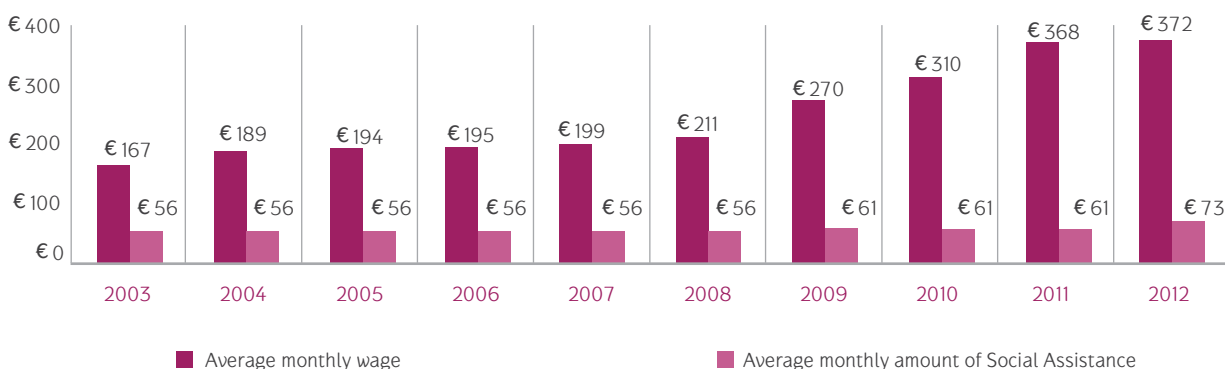
Figure 2: Annual change in the total CPI and CPI of food and non-alcoholic beverages, bread and cereals dairy products and eggs and meat, 2003-2012



Source: Kosovo Agency of Statistics (KAS).2013. Consumer Price Index 2002-2013. Retrieved from: [http://esk.rks-gov.net/ENG/publikimet/doc\\_view/1093-consumer-price-index-2002-2012?tmpl=component&format=raw](http://esk.rks-gov.net/ENG/publikimet/doc_view/1093-consumer-price-index-2002-2012?tmpl=component&format=raw)

While for those employed these increases in prices were “tackled” with increases in the average wage in the labour market, from €167 in 2003 to €372 in 2012 (KAS,2014), the families in the Social Assistance Scheme continued receiving almost the same amount of the benefit. The average monthly amount of Social Assistance was €56 until 2009, €61 between 2009 and 2012, and €73 as of October 2012. As mentioned earlier, the only changes to the benefit amount were made in 2009: an increase of €5; and 2012:an extra child allowance of €5 for each child (0-18 years) and shifting of the benefit ceiling from families with seven (7) members to families with up to fifteen (15) members.

Figure 3: Average wage and average monthly amount of Social Assistance, 2003-2012

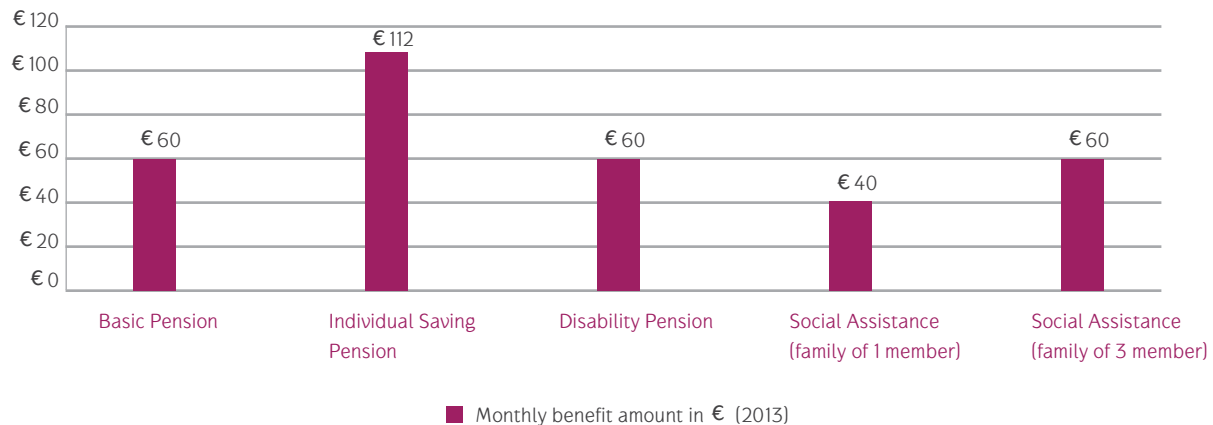


Source: Kosovo Agency of Statistics.2014. Average monthly paid net wages in the budget sector in Euro. Retrieved from: <http://ask.rks-gov.net/ENG/labour-market/tables>

Bearing in mind that its beneficiaries fall into the lowest income quintiles of the population which consume a larger proportion of products such as bread and cereals, dairy and eggs, these changes to the monthly amount of Social Assistance are almost insignificant when compared to price increases during this period. The average monthly amount of Social Assistance since October 2012 is €73, more than five times less than the average wage in Kosovo in 2012 (see Figure 3 for comparisons of average wages and average Social Assistance amount across years).

The monthly amount of Social Assistance is also lower in comparison with all the other social transfers provided by the Ministry of Labour and Social Welfare. A beneficiary of the scheme with only one family member (single-member family) receives only €40 per month compared to pensioners or persons with disability who received €60 a month in 2013. The latter is very close to the extreme poverty line of year 2012, €63 per adult equivalent per month. In the Social Assistance Scheme, €60 per month is provided to families with three (3) members who do not have children between 0 and 18 years (see Figure 4).

Figure 4: Monthly amount of Social Assistance compared to other social transfers, 2013

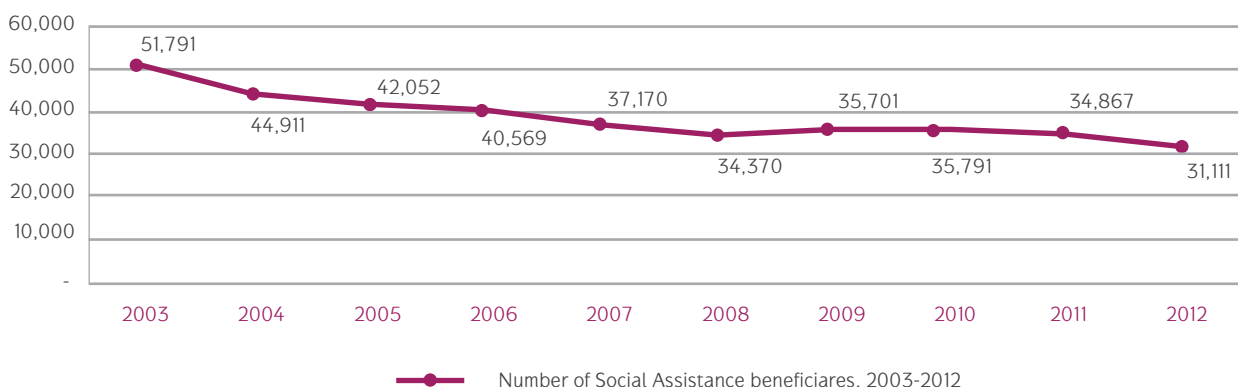


Source: Kosovo Agency of Statistics.2014. Statistics of Social Welfare 2013. Retrieved from:

[http://ask.rks-gov.net/statistikat-e-mireqenies/publikimet/doc\\_view/1092-statistikat-e-miraeumlqenjes-sociale-2013?tmpl=component&format=raw](http://ask.rks-gov.net/statistikat-e-mireqenies/publikimet/doc_view/1092-statistikat-e-miraeumlqenjes-sociale-2013?tmpl=component&format=raw)

Administrative data provided by the Ministry of Labour and Social Welfare show that both the number of beneficiaries and expenditure on the Social Assistance Scheme have declined since 2003 despite the expanding fiscal space and the prevailing high poverty rate. As may be observed in Figure 4, the total number of beneficiaries of the Social Assistance Scheme decreased from 51,791 families in 2003 to 31,111 families in 2012 (see Figure 5). Expenditures on the scheme have decreased simultaneously; from €32.3 million in 2003 to €27.4 million in 2012, despite the increase in the general government revenue from €863.3 million in 2003 to €1,782.8 million in 2012, which has been almost linear (see Figure 6).

