

Laws and strategies await implementation



The country's severe environmental problems constitute key challenges for sustainable development and poverty reduction. In recent years a new legal and policy framework for environmental management has been put in place. However its effective implementation remains a serious concern. A National Sustainable Development Strategy, developed with the participation of civil society organizations, has been adopted but achieving the goals means that Serbia must invest more of its GNP into protecting the environment. Success in addressing the key challenges in this area depends on building capacity for implementation, monitoring and enforcement, raising awareness and securing political support for environmental management.

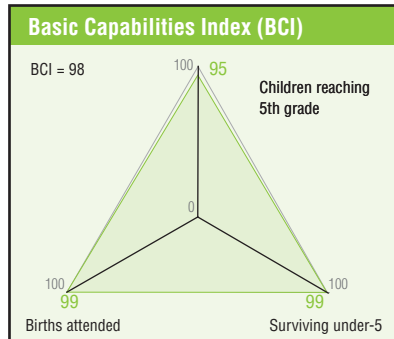
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Due to economic collapse during the 1990s, most needed environmental investments to prevent pollution in Serbia and build infrastructure for sanitation and water were not undertaken.¹ In recent years the country has made progress in developing formal policies and laying the legal groundwork for environmental management, mainly by harmonizing legislation with the *acquis communautaire* (the accumulated legislation, legal acts and court decisions that constitute the body of EU law).² The National Sustainable Development Strategy (NSDS) for the period 2009–2017 was developed with the participation of civil society organizations and adopted in May 2008.³ The NSDS is based on three key factors of sustainable development: sustainable economic development, sustainable social development and environmental protection with rational utilization of natural resources. This strategic document has identified the following key environmental problems in Serbia:

1. **Water pollution:** this is the main environmental issue in the country. Only 63% of the population has access to public water supplies, while only 35% is connected to a public sewage system. The quality of drinking water is generally unsatisfactory. Only half the population is supplied with drinking water from controlled water supply systems. Water controls show that in central Serbia more than 40% of samples were contaminated with bacteria, while in Vojvodina, an autonomous province, the main problem is chemical pollution.⁴ The majority of industrial sites and major towns do not have wastewater treatment plants. Due to this fact, 44,000 tons of toxic agents are deposited into lakes and rivers an-

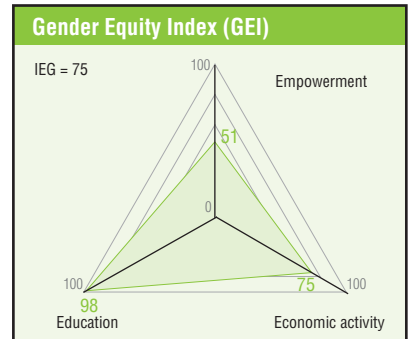


nally.⁵ Serbia is the main polluter of the Danube, while the Danube-Tisa-Danube channel is the most polluted area in Europe.⁶

2. **Air pollution:** the main producers of air pollution are facilities for energy generation and industrial plants with deficient air-cleaning technology. Public electricity and heat production emit around 345,000 tons of SO₂ per year, which corresponds to 98% of total SO₂ emissions.⁷ Air is polluted in all the major cities, mainly due to transport as leaded petrol is still in use.

3. **Inadequate waste management:** while energy efficiency in manufacturing is one third of the world average, waste production is extremely high and waste recycling and safe handling is poor. Only 60% of municipal waste is collected (2.2 million tons per year). Waste disposal sites generally do not meet technical requirements. There are 3,251 illegal dumpsites, mostly in rural areas.⁸ There are no reliable data on the unsafe waste produced by manufacturing, and there are no treatment plans or disposal sites for this type of waste.

4. **Soil degradation:** agricultural land covers 60% of central Serbia and 82% of Vojvodina. Soil quality is affected by the use of polluted water for



irrigation, by chemical pollution from industrial plants, by dumping of waste and by erosion.

5. **Unsustainable forest management:** forests cover 27% of the country's territory. However woodland growth and quality are threatened by over-harvesting, illegal logging and poor management.

