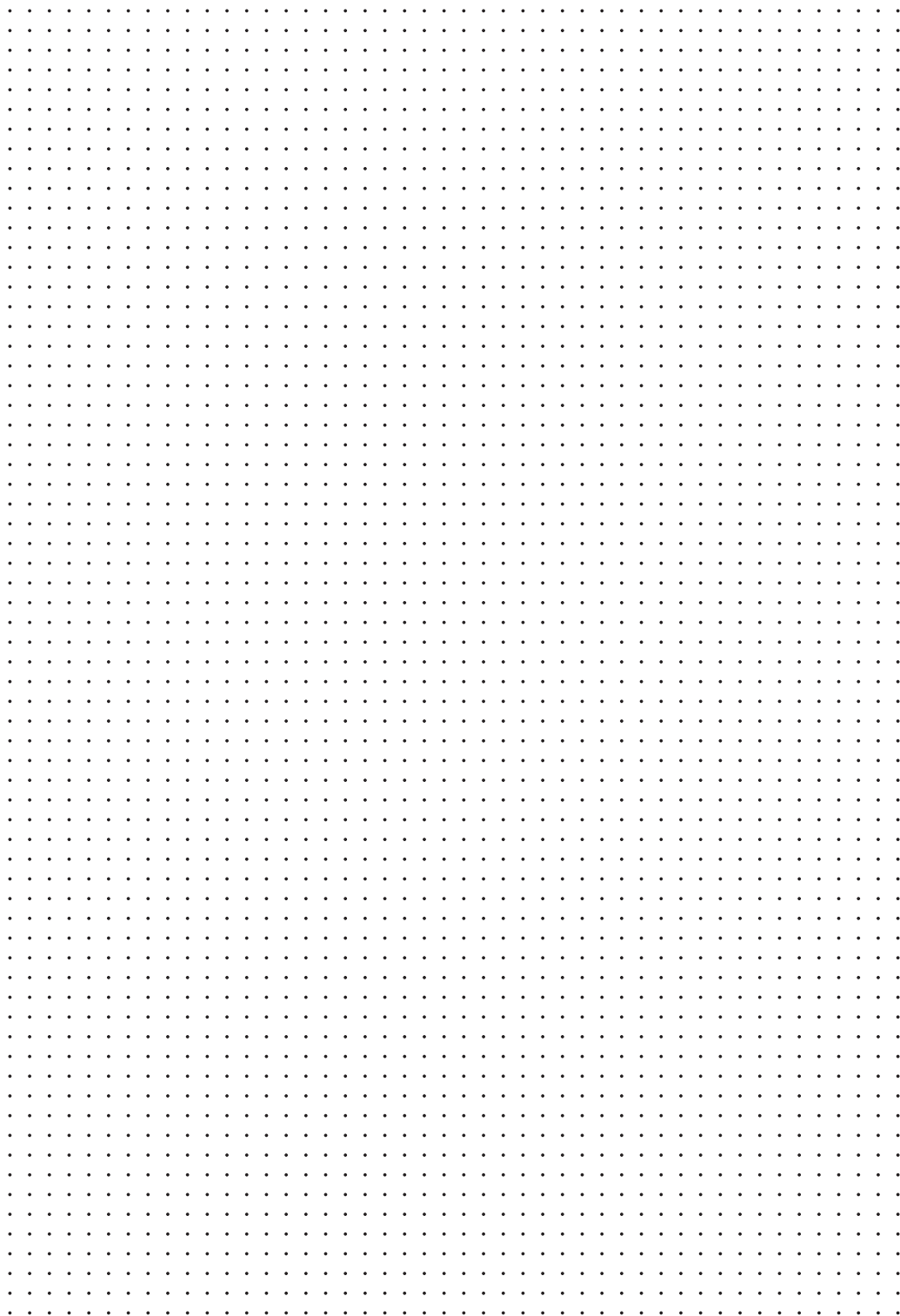


# HUMAN DEVELOPMENT STUDY SERBIA 2010

**DRIVERS AND  
OUTCOMES OF  
SOCIAL EXCLUSION**

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HUMAN DEVELOPMENT STUDY SERBIA 2010

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**UNITED NATIONS DEVELOPMENT PROGRAMME**



# **HUMAN DEVELOPMENT STUDY SERBIA 2010**

**DRIVERS AND OUTCOMES OF SOCIAL EXCLUSION**

Authors: Slobodan Cvejic PhD, Marija Babovic PhD, Gazela Pudar MSc



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Belgrade, 2011

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National study on human development was prepared during 2009-2010. It was based on complex research and analysis. Several methodologies were applied in data collection and numerous indicators measured in order to obtain as realistic view on the state of human development in Serbia as possible.

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## ACRONYMS

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AAOM – Alternative Academic Educational Network  
AP – Autonomous Province  
CESID – Centre for Free Elections and Democracy  
CEE – Central and East Europe  
CIVICUS – World Alliance for Citizen Participation  
CLDS – Centre for Liberal-Democratic Studies  
CSO – Civil Society Organisation  
CSW – Centre for Social Work  
DA – Democratic Alternative  
DFID – UK Department for International Development  
DS – Democratic Party  
EBRD – European Bank for Reconstruction and Development  
EC – European Commission  
EU – European Union  
FA – family allowance  
FDI – Foreign Direct Investment  
FGD –focus group discussion  
GDP – Gross Domestic Product  
GNI – Gross National Income  
GSS – Civil Union of Serbia  
HBS – Household Budget Survey  
HDI – Human Development Index  
HDR – Human Development Report  
IDP – Internally Displaced Persons  
IMF – International Monetary Fund  
IPA – Instrument for Pre-Accession Assistance  
JIM – Joint Inclusion Memorandum  
LFS – Labour Force Survey  
LGBT – lesbian-gay-bi-transsexual population  
LS – Liberal Party  
LSMS – Living Standard Measurement Survey  
LSV – League of Social Democrats of Vojvodina

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MICS – Multiple Indicator Cluster Surveys  
MRC – Minority Rights Centre  
NBS – National Bank of Serbia  
NES – National Employment Service  
NGO – Non-Governmental Organisation  
NS – New Serbia  
NUTS – Nomenclature of Territorial Units for Statistics  
OECD – Organisation for Economic Co-operation and Development  
OMC – Open Method of Coordination  
OSCE – Organisation for Security and Co-operation in Europe  
PISA – Programme for International Student Assessment  
PP – Purchasing Power  
PPP – Purchasing Power Parity  
PWD – People with Disabilities  
RBA – Republic Broadcasting Agency  
RDI – Republic Development Institute  
RS – Republic of Serbia  
RSO – Republic Statistical Office  
SCTM – Standing Conference of Towns and Municipalities  
SDP – Social Democratic Party  
SILC – Survey of Income and Living Conditions  
SIPRU – Social Inclusion and Poverty Reduction Unit  
SPS – Socialist Party of Serbia  
SUP – Secretariat for Internal Affairs (Police)  
UN – United Nations  
UNDP – United Nations Development Programme  
UNESCO – United Nations Educational, Scientific and Cultural Organization  
UNHCR – United Nations High Commissioner for Refugees  
UNICEF – United Nations Children’s Fund  
USAID – US Agency for International Development  
WEF – World Economic Forum  
WHO – World Health Organisation



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## SUMMARY

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At the 20<sup>th</sup> anniversary of the UN Human Development Report and European Year for Combating Poverty and Social Exclusion, Serbia was given the opportunity to conduct a national study of the effects of poverty on human development. The study measures achievements in the area of human development and examines the factors that provide an incentive or present an obstacle. The concept of human development, empirically investigated in Serbia since 1996, is utilized in this report in wider policy framework of social inclusion. In this regard, social inclusion is comprehended here both as a process and a goal of general development policy. Social inclusion policy in EU is rooted in attempt to balance between economic growth and social justice, i.e. to ensure legitimacy of European social system and sustainability of its' development through improved inclusion of citizens in institutional setting and development processes.

The report is based on relevant statistical and historical data that provide a broad framework for analysis, as well as on survey data from 2009 (referred to as “Social Exclusion Survey”) that enable parallel analysis of different exclusion factors, as well as accurate identification of basic factors of multiple exclusion from human development processes and outcomes. The data are supplemented with illustrations and content from focus group discussions (FGD) which were within the same regional research conducted with 4 vulnerable categories of the population that were not sufficiently covered by the survey sample (FGD findings can be found in annex to this report). The Social Exclusion Survey and FGD were organised by UNDP Regional Centre in Bratislava under the regional project with participation of Kazakhstan, Macedonia, Moldavia, Serbia, Tajikistan, Ukraine and Uzbekistan (for more on the project and the survey see annex).

Human development indicator values in Serbia have grown in the past years and reached the average values of the countries in the South Eastern Europe region (UNDP, 2008). Some social inclusion indicators, such as employment and unemployment rates, did not give good signals, although they had shown signs of improvement before the world economic crisis affected Serbia in 2009. Other indicators, such as poverty rate and participation in education, were much better.

However, in a relative sense, the situation with social inclusion is not good. Even such an unrefined indicator such as the human development index (HDI), which summarises one by one general indicator for health, education and economic development, demonstrated a significantly lower score for the population of South Serbia. As for social inclusion indicators, employment is very low, and unemployment amongst the highest in

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Europe. The participation of long-term unemployed persons is very high. Poverty is very high in some groups or regions (Roma, rural areas, South Serbia), and a large number of citizens is just above the poverty line and very sensitive to the effects of the crisis. High school drop-out rate is still low, but rising in the past years. Also, an increasing number of people do not have health insurance. The overall situation with social inclusion is not as good as in the EU, which Serbia is aspiring to.

The causes of economic exclusion are multiple. Firstly, the very transformation processes of the system that include economic restructuring (with regard to property and sectors) exclude certain groups from the labour market because their qualifications or other resources do not meet the needs of the new system. Secondly, policies that shape the system or the institutions through which it operates, can for different reasons be selective, inadequate (in the sense of excluding the interests of certain groups) or just inefficient (in the sense of unsuitable implementation of rules, measures and programmes) from the viewpoint of creating equal opportunities for inclusion of the population at large in the economy. Finally, economic practices can be discriminatory because of some cultural patterns marked with stereotypes and prejudice towards certain social groups.

The consequences of economic exclusion are also multiple. As previously stated, economic exclusion is in high correlation with poverty. Poverty is also a multidimensional phenomenon and in addition to insufficient financial resources it includes different forms of material deprivation, or inability to satisfy basic existential needs. Exclusion from the labour market cancels social benefits that function as insurance in case of illness, old age, disability, increased risk of long term exclusion or exclusion during later stages in life. Furthermore, economic exclusion, through financial poverty and material deprivation reduces the chances for human resource development through adequate forms of basic, additional, lifelong education, reduces chances for inclusion in different social networks and contributes to forming a particular poverty culture characterised by feeling powerless, discouraged, lacking self respect and hence often passivism.

The development of democratic society institutions is regarded as a necessary precondition for free human development, and active participation of citizens in the political life as the key channel of influence on own free development. Numerous conflicts and affairs in the political sphere, which resulted in frequent elections, led to withdrawal of the population from the arena of political participation. It is notable that on the level of general population there is a certain abstinence from participation in the elections.

Political exclusion of the people very seriously undermines the legitimacy of political institutions and initiatives, as well as the government's efficiency. Research results clearly show that exclusion leads to reduced trust in institutions, which causes further increase in abstinence from the political life.

Political context is still the largest obstacle to the development of political participation. Numerous factors, such as political conflicts and rivalry, slow establishment of the rule of law and efficient government, slow decentralisation process with weak institutional

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control mechanisms influence slow development of a participatory democratic society. The perception of powerlessness by the citizens influences largely the decreased participation in the elections and limits their choices, because the citizens do not see different options that would help their human development. Empirical data show that citizens do not have full and unrestricted access to rights and services that belong to them by the right of the law. Also, some rights are not even adequately defined in the law.

As for access to social services, there are several steps that one person needs to make in order to access the support they need, such as acquiring information on services offered and conditions for receiving them, addressing the service provider properly (preparing documentation, respecting deadlines, etc), using the service regularly... In each of these steps problems can appear that ultimately produce exclusion and endanger human development.

In the area of legal and administrative regulatory framework, significant changes were initiated in many fields of social care, such as social welfare, pension insurance, health protection, education... These changes were framed with relevant laws, strategies and action plans. Many of these laws and strategies have been redefined since 2000 in order to introduce lessons learned in the meantime and to highlight the need for intersectoral approach in improving social inclusion (e.g. linking health care with education for vulnerable population categories such as Roma, or linking social protection with active employment measures, etc). In this area only some smaller exclusion drivers were activated by the laws themselves (e.g. excessive conditioning for transfers in social welfare).

Second component of social services covered by reforms was institutional capacity development. This is where the most problems with social inclusion arise. Generally speaking, the problem is not in physical accessibility of services (except for the problems with physical barriers for people with disabilities), but primarily because many good laws and action plans are not being implemented in practice. The preconditions for sustainability of new institutional solutions and policy measures are not well developed. There is a general problem with the lack of financial resources that has grown in the current economic crisis. Another problem is insufficient capacity of local administrations to successfully manage resources necessary for inclusive development in their areas. Only one part of the problem is financial in nature, while another part lies in the lack of knowledge and initiative to introduce procedures for successful social inclusion. A large part of this problem is conditioned by cultural patterns. Paternalist, etatistic and authoritarian values inherited from previous social establishments hinder initiative and independent activity and sustain vertical hierarchy of institutions that limits the efficiency of their operation. Also, these values slow down the elimination of discriminatory practices in service provision.

Finally, a part of the problem with social inclusion lies with the beneficiaries of social services themselves and the reality they live in. In the era of new communication technologies and strengthening of virtual communities, for those who do not have the knowledge, technical equipment and other resources necessary for advanced communi-

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cation, the choice of forms of sociality becomes limited. On the other hand, knowledge is an important factor of social inclusion even in 'regular' social situations, in contact with physically accessible institutions and organisations, when someone is exercising their guaranteed right or asking for a certain social service. The research of policy and social services in Serbia has demonstrated that entire groups are often socially excluded because of the lack of information or knowledge on certain institutional procedures (Roma, IDPs, elderly, rural population).

The importance of culture for the development of the society as a whole has not been sufficiently recognised. Attention is most often focused on political and economic aspects of exclusion, disregarding the influence of pervading cultural norms in the society on economic and political activities. In the long term, cultural exclusion has grave effects on human development. Smaller opportunities for vulnerable groups to access education, healthcare and cultural institutions lead to reduced possibility for individual choices. This situation also reflects on other areas of human life and supports economic, political and overall social exclusion.

Cultural exclusion can be observed through two aspects. The first is institutionally based exclusion that can be analysed through legislature and policies. It is recognised in the practices where individuals or groups are not allowed or are hindered from expressing their positive cultural identity. The other aspect represents exclusion produced by values and attitudes. This form of exclusion is primarily recognised through prejudice and stereotypes that persist in the society, even when they are not in accordance with predominant norms, and they are directed at individuals and groups that do not belong to the predominant culture.

The reduced chances for Roma, refugees and persons with disabilities are the greatest consequence of cultural exclusion. Reduced chances indicate unequal access to social services, thus presenting a risk to achieving social cohesion which is perceived as the ultimate goal of inclusive policy.

Data presented demonstrate that the services that vulnerable individuals are most dependant on (health care, social institutions) show a high level of prejudice and discriminatory behaviour.

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## INTRODUCTION

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### *Framing the issues*

The 20th anniversary of UN Human Development Report and the European Year for Combating Poverty provided Serbia with the opportunity to conduct a national study of the effects of poverty on human development. The year 2010 is not only marked by these topics but also by novelties in their analysis. On one hand, this year in Serbia in many research and analyses a step was made away from the topic of poverty towards the wider and more relevant topic of social inclusion as a multidimensional phenomenon and process determining the position of individuals in a system of wellbeing and the degree of general cohesion in a society. On the other hand, the methodology for measuring human development also experienced a series of innovations that highlighted the multidimensional nature of this concept and introduced more precise measurement that enables finer classification of countries according to achievements in human development dimensions.

This study presents the state of human development in Serbia 2010. The study measures achievements in the area of human development and examines factors that represent incentive or obstacle. The concept of human development, which has been empirically examined in Serbia since 1996 is used in this report in a wider framework of social inclusion policy. In this respect, social inclusion here is seen as both the process and end to general development policy. The policies of social inclusion in the EU were formulated in the attempt to make a balance between economic growth and social justice, that is, to provide legitimacy of the European social system and its sustainable development through increased involvement of citizens in the institutional framework and development processes.

The concept of social inclusion came to Serbia within the process of harmonization with European legislative, institutions and processes. It would be wrong to say that nothing was done in this regard before this formal step was made. Improvement of social cohesion is directly tied to (and therefore unavoidably dependent on) more profound changes in economic and social sphere. However, these changes have been unfolding in Serbia for two decades with inconsistent pace and not very clear goals. That is why the rules and administrative tools offered in process of approaching EU could be useful for Serbia in setting more efficient and goal oriented policies to support increase in social cohesion. Taking into consideration basic orientation of European social policy towards Open Method of Coordination (OMC) and having in mind that year 2010 is European Year for Combating Poverty and Social Exclusion, this report aims at supporting attempts



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of Serbia to join the European process of social inclusion by providing an overall view on structural, systemic and situational drivers, as well as on individual and systemic outcomes of poverty and social inclusion/exclusion in Serbia. Therefore, the concept of human development in this study is closely tied to the concept of social inclusion, in theoretical and methodological sense, in a way that is explained in conceptual framework.

The study is based on the relevant statistical and historical data that provide a broad framework for a meaningful analysis, as well as the data from the survey conducted towards the end of 2009 (referred to as “Social Exclusion Survey”), which allow concurrent analysis of a variety of exclusion factors and exact identification of the core factors of multiple exclusion from the processes and outcomes of human development.

In the first chapter, familiarity between the concepts of human development and social inclusion is explained. Common ontological roots and policy goals for the two are recognized and relation between the process and the outcomes of inclusion defined.

Since building of the social inclusion policy depends on multitude of factors and assumes balancing between active drivers of exclusion, disposable resources for tackling them, inherited values and practices and imported policy models, in second chapter we offer a brief overview of transformation of exclusion forces and institutional responses in major subsystems in Serbia (economic, political, social and cultural).

In chapters 3-6 the report focuses on current state of human development and social exclusion in four areas: economy, politics, social services and social networking and culture. In each of the four chapters analysis of processes and outcomes of exclusion is offered, based on different data sources, including the “Social Exclusion Survey”. Empirical evidence is provided for recognition of major drivers of exclusion in each field and related outcomes and based on this recommendations are offered for designing relevant policies, combining resources and adapting institutions in order to efficiently treat not only outcomes of exclusion, but drivers as well.

In chapter 7 an overall analysis of exclusion is offered with aim to recognize inter-relationship between the various types of exclusion in different domains both in terms of outcomes and drivers, and how they relate in cycles of vulnerability. Based on the analysis from previous chapters, chapter 8 offers recommendations for creating relevant policies and harmonising institutions in order to efficiently tackle not only outcomes but also drivers of exclusion.

## PART ONE: CONCEPTS AND STATUS

### CHAPTER 1.

## Human Development and Social Inclusion Conceptual Framework

In our analysis of the current stage of development in Serbia we use an approach that takes into account well being of individuals as the major goal of development. This approach requires further improvements in the areas of theory, methodology and policy making. Human development approach puts an individual in the centre of the researchers' and policy makers' interest. However, this approach also takes into account the personal and contextual elements relevant for individual well-being. This means that in addition to individual characteristics, such as educational level, health status, wealth or attitudes, other factors, such as sustainable development, social inequality, security level in the community, development of national economy, etc., are also taken into account. These are the factors that may provide an incentive or obstacle for development of individual's capacities. In analytical terms, regarding the distinction between the output and process of human development, we use individual aspects to measure the achievement and contextual aspects to explain the process. Also, in addition to formally regulated aspects of social living, which include institutions, organizations, law, norms etc. we examine informal aspects, such as values, trust, informal economic activities, social groups, family ties, informal networking, etc, because these may affect the process of human development as much as the formal ones. In other words, we are interested in all aspects of social living that may contribute to the process and/or achievement of human development.

