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Social Inclusion Foundation in Bosnia and Herzegovina



WHO, HOW, WHY?

Regional Cooperation of NGOs in Reducing Social Exclusion and Poverty

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WHO, HOW, WHY?

Regional Cooperation of NGOs in
Reducing Social Exclusion and Poverty

TABLE OF CONTENTS

INTRODUCTION	9
I. SOCIAL EXCLUSION IN THE EUROPEAN UNION	15
The General Situation	15
Incomes	16
Employment	16
Gender inequalities	17
Minorities	18
Persons with disabilities	18
Social Protection	19
2010 – European Year for Combating Poverty and Social Exclusion	20
Importance of Regional Cooperation in the Western Balkans	21
Open Method of Coordination	26
II. SOCIAL EXCLUSION IN ALBANIA	35
Country Profile	35
Introduction	36
Poverty and Social Exclusion	36
EU Integrations in Albania	39
The Unemployed	40
Emigration	43
Most Vulnerable Groups in Albania	44
Women	44
Children	45
The Elderly	48
Roma and Egyptians	49
State Policies and Social Protection	51
National Strategies in the Field of Social Inclusion	53
The NGO Sector in Albania: Size and Structure	55
The Civil Sector and Social Inclusion	57
Networking	58
Conclusion	59
III. BOSNIA AND HERZEGOVINA	63
Country Profile	63
Introduction – Poverty and Social Exclusion	65
Employment Features and Trends	66
Social Policy Challenges	69

Estimates of the impact of crisis and future dynamics of poverty	70
Key Vulnerable Social Groups	73
Children	73
Youth between 15 and 25	74
The Elderly.	75
Persons with Disabilities	76
Displaced Persons	77
The Roma	78
Gender Aspects of Social Exclusion	79
State Policies of BiH for Strengthening Social Inclusion and Reducing Poverty .	80
Analysis of the Size and Structure of the NGO Sector in BiH	82
Funding of non-governmental organisations in Bosnia and Herzegovina	
– From causes to consequences	84
Economic indicators by categories of CS/NGOs	86
Example of Good Practice	88
Lessons Learned	91
IV. MACEDONIA	95
Country Profile	95
Republic of Macedonia in the EU Context	97
Social Exclusion in Macedonia	97
Most Vulnerable and Marginalized Groups	99
Children	100
Housing problems	101
Unemployed parents.	102
Health exclusion	103
Disabled Persons	103
Social protection.	103
Education	104
Employment.	104
Health protection and rehabilitation	105
Deinstitutionalization of People with Intellectual Disabilities	105
The Elderly	105
Minorities (with special focus on Roma People)	107
Specific Roma Issues	109
Education	109
Employment.	109
Housing	110
Health protection	110
Women	110

State Policies and Social Inclusion Stakeholders in the Republic of Macedonia	111
Ministry of Labour and Social Policy (MLSP) and Centres for Social Work (CSW)	113
Local Self-Government Units.	115
Analysis of the Size and Structure of the NGO Sector in the Republic of Macedonia	117
Non-Governmental Organisations	120
Conclusion	123
V. MONTENEGRO	127
Country Profile	127
Social Exclusion in Montenegro	129
Social Exclusion of Households	130
Socially Excluded Individuals	131
Most Vulnerable Groups	132
Long-term Unemployed Persons	133
Pensioners with Minimum Pensions	134
Persons with Disabilities	136
Population of Roma, Aschalli and Egyptians (RAE)	138
Refugees and Displaced Persons	140
Youth	141
Relevant Institutions and Actors of Social Inclusion in Montenegro	143
State Level	143
Local Level	145
Non-Governmental Sector in Montenegro	147
Organizational Capacities and Financial Sustainability of the NGO sector in Montenegro	148
Legal Framework for the Work of Non-governmental Organizations in Montenegro	151
Advocacy Activities of Non-governmental Organizations in Montenegro	152
Services Provisions	153
Activities of Non-governmental Organizations in Social Inclusion and Poverty Reduction	154
Conclusion	156
VI. SERBIA	161
Country Profile	161
Social Exclusion in Serbia	163
Introduction	163
Vulnerable and Marginalised Groups.	163

The Unemployed	164
The Elderly.	165
Rural Population	166
Women	167
Children and Youth	168
Public Policies for Strengthening Social Inclusion and Reduction of Poverty	169
Employment.	169
Education	171
Health.	174
Social Protection	176
Analysis of the Size and Structure of the NGO sector in Serbia	179
Size of the NGO Sector in Serbia	182
Structure of the NGO sector in Serbia	184
Achievements and Potentials of the NGO Sector in Serbia in Strengthening Social Inclusion and Poverty Reduction	186
Conclusion	191
VII. NETWORKING OF NGOS IN THE WESTERN BALKANS - KEY FOR TACKLING SOCIAL EXCLUSION AND POVERTY	193
VIII. RECOMMENDATIONS IN THE CONTEXT OF STRENGTHENING SOCIAL INCLUSION AND REDUCTION OF POVERTY	197
Recommendations to Civil Society Organisations in Albania, BiH, Macedonia, Montenegro and Serbia	197
Recommendations to Governments in Albania, BiH, Macedonia, Montenegro and Serbia	198
Recommendations to EU Delegation and Institutions in Albania, BiH, Macedonia, Montenegro and Serbia	200
Recommendations to the Donor Community in Albania, BiH, Macedonia, Montenegro and Serbia	201
Recommendations for Enhancing Regional Cooperation	202
BIBLIOGRAPHY	205
Albania	205
Bosnia and Herzegovina.	207
Macedonia	209
Montenegro	210
Serbia.	211

INTRODUCTION

The idea for producing the study "Who, How, Why - Regional Cooperation of NGOs in Strengthening Social Inclusion and Poverty Reduction" was inceptioned during the first year of implementation of the project "The Role of Civil Society in Strengthening Social Inclusion", when significant prerequisites were laid out for successful realization of the project in the second year. The first year of project implementation resulted in publishing of the study "Myth and Reality of Civil Society: The Role of Civil Society in Strengthening Social Inclusion and Reduction of Poverty" in March, 2011 in cooperation with the Social Inclusion Foundation in BiH.

WHY?

This Study, based on the example of BiH, is an attempt to analyse the current situation and problems of civil society in the context of social inclusion. A synthesis of a series of previous empirical research enabled a critical approach to the realities of civil society. Serious, argumentative criticism of the realistic condition of the civil society in BiH and beyond is negligible to a large extent, especially coming from the civil society itself and based on values it is supposed to promote.

This is also partly the result of the right-wing, nationalism-based refusal to accept the civil society and its values, which can be seen from the ideology of some political parties. The civil society "defends" itself by not analyzing its own weaknesses and, more importantly, badly developed tendencies within it. The general values and concept of civil society are rightfully defended, but that cannot be an alibi for the weaknesses in the reality of civil society.

This "closes the circle" – the ones attack and the others defend themselves, without a real critical analysis of the situation within the civil society, especially in the context of social inclusion, the practical effects of the work of NGOs, development concept and real influence on social dynamics.¹

Both in this and the previous Study, we focused on the role of NGOs in social inclusion, because social inclusion is not possible as a simplified, governmental fight against poverty, regardless of how important it is. The challenge is inclusion of all citizens into social dynamics, which is one of the prerequisites for the reduction of poverty. This is not possible without associations of citizens, more precisely the strengthening of the role of NGOs in policies and practices of social inclusion.

Through strengthening social inclusion and developing social capital, the basis for an open society will be created - a society in constant, open development towards new values of equality and non-discrimination, human rights and social justice. Countries of the Western Balkans (here Albania, BiH, Macedonia, Montenegro and Serbia are analysed) have many same or similar historical experiences and current problems, especially in regard to the NGO sector, poverty and social exclusion.

¹ A more detailed critical review of the situation of the NGO sector in Bosnia and Herzegovina is provided in the "Lessons Learned" chapter on BiH.

WHO, HOW, WHY?

- In the analysed countries, poverty is a massive problem, and policies of the fight against poverty, especially in conditions of the global crisis, do not yield the expected, satisfying results. This is partly due to the fact that "classic" social policy concepts with ex-socialist heritage are based on legally appointed "status", and not the real needs of the poor.
- Social inclusion which is a basis of concepts of social policies in the EU, in these countries appears only during the last several years with the intensification of the EU integrations processes. In reality, the term is often used without understanding its scope of contents, with poor results in practice, especially when referring to strengthening of the role of citizens associated into NGOs in the process of social inclusion.
- Ex-socialist history was not familiar with contemporary types of NGOs, and neither were the general values of civil society legitimate. Civil society, including NGOs, developed in the post-socialist period under significant financial and other influences of international support policies.
- The analysed countries of the region are in different stages of the EU integrations processes. Considering the unique EU criteria and standards which have to be implemented during this process, social policy reforms will also have a unique basis. This enables and demands regional cooperation, especially in the context of the goals and principles of good governance, as defined in the Open Method of Coordination (OMC) of the EU.

The above stated and other similarities between the countries of the region are the reason to analyse the role of NGOs in strengthening social inclusion and reduction of poverty, and to initiate regional cooperation of NGOs in these fields. Taking into consideration the necessity of regional cooperation in the Western Balkans it was decided to take regional approach to the problem of social exclusion and poverty existing in these countries and explore possible ways of joint measures and action directed to solving one of the most pressing problems in these countries and laying out the basis for its resolving at the regional level since such an initiative, according to the knowledge of the authors, has not been started yet.

HOW?

The starting point of the research was a thorough analysis of the primary and secondary resources-statistical data, official reports as well as previously conducted studies and researches focused on social inclusion and poverty reduction, manner, quantity and quality of providing social services and main providers. Social services providers at the state and local level were analyzed from the aspect of division of mandates/responsibilities for the provision and development of social services, current situation related to social services, reforms that have been implemented in this field, coverage of population and best practices. NGOs were analyzed from the aspect of NGO social services providers' market share, legislation dealing with the status of NGOs as social service providers, their sustainable financing, fulfilment of preconditions such as minimum standards, licensing, and accreditation). Both state and NGO providers were also analyzed in terms of type, efficiency and targeting of social services, number and category of the covered beneficiaries.

In order to obtain relevant and up-to date information and to establish direct contacts and cooperation with non-governmental organizations working on the issues of social inclusion and poverty reduction visits and interviews were organized in Serbia, Macedonia and Montenegro. Potential cooperation and involvement of the staff and consultants of the visited organizations in the production of IBHI's study "Who, How, Why - Regional Cooperation of the Non-Governmental Organizations in Strengthening

Social Inclusion and Poverty Reduction" was also discussed and everyone expressed their interests and readiness to take part and give contributions to the Study's production. The meetings were also an opportunity to explore and gather the most relevant and reliable literature for the preparation of the Study with help and advice of the in-country experts and field-practitioners.

WHO?

Interviews were held in Skopje (March, 2011) with Tanja Hafner-Ademi (Executive Director of Balkan Civil Society Development Network), Sašo Klekovski (First Executive Director of Macedonian of Centre for International Cooperation), Marija Risteska (Executive Director of Centre for Research and Policy Making), Petranka Delova-Miladinova and Stojan Mishev (Project Manager and Human Rights Advisor at Ludwig Boltzmann Institute of Human Rights – Research Association, Social Inclusion and Poverty Reduction Project,) Biljana Kotevska, Filip Gerovski and Aleksandar Cekov (Program Coordinator and Researcher, Law Fellow and Junior Researcher at Studiorum- Centre for Regional Policy Research and Cooperation).

Interviews and meetings were also held in Podgorica (May, 2011) at the Centre for Democratic Transition, Dragan Koprivica, (Executive Director) and Milivoje Krivokapić, (Executive Board Member), Center for Development of Non-governmental Organizations, Ana Novaković (Executive Director), Institute for Strategic Studies and Prognoses, Jadranka Kaluđerović (Executive Director), Forum MNE, Elvira Hadžibegović Bubanja (Executive Director), Institute Alternative, Jovana Marović (Research Coordinator), Center for Civil Education, Daliborka Uljarević (Executive Director), The Roma Scholarship Foundation, Biljana Alković (Executive Director) and Andrija Đukanović (Program Director) and Center for Monitoring, Ana Selić, (Program Coordinator).

Interviews were held in Belgrade (March and September 2011) with Gordana Matković (Director of the Social Policy Studies Department in Centre for Liberal-democratic Studies), Miljenko Dereta (Founder and Executive Director of Civic Initiatives), Žarko Šunderić (Team Manager for social inclusion and reduction of poverty, Government of Serbia).

At the EU TACSO (Technical Assistance for Civil Society Organisations) Regional Conference ("Regional Conference to Reflect and Elaborate on the Future Perspectives for IPA CSF and TACSO 2 Planning") in Prishtina (October 2011), contacts were made and opinions regarding the perspectives of regional cooperation were exchanged with Milica Ružičić-Novković (Co-Chair of the Federation of Non-Governmental Organisations, Serbia), Dubravka Velat (Programme Director of Civic Initiatives, Serbia), Ayca Haykin (Director, Civil Society Development Centre, Turkey) and Sandra Bavčić (TACSO, STE).

Members of the IBHI Research and Policy Development Unit used many conferences, round tables and seminars to establish new contacts, exchange opinions and documents: seminar "Role of civil society in Euro – Atlantic integration processes – Experiences of Slovakia" organised by the Centre for Security Studies – BH in cooperation with CENAA

(Centre for European and North Atlantic Affairs) on September 30th 2011 in Sarajevo; Institute for the Danube Region and Central Europe and International House Pécs: DRC Summer School on Regional Cooperation, Vienna, July, 2011; Council of Europe: University for Democracy, Strasbourg, June, 2011; Council of Europe: Leadership and Management Training, Podgorica, May 2011; European Fund for the Balkans, College of Europe and Transfuse Association: Seminar "Southeast Europe and the EU", Brussels and Burges, April 2011; Open Society Fund BiH, Training on Developing Effective Strategies and Communication Tools for Policy Advocacy, Sarajevo, April, 2011; European Fund for the Balkans, College of Europe and Transfuse Association: Panel Discussion "How can the EU do Better in the Western Balkans", Skopje, March 2011; Open Society Fund BiH, Training on Producing Policy Relevant Analysis and Writing to Influence Decision Making, Sarajevo, November, 2010; Open Society Fund BiH, Training on Policy-Making and Policy Research, Sarajevo, May 2010.

In November 2011 IBHI and the Social Inclusion Foundation in BiH organized a round table in order to present the draft Study, discuss its context and obtain opinions and comments of the relevant stakeholders. The round-table gathered 27 participants from the state institutions, civil society organizations and international organizations in Bosnia and Herzegovina, co-authors of the Study from the region (Serbia and Macedonia) as well as experts on social inclusion and poverty reduction from Bosnia and Herzegovina.

The round table was an opportunity for the participants to discuss the draft version of the study "Who, How, Why - Regional Cooperation of NGOs in Strengthening Social Inclusion and Poverty Reduction" and give comments on the content especially on policy recommendations. The comments and inputs were of a great importance and were integrated in the Study thus improving its quality and comprehensiveness.

On the basis of the overall research, joint policy recommendations were developed for Albania, Bosnia and Herzegovina, Macedonia, Montenegro and Serbia. Most of the problems in the area of social inclusion and poverty reduction are similar in the analyzed countries due to their common heritage in the social sector with a wide range of specificities that appeared in the period of development of social protection after becoming independent countries. On the other hand, the EU integration process which is underway in all these countries poses similar requirements for all of them. Such a situation provides a basis for common elements for policy recommendations applicable in all the countries as well as basis for the future regional approach and cooperation in the field of social inclusion and poverty reduction.

OVERALL GOAL OF THE PROJECT

The research and its final product-study "Who, How, Why - Regional Cooperation of NGOs in Strengthening Social Inclusion and Poverty Reduction" provided an overview of the poverty and social exclusion in the Western Balkans region, analyzed the system of social services provision, main providers and other relevant stakeholders. A special emphasis was placed on the role, potentials and further engagement of civil society in the field of social inclusion and poverty reduction. A set of mutually employable policy recommendations was developed for the countries analyzed throughout the Study. The overall goal of producing the Study was to lay down foundations for the joint work and initiatives within the Western Balkans, especially for the cooperation among civil society organizations in the respective countries as their capacities and potential contributions have not been sufficiently recognized and utilized in the field of social inclusion and poverty reduction. The Study should serve as a starting point for strengthened, regular and better targeted cooperation of the Western Balkans countries' governments as well as networking, cross-border partnerships and initiatives of civil society organizations in eradicating social exclusion and poverty and achieving better, long-term and viable results.

I. SOCIAL EXCLUSION IN THE EUROPEAN UNION²

Poverty and exclusion do not only strike at the well-being of individuals and their ability to take an active part in the life of society, they also impair economic development. The EU has undertaken many actions to reaffirm the importance of collective responsibility in combating poverty and this doubtless involves the decision-makers but also calls for a response from the actors in the public, civil and private sectors. Even though the social situation in the European Union is significantly better than in the Western Balkans, that does not mean that the EU does not have its own problems to deal with. Here we provide an overview of the most severe social exclusion issues of the EU and the strategies employed to overcome them.

THE GENERAL SITUATION

Almost 84 million³ Europeans live at risk of poverty, which means they face insecurity, and go without what most people often take for granted. The social protection systems in the EU countries are among the most highly-developed in the world and yet too many Europeans still live in poverty. Some figures that can illustrate this situation are listed below:⁴

- 79 million people live below the poverty line (set at 60% of their country's median income). That represents 16% of Europe's population.
- One in every ten Europeans lives in a household where nobody works. Even so, work does not always effectively guard them against the risk of poverty.
- For 8% of Europeans, having a job is not enough to work one's way out of poverty.
- In most Member States, children are more exposed to this scourge than the rest of the population: 19% of children live under the threat of poverty, while 19 million children are affected.

About one in every six (17%)⁵ of the EU-27⁶ population was materially deprived in 2007, although this reflected considerable differences between EU-15⁷ Member States on the one hand and, on the other, those Member States that joined the EU since 2004. Less than one in every ten people in Luxembourg, the Nordic Member States and the Netherlands were materially deprived in 2007, whereas the proportion rose to a little over one third of those in Hungary and Poland, moved closer to half of the population in Latvia and Romania and almost three quarters of the population in Bulgaria.⁸

2 In analysing the social situation in the EU, we relied heavily on data provided in the report of Eurostat and the EC: Combating poverty and social exclusion: a statistical portrait of the European Union 2010.

3 Data from Fact Sheet – 2010, The European Year for Combating Poverty and Social Exclusion (http://ec.europa.eu/employment_social/2010againstpoverty/about/index_en.htm, October 19, 2011).

4 Data from Fact Sheet – 2010, The European Year for Combating Poverty and Social Exclusion (http://ec.europa.eu/employment_social/2010againstpoverty/about/index_en.htm, October 19, 2011).

5 Eurostat, EC. Combating poverty and social exclusion: a statistical portrait of the European Union 2010. p. 57

6 The European Union currently has a total of 27 members.

7 Refers to the 15 countries that were members of the EU before the enlargement of May 1, 2004. Those 15 states are: Austria, Belgium, Denmark, Finland, France, Germany, Ireland, Italy, Luxembourg, Netherlands, Portugal, Spain, Sweden and the United Kingdom.

8 Eurostat, EC. Combating poverty and social exclusion: a statistical portrait of the European Union 2010

INCOMES

In 2007 the total income received by the richest 20% of the EU-27's population was five times higher than that received by the 20% of the population with the lowest incomes. This ratio varied considerably across the Member States, from a little less than 3.5 in Slovenia and Sweden to more than 6.0 in Bulgaria, Portugal and Latvia and 7.8 in Romania.⁹

Households with lower levels of income tend to spend a high share of their household budget on covering their 'basic' needs and a correspondingly low share on 'nonessentials'. For example, the lowest income quintile (the 20% of the EU-27 population with the least income) devoted 54.9% of their household expenditure to housing, utilities, food and non-alcoholic beverages in 2005, whereas the top income fifth (the 20% of the population with the highest incomes) used 37.3% of their (considerably higher) expenditure on these items. In contrast, the top income quintile devoted 40.4% of their expenditure to transport, recreation, furnishings, restaurants and hotels, compared with 25.5% for the lowest income quintile.¹⁰

Across the EU-27, both the retired and unemployed spent more than 50% of their household expenditure on housing, utilities, food and non-alcoholic beverages in 2005, in contrast to 38.4% for non-manual workers in industry and services. This latter group allocated a higher proportion (than any of the other socio-economic groups) of their household expenditure to transport (13.8%), recreation and culture (9.7 %), restaurants and hotels (6.3%), clothing and footwear (6.5%) and furnishings (6.0%).¹¹

EMPLOYMENT

The employment rate¹² in the EU-27 was 65.9% in 2008, which was below the Lisbon target rate of 70% set for 2010. Employment rates were above this target in only eight Member States (Denmark, the Netherlands, Sweden, Austria, the United Kingdom, Finland, Cyprus and Germany) but below 60% in Poland, Romania, Italy, Hungary and Malta.¹³

The average employment rate for women in the EU-27 was 59.1% in 2008, which was relatively close to the employment policy target rate of 60% set for 2010 and up from 53.6% in 2000. However, it remained well below the employment rate for men (72.8%). More than half (15) the Member States recorded employment rates for women in 2008 above the 60% target, in Denmark, Sweden and the Netherlands rates exceeded 70%.¹⁴

Policy guidelines also set a target employment rate for older workers (aged between 55 and 64 years) of 50% by 2010. The employment rate of older workers across the EU-27 was 45.6% in 2008, with the target being exceeded in 12 of the Member States, most notably in Estonia (62.4%) and Sweden (70.1%).¹⁵

9 Ibid, p. 17

10 Eurostat, EC. Combating poverty and social exclusion: a statistical portrait of the European Union 2010, p.19

11 Ibid, p.21

12 The total employment rate was calculated by dividing the number of persons aged 15 to 64 in employment by the total population of the same age group.

13 Eurostat, EC. Combating poverty and social exclusion: a statistical portrait of the European Union 2010. p. 21

14 Ibid

15 Ibid,

GENDER INEQUALITIES

As well as setting a target to raise the employment rate for women, the Lisbon strategy also requires that the EU aims to promote equality between men and women in pay, labour market segregation and decision-making jobs. There continued to be a pay gap in 2007, equivalent to 17.5% across the EU-27 as a whole. The gap was highest in Estonia (30.3%) and Austria (25.5%) and lowest in Malta (5.2%) and Italy (4.2%).¹⁶

Among the different sectors of the EU-27's economy (NACE - Classification of Economic Activities in the European Community Revision 1.1), the unadjusted pay gap was widest in the activity of financial intermediation (32.2%), followed some way behind by health and social work (24.3%) – both activities with a high proportion of female workers. The pay gap was narrowest for transport, storage and communications (9.9%) and construction (5.5%); both activities that have traditionally employed a predominantly male workforce.¹⁷

The proportion of women in the EU-27 that were self-employed (7.6%) in 2008 was well below the corresponding proportion for men (12.5%). This characteristic was reflected in the majority of Member States, but most notably in Ireland (4.3% for women compared with 16.2% for men) and Romania (12.7% compared with 24.9% respectively). It was not the case, however, in Luxembourg and Portugal, where the proportion of women who were self-employed in 2008 was higher than that for men.¹⁸

In terms of an equal gender representation in decision-making jobs, women accounted for almost half (48.9%) of all professionals (ISCO - *International Standard Classification of Occupations*, major group 2) across the EU-27 in 2008, with large majorities (about two thirds of all professionals) in the Baltic Member States, Bulgaria and Poland. In contrast, only about one in every three (33.2%) legislators, senior officials and managers (ISCO major group 1) across the EU-27 were women in 2008, this proportion falling to about one in every six in Malta and Cyprus.¹⁹

At the highest forms of decision-making, women represented about one in every four (24%) members of national parliaments in 2008.²⁰ The share of women increased in almost all Member States in the period between 1997 and 2008, but particularly sharply in Belgium and Portugal. Sweden reported the highest proportion of women (48%)²¹ as members of its national parliament in 2008.

Women are often held back from working fulltime by the work since they raise children, looking after other persons, or housework; this was the single largest reason (36.0%) for women working less than 30 hours per week in 2007, in contrast to the proportion (5.0%) of men for whom this was the reason that they worked less than 30 hours per week.²² As such, there is policy interest in providing more accessible and affordable childcare and home help, as well as promoting more flexible working arrangements.

16 Ibid, p. 25

17 Ibid

18 Eurostat, EC. Combating poverty and social exclusion: a statistical portrait of the European Union 2010.

19 Ibid, p. 26

20 Ibid

21 Ibid

22 Ibid, p. 27

MINORITIES

Historically, many EU countries have welcomed both skilled and unskilled migrant workers – a situation that is likely to continue as the EU's population ages. As arrivals in a new country, migrants often need time and help to participate fully and equally in society. Since January 1992, EEA²³ nationals have been entitled to work or look for a job in another EEA country with the same rights as nationals from the host country. Across the EU-27, the employment rate of non-nationals who are citizens of other EU-27 countries was 69.7% in 2008, compared with 59.2% for citizens from countries outside of the EU.²⁴

There was a considerable difference in this gap in some Member States, with a positive gap (a higher rate of employment among non-nationals than nationals) of over 10 percentage points in Slovakia, Poland and Hungary, but a negative gap (a lower employment rate among non-nationals) of over 10 percentage points in Finland, the Netherlands, Sweden, Germany and, in particular, Denmark.²⁵

The acquisition of citizenship is sometimes viewed as an indicator of the formal integration of migrants into their host country; citizenship may be granted to persons who have previously been citizens of another country or to persons who have been stateless. About 701,000 persons acquired the citizenship of one of the Member States in 2007, the majority (58.4%)²⁶ of whom acquired the citizenship of the United Kingdom, France or Germany. Obviously, historical links with other parts of the world, particularly with former colonial territories, and/or language may help explain some of the patterns regarding the acquisitions of citizenship across the Member States; for example, a majority of newly-acquired citizenship in France in 2007 was granted to persons originally from Africa (62.4%), while a high proportion (45.0%) of those acquiring British citizenship was bestowed upon persons originally from Asia, and a high share of new Spanish citizens (80.0%) came from the Americas.²⁷

Member States on the eastern borders of the EU tended to report a relatively high share of new citizens originating from other European countries, particularly from Balkan countries, the Ukraine or Russia. Another important group of new citizens is those seeking asylum from war and/or political instability. This may help explain the relatively large number of Somali and Iraqi citizens who acquired the citizenship of an EU Member State in 2006 and 2007.

PERSONS WITH DISABILITIES

People with disabilities have identical rights to the remainder of the population - they are entitled to equal treatment, independent living and full participation in society. The Lisbon strategy aims to improve the comparatively low participation rates of Europe's disabled people. Across the EU as a whole, almost one in five persons (19.7%)²⁸ in employment in 2007 suffered a long-standing illness or health problem.

23 European Economic Area

24 Eurostat, EC. Combating poverty and social exclusion: a statistical portrait of the European Union 2010. p. 29

25 Ibid, p.30

26 Ibid, p. 32

27 Eurostat, EC. Combating poverty and social exclusion: a statistical portrait of the European Union 2010, p.34

28 Ibid, p. 34

SOCIAL PROTECTION

Europe's social protection systems provide an essential safety net for people who face challenges like unemployment, ill health, poverty or old age. The delivery of social protection varies across the European Union, but it usually takes the form of welfare benefits to cover things like unemployment, sickness and maternity, invalidity, the demands of old age, and family expenses.

Overall social protection expenditure in the EU-27 averaged over one quarter of GDP in 2006.²⁹ Social protection expenditure in eleven of the EU-15 Member States also exceeded one quarter of GDP, while the lowest share among EU-15 Member States was in Ireland. Among the Member States that joined the EU since 2004, the lowest shares of social protection expenditure in GDP were recorded in the Baltic Member States, Romania and Bulgaria, and the highest in Slovenia and Hungary.

Among social protection benefits (the largest component of total expenditure), a majority of the EU-27's expenditure was directed towards either old age (for example, pensions) or to sickness and healthcare; together these two items accounted for close to 70% of total EU-27 benefits in 2006. Benefits related to children, disabilities, survivors and unemployment each accounted for shares of between 5% and 8% of total expenditure, while housing accounted for 2.3%.³⁰

These transfers can play a key role in ensuring that people living in poverty get a chance to live a dignified life. What is more, social protection systems have been deployed to keep people from falling into poverty due to the recent recession, which has left thousands of Europeans without a job or with reduced incomes.

The EU is committed to promoting closer cooperation between Member States as they set about modernising their social protection systems to face the challenges of today and tomorrow. This includes sharpening up the role social protection plays in combating poverty and social exclusion. In 2008, the European Commission asked Member States to harness these systems as a means of developing policies to stimulate "active inclusion".

Active inclusion strategies centre on getting as many people as possible into the labour market while making sure those who are unable to work receive decent social support so they can lead fulfilling lives. Active inclusion, as promoted by the Commission, is based around three common principles:³¹

- Building inclusive labour markets that are open to everyone who is capable of working;
- Provision of adequate income support, which recognises a person's basic right to levels of social assistance and benefits that allow them to live in dignity and not be excluded;
- Access to quality services, such as social assistance, employment and training services, housing support and social housing, childcare, long-term care and other health services.

²⁹ Ibid, p.97.

³⁰ Ibid, p. 97

³¹ 2010 European Year For Combating Poverty and Social Exclusion http://ec.europa.eu/employment_social/2010againstpoverty/about/topicofmonth_en.htm (Oct 19, 2011)

2010 – EUROPEAN YEAR FOR COMBATING POVERTY AND SOCIAL EXCLUSION

Each year since 1983, Europe has initiated a "European Year" awareness campaign designed to inform the citizens of Europe and dialogue with them to work for change in mentalities and behaviour. These European years also provide opportunities for drawing the attention of national governments to societal themes. In 2008, the Union celebrated the European Year of Multicultural Dialogue, in 2007 Equality of Opportunity was to the fore and in 2006, Workers' Mobility.

Inspired by its founding principle of solidarity, the European Union joined forces with its Member States to make 2010 the European Year for Combating Poverty and Social Exclusion.³² The key objectives were to raise public awareness about these issues and renew the political commitment of the EU and its Member States to combat poverty and social exclusion. The guiding principle of the 2010 Year was to give voice to the concerns of people who have to live with poverty and social exclusion, and to inspire every European citizen and other stakeholders to engage with these issues. It also aimed to challenge stereotypes and collective perceptions of poverty. By harnessing the EU's principles of solidarity and partnership, 2010 was a call to tackle the causes of poverty directly in an effort to ensure everyone can play a full and active role in society.

Civil society organisations and social partners joined the participating countries and the European Commission in running a series of activities throughout 2010. The participation of civil society and the commitment of all involved parties proved to be essential. The conception and implementation of the European Year involved a wide range of actors, including civil society organisations and those defending the interests of persons living in poverty, as well as social partners - local and regional authorities. At national level, a programme was developed for adapting the joint policy guidelines framed at European level to the issues and specific characteristics of each country.

Throughout 2010, several hundred activities were organised, including awareness campaigns, innovative actions, creative solidarity schemes, discussions, conferences, and competitions, which highlight achievements and promote stories related to poverty and social exclusion. In addition, partnerships have been established with major event organisers in Europe, such as the Edinburgh International Festival, the Frankfurt Book Fair and the Perugia International Journalism Festival, to highlight just a few.

At the closing conference which was held in Brussels on December 6, 2010, the Declaration on the European Year for Combating Poverty and Social Exclusion: Working together to fight poverty in 2010 and beyond was ceremonially signed as a joint commitment to fight poverty and social exclusion for the next decade. In this declaration, three areas of action are highlighted: the EU's active inclusion strategy, and the need to implement it further, a particular attention to vulnerable groups and extreme poverty, and the fight against child poverty, which is one of the top priorities for the EU. In addition, it underlines the need for economic, employment and social policies to reinforce each other and be complementary.

32 The 2010 European Year was given a budget of at least 26 million Euros, of which 17 million Euros were provided by European Union.

IMPORTANCE OF REGIONAL COOPERATION IN THE WESTERN BALKANS

Regional cooperation lies at the very foundation of the whole structure of the European Union and it is a model that has proved itself exceptionally successful particularly in such a diverse milieu as Europe is. In the course of the European Union's existence it has been changing its essential purpose, while in the light of the recent happenings in the heart of Europe, namely the Western Balkans, it has gained even a greater value as a tool of reconciliation, stability and ultimate prosperity. In the case of the Western Balkans regional cooperation stands as an indispensable prerequisite for the future of the region as a whole as well as of each individual state, foremost when it comes to their European perspective. Once being a part of one state, now closest neighbouring countries tied historically and geographically to each other, the Western Balkan countries have no other choice but to cooperate among themselves. Furthermore, all these countries are small in their respective territorial coverage, populations, economies and resources and thus it is in the best interest of them all to join their potentials and act as a regional player rather than being on their own.

Regional cooperation in the Western Balkans is a topic very often heard about and an issue of great importance when speaking about the European perspective of the region. There have been much success and progress in intensifying regional cooperation, especially in the recent couple of years, thanks to both regional actors and international partners. The major support and incentive for the regional cooperation has been coming from the European Union, but it has also been one of the major conditions, incorporated in all the documents and agreements regarding the EU membership of the Western Balkan countries. As already mentioned, one of the reasons that regional cooperation is being very much insisted on is that the EU itself is founded on the cooperation between the regions and because the political stability, economic prosperity and social development has been mostly achieved due to close relations and cooperation in a very vast range of fields between the European states and regions. Thereupon, this was seen as a successful example to be followed and applied in the Western Balkans region too. On the other hand geographical proximity of the Western Balkan countries, historical ties and shared, very often turbulent and gloomy past, have made regional cooperation inevitable and even more relevant.

That the regional cooperation is an instrument that pays off was also proved by the example of the Central and Eastern European Countries (CEEC). Although the EU conducted most of its relations and negotiations with the CEE countries in a bilateral form, interstate cooperation strongly featured the requirements package for the EU accession. In the case of the CEE countries, cooperation was necessary for resolving the border problems and minority issues. Since then "good neighbourliness" started being added to the list of the membership criteria, and besides the benefits for the region in question, it became a means to "prevent the enlargement from importing foreign policy problem into the EU".³³ Although the benefits of the regional cooperation were many and although it was very much fostered, it was never included in the obligatory requirements for the EU membership and it never gained more importance than bilateral approach that the EU had towards each candidate country from CEE.

33 Delević, M. *Regional Cooperation in the Western Balkans*. Chaillot Paper No 104. European Union Institute for Security Studies. Paris, 2007. Page 23.

However, the attitude towards the Western Balkan countries was different. The official report that the European Commission submitted to the European Council and Parliament in 1996, contained goals and objectives, as well as conditions and instruments that should be applied as a response to the issue of the Western Balkans, introducing the "regional approach" for the first time. As it was the time when the war in Bosnia and Herzegovina was coming to an end, the regional approach was primarily a means to consolidate peace and security in the region. For that reason, the agreements that were later concluded with each country were focused at the maintenance of the political stability and economic prosperity through cooperation between the countries themselves, with the neighbouring countries and with the EU.³⁴ While they were treating all these countries together as one whole, they were at the same time paying great attention to the specific position of each one of the countries. Entering in such an agreement was conditioned by the readiness of each country to work on peace building, adopting democratic values with the emphasis on the respect on human and minority rights and willingness to re-establish cooperation with the neighbours. Thus, the EU attached much greater importance to the regional cooperation in the case of the Western Balkans, than it was with the CEE, as now regional cooperation was promoted to one of the compulsory preconditions for the EU integration and it was to be closely monitored and assessed in the course of the countries' progress towards the EU membership. In May 1999, the European Commission came up with a more comprehensive and ambitious plan for the development of the Western Balkan region and its eventual integration in the EU.³⁵

In order to foster the accession process for candidates and potential candidates in the Western Balkans, the EU has developed a policy known as the Stabilization and Association Process. The Stabilization and Association Process (SAP) was initiated in May 1999, showing long term orientation of the EU to assist the countries of the Western Balkans region in their political efforts by the means of financial and human resources aid that would lead to the full EU membership at the end. Albania, Bosnia and Herzegovina, Croatia, Macedonia, Montenegro, Serbia and Kosovo have been involved in the SAP, which is a constituent part of the overall enlargement policy and which prepares the whole region for the EU integration. The process is bilateral and regional at the same time, since on the one hand it contributes to the establishment of the relations between the countries involved in this process and the EU, and it fosters their mutual regional cooperation on the other hand.

As defined by the European Commission the SAP is "the framework for the EU negotiations with the Western Balkans countries, all the way to their eventual accession" with three main aims:³⁶

- Stabilizing the countries and encouraging their swift transition to a market economy;
- Promoting regional cooperation;
- Eventual membership of the EU.

The core component of the overall SAP is the emphasis on the regional cooperation. The SAP should not be understood as a process that occurs only between the EU and a SAP signatory, but it is very much concerned with the cooperation and mutual assistance between the countries of the region themselves. This is specifically underlined in the SAA

34 Ibid. Page 23, 24.

35 Ibid. Page 24.

36 The European Commission, Enlargement DG and External Relations DG, *Regional Cooperation in the Western Balkans-A policy priority for the European Union*, Office for Official Publications of the European Communities, Luxembourg, 2006, page 4-5. http://ec.europa.eu/enlargement/enlargement_process/accession_process

chapter on the regional cooperation where it is said that the signatory country will be actively promoting cooperation throughout the region. Upon signing the Agreement a country becomes obliged to start negotiations and conclude bilateral agreements on the regional cooperation with the other countries that have already signed the SAA.

In regards with the regional cooperation the countries participating in the SAP obligated themselves to achieve concrete objectives and implement specified initiatives in accordance with the Thessalonica agenda from 2003³⁷ in the area of regional trade liberalization, facilitation of the visa regimes within the region, collecting of small weapons and arms, creating regional market for gas and energy, developing energy infrastructure, transportation network and telecommunications, water management, environment protection, cross-border and parliamentary cooperation, as well as science and research.³⁸

Constructive regional cooperation is of a crucial value and it indicates that a country is ready to integrate in the EU. The Western Balkans' approaching to the EU has to be accompanied with enhancing regional cooperation modelled upon the cooperation within the EU itself. The Western Balkan countries have also become fully aware of the shared problems that they have, most of which have strong cross-border characteristics, from which the responsibilities towards each other arise. They now realize benefits and results that regional cooperation has brought to each one of them, which gives further incentive to continue strengthening the cooperation. With the aim of establishing and enhancing the regional cooperation, many regional initiatives have been started in the course of the last decade, all of them having the Western Balkan countries as their participants, but very often the countries beyond the borders too. The changes that have taken place in SEE and progress that all the countries have made in recent time on their way towards the EU and Euro-Atlantic integration imposed a need for modifying the very concept of the regional cooperation and assigning a greater role to the countries themselves and their even greater participation in the process. The need for strengthening the role of the countries in regional cooperation was emphasized by the Stability Pact at the meeting in Sofia in 2005 when it was proposed to transform the Pact into a new, more focused and more efficient framework of the regional cooperation in which the countries are going to have more important role and be accountable for their cooperation.

After exhaustive consultations and negotiations with the countries from the region and with the European and international partners during 2005 and 2006, the Stability Pact made a few very significant decisions on its transformation into a new framework of the regional cooperation. The most important decision was founding of the Regional Cooperation Council with the regionally located secretariat in Sarajevo, Bosnia and Herzegovina and liaison office in Brussels. The Regional Cooperation Council (RCC) was officially started with its work on February 27th 2008 and it succeeded the Stability Pact for South Eastern Europe.³⁹ In the previous period in which the priority was to stabilize the

37 The Thessalonica agenda extended and enriched the SAP with some elements that were introduced due to then upcoming enlargement towards the Central and Eastern European countries; it also introduced a range of new tools and instruments to underpin the reform processes in the Western Balkans and bring it closer to the EU.

38 The European Commission, Enlargement DG and External Relations DG. *Regional Cooperation in the Western Balkans-A policy priority for the European Union*. Office for Official Publications of the European Communities, Luxembourg, 2006, page 4-6.

39 Minić, J. and Kronja, J. *Regional Cooperation for Development and European Integration*, European Movement in Serbia. Belgrade, 2007. Page 55-56. Regional Cooperation Council. *Annual Report of the Secretary General of the Regional Cooperation Council on Regional Cooperation in South-East Europe 2008-2009*. Sarajevo 2009 www.stabilitypact.org

region and to re-establish the connections and relations in different fields the International Community played a major role. A new phase of regional cooperation requires more active involvement and orientation of the region towards maintaining good political climate, programming, monitoring projects, financing and providing human resources. The basic task of this new body is to develop and improve regional cooperation and provide support to the SEE countries in the process of their further integration into European and Euro-Atlantic structures. The RCC is thus turned to "developmental projects and creation of a political climate susceptible to implementing projects of a wider, regional character, to the benefit of each individual country."⁴⁰

The basic tasks of the RCC can be summarized in the following way:

- Development of focused regional cooperation in the SEE countries based on the principles of greater responsibility and ownership by the countries;
- Political directing and two-ways cooperation with the existing working groups and initiatives in different fields of regional cooperation;
- Improvement of the European integration of the region;
- Providing guidelines for the work of the Secretariat and Secretary General.

It needs to be stressed out that civil society has been a significant factor in the formation of the RCC, just like it has a key role in the establishment and maintenance of the regional cooperation. The civil sector has been and it will be a critical element in the reconciliation processes, peace, stability and overall development of the cooperation in the region. The civil society is a true promoter and one of the most important pillars of the regional ownership. It will continue to play a crucial role in the new institutional framework, especially in the Regional Cooperation Council.

What is most commendable and significant is that further enhancement and promotion of cooperation continues in the new light of regional ownership in which the region itself has a decisive role. Namely, all the accomplishments reached in the sphere of economy and security accompanied with democratic and social development have made the region sustainable and mature up to the extent when it can readily take over the serious task of maintaining and enhancing the regional cooperation and "place the responsibility for its future into the hands of region".⁴¹

Taking into consideration all the previously said it is clear that regional cooperation among the Western Balkans countries is inevitable reality as countries are faced with mostly the same challenges. The issue of social exclusion and poverty is not an exception, but, on the contrary, one of the most pressing common problems of these countries. As widely known during the last 20 years the entire Western Balkans region has undergone dramatic changes. The common socialist past, direct loss and destruction or other consequences of the wars, as well as transition, resulted in some similar characteristics and problems in the Western Balkans region. In the majority of the countries there was a large decrease in the GDP that is even today in some countries (Serbia, Montenegro and Bosnia and Herzegovina) only half of the amount it used to be at the beginning of the nineties.

40 www.rcc.int

41 Regional Cooperation Council. *Annual Report of the Secretary General of the Regional Cooperation Council on Regional Cooperation in South-East Europe 2008-2009*. Sarajevo, 2009, page 2.

Poverty in the Western Balkans countries is high measured according to the criteria of national absolute poverty lines.⁴² According to such a defined poverty line, which is therefore specific for each country, between 8% and 25% of the Western Balkans countries' populations are below this line. Macedonia is the only Western Balkan country that does not measure poverty according to the absolute poverty line, although based on the PRSP of Macedonia there is no major difference between the portions of those under different poverty lines. If this is so, then the share of the poor in the year 2000 can be estimated at around 22%. The total number of the poor in the region amounts to around 4 million inhabitants, or over 17% of the total population of the region. This figure most certainly ranks the Western Balkans as the poorest region in Europe. The largest number of poor lives in Bosnia and Herzegovina, Serbia, Albania and Kosovo. In each of these countries/provinces between 800,000 and one million persons cannot satisfy the minimum national standards for basic food and non-food needs.

Many factors significantly decreased the living standards of most of the population during the nineties. This was not only caused directly by war, destruction and the decrease of GDP. In many Western Balkan countries the population was exposed to numerous economic hardships, from hyperinflation, "freezing" of old foreign currency savings, through financial pyramid schemes, sanctions, and disintegration of the common market in the case of former Yugoslav Republics. Irregular income, and often working without pay, the destruction of large socially-owned enterprises, arrears or lack of social assistance and pensions, non-functioning of the health care system and the need to pay for services that were previously "free of charge", pushed many, previously well-off households, to the verge of poverty or below the poverty line. Refugees and internally displaced persons found themselves in a particularly difficult situation since they were left overnight without shelter, employment and pensions. This resulted in a great concentration of the population/households just above the poverty line in all the Western Balkan countries.

The "vulnerability" of a significant number of households that are densely concentrated just above the poverty line and can easily slip under it is particularly worrying, having in mind the fact that most of these countries are faced with further economic reform and effects of the global economic crisis. Among the poor, there are a number of those who are extremely poor. Extreme poverty, meaning that not even basic food needs can be met, is significantly present in Albania (4.7%) and is even more present in Kosovo where, according to data from 2000, it is almost 12%. In Serbia, extreme poverty is found in 2.4% of the population and the most recent results show that it is also present in Montenegro. For the majority of countries it is characteristic that in addition to the traditionally poor there is a category of "new poor" found among the elderly workers that become jobless, pensioners with low pensions, as well as among the employed with very low and irregular wages, seasonal workers and employed in the informal economy (working poor). This group of "new poor" often lives in regions where past economic activity was entirely concentrated in one or few industrial enterprises (large socially-owned enterprises), which are now closed down.

According to different national strategic documents of the Western Balkan countries, some of the most important joint macroeconomic preconditions for poverty alleviation

42 This line is determined through the estimation of household consumption at which families, after paying for essential non-food expenditures, just attain minimal nutritional needs. Minimal nutritional needs are determined in accordance with nutritional requirements of FAO and follow the consumption patterns of the national population.

are: a significant increase in GDP (for the majority of countries over 5% in the next three years), change of GDP structure, coupled with an increase in the share of investment and domestic savings; achieving and/or maintaining macroeconomic stability, primarily through decreasing public consumption and fiscal deficit and achieving foreign economic balance (decreasing the current deficit in the balance of payments and decreasing the share of foreign debt). Other preconditions linked to the economy are: continuing the privatization process and increasing the share of the private sector, further restructuring the economy and public enterprises, finalizing fiscal reforms and changing budget procedures, further modernizing infrastructure (transportation, energy, telecommunications, communal infrastructure, irrigation) and continuing reforms and restructuring of the banking sector. Judicial and public administration reforms, continued building and improved functioning of control mechanisms and combating corruption represent an additional set of preconditions that need to be fulfilled so that economic reforms can succeed.

Although each country is trying to deal with the problem of poverty and social exclusion through a set of various measures and reforms, the so far results have been slow and insufficient. One of the reasons is that this problem cannot be perceived and treated within an individual country since happenings in one country has spill-over effects on the other countries. Therefore, it would be necessary to take a new approach and address this problem at the regional level through joining capacities and resources, exchanging experiences and practices. Responding to the problem in this manner would be highly beneficial for all the part-taking sides, it would be less time and resources consuming and would create conditions for pulling-together knowledge and resources in dealing with poverty and social exclusion. As there has not been initiative to start regional cooperation among the Western Balkan countries, especially the NGO sector, in dealing with the increasing problem of social exclusion and poverty, this Study aims at exploring the capacities and interests to start such cooperation and open the perspective for joint work and improved results in fighting this common problem.

OPEN METHOD OF COORDINATION

Open method of coordination (OMC) is a form of EU soft law, a process of policymaking which does not lead to binding EU legislative measures nor require Member States to change their law. The open method of coordination (OMC) aims to spread best practices and achieve greater convergence towards the main EU goals.⁴³ Member States have much to learn from sharing their experience of national policies in areas of common interest. This can help them to improve the design and implementation of their own policies, to develop coordinated or joint initiatives on issues of transnational interest, and to identify areas where Community initiatives could reinforce national actions.

The "Open Method of Coordination" (OMC) was introduced by the European Council of Lisbon in March 2000. It was a method designed to help Member States progress jointly in the reforms they needed to undertake in order to reach the Lisbon goals. The method included the following elements:

43 <http://www.eurofound.europa.eu/areas/industrialrelations/dictionary/definitions/openmethodofcoordination.htm>

- Fixing guidelines and timetables for achieving short, medium and long-term goals;
- Establishing quantitative and qualitative indicators and benchmarks, tailored to the needs of Member States and sectors involved, as a means of comparing best practices;
- Translating European guidelines into national and regional policies, by setting specific measures and targets;
- Periodic monitoring of the progress achieved in order to put in place mutual learning processes between Member States.⁴⁴

Generally, the OMC works in stages. Firstly, the Council of Ministers agrees on (often very broad) policy goals. Secondly, Member states then transpose guidelines into national and regional policies. Thirdly, specific benchmarks and indicators to measure best practice are agreed upon. Finally, results are monitored and evaluated. However, the OMC differs significantly across the various policy areas to which it has been applied: there may be shorter or longer reporting periods, guidelines may be set at EU or member state level and enforcement mechanisms may be harder or softer.

The OMC is generally more intergovernmental in nature than the traditional means of policy-making in the EU, the so-called community method. Because it is a decentralised approach through which agreed policies are largely implemented by the member states and supervised by the Council of the European Union, the involvement of the European Parliament and the European Court of Justice is very weak indeed. Formally, at least, the European Commission has primarily a monitoring role; in practice, however, there is considerable scope for it to help set the policy agenda and persuade reluctant Member States to implement agreed policies. Although the OMC was devised as a tool in policy areas which remain the responsibility of national governments (and where the EU itself has no, or few, legislative powers) it is sometimes seen as a way for the Commission to "get a foot in the door" of a national policy area.⁴⁵

Historically, the OMC can be seen as a reaction to the EU's economic integration in the 1990s. This process reduced the member states' options in the field of employment policy. But they were also weary of delegating more powers to the European institutions and thus designed the OMC as an alternative to the existing EU modes of governance. The OMC was first applied in EU employment policy, as defined in the Amsterdam Treaty of 1997, although it was not called by this name at the time. It was officially named, defined and endorsed at the Lisbon Council for the realm of social policy. Since then it has been applied in the European employment strategy, social inclusion, pensions care, immigration, asylum, education and culture and research, and its use has also been suggested for health as well as environmental affairs.

Open Method of Coordination (OMC)⁴⁶ for social protection and social inclusion represents a framework for development of national social inclusion strategies and Joint Inclusion Memorandums in the process of integration into the EU (agreement of members of the Council of Europe made in 2000 in Nice) which determine the common objectives of the Community, in line with the agreement of the European Council from Lisbon and Santa Maria da Feira, but do not stipulate any legal responsibilities of member states. In that way member states were encouraged to reform their social protection systems and

⁴⁴ http://ec.europa.eu/invest-in-research/coordination/coordination01_en.htm

⁴⁵ Ibid.

⁴⁶ Guidelines for development of national social inclusion strategies, See: http://ec.europa.eu/employment_social/spsi/docs/social_inclusion/2008/080207_guidance_note_nsrs_cln_en.pdf

implement policies to decrease social exclusion, on the basis of exchange of experiences among them. Common objectives represent the central element of the EU Social Model, and the Community has different instruments available to implement its social agenda (legislation, social dialogue and financial instruments, primarily the European Social Fund (ESF) which provides support for implementation of policies of EU member states in the area of employment, within the framework of the EU employment strategy and goals and the theme of social inclusion and the PROGRESS programme). Experiences in implementation of the open method of coordination were described by member states as positive and useful as well as innovative instrument of governance of the social policy (EU social governance).

Key challenges in the area of social inclusion, as agreed at the level of the EU are:

- Eradication of poverty of children inside the vicious circle of intergenerational heritage of poverty and exclusion;
- Creating inclusive labour markets;
- Ensuring acceptable housing conditions for all;
- Overcoming discrimination and increase of the rate of integration of persons with disabilities, ethnic minorities and immigrants.
- Undertaking steps toward prevention of financial exclusion and excessive debt.

Furthermore, the common objectives of the open method of coordination relate to three domains of action (poverty and social exclusion, health care and long term health protection and pension policy), which reflect the entire process of social inclusion:⁴⁷

1. Goals of eradication of poverty and social exclusion are defined through:

- a) Enabling access to all resources, rights and services required for participation in society, prevention and addressing of exclusion and combat against all forms of discrimination that could lead to exclusion;
- b) Ensuring active social inclusion for all, through promotion of participation in the labour market and combat against poverty and social exclusion;
- c) Enabling good coordination of social inclusion policies involving all levels of the government and all relevant stakeholders as well as persons experiencing poverty and ensuring that policies are efficient and mainstreamed into all relevant public policies, including economic, budgetary and educational policies and programmes of structural funds.

2. Goals in the area of pension policy, in the interest of relevance and sustainability of pensions are defined through:

- a) Appropriate income from pensions for all and access to pension which allows persons to keep the acceptable level of the standard of living after retirement, in the spirit of intergenerational solidarity;
- b) Financial sustainability of public and private pension schemes, considering the pressure of public finances as well as aging of the population, in the context of the three pillars of the strategy to remedy budgetary implications of aging, primarily through supporting longer term of employment and active aging, balancing contributions and benefits in appropriate and socially fair manner as well as through promoting access to and reliability of funds and private schemes;

⁴⁷ OMC objectives. (2006). http://ec.europa.eu/employment_social/spsi/common_objectives_en.htm

- c) Transparency of pension systems, adapted to needs and desires of women and men and requirements of modern society, demographic aging and structural changes, to ensure that persons get the information they need to be able to plan retirement and that the reform is initiated on the basis of the broadest consensus possible.

3. Goals of healthcare and long term health protection, in the interest of accessible, high-quality and sustainable healthcare and long term health protection, are defined through:

- a) Enabling access to adequate healthcare and long term health protection for all, ensuring that the necessity of healthcare does not lead to poverty and financial dependence and that inequalities in approach to care and health services are addressed;
- b) Quality of healthcare and long term health protection and adaptation of protection, including development of preventive health protection, changing needs of society and individual, especially through development of quality standards reflecting the best international practices as well as through strengthening of accountability of healthcare workers and patients;
- c) Accessibility of high-quality and adequate, financially sustainable healthcare and long term health protection through promotion of rational use of resources, especially through certain incentives to beneficiaries and service providers, good governance and coordination between the system of protection and public and private institutions. Long term sustainability and quality require promotion of health and active life style and good human resources in the healthcare sector.

The following goals reflect the essence of the process of social inclusion and they refer to:

1. Social cohesion, gender equality, equal opportunities for all through adequate, accessible, financially sustainable, adaptable and efficient system of social protection and social inclusion policies;
2. Efficient correlation with the Lisbon objectives (higher rate of economic growth, higher quantity and quality of jobs, higher rate of social cohesion) and with the EU Sustainable Development Strategy;
3. Good governance, transparency and involvement of all stakeholders in the process of development, implementation and monitoring of policies.⁴⁸

Good governance, which is a vital element of the process and refers to the responsibility of member states, to demonstrate within their reports (NSR), through structural dialogue in all policy making processes (development, coordination, mobilisation, involvement of stakeholders, mainstreaming and monitoring and evaluation) their efforts to involve broad circle of stakeholders, such as: local and regional authorities, public and private sector, NGO sector, service providers including providers of healthcare services, NGOs representing vulnerable and excluded categories of citizens, social economy stakeholders, professional associations working in relevant sectors and social partners.

Candidates countries for the EU membership are preparing the Joint Inclusion Memorandum and are required, just as much as member states are, to demonstrate within their NSRs their institutional arrangements which enable fulfilment of goals of good governance and involvement of stakeholders in different areas of the process of public policy making. These arrangements highlight the importance of regional and local level and refer to the four components of good governance:

⁴⁸ Ibid.

1. Involvement of all relevant stakeholders, networking them both vertically and horizontally, through all levels in the process of development of NSR or JIM documents;
2. Coordination of social inclusion policies with arrangements for their integration in all relevant policies;
3. Mobilisation and involvement of stakeholders and arrangements which ensure involvement of broader circle of stakeholders, including vulnerable categories of citizens, through the process of development, implementation and evaluation;
4. Mainstreaming: arrangements which enable mainstreaming of social inclusion policies in public policies as well as in structural funds.

Social inclusion policies, despite being based on the common objectives, differ substantially from one country to another, since the OMC itself leaves member states a lot of room to define their own manner and method of accomplishment of the common objectives. Some of them focus their attention, in line with their priorities, on the labour market and social security net, while others opt to encompass much broader area, depending on their internal political and institutional organisation.

Common objectives set the framework for action in the process of social inclusion. What is important to underline is that they emphasise the role of civil society in the process. The social inclusion guidelines, as a framework for development of national social inclusion strategies, require reporting on the subject of mobilisation of relevant stakeholders and institutional arrangements made in support to involvement of civil society organisations in the dialogue with the government sector. The role of involvement of civil society is also underlined through the European Social Fund (ESF) and its regulations, since it represents the main source of funding for support to implementation of social inclusion policies and highlights the importance of partnership in development, implementation and monitoring of social inclusion policies. The ESF, within the framework of operational planning, encourages partnership between the government and the civil sector, with the following two distinct types of partnerships:

- **Partnership in management mechanism:** where member states are expected to ensure involvement of and consultation with social partners in the process of development, implementation and monitoring of support provided by the ESF;
- **Partnership in projects:** This promotes partnership, pacts and initiatives through networking of stakeholders (social partners and NGOs) at trans-national, national, regional and local level, for the purpose of reform of the area of employment and inclusion in the labour market. Particular attention is dedicated to projects of social partnership, with the view of capacity building (under the goal of convergence, a certain amount of ESF's funding is allocated to capacity building, including training, networking, strengthening of social dialogue, as well as joint activities undertaken by social partners).

The level of implementation of the European principles in consultations and dialogue during the decision making and policy making processes represents an indicator which demonstrates how serious the governments are and points to recognition of the third sector as a partner. It refers to the right of NGOs to access information on the process of policy making and development of draft legislation and the right to active participation in defining processes and policies or laws.

As presented above, OMC and arising requirements is one more field in which cooperation among potential and candidate states can be highly beneficial and where regular communication, exchange of experiences and advice can help facilitating the whole process. The official requirement by the European Social Fund for involvement of the civil sector is one more impetus to start and develop cooperation among the civil sectors in the Western Balkans region as its role will keep gaining importance in social inclusion and poverty reduction.