The links between the environment and public health

A study by the World Health Organization (WHO), which looked at people's exposure to environmental factors and the national statistic data published in 2007, estimates that 27% of the population of the country is affected by illnesses caused by environmental factors.⁹ Taking this into account, as well as the fact that children are the population group most sensitive to negative environmental influences on health, the Government adopted the Children's Environment and Health Action Plan on 1 October 2009. Its main priorities are increasing access to safe drinking water in rural areas, increasing access to adequate sanitation, reducing traffic injuries, reducing air pollution, reducing the exposure of children to tobacco smoke and stopping and subsequently prohibiting the use of leaded petrol.

The Roma and the internally displaced are particularly exposed to environmental risks due to lack of adequate housing and access to safe drinking water. In addition, land degradation contributes to rural poverty. The first and second Progress Reports on the implementation of the poverty reduction strategy concluded that: "investments in water supply facilities, wastewater treatment plants

1 D. Slunge, A.Ekbom and E. Dahlberg, *Serbia Environmental and Climate Impact Analysis*, (Göteborg: School of Economics and Commercial Law, 2008).

2 Government of Serbia, *National Sustainable Development Strategy*, (Belgrade: 2008).

3 Official Gazette of RS, No. 57/08.

4 Slunge et al., op. cit., p. 2. Vojvodina is an autonomous province in Serbia.

5 Ministry of Environmental Protection website, (2011), <www.ekoplan.gov.rs>.

6 Government of Serbia, *Sustainable Development Strategy Is One of the Preconditions for Serbia Entering the EU*, (Belgrade: 5 December 2007), <www.srbija.sr.gov.yu/vesti/vest.php?id=79525>.

7 Slunge et al., op. cit., p. 2.

8 Government of Serbia, "Chapter 27: Environment" in *Responses to the European Commission Questionnaire*, (Belgrade: 2011), p. 150. <www.srbija.gov.rs/?change_lang=en>.

9 Ibid., p. 92.

and environmental hotspot clean-up programmes have had a direct impact on poverty reduction. Indirectly, such activities have also contributed to the employment of a number of semi-qualified, poorer workers.”¹⁰

The National Assembly adopted the Public Health Act in 2009. This recognizes the impact of the environment on health as one of the priority areas within public health. In addition, the Public Health Strategy,¹¹ also adopted by the Government in 2009, lays out a set of strategic activities with the purpose of protecting the population’s health from negative environmental effects.

Economic trends and environmental issues

In recent years the need to make national environmental protection legislation and policy comply with EU policy has led to the adoption of a great number of laws and policy documents¹² that address the identified challenges (air quality, waste management, water quality, nature protection, industrial pollution control and risk management, chemicals, climate change, noise and civil protection), as indicated in the Government’s responses to the European Commission’s questionnaire in 2011.

Financing the implementation of the NSDS is a key challenge, however, due to unfavourable economic tendencies. After the high growth rates of 5–6% between 2001 and 2008, the last three years have been characterized by a slowdown of economic activity and foreign exchange developments, followed by a decrease in foreign and domestic demand and in foreign investment. In 2010, gross domestic product (GDP) rose 1.5%,¹³ while during the same period consumer prices increased 10.3% and living costs 6.8%. The negative foreign trade balance was 58% and the foreign trade deficit amounted to EUR 4.3 billion (USD 6.1 billion) in 2010. The foreign debt reached 80% of GNP and foreign direct investment (FDI) inflows were still

falling: they amounted to EUR 654 million (USD 931 million) in 2010. Small inflows of FDI and net credit outflow led to a worsening balance of payment. The public debt reached 36% of GDP.¹⁴ Obligatory reserves decreased and the referential interest rate went up from 9% to 9.5% in October 2010.

The official rate of unemployment in 2010 was 20%, but the real number of jobseekers was considered to be higher and the rate of employment was decreasing. There was a high rate of work in the black market – 20.6% compared to the total number of workers in regular employment.¹⁵

The Government predicted a mild recovery of economic activity as a result of the combination of several circumstances including the recovery of the EU economy, the successfully completed revision of arrangements with the IMF, the agreement of the largest foreign banks in the country to maintain their levels of credit exposure to stabilize financial markets, and the economic policy measures that were undertaken. However the macroeconomic indicators at the beginning of 2011 point to a further decline in economic activity as a consequence of setbacks in industries such as manufacturing and electric power as well as a decrease in agricultural production.