In order to assess the level of human development in one country, region or a social group, it is necessary to set standards and define what is a developed human being or a community with high level of human development. The concept of human development is undergoing continual transformation over time in line with developments in the areas of human rights, technological modernization and economic growth. However, these are not evenly distributed between or within countries and regions. Therefore it is not possible to set a fixed threshold on a human development scale. The level of human development is assessed in relative terms, in comparison to the highest standards within the relevant framework (a community which is also an administrative unit, e.g. state, region or world), or through comparison of individual's or group's achievements in different areas (education, health, economic development, etc.) to the highest achievement that may be

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reasonably expected in any given country. In this way we measure human development achievement for each individual, group or country in comparison to virtual (theoretical) and realistic (empirical) maximum. In this particular case we use historical and institutional settings that are characteristic of Serbia.

Of course, the concept of human development is more than a theoretical consideration or a set of methodological standards. It is also a policy development tool aiming to improve social, cultural and economic environment and contribute to human well-being. Therefore it needs to be practical and based on actual policy instruments in any given environment. In case of Serbia, this concept matches the strategic orientation and policy instruments developed at the national level. Strategic political goal of Serbia is to join the European Union and the national administration has been working towards achievement of this goal for a couple of years now, trying to meet the standards set by the European Commission. In line with this, the most pertinent conceptual framework for the area of human development is that of social inclusion. Once, these two concepts did not share the same goal, as the human development was focused on individuals and their living standard, while the social inclusion was concerned with improvement of social cohesion as one of the three major goals of the EU on the road to becoming the most developed and most competitive economy in the world. However, the concept of social inclusion has changed since 2008. With development of OMC more emphasis has been placed on individual well-being and equality. The OMC has also introduced new dimensions and measures of social exclusion/inclusion and extended the scope of policy so that now it overlaps with the area of human development policy as we understand it today. This is what makes the matching of the two concepts possible at the operational level.

**The social exclusion perspective and the rights-based approach (RBA) share a common concern with equity, non-discrimination and importance of inclusive participation.**

In this respect, the social exclusion perspective is concerned with governance, civil rights, institutional dimensions of exclusion and organizations, institutions and processes that contribute to exclusion. Mainstreaming of the human rights into development programming is a way to tackle specific forms of social exclusion and strengthen the inclusion policies.

Obviously, the human development and social inclusion approach have in common more than the same orientation and operational policy. Human development, human rights based approach and social inclusion proceed from a moral or philosophical belief in intrinsic value of human life and commitment to dignity and equality of all human beings. Each of these conceptual frameworks is placing human well-being within a social and political context and postulating aspects of interaction between an individual and society that cannot be reduced to money-metric proxies. They also express – explicitly or implicitly – interest of the society to secure supportive social policies provided by the state

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for the purpose of realization of the social contract and reinstatement of “solidarity” as the moral bond that once held the societies together (de Haan and Sturm 2000).

The use of human development concept for policy making purposes is based on five key principles:

- **EFFICIENCY/PRODUCTIVITY:** the optimal use of human capital through investments in education, health, aspirations and skills of people, along with efficient deployment of resources. Human development aims for growth and productivity.
- **EQUITY:** distributive justice and fair distribution of income and assets through equal access to opportunities.
- **SUSTAINABILITY:** concern not only for present generations but for those that will come in the future. This includes economic, ecological, cultural and social factors that can sustain stable human development.
- **EMPOWERMENT/PARTICIPATION:** enabling people to attain a level of individual development that allows them to make socially acceptable choices of their own. Freedom has both constitutive value (value by itself) and instrumental value (as means of achieving efficiency and equity).
- **TRUST AND SOLIDARITY:** development of values and practices that will contribute to social cohesion and understanding for disadvantaged individuals and groups (those that need special incentives in order to approach the mechanisms of inclusion and exercise proclaimed rights).

In this report we use definition of **human development** as the *process of expanding people’s right to choose who they want to be and do what they want to do by improving their abilities and functioning*. It refers to the processes and outcomes of development of the people, by the people and for the people.

**Social inclusion** is defined as *access to social resources, institutions and processes that make possible renewal and reproduction of resources of groups and individuals in the society in a way that will enable them to satisfy their needs, exercise their rights, expand their choices and develop their capacities, as well as to attain at least the lowest acceptable standard of living in the society and participate actively in community life.*<sup>1</sup>

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<sup>1</sup> As proposed by SeConS experts for use in Serbia, Government of Serbia, 2009: 12

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These two concepts are now being joined together at the level of policy projection. Human development stresses the significance of access to education, health care and other social services, as well as basic political rights and freedoms, including gender equality and freedom of movement and participation in community activities with self-respect and without shame. Lack of education, poor health care, inadequate economic status, violation of political freedoms and neglect of civil rights all may restrict freedom of the people. The concept of social inclusion which is used in the EU today is less narrow in its focus on economy and labour force issues, as the concept of social inclusion recognizes the significance of social processes of inclusion or exclusion and the role of informal as well as formal institutions. Full participation in community life and factors that may prevent participation are nowadays understood more broadly. Responsibilities of the state and other stakeholders, including their duty to identify and address the issue of social and political obstacles, are also defined more broadly than in the past.

The similarities described above are used in our analysis for achievement of operational synergy of the two concepts. The points of merging are the following:

- Social exclusion is a factor that may limit freedoms and choices, both as a process and as an outcome.
- Exclusion hinders choices and opportunities and limits human development.
- From the point of view of human development, social exclusion is the process and outcome that affects a wide range of possibilities for human fulfilment.
- Therefore, the goal that needs to be achieved is social inclusion.

In policy terms, these two concepts are complementary: human development is more focused on what needs to be achieved; social inclusion focuses on how it should be achieved.

Also, social inclusion is introducing a process dimension of exclusion (agents, groups, and institutions that exclude) to the concept of human development. Social inclusion perspective can help refine the strategies for achievement of human development by addressing the issues of discrimination, exclusion, powerlessness and failure in accountability that lay at the root of poverty and other development issues. Obstacles to social inclusion exist at the institutional level (discrimination, lack of infrastructure, absence of services or, in case of people with disabilities, lack of access to buildings or schools), community level (prejudice, marginalization), or individual level (lack of education, withdrawal, rejection, or fear). Therefore, the first imperative is to identify socially excluded groups and their characteristics, as well as the social, political, cultural

and economic processes that may lead to production and reproduction of exclusion and inequality.

Another important point that should contribute to development of a realistic approach is emphasis on the exercise of rights, participation, inclusive processes and their definition. Participation is the prerequisite for inclusion as the opposite of social exclusion. Regulations and institutions are just one of many preconditions for achievement of inclusion (participation). The same is true for political openness, dialogue and equity in distribution of power, values and (inclusive) norms, etc.

Finally, special attention is paid to the fact that in many cases exclusion is multi-dimensional. Most difficult cases of social exclusion involve economic, cultural, political and social factors that interact and form a vicious circle of deprivation. In such cases the measures that address only one dimension of exclusion are bound to fail or provide only short-term relief with limited effect. In order to secure human development in such cases we will need an intersectoral and multi-level approach. Therefore in our analysis special attention is paid to interaction between economic, political, social and cultural aspects of human development.

## CHAPTER 2.

### Changed Human Development Setting in Serbia

In this chapter we provide a brief overview of the causes and dynamics of exclusion and the ongoing change in what drives the exclusion in Serbia. The goal is to examine specific local characteristics that inform the constitution of new social order in Serbia, in order to provide a common historical framework for thematic analysis of human development and meaningful interpretation of interdependence of cultural, political, economic and social factors of human development.

Over the last 20 years Serbian society has been undergoing a phase of extensive and far reaching transformation. These changes have occurred through multiple and simultaneous processes of transformation: from a socialist to a capitalist social system, from industrial to post-industrial society, from relatively isolated society towards an open society exposed to globalization processes, from a limited sovereignty of federal republics towards state sovereignty. Each of these processes involved numerous changes that often shifted direction and resulted in a picture of transformation of Serbian society as being fragmented, discontinued, contradictory and poorly synchronized.

#### 2.1 Historical change in social inclusion incentives and obstacles

The period after 2000 in Serbia could be described as the period of **renewed transformation**. The first reform document “Reform Programme of the Republic of Serbia” (2001) defined three main goals, all three essentially focused on improving social inclusion:

1. Revival of economy through market oriented transformation
2. Establishment of a modern state based on the rule of law and fight against corruption and organized crime
3. Fight against poverty and improvement of social protection for vulnerable groups.

Even during this period the remains of Milosevic's regime (and even structural elements of previous social forms, such as the numbers of the rural population) slowed down change and hindered human development. This could be seen in the fact that organised crime threatened the foundations of government, as well as in the culture of corruption and lack of trust in institutions which remained high even after Milosevic's opponents took power. The policy and institutional changes are slow and moderately efficient, and although they are being applied in all areas, overall transformation process is rather inconsistent. (European Commission, 2010).

In the first two years of reactivated transformation (2001-2002) macroeconomic stability was achieved and the process of key systemic reforms opened. Serbia started the process of integration into the international community and important international organizations. Legal framework for ownership transformation was created. Thanks to structural reforms, restructured banking sector, accelerated privatization and foreign investments<sup>2</sup>, rising productivity (on average by 6.2% a year) which was achieved mostly thanks to lower hidden unemployment (estimated at 30% - 40% in economy and public sector), this period generated relatively high rates of economic growth (CLDS, 2008: 29, EC, 2008: 3). However, in spite of growth, Serbia failed to attain the GDP it had back in 1989 by 2007. In 2007 the GDP was by 32% lower than that of 1989.

Transformation of ownership structure was almost finished by the end of this period<sup>3</sup>. In 2008 only 5.3% of the total number of employees worked in socially owned companies (RDI, 2008: 6), and the sector of small and medium enterprises was rising at a steady rate<sup>4</sup>. As regards sectoral restructuring, the industrial and agricultural sector have lost some ground while the sector of services continued to rise. Most dynamic segments in the sector of services in this period were those of transport, storage, trade and financial services. Yet, agriculture and food industry are an important comparative advantage of the economy, in

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2 Direct foreign investments amounted on average to EUR 3 billion, and foreign loans to EUR 2 billion (EC, 2008).

3 Participation of the socially owned sector in GDP fell down from more than 60% (1998) to 35.4% in 2001 (RZS 2003:83).

4 In this period the number of small and medium enterprises was increased by almost 30%, and shops by 38%. These two categories accounted for 99.8% of enterprises in the country, provided 65% of jobs and 58% of gross. It is also estimated that in the period from 2004 to 2007 this sector generated 149.000 new jobs (Krstić, Corbanese, 2008: 4).

addition to being important export sectors. Rapid economic transformation caused a temporary deterioration of labour market trends. These changes in the labour market are one of the factors that resulted in social exclusion of certain groups. Employment fell down by 3% in the period from 2001 to 2006, and it was only in 2007 that labour market showed first positive trends (growth of employment by 0.3%). Unemployment rate changed from 19.5% in 2004 to 21.6% in 2006 and back to 18.8% in 2007. Unemployment rate in Serbia is still among the highest in the region and significantly higher than 6.8% of the EU 27 (EC, 2008).

During the period of reactivated transformation the wages have been rising. Real net salaries in 2007 were 2.8 times higher than in 2001: from EUR 90 to EUR 347. However, rising wages and appreciation resulted in diminished competitiveness and growth of import, although the trade deficit was high already (Arandarenko, Nojković, 2007).

Economic inequality is lower than during the 1990s. Gini coefficient grew from 0.29 in 2002 to 0.34 in 2005, and went back to 0.30 in 2008 (RDI, 2008: 11)<sup>5</sup>. Inequality of consumption measured by decile ratio P90/P10 was 3.66 in 2007, which was slight increase from 3.64 in 2002 (RSO, 2008: 16). However, in spite of varying degree of inequality, overall poverty rate went down during this period. Poverty rate fell from 14% in 2002 to 6.6% in 2007, and poverty depth from 3% to 1.3% (RSO, 2008). Lower poverty levels are explained as a result of growing real wages and more efficient targeting of the population affected by social transfers. However, it is estimated that there is more poverty than indicated by collected data, because the sample used does not include sufficient number of representatives of most vulnerable groups, such as refugees, displaced persons and Roma. Data from the Living Standard Measurement Survey (LSMS) indicate that the groups most exposed to the risk of poverty include: rural population (especially in central and south-east Serbia), persons with low qualifications (no elementary school), unemployed workers, workers in informal economy, the elderly, children, large households, etc. (Ibid).

These economic trends required a thorough transformation of social services (education, health care, assistance with employment, social protection, etc.). The need to balance between the public sector transformation and budgetary limitations, on the one hand, and high number of people depending on the budget and state intervention (the unemployed, pensioners, the poor), on the other, often resulted in bad compromises and slowed down the transformation process. In this way many drivers of social exclusion are staying alive. However, it is now evident that some of the processes that are going on are very important for development of a more flexible model of social services and more advanced social inclusion.

5 In comparison with EU Member states, Serbia has higher lower Gini value than Latvia (.38), Bulgaria, Portugal, Romania (.36), Lithuania, United Kingdom (.34), Estonia, Italy, Greece (.33), Poland (.32) and Spain (.31), but higher than other EU countries. (Eurostat, [http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=ilc\\_sic2&lang=en](http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=ilc_sic2&lang=en) .





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- First of all, there is the process of gradual decentralization. The new constitution and laws are important for successful functioning of local institutions (local government law, tax and other fiscal laws, social protection and provision of social security of citizens, etc.). This opened space for involvement of many stakeholders who can initiate inclusion at the local level. This also provided basis for production and adoption of local strategies and action plans in many local governments (employment, improvement of position of Roma, improvement of position of refugees and internally displaced persons, women, the old, etc.). However, as often is the case with countries lagging in modernization, the real problem is application of these action plans, because of limited budget and institutional capacities (poor governance, lack of human resources, poor technical and IT equipment, etc.). These problems are related to issues of education, culture, economic situation, etc. In this way the issues and processes of exclusion are directly linked to other aspects of human development in an operative (practical) manner.
  - Also, the process of reform of social services is becoming more *participative*. The process is not under exclusive control of policy makers and experts, but receives inputs from service providers and beneficiaries themselves. This mechanism guarantees realistic solutions and more comprehensive coverage of the sources of exclusion.
  - Diversification and broader choice of services are also achieved through partial *privatization of services* (private education, private medical services, private stationary institutions of social protection) and transfer of some services to NGOs (employee training, certain social services). The state is still responsible for system development and improves the quality of services by setting the standards and accreditation rules. The transformation has progressed in all fields of social services relevant for improvement of social inclusion of citizens.
  - Finally, *transformation of the key social protection systems* and social services is at work. This transformation is of vital importance for increasing social cohesion and establishing a more inclusive society. These changes include: social protection (Arandarenko et al. 2008), pension system (Matković, G. et al., 2009), labour market, health care, education (Arandarenko et al., 2008) and housing (Petrović, 2004; Petrović, 2006; Petrović, 2009).

On the political plan the reproduction of exclusion drivers from Milošević's time has weakened, but it is still present. Fierce political clashes, which burdened the political scene in Serbia ever since the introduction of a multi-party system, did not stop after 2000. The last 10 years can be characterised as a period of instable coalition governments, frequent parliamentary elections and re-division of political power. Slow moving change, political scandals and crime undermined the initial trust of voters in new government and new political parties. The parliament demonstrated all kinds of shortcomings, including ir-

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regularities in the voting procedure, expulsion of MPs from the parliamentary meetings, violation of rules and overall inefficiency.

Political situation has been more stable since the elections of 2008, in which two political blocks cantered around Demokratska stranka (Democratic Party) and Srpska napredna stranka (Serbian Progressive Party), a spinoff of once most popular Srpska radikalna stranka, finally took shape. Another important point was public confirmation of European orientation of Serbia, confirmed by all leading political parties, including SPS, once led by Slobodan Milošević. In 2008 majority of citizens finally voted for pro-European political coalition, but there is still a significant number of citizens who nurture traditionalist and authoritarian values and demonstrate political intolerance and hostility towards other ethnic groups and cultures, sometimes in aggressive and violent manner.

After 2000, and especially after assassination of Prime Minister Djindjić in 2003, the civil society grew more passive in spite of the fact that many successful initiatives originated from the non-governmental sector (initiated drafting of different development strategies and important laws). The civil sector failed to attain the status of an indispensable government's partner capable of establishing cooperation at all levels in the best interest of citizens. The new government of 2008 designated cooperation with the civil sector as one of its priorities in the process of building the state based on the rule of law, but there is still no institutional framework or strategy for cooperation between the state and civil society. The Office for European Integration of the Government of Serbia maintains contact with some 80 organizations on the basis of Memorandum on Cooperation in the Process of European integration, however, this is just another example of *ad hoc* approach to cooperation with the civil sector (Jelinčić ed., 2006: 61). The plan for establishing an office for cooperation with civil society organisations has not yet come to life.

After the initial reform momentum of 2000, the process of transformation in culture gradually stalled. It was only in 2007 that the Ministry of Culture started working on new priorities and strategies. In the meantime, the new law on culture was passed and a number of important international conventions ratified (Convention on Protection and Promotion of Diversity of Cultural Expression).

The most disturbing finding in the area of social values are the results of recent surveys which indicate high percentage of negative attitudes towards the minorities among youth, which confirms radicalization of attitudes among the young (Pešić, 2004:32). Another disturbing finding indicates that 50.5% of citizens believe that multinational structure of the state is the source of tensions. Differences between regions in this respect are significant: as many as 65.3% of the population in Vojvodina regards heterogeneity as an advantage, while 59,1% of population in central Serbia fear cultural heterogeneity (Pešić, 2004:33).

\* \* \*

Serbia was about to finish the most intensive phase of economic transition when it was faced with global economic crisis in the last quarter of 2008. The first effect was a drop in

foreign lending. This resulted in decline of domestic demand and consequently diminishing economic activity. High level of aggregate demand during the period of reactivated transition generated high growth rates in economy. However, it also resulted in high deficit in the balance of payments. Thanks to foreign exchange reserve, absence of high risk financial instruments and restrictive monetary policy Serbian economy managed to storm the first phase of economic crisis by the end of 2008. However, the consequences for real sector are huge. Under conditions of unfinished transition the crisis forced Serbia to face a number of macroeconomic risk factors: total consumption is higher than production, high foreign trade deficit, falling export demand, declining direct foreign investments, lower volume of assets available for loans and higher interest rates. The transitional model in force since 2001 has made the economic system of Serbia vulnerable.

In the first seven months of 2009 the activity in real sector went down, as well as foreign trade exchange, compared to the same period of 2008. For the first time since the beginning of reactivated transition Serbia had a negative growth rate. GDP growth rate in 2009, according to estimates of the Ministry of Finance (2009: 14) was -2.0%. Physical volume of industrial production in the period from January to July 2009 went down by 17% compared to the same period of the last year. The processing industry was most affected (22%). In the same period the value of completed construction work fell down by 18%, turnover in tourism by 8% (number of visiting tourists), foreign exchange income from tourism was EUR 19.2 million lower, volume of retail trade went down by 9%, export by 23% and import by 31% (Ibid).

Under effects of economic crisis, during 2009 trends of increasing poverty and exclusion from labour market were recorded. Poverty rate increased between 2008 and 2009 from 4.7 to 7.4, while poverty depth increased from 1.1 to 1.6 at the same time (Matković, Mijatović, Petrović, 2010: 37). Total employment dropped for 6.9% between April 2008 and April 2009 (Ibid, 2010: 23). According to results of the Labour Force Survey from April 2009, the unemployment rate jumped from 14.7% to 16.4%, compared to the previous year, year 2010 fulfilled the expectations that the unemployment rate would keep rising for two reasons: because of the employees who have lost their jobs, which effect might be alleviated through more flexible wages policy (drop of real wages), and because of limited chances of the unemployed to find employment (Krstić, 2009). Increase of unemployment was recorded mostly among persons with primary and secondary education (Matković, Mijatović, Petrović, 2010: 28).

The Government of the Republic of Serbia has adopted a program of measures to counter the effects of the economic crisis, which consists of five parts:

- 1.** Intervention measures for stimulation of economic growth through increase of domestic demand, liquidity, stimulation of export and investments;
- 2.** Measures targeted at most vulnerable social categories;

3. Rationalization of expenses at all levels;
4. Infrastructural measures through investments into Corridor X and VII, reconstruction of local infrastructure, social apartments, modernization of public companies, development of rural infrastructure, etc;
5. Monitoring and adjustment of the program to the economic problems at hand.

It is still too early to evaluate the effects of these measures, however, it is clear that crisis continued during 2010. GDP growth of 1.5% is expected, but the decrease in the value of dinar and inflation influenced real wages to be significantly lower than in the previous years, and the increase of employment is expected only from 2011 (IMF, 2010). In addition, some of the core drivers of social exclusion inherited from the previous system are still being reproduced. Consequently, more difficulties in social inclusion and human development could be expected.

