



Social policy reform and the NGO sector in BiH - From protection to social inclusion

FSU u BiH
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ZSU u BiH
SIF in BiH

Fondacija za socijalno uključivanje u Bosni i Hercegovini
Фондација за социјално укључивање у Босни и Херцеговини
Zaklada za socijalno uključivanje u Bosni i Hercegovini
Social Inclusion Foundation in Bosnia and Herzegovina



Will we end up in „debt slavery“?

Bosnia and Herzegovina is facing the most severe socio-economic crisis since the end of the war.¹ The global economic crisis only increased the effect of internal crisis generators, which are the primary cause of the socio-economic regression. Without going into detailed analysis, we will deal only with two relevant indicators of the nature of the internal crisis generators in BiH.²

- The real gross domestic product was smaller in 2012 than in 2008.
- In the same period, external debt has doubled and amounts to around 7 billion BAM. With the increase of internal debt, overall indebtedness of BiH stands at around 45% of the GDP.

The degree of debt is not a large issue from the statistical viewpoint. What is a big problem is that comparisons of the GDP and indebtedness (2008-2012) clearly show that BiH is borrowing in order to maintain an irrationally high level of public spending, i.e. budget deficit, and to return its outstanding debt obligations. It can be estimated that BiH is moving towards what is colloquially called “debt slavery”. That trend can only be stopped by radical reforms.

An important aspect of those reforms is the reform of social policy. The social situation in BiH is rapidly deteriorating. By following the methodology used by the BiH Agency of Statistics, we can see that there is a highly visible increase of the part of the population below the absolute poverty line. In total, 18.6% of the population was below the absolute poverty line in 2007, whereas this percentage in 2011 increased to 23.4%.³

At the same time, non-contributory cash benefits for social protection (without pension and health insurance) in BiH in 2011 made up 3.9% of the GDP and 37% of the total budgets of all levels of governance in BiH, which is far above the European average.⁴

Apart from that, the process of accession to the European Union is in a complete deadlock, which has “cost” BiH 45 million EUR from the designated IPA funds and these funds were redirected to other countries in December, 2013.

We are also last in the region by our developmental level. On 12th December, 2013, EUROSTAT published the information that the per capita GDP of Bosnia and Herzegovina according to the purchasing power standard is 29% of the EU average and therefore it is the lowest in the region (Montenegro 41%, Serbia 36%, FYR Macedonia 35% and Albania 30% of the European average).

Why is the social protection system fiscally unsustainable, economically inefficient and socially unjust?

Because it is based on status rights instead of the real needs of beneficiaries. Simply put, one can receive some form of social assistance benefit solely based on status (for instance veterans' benefits) while, at the same time, owning 100 million BAM in property

¹ See: Papić, Ž. Cenić, S. Hadžović, V. Dmitrović, T. Policy brief „Political, Economic and Social Crisis in BiH 2012/2013 – Towards New Policies“. IBHI, Sarajevo, 2013.

² See: IBHI/MGSoG. „Non-contributory Cash Benefits for Social Protection in BiH - What Works and What Does Not“. Sarajevo, 2013, p. 7.

³ See: IBHI. „Poverty in BiH 2011 – Trends and Achievements and Indicators of the Targeting Accuracy of Budget Transfers for Social Protection in BiH for 2011“ Sarajevo, 2013.

⁴ See: IBHI/MGSoG. Ibid, p. 14.



or receiving a parliamentary salary. Therefore, the targeting of funds to meet the real needs of beneficiaries is unsatisfactory.

The poorest fifth of the population in BiH received only 17.3% of the overall cash benefits for social protection in 2011 (2007 – 18.3%), while the wealthiest fifth of the population received 20% (2007 – 23.3%). It is clear that the poor receive even less of the total cash benefits in 2011 than they did in 2007.⁵

Logically, this social protection system has almost no effect on poverty reduction. If these cash benefits did not exist at all, relative poverty in BiH would only increase by 1.7 percentage points in 2011, i.e. by around 10%.

Development, testing and guidance for implementation of new methodologies for targeting of non-contributory cash benefits in Bosnia and Herzegovina, which is supported by the Federal Ministry of Labour and Social Policy and the RS Ministry of Health and Social Protection, will provide a good expert basis for this aspect of social protection reform. Of course, the reformation of legislature will depend on political decision-making and the willingness to open the "Pandora's box" of social policy in BiH.

