

■ SERBIA

Serbia: Social Inclusion Needs Socially Responsible Governance

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In recent years, Serbia has adopted a set of anti-discrimination laws and developed strategies and policies aimed at increasing the social inclusion of marginalised groups. However, these measures have remained mainly on paper, while in practice vulnerable groups are at increasing risk of poverty due to cuts in budgetary allocations for social services.

Social impact of the global economic crisis

At mid-decade, the Serbian economy was experiencing positive growth, but this growth was not based on strong foundations. To a large extent, it was the result of an inflow of foreign capital, including support from international financial institutions. Thus, Serbia had a large payment deficit, which reached 18% of GDP in 2008 (Matkovic et al. 2010, p 9). Serbia became highly dependent on capital imports, making it sensitive to turbulence in the global financial market. An analysis of the impact of the global economic crisis on the labour market in Serbia conducted by the Center for Liberal Democratic Studies in April 2010 (Matkovic et al. 2010) indicates that all main economic tendencies were unfavourable: decreasing economic activity, decreasing employment rate, and a high rate of unemployment.

The first signs of crisis in the labour market were apparent towards the end of 2008, but a more significant impact was felt in the first quarter of 2009. In April 2009, there was a large decrease in employment of 5.8% as a result of a substantial decrease in economic activity. Unemployment grew significantly in October 2008, by 5.5%, and again in April 2009, by 6.9%, reaching almost half a million people. The most vulnerable to the crisis were people with secondary and lower levels of education, as well as those aged 15 to 30, followed by those aged over 50 (Matkovic et al. 2010, p 6). These three categories of labour have the least chance of finding a job, as discrimination on the basis of age persists in the labour market, as well as on the grounds of gender, marital status, disability and ethnicity.

The global financial and economic crisis influenced a sharp decrease in the income of the population, due to unemployment, the freezing of pensions, and an increase in debt servicing

obligations, as well as decreases in foreign capital inflow and a decrease in the availability of bank loans for citizens. As a consequence, living standards deteriorated and poverty increased. Nonetheless, the poverty level in 2009 was still lower than the level in 2006 and 2007 (Matkovic et al. 2010, p 6). The headcount poverty index reached 7.4% (approximately 550,000 people), while the poverty gap index¹ increased to 1.6% (Matkovic et al. 2010, p 7). Poverty in Serbia is strongly correlated with employment status and education level. Those who are unemployed have a higher incidence of poverty. A recent report, 'Monitoring Social Inclusion in Serbia – Overview and Current Situation of Social Inclusion in Serbia', published in April 2010, confirms these negative trends and warns of the need to implement a consistent and comprehensive policy to combat rising economic and social insecurity (Social Inclusion and Poverty Reduction Unit and National Statistical Office 2010).

Social protection and access to social services

The position of vulnerable groups (the Roma, internally displaced people, single mothers and social assistance beneficiaries) has been aggravated during the crisis by the decreasing availability of jobs in the informal economy on which they rely heavily, loss of formal employment, less chances of finding a new job, and decreasing wages, both in the informal and formal economy (Matkovic et al. 2010, p 7). These groups have experienced serious hardship in meeting their basic needs since the fall of 2008. Price increases have further deteriorated their situation, particularly the increased cost of healthcare. For the poorest among the poor, studies suggest that the most important coping strategy is to find work in the informal economy, such as seasonal jobs, home assistance, cleaning and construction work, followed by a reduction in consumption. Savings are also made on clothing and footwear, expenditure on children and the use of utilities. The poorest often depend on government assistance, such as child allowances and other social security benefits (Matkovic et al. 2010, p 8).

¹ The mean distance below the poverty line as a proportion of the poverty line where the mean is taken over the whole population, counting the non-poor as having zero poverty gap.