## 2.2 Human development trend in Serbia

In the period after 2000, there has been a steady increase in human development index values, however, Serbia is still falling behind the EU countries as well as candidate countries. In 2006, Serbia's Human Development Index (HDI) value, calculated according to the old methodology, equalled 0.821, whereas, for other candidate countries it equalled 0.823, and for EU27 it was 0.916. Moreover, the increase of Serbia's HDI value was mostly affected by the changes in economic indicators, i.e. in the GDP expressed in purchasing power, while the changes in educational and demographic aspects of human development achieved slight improvement (RDI, 2008: 78). After a standstill during the 1990s, there was a steady growth in life expectancy of both men and women, though this was still below the levels of EU member countries.

When applying the new methodology for calculating HDI we get a similar trend in index growth, with somewhat lower scores. The new methodology and scores Serbia attained are presented in more detail in the annex to this report. We will give a short overview here.

In 2010 Serbia is ranked 60 out of 169 countries with HDI value of 0.735 and falls within the group of highly developed countries (second quartile of all the countries in which this index is calculated).

This presents a drop by one place in relation to 2005 and places Serbia in a similar position with Bulgaria, Belarus, Albania and Russia and somewhat lower than Montenegro, Romania and Croatia. The lagging behind the three mentioned countries Serbia has realised in knowledge indicators and decent standard of living, i.e. in average and expected years of schooling and in Gross National Income in relation to purchasing power.

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According to the newly introduced indicator, HDI corrected by the inequality measure, Serbia has a somewhat better position because of the very low value of the Gini coefficient in the period 2000-2010<sup>6</sup>. By this correction Serbia lost 10.8% of the original HDI value with a score of 0.656.

Gender inequality index was not calculated according to new methodology for Serbia in the World Human Development Report.

According to the new index of multidimensional poverty (deprivations on all three dimensions of human development – health, education and economy) Serbia scores 0.003, which is among the lowest measured. This kind of deprivation is suffered by 0.8% of the population, with further 3.6% at risk.

### **2.3. Possibilities for measuring and monitoring social inclusion and human development in Serbia**

It is worth mentioning that institutional capacities and data sources for analysis of social exclusion and measuring of human development in Serbia have improved during the last decade. So far, HDR was done four times in Serbia: in 1996 and 1997 (both times as FR Yugoslavia), 2005 (Serbia and Montenegro) and 2008 (Republic of Serbia). Also, the procedure to join the European process for social inclusion and OMC has been launched. Institutional support for development of social inclusion policy is materialized in the Deputy Prime Minister's Team for Social Inclusion and Poverty Reduction (SIPRU). The Republic Statistical Office (RSO) is producing reports based on regular comparative surveys on large samples (LFS, HBS, LSMS). At the moment, RSO is in process of preparation for pilot SILC in Serbia in 2010 in close cooperation with government (SIPRU), which will provide reliable, well grounded data base available for comparative analysis, both in time sequence, by states (EU and associated countries) and by Serbian regions<sup>7</sup>. Utilisation of RSO data has been increased in last couple of years thanks to both improved capacities and efficiency of RSO and efforts of government and international organizations (UNDP, WB) to build up capacities for evidence based policy making. However, we should point out that a series of indicators in the official statistics is still impossible to disaggregate so as to monitor social inclusion for different vulnerable groups (children, women, rural areas, etc).

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6 The value of the Gini coefficient in Serbia in this period was 28.2, which places it in the group of countries with lowest inequalities. The group of countries with the Gini coefficient lower than 30 in this period mostly includes former socialist and Scandinavian countries, then Austria, Germany and Japan.

7 At the moment of writing this report Serbian Parliament has adopted the Law on statistical regionalization that recognizes regions in accordance with NUTS rules. This will both improve regional governance and solve problems of international comparativity of Serbian statistical data.

There are other social and policy research institutes and organizations in Serbia today that also research social exclusion. Finally, there is a project supported by the European Commission (EC) through which a debate on social inclusion issues in Serbia has been initiated among the policy makers, experts, service providers, members of vulnerable groups and general public. It is expected that these activities will result in preparation of the Joint Inclusion Memorandum (JIM) and a national strategy for social inclusion.

## PART TWO:

# SOCIAL EXCLUSION AND HUMAN DEVELOPMENT ANALYSIS IN SERBIA

## CHAPTER 3.

### Economic Exclusion as an Outcome and a Process

#### 3.1. Concepts: Economic Exclusion and Human Development in Serbia

Economic exclusion and human development in today's Serbia can be adequately understood only if analyzed within the context of transformation and development processes. Economic growth is one of the key prerequisites of human development. However, only an inclusive growth can at the same time be sustainable growth, because it enables access to resources and activities based on which citizens can achieve their own reproduction at a satisfactory level and develop their own potentials, thus, at the same time providing human resources of greater quality for the process of economic growth. In this regard, growth is inclusive only if accompanied by reduction of poverty. Economic exclusion may be understood as *exclusion of individuals, households and entire social groups from economy's development sectors or even market sectors, as well as from the process of distribution of economic resources, due to which they are prevented from meeting their own needs, exercising their own rights, developing their human capital and achieving a satisfactory standard and quality of living.*

Economic changes described in chapter 2. have radically altered the economic system and thereby the basis of reproduction of the entire society. This saw the change in the conditions under which individuals, households and social groups ensure their own reproduction by being included in the area of economic activities. Serbian society unequivocally transformed into a market economy. In such type of society, economic participation primarily implies access to different types of markets which enable individuals, households and social groups to provide resources necessary for their reproduction, satisfactory

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standard of living and development of their human potential. For that reason, access to different markets: labour market, market of goods and services, financial market and real estate market, is imposed as the criterion for evaluation of economic inclusion/exclusion. Access to labour market is certainly the most important criterion, considering the fact that through various forms of employment, individuals and their households provide economic resources by which they ensure their standard of living, meet their own needs and often increase the chances for other forms of social inclusion (exercising of social rights, participation in various social networks, etc.).

In this chapter, social groups exposed to risks or economic exclusion, mechanisms for economic exclusion, and the causes and consequences of economic exclusion will be identified. The problem of economic exclusion will first be analyzed in the light of exclusion from the labour market and hindered access to financial markets, while the poverty and material deprivation will be analyzed in the section on the consequences of economic exclusion.

### **3.2. Who is Excluded and How? Exclusion from Economic Transformation and Development**

Economic recession, which occurred in Serbia in late 2008, and which fully developed during 2009, aggravated the economic conditions again, and increased the risks of economic exclusion and poverty of such groups which were already experiencing difficulties of inclusion in economic development processes through the labour market or of inclusion in the gains of economic development through (re)distribution of economic gains. According to one or both criteria, the social groups facing the risks of economic exclusion are: forced migrants, the Roma population, disabled persons, rural population, low-skilled persons, whereas women are more exposed to the risks of economic exclusion than men. The category of forced migrants includes approximately 100,000 refugees (persons who fled from Croatia and Bosnia and Herzegovina during war conflicts in early 1990s), 205,000 of internally displaced persons from Kosovo and around 45,000<sup>8</sup> persons who returned to Serbia from West European countries based on readmission agreements. Unfortunately, there are no precise data concerning the size of the Roma population in Serbia. Estimates range from 108,000 (2002 census data) to over 500,000 (various estimates by local and international NGOs). Information with respect to the size of the disabled population is also based on estimates and not on precise records. According to the Strategy for Improving the Position of Disabled Persons (Official Gazette of the Republic of Serbia, no. 1/2007) it is estimated that there are between 700,000 and 800,000 disabled persons living in Serbia, of which 330,000 persons are of working age (15-64 years of age). The young population (15-24 years of age) includes over 860,000 persons, of which 240,000 are active and 108,000 are unemployed (RDI, LFS, 2009). Rural population makes 43% of the total population of Serbia, whereas over 1,400,000 persons in Serbia are unskilled

or low-skilled. In this chapter, the analysis will be mainly focused on the problems of exclusion from the labour market and financial markets.

### *Exclusion from the Labour Market*

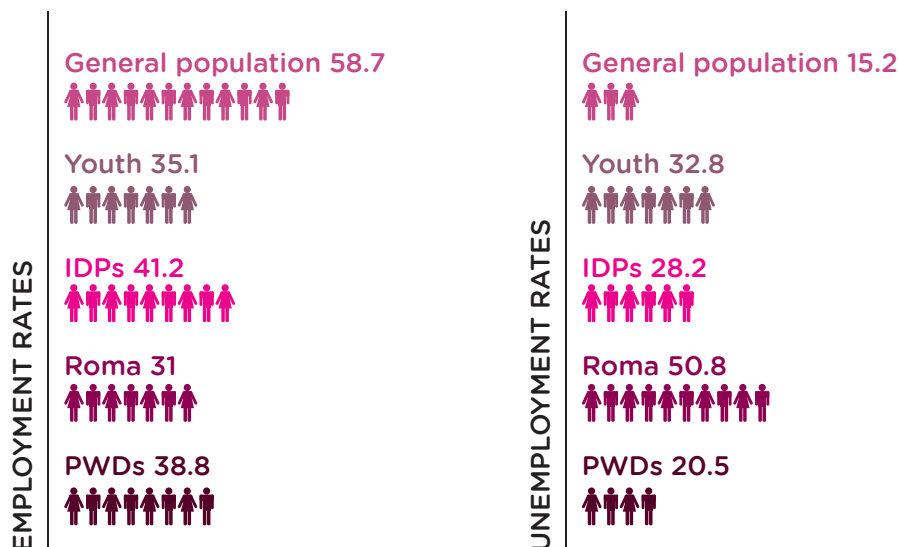
The values of basic labour market indicators for the general population, which are given based on the Labour Force Survey and the “Social Exclusion Survey”, differ to a certain extent primarily because of the sample characteristics (Table 3.1).

**Table 3.1:**  
**Basic labour market indicators for the general population according to various sources**

INDICATOR	General population	
	2009 LFS	2009 HDR
Activity rate	60.5	69.2
Employment rate	50.0	58.7
Unemployment rate	17.4	15.2
Inactivity rate	39.5	30.7

However, both sources indicate an extremely adverse position of young population (19-24 years of age), internally displaced persons, the Roma population and the disabled population in the labour market (Chart 3.1).

**Graph 3.1:**  
**Labour market indicators for general population and different groups - working-age population (15-64), 2009**



Source: Social Exclusion Survey



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The unemployment rate of the youth (15-24 years of age) in Serbia is twice as high. At the same time, the tendencies indicate an increase in the gap between the youth unemployment rate and the average rate during recent years. Young people often have part-time jobs or temporary jobs in the informal sector, and therefore, the quality of their employment is lower than of other age groups.

Forced migrant groups also have an adverse position in the labour market: refugees who came to Serbia from Croatia and Bosnia and Herzegovina during the war conflicts in the early 1990s, and internally displaced persons who came to Serbia during the Kosovo conflicts in 1999<sup>9</sup>, and returnees whose asylum claims in West European countries were refused and who returned based on readmission agreements. Unemployment rate of refugees decreased from 22% in 2002, to 18.1% in 2007 (Krstic, 2009). However, data from the studies on the position of refugees in the labour market show that due to difficulties in finding employment during a period of more than one and a half decade, there is more self-employment in this group than in general population (Group 484, 2007). Employment rate of internally displaced persons from Kosovo, whose position in the labour market worsened abruptly after the displacement in 1999, is considerably lower and unemployment rate is considerably higher compared to the Serbian average. Data on returnees based on readmission agreements are unavailable. As estimated by the Council of Europe, between 50,000 and 100,000 persons are to be returned to Serbia, among which, most are members of the Roma population (Government of the Republic of Serbia, 2009). Rare studies conducted on limited samples show that this population is facing serious integration problems, and also notable employment problems (due to a lack of documentation, qualifications, appropriate social capital, etc.) (Group 484, 2005).

Inactivity rate of disabled population is extremely high (69% according to LSMS, 2007, and 51% according to Social Exclusion Survey). This can be explained by the fact that most of such persons is discouraged from finding jobs, and therefore is not looking for any. A very small number of disabled persons (only 23,202) is registered in the records of the National Employment Service (NES). The main reason for such discouragement of disabled persons is connected to employers' prejudices concerning the hiring of such persons and their lack of will to adjust the working environment to the needs of disabled persons. In addition, the disabled persons are afraid that they would lose social security benefits when they find employment. It is still early for a realistic estimate of the effects of the Law on Professional Rehabilitation and Employment of Persons with Disabilities, but it is indicative that out of those who applied with NES programmes for support to employment only 4,664 persons are covered, and from July to September 2010, 82 PWDs found employment (Politika, 20 November 2010).

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9 During the last decade and a half, the number of refugees decreased from nearly 600,000 to 86,336 (because of they returned or received Serbian citizenship). However, the number of displaced persons is almost unchanged and it amounts to over 205,000 (UNHCR data, August 2009).

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The blind, not only the blind but all disabled persons find employment in three ways: by the law, through friends and by accident, if no one else wants to take the job. (FGD participant, blind person)

Social Exclusion Survey has shown that, apart from serious hindrances, extremely adverse employment conditions are also typical of the Roma population. Only 30% of the employed Roma population exercises its right to social security through employment, 60% works without social security and 10% does not know whether they are exercising this right in their job. Over one half of employed Roma population (52%) works in the informal sector having signed no formal agreements with employers, or through informal self-employment, whereas 60% works as unskilled labour.

Exclusion of rural population from the labour market appears in a dual form: as the lack of possibility for finding employment outside the farming household (primarily in the non-agricultural sector) and the lack of possibility for organizing a market-oriented agricultural production within the farming household. Study on Social Exclusion in Rural Areas of Serbia<sup>10</sup> (Cvejić et al., 2010) shows that one half of the employed rural population works only at family farms. Among them, only 40% is engaged in market-oriented agricultural production, whereas others are doing low productivity agricultural work at small households where the products are consumed within the household. Apart from that, a significant part of the population engaged in such type of work has the status of helping members in the households (37% of the total number of persons employed in the area of agriculture or 19% of the total number of the employed). Women are a great majority in this category of unpaid labour (74%). The significant consequences of such working status is shown in the study of specific aspects and problems of women working at family farms as helping members in the family's agricultural production. Marginalized working status of these women creates a series of obstacles considering their social rights (health insurance, pension and disability insurance) and excludes these women from the wider social networks (cf. Babovic, Vukovic, 2008).

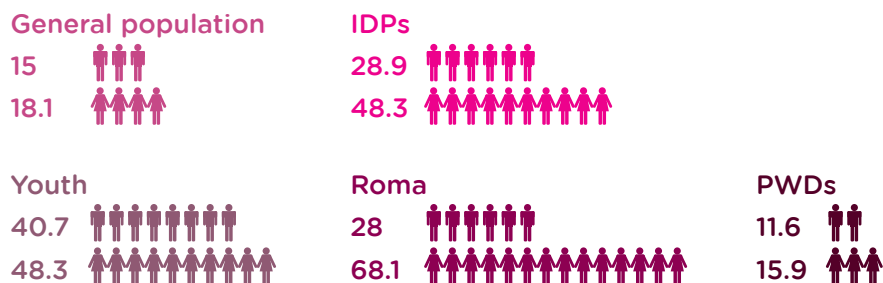
Finally, it is important to specify that the position of women in the labour market became increasingly worse during the entire period of post-socialism. Namely, during socialism, the labour market had a high participation of women in the workforce (cf. Arandarenko, 1997: 31). With the collapse of the socialism during the 1990s, along with the hardships of suspended transformation process, ensued a period during which women were pushed back from the labour market and retreated to privacy where they took over the care of the family in extremely adverse conditions of deteriorated standard of living and breakdown of social welfare institutions (more in Blagojevic, 2002, Milic, 2004). Having

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<sup>10</sup> Rural areas are defined in this study in accordance with OECD's methodology, which means that the territorial units with the population density higher than 150 inhabitants per km<sup>2</sup>, those with 50% or more of the population living in urban settlements and those having a large administrative center (over 20,000 inhabitants) have been excluded from the sample.

entered the period of intensive transformation after 2000, the position of women worsened additionally, due to privatization and economic restructuring processes. According to Labour Force Survey data, in 2005, such aggravation in the trends of women's employment reached its lowest point (Babovic, 2007), and afterwards, there was gradual improvement (women unemployment rate in 2005 was 27.4% and in 2009 it dropped to 18.1%, - RDI, LFS: 2006, 2009). Opportunities of finding employment in the non-agricultural sector are still not favourable for women. According to the data in the "Social Exclusion Survey", the rate of non-agricultural employment of women was 48.9%, whereas the participation of women among persons employed in the non-agricultural sector was 45.6%. Sexual differences especially show in the considerably lower women employment rate and a greater participation of inactive persons among women. Low-skilled women, women who lost their jobs in their forties, young women and especially women in marginalized social groups are particularly exposed to labour market exclusion risks (Chart 3.2).

**Graph 3.2:**  
**Unemployment rates of men and women in the general population and various underprivileged groups - working-age population (15-64)**



Source: For general population, youth and the Roma - LFS 2009, and for IDPs and disabled population - LSMS 2007.

Another difficulty in characterising the problem in Serbia is high participation of long-term unemployment. According to this indicator, in 2009 11% of the people were socially excluded and they made up 65.5% of the total number of the unemployed (Monitoring Social Inclusion in Serbia, 2010).

Consequences of economic exclusion are especially serious when they occur to the entire household. According to Social Exclusion Survey in 2009, 17% of households with working-age members (15-64) had no employed members. The percentage of households with no employed members was especially high among the Roma population (69% of households in the sample) and internally displaced persons (46% of households in the sample).

However, apart from objective indicators of the position in the labour market, subjective feeling of security of employment with persons who were employed at the time of this

study, is also important. Considering the fact that respondents were aware of uncertainties in the labour market, 37% of persons engaged in formal employment and 61% in the informal sector estimated that they would probably lose their job in the coming period. In the event of job loss, 40% of employed respondents would face economic hardship because of insufficient savings, which would not be sufficient even for two months of living expenses. The percentage of persons having insufficient savings is considerably higher with exactly those persons who estimated that they would probably lose their jobs, and amounts to 51%.

### *Exclusion from the Financial Markets*

Financial exclusion represents the lack of ability of particular social groups to gain access to a formal financial system (Santiago et al, 2005). Financial inclusion is sometimes defined as providing of access to financial services for groups which are at risk from social exclusion from the formal financial system, such as domestic payments and payments from abroad (remittances), savings, loans and insurance (Thorat, 2007). An inclusive financial system facilitates allocation of resources and thus reduces capital expenditure. Access to appropriate financial services may significantly improve daily management and handling of money, and informal credit sources which are often exploitative. Financial system increases efficiency and wellbeing by providing resources for secure forms of savings and money transactions (Sarma, 2008).

According to the data in the Social Exclusion Survey, vulnerable groups have a difficult access to the institutions of the financial system. In the entire sample, 37% of respondents have no bank account opened in their own name, whereas the percentage of persons with no bank accounts among the most vulnerable groups is considerably higher (Chart 3.3).

**Graph 3.3:**  
Percentage of persons with no bank account in their own name (also including credit cards and savings deposits)



Source: Social Exclusion Survey, 2009

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Data further indicate that only 31% of respondents applied for loans with banks, 2% applied to leasing companies/other financial institutions and government organizations, whereas 8% asked for informal loans from a person outside their family. Among the persons who applied for loans with banks, 92% were granted their loans, and for those whose applications were denied, the following was most often given as the reasons: bank's refusal to accept the guaranty, disapproved business plan, bad credit history or the lack of necessary documents. Among the Roma population and IDPs, the percentage of persons who applied for loans with banks is considerably smaller (6% of Roma and 14% of displaced population), in which case, a considerably smaller percentage of persons in the Roma population subsample managed to get a loan (70% of those who applied).

The Study on Social Exclusion in Rural Areas of Serbia shows that small farming households with physical capital, which represents an insufficient guaranty for the banks, have been excluded from the financial market (SeConS, UNDP, 2010). Farming households in West and Southeast Serbia, small households and non-agricultural households are less active in the financial market compared to those in Central Serbia and Vojvodina and to agricultural households and mixed farms. Also, very little interest in taking up loans was noticed with households having younger members as households heads, even though the state's support to agricultural crediting offered favourable conditions for households with the heads of the household younger than 45 years of age. The respondents mentioned high interest rates and uncertainty of income which would be used to pay off the loan as the reasons for not applying for loans, which objectively do represent the factors with the greatest risk in the financial market in Serbia in general (Ibid).