Figure 5: Number of Social Assistance beneficiaries 2003-2012

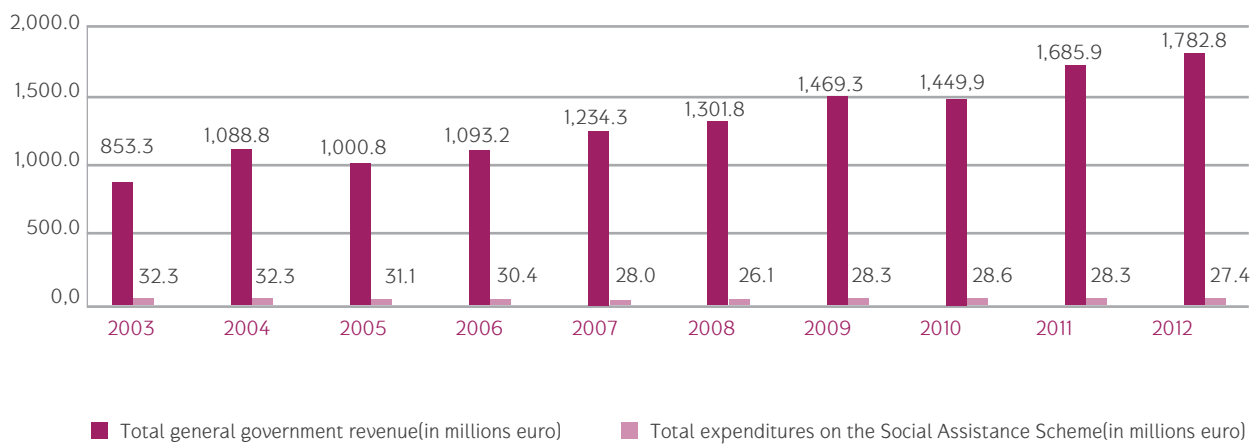


Source: Administrative data from the Department of Social Welfare (DSW) - Ministry of Labour and Social Welfare. 2013.

As may be observed in Figure 6, Kosovo spends a very small share of its government revenue on the Social Assistance Scheme. The Public Expenditure Review report of the World Bank (2010) shows that with exception of Montenegro and the former Yugoslav Republic of Macedonia, Kosovo spends much less on social assistance (1.5% of GDP) compared to the rest of the Western Balkans, especially Bosnia and Herzegovina and Croatia (World Bank, 2010, p.32). However, this figure is an overestimation because it includes the expenditures in the “war veteran schemes”. Should that amount be deducted, Kosovo’s expenditure on the Social

Assistance Scheme yields a figure of only 0.6% of GDP in 2012, ranking it in the bottom of the Western Balkans.

Figure 6: General government revenue and expenditures on the Social Assistance Scheme (in millions Euro), 2003-2012



Source: Administrative data from the Department of Social Welfare (DSW) - Ministry of Labour and Social Welfare, 2013 and Kosovo Agency of Statistics, 2013 & Kosovo Government Accounts 2004-2012 & Kosovo Government Accounts 2003, retrieved from: [http://esk.rks-gov.net/ENG/national-account/publications/doc\\_view/541-kosovo-government-accounts-2003?tmpl=component&format=raw](http://esk.rks-gov.net/ENG/national-account/publications/doc_view/541-kosovo-government-accounts-2003?tmpl=component&format=raw)

## The real value of Social Assistance

This section attempts to calculate the real value of the monthly amount of Social Assistance by adjusting it to the changes in the price level– CPI – in the period 2003-2012, as stipulated by legislation. The methodology also takes into account changes in the composition of the minimum basket of food consumption and family size and composition (number of adults and children) in order to calculate a benefit amount that corresponds with the existing extreme poverty parameters in Kosovo.

Before we introduce the methodologies, it must be noted that the minimum basket of food consumption of 2002 will be used as a baseline for indexation and comparisons of the benefit level. The reason for this is that it coincides with the inception of the scheme, it was used for setting the extreme (food) poverty line in 2002-2003 and the legislation on Social Assistance stipulates that the benefit level should be based on the minimum basket of food consumption.

### A note on extreme (food) poverty line 2002-2003 calculations

According to the World Bank Methodology on Poverty and Inequality in Kosovo 2002-2003, the extreme (food) poverty line was calculated using the actual quantities of food products consumed in the third, fourth and fifth deciles of the population, priced out using Kosovo's average survey prices for 2002-2003. The value of the minimum basket was then calculated for 2,100 kcal per person a day. The caloric intake information from the 2002 Household Budget Survey was calculated using the USDA (United States Department of Agriculture) nutritional database. Using this methodology, the extreme (food) poverty line was set at €0.93 per person per day for an average family of six persons. However, bearing in mind that a family's needs depend on its size and composition – namely through economies of scale and difference in consumption between adults and children – the methodology calculates different food poverty lines for different family sizes and compositions presented in Table 2 (World Bank, 2004). See the Technical Note for details on the calculation of the Adjusted adult equivalent size of the household coefficients.

### Methodology I: 2002 quantities and 2012 prices

This methodology uses the quantity of each product from the 2002 food basket and multiplies the product quantity by its price in 2012 to calculate the cost of the basket in 2012 (see Table 1 in the Technical Note).

The daily cost of the basket is then multiplied by:

- the average number of days per month (30.4) and
- respective coefficients that account for family size and composition differences (number of adults and children). This will allow for comparisons with the existing monthly amounts of Social Assistance for different family sizes and compositions (see Table 2 for coefficients of the adjusted adult equivalent size of household).

This methodology is the simplest and fastest for comparing the real monthly value of Social Assistance (using 2012 prices) with the benefit amounts provided to beneficiaries in 2012. Since it uses the 2002 food item quantities in the minimum food basket, this methodology assumes that the composition of the basket of minimum food consumption has remained the same over the years.

### Methodology II: 2002 quantities with annual food CPI-adjusted prices

This methodology indexes the price of each product in the minimum food basket of 2002 with its COICOP (Classification of Individual Consumption by Purpose) category-specific CPI over the 2003-2012 period (see Table 3 in the Technical Note).

This methodology is especially important for conducting a trend analysis of the monthly amount of Social Assistance over the 10-year period (2003-2012) and observing its fluctuations driven by changes in the food CPI.

Since the Kosovo Agency of Statistics (KAS) provides CPI data by COICOP categories rather than for each food product separately, the first step in this methodology was to group the food products of the 2002 minimum basket of consumption into the following COICOP categories: bread and cereals; meat; fish and seafood; milk, cheese and eggs; oils and fats; fruit; vegetables; sugar, jam, honey, chocolate and confectionery; food products n.e.c. (including sauces, spices, herbs); coffee, tea and cocoa and mineral waters, soft drinks, fruit and vegetable juices.