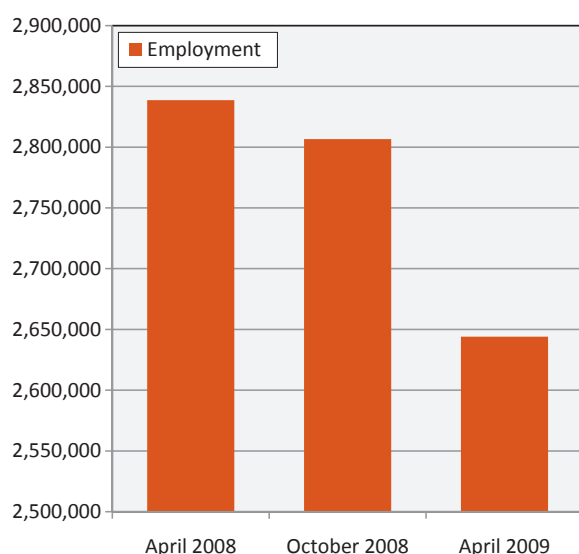
In December 2008, the Serbian Government adopted a 'Framework of Measures' (Government of the Republic of Serbia 2008) as a response to the negative impact of the economic crisis, designed to preserve the living standard of the population and assist those in need. However, the measures implemented were mostly shaped and guided by the demands of the International Monetary Fund and the World Bank, as a condition of their financial assistance given to mitigate the impact of the global financial and economic crisis.² Evidently, the country lost policy-making freedom and fiscal space in developing anti-crisis measures. As a consequence, Serbia has continued to pursue serious cuts in allocations to social services including to social security benefits, healthcare and education. The budget savings have led to the freezing of pensions, a review of subventions, the closure of a number of healthcare institutions, a reduction in the number of healthcare workers and teachers, and an announcement of the closure of special schools for children with disabilities. This shifting of the burden of public services ultimately increases women's unpaid work within the family, because women are taking up the work previously provided by public institutions.

People with disabilities – Invisible people

People with disabilities are one of the most vulnerable groups in Serbia, and they are not visible enough. It is estimated that they make up approximately 10% of the population (800,000), and that every fourth citizen is impacted, directly or indirectly, by the issue of disability. The legal framework has been improved in recent years by the adoption of the Law against Discrimination (2009), the Law against Discrimination of Persons with Disabilities (2006), and the Law on Professional Support and Employment of Persons with Disabilities (2009). The Convention on the Rights of Persons with Disabilities and its Optional Protocol were ratified by Serbia in 2009. The Law on Construction obliges investors and constructors to respect standards in relation to the accessibility of public, business and residen-

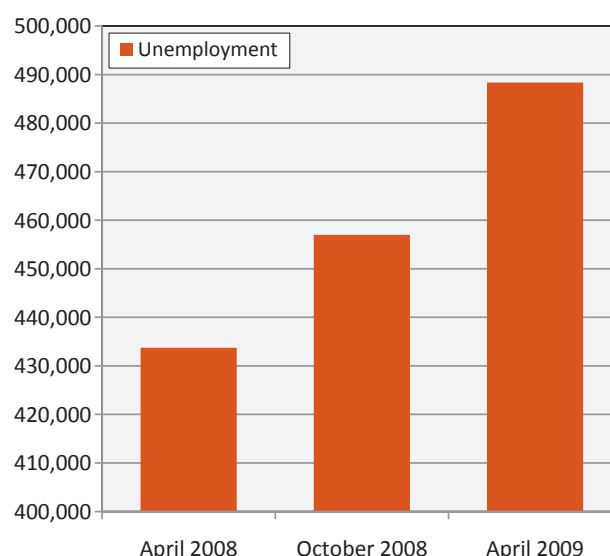
² In early 2009, Serbia signed two Standby Agreements with the IMF, worth USD 530.3 million and USD 4 billion, to maintain economic and financial stability. In addition, it signed a World Bank loan worth USD 400 million for the development of private and financial sectors (International Monetary Fund 2010).