On the other hand, since all the Western Balkan countries are at a different stage of preparing or implementing strategies against reduction of poverty and social exclusion (in Bosnia and Herzegovina Social Inclusion Strategy has been drafted and needs to be adopted, in Macedonia National Strategy for Reduction of Poverty and Social Exclusion was adopted in 2010, in Montenegro updated version of the Strategy for Reduction of Poverty and Social Exclusion was adopted in 2007, and Serbia has also adopted and implements Poverty Reduction Strategy). All the national strategies need to be harmonized with the EU requirements in the field of social policies and Millennium Development Goals), but in order to achieve this they should firstly be harmonized and coordinated among themselves as there are many inter-state and cross-border issues which have not been solved and which are obstacles for the comprehensive and successful realization of the above mentioned strategies. Some of these issues include status of refugees and displaced persons, unregulated citizenship status, property return, regulating of pensions which are all among causes of poverty and social exclusion in the region. Therefore, the OMC goals and approach to good governance can serve as a model of the internal harmonization and joint approach to solving the common regional problems and it should be adopted primary for these purposes. By applying the aforementioned aspects of the OMC solely in the context of the Western Balkans regional problems will be solved at the appropriate level and by the competent bodies, without their interference to harmonization of national policies with the EU standards. OMC goals and principles of good governance and their adaption to the specifics of the region thus open new space, impetus and requirement for developing regional cooperation.

SOCIAL EXCLUSION IN ALBANIA



II. SOCIAL EXCLUSION IN ALBANIA

COUNTRY PROFILE⁴⁹

Full name: Republic of Albania

Capital: Tirana

Geography: Albania is located in south-eastern Europe. The total land area is 28,748 km². Albania is bordered by Montenegro, Serbia, Macedonia, Greece, the Adriatic Sea and the Ionian Sea. The climate is temperate Mediterranean. During the winter Albania is prone to cyclones.

Population and density: Population: 3,600,523 (July 2007 estimate).

Density: 114.1 persons per km² (2004 estimate).

Languages: Albanian (official), Greek, Vlach, Romani and Slavic dialects.

Religions: Muslim 70%, Albanian Orthodox 20% and Roman Catholic 10%.

Ethnic groups (1989 estimate): Albanian 95%, Greek 3%, others (Vlach, Roma, Serb, Macedonian, Bulgarian) 2%.

Demographics (2007 estimate, unless otherwise indicated):

Population growth rate: 0.529%.

Infant mortality rate: 20.02 deaths/1,000 live births.

Life expectancy at birth: 77.6 years.

Fertility rate: 2.03 children born/woman.

Literacy: 86.5% of people 9 years of age and over can read and write (2003 estimate).

Currency: Albanian Lek (ALL).

United Nations Gender-related Development Index (GDI) and Country Rank Value: 0.780/1

Rank: 59 out of 136 countries.

Population below the national poverty line (2004 estimate): 25%.

Transparency International's Corruption Perceptions Index (CPI) Score: 2.6/10.

Rank: 111 out of 163 countries surveyed.

Transparency International's Global Corruption Barometer (GCB): Political parties 3.2, parliament/legislature 3.2, business/private sector 3.1, police 3.8, legal system 3.8, media 2.5, tax revenue 3.4, medical services 4.1, education system 2.8, military 2.7, utilities 3.2, registry and permit services 3.6, NGOs 3.0 and religious bodies 2.3.

⁴⁹ Odbor za imigraciju i izbjeglice u kanadi, *Country Fact Sheet - Albania*, August 2007, Research Completed: 13 August 2007, available at: <http://www.unhcr.org/refworld/docid/47de299b0.html> [accessed 7 October 2011].

INTRODUCTION

After World War II, Albania became a Stalinist state and remained staunchly isolationist until its transition to democracy after 1990. In 1990, during the general uprisings by all sectors of Albanian society against the post-Hoxha socialist regime, the Party of Labour of Albania allowed political pluralism and a market economy. The government relinquished its monopoly on foreign commerce and opened Albania to foreign investment.

Since then, Albania has enjoyed a high sustained rate of economic growth, averaging about 5–6 per cent per year.⁵⁰ While growth has officially led to poverty reduction, disparities continue to persist between urban and rural regions of the country. Growth has also not been particularly effective in creating sufficient jobs: Albania continues to be one of the poorest countries in Europe, despite the fact that it has moved into the group of countries with a high Human Development Index (HDI).⁵¹

Rural–urban disparities, poverty, age (particularly relating to children) and disability are key drivers of exclusion in Albania. The government's Social Inclusion Strategy (SIS) goes a long way in defining key challenges and proposed solutions. However, the strategy is rather disaggregated through a series of sub-strategies that are not well integrated.

The ongoing global financial crisis was initially predicted by many experts to be unlikely to have a major impact on Albania, unlike the earlier fuel and food price crises, which did have an impact, in part as a result of Albania's only partial integration into the global financial system. However, Albania's heavy reliance on remittances from those working abroad, makes it particularly vulnerable to any reduction in this income source, and such vulnerability is expected to be felt most by its socially excluded groups. The 2010 crisis in Greece, with consequences in terms of higher taxes and prices, will almost inevitably have its toll on remittances coming from that country, home to the largest group of Albanian emigrants.⁵²

The global financial crisis may reverse poverty trends and increase the risk of social exclusion, testing the ability of Albania's government to make contingency plans and prioritize budget allocations to address social exclusion. The global financial crisis also makes reforms of public administration and capacity building all the more urgent.

Albania has been in a deep and quick transition, since the fall of communism system in 1991. Social-economic reforms have contributed in a deep transformation; in setting up a democratic system, in the achievement of a relatively stable economic growth, reduction of poverty, respect of human rights and increase of living standard. Despite that, Albania remains one of the poorest countries in Europe, with a high level of social exclusion.

POVERTY AND SOCIAL EXCLUSION

According to Living Standards Measurement Surveys (LSMS) 2002-2005-2008, poverty in Albania is a multidimensional phenomenon, which is reflected in low or very low level of income (25% of the population lives with less than 2 \$ per day, while 4.7% of the population lives with less than 1 \$ per day), high level of susceptibility to diseases and lack of proper

50 UNDP Albania. National Human Development Report Albania - 2010: Capacity Development and Integration with the European Union. Tirana, Albania, August 2010.

51 Ibid

52 <http://www.guardian.co.uk/business/feedarticle/8981537>, Reuters, March 9 2010, *IMF tells Albania to cut deficit, sees 2010 growth*. Last accessed on March 10, 2010.

health services (infant mortality, mortality rate of children aged under 5 and maternal mortality are relatively high compared to the countries of the region); high illiteracy or low level of education, low level of participation in decision making and social exclusion for a considerable part of population (75% of poor families have social problems).

Nevertheless, the extremely poor population, defined as those with difficulty meeting basic nutritional needs, decreased from about 5% in 2002 to 3.5% in 2005 to 1.2% in 2008.⁵³ In urban areas, only 1.17% of the population can be considered extremely poor. Continued poverty reduction has been accompanied by significant reductions of regional poverty. Differences in poverty rates across broadly defined regions have narrowed substantially compared to what they were in 2005, with the exception of the Mountain areas. Albania's 7.1% annual real GDP growth between 1998 and 2008, along with an increase in wages and pensions between 2005 and 2008 has been accompanied by further poverty reduction. The important role of sustained economic growth and economic reforms, which have led to macroeconomic stability, improved governance, investments in private sector development, public provision of social services (education, health and social protection), and expanded infrastructure should continue to take place in order to maintain low levels of poverty. In addition, addressing the specific obstacles that populations in Mountain areas face, will accelerate future gains in poverty reduction.

Poverty and social exclusion have a deep geographic dimension. LSMS 2005 stated that the poorest areas are the rural ones in north-east part of the country. Population in these areas is excluded mainly from social and employment services, because these services are active only in cities. Lack of basic services, including also educational and health services, are the main factors of social exclusion for poor families and affects these families to be beneath poverty line.

In fact, this study shows that the children of these families are on higher risk for social exclusion, since the poorest families are those ones that have more than three children. Their rights are completely disregarded and the possibility of children abandonment, because of poverty and other social factors, is quite high. Albanian government has prepared the National Strategy for Social Inclusion, as part of the Strategy for Development and Integration. This strategy includes policies which, through economic growth, aim to increase inclusion of most vulnerable categories within the Albanian society.

Estimates of absolute poverty in Albania, according to World Bank methodology using data from LSMS,⁵⁴ show that the percentage of the population living below the national poverty line fell from 25.4 per cent of the national population in 2002 to 18.5 per cent in 2005 and to 12.4 per cent in 2008. Levels of extreme poverty have fallen respectively from around 5 per cent to 3.5 per cent and 1.2 per cent over the same period. On the other hand, the Laeken methodology⁵⁵ used by the EU, referring to those whose consumption levels are below 60 per cent of the median, sometimes referred to as relative poverty, found that poverty rates have increased over the same period, from 20.4 per cent to 21.2 per cent.

53 INSTAT, UNDP, World Bank. Albania: Trends in Poverty 2002 – 2005 – 2008. April, 2009.

54 INSTAT, UNDP, World Bank. Albania: Trends in Poverty 2002 – 2005 – 2008. April, 2009.

55 European Council in December 2001 endorsed a set of 18 common statistical indicators for social inclusion, allowing comparable monitoring of Member States' progress towards agreed EU objectives. Referred to as the Laeken indicators, they cover four main dimensions of social inclusion: financial poverty, employment, health and education. See: EC, *Laeken Indicators—Detailed Calculation Methodology*, Working Group Statistics on Income, Poverty & Social Exclusion, Luxembourg, April, 2003.

While overall rates of absolute poverty have fallen, largely as a result of sustained growth and increased remittances, the picture needs to be qualified. Urban poverty rates are lower than rural poverty rates. Using absolute poverty lines, in 2008, 14.6 per cent of those living in rural areas were in poverty, compared to 10.1 per cent in urban areas. Even this urban–rural disaggregation may be insufficient, as it tends to mask the extreme exclusion faced by those urban migrants living in difficult conditions in impromptu settlements on the edge of Tirana. The importance of remittances is indicated by the fact that poverty rates tend to be higher in those households with no member who has permanently emigrated than in those with one or more members abroad.

Poverty is weakening familiar bonds, causing the increase in the number of children living with one parent and of those placed temporarily under the care of relatives or social welfare structures. Poverty and social problems deprive Albanian people from their rights; they have neglected emotional, educational, spiritual, and physical needs, which can cause risky behaviours and illegal activities in order to ensure survival. Among the poor, there are a number of those who are *extremely poor*. Extreme poverty, meaning that not even basic food needs can be met, is significantly present in Albania (1.2%).⁵⁶

The calculated food poverty line (or extreme poverty line) stands at 3,047 ALL (25 EUR) per capita per month. The absolute poverty line equals 4,891 ALLs (40 EUR) per capita per month.⁵⁷ The growth pattern has succeeded in pulling thousands of people out of poverty; roughly 235 thousand out of about 800 thousand poor people in 2002 were lifted out of poverty.⁵⁸ Poverty reduction has been more significant in Tirana, in urban areas (compared to rural areas) and in mountainous areas (compared to coastal and central areas). The consumption share of the poorest fifth of the population in the total national consumption in 2005 was four percentage points lower than in 2002.⁵⁹

Albania itself has focused more on the political and economic criteria of EU integration over the past few years than on social inclusion. Consequently, there is a risk that attention to social agenda – the tackling of poverty and social exclusion, and development of related capacities – may slip lower down the list of national priorities.

However, measures of economic poverty alone are insufficient to reveal the extent of social exclusion. It is a wider concept, going beyond income and consumption poverty to address issues of discrimination, stigma, lack of access to basic services and lack of full participation in social life. Consequently, it is necessary to understand not only the extent to which individuals are poor due to low income or unemployment, but the extent to which they are excluded from education, health care, adequate housing, adequate food, social security, political participation, participation in cultural life, access to justice and the means of complaint when rights are not respected.

Most Western Balkan countries, Albania among them, do not monitor poverty trends regularly and consistently. In addition, samples usually do not cover people residing in institutions. In some countries, even today a portion of the refugee and IDP population lives in extremely difficult conditions in collective centres. For these reasons, we must be

56 INSTAT, UNDP, World Bank. Albania: Trends in Poverty 2002 – 2005 – 2008. April, 2009.

57 European Commission. Social Inclusion and Social Protection in Albania. September 2008.

58 Ibid.

59 An individual is considered poor if his/her level of per capita Expenditure falls below a minimum level necessary to meet the basic food and non-food needs. This minimum level of consumption denotes the *poverty line*, the cut-off point separating poor from non-poor (INSTAT: 2004). In: European Commission. Social Inclusion and Social Protection in Albania. September 2008.

aware that official assessments are likely to be partly misleading and can underestimate the magnitude of the problem. Standard surveys cannot capture the poorest groups that live in slums, are not registered and are unavailable when determining the survey sample.

EU INTEGRATIONS IN ALBANIA

Albania has drafted a number of new laws that take full account of European legislation. Reforms have accelerated in various sectors and in March 2006 the Government Regulatory Reform Action Plan was introduced. Every new law is now required to involve consultations with civil society as an integral part of the drafting process.

Albanian economic institutions, e.g. METE, the Ministry of Finance and the Bank of Albania, are also seen as significant institutional capacity assets as they have been at the centre of a positive development process in the public sector over the last few years. The Central Bank in particular enjoys a high level of independence that has allowed it to set higher salary levels, thus better enabling attraction and retention of quality human resources. One important consequence of this is increased public confidence in these crucial public institutions.

The Ministry of European Integrations has undergone restructuring and institutional strengthening and one of its main tasks is to ensure alignment of Albanian legislation to *acquis communautaire*⁶⁰ and to monitor SAA implementation. MoEI also provides expert and administrative support to inter-ministerial and inter-institutional coordinating committees and assists in organising the Albanian partaking in the joint EU-Albania bodies. Moreover, the Ministry of European Integration provides methodological support and guidance to integration units in the line ministries aiming to standardise their activities and reporting and improve inter-institutional coordination.

The Department for Strategy and Donor Coordination (DSDC) was established at the end of 2005 and is responsible for crafting and following up the National Strategy for Development and Integration (NSDI) and for work at the core of IPS. In addition, DSDC is fully staffed and operational and is the key central agency responsible for managing the external assistance strategy of government, development and monitoring of NSDI and ensuring that donor programmes are aligned with national plans and priorities.⁶¹

Albania has made substantial progress in improving Human Resources Management (HRM) within the public administration. This is especially noteworthy in the process of establishing effective and stable government services, which is critical for improving the efficiency of government in service delivery and in formulating and implementing economic and social policies, especially those required for EU integration. Addressing issues of employment, pay policy and career paths have also helped to increase accountability of public officials.

60 One of the three statutory criteria for EU accession, the other two being political and economic.

61 In addition to reforms at the central government level, local government units (LGUs), although starting from very low capacity levels, have been active in benefiting from opportunities offered by decentralization reforms. Larger LGUs, such as Tirana and Shkodra municipalities, are better equipped to cope with these new opportunities and challenges. Decentralization, local governance and regional development are very important considerations for both EU integration and national development, and were the main theme of the 2002 Albania NHDR.

The European Movement in Albania (EMA) is a think tank devoted to improving the quality of the debate on the European Integration process. EMA was founded in February 2007 and registered in May 2007, in response to Albania's increased efforts to speed-up the process of preparing for EU accession. EMA regards European Integration as largely beneficial, but recognizes that in many respects the process does not work well. EMA, therefore, aims to promote new ideas for improving the policy development process.

EMA is a forum for exchanging views on political, economic and social challenges that Albania is facing. Therefore, EMA is devoted to encouraging and strengthening the present democratic experiences, by promoting democratic values in the policy making process, analysis and implementation of the public policies in the country. It attempts to make the policy making process more transparent and open and also responsive to the public interest, offering alternative suggestions based on research. Considering the needs and challenges of the Albanian society in this transformation process, as well as EMA's goals, its work is focused on: policy research, analysis, advice and advocacy; capacity building and training; public debates and policy forums; development of monitoring indicators on certain issues of significant importance for the public.

However, standards for European integration are stringent, placing novel pressures on the capacity of public, private and civil society institutions to comply. Continuing gaps in incomes, disparities between urban and rural areas, inequalities in access to basic services on the part of minorities, persistence of a large informal sector, internal and external migration and corruption represent some of the more serious challenges, some of which can only be tackled over the medium to longer term.

THE UNEMPLOYED⁶²

According to the findings of the Labour Force Survey in 2009,⁶³ employment rates have dropped from 2002 (59%) and 2005 (57%) to 53.4%, which still remains acceptable by the EU standards and comparable with other neighbouring countries. The male employment rate is 64.3% while the female employment rate is 43.6%.⁶⁴ Comparing the employment rate in 2007, 2008, and 2009 (see table below), the declining tendency of female employment rate is evident, while the male employment rate has increased compared to 2008. The very latest data provided by INSTAT shows that the unemployment rate has increased from 12.70% in the second quarter of 2009, peaked at 13.83% in the first quarter of 2010 and then steadily decreased to 13.26% in the second quarter of 2011.⁶⁵

62 Since unemployment is a characteristic of poverty and social exclusion that all vulnerable groups in Albania have in common, all data on unemployment is provided as a separate chapter, and not individually by vulnerable groups.

63 INSTAT. 2009 labour Force Survey Results: labour Market in Albania.

64 Ibid.

65 <http://www.instat.gov.al/> (Labour force, Oct 21, 2011)

Table: Employment rate according to gender

Year	2007	2008	2009
Employment rate	56.4	53.8	53.4
Male	63.6	63.0	64.3
Female	49.3	45.6	43.6

The data confirms that the private sector (both agriculture and non-agriculture) generates over 80 percent of the jobs domestically. A total of 44.1 percent of the work force is engaged in the agriculture sectors while the construction sector holds a share of employment in the non-agricultural sector of 9.9 percent, whereas the share of trade is 10.8 percent.⁶⁶ Industry also plays an important role in the alleviation of unemployment in Albania, in addition of representing the leading sector for exports.

Table: Employment structure by economic activity

Year	2007	2008	2009
Total	100.0	100.0	100.0
Agriculture, Forestry, Fishing	47.9	44.7	44.1
Industry	10.5	9.4	10.0
Construction	8.1	8.4	9.9
Trade	11.0	11.7	10.8
Transport and Communication	3.7	3.6	3.7
Other Services	18.8	22.2	21.5

The employment rate in rural areas is higher (70 percent) than in the urban areas (50 percent).⁶⁷ However, most rural employment consists of subsistence farming as confirmed by from the negative trend of agricultural sector share in the national GDP.

During the first quarter of 2011 the number of unemployed in Albania was 1,063,275 persons and the registered unemployment rate was 13.43%.⁶⁸ The average number of employed in private agricultural sector for the third and fourth quarter 2010 was 506,664 persons. In the private non-agricultural sector over the first quarter 2011, the average number of employed has increased by 4.27 % compared to the first quarter of the previous year.⁶⁹ The average number of the registered unemployed over the first quarter of 2011 is 142,836 persons.⁷⁰ The average number of unemployed who receive unemployment benefit is 8,517.⁷¹ The average amount of partial social assistance per family is 3,336 Albanian LEK, whereas the average amount of full social assistance is 4,127 LEK.⁷²

66 INSTAT. 2009 labour Force Survey Results: labour Market in Albania.

67 Labour Market Review of Albania, pg 21

68 Republic of Albania Institute of Statistics: <http://www.instat.gov.al/>. (August 29, 2011).

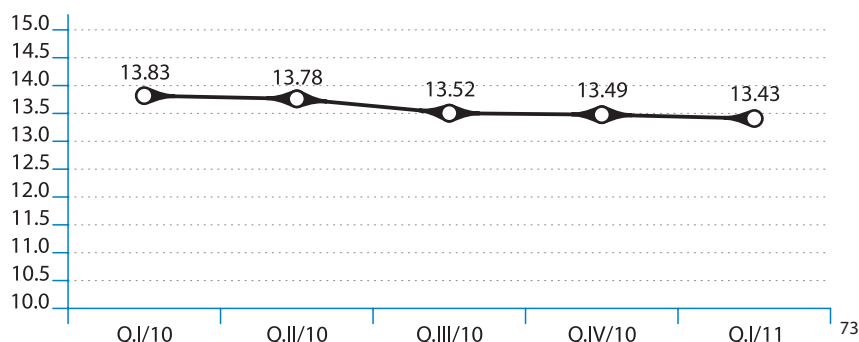
69 Ibid.

70 Ibid

71 Ibid

72 Ibid

Registered unemployment rate



Informal employment is a dominant feature of the labour market in Albania. The majority of workers are employed by informal arrangements outside the coverage of labour legislation and social insurance. During the early years of the transition the informal employment was important both to the economy and to the welfare of many households. Although much of informal employment is due to the traditional nature of Albanian economy, informality is also considerable in more modern, urban and non-agricultural sectors. Almost one-half of employment opportunities are self-employment mostly in agriculture.⁷⁴

A formal safety net does not exist and an informal safety net of workers and their families has been developed as an instrument to manage the risk (through internal and external migration and remittances). Work in the informal sector and second jobs are also important types of safety net. Informal market employees not only are paid lower salaries, but also are not paid their employer contributions to the country's social and health insurance system. Women are the most heavily involved in the informal economy despite they are more sensitive toward social and health issues, since they are first and foremost, and often the only ones, who care for children and the elderly.⁷⁵

73 Republic of Albania Institute of Statistics: <http://www.instat.gov.al/>. (August 29, 2011).

74 European Commission. Social Inclusion and Social Protection in Albania. September 2008.

75 Women's Centre, *Studim mbi kontributin e shkruar të lëvizjes së gruas në Shqipëri 1990-1998*. (An Overview of the Written Contribution of the Women's Movement in Albania 1990-1998.) 2000. Tirana: Women's Centre, 70.

EMIGRATION⁷⁶

Emigration is a complex issue, with both positive and negative impacts. One of the negative impacts is a reduction in the size of the national skilled human resources base that could otherwise be used to meet the human resources capacity requirements of public administration. Based on recent studies, it is estimated that about half of lecturers, researchers and intellectuals, predominantly young and specialized in Europe have emigrated from Albania since 1990.⁷⁷

According to estimates, around 900 thousand people have left the country in the last 15 years, which represents over one quarter of the population and over 35% of the active work force. About 20 percent of adults have moved internally, and one in three households has declared to have someone of its family as an emigrant abroad. More than 65 percent of these households receive remittances, which have had a massive impact on consumption, labour supply, and household investments.⁷⁸

The geography of migration places most emigrants in the neighbouring countries – Greece and Italy, with a smaller share distributed in other EU countries Germany, Austria and Belgium, as well as Switzerland. Small shares of emigrants have headed to Canada and USA, as well as Australia.⁷⁹ The Living Standards and Measurement Survey (LSMS) shows that in 2005, 80% of the total flow of emigrants resides in Greece and Italy, while the other 20% is distributed in other destinations.⁸⁰

The massive emigration of Albanians affects a considerable part of the economically active section of the population. Participation of Albanian women in migration has increased in recent years, in particular as a result of family reunification. This is an important change from the previously male dominated pattern of Albanian contemporary migration. Statistics of censuses in Greece and Italy show that, while women accounted for around 20% of total Albanian migrants in the early and mid-1990s, by 2000-01 the share was approximately 40%.⁸¹ The majority of women that have migrated have done so as part of their family (husband, fiancé or the whole family in case of single women migrating). Single women emigrating to work abroad through legal channels are still few, and mostly comprise the professional and highly qualified women, frequently from middle and high-income families with destination mainly USA and Canada.

LSMS also shows that remittances constitute 40.7% of the monthly household incomes, and that without this income the incidence of households close to the poverty threshold would have been increased by 40%.⁸²

76 Emigration is a problem that has reached specific levels and significance in Albania, and is therefore elaborated in a separate chapter.

77 "Albania Urban Growth, Migration and Poverty Reduction", World Bank, Poverty Reduction and Economic Management Unit, December 2007.

78 "Ibid.

79 "The Italy – Albania Remittance Corridor. Shifting from the Physical Transfer of Cash to a Formal Money Transfer System", Convergence Project, World Bank, 2006

80 INSTAT: Albania Living Standard Measurement Survey 2005.

81 "Albania Urban Growth, Migration and Poverty Reduction", World Bank, Poverty Reduction and Economic Management Unit, December 2007.

82 INSTAT: Albania Living Standard Measurement Survey 2005.

Table: Remittances Inflows⁸³

Description		2001	2002	2003	2004	2005	2006
Remittances inflows	In Mill EUR	610.1	684.6	710.7	822.1	894.2	935.1
Growth rates	In %	4.94	12.21	3.81	15.67	8.77	4.57

Close to two thirds of individuals who have acquired a PhD in Western Europe or North America have either emigrated from Albania or not returned after graduation.⁸⁴ To counteract this trend, the government has initiated a number of policies and programmes to attract graduates and skilled Albanians from the Diaspora to return to the country and work in public administration, among which the Brain Gain Programme (BGP) is the most significant. Currently, BGP offers incentive packages, for a limited duration, to such individuals. In order to qualify for BGP incentive packages they must compete for positions offered through DoPA (the Department of Public Administration), following Civil Service Law and Regulations. However, this programme is not without challenges.

MOST VULNERABLE GROUPS IN ALBANIA

WOMEN

In all countries of the Western Balkans, without exception, according to the corresponding constitutions and under the law, women and men are equal. Equality under the law, however, does not automatically result in gender equality.

Data clearly indicates that women are in a less favourable position than men, especially regarding their status on the labour market. Women mostly have higher unemployment rates, are unemployed for a longer period of time and have greater difficulty finding jobs, have lower wages, are dominant in less profitable industries and sectors, and are less present in management positions and among entrepreneurs. In Albania it is estimated that a large number of women only marginally participate in the labour force, are either underemployed in farming activities or are discouraged workers.⁸⁵ As a result of accumulated differences (in years of work, lower wages, and lower education) in their late years, women's pensions are lower than men's.

The switch to a market economy in Albania since the 1990s proved to be very painful to women, who paid a higher price than men in terms of unemployment. The analysis of employment rates during the past several years confirms that the female employment rate keeps being significantly lower than the male and Labour force Survey findings confirm the gender gap in employment rates of 21 index points (men employment rate in 2009 was 64.3% whereas women's employment rate was 43.6%), which is much larger than most other countries in the region. The differences between female and male employment rates are higher in the non-agricultural private sector, where the number of employed females constitutes only 25.8 percent of the employees. More than half of the women -54 percent- are employed in the agriculture sector where working conditions are difficult and in general revenues are low and very often in the threshold of subsistence.

83 Balance of Payment Report 2006, BoA

84 From Brain Drain to Brain Gain: Mobilising Albania's Skilled Diaspora: A policy paper for the Government of Albania, Prepared by the Centre for Social and Economic Studies, in collaboration with the Development Research Centre on Migration, Globalisation and Poverty, University of Sussex, UK (Tirana, April 2006).

85 World Bank Group. *Republic of Albania – Poverty Assessment*. 2003.

On the other hand, women are less involved in self-employed activities that take place mainly in the urban areas.

A large part of the difference stems from the traditional role of women in family life, where a woman almost by herself, bears the double burden of working at the job place and unpaid labour at home. In addition, as a result of the traditional position of women in society, they often do not possess property, do not always equally inherit property, and do not participate in politics. Following the disintegration of socialism in some countries there is a tendency of revival of discriminatory attitudes.⁸⁶ Another serious problem emerging is trafficking, often seen by victims as the only way out of poverty.⁸⁷

Strangely, families with a women head have a lower incidence of poverty. Should we compare families with men heads, they have a 5 percent higher incidence of being poor.⁸⁸ There are about 12 percent of women headed families in total but they make up only 8 percent of poor families. One reason might be the influence of migration, more common for rural areas. If the husband is away more than 12 months, the wife is considered as the head of household according to the LSMS methodology. So, in the category of women headed household are also those families with high remittances influencing their consumption expenditures. A second reason could be that women are better managers of households' revenues if compared to men.

CHILDREN

In Albania, Macedonia, Bosnia and Herzegovina and among the Albanians in Kosovo, risk of poverty increases with the number of children in the household.⁸⁹ Studies and data⁹⁰ on vulnerable children show that most of Albanian children are at risk of being victims of poverty, divorce, and separation of family due to migration of one parent, violence, negligence, and social problems.

Transition is changing the family as an institution. Economic difficulties have overloaded parents with work, where a considerable part of them have emigrated, leaving behind families with children. Poverty is weakening family bonds and an increase of the number of divorces has influenced the growth of the number of children that live with one parent. The high number of children, who are begging, are abandoned or placed temporarily under the custody of relatives or social welfare structures, shows that there must be higher attention towards the support of families and provision of out-of-home placement services for children.

Albania is a country where group age 0-14 years old represents 25% of the population.⁹¹ It is difficult to have exact information on the number of children that are without parental

86 In Albania, the Code of clan-based law (Kanun) has been revitalized particularly in North-eastern regions. It includes some articles that discriminate against women and promote domestic violence (UNDP, *The Albanian Response to the Millennium Development Goals*.2002a: 24)

87 In Albania, combating trafficking is one of the country's top priorities. The main causes of trafficking for prostitution include high poverty rates and a desire to improve living standards quickly especially among the youth (UNDP, *The Albanian Response to the Millennium Development Goals*.2002a: 24)

88 World Bank, *Vulnerability needs Assessment*, 2005. UNICEF, *Impact of emigration for socially excluded families and children*, 2007.

89 Matković, G. Overview of Poverty and Social Exclusion in the Western Balkans. Western Balkans Forum on Social Inclusion and the Millennium Development Goals, background paper, Tirana 2005. http://intra.rbec.undp.org/mdg_forum/Overview.htm, article in English, *Population* (periodical) 1-2 2006.

90 World Bank, *Vulnerability needs Assessment*, 2005. UNICEF, *Impact of emigration for socially excluded families and children*, 2007.

91 Referring to demographic data of 2006 – the latest report of INSTAT

care or are at risk of losing it, because periodical information is lacking. Nevertheless assessments in 2005,⁹² show that 16,000 children live under the care of their relatives. 1,200 are in residential and day care institutions. In the same year, about 11,679 children were exploited, neglected, or abandoned most of the time, although they were living with their families.⁹³ These were children that begged, worked or were taken abroad unaccompanied from their parents.

If we look at the at-risk-of-poverty rate by age group, separating children aside, i.e. 1-15 years old and the over-15 years old apart, and continuing the calculation of this indicator according to the same method, we notice that there is a major increase of poverty in the 0-15 years age group, with 42 percent classified as poor. The difference in percentage compared to the other age group over 15 years of age is relatively considerable as it drops to only 12 percent of individuals' at-risk-of poverty. The difference in monetary value (ALL) of the relative poverty line between the two age groups is considerable, with 1,924 ALLs (16 EUR) per month for consumption spending for the under-15 years of age group, and with 3,340 ALLs (27.3 EUR) per month per individual for consumption spending for the over-15 years of age group. From 2002 until 2005, the risk of poverty for the age group 0-15 years has increased by 1.6 percent, and meanwhile, for age group over 15 years the risk of poverty has been constant for the 3 years of references.⁹⁴

Children in need include children from cultural minorities, children from poor families, children lacking parental care, children with disabilities, working children, unregistered children, abused children, trafficked children and children confined due to blood feud. The above groups of children are particularly at risk of not being able to access any kind of Early Childhood Care and Education services (ECCE). Most of these groups of children live in the most deprived communities and some in remote villages and others on the edge of major cities. They mostly remain excluded because they live in areas that are poor and poorly serviced. Others (Roma; Egyptians and disabled children) are excluded due to ethnic or cultural discrimination and stigmatization.

According to LSMS 2005, there are 245.000 children living in absolute poverty in Albania. Due to economic growth, the number of children living in poverty declined to 34 percent since 2002. The largest number of poor children lives in poor rural and undeveloped areas. Apart from the economic poverty, they share inadequate housing conditions, have poor access to drinking water, and live in poor hygiene and sanitary conditions. Poverty in these areas is the result of poor economic activity of households, which are mainly based on small agricultural farms; the poor quality of the land; lack of access to market and public services such as education, health, and social safety nets, including employment services. Surveys of living standards carried out in different years show that these factors persist and cause poverty in these areas.

Working Street Children constitute a category of children who are most vulnerable to various forms of abuse and dangers. From morning to evening, many children roam the Albanian streets selling cigarettes, prepaid telephone cards, etc.⁹⁵ Indeed, it is estimated that there are 6,700 working and street children across Albania.⁹⁶ Since the level of poverty

92 UNICEF- NACSS, Assessment of child care system in Albania, 2005.

93 Ibid, 2005.

94 European Commission: Directorate-General for Employment, Social Affairs and Equal Opportunities. *Social Inclusion and Social Protection in Albania*, European Communities, 2008.

95 V. Kolpeja, M. Ekonomi, F.Mema, S.Kusi; Measuring Child Poverty and Social Exclusion, 2006

96 European Commission: Directorate-General for Employment, Social Affairs and Equal Opportunities. *Social Inclusion and Social Protection in Albania*, European Communities, 2008.

is higher in Roma and Egyptian group, the proportion of working children coming from these groups is higher.

According to another rapid assessment survey conducted by ILO in 2004⁹⁷ the largest proportion of working children is aged 12 to 17, where 82 percent are boys, who work an average seven hours per day and six days per week, while girls work slightly less. Two thirds of these children dropped out from school and 35 percent have attended school only part-time. The survey shows that 40 percent of Roma families and 43 percent of Egyptian families require their children to work thus the children cannot attend school.⁹⁸

Only 92 percent of primary school age children are actually attending primary school and there are no differences between urban and rural areas.⁹⁹ According to the Ministry of Education and Science, the participation rate in the secondary education in 2003 measured by the net enrolment rate is only 42 percent.¹⁰⁰ The rate declines because of regional disparities, particularly those between urban and rural areas, where the enrolment rate drops to 22 percent.

The Children's Human Rights Centre of Albania/Defence for Children International (CRCA/DCI Albania) is a major children's rights organization established in Tirana since 1997. CRCA works to promote respect of children's rights, to protect children from violence, abuse and exploitation, to develop children's rights in Albania and to increase child participation at the national and local level. CRCA works through lobby and advocacy, policy and legislation improvement, capacity building, information and research, and establishment of good models of child care and protection services. Research is another strong tool of CRCA/DCI Albania's work. Over the years, they have become one of the major research centres in the country concerned with children's rights. They are capable of supplying data, evidence and analysis on how children's rights are being addressed by institutions and society, on what children's concerns and expectations are, on how children's needs are reflected in governmental policies and its budget, and on what the outcomes of such policies are. CRCA intends to strengthen the scope and capacities of the research team, with more senior researchers from the University of Tirana and other universities, in order to make research an influencing tool for future policies and legislative change.

However, Roma children, children living in poverty and children with disabilities do not have equal opportunities to access education. Low participation is the result of a combination of factors related to poor economic conditions of families and the quality of the education system. On the other hand, school dropout rate is increased by early marriage (especially in the Roma and Egyptian group) which drives out girls from education and might result in illiteracy. Illiteracy rate among Roma is 55 percent in the age group under 15; Roma illiteracy rate for age 7-20 years old is 47 percent.¹⁰¹

97 United States Department of Labour, *2004 Findings on the Worst Forms of Child Labour - Albania*, 22 September 2005, available at: <http://www.unhcr.org/refworld/docid/48c8ca4032.html> [accessed 7 October 2011]

98 European Commission: Directorate-General for Employment, Social Affairs and Equal Opportunities. *Social Inclusion and Social Protection in Albania*, European Communities, 2008.

99 Ibid.

100 Ibid.

101 UNDP Vulnerable Groups Dataset, 2005

According to Strategy of Social Services,¹⁰² defined vulnerable categories are:

- Orphan children without parents, or with a single parent, that do not live in institutions;
- Abandoned and street children (this category includes mostly children from the Roma community or from poor families and those with social problems);
- Trafficked children;
- Working children;
- Disabled children.

The Albanian Government has undertaken deep reforms to transform the scheme of social protection that is relevant for the fulfilment of economic and social needs of children. In this context, the preparation of new social policies needs firstly the review of the existing legislation and the setting up of a new legal framework for some not tackled aspects of the protection of children rights within the poor and socially excluded families.

This reform is happening in parallel with decentralization, aiming to increase local authorities' competencies and responsibility to provide services to citizens.

THE ELDERLY

As a rule the elderly are an especially vulnerable category. That is precisely why pension insurance exists. On one hand it should replace the function of security provided by the traditional family in the past and on the other it should smooth out the poverty risk during the life cycle.

Referring to the low level of wages, pensioners and elderly people could be considered as vulnerable groups. Although the pension average is higher than the poverty line, and the traditional family tides ensure general support for pensioners and elderly, this group is still very much exposed to poverty. The risk is greater at the health care service, since the required informal payments prevent them from accessing the care. Within these groups, the most vulnerable category is the pensioners who had worked in the agrarian sector (cooperatives, farms, villages). As mentioned above due to family ties, the elderly are taken care by their families and in most of the cases, even in rural area this group of people are receiving remittances.¹⁰³

The relative poverty line within the group seems to not differ from the national relative poverty line. Another important indicator to be looked at is the ratio of median consumption expenditure for age 65+/age 0-64. This indicator measures the ratio of consumption expenditure between two age groups, which includes the active work force and the age group of retired individuals, with the latter having the spending median lower than the other age group. Strangely, this indicator for Albania appears higher than that of all other countries that are European Union members. Their ratio is 1.48 (in 2002) and has declined to 1.36 (in 2005).¹⁰⁴ This can be explained from the life style and remittances.

¹⁰² Adopted by the Albania Council of Ministers in 2008.

¹⁰³ European Commission: Directorate-General for Employment, Social Affairs and Equal Opportunities. *Social Inclusion and Social Protection in Albania*, European Communities, 2008.

¹⁰⁴ European Commission: Directorate-General for Employment, Social Affairs and Equal Opportunities. *Social Inclusion and Social Protection in Albania*, European Communities, 2008.

ROMA AND EGYPTIANS

Historical and contemporary sources depict Roma and Egyptian communities as different in regard to language, history, professions, and nomadic or stationary residence practices. Despite these differences, these communities are commonly grouped together simply as Gypsies, and their cultural divergences are rarely recognized.

In contrast to the health, education, housing, and other benefits they were given during the socialist period, the transition period brought significant decline in the standards of living for Roma and Egyptians. But it also brought with it a re-emergence of many aspects of their cultural identities, and Roma and Egyptian diversity described in interwar historical sources still exists today. The end of socialism marked the beginning of both groups' decline from relative wellbeing to extreme poverty.¹⁰⁵

Albania's population can be considered as very homogeneous with only 2 to 3% ethnic minorities.¹⁰⁶ Greeks are the largest minorities group followed by Macedonians and Montenegrins in a very low number, while Roma, Egyptian and Armenians are recognized as ethno-linguistic minorities. The Greek minority is well represented in central and local government. Macedonians and Montenegrins are also represented at the local authorities in the areas where they live. There are no indicators pointing to the three above mentioned ethnic groups as vulnerable. The same consideration goes for the ethno-linguistic minority of Armenians as they have been integrated in the Albanian society for centuries.

However, Roma and Egyptians are currently the poorest and the most marginalized ethno-linguistic groups. Both groups in general suffer from the same issues; however the Egyptians are better settled and are partially integrated, while the Roma usually face greater difficulties due to their migratory/nomadic character. During the communism, Roma and Egyptians were not recognized as ethno-linguistic groups, thus there are not reliable data on their numbers. On the other hand, the low registration rate makes it difficult to have exact estimates. The estimation of Roma population varies from 10,000 to 120,000¹⁰⁷ and from 80,000 to 150,000.¹⁰⁸ However, their children are not registered at birth, hence they are excluded from access to education, health care and other social services they are entitled to.

Both groups have fewer opportunities for formal employment than the majority population. They increasingly rely on income sources such as casual work and self-employment, which are in decline because of increased competition, and in any case offer few prospects for improving living standards. An average of 46 percent of their decreasing household income comes from casual work or self-employment.¹⁰⁹ Very poor and poor families face higher levels of social exclusion, because they are less capable of affording daily needs and less likely to participate in processes that affect their individual livelihoods, such as employment and education.

105 De Soto, H., P. Gordon, I. Gedeshi, and Z. Sinoimeri. 2002. "Poverty in Albania: A Qualitative Assessment." Technical Paper No. 520. Washington, DC: The World Bank.

106 European Commission: Directorate-General for Employment, Social Affairs and Equal Opportunities. *Social Inclusion and Social Protection in Albania*, European Communities, 2008, p.94

107 European Roma Rights Centre. No Record of the Case: Roma in Albania. Country Report Series, No 5. June 1997.

108 Project Strategy for the improvement of Living Conditions of the Roma Minority, Tirana, April 2003, p21.

109 World Bank Working Paper: Roma and Egyptians in Albania. 2005.

Although rich in cognitive social capital,¹¹⁰ Roma and Egyptians are both poor in structural social capital, which is particularly crucial in fostering their participation in decision-making processes at the local, regional, and national levels.¹¹¹ They lack effective political representation, and their associations are fragmented and unable to advocate effectively for their interests and needs. Moreover, 64 percent of Egyptians and 51 percent of Roma do not trust their own associations. They both will remain ill equipped to rise above poverty and social exclusion as long as their structural social capital remains weak.

Children of Roma and Egyptian origin have limited and sometimes are excluded from the access to health care, sanitation, education and other services. In the majority of cases, they are not registered and as result they cannot access services they are entitled to.

The issues of Roma population result from a lack of understanding and awareness from the Albanian society and institutions. Often Roma issues are not considered as the issues/problems of the entire society. Albania has not developed clear indicators for Roma communities in order to recognize their vulnerabilities. The majority of Roma work in the informal economy and collect herbs, sell blood to hospitals, or sell bottles and scrap metal. As a result, they are left out of the social and health security system.¹¹²

The main identified causes of poverty and social exclusion for Roma and Egyptians in Albania are lack of education, lack of employment, and weak basic infrastructure. The symptoms of poverty and social exclusion are seen in their informal sector activities—migration, dependence on aid, and prostitution—which they employ as coping strategies in their daily lives. Their overall approach is to use social capital, evident in different kinds of relationships, exchanges, and collaboration. These strategies help to sustain their livelihoods at the edges of mainstream society, but also tend to trap them in poverty and social exclusion. Effective policies are needed to address the multiple dimensions of their poverty and social exclusion, and identify the specific social, institutional, and political barriers that need to be overcome.

The state's inability to provide infrastructure and public services contributes to the poverty of the Roma and Egyptians. The structures needed to extend utilities into the areas where most of these populations live have not yet been built. More than 40 percent of Roma and 30 percent of Egyptian families¹¹³ do not have running water in their home, because water connections have not been installed. The majority of these families live in makeshift or dilapidated housing with surface areas much smaller than the national average. They also face difficulties of obtaining state assistance and other forms of social assistance.

110 Cognitive social capital refers to very intangible values, norms, and attitudes that govern behaviour.

111 Structural social capital refers to formal or informal associations or networks that facilitate collective action.

112 Open Society Institute. Romani Women's Employment in Albania - Fact sheet 2006. (http://www.soros.org/initiatives/women/articles_publications/publications/albania_20061207/albania_factsheet.pdf, October 10, 2011)

113 DeSoto, H; Beddies, S; Gedeshi, I. World Bank Working Paper No 53: Roma and Egyptians in Albania – From Social Exclusion to Social Inclusion. 2005.

STATE POLICIES AND SOCIAL PROTECTION

The Constitution of the Republic of Albania (1998) proclaims the Republic to have social objectives relating to employment, health, education, pensions and social welfare. The Constitution stipulates that rules and regulations relating to these social objectives should be defined by specific laws. Important steps have therefore been made to develop social legislation. However, much remains to be done in terms of developing a legal framework, especially in terms of harmonizing legislation with EU standards. The reform process which the Albanian Government has embarked upon is strongly supported by international organizations and donors such as the World Bank, the Council of Europe, ILO and UNDP.¹¹⁴

In 2006, the Albanian Government ratified the ILO Convention No.102/1952 for minimum standards providing on social security, in cases of old age, death, sickness, maternity, disability, employment injuries and occupational diseases, unemployment and health care. Even if most of these categories are covered under the current social protection system in Albania, there are many necessary improvements to be made in terms of the quality of the services offered. The social and demographic situation, influenced by economic changes, inflicts an increasing need to introduce new social protection schemes for families and children (i.e. providing cash and in kind benefits).

There is a pressing need for developing capacities in the field of managing social protection. In response to these recognized needs, there is some on-going capacity building intervention in the framework of the World Bank, USAID and ILO projects.

AGENDA Institute is a non-profit organization that aims at bringing to the market findings, research and analysis to enable a better understanding of the public policies. It produces and publishes analysis that sustainably help the creation of a good spirit of public debate on issues related to good governance, european integration and european neighbourhood policy, and economic and social development policies in the country.

AGENDA is careful in balancing its activities between academic research and engagement in the public debates, in order to assist the improvement of policy-making at all levels. It aims to facilitate the formation of public opinion and certain groups of interest. AGENDA plays a crucial role in the development of democratic processes, providing recommendations on a series of issues related to public policies based on analysis and research. Being a think-tank type of organization, it is lead by the rational persuasion and transparency in the communication of its findings and recommendations. AGENDA has established collaboration with similar organizations in the region and Europe. Many of the current phenomena related to politics, law, EU integration, economy and society, cannot be fully analyzed without placing them in the regional, European and sometimes transatlantic context, and without conducting a joint analysis and research.

AGENDA publishes its opinion in form of "policy briefs", maintaining a certain position regarding issues related to its field of expertise. It attempts to promote novelties through its continuously published studies and observations on its own strategic objectives that have been made public.

114 European Commission: Directorate-General for Employment, Social Affairs and Equal Opportunities. *Social Inclusion and Social Protection in Albania*, European Communities, 2008.

Individuals in need, families and the community as a whole are directly the most interested parties in the creation of an adequate system of social services. Central government, local government and civil society have the main responsibility for setting up a system of services that targets the client. Until now, the responsibility for the delivery of social services has been two-fold: on the one side, of the central government and on the other side of the local government. In recent years, civil society has played an important role in the delivery of new social services to the community. The relationship between central and local government structures and the civil society is being further institutionalised through the licensing and inspection system. Civil society is assuming a special role in the process of putting into practice the new philosophy of social services. The role of individuals and that of the community has started to become more visible. The roles and responsibilities of central and local government structures will be reformulated. The roles of civil society and the citizens are increased.

The social protection system in Albania is designed to provide protection against the known social risks based mainly on the contributions made by both employers and employees. From the experience of the EU countries, this type of system works well in the context of high formal employment, which has been the characteristic of our past system. Referring to the situation of Albania's labour market demands, the demographic tendencies of reducing the birth rates, increasing life expectancy, migration, changes in the family patterns and traditional values are raising questions of whether the current system of social protection is in fact the appropriate one for reaching at least the minimum necessary standards.

A close partnership with NGOs, social partners and business communities needs to be forged in order to support the limited government resources at the regional and local levels. To avoid the risk of regionalization in guaranteeing the social rights, the integration of activities of various institutions at different levels such as the Ministry of Labour and Equal Opportunities, Ministry of Health and Ministry of Education, institutions responsible for social protection schemes, regional/local authorities, as well as with the private sector, is necessary to develop an effective social protection system.

There are different national strategies designed to ensure child protection and children's rights in the country. The main issue impeding implementation is lack of budgeting and cooperation between relevant and responsible actors.

Albanian women routinely suffer physical and psychological abuse at the hands of their intimate partners. In 2004, a new gender-equitable Family Code entered into force in Albania and brought about major changes in concepts, institutions, and regulation.¹¹⁵ The new code increases the minimum age of marriage from 16 to 18, which is very significant for rural girls and women. It recognizes cohabitation which was previously illegal with the state having the right to fine unmarried people who lived together and force their separation. The new law recognizes domestic violence, a prime in Albanian legislation, granting judges the authority to order abusers out of the home for up to three years.¹¹⁶ Another important document for reaching gender equality in Albania is the Law "For an Equal Gender society" approved from the Albanian Parliament in February 2004. This law was an initiative from Albanian women organizations as part of regional efforts about

115 USAID. Annual Report on Good Practices, Lessons Learned and Success Stories. October 1, 2004 – September 30, 2005. Women's Legal Rights Initiative under the Women in Development IQC. p.13

116 Ibid. p.22.

the empowerment of women. However the implementation of this law has not been satisfactory.

Recently a draft law on "Gender equality in the Society" was prepared aiming to improve the institutional mechanisms on gender equality and implementation of legal framework on gender equality in Albania. This draft law was approved from the Albanian government in January 2008, and is now in the Albanian Parliament for discussion and foreseen for approval shortly. On the 1st of June, 2007, The First Law on 'Measurements against Domestic Violence', entered into force. The law's aim is to stop and reduce domestic violence of any kind, by using adequate legal measurements. Also, this law intends to guarantee the legal protection of family members, with a special focus on the protection of children, elderly persons, and persons with limited abilities. The law was prepared by civil society and a group of NGOs, and was introduced in Parliament as an initiative of 20.000 citizens who signed for it.

Another significant effort to address the existing gender inequalities and domestic violence is the 'Albanian National Strategy on Gender Equality and Domestic Violence' which was approved from the Albanian government in December 2007. The goal of this strategy is to provide the ways and the institutional mechanisms to ensure gender mainstreaming in public policies, to minimize gender differences on treatment of women and men, as well as to minimize and to prevent, eliminate and counter domestic violence as a social problem that is a real obstacle for the development and welfare of society. The process of designing this document was a very open and participatory for all interested stakeholders but as with other laws the challenge remains on its implementation.

NATIONAL STRATEGIES IN THE FIELD OF SOCIAL INCLUSION

Social Inclusion Crosscutting Strategy is a component of NSDI, modelled on the kind of action plans on social inclusion that Albania will need to produce when it becomes a member state of the EU. In its European orientation, it is a significant improvement on the earlier Poverty Reduction Strategy (PRS) and National Strategy for Socio-Economic Development (NSSD). SIS is the government's strategic document outlining policies to combat poverty and social exclusion across government ministries and agencies. It is meant to outline policies that go beyond the mandate of any single ministry.

SIS includes three strategic priorities as follows:

- to raise the income generation opportunities of individuals through facilitating labour market participation of particular groups, extending and formalizing the labour market and promoting lifelong learning
- to facilitate access to services (social care, education, health, justice, housing, transport, telecommunications, water and sanitation)
- to assist vulnerable groups.

The third priority represents an overall commitment to a series of sub-strategies including children, Roma, people with disabilities, women, young people at risk and elderly people.

Social Protection Strategy 2007-2013: aims at reforming the payment system and social services. The fields covered are reduction of poverty, improvement of payment in cash for families, extension of community-based services, piloting of foster care and consolidation of the services of home family type.

Target: children living in absolute poverty, children living in deprived communities, remote villages and on the edges of major cities, Roma and Egyptian children, children without parental care, disabled children, trafficked children and children working in the streets.

NATIONAL STRATEGY FOR DISABLED PEOPLE (2004 – 2014)

The strategy foresees prevention of disabilities through early assessment and treatment of emotional and behavioural disorders; ensures education for disabled children through designing of a new school curricula for children, preparation of a practical guide, didactic material and integrating standards in order to support school; piloting of new school nearby the university in an integrated approach, creation of a multidisciplinary team to offer psycho pedagogical services for children in integrated schools and kindergartens.

Target: Children 0-6 years old

Sectional Strategy of Employment 2007 -2013

It addresses the issue of children working to provide income to their families.

Main recommendation is to build vocational professionals courses for children.

POLICIES

Ministry of Labour, Social Affairs and Equal Opportunities is planning review of law No.8153 "On status of orphan" and new amendment of Law No.9355 "On social services and economical assistance" prioritizing services for children ageing out of care (aged 18-25).

Efforts are being made to develop capacity building structures providing training for staff that offers daily care to children in public residential institutions.

MLSAEO cooperates with donors and NGO-s to develop community based services for children with disabilities. As a result of the cooperation, 6 family home types for disabled children are built in Shkodra city (north of Albania).

Despite efforts of MSE, a critical issue remains identification of unregistered Roma children. Actually, MSE is in cooperation with UNICEF, Save the Children and Human Development Centre and Roma associations for mapping Roma children.

In examining broader dimensions of capacity, there is the temptation to include too much and lose sight of what the key capacity development issues might be. A large number of such priorities are contained in the SAA and other instruments and agreements associated with EU integration. Albania's National Strategy for Development and Integration (NSDI) 2007–2013 and the supporting large set of sector and crosscutting strategies also list numerous priorities that cannot be met without development of a substantive set of capacities.

Challenges related to social inclusion are intimately linked to Albania's longer-term economic and social development goals, which are part of most of the sectoral and crosscutting strategies reflected in NSDI (e.g. health, education, labour market, social security, pensions, child care, social services, etc.). Social inclusion itself is one of Albania's formal crosscutting strategies, approved by the Council of Ministers in February 2008.

THE NGO SECTOR IN ALBANIA: SIZE AND STRUCTURE

During the Communist regime, the concept of civil society was nonexistent in Albania. A form of collective association, although formally not under the umbrella of the Communist Party, was used as a political weapon by the regime and created a low regard for associations in public opinion.¹¹⁷

At present the term civil society in Albania is mainly applied to a number of non-governmental organisations (NGOs), which to a large extent are donor dependent and thus donor driven.¹¹⁸ Despite some progress, civil society remains weak and unorganised. The sector is characterised by efforts of being neutral and unbiased, abstaining from rather than emphasising accountability, and avoiding rather than influencing the political democratisation process. Political analysts suggest that the main reason for the weak organisation of civil society is state control of every aspect of life during communism. As a result, organisation by non-political actors and interest groups was not possible. At the same time, once democracy deepened, some of the concepts associated with the organisation of civil society, such as community role, community organisation, volunteer work, etc., carried negative connotations, as this was the rhetoric through which people were kept isolated and afraid under the constant threat of the iron fist of the communist state before the 1990s.¹¹⁹

Currently approximately 450 out of 800 registered NGOs are active in Albania.¹²⁰ The NGO sector is small, the enabling environment is constrained and access to government or private funding is limited. As a result, most NGOs orient their operations to match available funding rather than operating under their own strategic approaches. Individual NGOs showed improvement in sustainability, but overall the NGO sector is weak.¹²¹

NGOs' financial viability is still very dependent on donor funding. The decrease in donor funding makes it difficult for NGOs to maintain financial viability. A well-coordinated strategy on donor cooperation in the NGO sector is lacking. NGOs also face difficulties in accessing funds due to donors' differing and bureaucratic procedures.

Eleven multilateral donors (accounting for approximately 58% of the foreign aid) and 23 bilateral donors operate in Albania.¹²² The two largest multilateral donors during the period 2000-2008 have been the EU and the WB. As for bilateral donors, the five largest, over the same period, have been Italy, Germany, Japan, the US and the Netherlands.¹²³ The largest donor in the media and civil society sector is USAID, followed by the EU, Germany, Sweden and the Netherlands. Many of the projects are being implemented by the OSCE presence in Albania. Key bilateral actors that have been supporting the sector are US, EU, Netherlands, Germany, Canada, focusing mainly in institutionalising civil society's engagement in Albania, capacity development and service delivery. SOROS Open Society Foundation has also been offering support in this sector.¹²⁴

117 GTZ. Strengthening Civil Society and Democratic Structures in Albania - Lessons Learnt. Albania, 2010.

118 Najada Tafili, Consolidation of Democracy: The Albanian Case, New York 2007, p. 11.

119 Human Development Promotion Centre, Third Sector Development in Albania: challenges and opportunities, 2007, p. 34.

120 Partners Albania, Directory of Albanian NGOs in 2009: <http://www.partnersalbania.org/?fq=brenda&gj=gj2&kid=56> (October 10, 2011).

121 USAID, NGO Sustainability Index 2008 for Central and Eastern Europe and Eurasia, 2009, page 46

122 GTZ. Strengthening Civil Society and Democratic Structures in Albania - Lessons Learnt. Albania, 2010.

123 Albania Council of Ministers, Department of Strategy and Donor Coordination, External Assistance in Albania – Progress Report 2008, Tirana 2009, p. 8-10.

124 GTZ. Strengthening Civil Society and Democratic Structures in Albania - Lessons Learnt. Albania, 2010.

Most of the programmes implemented by foreign donors place high importance on governance, especially to the maintenance of the rule of law and the combating of corruption, as well as to increasing the capacities and services of the Albanian administration. Efforts to overcome poverty are also of utmost importance. Direct support of foreign NGOs is given to the public residential or daily social care agencies such as: orphanages, centres for handicapped and elderly people. There are about 61 non-profit organisations, which provide social services within the institutions of social care or outside them, and which have a license from the Ministry. In some cases, there are integrated activities of several foreign non-profit organisations to realise certain projects.

Foreign and local NGOs carry out their activities throughout the territory of Albania, without having contractual relations with the Ministry of Labour or the State Social Service. However it is assumed that the number of these organizations is greater than those that have a licence from the Ministry of Labour. From the viewpoint of the geographical extension, NGO support in social services is disproportional as most of them are located in Tirana, while from the viewpoint of the typology, most of them provide services targeting children and women in need. The smallest number is in the social services targeting the elderly, young people at risk, etc. At present, policies do not deal with integration of these services at various levels, especially at the regional level.

49 percent of the total number of registered NGOs in Albania was created in the 1997-2001 period.¹²⁵ Many newly registered NGOs became involved in service delivery, particularly after 1999, while many existing NGOs (especially those focused on human rights, women and environmental issues) introduced service delivery components in addition to their other activities. As a result, NGOs offered services to specific groups even before the state was able to recognise the need for such services.