Then, we indexed the price of each product by the annual change in CPI of its respective COICOP category for each year between 2003 and 2012 inclusive (see Table 2).

Due to lack of available data to make changes to the minimum food basket composition each year, the indexed prices of each food product for each year were multiplied by their respective quantities from the 2002 basket. In other words, this methodology assumes that the composition of the minimum food basket has remained the same over the period under consideration.

The daily cost of the basket is then multiplied by:

- the average number of days per month (30.4) and
- respective coefficients that account for family size and composition differences (number of adults and children). This will allow for comparisons with the existing monthly amounts of Social Assistance for different family sizes and compositions (see Table 2 for coefficients of the adjusted adult equivalent size of household).

### Methodology III: new minimum food basket using the HBS 2012 data

This methodology is based on the methodology of the World Bank Poverty and Inequality 2002-2003 analysis to calculate the new cost of the minimum basket of food consumption and monthly amount of Social Assistance using the HBS 2012 data. As such, the methodology accounts for changes in both the composition of the minimum food basket and prices until 2012 (see Table 4 in the Technical Note).

As briefly explained in the previous sections, in this methodology we initially identified the third, fourth and fifth lowest deciles of consumption in the HBS 2012 dataset using the variable of food consumption per capita. Since the dataset does not contain a quantity variable for the products consumed by households, the value of the food basket was calculated by summing average values of each COICOP food product consumed per person by the reference population. Due to the missing quantities of each food item and lack of data on their nutritional value, the basket has not been adjusted to the 2,100kcal per person per day.

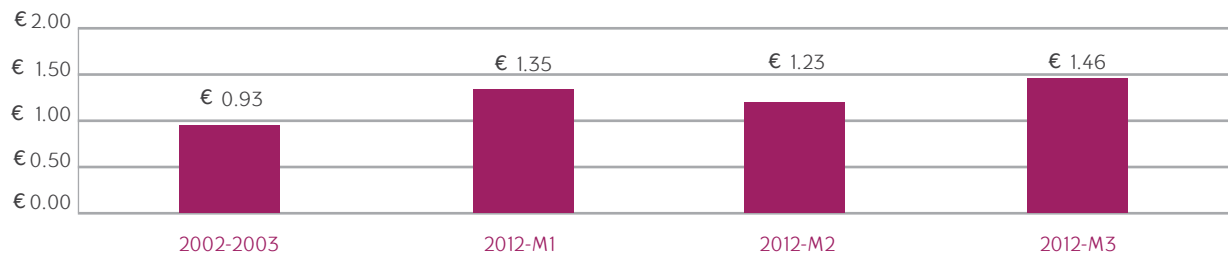
As in the previous methodologies, the value of the minimum food basket was multiplied by the average number of days per month (30.4) and the respective coefficients that account for family size and composition differences to enable comparisons with existing amounts of Social Assistance. (See Table 2 for coefficients of the Adjusted adult equivalent size of household).

### Results of calculations from the three methodologies

As may be observed in Figure 7, regardless of the methodology used for calculations, the value of the minimum basket of food consumption in 2012 is fairly higher than the one of 2002-2003 which is still used as a baseline for the monthly amount of Social Assistance.

Specifically, when using the quantities of the 2002-2003 basket and indexing the prices with the annual food CPI changes (in Methodology II), the value of the basket (€1.23 per adult equivalent per day) is almost equal to the official extreme (food) poverty line in 2011, €1.20 per adult equivalent per day (KAS & World Bank, 2013, p.3). Using 2012 prices, Methodology I calculations yield a slightly higher value €1.35 per day per adult equivalent, while Methodology III that also accounts for changes in the composition of the minimum food basket results in the highest value of all, €1.46 per adult equivalent a day.

Figure 7: Value of minimum basket of food consumption per adult equivalent per day, 2002-2003 and 2012

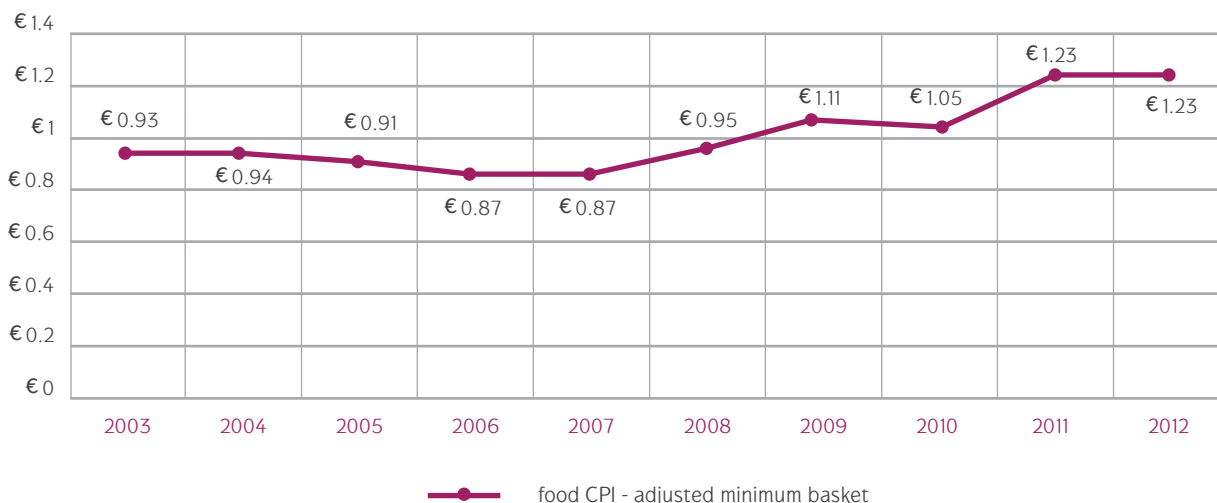


Source: UNDP calculations.

*\*For years 2002-2003, figure retrieved from the World Bank report Poverty and Inequality in Kosovo: Findings based on results of the Household Budget Survey 2002-2003.*

A trend analysis of the value of the minimum food basket adjusted for the food CPI changes over the 2003-2012 period in Figure 8 shows that it has increased in all the years except for the period of deflation in 2004, 2005 and 2006 when it was rather deep for categories such as bread and cereals.

Figure 8: Value of daily minimum basket of food consumption adjusted for food CPI changes, 2002-2012