Figure 1: Employment in Serbia (April 2008 to April 2009)



Source: Labour Force Statistics (Matkovic et al. 2010, p 21)

Figure 2: Unemployment in Serbia (April 2008 to April 2009)



Source: Matkovic et al. 2010, p 25

tial buildings. The Law on Tenders also requires that these standards be respected. The National Employment Agency has introduced affirmative measures to enhance the employment of people with disabilities. The newly adopted Law on Professional Support and Employment of Persons with Disabilities obliges every employer of more than 20 employees to employ persons with disabilities. Still, these measures have not yet resulted in a higher employment rate for persons with disabilities.

In 2009, 80% of people with disabilities were unemployed, and 70% of them lived in poverty, barely surviving on social security benefits. The National Employment Agency recorded 22,758 unemployed people with disabilities, and only 68 of them found a job. The Serbian Ombudsperson has warned that their position is worsening due to the high level of unemployment, poverty, discrimination, political underrepresentation and the prevalence of violence, particularly against women (Mrsevic 2010). Disabled people are almost unrepresented in political parties and decision-making positions. The majority of disabled people (87.4%) are members of NGOs and other associations dealing with improving their position.

Disabled people also face institutional discrimination, which includes difficulties in accessing public institutions, difficulties in enjoying social rights and healthcare, and lack of protection against violence. Sexual violence against a woman in a marriage, as defined in the Criminal Code, is not prosecuted ex officio, but under a private lawsuit. Out of Circle³, an NGO

3 Out of Circle started in Belgrade as a hotline for victims of

that has been working with disabled women in Serbia since 1997, has warned that people with disabilities, particularly women, are four times more exposed to violence (Out of Circle 2010). After divorce, the custody of children is usually given to a violent husband in preference to a wife with disabilities, because she is considered “not physically capable to take care of children” (Ombudsman of the Republic of Serbia 2010). In 2009, the Office of the Ombudsperson received 78 complaints from disabled people, mostly about difficult social status, taxes, housing, and access to healthcare and spas. In April 2010, the Ombudsperson organised a roundtable called ‘Networking for Eliminating Violence against Persons with Disabilities’ (Ombudsman of the Republic of Serbia 2010) to make these issues visible and to call on other state institutions to make more efforts to improve the economic and social position of people with disabilities.

Monitoring social inclusion

As part of its preparations for accession to the European Union, Serbia has started developing an institutional framework for its policy on social inclusion. In July 2009, the Government established the Social Inclusion and Poverty Reduction Unit and, at the beginning of 2010, the Working Group on Social Inclusion. The Unit

domestic violence. Since then it has influenced the establishment of a network of similar NGOs in other regions of the country, and organised a great number of campaigns, training and activities aimed at empowering women with disabilities and making their voices heard. It also provides psycho-social assistance, legal counselling, education and healthcare programmes. See more on their website: <www.izkruga.org>.

publishes bulletins on this issue, and its first report giving an overview of the current state of social inclusion in Serbia using European and national indicators was published in April 2010 (Social Inclusion and Poverty Reduction Unit and National Statistical Office 2010).

The Unit has invited civil society organisations, scientific and research institutions, and experts to take part in the development of the First National Report of the Republic of Serbia on Social Inclusion and Poverty Reduction, to be published at the end of 2010. This Report will also outline the key interventions and policies with a view to approximation to the joint EU objectives and prepare the country for the development of the Joint Memorandum on Social Inclusion.⁴

These intentions and policy measures are welcomed, but to eliminate poverty and social exclusion more attention needs to be paid to the implementation of policies than to drafting nice statements and laws. Achieving this goal needs the establishment of a socially responsible government and a social welfare state, the development of corporate responsibility, and the elimination of corruption and discrimination of any kind. Policies driven by big capital, foreign investors and international financial institutions seldom benefit the middle class and can undermine the social role of the state. The realisation of economic and social rights needs real policy change and governance in the service of its citizens.

(continued on page 82)

4 The role of this document is preparation of an EU candidate country for their full participation in social protection and social inclusion policy after their accession to the EU.