### **3.4. Why Are They Excluded? Causes of Economic Exclusion**

There are multiple causes of economic exclusion. First of all, system transformation processes which imply economic restructuring (from the aspect of ownership and sectors) are pushing particular groups out of the labour market, because their skills or other resources do not comply with the needs of the new system. Furthermore, the policies forming the system or institutions through which it functions, for various reasons can be selective, inadequate (with respect to exclusion of interests of particular groups) or inefficient (with respect to inappropriate implementation of rules, measures and programs) from the aspect of providing equal opportunities for the widest general population to be included in the economic flows. Finally, economic practices may be discriminating due to some profound factors of value, cultural patterns marked with stereotypes and prejudices concerning certain social groups.

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### *Economic Processes as Exclusion Factors*

Economic processes as key factors of economic exclusion are as follows:

- inappropriate economic growth, or economic growth which does not generate more jobs;
- restructuring of the economy in which groups that lack appropriate qualifications and a broader scope of skills necessary for inclusion in the market economy are being pushed out from the economy;
- distinctive regional inequalities due to which entire regions are excluded from the process of economic development and the population of such regions which has considerably smaller chances of efficient economic inclusion.

The problems of jobless economic growth, low competitiveness of the economy<sup>11</sup>, insufficient share of investments and limited scope of Foreign Direct Investments (FDI), result in a job demand which is smaller than the supply of labour. In the labour market, this creates conditions of increased competition where marginalized groups including those looking for first-time jobs have comparably less favourable odds.

Restructuring of the economy through changes in sectors and privatization has pushed out a considerable part of the population from the area of economic activities. Low-skilled persons, persons employed in the industry sector which is tapering during the period of transition, and also persons employed with numerous liquidated, privatized and restructured companies of different profiles, have been dismissed from employment. In 2009, the total number of employed persons decreased by 5.5%, whereas the greatest decrease occurred in the processing industry sector (-8.4%) (RDI). According to Social Exclusion Survey, majority of persons who lost their jobs are manual labourers: 24% of skilled and 18% unskilled labourers. Returning to employment status is made extremely difficult both for manual labourers and low-skilled persons. Long-term unemployment indicating the difficult access to jobs is more often present with the workers with lower educational qualifications than with those with higher education. Therefore, general long-

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<sup>11</sup> According to the latest World Economic Forum Report for 2010-2011. Based on the competitiveness index value Serbia is ranked 96 out of 132 countries (World Economic Forum, 2010:15). Low efficiency of market institutions, underdeveloped infrastructure, macroeconomic and political instability, lack of work ethic, and hindrances in the availability of capital and corruption, are mentioned as the most important factors of low competitiveness. (Jakopin, E, 2008. qtd. from EC, 2008). Low competitiveness is also reflected in the small volume of international trade. Volume of export in 2007 was still small and it made 28% of GDP, whereas the structure of export was dominated by raw materials, semi-products and agricultural products (EC, 2008).

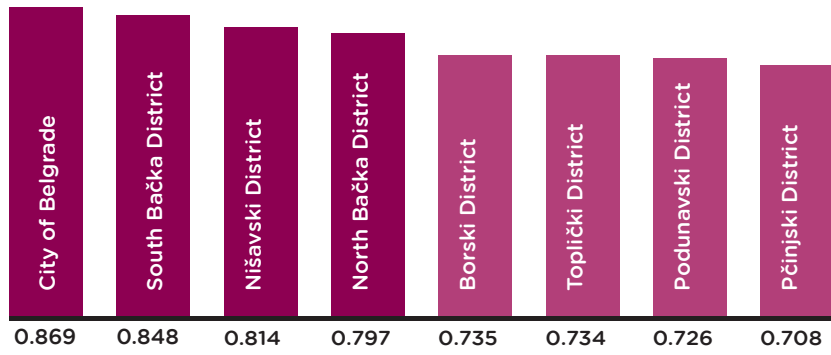
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term unemployment rate in Serbia was 62% in 2009, but the long-term unemployment rate among unskilled unemployed persons was 100%, among low-skilled unemployed persons it was 75%, among persons with secondary education it was 65% and with highly educated persons it was 52% (RDI, 2009). Long-term unemployment reduces the chances of being employed again and bears the risks of permanent exclusion from the labour market. Due to small labour demand for low-skilled persons with outdated qualifications, such persons more often engage in the inferior forms of self-employment in order to provide means of livelihood. While, in the category of employed persons with secondary education and high education, most have the status of employed workers (76% of secondary education employees and 88% of highly educated employees), among lower educated employees (elementary school education) only 34% has the status of employed workers, whereas 43% is self-employed and 23% has the status of unpaid helping members of households (RDI, 2009).

Social Exclusion Survey indicates a presence of extremely pronounced perceptions with regard to aggravated employment conditions compared to the pre-transition period (before 1989). Specifically, according to two thirds of respondents (66.6%), chances of getting a good job are smaller today than twenty years ago. Among the respondents who were unemployed at the time of the study and who did not look for a job during the previous month, 9% said that they gave up on their job search because they were discouraged with previous unsuccessful attempts.

Regional inequalities contribute to the increase of risks from economic exclusion of the population in the regions excluded from development processes. Serbia is the country with the most prominent regional inequalities in Europe. Such inequalities range from 1:7 at municipal level to 1:3 at district level. Geographically, inequalities are very prominent between metropolitan areas (Belgrade), Central Serbia and areas in the Autonomous Province (AP) of Vojvodina in the north of Serbia on the one hand, and on the other, underdeveloped regions in the south, east and west of Serbia characteristic of which are the processes of depopulation, deindustrialization, high unemployment rate, relying on agricultural production at small farming households and prominent rural poverty. The differences in Gross Value Added (GVA) per capita range between 7 : 1 on regional, and 16 : 1 on district level. Belgrade and Vojvodina Regions have a 76% share in the creating of new values in Serbia's economy. Unemployment rate in the South Region of 39.5% considerably exceeds the average unemployment rate in Serbia (17.4%). Differences with respect to earnings per capita between these two regions are in the scale 3:1, whereas at municipal level they are in the scale of 12:1. The most extreme differences with respect to trends in demographic movement are between the East Region (-18.3) and Belgrade Region (+32) (RDI). Regional differences displayed in HDI values at the level of the district are very prominent (Graph 3.4).

**Graph 3.4:**  
**The first four and last four districts on the HDI values scale in 2004**



Underdevelopment of infrastructure, low capacities of local administrations to provide favourable conditions for new investments, with adverse demographic trends, act as exclusion factors of entire areas in the south, east and southwest of Serbia from the process of economic development.

### *Relevant Policies and Institutions*

Important laws have been passed in Serbia creating prerequisites for better economic integration of marginalised groups, such as the Anti Discrimination Law, Law on Gender Equality, Law on Professional Rehabilitation and Employment of Persons with Disabilities, etc. In addition to this, some key strategies which set forth policies in certain areas that are important for economic inclusion of the population have been adopted in Serbia. The most comprehensive framework is provided by the Poverty Reduction Strategy adopted in 2003, a great part of which is dedicated to problems and measures of employment. The second strategy is the Sustainable Development Strategy which was, unlike the first one, not implemented with the same level of commitment. Apart from these two general strategies, the National Employment Strategy 2005-2010 should also be mentioned, as well as the Employment Action Plan for 2006-2008 period. Strategies for social groups which face great problems and risks of social and even economic exclusion have been adopted: Strategy for Improvement of the Position of the Roma Population in the Republic of Serbia, National Strategy for Improvement of the Position of Women and Strengthening of Gender Equality, National Strategy for the Youth, Strategy for Improvement of the Position of Disabled Population in the Republic of Serbia, and National Strategy for Resolving the Issue of Refugees and Internally Displaced Persons. The aims and activities of these strategies are important for the improvement of economic integration of the population or particular groups. However, churning out strategies does not imply that the policies for improvement of conditions in the system are always adequately defined, and even less that such policies are implemented in a satisfactory manner. In this regard, intensive producti-



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on of strategic policies, but with a low intensity of implementation and efficiency can be noticed in Serbia. Since here it is not possible to enter into a detailed analysis of policies and implementation thereof, only the main problems will be covered.

From the aspect of economic exclusion, employment policy, or the policy for supporting adaptation of the population's human capital to new structures, institutions and rules of market economy is especially important. Despite the fact that the labour market was largely and adversely affected due to the effects of both the first stage of suspended transition and intensified transition in 2001-2007 period, until recently, the labour market policy was not given sufficient amount of attention. When intensive transformation processes were initiated after 2000, employment policy was not recognized to be as important as other policies, and therefore, such neglect of labour market reform additionally aggravated the situation in the labour market. National Employment Strategy, which puts an emphasis on the importance of employment policy and active measures in the labour market, was adopted as late as 2005. Apart from the fact that the costs of active measures for employment were low (only 0.1% GDP - Arandarenko, Krstic, 2008), implementation of such measures was not efficient enough due to political and institutional problems. Changes at the level of the ministry in charge of employment and the National Employment Service, as the main institution for implementation of these measures, temporarily suspended implementation of the measures due to centralized responsibilities. During the early years of transition, the employment policy and active measures were implemented without thoroughly investigating the situation and needs, and without an assessment of the effects such measures would have on various user groups.

Information received from various studies has shown that marginalized groups are not only exposed to higher risks of labour market exclusion, but also that such groups have a difficult access to the same institution which should stimulate their integration in the labour market. Namely, 6.3% of the unemployed (2.9% of urban and 9.2% of rural unemployed population) in the general sample of the Social Exclusion Survey is not registered in NES records. The percentage of such population in the displaced population sample is 13.3% and in the Roma population sample, it is 24.5%. Two thirds of the internally displaced persons who are not registered with the NES claim that there is no point in registering because there is simply no work, whereas, the reason why one quarter of the Roma population is not registered is the lack of necessary documents. Differences between the general population and the Roma population and the IDPs were also noticed in the method of job searching. While general population most often comes to NES when looking for a job (70% of those who were looking for jobs in the last 5 years came to NES, and 66% asked friends and acquaintances<sup>12</sup>), whereas the Roma population and the IDPs most often rely on informal social networks (64% of the Roma population was looking for jobs thorough social networks and 60% came to NES, while 70% of the IDPs relied on social networks and 53% came to NES). Additionally, various studies have shown that marginalized groups

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<sup>12</sup> Since the question has multiple answers, the sum exceeded 100%.

were very little included in the scope of active measures of the labour market. Therefore, in Sumadija District in 2006, only 5.2% of the unemployed Roma population was included in employment programs (Ilic, Babovic, Cvejic, 2007). The Study of the Position of Internally Displaced Persons in Kragujevac, Kraljevo and Vranje showed that only 8.5% of internally displaced persons was included in these programs (SeConS, UNDP, 2009), and the Study on Social Exclusion in Rural Areas of Serbia showed that employment programs were available for only 2.7% of unemployed persons from rural areas (Cvejić et al., 2010). Apart from insufficient outreach, another problem is that the programs are often not adapted to user needs or potentials. The same studies show that some groups are poorly informed on these programs and that the benefit of these programs to the user is very low.

A significant problem in ensuring more favourable conditions for a more successful economic inclusion is that policies and institutions of education and employment are insufficiently interconnected. Such connection is especially important for development oriented towards economy based on knowledge, but also for improvement of human resources, enhancement of capacities of not only the young population which enters the labour market from education, but also of labour which should adapt to new dynamic economic conditions. Unfortunately, there is no systematic monitoring of conformity of the education system with market needs, and particularly in the sense of outreach of both formal institutional education system and the gradually growing sector which provides education for the labour market and which is often implemented by civil society organizations. The problem in this area is not only inadequacy of the qualification structure of the supply of labour to local economies, but also the low capacities and readiness of the population to join the area of economic activities through self-employment and entrepreneurship. The previously mentioned studies show relatively low readiness for formal self-employment in vulnerable groups, but the irony is that that such groups mostly resolve the problem of long-term unemployment through various forms of informal self-employment at low-skilled jobs.

For some vulnerable groups overly complicated and inefficient institutional procedures also represent significant obstacles for inclusion in the labour market.

*I am a multiple convict, meaning I'm a re-offender and my last sentence I served in 2006. I applied with the Employment Office, they told me to go and report to the police. I went to the police, I went there to report after serving the sentence. I went to the police and they sent me to the Court. I went to the Court to see the Judge who judged me about my job and my freedom. She says, we can't do anything but send you again to the police, I went to the Chief of Police and he says, you do your job, we'll do ours, we cannot employ you. (FGD participant, re-offender)*

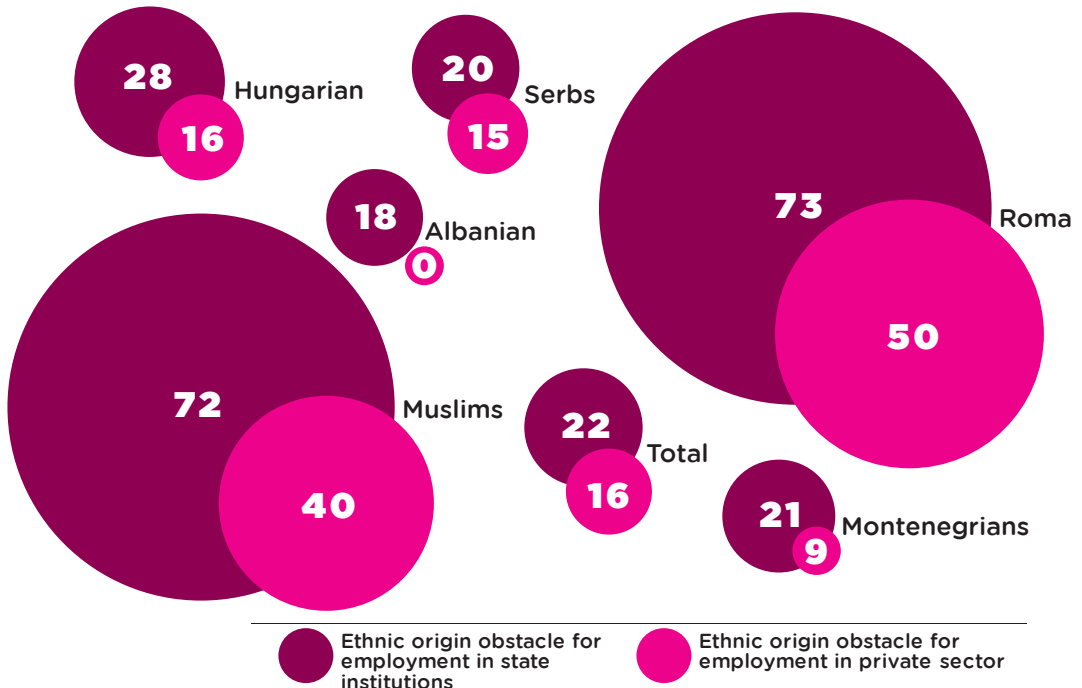
A number of institutions is characterized by low efficiency due to insufficient capacities, knowledge, inappropriate resources or too rigid centralization which suppresses initia-

tive and innovation. Most of all, institutions in charge of supervision and legal compliance in the area of labour and employment, such as labour inspection, legal authorities, etc. can be seen as the cause of the high level of informal labour, inappropriate working conditions in which appropriate earning rights, rights to social benefits, paid sick leave, annual leave and similar rights may not be exercised. Such forms of employment create unreliable conditions and increase the risks of economic exclusion.

### *Discriminatory Practices in the Labour Market*

Systematic monitoring of discriminatory practices leading to economic exclusion of certain groups in Serbia has not been sufficient up to now. Therefore, the insights in these factors of economic exclusion are fragmentary and insufficiently precise. The Social Exclusion Survey registered the presence of the perception of discrimination. In the entire sample, 22% of the respondents believes that ethnic origin is an obstacle for finding employment in state institutions, 16% believes that ethnic origin is an obstacle for finding employment in the private sector, while 24% believes that sexual orientation is an obstacle for finding employment in both state institutions and the private sector. However, the frequency of perception of discrimination based on ethnic origin differs to a great extent among members of ethnic groups. This is most frequent in Muslim and Roma population (Graph 3.5).

**Graph 3.5:**  
**Perception of discrimination in employment based on ethnic origin with members of different ethnic groups**



According to the Study of the Position of Women in the Labour Market (Babović, 2007), discrimination practices which women are facing when finding employment are still present. The participation of women in employment is considerably lower in particular sectors than their share in the unemployed categories the profiles of which correspond to the given sectors, and subsequently, in 2005, there was an extremely inadequate share of women in the newly employed in the sectors of agriculture, food production and processing, forestry and wood processing, geology, mining and metallurgy, chemical industry, non-metals and printing (Table 3.2).

**Table 3.2.**  
**Participation of women share in the total number of the unemployed, total employment and also in the overall fulfilment of worker demand according to different areas of work in Serbia**

WORK AREA	Participation of unemployed women in the total number of the unemployed in December 2005	Participation of women who found employment during the previous year in the total number of persons who found employment the previous year, cumulative data January-December 2005
Agriculture, food production and processing	60.0	35.6
Forestry and wood processing	32.7	17.4
Geology, mining and metallurgy	45.4	15.9
Mechanical engineering and metalworking	13.4	5.7
Electrical engineering	14.6	9.1
Chemical industry, non-metals and printing	71.6	42.3
Textile and leather industry	88.3	84.1
Utility, upholstery and painting services	22.4	74.7
Surveying and civil engineering	36.1	14.1
Transportation	18.4	7.5
Trade, catering industry and tourism	69.3	62.9
Economics, law and administration	75.6	55.8
Childcare and education	79.1	75.6
Area of Social Sciences and Humanities	73.2	70.0
Area of Natural Sciences and Mathematics	65.8	61.3
Culture, art and the media	75.5	56.6
Healthcare, pharmacy and social welfare	83.1	82.3

Source: National Employment Service, quoted from Babović, 2007

Additionally, according to a qualitative research made within the same project, women often encounter problems of being turned down by an employer with the explanation that the given job is «a man's job» (in particular, in the branches of industry and jobs therein). In their attempts to find employment, women encounter the age problem. Respondents said that employers often set an age limit when hiring new employees. Such limit is sometimes even set at 35 years of age, which puts women who are over this limit in a considerably worse position when looking for employment. Some respondents who are older than 50 described experiences where employers set such age limits, whereas officers within the National Employment Service even discouraged such women from endeavours to find employment again, by explaining that it was almost impossible to find new jobs for them. In adds, employers often specify that they are looking for persons who are under 30 and attractive. At job interviews, employers often invade women's privacy and question them on private family matters. Quite often, women are questioned about their family plans and obligations: whether they plan to have children (first child, then the second one and even the third one), whether they often take sick-leaves if they have any children, or even, if they are not married, whether they are planning to get married (Babović, 2007).

Discriminatory inclinations of employers were recorded in the study of the position of displaced persons in the labour market. Employers were asked to imagine a situation in which two candidates with the same qualifications and motivations to work applied for a job opening and which person they would prefer: a person younger or older than 45, a man or a woman, a person without work experience or a person with work experience, internally displaced person or a native, a member of the Roma population or a member of the non-Roma population? Answers are shown in the following Table.

**Table 3.3:**  
**Giving preference to candidates within specific social categories**

WHO WOULD BE GIVEN PREFERENCE		
Person under 45	Person over 45	Either
<b>68%</b>	<b>2%</b>	<b>30%</b>
Man	Woman	Either
<b>23%</b>	<b>10%</b>	<b>67%</b>
Person with work experience	Person without work experience	Either
<b>70%</b>	<b>3%</b>	<b>27%</b>
Native	Internally Displaced Person	Either
<b>27%</b>	<b>1%</b>	<b>72%</b>
Member of non-Roma population	Member of Roma population	Either
<b>37%</b>	<b>2%</b>	<b>61%</b>

Source: SeConS, UNDP, 2009

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Despite the limited scope of the results, because this study was conducted only in three local labour markets, the patterns are very indicative and it may be assumed that such patterns are also present in other environments.

Registered inclination of employers to give advantage to people with some years of registered work experience creates major obstacles for first entry into the labour market for young people.

*Moderator: I mean, when you apply for a job, does this circumstance make it more difficult?*

*Well, it does. When I go somewhere like now, I'm simply ashamed to say it's been 11 years since I finished school and I don't have a single day of work. I'm simply ashamed.*

*Moderator: What do you think would other conditions that make it more difficult be?*

*I remember. Also work experience. And no one can get any experience if someone doesn't take them in beforehand so they can get the experience. I write a CV and the space provided for work experience is just blank. When I deliver it and they see it they just say, farewell, goodbye. (FGD participant, young unemployed person)*

For certain marginalised groups, like former prisoners, job search presents an extremely difficult task. After coming out of prison, they face no possibility to find any kind of regular job, because the very mention of prior conviction automatically rids them of the opportunity for employment.