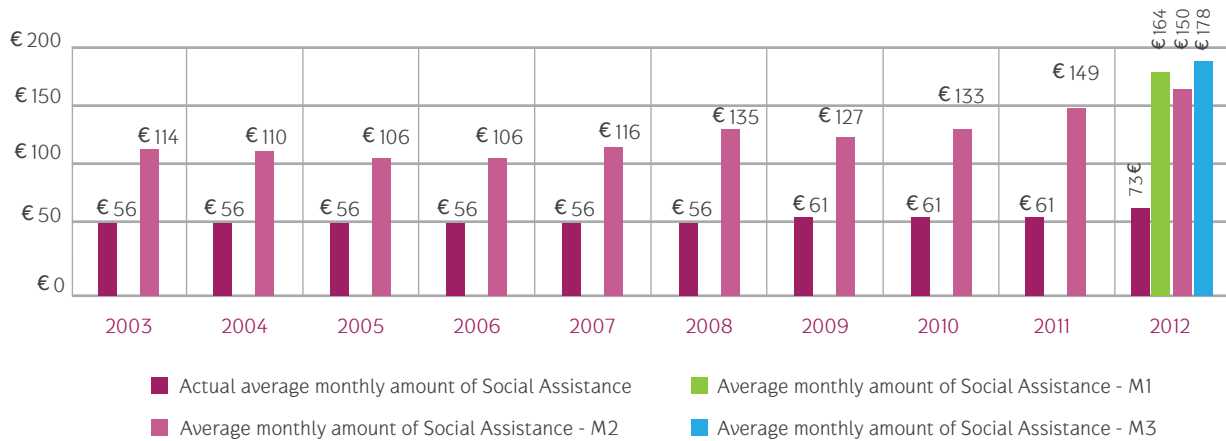
Source: UNDP calculations

To make the trend analysis above more concrete and comprehensible, the following graph compares the actual average monthly amount of Social Assistance with the average monthly amounts that use different methodologies to reflect the changes in the prices since 2003. These amounts were calculated by multiplying the value of minimum basket of food consumption with family size (1-6 members) and do not take into account the family composition, i.e. number of adults and children in the household and economies of scale based on the family size.

As Figure 9 shows, the monthly amount of Social Assistance has constantly been lower than the extreme (food) poverty line - since the establishment of the scheme – and its purchasing power has been decreasing continuously over the years due to inflation.

A comparison of the average monthly amount of Social Assistance (including child allowances) in 2012 with the results of the three methodologies we used shows that it is half of the value of the minimum food basket if the latter was indexed each year (€73 compared to €150). When the changes in the composition of the minimum food basket are also taken into account, the existing value of the benefit shrinks to less than half of the minimum food basket (see Table 5 in the Technical Note for comparisons of family size-specific benefit amounts).

Figure 9: Average value of monthly amount of Social Assistance in Euro, actual and adjusted for prices, 2003-2012



\*The average monthly amount of Social Assistance in each of the methodologies was calculated by using the values of family-size specific amounts of Social Assistance and not accounting for economies of scale and differences in consumption between adults and children.

An adjustment of the monthly amount of Social Assistance in the three methodologies to both family size and composition widens the gap between its current value and the calculated real values further. The average monthly amount of Social Assistance indexed for inflation or to 2012 prices - €171 and €187 respectively - is 2.3 and 2.6 times higher than its current average amount (see Figure 10).

Methodology III that takes into consideration both changes in the composition of the minimum food basket and prices, shows that the purchasing power of Social Assistance amount is almost three times less than the amount necessary to cover the cost of the minimum food basket. See Table 3 for comparisons of family-size and composition-specific benefit amounts.

Figure 10: Average monthly amount of Social Assistance in Euro, actual and adjusted for prices and family size and composition, 2002-2012





Table 3: Monthly amounts of Social Assistance (2012), by family size and composition, actual, adjusted for prices and adjusted for prices and food basket composition

Household size	Adult	Children	The value of extreme (food) poverty line per month (2002-2003)	Monthly Gross Standard Rates plus child allowance as of October, 2012*	Methodology I: 2002 quantities, 2012 prices	Methodology II: 2002 quantities, annual food CPI-adjusted prices	Methodology III: new minimum basket using HBS 2012 data
1	1	0	€47	€40	€69	€63	€74
2	1	1	€72	€60	€104	€95	€113
	2	0	€80	€55	€115	€105	€125
3	1	2	€94	€70	€136	€124	€148
	2	1	€101	€65	€147	€134	€159
	3	0	€108	€60	€156	€143	€169
4	1	3	€115	€80	€166	€151	€180
	2	2	€121	€75	€176	€160	€190
	3	1	€128	€70	€185	€169	€200
	4	0	€134	€65	€194	€177	€210
5	1	4	€134	€90	€194	€177	€210
	2	3	€140	€85	€203	€185	€220
	3	2	€147	€80	€212	€193	€229
	4	1	€153	€75	€221	€201	€239
	5	0	€159	€70	€229	€209	€248
6	2	4	€159	€95	€229	€209	€248
	3	3	€165	€90	€238	€217	€258
	4	2	€170	€85	€246	€225	€267
	5	1	€176	€80	€255	€232	€276
	6	0	€182	€75	€263	€240	€285

\* The average monthly amounts of Social Assistance were calculated by applying the 2012 amendments to legislation.

Note: The value of extreme (food) poverty line per month (2002) was taken from the report of the World Bank: Poverty and Inequality in Kosovo: Findings based on results of the Household Budget Survey 2002-2003.

Based on the analysis and findings of this paper, UNDP Kosovo recommends the following steps:

1. Immediate indexation of the Social Assistance benefit to cover the increase in the cost of the minimum food basket since 2003.
  - Indexation of the minimum food basket using the annual food CPI (by COICOP categories) for years 2003-2012 yields a figure of €1.23 per adult equivalent per day. Using this figure, the monthly amount of Social Assistance for a family with one member should be set at no less than €63 per month.
2. The formula for calculation of the monthly amount of Social Assistance for different types of families should be revised, approved and enforced. The new formula should take into account the varying consumption needs of families based on family size and composition - number of children and adults in the family.
  - As our calculations have shown, adding merely €5 for each additional person for families with more than two (2) family members does not reflect the minimum food consumption needs of these families. Figures of extreme (food) poverty line by family size and composition (2002 and 2012) can be used as a baseline to revise this formula.
3. Preparation, approval and enforcement of a legislative act establishing the methodology for indexation of the Social Assistance benefit in correspondence with changes in prices on an annual basis. Having in mind that food comprises the largest share of poor families' consumption, the methodology should use the food CPI by COICOP category. This way, the monthly amount of Social Assistance that the families receive will be sufficient to cover the cost of the minimum food basket.
  - Methodology II used in this paper could serve as a model. Collaboration of the MLSW with the Department of Social Statistics and the Department of Prices of KAS in this process is essential.
  - For enforcement of this legislative act, The Ministry of Labour and Social Welfare (MLSW) and the Kosovo Agency of Statistics (KAS) should sign an official agreement of collaboration. The agreement should set the terms for the KAS to provide the MLSW with figures of the value of the minimum food basket on a yearly basis for budgetary planning and projections. These changes should include both 1) yearly fluctuations in the food CPI (by COICOP categories) and 2) changes in the composition of the minimum food basket.

### Adjusted Adult Equivalent Size of the Household

The World Bank methodology on poverty and inequality calculations uses the Adjusted Adult equivalent size of the household to measure the effects of the economies of scale and the different consumption needs by different household members depending on their age. Initially, the household size is converted into Adults equivalent ( $AE$ ) using the following formula:

$$AE_j = (A_j + \alpha C_j)^\theta,$$

where  $A_i$  is the number of adults in the household and  $C_i$  is the number of children (individuals of age 14 and below). Parameters  $\alpha$  and  $\theta$  reflect economies of scale in the household and consumption of children and each are equal to 0.75. In order not to overestimate the total consumption of household, the methodology proposes using the Adjusted adult equivalent size of the household:

$$AE\_ADJ_j = (A_0 + C_0) * AE_j / (A_0 + \alpha C_0)^\theta,$$

where  $A_0$  and  $C_0$  are the number of adults and children in the pivotal household, whereas  $A_j$  and  $C_j$  are the number of adults and children in the  $i^{\text{th}}$  household. While parameters  $\alpha$  (consumption of children) and  $\theta$  (economies of scale) are both 0.75, the number of adults  $A_0$  in the pivotal household is 4, whereas the number of children  $C_0$  is 2 (World Bank, 2004, p.10).