One part of that box's content is the discrimination of specific categories of social protection beneficiaries. The discrimination is multidimensional: from status-based discrimination of persons with non-war related disabilities in favour of disabled veterans regarding the degree of disability based on which benefits can be received, to large differences in the amounts of those benefits. This is contradictory to all relevant European conventions (and, therefore, to the Constitution of BiH, which contains them) which require equal treatment of persons with disabilities regardless of the origin of their disability.

A large part of the reason for weak targeting of total cash benefits lies in the fact that veterans' benefits take up around 60% of overall non-contributory cash benefits. Beneficiaries of disability benefits suffer the worst targeting, where the poorest fifth receives 13.7% of benefits and the wealthiest fifth receives 21.6% of benefits.⁶

Territorial discrimination within the child protection system in the Federation of BiH is also significant, with 5 cantons allocating funds for child protection and the other 5 cantons not funding it.

The issue is more than targeting; it is the need for a comprehensive reform of social policy and removal of its discriminatory features.

More directly, if a person with a non-war related disability decided to file a discrimination lawsuit to the Strasbourg Court, it would be resolved in the same way as the "Sejdić-Finci" case. Considering that the issue here is not removing discrimination from the Electoral Law but removing discrimination that has enormous financial consequences, things become extremely serious. Unfortunately, it is very likely that it is precisely the seriousness of the situation that stimulates the political elites to hide the problem "under the rug."

Apart from weak targeting and discrimination within social protection, another problem is its passive character, i.e. passive social assistance (with all the stated weaknesses) which must be replaced by a proactive policy of social inclusion, primarily into the labour market. It was the ancient Chinese who determined that "it is good to feed a

⁵ See: IBHI/MGSoG. Ibid, p. 19.

⁶ See: IBHI/MGSoG. Ibid, p. 18.



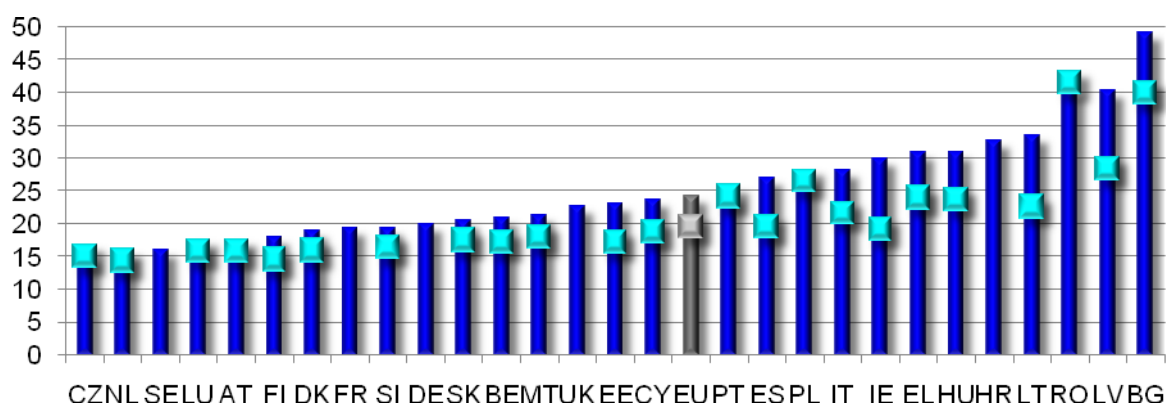
poor person with a fish, but it is even better to give them a fishing rod and teach them to fish.”

That is precisely the point, social policy should be reformed in a way so it will support employment through social entrepreneurship and NGOs can be the tools. More precisely, NGOs are already significantly involved in providing social services to vulnerable groups of the population and, since they are active in the local communities, they are far more efficient than non-contributory cash benefits, especially when it comes to targeting beneficiaries. Apart from that, as a rule, have good cooperation with public social protection institutions (centres for social work).

How is EU facing the crisis?