However, the range of goods and services offered do not always reflect the needs of constituencies and local communities and service providers are often driven by donor priorities. Indeed, community based programs can provide advantages when the targeting is done properly. One of the problems that rise in Albania with regarding to targeting is the confusion as a result of migration and there are situations where beneficiaries are members of multiple communities, and causing double-dipping for benefits. According to a World Bank study the community-based targeting needs to take place at a large enough scale, although this is not always practical as many of the tagged groups are often not organized communities.¹²⁶

Between 2002 and 2005, Albanian civil society engagement shifted from the protection of civic, political, economic, social and cultural rights to improving the quality of governance and its outcomes. The role of the third sector increased in Albania's strategy formulation processes, in social services, advocacy and in lobbying about important issues (e.g. anti-corruption, governance and consumer protection). The third sector also participated more in advocacy at local and municipal level; they were involved in the preparation processes for regional and local development strategies' for local budgeting and community based services.¹²⁷

125 Human Development Promotion Centre (HDPC). Third Sector Development in Albania: Challenges and Opportunities. Tirana, 2007.

126 Conning, J. Kevane, M. WB Social Protection Discussion Paper Series No 0102: "Community Based Targeting Mechanisms for Social Safety Nets". January 2001.

127 Human Development Promotion Centre (HDPC). Third Sector Development in Albania: Challenges and Opportunities. Tirana, 2007.

THE CIVIL SECTOR AND SOCIAL INCLUSION

The Albanian Social Inclusion Strategy has set cooperation with the civil society as one of its main goals in order to identify the most significant problems, issues and priorities. Although social inclusion as a whole does not seem to be the core of activities of any particular civil society organisation, there are many organisations that deal with individual strata and aspects of social exclusion by providing various types of social services and implementing activities with the aim of improving social inclusion of citizens.

Most government-funded social services are administered by the State Social Service (SSS; formerly the General Administration of Social Aid and Services) under the Ministry of Labour and Social Affairs (MoLSA). Having a primary goal to help persons with social and health-related difficulties, as well as to re-integrate them into society, a network of institutionalised social services was created to treat several categories of persons in need, including: children, the elderly, persons with disabilities, and trafficked women.

The specific objectives of the State Social Service are to:¹²⁸

1. improve social services by increasing geographical expansion and new typologies of social services;
2. consolidate institutionalised social services and improve the standards of services within them; and
3. guarantee better collaboration between the SSS and the non-profit organisations operating within the field of social services.

This approach consists of two sectors: the public sector and the non-public sector. These are the fields in which the collaboration with NGOs has been most fruitful.¹²⁹

- training personnel in centres of social care and local and central structures of the SSS (UNICEF, ILO, ASED, Hope and Homes for Children, CISP, etc.);
- providing vulnerable groups with direct or indirect social services, as well as with material aid, through international programmes of economic support for poor families, as is the case with the CRS Programme or the UN World Food Programme in the northern and north-eastern regions of the country; and
- direct support of foreign NGOs for Albanian institutions of social care for orphans, people with handicaps, and elderly people.

There are 26 NGOs that provide social services within or outside the institutions of social care and which have contracted with the SSS.¹³⁰ This category includes institutions that carry out special activities of unique social services, as is the case with the Emanuel Community, being a multidimensional centre for the treatment and psycho-social rehabilitation of those addicted to drugs and alcohol, or DOKITA, being a multidisciplinary centre of a wide range of activities. The BALASHE centre was set up on the basis of the financial and social activity of three Italian non-profit organisations (CISP, Progetto Sviluppo, Movimondo Molisv), establishing coordination and cooperation with the Ministry of Labour and Social affairs, State Social Service, and the Municipality of Elbasani.

128 Tushi, G. Albania: National Report on Social Services. In: Fultz, E. & Tracy, M. (ed.) *Good Practices in Social Service Delivery Good Practices in Social Service Delivery in South Eastern Europe*. ILO Subregional Office for Central and Eastern Europe Budapest, 2004. p.127.

129 Ibid, p.128.

130 Tushi, G. Albania: National Report on Social Services. In: Fultz, E. & Tracy, M. (ed.) *Good Practices in Social Service Delivery Good Practices in Social Service Delivery in South Eastern Europe*. ILO Subregional Office for Central and Eastern Europe Budapest, 2004. p.128.

Nationwide, there are about 146 local NGOs¹³¹ that provide social services without direct contractual relations with the MoLSA or the SSS, of which 72 are in Tirana. The geographic distribution of social services provided by NGOs is disproportional. Almost 50 percent are in Tirana. Most NGOs provide social services for children, and victims of rape or trafficking (55 organisations). The smallest numbers of NGOs are those that target the elderly, youngsters at risk, and persons with handicaps.

There has been an increase in funding allocated to Albania for assisting community social service needs since 2002. Different donors such as USAID, Dutch organisations active in Albania (NOVIB, ICCO, HIVOS, Cordaid, SNV etc.), UNDP and the SOROS Foundation, greatly increased the capacity of NGOs in social service delivery. In 2002, the World Bank and DFID initiated the Social Services Delivery Project (SSDP). The project was designed to be implemented as a joint initiative between local government and NGOs. The Ministry of Labour and Social Affairs was the government institution responsible for the project, via the General Agency of Social Services. The SSDP created the possibility for the implementation of longer term projects in cooperation between local government and the third sector.

NETWORKING

In 2002, the Citizens Advocacy Office (CAO) was established with the aim of providing legal assistance to citizens facing pressure to engage in corruption by public officials. The CAO quickly became a watchdog organisation and started to compete with MJAFT in the area of citizen mobilisation. The CAO continued to engage in watchdog activities related to corruption, focusing its attention on corruption within the judiciary. During the same period, the newly established ACAC became very active on anti-corruption, lobbying for the adoption of anticorruption policies and laws as well as organising public awareness campaigns. In 2003, "MJAFT" started a youth movement through a massive promotional campaign. It rapidly managed to mobilise huge numbers of young people around the country. One of its core functions was to act as a watchdog and a driver for promoting citizen activism. MJAFT has been vocal in the protests against the Government accusing it of authoritarianism and using anticorruption slogans and initiatives for political purposes. After 2004 ACAC also became involved in public protests against corruption. In 2005, the Network of Open Society for Albania (NOSA) was established by OSFA as a network of 8 NGOs; their aim was to influence the formulation of strategic visions for the country's development and the design of public policies, as well as to support civic activism towards the implementation of these visions and policies.

Since 2005, however, the civil sector has diminished in size, scope of activities, and geographical coverage. NGOs in all fields of activities, working at all levels experienced rough times due to a decrease in funding. Many have since become inactive, while the role of those that remain is very limited. Simultaneously, corruption, bad governance, unemployment, poverty and all related phenomena remain, while the state continues to be incapable of providing solutions. NGO networks have also been weakening since 2005: the ACAC does not function, the CAO functions only as a think tank, MJAFT activities are fewer, human rights and women's NGOs are fighting funding problems and so are unable to campaign for important issues. NGO participation in the policy-making process is low and superficial.

131 Ibid. p.129.

Think tanks have also experienced difficulties. They operate in an increasingly competitive policy environment. As in other Eastern European countries during the first decade of transition, think tanks played an advisory role to the reformer agencies, mostly in the frame of foreign assistance. However, think tanks have not offered their expertise on issues relating to public institutions, even though it is clear that the governmental agencies lack this knowledge. The open affiliation of many think tank leaders to political parties and their involvement in government bodies in 2005 was considered a contributing factor towards the weakening of the third sector in Albania. Initially these developments were considered an opportunity for the third sector to modernise the Government and influence policies from within. However, this does not seem to have occurred. There are few newly established think tanks, but those that do exist are very active, particularly around European Integration issues.

CONCLUSION

Since 2002, Albania's strong economic growth has been a major contributing factor to its positive tracking toward the achievement of a number of goals in such areas as combating extreme poverty and gender inequalities, improving some aspects of health and expanding access to safe drinking water and sanitation. One of the most successful areas has been Albania's investment in information and communication technology (ICT) as both an indicator of better governance (for example, in terms of reduced corruption and increased transparency of, and improved access to, some government services) and in building strong partnerships.

Challenges remain in a number of other target areas. The Albanian economy was not as adversely affected by the 2008–2009 global financial crisis as were other economies in south-eastern Europe. Even though the crisis was primarily external in nature, it did nevertheless test the efficacy of the country's macroeconomic equilibrium, structural reforms, financial and banking systems and resiliency of the private sector. One of the major challenges to ensuring longer-term sustainability of basic services delivery, achievement of the MDGs and other socio-economic and EU goals is development of the needed *system-wide* and *sustainable capacities* in the Albanian system of public administration, including systems for data collection and monitoring of poverty and social exclusion trends. Government needs to apply strong political and executive leadership to ensure the implementation of broad-based public administration reforms, capacity development and anti-corruption measures. This leadership has to be seen, first and foremost, in establishing partnership and close cooperation with civil society organisations in regard to social inclusion and poverty reduction issues.

Albania needs to recognize the importance of a civil society that contributes to strengthening early, preventive social action, which is proactive and can make contact with citizens who cannot be reached by the public sector. There needs to be an enhanced investment (not just financial) in civil society that contributes to continued innovation and development in social work. A close partnership with CSOs, social partners and business communities needs to be established in order to support the rather limited government resources at all levels, local and national.

So far Albania has focused mostly on the political and economic criteria of the EU integrations processes. This resulted in the neglect of important issues such as social inclusion and poverty reduction. These problems have to become the priority of all future

WHO, HOW, WHY?

Albanian policies and reforms, and cooperation with civil society, as well as networking with organisations and institutions from the region, are exceptionally good tools of enhancing those processes and bringing Albania closer to the European Union.

SOCIAL EXCLUSION IN BOSNIA AND HERZEGOVINA



III. BOSNIA AND HERZEGOVINA

COUNTRY PROFILE

Full name: Bosnia and Herzegovina

Capital: Sarajevo

Location: South-eastern Europe

Total area: 51,197 sq km;

Border countries: Croatia 932 km, Montenegro 249 km, Serbia 357 km

Population: 3,057,000 (Labour Force Survey 2011)

Ethnic groups: Bosniak 48%, Serb 37.1%, Croat 14.3%, other 0.6% (2000 estimate)

Religions: Muslim 40%, Orthodox 31%, Roman Catholic 15%, other 14%

Languages: Bosnian, Croatian and Serbian

Government type: Parliamentary democracy

Administrative division: 2 first-order administrative divisions and Brčko district (Brčko Distrikt), the Federation of Bosnia and Herzegovina (Federacija Bosna i Hercegovina) and Republika Srpska; note - Brčko district is in north-eastern Bosnia and is a self-governing administrative unit under the sovereignty of Bosnia and Herzegovina; the District remains under international supervision.

Legal system: civil law system; Constitutional Court review of legislative acts

Executive branch: Chief of state: Chairman of 3 Member Presidency

Head of government: Chairman of the Council of Ministers

Cabinet: Council of Ministers nominated by the council chairman; approved by the state-level House of Representative

Legislative branch: bicameral Parliamentary Assembly or Skupstina consists of the House of Peoples or Dom Naroda (15 seats, 5 Bosniak, 5 Croat, 5 Serb; members elected by the Bosniak/Croat Federation's House of Peoples and the Republika Srpska's National Assembly to serve four-year terms); and the state-level House of Representatives or Predstavnicki Dom (42 seats, 28 seats allocated for the Federation of Bosnia and Herzegovina and 14 seats for the Republika Srpska; members elected by popular vote on the basis of proportional representation to serve four-year terms); note - Bosnia's election law specifies four-year terms for the state and first-order administrative division entity legislatures

Judicial branch: BiH Constitutional Court (consists of nine members: four members are selected by the Bosniak/Croat Federation's House of Representatives, two members by the Republika Srpska's National Assembly, and three non-Bosnian members by the president of the European Court of Human Rights); BiH State Court (consists of 44 national judges and seven international judges and has three divisions - Administrative, Appellate and Criminal - having jurisdiction over cases related to state-level law and cases initiated in the entities that question BiH's sovereignty, political independence, or national security or with economic crimes that have serious repercussions to BiH's economy, beyond that of an entity or Brcko District); a War Crimes Chamber opened in March 2005

***note:** the entities each have a Supreme Court; each entity also has a number of lower courts; there are 10 cantonal courts in the Federation, plus a number of municipal courts; the Republika Srpska has five district courts and a number of municipal courts

GDP (purchasing power parity):

\$30.33 billion (2010 est.)

\$30.09 billion (2009 est.)

\$31.04 billion (2008 est.)

GDP (official exchange rate):

\$16.83 billion (2010 est.)

Labour force by occupation: agriculture 20.5%, industry 32.6%, services 47% (2008)

Unemployment rate: 24% (2010 est., ILO methodology; 43.2% - administrative data)

Population below the absolute poverty line: 18.6% (2007 est.)

Refugees and internally displaced persons: **refugees (country of origin):** 7,269 (Croatia

IDPs: 131,600 (Bosnian Croats, Serbs, and Bosniaks displaced in 1992-95 war) (2007)

INTRODUCTION – POVERTY AND SOCIAL EXCLUSION¹³²

Under the Constitution agreed at Dayton, no social policy responsibilities were allocated to the overall State institutions. Article III states explicitly that ‘all government functions and responsibilities which are not strictly given to the institutions of Bosnia-Herzegovina shall be the functions and responsibilities of an entity’.¹³³ Hence, the agreement allows for the development of two distinct social policies and social welfare regimes within Bosnia and Herzegovina, in the Federation and in Republika Srpska.¹³⁴ Indeed, within the Federation social policy powers are further divided between the Federation and the Cantons. The Federation, under Article 1, has exclusive responsibility for the creation of monetary and fiscal policy. Health issues and social welfare policy are defined as joint responsibilities of the Federation and Cantons under Article 2 (III). Cantons are given responsibility by Article 4 for the creation and regulation of education policy, the creation and regulation of housing policy, the creation and regulation of policy regarding public services, and for the *implementation* of social policy and maintenance of social welfare services.¹³⁵ In short: the nation lacks uniform legislation at the state level and, therefore, social protection is not provided in the same way and under the same conditions throughout B&H.¹³⁶

In essence, the General Framework Agreement for Peace and the Constitution of BiH, which is its Annex IV, creates a contradiction between entity-based rights and the need for lower levels of the system, Cantons and Municipalities in FBiH, and Municipalities alone in RS, to raise resources to meet these rights. The system, therefore, promotes the creation of high levels of unrealisable social rights, based on status, instead of on actual needs, completely disconnected from revenue questions. Indeed, as Cantons and Municipalities vary enormously in size, resources, and revenue raising abilities, fundamental inequities in the realisation of rights and entitlements are also built into the system and its structure.

In the period from 2000 to 2008, BiH recorded a significant economic growth with the GDP growing annually by about 6%. Generators of this growth were a high level of export and domestic consumption, and investment growth spurred by a significant growth in loans and remittances and the high price of BiH products on the world market.

This growth of the national GDP was accompanied by a decrease of poverty.¹³⁷ Absolute poverty (the percentage of the population living below the poverty line, defined as the consumption level of 205 BAM per person per month) has dropped between 2004 and 2007 from 18 to 14%, according to estimates of WB/DEP. This represents an improvement in comparison with the first half of this decade, when there was no decrease in poverty. On the other hand, the BiH Agency for Statistics (BHAS) reached a different estimate for

132 In 2011, a study was published by IBHI and SIF in BiH under the title “Myth and Reality of Civil Society – The Role of Civil Society in Strengthening Social Inclusion and Reduction of Poverty”, which contains a detailed analysis of the role of NGOs in strengthening social inclusion and reduction of poverty in BiH. Part of the Study’s findings were used in the preparation of this chapter

133 The US Department of State: <http://www.state.gov/www/regions/eur/bosnia/dayann3.html>

134 See: IBHI. *Tranzicija socijalne zaštite u Bosnia i Hercegovini* (Transition of Social Protection in Bosnia and Herzegovina). Sarajevo, 2002.

135 Ibid

136 Rizvanović, Š. *Bosnia and Herzegovina: National Report on Social Services*. In: ILO. *Good Practices in Social Services Delivery in South-Eastern Europe*. Budapest, 2004.

137 See: WB/DEP, “Protecting the Poor during the Global Crisis: 2009 Bosnia and Herzegovina Poverty Update”. December 2009, p. 8-9.

2007 based on the HBS.¹³⁸ The official relative and absolute poverty lines provided in Table 1 refer to estimates of BHAS,¹³⁹ which are significantly higher, 18.2% and 18.6%.

Regardless of the recent improvements, according to the WB/DEP report, a significant percentage of the population has expenditure levels that are just slightly above the poverty threshold. Based on the 2007 HBS, it is estimated that about 20% of the population, for example, have per capita expenditure levels between 204 and 306 BAM. This represents a poverty line between 100 and 150%. This points to the fact that a large portion of the population of BiH is susceptible to economic changes that could lead to a decrease of income, even by rather small amounts, and move them below the poverty line.

EMPLOYMENT FEATURES AND TRENDS

Unemployment is one of the main factors of poverty and social exclusion of the population, especially present in all vulnerable groups. It is a general problem that makes a portion of the population vulnerable independently of other factors that influence especially vulnerable groups. Therefore, the unemployed, just as the poor, are not analysed as a specific vulnerable group, because these issues are of a general nature and they specifically affect all vulnerable groups.

The main features of the labour market in BiH are the high inactivity rate as well as the high unemployment rate, in addition to a high level of employment in the informal sector. One of the prominent features of the labour market in BiH is the very high number of people of working age¹⁴⁰ who are not participating in the labour market and who are 'inactive' (the percentage of the 'working inactive' population in BiH is 57%). Labour force participation in BiH is significantly below the level in other countries of the region. Furthermore it has been stagnating for years, showing very few signs of possible increase.

On average, inactive persons have low level of skills - 65% of the inactive population have completed only primary school or not even primary school, 32% have completed secondary education, while only 3%¹⁴¹ have higher (university) education. The activity rate among the young people in BiH is particularly low, compared to other countries in the region and in EU. Persons falling within the 15-24 age group are showing an activity rate of only 33%.

84% out of the total number of unemployed persons fall in the long-term unemployed category, meaning that they are jobless for over 12 months (giving the long-term unemployment rate of 20.1%). That implies that they do not possess the skills needed to get employment. In addition, 72.4% of them¹⁴² have been out of a job for more than 2 years, while 27.6% for more than 10 years!

138 It is, however, important to note that different data sets were used for the period mentioned – a series of Living Standard Measurement Survey, LSMS – which were conducted every year from 2001 to 2004. As of 2004, the BiH Agency for Statistics (BHAS) relied on Household Budget Surveys in order to estimate levels of poverty. Strictly speaking, these two sets of data cannot be compared. However, it should be noted that the estimated levels of poverty for 2004 are similar in both sets, if the same poverty line is used.

139 See: BHAS, FOS, RSIS. "The BiH Household Budget Survey 2007 – Poverty and Living Conditions". Sarajevo, 2007.

140 Inactive persons are all persons of 15-65 years of age and older who are not employed, taking no measures whatsoever to find employment and persons that would not be ready to start working if they would be offered a job.

141 See: WB, Ibid, p. 10-13.

142 BHAS, Labour Force Survey 2009, p. 50

The percentage of long-term unemployed persons of 84% indicates that this is a case of structural and not cyclic factors. The unemployed, it seems, don't possess the skills needed to find employment, while companies have no demand for the type of skills that the long-term unemployed persons possess.

A particularly worrying fact is that about half of the unemployed are persons seeking a job for the first time, persons who finished secondary school or vocational programmes. The unemployment rate among persons in the 15-24 age group in 2009 was as high as 48.7%. Surveys at the level of enterprises indicate that recent secondary school graduates do not possess the right type of training, skills or experiences needed by employers. The poverty risk indicates a high correlation with the low level of skills.¹⁴³

143 WB/DEP, Ibid, p. ii

Poverty line and corresponding poverty rates¹⁴⁴

Data from the 2004 HBS				Data from the 2007 HBS		
	State	FBiH	RS	State	FBiH	RS
Poverty line based on the 2001 LSMS: 205 BAM per capita per month, according to 2007 prices						
Poverty rate:	17.7	18.6	16.5	14	13.3	15
Standard errors	-0.8	-1.1	-1.3	-0.6	-0.8	-0.9
Official relative poverty rate:	311 BAM per adult per month, prices from 2004			386 BAM per adult per month, prices from 2007		
Poverty rate:	18.3	18.8	17.8	18.2	17	20.1
Standard errors	-0.8	-1.1	-1.3	-0.7	-0.9	-1
Absolute poverty line, 2004						
Poverty rate:	17.9	18.5	17.5			
Standard errors	-0.4	-0.6	-0.7			
Absolute poverty line, 2007						
Poverty rate:				18.6	17.4	20.2
Standard errors				-0.6	-0.8	-0.9
International poverty line: 2.5 USD per capita per day, PPP from 2005						
Poverty rate ^{1/} :	2.2	2.4	2.1	1.5	1.2	2
Standard errors	-0.3	-0.4	-0.4	-0.2	-0.2	-0.4
International poverty line: 5.0 USD per capita per day, PPP (Purchasing Power Parity) from 2005						
Poverty rate ^{1/} :	16.2	16.5	15.7	11	10.7	11.5
Standard errors	-0.8	-1	-1.4	-0.5	-0.6	-0.9

Source: BHAS (2008) calculations from the World Bank, with data from the 2004 and 2007 HBS. Notes: By using the ECA POV aggregated indicator of expenditure comparable at an international level. The LSMS poverty line is estimated at 205 BAM per month in 2007 prices and 185 BAM per month in 2004 prices. The relative poverty line, according to the BHAS, is 386 BAM per month in u 2007 and 311 BAM per month in 2004, per adult.

144 WB/DEP, "Protecting the Poor During the Global Crisis: 2009 Bosnia and Herzegovina Poverty Update". "In order to track poverty over time, the WB/DEP report uses the 2001 LSMS-based poverty line in real terms – 205 KM per month per capita in 2007 prices. Since the main goal is consistency over time, the basic approach is to use a poverty line set at an initial point and then use prices (as disaggregated as possible) to create equivalent values of that line for other points in time. As shown in Table 1.1 the 2001 LSMS based poverty line is one of several poverty lines that have been calculated for BH. The rationale for the choice of this poverty line is to ensure consistency with previous analysis, and to evaluate poverty trends. The BH Agency for Statistics reports poverty trends based on a relative poverty line, which is set relative to median consumption per adult equivalent. Consistent with practice common in Europe, the poverty line is set at 60 percent of median consumption per adult equivalent. Such a line was defined as 386 KM per month per adult equivalent in 2007. On the basis of these lines, headcount poverty rates were estimated at 18.3 percent in 2004 and 18.2 percent in 2007. Because these relative poverty lines are set relative to a specific year's consumption distribution they are not suitable for establishing a time trend of the poverty rate. In addition, absolute poverty lines (referred to as, general poverty lines) have been calculated for the HBS 2004 and 2007. The 2004 general poverty line was set at a level very close to the 2001 LSMS-based poverty line used in this report, so trends are consistent with the ones reported here. Note also that the practice of recalculating a line for each new survey de facto prevents comparability in poverty trends. As an alternative to BH specific lines, one could use the international poverty line currently set at US\$2.50/person/day and an internationally comparable consumption aggregate (ECAPOV) which is constructed by the World Bank for ECA countries which participated in the most recent International Comparison Program (ICP 2005). Applying this measure, which is much lower than the national poverty line and thus captures trends in chronic poverty, the poverty rate declined from 2.2 to 1.5 percent, though this is not statistically significant". p. 11.

A large portion of the poor are working poor.¹⁴⁵ The poverty rate among those classified as employed, compared to those self-employed, unemployed, retired and inactive is at the lowest level. Self-employed have shown to be poorer than both those officially employed and those retired. Still, about one third of the poor are employed, indicating that the majority of the poor are working. The next largest group among the poor are retired pensioners representing 25% of the total poor population.

Informal employment looks quite high as well. The "official" or registered unemployment remains slightly above 40%. For comparison purposes, the 2008 Labour Force Survey indicates that the real unemployment rate is about 23%, implying a high level of informal employment. Several reasons might explain the prominence of the informal sector. First of all, direct taxes being paid with regard to formal (official) employment are relatively high (social contributions amount to about 41% of gross salary, while personal income tax accounts for 10% and 8% in the Federation of BiH and in Republika Srpska).

SOCIAL POLICY CHALLENGES

The basic problem of the so-called "bottleneck" social protection system in BiH is its low efficiency in terms of poverty reduction.¹⁴⁶

As we have seen, in 2007, BiH was spending 4% of its GDP for payments of monetary assistance of different forms that were not based on contributions. That is far more than the average among the countries in the region (1.6% of GDP).

The large funds which are allocated for social transfers by Bosnia and Herzegovina are not targeted on the poor, but are based on "status rights". Of the total social transfers (not counting health and pension insurance), the poorest fifth of the population receives only 17%. A more detailed analysis uncovers an even worse image.

Targeting of social transfers is somewhat more progressive and better aimed in RS than in FBiH. In Republika Srpska, a quarter (25.7%) of the poorest is beneficiaries of these transfers. In FBiH, this percentage is significantly lower. Only 14.10% of the poorest from this entity are included in financial transfers meant for the social sector.

Considering that protection of the veterans' population in both entities relies on beneficiaries' vested rights, targeting of monetary transfers towards the poor among this population is especially bad. Veterans' compensations are regressive, especially in FBiH, where only 11.5% of the poorest receive these compensations, as opposed to 21.4% in RS. It is interesting that the biggest beneficiaries of veterans' compensations come from the richest part of the population, 27.80% of them receiving veterans' compensations in RS and 26.5% in FBiH.

Civil benefits, which are based on beneficiaries' actual needs, i.e. compensations realised through centres for social work (including benefits for child protection) are better socially targeted in RS than they are in FBiH. A total of 47.7% of the poorest in RS and 25.1% in FBiH receive funds from these programmes within so-called civil benefits. Monetary benefits from the area of child protection reach 35.4% of the poorest part of the population in RS and 17.2% in FBiH.

This high level of transfers to programmes of social protection, which reach only a small number of beneficiaries to whom this kind of social assistance is necessary – the poorest parts of the population, burdens the development of the private sector and does not allow

¹⁴⁵ WB/DEP; Ibid, p. iv

¹⁴⁶ World Bank Report, "Policy Note - Social Assistance Transfers in Bosnia and Herzegovina: Moving Toward a more Sustainable and Better Targeted Safety-Net ". 2009, p. 6-9

for the development of policies focused on the creation of a more favourable business environment and destimulates employment, which in turn additionally burden public budgets. In times like these, when the economy is facing the consequences of the global economic crisis, inadequate (socially insensitive) transfers from the budget can contribute to further social layering of the population of Bosnia and Herzegovina.

The effects of these transfers on poverty reduction are insufficient. If these transfers (amounting to 4% of GDP) were abolished, poverty would increase only slightly, by 1.6 percentage points, and amount to 19.2%, or by 0.6% (based on BHAS poverty estimates). On the other hand, even with a doubling of these transfers, the effects in terms of poverty reduction would be negligible.

The basic problem here lies in the fact that social transfer programmes in BiH are mainly based on beneficiaries' "status rights". Transfers to war veterans absorb about 1/3 of the total expenditures on non-insurance type cash benefits.

As stated in the aforementioned World Bank Report: "such a situation is fiscally unsustainable, economically inefficient and socially unfair". BiH has to reform the non-insurance type social transfers into programmes and measures aiming at developing a social safety-net that would be: (a) less burdening to public resources, (b) more efficient and (c) better targeted towards the poor. More specifically, BiH authorities are recommended to consider a three-sided approach.

From the beginning of 2009, significant measures have been undertaken in FBiH, where this problem is most visible. Regulations regarding disabled civilians were amended, whereas in the context of the IMF, changes are being made to regulations regarding disabled war veterans and other categories of the fighting population. Criteria from the arrangement with the IMF were also implemented in the RS.

ESTIMATES OF THE IMPACT OF CRISIS AND FUTURE DYNAMICS OF POVERTY

Bearing in mind the effects of the global crisis on BiH and its public revenues, deeply rooted changes are necessary. It is important to develop a social protection system that will focus monetary transfers and services to beneficiaries' real needs, especially the mechanisms for better targeting of real needs.

In 2009, the global economic crisis severely affected Bosnia and Herzegovina. GDP dropped by 2.82% in comparison to 2008 (when it had already decreased by half compared to 2007). In 2010, its growth is merely symbolic, 0.7%.

The global economic and financial crisis was transmitted to BiH in three ways.¹⁴⁷ First, the slowdown in the EU triggered a collapse in the demand for BiH's exports—some 55 percent of BH exports go to EU markets; and nearly all go to countries largely dependent on EU growth. Second, the crisis severely curtailed cross-border financial inflows and the pre-crisis credit boom came to a sudden stop. The rapid credit growth – in excess of 20 percent annually – came to halt and has not returned since. The banking system came under strain, as the spate of negative news about foreign banks with subsidiaries in BiH triggered a mini-deposit run in late 2008. However, no banks failed as a result of the crisis. Third, the remittances from the diaspora working and living abroad slowed. In other words, the growth model enjoyed during the 2000s largely disappeared.

¹⁴⁷ World Bank. International Bank for Reconstruction and Development, International Development Association and International Finance Corporation. Country Partnership Strategy for Bosnia and Herzegovina for the Period FY12–FY15. August 30, 2011. p. 4.

The approach to social inclusion and mitigation of poverty with all relevant social sectors as factors of development is especially important in the situation of a global economic crisis and its impact on the situation in BiH. A clear need to reduce public spending cannot, without serious implications, be directly applied to social sectors, traditionally considered as expenditures.

Rationalisation of funds for social sectors should signify investing in reforms directed at strengthening social inclusion, active policies of social integrations through development of skills and employment, education and healthcare in order to include the beneficiaries into the economic world and labour market. Therefore, it should emphasise the character of development.

General economic consequences of the crisis in BiH according to all serious assessments of independent analysts will be greater than the official estimates. Even before the "external impact of the crisis" BiH was in a serious structural crisis; in the last several years the official unemployment rate, based on administrative data, ranged between 40% - 45% contribution of public expenditures in GDP is much larger than the average in the region. Transitions and especially privatisations have caused much social friction due to irregularities. High dependence on international financial aid and support has caused a "dependency syndrome".

The level of vulnerability of households is already going up in relation to several dimensions (ILO methodology). The unemployment rate in BiH stood at 24 percent at the beginning of 2009 and is one of the highest in South Eastern Europe. Remittances, which constituted on aggregate 15 percent of the national income of BiH, are projected to decline 3 to 5 percent compared to the 2008 flows. Lastly, indebtedness adds an additional dimension to household vulnerability. By 2007, household debt was 27 percent of GDP and this constituted half of all private sector debt. Most of the loans in BiH are with variable interests and indexed in foreign currency. Therefore, a rise in interest rates in major loan originating countries forced by the on-going credit crunch is likely to lead to a rise in repayment costs.

Empirical simulations of the World Bank¹⁴⁸ suggest that the predicted GDP decline may lead to a rise in poverty, reversing half of the gains prior to the crisis. A 4 percent income shock will lead to a rise in the poverty rate of 2 percentage points.

The global economic crisis has led to a halt of progress in the reduction of poverty and, consequently, to its increase in the region of Europe and Central Asia, as well as in other regions of the world. The post-crisis increase of poverty in BiH is part of a global trend, and is relatively smaller than in other countries.¹⁴⁹

As observed in the World Bank Country Partnership Strategy,¹⁵⁰ the reversal of GDP growth in 2008 - 2011 is likely to have increased poverty. Despite the lack of recent data, evidence suggests a significant slowdown of poverty reduction in BH. The most recent available poverty data is the 2007 Household Budget Survey. While a full assessment of recent poverty trends will have to wait for a new HBS currently in the field (first findings

148 WB/DEP, "Protecting the Poor during the Global Crisis: 2009 Bosnia and Herzegovina Poverty Update". p. 32

149 For example: "preliminary data shows that a large portion of the progress made in reducing poverty accomplished between 2000 and 2008 was reversed due to the global economic crisis". UNDP, etc. "Draft Report on MDGs in Europe and Central Asia". Conference in Istanbul 2010, p. 21. See also: UN. "The Millennium Development Goals Report". New York. 2010.

150 World Bank. International Bank for Reconstruction and Development, International Development Association and International Finance Corporation. Country Partnership Strategy for Bosnia and Herzegovina for the Period FY12–FY15. August 30, 2011. p. 5.

are expected in June 2012), available evidence points in the direction of a significant impact of the recent contraction on the lower income groups. Indeed, one survey found¹⁵¹ that more than 60 per cent of households reported to have been seriously affected by the crisis. This compares with an ECA average of about 50 percent.

The crisis is having substantial effect on living standards. The crisis halted nascent job creation in BH, leaving the country with an unemployment rate in 2010 of 27 percent.¹⁵² Reduced remittances flows are reported by more than 50 percent of the population, and reduced wages by almost 40 percent of total. These labour market trends put significant strain on household welfare. A quarter of the population (30% in rural areas) reported having reduced the consumption of staple foods such as milk, fruits, vegetables or bread, and 10 percent of the population had to delay payment of utilities (3% had utilities cut due to non-payment). Almost 10 percent of the population report having had to delay medical visits when sick, and 4 percent of the population report having to stop buying necessary medicines. Those changes were undertaken after items more easily dispensed with had been eliminated.

The aforementioned estimates do not consider the expected, extremely negative effects of the Second wave of the global crisis. The recuperation of the economy of BiH, reduction of poverty and social exclusion in 2011 are not "delayed", in reality a new drop of the GDP has already started and there is a significant increase of poverty.

One year after the general elections, BiH enters the extremely difficult years of the Second global crisis without a formed Council of Ministers of BiH, facing the most difficult political crisis after 1995. Therefore, it is not surprising that the European Commission published a very negative report that, among other things, states that "There was no progress in social policies".¹⁵³

In Bosnia and Herzegovina the issue of social exclusion was addressed for the first time in 2007, within the National Human Development Report, produced by United Nations Development Program (UNDP) and Independent Bureau for Humanitarian Issues, when the analysis of social exclusion in Bosnia and Herzegovina was published, which shocked the public by the devastating data about the social exclusion of the BiH population.¹⁵⁴ An original new methodology for calculating social exclusion was developed and applied in this report.¹⁵⁵

The extent and nature of social exclusion in Bosnia and Herzegovina was analyzed in the report within the following categories: Post-conflict discrimination and ethnic separation; Economic insecurity and vulnerability; Education; Health; Social protection and civic participation.

Based on these categories of 7 indicators, the NHDR presented a series of three social exclusion indices:

151 The 2010 BH-LITS-II survey which was fielded to update our understanding of the socio-economic trends in BH in the absence of other recent nationally representative household survey.

152 This is the unemployment rate as measured by the annual Labour Force Survey (May 2010) with unemployment rate differing between men (25.6 percent) and women (29.9 percent). Unemployment rate was the highest among the youth (ages 15 to 24) at 57.5 percent (55.1 percent for young men and 61.3 percent for young women). Administrative data show unemployment reaching 43.3 percent at the end-2010.

153 EC. Bosnia and Herzegovina 2011 Progress Report. Brussels, October 12, 2011, p.39.

154 Considering the multi-dimensional nature of poverty and its inter-dependency with the wider concept of social exclusion, it is also important to mention the measurement of social exclusion. In the EU, social exclusion is measured by Laeken indicators. In BiH, preparations have just started for statistical research (SILC) that would enable methodologically correct monitoring of Laeken indicators.

155 UNDP/IBHI. Human Development Report 2007. Sarajevo 2007, pages 15, 21, 23. In 2009, this report received two world-class awards for "excellence in measurement", from UNDP and OECD.

The General Social Exclusion Index (HSEI) is based on seven proxy indicators reflecting living standards, health, education, participation in society and access to services. The index suggests that 50.32% of BiH population is socially excluded in at least one of these forms. Especially important is participation in society and its two following indicator: indicator "those who do not vote in elections" is 43.6% and the indicator "those who do not participate in organized social activities" is 90.7% of those surveyed.

The Extreme Social Exclusion Index (HSEI-1) is a stronger form of the HSEI and is estimated at 21.85%. This signifies that approximately 22% of BiH's population is extremely socially excluded from the most basic processes and needs.

The Long-term Social Exclusion Index (HSEI-2) differs from the others in that it measures that sector of the population in which has limited choices for improving their situation, thus being at risk of long-term excision. This index shows that 47% of the BiH population is at risk of long-term exclusion.¹⁵⁶

Besides the most vulnerable and socially excluded groups, there is a whole series of groups not traditionally thought of as being excluded, for whom action needs to be taken in order to secure their participation in society. These groups might be referred to as the most marginalized. Their exclusion is characterized more in terms of stigmatization than deprivation. This diverse category includes groups such as the HIV/AIDS sufferers, sexual minorities and current or past drug abusers.

The risk of all these groups being excluded in at least one dimension is clearly higher if several components of social exclusion interact and influence each other. This creates preconditions for multiple deprivations such as those based on gender, location, disability and other.¹⁵⁷

KEY VULNERABLE SOCIAL GROUPS

There is no statistical research in BiH that regularly monitor poverty and unemployment in vulnerable groups, so we are not able to determine the trends for specific decades. We rely only on available research.

CHILDREN

Children most prone to risk of exclusion and poverty come from households with the following characteristics: households with three or more children where the youngest child is under five; households with four or more adults; households with two or three elderly people; households headed by women; households where the head is unmarried or divorced; households headed by persons with no education or only with primary education; households with no employed members; those living in rural areas; live in Brčko District.

In the context of risk of poverty, which depends on characteristics of households, and considering the descriptive and qualitative analyses presented in this study, it is safe to say that the risk of poverty is highest for:

- Children in households headed by women,
- Children living in rural areas.

¹⁵⁶ UNDP/IBHI. Human Development Report 2007. Sarajevo 2007, pages 30, 31, 33. See also: Slijepčević T. IBHI Policy Brief: Strengthening of the Role of the Civil Society in the Social Inclusion Processes, Sarajevo, 2010.

¹⁵⁷ DFID. Reducing Poverty by Tackling Social Exclusion. Sarajevo, 2005. Page 3.

The main problem in these two types of households is that they overlap with other characteristics that increase the possibility of poverty, which especially refers to a lack of education and unemployment. Along with the existing characteristics of households, the risk of poverty and social exclusion is increased for the following specific categories of children: children without parental care, children with disabilities, Roma children and displaced children.

Poverty is one of the leading causes of poverty among children. Analyses based on the 2006 MICS3¹⁵⁸ clearly show that children living on poverty are a lot more exposed to the risk of deprivation in the sense of nutrition and health. Poverty is the single largest cause of deprivation in development and education for children in BiH.

At the same time, poverty is the main cause of material deprivation in children that live in households without durable assets (such as: TV, telephone, car, computer, etc.). Poor children live in worse housing conditions than children who are not poor (live in households without electricity, heating, sewage, etc.), or live in overcrowded houses. Poverty and deprivation bear extremely negative consequences on a child's development and the development of its abilities. The problem is significantly increased if we analyse the multidimensionality of child poverty, i.e. the overlapping of poverty indicators. Y. Chzhen's¹⁵⁹ analyses based on the 2007 APD survey and BHAS methodology has shown that: 26.2% of children in BiH are poor in the sense of incomes (absolute poverty line), 18.8% are poor in the sense of expenditure (relative poverty line), 13.3% of children are materially deprived, 25% are housing deprived, and 38.5% of children in BiH live in overcrowded housing.

Excluding the absolute poverty line, 57% of children are poor according to at least one of the following four indicators: relative poverty in the sense of expenditure, material deprivation, housing deprivation and overcrowded housing. Whereas over a half of all children (57%) are poor according to one indicator, a quarter (26%) is poor according to at least two indicators, 10% is poor according to three indicators, and 3% are poor according to all four indicators. There is a certain degree of overlapping of two indicators related to housing conditions: 53% of all children placed in the category of housing deprived children also live in overcrowded housing, compared to 34% of children who are not deprived. Overlapping between material and housing deprivation is even more pronounced: 34% of children placed in the category of housing deprived children are simultaneously materially deprived, in comparison to only 6% of children that are not housing deprived.

YOUTH BETWEEN 15 AND 25

The youth in Bosnia and Herzegovina is among the categories that are most socially excluded. A survey of the perception on the future in BiH and analysis of the responses show quite a negative attitude and a gloomy picture that the youth has about their life in the country. The survey was conducted among young people (15-25) who are still in education, those who have left education, people aged 25-65, and those over 65 years of age.

The following statistical data show disillusionment and feeling of hopelessness about the future that prevails among the youth and adults: this feeling is almost three and a half times higher among those who are no longer in full-time education, 22.4% higher than among young students or pupils (6.0%), and closer to the mindset of people aged 25-65 (27.6% of

158 UNICEF, BHAS. Multiple Indicator Cluster Survey 2006. Sarajevo, 2007.

159 Chzhen, Y. Child Poverty in Bosnia and Herzegovina: Analysis of the 2007 Household Budget Survey – A Report for UNICEF. July, 2008.

cases) and the over 65's (33.4%). Moreover, the position of young people is reflected in the fact that those who have not been enrolled in any educational institution have the lowest level of health insurance, while those who are in school have the highest level.

The data revealed that 11.2% of young people who do not go to school suffer from depression twice as often as young people who do go to school (only 5.2%). To put this in broader context, in 17.2% of cases, adults aged 25-65 years feel depressed or suffer from melancholia often or very often.

The youth's opinion about the educational system is no better either. Young people who are not in full-time education evaluated the educational system as poor in 22.3% of cases, a figure which is 1.5 times higher than the young people who are still in education (12.8%). In other words, every fifth young male or female in BiH who is not enrolled in education believes that the educational system is bad. An important difference between the young who are in education and those who are not pertains to their income. While in other countries it is a common practice, in BiH a small number of students work during their high school or university education. Most of the students are unemployed and have no income of their own and so they depend on their parents for material support. As a result, children in poor categories do not have access to education, which in long term leads to the inherited poverty cycle. Even if they do have access to education, it is not secure and it might be discontinued if their parents were to fall below the poverty line.¹⁶⁰

THE ELDERLY

The Laeken Indicators show that the elderly are a category which is at the highest risk of falling below the poverty line, at least when it comes to income-measured poverty. The right to receive a pension, which most of retired persons are entitled to, reduces the risk of poverty to a significant degree. This particularly pertains to female pensioners. Households with two members, where at least one person is older than 65 years and without dependent children, are poor in 36.1% of cases.¹⁶¹ A total of 28.8% of single-member households with a person aged 65 or more is poor. In other words, every third elderly person in BiH can be considered poor.¹⁶²

When it comes to consumption-based poverty, i.e. spending measurement, the results of the Living in BiH survey (2004)¹⁶³ indicated that between 2001 and 2004 the situation in households with two or more elderly members has deteriorated, while the situation of households with one elderly person has improved. As a result, it can be concluded that the exclusion of elderly people in BiH is primarily a consequence of material poverty. The elderly population would be better off if they were taken care of by their relatives or the state through the pension insurance system or other forms of social welfare intended for the elderly.

The fact that in BiH every second person aged 65 or above often, or very often, finds that all sorts of activities are difficult for them and that most of the services are inaccessible to them, is the best illustration of the level of current exclusion of elderly people in BiH society. An additionally aggravating circumstance for this category is that women aged 65 and above have the highest illiteracy rate in BiH.

160 UNDP/IBHI. Human Development Report 2007. Sarajevo 2007, pages 36-37.

161 EPPU-PIMO. Preliminary Report on the Condition of Poverty in BiH for the Period 2001-2004. Sarajevo, 2005.

162 BHAS. Anketa o radnoj snazi. Saopštenje broj 27.juli 2006, Sarajevo

163 BSAL/IBHI. "Living in BiH". Sarajevo, 2005.

Within the context of poverty and social exclusion, the key problem for the elderly population remains the current BiH pension system. At the end of 2004, the number of pensioners in BiH was 484,000 and an average pension was KM 184 per month, while at the same time the poverty line was KM 185 per month. Not taking into account pensioners with above-average pensions, the pension system in BiH undoubtedly generates poverty and is part of the social welfare system that is most directly affected by the low official employment and high inactivity rate. This in turns reduces pension contributions.

While prior to 1991, there were three workers per each pensioner, today this ratio has decreased to 1:1.9. Furthermore, the pension system in BiH includes 81% of persons older than 64 years, whereas all other European countries have a significantly higher number of pensioners than elderly, which is reasonable considering their pension systems. The problem of pension insurance in BiH is that less than 45% of financial resources are spent on pensions for people older than 65, which means that inadequate retirement provision has been made for pensioners over 64 years of age.

If all the disposable income of the pension system allocated for old age pensions was divided by the number of people over 64 years, we would see that the elderly are living in extreme poverty. The pension system in BiH allocates fewer funds per elderly person than those countries where the cost of living is less (Albania, Bulgaria, and Romania) and, moreover, less than those countries which are economically less developed than BiH (Albania). In BiH, 8.77% of GDP is allocated to pensions, less than in the neighbouring countries (Croatia 12.5%; former Serbia and Montenegro 11.7%).

The reform of the pension system is an important element towards reaching better social inclusion of the elderly. Difficulties within the current BiH pension system reflect the extremely poor state of employment, inadequate public expenses allocations and inability of the country to modify the pension system in line with the prevailing social and economic conditions and needs.

PERSONS WITH DISABILITIES

Social exclusion of people with disabilities is invariably implicit, but the true extent of their social exclusion has been neglected. The following figures demonstrate the real and dramatic dimensions of social exclusion of the disabled, revealing a very disturbing picture:

- 10% of the population of BiH suffers from some form of disability, whereas 30% is, directly or indirectly, affected by the consequences of disability.¹⁶⁴
- The number of people with disabilities who feel hopeless often or very often with regards to their thoughts about the future (46.4%) is almost double than of people without disabilities (24.9%).
- The percentage of people with disabilities who feel depressed often or very often (47.8%) is almost three times larger than those without disabilities (17.3%).
- People with disabilities evaluate the quality of social life on a scale from 1 to 7 lower than people without disabilities..

¹⁶⁴ UNICEF – SPIS; D. Pobrić, A. Mujčinović, Z. Drnda. Situation analysis - Istraživanje stanja ranjivih grupa djece, okvira politika djelovanja, strateških dokumenata i zakona na kojima počivaju usluge socijalne zaštite i inkluzije za djecu u BiH (Research of the Condition of Vulnerable Groups of Children, the Framework of Action Policies, Strategic Documents and Laws on which Social Protection and Inclusion Services for Children in BiH are Based - Draft working paper), May 2011.

- People with disabilities evaluate the quality of their free time on a scale from 1 to 7 lower than people without disabilities.
- People with disabilities evaluate their overall life on a scale from 1 to 7 lower than people without disabilities.

Equally, the disabled are practically excluded from education.¹⁶⁵ A survey shows that 0.7% of the disabled population received some type of education, while the percentage for those without disabilities was ten times higher (9.6%). A much higher percentage (46.2%) of the disabled therefore evaluated the opportunities for acquiring skills as poor compared to those without disabilities (37.3%).

Similarly, in the area of healthcare, people with disabilities and without health insurance are in a higher percentage (18.4%) than those without disabilities (14.1%). Also, more than a quarter of the disabled assessed the medical and health services as bad (28.6%), which was almost one and a half times higher than those without disabilities (20.2%). The social welfare system was also evaluated as poor by all respondents in most cases.

In terms of income the picture was equally bleak. The number of people with disabilities who earn an income amounts only a half of those without disabilities who earn an income (16.7% and 33.5% respectively). Additionally, if we exclude those who are unable to work, pensioners and soldiers, we find that among those with disabilities there are far more housewives (31.4%) compared to people without disabilities (21.6%), while the number of students and pupils is much lower (1% compared to 11.2%). Not surprisingly, people with disabilities evaluated their satisfaction at work on a scale from 1 to 7 lower than people without disabilities.¹⁶⁶

Overall, people with disabilities, as it is generally the case in all the countries, are more vulnerable to poverty and social exclusion. The analysis made by the World Bank for BiH, showed that having a disability or special needs, increases the likelihood of becoming poor by 18%. In other words, the likelihood of facing poverty for a person with special needs is one-fifth greater than for those without disabilities.¹⁶⁷

DISPLACED PERSONS

Until March 31st, 2010 the total number of returnees from abroad (refugees) was 447,623. The number of returnees (internally displaced persons) was 579,163. Therefore, the total number of returnees to BiH was 1,026,786.¹⁶⁸ In spite of these, undoubtedly positive, results, the problem still remains significant; there are still a total of 113,191 displaced persons in BiH.

Returnees, especially members of national minorities, have to face a lot of obstacles while struggling for their human and citizens' rights, such as access to employment, health care and education, all of which influences the sustainability of return. The most vulnerable categories among returnees, internally displaced persons and refugees are constantly marginalised, and currently there are no effective protection systems that would ensure

¹⁶⁵ See also: DEP, IBHI. New Approaches to Disability – Inclusive Education. Sarajevo and Banja Luka, 2009

¹⁶⁶ See also: DEP, IBHI. New Approaches to Disability - Process of Employment and Professional Rehabilitation. Sarajevo and Banja Luka, 2009.

¹⁶⁷ UNDP/IBHI. Human Development Report 2007. Sarajevo, 2007, pages 38-39.

See also: IBHI. Review of the Social Cultural, Institutional, Historical and Political Setting. Sarajevo, 2006.

See also: DEP, IBHI. New Approaches to Disability – Standards, Capacities, Models and Mechanisms for Strengthening of Persons with Disabilities in Bosnia and Herzegovina. Sarajevo and Banja Luka, 2009.

¹⁶⁸ UNHCR. "Statistic package". March 31st, 2010.

the fulfilment of their basic social needs. In spite of a certain progress, there is still no official support to local integration of internally displaced persons and refugees from Croatia who are not in a position to return. The global economic crisis has additionally reduced opportunities for employment of returnees and internally displaced persons, who are already among the most vulnerable members of society. Bureaucratic and legislative inconsistencies at different levels of administration in the country additionally complicate access to economic and social rights of the returnees and internally displaced persons. Some 7,000 of the total 113,000 of internally displaced persons in BiH still live in collective centres, often in very poor living conditions, 15 years after the signing of the Dayton Peace Accord.

According to the consumption-based poverty measurement in 2004, 37% of displaced persons, or every third displaced person, was poor. Between 2001 and 2004, the poverty of displaced persons deteriorated according to the three main measures - headcount, depth and severity - while the share of displaced persons in the overall poor population dropped by almost 50%, from 29% in 2001 to 16% in 2004.

In theory, this type of situation arises from the so-called 'pseudo social policies' which target the least severe cases in a certain category of the poor. For example, the social welfare system helps persons who are closest to the poverty line so that they can easily rise above the line, while the situation among the poorest remains unchanged as they are the most expensive category to be addressed under this kind of system. Considering the high poverty rate, material poverty seems to be the main characteristic of the exclusion of displaced persons, although material poverty is a consequence, and not the cause of social exclusion in this category, due to the fact that they have changed their place of living and have lost their pre-war family and friend connections which are important in terms of finding employment in the BiH labour market.¹⁶⁹

THE ROMA

The Roma population has, almost traditionally, been excluded in all societies. On the one hand, their social inclusion was prevented due to racial discrimination, and on the other by objective consequences of the previous, self-imposed confinement of the Roma within their own Roma communities. As described previously, the particular aspects of ethnic relations in Bosnia and Herzegovina have additionally complicated the position of the Roma.

The real extent of social exclusion among the Roma population is presented in the results of the UNDP household survey conducted in October 2004, and carried out on Roma, displaced and majority people living in close proximity. The survey confirmed the defeating position of the Roma citizens in BiH in different aspects. Illiteracy is large because most Roma children do not attend any schools. 76% of the Roma children have never attended or have not completed primary education. Around 18%, or every fifth Roma children completed primary school, and only 7% completed a three-year secondary school course. Two in five Roma never went to school at all. At the time the survey was conducted, 16% of Roma aged six or over attended a school or was in training, which is around a half of the percentage of the majority peoples who live in close proximity to Roma (25%), or of refugees and displaced persons (25%). Five percent of the Roma

¹⁶⁹ UNDP/IBHI. Human Development Report 2007. Sarajevo 2007, page 41. EPPU-PIMU. Preliminarni izvještaj o stanju siromaštva u BiH. Sarajevo, 2005.

respondents aged between 6 and 22 years who were not attending any school at the time of the survey, stated that high education costs were the main reason for that, which was twice as many as in case of the majority peoples living in close proximity to Roma (38%), or of refugees and displaced persons (39%).

When it comes to healthcare, the survey revealed that Roma with health problems visit doctors one-third less often than the other surveyed groups. The percentage of non-immunized Roma (41%) is five to six times higher than the percentage of the majority peoples who live in close proximity to Roma, or of those refugees and displaced persons who are not immunized.

For the most part, Roma children have not been immunized because they do not have healthcare cards, i.e. because their health insurance is not regulated. Refugees and displaced persons are in a similar situation. Every fourth respondent of Roma ethnicity stated that they were deprived of medical services because they did not possess adequate documents, which is five to six times higher than in case of other two surveyed groups. Data indicates that the Roma who did have access to medical institutions within hospitals were treated equally as the other two surveyed groups.

Regarding employment, one in twenty-five Roma is employed or self-employed. Most of the unemployed Roma have been unemployed for five years or longer. Thirty-seven percent of Roma had an income from some kind of source in the month before the survey was conducted, the same as refugees and displaced persons (40%). The most frequent source of income for the Roma includes the sale of secondary raw materials (29%) and begging (19%). In most cases (73%) they did not have paid social insurance based on income.

BiH has come a step closer to the EU by joining other countries of South-East and Central Europe in the implementation of the international project "Decade of Roma Inclusion 2005 – 2015", with the aim to improve the position of the Roma population. By signing the admission declaration, BiH has finally expressed political maturity and readiness to resolve the problems of the Roma in BiH, reduce discrimination against them and influence the improvement of their socioeconomic status. Therefore, in 2008, BiH has designed the Action plan for Addressing Roma Issues in the field of employment, housing and health care. The Action Plan is undergoing implementation, and as a part of it, some municipalities have established databases in their CSWs with information about the Roma population, and initiated activities in order to provide housing to the Roma.

GENDER ASPECTS OF SOCIAL EXCLUSION

Both social exclusion and gender inequality occur as the result of social and cultural processes. The common characteristics of social exclusion based on gender include invisibility, poverty, stigmatization, discrimination and less favourable position in society.¹⁷⁰ Socially excluded groups are invisible in official statistics, as is the case of reports by BiH statistical institutions.

Detailed reports on educational levels and the age of the labour force in individual sectors, as well as income levels, do not show a break-down by gender. In recent years efforts have been made to improve the visibility of men and women through research

170 Buvinic, M and Mazza, J. Gender and Social Policy Inclusion: Perspectives from Latin America and the Caribbean. Gender and Inclusion in Social Policy. Conference "new Frontiers of Social Policy" in Arusha. 2005.

and qualitative studies.¹⁷¹ However, important data on the position of women among the poor is still not available, as all other surveys dealing with standard of living, incomes and budgets monitor the situation by household and not by individual.¹⁷²

Typically, excluded groups are represented in the overall number of the poor. Their poverty is more often long-term rather than temporary. Data on the poor in BiH show a decline in the number of the poor,¹⁷³ but poverty levels among women, especially elderly and single women, have not decreased.

Difference in power between men and women is the essence of stigmatization.¹⁷⁴ This phenomenon arises from social exclusion and creates additional space for discrimination along with poverty and deprivation. Gender-based discrimination is most evident in the labour market and the choice of jobs that are stigmatized such as prostitution¹⁷⁵ and gender-based violence which is directed against women and children five times more often than against men. The same phenomenon is present in employment and education, although it is less emphasized.¹⁷⁶

Socially excluded groups suffer cumulatively unfavourable positions as they possess two or more of the above characteristics which leads to multiple exclusion. For example, women with disabilities are more severely excluded from society than other women or men with disabilities, as they are excluded both as women and persons with disabilities.¹⁷⁷

STATE POLICIES OF BIH FOR STRENGTHENING SOCIAL INCLUSION AND REDUCING POVERTY

Bosnia and Herzegovina encountered the term of social exclusion quite late. The first strategy of social development dealt with the phenomenon of poverty (The Strategy to Combat Poverty, 1998), and it attempted to address the main causes of failures and delays in development of society. It was considered that the concept of combat against poverty was the best way to address the challenges that development of society of BiH faced at the time. During the course of development of the next strategic document, entitled the Medium Term Development Strategy of BiH–PRSP (2002), the limitations of the use of the concept of "combat against poverty" were understood, but a new concept was not introduced on that occasion. The state of social deprivation of citizens was observed within this document through administrative operation of the system, which certainly was not enough to provide adequate response to the situation and improve the position of socially marginalized ones. It was only during the process of development of new strategic documents that the notion of social inclusion was introduced as a strategically recognized social and political dimension of developmental processes in BiH.

Population groups that are most severely affected by these problems are the following: the unemployed; families with children; the uneducated; the elderly; persons with disabilities.

171 IBHI/World Bank, 2003, GEEP 2003, Agency for Gender Equality of BiH, 2006.

172 Living in BiH, Data for 2001-2004, HBS 2006.

173 LSMS, Wave 1, 2001 and Wave 4 (LiBiH), 2005.

174 Link & Phelau. On Stigma and its Public Health Implications, Paper presented at Conference, Stigma and Global Health: Developing Research Agenda, Maryland, 5-7 September, 2002.

175 IBHI, Legalization of Prostitution, Roundtable Conclusion, 2004.

176 CEDAW Report, 2003.

177 Human Development Report 2007, UNDP and IBHI, Sarajevo 2007, page 43.

These groups were recognized as target groups in the process of development of the Social Inclusion Strategy of BiH¹⁷⁸ aimed at tackling the problems of social exclusion. The Social Inclusion Strategy of BiH specifies six priority areas that will be a cornerstone of the future development of BiH. These areas involve and target the following:

- employment;
- pension system;
- education;
- health protection;
- families with children;
- persons with disabilities.