Table A1: Methodology I. Minimum basket of food consumption (2012) using 2002 quantities and 2012 prices

Product name	Price in EUR 2002	Price in EUR 2012	Quantity in the basket in KG (2002)	Value EUR 2002	Value EUR 2012
Rice and rice prepared with meat, fish, vegetable, etc.	1.017	1.3	0.013	0.0132	0.0169
Wheat four qual.	0.24	0.43	0.196	0.047	0.08428
White bread	0.6	0.78	0.161	0.0966	0.12558
Pasta and pasta prepared with meat, fish, vegetable, etc.	1.017	1.4	0.015	0.0153	0.021
Maize flour	0.949	0.89	0.002	0.0019	0.00178
Biscuits -Plazma	3.944	3.43	0.002	0.0079	0.00686
Cheese pie	2.2	2.64	0.001	0.0022	0.00264
Pastry-cook products (cakes, other pies, pizza, etc.)	7	1.33	0	0	0
Other bread	0.52	1.68	0	0	0
Other (potato starch etc.) .	2	4.3	0.002	0.004	0.0086
Beef (fresh, chilled or frozen)	4.417	6.06	0.007	0.0309	0.04242
Veal (fresh, chilled or frozen)	4.708	6.88	0.007	0.033	0.04816
Veal lungs (fresh or chilled)	3	2.99	0.001	0.003	0.00299
Veal lungs (frozen)	4	3.2	0	0	0
Dried meat	9.333	9.75	0	0	0
Domestic sausage	4	6.49	0.007	0.028	0.04543
Salami (chicken)	2	4.1	0.006	0.012	0.0246
Canned mashed chicken	7	2.14	0.001	0.007	0.00214
Dried, salted or smoked meat and meat offal	8	6.96	0	0	0
Frozen fish	2.5	4.3	0.001	0.0025	0.0043
Fresh fish	5.5	2.87	0	0	0
Canned fish	0.721	4.39	0	0.0007	0.00439
Seafood (fresh, chilled or frozen)	6	6.55	0.001	0	0
Other fresh, chilled or frozen meat (chicken, sheep etc.)	2	2	0	0.038	0.038
Low fat milk (- 2.8% fat)	0.65	0.88	0.019	0.0098	0.0132
Other fresh milk	0.458	0.56	0.011	0.0618	0.0756
Yoghurt	1	0.98	0.011	0.011	0.01078

Fresh cheese	2.533	3.48	0.017	0.0431	0.05916
White cream	2.417	1.05	0.001	0.0024	0.00105
Cream	5.667	5.23	0.001	0.0057	0.00523
Eggs	1.633	2.97	0.021	0.0343	0.06237
Preserved milk	0.567	4.52	0.043	0.0244	0.19436
Other cheese and curd	1.33	0.98	0.011	0.0146	0.01078
Other milk products	1.07	1.07	0.006	0.0064	0.00642
Edible oils	1.133	1.59	0.039	0.0442	0.06201
Margarine	1.767	2.04	0.002	0.0035	0.00408
Vegetable oil	1.517	2.3	0.002	0.003	0.0046
Other (edible animal fats etc.)	1.23	1.23	0	0	0000000
Butter	2.12	2.08	0.002	0.0042	0.00416
Peanut butter	2.67	2.67	0	0	0
Olive oil	1.75	1.75	0	0	0
Apple (fresh, chilled or frozen)	0.95	0.84	0.013	0.0124	0.01092
Pears (fresh, chilled or frozen)	1.667	1.46	0	0	0
Banana (fresh, chilled or frozen)	0.867	1.07	0.009	0.0078	0.00963
Orange (fresh, chilled or frozen)	1.075	0.97	0.001	0.0011	0.00097
Limon (fresh, chilled or frozen)	1.225	1.39	0.003	0.0037	0.00417
Grape (fresh, chilled or frozen)	1.567	1.55	0.001	0.0016	0.00155
Strawberries (fresh, chilled or frozen)	1.692	1.9	0	0	0
Chestnuts	0.978	2.15	0	0	0
Unshelled walnuts	6.333	9.61	0	0	0
Other citrus fruits (fresh, chilled or frozen)	0.86	2.73	0.003	0.0026	0.00819
Potatoes (fresh, chilled or frozen)	0.408	0.34	0.051	0.0208	0.01734
Tomatoes (fresh, chilled or frozen)	0.983	0.93	0.015	0.0147	0.01395
Beans (fresh, chilled or frozen)	2.692	2.17	0.012	0.0323	0.02604
Onion (fresh, chilled or frozen)	0.442	0.42	0.02	0.0088	0.0084
Garlic (fresh, chilled or frozen)	1.825	2.84	0	0	0
Cucumber (fresh, chilled or frozen)	0.983	0.9	0.003	0.0029	0.0027
Pepper (fresh, chilled or frozen)	1.375	1.25	0.015	0.0206	0.01875
Carrot (fresh, chilled or frozen)	0.95	0.88	0.001	0.001	0.00088
Spinach (fresh, chilled or frozen)	0.608	0.91	0.005	0.003	0.00455

Cabbages and cauliflower (fresh, chilled or frozen)	0.383	0.31	0.022	0.0084	0.00682
Other (Beets, cauliflower, Canned vegetables, leek etc.)	0.78	0.76	0.001	0.0008	0.00076
Sauces, condiments (mustard, ketchup, soya, etc.)	0.82	1.82	0.003	0.0025	0.00546
Salt, spices and culinary herbs	0.31	2.6	0.002	0.0006	0.0052
Dessert preparations	0.39	0.97	0.003	0.0012	0.00291
Sugar and substitute	0.49	0.89	0.071	0.0348	0.06319
Honey	5.638	7.74	0	0	0
Confectioneries (compotes, candies).	1.5		0.002	0.003	0
Marmalades, jam, jellies	1.247	2.44	0.004	0.005	0.00976
Chocolate	0.733	0.98	0.003	0.0022	0.00294
Chocolate cream	4.38	3.82	0	0	0
Ices and ice-cream	3	3.43	0.001	0.003	0.00343
Other	0.71	3.28	0.002	0.0014	0.00656
Soups	5	4.6	0.001	0.005	0.0046
Other coffee	2.54	6.1	0.001	0.0025	0.0061
Salt	0.354	0.31	0.021	0.0074	0.00651
Pepper	3.867	5.47	0.002	0.0077	0.01094
Vegeta (spice)	2	1.82	0.004	0.008	0.00728
Yeast	2.483	3.39	0.001	0.0025	0.00339
Vinegar	0.575	0.5	0.001	0.0006	0.0005
Mayonnaise	2.925	2.07	0	0	0
Other (baby food etc.)	6	14	0	0	0
Ground coffee	5.25	6.59	0.003	0.0158	0.01977
Tea	3.5	5	0.005	0.0175	0.025
Cocoa and powdered chocolate	6.333	5.05	0	0	0
Mineral or spring water	0.401	0.35	0.007	0.0028	0.00245
Coca cola	1.25	1.28	0.005	0.0063	0.0064
Fruit juice	0.958	0.76	0.014	0.0134	0.01064
Sprite	1.25	1.27	0.001	0.0013	0.00127
Other soft drinks	0.68	0.68	0.016	0.0109	0.01088
Vegetable juices	0.65	0.65	0.001	0.0007	0.00065
Other stone fruits (fresh, chilled or frozen)	0.68	0.68	00	0	0
Other berries (fresh, chilled or frozen)	1.3	1.3	0.001	0.0013	0.0013

Other nuts	0.98	0.98	0	0	0
Root crops (radish, turnip, asparagus)	1.01	1.01	0.002	0.002	0.00202
Mushrooms	0.36	0.36	0	0	0
Other leaf and stem vegetable (parsley, fennel, etc.	0.73	0.73	0.001	0.0007	0.00073
Dried vegetables	0.28	0.28	0	0	0
Other preserved vegetables	0.94	0.94	0.001	0.0009	0.00094
Other tubers and tuber products, including potatoes chips	0.54	0.54	0.001	0.0005	0.00054
<b>Minimum basket of food consumption per day per person in EUR</b>				<b>0.92</b>	<b>1.35</b>

Source: World Bank.(2004, January).Poverty and Inequality in Kosovo: Findings, Based on Results of Household Budget Survey 2002. For 2012, UNDP calculations.