The European Union also failed to avoid dealing with the crisis that has wiped out years of economic and social progress and pointed to the structural weaknesses of the European economy. Estimates for 2008 show that 80 million people in the EU are at risk of poverty, 35 million people live in households where no one is employed, 40 million people are materially deprived and that, in total, 114 million people live at risk of poverty or social exclusion.⁷

Figure: EU population at risk of poverty or social exclusion, in %
(with marked targets for 2020)



Clearly, the long-term social consequences of the crisis are yet to be revealed but unlike the “sleeping” political elite of BiH, the EU has already undertaken the first steps towards recovery.

The Europe 2020 strategy of the European Union presents a vision for providing new and secure employment and a better life for citizens, relying on the Lisbon Strategy of 2000. The goal of the Europe 2020 strategy is EU’s economic development with a high level of employment, productivity and social cohesion.⁸ All EU institutions, member countries as well as the civil society sector have their respective roles in guiding and monitoring the realisation of the goals of Europe 2020. The implementation of all segments of the strategy will depend on the commitment and estimates of individual countries in the period after 2013. It is expected from member countries to enable this through national

⁷ European Commission. „The European Platform against Poverty and Social Exclusion - A European framework for social and territorial cohesion “. Publications Office of the European Union, Luxembourg, 2011.

Dianiskova, N. „Europe 2020 strategy“ (presentation held at the Conference on social protection and inclusion of children, 4 – 5th November, 2013). Sarajevo, 2013.

⁸ European Movement Serbia. „Guide through the Europe 2020 strategy“. Belgrade, 2011.



budgets, structural funds and other funding sources in order to achieve the joint long-term goals, with important roles to be played by both regional and local governments.

The Europe 2020 strategy is focused on three main, mutually dependent priorities:⁹

1. Smart growth - developing an economy based on knowledge and innovation (scientific and technological research and development, innovations, education and the digital society).
2. Sustainable growth - simultaneously promoting a more resource efficient, greener and more competitive economy.
3. Inclusive growth – better participation in the labour market, battle against poverty and social cohesion with an emphasis on social innovations (social entrepreneurship, role of NGOs in social services provision, etc.).

These priorities were specified further and, as a result, five main tasks were extracted: raise the employment rate of the population aged 20-64 from 69% to 75%; increase percentage of GDP allocated to research and development from 1.9 to 3%; realise the „20/20/20“ climate/energy targets;¹⁰ decrease the rate of early school dropouts from the current 15% to below 10% with simultaneous increase of the percentage of the population with higher education from 31% to 40%; decrease the number of people living below the poverty line by 25%, which would mean 20 million people raised from poverty and social exclusion.

To fulfil the above objectives, the European Union launched five flagship initiatives which elaborate specific actions that must be carried out at EU level and at the level of member states: Innovation Union, Youth on the Move, Digital Agenda for Europe, Resource-efficient Europe, Industrial Policy for the Globalization Era, the Agenda for New Skills and Jobs, and the European Platform Against Poverty and Social Exclusion.

Europe 2020 in the context of BiH

The Europe 2020 strategy can be a good landmark and a reform catalyst at the national level and in regional cooperation. The best way in which BiH can utilize the Europe 2020 strategy is through the adoption of good practices from other countries: strategic documents, practical policy proposals, action plans, improvements of the system of collecting and monitoring qualitative and quantitative indicators harmonized with EU structural indicators (EUROSTAT), administrative organization and effectiveness of the implementation of various programs.

In the context of social reform, there is a lot that BiH can learn and deduce from the European Platform against Poverty and Social Exclusion initiative. The Platform is based on growth and employment, as well as on modern and efficient social protection.

In BiH as in the EU, most of the consequences of the economic crisis fell on the most vulnerable groups of the population. Therefore, the areas of Platform's activities can easily be transferred to the context of Bosnia and Herzegovina:

- Taking measures across the entire spectrum of public policy;
- Greater and efficient use of EU funds in order to support social inclusion;
- Promoting social innovation based on data;
- Working through partnerships and exploitation of the potential of social economy;

⁹ Ibid.

¹⁰ 20% reduction in emissions of greenhouse gases compared to 1990 (or even 30% if conditions permit), 20% of increase of the share of renewable energy sources in final consumption and a 20% increase in energy efficiency.



- Improving coordination of public policies.