The priority goals set forth in the process of development of this document attempted to identify the primary goals in the EU Social Inclusion Strategy, in order to ensure that the process of development and implementation of the Strategy results in improvement of the social system in BiH which is a prerequisite for the EU membership.

The process of development of the Social Inclusion Strategy of BiH and its implementation was based on the following key principles:

- Participatory approach;
- Compatibility of social and economic policies;
- Government activism;
- Coordination;
- Accountability of institutions;
- Social dialogue and partnership;
- Active involvement of social partners and civil society organizations;
- Corporate (common) social responsibility.¹⁷⁹

This new approach to social policies requires active participation and inputs by the targeted groups that will directly benefit from the introduced measures within different subsystems of the social policy. Regular cooperation between creators of strategic development guidelines and final beneficiaries is the guiding principle which serves as a foundation of the new approach to development of these documents. The process of development of the Social Inclusion Strategy facilitates such an approach through involvement of all parties concerned with implementation of social inclusion measures.

All recommendations of the EU strongly emphasize participation of civil society organizations as important partners in development and implementation of social inclusion measures. Taking into consideration the character of their establishment and operation, civil society organizations are in best position to articulate views and demands of beneficiary groups, because they have a direct access to the vulnerable groups and individuals and capacities to promote and work on their social inclusion. They raise "community awareness of active participation in combat against social exclusion".

178 By the decision of the BiH Council of Ministers (2008), BiH DEP (Directorate for Economic Planning) is in charge of the preparation of the Social Inclusion Strategy of BiH and the Mid-Term Development Strategy of BiH. Both documents were prepared in cooperation with state-level and entity ministries, with the participation of the NGO sector. They are currently awaiting adoption by the CoM.

179 Human Development Report, UNDP and IBHI, pages 15-44. Vuković, A. Civil Society Strengthening: Lessons Learned During the Development Process of BiH Social Inclusion Strategy. In: What is to be done-Social Inclusion and Civil Society-Practical Steps, IBHI, Sarajevo 2009, pages 121-145. Social Inclusion Strategy of BiH, Council of Ministers, Sarajevo, 2009.

In comparison to the rest of the civil sector in Bosnia and Herzegovina, we can say that the legal framework of the NGO sectors work is better than the legal framework of work of the other parts of the civil sector.¹⁸⁰ The work of labour unions, academic community, media, civil initiatives and others remain overshadowed by the events and problems pressuring the fragmented society of Bosnia and Herzegovina since many activities occur as a consequences of the ethnic, territorial, political and other separations. Therefore, NGOs need to use the advantages of a better organized legal framework and take the leading position in the civil sector. In many fields there is already partnership approach to the state and public sector. This is a novelty, as the tradition of a democratic society is still not sufficiently used. Since the society is not fully democratically developed, it is not possible to expect that this instrument of the societal democratization is well developed either.

ANALYSIS OF THE SIZE AND STRUCTURE OF THE NGO SECTOR IN BIH

Depending on the sources consulted, the data on numbers, areas and scope of work of associations, foundations, and citizen groups are sometimes contradictory, and mainly refer to nongovernmental organizations (the NGO 'sector') and/or include other organizations under that term which may only be registered pursuant to the already mentioned laws in BiH (e.g. professional associations, cultural or recreation societies, etc.).

The 2005 research conducted by IBHI/BSAL and DFID,¹⁸¹ showed that there were 9,095 organizations in BiH according to the NACE classification¹⁸² and records of statistics bureaus of both entities and the Brčko District. Further verification of the data gathered during the study showed that almost a half of the registered organizations were no longer active,¹⁸³ while it was estimated that the number of active 'non-governmental' organizations in BiH was 4,629.¹⁸⁴ Although, according to some other sources, (USAID) the actual number of operational NGOs is much lower.

In 2008, the number of registered NGOs in BiH increased significantly to 12,189 (HTSPE Ltd. And Kronauer Consulting, 2009). However, this does not mean that there are 12,189 associations in Bosnia and Herzegovina. Due to existence of four laws on associations and foundations, and absence of a single registry of associations for entire Bosnia and Herzegovina, there is a real possibility that many associations have double registrations (for example on cantonal and entity level).

According to research of DFID, IBHI and BSAL in 2004,¹⁸⁵ the total estimated income of the NGO sector in BiH at the time created 4.5% of GDP while consumption of the NGO sector amounted to 2.4% of GDP. Now we come to a very interesting comparison. Participation of the NGO sector in BiH's GDP in 2004 was close to 1/5 of the participation of BiH industry in GDP (industry participated in 18% and it is not far from the participation of agriculture in the GDP, which was 40%). Therefore, the economic power and significance of the NGO sector are enormous.

180 Porča, E. Suradnja vladinog i nevladinog sektora na području socijalnih usluga u Bosni i Hercegovini (Master's thesis). Sarajevo, 2009.

181 The state and entity level Statistics Agencies Document 3: Report on a telephone survey of NGOs, in IBHI/BSAL and DFID, 2005.

182 Statistical classification of economic activities in the European Community.

183 Document 2: Economic theory and background, in IBHI/BSAL and DFID, 2005: 23.

184 Document 3: Report on a telephone survey of NGOs, in IBHI/BSAL and DFID, 2005: 6.

185 Document 3: Report on a telephone survey of NGOs, in IBHI/BSAL and DFID, 2005.

The number of full time employees in the NGO sector was 26,668 (also taking into account the number of part time employees), i.e. 2.3% of the active labour force. If we add to this the number of full time volunteers – which was estimated at 63,129, or 5.36% of active labour citizens - we can get the following picture: 7.66% of active labour citizens worked in the NGO sector, either for a salary or voluntarily. Income in the GDP just from volunteers was 3.2%. In accordance with international standards, these numbers are very high. Analyses of employment (for salary or voluntarily) in 24 countries, indicate that the average is 7.30%, from 20.6% in Netherlands to 0.6% in Mexico.

For the sake of comparison, in 2004 there were 43,405 citizens in BiH employed in the sector of transport and communication.

At the time, NGOs in BiH provided services to 29% of citizens in BiH. This also illustrates the transfer of donors' money to the beneficiaries. This is in connection with the information that 60% of NGOs operated at a local community level which was very close to the situation in Great Britain where 70% of NGOs operates at a local community level in the same year.

Growth of the NGO sector should be seen as a positive trend, since it indicates higher level of social awareness and interest of citizens to get involved in community dialogue and decision-making through NGOs. However, the role and importance of the non-governmental sector is still underestimated, especially when it comes to the social services sector.

The total number of associations established to work exclusively in the interest of their members is 71.80% in comparison to associations acting in the general public interest, which participate with only 28.20% in the total number of associations.¹⁸⁶

Majority of associations in Bosnia and Herzegovina were registered after democratic changes in 1991, while only 9.40% of associations in were registered prior to 1991. Associations dominant among pre-war associations are hunting and mountaineering clubs, volunteer fire departments, cultural and artistic societies and Red Cross organisations.

Associations primarily operate at local/cantonal level, and in most cases they are also registered at the same level. Only 19.20% of associations are registered at the level of BiH, by the Ministry of Justice, with smallest number registered at entity level (6.40%) and the majority (47.80%) registered at cantonal level.¹⁸⁷

The majority of active associations are registered in smaller towns with population up to 100.000 residents (51.10%), while the smallest number is registered in rural areas with less than 1.000 residents (7.70%). Of the total number of active associations in Bosnia and Herzegovina, 15.90% are working in Sarajevo, the capital of Bosnia and Herzegovina.¹⁸⁸

186 In 2009 HTSPE Ltd. and Kronauer Consulting conducted an extensive research on the civil society and published the analysis entitled *Civil Society: Contributions to the Development of the Strategy on Establishment of an Enabling Environment for Civil Society Development in Bosnia and Herzegovina*. Sarajevo. Since this is one of the most recent and most comprehensive researches on the civil society in BiH it will be extensively used and quoted in this study.

187 Ibrahimagić, M. *Analysis of NGO Sector from the Perspective of Social Inclusion*, IBHI. Sarajevo, 2009, pages 37-48. Žeravčić, G. & Bišćević, E. *Analysis of the Civil Sector Situation in Bosnia and Herzegovina*. In: HTSPE Ltd. and Kronauer Consulting. *Civil Society: Contributions to the Development of the Strategy on Establishment of an Enabling Environment for Civil Society Development in Bosnia and Herzegovina*. Sarajevo, 2009, page 80-84.

188 Žeravčić, G. & Bišćević, E. *Analysis of the Civil Sector Situation in Bosnia and Herzegovina*. In: HTSPE Ltd. and Kronauer Consulting. *Civil Society: Contributions to the Development of the Strategy on Establishment of an Enabling Environment for Civil Society Development in Bosnia and Herzegovina*. Sarajevo, 2009. Page 91.

Furthermore, the NGO sector in Bosnia and Herzegovina is dominated by smaller organisations (with a maximum of 10 employees or 100 active members / volunteers), comprising 85.4% of associations in Bosnia and Herzegovina. Larger associations (14.6%) are those that have more than ten employees or 100 members / volunteers.

Research has shown that 40% of NGOs believe that they have no competition in those municipalities, i.e. that there are no other NGOs or public agencies providing the same service.¹⁸⁹ This is open to the following interpretations: that certain services or support for the population would not exist if those organizations were not there to provide them, that NGOs are not sufficiently informed about services provided by other (governmental and non-governmental) organizations, or that organizations are forced to describe their work in this way in order to fight for their own survival.

The most common areas of interest of associations are education, local community actions, counselling, lobbying and advocacy work. The smallest number is active in public policy monitoring and operations of state institutions.¹⁹⁰

Other than the area of activity linked directly with consequences of the war, there are few, if any, differences in the fields of work of the NGO sector in BiH, in comparison with developed countries.¹⁹¹ Key areas of activity of NGOs include: culture and recreation, economic and social services, and civic services and advocacy.¹⁹² According to current research, the situation was similar some ten years ago (e.g. in 1997) - 35-40% of all organizations were involved in human rights, social issues and culture, sports activities and organization of free-time activities for specific groups of population, although the time the dominant activities were reconstruction, repatriation, distribution of humanitarian aid, and other activities related to overcoming the war-time destruction.¹⁹³ Similar data for 2002 came from research among youth organizations. Most of them state they work on education (72.8%), culture and arts (64.9%), human rights (58.5%) and health (55.8%).¹⁹⁴ In late 1990s, NGOs dealing with economic development and work support began to appear, as did the first NGO networks.¹⁹⁵

FUNDING OF NON-GOVERNMENTAL ORGANISATIONS IN BOSNIA AND HERZEGOVINA – FROM CAUSES TO CONSEQUENCES

Numerous texts have been, and probably will be, written regarding the funding of the non-governmental sector, however, we will only focus here on certain aspects of it, such as the sources of funding for the non-governmental sector in Bosnia and Herzegovina. It is a well-known fact that there are several sources of funding for the activities and functioning of non-governmental organisations in Bosnia and Herzegovina (local and international donors, government institutions, self-financing, voluntary contributions, revenues from project activities, etc.). Until now, NGO activities have been mostly funded by international donors, the state or international organisations. The availability of information regarding

189 Document 1: Reader's manual and summary of conclusions and recommendations, in IBHI/BSAL and DFID, 2005.

190 Ibrahimagić, M. Analysis of NGO Sector from the Perspective of Social Inclusion, IBHI. Sarajevo, 2009, pages 37-48.

191 Document 7: Opinions by practitioners in FBiH, u IBHI/BSAL and DFID, 2005

192 Document 1: Reader's manual and summary of conclusions and recommendations, in IBHI/BSAL and DFID, 2005.

193 CIP, in IBHI, 1998: 28. At the same time, specific key activities, such as mine clearance, have continuously not been covered enough (IBHI, 1998).

194 OIA. Special Report on the Development of Youth Policy in BiH – part 3: Youth Sector in Bosnia and Herzegovina + Directory of Youth NGOs in BiH. www.oiabih.info, 2003.

195 Document 7: Opinions by practitioners in FBiH, in IBHI/BSAL and DFID, 2005.

donor funds, European funds or grant awarded by governmental institutions is crucial for the existence and work of non-governmental organisations. Accessibility of such data is small or non-existent in light of the current capacities of non-governmental organisations that exist in Bosnia and Herzegovina at the present. From a purely functional aspect, the basic problem of the funding of the non-governmental sector lies in the fact that it is very hard to combine available financing with the goals that are wish to be achieved within the foreseen financial parameters. However, the principle of *matching funds*¹⁹⁶ is gradually appearing in BiH, and should become part of everyday practice.

Full partnership is realised in this way through active partnership relations between NGOs, public institutions and all levels of government in BiH, by implementing a new way of funding projects (matching funds), thus also realising active inclusion, dealing with actual, real, present social issues by both ends.

IBHI (in 2007 and 2008) and SIF in BiH (2010) conducted surveys of the funding of NGOs from local budgets. The total planned funds allocation of institutions for the non-governmental sector in 2010 amounted to **114,078,193.73 BAM** (0.48% of GDP for 2009).¹⁹⁷ In comparison with 2008, government institutions have planned the allocation of 3,955,197.70 BAM less for the non-governmental sector in BiH in 2010.

The total planned government allocations for 2010 amounted to **75,269,352.73 BAM in FBiH, 33,647,941.00 BAM in RS and 3,241,900.00 BAM in DB BiH**. Around 66% of the total planned allocations in FBiH, 29.5% of the total amount was planned in RS and 2.8% was planned in DB BiH. The remaining 1.7% planned allocations for the non-governmental sector was planned at the state level of BiH. In FBiH, 4,550,235.44 KM more was planned in comparison with 2008, that is, 6% of the total planned allocations for FBiH u 2010, whereas in the RS 2,130,418.39 BAM less was planned than in 2008, which is, again, 6% of the total planned allocations for RS in 2010. In BD BiH, 1,399,213.12 BAM less was planned than in 2008, which is around 43% of the overall allocations to the BD BiH in 2010. Largest amounts planned within a single institution by entities were 10,853,000.00 BAM in FBiH and 4,659,040.00 BAM in RS, which is around 14% or 1/7 of total planned allocations in the entities.

Of the total number of institutions in BiH, 69% are FBiH institutions, which allocated the said 66% for FBiH. Of the total number of institutions in BiH, 26% are RS institutions, which allocated the said 29.5% within RS. The remaining 4.7% of the total number of institutions in BiH are state-level institutions and BD BiH institutions, and they allocated the remaining 4.5% of funds.

At the time when the survey¹⁹⁸ was conducted, 107,500,558.50 BAM was already allocated throughout BiH, which is 94.2% of the total planned funds.

Observed at administration levels, the largest amount of total allocations are on municipal levels, although the largest individual allocations by institutions are visible at the cantonal level. 47.1% of institutions on the municipal level allocate 53.2% of the total planned

196 A transparent and reliable methodology for distributing funds (matching funds). In these cases, some donor organisation invests funds from the budget into projects of non-governmental organisations only if they have already, previously secured funds from other (so-called local) sources (i.e. ministry/municipality/centre for social work or another public administration body), in other words, government institutions budgets.

197 Preliminary estimate of the 2009 GDP amounts to 23,994 in millions BAM. Data from the Statistics Agency of Bosnia and Herzegovina, Table: Basic indicators – annual level, www.bhas.ba [accessed in January, 2011.]

198 SIF in BiH and CSPC. Halfway There: Government Allocations for the Non-Governmental Sector in Bosnia and Herzegovina in 2010. Sarajevo: SIF in BiH and CSPC, February 2011.

funds, 33.6% of institutions on the cantonal level allocate 32.7% of the total planned funds, 16.3% of institutions on the entity level allocate 12.4% of the total planned funds, and 3% of institutions on the state level allocate 1.7% of the total planned funds. The same ratio is seen in the context of already allocated funds at the time of when the survey was conducted. Municipal-level institutions allocated all of their planned funds, whereas entity-level institutions allocated even more than they had planned for 2010.

ECONOMIC INDICATORS BY CATEGORIES OF CS/NGOS

The data from the previous survey (2008), which indicate that the **municipal level** is the main source of funding for the non-governmental sector, has not changed in 2010. Namely, the data from the previous surveys indicated that the majority of funds allocated to the NGO sector in BiH were allocated by municipal governments.¹⁹⁹

The chart below shows changes in allocation trends, as well as percentages of concrete allocations according to the criterion of CA/NGOs categories in the period when the survey was conducted.

Of the total planned allocation amounts granted to the non-governmental sector in 2010, 34.3% were aimed at sports associations; 16.0% disabled veterans' associations and similar organisations; 21.6% CAs/NGOs providing social services/social protection of citizens and 28.2%²⁰⁰ to other types of CAs/NGOs.²⁰¹

In comparison to 2008, the portion of allocations for sports associations dropped mildly in 2010 (by 2.8%), the portion of allocation for disabled veterans' associations has slightly increased (by 1.3%), whereas the portion of allocations for CAs/NGOs focusing on providing social services/social protection and for other types of CAs/NGOs changed more significantly. Allocations for other types of CAs/NGOs were reduced by 5.6% in comparison to 2008, but the portion of allocations for CAs/NGOs focusing on providing social services/social protection has increased by 8% in comparison to 2008.

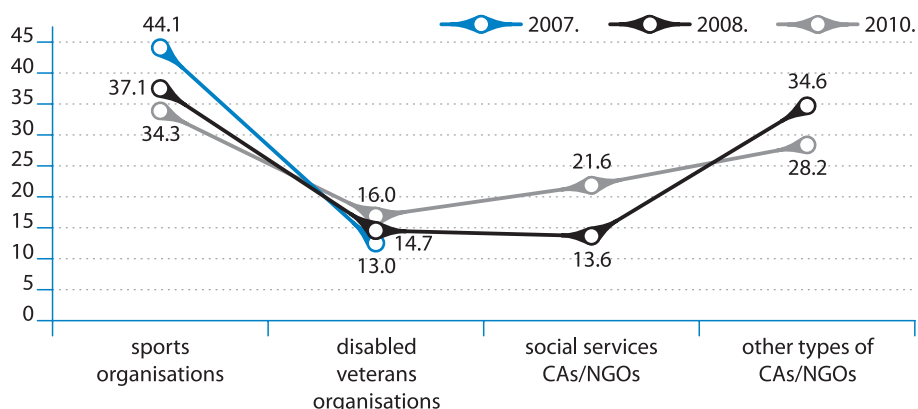
Considering that the portion of allocations for sports associations was also reduced from 2007 to 2008, by 7%, we can see that the trend of reduction of funding for sports organisations is continued in 2010.

In 2010, in relation to 2008, there is a trend of increasing the portion of funds allocated to organisations focusing on disabled veterans' protection. This percentage ratio amounted to 14.7% of the total allocations in 2008, and in 200 the ratio is 16.0%.

199 Note: In 2007, municipal-level allocations amounted to: 54.7% for sports associations, 12.7% for disabled veterans' associations and similar organisations, and 32.6% for other categories of CAs/NGOs of the total allocations of the governmental for the non-governmental sector, and in 2008, allocations at the municipal level amounted to: 42.5% for sports associations, 15.2% for disabled veterans' associations and similar organisations, and 42.3% for other categories of CAs/NGOs.

200 The numbers, which are a result of analyses, are mostly, for the purpose of this publication, expressed in more than 2 decimals. Due to rounding to one or two decimals, the total sum may appear to be slightly different from 100% (for instance, 99.9% or 100.1%). However, since this is merely a consequence of rounding of numbers, these deviations may be considered identical to 100%.

201 The total funds imply the sum of individual funds by categories of CAs/NGOs, which are different from the total planned funds, due to the possibility of calculating the participation of each of the category in the total amount.

Chart: Trend of planned funds allocations of governmental institutions by categories of CAs/NGOs²⁰²

A total of **35,698,841.62 BAM** was allocated without public tender procedures (for example, through planned work programmes), which is, percentually, 31.3% of the total amount of allocated funds.

An amount of **78,379,352.11 BAM** of the total allocated funds was allocated through public tender procedures, which is less than in 2008 by 8.4%, and by 8.6% in comparison with 2007.

Of the institutions that allocate funds, 76.9% demand that both financial and narrative reports be submitted by the funded CAs/NGOs, whereas 5.2% institutions allocate funds without any reporting requirements. A total of 14.4% of governmental institutions require the submission of financial reports only, and 3.5% require only the submission of narrative reports.

In comparison with 2008, only the requirement for submitting narrative reports on realised activities have decreased in 2010, whereas, in general, requirements for submitting both narrative and financial reports or only financial reports on funds spending have increased in 2010. The difference is not great, but it is present, meaning that the trend of requiring reports on financial funds spending is increasing.

This is confirmed by the fact that, in 2008, 3.7% of institutions demanded reports only for funds allocated to specific categories of CAs/NGOs (mostly from CAs/NGOs focusing on providing social services/social protection and "other categories of CAs/NGOs"), and in 2010 there are no such institutions. Therefore, based on previously presented empirical data, it is safe to assume that reporting has become relatively important, regardless of the category of CAs/NGOs.

62.1% of governmental institutions that do not require financial reports plan to introduce reporting procedures in the near future, 23.7% of which are announcing it as soon as in 2011.

44.7% of institutions that do not require narrative reporting on the realisation of projects plan to introduce narrative reporting obligation in the near future, 20.2% of which are announcing it as soon as in 2011. Also, on the basis of the stated empirical data, it can

²⁰² In 2007, CAs/NGOs focusing on social services were not considered as separate from other CAs/NGOs; therefore, their trend was not shown in the entire observation period.

be assumed that the need for monitoring and reporting on budget spending and the realisation of projects has become more important in 2010.

EXAMPLE OF GOOD PRACTICE

The Social Inclusion Foundation in BiH was registered and began its activities in March, 2010, with the following vision, mission, goals and results:

Vision: An active and vital civil society with dedicated and functional NGOs promoting equal opportunities and complete realisation of human rights for all citizens. The respect of human rights and transparency in decision-making processes and procedures are the basis for a participative democracy in BiH and the full implementation of the Social Inclusion Strategy (SIS).

Mission: The Social Inclusion Foundation in Bosnia and Herzegovina increases the capacity and role of the non-governmental sector in strengthening social inclusion and the implementation of SIS. Therefore, it contributes to the prevention and reduction of causes and effects of social exclusion in BiH. Also, considering that the social situation in BiH has not changed during the last years, as well as the negative consequences of the ongoing financial crisis in the world for the real economy (in BiH as well) and social development, the prevention of the possible worsening of the situation in regard to social exclusion and poverty gains even more importance.

SIF in BiH **Main Goal:** Reducing of effects of the economic crisis and strengthening of social inclusion of the most vulnerable groups in society, through strategic interventions focusing on long-term and sustainable strengthening of the role of NGOs in resolving the consequences of the economic crisis and the main social issues in BiH. SIF in BiH improves the capacities and role of the non-governmental sector in strengthening social inclusion and the reduction of poverty. In this way it contributes to the prevention of possible social exclusion and poverty. More precisely, the **specific goals** are:

- To contribute to the prevention and reduction of causes and effects of social exclusion and poverty in Bosnia and Herzegovina through participation and support to the promotion of partnership of stakeholders from the governmental, non-governmental and private sectors;
- Direct support to the identified most vulnerable groups of population, considering poverty and social exclusion;
- To facilitate exchange of knowledge, experiences and expertise for activities related to social inclusion, and therefore for activities related to the area of social protection, education, health protection, that will be based on full realisation, protection and respect of human rights;
- To improve the work quality of the non-governmental sector in Bosnia and Herzegovina and adapt them to standards (for example, professionalization);
- To increase the availability of monetary funds for NGOs from local governmental budgets through the financial support of SIF in BiH;
- Effective application of funds matching: this means that the projects will be partially funded by SIF in BiH, and partially by local budgets (municipal, cantonal, entity), with the tendency of increasing the participation of local budgets;
- To facilitate access to information to citizens in the local community;
- To increase decision-making transparency in the process of allocation of local budgets.

SIF in BiH activities include financial support to NGOs that directly assist the following impoverished and vulnerable groups, in accordance with the goal of SIS, through their activities:

- Persons with disabilities (especially persons with disabilities that are members of minority groups – women, the elderly, etc.);
- Families with several children and children from vulnerable groups;
- Youth employment;
- Employment of the newly-unemployed;
- Ad-hoc support in critical situations.

The concept of support to NGO projects based on obligatory funds matching with domestic budgets is very important. In the first round of projects, it is planned that the participation of domestic budgets be 33%, 40% in the second round and 50% in the third round, in the period 2010-2013. The participation of local budgets in the following periods will be defined in the future.

This matching concept of funding results in:

- Focusing of NGOs and budgets of different levels of government on the implementation of SIS, considering the complementarity of priorities of SIF in BiH and SIS. This makes SIF in BiH one of the specific new mechanisms for the implementation of SIS, especially in regard to the inclusion of NGOs into that process.
- Strengthening of partner NGOs and public institutions in social inclusion, which enables a higher number of beneficiaries.
- Introduction of EU standards in procedures of support to NGOs through domestic budgets (tenders, monitoring, reporting, etc.).
- Strengthening of sustainability of the NGO sector in the process of its "transition" from foreign to local sources of funding.

This is clearly seen from the following accomplished results and indicators:

- In the first round (2010-2011), SIF in BiH supported 21 NGO projects focused on providing assistance to persons with disabilities (10 projects), employment and self-employment (4 projects), youth employment (4 projects), most vulnerable groups (3 projects). The overall participation of SIF in BiH funds was 775,682 BAM, and participation of domestic budgets was 387,667 BAM, which makes up a total of 1,163,349 BAM. Therefore, the participation of domestic budgets was a little more than planned, 33.32%. So the concept of funds matching has proven to be realistic and successful even during the economic crisis in BiH and significant decreases of domestic budgets. As the implementer of 21 NGO projects, SIF in BiH directly supported 9527 beneficiaries. Through these projects public-civil partnership was established between 21 NGOs and 33 public institutions.
- In the second round (2011-2012), which is currently being implemented, SIF in BiH supports 18 NGO projects (8 projects providing assistance to persons with disabilities, 2 youth projects, 2 projects focused on the most vulnerable groups, and 3 projects for education and self-employment of women). SIF in BiH participation in the funding of these projects is 765,116 BAM, and domestic budgets participate with 558,371 BAM, which makes a total of 1,323,487 BAM. Participation of local budgets in the second round is, once again, better than planned and amounts to 42.19%. Direct support will be provided to 7292 beneficiaries through the implementation of these projects. The projects established public-civil partnerships between 18 NGOs and 22 public institutions.

- It is important to emphasize that two years of experience of SIF in BiH have shown realistic possibilities of NGO participation in the implementation of SIS, of strengthening of public-civil partnerships with the funds of SIF in BiH (supported by SDC and OSF BiH) with the support of local budgets - there were 55 "donors" in the first two rounds of projects (39 projects that have had or have 16,819 beneficiaries).
- The macroeconomic-social effect of the work of SIF in BiH is visible even after just two years of activities. The total financial funds in two rounds of NGO support amount to 2,486,836 BAM, which is 2.1% of the total allocations of domestic budgets for NGOs in 2010 (114,078,193 BAM), which makes SIF in BiH the single largest NGO partner in BiH.

It is even more important to emphasize that the total funds of SIF in BiH in two rounds made up 10% of funds of domestic budgets allocated for funding NGOs in the area of social protection/social services, which makes SIF in BiH an important factor of social protection in BiH.

Out of the estimated number of population below the level of absolute poverty (18.6% according to BHAS for 2007, which makes around 670,000), SIF in BiH supported 16,819 beneficiaries, which makes 2.5% of the poor population in BiH. All of these facts make SIF in BiH an important factor in the fight against poverty and social exclusion in BiH.

SIF in BiH is also significantly active in the field of capacity building of NGOs, creating analyses and policy recommendations in regard to social inclusion and the development of the civil society. Along with numerous trainings for NGO capacity building, SIF in BiH has also prepared and published:

- Research "Halfway There – Government Allocations for the Non-governmental Sector in BiH for 2010" (in cooperation with CSPC), February 2011. The goal of this survey was to provide additional financial parameters for defining successful cooperation between the government and the non-governmental sector in BiH, as well as for the process of establishing institutional cooperation and partnership between the government and civil society organisations in BiH and for ensuring reliable data on government allocations for the non-governmental sector in BiH for 2010, by speaking directly to the bodies in power at all levels of government.
- Study "Myth and Reality of Civil Society – The Role of Civil Society in Strengthening Social Inclusion and reduction of Poverty" (in partnership with IBHI), February 2011. The analysis in the Study is based on a holistic approach to a large number of problems such as poverty, social exclusion, the BiH social protection system, vulnerable groups, size, structure and sources of funding of the NGO sector and the media. On this basis, recommendations were developed for the strengthening of the role of the non-governmental sector in strengthening of social inclusion (partnership with public institutions, networking of NGOs, necessary legal reforms, best practices in BiH, etc.).
- Almanac "A Friendship is Born", March 2011. The publication creates an image of the effect and influence that SIF in BiH has made during its first year, in the context of implementation of projects of non-governmental organisations 2010/2011.
- Policy brief "Challenges of Civil Society in Bosnia and Herzegovina", July 2011. The policy brief is a short review of the civil sector in BiH, its challenges and difficulties which concludes with a set of recommendations to CSOs, government representatives and citizens of BiH with the aim of improving the overall situation regarding the civil society in BiH.²⁰³

203 For more information see: www.sif.ba

LESSONS LEARNED

A lot of difference can be seen between the quantitative indicators regarding the development of the NGO sector/media, and the actual civil influence they have on BiH society.²⁰⁴ This imposes a significant question – do we have a civil society in BiH? Or do we have its "quantitative" illusion, with no civil character and, therefore, a small influence on social occurrences? If this hypothesis is true, the reasons for it would be:

The civil society in BiH has, since the war from 1992-1995, developed under the crucial influence of international support policies, i.e. foreign donors. The logic of this kind of support "industry" as a concept of international support policies²⁰⁵ was also implemented in providing support to the development of the civil society.²⁰⁶ A large number of local NGOs were formed as a result of the donors' need to have a local counterpart during the implementation of their projects.

This was not support but, in fact, an obstacle to the development of the BiH civil society, most of all because:

- Local NGOs were not even aware of the real mission of civil society;
- They failed to establish tangible relations with the citizens because their projects were donor-driven, instead of being a response to people's real needs;
- NGOs developed as interest groups or professional NGOs, with no actual membership.

All of this contributed, not to the development of a civil society and an NGO sector as its extremely important part, but to the formation of an "NGO elite". On the other hand, it significantly reduced the possibility of building sustainable, independent civil society organisations.

With the decline of donor support to the development of the civil society, many local NGOs shut down. On the other hand, the process of transition of NGOs from international to local sources of funding had started. This process has had, and still has its good and bad sides.

Its bad sides are a direct consequence of the interest character of a large number of NGOs. Namely, we are referring to a phenomenon that can be dubbed "governmental non-governmental organisations", i.e. the part of the NGO sector that is financed from public budgets (mostly without tenders or a description of planned activities), and are fully politically oriented to support governments. Predominantly, they are NGOs that claim to represent those parts of the population that were most affected by the war.

On the other (or same) hand, a part of NGOs that see themselves as "civil" organisations and that truly are, formally speaking, focused on democratisation, are to a large extent tied to political parties, especially those in opposition. This would not be bad in itself, were it not for the fact that these NGOs represent the policies of these political parties, instead of values of the civil society.

The good side of the aforementioned transition can be seen in a large number of NGOs that are active in the social sector. We refer mostly to "grassroots" organisations that are active in their local community – municipality. Most of them were "overlooked" by donor

204 See: Papić, Ž. Slijepčević, T. Dmitrović, T. Ninković – Papić, R. *Myth and Reality of Civil Society: The Role of Civil Society in Strengthening Social Inclusion and Reduction of Poverty*. IBHI/SIF in BiH, 2011.

205 See more in: OSFBIH (ed. Papić, Ž.). *International Support Policies to South-East European Countries – Lessons (Not) Learned*. Sarajevo: Muller, 2002.

206 See: Sebastian, S (FRIDE). *Assessing Democracy Assistance: Bosnia*. May, 2010.

aid, which made them focus early on cooperation and partnership with public institutions and activities aimed at beneficiaries' real needs. Their sheer focus on social protection and services requires tangible support activities to those in need. This means that the nature of their area of activities oriented them towards expressing the interests of the citizens, "pushing" them towards the basic values of civil society.

The "donor-driven" type of projects supported by foreign donors is still very visible. Progress in the sense of local ownership is visible in projects from the social domain, in local communities, etc. On the other hand, "donor-driven" projects in "political" areas (the role of civil society, democratisation, law, etc.) *de facto* represent an interpretation of political attitudes of foreign donors. They are either a waste of funds (different strategies for the development of civil society, thousands of round tables and conferences) or lead to the loss of credibility of those NGOs and their projects in the eyes of the population of BiH.

Along with the introduction of the EU concept of social inclusion, the role of the civil society, especially of NGOs, gained importance in public discussions in BiH and during the preparation of the BiH Social Inclusion Strategy (which would serve as a basis for changes within the legal framework).

In order to make necessary progress (that the state cannot make on its own) in the field of social inclusion in BiH, it is necessary to mobilise all social stakeholders. The nature of social inclusion requires a strong civil society, because one cannot function without the other. That is also the reason to thematically focus our analyses on the role of civil society in the strengthening of social inclusion and reduction of poverty.

The question: "What is to be done?" is easily answered. Civil society organisations should be reformed in such a way that would allow them to become the agents of development of civil society as a whole.

We have recognised two major directions of reform of, first and foremost, the NGO sector:

- Partnership between NGOs, their networking based on concrete, either sectoral or activity areas. Here we do not refer to networks such as they are, that resemble discussion panels without any real activities, but to action-oriented networks dealing with concrete issues. That is the best mechanism for strengthening NGOs' capacity to influence governments and the public. In this context, it is highly important to initiate regional cooperation and networking of CSOs, especially NGOs.
- Partnership with public institutions, municipalities, cantons, entities, BiH state organisations, especially in regard to social inclusion. Speaking in post-'68 terms, the solution is to "walk through institutions", inject civil character into their functioning. In this way, the influence of the civil society on BiH's development will be strengthened.

To paraphrase a thesis written long ago: so far, analysts have only interpreted the NGO world, it's about time to change it.

SOCIAL EXCLUSION IN MACEDONIA



IV. MACEDONIA

COUNTRY PROFILE

Full name: Republic of Macedonia

Capital: Skopje

Area: 25,713 km²

Geography: Situated in the southern region of the Balkan Peninsula, Macedonia is landlocked and mountainous.

Population: 2,022,547 - average population density of 78.7 per km² (census 2002)²⁰⁷

Gender Structure of the Population in 2009: 1,028,815 males, 1,023,907 females²⁰⁸

Ethnic structure of the population: The dominant residents are Macedonians (64.18%), Albanians (25.17%), Turks (3.85%), Roma (2.66%), Vlachs (0.48%), Serbs (1.78%), Bosniacs (0.84%) and others (1.04%)

Language: Official language is Macedonian. Any language spoken by at least 20% of the minorities has the status of an official language

Religions: Eastern Orthodox 65%, Muslim 29%, Catholic 4% and others 2%.

Education: 13 years compulsory education (9 years primary and 4 years secondary education).

Literacy: 96.38% of the population (2002 Census)

Health: Infant mortality rate (2011 est.) - 8.54 deaths/per 1,000 live births.

Life expectancy: (2011 est.) - males 72.61 years; females 77.87 years.

Labour force (third quarter 2010): 949,300; employed 648,773; services-58%; industry and commerce - 22.1%; agriculture - 19.9%.

Relative Poverty in 2010: 30.9%²⁰⁹

Democracy Level according to Freedom House: Partially free (2010)

Participation of Women in the Parliament of RM: 35%

Human Development Index: 0,701 (71) (UNDP, 2010)

Minimum wage: MKD 8050 (EUR 130)

Monetary unit: 1 denar = 100 deni

Main exports: Clothing, iron and steel

GDP per capita 2009: EUR 3,253²¹⁰

207 State Statistical Office of the Republic of Macedonia

208 State Statistical Office of RM, *Macedonia in Figures 2010*, p. 10

209 State Statistical Office of RM, *News Release Nr. 4.1.11.48*

210 State Statistical office, *Statistical Yearbook of the Republic of Macedonia, 2010*, p. 315

Politics

Type: Parliamentary democracy.

Constitution: Adopted November 17, 1991, effective November 20, 1991; amended 2001, 2005, and 2009. (Note: Amended November 2001 by a series of constitutional amendments strengthening minority rights, in 2005 with amendments related to the judiciary, and in 2009 related to the census for the election of president).

Independence from Yugoslavia: September 8, 1991.

Branches: Executive-prime minister (head of government), council of ministers (cabinet), president (head of state). Legislative-unicameral parliament (120 members elected by popular vote to 4-year terms from party lists based on the percentage parties gain of the overall vote in each of six election units, with 20 seats per unit). Judicial-Supreme Court, State Judicial Council, Constitutional Court, Public Prosecutor's Office, Public Attorney. Legal system is based on civil law; judicial review of legislative acts.

Regional division: 8 NUTS²¹¹ 3 Statistical regions.

Subdivisions: 84 municipalities plus the City of Skopje.

211 Nomenclature of Territorial Units for Statistics (Eurostat)

REPUBLIC OF MACEDONIA IN THE EU CONTEXT

Since its independence in 1991, the Republic of Macedonia has emphasized membership in the European Union as one of its strategic objectives.

The Republic of Macedonia was the first among the countries in the region that signed Stabilization and Association Agreement in April 2001. In 2004, in Dublin, the Republic of Ireland, the Government of the Republic of Macedonia submitted its application for Membership in the EU, confirming its continuous and clear political commitment for joining the European Union.

In 2005 the Republic of Macedonia was granted candidate status for European Union membership. Since then, by the end of each year, the European Union publishes regular progress reports for the Republic of Macedonia. In 2009, visa-free travel within EU's Schengen zone came into effect for Macedonia's citizens. On February 10, 2010, EC recommended opening negotiations for Macedonia's accession to the European Union.

Besides the additional steps and obligations that should be fulfilled by Macedonia on its path to EU, major obstacle in this process is the dispute with Greece over Macedonia's name.

SOCIAL EXCLUSION IN MACEDONIA

The policies on social inclusion and poverty reduction in Macedonia are a relatively new approach²¹² and engagement of the national duty-bearers towards improvement of the situation of the most vulnerable, marginalized and poor groups of people in Macedonia. The social and economic problems that these people are facing are legacy of the past. They have a longer history and derive, to a great extent, from the period of the bad transition from planned to market economy that took place after Macedonia's independence in 1991. The process of transition was accompanied with privatization, restructuring of companies and closing down a large number of non-profit industrial capacities. The result of it was a large number of redundant workers, low-living conditions, higher unemployment, marginalization and increase of poverty. Unfortunately, after 20 years of independence, the post-transitional plans and measures have still not succeeded to systematically solve these problems.

The persistence of the burning problem of poverty is also verified by the latest data of the State Statistical Office, which shows that the percentage of poor people in the Republic of Macedonia in 2010 was 30.9%.²¹³

212 The previous poverty reduction policies were mostly related to economic issues and were prepared by the Ministry of Finance in cooperation with the IMF. In the last ten years the focus has changed, thus the policies for social inclusion and poverty reduction have become a major task of the Ministry of Labour and Social Policy.

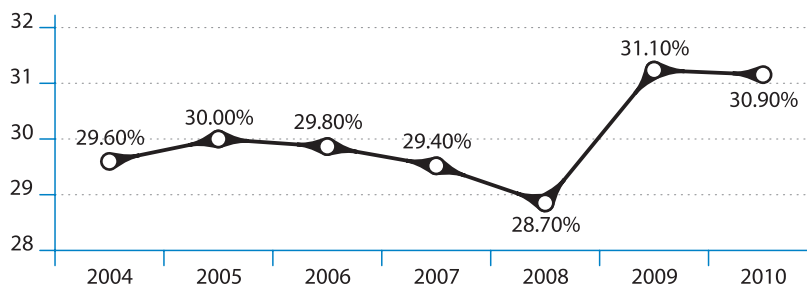
213 The relative poverty line as a national standard for calculation of poverty levels was introduced in Macedonia in 1996. The State Statistical Office has defined poverty at the level of 70 per cent of the median equivalent consumption, (rather than 60 per cent of income - as in the European Union (EU)) with the application of the OECD equivalent scale to adjust for household size and composition.

Consumption has been chosen as a basis for measurement because of the following country specifics:

- Over a longer period of time Macedonian households face greater variations in their income, especially considering, for example, that the receipt of net salaries can sometimes be delayed by up to a few months;
- Social transfers are not always reported by households;
- Some households do not report income they receive from private transfers. Since these households often consist of several members, it seems as if they have minimal incomes but high expenses;
- Expenditures show greater stability over time;

In current social-economic conditions, incomes are often insufficient to cover expenses. Many impoverished families in Macedonia have coped with transition by spending of the pre-transition family savings and other resources and do not rely on a "regular" daily income. Increasing unemployment has created conditions where households are surviving on rural products generated within a unified family economy and on income earned abroad by Macedonian emigrants. The informal or black-market economy also makes it extremely difficult to determine the exact number of families involved in informal income generating activities.

Figure 1: Relative Poverty Rate in Macedonia (in %)



Source: State Statistical Office

Analyzed by profiles, the most vulnerable groups are multi-member households, bearing in mind the fact that 47.3% of the poor people live in households with 5 and more members. The poverty rate for the unemployed is 41.8%. The education of the household head also influences the number of poor people, namely 54.7% of the poor live in households where the head of the household has no education, or at most, has completed primary education.²¹⁴

Table 1: Relative poverty by type of household

	2004	2005	2006	2007	2008	2009
Total	29.6	30.0	29.8	29.4	28.7	31.1
Elderly households	18.2	22.2	24.5	26.7	22.8	24.5
Married couples with children	28.2	24.8	23.8	27.1	25.5	27.1
Other households with children	35.1	33.6	33.6	33.4	33.7	36.8
Households without children	25.2	27.1	26.9	26.3	25.8	28.5

Source: State Statistical Office

Table 2: Relative poverty by the number of members in the household

	2004	2005	2006	2007	2008	2009
Total	29.6	30.0	29.8	29.4	28.7	31.1
1 member	20.2	19.6	24.3	26.9	25.3	22.8
2 members	16.5	20.8	23.9	24.2	21.2	24.6
3 members	22.5	21.6	17.4	18.8	19	22.3
4 members	23.5	22.1	21.4	25.6	24.4	26.1
5 members	29.5	31.0	29.9	30.6	33.2	36.9
6+ members	42.5	37.5	38.8	37.5	37.6	42.8

Source: State Statistical Office

214 State Statistical Office of the Republic of Macedonia, News Release Nr. 4.1.11.48

Table 3: Poverty by education of the head of the household

	2004	2005	2006	2007	2008	2009
Total	29.6	30.0	29.8	29.4	28.7	31.1
No education	57.9	46.8	53.9	53.7	53.2	54.2
Incomplete primary education	32.8	39.9	37.6	37.7	39.1	43.4
Primary education	38.4	38.2	39.8	37.4	35.4	42.6
Secondary education	22.9	23.4	22.8	23.6	23.4	25.7
Post-secondary education	17.4	17.6	17.4	17.4	21.5	13.0
Higher education	9.1	7.3	8.9	11	13.8	11.7

Source: State Statistical Office

Promoting social inclusion requires understanding the root causes of social exclusion, such as discriminatory actions, failure of the accountability of the state and its institutions and structural inefficiencies. Addressing and overcoming the problems of these groups of people should serve as basis for the preparation of the Joint Inclusion Memorandum (JIM) between the Government of the Republic of Macedonia and the European Union.

The latest Progress Report of the European Commission for 2011 notices that Macedonia has made some progress in the field of social inclusion. The adoption of the National Strategy for Alleviation of Poverty and Social Exclusion is perceived as a positive signal. However, no funds for the operational programs are ensured. The inclusion of Roma people, people with disabilities and other socially excluded people is still slow.

MOST VULNERABLE AND MARGINALIZED GROUPS

The three defined dimensions of social exclusion: the exclusion from economic life, exclusion from social services and exclusion from civic life apply for the Macedonian context as well.

While in 2004 the programs of the Ministry of Labour and Social Policy for solving the problems of socially excluded groups were focused only on four "traditional" vulnerable groups: drug users and members of their families, street children and their parents, victims of domestic violence and homeless people, in the last several years, this focus has been broadened. The newly identified groups are: the disabled persons, elderly persons, children (especially from rural environments), minorities, Roma, women, alcohol users, single-parent families, unemployed (young and long-term unemployed people), social assistance beneficiaries, etc.²¹⁵ Bearing the Human Rights Based Approach (HRBA) in mind, adequate attention has been paid to people who experience social exclusion, but are "invisible" for the statistics, such as adults and children living in institutions, people living with HIV, Man having Sex with Men (MSN) and Lesbians, Gays, Bisexual and Transgender (LBGT) population.²¹⁶

215 It has to be noted that the civil society sector in Macedonia - supported mostly by the international community - gave substantial contribution in this process. Additional vulnerable and marginalized groups were identified through different processes applying the Human Rights Based Approach (HBRA), consultative mechanisms with representatives of national and local institutions, relevant NGOs and direct inclusion of poor and vulnerable through focus groups.

216 The data on the problems that some vulnerable groups in Macedonia are facing, as well as the national legislation in those fields, have been identified in the frames of the thematic workshops with NGOs in Macedonia organized by the Ludwig Boltzmann Institute of Human Rights - Research Association Skopje. Furthermore, within the frames of the field researches and analysis conducted by the same Institute, and for the purpose of elaboration of strategic documents on social inclusion, social protection and poverty reduction at local level data was obtained as well.

Next chapters will elaborate in details some of the identified vulnerable groups in Macedonia and the problems that these people are facing in their everyday life.

CHILDREN

With the ratification of the *Convention on the Rights of the Child* in 1993, the Republic of Macedonia has made a commitment to protect and implement the rights of the child, primarily the material goods for survival and development, health, social protection and education without discrimination. The Macedonian Constitution defines the rights and duties regarding protection of children's rights by stipulating that families in need, mothers and children and children without parental care are entitled to special care and protection by the state.²¹⁷

There have been some positive developments in regards with children's condition in Macedonia. Reforms in the health sector produced encouraging result. Most child health indicators show positive trends. The under-five mortality rate has dropped from 33.3 in 1990 to 12.6 in 2003, that is, 11.1 per 1,000 live births in 2007. Similar trends have been noted with the infant mortality rate which decreased from 31.6 in 1990, to 11.3 in 2003 and 7.3 per 1,000 live births in 2010.²¹⁸ However, the infant and under-five mortality rates are different in various geographic areas, regions and municipalities and there are differences between urban and rural areas, as well as among the various socio-economic groups. Child mortality in rural and remote areas is higher than in the urban ones, mainly due to the low socio-economic status. For example, Roma children are exposed to higher risks due to malnutrition, poor health and higher infant mortality rates. The prevalence of anaemia is significantly higher among children in rural areas. The safety of housing also affects the health of children; Roma children living in shantytowns without an adequate infrastructure and with high unemployment rates are particularly exposed to risk. The socio-economic factors, as well as the environment in which children live, affect their health condition and healthcare. Most affected by child poverty and social exclusion are children in large households (over 6 members), households without any income, households where the household head has no education or has completed only primary education, and households where the rate of relative poverty is higher.

Positive trends have been noted in the Macedonian educational system. Since 2008, the secondary education is free of charge and compulsory for every child in the Republic of Macedonia. Transportation, financial support and accommodation allowance are provided for students studying outside the place of living. The families whose children are not regularly attending school are obliged to pay a fine which is usually a considerable amount for the families with an average or low income. Despite these measures, there are families from rural and desolated communities, mostly of Albanian ethnicity, which

217 Other national documents that articulate the legal provisions for children's rights are the following: *The Declaration for Protection of the Child from Political Manipulation and Abuse*; *The Declaration of the Macedonian Parliament for Protection of the Rights of the Child* (2003); *The Law for Ratification of the Optional Protocol to the Convention on the Rights of the Child on the Involvement of Children in Armed Conflicts*; *The Law for Ratification of the Optional Protocol to the Convention on the Rights of the Child on Sale of Children, Child Prostitution and Child Pornography*; *The National Youth Strategy*; *The 2006 to 2015 National Action Plan on Children's Rights*; *The Law for Child Protection*; *The Program for Implementation and Development of the Protection of Children*; *The Family Law*; *The Labour Code*; *The Law on Social Protection*; *Strategy for the Demographic Development of the Republic of Macedonia 2008-2015* and the *National Programme for the Development of Education in the Republic of Macedonia 2005-2015*.

218 State Statistical Office

do not allow their daughters to attend secondary school due to their moral beliefs and tradition. The barriers to accessing education for children lacking birth registration and identity documents, children with disabilities and street children still exist.²¹⁹

In order to improve the quality of education as well as the access to secondary education for students from households - recipients of social financial assistance, a programme for Conditional Cash Transfers (CCS) in the secondary education was introduced in 2010.²²⁰ The programme aims to increase the number of pupils from poor households into the secondary education. The sum of this kind of assistance on annual level amounts to approximately EUR 200 per pupil.²²¹ One of the conditions for CCS is regular school attendance and achievement of certain success.

Despite the positive trends and the affirmative measures mentioned above, there are still many problems in Macedonia that certain groups of children - at risk of poverty and social exclusion - are facing: housing problems, street work, unemployed parents, health exclusion, and lack of staff within the CSW etc.²²²

HOUSING PROBLEMS

The following categories of children are facing housing problems:

- Children without parental care living in foster institutions,
- Children living in foster families,
- Children from homeless families living in improvised shelters (mainly Roma).

The first two categories of children have secured housing until the age of 18 or 26, if enrolled in higher-educational institutions. After leaving the foster family or institution, these children are facing unsecured housing and employment. Most of them lack skills and are unqualified for the labour market. State efforts for support of these children have been made by providing social apartments for children who leave foster institutions, by establishing cooperation with the business sector for their employment, as well as by offering free of charge higher education.

The third category, children who live in homeless families, are registered as street children. The lack of strong governmental support for those children places them in the vulnerable groups of people with high risk of poverty and social exclusion with highest potential for developing of a delinquent behaviour. There is no data regarding the exact number of street children in the Republic of Macedonia. Research conducted by the "Institute for Social Advancement" in 2001 encompass 1022 children at the age of 18 or younger identified as street children by the Centre for Social Work. They usually "work" on the streets and earn money as beggars; collect recycling materials or garbage materials for personal use, some of them are involved in thefts and certain number in prostitution. While in the past it was believed that street children are mostly children from Roma community and children living in the cities, some data show that more than 100 children

219 Best practice in this regard is the project "Enrolment and continuity in the education process" implemented by the *National Roma Centre* from Kumanovo, which offers support to Roma pupils in the enrolment process, by facilitating the issuing of birth registration and identity documents.

220 The program is implemented by the Ministry of Labour and Social Policy, the Centres for Social Work, the Ministry of Finance and the Ministry of Education and Science.

221 Financial means for this program amounting to EUR 19.300,000 have been secured through a World Bank loan.

222 Ludwig Boltzmann Institute of Human Rights - Research Association Skopje (BIM-FV Skopje), 2008, *On the Path to EU: A Contribution of the Civil Society Sector in the Creation of the Policy of Social Inclusion in the Republic of Macedonia*

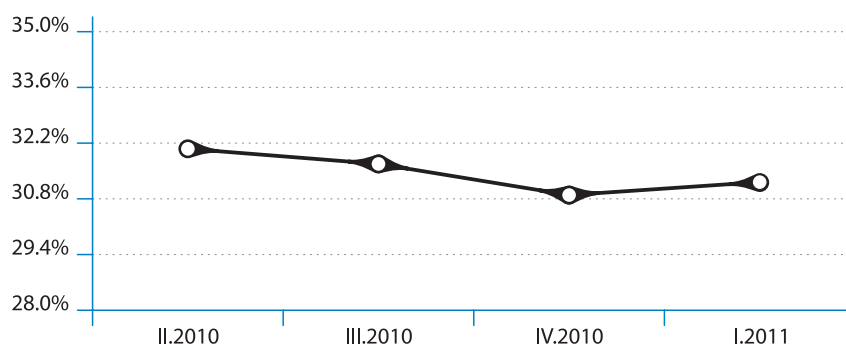
live in villages and are from other ethnicity than Roma. Many of those children have not had their birth registered, possess no documents for personal identification, or are included in the state health system and their level of immunization is very low. They are children who are going to grow up in Macedonia facing institutional hurdles or discrimination that could inhibit their access to public services including education, and consequently hinder their capacity to exit poverty and participate in the economic and social life.

Social protection for this category of children and their parents is provided through the three daily centres for the street children in Macedonia. According to the latest press release of the Ministry of Labour and Social Policy,²²³ 631 children have been sheltered in the daily centres in the last three years. The daily centres provide warm meals, clothes, shoes, basic education for personal hygiene, educational, cultural and sports activities as well as procurement of personal identification documents and other entitlements secured by law. The latest action undertaken by the MLSP in September 2011 was the opening of a 24 hours 'Transit Centre' which will shelter the street children from 24 to 48 hours. In this period, a legal procedure against negligent parents will be initiated and it could result with deprivation of their parenting rights.

UNEMPLOYED PARENTS

Even before the transition, Macedonia had a comparatively high unemployment rate of around 20% and its economy was the least developed within the former Yugoslavia. The current rate of unemployment is 31.2%²²⁴ (although the existence of a substantial informal economy has led to a significant over estimation of the real rate of unemployment).²²⁵

Figure 2: Unemployment rate (Source: State Statistical Office of the Republic of Macedonia)



Despite the governmental efforts for overcoming this issue, the number of unemployed people shows a trend of constant growth. Unemployment is the main generator of poverty of parents and other family members. This especially affects children who live in families, which are socially excluded, and at risk of hindering their personal development. The lack of adequate education, health and social protection in the most important and vulnerable period of a child, threatens its physical, psychological and social development. Special category affected by this problem are children from families with a single unemployed parent, children from Roma families and children living in the poorest rural municipalities without access to most important living facilities.

223 Ministry of Labour and Social Policy, www.mtsp.gov.mk, (15 Sept. 2011)

224 State Statistical Office

225 World Bank 2003, *FYR Macedonia: Tackling Unemployment*

HEALTH EXCLUSION

Although the under-five and the infant mortality rates have decreased, there is still a large group of children in Macedonia, who are excluded from the health system. This is demonstrated through incomplete immunization of children, malnutrition, infection diseases with high mortality rate, especially among children at a pre-school age. Health exclusion of large number of children in the early development period does not only affect children from socially excluded and marginalized groups, but also certain children from the entire population at this age. This is especially due to the privatization of the primary health system, abolition of paediatric services in pre-school education and parental negligence.²²⁶

DISABLED PERSONS

The national legislation on disability and the policy action framework encompass the following national documents: *National Strategy for Equalization of Rights of Disabled Persons 2010 – 2018*; *National Strategy for Employment 2010*; *National Action Plan for Employment 2009-2010*; *National Programme for Development of Education in the Republic of Macedonia*; and the *National Strategy on Alleviation of Poverty and Social Exclusion in the Republic of Macedonia 2010-2020*. Moreover, the Republic of Macedonia has signed the *Convention on the Rights of Persons with Disabilities* on March 30, 2007²²⁷ and its *Optional Protocol* on July 29, 2009. All of these documents are legally binding for the country to undertake actions in this area, but apart from some small interventions, concrete actions are lagging behind.

Looking from a human rights perspective, the problems that people with disabilities are facing can be divided into the following areas:

SOCIAL PROTECTION

There is no data on the exact number of disabled persons in Macedonia²²⁸ and it is hard to estimate if all disabled and socially endangered persons are fulfilling their right on social protection.

The main problem in this area is the amount of financial assistance and care from another person which is very low and no entitlements for personal budget based on the disability are provided. The monthly allowance is considered as an income for the person with disability and depends on the socio-economic status of the family. Persons with moderate intellectual disability lose the entitlement of financial assistance and care from another person when they turn 26, with an explanation that these persons are independent and capable to cope with the daily challenges. The bureaucratic procedures which impede the realization of the existing right of the disabled persons are considered as an additional problem.

²²⁶ Unemployed people are entitled to free of charge health insurance upon timely and regular registration as unemployed within the employment agencies. Despite this right, some unemployed persons do not register regularly and lose this entitlement.

²²⁷ However, still not ratified by the Parliament.

²²⁸ In order to improve this statistics, questions regarding disability issues were part of the household surveys for the Census conducted (but not fully realized) in October 2011.

EDUCATION

As mentioned above, primary and secondary education is compulsory and free of charge for every student in Macedonia. There is currently no national register for children with disabilities. The biggest problem in the educational process of the persons with disabilities used to be the segregated system of education for children with disabilities especially in primary schools and in special classes within the primary school. This issue was addressed with the introduction of inclusive education for students with disabilities, which proved to be a good model for acceptance and further development of these children. According to unofficial data from the Macedonian Ministry of Education and Science (MoE), there are currently 486 students with disabilities enrolled in the regular primary schools,²²⁹ whereas 710 students are enrolled in special classes or primary schools for students with disabilities throughout Macedonia. Financial support in terms of free of charge transportation, free of charge text-books, accommodation, meals and scholarships are offered to this category of children by the MoE. These incentives are often being misused by Roma pupils and their families, who get enrolled in the educational process as children with disabilities due to the above mentioned benefits, although they are totally capable to attend regular schools.

Regarding the quality of the education, NGOs report that students with low level of mental disability and their teachers are facing many difficulties during the classes, since teachers have had no particular training for working with these categories of children and many schools have no employed defectologist.²³⁰

In addition, problems that children with physical disability face in the educational process are the architectonic barriers in some school buildings, which hinder the access of those children to the school facilities. Other problems that disabled persons have identified in the educational process are the low level of using the sign language, Braille alphabet and IT equipment, as well as the limited programs for secondary education and vocational training, which would correspond to the needs of the labour market.

Good practices related to this issue can be found in some private educational institutions, but children from poor families that struggle with daily expenditures cannot afford private education.