*\*Note: Prices of products in 2012 were provided by the Division of Prices of the Kosovo Agency of Statistic and were adjusted to KG.*

Table A2: Annual changes in percent (%) of CPI by COICOP for groups and subgroups of food, 2003-2012

COICOP group and subgroups	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Total CPI	1.3%	-1.1%	-1.3%	0.6%	4.4%	9.3%	-2.4%	3.5%	7.3%	2.5%
Food and non-alcoholic beverages	2.0%	-3.2%	-3.9%	0.8%	9.0%	16.0%	-4.4%	4.7%	12.2%	0.9%
Bread and cereals	12.2%	0.0%	-12.9%	-1.8%	25.1%	31.1%	-13.8%	9.0%	27.4%	-4.5%
Meat	0.3%	-2.9%	2.1%	2.1%	2.8%	9.3%	5.3%	0.8%	4.8%	3.6%
Fish and seafood	1.8%	-0.6%	-3.9%	10.4%	6.3%	2.0%	1.1%	-0.1%	3.4%	4.9%
Milk, cheese and eggs	-3.9%	2.5%	-0.7%	-1.1%	8.0%	15.1%	-4.7%	-0.6%	4.7%	3.7%
Oils and fats	-1.2%	-8.1%	-8.7%	0.4%	12.5%	37.4%	-24.1%	5.4%	28.2%	0.2%
Fruits	-12.3%	-11.0%	-5.0%	0.4%	9.6%	22.7%	-9.0%	4.5%	6.1%	4.8%
Vegetables	12.3%	-13.2%	-4.3%	4.7%	3.6%	2.5%	-2.7%	7.4%	0.8%	2.3%
Sugar, jam, honey, chocolate and confectionery	-2.2%	-7.9%	2.1%	14.8%	-1.7%	0.6%	7.3%	15.7%	17.7%	-2.1%
Food products n.e.c.	-3.4%	-1.1%	-2.0%	-4.5%	1.0%	5.8%	-0.1%	-3.1%	2.1%	0.7%
Coffee, tea and cocoa	1.3%	-5.1%	-4.5%	-2.7%	3.1%	11.6%	2.7%	5.4%	13.0%	6.1%
Mineral waters, soft drinks, fruit and vegetable juices	1.1%	-1.3%	-3.9%	-8.2%	3.8%	4.4%	-1.6%	0.4%	3.8%	1.0%

Source: Kosovo Agency of Statistics. 2013. Consumer Price Index 2002-2012. Retrieved from:  
[http://esk.rks-gov.net/ENG/price/publications/doc\\_view/1093-consumer-price-index-2002-2012?tmpl=component&format=raw](http://esk.rks-gov.net/ENG/price/publications/doc_view/1093-consumer-price-index-2002-2012?tmpl=component&format=raw)



Table A3: Methodology II. Minimum basket of food consumption (2012) using 2002 quantities with annual food CPI-adjusted prices

Product name	Value of the basket in EUR										
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Rice and rice prepared with meat, fish, vegetable, etc.	0.01322	0.0148	0.0148	0.0129	0.013	0.0159	0.0208	0.018	0.0196	0.02	0.0238
Wheat flour qual.	0.04704	0.0528	0.0528	0.046	0.045	0.0565	0.074	0.064	0.0696	0.09	0.0846
White bread	0.0966	0.1084	0.1084	0.0944	0.093	0.116	0.152	0.131	0.1429	0.18	0.1738
Pasta and pasta prepared with meat, fish, vegetable, etc.	0.01526	0.0171	0.0171	0.0149	0.015	0.0183	0.024	0.021	0.0226	0.03	0.0274
Maize flour	0.0019	0.0021	0.0021	0.0019	0.002	0.0023	0.003	0.003	0.0028	0	0.0034
Biscuits - Pllazma	0.00789	0.0089	0.0089	0.0077	0.008	0.0095	0.0.0124	0.011	0.0117	0.01	0.0142
Cheese pie	0.0022	0.0025	0.0025	0.0021	0.002	0.0026	0.0035	0.003	0.0033	0	0.004
Pastry-cook products (cakes, other pies, pizza, etc.)	0	0	0	0	0	0	0	0	0	0	0
Other bread	0	0	0	0	0	0	0	0	0	0	0
Other (potato starch etc.) .	0.004	0.0045	0.0045	0.0039	0.004	0.0048	0.0063	0.005	0.0059	0.01	0.0072
Beef (fresh, chilled or frozen)	0.03092	0.031	0.0301	0.0307	0.031	0.0323	0.0353	0.037	0.0374	0.04	0.0406
Veal (fresh, chilled or frozen)	0.03296	0.0331	0.0321	0.0328	0.033	0.0344	0.0344	0.04	0.0399	0.04	0.0433
Veal lungs (fresh or chilled)	0.003	0.003	0.0029	0.003	0.003	0.0031	0.0034	0.004	0.0036	0	0.0039
Veal lungs (frozen)	0	0	0	0	0	0	0	0	0	0	0
Dried meat	0	0	0	0	0	0	0	0	0	0	0
Domestic sausage	0.028	0.0281	0.0273	0.0278	0.028	0.0292	0.0319	0.034	0.0339	0.04	0.0368
Salami (chicken)	0.012	0.012	0.0117	0.0119	0.012	0.0125	0.0137	0.014	0.0145	0.02	0.0158
Canned mashed chicken	0.007	0.007	0.0068	0.007	0.007	0.0073	0.008	0.008	0.0085	0.01	0.0092
Dried, salted or smoked meat and meat offal	0	0	0	0	0	0	0	0	0	0	0
Other fresh, chilled or frozen meat (chicken, sheep etc.)	0.038	0.0381	0.037	0.0378	0.039	0.0397	0.0433	0.046	0.046	0.05	0.05
Frozen fish	0.0025	0.0025	0.0025	0.0024	0.003	0.0029	0.0029	0.003	0.0029	0	0.0032
Fresh fish	0	0	0	0	0	0	0	0	0	0	0
Canned fish	0.00072	0.0007	0.0007	0.0007	8E-04	0.0008	0.0008	8E-04	0.0008	0	0.0009
Seafood (fresh, chilled or frozen)	0	0	0	0	0	0	0	0	0	0	0
Low fat milk (- 2.8% fat)	0.00975	0.0094	0.0096	0.0095	0.009	0.0102	0.0117	0.011	0.0111	0.01	0.0121
Other fresh milk	0.06183	0.0594	0.0609	0.0605	0.06	0.0646	0.0744	0.071	0.0704	0.07	0.0765
Yoghurt	0.011	0.0106	0.0108	0.0108	0.011	0.0115	0.0132	0.013	0.0125	0.01	0.0136