Very large potential for BiH's progress lies in the concept of social innovation, which is recognized by the EU as potentially the most important means of social recovery. Social innovation can be defined as new solutions to social problems that have not been successfully resolved by the established methods. They are more efficient and sustainable solutions that often rely on the government to a lesser extent than on other social actors, and the main goal is to benefit society as a whole. Among the activities that are currently being implemented in the framework of the European Platform against Poverty is "Developing approaches to social innovation based on evidence." The task is to launch a comprehensive initiative that will promote social innovation and the development of EU activities in this field: to establish a European research network that will promote capacity building for the design and evaluation of social innovation, launch a European research project in the field of social innovation, to define common principles for designing, implementing and evaluation of small projects to test social innovations (or reforms) before their widespread adoption and implementation (social experiments), to raise awareness about the most important and latest innovation, the use of existing financial instruments (see text box) to support social innovation and experimentation.¹¹

The EU **Program for Social Change and Innovation** (PSCI) includes the **PROGRESS** program and supports the development and coordination of social investment policies and social innovation testing. Participation in the PROGRESS program is open to EU member countries and potential candidates.

PROGRESS is a project designed to ensure movement of EU social policy towards addressing major challenges of public policies. The goal of this program is to assist member states to fulfil their promises in terms of opening up a large number of quality jobs, fighting poverty and exclusion, guaranteeing equal opportunities and the implementation of EU social legislation. PROGRESS had a crucial importance for the formation and consolidation of cooperation between the EU member states in the social domain and is increasingly promoting mutual learning and social innovation.

The EU and the European Investment Bank have made a commitment to each separate 100 million EUR for the European **Instrument for microfinance of the PROGRESS program**. This fund aims to provide, during the next ten-year period, around 500 million EUR in microcredits. Microfinance is an essential form of stimulating self-employment and the creation of social enterprises and could play a significant role in promoting social inclusion as well as creating new jobs.

National programs in the area of social policy often lack reliable evidence about what produces results and what does not. Data-based social innovation, especially in the form of so-called "social experiments" can be a powerful instrument for guiding structural reforms:

- Social enterprises are increasingly promoted in the EU in order to provide social services to vulnerable groups;
- The advantage is decentralized and flexible service provision by those who are close to the needs of these groups;
- Social cooperatives, originating in Italy, are a form of social enterprise including beneficiaries in service provision.¹²

Another activity that can be carried out in Bosnia and Herzegovina and for which the non-governmental sector in BiH has long been lobbying for is promotion of a partnership

¹¹ European Commission. „European platform against poverty and social exclusion - Platform actions ongoing as of July 16, 2013“. Brussels, 2013. (<http://ec.europa.eu/social/main.jsp?catId=961>, accessed 27.11.2013.)

¹² Bartlett, W. „Social Protection and Inclusion in BiH“ (presentation held at the Conference on social protection and inclusion of children, 4 – 5th November, 2013). Sarajevo, 2013.



approach and social economy. The EU has established 14 networks that promote sustainable participation of civil society organizations by providing support to networks and through partnerships of a large number of stakeholders in specific priority areas (active inclusion, child poverty, Roma inclusion, financial inclusion, etc.).

SEE 2020

At the ministerial conference of the Investment Committee for South-East Europe in Sarajevo on 21st November, 2013, the SEE 2020 was adopted - a strategy for opening one million jobs in the countries of the region by 2020.¹³ The SEE 2020 strategy shares many elements of the Europe 2020 strategy, however, it is adjusted to meet the specific needs and context of the South-East Europe region and mostly focuses on resolving the unemployment issue – especially youth unemployment.

The main objectives of the SEE 2020 are: to increase regional GDP per capita from 38% to 46% of the EU-27 average, increase the total trade of goods and services in the region by more than 130% and reduce the trade deficit from 14.1% to 11.6% of the regional GDP. Further objectives are to increase intra-regional trade of goods by more than 230% to 42 billion EUR, foreign direct investment to 7.5 billion EUR and the GDP per person employed by 33%. In addition, the goal is to increase the rate of launching new businesses by 20%, exports of goods and services per capita in the region by 130% and the overall employment rate by 12%, to strengthen the regional workforce by 300,000 people with higher education and increase government efficiency by 20% until 2020.

The first activity in the implementation of the strategy is for governments of the signatory countries (Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Kosovo, Montenegro, Romania, Serbia and Macedonia) to prepare action plans, which should indicate how they will achieve the goals at the state level. The European Commission has offered technical and financial assistance for the preparation of plans, after which the implementation phase will begin. The Regional Cooperation Council (RCC) will coordinate the way in which the strategy will be implemented in the coming years. Implementation of the strategy will also be presented in the progress report, which is presented for all countries of the region each year.