There was an advertisement for communal services, park maintenance, and I took it, filled in the leaflets and sent it, gave it on the counter there and like everything ok. Two days later they called me to go for a medical exam. I went to the exam, the whole deal - blood out, this and that, everything I needed to. I passed and when we went there also to this meeting, like this, and then he said: „alright, is there someone with prior convictions here?“ I didn't dare tell him, because I was afraid that if I told him he wouldn't take me. He took the list and said: „Oh, well, you've been convicted not once, but several times.“ And I say ok, where did you get that from? And he says: „Well, we got it all.“ Alright, then why did I go to the medical, if there was a problem? (FGD Participant, re-offender)

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*Moderator: And what reason did he give you?*

*The reason was that I was convicted several times. That was the only reason why I couldn't work.*

However, discrimination does not occur only when entering the labour market. Some minority groups face discrimination during their work, when they manage to overcome (often with the help of social mimicry) obstacles to employment. The difference in relation to the majority of co-workers can be a cause to realise partial work integration, that is, even in the conditions of work integration a particular social exclusion is reproduced, isolation even, such as in the following examples of the qualitative research.

*For example, three months ago I came out at work, I didn't notice there was right away a reaction such as: "Hey, X, are you really a homo?" I think that the only adequate answer is "Why, are you interested?" Then he shuts up, silence... At first I was isolated in a separate room for lunch... A negative polarisation can be noticed, but I feel we should point out who we are, because what's the point otherwise? I'm gay, you talk about girls, I'll talk about men... a month ago I was told that if I kept putting emphasis on my sexuality, I would be sacked from the company. But, as I've said too, I will not let be called a homo. So, talk to me: "Hey, you, X.X." but don't say: "Hey, the little faggot's hear, " as they did from the start. And I think that when they're in a good mood, they make jokes, and when they're grumpy then they offend. Sometimes it's a habit too, they fit in and that's that. (FGD participant, gay minority member)*

*Moderator: You never told you experienced discrimination or similar?*

*Well I don't know who to tell, what does anyone care about anything that happens to me, that's the way it is in this country. (transsexual person)*

*Well, I can say that in my association I received full support in case it came to something of the sort, but if it comes, I mean, first I'm sacked from the job and later on we'll run around, and that's too far off. I mean there's just no prevention, ok, I'll accept it, you'll sack me from the job, and I'll sue you for it. If you're the only homosexual, no one else will witness you were called on. And I can't certainly prove it if they reassign me to be the secretary, now suddenly I'll be typing out invoices and so. (gay FGD participant)*

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### 3.4. Outcomes of Economic Exclusion

There are multiple outcomes of economic exclusion. As specified earlier, economic exclusion highly correlates with poverty. Poverty is also a multidimensional phenomenon and, apart from the insufficiency of financial resources, it implies various forms of material deprivation, or the inability to meet the most basic needs. Exclusion from the labour market cancels social benefits which provide insurance in the event of illness, old age, disability, which increases the risk of long-term exclusion or exclusion during later stages of life. Furthermore, through financial poverty and material deprivation, economic exclusion reduces the opportunities of human resource development through adequate forms of basic, supplemental and lifelong education, reduces the opportunities of inclusion in social networks and contributes to the creation of a specific culture of poverty characterized by the feeling of powerlessness, discouragement, lack of self-esteem, and consequently, frequent passivism.

#### *Economic Exclusion as Financial Poverty*

Relationship between economic exclusion and poverty is not an unambiguous and one-way relationship. Economic exclusion from the labour market certainly represents an important factor of poverty – studies of poverty in Serbia show that unemployment and inactivity are the main causes of poverty and social exclusion. In households where the head of the household is unemployed, spending is lower by 24% on average in urban areas and by 22% in rural areas, compared to the ones where the head of the household is employed (Krstic, 2008). On the other hand, poverty can be viewed as a relatively autonomous form of economic exclusion because it prevents participation in the market of goods and services and real estate, thus preventing adequate fulfilment of the needs and living conditions of the poor. According to the third analytical approach, poverty can also be treated as the cause of economic exclusion from the labour market and also from other forms of social exclusion because, in the conditions of insufficient resources, the poor often have limited access to good quality education or high education, information, loans for investing in economic activities, technologies, and even social networks that have a great role in creating functional channels of employment. However, regardless of which of the aforementioned aspects is being taken into account, poverty is closely related to economic exclusion and, more generally, social exclusion.

Poverty in Serbia has so far been monitored through the LSMS carried out according to the methodology of the World Bank several times: in 2002, 2003 and 2007. According to such estimates, poverty rate in Serbia decreased from 14% in 2002 to 6.6% in 2007 (Krstic, 2008). Extreme poverty was almost at zero level, considering the fact that only a very small portion of the population (mostly Roma population) was below the limits of hunger. The extent and severity of poverty was also reduced.

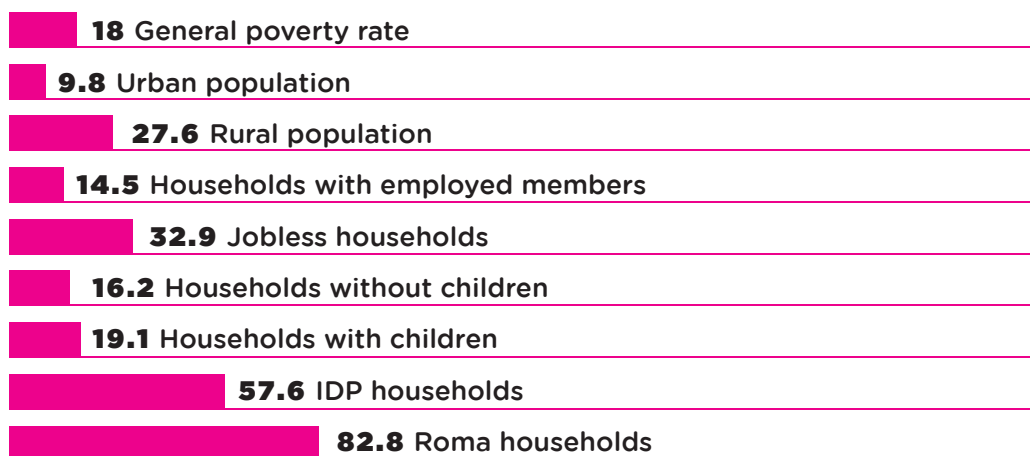
However, since 2008, again there was an increase in poverty. According to the HBS in 2008, 7.9% of the population was living below the line of absolute poverty (which is a



0.2% increase compared to the previous year), whereas the relative poverty line (which is defined as 60% of the median of personal spending per consumer unit) shows that 13.2% of the population in Serbia was poor (Social Inclusion and Poverty Reduction Unit, Government of the Republic of Serbia). In 2009 this rate was 13.6% (Monitoring Social Inclusion in Serbia, 2010), and it was measured according to SILC methodology (60% of median of income, not of spending per equivalent adult) 17.7%.

According to the Social Exclusion Survey conducted in late 2009, 18.0% of the population in Serbia was poor. In this study, the relative poverty line was also defined as the 60% of the median of personal spending per consumer unit.<sup>13</sup> The data still indicate that rural households are considerably more exposed to poverty compared to the urban ones and households without employed persons, as well as the households of the Roma and IDPs. Also, households with children are somewhat more exposed to poverty, as well as the ones with women as the head of the household, compared to the ones where men are the heads of the household, but the differences in such cases are not statistically important (Graph 3.6).

**Graph 3.6:**  
**General and specific poverty rates**



Source: Social Exclusion Survey, 2009

Even though employment greatly reduces poverty risks, according to the study, 10.7% of employed persons live in households with monthly spending below the poverty line. In 43% of the cases, such individuals are employed as skilled and unskilled manual workers, mostly under indefinite-term agreements (in 62% of the cases) in privately owned companies (in 60% of the cases) and specifically, in the manufacturing industry (19% of

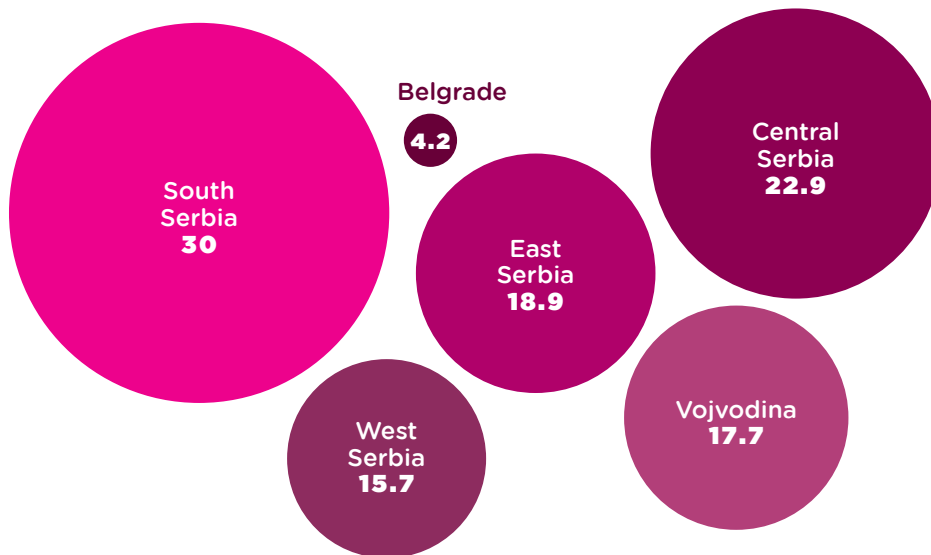
<sup>13</sup> Poverty line was set at 9,678 RSD. Consumer unit was defined based on OECD's scale, according to which, 1 point is given to the first adult, 0.5 points to other adults with 14 years of age or older and 0.3 points to each child under 14.

the cases), public administration and social services (14%), public and personal services (13%) and agriculture (11%).

While, among the households, 26% of the total sample was forced to borrow money in the last year, the percentage of such households among the poor ones was 45%. The average borrowed amount was RSD 73,800 for the entire sample, whereas such amount was RSD 23,800 for the poor households. Additionally, rural households were more often forced to borrow money than the urban ones (29% vs. 23%).

Significant differences between financial poverty rates also appear between regions. Therefore, the lowest poverty rate is registered in Belgrade region and the highest poverty rate is registered in South Serbia region.

**Graph 3.7:**  
**Regional poverty rates**



Source: Social Exclusion Survey, 2009

Poverty measurement methodology applied in the Study of Social Exclusion in Rural Areas of Serbia in 2009 are different than in the previous study because they are based on measuring financial income instead of measuring of spending<sup>14</sup>. Based on such methods, 38.6% of poor households and 38.7% of poor individuals was registered in rural Serbia. This study shows that agricultural, senior and single-member households are the

<sup>14</sup> In this study, the poverty line was defined as 60% of the median of the total household income per consumer unit at the national level, excluding in kind income. This amount was calculated based on the HBS conducted by the Statistical Office of the Republic of Serbia and, for the first six months in 2009, it equaled RSD 9,096, whereas consumer units were defined in accordance with OECD methodology.

most exposed to poverty risks. It also shows that large farming households are exposed to poverty risks more than small farming households, mostly due to high production costs (SeConS, UNDP, 2010). Unfortunately, such methodology has not yet been applied on the national sample in Serbia, and therefore it is not possible to provide comparative insights in the extent and characteristics of urban and rural poverty in accordance with EU methodology for measuring financial poverty.

However, poverty is a multidimensional phenomenon and its financial aspect is not sufficient for more detailed insights in the characteristics of poverty. Different forms of material deprivation will be later described in more detail when the consequences of economic exclusion are presented.

### *Material Deprivation*

Material deprivation was rarely and not quite precisely studied in Serbia. The LSMS records the spending structure of the households with different material standards, but not directly the deprivation of meeting specific needs of living and other needs. The spending structure in the lowest decile according to household income shows that 69% of the total household spending is food and housing expenses. Such expenses in the highest decile households make 42% of the total spending (Mijakovac, 2008). However, this methodology does not enable insights in the quality of spending, but only in its scope and structure. This paper will present available information on the following aspects of material deprivation: housing, food and clothing.

The method for measuring material deprivation very similar to the method applied in the analysis of EU SILC, was applied in this analysis based on data in the Social Exclusion Survey<sup>15</sup>. This method identifies three dimensions of deprivation: 1. economic (inability to

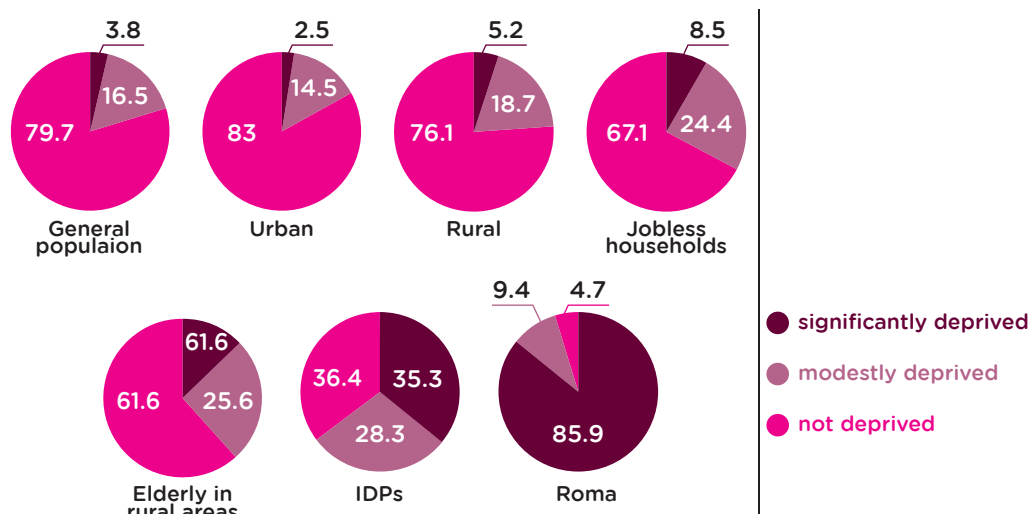
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15 Composite index comprises three individual indexes: 1. *Index of deprivation in meeting needs* which includes the following variables: 1) ability to buy food for three meals a day, 2) ability to regularly pay the bills, 3) ability to buy clothes and footwear when necessary, 4) ability to provide heating in cold weather, 5) ability to buy medicine when necessary, 6) ability to entertain friends including serving refreshments, 7) ability to travel for important family gatherings. Individuals who answered to 4 or more variables with "never" and "rarely" were identified as deprived; 2. *Index of deprivation in household furnishing* includes the following variables which register possession of the following household appliances: 1) TV sets, 2) mobile telephone, 3) washing machine, 4) refrigerator/freezer, 5) telephone, 6) radio set, 7) iron, 8) bed for each family member, 9) living room furniture, 10) vacuum cleaner. All who answered that they "do not own because they cannot afford" 5 or more appliances specified herein were deemed as deprived; 3. *Index of deprivation in housing* which includes the following variables: 1) up to 12 square meters of living space per member of household, 2) no running water, 3) not having indoor toilet and 4) not having electricity in the house. All who were registered with one of the specified conditions were deemed as deprived. Composite index was completed by identifying all who were registered with the value 1 in the composite index as moderately deprived, and all who were registered with the values 2 and 3 were recognized as significantly deprived.

realize specific needs: food, clothing, vacations, payment of utilities, etc.); 2. possession of durable goods; 3. housing (household furnishing and quality of the space); 4. neighbourhood (noise, pollution, safety, etc.). The first three dimensions are included in the composite index of material deprivation, while the fourth dimension has not been included in the study. Considering the fact that the selection of specific indicators is contextual in order to make it indicative of the poverty and social exclusion in the given social environment, deprivation was estimated according to the extent of possession of specific goods (Mack & Lamsley 1985). This means that the goods which became a part of the standard furnishings of most households (over 80%) were considered to be discriminating, i.e. it was assumed that the lack of such furnishings causes deprivation. Special care was also taken that other indicators of material deprivation were discriminating to social exclusion (below adopted standards) and not the variations in the standard of living among rural population or compared to urban population. Such approach required that the aim of the study should be focused on identifying the most deprived segment of the population.

In the general sample, 16.5% of the population is moderately deprived (only within one dimension of deprivation), and 3.8% is extremely deprived (within 2 or all 3 dimensions of deprivation). However, material deprivation is considerably more frequently present in rural than in urban population (especially in the elderly population in rural areas), it is present above average in households with no employed members, whereas IDPs and members of the Roma population are faced with an extremely high percentage of this problem (Graph 3.8).

**Graph 3.8:**  
**Presence of material deprivation in the general sample and marginalized groups**



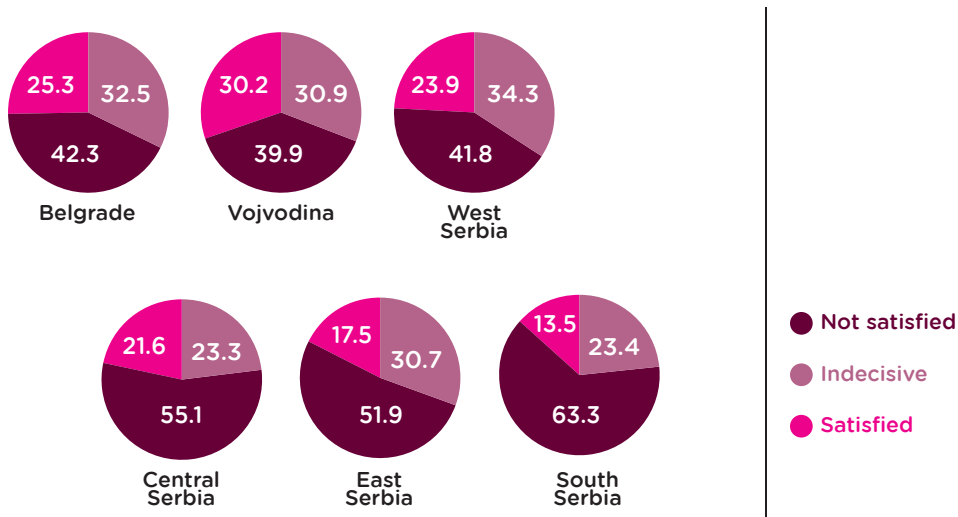
Source: Social Exclusion Survey, 2009

The information that even  $\frac{3}{4}$  of the Roma population in the sample never or rarely manages to buy food for all three meals a day, which shows deprivation of the most basic need, causes significant concerns. It is also important to mention that, based on the existing index of material deprivation, no statistically important gender or generation differences have been noticed (excluding the elderly in rural areas).

Subjective indicators of poverty show, however, that in Serbia today hardly any person is satisfied with their material status. Only 30% of respondents living in households where deprivation has not been recorded claim to be satisfied with their material standard, while 36.4% claim to be unsatisfied (others are neither satisfied nor unsatisfied). Significant regional differences can be perceived in this respect. Among respondents from Vojvodina the majority are satisfied with their living standard, while the fewest are so in South Serbia.

**Graph 3.9.**  
**Satisfaction with living standard, by regions, 2009.**

Source: Social Exclusion Survey 2009



However, dissatisfaction increases with material deprivation, so there is 61.8% of dissatisfied persons among the moderately deprived, and 84.7% of those who are dissatisfied with their living standard among the significantly deprived. With deprived individuals more often there is the perception of a position less favourable than with the majority of the population in their settlement, district or country. Thus even 80% of significantly deprived persons consider their material standard to be lower than the majority of the population in the country, while among the moderately deprived there are 62% of such cases, and 42% among those who are not deprived. Conversely, information on subjective assessment of the change in the material standard compared to the generation of respon-

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dents' parents show that among those who are not deprived, more respondents said that their material standard aggravated in comparison to their parents' (27%), while among the moderately deprived there was 21% of such persons, and among the significantly deprived there was 14% of such persons. Such a subjective assessment is certainly not sufficient for well-founded conclusions on intergenerational mobility, but it shows possible patterns of a vicious cycle of poverty in which the former generation's deprivation appears as a strong limitation for the new generation for their way out of poverty, better inclusion and social ranking.

A possible outcome of economic exclusion is the inclination towards leaving the country in search of a better chances in life, including employment and providing a better standard of living. In the general sample of the Social Exclusion Survey, 19% of respondents said that they would probably go abroad in search for employment. One third among them is ready to move abroad to work at jobs below their skills, but for a bigger salary. Apart from that, one third has already lived abroad longer than three months and mostly for the purpose of finding employment.