Fresh cheese	0.04306	0.0414	0.0424	0.0421	0.042	0.045	0.0518	0.049	0.0491	0.05	0.0533
White cream	0.00242	0.0023	0.0024	0.0024	0.002	0.0025	0.0029	0.003	0.0028	0	0.003
Cream	0.00567	0.0054	0.0056	0.0055	0.005	0.0059	0.0068	0.006	0.0065	0.01	0.007
Eggs	0.03429	0.033	0.0338	0.0335	0.0335	0.0358	0.0412	0.039	0.0391	0.04	0.0424
Preserved milk	0.02438	0.0234	0.024	0.0238	0.024	0.0255	0.0293	0.028	0.0278	0.03	0.0302
Other cheese and curd	0.01463	0.0141	0.0144	0.0143	0.014	0.0153	0.0176	0.017	0.0167	0.02	0.0181
Other milk products	0.00642	0.0062	0.0063	0.0063	0.006	0.0067	0.0077	0.007	0.0073	0.01	0.0079
Edible oils	0.04419	0.0437	0.0401	0.0366	0.037	0.0414	0.0568	0.043	0.0455	0.06	0.0584
Margarine	0.00353	0.0035	0.0032	0.0029	0.003	0.0033	0.0045	0.003	0.0036	0	0.0047
Vegetable oil	0.00303	0.003	0.0028	0.0025	0.003	0.0028	0.0039	0.003	0.0031	0	0.004
Other (edible animal fats etc.)	0	0	0	0	0	0	0	0	0	0	0
Butter	0.00424	0.0042	0.0038	0.0035	0.004	0.004	0.0055	0.004	0.0044	0.01	0.0056
Peanut butter	0	0	0	0	0	0	0	0	0	0	0
Olive oil	0	0	0	0	0	0	0	0	0	0	0
Apple (fresh, chilled or frozen)	0.01235	0.0108	0.0096	0.0092	0.009	0.0101	0.0124	0.011	0.0118	0.01	0.01
Pears (fresh, chilled or frozen)	0	0	0	0	0	0	0	0	0	0	0
Banana (fresh, chilled or frozen)	0.0078	0.0068	0.0061	0.0058	0.006	0.0064	0.0078	0.007	0.0074	0.01	0.0083
Orange (fresh, chilled or frozen)	0.00108	0.0009	0.0008	0.0008	8E-04	0.0009	0.0011	1E-03	0.001	0	0.0011
Lemon (fresh, chilled or frozen)	0.00368	0.0032	0.0029	0.0027	0.003	0.003	0.0037	0.003	0.0035	0	0.0039
Grape (fresh, chilled or frozen)	0.00157	0.0014	0.0012	0.0012	0.001	0.0013	0.0016	0.001	0.0015	0	0.0017
Strawberries (fresh, chilled or frozen)	0	0	0	0	0	0	0	0	0	0	0
Chestnuts	0	0	0	0	0	0	0	0	0	0	0
Unshelled walnuts	0	0	0	0	0	0	0	0	0	0	0
Other citrus fruits (fresh, chilled or frozen)	0.00258	0.0023	0.002	0.0019	0.002	0.0021	0.0026	0.002	0.0025	0	0.0027
Other stone fruits (fresh, chilled or frozen)	0	0	0	0	0	0	0	0	0	0	0
Other berries (fresh, chilled or frozen)	0.0013	0.0011	0.001	0.001	1E-03	0.0011	0.0013	0.001	0.0012	0	0.0014
Other nuts	0	0	0	0	0	0	0	0	0	0	0
Potatoes (fresh, chilled or frozen)	0.02081	0.0234	0.0203	0.0194	0.02	0.0211	0.0216	0.021	0.0226	0.02	0.0233
Tomatoes (fresh, chilled or frozen)	0.01475	0.0166	0.0144	0.0138	0.014	0.0149	0.0153	0.015	0.016	0.02	0.0165
Beans (fresh, chilled or frozen)	0.0323	0.0363	0.0315	0.0301	0.032	0.0327	0.0335	0.033	0.035	0.04	0.0361
Onion (fresh, chilled or frozen)	0.00884	0.0099	0.0086	0.0082	0.009	0.0089	0.0092	0.009	0.0096	0.01	0.0099

Garlic (fresh, chilled or frozen)	0	0	0	0	0	0	0	0	0	0	0
Cucumber (fresh, chilled or frozen)	0.00295	0.0033	0.0029	0.0028	0.003	0.003	0.0031	0.003	0.0032	0	0.0033
Pepper (fresh, chilled or frozen)	0.02063	0.0232	0.0201	0.0192	0.02	0.0209	0.0214	0.021	0.0224	0.02	0.0231
Carrot (fresh, chilled or frozen)	0.00095	0.0011	0.0009	0.0009	9E-04	0.001	0.001	1E-03	0.001	0	0.0011
Spinach (fresh, chilled or frozen)	0.00304	0.0034	0.003	0.0028	0.003	0.0031	0.0032	0.003	0.0033	0	0.0034
Cabbages and culiflower (fresh, chilled or frozen)	0.00843	0.0095	0.0082	0.0079	0.008	0.0085	0.0087	0.009	0.0091	0.01	0.0094
Other (Beets, cauliflower, Canned vegetables, leek etc.)	0.00202	0.0023	0.002	0.0019	0.002	0.002	0.0021	0.002	0.0022	0	0.0023
Root crops (radish, turnip, asparagus)	0.00202	0.0023	0.002	0.0019	0.002	0.002	0.0021	0.002	0.0022	0	0.0023
Mushrooms	0	0	0	0	0	0	0	0	0	0	0
Other leaf and stem vegetable (parsley, fennel, etc.)	0.00073	0.0008	0.0007	0.0007	7E-04	0.0007	0.0008	7E-04	0.0008	0	0.0008
Dried vegetables	0	0	0	0	0	0	0	0	0	0	0
Other preserved vegetables	0.00094	0.0011	0.0009	0.0009	9E-04	0.001	0.001	9E-04	0.001	0	0.0011
Other tubers and tuber products, including potatoes chips	0.00054	0.0006	0.0005	0.0005	5E-04	0.0005	0.0006	5E-04	0.0006	0	0.0006
Dessert preparations	0.00117	0.0011	0.0011	0.0011	0.001	0.0012	0.0012	0.001	0.0015	0	0.0017
Sugar and substitute	0.03479	0.034	0.0313	0.032	0.037	0.0361	0.0363	0.039	0.0451	0.05	0.052
Honey	0	0	0	0	0	0	0	0	0	0	0
Confectioneries (compotes, candies).	0.003	0.0029	0.0027	0.0028	0.003	0.0031	0.0031	0.003	0.0039	0	0.0045
Marmalades, jam,	0.00499	0.0049	0.0045	0.0046	0.005	0.0052	0.0052	0.006	0.0065	0.01	0.0074
Chocolate	0.0022	0.0022	0.002	0.002	0.002	0.0023	0.0023	0.002	0.0029	0	0.0033
Chocolate cream	0	0	0	0	0	0	0	0	0	0	0
Ices and ice-cream	0.003	0.0029	0.0027	0.0028	0.003	0.0031	0.0031	0.003	0.0039	0	0.0045
Other	0.00142	0.0014	0.0013	0.0013	0.001	0.0015	0.0015	0.002	0.0018	0	0.0021
Sauces, condiments (mustard, ketchup, soya, etc.)	0.00246	0.0024	0.0024	0.0023	0.002	0.0022	0.0024	0.002	0.0023	0	0.0023
Salt, spices and culinary herbs	0.00062	0.0006	0.0006	0.0006	6E-04	0.0006	0.0006	6E-04	0.0006	0	0.0006
Soups	0.005	0.0048	0.0048	0.0047	0.004	0.0045	0.0048	0.005	0.0046	0	0.0048
Salt	0.00743	0.0072	0.0071	0.007	0.007	0.0067	0.0071	0.007	0.0069	0.01	0.0071
Pepper	0.00773	0.0075	0.0074	0.0072	0.007	0.007	0.0074	0.007	0.0072	0.01	0.0074
Vegeta (spice)	0.008	0.0077	0.0076	0.0075	0.007	0.0072	0.0076	0.008	0.0074	0.01	0.0076
Yeast	0.00248	0.00248	0.0024	0.0023	0.0023	0.0022	0.0024	0.002	0.0023	0	0.0024