EMPLOYMENT

The total number of unemployed disabled persons registered within the Employment Agency of Macedonia²³¹ as of December 31, 2010 is 2326 persons, out of which 809 are women. According to different categories, the highest share of unemployed disabled persons, is among the population aged from 35-39 (341 people); people with low level of education (1162 persons); and people with mental disability (858 persons). The main problem when it comes to employment is discriminatory attitude towards disabled persons. The state made some efforts for financial subsidies for companies employing disabled persons. Unfortunately, this measure has been misused by many companies, since they used the financial subsidies but avoided employing people with disabilities. The control mechanisms for protection of labour rights of people with disabilities are not effective and the legal framework for employment of disabled persons is not fully elaborated.

229 This number could be higher, since parents are very often reluctant to register their children as children with disabilities within the regular education process.

230 Special needs educationalists in Eastern-European education systems

231 <http://www.avrm.gov.mk/?ItemID=62A239CC9D5E4742AC292DB9488DCD6D>

HEALTH PROTECTION AND REHABILITATION

The financial participation in the health services for persons with intellectual disabilities above the age of 26, as well as the limited rehabilitation programs for disabled persons were identified as major problems that these people are facing. The prescribed medicines, which are covered by the Health Insurance Fund of Macedonia, are often unavailable and disabled persons have to purchase them privately. Herewith not only the health, but also the economic condition of the disabled persons is threatened. Very often disabled persons face difficulties in the tertiary health protection, mostly due to the level of their disability, but also due to the medical staff, which lacks training for specific treatment of disabled persons.

DEINSTITUTIONALIZATION OF PEOPLE WITH INTELLECTUAL DISABILITIES

Good practice for deinstitutionalization for this vulnerable group of people is the adoption of the *National Strategy for Deinstitutionalization of Persons with Disabilities 2010-2018*. The *Community for All Initiative Macedonia* strives to deinstitutionalize 192 persons with intellectual disabilities from the Special Institution "Demir Kapija". In order to achieve this goal, 6 community-based supported housing services should be established in different cities of Macedonia. Each community-based supported housing service will provide support to 32 former residents of the "Demir Kapija" institution. They will receive support to live in shared apartments and up to 24 hour/day support by trained assistants adjusted to their needs. Two community-based supported housing services have been established so far. The first service has been established by the NGO "Centre for Support of Persons with Mental Disability - Poraka" in Municipality of Negotino with financial support by the "Mental Health Initiative Budapest" and the MLSP. The Services support people with intellectual disabilities in all activities of their daily life in the apartment as well as in activities in the community and endeavour to support the social inclusion of people with intellectual disabilities.

THE ELDERLY

The share of population of over 60 years in the total number of population in 2002 was 15%, out of which 13.75% were men and 16.27% were women,²³² while the demographic estimations of the State Statistical Data for 2008 show an increasing trend of 16.6%. The territorial distribution of the elderly population over 60 years shows significant difference. Out of the eight statistical regions in Macedonia, the biggest share of elderly population (20.8%) lives in the Pelagonija Region. This is followed by the Vardar, Eastern and the South-eastern Region with 18.1% of elderly population, whereas the least percentage of elderly population (12.2%) was noticed in the Polog Region. Even in this region the percentage of elderly population is above the critical line of demographic age of the population, which confirms that all of the Macedonian regions are populated with older population.

232 State Statistical Office, Census 2002

Table 4: Age structure of the population (as of June 30, 2008)

Statistical Region	Age groups in %		
	0-14	15-59	60+
Republic of Macedonia	17.5	65.8	16.6
Vardar Region	15.8	66.0	18.1
East Region	15.8	66.0	18.1
Southwest Region	18.0	67.2	14.8
Southeast Region	15.1	66.8	18.1
Pelagonija Region	15.4	63.8	20.8
Polog Region	20.0	67.8	12.2
Northeast Region	19.0	65.3	15.7
Skopje Region	17.9	64.8	17.3

Source: State Statistical Office of the Republic of Macedonia

According to these figures, Macedonia can be ranked among countries with high number of elderly population.²³³

The social protection for impaired elderly persons without any income and property includes several forms of social entitlements: permanent financial assistance, financial assistance for care from another person, one-off financial assistance and in kind assistance, financial assistance for social housing, health protection, daily care, home nursing services etc.

Significant number of elderly people in Macedonia does not have personal income and are usually being supported by their spouses or children. The financial means that elderly people in Macedonia receive in form of pensions, social financial assistance or assistance for care from another person are insufficient for a decent and quality life. E.g. the average amount of pension in Macedonia in 2008 was app. EUR 140, a sum that cannot cover the basic needs of an elderly person in Macedonia.²³⁴

The main problems that elderly people in Macedonia are related to the low-living standard and poverty, lack of proper health protection and medicines, lack of social services and proper housing conditions, lack of strategies for elderly persons at local level, lack of CSOs that deal with elderly people and promote voluntary work for and with elderly people, lack of information and life-long learning opportunities and violation of their rights and freedom, especially by their family members.

Most vulnerable categories of elderly people in Macedonia are: a) elderly people who live alone or only with their spouse unable to satisfy their needs, reluctant to live in institutions; b) elderly persons from rural and remote areas who live alone in desolated houses and

²³³ There is no specific national law dealing exclusively with the issues of the elderly population. In addition to the constitutional provisions, most relevant legislation is the *Law on Social Protection* and the *Law on Pension and Disability Insurance*, closely linked to the *Law on Health Protection*, *Family Law*, *Law on Labour Relations*, *Law on Housing*, etc. The above mentioned legislative is completed with the adoption of the *National Strategy for Elderly People 2010-2012*, which is Macedonia's basic policy document identifying priority areas aiming to improve the quality of life for the elderly people.

²³⁴ This situation has been identified as a burning issue also in the process of elaboration of local policy documents for social inclusion, social protection and poverty reduction in eight municipalities within the BIM-FV project "Social Inclusion and Human Rights in Macedonia". All of the municipalities have defined measures for improvement of the situation of the elderly population at local level.

have limited access to information, their pension and public services due to lack of regular and affordable public transportation; c) elderly Roma people who live in families with three or four generations; d) elderly people without any income, mostly women who live with their husbands or employed children; e) elderly people with chronic diseases etc.

The institutional capacities for elderly persons in Macedonia provide accommodation in four public and several private homes. Out of the total number of the elderly persons in the country, merely 0.5% of the elderly persons aged above 65 have been accommodated in these facilities.²³⁵

The extra-institutional protection for long-term care is operational within the systems of social and health protection in several forms of services. The part of the *Law on Health Protection* that speaks about implementation of primary and preventive health protection has envisaged two types of protection outside the institutions on the primary level: home nursing services, and house calls. Home nursing services pay visits to patients in their own homes, mainly to provide advisory services for women in childbirth and babies, for the elderly persons, and for the chronic disease persons; but the number of such visits is very small due to the insufficient field vehicles. The home nursing service is available in only 36 municipalities out of the total 84 nationally.²³⁶

The fact that many elderly people in Macedonia live in poor conditions increases the need for additional work engagement of elderly persons, both, pension beneficiaries and non-beneficiaries. Currently, pension beneficiaries who officially get employed are required to renounce their pension or receive a small percentage during the employment period – a provision which hinders the elderly to be actively engaged in profit making activities and to make use of their professional experience. Promotion and implementation of education for life and lifelong-learning for elderly people is totally neglected in the Republic of Macedonia. The bad quality of the services provided by the institutions, lack of services, assistance and care in the homes of elderly people, the lack of daily centres in the local communities and the general poverty hinders the elderly people from active and decent aging and places them in the socially excluded and marginalised groups of the Macedonian society.

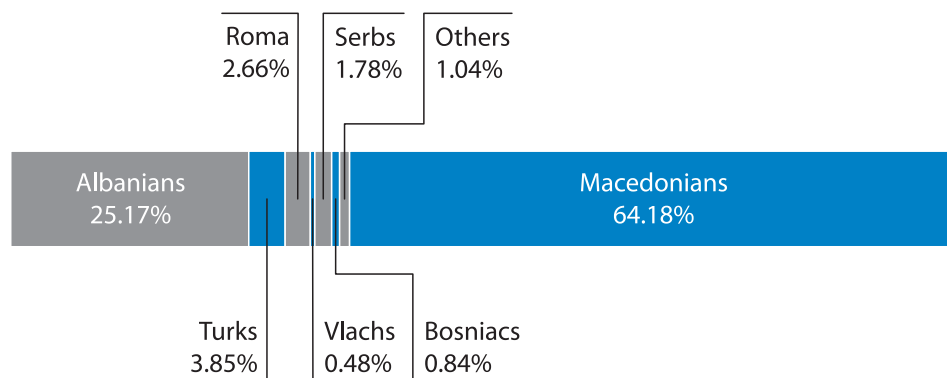
MINORITIES (WITH SPECIAL FOCUS ON ROMA PEOPLE)

Macedonia is a country with multiethnic and multi-confessional population. The dominant residents are Macedonians (64.18%), than Albanians (25.17%), Turks (3.85%), Roma (2.66%), Vlachs (0.48), Serbs (1.78%), Bosniacs (0.84%) and others (1.04%).

²³⁵ According to EU standards, the institutional placement capacities of a country should cover 3-5% of the elderly population, which imposes the need to open new affordable homes for the elderly persons.

²³⁶ Friedrich Ebert Foundation 2010, Social Policy Review, No. 5

Figure 3: Ethnic structure of the population of the Republic of Macedonia



Source: State Statistical Office, Census 2002

The most vulnerable minorities, in particular in terms of full and effective participation in decision-making processes are the Turkish and Roma communities. Their status of very small and dispersal minorities does still not allow them political power in the decision-making.

Although the integration of the ethnic minorities is seen as limited by its representatives, the latest developments in Macedonia show that in the course of the last few years there has been a significant increase of equitable representation in the administration, army, police and judicial system, although the quota has not yet been reached.²³⁷ According to the latest data on the ethnic composition, 22% of the professional army representatives are ethnic Albanians, 2.3% are Turks, 1.3% are Roma and 2.4% are Serbs (UNDP 2007: 59).

The slow pace of engagement of people from ethnic communities in the administration is due to a combination of factors including a lack of sufficiently educated candidates from the smaller minority communities, a reported lack of enthusiasm among the ruling majority, and the need to decrease the overall number of administrative workers due to economic crisis conditions.

Many of minority representatives are also facing problems in the education or employment processes. Roma people are facing the most problems of unemployment, educational and health exclusion, as well as the highest level of poverty. The Turk minorities still lack possibilities to learn in their mother tongue and face discrimination from the authorities.

The situation of women from a minority community is another issue of concern. Despite the latest legislation for compulsory secondary education and the financial subsidies for the poorest population, Roma girls have the highest drop-out rate within the educational system. The girls from the Albanian and Turkish communities, very often leave the education after finishing primary school, due to moral believes and tradition.

²³⁷ The legal and policy action framework on protection of ethnic minorities encompass the following most relevant laws: the Law on the Use of Languages (used by at least 20% of the citizens in the Republic of Macedonia and in the units of local self-government); the Law on the Committee for Inter-Community Relations; the Law on promotion and protection of rights of persons belonging to communities which represent less than 20% of the population in the Republic of Macedonia and the Law on Civil Servants. In addition to the abovementioned legal framework, it should be stressed that it is the Ohrid Framework Agreement (OFA) which provides a crucial guarantee of the rights of the non-majority communities in the Republic of Macedonia. The Ohrid Framework Agreement brought better participation in the decision making processes of the ethnic communities in the public administration.

SPECIFIC ROMA ISSUES

Decade for Inclusion of Roma People 2005-2015 is a public policy in the Republic of Macedonia, which is being implemented as part of a regional policy directed towards overcoming unacceptable differences between Roma and the rest of the society, by implementation National Action Plans, participation of Roma and by monitoring of the progress achieved. The key findings of the survey *Decade Watch 2010*²³⁸ show that the Republic of Macedonia does not dedicate sufficient attention to the implementation of Roma targeted policies. The Roma included in the survey point out to the passivity in solving the problems they face both on central and on local level.

EDUCATION

Education is the only area in which Roma community recognizes positive changes and expects continuous efforts for achievement of effective equality within the rest of society. The inclusion of Roma children in preschool education has increased. This is mostly due to the project of the Ministry of Labour and Social Policy for inclusion of Roma children in pre-school education. The measures that have given positive results are: free of charge daily stay in preschool facilities; mixing Roma and non-Roma children in preschool education, social measures for support of preschool education and employment of Roma in preschool facilities. The inclusion of Roma in primary and secondary education has also increased. The specific measures such as scholarships for Roma students enrolled in secondary education and the general measures for the whole population, such as introduction of compulsory secondary education, conditional cash transfers, provision of free of charge textbooks, transportation etc. has lead to higher enrolment rate of Roma students in the educational system. Significant progress has been noticed in the inclusion of Roma in the tertiary education as well. The most important measure in this area is the provision of scholarships for Roma students, social measures, (such as provision of accommodation, meals, and transportation), provision of additional support for Roma students for easier comprehension of the study material, introduction of subjects in Roma language etc.

EMPLOYMENT

Roma unemployment in Macedonia is as twice as high than general unemployment and it reaches above 70%. There are, however, affirmative policies for active Roma employment, which are still at early stage of implementation.

Only one fifth of the Roma community recognizes improvement of the opportunities for upgrading of the working skills, which shows that there are not many active measures for professional qualification of Roma people. The measures for professional qualification of Roma would have better effect if they were organized in the frames of the formal education, which is currently not the case. Stagnation and/or decrease of employment opportunities are noticed in all the sectors of the labour market. Positive trend has been noticed only in the season/temporary employment opportunities.

The State and the public sector are perceived as major employer and stakeholder for improvement of the employment also for this ethnic community. The negative stereotypes and prejudices, as well as discrimination towards Roma people are negatively affecting the employment opportunities for the Roma community. Another problem when it comes to

238 A research implemented by NGO Insok, aimed to monitor progress of the implementation of the Roma Decade.

employment of Roma and other smaller ethnic minorities is the marginalization or the exclusion of the minority businesses from the mainstreamed programs, which negatively affects minority employment in the private sector.

HOUSING

The substandard housing conditions of Roma people significantly affects the well being of the Roma community, especially Roma children and women, in both rural and urban areas. Independent available data in 2008 showed that only 2% of the Roma in Macedonia live in apartments in a common building, 15% live in new houses, 47% live in older houses with acceptable living conditions and 38% in facilities without minimum living standards. Majority of Roma are concentrated in poor ghettos or in suburban areas of some towns, without minimum infrastructural conditions. These communities lack access to electricity, water, sewage system, road infrastructure etc. According to estimations, app. 70% of Roma has no legal documents of ownership for the facility they live in, although 88% of them claim to have own homes.²³⁹

HEALTH PROTECTION

The *Law on Health Protection* stipulates provision of health protection for all citizens of the Republic of Macedonia, also for those who have not been insured on any basis. This also includes Roma people, citizens of the Republic of Macedonia. Despite this right, the lack of information, administrative barriers, lack of documents which would proof the Macedonian citizenship, failure to register in the Employment Agency as unemployed person, or irregular registration within this institution hinder Roma people from the access to the health system. Discrimination towards Roma is another problem, which is often articulated by the health institutions.

When it comes to health protection, Roma women, disabled Roma, Roma people aged under 15 or above 55 are most vulnerable categories of all Roma population. These groups are facing multiple discrimination, which makes their marginalization in the society worse than of the remaining socially excluded groups.

The low level of health education and health awareness, the presence of traditional practices which influence the health of Roma people, the low level of immunization of Roma children are further problems that Roma in Macedonia are facing in the 21st century.

WOMEN

Women are specific vulnerable category, especially when they are victims of domestic violence and bullying at work, or unemployed women who face great social risks.²⁴⁰ The living conditions of women in Macedonia are fairly satisfactory. Most women that live in smaller towns or rural areas are, in most cases, employed in the textile industry and, business sector, while in the administration and other public institutions the employment

239 Data reference base for the *Report on the Millennium Goals of the Republic of Macedonia*

240 In addition to the specific constitutional provisions, the Legislation on Women Protection in the Republic of Macedonia is covered by the *Law on Equal Opportunities of Women and Men* (2006) and *Law on Family* which stipulate the: protection of motherhood; performance of parental rights; entering into a marriage; the rights and duties of marital partners and in particular covers the issue of domestic violence. Other relevant documents with regards to this vulnerable group are the *National Action Plan for Gender Equality 2007-2012*, *Operational Plan for Implementation of the National Action Plan for 2011*, *National Strategy for Protection against Domestic Violence 2008-2011* and the *Uniform Protocol on Action in Case of Domestic Violence*.

is according to political affiliation. Women over 35 years of age are discriminated against at the labour market because of their age. Furthermore, an employment condition is the family status i.e. women cannot plan extending their families when employed; if they do, they could be fired.

Textile factories do not respect the *Law on Working Relations* i.e. women working there have no social or health insurance covered, or fixed working hours. The employees in these factories are not paid for overtime work, and the wages are minimal. They are used as cheap labour, and often, are victims at bullying at work by their employers. They do not report the bullying, as they cannot find another employment, and their minimal wages are the only income.

The awareness among women for health protection is satisfactory. They are aware about the health protection rights, but due to their bad financial state, they do not regularly use health services. The PAP measures²⁴¹ promoted by the government are insufficient to provide quality services for women. Women in bad health condition are entitled to one-off financial assistance by the Centres for Social Work (CSW), but sometimes they do not receive it.

Women-victims of domestic violence are not satisfied with the treatment by centres for social work and the Ministry of Interior (Mol). Mol registers such cases as complaints, while CSW as disturbed marriage relations. Psychological violence is not sanctioned by the above-mentioned institutions. The shelter centre is not a real solution to the problem, as it is a temporary shelter. The Ministry needs to react, sanction the violent person and remove him from the household. Women-victims of domestic violence are not financially independent or have own housing, and that is one of the reasons the violence is not reported to the institutions. These women are not entitled to council housing (social flats).²⁴²

STATE POLICIES AND SOCIAL INCLUSION STAKEHOLDERS IN THE REPUBLIC OF MACEDONIA

As elaborated in the previous chapters, the Republic of Macedonia has identified many vulnerable and marginalised categories of people. The concrete efforts by the state for overcoming their difficult situation are mostly directed to adoption of many laws and policy documents marked with a "European flag", a necessity when it comes to the EU approximation and Macedonia's membership in the key intergovernmental organizations including the United Nations (UN), the International Labour Organisation (ILO), and Council of Europe etc.

In this context, special attention should be paid to the National Strategy for Alleviation of Poverty and Social Exclusion in the Republic of Macedonia 2010-2020, a policy document which presents the intention and willingness of the Republic of Macedonia to improve the life-quality of its citizens, to the Program for Development of Social Protection 2011-2021 and the Law on Prevention and Protection against Discrimination.

National Strategy for Alleviation of Poverty and Social Exclusion in the Republic of Macedonia 2010-2020

This document was prepared in the course of 2010 with support by the most relevant UN agencies in Macedonia, adopted by the Government of the Republic of Macedonia

241 PAP - Smear test for prevention of cervix cancer

242 BIM-FV Skopje, *Analysis of the State of Social Protection and Social Inclusion at Local Level 2010*

in October 2010 and it is supposed to serve as a platform for start of the JIM process in the Republic of Macedonia and its participation in the Open Method of Coordination. The main strategic objective of combating poverty and social exclusion in the Republic of Macedonia is "To reduce poverty and social exclusion in the Republic of Macedonia through better use of available human and material resources, to improve the living, working and social conditions for all citizens, systematic and institutional joint activities aiming at accelerated development, higher standard and better life-quality."

The Strategy is structured in 14 areas where poverty and social exclusion are mostly visible:

1. Employment
2. Informal economy and strengthening of entrepreneurship
3. Labour Market
4. Poverty and social deprivation of rights
5. Health Protection
6. Long-term Care
7. Education
8. Social Protection
9. Transport
10. Communication
11. Housing
12. Child Protection
13. Equal Opportunities for Men and Women
14. Public Awareness for Social Inclusion.

The document is based on the universal approach to social services and benefits which focuses on the person, rather than on specific vulnerable groups and reasons for exclusion and/or vulnerability (origin, diagnosis, or any other ground for social exclusion of the citizens). Although the document was adopted one year ago, the preparation and adoption of its operational plans is still lacking behind.²⁴³

Program for Development of Social Protection 2011-2021 paves the road for provision of effective social services by the CSWs in the next ten-year period and divides the administrative from professional work of the staff employed within the CSWs.

Law on Prevention and Protection against Discrimination was adopted in 2010 and stipulates that: *"protection against and prohibition of the discrimination concerns all natural and legal persons in the process of achieving the rights and the freedoms as guaranteed by the Constitution and the laws in the Republic of Macedonia"*.

The Law is aimed at preventing and protecting against discrimination in order for the citizens to achieve the rights guaranteed by the Constitution of the Republic of Macedonia, laws and ratified international agreements.²⁴⁴

²⁴³ Having in mind the transparency as one of the main principles in the elaboration of the Strategy, one has to note that the final draft of the document has been presented in front of many relevant NGOs, but their participation in the process was mostly formal, without any substantial involvement in the whole process.

²⁴⁴ However, the Law does not recognize the discrimination based on different sexual orientation - an issue which has been widely criticized by the international community and the Macedonian NGOs.

MINISTRY OF LABOUR AND SOCIAL POLICY (MLSP) AND CENTRES FOR SOCIAL WORK (CSW)

Although the social inclusion and fight against poverty involve efforts by many ministries and institutions from different areas, the Ministry of Labour and Social Policy (MLSP) is the key stakeholder when it comes to social protection and social inclusion in the Republic of Macedonia.²⁴⁵

The most important law in this field is the *Law on Social Protection*²⁴⁶ that has an overall objective to “improve the access of beneficiaries to rights and services and the implementation of the principles of inclusion of socially excluded persons, pluralisation and decentralisation of the social protection system” and stipulates universal access to social services.

MLSP and other public and private institutions for social protection comprise the structure of the social protection system.²⁴⁷ Although the capacities for policy making within the MLSP have been significantly strengthened compared with the period right after Macedonia’s independence, there is still need for further professional development, especially when it comes to effective, efficient, sustainable and transparent planning. The planning processes do not always rely on previous evaluations, analysis and researches. There are not enough investments in primary researches, which would outline the real need of the citizens and represent a basis for policymaking. The weak data management system is another reason for nonexistence of detailed picture of the situation in the social protection system. The only available data provide information only on the number of social assistance recipients and costs, whereas no indicators such as age, nationality, level of education, work skills and experience of the recipients exist in an integrated database.

The network of public institutions for social protection is composed of 30 centres for social work (CSW), 11 institutions for social protection and 33 centres for temporary shelter of beneficiaries. Social protection in the Republic of Macedonia comprises of services and benefits from the tax-financed social welfare system (social prevention – which includes - educational and advisory work, development of self-assistance forms, volunteering work etc., institutional care, extra-institutional care and monetary assistance) and contributory-based social insurance system (pensions and disability, health and unemployment insurance). The institutions responsible for social welfare and provision of care are centres for social work, social protection institutions (for institutional care), as well as the kindergartens. The rights and services from the social insurance system are provided through the Pension and Disability Insurance Fund, including private pension companies, Health Insurance Fund and the Employment Agency. The centres for social work have competences in the application of programmes and application of legal acts from the area of social protection, adopted and financed by the municipalities, the City of Skopje, as well as a competency to initiate, organise and coordinate volunteer activities among citizens, associations, humanitarian organisations that implement social protection programmes in the municipalities, the City of Skopje or in other municipality in Skopje.

²⁴⁵ In order to show its commitment towards improvement of the conditions of Roma, the Macedonian Government has also nominated a Minister without Portfolio in charge of Roma issues and implementation of the Roma Decade in Macedonia.

²⁴⁶ Official Gazette of the Republic of Macedonia, No 79/2009

²⁴⁷ Besides the opportunities for pluralisation of the service providers among CSOs and private sector in the social protection system, their participation in the social area is still quite weak.

The CSW are still operating as centrally governed institutions, usually serve more than two municipalities, are located mostly in the larger urban settlements throughout Macedonia and act as inter-municipal centres for social work. There are only few branch offices of the CSW in the small and rural municipalities. The lack of regional units presents a problem, as citizens need to travel to the nearest CSW. This puts additional pressure on their already aggravated financial situation. Part of the CSW is not fully equipped with professional staff, which often leads to bad quality of services provided by the CSW.²⁴⁸

The current structure of the CSW throughout Macedonia does not clearly divide the social services from the administrative activities and most of the time of the local social workers deal with administration of the social financial assistance, whereby the professional social services are being neglected. Other problems that CSW are facing are the lack of proper IT equipment, professional staff, premises and equipment, vehicles, as well as the old methodology of having a hand-written documentation of the beneficiaries, which seriously influence the efficiency and work quality of the CSW.

Additional areas of concern and concrete problems, when it comes to the work, identification, involvement and cooperation with different vulnerable groups are the following:

- No developed mechanisms for identifying poor and vulnerable groups. Most CSWs identify poor and vulnerable groups individually, i.e. through direct communication with the clients when they approach the centre and submit an application;
- At local level, the needs of particularly vulnerable groups are seldom recognized, with special reference to drug users and persons with different sexual orientation;
- CSW do not have counselling role due to the great administrative workload related to the procedure for approving assistance;
- The systemic weaknesses, i.e. the conditions determined by law, prevent poor and vulnerable groups to exercise certain rights and satisfy their real needs (the conditions for receiving financial assistance laid down in the law, i.e. the limit of income as a condition for receiving assistance; many generations living in one household have problems obtaining financial assistance and child benefits; limitation of the period spent working etc);
- The amount of the social financial assistance is insufficient to cover the basic needs of the beneficiary and his/her family. Furthermore, the assistance is received a month after it is requested;
- There are no mechanisms to alleviate the conditions for the users of all type of financial assistance, by simplifying the procedure for obtaining documents that the users have to pay for;
- Systemic measures and activities adjusted to the needs of the poor and vulnerable groups are not in place. Some of the measures underway (public kitchens, discount food cards, electricity vouchers) are project activities from the Work Program of the government. Therefore, when the projects finish the activities might be terminated;

²⁴⁸ During Peer Discussion Groups with most vulnerable and poor organized by BIM-FV Skopje in the frames of the project "Social Inclusion and Human Rights in Macedonia", the non-professionalism and bad treatment by the CSW staff as well as lack of information on the rights and entitlements in the social area were identified as most burning issues at local level.

- The above mentioned project activities of the government (public kitchens, discount food cards) are not available to all users of social protection and do not cover the whole territory of the country;
- Most of the CSW do not carry out preventive activities, directed towards information of the poor and vulnerable about their rights and protection mechanisms;
- No consultation activities are carried out, neither assessment of the needs of the poor and vulnerable groups separately. Activities of this kind are very often sporadic and non-systematic.
- The cooperation of the CSW with the local self-government units is mostly insufficient and irregular, especially in the rural areas. Cooperation consists mostly of temporary contracts offered to social benefit users for performing community service and exchange of information in this regard;
- There are no measures for employing beneficiaries of CSW services. Certain initiatives i.e. the active employment measures were assessed as discriminatory and inaccessible to all;
- The cooperation between CSW and the Employment Agency is based only on exchange of data/lists of users of social benefit;
- CSW do not cooperate with the business sector, except in cases when there are donations or individual companies that hire vulnerable groups of citizens.

LOCAL SELF-GOVERNMENT UNITS

The main pillars of social inclusion at local level are the units of local self-government and centres for social work. The *Law on Local-Self-government*,²⁴⁹ the *Law on Social Protection* and the *Law on Financing of the Units of Local Self-government* define the competences of the local self-government units in this area and provide the basic legal framework for the decentralisation process. The Law stipulates that in accordance with the national economic policy, the municipality is financed by own revenues, as well as by another financial source.

The units of local self-government, as main actors in the area of social protection are responsible for establishment of public bodies for social protection, development of extra-institutional forms of social protection and realisation of social programmes in accordance with other public bodies, the private sector and civil society organisations.

According to this Law, the units of local self-government and the City of Skopje are responsible for:

- Social protection and protection of children (kindergartens) and elderly homes (ownership, financing, investment and maintenance);
- Social protection of people with disabilities;
- Children without parental care;
- Children with social and behavioural problems;
- Children with special needs;
- Children with single parents;
- Street children;

²⁴⁹ Official Gazette of the Republic of Macedonia, No.5/2002

- Persons facing social risks;
- Persons using drugs or alcohol;
- Housing for persons facing social risks;
- Exercising rights and upbringing of pre-school children.

The *Law on Financing of Local Self-government Units*²⁵⁰ defines the various financial resources of local government units, which spread from municipality's own revenues, state budget, other budgets, as well as financing through loans.

Social protection within the units of local self-government is carried out by two mechanisms:

- the employee in the municipal administration
- the committees of the municipal councils which are active in the area of social and child protection, education, sports and culture.

However, in most of the Macedonian municipalities, there are no employees working exclusively on social protection issues. The persons employed in the units for local economic development work on social protection related issues, in collaboration with the units or sectors for public affairs. Regarding the committees as assisting bodies to the municipal councils, dealing with social protection, it has to be noted that such committees exist in many municipalities, but very often there are no social protection work programmes.²⁵¹

With the changes of the Law on Social protection, in 2004, the municipalities were given opportunity to prepare development programmes for the specific needs in the social protection area for their citizens. With the same Law, in 2009, the municipalities were obliged to develop such programmes, but except the transfer of competences for the elderly homes, realisation of other social competences is not on satisfactory level. Lack of mid- and long-term planning and implementation in the area of social protection is identified in most of the Macedonian municipalities. This is mostly due to the slow transfer of the social competences and finances from central to the local level.

In most of the Macedonian municipalities, there is no formally developed mechanism for participation of poor and vulnerable groups at local level. In some cases, municipal statutes define possibilities for public debates and consultation prior to the adoption of some policy documents and local plans, but in practice this is rarely done and is mostly of a very formal nature in order to maintain the appearance of a participatory process.²⁵² Communication with citizens is direct, mostly when citizens approach the municipality and seek assistance. Communication of the units for local self-government with the people living in the rural areas is usually through the presidents of the local communities,²⁵³ who inform the municipality about their problems. The municipalities inform their citizens via local newsletter, local media or the municipal web-site. The municipalities cooperate with the centres for social work, in most cases, when obtaining information for the beneficiaries of certain services

250 Official Gazette of the Republic of Macedonia, No. 61/2004, 96/2004, 67/2007 and 156/2009

251 A Commission on Health and Social Protection composed of eight mayors has been established also within the Association of Units for Local Self-government (ZELS). However, this commission has been fully inactive, which is shown by the fact that its last meeting took place in May 2006 (www.zels.org.mk).

252 Direct participation of the citizens through citizens' initiatives for local issues, referendums or petitions as defined in the Law on Local Self-government, occur seldom.

253 In Macedonian: "mesni zaednici"

With regards to the cooperation between the units of local self-government and the civil society organisations, a tendency is observed for cooperation in project activities, i.e. civil society organisations approach the municipalities to offer cooperation. This tendency is increasing with the open opportunity for application for many EU funds, where strong cooperation among municipalities and NGOs is required. However, there is discontinuity in the cooperation concerning the monitoring of such implemented activities from a programme or a plan.

In most of the Macedonian municipalities, there is no established mechanism for identification of poor and vulnerable groups. The municipalities do not maintain a database on issues concerning social protection and inclusion; neither classifies the data in different categories of beneficiaries.

Some of the municipal employees consider that this issue should be dealt by the centres for social work. Very often, specific vulnerable groups are not identified or included in the process of elaboration of certain local action plans, which leaves them again on the margins of the local community.

The provision of social services by the units of local self-government includes smaller financial allocations, as well as different social services implemented mostly with participation of the central government or with support by foreign donors (i.e. the project “public kitchen” through which hot meals are provided to users of social services; special facilities for daily centres for children with special needs etc). Although there are certain services provided by the units of local self-government, there is still lack of sufficient programmes aimed at vulnerable and marginalised groups.²⁵⁴

Besides the lack of strategic planning for inclusion and improvement of the conditions of poor and vulnerable people, there is lack of cooperation between the business sector and the municipalities, and most of all, lack of cooperation and coordination with all relevant stakeholders in the field of social protection and social inclusion on local, inter-municipal and central level.²⁵⁵

ANALYSIS OF THE SIZE AND STRUCTURE OF THE NGO SECTOR IN THE REPUBLIC OF MACEDONIA

The civil society in Macedonia is rooted in the older history of Macedonia, starting from the XIX century during the Macedonian national revolution, through some charity organizations before the Second World War and many cultural, sports, social and professional organizations during the period of socialism. The first non-governmental organizations in modern terms were established in the period before and after the independence of the Republic of Macedonia, at the beginning of the 90'es. The Kosovo-crisis in 1999 brought many international and humanitarian organizations in the region and Macedonia, which had significant impact on the development of the civil society in Macedonia.

²⁵⁴ I.e. in many rural municipalities in Macedonia there is lack of kindergartens.

²⁵⁵ In order not to perceive the social assistance users only as recipients, the Law on Social Protection stipulates that every local self-government unit could hire seasonal workers, users of social benefits, to carry out community services. Most of the Macedonian municipalities make use of this provision, but there is lack of continuum for their contracting, since these measures are dependent on government funding.

The number of registered NGOs in Macedonia has significantly increased during the twenty years of independence, from 4.203 in 1990 to 11.326 in 2010.²⁵⁶ The civil society organizations in the country can be divided in few categories, such as:

- Religious communities;
- Economic chambers and employers' organizations;
- Political parties;
- International and foreign organizations (with branch offices in Macedonia)
- Unions;
- Associations and foundations.

The last category comprises organizations that work in different areas such as:

- Democracy, human rights and rule of law;
- Children, youth and students;
- Economic development;
- Ethnic communities;
- Women and gender issues;
- Environment and nature;
- Health;
- Information;
- Culture;
- Children with special needs;
- Non-violence and tolerance;
- Education and science;
- Consumer organizations;
- Rural development;
- Development of civil society;
- Charity organizations;
- Sports, hobby and recreation;
- Elderly etc.

Table 5: Number and categories of civil organizations in Macedonia throughout the years

Year	Total number	Sports	Culture	Professional organizations	VFA ²⁵⁷	Others
1954	1,004	27.6%	10.3%	3.7%	55.6%	2.2%
1962	1,138	28.1%	11.4%	7.3%	41.0%	12.3%
1971	1,535	30.9%	8.4%	6.6%	45.3%	8.8%
1980	3,077	39.9%	9.1%	9.2%	23.7%	17.8%
1990	4,203	41.3%	11.1%	11.8%	14.6%	21.1%
1998	6,526	43.6%	13.1%	10.4%	5.9%	26.8%
2001	3,433	-	-	-	-	-
2003	5,769	35.4%	10.4%	6.7%	1.6%	45.9%
2009	10,700	27.6%	4.5%	8.1%	-	59.8%

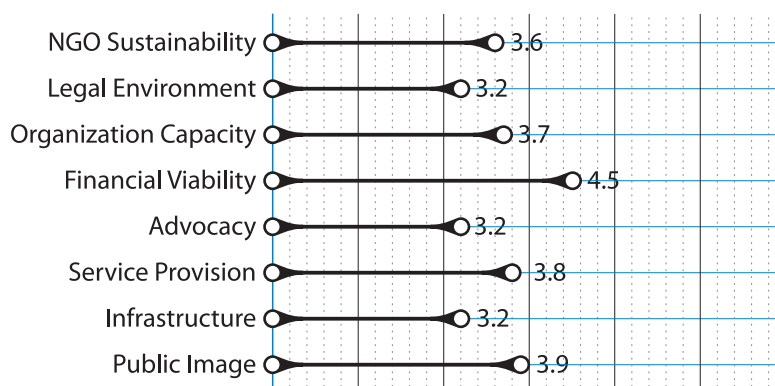
Source: UNDP 1999, MCIC 2003 and 2011

²⁵⁶ Macedonian Centre for International Cooperation (MCIC)

²⁵⁷ Voluntary fire-fighting associations

Despite the big number of registered NGOs in the Republic of Macedonia, the number of active and sustainable NGOs is quite lower. The number of NGOs with professionally engaged staff is very limited. Many organizations engage volunteers as an alternative staff for their operation, which seriously affects the work quality. The withdrawal of the traditional bilateral donors from Macedonia affects and will have a serious impact on many organizations which have had a long-term cooperation with the same donors.

Figure 4: NGO Sustainability Index, 2009 scores for Macedonia²⁵⁸



Source: USAID, NGO Sustainability Index 2009

The *Civil Society Index 2010*²⁵⁹ has identified the following strengths and weaknesses of the Macedonian civil society:

Strengths	Weaknesses
- The civil society is most active in the field of promotion of human rights; - It contributes to the strengthening of the citizens; - Communication, networking and cooperation among the NGOs is on a very high level; - Corruption in the civil society occurs seldom; - The NGOs have capacities for fundraising from different sources.	- The alleviation of poverty is just a declarative priority and includes only ad-hoc actions; - The Macedonian NGOs do not show strong activities to influence the national budget; - The civil society is not a leader in its positions;²⁶⁰ - The involvement of the citizens in the civil society is quite low; - The civil society does not improve the social responsibility of the citizens; - The NGOs are more dedicated to the relations with foreign donors instead of the relations with its members, citizens and other stakeholders.

²⁵⁸ The NGO Sustainability Index uses a seven-point scale, to facilitate comparisons to the Freedom House indices, with 7 indicating a low or poor level of development and 1 indicating a very advanced NGO sector

²⁵⁹ Civikus, *Civil Society Index 2010, Long Way to Bigger Civic Engagement*

²⁶⁰ Negative example which leads to mistrust in the civil society organisations is registration of NGOs by political parties in order to benefit business and political parties' interests. The most known example of abuse of the NGO reputation is organizing strikes in support of political interests.

NON-GOVERNMENTAL ORGANISATIONS

In 2004, civil society organisations were given the opportunity to be involved in the social protection system as service providers. They were permitted to deliver social services to citizens with partly financial support by the Ministry of Labour and Social Policy upon fulfilment of certain criteria. Currently, 58 NGOs are registered as services providers within the MLSP, however financial means for their activities are not secured on a long term basis by the MLSP, thus their activities are dependent on programmes and projects financed by foreign donors.

NGOs in Macedonia active in the social sector are mostly found in areas where the state has less developed form of assistance, such as daily centres for support of various vulnerable groups, SOS telephone lines, support to specific vulnerable categories, such as women (especially victims of domestic violence), minorities, informal education programmes etc.

In the area of social inclusion, there are no NGOs that deal with this issue in general. Many NGOs are representing and working on improvement of the state of the most common and above described vulnerable groups in the Macedonian society.

Roma people are represented by many local and national NGOs which work either on advocacy, or on direct Roma support. One of the greatest achievements in this field is the support to the education process of Roma pupils mostly by well known local NGOs in regions populated with higher share of Roma community. Having in mind that many Roma pupils come from families with no or low level of education, local NGOs are committed to work with Roma pupils after classes and support them in their home-work and additional explanation of certain school subjects.

NGO "Sumnal" operates in the Roma settlement "Topaana", located near the centre of Skopje, the capital of Macedonia. Their main activities are directed to Roma children of different age and are focused to provide support in obtaining the most important life-skills and progress in the educational process. One of their activities is the programme on:

Literacy and Life Skills for Children Who do not Attend School - Through collaboration with the local community and the local institutions, the NGO "Sumnal" managed to support a high number of children to enrol and stay in the educational process. However, many children remain unable to attend school due to lack of finances and lack of citizenship documents in Macedonia. This program serves the poorest and most marginalized children and families. Using standardized curriculums and focusing on practical skills, this program strives to provide children who do not attend school with basic literacy and life skills.

Disabled persons are also well represented in the country by many NGOs, active in the local communities especially when it comes to lobbying for removing of some infrastructural barriers for people with physical disability. People with mental disabilities are widely represented by the "National Centre for Support of Persons with Intellectual Disabilities – Poraka".

One of the activities of the **NGO "Poraka"** is the project on "Action and support of families with disabled children in the Republic of Macedonia.

The goals of the project were:

- Creation of 10 daily centres for preschool children (creation of special groups in regular kindergartens);
- Lobbying in front of the Government and institutions for provision of services for children with intellectual disability;
- Awareness raising about the disability issue in R. Macedonia.

Within the project, 10 special groups were opened within the regular kindergartens for children with intellectual disability in 10 cities in R. Macedonia: Kumanovo, Skopje, Tetovo, Struga, Ohrid, Bitola, Negotino, Sveti Nikole, Stip and Kocani. These 10 special groups for children with intellectual disability were equipped with the same equipment for animation and further development.

NGOs and networks dealing with women issues are quite active in the Republic of Macedonia. While only few women NGOs are specialized on creation of policies and advocacy, many NGOs work on direct support of women (especially with women victims of domestic violence), through provision of free of charge legal support, psycho-therapy, strengthening of the vocational skills of women of different categories and economic empowering through various forms of capacity building.

In contrast to the above mentioned vulnerable groups, elderly people are represented only by few NGOs in Macedonia that operate in settlements with higher share of elderly population.

Good practice of direct support to elderly people is one of the activities of the NGO "Humanost" directed to service delivery for elderly assistance in their place of living. Beneficiaries of this extra-institutional form of service were elderly people above the age of 65, who were provided with care and assistance in their daily activities. A team of doctors, nurses, social workers, psychologists and housekeepers was engaged in 2009 on the territory of the Municipality of Aerodrom to support the elderly in this need.

Lobbying and advocacy for crucial policy changes is noticed only by few well-known NGOs, which are located mostly in the capital of Macedonia. The voice of the Macedonian NGOs regarding certain social injustice is still quite weak. Campaigns to raise awareness and combating social problems, as well as events for public attention are being organised mostly by the bigger NGOs within some large-scale projects financed by international donors. There are however, NGOs that regularly report on acute social problems and unacceptable adoption of legislative within press-conferences or via their web-sites.²⁶¹

In order to strengthen the monitoring function of NGOs active in the social area throughout Macedonia, as well as to initiate a united dialog with the Macedonian duty-bearers, in 2010 the Austrian Development Cooperation supported the establishment of

261 "Macedonian Helsinki Committee", "HERA" etc.

the Macedonian Anti-Poverty Platform (MAPP).²⁶² The Macedonian Anti-Poverty Platform is an umbrella of more than 40 national nongovernmental organizations and associations. These nongovernmental organizations (including the association of trade unions) operate in a variety of fields, including those relating to human rights, the social sector, non-discrimination, health issues, women's issues, children's issues, poverty and people affected by poverty, disabilities, refugees and internally displaced populations, ethnic minorities, sexual minorities, etc. The organizations have come together to call attention to the concerns of citizens with regard to these issues of common interest.

The platform aims to insure a wide dissemination of information relating to the EU policies regarding antipoverty, social inclusion and antidiscrimination. The ultimate aim of MAPP is to improve living conditions and promote policies relating to poverty and social exclusion in Macedonia and the wider community.²⁶³

The goals of MAPP are.²⁶⁴

- To reduce poverty and social exclusion;
- To develop cultural, economic and social values;
- To develop a strong network to fight against poverty and social exclusion;
- To work with impoverished communities and their empowerment;
- To eliminate all forms of discrimination and to promote equality;
- To foster participative democracy;
- To provide advocacy, lead lobbying efforts, and influence public policies and strategies in the spheres of social and health protection, employment, poverty reduction, social inclusion, human rights and non-discrimination;
- To raise awareness of poverty-related issues;
- To create an environment which enables economic development;
- To network and collaborate with other national and regional anti-poverty platforms;
- The inclusion of impoverished, marginalized, vulnerable and socially excluded communities at all levels of its decision-making process;
- To strengthen the internal capacities of its members;
- To conduct research and analyses in the fields of poverty, human rights, social inclusion, non-discrimination, health protection, employment, and education; thus suggesting concrete measures for overcoming identified problems.

In June 2011, the Macedonian Anti-Poverty Platform became official member of the European Anti-Poverty Network.²⁶⁵ The membership in a strong EU network²⁶⁶ should hopefully contribute to exchange of experience, to further capacity building of MAPP's members, as well as to strengthen the standing point of the Macedonian national Platform.

²⁶² Macedonian Anti-Poverty Platform was established with technical support by the Ludwig Boltzmann Institute of Human Rights (BIM-FV Skopje) within the ADC financed project "Social Inclusion and Human Rights in Macedonia".

²⁶³ In 2010, MAPP implemented a *Campaign on Fights against Poverty and Social Exclusion* within the *European Year to Combat Poverty and Social Exclusion 2010*. The motto of the Campaign was "Every third Macedonian lives a "patched" life" was affirmation of the latest statistical report on poverty for 2009. It has been differently perceived by various Macedonian stakeholders and raised lots of debates among the media and the experts in the social sector.

²⁶⁴ www.mpps.org.mk

²⁶⁵ www.eapn.eu

²⁶⁶ EAPN is comprised of 30 national anti-poverty networks.

CONCLUSION

On 8th of September 2011, Macedonia celebrated the 20th anniversary of its independence from Yugoslavia. Although, it has advanced quite well in the context of EU accession compared to the other states of former Yugoslavia, it still faces burning social problems and tensions.

The social impact of the global economic crisis in Macedonia has been dramatic as in other countries. Macedonia has been forced to raise funds in international capital markets at high price, while the budget deficit, low before the crisis began, has increased substantially foreshadowing impending cuts in social expenditures. The quality of life in Macedonia has been adversely affected by the global economic crisis, as shown by the findings of a household survey carried out in 2009.²⁶⁷ Almost every third citizen of Macedonia (31%) believed that his/her life has worsened over the 12 months prior the survey, while only 15% considered that their life had improved. Unemployment is the primary cause for poverty and social exclusion. The unemployment rate in the third quarter of 2009 by ILO methodology was one of the highest in Europe (31.7%). Compared to 2008, the income inequality between rural and urban has significantly widened in favour of the urban areas. The economic situation of households has worsened. In 2009 three fifth of households reported that it was hard to make ends meet. Elderly people face the most difficulties with the affected living standard. In terms of pay, almost one half of the respondents is not satisfied and feels badly paid²⁶⁸ and many feel insecure in their job.²⁶⁹

Many policies and laws have been adjusted to the EU legislation in the past several years; however, their implementation in many sectors is still lagging behind. The fact, that the social competences are not fully transferred from central to local level presents a constant excuse for non-implementation of social agendas of the Macedonian duty-bearers.

Lack of cooperation between the central and local authorities, non-existence of long-term strategic partnerships among authorities and the NGO sector, lack of trained professionals in the centres for social work as well as overburdening with administrative issues worsen the situation of the vulnerable and socially excluded people in the country. Moreover, the prejudices and stereotypes that still prevail among the general population for specific marginalized groups are not a strong signal for a very inclusive society.

The fight against poverty and social exclusion calls for strong inter-sectoral cooperation among the authorities and serious accountability by the main stakeholders, both at national and local level. The cooperation with the NGOs should overpass the phase of declarative gatherings.

On the other hand, NGOs active in the social area should develop long-term strategic plans for improvement of the situation of people they represent, through lobbying, advocacy and sensitization of the population, especially through strong cooperation with media, which currently is not the case in the Republic of Macedonia. And finally, the vulnerable and marginalized categories of people, supported by the civil society organizations should grow up stronger and feel free to raise their voice against the social injustice and inequality.

267 The survey was carried out by the Brima pooling agency, on behalf of a research team at the South East European University in Tetovo.

268 The Law on minimal wage in Macedonia was negotiated in October 2011 and amounts to MKD 8050 (EUR 130) net.

269 Bartlett, Will, *The Social Impact of the Economic Crisis in the Western Balkans, with a focus on the Republic of Macedonia*, 2010

SOCIAL EXCLUSION IN MONTENEGRO



V. MONTENEGRO

COUNTRY PROFILE

Full name: Republic of Montenegro

Capital: Podgorica

Location: South-eastern Europe, between the Adriatic Sea and Serbia

Total area: total: 13,812 sq km

Border countries: Albania, Bosnia and Herzegovina, Croatia, Serbia

Population: 661,807 (July 2011 est.)

Nationality: Montenegrin(s)

Ethnic groups: Montenegrin 43%, Serbian 32%, Bosniak 8%, Albanian 5%, other (Muslims, Croats, Roma 12% (2003 census)

Religions: Orthodox 74.2%, Muslim 17.7%, Catholic 3.5%, other 0.6%, unspecified 3%, atheist 1% (2003 census)

Languages: Serbian 63.6%, Montenegrin (official) 22%, Bosnian 5.5%, Albanian 5.3%, unspecified 3.7% (2003 census)

Age structure:

0-14 years: 15.5% (male 50,060/female 52,823)

15-64 years: 71% (male 244,057/female 225,620)

65 years and over: 13.5% (male 35,551/female 53,696) (2011 est.)

Government type: Republic

Administrative division: 21 municipalities-Andrijevica, Bar, Berane, Bijelo Polje, Budva, Cetinje, Danilovgrad, Herceg Novi, Kolasin, Kotor, Mojkovac, Niksic, Plav, Pljevlja, Pluzine, Podgorica, Rozaje, Savnik, Tivat, Ulcinj, Zabljak

Legal system: civil law

Executive branch: Chief of state: President

Head of government: Prime minister

Cabinet: Ministries act as cabinet

Legislative branch: unicameral Assembly (81 seats; members elected by direct vote to serve four-year terms; note - seats increased from 74 seats in 2006)

Judicial branch: Constitutional Court (five judges serve nine-year terms); Supreme Court (judges have life tenure)

GDP Purchasing power parity:

\$6.724 billion (2010 est.)

\$6.653 billion (2009 est.)

\$7.055 billion (2008 est.)

GDP (Official exchange rate):

\$4.017 billion (2010 est.)

Labour force by occupation: agriculture 2%, industry 30%, services 68% (2004 est.)

Unemployment rate: 14.7% (2007 est.)

Population below the absolute poverty line: 7% (2007 est.)

SOCIAL EXCLUSION IN MONTENEGRO

The notion of social exclusion in Montenegro, like in the rest of the region, is relatively new. Research on social exclusion in Montenegro was conducted for the first time within National Human Development Report in 2009²⁷⁰ when the Social Exclusion Index-SEI was calculated.²⁷¹ The concept of social exclusion in Montenegro and input parameters for calculating SEI took in account the aspect of household and aspect of family. Therefore, social exclusion was analyzed at two basic levels.

- Social exclusion at the household level
- Social exclusion at the individual level

It is considered that households are excluded/vulnerable if they do not have sufficient incomes i.e. if they are exposed to the risk of poverty or if they are not able to pay their bills and if they do not have adequate and regular access to the health services. Households that have non-paid bills (most often for water, electricity and loan instalments) are exposed to the risk of piling debts for overheads, and when it comes to loans families that are not able to pay the flat rent or loan instalment on time are faced with losing their housing. Moreover, inadequate access to the health services, especially for the families and individuals with low incomes endangers health of these persons. One of the reasons for difficult and inadequate access to the health services is transportation to the medical institutions that families with low incomes very often cannot afford. It can be said that socially excluded households are those exposed to the following problems and risks:

- **Low incomes/poverty** - this category includes households with equivalent incomes under the poverty line (60% of the median equalised income of the household);
- **Indebtness** - households faced with the problems to meet their financial obligations i.e. that have non-paid bills for overheads, loan instalments and other outstanding debts;
- **Inadequate access to the health protection services** - households whose members live far away from medical institutions and doctors and for whom this distance is an obstacle to receive medical treatment.²⁷²

Individuals are considered socially excluded/ vulnerable if they are unemployed or their employment is not secured or long-term, and if they are less educated which makes them less competent at the labour market and makes finding a job difficult. When low incomes of these households are taken into account individuals are exposed to the risk of social exclusion. Low incomes, lower level of education, irregular and insecure employment deprive these families of the opportunity to change their lives and improve their socio-economic status which leads to long-term exclusion.

Table 1.1. presents main indicators of the social exclusion/ vulnerability of the households (presented as % of the total population number).

270 UNDP and Institute for Strategic Studies and Prognoses. National Human Development Report 2009 Montenegro: Society for All, Podgorica 2009. Page 28.

271 During research the concept and index of social exclusion were based on the parallel methodologies used in Macedonia and Croatia, See: UNDP and Institute for Strategic Studies and Prognoses. National Human Development Report 2009.

272 UNDP and Institute for Strategic Studies and Prognoses. National Human Development Report 2009 Montenegro: Society for All, Podgorica 2009, page 28.
See also UNDP Croatia. NHDR – Unplugged- Faces of Social Exclusion. Croatia, 2006.

	Low incomes (poverty)	Inadequate access to the health care	Indebtedness	Social exclusion index
Montenegro	24,3	29,7	30,1	3,5
Northern region	25,1	42,4	29,2	5,9
Southern region	20,0	24,9	12,0	1,0
Central region	24,8	23,9	41,1	3,2
Podgorica	23,9	23,7	38,9	3,3

SOCIAL EXCLUSION OF HOUSEHOLDS

Data presented in table 1.1. show that the percentage of social exclusion according to individual categories (low incomes, inadequate access to the health care and indebtedness) as well as general social exclusion index is very high. A great number of households faces financial problems and insufficient incomes. In Montenegro 24.3% individuals live in households whose equivalent income per adult household member is under the relative poverty line in Montenegro,²⁷³ due to which a great number of families is not able to pay their bills and they often do not have inadequate health care access.

As presented in Table 1.1. there are variations in the level of social exclusion of households

	Low incomes (poverty)	Inadequate access to health care	Indebtedness	Social exclusion index (SEI)
Montenegro	24,3	29,7	30,1	3,5
Social welfare beneficiaries	53,9	20,8	55,4	11,9
Long-term unemployed	44,3	29,0	41,0	10,0
Pensioners with minimum income	44,5	22,8	32,7	8,9
RAE	41,6	50,5	54,5	14,1
Persons with disabilities	32,9	35,0	44,0	5,0
Displaced persons	31,0	32,3	22,9	8,3

Regional overview shows that the biggest percentage of the socially vulnerable households is concentrated in the Northern part of the country where 5.9% of the households is exposed to the problems of low incomes, limited and inadequate services of health care and inability to meet their financial obligations on time. The percentage of social exclusion is lowest in the Southern region and it is only 1.0%, a biggest problem households face is insufficient income. In the central, biggest region 3.2% households are socially excluded, and the biggest problem is indebtedness.

273 The relative poverty threshold or at risk of poverty threshold is calculated as 60% of median equivalised household income per adult member. Households whose members' equivalised income is below 60% of median equivalised income are considered to be at risk of poverty. Median is a type of average, found by arranging the values in order and then selecting the one in the middle. If the total number of values in the sample is even, then the median is the mean of the two middle numbers. The median is a useful number in cases where the distribution has very large extreme values which would otherwise skew the data. At risk of poverty is produced using equivalised income per household (ISSP/UNDP Social Exclusion (household) Survey 2008). For the core sample, if we use equalised consumption: (median 455.9EUR and threshold 273.16EUR) 27.1% of individuals are at risk of poverty. If we use per capita expenditure, without applying equivalence scale, than 9.6% of individuals are at risk of poverty (median 296.62EUR, threshold 177.97EUR).

SOCIALLY EXCLUDED INDIVIDUALS

It is considered that individuals are excluded/ vulnerable if they are exposed to poverty, if they are unemployed or they do not have secured employment, or if they are deprived of education. If these individuals are at the same time members of the same household which belongs to the category of the socially excluded households it is considered that they are exposed to extreme social exclusion. It is estimated that 9.2% individuals are excluded, while 1.3 % is extremely socially excluded.

The biggest number of the socially excluded persons lives in the Northern region 10.2%, out of which 2.4% is extremely socially excluded. The percentage of socially excluded individuals in the Southern region is 7.8%, out of which 0.2% is extremely socially excluded, while it is 9.2% in the Central region with 1.0% extremely socially excluded individuals.²⁷⁴

	North	South	Central region	Montenegro
Lack of employment	11,4	4,4	8,3	8,3
Insecure employment	8,2	12,3	6,6	8,6
Deprived of education	16,1	10,8	14,5	14,2
Low incomes (poverty)	26,1	19,9	25,4	24,3
SEI	10,2	7,8	9,2	9,2
Extreme exclusion	2,4	0,2	1,0	1,3

Furthermore, there are noticeable differences in the level of social exclusion based on gender, so women are less exposed to the social exclusion as presented in the next table which gives indicators of social exclusion per gender and regions.

		Northern region	Southern region	Central region	Montenegro
Lack of employment	Men	10,9	5,1	9,1	8,7
	Women	12,5	3,8	7,5	8,2
Insecure employment	Men	10,3	14,1	7,7	10,2
	Women	6,3	10,9	5,3	7,1
Deprived of education	Men	14,4	7,3	12,7	12,0
	Women	18,5	14,5	16,2	16,5
Low incomes (poverty)	Men	24,8	19,7	24,6	23,4
	Women	27,4	19,9	26,2	24,9
Social exclusion index	Men	15,2	10,5	12,5	13,0
	Women	5,0	5,1	6,2	5,5
Extreme social exclusion	Men	2,1	0,4	1,1	1,3
	Women	2,8	0,0	0,9	1,3

As presented in the table in the Northern part of the country women face more obstacles for social inclusion in regards with education and employment access and health services. In the Northern and Central region more men are unemployed, while the primary obstacles for more active participation of women in the society are education and income generation. The Northern region has the biggest percentage of men (2.1%) and women (2.8%) exposed to the extreme social exclusion.²⁷⁵

274 UNDP and Institute for Strategic Studies and Prognoses. National Human Development Report 2009 Montenegro: Society for All, Podgorica 2009, page 30-32.