It is undeniable that the authorities at all levels in BiH have also started to take into account European and global best practices. At the conference "Social Protection and Inclusion in BiH"¹⁴ the "Framework Policies of Social Protection and Inclusion in BiH" was presented, which is based on the general objectives expressed in the Roadmaps in the field of social protection and inclusion of FBiH and Brčko District, as well as in and Strategic Development Directions of RS.

The "Framework of Policies of Social Protection and Inclusion in BiH" articulate the basic elements of the coordination process in the field of social protection and inclusion, which is the first real example of coordinated work of relevant institutions at the state level, entity level and Brčko District in this area. Moreover, they even went a step further and included social innovations into the defined general objectives (development of NGOs and associations that provide services in the community, social and personal services; launch of new social organizations that provide services of preschool

¹³ <http://www.klix.ba/biznis/posao/usvojena-strategija-see-2020-milion-novih-radnih-mjesta-u-regiji-do-2020/131121089>, accessed 27.11.2013.

¹⁴ Conference on Social Protection and Inclusion of Children 4 – 5th November, 2013 in Sarajevo, organised within the EU-funded project “Enhancing the Social Protection and Inclusion System (SPIS) for Children in Bosnia and Herzegovina”.



education and preventive health care, as well as launch of new social enterprises that provide services to groups in society which are difficult to access).

Social economy, social innovations, social entrepreneurship – What is it about?

The collapse of neoliberalism, in theory and practice, and of modern market economies, which was so memorably „announced" by the first crisis of globalization, re-opened a series of forgotten conceptual issues of economic functioning and development, from "socially responsible market economy" to the de-mythologisation of "market fundamentalism".

In the previous section we saw a new response from the EU, whose essential aspects are social innovation, social entrepreneurship and the social economy.

Social economy implies focus on social goals rather the economic ones, but the social aims are achieved through economic activities. Its most important aspect is social entrepreneurship.¹⁵ Social entrepreneurship is the use of entrepreneurial behaviour for achieving social goals and benefits which differs from commercial entrepreneurship whose primary goal is gaining profit. If profit is gained through social entrepreneurship activities, it is used for satisfying the needs of specific vulnerable groups.¹⁶

Social economy, i.e. social entrepreneurship as its basic form, composes 10% of the European business and employs 6% of all the employed.¹⁷ This concept is viewed as one of the most important concepts that contribute to employment and social integration of vulnerable categories, primarily through different approaches, innovations and different forms existing in the EU.

Social entrepreneurship occurs between the public, private and civil sector. It occurs in different forms and in different ways, but there are two dominant ways: through social employment when certain categories of the population are employed through programs, projects or in specialised enterprises; or in specially formed economic subjects. Social entrepreneurship functions in the market economy. Generally speaking, the support to its development requires state measures for strengthening socially responsible economies and enterprises. Every market for social entrepreneurship has its own characteristics and market laws (here the basic law is the law of supply and demand) and therefore it is not different from the usual market risks: unregulated and unstable market, legal framework, liquidity and non-liquidity of goods and services, improper planning and marketing, poor management of the entrepreneurial subjects (its potentials) etc. On the other hand, by appropriate laws and measures of economic policies and programs for development of social entrepreneurship market, risks can be mitigated and development of social entrepreneurship can be actively initiated.

Examples of social entrepreneurship in the state and public sector are most obvious when it comes to the legal framework, for example the entity laws on persons with disabilities.¹⁸ Besides defining the categories and determining their rights, these laws obliged certain subjects to employ persons with disabilities according to the number of employees, and if they do not have the needed census for obligatory employment then they have to allocate a certain amount of money from the gross salaries of their employees. Moreover, legal persons which do not have this obligation (e.g. non-

¹⁵ See: SIF in BiH for TACSO and SIPU International. „Assessment Report on Social Entrepreneurship in Bosnia and Herzegovina". Sarajevo, 2012.

¹⁶ http://www.ashoka.org/social_entrepreneur, accessed 26.11.2013.

¹⁷ www.eupress.net, accessed 26.11.2013.