There are somewhat more potential emigrants – 26% among individuals with registered significant deprivation. Also, they are more numerous among men (21%) than among women (17%) and the most among youth (even 46% of youth ages 19-24). The lack of opportunity for employment in Serbia acts as a strong push factor which is indicated by the fact that there are 41% potential migrants among the unemployed, with only 18% among the employed. Also, rural population demonstrates somewhat more migratory inclination than urban (21% vs. 17%) and looking at the educational profile of potential migrants, we can perceive their highest participation in groups with general secondary education (23%) especially in the group with post-graduate level of education (31%). It is interesting that there are more potential emigrants among IDPs than among Roma (29% vs. 16%).

Individuals and households develop strategies for resolving problems of economic exclusion depending on the available resources and mechanisms. Studies of economic strategies in households, 2003 and 2007, show certain improvements in this periods and reduction in the number of passive households (which perform no market and nonmarket related working activities), as well as the number of households which practice the substitution strategy (which perform only nonmarket forms of production and services for household needs, under the conditions in which market forms of production are unavailable, mostly due to financial depravity), and that the number of households the existence of which is based on various combinations of market labour has increased (Babovic, 2010). With respect to the effects of the economic crisis and the aggravation of labour market conditions, occurrence of reversible trends may be expected in the period after 2007.

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## CHAPTER 4.

# Political Inclusion as a Component of Human Development

## 4.1. Concepts: Participation in Political Life – Aspects and Levels of Political Participation

The development of democratic institutions is considered a necessary prerequisite for free human development, and active citizen participation in political life is considered a key channel of influence on the conditions of own free development. For this reason this chapter will focus on key democratic processes and institutions that have been developing in Serbia in the last 20 years with difficulties and many challenges.

Political participation is observed through several participation channels. In the first place, there is the participation in election process as the fundamental form of political participation. The presence of political affiliation is also considered, which indicates participation at the elections. The degree of voluntary election abstinence is also an important indicator of general citizen political participation.

In addition, the essence of democracy is seen in accountable governance of public affairs, and in accordance, the possibility for monitoring the government by the citizens as direct beneficiaries and financiers of government. Therefore, citizen access to policy-making at the national level (Parliament, Government, President) and the local level is considered. In this way, the institutions of representative democracy are complemented by institutions of participative democracy, which supports citizen participation outside the basic framework – elections.

The state of the judicial system and the possibility to exercise citizen rights in its institutions is another form of participation observed, as well as citizen participation in civil sector organizations. The civil society represents a very important link in political participation in several ways. Engagement in the civil sector is a very important channel of political participation. This sector has several functions, such as control function of the government sector, education, solidarity, integration, the function to civilise and mobilise (Paunović ed, 2007: 21). As a whole, civil society or the third sector development is an indispensable factor in the development of a democratic civil society as a space for *autonomy and self-organisation of citizens* (Paunović ed, 2007: 28).

### *Political Rights and Election Process*

The right to political association, vote and elections for public functions is held by all Serbian citizens. Therefore, Serbia is multi-mandate electorate, disabling the citizens to directly elect the representative who will represent their region or municipality, but they can only vote for a party or coalition list.

The parties participating in elections must exceed 5% census. As a result of amendments to the 2004 Election Law, the threshold has been repealed for the parties representing ethnic minorities and the entry in Parliament is allowed to the parties who win as many a vote as proportional to a single representative seat, according to the so-called natural threshold. However, such solution is of benefit to the parties representing major ethnic minorities, such as Hungarians and Bosniaks. The natural threshold in Serbia is around 15,000 voters, which is for many ethnic minority representatives a high target. Also, the legal provision requiring 10,000 signatures for registering the list of candidates diminishes the possibility for nominating the scarce minorities. This problem has been only temporarily resolved beyond law by the Decision of the Republic Electoral Commission on decreasing the required number of signatures to 3,000, only to have the Decision annulled by the Constitutional Court in April 2008 restoring the matters into the original state (see Bašić, Crnjanski, 2006).

The situation is much different at the local level, where a high demographic share of ethnic minorities determines the stable participation in the bodies of local self-government through own parties and through citizen-provenance parties (in Vojvodina) alike. Nonetheless, the participation system should continue developing in the areas where their share in population is lower.

### *Approach to the Policy-Making Process at the Local and National Levels and its Monitoring*

The control of government is performed in several ways. One is through the activity of the members of the Parliament as direct representatives of the people, which is partly disabled by the application of the proportional representation in Serbia as one electorate, followed by the activity of the President and the Government itself. The control can be also performed by the activity of civil society using all available mechanisms allowed for within the legal frame of the Law on Availability of Information. Finally, the monitoring is performed by forming special regulatory authorities aimed at independent monitoring of the Government activities in certain areas.

#### *Republic Level*

Citizens and legal entities may utilize 4 forms of the external control over the executive branch of government. If they deem that any of their rights has been violated, they can address the Committee of the National Assembly for Petitions and Proposals, special regulatory authorities such as Ombudsman or Commissioner for Information of Public Importance or initiate administrative procedure before a court.

#### *Local Level*

Locally, there are also different forms of monitoring the elected governing authorities. The prerequisites for a successful participation in local governance are the openness of



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the local authorities for giving information, dialogue and sharing the responsibility with citizens (Citizen Initiatives, 2009:9).

Citizen communication may be defined as passive (at citizen's initiative) and active (involvement of local authorities). Also, citizen consultation is one of the mechanisms of citizen political participation locally. It is materialised by way of officially defined channels such as citizen gatherings, participation in the work of the self-government bodies and by way of petitions and public criticism. Apart from these channels, there are unofficial channels too, such as public debate, surveys, internet forums, etc.

Shared responsibility with citizens is carried out through the municipal referendum, citizen initiative and community offices, as specified under the Law on Local Self-Government, representing a clearly defined frame of the political participation at the local level.

### *Access to Human and Civil Rights*

The Serbian Constitution guarantees to all citizens the rights to expression, information, association and gathering, right to petition, proposing bills and referendum.

These rights have been further operationalised through a series of laws passed during the last decade. However, in Serbia there is a collectivist mentality present which subordinates the individual rights to the group and tolerates their violation. *'A large number of disappointed citizens, among whom there is mostly poor population and the members of marginalized groups, feel that human rights are an abstract and at times elitist concept which is far from their daily lives'* (Ombudsman, 2008: 11). An analysis of the attitudes of citizens about human rights needs to be performed and see what progress has been made in awareness raising on this issue.

### *Judiciary*

The judiciary is an important link in the chain of government that should enable citizens prompt access to their rights. The Serbian Constitution guarantees the right to fair trial and these provisions are complied with the European Convention for the Protection of Human Rights and Fundamental Freedoms. In order to assess the state of judiciary in Serbia, it is necessary, first of all, to see to what extent the judiciary is independent of political influences, and then the functioning of the system, i.e. opportunity for prompt trial in a "reasonable period of time".

### *Participation in Civil Society Organizations and Local Networks*

The modern civil society theories emphasize the role of civil society in the generation of social assets, understood as the readiness for the civil engagement of people and for instituting the trust into the society. Civil society is perceived as the pole of participative democracy, whose instruments are civil society organizations. Participative democracy is important for the society as a supplement to the representative democracy, whose goal is a continued participation of citizens in the political process, advocating in the process of passing the public policies and their improvement, as well as a continual monitoring of the

activities of government authorities. The significance of civil society is also acknowledged in the EU and Council of Europe documents, i.e. in the Treaty of Lisbon and the Recommendations of the Committee of Ministers to the Council of Europe Member-States (Golubović, Anđelković, nd:5). Civil society organizations are more and more taking over the role of social services providers, but also the role of creating and enforcing the public policies.

Generally, the civil sector in Serbia is featured by outside determinacy producing specific effects which limit the development of civil society. *'Autonomy is curbed by financial dependence, solidarity is threatened by focus on earnings, voluntariness is also subordinate to the search of income, equality is limited by organizational professionalism (which is eo ipso a hierarchical one, particularly due to it being in this case in service of allocation of income), and pluralism is pushed back by a genuine market competition between NGOs for donations.'* (Lazić, 2005: 91)

At the level of Serbia there are several models of cooperation between the civil society and the state (Golubović, Anđelković, nd:13):

- Cooperation Agreement – European Integration Office and the Team of the Government Deputy Prime Minister for the Implementation of Poverty Reduction Strategy.
- Participation in defining the national and local strategies and strategic documents – the most frequently applied model of cooperation which has contributed to creation of over 40 strategic documents only at the national level, while such cooperation has been often applied at the local level as well.
- Contracting the services provided by the civil society organizations – a good practice example is the Social Innovations Fund with the Ministry of Labour and Social Policy, as well as the implementation of the National Youth Strategy with the Ministry of Youth and Sports.
- Provincial and city/municipal funds for the development of the non-profit sector – in 2004, the Fund for Development of the Non-Profit Sector of AP Vojvodina was founded, and similar projects were launched in Belgrade, Niš, Novi Sad and Zrenjanin.
- Consultation Forum – based on the initiative of the Parliamentary Poverty Reduction Committee.
- Civil Society Council – set up with the President's Cabinet, as an advisory body for the issues of importance for the civil society.
- Initiated establishment of the government Office for Cooperation with Civil Society Organisations (CSO).

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We will say more later about the the extent to which citizens really participate in CSOs and what their real influence on decision making is.

## 4.2. Who is Excluded and How? Analysis of Forms and Consequences of Exclusion from Political Participation

### *Political rights and the electoral process*

On the eve of the last parliamentary elections in Serbia in 2008, a total of 6,749,688 voters were recorded, out of which 4,141,176 or 61.35% voted.

The turnout varies, so it is clear that after a turnout soar of 74.68% in September 2000 caused by the specific situation, there is a continued fall recorded until 2004. The lowest turnout in Serbia was recorded for the failed presidential elections in November 2003 when turnout was merely 38.80%. After these elections the turnout curve gradually rises again, so that the 2008 presidential elections recorded 61.38% turnout (68.14% in round two), while the parliamentary elections recorded 61.35% turnout<sup>16</sup>.

CESID researchers measured on several occasions from 2002 to 2007 the involuntary abstinence, as the result of not up-to-date electoral rolls, illness and stay outside the place of residence or far from the polling place. If the citizens in Diaspora are included too, CESID estimates that the involuntary abstaining voters make up around 15-20% of total registered voters (see Vuković, 2007). On the other hand, voluntary abstaining voters make up from 10 to 50% of the constituency, depending on the specific elections and the estimate of how important they are.

Party identification has changed in the course of the multi-party period, with its lowest point recorded following the break-up of the coalition *Zajedno* (Together) in 1998 (31%), and with its peak in the course of mobilization for overthrowing the regime in 2000. In the period following the political changes, party identification stagnated for a while only to decrease by end of 2004 to 43% due to citizen discontent with the party conflicts and the pace of changes, and in 2006 to even lower 37% (Atlagić, 2007: 125). However, the issue of party identification as a determinant of political participation in elections is most prominent in Serbia, given a very high electoral fluctuation as a result of the recent party formation and incomplete party mosaic in Serbia. Such behaviour can be illustrated by the value of the average fluctuation of party support, which for the top 3 parties in the frequency of participation in elections in the period 1990-2003 was 10.4%, or 3 times more than in the developed democracies (Antonić, 2005: 124).

When it comes to the position of individual groups, there is a perceived progress. The position of ethnic minorities in Serbia's political life has considerably improved after abolishing the census in 2004. However, even before that a lot had been done on improving the minority participation, so for instance in 2002 the Law on Protection of Rights and

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<sup>16</sup> <http://webzrs.stat.gov.rs/axd/Izbori/izlaznost.htm>

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Freedoms of Ethnic Minorities was adopted, providing for the foundation of the Ethnic Councils as the self-government bodies of the minorities. The council members are elected through electors, consisting of the representatives elected by a certain minority at various levels. The governing authorities are to seek the opinion of the council on the issues affecting the lives of the ethnic minorities, raising the influence of the ethnic minorities on decision-making. Until 2007, 14 councils had been constituted. The Republic Council was constituted in 2004, while in 2006 it was strengthened by setting up the Agency for Human and Minority Rights of the Government of the Republic of Serbia and appointing the Council Secretary. In June 2010 elections were held for National Minority Councils, 16 of which were elected in direct elections, and only three through electoral councils.

Also, as part of the local government system, Councils for Inter-Ethnic Relations have been formed dealing with the issues of inter-ethnic equality, i.e. they have the powers to give opinions on the issues pertaining to the rights of the ethnic communities. The Councils are met with insufficient support from local self-governments, with a major issue being insufficiently clear definition of the Council's status and differing their role from the roles of the national councils. The task of promoting ethnic equality is not defined precisely enough, i.e. it is not whether the Council should deal with the issues of protection against discrimination or equal opportunity policies. Also, Councils for Inter-Ethnic Relations are faced with strong influences of political parties, which makes their work even more difficult. In practice, the influence of such councils is different so it is necessary to define the nomination channels and competences of such councils more precisely. (Ethnicity Research Centre 2009:5)

As far as the issue of women in the Serbian representative system is concerned, the OSCE recommendation for 30% of women in the lists of candidates is largely implemented. Versus 2000, when the Assembly included 10.8% of women, after the 2008 elections the share leaped to 21.6%. At the same time, the participation of women in the parliamentary life was given weight to by electing even 3 female vice-speakers out of a total of 6. Women are also actively involved in the party life of several parties where the women organizations have been set up (DS, G17+, GSS, LSV, NS, SDP, LS and DA) and their participation in bodies is envisaged with 30% quota. However, the drawback of the quota concept is reflected in the fact that there is no obligation for parties to nominate at least 30% of women in the legislative body as well following the lists of candidates. So, what happens in practice is that the Parliament does not reflect the list of candidates, which means that the percentage of women in the lists of candidates is only a form, not the essence.

The findings of the Social Exclusion Survey do not show importance of gender in attitudes serving as political exclusion indicators<sup>17</sup>, which points out to the absence of

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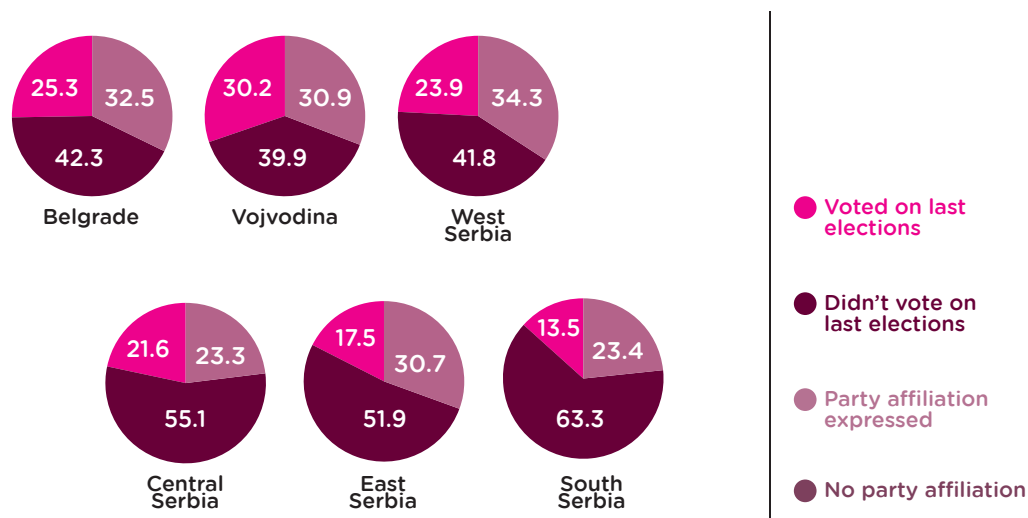
<sup>17</sup> Influence was measured by Chi square test and indicators included participation in the political life and attitudes on government representativeness, judiciary, political connections and channels of representation.

visible political exclusion of women in Serbia. There was a certain impact recorded of the region and age in certain categories.

The research shows that the biggest number of abstaining voters in the last elections came from Vojvodina (32.1%), and the lowest number came from East Serbia (13.2%).

**Graph.4.1.**

**Participation in the Previous Elections by Region and Political Affiliation in %**



In line with the above, there is a finding showing that party affiliation, mentioned hereinabove as the indicator of political participation is lowest in Vojvodina (33%). The highest value was recorded in South Serbia (48.10%).

Generally speaking, three dominant groups of the excluded are Roma, refugees and disabled persons. All the three groups also suffer discrimination at all levels, including the discrimination by institutions and the discrimination in personal contacts, which is given in more detail in the chapter dealing with cultural participation.

The disabled persons face multiple obstacles on the path of exercising their human and civil rights. Particularly those disabled persons are vulnerable who belong to marginalized groups on some other basis (Roma, elderly people, rural population). The first difficulties are physical barriers, disabling them to exercise their rights, such as the right to free movement due to lack of ramps or the right to information due to lack of titled or Bray scripted content. Disabled persons need special assistance and adequate support services so that they could exercise the mentioned rights. In addition, the persons with disabilities are often not aware of the need to be engaged in the community, so that they willingly shut down from the society.

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*I went to the opening last year, to (name of municipality), there were supposed to have made ramps but even I who can move couldn't go up. I went deliberately to show them and then they lowered it down and down...*  
(FGD participant, paraplegic person, organisation activist)

Refugees are excluded from the fundamental form of political participation as they are deprived of the right to vote due to lack of the citizenship as the basic prerequisite. This is also an obstacle to the free movement outside the country borders as they cannot own passports. Romany population is in an even more difficult situation of multiple exclusion as many of them do not have any personal documents (registration of residence, birth and other personal certificates) which are a precondition to access not only the political, but social and economic rights as well.

The indicator of such state is the finding of *UNDP's Research on Social Exclusion* showing that 22% of the Roma who did not go to the polls and 24.8% IDPs, did not do it because they did not meet the voting conditions. Also, Roma and IDPs in most cases do not have any attitude on political issues such as decision-making on referendum (34.3%, or 23% in IDPs), non-institutional activities (36.7%, in IDPs 30.3%) or participation in NGOs (39.7%, in IDPs 30.9%). Such situation is indicative of the fact that they are preoccupied with the problems of everyday living, i.e. of surviving, in which case the dealing with political issues is not deemed to be important.

In the last two years, a new marginalized group came on scene – readmitted persons. They face the exclusion problem due to lack of fundamental documents preventing them to access the public services and exercise other rights.

Further, the public is more and more preoccupied with the issue of sexual minorities who are, due to discrimination, in the first place deprived of the possibility of gathering and free expression of their convictions. Speaking of this group, the exclusion may be said to be at the level of physical threat if we bear in mind the secret activism to which the sexual minority organizations or those advocating their rights are forced.

It should be mentioned that if we observe the matters from the aspect of violating human and civil rights there are more groups which can be identified as excluded (victims of violence, trafficking victims, persons with HIV/AIDS). However, the study of human rights violation as a specific area of political participation requires a comprehensive separate study, exceeding the framework of this paper.

### *Approach to the Policy-Making Process at the Local and National Levels and its Monitoring*

#### *Republic Level*

In Serbia, after 2000, several regulatory authorities have been formed with the role to monitor the activities of the Government and to perform a part of activities in their own areas. Although a lot has been done in combating corruption and other frauds regarding

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passing the legal regulations, the formed bodies operate with difficulty and under pressure, while some bodies still have not been constituted. Most bodies lack adequate or any working space, and other resources have not been provided in most cases either. Citizen participation in these bodies is usually indirect, through the civil sector representatives.

*Institution of Ombudsman* is a body which enables the control and improvement of observing the rights of the residents and other persons staying in the territory of Serbia, and the correct and lawful operation of the administration. Citizens and civil society organizations can address their bills to the ombudsman, as the ombudsman is legally entitled to lodge the bills within its competence. In that respect, the ombudsman is as important as the commissioner for the civil sector operation. Bearing in mind that the number of complaints filed by citizens continually increases (1,774 in 2009 compared to 1,030 in 2008), it may be stated that this regulatory authority has been recognized as significant and that it raises the level of the political participation of citizens and protection of their rights.

*Institution of Commissioner for Information of Public Importance* was established in 2004. The number of cases filed to the Commissioner had grown over the years so that in 2008 the number of received cases was 5 times higher than in 2005, although the Agency works with 1/3 capacity.

The supreme institutions, Parliament, President, Government, Supreme Court, Constitutional Court and Republic Public Prosecutor's Office are exempted from the obligation to act at the order of Commissioner for Information of Public Importance, which largely curbs the Commissioner's scope of work and contributes to the non-transparency of the operation of these institutions. The Commissioner's work has been a frequent point of attack by the government officials or public enterprise directors in cases which were widely covered by media (salaries in public enterprises, tender documents, concession contracts, etc.).