275 Ibid.

The next table shows SEI for individuals per socially excluded groups:

	Core sample	Social welfare beneficiaries	Long-term unemployed	Pensioners with minimum income	RAE	Persons with disabilities	Displaced persons
Lack of employment	8,3	23,5	27,7	10,7	19,9	7,9	10,1
Insecure employment	8,6	3,8	7,6	9,2	9,6	3,7	10,4
Deprived of education	14,2	30,7	14,6	22	65,0	28,5	27,9
Low incomes	24,3	58,5	46,6	43,1	42,3	36,1	29,9
Social exclusion index	9,2	21,8	15,5	17,3	13,9	15,7	12,6

- 21.8% individuals in households that are social welfare beneficiaries are socially excluded while 4.1% is extremely socially excluded. Categories they are derived of are mostly incomes (58.5%) and education (30.7%);
- 15.5% individuals in households whose members are long-term unemployed are socially excluded, while 3.8% is faced with extreme social exclusion;
- 17.3% individuals in households whose members are pensioners are socially excluded, and the percentage of those exposed to extreme social exclusion is 2.4. Persons in this category mostly face problems in access to the health services;
- 13.9% individuals of RAE is socially excluded, with a high percentage of extremely socially excluded -13%. In this group individuals are mostly deprived of access to education (65%) and incomes (42.3%);
- 15.7% persons with disabilities is socially excluded, and mostly deprived of incomes (36.1%), education (28.5%) and health protection (22.3%);
- 12.6% persons in households of displaced persons are estimated to be socially excluded, while only 0.8% is extremely socially excluded. This population is mostly deprived of incomes (29.9%), education (27.9%) and health services (24.0%).²⁷⁶

MOST VULNERABLE GROUPS

Some social groups in Montenegro belong to especially vulnerable groups due to high poverty and social exclusion to which they are exposed. These are: social welfare beneficiaries, long-term unemployed persons, pensioners, RAE population, persons with disabilities and displaced persons. Social exclusion index (SEI) for social welfare beneficiaries is 11.9%, while for these households poverty and low incomes are the biggest obstacle for social inclusion. SEI for households whose members are long-term unemployed is 10.0%, while this index for pensioners households is 8.9, caused

²⁷⁶ UNDP and Institute for Strategic Studies and Prognoses. National Human Development Report 2009 Montenegro: Society for All, Podgorica 2009, page 30-32.

by poverty for both groups. RAE households are almost equally exposed to the same problems: more than 41% of the RAE households have low incomes, 51% does not have adequate access to the health protection, and 55% is not able to regularly pay their bills. 14.1% of RAE households are at the same time deprived of all three categories, which is the highest percentage of SEI among the socially excluded groups. In the category of households whose one member receives benefits for disabled persons or some other benefit based on disability 5.0% is socially excluded.

LONG-TERM UNEMPLOYED PERSONS

High percentage of unemployment in the Montenegrin society is mostly caused, like in the other countries of the region, by the dissolution of the former Yugoslavia, later political changes and economic transition. In spite of the positive economic growth, in recent years, unemployment is still one of the biggest problems leading to poverty and social exclusion. The unemployment percentage in Montenegro for 2008 varies from 10.6% and 18%.²⁷⁷

The unemployment problem is very serious because in most cases unemployed persons are long-term unemployed. In average 62% of the unemployed do not have a job for longer time, while the time period for job searching was in average 3.7 years in 2007. Persons who are not able to find a job for a longer period are faced with the risk of poverty and social exclusion. The very fact that a person is unemployed conditions their exclusion from different social happenings, and it can lead to long-term social exclusion.

Although unemployment and consequential social exclusion are especially present with elder population and increase with age,²⁷⁸ the youth is also stricken with this problem due to the age and lack of work experience.

The level of education is closely linked to the job finding opportunities. According to the conducted research²⁷⁹ 64% of the respondents have high-school/technical education, while only 7% respondents have university education. Only a smaller number of the long-term unemployed attend courses and trainings for obtaining additional marketable skills and knowledge in order to increase their chances for finding a job. Out of 82% respondents who do not attend additional courses and trainings, one fourth said that it was because they had to earn for living (24.8%), while others were not motivated enough (23.1%) or they could not afford that (8.5%).

One of the causes of high unemployment rate is employment access which, along with a few private employment agencies, is mostly covered by the Employment Bureau as the main institution that provides services to the unemployed persons. The Bureau uses active employment programs, organizes public works, professional trainings, counselling, intermediation with employment and others. Mostly used services of the Bureau are counselling and intermediation, and 57% of the unemployed looks for a job through the Employment Bureau, although many are not satisfied by its services and they mostly use

277 There is a difference in data because data on unemployment are collected by two institutions, the Employment Bureau which gives the percentage of 10.6% unemployment, while the Statistics Bureau (Monstat) gives the percentage of 18%.

278 A great number of middle-age and elderly persons lost job due to closing-down, privatization and restructuring of the state companies.

279 UNDP and Institute for Strategic Studies and Prognoses. National Human Development Report 2009 Montenegro: Society for All, Podgorica 2009, page 43-48.

their personal resources (social and family connections) in order to find a job. It is estimated that about half of the long-term unemployed directly contact potential employees, while the other 40% uses help of friends and family.

It is not possible to mitigate the unemployment problem by the benefit for the unemployed because it amounts 65% of the minimal wage (which is 40E). Besides this all the unemployed do not have the right to this benefit. The purpose of this benefit is to motivate the unemployed to look for a job, and not to secure living. From 2005 the unemployed obtained the right to material insurance of the family which is also small, but still it de-motivates a certain number of people to look for a job and by doing so risk losing this benefit which is after all secure and regular income. They tend to work on the grey market or have part-time jobs.²⁸⁰ Most unemployed consider that the quality of social services is unsatisfactory and that social benefits are small because they estimate that their households need at least 1177E monthly to cover the living costs.

As a conclusion, we can say that the lack of paid and permanent employment, irregular and low incomes to satisfy basic needs are one of the biggest causes of social exclusion. Unemployment of the individuals and families causes a range of negative consequences such as risk of poverty, indebtedness, inadequate living conditions, deprivation of getting education, isolation from social streams, loss of motivation to poor health condition and death.

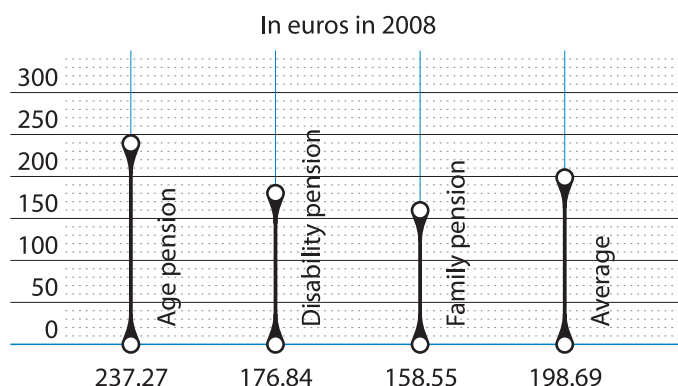
Besides securing resources for the basic needs, employment enables people to be involved in social structures and to access various cultural, educational, sport and other activities.

Mitigation or resolution of the unemployment problem requires remove of administrative obstacles in business in order to create possibilities for new job openings. It is necessary to introduce effective measures and mechanisms such as receiving new and additional qualifications and agreement of the financial benefits by the employee. It is necessary to adequately respond to the market offers resulted as a consequence of privatization. The Employment Bureau needs to intensify employment programs and evaluate costs and efficiency of the current trainings and their influence on unemployment decrease.

PENSIONERS WITH MINIMUM PENSIONS

Elderly persons compose 17% of the total number of population of Montenegro out of which 44% are men, and 56% are women. According to the census from 2003 the number of persons between 60 and 64 years was 29.233, and over 65 years 74.160, which indicates that Montenegro has the aging population. In 94.000 pensioners lived in Montenegro, while average monthly pension was 184.40EUR which is slightly above the poverty line (162EUR according to the conducted research), and two times less than the average salary.

280 According to the ISSP/EAM LFS survey from 2007, in June 2007 almost 50,000 or 22.6% of the employed, were active in the informal economy - EC Directorate-General for Employment, Social Affairs and Equal Opportunities, Unit E 2, Social Protection and Social Inclusion in Montenegro, June 2008, page 12



In 2007 pensioners composed 35% of the inactive population. Increase of the aging population and early retirement are already problem and challenge for sustainability of the retirement fund and securing pensions. As already mentioned, the amount of the average pension is slightly above the poverty line, while the minimal monthly pension of 71.6EUR is smaller than half of the poverty line which amounts 162EUR.²⁸¹ Due to low incomes pensioners are one of the society groups that is most faced with social exclusion and risk of poverty. The Northern part of the country has a bigger level of social exclusion of pensioners who are often exposed to multiple exclusion and poverty risk. Pensioners in this part of the country often live in the old and single households in remote, abandoned village. The poverty rate in households whose one member is a pensioner with minimal incomes is 15.7%, and social exclusion index for household is 8.9. Most pensioners' households (66.2%) state that they face smaller or bigger problems in order to survive, while 24% state that they face great difficulties in order to satisfy basic needs.

Pensioners face different problems and one of the biggest is access to the health care which one of the most important services for this population. Health insurance is provided to pensioners within the pension package and it amounts 15% of the total pension budget.²⁸² However, pensioners are mostly not satisfied with health care services and estimate them with 4.5 out of 10. This information is very important since 90% pensioners use health services in the public health institutions.

Speaking of the social protection services only 4.3% of pensioners with minimal pension receive material securing in the average amount of 73.3EUR monthly. The system of social protection services for pensioners is not developed which particularly refers to services in local community/municipality. Besides general services provided by the Social Work Center there is a possibility of accommodation in the home for elderly persons and support of "gerontology assistants", but due to the lack of capacities all the persons who need this care and support cannot receive it. In some local communities there are initiatives to build daily centres for the elderly, but they still need to be established. Pensioners are generally not satisfied with social protection services and rate them with 4.1.

²⁸¹ According to Statistical Yearbook 2007, Monstat there are around 32.000 pensioners i.e. one third of pensioners with monthly pensions with less than 100 EUR.

See also Poverty Alleviation and Social Inclusion Strategy, Montenegro 2007, available at www.gov.me/files/1245845751.doc

²⁸² Statistical Yearbook 2007 and PIO Fund data.

A mitigating factor of the socio-economic position of the pensioners is that most of them (84%) have housing which partially influences their economic security and social inclusion. However, the percentage of 13% pensioners who do not own housing is not negligible. A small percentage (3%) lives in rented flats, but due to low incomes they are not able to pay for the rent which makes them the most vulnerable part of this age group.

Due to insufficient incomes 17% pensioners in Montenegro are engaged in some activities and in that way they earn additional income which in average is 305EUR per month. A certain number of pensioners think that they are still capable to work and think that they are discriminated due to their age and legal regulations due to which they cannot find a job or keep the one they have. On the other hand, a certain number of pensioners agree that the existing work places should be left to younger generations, while a number of the elderly is not able to work at all due to age and poor health.

In regards with participation of pensioners in political and social life it has been improved through activities of 60 clubs for pensioners in each municipality. Besides this, there is NGO "Association of Pensioners" that advocates pensioners' rights and cooperates with authorities and Fond for Pension and Disability Insurance. Besides important activities it implements and support it provides the Association should be more engaged in establishing contacts with pensioners who are not members of the Association with the aim of improving their participation in the society. In addition to the Association the only other organization that takes care of the elderly persons is the *Gerontological Society* which also faces obstacles for sustainability and efficiency.²⁸³

PERSONS WITH DISABILITIES

Generally speaking, statistical data on persons with disabilities in Montenegro are mostly unavailable which is a great obstacle for solving the problems of this social group. In accordance with lump-sum estimation of the World Health Organization out of total Montenegrin population 7-10% are persons with disabilities.²⁸⁴ The official data that would confirm these estimations do not exist because during census in 2003 data on persons with disabilities were not collected. According to the estimations of the Ministry of Health, Work and Social Affairs the number of children with developmental difficulties is 6000-7000.

The rights of persons with disabilities are regulated by legislation, in the first place by the Constitution which prohibits any kind of discrimination, and guarantees protection of persons with disabilities and material support to those who are not capable of work. The other legal documents such as Law on Pension and Disability Insurance and Law on Social and Child Protection regulate the rights of persons with disabilities. Moreover, adoption of the Strategy for Integration of Persons with Disabilities in Montenegro for the period 2008-2016 improved the program framework which refers to persons with disabilities.²⁸⁵

283 See also Government of Montenegro, Strategy for the Development of Social Protection for the Elderly in Montenegro 2008-2012.

284 UNDP and Institute for Strategic Studies and Prognoses. National Human Development Report 2009 Montenegro: Society for All, Podgorica 2009, page 53.
See also Poverty Alleviation and Social Inclusion Strategy, Montenegro 2007, available at www.gov.me/files/1245845751.doc

285 Strategy includes measures of programming policy in the fields of health and social protection, education, professional qualifications, employment, accessibility, culture, recreation and sport as well as associations of persons with disabilities.

Even though there are positive developments, the position of persons with disabilities is very difficult. One of the biggest problems this population faces is poverty. Most persons with disabilities are passive users of material benefits, and not active participants in the society which mostly depend on limited resources of the central and local authorities that should provide them with regular material support. In 2003 it was estimated that about 60% persons with disabilities live at or under poverty line which is mainly caused by the low level of education and high unemployment rate as a consequence of the already mentioned social stigmatization, discrimination and limited access. Estimations show that 11.9% households of persons with disabilities live under the poverty line, and that 5% are socially excluded.²⁸⁶

Speaking of employment, opportunities are very few.²⁸⁷ Although most persons with disabilities who have taken part in the research use the services of the Employment Bureau (72%) only 22% respondents was engaged in a working activity a week before the research. Nevertheless, the quality of jobs is not satisfactory because it is assessed with 3.6 while the national average is 5.7 (on the scale 1 to 10.)

It is an undeniable fact that disability affects their working ability. 48% respondents have said that disability completely affects their working ability and that they are not able to work at all, while 34.4% said that it affects them partially. In order to solve this problem it is necessary to ensure adequate facilities and working conditions for persons with disabilities.²⁸⁸

Obstacle for finding a job is also low level of education of this social group. More than one third of respondents said that their education was affected by disability - in 21.9% cases it was completely, while in 15.6% it was partially.²⁸⁹ The level of education of person with disabilities is not high: one fourth has finished primary school which greatly reduces their chances to find a job, while a small number (1.4%) attends specialized institutions for persons with disability. At all the levels of education the number of men with disabilities is higher than the number of women. About one third of the respondents have said that they do not attend school or they will stop attending school due to invalidity, age or health problems. Only 1% of children with developmental difficulties are enrolled pre-school institutions. The situation is better in the higher education where 7.2% of persons with disabilities attend university.²⁹⁰

Although persons with disabilities have the right to the health insurance they are facing problems that make access to the health care difficult. Public health insurance covers 95% persons with disabilities, but those who said that they were not insured also said that they were not able to cover the costs of health services themselves (64%). Other problems

286 The research measured poverty and social exclusion of households of persons with disabilities and not individuals so it is presumed that the percentage of poverty and social exclusion would be even higher if the measurements were individual.

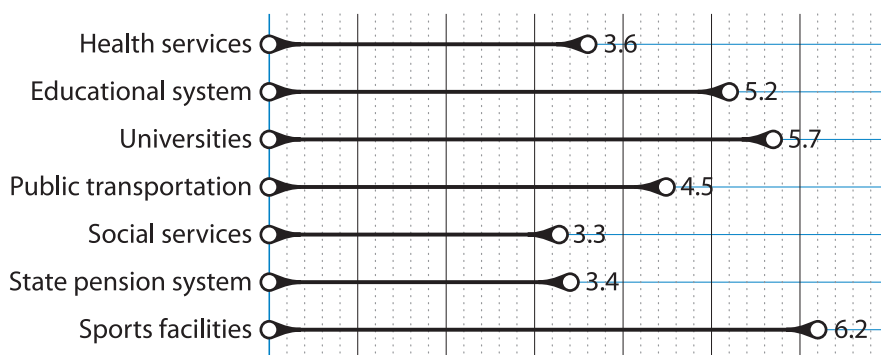
287 "The national Employment Agency registers 2.740 unemployed individuals with disabilities, which is 8% of the total unemployed. However, PWD associations' assumption is that significant number of PWD is not registered." – EC Directorate-General for Employment, Social Affairs and Equal Opportunities, Unit E 2, Social Protection and Social Inclusion in Montenegro, June 2008.

288 See also Manual of the Association of Paraplegics of Montenegro.

289 See also Ministry of Education and Science's Report on Education of Children with Special Needs 2009 and Strategy for Inclusive Education in Montenegro 2008. available at www.mpin.gov.me/files/1211965409.doc

290 This percentage is relatively high because in recent years access to public universities has been improved as a result of effort of the Ministry of Education and Science, Association of the Youth with Disabilities and the EU. Moreover, the Ministry of Education and Science grants six scholarships every year for persons with impaired vision.

mostly refer to physical inaccessibility of many health institutions, treatments that are not covered by the state health insurance and insufficient availability of the walking aids.²⁹¹ For these reasons, persons with disabilities assess the quality of health services with 3.6, and pension system with 3.4.



The quality of social services is assessed with 3.3, while invalid, age and family pensions, and other incomes that persons with disabilities receive barely reach the poverty line.

A lot of obstacles persons with disabilities face unable their active participation in different fields of and aspects of social life. 5% of households of persons with disabilities is socially excluded. Persons with disabilities are exposed to multiple exclusion which requires additional attention and resources than it is the case with other excluded categories.

POPULATION OF ROMA, ASCHALLI AND EGYPTIANS (RAE)

More than other vulnerable and excluded groups the population of Roma, Aschalli and Egyptians (RAE) is exposed to poverty and marginalization. It is also exposed to traditional social prejudices and negative stereotypes which is not common just in Montenegro or some countries of the region, but in whole Europe. It is estimated that 11.000 persons of RAE population live in Montenegro, including domicile and displaced persons from Kosovo.²⁹²

Montenegrin authorities are taking part in a few international initiatives aimed at improving position of Roma such as Roma Decade 2005-2015.²⁹³ Regarding implementation of Decade the National Action Plan and National Strategy for Improving Position of RAE population for the period 2008-2012 has been adopted. Although these are important developments there are no major changes in improving position of the RAE population. The poverty rate of the RAE population is 36%, while the exclusion rate of the RAE households is 14%. The major reasons of the high poverty rate among RAE population are:

- Low level of education
- High unemployment rate especially with women
- Social prejudices and stereotypes

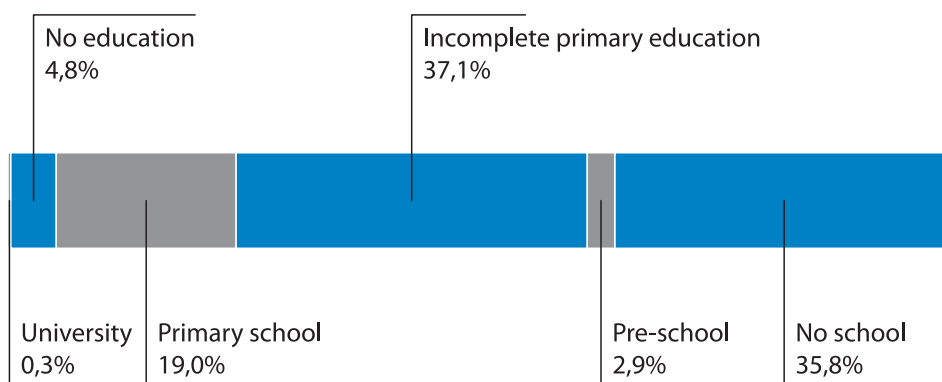
²⁹¹ See also Strategy for the Integration of Persons with Disabilities in Montenegro available at www.gov.me/files/1245937763.doc

²⁹² In 2008 the Montenegrin Statistics Bureau (Monstat) together with National Roma Council and coalition of the Roma NGOs implemented a kind of a pilot census for the RAE population.

²⁹³ <http://www.romadecade.org/>

Although there are no official data on the number of the unemployed RAE, the research showed that the percentage of the employed in this population is 20%, and a great number is employed in informal market. Jobs that they do are badly paid, they work in bad conditions and their work rights are often violated. These jobs include: crafts (12%), repairs (37%) and work in public-communal companies that bring average monthly income of 237E a month.²⁹⁴

Low level of education of the RAE population is the main reason for their unemployment. 36% of the population did not finished school, 19% finished primary school, while 4% finished high-school. Although all levels of education are accessible to this population additional help, counselling and encouragement are needed to involve them in the education system. A great problem is drop-out from schools among the RAE children. Illiteracy is also very spread among this population and percentage of the illiterate is 72% (out of this percentage 74% are women and 26% are men).

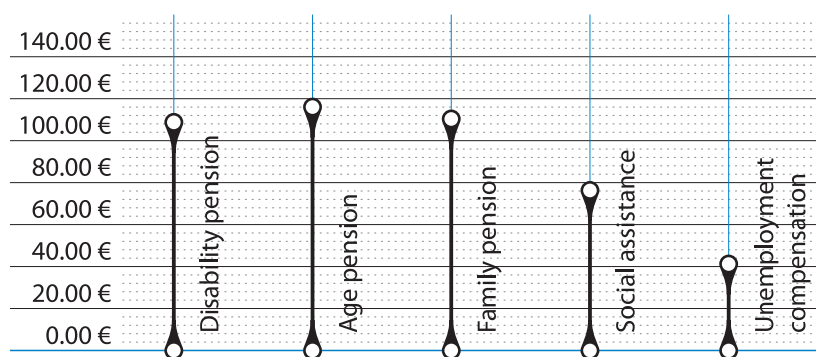


The conditions most of Roma population lives in whole Europe are very bad, and their settlements are usually remote and isolated. Housing problems of the RAE population in Montenegro are not different. More than half RAE population lives in informal accommodation for which they do not have proper documents, and 8% rents accommodation. About 1/4 of this population lives in poor-conditioned and crowded barracks, and 1/3 do not have access to water. Unemployment and badly paid jobs unable this population to receive loans from banks in order to provide accommodation for themselves.

RAE population is mostly not able to use social protection services because they are not citizens of Montenegro or because of illiteracy. Less than 1/5 RAE families use material benefits for families, while just more than 1% receives elderly pension even though they have worked long enough to have the right to this pension.²⁹⁵

²⁹⁴ See also UNDP/ISSP Social Exclusion Research 2008.

²⁹⁵ See also National Strategy for Improving Roma Population Status in Montenegro 2008-2012, available at www.minmanj.gov.me/strategija-za-poboljsanje-polozaja-roma



Social and political participation of RAE persons is limited due to their material position and prejudices of the society towards them. RAE population does not have its representative in the Assembly which immediately leaves them out of political streams and decision-making processes. A positive example is that recently RAE NGO and Roma Council have been formed in order to improve the position of this social group.²⁹⁶

Obstacles that RAE population faces are multiple and rooted in the society. They include poor education with high illiteracy rate, unemployment, social prejudices, unsolved housing problems and citizenship status. Women in RAE population are, along with these obstacles faced with gender discrimination, either in their traditional patriarchal families or wider society.

REFUGEES AND DISPLACED PERSONS

During conflicts at the territory of former Yugoslavia in 1990ies about 16.259 persons from Kosovo and 8.023 persons from Bosnia and Herzegovina and Croatia fled to Montenegro. Displaced persons fled to Montenegro in different periods and from different countries and they were assigned different legal status. First category is called "Displaced persons from Bosnia and Herzegovina and Croatia", who came to Montenegro mostly in the period 1990-1995. They have status of displaced persons which actually corresponds to the circumstances of their coming Montenegro and thus deprives them of certain internationally recognized rights.²⁹⁷ Problems of these persons are mostly related to impossibility to receive citizenship, non-having travel documents, inability to buy real estate or rent flats due to non-having proper and internationally recognized documents.

Persons who came to Montenegro from Kosovo in 1999 also have the status of "displaced persons", although they are usually called "internally displaced persons" because in that period Montenegro and Kosovo were part of the Federal Republic of Yugoslavia, which changed when Montenegro declared independence in 2006 as well as Kosovo in 2008. In spite of these changes these persons are still registered as "displaced persons" which makes them unable to realize some of their basic rights such as the right to work. As a consequence displaced persons are faced with many other problems. First of all this group is poorer than domicile population and other vulnerable groups for three times except RAE population. 34% of displaced persons live under the poverty line, and 8% is

²⁹⁶ See also UNDP/ISSP Social Exclusion Research 2008.

²⁹⁷ According to UNHCR (United Nations High Commissioner for Refugees) these persons should have been given the status of refugees in order to realize the rights guaranteed by the Convention from 1951 pertaining to the status of refugees.

socially excluded. For most of them paying for monthly costs is a problem of households (33%), while the percentage of those households that have great difficulties to pay their monthly expenses is very high (26%). Poverty is mostly caused by the unemployment because these persons do not have the right to be registered at the Employment Bureau as persons who are looking for a job and they cannot use services of the Bureau.²⁹⁸

Displaced persons are provided with health care, for 59% of them health insurance is covered by the state, and 24% is insured through a family member, 9% through employee, 3% through insurance company, while 10% do not have health insurance mostly due to unregulated legal status. Displaced persons do not have the right to social benefits and help, except services that are not financial and that are provided by the Social Work Centres.

Accommodation is also a problem for displaced persons since due to unsolved status they cannot own real estate or cannot take a loan to improve their living conditions. 49.1% households of displaced persons from Croatia and BiH live in accommodation they own, 21.3% own accommodation, and 12% lives in accommodation that they do not own. Half of displaced persons from Kosovo who do not belong to RAE population live in their own accommodation, although a great number of them lives in collective centres. Displaced RAE population from Kosovo (61%) live in facilities for which they do not have legal ownership, 11.1% live in collective centres, while 19.4% claims that they own accommodation for which they have regulated ownership. Displaced persons mostly do not participate in political process and decision-making. Although there are some associations of displaced persons and there are occasional campaigns in order to solve the most important problems for this social group there are no bigger results.²⁹⁹

YOUTH

According to data of census from 2003 620.145 people lived in Montenegro. Out of this number 143.338 are youth between 15 and 29 years which is 23.2% of the total population.³⁰⁰ Although this group is very heterogonous they mostly face the same problems.

Problems of the youth occur very early, primary when it comes to education. During primary and high-school education the biggest problems are unequal level of equipment of schools which often depends on the location and region, inadequate schools facilities with out-dated equipment especially in smaller and rural areas. Schools generally dispose with small number of computer labs, and the existing ones are not sufficiently used. At the same time there is not special space in schools that would be used for extracurricular activities. The prices of school books and equipment are still very high for most parents. Problems are equally present in high education and they mostly refer to the conditions of university enrolment, variety of programs, mobility of degrees, linking of labour market and professional education, establishing standards of professional education,

298 The Law on Employment of Foreigners (2009.) generally guarantees the access to employment, but this pertains to persons who have a legal status of foreigners in Montenegro which does not pertains to displaced persons.

299 UNDP and Institute for Strategic Studies and Prognoses. National Human Development Report 2009 Montenegro: Society for All, Podgorica 2009, page 67-72.

See also See also UNDP/ISSP Social Exclusion Research 2008.

See also National Strategy for Permanent Solution of the Problem of Refugees and IDP available at www.gov.me/ResourceManager/FileDownload.aspx?rid...2...

300 The census results show that demographic aging has affected Montenegro in the whole territory. The average age is 35.9 years, while it was 32.7 in 1991. The drop of the birth rate in recent years is alarming: from 5.1 in 2001 to 3.5 in 2004.

more important role (by number and content) of humanistic subjects and more intensive learning of foreign languages. Prolonged university studying is also emphasized, drop out from the university, "brain drain", insufficient mobility of student and teachers in regards with professional training and insufficient engagement of younger teachers at universities and high-school. The main obstacles for receiving professional training are getting scholarships, study trips to other countries, student exchanges, insufficient number of scholarships and insufficient information on these opportunities.³⁰¹

There is a number of international mobility programs for students and foreign governments' scholarships that support developing countries, but they are still not accessible for a great number of interested people in Montenegro. Regarding the funds for talents there is the Fund of Ministry of Education and Science for talented students who go to graduate studies, but this fund also cannot respond to the needs of all the youth.

Even in spite of these problems it can generally be said that the young population lives a relatively good life during their schooling age. The biggest problems occur when the young people finish their education and start looking for a job. According to data of the Employment Bureau of the Republic of Montenegro, 21.9% of the unemployed younger than 25 years is waiting for a job. Out of total 48,834 unemployed persons at the end of 2005, the youth between 15-30 years were 18,395. In total, unemployment rate of young people with disabilities/handicap is 5.4% - the Employment Bureau registers that 234 people with disabilities/handicap are in the category between 15-30 years. The official data show the period from 2000 to 2005 the number of the unemployed in this age group decreased from 42,627 to 18,395.

YEAR	TOTAL UNEMPLOYED	WOMEN	UNEMPLOYMENT RATE
1990	53,744	30,566	
2000	81,069	48,304	32.7%
2001	79,960	48,277	31.5%
2002	76,293	46,208	30.5%
2003	68,625	39,264	25.8%
2004	59,002	30,980	22.6%
December 2005	48,834	23,294	18.5%

A big problem for youth employment is "grey economy" and illegal work. Unprotected work, without taxes and contributions payment is present in both formal and non-formal sector in many fields and for different professions and all levels of education. Since they cannot find a job young people are forced to accept to work illegally. As the youth are mostly registered at the Employment Bureau the unemployment status provides them with health insurance, although they do not have pension insurance.

The youth in Montenegro postpone getting married, and due to economic crisis a great number of young people stay with their parents - they "prolong" living with their primary family, and postpone making their own family and having children for future.³⁰²

301 National Action Plan for Youth, Podgorica 2006. Page 8-43 available at http://www.infomladi.me/fajlovi/mladi/attach_fajlovi/lat/glavnestranice/2010/03/pdf/Nacionalni_Plan_akcije_zamlade_CG.pdf

302 National Action Plan for Youth, Podgorica 2006. Page 8-43.

See also EU Youth Strategy available at http://www.infomladi.me/fajlovi/mladi/attach_fajlovi/lat/glavnestranice/2010/03/pdf/EU_youth_strategy.pdf

See also Annual Action Plans for the Youth available at <http://www.infomladi.me/index.php?IDSP=68&jezik=lat>
See also <http://www.europa.eu/youth>

The youth between 15 to 29 years compose 23.2% of the population in Montenegro. Therefore, we can conclude that the percentage of young people who have ability to vote in the total voting population is significant. Proportionally to their number the youth should represent, if not the most important, than one of the main factors in creating the whole social reality. The youth should have a special influence in the fields that are of their direct concern, as well as whole reality since they are the ones who need to create their own future. The youth in Montenegro are not motivated to actively participate in the society, they are not organized and do not trust enough to the social and political institutions. On the other hand, society does not trust enough to the young people. Partially due to the sceptical opinion that they cannot change much, due to the lack of information and slow procedures for involving and accepting young people as equal participants in the social processes the youth are very often not motivated to be more actively involved in the social process. In 2002 only 39% of the youth wanted to stay in the country, 9% was not sure, and the rest hoped to go abroad.

RELEVANT INSTITUTIONS AND ACTORS OF SOCIAL INCLUSION IN MONTENEGRO

STATE LEVEL

The Constitution of Montenegro is foundation and guarantee for social inclusion:

- Article 8 forbids any direct or indirect discrimination on any basis;
- Article 64 states that persons with disabilities, women and youth have to have special protection at work;
- Article 67 states that the state is obliged to materially provides for the persons that are not able to work and cannot support themselves;
- Article 68 guarantees special protection to the persons with disabilities;
- Article 74 states that children are guaranteed special protection from all kinds of psychological, physical, economic and other abuse;
- Article 75 guarantees the right to education under the same conditions;
- Article 18 guarantees equality of men and women.³⁰³

Priority tasks of the government of Montenegro are poverty reduction, prevention of marginalization, prevention of consequences of unemployment and development of adequate and needed measures in different fields of social policies. With the aim of fulfilling these priorities the Government of Montenegro adopted the Strategy for Reduction of Poverty and Social Exclusion in 2003. A special attention is put on marginalized, emphasizing the most vulnerable ones such as persons with disabilities, RAE population and displaced persons. Besides this leading document there are other documents focusing on solving problems and improving the situation of the vulnerable groups which are supplements to the Strategy for Reduction of Poverty and Social Exclusion such as National Action Plan "Roma Inclusion Decade 2005-2015",³⁰⁴ National Strategy for Permanent Solving of Problems of Refugees and Internally Displaced Persons,³⁰⁵ Strategy for Improving Position

³⁰³ See Constitution of Montenegro available at cgo-cce.org/demokratija/dokumenti/Ustav%20CG.doc

³⁰⁴ <http://www.romadecade.org/>

³⁰⁵ National Strategy for Permanent Solution of the Problem of Refugees and IDP available at www.gov.me/ResourceManager/FileDownload.aspx?rid...2...

of Displaced Persons, Strategy for Development of Social and Child Protection,³⁰⁶ Strategy for Protection of Elderly Persons³⁰⁷ and others. All the programs aim at poverty reduction, strengthening of social inclusion and providing equal opportunities for all in accordance with the European social model.

Updated version of the Strategy for Reduction of Poverty and Social Exclusion was adopted in 2007.³⁰⁸ It articulates the development plan of Montenegro and sets reachable goals that will influence poverty reduction, it integrates social, economic and structural elements and identifies measuring of fulfilling the set goals.

Another important document is the Strategy for Development of Social and Child Protection System in Montenegro 2008-2012.³⁰⁹ Although the rights in the field of social protection already exist in the present system it is necessary to make changes in accordance with latest achievements in this field and obligations required within the European integration process and other international processes that Montenegro is a part of. The main reasons for the reform of the social and child protection system are the following:

- The social and child protection system is mostly centralized;
- The system is burdened with various bureaucratic procedures and it is not flexible-realizing the rights from the field of social protection is difficult because it requires a great number of evidences that a beneficiary needs to submit which would not be necessary if the informatics system was better developed;
- Number of beneficiaries who have the right to different kinds and services of the social protection is bigger than covered by the system;
- Services in the system of social protection are not well developed and they mostly include material benefits and institutional accommodation;
- Beneficiaries covered by the system of social protection have a passive role;
- Services provided by the NGO sector, physical and legal persons whose founder is not the state, with the exception of the Red Cross, are not enough developed and used;
- Cooperation and exchange of practices and experiences among actors that provide social services are not enough developed;
- The level of knowledge of the experts is often unequal, and there is a lack of qualified staff and specialized knowledge.

One of the main obstacles for effective functioning of the social protection system in Montenegro is centralized management. Taking into consideration that most competences for determining the rights, deciding on the possibility and way of their realization and necessary resources belong to the state, local self-governance does not have enough independence, and thus not enough motivation, to satisfy the needs of the beneficiaries and improve the system at the local level.³¹⁰ As a consequence the local self-governance directs citizens to those rights and services for which the state is in charge which is most often institutional accommodation, which is most often not in the best interest of the beneficiaries because they are being replaced from their residence place and at the same time that is the most expensive kind of protection.

306 Available at www.gov.me/files/1208947440.pdf

307 Available at gdcg.info/doc/strategija1.doc

308 See www.gov.me/files/1245845751.doc

309 See www.gov.me/files/1208947440.pdf

310 Ibid.

Experiences of some countries show that decentralization may have good results if some functions in the field of administration, planning and providing services are allocated from the central level to the regional or local units of self-governance or some sectoral units. Decentralization also implies that social services provision involves some other actors besides the state: NGO sector, private sector and citizens themselves.³¹¹

It was centralized system of social protection that caused that citizens do not participate in its creation and do not see it as a system that they can influence because decisions are being made out of their reach at the central level, and influence through local authorities is often very weak which discourages citizens and prevents them to be active participants in this process. Therefore it is necessary to enable citizens and social services beneficiaries to be actively involved in decision-making process and creating social services and directly influence kind, quality and number of the available services. Besides the active engagement of the final beneficiaries, it is very important to work on improving pluralism of service providers and involving different actors in the system of creating and providing social services. Concrete steps for improving efficiency, availability and targeting of social services which the Strategy for Development of Social and Child Protection of Montenegro 2008-2012 focuses at, can be summarize in the following way:

- Raising awareness on the lack of social protection system and needs of the social service beneficiaries;
- Engaging all the relevant actors and stakeholders in creating and implementing social policy-state institutions, civil society organizations, media, private sector, beneficiaries and others;
- Improving creating and implementing of social policy at the local level through establishing local, mixed councils for planning social policy;
- Improving coordination and communication among state, regional and local actors of social protection system.³¹²

LOCAL LEVEL

As already mentioned, the rights from social and child protection are realized at the competent social work centres. Each municipality is covered by social work centres. However, organization of social work centres is inadequate and insufficiently stimulative at the local level and, ultimately, it is not rational. Out of ten social work centres only three are independent municipal centres (Herceg Novi, Rožaje and Plav), while the others are inter-municipal. Some inter-municipal centres are too big, and municipalities they cover are remote from each other and they have very different demography, economic power etc. Human resources in the social work centres do not correspond to the complexity of everyday problems.

Children and youth are accommodated in the social and child protection institutions founded by the state. It is obvious that there is no developed system of different categories of children with special needs and therefore accommodation in institutions

311 In making decisions on which functions need to be delegated to local or regional level many countries applied subsidiarity principle meaning that certain competences and functions are delegated to those government levels that have capacities to implement them. There is also a possibility for asymmetric decentralization which means that only some functions are transferred to local and regional self-governances. This practice is usual in the countries where local self-governances significantly differ in terms of economic development, territorial size, population and other relevant characteristics.

312 See www.gov.me/files/1208947440.pdf

out of Montenegro is being used. Children without parental care are accommodated in the public institution (PI) children's home "Mladost" in Bijela. Children and youth with special needs/behavioural disorders are accommodated in PI centre for children and youth "Ljubović" in Podgorica.

Children with special needs who have moderate, severe and profound mental retardation are accommodated in special institution "Komanski most" in Podgorica. There are also adults and elderly persons in this institution which is a great problem for taking care of this category.

Adult and elderly persons with disabilities are accommodated in the institution for adult and elderly persons with disabilities. Recently, the number of requests for institutional accommodation of elderly persons has increased to which current capacities cannot respond. These capacities are not adequate for different categories of beneficiaries and it is necessary to establish new institutions that would be better located in regional and local communities. Rest and recreation for children who use material benefits for the families and children without parental care is provided in PI "Lovćen" – Bečići. Speaking of victims of domestic violence there is a lack of shelters and different programs for work with victims of violence.³¹³

Family accommodation is a kind of protection that takes child's interest into consideration and ensures protection and accommodation in a family surrounding. The law prescribes benefits for families which accommodate children in the amount of the price of accommodation in the institution of social and child protection (175 EUR), as well as special benefit for a person who accommodates a child in the amount of 30% of the accommodation price per child. However, this kind of service is not developed for adults and elderly persons.

Local level services, except those determined as the right of general interest, are poorly developed. This primarily implies services that support beneficiaries' stay in the family surrounding: daily facilities for children with physical and mental development disorders, daily centres and clubs for the elderly, family accommodation (except family accommodation that exists in most of the municipalities) specialized breeding for children and youth with development disorders, capacities for urgent accommodation: shelters, safe houses for victims of abuse and human trafficking, support for adults with development disorders and children and youth without parental care who are finishing their education etc.³¹⁴

Counselling services that exist in the social work centres are of a quite good quality, availability to the beneficiaries/citizens and they have preventive character, which contributes to their overall efficiency. Taking into consideration that service provision places great pressure/ burden for the specialized team, it requires specialized skills and equality of knowledge and approach.

313 See www.gov.me/files/1208947440.pdf.

314 Ibid.

NON-GOVERNMENTAL SECTOR IN MONTENEGRO

There is no long tradition of civil society in Montenegro. Establishment of first NGOs is related to creation of the multi-party system more than a decade ago. The NGO sector started growing parallel to political changes in the state in 1997 and 1998 when pro-democratic parties won the president and parliamentary elections. With this wave of liberalization and gradual movement towards democratic values a significant number of NGOs was founded. Consciousness of people on the need of establishing independent organizations along with a desire to adopt values and mechanisms present in the modern democratic societies contributed to the development of civil society. This development implied the legal framework that would regulate establishing and functioning of NGOs. Drafting the Law on Non-Governmental Organizations in Montenegro became a foundation of the NGO sector. The Law was the result of the activities of the civil society and full cooperation with modern and pre-reform oriented Ministry of Justice. Active participation of the civil sector in drafting this law was a very new and unusual practice that will be explained later.³¹⁵

In March 2006 a total of 3.454 NGO was registered in Montenegro (out of which 3.344 association and 110 foundations). Estimations of the Center for Development of Non-governmental Organizations show that the number of active NGOs (those that have activities, relevant continuity of financing, membership, employed staff, communication with media) does not exceed more than 300 organizations.

There are no official data on the activities of NGOs in individual fields mostly because many NGOs widely define the field of their activities-democratization, youth education, fight against corruption etc. The biggest number of non-governmental organizations, in accordance to the data of the Center for Development of Non-governmental Organizations work in the field of culture and art (12.20%) and social-humanitarian problems (15.10%), and less in the field of legislation, advocacy and public policies (0.87%) and problems of refugees and displaced persons (1.31%). Most NGOs are located in Podgorica (32.15%) and Nikšić (9.33%), and least in Šavnik (2) and Plužine (1). Regionally speaking, the biggest number of non-governmental organizations is in the central part of Montenegro (59.62%), the Southern part has 22.89%, while the Northern part has 17.49%. Out of the total number 25.22% NGOs are members of local and international associations (networks, unions, coalitions); 27.26% non-governmental organizations has publishing activities; 50.29% non-governmental organizations uses email, 10.35% has their own web-site.³¹⁶

315 Center for Democracy and Human Rights (CEDEM). Third Sector Development in Montenegro: challenges and opportunities available at <http://www.euclidnetwork.eu/data/files/montenegro.pdf>

316 See <http://www.crnvo.me/>

Field of Work	November 2002.	November 2006.
Culture and Art	120	197
Education and Research	66	112
Environment Protection	59	125
Humanitarian Work	30	38
Social Issues	104	145
Building and Development of Local Communities	54	98
Protection of Workers' Rights	57	101
Promotion, Protection and Strengthening Human Rights and Freedoms	55	98
Legislation and Public Policies	6	7
Advocacy of Non-Violence and Peace Culture	11	16
Promotion of Women's Rights	37	35
Refugees and Displaced Persons	9	17
International Activities	13	21
Other Fields of Work	26	31
Foreign Organization	59	60

The importance of the activities and services of the civil society organizations are most visible in two fields:

- Drafting new laws in cooperation with NGOs that use their contacts with foreign experts; it is obvious that ministries currently do not have sufficient number of jurists familiar with the EU legislation;
- Raising awareness through public campaigns on the importance of the European integration process; in the recent years the government of Montenegro have been under constant watch of NGO that sometimes have bigger influence than the opposition political parties.

ORGANIZATIONAL CAPACITIES AND FINANCIAL SUSTAINABILITY OF THE NGO SECTOR IN MONTENEGRO

In regards with organizational capacities of NGOs in Montenegro there is an obvious difference between a small number of big, professional NGOs and big number of smaller, institutionally weak NGOs. The lack of permanent and professional staff is one of the biggest problems for the NGO sector. NGOs that have modern equipment and internet access are mostly NGOs financed by the foreign donors. The internet access is still not possible in all the areas on the North of Montenegro. Only few of the most developed NGOs have a solid basis for developing their activities. Internal communication is often weak and it happens that persons on the managing positions do not share all the information with the other employees. Furthermore, many NGOs lack clearly defined mission or a strategic plan, while those organizations that have them often implement many other activities that are not stated in the mission.³¹⁷

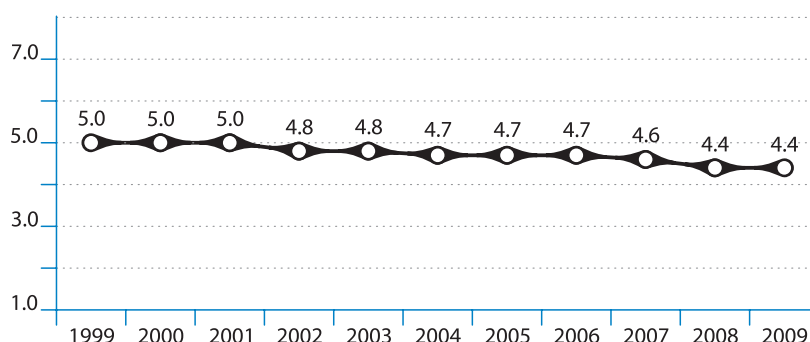
317 USAID. NGO Sustainability Index 2009. Available at http://www.usaid.gov/locations/europe_eurasia/dem_gov/ngoindex/2009/montenegro.pdf, page 164-165.

A few intermediary organizations for providing support and NGO resource centres are organizing trainings for NGOs, provide them with learning and networking opportunities, legal aid and help for writing project proposals, as well as access to technical services such as internet or fax. Nevertheless, in reality only NGOs in three municipalities, including the capital, have a regular access to the services of support, because the field work makes trips difficult and increases expenses.

Understandably, the resource centres out of Podgorica cannot offer services and knowledge of the same quality as those in the capital which results in very different level of development among NGOs. Like in the rest of the region, competition within NGO sector is very emphasized as well as decrease of support of the international donors which additionally makes the competition even higher. There is a problem of information sharing as NGOs share information with the others, but only if it is useful to both sides.

Volunteer engagements are still very weak because of the cultural factors such as lack of volunteering and socialism heritage and inadequate legal framework. However, it is presumed that the new government's strategy on volunteering will initiate development of legal mechanisms that will enable NGOs to engage more volunteers without heavy taxes and travel costs.

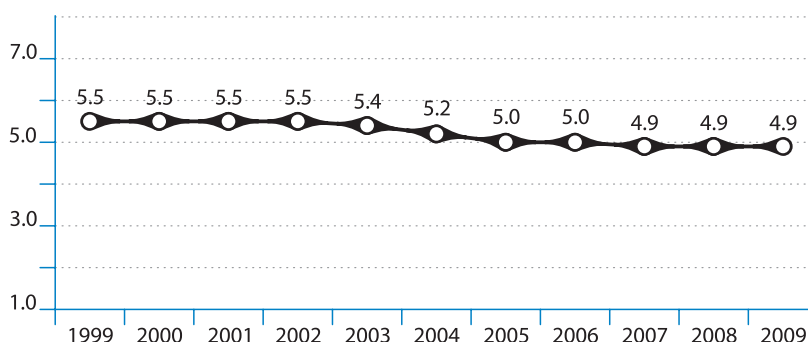
Organizational Capacity in Montenegro



Problem of ensuring financing and financial sustainability is still very emphasized and most NGOs are faced with the challenge of achieving sustainability without donors' financial support. Most NGOs in Montenegro are dependent on the international donors' financing and only one percentage of the leading NGOs has guaranteed financial means for more than one fiscal year.³¹⁸

³¹⁸ Ibid.

Financial Viability in Montenegro



NGOs also receives grants of domestic donors such as state or local government. However, the program for the parliamentary grants has not been properly implemented and controlled in 2009 and previous years. The parliamentary commission that supervises allocation of these grants approved grants to many weak and inactive NGOs without any control mechanisms such as financial reporting or program evaluation.

Cooperation and partnership with public and private sector have increased and there have been some inter-sectoral initiatives. Many bigger and more developed NGOs at the state level work directly with private companies and media on the joint initiatives. One NGO implements a joint initiative with three private printed media in order to investigate and publish cases of corruption through investigatory journalism. The other NGO made partnership with a Slovenian energy company in order to start a campaign on the energy efficiency in Montenegro.

Certain progress in the field of philanthropy has also influenced fundraising for NGOs in 2009. One local foundation has somewhat raised awareness on the importance of philanthropy by awarding companies and individuals who supported charity activities. The same NGO published the book entitled *History of Philanthropy in Montenegro* with the aim to revive philanthropy. The other NGO started cooperation with OSCE in order to promote corporate responsibility in Montenegro by forming a team of 12 trainers who will help companies to develop socially responsible programs and by publications focused on raising awareness on social responsibility with an emphasis on corporate and individual philanthropy.³¹⁹

There have also been some improvements regarding transparent use of funds in 2009 due to increase of the number of organizations that publish annual reports and financial reports. This positive change is mostly the result of the NGO coalition that has 200 members and is entitled "Together towards the Goal" and that fulfil obligations they agreed to in the Code of Conduct of NGOs signed in 2007. However, independent financial audits are still rare in the NGO sector although the state increased the number of inspections due to the new amendment on the Law on Non-governmental Organizations. Mostly active and experienced NGOs that receive multiple funds from the foreign donors have developed systems of control and financial reporting.

319 USAID. NGO Sustainability Index 2009. Available at http://www.usaid.gov/locations/europe_eurasia/dem_gov/ngoindex/2009/montenegro.pdf, page 164-165.

LEGAL FRAMEWORK FOR THE WORK OF NON-GOVERNMENTAL ORGANIZATIONS IN MONTENEGRO

The basic normative and legal framework for the work of non-governmental organizations in Montenegro is determined by the Constitution of the Republic of Montenegro and other legal regulations.

The Law on Non-governmental Organizations ("Official Gazette RMNE" No. 27/99 and 30/02) defines non-governmental organizations as non-governmental associations and foundations. Non-governmental association is defined as "non-profit organization with membership founded by local and foreign physical and legal persons in order to achieve common interest or in order to achieve and affirm public interest. Non-governmental foundation is "non-profit organization without membership founded by local and foreign physical and legal persons in order to join assets and property with the aim of implementing charity or other activity of a public interest and importance." Pursuant to the Law non-governmental organizations are not political organizations, religious communities, sport organizations, business associations and organizations and foundations founded by the state.³²⁰

The Law on Non-governmental Organizations adopted in 1999 is considered the most liberal in the region and according to NGOs themselves "It is a good basis for smooth registration and work of non-governmental associations, non-governmental foundations and foreign non-governmental organizations at the territory of RMNE".³²¹ Amendments and changes on the Law on Non-governmental Organizations are being drafted and they should more precisely define economic activities of non-governmental organizations.

Besides this the way of work of NGOs are also regulated with other laws and legal regulations. For example, the Law on Profit Tax of Legal Persons defines tax-exempted profit of NGOs. Non-governmental organizations are exempted from taxes by legal regulations on administrative taxes, value added taxes, tax on immovables and property taxes. The Law on Public Administration ("Official Gazette RMNE", No 38/03) and Law and Local Self-Governance ("Official Gazette RMNE ", No. 42/03) regulates relations between the state administration, i.e. local self-governance and non-governmental organizations defining that it is obligatory to consult non-governmental organizations in the process of drafting and adopting legal regulations, subordinate legal regulations and other regulations and acts, as well as development project and programs. Certain laws also define participation of NGOs in working and other bodies of the competent institutions (Law on Radio-Diffusion, Law on Health Protection etc.).³²²

By the Law on Non-governmental Organizations the state accepted to financially support non-governmental organizations. In 2000/2001 this support was realized through public calls of the government and certain funding for the work of NGOs was distributed. However, after the decision of the Constitutional Court of RMNE that the article of the Law on Non-governmental Organizations, which gives the government the right to define the criteria and way of allocation of the state aid to NGOs, was not constitutional, the Law was changed and amended and it was decided that the Parliamentary Commission of Montenegro for Allocating Funds to NGOs will decide on the state support to NGOs.

320 Basics of Cooperation between Government of the Republic of Montenegro with NGOs available at cgo-cce.org/.../Osnovi%20saradnje%20Vlade%20RCG%20sa%20NVO.doc, page 7.

321 Center for Civil Education. Development of NGOs in Montenegro in 21 Story about Democracy. Podgorica 2005.

322 Basics of Cooperation between Government of the Republic of Montenegro with NGOs available at cgo-cce.org/.../Osnovi%20saradnje%20Vlade%20RCG%20sa%20NVO.doc, page 7.

Many ministries have a good quality and comprehensive cooperation with some non-governmental organizations. For example, with the aim of improving cooperation with non-governmental organizations, Ministry of Tourism employed an associate who works as a coordinator for the NGO sector. Through a call for funds allocating to non-governmental organizations, this ministry supported 43 projects in the field of tourism, education on the environment protection, protection and promotion of the natural and cultural heritage. The Ministry of Finance established a special coordinating body for partnership of private and public sector, while representatives of the NGO sector are directly involved in drafting the new Law on Changes and Amendments of Law on Non-governmental Organizations. Ministry of Environment Protection and Urban Planning has continuous and successful cooperation with NGOs on drafting numerous strategic development documents. Ministry for Foreign Economic Affairs and European Integration signed a cooperation memorandum with a certain number of non-governmental organizations that is being successfully implemented, especially in regards with implementation of Communication Strategy for Joining the European Union. Ministry of Health also signed a memorandum on cooperation with the representatives of non-governmental organizations with which it cooperates primarily through working commissions or working groups formed for the implementation of different projects. Ministry of Internal Affairs has regular and significant cooperation with a number of non-governmental organizations. A great number of ministries appointed special coordinators for cooperation with non-governmental organizations. Generally speaking, non-governmental organizations are more and more present as the government's partner both in terms of drafting legal acts and creating strategic documents and action plans, as well as their promotion and implementation.³²³

In regards with local self-governance it should be emphasized that documents on cooperation between non-governmental organizations and local self-governance have been adopted in a few towns, while a number of municipalities assumed obligation of public finance of the NGO projects.

For example, the assembly of the Nikšić and Pljevlja municipalities adopted documents on cooperation between non-governmental organizations and local self-governance in March and May 2003, while the Assembly of the Podgorica municipality adopted Decision on the Starting Basis for Cooperation with NGOs and Way of Financing NGOs and it annually allocates funding for the NGO projects in accordance with the results of the public call.

ADVOCACY ACTIVITIES OF NON-GOVERNMENTAL ORGANIZATIONS IN MONTENEGRO

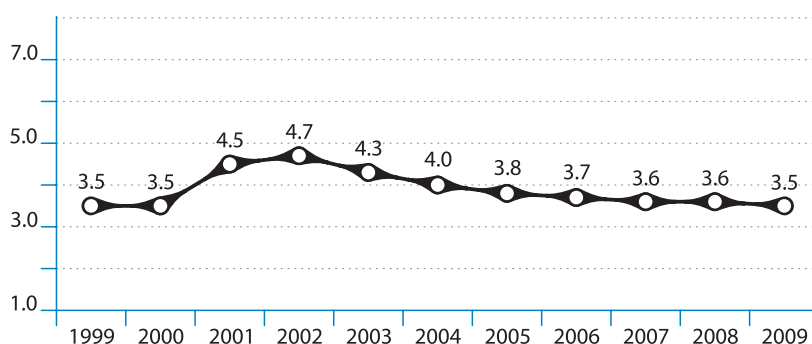
NGOs continue their work on the advocacy, lobbying and control activities and achieve better results. In 2009 representation of NGOs in the process of political lobbying has increased so the representatives of some NGOs are now members of managing boards of public broadcasting service, National Agency for the Fight against Corruption and Organized Crime and in one important parliamentary commission on the EU integration. In January 2009 the government formally signed Memorandum of Understanding which mentions Strategy for Cooperation between NGOs and Government. NGOs also more use legal means they dispose with in order to force government to be more responsible.

323 Basics of Cooperation between Government of the Republic of Montenegro with NGO available at [cgo-cce.org/.../Osnovi%20saradnje%20Vlade%20RCG%20sa%20NVO.doc](http://cgo-cce.org/.../Osнови%20saradnje%20Vlade%20RCG%20sa%20NVO.doc), page 7-10.

NGOs regularly use the Law on Free Access to Information in order to obtain important information and force government to be more open, transparent and responsible.³²⁴

Non-governmental organizations in Montenegro are more present in promoting and achieving public interest, as well as affirmation of the general position of the civil society. For example, non-governmental organizations prepared or participated in preparation of the following laws: Law on Changes and Amendments of the Law on Tourism, Law on Public Procurement, Law on the Agency for National Security, Law on the Police Forces, Law on Free Access to Information, Law on the Consumers Protection, Law on Games of Chance, Law on Financing of Political Parties, Law on Political Parties, Law on the Conflict of Interest, Law on Organic Production, Law on the Witness Protection, Law on the Safety in Traffic, Law on the Arms etc. Besides this, non-governmental organizations took part in drafting strategic documents such as Program of Fight against Corruption and Organized Crime, while at the same time they are taking part in the teams monitoring implementation of the strategic documents.³²⁵

Advocacy in Montenegro



SERVICES PROVISIONS

Services provided by the NGO sector in Montenegro are still very various. NGOs at local and state level provide services in the field of health, environment protection and management. Speaking of smaller NGOs that do not have access to financing they are not able to provide their services continuously. Bigger and more developed NGOs provide citizens with services legal advice and information, but their services are conditioned by the donors' financing.

Moreover, NGOs need to be certified in order to provide services or receive financing from a foreign government, but there is still no NGO for service provision in the fields like

324 Only one NGO submitted about 21.000 requests for information based on the Law on Free Access to Information in the last four years and it has 65 appeals in procedures in the Administrative Court pertaining on the current cases, published cases as well as 45 cases in front of non-court and pre-court arbitrary bodies. Another NGO successfully used this Law to ensure access to document of the Ministry of Finance related to the financial transfers from the state and local government budgets to political parties for regular and campaign costs. These documents clearly showed violations of the Law of Financing Political Parties by some of the leading parties in Montenegro.

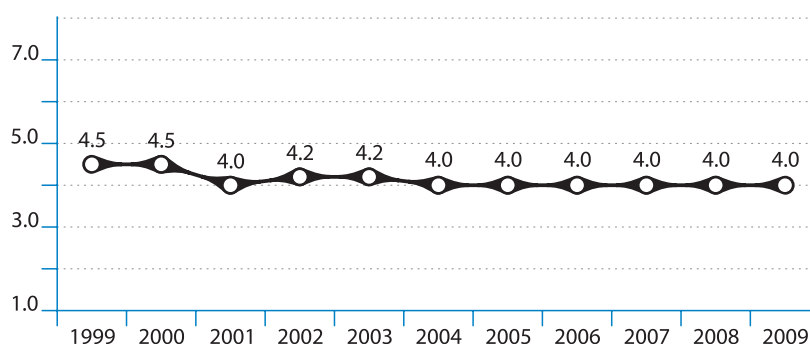
325 USAID. NGO Sustainability Index 2009. Available at http://www.usaid.gov/locations/europe_eurasia/dem_gov/ngoindex/2009/montenegro.pdf, page 165-166.