¹⁸ Law on professional rehabilitation, enabling and employing persons with disabilities (Official Gazette No. 59/09-refined text) and Law on professional rehabilitation, enabling and employing persons with (Official Gazette FBiH No 2/10)



governmental organisations) pay a certain amount that is smaller in percentages than for the stated subjects. There is a fund established by these laws as a special legal subject which allocates the collected money based on transparent, public calls for professional training and rehabilitation of persons with disability.

Within the civil sector, the NGO sector provides most opportunities for social entrepreneurship as it is the most numerous segment of civil society. Importance, capacities and influences of the NGO sector are clearly illustrated by the numerical data on NGOs and persons engaged in their activities. The total number of registered NGOs in Bosnia and Herzegovina in 2005 was 9,095, of which less than half were active (about 4,629). In practice, this means that there is one NGO per 820 citizens.¹⁹ The total number of registered NGOs in 2008 was about 12,000.²⁰

Moreover, NGOs in BiH provide services for 29% citizens. A total of 60% of NGOs work in local communities which gives an additional value to their work, as it enables direct contact with final beneficiaries and provides them with insight into their real needs and problems.²¹

Generally speaking, non-governmental organisations are quite flexible and they can adapt to new circumstances and localities which is not common to the state structures. They establish direct contacts with beneficiaries, openly accept cooperation with other organisations and institutions and readily accept changes and innovations. All of this speaks of the importance and activities of the NGO sector in Bosnia and Herzegovina and opens opportunities for their active participation in the field of social entrepreneurship, animating and engaging potential beneficiaries and social entrepreneurs.

Based on the legal regulation of this area, NGOs are allowed to conduct economic activities if the primary purpose is not profit gaining and if the activities are related to the aims and activities of the association and foundation. However, when it comes to unrelated activities, a legal person must be established i.e. a subject through which such a business activity can be conducted.

In the broadest sense, public-private-civil partnership is a group of joint initiatives of public, private and non-profit sector where each sector actively takes part in planning and decision-making. In a more narrow sense, public-private-civil partnership refers to cooperation within which public, private and public sector are joining the resources and expert knowledge in order to satisfy a public need through adequate allocations of resources, risks and awards. Public-private-civil partnership involves a wide range of stakeholders representing these sectors. Globalisation, decentralisation and increasing interest for the social responsibility of the companies and investments for the poor have changed the perception of responsibilities among the government, business sector and civil society organisations. Therefore, the field of social entrepreneurship opens great possibilities and requires cooperation, supplementing and overlapping, coordination and synergy among all three sectors.²²

The need for public-private-civil cooperation is more evident at the local level which is the most important for development of social entrepreneurship. For example, social

¹⁹ Department of International Development, Independent Bureau for Humanitarian Issues and Birks, Sinclair & Associates Ltd., Qualitative Study 3 – Employment, Social Service Provision and the Non-governmental Sector: Status and Prospects for BiH, Analysis and Policy Implications, Sarajevo: BiH, 2005.

²⁰ Kronauer Consulting, Analysis of civil society sector in BiH, Sarajevo: Kronauer Consulting 2009.

²¹ Ibid

²² For more information, see: www.javno-privatno-partnerstvo.eu/JPP/JPP.pdf; http://hr.wikipedia.org/wiki/Javno-privatno_partnerstvo; http://ec.europa.eu/research/industrial_technologies/ppp-in-research_en.html



enterprises cannot respond to all the challenges of the business environment and investment climate by themselves and they must rely on local authorities and services providers i.e., NGOs. Civil society organisations contribute to the efforts for sustainable local and socio-economic development through their activities directed to protection of the vulnerable groups. This partnership includes a wide range of partners by integrating new forms of social dialogue at the local level which is called “dialogue among stakeholders” or “multi-party social partnership”.²³

Social entrepreneurship has a significant potential of agricultural development. Namely, 60% of the BiH population lives predominantly in rural areas, while poverty is 10% higher in rural areas than in urban areas due to their natural and developmental differences.²⁴

Example of good practice:

Project: „“Support to vulnerable groups in the area of Konjic and Široki Brijeg Municipalities, through cultivation of berries fruit“. Project implementer: „Agency for Economic Development of Herzegovina – REDAH“ from Mostar in partnership with municipalities Konjic and Široki Brijeg.