Salt	0.00743	0.0072	0.0071	0.007	0.007	0.0067	0.0071	0.007	0.0069	0.01	0.0071
Pepper	0.00773	0.0075	0.0074	0.0072	0.007	0.007	0.0074	0.007	0.0072	0.01	0.0074
Vegeta (spice)	0.008	0.0077	0.0076	0.0075	0.007	0.0072	0.0076	0.008	0.0074	0.01	0.0076
Yeast	0.00248	0.0024	0.0024	0.0023	0.002	0.0022	0.0024	0.002	0.0023	0	0.0024
Vinegar	0.00058	0.0006	0.0005	0.0005	5E-04	0.0005	0.0005	5E-04	0.0005	0	0.0005
Mayonnaise	0	0	0	0	0	0	0	0	0	0	0
Other (baby food etc.)	0	0	0	0	0	0	0	0	0	0	0
Ground coffee	0.01575	0.0155	0.0148	0.0141	0.014	0.0141	0.0158	0.016	0.0171	0.02	0.0205
Tea	0.0175	0.0173	0.0164	0.0157	0.015	0.0157	0.0175	0.018	0.019	0.02	0.0227
Cocoa and powdered	0	0	0	0	0	0	0	0	0	0	0
Other coffee	0.00254	0.0025	0.0024	0.0023	0.002	0.0023	0.0025	0.003	0.0028	0	0.0033
Mineral or spring water	0.00281	0.0028	0.0028	0.0027	0.002	0.0026	0.0027	0.003	0.0026	0	0.0028
Coca cola	0.00625	0.0063	0.0062	0.006	0.006	0.0057	0.006	0.006	0.0059	0.01	0.0062
Fruit juice	0.01341	0.0136	0.0134	0.0129	0.012	0.0123	0.0128	0.013	0.0126	0.01	0.0133
Sprite	0.00125	0.0013	0.0012	0.0012	0.001	0.0011	0.0012	0.001	0.0012	0	0.0012
Other soft drinks	0.01088	0.011	0.0109	0.0104	0.01	0.0099	0.0104	0.01	0.0103	0.01	0.0108
Vegetable juices	0.00065	0.0007	0.0006	0.0006	6E-04	0.0006	0.0006	6E-04	0.0006	0	0.0006
<b>Minimum basket of food consumption per day per person in EUR</b>	<b>0.92</b>	<b>0.94</b>	<b>0.91</b>	<b>0.87</b>	<b>0.87</b>	<b>0.95</b>	<b>1.11</b>	<b>1.05</b>	<b>1.09</b>	<b>1.23</b>	<b>1.23</b>

Source: Kosovo Agency of Statistics. 2013. Consumer Price Index 2002-2012. Retrieved from: [http://ask.rks-gov.net/cmimet/publikimet/cat\\_view/98-cmimet/15-indeksi-i-cmimeve-te-konsumit-](http://ask.rks-gov.net/cmimet/publikimet/cat_view/98-cmimet/15-indeksi-i-cmimeve-te-konsumit-)

Table A4: Methodology III. Minimum basket of food consumption (2012) using HBS 2012 data

Product name	Daily per capita consumption
Rice	0.010551638
White bread	0.057224333
Pasta	0.010848648
Corn flour	0.011930298
Biscuits	0.013787826
Cheese burek	0.014223267
Pastry	0.0183931
Corn starch, smoki, etc	0.013899694
Wheat flour	0.094959178
Beef	0.057691345
Veal	0.075208385
Veal liver	0.021965818
Chicken	0.034836484
Ham	0.035722243
Sausage (suxhuk)	0.029740343
Chicken salami	0.013329107
Chicken pate	0.013865487
Frozen fish	0.023623507
Fresh fish	0.03047405
Canned fish	0.012701955
Fresh milk	0.031284424
Packaged milk	0.033640613
Yogurt	0.012980932
Fresh cheese	0.026919138
Other cheese and curd	0.026342898
Sour cream	0.013514079
Eggs	0.02140251
Butter	0.023160793
Cooking/edible oil	0.031648912
Margarine	0.006650595
Apples	0.015339331

Pears	0.011492875
Bananas	0.014102478
Oranges	0.012993807
Lemons	0.007192674
Grapes	0.02128901
Walnuts	0.016161915
Other fruit with pits	0.025844566
Nuts	0.014751225
Potatoes	0.011131198
Tomatoes	0.016909532
Beans	0.018673477
Onions	0.007921562
Garlic	0.005743833
Cucumber	0.009492433
Peppers	0.021322775
Carrots	0.005750072
Spinach	0.008378181
Cabbage	0.008606607
Root crops	0.007906891
Herbs	0.007440115
Tubers	0.01374215
Sugar	0.028858789
Honey	0.042521374
Marmalade	0.011951131
Chocolate	0.01123171
Eurokrem (chocolate spread)	0.013197415
Ice-cream	0.019478657
Salt	0.004346902
Pepper	0.005892487
Vegeta	0.006309947
Yeast	0.007811512
Vinegar	0.004185954

Mayonnaise	0.007050789
Sauces	0.006616171
Confectionery	0.012152721
Soup	0.012419874
Baby food	0.031254896
Ground coffee	0.01396884
Other coffee	0.01456511
Tea	0.017713476
Cocoa	0.007618709
Bottled water	0.016666795
Soft drinks	0.020334522
Fruit juices	0.020334522
Coke, fanta, sprite	0.021264028
<b>Minimum basket of food consumption per day per person in EUR</b>	<b>1.462454639</b>

Source: UNDP calculations using Household Budget Survey HBS (2012) data from the Kosovo Agency of Statistics.

*Note: The products that were reported to be consumed by less than 5% of the households in the reference population have been removed from the basket as they were considered insignificant.*

Table A5: Monthly amounts of Social Assistance (2012), by family size, actual and adjusted for prices

Household size	Monthly Gross Standard Rates plus child allowance as of October, 2012*	Monthly amount of Social Assistance in 2012		
		Methodology I: 2002 quantities, 2012 prices	Methodology II: 2002 quantities, annual food CPI-adjusted prices	Methodology III: new minimum basket using HBS 2012 data
1	€40	€41	€37	€44
2	€(55-60)	€82	€75	€89
3	€(60-70)	€123	€112	€133
4	€(65-80)	€164	€150	€178
5	€(70-90)	€205	€187	€178
6	€(75-95)	€246	€225	€267

\* The average monthly amounts of Social Assistance were calculated by applying the 2012 amendments to legislation.



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