Basics of Cooperation between Government of the Republic of Montenegro with NGO available at [cgo-cce.org/.../Osnovi%20saradnje%20Vlade%20RCG%20sa%20NVO.doc](http://cgo-cce.org/.../Osнови%20saradnje%20Vlade%20RCG%20sa%20NVO.doc), page 6.

social provision, education and protection of the cultural heritage. For those NGOs that are already providing these and similar services there is no system that would control and evaluate their work.³²⁶

Most NGOs involved in the advocacy, which are getting more important especially in the context of the European integration, do not have enough members and their activities are mostly directed to the general public instead of individual interest groups. Smaller number of associations that have significant number of members conduct advocacy activities, initiate or are involved in initiatives aimed at improving the position of their members such as persons with disabilities, refugees, national minorities or market sellers.

Service Provision in Montenegro



ACTIVITIES OF NON-GOVERNMENTAL ORGANIZATIONS IN SOCIAL INCLUSION AND POVERTY REDUCTION

Available data show that out of the total number of NGOs in Montenegro 15.10% deal with social and humanitarian issues, but it was not possible to find more precise and integrated data on the NGO that work on social inclusion and poverty reduction. Similarly to the other countries in the region, there are no organizations that generally address the issue of social exclusion and poverty, but NGOs mostly focus on individual vulnerable and marginalized groups whose position they are trying to change and improve. Therefore, this chapter will present cases of good practice of NGOs' work in the field of social inclusion.

Speaking of social inclusion it is very important to mention the Roma Scholarship Foundation³²⁷ whose main mission is support to the integration of Roma and Egyptians in Montenegro through providing access to education, culture and employment at all the levels. Some of the activities of the Foundation are:

- Providing access to financial means to individuals in the Roma population who attend high-school, university or informal education;
- Establishing a data base on the Roma children inclusion in the regular education system (in municipalities, schools and classes);

326 USAID. NGO Sustainability Index 2009. Available at http://www.usaid.gov/locations/europe_eurasia/dem_gov/ngoindex/2009/montenegro.pdf, page 166-167.

327 <http://www.isi-mne.org/en/index.php> accessed on August 15, 2011.

- Demographic research on the education and employment needs of the Roma in Montenegro 2005/2006 (in cooperation with the Employment Bureau of Montenegro);
- The project "Second Chance" - integration through literacy and professional education.³²⁸

The Foundation also has a scholarship program for education of adult Roma and Egyptians with the aim of their social inclusion. This program is support to the adult Roma aged from 15 to 45 who are illiterate, who have never attended school or have finished less than four grades of the primary school. The program implies functional literacy (language and mathematic literacy, social skills and knowledge necessary for the life in modern society) and training for simple professions. During attending this program participants receive a motivation scholarship.

When it comes to persons with disabilities, it should single out the Association of the Youth with Handicap that provides psychological and social support, creates conditions for integrative education, motivates the youth with handicap to obtain university education, proposes appropriate legislative solutions and raises public awareness. Some goals of the Association are:

- Motivating persons with handicap to get involved in all segments of social and economic life, especially education and employment field;
- Preparation and development of abilities and interests of the youth with handicap in primary and secondary schools with the aim of obtaining university degree as well as internet education;
- Gathering and informing the youth with handicap on their rights and needs;
- Engagement in realizing fundamental civil and human rights of the youth with handicap;
- Initiating and implementing activities that show abilities and interests of the youth with handicap and contribute to development of their potentials and strengthening their personalities;
- Engagement in creating conditions for organizing the system of personal assistance to the youth with handicap.³²⁹

Basic Programs	Current Projects
• Education program • Programme for education and allocation of guide and mobility assist dogs • Legal program and anti-discrimination • Program of personal empowerment of persons with disabilities	• Monitoring and education about human rights of persons with disabilities • Towards inclusion in secondary education • Student service • Braille printing office

Moreover, for the elderly and pensioners population an important NGO is "Gerontology Society of Montenegro" that works on promoting improvement of the position and life quality of the elderly persons, European standards and active engagement in planning and implementation of the appropriate social and health policies. The current project entitled "SUPPORT TO THE ELDERLY IN MONTENEGRO" aims at improving social care for the elderly persons in Montenegro. A one year project improves informing of the elderly

³²⁸ Ibid.

³²⁹ www.umhcg.org/, accessed September 22, 2011.

persons and the whole society on the human rights of the elderly persons and rights in the field of social protection of the elderly in order to, as much as possible, initiate their active engagement in public and social life. A presentation on the EU experiences and cases of good practice is planned. The project also promotes new alternative solutions of social and psychological support to the elderly through starting programs of public representation, especially local self-governances with the aim of developing sustainable alternative programs. Within the project a telephone line is being opened for the support to the elderly persons based on the experiences of Slovenia.³³⁰

Youth NGOs in Montenegro are quite numerous, and as a case of good practice we can single out the Forum MNE which develops and implements programs of informal education, youth work in the community, volunteering, youth creativity and activism, support to creating and implementing of the Strategy for Youth in cooperation with all the relevant actors in the society. Individual programs that Forum MNE is implementing are:

1. Youth work through the program of youth clubs;
2. Work on recognizing the profession of "youth worker" and introducing of academic program in youth work;
3. Organizing volunteer programs;
4. Support to development of the Strategy for Youth and Children at the national and local level;
5. Development of structural and comprehensive youth informing.

Forum MNE works in Podgorica, where it is headquartered and Kotor, Tivat, Nikšić, Herceg Novi, Plavu, Pljevlja, Berane, Rožaja and other municipalities where there is a certain kind of support by the youth, citizens and authorities.³³¹

CONCLUSION

As presented throughout the above analysis the problem of social exclusion and poverty is dominant in Montenegro like in the rest of the region. The vulnerable and poor groups are, besides minor differences, same as in the other countries in the Western Balkans - pensioners and the elderly, persons with disabilities, refugees and internally displaced persons, women, youth, children and the unemployed. Moreover, Montenegro is at a similar stage of reforms of the social protection system and policies treating vulnerable and marginalized groups in the society. The public system of social protection is being reformed in the way that social services are being allocated to the local levels of government, provided that they have competences and resources to implement and provide them, in order to make these services closer and more accessible to citizens and to enable them to influence kind, number and coverage of the services in their respective communities. A special focus is placed on better targeting of the real beneficiaries' needs that is also being achieved through engaging citizens in creating social services. Another important aspect of the social system reforms is allocating and sub-contracting provision of social services with other sectors than the state institutions, primarily non-profit sector. In Montenegro, there is an increasing trend of engaging non-governmental organizations in policy and decisions making processes and consultation process which

330 gdcg.info/, accessed September 22, 2011.

331 www.forum-mne.com/, accessed September 22, 2011.

is also evident in the field of social protection and services which opens new possibilities for NGOs' activism and work in the field of social inclusion and poverty reduction.

The NGO sector in Montenegro is relatively well-developed and numerous and great number of NGOs are active in the field of social inclusion and poverty reduction, although the research and analysis on the activities of the NGO sector has not identified an organization that address these issues in general terms. NGOs working on strengthening social inclusion and reducing poverty focus on particular marginalized groups and try to improve their position through various projects and initiatives. In this way the NGO sector fills the gaps and assists those groups that are not sufficiently and appropriately taken care of by the public institutions. The achieved results clearly illustrate the potentials and know-how of NGOs when it comes to social inclusion and poverty reduction and indicate that they should be delegated provision of certain social services by the state. However, NGOs face serious problems when it comes to implementing and maintaining their activities and that is securing of sustainable and long-term funding. The funding for the activities of the NGOs in Montenegro, like in the other countries in the region, is mostly coming from the international donors that are phasing out of the country, while the need for funding is increasing. A positive change that can mitigate this problem, at least to some extent, is that the state is now providing funds for the activities of NGOs through public calls and selection by the appointed commissions. Additionally, availability of the EU funds is increasing especially due to the recent candidate status of Montenegro.

Even though there have been positive developments in the field of social protection achieved by both state institutions and NGO sector, the percentage of socially excluded and poor is still very high and requires much more attention and strengthened efforts to improve the position of this group. NGOs will keep having a decisive role in this process and therefore they need to strengthen and direct their activities even more towards the population of the poor and vulnerable. In order to do this they need to enhance their capacities through networking, exchange of good practices and resources and forming sectoral groups that will be able to address problems of a certain marginalized group in a more comprehensive and successful way through joint work and cooperation. In this regard it is especially important to work on establishing regional cooperation and networking with NGOs in the Western Balkans, form a forum for exchange of information and start regional initiatives with the aim of finding effective and viable means for fighting social exclusion and poverty in Montenegro and the rest of the region.

SOCIAL EXCLUSION IN SERBIA



VI. SERBIA

COUNTRY PROFILE

Full name: Republic of Serbia

Capital: Belgrade

Location: South-eastern Europe, between Macedonia and Hungary

Total area: 88,407 sq km

Border countries: Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Hungary, Macedonia, Montenegro, Romania

Population: 7,120,666 (without Kosovo and Metohija, 2011 census)

Ethnic groups: Serb, Hungarian, Roma, Yugoslavs, Bosniaks, Montenegrin, Albanian, other

Government type: Republic

Administrative division: 150 municipalities + 28 city municipalities

Legal system: civil law

Executive branch: Chief of state: President
Head of government: Prime minister

Cabinet: Republican Ministries act as cabinet

Legislative branch: unicameral National Assembly (250 seats)

Judicial branch: courts of general jurisdiction (municipal courts, district courts, Appellate Courts, the Supreme Court of Cassation); courts of special jurisdiction (commercial courts, the High Commercial Court, the High Magistrates Court, the Administrative Court)

GDP (purchasing power parity):

\$80.1 billion (2010 est.)

\$78.72 billion (2009 est.)

\$81.26 billion (2008 est.)

GDP (official exchange rate):

\$38.71 billion (2010 est.)

Employment rate: 50.0% (UNDP Human Development Study 2010)

Unemployment rate: 17.4% (UNDP Human Development Study 2010)

Poverty rate: 6.9% (UNDP Human Development Study 2010)

Refugees and internally displaced persons: refugees (by country of origin): 71,111 (Croatia); 27,414 (Bosnia and Herzegovina); 206,000 (Kosovo), note - mostly ethnic Serbs and Roma who fled Kosovo in 1999 (2007).

SOCIAL EXCLUSION IN SERBIA

The beginning of the pre-socialist transformation or transition in Central, Eastern and South-eastern Europe is related to the fall of the Berlin Wall in 1989, the event that symbolises the dissolution of authoritarian communist regimes. Concrete changes that mark this process also include democratisation and liberalisation of the political regime, privatisation and liberalisation of the economy, numerous legislative changes and ending state control over the all of social, economic and political life. The changes and outcomes resulting from these processes are different from country to country. The differences are seen in conceptions of industrial development (larger role of the state in Slovenia, as opposed to consistent liberalisation in Slovakia, for example) or the management of ethnic conflicts (peaceful dissolution in Czechoslovakia, as opposed to the war in Bosnia and Herzegovina or the silent division of power and territory in Macedonia). In the early 1990s, Serbia was at the onset of social, political and economic changes, but they were very quickly put to an end by a series of internal and external factors. That is why the period from 1989 to 2000 is commonly known in literature as blocked or delayed transformation.³³² The beginning of real social, political and economic changes in Serbia is usually associated only to 2001, when the real change of regime took place.

INTRODUCTION

Serbia entered the period of social and economic transformation with high rates of poverty and unemployment. According to the data of the Household Budget Survey, the poverty rate of Serbia in 1990 was 14.1%, rising to 28.9% in 1995, and in 2000 to as high as 36.5%. By 2002 there was a drop to a poverty rate of 14.5%.³³³ From 2000 to 2007, Serbia noted high growth rates and this lasted until the breakout of the global economic crisis. The GDP rose at an average annual rate of 5.4%. Despite these high growth rates, Serbia did not manage to compensate for the losses from the 1990s, so the GDP in 2007 was lower by 32% than in 1989. The delayed GDP growth starts in 2008, and in 2009, GDP fell by 3.1%. According to unofficial data, in 2010 Serbia had a 0.9% GDP growth rate.

In the period between 2000 and 2008, Nett incomes also grew, much faster than the GDP rate and twice as much as work productivity - 13.7% per year.³³⁴ Pensions also grew (3.4 times) as well as other social transfers. All of this lead to a significant improvement of the material position of the population – according to one of the available indicators, the absolute poverty rate was reduced from 14% in 2002 to 7.9% in 2009.

VULNERABLE AND MARGINALISED GROUPS

The general growth did not reflect on the socio-economic position of all groups. Among those who did not feel the benefits of growth, the Roma population are especially prominent. According to the 2002 census, around 108,000 Roma lived in Serbia (1.4% of the Serbia population). There are disagreements concerning this number. For example,

332 See: Lazić, Mladen (ed.), *Račji hod (Crab Walk)*, Beograd: Filip Višnjić (2000); AntoniĆ, Slobodan *Zarobljena zemlja: Srbija za vlade Slobodana Miloševića (Hostage country: Serbia during Slobodan Milošević's Regime)*, Beograd: Otkrovenje (2002).

333 Bogićević, B, Krstić, G, Mijatović B and Milanović B. *Siromaštvo u Srbiji i reforma državne pomoći siromašnima (Poverty in Serbia and Reform of State Aid to the Poor)*, Beograd: CLDS (Bogićević, et.al. 2003). 2003.

334 Jakopin, E., Radosavljević, S., Jovanović, D. (ed.), *Izveštaj o razvoju Srbije (Report on the Development of Serbia)*, Beograd: Republički zavod za razvoj. 2009, p.20.

nongovernmental and international organisations estimate that the real number of the Roma population living in Serbia is between 300,000 and 500,000, which makes up 4-5% of the total population.³³⁵ According to the data from the 2007 Living Standards Measurement Survey, the unemployment rate of the Roma population was 31.6%. The actual unemployment rate was probably higher considering that this survey did not cover non-hygienic and illegal Roma settlements (in which a high number of the Roma lives) and in which the general socioeconomic situation is far worse than among the Roma population integrated into the society.³³⁶

The LSMS Survey which was conducted by the UNDP in 2009³³⁷ shows that the Roma not only have problems in accessing the labour market, but also when they are employed, only 30% realise their right to social insurance (60% work without social insurance and 10% does not know whether they realise their right at work). Apart from that, 52% of the employed Roma work without a formal contract or through informal self-employment, whereas 60% are engaged in unqualified occupations.

The Roma experience these setbacks due to prejudices of the majority of the population, but also a lack of formal education. The number of Roma without completed elementary school is 63%, whereas a mere 0.9% of the Roma gained secondary or higher education. The education system covers around 20% of Roma children, 30-40% of those enrolled in elementary school never reaches the 5th grade, and Roma represent the majority of pupils in special schools.³³⁸

THE UNEMPLOYED

The high unemployment rate represents one of the most important social and economic problems during the last ten years. According to the Labour Force Survey from April 2011, the unemployment rate was 22.2%, two thirds of which are long-term unemployed persons, i.e. persons without employment for over one year. The unfavourable image of the labour market in Serbia is further explained by data on activity and employment. Namely, at the start of 2011, the activity rate was 46.5% (in EU27 in 2008 it was 70.9%),³³⁹ the employment rate was 36.2% (in EU27 64.6%), and the inactivity rate was 53.5%.

335 The Government of RS accepted these changes, cf. "The Official Number of Roma in Serbia)", http://www.b92.net/info/vesti/index.php?yyyy=2009&mm=04&dd=07&nav_id=354362&nav_category=12

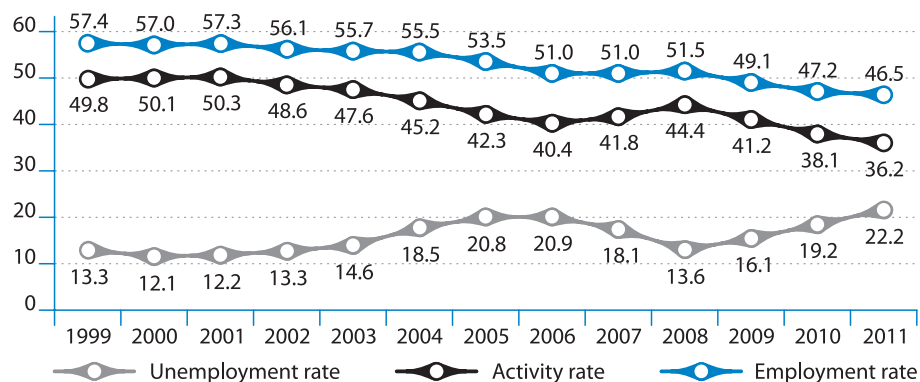
336 Krstić, G. (2011), "Long Waiting – Less Hoping", *Politika* 2011.

337 Satačić, N. Rašević M. and Miloradović S.(2009), Oni ne mogu da čekaju: Studija o siromašnim starijim licima u Srbiji (hey Can not Wait: Study on the Poor Elderly Persons in Serbia) , Belgrade: Amity UNDP (2011), Nacionalna studija o humanom razvoju (National Human Development Study) Belgrade, UNDP (in print).

338 Vukmirović and Govoni, 2008: 101, OSI, 2010.

339 Persons with disabilities are at a particular disadvantage at the labour market. The Strategy for Improvement of the Position of Persons with Disabilities is based on the assumption that the number of persons with disabilities in Serbia is between 700,000 and 800,000 (VRS, 2007). The inactivity rate of persons with disabilities is exceptionally high and was 69% in 2007 (according to the LSMS). This is a consequence of not being encouraged to seek employment, which is also confirmed by the small number of persons with disabilities which is reported with the National employment agency – this number has been constant for years and is around 22,000. Eurostat, *Labour Market Statistics*, Brussels: Eurostat. 2009, p.12.

Chart 1. Rates of activity, employment and unemployment in the period 1999–2011 in Serbia



Source: RZS, 2009 and RZS, 2010

The high percentage of the long-term unemployed, i.e. persons who have not been employed for over one year, represents a particular problem in the labour market. Two thirds of the unemployed are part of this group and, since the emergence of the global economic crisis, this percentage has risen to 72%,³⁴⁰ which means that most of those who lost their jobs during the crisis (the end of 2008) until today have remained unemployed. The percentage of long-term unemployed persons is 14%, whereas the EU average is only 3%.³⁴¹ Half of the unemployed (54.2%) have been searching for work for over four years and their chances of finding employment are very slim, so they are facing almost permanent exclusion and risk of poverty.

Despite the bad situation in the labour market and the drop of GDP, poverty statistics are relatively favourable. According to the data of the Statistics agency of Serbia, the relative poverty rate was 17.7% in 2009, smaller than in 2007 (20.1%). As we will see further on, the relative poverty rate in some groups is much higher than in other.

THE ELDERLY

Analyses of the material standard of the pensioners point to several dimensions of their position, and results are in no way one-sided. On the one hand, the absolute poverty rate of the elderly population is lower than that of the general population. Namely, the absolute poverty rate of the elderly has decreased from 15.5% in 2002 (when the general poverty index was 14%) to 5.5% in 2007 (compared to 6.6% in the general population). However, elderly persons made up 17.7% of the structure of the entire population in 2002 and 25.1%, of the structure of the poor, whereas in 2007 there was 17.4% of elderly in the structure of the entire population, and 25.3% in the structure of the poor. The relative poverty rate for persons over 64 years of age has dropped from 21.8% in 2006 to 18.2% in 2009, and is near the average of the entire country (17.7%).³⁴²

Speaking about the elderly, those who are not pensioners are in a particularly difficult situation. The poverty rate in this group is 19.7%, and according to some analyses, up to

³⁴⁰ Labour Force Survey, October 2010.

³⁴¹ Krstić, G. (2011), "Long Waiting – Less Hoping", *Politika* 2011.

³⁴² GRS (2011), *Prvi nacionalni izveštaj o socijalnom uključivanju i siromaštvu u Srbiji* (First National Report on Social Inclusion and Poverty in Serbia), Belgrade: Government of the Republic of Serbia

one third of the population of citizens over 65 years of age do not receive pensions.³⁴³ Rural, one-member or two-member elderly households are especially vulnerable.³⁴⁴ If we observe pensioners alone, their material status is poor for many reasons: two thirds of pensioners receive pensions that are below the state average, and only 18% of pensioners have come out of their working age. They certainly represent segments of the pensioner population with the highest average standard: in 2006 they received pensions amounting to around 90% of the average salary, whereas in 2008 this percentage dropped to around 80%.³⁴⁵

The position of pensioners is especially bad among farmers and current trends can only deteriorate in the future. Research shows that 29% of the population of working age, who are not beneficiaries of the pension system, have never paid this form of insurance, and as much as 70% of individuals from poor households do not pay this insurance, whereas there are 49% of such cases in households above the poverty rate.³⁴⁶ Apart from poverty and lack of social insurance, many of the elderly face numerous problems in daily activities, access to social services, provision of long-term care, etc.³⁴⁷

RURAL POPULATION

In Serbia as in other countries, poverty is more widespread in rural than in urban areas. The official statistics still has not harmonised definitions of rural areas with the standards applied by the OECD and Eurostat, so currently we have urban and "other areas". According to the data of the Statistics Agency, the absolute poverty rate in rural areas in 2010 was 13.6%, and 5.7% in urban areas. One research on social exclusion in the countryside from 2009³⁴⁸ showed that the poverty rate in rural Serbia was 38.4%. Such a high rate of rural poverty was also noted in other countries, for instance in Portugal in 2000 this rate was 33%, and in Romania in 2005 – 48%.³⁴⁹

343 EC (2008), *Social Protection and Social Inclusion in the Republic of Serbia*, Brussels: EC, Directorate-General for Employment, Social Affairs and Equal Opportunities, Unit E2:p. 119

344 See: Baronijana David, Hana (2009), "Siromaštvo među penzionerima i starim licima sa 65 i više godina" u Marković, Jelena (Ed), *Analiza karakteristika siromaštva u Srbiji* (Poverty among Pensioners and Elderly Persons Old 65 Years and More in Marković, Jelena (Ed), Analysis of the Characteristics of Poverty in Serbia), Belgrade: Government of the Republic of Serbia.

Satarić, N, Rašević M and Miloradović S (2009), Oni ne mogu da čekaju: Studija o siromašnim starijim licima u Srbiji (They Can not Wait: Study on the Poor Elderly Persons in Serbia), Belgrade: Amity UNDP (2011), National Human Development Study. Belgrade, UNDP (in print).

345 Matković, Gordana (2009), "Najčešće zablude o penzijskom sistemu Srbije" (Most Often Delusions on the Pensioner System in Serbia), Fokus, October 2009.p.41.

Matković, Gordana and Boško Mijatović (2009), *Analiza državne podrške siromašnima* (Analysis of the State Support to the Poor) Belgrade: Team of the Vice-president of the Government for Implementing Poverty Reduction Strategy.p.17.

346 This data confirms earlier analyses (Babović, Vuković, 2008) about the less favourable position of rural women: while 24.2% of men have never paid pension insurance, with women this percentage is 37.3% (Cvejić, et.al, 2010). Other marginalised groups experience the problem of low coverage of pension insurance. This percentage is particularly low among the Roma population – only around 5% (Bodewig and Sethi, 2005, Secons, 2010)

347 Satarić, N, Rašević M. and Miloradović S.(2009), Oni ne mogu da čekaju: Studija o siromašnim starijim licima u Srbiji (hey Can not Wait: Study on the Poor Elderly Persons in Serbia), Belgrade: Amity UNDP (2011), Nacionalna studija o humanom razvoju (National Human Development Study) Belgrade, UNDP (in print)

348 In this research, the basis is the classification of rural areas according to standards of OECD and Eurostat. According to these criteria, rural areas are those with population density of less than 150 persons per km², that the percentage of the population living in towns is 50% or less, and that they do not have a large administration centre (over 20,000 population) (Cvejić, S., Babović, M., Petrović, M., Bogdanov, N., Vuković, O. (2010), *Socijalna isključenost u ruralnim oblastima Srbije* (Social Exclusion in Rural Areas in Serbia) , Belgrade: UNDP:p. 9).

349 Ibid. p: 38.

In regard to the labour market, the basic difference between urban and rural areas is the participation of vulnerable employment. According to the Labour force Survey from 2008, the participation of vulnerable employment in overall employment is as much as 47.6% in rural areas, and 18.3% in urban areas.³⁵⁰ This socio-economic status of the rural population in Serbia could be explained by the structure of agriculture and economic activities in the countryside in general. Namely, a typical rural household in Serbia makes enough produce to cover its own needs. Research shows that only 40% of households sell their produce in the market. A significant part of rural work is actually low-productivity agricultural work within the household, and offers small chances for the rural population to find employment in the non-agricultural sector and beyond their own household.

WOMEN

The position of women in Serbia is non-favourable on several dimensions, and women from marginalised groups are especially vulnerable: Roma women, women with disabilities, women from rural areas, etc. This can be illustrated by the example of helping members of rural households. As we have seen, agricultural work predominantly takes the form of productivity for their own needs, as part of the so-called "survival economy". A significant part of the population engaged in this type of work has the status of helping members of the household (37% of the total number of those employed in agriculture or 19% of the total number of the employed). The vast majority of this category which represents unpaid labour force is women (74%).³⁵¹ Marginalised work status of these women produces a series of obstacles in accessing social rights (health, pension, disability insurance) and excludes them from broader social networks.³⁵²

Not only rural women face difficulties in the labour market. The position of women in the labour market is additionally worsened by privatisation processes and economic restructuring. Data from the Labour Force Survey shows that in 2005 this deterioration of trends in women employment reached its lowest point,³⁵³ after which these trends started to show signs of gradual improvement (the women unemployment rate in 2005 was 27.4% and dropped to 18.1% in 2009).³⁵⁴ Chances of women employment in the non-agricultural sector are still not favourable. According to data of the Social Exclusion Survey, the rate of non-agricultural employment of women was 48.9%, and participation of women among the employed in the non-agricultural sector was 45.6%. Gender differences remain especially pronounced in the significantly lower employment rate of women and in women having larger participation in inactive persons. Women of lower qualifications are especially exposed to risks of exclusion from the labour market, as well as women who have lost their employment in their forties, young women, especially women from marginalised groups.³⁵⁵

350 Krstić, G. (2010), *Položaj ranjivih grupa na tržištu rada (Position of the Vulnerable Groups at the Labor Market)*, Belgrade: UNDP, p. 106.

351 Cvejić, S., Babović, M., Petrović, M., Bogdanov, N., Vuković, O. (2010), *Socijalna isključenost u ruralnim oblastima Srbije (Social Exclusion in Rural Areas in Serbia)*, Belgrade: UNDP

352 Babović, M. and Vuković, O. (2008) *Žene na selu kao pomažući članovi poljoprivrednog domaćinstva: položaj, uloge i socijalna prava (Women at Village as Assisting Members of the Agriculture Household: Position, Role and Social Rights)* UNDP, Belgrade.

353 Babović, M., Cvejić, S. and Ilić, R. (2007), *Položaj Roma na tržištu rada u Šumadijskom okrugu, Kragujevac (Position of Roma at the Labor Market in Šumadija Region)*: Roma Information Center.

354 RZS, ARS: 2006, 2009.

355 Satarić, N, Rašević M and Miloradović S (2009), *Oni ne mogu da čekaju: Studija o siromašnim starijim licima u Srbiji (They Can not Wait: Study on the Poor Elderly Persons in Serbia)*, Belgrade: Amity UNDP (2011), National Human Development Study. Belgrade, UNDP (in print).

The gender gap in poverty is specific for Serbia, as well as for other European countries. Differences in the level of poverty of women and of men are particularly expressed among the young and the elderly. For instance, the degree of risk of poverty for women over 64 years of age was 19.5% and 16.4% for men.³⁵⁶

CHILDREN AND YOUTH

The risk of poverty in children is higher than in the general population and is 22.1%. This is higher than the EU27 average which is 20.3%.³⁵⁷ The position of children from poor families, the Roma and of children with disabilities and developmental difficulties is even worse. These categories are faced with a more difficult approach to public services (for example, according to survey data from 2009, among poor families 12% of children were not included in the education system),³⁵⁸ the state care system is inadequate (most children with developmental difficulties are still placed in institutions for permanent care of beneficiaries), and their long-term chances are far less favourable than in the general population (only 14% of children aged 19-24 from poor families attend higher education, whereas the national percentage is 39%).³⁵⁹ Although, in some segments there have been records of progress so, for example, the coverage of Roma children with primary education has risen from 56% to 73% between 2002 and 2007.³⁶⁰ The youth have an especially unfavourable position in the labour market which is marked by a high unemployment rate. The unemployment rate of youth aged 15 to 24 is 46.4% which is far above the rates in the EU (the EU27 average is 19.7%). Activity and employment rates of youth are far below the national average. The activity rate in the general population is 46.5%, and the youth activity rate is only 28.1%, whereas the general employment rate is 36.2%, and the youth employment rate is 14.1%.³⁶¹ In the end, even when they are employed, youth works part-time jobs more often and take temporary jobs in the non-formal economy. As opposed to that, risk of poverty rates are not high, as is the case in many other European countries, especially those marked by early separation of young people from their families. For example, the risk of poverty rate in 2009 in the general population was 17.7% and in the youth population aged 18 to 24– 16.7%.³⁶²

356 RSB (2011), *Anketa o radnoj snazi – prethodno saopštenje (Labor Force Survey-Previous Statement)*, Belgrade: Republic Statistic Bureau. p: 89.

357 Although the rate of risk of poverty in children under 18 was reduced in the period 2006-2009, this is the only age group that has marked a statistically significant growth of risk of poverty in 2009. (VRS, 2011).

358 Satarčić, N. Rašević M. and Miloradović S.(2009), *Oni ne mogu da čekaju: Studija o siromašnim starijim licima u Srbiji (hey Can not Wait: Study on the Poor Elderly Persons in Serbia)*, Belgrade: Amity UNDP (2011), Nacionalna studija o humanom razvoju (National Human Development Study) Belgrade, UNDP (in print)

359 Ibid.

360 Vukmirović, D and Govoni, R. (Ed.), (2008), *Studija o životnom standardu: Srbija 2002-2007 (Study on Living Standard: Serbia 2002-2007)*, Beograd: Republic Statistic Bureau

361 RSB (2011), *Anketa o radnoj snazi – prethodno saopštenje (Labor Force Survey-Previous Statement)*, Belgrade: Republic Statistic Bureau

362 Ibid.

PUBLIC POLICIES FOR STRENGTHENING SOCIAL INCLUSION AND REDUCTION OF POVERTY

Social inclusion has been on the list of political and legislative priorities in Serbia for several years. The Office of the Vice-president of the Government has a Social Inclusion Team working as a key institutional mechanism through which social inclusion policies are promoted. Although this team does not have legal jurisdictions, it is relatively successful at connecting the work of different national and municipal stakeholders, in cooperation with the Statistics Agency it introduces new indicators for monitoring social exclusion, conducts trainings of government officials, orders analyses of the condition and public policies, etc. For example, in the beginning of 2011, the Government adopted the First National Report on Social Inclusion. This document is of great importance because state statistics, for the first time, start to use social inclusion indicators which are comparable with other European countries.³⁶³

Key sectoral measures are being conducted with a small degree of mutual communication. Analyses show that, although they are lead by the idea of social inclusion, many sectoral policies in reality do not respond to the needs of the most vulnerable categories of the society.³⁶⁴ This especially refers to education and health services and measures in the labour market. In the following sections, we will try to show the key measures and point attention to these flaws.

EMPLOYMENT

For decades, modern capitalist countries have been moving towards higher employment rates by, at the same time, developing generous support systems for the unemployed. These systems were the trademarks of modern states of wellbeing until the end of the XX century. The most important measures were focused on maintaining the level of incomes in cases of unemployment. Today, those measures are referred to as passive labour market measures. The main mechanism in this group of measures is unemployment insurance, i.e. compensation for case of unemployment. As opposed to passive measures, active measures have the aim of increasing employability of the unemployed and, through that, improving the functioning of the labour market. Active employment measures include counselling and support in active job seeking, training (retraining, additional training, adult education, etc.), as well as programs for designing new employment (self-employment assistance, micro credits, public work, employment subsidies, etc.).

Due to the large number of the unemployed, most of the budget of the National Employment Agency is invested into passive measures – material compensations for the unemployed. The State uses different measures to reduce the pressure of the high unemployment rate, but also to place employment policy in the function of economic growth. The first steps towards the liberalisation of the labour market were undertaken by the state as early as 2001 – when it allowed employment without public procedures, flexibility of forms of employment (for an indefinite period, part-time, etc.), simplified lay-off procedures, abandoned the practice of maintaining fictive employment and reducing rights to severance payments. In spite of these measures and the growth of GDP, since then, Serbia has been experiencing an almost constant drop of employment. Due to high

363 In 2008 a group of experts suggested nationally-specific social exclusion indicators (Babović et al., 2009) which are still not officially adopted.

364 Vuković, D. (2010), "Izazovi oblikovanja socijalnog režima u Srbiji" (Challenges of Shaping Social Regime in Serbia) in Marija Babović (Ed.) (2010) *Izazovi nove socijalne politike (Challenges of the New Social Policy)*, Begrade: Seccons.

unemployment rates and high long-term unemployment, coverage of the unemployed by compensations is small – from around 730,000 of the registered unemployed during 2010, around 82,000 or around 11% received this compensation, which is a small increase in comparison to 2005 when the number was 5%.³⁶⁵

The share of overall allocations for unemployment support programmes in Serbia remains relatively low: 0.5% of the GDP for all measures and 0.1% of the GDP for active employment measures. Albeit, the Government considers that consolidated allocations for employment support are bigger because they include programmes of local and municipal governments, as well as incentives programmes and subsidies for opening new workplaces outside the budget of the National Employment Agency.³⁶⁶ Over the last several years, active measures have been gaining popularity in Serbia, but their participation in the budget is rising slowly: in 2003 it was around 10% of the total budget of the NEA, and in 2010 it rose to around 20%.³⁶⁷ The EU has in 2008, according to Eurostat data, spent 1.6% of the GDP on active employment measures.

One of the largest programmes of employment support which is focused on the poor, unqualified and excluded from the labour market is the public work programme. Public works were designed to cover as much of the Roma population because their position in the labour market is the worst. Despite the fact that programmes such as this one are often initiated, analyses show that they fail to permanently change the position of beneficiaries in the labour market and their effect is short-term.³⁶⁸ For this reason, they can be seen as social intervention through work engagement.

Among the active measures, a special place has been given during the last three years to the "First chance" programme. This is the largest programme among all active measures of employment policies: in 2009 it made up 37% of the overall budget for active measures, and in 2010 it made up as much as 51%.³⁶⁹ This program subsidises first employment – interns are employed in companies which apply, and their salary and all expenses of their engagement in the period of one year is covered by the state. This programme has largely been focused on beneficiaries with completed secondary, upper secondary and higher education – it can even be said that many of the programme's beneficiaries would have found employment even without state assistance. On the other hand, low-qualified workers, whose position in the labour market is the most difficult, cannot expect

365 Similar to this, during the first years of transition in countries of Central and Eastern Europe, coverage of unemployment compensations was extremely low, and their amount was not enough to fulfil the basic life needs (Standing, Guy (1996), "Social Protection in Central and Eastern Europe: A Tale of Slippong Anchors and Torn Safety Nets", u Esping-Andersen, Gosta (ed.) (1996) *Welfare State in Transition: National Adaptations in Global Economics*, London: SAGE and UNRISD: 236-238). Currently, the relation of unemployment compensations and salary is 50%. Minimum compensations amount to 80% of the minimum salary, and the maximum to 160% of the minimum salary. RSB (2011), *Anketa o radnoj snazi – prethodno saopštenje (Labor Force Survey-Previous Statement)*, Belgrade: Republic Statistic Bureau. P.119. World Bank (2006), *Labor Market Assessment*, Washington: The World Bank. P.83.

366 RSB (2011), *Anketa o radnoj snazi – prethodno saopštenje (Labor Force Survey-Previous Statement)*, Belgrade: Republic Statistic Bureau. p.113.

367 Ibid, p.114, Arandarenko, M. and Krstić, G. (2007), *Analiza uticaja politika zapošljavanja i aktivnih mera tržišta rada u Republici Srbiji*, (Analysis of the Impact of Employment Policies and Active Measures of Labor Market in the Republic of Serbia) Belgrade: GRS, p: 26)

368 Krstić, G. (2010), *Položaj ranjivih grupa na tržištu rada (Position of the Vulnerable Groups at the Labor Market)*, Beograd: UNDP.

369 NEB (2009), *Izveštaj o radu Nacionalne službe za zapošljavanje (Report on the Work of the National Employment Bureau) 2009*, Belgrade: National Employment Bureau. NEB (2010), *Izveštaj o radu Nacionalne službe za zapošljavanje (Report on the Work of the National Employment Bureau) 2010*, Belgrade: National Employment Bureau.

similar support systems. The situation is similar with trainings which are not frequent in the programme of the National Employment Agency and, among them, programmes for persons with lower education are even less frequent.³⁷⁰

Therefore, there is a gradual reformulation of employment policies in Serbia, which is not without its duplicities. The budget for active employment measures continues to grow, although most of these measures are focused on more employable categories. Unemployment compensations remain a dominant line in the budget of the National Employment Agency, but its amounts are reduced. As stated earlier, an important part of measures in the labour market was focused on more employable categories (first and foremost the "First chance" programme), and workers in the public sector and state, i.e. social firms (programmes of transfers of earnings, merging of years of service, generous severance payments, etc.). A lot less attention and funds are focused on the least employable categories, i.e. the under qualified, the Roma and workers from rural areas. Many members of marginalised groups do not even have access to support systems. The UNDP research on social inclusion showed that 6.3% of the unemployed are not reported to the NEA, whereas with the rural population this percentage rises to 9.2%, and to as much as 13.3% among internally displaced persons and, finally, to 24.5% of the unemployed Roma.³⁷¹ Other, smaller research had similar findings: only 5.2% of the unemployed Roma from the Šumadija country was included in employment programmes during 2006,³⁷² or two years later only 8.5% of internally displaced persons from Kragujevac, Kraljevo and Vranje.³⁷³ The research on social exclusion in rural areas of Serbia shows that only 2.7% of the unemployed use employment programmes.³⁷⁴ Similar tendencies are seen also from the data on public expenditures. The budget of the Republic of Serbia for 2010 allocated 3.7 billion dinars for active employment policies, out of which only around 65 million dinars were for the Roma population.³⁷⁵ The application of these measures is restricted by unfavourable structure of the unemployed and slow growth of employment rates in the private sector.

EDUCATION

The educational system in Serbia is consisted of obligatory pre-school education and education which was introduced in 2007, obligatory primary education, as well as secondary and higher education. Primary education in Serbia is obligatory and free, and secondary and higher education are also free in state schools and universities. As well as other systems, education too entered basic changes after 2000. The reform of the educational system was focused on improvement of the quality of classes and the outcome of the educational process: secondary technical schools were reformed, and Serbia joined the

370 RSB (2011), *Anketa o radnoj snazi – prethodno saopštenje (Labor Force Survey-Previous Statement)*, Belgrade: Republic Statistic Bureau.p.116.

371 Satarčić, N. Rašević M. and Miloradović S. (2009), *Oni ne mogu da čekaju: Studija o siromašnim starijim licima u Srbiji (hey Can not Wait: Study on the Poor Elderly Persons in Serbia)*, Belgrade: Amity UNDP (2011), Nacionalna studija o humanom razvoju (National Human Development Study) Belgrade, UNDP (in print).

372 Babović, M. et al. (2009), *Praćenje društvene isključenosti u Srbiji (Monitoring of Social Exclusion in Serbia)*, Belgrade: Government of the RS, Poverty Reduction Team.

373 SeConS (2009) *Mapiranje šansi za zapošljavanje interno raseljenih lica: analiza stanja u Kragujevcu, Kraljevu i Vranju (Mapping Chances for Employment of Internally Displaced Persons: Situation Analysis in Kragujevac, Kraljevo and Vranje)*, UNDP, Belgrade.

374 Cvejić, S., Babović, M., Petrović, M., Bogdanov, N., Vuković, O. (2010), *Socijalna isključenost u ruralnim oblastima Srbije (Social Exclusion in Rural Areas in Serbia)*, Belgrade: UNDP.

375 RSB (2011), *Anketa o radnoj snazi – prethodno saopštenje (Labor Force Survey-Previous Statement)*, Belgrade: Republic Statistic Bureau.p.117.

Bologna process. Many public measures in the area of primary education were focused on improving the infrastructure.³⁷⁶ At the same time, the educational curriculum is also changed: the textbook fund was liberalised, new subjects were introduced, funding and management were decentralised, and lower classes introduced narrative evaluation. Although in the period until 2003 the setting up of a system based on outcomes, not curricula, was started, this trend was not continued and the reform of primary education was partially stopped. Therefore, primary school pupils in Serbia still have lectures 39% of the time in one typical school week, which is more than the international (25%) and regional average (27%). Our pupils also spend less time experimenting and doing research in physics (9%, the international physics average is 28%, and regional 19%). In the observed period there were investments into the teaching staff, but it was not enough.³⁷⁷ All of these data point to negligible changes and improvements in regard to the quality of classes, the pedagogical approach and outcomes.

At the level of secondary education, the biggest changes have occurred in the area of technical/professional secondary education, whereas the gymnasiums have not changed during the past ten years. The reform of technical/professional secondary education opened numerous new expert profiles that match the new needs of the labour market, but they encompass only 15% of students. Other profiles are realised in accordance with the outdated curriculum and teaching methods, as well as in inadequate infrastructure. Participation of employers in drafting of the curricula and training realisation is limited, and some educational profiles, for which there is no demand in the labour market, still exist.³⁷⁸

Serbia spends between 3.5 and 4.5% of the GDP on education (which is below the EU average and that of the Baltic countries, and in line with Romania, but low in *per capita* terms due to the low GDP). In regard to outcomes, Serbia is lagging behind countries with similar development degrees. Serbian pupils demonstrate comparatively poor results at PISA and TIMSS tests (in 2003 and 2006 they were 15 to 20% below the international average).³⁷⁹ The general educational structure is relatively unfavourable: 3.4% of the population aged over 10 is illiterate, 22% of those older than 15 have incomplete primary education, 24% just primary education, and 41% secondary education. Only 11% have upper secondary or higher education, and only 6.5% have completed university.³⁸⁰ A particularly unfavourable situation has been observed in regard to the education level of the poor and of the Roma population: 58% of the Roma have less than 8 grades of education, and 71% of the poorest never completed primary education or only completed

376 A special problem in this area is the irrational network of schools and school branches in rural areas. A small number of pupils is educated in these schools, whereas in 30 primary schools in Serbia, classes are still conducted in three shifts, and in many school classrooms are very numerous which makes the educational process even more difficult (cf. VRS, 2011; World Bank, 2009). One of the results of this is the reduction of the average size of a classroom, but also computer equipment which is below the world and regional average (IPI, 2007).

377 IPI (2007), TIMSS 2007 – Main Results Belgrade: Institute for Pedagogic Research, available at <http://www.ipisr.org.rs/Dokumenta/TIMSSPDF/Rezultati%20TIMSS%202007.pdf>

378 RSB (2011), *Anketa o radnoj snazi – prethodno saopštenje* (Labor Force Survey-Previous Statement), Belgrade: Republic Statistic Bureau.p. 138-139.

379 Vukmirović, D. and Govoni, R. (Ed.), (2008), *Studija o životnom standardu: Srbija 2002-2007* (Study on Living Standard: Serbia 2002-2007), Beograd: Republic Statistic Bureau.

380 For the sake of comparison, the average for the age group 25-64 for OECD countries is 28%, moving from 14% in the Czech Republic and Italy, through 19% in Hungary and 25% in Germany, to, for example, 37% in Finland (data taken from http://www.oecd.org/document/55/0,3746,en_2649_37455_46349815_1_1_37455,00.html, accessed July 2, 2011.). See: RSB (2011), *Anketa o radnoj snazi – prethodno saopštenje* (Labor Force Survey-Previous Statement), Belgrade: Republic Statistic Bureau.p.129.

primary education. According to the 2007 LSMS, 97.5% of children from the general population, 88% of children from poor families and 73% of Roma children³⁸¹ attend primary school. This coverage drops to 75% of youth in secondary education (as much as 21% of young men and 12% of young women are not included in secondary education),³⁸² whereas support systems for education of the most poor and socially excluded are still not functional.³⁸³ This situation results in relatively low educational chances for children from families with low socio-economic status.

Results of PISA tests also point to inequalities and injustices within the educational system: children from lower socio-economic layers have lower results than children from higher layers by around 100 to 110 points or around 60 points lower than the average. This means that they are three, or one and a half year of education behind the most wealthy, or children from average families.³⁸⁴ Apart from achieving lower results, children from lower social layers are less likely to enrol in secondary education and continue their education towards university. The enrolment rate into gymnasiums is 29% lower than the average for children from lower social layers, and 16% for children from higher social groups. This shows that the educational system does not create opportunities for children from lower social layers to continue their education, which deprives the society of important human capital which lies within these successful primary school pupils.³⁸⁵

The new Government has continued the policy of implicit, or partial privatisation and selective decentralisation. As far back as the 1990s, private educational institutions were opened, and their development has sped up during the first decade of the 21st century. Changes in these areas were influenced by strong professional lobbies, especially in tertiary sectors of education. It is exactly in these segments of the system that the private sector grew fastest – in only a few years, numerous universities and institutions for upper secondary education were opened. The portion of private primary schools in the total number of primary schools is 0.6%, portion of secondary schools is 5.1%, and of universities and institutions for upper secondary education – 35.1%. Private universities are attended by around 7% of students, which is still higher than in Croatia (0.4%) and Slovenia (5%), but less than in Montenegro (15%).³⁸⁶ At first, most of the employees of these institutions were professors from state universities. Through the accreditation system in higher education, the spillage of resources from the public into the private sector was regulated, if not completely aborted.

The changes in the educational system that are briefly described here point to a trend of privatisation and marketisation of education, which is primarily seen in the fast growth of the private sector in higher education and, although merely declarative, focus of the state sector to the needs of the market. This flow of changes is a consequence of the state

381 This data does not include the Roma from non-hygienic settlements.

382 Vukmirović, D. and Govoni, R. (Ed.), (2008), *Studija o životnom standardu: Srbija 2002-2007* (Study on Living Standard: Serbia 2002-2007), Beograd: Republic Statistic Bureau.

383 Probably the only exception is the introduction of inclusive education for children with disabilities and developmental difficulties, the effects of which it is still too soon to discuss.

384 Of course, these inequalities are not only the characteristic of Serbia; they are in line with the inequalities found in Croatia or Romania, and smaller than in Slovakia, Slovenia and Bulgaria (Baucal and Pavlović-Babić, 2009: 38).

385 Baucal, A. and Pavlović Babić, D. (2009). *Kvalitet i pravednost obrazovanja u Srbiji: Obrazovne šanse siromašnih* (Quality and Fairness of Education in Serbia: Educational Opportunities for the Poor) Belgrade, Government of the RS and Institute for Psychology. p: 40

386 Vukasović, M. (2009). *Finansiranje visokog obrazovanja u Jugoistočnoj Evropi: Albanija, Crna Gora, Hrvatska, Slovenija, Srbija* (Financing of the High Education in Southeast Europe: Albania, Montenegro, Croatia, Slovenia, Serbia), Belgrade and Novi Pazar: Center for Education Policies and State University in Novi Pazar. p: 72.

seeking to integrate in all aspects into contemporary European political, economic and social processes, the dominance of liberal ideologies, but also pressures of the teaching staff which made up an important segment of the political elite in post-Milošević Serbia.³⁸⁷ The position of the poor, the Roma population, persons with disabilities and population of rural areas in the educational system is very bad, and there are almost no mechanisms of support to these children in the educational process. Finally, despite of all invested efforts, the educational outcomes remain low.

HEALTH

The public health system in Serbia is funded from obligatory insurance of employed persons and budgetary contributions. All employed persons, pensioners and self-employed persons, including agricultural workers, are entitled to health insurance. The same rights are applied to their spouses, children and other dependants. The health insurance system also includes the registered unemployed, internally displaced persons from Kosovo and Metohija, refugees, etc.

The main social indicator of the health of the population is life expectancy. In 2007, life expectancy for women in the EU was 82 years, and for men 76 years. That is an increase of 4 and 5 years respectfully over the last two decades. Life expectancy in Serbia was 71 years for men and 76 years for women in 2006, and has mildly risen since 1990 (two years for men and one for women), but it still lags behind the EU average. For the sake of illustration, life expectancy of women in Greece is 82.4, and today's Serbian level was reached by Greece 40 years ago, and by Norway half a century ago.

The health system of Serbia does not manage to answer to the needs of the most vulnerable citizens in the most adequate way. The 2007 LSMS notes that 32% of the poorest population evaluates their health as bad, as opposed to only 12% of the richest. The poor use health services less frequently than the rich, so 23% of persons below the poverty line use health services in comparison to 36% of those above the poverty line. Hospital and dental services are used less by the poor, the Roma and internally displaced persons, sometimes even less than half as the general population. At the time when they were not using health services, money was the primary obstacle for 18% of the ill poor and as much as 33% of the ill Roma population.³⁸⁸

As could be expected, analyses show that the more wealthy spend more on health services, manage to obtain better services, better medicines, to "skip" over the waiting lists, etc. On the other hand, the health protection system faces obstacles in providing basic health protection for the Roma and marginalised parts of the majority of the population. The UNDP research on social exclusion shows that, at the end of 2009, 8.1% of the general population did not have health insurance. Among the Roma, as many as one quarter do not have health insurance.³⁸⁹ The rural population also has serious

387 In each government until the last there has been between a quarter and a third of members of government who came from some private or state university, or continued their career in one after their term ended. The number of counsellors, state secretaries, assistant ministers or ambassadors who came from universities is impossible to determine precisely. Even now, the Minister of education is the former dean of one of the private universities in Serbia.

388 Vukmirović, D. and Govoni, R. (Ed.), (2008), *Studija o životnom standardu: Srbija 2002-2007* (Study on Living Standard: Serbia 2002-2007), Beograd: Republic Statistic Bureau. p: 89)

389 Satačić, N. Rašević M. and Miloradović S. (2009), *Oni ne mogu da čekaju: Studija o siromašnim starijim licima u Srbiji* (hey Can not Wait: Study on the Poor Elderly Persons in Serbia) , Belgrade: Amity UNDP (2011), Nacionalna studija o humanom razvoju (National Human Development Study) Belgrade, UNDP (in print).

difficulties to finance health protection. In a research on social exclusion in the rural areas,³⁹⁰ 20% of those surveyed stated that a lack of monetary funds prevented them from buying the necessary medications, 8% medicinal aids, and 17% from paying specialised examinations. As much as 12.6% of those surveyed claimed that they do not have health insurance.

Changes in the area of health protection which were implemented in the last decade are basically similar to the reforms of the educational system: reconstruction and equipment for institutions, rationalisation of the network of institutions and human resources, and the improvement of the quality of work. The state is leaning towards replacing the so-called curing orientation in health services provision by orienting towards the promotion of health and prevention of diseases by opening preventive health programmes. Nevertheless, one glimpse of the health services budget is enough to see that only 3% of funds are allocated for prevention programmes, 33% for primary health protection, and 63% for hospital protection.³⁹¹

During the last ten years, the level of allocations for health services has been constant, moving between 7% and 8% of the GDP. Approximately two thirds of expenses for health services are covered from public incomes,³⁹² whereas, in the lack of a developed system of private health insurance, private health services are paid directly "from the pocket" (this estimate includes payments for medications and non-standard services).³⁹³ With the development of the market of financial services, international and local insurance companies have started to offer voluntary private health insurance which includes exclusively the private sector of health services provision.

One part of the health sector is consisted of private health institutions.³⁹⁴ They were opened first in the high-profit tertiary sector, but are gradually expanding to primary health protection as well. The state has long tolerated the occasional and temporary work of doctors from state institutions in private hospitals. Although regulations concerning this are becoming stricter, the private sector still largely relies of specialist services of doctors with a long practice in public institutions. This opens a whole series of questions regarding the availability of services for the poor layers of society, i.e. for those patients than cannot or will not pay for services in private institutions, as well as the question of transfers of patients from state to private practice, and, finally, the question of corruption, which has for many years been a big problem of the health protection system in Serbia. Sociological research has shown for years back that the citizens of Serbia

390 Cvejić, S., Babović, M., Petrović, M., Bogdanov, N., Vuković, O. (2010), *Socijalna isključenost u ruralnim oblastima Srbije* (Social Exclusion in Rural Areas in Serbia), Belgrade: UNDP.

391 RSB (2011), *Anketa o radnoj snazi – prethodno saopštenje* (Labor Force Survey-Previous Statement), Belgrade: Republic Statistic Bureau.p.183.

392 "Health Care System and Spending in Serbia", www.healthsystems2020.org. For similar estimates compare: World Bank, 2009 and VRS, 2011.

393 The average in EU in 2008 was 77% of the share of the public sector in overall expenditures for health protection (VRS; 2011).

394 According to the data of the Association of private doctors of Serbia (www.uplks.com), there are 8,500 private health institutions in Serbia out of which 4,500 are from the area of medicine, the rest are dentists, laboratories, pharmacies, etc. Around 10,000 doctors are permanently employed in the private health sector, and the sector has over 80 hospitals with around 500 beds. According to data from the Labour Force Survey from 2006, 7% of those employed in the sector of education and the sector of health and social protection were employed by private employers (OECD, 2008: 33). Other analyses show that a small number of citizens use the services of private doctors. 27.2% of the total population used health services, and only 1.2% used private health services. The same research showed that there are far less employees in the private sector – 612 in 2007, not counting pharmacies, dentists, etc. which employ most of the workers in the private health sector (IESI, 2009).

consider health as one of the most corrupt sectors.³⁹⁵ Here it should be considered that widespread corruption represents a bigger obstacle for the poor, thus further increasing the inequalities within the health system. Inequalities in access to services appear partly due to large investments into the tertiary sector, whether it is in equipment or human resources. Such a policy creates some regional inequalities, since patients from large urban environments are enabled to have easier access to better services.³⁹⁶

The changes described so far show that a silent and partial privatisation was implemented in the area of health protection, whether through opening of the market for private service providers, or through co-funding of public services (through different taxes, participation, etc.). The state has slowly begun to experiment with subcontracting services in health (MRI, artificial insemination, emergency interventions, etc.), but is faced with typical problems of management and control. The private sector in health is much more developed (around one third of the market) than in the education system (less than one tenth in higher education). Voluntary private health insurances gradually develop, but their share is still humble – most payments are still conducted "from the pocket". These changes were influenced by professional lobbies (which have been making decisions in the Ministry of health for a decade). The level of services in the public health system is still the source of many problems, and research shows the discontent of the citizens.³⁹⁷ However, the marketisation of public health is still under control. Despite of lobbying from international developmental and business circles, the state still has not decided to introduce the system of universal low-quality services which would be financed from budget funds and an additional group of services that would be charged. However, key issues of providing adequate and equal services for all are also not solved yet.

SOCIAL PROTECTION

The social protection system is composed of program of financial aid to the poor, families with children and persons with disabilities, and different services of social work. The program of social assistance (called also "material assistance to the family") is the key program of social aid in Serbia. About 60,000 families in Serbia receive social aid, and about 400,000 beneficiaries receive benefits for children. From the budget of the Republic of Serbia relatively small funds are allocated: 0.14% GDP for social work centres and 0.3% for benefits for children. As a comparison we can take a look at allocations for social aid in Estonia that are 0.2% GDP, in Slovenia 0.5% BGP, in Romania 0.6% BDP, and in Slovenia 0.7 GDP.³⁹⁸ These programs are well directed toward the poor individuals and households, but their coverage is rather small - according to analysis of the World Bank only 3% the poor households receives social aid.

Amounts that social aid beneficiaries receive are rather small, and conditions for obtaining this right are very severe. In the middle of 2011 social aid was 6,552 dinar (65 EUR) for a one-member family, up to 13,760 dinar (135 EUR) for a four-member family. The right to social aid is realized by those families and individuals whose incomes are below the determined minimum (for an individual that is 16% of the average salary, for a four-member family

395 Begović, B. et al. (2004), *Korupcija u pravosuđu* (Corruption in Judiciary), Belgrade: Center for Liberal-Democratic Studies (CLSD).

396 EC (2008), *Social Protection and Social Inclusion in the Republi of Serbia*, Brussels: EC, Directorate-General for Employment, Social Affairs and Equal Opportunities, Unit E2. p: 144.

397 IPSOS (2011), Opinion of the General Public and Medical Workers on the Health System in Serbia, available at: <http://www.dils.gov.rs/documents/files/izvestaj/IzvestajMnenjeOpstePopulacijeI MedicinskihRadnikaO ZdravstvenomSistemuUSrbiji.pdf>

398 World Bank (2009), *Kako sa manje uraditi više* (How to Do More with the Less), Beograd: World Bank. p: 48.

that is 30% of the average), who do not own more than one hector of land and housing objects besides those they live in (that cannot have more than one room per a household member plus one more room).