The main goal of the project was the reduction of poverty of vulnerable groups in rural parts of Konjic and Široki Brijeg municipalities through ensuring safe incomes in market oriented production of berries fruit. The specific goal of the project was social inclusion of families from vulnerable groups through work in their own estates and fruit production, with the aim of encouraging the stay of population in rural areas through the use of their own unexploited resources. This project reduced poverty of socially excluded groups with funds that they earned from the production of berries fruit. The project has provided direct support to 70 beneficiaries (14 families in Široki Brijeg and Konjic municipalities). The total value of the project was 49,637.19 BAM, of which 32,637.19 BAM was donor (SIF in BiH) participation, whereas funds from domestic sources amounted to 17,000.00 BAM (Municipality).

As a result, 3.42 new hectares of berries (or 34,2 acres) were grown - on average, 2,41 acres of berries for each of 11 beneficiaries in Konjic municipality or in total 27.4 acres (2,74 ha) and, in average, 2,28 acres of berries for each of 3 beneficiaries in Široki Brijeg municipality or in total 6.8 acres (0.68 ha). Around 2.0 ha of uncultivated land was cultivated and planted. The beneficiaries had the average gross annual income of 5,376 BAM to 11,604 BAM (average monthly gross income of 448.00 to 967.00 BAM). Professional trainings were held in cultivation of berries, 3 trainings in Široki Brijeg municipality and 4 in Konjic municipality, and farmers gained new knowledge and skills in agricultural cultivation of berries, farm planning, agricultural products marketing, records keeping and basics of business plan writing.

Recommendations for the development of social entrepreneurship and the role of NGOs in Bosnia and Herzegovina

1. Include non-governmental organisations and beneficiaries' associations into the provision of social, health and educational services;
2. Support the development of social entrepreneurship (social cooperatives and social enterprises) which will employ vulnerable groups of the population or provide them with needed services, thus activating social policy for permanent and sustainable poverty reduction;
3. Establish a centre for development of social entrepreneurship or fund for development of social entrepreneurship that could provide the initial capital for development of social enterprises; in this regard it is necessary to define social market, goods and services for social entrepreneurship and define groups and number of people for employment in the field of social entrepreneurship;
4. Additionally incent the business sector to be more actively engaged in social employment programs through co-funding of social entrepreneurship programs

²³ For more information, see: www.javno-privatno-partnerstvo.eu/JPP/JPP.pdf

²⁴ UNDP. „Rural Development in Bosnia and Herzegovina: Myth and Reality“. Sarajevo, 2013, p. 6 and 20.



and ensuring access to the market, providing mentor services to civil society organisations active in non-profit entrepreneurship and provide tax reductions for enterprises which reinvest their profit in activities contributing to community development;

5. Enable easier access to funding resources as fundraising is one of the biggest challenges and obstacles active and potential social entrepreneurs are faced with in social entrepreneurship;
6. Advocate for the development of tax policies that will be suitable for development of the concept and activities of social entrepreneurship – a possible fiscal solution might be tax reductions and subsidies for the development of social enterprises;
7. Regulate these activities institutionally and legally in order to successfully build the whole model of social entrepreneurship and enable establishing and functioning of social enterprises;
8. Develop partnerships among non-governmental organisations and social enterprises and cooperation at the regional and national level, in order to work in a more organised manner towards the relevant political actors and advocate normative recognition of social enterprises;
9. Initiate cross-sectoral cooperation that will include media to devote more attention to examples of good practice and raising awareness of the public on possibilities of social entrepreneurship;
10. Develop infrastructure and cross-sectoral cooperation. Networking of social entrepreneurs is a platform which creates opportunity for cooperation and access to resources which can be useful not only to social entrepreneurs but all those who see benefits in the work of social entrepreneurs. By developing a sustainable and efficient relation that will motivate social entrepreneurs, a synergy effect is created as well as integration of innovations and entrepreneurship at all levels, which is positively reflected on whole community;
11. Invest in creating a favourable environment for the work of social entrepreneurs, capacities and infrastructure support for all the subjects of social entrepreneurship;
12. Develop a strategy for the development of social entrepreneurship which will serve as the main document and guide and which will contain and address all the previously stated aspects, enabling their comprehensive and synchronised resolution and improvement.

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