Inherited economic problems such as the insolvency of enterprises, negative trends in the labour market, continual unemployment growth, bad prospects in earning growth and increases in poverty are not only deepening this crisis but making it chronic. The Government has been insensitive to the consequences of the crisis and is increasingly facing social discontent. The failure to implement reforms and the worsening of living conditions at the beginning of 2011 – particularly for vulnerable groups such as the unemployed, rural population, Roma, people with disabilities and pensioners¹⁶ – has been further complicated by the reshaping of the Government and political instability. Social discontent and insecurity are in-

creasing due to lack of access to employment and decent jobs. At the same time, jobs are increasingly insecure¹⁷ due to the ongoing bankruptcy of firms, the enormous internal indebtedness¹⁸ and a badly led process of privatization resulting in a mounting number of strikes in 2011.¹⁹ Many new owners of privatized companies purchased them with the goal of making money by reselling them and not to maintain production. Trade unions estimate that average monthly salaries will decrease in 2011 from USD 435 to USD 350.²⁰

The Government’s projections for 2011 (GNP growth of 3%, inflation rate of 5.8%, unemployment rate of 20%, and foreign debt in GNP of 74.2%) are already in doubt.

Conclusion

The Government is simply in denial regarding the real economic trends and the evident fall in the population’s living standards. It limits itself to making optimistic pronouncements for the short term. However the need to change the previous path of development and growth is becoming increasingly urgent because the current state of affairs is untenable. In essence, the economic growth model should be changed and the economy should be oriented to development and the increase of investment and export, not to consumption.

Achieving the goals set in the NSDS demands that Serbia invests its best efforts in reaching the planned GNP. Currently, only 0.3% of GNP is devoted to protecting the environment. These modest resources are insufficient. It is estimated that there is need for supplementary financial funding of 1.02% in 2011 for delivering on this priority. Success in addressing the key environmental challenges depends on building capacity for implementation, monitoring and enforcement, raising environmental awareness and securing political support for environmental management. ■

10 Government of Serbia, *First Progress Report on the Implementation of the Poverty Reduction Strategy in Serbia*, (Belgrade: 2005); *Second Progress Report on the Implementation of the Poverty Reduction Strategy in Serbia*, (Belgrade: 2007).

11 Ibid., *National Strategy on Public Health*, (Belgrade: 2009).

12 For example, the National Strategy on Inclusion of the Republic of Serbia in the Mechanisms of Clean Production of the Kyoto Protocol in the Areas of Waste Management, Agriculture and Forestry; the National Strategy on Public Health; the National Strategy on Introducing Cleaner Production. See: <www.srbija.gov.rs/>.

13 The source of all data in this paragraph, if not given another source, is Ministry of Finance, *Revised Memorandum on the Budget and Economic Fiscal Politics for 2011, with projections for 2012 and 2013*, <www.mfin.gov.rs/?change-lang=en#>.

14 B. Mijatovic, “The European View on Serbia”, *Fokus*, (Belgrade: Center for Liberal-Democratic Studies, 2011.)

15 Government of Serbia, *Social Connection Control in Serbia*, (2010), <www.inkluzija.gov.rs/?p=2615>.

16 Government of Serbia, *First National Report on Social Inclusion and Poverty Reduction in the Republic of Serbia*, (Belgrade: March 2010).

17 Confederation of Autonomous Trade Unions of Serbia, “250,000 Dismissals in Serbia in Last Two Years,” (February 2011), <www.sindikats.rs/e_saopstenja.htm>.

18 Ibid. In 2010, the total amount of money owed to the banks was USD 27.17 billion.

19 Confederation of Autonomous Trade Unions of Serbia, <www.sindikats.rs/e_saopstenja.htm>.

20 Confederation of Autonomous Trade Unions of Serbia, op. cit.