Benefits for children are a social protection system for children and families with low incomes, but besides the income census there is a property census. In August 2011 benefits for children were 2,206, regular amount (about 22 EUR) and 2,868, raised amount (28 EUR). The right to benefits for children in Serbia is realized by children up to 19 years of age, while the condition for all the children older than 7 years is to regularly attend school. In this way benefits for children have become conditional cash transfer.³⁹⁹

The system of social services protection in Serbia was greatly founded on the institutional accommodation and dominant role of the social work centres. The reform in the field of social protection have been conducted for ten years and based on the idea of decentralization, de-institutionalization and development of services in the community. The biggest success was achieved in the field of protection of children without parental care. Constant work on developing the network of foster families, building systems of support, and prohibition of accommodating children in institutions resulted in increased number of children in foster families from 2,923 in 2005 to 4,704 in 2009 and decrease of children in institutions from 2,175 in 2005 to 800 in 2008.⁴⁰⁰ Unfortunately, this positive trend does not refer to children with developmental difficulties, and to other groups of beneficiaries whose number in institutions is increasing.⁴⁰¹

The Association for Promoting Inclusion, NGO from Belgrade has been implementing the service "Living with Support" for eight years. Beneficiaries are persons with mental difficulties. 23 beneficiaries live in five apartments in Belgrade with support of professional services and assistants. Living in an environment that very much resembles family surrounding, beneficiaries obtain everyday skills, but they are also receiving training that enables them to find an employment and be fully integrated in the society. The final goal is a service for enabling beneficiaries to gain self-independence. www.sapi.rs

Foster families in Serbia are financed and organized at the central level, which ensures equal approach in all the municipalities (which, as we will see later, is not the case with other services of social work). Successful development of network of foster families and decrease of the number of beneficiaries of homes for children without parental care have not resulted in transformation or closing down of these institutions, although transformation and closing down of these institutions was set as a goal in the Strategy for Development of Social Protection from 2005. The new Law on Social Protection foresees specific transfers for transformation of the institutions (Article 207), but it has not been applied yet.

Similar approach that was applied to accommodation of children was applied to services for the elderly. Services of assistance and care at home for the elderly have been very

399 In Serbia primary education is compulsory, but among the poor a lot of children leave school and never finish primary school. Although the expected results of these changes were to increase the primary school attendance the result could have also been decrease of the beneficiaries of the benefits for children (Matković i Mijatović, 2009: 10).

400 VRS, 2011: 155; Grujić, Tekić, 2006: 102

401 for data cf. VRS, 2011.

popular in recent years.⁴⁰² Organizations that conducted them (centres for social work, institutions and NGOs) often managed to provide resources from the municipal budgets for financing these services.⁴⁰³ Regardless of the level of development of these services they have not contributed to decrease of the number of beneficiaries in the institutions for the elderly, nor do they decrease demand for these services. On the contrary, for years the government has been faced with non-formal sector in providing services of the accommodation for the elderly. As there was no legal framework, these services were provided as hotel accommodation, and they were not in charge of the state regulations or quality control. In 2011 only 48 private homes for the elderly worked with the total capacity of 1,249 beneficiaries.⁴⁰⁴ The exact number of beneficiaries of the state homes for the elderly is not known, but it is estimated that it is 7,000,⁴⁰⁵ which means that 15% of the total accommodation capacities are private homes, and if we take into account those working without a license that number is probably much bigger and it could be one fourth of all the beneficiaries.⁴⁰⁶ In spite of a relatively developed private sector, newspaper reports show a high demand and lack of capacities.

An important factor for creating a new system based on services in communities is local self-governances. According to the earlier and new Law on Social Protection, the local self-governance is in charge of some services of social protection: assistance at home, daily stay, as well as temporary accommodation at the shelter, equipment for beneficiaries for accommodation at an institution or other family or one-term aid. The analyses show that there are just a few municipalities that fully implement their obligations in the field of social protection.⁴⁰⁷ The reasons for this is a constant lack of financial means, lack of control of implementation of obligations the local municipality is accountable for, non-existence of the determined criteria on the minimal rate of the allocations from the municipal budgets for social protection.⁴⁰⁸ Besides this, municipal administrations lean upon the capacities of the SWC to plan and propose measures, but some social work centres do not have a proactive approach which does not initiate opening of the new services. Due to these circumstances, the system of local services remained undeveloped in a great number of services.

402 for data, Vuković, 2010.

403 The reason is most probably political importance that the elderly and their relatives may have, on the opposite to, for example, persons with disabilities, as well as inter-generation solidarity and direct experience of care of the elderly.

404 Besides this, there are also 33 private homes that were prohibited to work by the end of 2010. Data of the Ministry of Work and Social Policy, www.mrsp.gov.rs, accessed on July 1, 2011.

405 "Accommodation to private homes without the consent of the elderly", *Politika*, August 8, 2010.

406 If we presume that the average size of the illegal homes is the same as of legal ones, the total accommodation capacities of this sector could be about 2100 beneficiaries.

407 The idea on the more active engagement of the local-self-governances in planning, financing and implementing of social protection is based on the following presumptions: it is better to formulate public policies and programs at the level closer to citizens, since in this way inter-sectoral cooperation will be achieved (e.g. cooperation of the social work centers, schools, branches of the employment services etc.) which was perceived as a weakness of our system in many analyses (cf. Petrović, 2010). The new law mentions the need on the implementing some services in cooperation with other sectors only in one article, but it does not foresee a stronger mechanism for inter-sectoral cooperation but a protocol on cooperation (Article 58).

408 The new law foresees a more active role of the local self-governances and it solves some problems that were perceived in the previous decade. For example, a mechanism of specific transfers for opening services of the social work services in undeveloped municipalities has been introduced. (VRS, 2005; Matković 2006)



Based on the previous analysis we can conclude that public policies in Serbia have not been especially successful in fighting poverty and social exclusion, particularly when it comes to vulnerable and marginalized categories such as Roma, rural population, the elderly, persons with disabilities, the youth and children. Except measures that we have presented so far, the state has tried different interventions in order to improve some segments of the socio-economic position of the youth, Roma, persons with disabilities and, for example, women. In recent years, in cooperation with international organizations of the UN, the state has opened offices for youth in many municipalities in Serbia, according to data of the Ministry of Youth and Sport, there are 123 offices for youth in Serbia. Offices for youth deal with problems of the youth in their municipality and their work depends on the situation in a particular municipality. They can promote creativity of young people; provide support to different youth initiatives, sports and cultural events. Their work uses the pattern that was used in field of social policy so until July 2011, 107 municipalities adopted a Local action plan for youth. Most often, they support and promote creativity of the youth, provide conditions and support for self-organizing of the youth and active participation in creating and implementing of the cultural policies at the local level, increase of the cultural, educational and sports events, they organize peer education on prevention of violence and addiction diseases, environment protection and sustainable development. Similar initiatives have been conducted in other fields, e.g., employing Roma coordinators for education and health. No matter how these programs have been successful as donors or development initiatives, and successful in solving concrete problem of citizens, there are no global indicators that would indicate visible improvement of the socio-economic position of the targeted groups. Based on the so far presented, it can be concluded that social policy in Serbia responds to the needs of the middle socio-economic classes, at the same time neglecting long-term interventions in improving health condition, education level or employment opportunities of the most vulnerable.

ANALYSIS OF THE SIZE AND STRUCTURE OF THE NGO SECTOR IN SERBIA

Civil society will be perceived as an autonomous sphere of the citizens' activism, reflecting values and interests out of the family, economy and state.⁴⁰⁹ Social and political history of one country and society influences development of the civil society in the past, as well as its current form. When it comes to Serbia, the present civil society has been also shaped by the fact that Serbia did not have the experience of the enlightenment brake up with the absolutistic monarchies, difficulties in the development of the market economies, centuries-long tradition of strong relations of the patronage and clientelism that define politics, economy and everyday life, as well as authoritative governance that marked the whole modern period of the Serbian state and society. Due to these factors the Serbian history was marked by the strong state and undeveloped society and market.⁴¹⁰ In the modern context, civil society attracts more attention of the scientists and politicians. There are many reasons for this, but two are important for our discussion: democratic consolidation and transformation of the modern welfare states.

409 for detailed discussion see *cf.* Molnar, 2003; Kin, 2003.

410 *cf.* Čalić, 2004; Lazić, 2009; Stojanović, 2010.

The role of the civil society in **democratic consolidation** has become the subject of interest of experts and public in recent decades, especially in the context of democratization in South America, South and South-eastern Europe. Civil society organizations, as well as non-governmental organizations, are being perceived as control mechanism that will force authorities to be responsible and transparent, as channels through which citizens and communities articulate "their real interests" and as a basis for "good governance". International development partners and Western governments invest great resources in development of non-governmental organizations and media that often replace the political processes in the countries that are undergoing the democratization process.⁴¹¹

Another important theoretical and practical impulse for the development of the civil society organizations and non-governmental organizations, have come from deep ideological and program **change in the field of social policy** that started in the last decades of the 20th century. These changes include reduction of the state's role in planning and implementing of different social services (social work, education, mediation at the labour market etc.) and introduction of new actors, marketing and privatization in the sectors of social policy, and strengthening of the individual responsibility and role of the community and work in the community. Developed capitalistic states enter into contracts for the services with the non-profit sector, and there is opinion that the state sector is too bureaucratic, non-flexible, nonresponsive and expensive and that it cannot satisfy "real" needs of the citizens.⁴¹² Exactly in this context we will try to analyze and understand the state, size and structure of the non-governmental sector in Serbia.

Although there are many divisions and classifications of NGOs and CSOs we will, due to analytical reasons, take a look at two main groups of these organizations. The first group includes modern organizations focused on the modern themes ranging from the support to civil society, democracy and human rights to problems such as sustainable and local development. These are new organizations mostly financed from the international funds, with qualified staff, hierarchy and professionalized structure, strong management capacities, but with a wide range of activities and fields they cover. Many of them deal with the issues of the social exclusion and poverty: Roma, street children, LGBT population etc. Another important group is "NGOs for self-help". These organizations primarily deal with problems and interests of their members such as organizations of persons with disabilities, Roma, refugees and internally displaced persons, students and pensioners' organizations (professional organizations, business clubs and similar organizations could also be a part of this group). Following this generalization, they are characterized by less professionalism and more focus on the management and more activity. As we will see in the following text, these organizations managed to establish many services for their members and to successfully fight for their interests.

In spite of this segment of the civil society, general data on the citizens' activism show a relatively low level of the interest of the citizens of Serbia for active participation in civil initiatives. Active membership in religious organizations i.e. churches is 3.9% which is more than in Russia and Bulgaria, which is a bit less than in secular France (4.4%), but far less than in Slovenia (12.4%). More activism is present with sports and recreation organizations (6.9%). However, no matter how important these organizations are for their members and civil society in general, participation of the citizens in Serbia in other forms of organizations is very low. Environmental, professional, humanitarian and consumers

411 cf. Linc and Stepan, 1998; Chandler, 2000; Chandler, 2006.

412 for more details cf. Jordan, 2006; Jessop, 2002; Gilbert, 2002, for the Serbian context cf. Vuković, 2010.

protection organizations in Serbia gather much less citizens than in the Western European countries. The level of organizing in unions is low, much lower than in Norway (which is not a typical European country in this sense due to the strong social democratic tradition) or in Bulgaria, Russia and Germany.

Table 1. Active membership in civil society organizations

Active member	France	Great Britain	USA	Norway	Slovenia	Bulgaria	Russia	Serbia	Germany
Churches and religious organizations	4.4 %	19.2 %	37.9 %	8.3 %	12.4 %	1.9%	2.6 %	3.9 %	12.9 %
Sports or recreation organizations	22.7 %	30.0 %	15.4 %	27.1 %	18.2 %	1.3%	5.9 %	6.9 %	26.8 %
Art, music and education	11.3%	21.7%	15.1%	12.6%	9.2%	1.2%	4.2%	2.5%	8.2%
Unions	5.8%	10.1%	7.7%	13.6%	8.9%	3.2%	3.4%	2.2%	3.4%
Political parties	2.6%	3.3%	16.3%	4.3%	2.1%	2.1%	0.8%	2.7%	2.3%
Environmental organizations	6.3%	6.0%	6.1%	1.3%	2.7%	0.4%	0.4%	1.1%	1.5%
Professional organisations	6.4%	14.6%	12.1%	7.5%	6.4%	1.2%	1.6%	1.9%	3.8%
Humanitarian organizations	8.8%	20.9%	15.2%	12.3%	7.7%	0.7%	1.1%	1.2%	4.7%
Consumers protection organizations	2.7%	3.2%	4.4%	2.4%	1.1%	0.3%	0.5%	0.9%	0.2%

Source: World Value Survey, 2005-2008, data available at <http://www.worldvaluessurvey.org>

Therefore, civil society measured by the level of citizens' activism is relatively non-developed in Serbia. This, however, does not mean that there are not many organizations in Serbia dealing with some of the issues that are on the agenda of the modern civil society: human rights, the rule of law, poverty, interests of the vulnerable etc. The next section will present data on the level of development and structure of non-governmental organizations as one of the most visible segments of civil society. We will also analyze data on the support these organizations have received from the international development partners and the state itself. Mechanisms of support are important since these organizations have not been established on the poorly spread practice of citizens' activism. They have been formed with a strong impulse from "above" and we will try to show how structure and dominant NGO activities of the NGO sector in Serbia reflect its resources.

Representatives of twelve non-governmental organizations dealing with social exclusion and poverty reduction formed the Network for the Fight against Poverty in 2011. The mission of the Network is to "work in all the fields where the quality of life of poverty-stricken persons and groups can be improved and to improve processes of social inclusion in Serbia"(www.protivsiromastva.org). The Network is a member of the European Network for the Fight against Poverty, which gathers representatives of the civil society from whole Europe. The European network includes 27 national networks and 23 organizations working at the EU level (www.eapn.eu).

SIZE OF THE NGO SECTOR IN SERBIA

18,119 citizens associations are registered in Serbia, employing 5,376 people, which is a decrease compared to 2008 when they were employing 6,113 people. The total incomes of these associations are about 265 million EUR (as of April 2011). This group includes all the citizens associations, including profit business organizations whose primary goal is to fight for their members' interests. The data of the Agency for Commercial Registers are the only whole and comprehensive source, while all the other sources are based on researches conducted on the samples of NGOs. We will use findings of different researches characterized by the unbalanced goals and methodologies. Besides this, we will use some data bases (Centre for Non-profit Sector and Republic Bureau for Social Protection) filled on a voluntary basis. Due to these reasons, our analysis has methodological limitations that we will bear in mind all the time.

Available researches give relatively balanced results. The research conducted by the NGO "Citizens Initiatives" in cooperation with experts from the Republic Bureau for Statistics (whose aim was to "measure" economic parameters of the non-profit sector)⁴¹³ was conducted on the sample of 4,786 NGOs dealing with issues of democracy, human rights, social protection, environment, culture etc.⁴¹⁴ and that submitted the filled balance sheet. Out of this number only 72 or 1.5% had more than 10 employees. A relatively small number of non-profit organizations have employees – about 17% - which is the consequence of the fact that non-profit organizations mostly lean upon voluntary work or work of associates who have piece work agreements without starting a work relationship. According to data of this research, an average NGO 2008 employed less than one employee, an average salary in the sector was about 300EUR, while the average net salary in Serbia was 390EUR.⁴¹⁵

For further analysis of the size and budget structure we will take a look at the research that Civil Initiatives conducted on the sample of 516 NGOs.⁴¹⁶ According to data of this research, the average annual budget of one Serbian NGO is 103,334EUR (understandably in Belgrade that amount is bigger and it amounts about 140,000EUR). In comparison to 2006 the average budget is almost double.⁴¹⁷

413 cf. CI (2009), *"Analiza ekonomskih performansi neprofitnih institucija u Srbiji"* (Analysis of Economic Performances of Non-profit Institutions in Serbia) Belgrade: Civil Initiatives (CI), http://www.gradjanske.org/admin/download/files/_id_250/ecc%20doprinos%20NVO.doc.

414 This research did not include organizations of entertainment and sports-recreation character, association of employers and animals and plants breeders, assemblies of the tenants, SUBNOR organizations, associations of hunters, war veterans and all other organizations oriented to the achievement of specific goals of their members have been left out of the analysis. It is possible that this choice of samples influenced a relatively high amount of the annual budgets.

415 CI (2009), *"Analiza ekonomskih performansi neprofitnih institucija u Srbiji"* (Analysis of Economic Performances of Non-profit Institutions in Serbia) Belgrade: Civil Initiatives (CI), http://www.gradjanske.org/admin/download/files/_id_250/ecc%20doprinos%20NVO.doc

416 Ibid.

417 It seems that high budgets may indicate that the sample included above the average number of big organizations, but we can not prove it in this text.

Table 2. Structure of NGOs based on the budget size

	2005	2009
Up to 1,000 EUR	22%	12%
1,000 - 5,000 EUR	25%	20%
5,000 – 20,000 EUR	27%	24%
20,000 – 100,000 EUR	19%	32%
More than 100,000 EUR	7%	12%

Source: CI, 2010

These data show that in the period from 2005 and 2009 there has been a growth of the NGO sector which is primarily reflected in the decrease of the share of smaller NGOs and increase of the share of bigger NGOs. Certainly, we need to take into account that this is based on the statements of the representatives of the surveyed NGOs and their budget, a not precise data from the register.

The biggest budgets are found with those organizations dealing with development of civil society (362,202 EUR), human rights (74,069 EUR), humanitarian and social work (67,358 EUR), and in the end those NGOs that deal with the youth, economy and professional associations with the average budget of 40,321 EUR.⁴¹⁸

Donations of the international organizations are the main funding resource for the local NGOs and this is confirmed by all the researches. In average about 75% NGOs in Serbia are financed from the international donations and donations from the republic, local and regional budgets (i.e. budgets of the Republic of Serbia), 12.7% from other resources, 7.9% from selling goods and services and only 4.2% from the membership fees.⁴¹⁹ However, there have been some interesting changes in this regard. There is an increasing number of NGOs reporting to have resources from the state funds. The period from 2005 to 2009 is marked by an increasing availability of the public funds-local, municipal, regional and republic funds. Table 3 presents multiple answers to the questions "Who is financing your organization? "

Table 3. Sources of funding

	2005	2009
International donors organizations	74%	75%
Local government	36%	55%
Domestic donors organizations	34%	49%
Ministries	17%	44%
Business sector	27%	35%
Self-financing	34%	28%
Regional governments	13%	22%
Citizens	15%	11%

Source : CI, 2010

418 CI (2010), *NVO u Srbiji u 2009. godini* (NGOs in Serbia in 2009), Belgrade: Civil Initiatives: 57.

419 CI (2009), *"Analiza ekonomskih performansi neprofitnih institucija u Srbiji"* (Analysis of Economic Performances of Non-profit Institutions in Serbia) Belgrade: Civil Initiatives (CI), http://www.gradjanske.org/admin/download/files/_id_250/ecc%20doprinos%20NVO.doc

For three years the Center for Development of Non-Profit Organizations in Belgrade, which has a long tradition of work in development of the NGO sector, has been conducting monitoring of the budget allocations for the NGO sector. Within this project the Center has developed a detailed data base on the donations to the NGO sector from a number of national institutions (ministries, agencies etc). The data base is an important source of information on the way the budget sources are being spent and it was used for advocating interests of the NGO sector, and in many cases it showed non-transparent and illegal procedures. The data base is available at <http://www.crnps.org.rs/nvobudzet>

The presented data show that in recent years the fragmented NGO sector in Serbia has grown. This growth is most visible among NGOs dealing with political issues and civil sector itself. Most of them depend on the foreign funds.⁴²⁰ These resources are decreasing and in 2010 they amounted about 10 million EURO, 59 million EURO in 2003 and 30 million EURO in 2006. On the other hand, the role of the state in financing NGOs has been increasing.⁴²¹ Financing of the NGO by the state causes a lot of problems: the first question is how will NGOs financed by the government represent the interests of their members or citizens whose interests it protects if this implies criticizing the government? Therefore, at first glance the results of the researches cause wondering since they show that NGOs gathering some beneficiary groups and financed by the state have had decisive impact at, for example, establishing services for persons with disabilities, more care for children with developmental difficulties etc.⁴²²

STRUCTURE OF THE NGO SECTOR IN SERBIA

Speaking of international sources of funding, they have, for a long time, mostly been focused on the issues such as human rights and development of civil society and therefore we will not analyze them further.⁴²³ Along with this, previous two decades have been marked by big domestic NGOs dealing with social issues. Individual NGOs and networks have received support for the work with refugees and internally displaced persons,

420 From 1999 to 2011 the total international funds for civil society in Serbia was 320 million EURO. The total EU assistance to the civil sector in Serbia from 2002 to do 2011 was about 60 million EURO or about 6 million EURO per year. Cf. "Estimations of implementation of the international to the Republic of Serbia per OECD sectors and years", http://www.seio.gov.rs/upload/documents/medjunarodna_pomoc/pregled_medjunarodne_pomoci/proccena_medjunarodne_pomoci_po_oecd_sektorima.pdf and "For the non-governmental sector of the Western Balkans and Turkey 20 million EURO", *Danas*, May 19, 2011.

421 According to data of the Center for Development of the Nonprofit Sector, 47 million EURO was allocated to NGOs in Serbia from the republic budget in 2010, and 46 millions EURO from the local budgets. How much money really goes to the NGO sector and how much goes to the other fields is not known. NGOs have very often criticized the state for the non-transparent allocations of these funds, and for the fact that a great part of these funds is used for financing churches, religious organizations, representative institutions of the minority peoples etc. Cf. "The most payable economy branch in Serbia: NGOs receive 150 million EURO per year", *Novi Standard*, July 1, 2010. www.standard.rs

422 Vuković, D. (2010b) "Institutional Capacities, Social and Human Capital and the Application of Law: Reforms of the Local Social Protection System in Serbia", presented at the conference *Poverty and Social Inclusion in the Western Balkans*, World Bank, 2010, Brussels, Belgium.

423 Let us emphasize that one of the key problems of the NGO sector in Serbia –non-trust of the public –is coming from these structural roots. "Look at the world "that is on the foundation of this part of the sector is essentially different from the dominant interpretations of reality and past citizens of Serbia accept (for data cf. e.g. Mihajlović, 2007; GI, 2009b). Therefore, the critics of this civil sector say that it is more founded on the idea of legitimization of the new order than initiating a dialogue and nourishing different visions of the world (cf. Chandler, 2006).

Roma, children and other vulnerable categories and socially exclude citizens.⁴²⁴ Another important source of funding is the state- at the republic, regional and municipal level. In recent years the state has increasingly financed the work of NGOs as service providers and implementers of the state strategies. The best example is the sector for social issues and youth. Within the Ministry of Work and Social Policy there have been fund that almost for a whole decade have financed the social work services conducted by the NGOs (which we will closely look at in the next section). This model of work have been taken over by the Ministry of Youth which has financed hundreds of youth projects whose aim is to implement the state Strategy for Youth Sports, but it also sub-contracts NGOs to conduct some activities that in other circumstances would be in the mandate of the state bodies.⁴²⁵ More available state funds initiate development of NGOs dealing with social protection, youth, Roma, gender equality and similar issues in the field of social exclusion.

The research of the NGOs in Serbia shows exactly the following structure:⁴²⁶ the biggest percentage of NGOs deal with socio-humanitarian issues (25%) and gender equality (13%), while 5% deals with education and youth. We can conclude that almost half of the surveyed NGOs deal with issues in the field of social inclusion.

Table 4. Mission of NGOs

Mission	Percentage of the sample
Socio-humanitarian issues	25%
Gender equality	13%
Human rights and democracy	10%
Peace, tolerance and cooperation	10%
Development of civil society	7%
Youth	5%
Education	5%
Development of the local community	5%
Other (health, art, culture etc.)	20%

The analysis of the Directory of NGOs maintained by the Centre for Development of the Non-profit Sector confirms these findings.⁴²⁷ Out of 2,282 NGOs registered in the Directory, most of them, one fourth or 547 work in the socio-humanitarian field.⁴²⁸ These findings are

424 In this regard it is worth mentioning e.g. the support of the Government of the Kingdom of Norway and Government of the Great Britain to the Fund for Social Innovations directed to local initiatives of the public and non-governmental sector (the total amount was 4.3 million EURO).

425 Due to prohibition of employing new employees, the state bodies very often use mechanisms of sub-contracting in order to enable implementation of the regular activities.

426 Data has been recalculated and some categories have been merged in order to memorize them more easily. (CI, 2010).

427 This source of data has many limitations and the biggest one is that the Directorium is not comprehensive. Namely, registration at the Directorium is voluntary and therefore it contains only data on those NGOs that knew about it and wanted to be registered. However, faced with the lack of other data sources we will use this one taking into account its limitations. The Directorium of NGOs in Serbia is available at <http://www.crnps.org.rs/direktorijum-nvo>.

428 Based on frequency the following are NGOs dealing with art and culture (11%), education and culture (10%), environment (10%), building and development of the local community (10%) and human rights (8%). As we expected half of the registered NGOs work in five big cities (Belgrade, Novi Sad, Niš, Kragujevac and Kraljevo), most are concentrated in Belgrade-one third of all registered NGOs.

also confirmed by the answers to the question on the priority fields for activities: 16% NGOs answer that their field of activities is socio-humanitarian work and education, 12% youth, 11% women's and human rights etc.⁴²⁹ Such a high share of NGOs dealing with poverty, social protection and especially vulnerable groups is a consequence of a specific transition in Serbia which marks almost two decades of the wide-spread poverty and economy stagnation. Another important factor is the choice of the international donors, and then the state, to finance the projects dealing with the poor and socially excluded. The next sections will take an additional look on these findings on the structure of the NGO sector in Serbia and point out some of its segments that have *grassroots* character, strong bounds with citizens and clear focus on achieving interest of their members.

Daily stay for children with developmental difficulties in Prokuplje started working as an initiative of parents. In the beginning parents financed and conducted services, and then, thanks to foreign donations and resources of the Fund for Social Innovations, the daily stay was equipped. The local self-governance later gave them an object in a village near the town which was big enough and accessible to children both from the village and town. There is a daily stay in this object today, and introducing of new services for children from the whole territory of the Prokuplje municipality is planned.

ACHIEVEMENTS AND POTENTIALS OF THE NGO SECTOR IN SERBIA IN STRENGTHENING SOCIAL INCLUSION AND POVERTY REDUCTION

NGOs in Serbia have become an important part of the networks that provide different services to socially excluded, primarily the poor, persons with disabilities and developmental difficulties and the elderly. There are less systematic data on the services for Roma, refugees and internally displaced persons provided by NGOs. On the other hand, NGOs have been successful in advocating interests of vulnerable groups, primarily persons with disabilities and developmental difficulties, LGBT population, women and to some extent Roma, refugees and internally displaced persons.⁴³⁰ In the next sections we will elaborate the role of the NGOs in the field of social protection since it is the only field for which there are coherent data. One of the factors that has especially influenced NGOs to work with the poor and socially excluded are the reforms in the field of social protection. There are no similar examples of the opening towards the NGO sector as a services provider in the field of education, health, justice etc. Probably, professional associations of doctors and lawyers had an important role in this regard as they were less eager to reduce their professional monopoly (example of the opposition of jurists and lawyers to the services of free legal aid). In spite of these limitations we believe that some of these findings will be relevant for the whole NGO sector dealing with social inclusion.

429 CI, 2010: 16.

430 There have been many such campaigns and programs: Group484 has been advocating changes in the field of social housing for years, Amity advocates the rights for the elderly, many domestic and international organizations require changes in treating persons with disabilities, Roma Decade has gathered state institutions, international organizations and numerous Roma NGOs, while the Network for Fight against Poverty has been established recently and gathers 24 big NGOs, strong LGBT movement fights for equality of LGBT population etc. As there are no available data on these initiatives the only way to systematically estimate the effects of these efforts is to take a look at the laws, public policies and socio-economic position of the vulnerable groups. Therefore the final paragraphs of this text will focus on summarizing the key findings and estimations of the influence of NGOs in the fight against poverty and social exclusion.

Dimitrovgrad is a small and undeveloped municipality at the southeast of Serbia where the NGO "Balanstra" and association "HendiKep" which gathers parents of the children with disabilities, have started initiative for support to children and parents, as well as inclusion of children with disabilities. For the elder children a daily stay has been opened in the centre of Dimitrovgrad, and for younger children "Inclusive play-room" which covers 180 m² within the Sports centre. One part of the play room is used for programs for work with children with disabilities, while the other part is open for all the children. The price of the ticket is 50 dinar (0.5 EUR) and a part services expenses is financed by this money (about 10% as estimated by the people implementing the program). These two parts are connected so children with disability, who use the services of the centre, play with the children from the community.

Development of the new service providers, strengthening of the role of the local governance in planning, contracting and financing of the services, and reduction of the role of the public sector, especially the social work centres, in providing local services of social work have been key segments of the reform package in the social protection that initiated the growth of the NGO sector. From 2005 more than three fourths of the Serbian municipalities have been through a program of the development of local councils for social policies and preparation of the municipal strategies. The other factor that influenced development of NGOs as service providers is the work of two big funds within the Ministry of Work and Social Policy: Fund for Social Innovations and Fund for Support to Persons with Disabilities. A significant percentage of resources from these two funds were directed towards the NGO sector,⁴³¹ and special emphasis was on the services for the elderly (assistance and home care) and services for persons with disabilities and developmental difficulties (assistance, home care and daily stay).

In spite of all these efforts, services of social protection are still undeveloped in one part of the Serbian municipalities. Out of all the programs in the field of social protection, the most developed is one-term material assistance and it exists in almost every municipality. Data obtained through a survey of the representatives of 96 municipalities in Serbia show that most of local funds for social protection is spent on this program. Speaking of the services, the most developed is assistance and care at home-in 71% of the surveyed municipalities. Daily centres for children with disabilities exist in less than one third of municipalities, clubs for the elderly in one fourth, while the other services exist in a far less number of municipalities.⁴³²

431 One third of the projects that were financed from the Fund of Social Innovations were conducted by NGOs.

432 Vuković, D. (2010b) "Institutional Capacities, Social and Human Capital and the Application of Law: Reforms of the Local Social Protection System in Serbia", presented at the conference *Poverty and Social Inclusion in the Western Balkans*, World Bank, 2010, Brussels, Belgium.

Table 5. Services Coverage

Service	Coverage 2010
One-term material assistance	98%
Assistance in the home for the elderly	71%
Daily centre for children with disabilities	42%
Assistance at home for PWD ⁴³³	39%
Support to minor delinquents	28%
Club for the elderly	25%
SOS phone	23%
Shelter	19%
Daily centre for PWD	19%
Living with support for the youth	16%
Daily centres for the elderly	12%
Personal assistants for PWD	11%
Club for the youth	9%
Independent living for PWD	2%

Source: Vuković, 2010b

Data show that there are great differences between municipalities at different level of development – the most developed municipalities established more services than less developed municipalities. The only exception is one-term material assistance which is equally present in all the municipalities regardless of the level of development. There are great differences when it comes to services for children, persons with disabilities and the elderly and all of them often exist in more developed municipalities. Local self-governances in most cases finance less services than there are at their territory. In spite of this, the total share of the services financed by the local self-governances increased in the period 2008 and 2010. For example, daily centres for persons with disabilities work in 42% municipalities, while in every second they are financed by the local self-governance (22%), which is still an increase in comparison to 2009 when they were 13%.⁴³⁴

These data show that the market of social work services is spreading as well as space for involvement of non-governmental organizations. More funds from the local and republic budgets are being spent for financing these services. Along with this many services, which are now provided by the public sector, will in accordance with the new Law on Social Protection be provided by other actors from profit and non-profit sector.

⁴³³ This service is usually merged with the service of assistance at home for the elderly.

⁴³⁴ See: Vuković, D. and Čalošević, A. (2009), "Socialna zaštita, regionalne nejednakosti i moguća nova uloga Fonda za socijalne inovacije" (Social Protection, Regional Inequalities and Possible New Role of the Fund for Social Innovations), Belgrade, UNDP working document.

Vuković, D. (2010), "Izazovi oblikovanja socijalnog režima u Srbiji" (Challenges of Shaping Social Regime in Serbia) in Marija Babović (Ed.) (2010) *Izazovi nove socijalne politike (Challenges of the New Social Policy)*, Belgrade: Secons

In Vlasotinac an Inter-municipal Centre for Children and Youth has been working for a few years. It has been opened as an organizational unit of the Inter-municipal Centre for Social Work which closely cooperates with local NGO, as well as a pre-school institutions, health centre and local schools. This centre has the following services: daily centre for children with developmental difficulties, SOS phone for victims of violence, Teen phone for youth and Youth counselling, Daily stay for the children with risk behaviour and Club of children and fosters. All the services are implemented in a big house that was a private endowment, which was renovated and equipped with support of the local self-governance, ministries, Fund for Social Innovations and other actors. The services of the SOS phone and Teen phone are implemented by a local NGO that initiated and started the whole project.

Republic Bureau for Social Protection has recently developed a data base of providers of social work services.⁴³⁵ It contains data on 350 local services conducted in 101 municipalities, while in the other municipalities in Serbia (there are 168 municipalities) there are no data. Like in the previous research, assistance and care at home are most widely spread—they exist in 80 municipalities and compose almost one fourth of all the registered services. At the second place are daily centres for children and youth with developmental difficulties that work in 64 municipalities in Serbia, shelters (30 municipalities or 9% of all the services), and clubs for the elderly (28 municipalities). Analyzing the structure of service providers we find interesting data. Most services are provided by social work centers—196 services or 55%, then NGOs with 80 services or 23%, and institutions for accommodations of beneficiaries with 50 services or 14% of all the registered services. These data show that the system of local services of social work in Serbia is dominantly in the public sector— $\frac{3}{4}$ of all the registered services according to data of the Republic Bureau for Social Protection. On the other hand, in the last ten years the NGO sector has filled up one fourth of the services market which is a significant success (of course we do not have data on the coverage of the beneficiaries, duration of services etc. which makes conclusions limited).

435 This data base has the same limitations as the Directorium of NGOs—it is not representative, the registration is voluntarily, and many data are not provided for many municipalities, while some data are unnecessary, and mechanisms for checking reliability of data are not known. In spite of these limitations, data will show some interesting characteristics of NGOs in the field of social protection that are in accordance with the previous findings. The data base on local services of social protection is available at http://www.zavodsz.gov.rs/index.php?option=com_content&task=view&id=240&Itemid=240

Table 6. Services provided by the NGO sector in Serbia

	WHOLE SAMPLE	NGO SERVICES
Daily stay for children and youth with developmental difficulties	64	30
Daily stay for children and youth with physical invalidity	14	7
Daily centre for the adults and elderly	10	6
Club for the elderly	28	4
Personal assistance	9	6
Assistance and care at home for the adults and elderly	80	7
"Rest service" for children with disability and their families	6	3
Shelter	30	3
SOS phone	18	3
Other services	91	6
Total	350	80

Source: Data base of local services of the Republic Bureau for Social Protection

NGOs are mostly focused on different services for the persons with disabilities and developmental difficulties: daily stay for children and adults with developmental difficulties (38% of the NGO services) daily stay for children and youth with developmental difficulties (9%), personal assistance (8%) and "rest service" for children with invalidity and their families (4%). Two thirds of all the services provided by NGOs are for persons with disabilities and developmental difficulties. The analysis of the data base showed that at least 37 NGOs, almost half of the registered NGOs, is in the category "groups for self-help." These are actually different organizations of persons with disabilities and developmental difficulties and of their parents. The rest of NGOs are organizations that provide social work services (among which there are 9 branches offices of the Red Cross of Serbia). Two thirds of all the services provided by NGO are in the most developed or average developed municipalities, while one third is in undeveloped or much undeveloped municipalities.

These data show that great efforts to develop local social work services have produced results. The structure of developed services corresponds to the structure of the public funds- the state financed assistance and care at home and daily centres. At the level of the structure of service provider societies for self-help, especially organizations of persons with disabilities are more successful in establishing and maintaining the services in the present conditions. Their growing presence might also be the indicator of un-readiness of the other actors to get involved in the very demanding field of service provision to the persons with disabilities and developmental difficulties.

CONCLUSION

Public policies in the field of support to the unemployed, education, health and social protection do not always succeed in providing effective mechanisms of support to the most vulnerable citizens of Serbia. Except *ad hoc* mechanisms (such as Roma coordinators and mediators) there are no institutional mechanisms for the support of, for example, Roma, poor and rural populations to fully use the resources of the public sector: to educate children with the state support, to use health services as much as the majority of population or to have access to social work services (e.g. assistance at home, counselling, mediating). On the other hand, a lot of money has been invested to improve the quality of the public sector, but primarily in those segments which are less used by the most vulnerable categories compared to its share in the general population (e.g. investing in the third sector in health and education). The structure of the support system and kind of social regime in Serbia⁴³⁶ show limited domains of projects for advocating and representing rights and interests especially of the vulnerable groups.

The poor and socially excluded more lean upon the services of the public than private and non-profit sector. This refers to education, health even social protection. Non-profit sector has mostly developed in the field of social protection, and its development in this field is a consequence of the interaction of public policies and strong civil activism. Public policies, with international expert and financial aid, made available public funds and opened space for service providers from the non-profit sector, which was not the case in the field of free legal aid, support to realizing the rights in the field of health, education etc. Based on the available data, it seems that most advancement have been made in the field of protection of rights of persons with disabilities and developmental difficulties due to non-governmental organizations dealing with these issues, as well as "self-help groups". These organizations are numerous and relatively successful in establishing and maintaining social work services in their communities. They are gradually becoming an important actor (and partner to the public sector) in efforts for improving socio-economic status and social inclusion of their members and beneficiaries. Their success is the result of overlapping of the public policies and strong, deeply rooted civil activism. In regards with financing, state and international funds are the main "driver" of the NGO sector (due to the lack of philanthropy and middle class capable of financing some of these activities). These investments, as we have already seen, produce effects only with participation of the interested and organized citizens.

436 cf. Vuković, 2010

VII. NETWORKING OF NGOS IN THE WESTERN BALKANS - KEY FOR TACKLING SOCIAL EXCLUSION AND POVERTY

Civil society groups and organizations form networks to pursue aspirations for sustainable development and democratic governance that they cannot achieve alone. Networks can enhance the power and influence of citizen voice in advocating for policies and improving governance. Networks also can link service-providers to exchange information and resources or to develop coordinated delivery systems. Civil society networks have become partners of choice for many international development agencies seeking to maximize the reach, scale and impacts of their programs. There is a widespread need for better understanding of the unique features of civil society networks and how to work in and with them successfully.

Civil society networks may be defined as civil society groups, organizations and sometimes, individuals that come together voluntarily to pursue shared purposes of social development or democratic governance. These purposes may include exchanging resources, addressing common social goals or expressing their identities as community or social group. In civil society networks, member groups and organizations retain their basic autonomy, with their own identity, mission, and governance.

Effective networks can enable service-providing civil society groups and organizations to increase their social development impacts by extending their reach to poor and marginalized groups, expanding the scale of their programs or improving the quality of services. They make vital contributions to citizens' democratic rights and wellbeing by giving voice to citizen interests and providing services where they are needed. Civil society organizations are recognized globally for their success in shaping public policy, keeping government accountable, transforming conflict and promoting peace, defending human rights and ensuring that citizens have access to basic services.

Networks of civil society organizations, when successful, enable citizens to amplify their voices and achieve greater influence and impacts in policy, democratic governance and social change. In striving for results like building more peaceful and just societies or preventing vulnerable citizens from abuses of human rights, civil society networks can provide:

- Forums for people to share experiences, express identities, discuss and debate needed changes and craft strategies for action;
- Protection for those who are otherwise vulnerable to exploitation, abuse or retribution for speaking out;
- Jointly-governed bodies for coordinating campaigns and other kinds of joint action;
- Legitimacy with policy makers and other institutional leaders in democratic contexts, due to the numbers and social identities of those seeking change.

As forums, linkages and convening spaces, networks can be opportunities for building social capital among like-minded individuals and groups or among diverse groups that share common goals and aspirations. While any given forum or campaign alliance may be temporary, satisfying personal and institutional relationships characterized by mutual trust and shared norms for working together tend to endure and become resources for future action.

As jointly-governed committees or institutional bodies, networks can be schools for nurturing democratic citizenship. To produce effective results, leaders must develop skills in democratic practices like building consensus, facilitating dialogue, and following democratic procedures for decision-making. Network members must develop skills in communication, coordination and legitimate decentralized decision-making.

However, there are some common challenges that are frequently experienced by civil society networks, donors and international NGOs, and they include:

- Implementation results that don't live up to expectations of reach, scale or impact;
- Frustrating experiences with attempts at cooperation that lead to reluctance to join or support networks; and
- Networks that function primarily as funding arrangements and fail to sustain their program effectiveness after donor support ends.

Some of these challenges are due to the basic features of networks as relatively complex forms of organization. Because they involve autonomous organizations, each with its own mission, governance body and set of stakeholders to which it must respond, it can be difficult for members to align themselves in common arrangements for long. Networks often involve coordinating many levels of organization and interaction, from technical sharing to governance and issue-based action.

The only way to overcome these challenges and obstacles is to publicly promote the values of networking and the prerequisites that need to be fulfilled in order to make them sustainable and successful. Think-tanks and other policy-oriented organisations are valuable assets in this area, since they can promote these values in effective ways and reach relevant decision-makers, influencing them to support such initiatives.

There are five commonly recognised types⁴³⁷ of shared purposes for networks often found among NGOs in international development. They include:

1. To exchange information and learn from one another, e.g., to learn more about crises and what each organization is doing, to share program approaches and identify best practices or to hear about innovative approaches to addressing common problems.
2. To coordinate policies, programs or other activities, e.g., to address issues such as duplication or gaps or to maximize use of resources for common purposes.
3. To obtain common funding for members, e.g., to augment the resources of each individual member or to allocate program funds in a given sector or theme to a range of individual organizations.
4. To create new social value, e.g., to carry out an advocacy campaign for policy or social change or to develop joint programs for service delivery.
5. To strengthen members' common identities and interests over the long-term, e.g., to build sector standards or enact legislation to create an enabling environment.

This typology of five network models makes it very clear that there is no single design or set of capacities to which every civil society network should aspire. Networks are more likely to be efficient and effective when they align their shared purposes with a network structure that is best suited to their level of interdependence. Effective networks are a great resource for any civil society.

437 Ashman, D. et. al. Supporting Civil Society Networks in International Development Programs. AED Center for Civil Society and Governance, December 2005.

Action oriented networks are a specific category, since they focus on particular sectors or issues. This makes them more focused and motivated to achieve their goals. All their efforts and expertise are focused on a narrow group of goals, making it more likely for them to have an influence on their area of interest. In the context of the Western Balkans, more specifically, ex-Yugoslav countries, most existing networks are neither regional nor action oriented. They mostly deal with general issues such as the civil society itself, democracy, etc. This means that specific issues and sectors remain neglected, except through activities of small, local grassroots organisations. Although the work of such organisations is commendable and praise-worthy, their effects and best practices remain confined to the narrow local environment. Networks have the advantage of covering a larger area which, in combination with expertise and experience of smaller organisations, yield far-reaching, sustainable results.

Networks are an irreplaceable tool when it comes to enhancing social services and tackling social exclusion and poverty. Countries analysed in this Study (Albania, BiH, Macedonia, Montenegro and Serbia) are all connected by their history and are based on the same "leftovers" of ex-socialist heritage. This is an excellent basis for close cooperation and networking. Instead of drifting apart, these countries should see each other as partners with the same goals and mechanisms to achieve them. They can learn from each other in all aspects of development. By connecting their civil societies and founding regional action oriented networks, they can work jointly towards the EU, but more importantly, towards achieving a society that fully implements the principles of democracy and equality.

This analysis should be considered and serve as a basis and guideline for establishing regional cooperation and networking of CSOs in the Western Balkans with the aim of reducing social exclusion and poverty. The following specific recommendations have the aim of addressing specific issues and needs in relation to enhancing and maintaining firm and formal regional cooperation in these fields.

VIII. RECOMMENDATIONS IN THE CONTEXT OF STRENGTHENING SOCIAL INCLUSION AND REDUCTION OF POVERTY

RECOMMENDATIONS TO CIVIL SOCIETY ORGANISATIONS IN ALBANIA, BIH, MACEDONIA, MONTENEGRO AND SERBIA

1. CSOs are encouraged to strengthen cooperation through sectoral networking and forming of coalitions, in order to lobby more efficiently for social inclusion and poverty issues, which are of mutual interest to authorities and donors;
2. In order to strengthen their credibility, responsibilities and transparency of their activities, CSOs are encouraged to actively promote and adhere to the basic principles of the already existing NGO Codes of Conduct or other similar documents, as well as to jointly place their efforts to build more efficient mechanisms for their consistent practical application in order to improve their capacities and mechanisms for dealing with social inclusion and poverty issues;
3. CSOs are advised to introduce and promote a system of quality control for civil society organizations, with the aim of their professionalization and standardization, especially in the area of social inclusion and reduction of poverty;
4. CSOs should promote and exchange positive legislative practices from their countries in the area of social inclusion and poverty reduction throughout the entire region, and learn from positive practices in other countries of the Western Balkans;
5. CSOs and the media should cooperate mutually to increase their public presence and expression of independent stands and opinions regarding key issues of social exclusion and poverty in BiH society;
6. CSOs in all analysed countries should expand their activities of raising awareness among the Population that one of the duties of responsible citizens in democratic societies is to actively participate in policy-making processes in their community, and to encourage them to explore their options of participation that would best assist CSOs to achieve various initiatives;
7. CSOs should especially increase their contribution to development of the social capital, internal reintegration of the region, sharing best practices in the area of social inclusion and poverty reduction and creating cohesion as one of the important preconditions for EU membership;
8. We also recommend that CSOs become more active in regard to establishing and maintaining different mechanisms of formal, as well as informal, consultations between governments and the civil society, that would enable CSOs to become more involved in all stages of processes leading to the creation of reform policies, strategies and laws pertaining to social inclusion and poverty reduction;
9. CSOs should become more active in constant monitoring of the implementation of government social inclusion and poverty reduction policies;
10. CSOs have to take the lead in strengthening partnerships with public institutions for strengthening social inclusion and reduction of poverty;
11. CSOs have to put the interests of their beneficiaries as their primary goals in order to achieve better social inclusion and to reduce poverty;

12. CSOs are also advised to initiate the obligation of submitting independent reports on their countries' progress in the process of EU integrations (of which social inclusion and poverty reduction are important parts), and to become involved in monitoring and evaluation processes;
13. CSOs are recommended to work on the establishment of a positive environment for the development of the civil society in their countries and the region. This can be achieved through lobbying for positive changes and/or amendments of the existing regulations, as well as passing of new regulations, regarding the work of civil society organizations, which would enhance their capacities to lobby for social inclusion and poverty reduction;
14. CSOs are also recommended to actively promote the establishment of clear and transparent mechanisms for support and funding of CSO activities from government budgets through drafting and adopting a Code of Funding;
15. Civil society organizations should encourage networking and cooperation between research organizations (especially think-tanks, institutes) and lobby CSOs in regard to drafting and implementation of joint projects and programmes from the area of drafting, monitoring and evaluation of results and effects of public policies regarding social inclusion and the reduction of poverty.
16. Networking and more cooperation between research and advocacy organisations (think-tanks, institutes) are highly recommended with the aim of drafting and implementing joint projects that refer to the creation, control of implementation and evaluation of results of public policies dealing with social inclusion and poverty reduction;
17. Apart from "general" networks, it is necessary to also form *action oriented* networks that will gather organisations focused on one specific sector, issue or subject (mitigation of poverty, social exclusion, women's rights, labour rights, etc.).

RECOMMENDATIONS TO GOVERNMENTS IN ALBANIA, BIH, MACEDONIA, MONTENEGRO AND SERBIA

1. Government representatives should practically confirm their declarative will and readiness for establishment and development of the dialogue and cooperation with CSOs based on the principles of equal partnership;
2. To identify an institutional framework for offering government support to the development of a sustainable civil society capable of making changes in the area of social inclusion and reduction of poverty;
3. To improve the system of funding and supporting civil society development in the region, as well as in individual countries, especially through supporting the principle of matching funds of government budgets and other donors;
4. To support fund matching mechanisms for local budgets and funds from other donors as a means of achieving sustainability and local ownership of CSOs;
5. To initiate the establishment of a single digital registry of associations in the Western Balkans and registries of individual countries which would include registries of active and non-active registered organisations;

6. To define priorities of cooperation between the governmental and non-governmental sectors in accordance with the state development plans and priorities in the SAAs, especially in regard to social inclusion and reduction of poverty;
7. To practically demonstrate the expressed political will and readiness to develop dialogue and cooperation with civil society organizations in regard to social inclusion and the reduction of poverty, on the basis of equality, independence and partnership. This is especially relevant in the context of establishment of institutional mechanisms of cooperation with CSOs (i.e. the establishment of an office for cooperation with CSOs and/or a council for the development of CSOs, etc.);
8. It is very important that government enables engagement of the CSOs in the process of creating public policies at all the levels of the government with the aim of information exchange and consultations (through organizing round tables, workshops, focus groups, forums etc.) as well as thorough nominating representatives of CSOs in temporary and permanent working bodies, commissions, boards within executive and legislative state bodies dealing with social inclusion and poverty reduction;
9. To establish a functioning and independent organisational unit within the competent governmental institutions for cooperation with associations, which would play a coordinating role between ministries and which could coordinate and administer European Union funds for the development of civil society with the aim of strengthening social inclusion and reducing poverty;
10. To establish a council for the development of civil society as an advisory and expert body within the competent governmental institutions in charge of social inclusion and poverty reduction issues;
11. To actively support and invest in the strengthening of technical and institutional capacities of governmental institutions in charge of social inclusion and the reduction of poverty, through promotional and educational programmes and projects. It is advised that the concepts of social inclusion be included in training programmes of government officers and employees working in service provision;
12. Government representatives are also advised to enable systematic participation and partnership of CSOs in processes of public policy-making, in the form of informal exchange of information, as well as inclusion of representatives of the civil society in permanent and temporary work groups, committees, boards and other organs of authority dealing with social inclusion and the reduction of poverty;
13. As part of activities of implementation and further development of civil/private partnership, mechanisms for transparent programme and project funding from budget funds should be established through passing a Code on good funding practice, in order to ensure application of legally prescribed funding mechanisms;
14. Within the creation of a favourable legal and fiscal environment for the work of CSOs, laws and regulations should be passed to implement tax, fiscal and other benefits which would improve the work of CSOs dealing with social inclusion and poverty reduction;
15. To actively support existing and the creation of new regional networks and coalitions of CSOs dealing with social inclusion and the reduction of poverty, in order to ensure conditions for better, more efficient coordination and cooperation of government organs in charge with CSOs;

16. Identify precise models and institutional mechanisms for consultation with citizens, citizen initiatives and civil society organisations, and modes of their participation in creating, implementing and evaluating public policies dealing with social inclusion and poverty reduction issues (positive consultation practice code), i.e. to establish more efficient, inclusive models/mechanisms of consulting with CSOs in relation to key reform issues of social inclusion and the reduction of poverty, that would rely on comparative analysis and good practice seen in other countries and regions ("roof organizations", CSO Councils, CSO Platform, etc.);
17. It is highly recommended that CSOs be enabled easier access to European and other donation funds through the establishment of appropriate co-funding mechanisms of financial support and aid (fund, foundations, etc.).

RECOMMENDATIONS TO EU DELEGATION AND INSTITUTIONS IN ALBANIA, BIH, MACEDONIA, MONTENEGRO AND SERBIA

1. Social inclusion and poverty reduction, especially the role of NGOs in enhancing those processes, should be the main priorities for EU national strategies in all countries, although they have been neglected so far;
2. EU institutions in the Western Balkans are recommended to report regularly on the application of dialogue and partnership with CSOs in the process of social inclusion and reduction of poverty, as well as to produce guidelines for consultations with CSOs in all phases of drafting, implementation, monitoring and evaluation of reform strategies, programmes and policies;
3. The EU Delegation and other EU institutions are also recommended to make obligatory the application of dialogue principles, as well as partnership of authorities and CSOs as one of the key principles of enhancing social inclusion and reducing poverty, thus enhancing the processes of integration into the European Union;
4. The EU Delegation should also have a communication strategy with civil society organizations that would set forth the channels and methods to enable faster exchange of information in regard to social inclusion and poverty issues, which would also be based on open dialogue and cooperation between government bodies, CSOs and the EU (tripartite dialogue and cooperation);
5. We advise that consultations be applied also in the process of drafting planning documents, design, implementation, monitoring and evaluation of priority programmes and projects. We also advise that the selection of local civil society organizations with which consultations will be held, be based on principles of competency, experience in the area of social inclusion and poverty issues, representation and quality management;
6. EU institutions in charge are expected to question the current rules and procedures of programme and project funding supported by the EU, as well as to improve them, making them more flexible and accessible to CSOs that provide services to enhance social inclusion and reduce poverty;
7. It is recommended that IPA supports establishment and development of regional sectoral organizations and regional networking of organisations dealing with social inclusion and poverty issues;
8. In the process of selecting priority programmes and projects for support, EU institutions are recommended to promote projects regarding social inclusion and reduction

- of poverty, as well as to promote the principle of local stakeholder responsibility, sustainability, cost-effectiveness, complementarity, synergy, close regional cooperation and coordination with programmes and projects of other donors;
9. Support to the development of civil society organizations that deal with issues of social inclusion and poverty on a regional level can be best provided through supporting the establishment of regional organizations for supporting such CSOs, especially think-tank organisations;
 10. EU should consider introducing several support and aid models appropriate to the development level of the civil society in the Western Balkans, and their combination would provide comprehensive, multi-component programmes to enhance social inclusion and reduce poverty;
 11. EU institutions should also support the establishment of more efficient, inclusive models/mechanisms of consulting with governments and CSOs in the Western Balkans in relation to key reform issues of social inclusion and the reduction of poverty.

RECOMMENDATIONS TO THE DONOR COMMUNITY IN ALBANIA, BIH, MACEDONIA, MONTENEGRO AND SERBIA

1. Donors should give priority to social inclusion and poverty reduction projects that apply the principle of matching their funds with funds of local budgets, because that ensures future sustainability and local ownership of their investments;
2. Donor projects and programmes should be coordinated better in order to ensure an effect of synergy of organizations dealing with social inclusion and poverty, as well as to avoid unnecessary repetition of activities and irrationally targeted allocations of funds and other resources. This coordination should be visible both in public and in private sources of funding, because it is becoming more and more clear that public funds are insufficient to ensure successful social protection and inclusion;
3. Representatives of the donor community should be involved in the establishing of Donor Coordination Forums in all countries of the Western Balkans, for better communication and exchange of information;
4. The donor community in the Western Balkans, along with the EU Delegation, is recommended to direct some of their support and aid to joint programmes aimed at strengthening technical and institutional capacities of civil society organizations dealing with issues of social inclusion and poverty;
5. Donors in the Western Balkans are advised to support the strengthening of the capacity of the civil society to conduct research and analysis that would serve as a base for better targeting and allocation of funds, as well as to propose alternate public policies from the area of social inclusion and the reduction of poverty through programmes supporting local think-tanks and their increased involvement in policy-making processes;
6. Donors in the Western Balkans should be encouraged to gradually shift away from projects dealing with general issues such as civil society, ethnic relations or human rights, and to move towards an integrated approach that combines economic development (e.g. encouraging small business, agriculture and entrepreneurship) and social issues (e.g. youth unemployment and other job creation programs) with efforts to strengthen and reintegrate local communities through social inclusion and reduction of poverty and enhance regional cooperation;

7. It is necessary to adapt assistance programs' design in accordance with the local and regional context and with the goals of the assistance program. International experts and twinning should not be engaged only in short consultancy sessions. Long-term engagement, and physical residency in the target country is necessary to achieve the best results, therefore priority should be given to fostering local experts and strengthening their capacities to influence social inclusion and poverty reduction policies;
8. Donors should consider shifting towards supporting problem-driven projects in the field of social inclusion and poverty reduction, which are identified as urgent by the target organizations and institutions.

RECOMMENDATIONS FOR ENHANCING REGIONAL COOPERATION

1. EU assistance should be more focused to address regional structural economic, social and developmental goals. It is high time to overcome the conflict-prevention approach and to address currently more pressing problems;
2. A requirement for local co-financing (funds matching) of EU and international assistance should be introduced in order to ensure sustainability and local ownership;
3. Due to serious problems of sustainability and limited actual impact, projects aiming at formulating best practices should target areas that are relatively developed economically rather than the most underdeveloped ones.
4. Regional projects should not be designed by one external organization and then imposed on regional participants. Projects should either be designed by the countries that have interest in participating in them or consulted with these countries in advance.
5. It is recommended that international strategies take into account the politics of the region.
6. Regional cooperation among smaller groups of Western Balkans countries could overcome the impediments to regional association engendered by the region's symbolic politics.
7. CSOs need to work on strengthening regional cooperation through sectoral networking, especially in regard to the social sector, and forming of coalitions with the aim of better representation and advocacy of mutual interests to donors and authorities.
8. Networks formed in the region in this way should be action-oriented, focused on solving particular issues (social, etc.) of interest, instead of the existing networks which are focused on general issues.
9. Based on the example of the European Anti Poverty Network (EAPN - formed in 1990 and located in Brussels, Belgium), regional CSOs are recommended to form an independent representative network of CSOs, NGOs and groups involved in the fight against and prevention of poverty and social exclusion in the Western Balkans.
10. It is recommended to all Western Balkan countries to support and participate in the establishment of regional platforms to coordinate programs, activities and resources of multiple groups and organizations to achieve shared policy or program goals;
11. The establishment of a regional network of CSOs/think-tanks is recommended as a very important step to gain legitimacy with government and donors as accountable and cost-effective vehicles for implementing social development policies and programs that reach the poorest, most isolated or marginalized communities.

12. It is very important to use the potentials of the Regional Cooperation Council (RCC) to streamline, coordinate and inform regional initiatives and functions as a mechanism for starting and developing regional initiatives in social inclusion and poverty reduction;
13. Taking into consideration that the RCC takes part in different initiatives and cooperates with wide range of stakeholders it can also be an important mechanism for cooperation of NGOs and think tanks from the region;
14. All stakeholders (CSOs, governments, the EU and other donors) are recommended to further develop the pre-existing social capital, as well as to accumulate new social capital. Relationships of mutual understanding, trust and norms of cooperation among network leaders and members necessary in successful networks.
15. The existing political and legal environment is also extremely important, therefore it is highly recommended to all Western Balkans countries to harmonise and improve their legal frameworks pertaining to civil society, the non-governmental sector, fundraising and networking opportunities.

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