As regulatory bodies whose basic function is to control the government, there are a few more bodies formed such as RBA – Republic Broadcasting Agency, Anticorruption Council, Republic Committee for Resolving the Conflict of Interests, Public Procurement Office, Commission for Protection of Bidder Rights, Commission for Protection of Competition and State Audit Institution. In mid 2009 Anticorruption Agency started working also, which is, together with the Republic Broadcasting Agency, the only body which was granted executive powers and enforced them. The RBA Council is an administrative body made of 4 representatives proposed by the government authorities and 5 representatives proposed by the civil sector, which is an important example of the inclusion of the civil sector in the monitoring processes. The role of the listed bodies is barely visible given the fact that their powers are not defined in the best possible way, and due to the fact that many such bodies do not have available material or human resources for their operation. Also, the Government most often ignores the reports and proposals by these bodies. The work of the bodies whose members are appointed by the Government is far more susceptible to the influence of political parties than it is the case with the bodies elected in other way. (Serbia 2009 Progress Report, 2009:10)

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### *Local Level*

In practice, citizens often come across problems in exercising rights to access to information, i.e. they face the 'silence' of the authorities. Information Sheet, which is the basis for citizen communication was published in 2005 by merely 9.8% municipalities in Serbia, while only a half delivered reports on activities in accordance with the Law on Availability of Information to the Commissioner for Information of Public Importance (Citizen Initiatives, 2009:14).

Regarding the involvement in citizen communication, the self-governments face various obstacles. The public character of the self-government work is not clearly enough defined under the Law, leaving the room for lax interpretation of duties and retention of the information of importance to citizens. The announcement of municipal regulations is often not made in line with the statutes, i.e. it is made after coming into force of the regulation concerned. Also, the municipal publications are printed in a small number of copies, so that their availability is very limited. Then, apart from the lack of material resources, there is also the lack of understanding of the new communication practice imposed by democratic system. Self-governments do not make habit of seeking the opinion from the citizens, or try to raise the citizen awareness of the need for information and participation of citizens in the political life of a community.

As it was mentioned in the introduction, citizen gatherings, participation in the work of the self-government bodies, petitions and public criticism are recognised as channels of dialogue with citizens. However, none of them are precisely defined by the municipal regulations, which diminishes its efficiency. Public debates are, according to the statutes of most municipalities, mandatory at least once a year, but in practice they are seldom held. Even if they take place, the public debates are not announced except on the notice board, and they are most often boiled down to one debate down-town leaving out the outskirts where political conflicts often take place due to unskilled debate managing.

Referendum as a form of shared responsibility with citizens is in practice mandatorily held when introducing the contributions, while its application for other issues is virtually non-existent and undefined under the Law and self-government statutes.

Citizens' initiative allows the citizens to propose solutions to a problem or the adoption of regulations. Citizens' initiative is defined by 10% voters. The application of this mechanism normally comes across such problems as the lack of legal assistance to citizens, the obligation to report the collection of signatures to the police and only 7 days for collecting the signatures.

Community offices act at an arm's length and their communication with citizens is poor, which is another drawback of these institutions. Community offices are formed by the decision of municipalities, without any obligation for a prior consultation with citizens. Communication on the work of community offices is very low if we take into account the research finding that 63% of population is not at all informed of the work of community office council (CESID, nd:29).



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Generally speaking, it can be concluded that the citizen participation locally is low and there are no efforts invested for including the citizens into the political life of the community.

### *Access to Human and Civil Rights*

Since 2000 until today progress has been perceived on the issue of adoption of relevant human rights protection laws. However, several laws regulating civil rights and freedoms of individuals have not yet been passed. The 1998 Law on Personal Data Protection is still in force and it does not conform to the needs of the modern legislation. Neither was the Law on Property Restitution passed to be applied to all citizens, i.e. it was only the Law on Restitution of Property to Churches and Religious Communities passed in 2006. The new Constitution guarantees the freedom of expression, but it has been contested by adopting the 2009 Information Law, which came across a heavy public criticism and which was often lined up with the infamous 1998 Law.

The freedom of gathering is generally at a high level, except for the gathering of citizens seeking the observance of human rights, especially the right to sexual orientation. The activists of the organizations advocating the rights of the sexual minorities work in secret and at unknown addresses. It is not seldom that they are subject to hate speech. Although there is a visible progress in the reaction of public authorities, in the first place of the police to the threats to and assaults on these activists, the situation is far from a satisfactory one.

Freedom of religion is defined under the Constitution and 2006 Law on Churches and Religious Communities. This law brought about major public controversy mostly due to the procedure for registering the religious communities leaving broader powers to the government bodies to decide on the registration or rights of communities. Also, under the law the religious communities are not equally treated as the traditional churches, with the latter enjoying bigger rights. The provision under which the state is obligated to assist the religious communities in executing the decisions of the religious courts is also disputable for two reasons. One reason is that there is no previous estimate whether such decision violates the individual human rights, and the other is that a secular state should not act on the basis of decisions of a religious body.

The Serbian Constitution also prescribes the prohibition of discrimination as well as the prohibition of torture and other demeaning acts. Anti-discrimination is additionally operationalised through the Anti-Discrimination Law adopted in March 2009 endeavouring for the first time to comprehensively sanction all cases of discrimination and protect the vulnerable groups. Earlier in 2006, the Law on Prohibition of Discrimination against Disabled Persons was also passed. On the other hand, when it comes to the right to life and prohibition of abuse, there are weaknesses observed in the legal regulation, failing to precisely define sanctions for excessive use of force and abuse during investigation. The investigations on this basis are not carried out in accordance with the international

standards, mostly due to lack of up-to-date instruments and techniques, and lack of staff qualification.

The Constitution, as well as the 2006 Law on Enforcement of Penal Sanctions improved the then legal frame for the procedure for enforcing the penal sanctions, which is one of the critical issues in observing human and civil rights. These enactments envisage that a sanction is carried out to guarantee the observance of the dignity of the person undergoing such sanction and forbids the discrimination against the sentenced persons as well as torture, abuse, humiliation or experimenting, in accordance with the international human rights treaties. However, the capacity of detention units in Serbia is not sufficient, and the conditions are very poor, so that the task of reintegrating the sentenced persons at this point is unrealistic.

### *Judiciary*

As mentioned hereinabove, Serbian Constitution specifies the right to a fair trial. The Constitution also defines the right of the party to trial in a reasonable time. In practice, 70% of decisions are passed in 2 years on average, but there are cases recorded where a court procedure lasts for 25 years without any decision made (Jelinčić ed, 2007: 49). The problems in exercising this right are conducive to the failure to efficiently exercise other civil rights. On the other hand, the concluded court procedure is not a guarantee of the competent authorities acting on the decision, so that citizens often complain on the slow enforcement of court decisions.

The Law on Civil Procedure improves the issue of court accessibility by introducing the right to free representation and the institute of poor law (legally defined exemption from payment of costs of proceedings), but this right has not still been defined precisely enough. This Law and the Constitution alike observe the assumption of defendant's innocence, although it is not always the case in practice. Moreover, it is provided for that an individual cannot be prosecuted for the act for which the procedure has already been conducted and finally decided, unless *'there is evidence of new or newly revealed facts or if in the previous procedure there was a gross violation which could affect its outcome'* (Jelinčić ed, 2007: 53).

It should be mentioned that the weight of cases is not evenly distributed between the courts, so that the courts in big cities, in particular in Belgrade bear much more weight. In the last few years, a lot of attention is addressed to speeding up the court procedure, and by end of 2009 the reorganization was also launched aimed at providing higher efficiency of court system. With a view to facilitating the access to justice and speeding up the resolution of disputes, the Law on Mediation and Law on Amicable Resolution of Labour Disputes have been passed.

However, the prerequisite for a fair trial is an independent and objective court system, for which the selection of judges is of high importance. The 2006 Serbian Constitution defines the rule that judges are selected by the Parliament which has hindered all efforts invested earlier to separate the judicial system from the political, i.e. party influences. Such

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procedure was criticized by the Venice Commission in March 2007 dismissing it as ‘the recipe for politicization of the judicial system’.

The judicial system is an important link of the rule which so far has not allowed the citizens to have timely exercise of their rights. Politicization of the judicial system is still present, witnessed by the affairs concerning the re-appointment of judges. Such state of affairs is conducive to continued diminishing of the judicial system reputation and shedding trust of citizens in its independent and objective work. In February 2010, the representatives of European Commission, together with experts from EU-member countries, visited Serbia in order to assess the re-election procedure. The conclusions of the expert mission confirmed considerable shortcomings in application of objective criteria, transparency and reliability of the process of the re-election of judges, and expressed need to revise the procedure. The Council of Europe Venice Commission expressed their concern even before that, in July 2009, saying that Serbian constitution did not give enough guarantee of judiciary independence, and a risk of politicization of the judiciary through the National Parliament electing the judges and the High Judicial Council.

### *Participation in Civil Society Organizations*

Until 2009, the civil sector functioned according to the Law on SFRY Citizen Association from 1990 and the 1982 Law on Social Organisations and Associations of Serbian Citizens, which were obsolete and not harmonised with the positive practice and international standards in this area. The new draft Law on Citizen Associations was withdrawn from procedure in the parliament several times before it was finally adopted in 2009, which set the legal framework for civil society actions.

Civil society has been present in Serbia ever since the introduction of pluralism, it is even recorded that until 1990 there were over 17,000 active organizations (Lazić, 2005: 71). During the nineties, the civil society, as well as the entire society after all, fell into the ‘blocked transformation’. Any major consolidation is observable in the second half of the nineties, in particular after the 1996 protests when more than a third of total number of organizations set up in the decade was founded then (Otpor (Resistance), AAOM (Alternative Academic Educational Network), CESID (Centre for Free Elections and Democracy), PALGO Centre). Civil sector had the most important role at times of overthrowing the regime in 2000. The 2005 research of NGO sector state showed that most organizations (56%) was founded after 2000 (Citizen Initiatives, 2005:10). Most of older organizations, as well as big organizations (63%), are concentrated in Belgrade and generally speaking the organizations based in the capital have larger capacities and resources. Civil society today numbers over 19,000 organizations according to the data of the Serbian Statistical Office, whereas the CIVICUS study registers 1,935 NGOs in Serbia, (Milivojević, 2006:63) and USAID records 3,000 NGOs in Serbia. The process of re-registration with the Business Registration Agency will make a clearer picture of the NGO sector, and data on these organisations more up-to-date.

After 2000, and in particular after the assassination of the Prime Minister Đinđić in 2003, the civil society falls into a some kind of passive state, despite the fact the NGO sector launched a large number of initiatives (Poverty Reduction Strategy, drafting the Law on Citizen Associations). Civil sector failed to impose itself as the unavoidable partner to the government, and so establish the cooperation at all levels in the interest of citizens. There was also a recorded conversion of the influence in the civil sector into the political positions, so there are quite a few examples of shifting to political parties. The best known, but not the only example is the once NGO G17+.

The new Government headed by the Prime Minister Mirko Cvetković stated the cooperation with the civil sector as one of the priorities in the course of reinstating the rule of law, but there still has not been an institutional frame set up or a strategy made for the cooperation between the state and civil society. The Serbian Government Office for the EU Accession cooperates on the basis of Memorandum on Cooperation in the Process of European Integration with around 80 organizations, but it is only one of the examples of *ad hoc* approach towards the civil sector (Jelinčić ed, 2006: 61).

Over 60% of the 2005 research respondents estimate the cooperation with the government as poor, and only 12% believes that the third sector has sufficient influence on the policy-making (Citizen Initiatives, 2005:26). The most often mentioned problems in cooperation with the state are the lack of interest of the government authorities, a huge role of informal contacts, lack of assets for supporting NGO activities, grossness of the state administration slowing down the exchange of information process, difficulties in cooperation on projects due to different competence levels. What is conspicuous is the lack of cooperation with the organizations dealing with representation and human rights. Apart from the state unwillingness to recognize the civil sector as its partner in dialogue, neither do the civil sector representatives have a good enough perception of the significance of the sector's role in the society. The changes in the representatives of the local government also affect the work of NGOs, as every new government entails a new dialogue. The institutional cooperation with the civil sector exists only at the level of certain local self-governments.

In terms of finance, the civil sector relies to a large degree on the foreign sources which have been on the fall ever since 2000 threatening the operation of the organizations and incites competition instead of cooperation between the organizations. The international donor organizations finance 74% of the domestic organizations. The sector is also financed from the projects approved by the Government through its Ministries (17%) and through local self-governments (34%), which diminishes their critic power and independence. The sector's financial standing is problematic given that 29% estimates that they are on the verge of existence, and another 26% believes to be in a poor financial position (Citizen Initiatives, 2005:62).

What is also deemed to be important is the attitude of the public towards the sector. NGO representatives believe that the public attitude towards the third sector is usually neutral (48%), but there is a considerable number of those who perceive negative public

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attitude towards the third sector (32%). Interestingly enough, such attitude considerably changes when surveying the public attitude towards respondents' own organization, where 36% estimates the public attitude as neutral, and even 51% as positive (Citizen Initiatives, 2005:52). Media analysis within CIVICUS shows that the civil sector influence on the society is very low if we take into account the media presence (less than 1 minute a day). This is also contributed by poor cooperation between the organizations, disabling any stronger interest-oriented action on the political players.

One can see that the sector employees believe that citizens are widely uninformed of the NGO sector activities (47%), and that they are not interested in its activities (51%). Another unfavourable finding is in the research of the Centre for Studying Alternatives on the General Population from 2000 where over 70% of respondents claim they do not know anything about the third sector. CESID came up with a similar finding where over 65% estimates their awareness of the civil society as low or none (CESID, 2005:11). There is a visible relation between the party affiliation and the awareness of the third sector, so that the party-affiliated respondents normally have higher awareness of NGOs, which is indicative of the connection between political and civil activism. CESID also established that 26% of respondents have positive attitude towards the third sector, while 12% have negative attitude, and 42% opt for 'I don't know'.

Trust in certain civil society organizations is in direct connection with political affiliation, so that the rightist-oriented followers have trust in organizations such as Obraz (Honour) and Association for Defending the Accused before the Hague Tribunal, while the leftist-oriented followers have trust in other organizations.

One can see that there are different findings on the degree of participation in civil society organizations. Although democratic societies perceive the civil sector as an important partner of the state, there are still considerable obstacles in Serbia regarding the materialisation of the civil sector influence on the policy-making processes nationally and locally.

CIVICUS finds that the degree of engagement in civil society considerably grew versus 1996 when it stood at 15.3% with 47% of citizens. The most numerous ones are the union and political party members, followed by NGOs and sports associations with 19% each and tenants' councils and sub district offices with 17% each (Milivojević, 2006:55). Voluntary work as a form of inclusion into the civil society is present in 43% of cases, but it is widely understood as voluntary assistance, so that strictly speaking it is difficult to estimate what the level is of voluntary work in Serbia.

The research *Stratification and Value Changes in the Period of Social Transformation* at the end of 2003, conducted at more or less the same time as CIVICUS, showed almost a half less inclusion in organization than CIVICUS. 11.2% of respondents were included in political parties (without differentiating between active and passive), and in unions 4.8% of active members and 6.1% of passive members.

*Social Exclusion Survey* from 2009 shows that there is a major fall of participation in political organizations and unions versus the research on value changes, and in particular

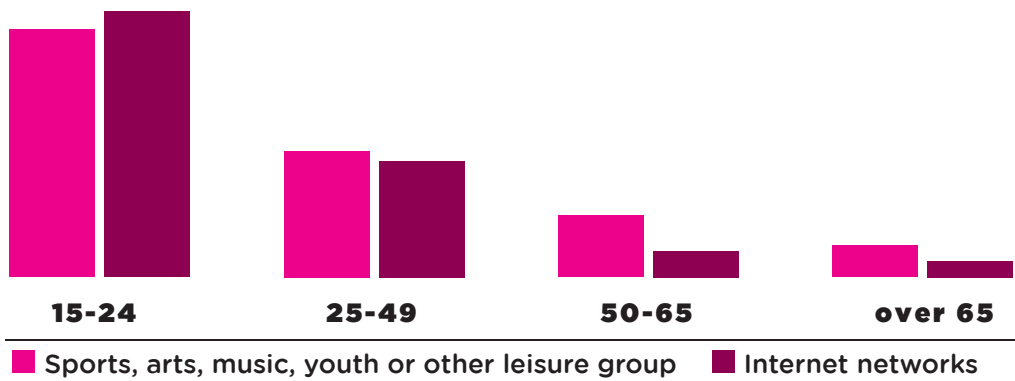
versus CIVICUS published in 2006. Political parties record 2.5% of active and 4.2% of passive members. Even the unions which are, according to CIVICUS, highly present (27%), record mere 1.6% of active members and 3.9% of passive members, which is far from mass participation.

*Social Exclusion Survey* shows that over 80% of respondents do not participate in any form of organizing. The most respondents are engaged in sports, artistic, music and other voluntary groups (7.9% reported active membership, 2.2% passive membership, and 8.4% participate although not members). The most active respondents (active as members or non-members) are recorded in Vojvodina (21%), and the least in East and South Serbia (13.20% each).

All other forms of organization usually record less than 5% of members among the respondents and as many participants who are not members. The only exception is Internet network (such as Facebook), where higher active participation is recorded, according to the same pattern, i.e. the highest number is in Vojvodina (17.50%), and the lowest in South Serbia (9.10%).

Active membership also depends on age, given that it lowers in older generations in case of the most numerous movements such as voluntary groups like sports, artistic and musical groups, and the activities in the Internet networks, which is after all expected.

**Graph 4.2.**  
Activity in 2 Most Numerous Types of Organization according to Age in %



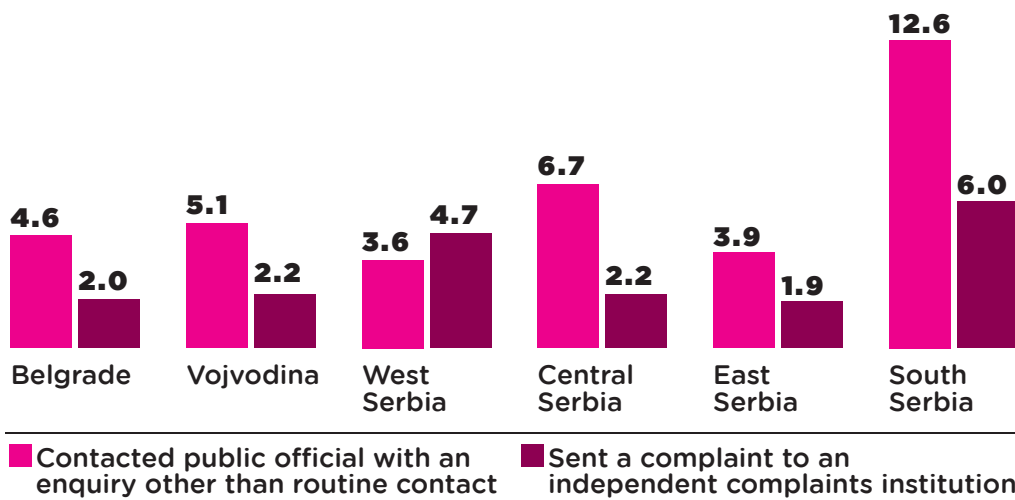
Source: Social Exclusion Survey

The Roma population is, as expected, less included in the activities of organizations, given that their participation is normally below 2%, except for sports, artistic and music and other voluntary groups where 3.1% is actively engaged as members and 3.8% of non-members. No Roma is a union member. There is a visible exclusion from the wide social online networks such as Facebook, due to poor material standing disabling them from having an Internet access. IDPs are included somewhat less than the general population, but their activism is higher than that of the Roma population.

This research shows that mere 5.3% of population does not participate in any form of activity locally. Most addresses to authorities are recorded in South Serbia (12.60%), as well as lodging of the complaints to independent institutions (6.00%).

**Graph 4.3**

**Inclusion at Local Level in %**



Source: CIVICUS

CIVICUS here also presents data that such percentage is higher and that during the 12 months preceding the research, 17 to 21% of citizens attended the meetings, or participated in local community actions.

Preoccupation with own problems is the most frequently stated reason for non-participation (26%), while there is a very high share of the discouraged and uninterested who make up almost a half of respondents (45%) (CESID, nd:31).

CIVICUS finds that men largely dominate in the structure of managerial positions in civil society organizations, except for the human rights organizations which are dominated by women. On the other hand, the 2004 NGO research shows that the shares of both genders in managerial positions in NGOs are equal, and that women dominate among the activists with 60.9% (Lazić, 2005: 83). This research shows an overwhelming domination of university degree among NGO activists (63.7%), which corresponds to the perception of the middle class citizens as the cornerstone of the civil sector in Serbia (Lazić, 2005), indicating that citizens with lower education are less included in civil sector.

Observing the CIVICUS research results, it can be concluded that the participation in some of the political activities takes up somewhat more men, rather an urban population, with university degree and with income above the poverty threshold. Also, a larger number of organizations is recorded in Vojvodina, Belgrade, Kragujevac and Niš as big

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centres. On that basis, it can be concluded that these groups are better included in the civil sector operation, and that exclusion more affects women, rural population, population with lower education and poorer social classes, which are most numerous in East and West Serbia.

### 4.3. Why are They Excluded?

Numerous conflicts and affairs in the sphere of politics, which have resulted in frequent elections, bring about the backing down of citizens from the arena of political participation. It can be noticed that there is certain abstinence at the level of general population in case of election turnout.

The causes of insufficient direct participation of citizens may be sought in:

- the domination of political culture which does not promote the participation of citizens and a low level of knowledge and awareness of citizens regarding their rights and freedoms and the competences of certain government levels (Standing Conference of owns and Municipalities – SCTM, 2006:3);
- general crisis of confidence in institutions, but also in civil society organizations;
- uninterested citizens in the public affairs are the result of poor living standard, lack of time, information and knowledge, but also the lack of will to change and improve the social frameworks.

*Social Exclusion Survey* from 2009 shows that among the respondents who did not go to the polls at the last elections in 2008 (38.62% of the total number of voters) almost a quarter (22.7%) is not at all interested in politics. 16.5% of abstaining voters believe that voting has no effect at all, and 15.7% believe that there is no party to represent their interests. Comparing turnout on national elections in EU countries and in neighbouring countries, the conclusion is that similar turnout is recorded in other countries, therefore Serbia is not an exception when we speak about the drop of interest in political participation. The argument in favour of the crisis of trust in institutions is that the percentage of those who believe that their vote has no influence at the level of the entire sample is very high, standing at 60.8%. The situation very similar with the judicial system, which according to research does not inspire confidence in 45.3% of respondents in this research.

The findings show that South Serbia is more sensitive to exclusion and that in this region people feel less capable of influencing the political courses, although a higher degree of activism is recorded in terms of lodging requests and contacting the authorities outside the regular procedures, and there is a higher degree of political affiliation recorded as well.



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The indicator of the crisis of trust in political parties is the data that only 29.6% of respondents would chose a political party if the elections were held at the time of research. Over 50% of respondents could not state any party to vote for.

The criticism of government and in general of party ideologies is still not present enough in Serbia. Political culture is undeveloped and it is based on the conviction that an individual cannot do much to make a difference, i.e. on the absence of dialogue with those who do not share the same opinions. It is still held that the criticism coming from the civil sector represents someone else's interests, i.e. that NGOs are the hostile factor in the society. Nonetheless, the citizen activity in associations and NGOs is perceived as an important channel of political influence at the national level by 38.2% of respondents, and a very similar situation is in the perception of possibilities to influence this way at the local level as well (40%).

The situation at the local level is even more problematic, since the NGOs working locally are in direct contact with the local institutions and often depend on them. According to the estimate of CIVICUS respondents, the pattern of not meddling into the politics is still very dominant in case of civil society organizations, witnessed by a small number of organizations engaging in the open criticism of the government institutions.

The most drastic indicator of the crisis in the Serbian society is the attitude of a huge majority of *Social Exclusion Survey* respondents on the importance of political connections for the success in life. Even 60.1% of respondents believe that political connections are essential, and 30.6% of respondents believe that they are important for success. The importance of connections has been present for a long time in the Serbian society and they are one of the core reasons for the attitude of incapability to have an actual effect on the political processes by way of democracy. Respondents perceive that the connections were important 25 years ago too, although in somewhat lower degree than they are today (30.2% - very important, 38.1% - important). The findings are almost identical for the Romany population and IDP population, showing the equal perception at the level of Serbia.

That is why it is not hard to understand that the citizen confidence in institutions is very low. Even 68.6% of respondents in the research on exclusion believe that the Parliament does not represent their interests. Preliminary research results "Achievements of transition from socialism towards capitalism" conducted by the Friedrich Ebert Foundation, CESID and Centre for Social Democracy Studies, showed that on the scale from 1 (no trust) to 5 (great trust), trust in the parliament (2.35) is higher only than trust in political parties (2.17). This is contributed by the inefficient work of the Parliament described in the previous chapter, which often turns out into a most indecent confrontation in the floor. The diminishing decency of Parliamentary debate has not been discontinued even after a numerous amendments to the Rules of Procedures and the Assembly floor is still used for the purposes of propaganda.

*I can't understand these members of parliament, no way. They have salaries over 200,000 and the cafeteria there, lunch and all with desert is 150 dinars, and they complain.*

*No one can go in there because coffee is 5 dinars, it's secured...*

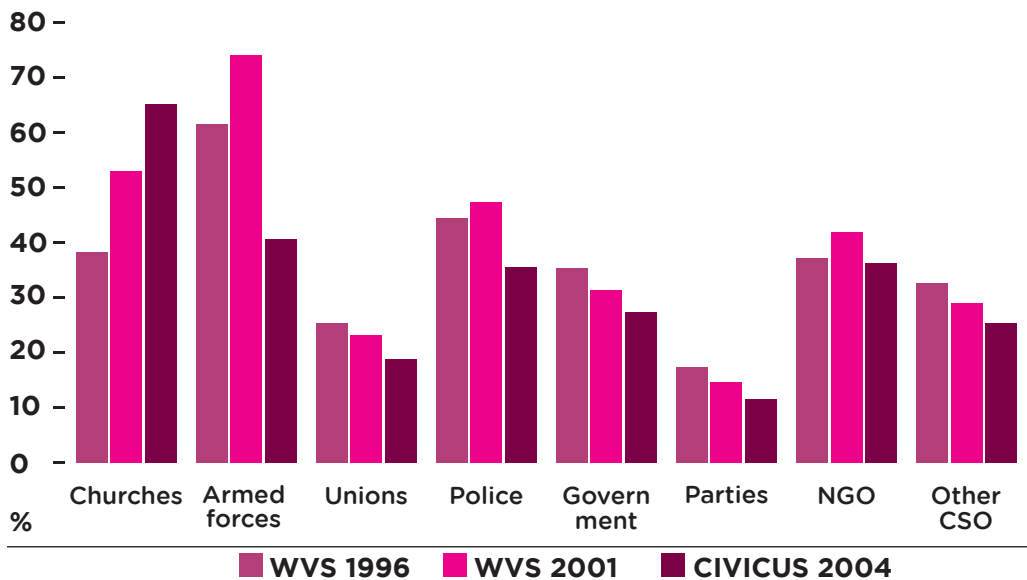
*That's all ours, we pay for it.*

*Ah, yes, we pay, and they complain...* (fragment from the discussion with several FGD participants)

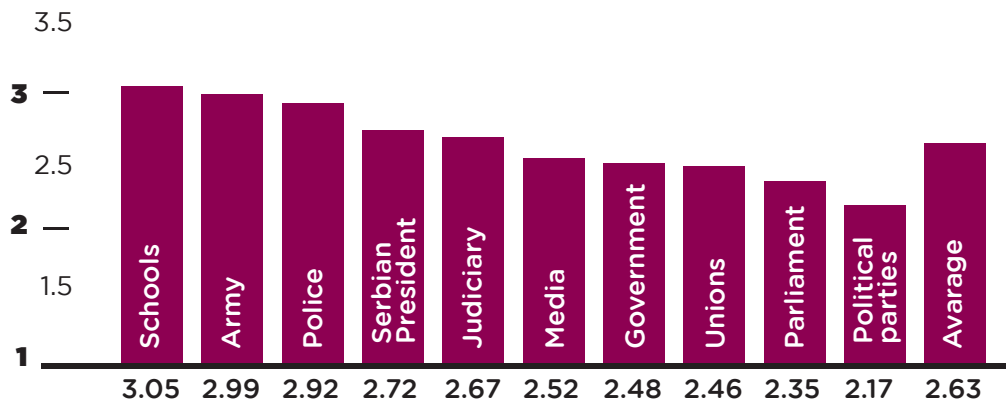
It is a similar situation with the local authorities for which 65.2% of respondents believe that they do not represent the interests of citizens. There is no major difference in perception between Roma, IDPs and general population, and there are no major difference recorded according to age or region either.

If we compare the earlier research findings, it is clear that the trust in institutions (except the Church), has been continually dropping during the last decade. A mild positive move was shown immediately after the changes in 2000 when the army, police and NGOs recorded a rise in trust. However, political circumstances and affairs have brought about a repeated, sharper fall of trust in these institutions.

**Graph 4.4.**  
**Citizen Trust in Institutions and Organizations**



**Graph 4.5.**  
**Citizen trust in institutions**



Source: Preliminary results of Achievements of transition from socialism towards capitalism”, p. 19

On the other hand, the Parliament is perceived both, nationally and locally (Municipal Assemblies) as an important decision-making point and the point of influence on the lives of citizens. Even 74.6% of respondents believe that at the national level, and 73.2% of respondents believe that at the local level, the right people should be elected in order to influence the issues of the national and local importance. Such attitude shows a profound acquiring and understanding of democratic representative quality and participation as a political influence channel. All the more so is the bad picture that the citizens have of the Parliament and the government authorities generally the factor of their abstaining from political participation.

### *Role of Legal Framework, Institutions and Policies in Creating and Maintaining the Exclusion*

Legal framework plays a very important role, if not in creating, then at least in maintaining the exclusion. The passing of laws complied with the modern European law provides an opportunity to fight against various forms of exclusion and discrimination as it provides clear frameworks and assets for action.

However, legal frameworks are only step one towards realising the full inclusion. What it takes is the willingness of institutions to efficiently implement the laws with the full control of the procedure. Such willingness is most often expressed by strategy-making (Poverty Reduction Strategy, National Youth Strategy, National Strategy for Improving the Position of Women and Promotion of Gender Equality, etc.). However, as it has been already mentioned several times, the Serbian Government does not have a clearly defined framework for the cooperation with civil sector, disabling so any major role of the civil society in law- and strategy-making, as there are still no clear control mechanisms for enforcement of the laws passed.

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*We could be living in great conditions, but if the laws passed aren't respected, then we can stand on the road and wait for someone to run us over, because to this day they left the streets, they make new ones, but so that... elevate pavements and it's a diving board. I can't go over a ramp like that... (FGD participant, person with paraplegia)*

Strategic planning and cooperation between different organizations is underdeveloped, in particular in light of the political factions. This way, the existing exclusion of citizens from the political arena is only prolonged. It is especially contributed by the state inefficiency due to the gross administration, corruption and politicization of institutions from top to bottom.

State inefficiency in Serbia is normally rated as very low (-0.21), although it has significantly risen since 2000 (-1.00) (Milivojević, 2006:84). Insufficiently clear procedures for policy making and implementing, i.e. institutional non-transparency have resulted in exclusion of citizens from political participation. Furthermore, there is a lack of clearly defined responsibility reflected in failure to account for one's activities, which is the outcome of a poor supervision in the first place by the representative bodies (Parliament), regulatory bodies, and then citizens themselves, i.e. the civil society. Improving governance through building effective institutions, increasing the transparency of government spending (increasing accountability) and building the capacity of the judicial system is a step to be made, although some progress has been noticed (World Bank report). Good governance is based on three things - capability, responsiveness, and accountability. All three aspects are yet to be improved.

The incapacity of the civil sector to impose itself as a partner to the state sector is another exclusion factor. Competitiveness and lack of assets both, material and human, slows down the creation of a wider front to make pressure on the Government and provide a bigger influence for itself. On the other hand, the civil sector is featured by the lack of legitimacy which, among other factors, prevents the citizens from getting more involved.

*...in smaller municipalities actually the situation is much better, because people want to help. Because they are known. But on the other hand these municipalities don't have the means to remove the physical barriers. As regards Belgrade, there are associations that manage much better and break through into the government bodies. For example X.X. who does his thing brilliantly, and the presidents of the X Association who, regardless of doing a good job, don't manage to get to the City of Belgrade budget. Let me tell you, in our association it's a bit chaotic, we aren't well organised, that's my opinion, things aren't done the right way. We're not moving directly but we're going this way, then that and around... (PWD, FGD participant)*

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#### 4.4. Outcomes of Political Exclusion

Political exclusion of citizens seriously undermines the legitimacy of political institutions and initiatives, and the efficiency of the state. The research findings clearly show that exclusion leads to the fall of trust in institutions, which brings about the continued increase in abstinence from political life.

The political context is still the biggest obstacle to the development of political participation. Numerous factors, such as political conflicts and rivalry, slow institution of the rule of law and efficient state, strong centralized government and slow decentralization, followed by weak institutional control mechanisms add to the slow development of participative democratic society where political participation plays an important role. The perception of incapacity by citizens considerably affects the reduced participation and limits the possibility of choice as citizens fail to realize different options which would support their human development. It is observed that citizens do not have the full and smooth access to rights and services which they are entitled to by right provided for under laws. Also, some rights are not even adequately provided for under laws.

It can be said that the electoral system in Serbia does not support citizen inclusion, considering that Serbia as one electoral unit does not provide for citizens to decide who will represent them directly. In this way the possibility for the citizens to have a representative who would relate their problems from the local level and who would answer to their actions by way of assessment at regular elections.

Poor functioning of institutions causes distrust which is further connected with feeling powerless to influence the political courses, perceived as corrupted. Lack of CSO unity and weak influence of these organisations results in low citizen participation in the structures of civil society, which represents a political participation channel. Abstinence prevents citizens from fighting for their rights, not only in the political life. Non-participation is demonstrated in other spheres, e.g. economic one where there is a connection between the rights of workers and low potential of unions which record a very small membership.

Low interest of citizens in political participation further delegitimizes political institutions. The possibility of citizen influence on political decision making in the community is underused, whether because of the lack of interest, or because of insufficient promotion of different channels of citizen participation. Also, outward determination of the civil sector has so far had negative effects on the sector's public image, which made their activities more difficult to implement. The weak influence of the civil sector does not contribute to establishing the principles of good governance, nor do they increase social cohesion. The lack of influence on decision making, the way it is perceived by the citizens, also leads to reduced capacities to act against destabilising activities such as violence which is more and more present. It is a vicious circle where distrust supports nonparticipation, and nonparticipation supports delegitimization of institutions, which further leads to decreased trust in the latter.

Taking into account the recession too, it seems that citizens are brought to the verge and that their interest to change the society they live in is at its minimum. However, Social Exclu-

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sion Survey demonstrated that 65.1% of respondents considered that decisions on the local level should be made through referendum, while extra institutional activities (petitions, protests) are suitable for 39.5% of respondents on the local level. It is necessary to additionally promote channels of direct decision making so that citizens would get the impression that their voice counts. Although on one hand there is a high degree of distrust in political parties and political institutions, certain indicators show that citizens wish to participate in the political life, but in a way that would lead directly to results and visibility of their influence.

## CHAPTER 5.

# Exclusion from social life and social services as an outcome and a process

## 5.1. Concepts: relational aspects of social cohesion

In this section, the object of our analysis shall be the processes and the social relationships that bring individuals together in a functional community. The functionality of a community is defined from the aspect presented in the conceptual introduction to this report – a functional community provides its members with the freedom of choice and enables them to achieve affluence. This is a community that creates conditions for free human development and maximally includes its members into the social, cultural, political and economic life. On the other hand, this is a community which maximally uses human resources for further development. People have different needs and these are satisfied on various levels of social reality. This means that in real life people can form various communities and activate their membership in them when they want to satisfy their different needs. They will rely on their family for emotional support, they will join their neighbours in the demand for a safer city or they will go to institutions when they want to search for a job or seek justice.

The less personal the relationships with other people are, the more the intervention of institutions is necessary in order to reproduce social solidarity and maintain the functionality of the community. In that sense, modern societies differ from traditional ones in that they have better developed and more functional institutions. On the other hand, the existence of a developed institutional environment does not exclude the need for primary social relationships. Moreover, the lack of possibility to maintain family ties and friendships can be a sign of social exclusion even in the most developed institutional environment. However, relying primarily on the close community without joining institutions is a certain sign of limitations of choices and of limited options for human development. Institutions with an orientation on human development and social inclusion secure resources for the adoption of legislation and the enforcement of policies that optimize affluence in a community. At the same time they provide a referential framework in which individual

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persons can harmonize their values with the prevailing norms. In other words, the state must protect all individual and collective rights of its citizens and enable them to come to services or to provide them with services that will enable the development of their abilities to be included in the community through their own individual actions.

Social, cultural and other non-economic factors that determine human behaviour seek for a differentiated approach to the concept that is the foundation stone of the dominant interpretation of contemporary capitalism, and this is the concept of the freedom of choice. Namely, it is believed that an individual person can act rationally and that the multitude of such rational acts can generate general affluence only if individuals can exercise their freedom of choice when choosing jobs, goods, business partners, organization they want to join, towns and countries they want to live in, etc. The strengthening of the globalization process has widened this process in the geographical, cultural and political sense. The maximization of usefulness can be achieved only if all resources are freely available to all society members. This is why the ideas of political democracy and state of law are closely related to the idea of free market economy. In this context we are especially interested in the possibility of obtaining access to the sub-systems that fundamentally influence human development, and these are health care, education and social security. Poverty is one of the main reasons for the limitations in the freedom of choice. The limitations are often not only the result of unequal effort or unequal abilities of individuals, but they are also systematically generated through the reproduction of social inequalities and hinder maximum development and the optimal allocation of human resources. An even larger problem is that in some countries poverty manifests itself as a systemic issue leading to the creation of a cycle of poverty reproduction.

All of this clearly leads to the conclusion that, apart from giving thoughts to individual freedoms and rights, one must also think about social justice. Reasons for this do not have to be only of humanistic nature, they can be completely utilitarian and rational, this time on a macro-level, when administrating sub-systems (financial, economic, educational, health care, etc.). But also here one has to remain realistic: one does not aim to disable the below average offspring of rich and influential parents to reach a high social position. The idea here is more to enable children of average and above average abilities from poor, territorially isolated or culturally isolated families to develop these abilities and form them in such a way as to be maximally utilized in the economy and society and to improve thus the conditions for the growth of economy and development of the community. And more than this, disabled children should have the possibility to contribute to the society, too. In order to achieve this effect, the key factor is the investment into the sustainability and quality of health care and education system. The maximum development of the level of education is achieved by means of investing already into the preschool system. This is something poor individuals and their families cannot do by themselves because they lack the financial means or lack the awareness about the usefulness and meaning of such actions, and it is improbable that companies, whether private or public, which follow the logics of rational

economic actions, will timely take care of that. This is why here the state has a strong role in the development and administration of the educational system. The state must direct gathering and allocating of financial resources, but also set strategic goals, build institutional capacities, control and develop the quality of curricula, as well as guarantee equal access to all children. The question of whether the financing of such an access will be achieved by means of stricter tax policies or by relying on corporate social responsibility may be a question of optimal public administration (although, to be honest, it is more often a question of ideological orientation), but anyway, the set goal must be achieved.

Due to the fact that in Serbia, just as in most CEE countries, one has to harmonize a lot of discrepancies within a short time period, it is logical that state institutions cannot easily achieve the best solutions. Institutions that will realise these types of policies, especially in a society going through fundamental changes, need to be flexible and prepared for corrections and policy improvements. Because of the ethnic and cultural diversity of the population, memories of recent war conflicts, great regional differences in levels of development and economic structure that ranges from pre-modern (farmers with small and poorly equipped farms) to post-modern elements (quaternary sector), Serbia's need for flexible and open institutions is even more pronounced than in the majority of CEE countries.

Freedom, choice and social inclusion are the result of individual actions of individuals, of collective actions of various social groups and of the efforts undertaken by the state through its institutions. The goal of these actions is to create opportunities for individuals to choose freely, as well as to create possibilities and strengthen individual abilities for free actions. Bearing this in mind, we shall investigate the social services and the social life in Serbia. We will show both the offer, as well as the extent to which social services are used. What we are interested in is to what extent social services such as education, health care and social protection are developed in Serbia, as well as what kind of options they offer for human development, but also how it is possible to use them and also what hinders one from using them. Social life will be analyzed via the concept of social capital and here we will distinguish bonding, bridging and linking social capital. Here we want to see how many people foster social relationships with friends and relatives, but also with other people in the narrower and wider community. We are interested in how much of their social reality is reproduced through institutions, and how much through social networks.

## 5.2. Who is excluded and how? A social and cultural profile of the socially excluded

In this part of the report the profile of those who are excluded from social services and from social life shall be presented. We shall pay special attention to the grouping of excluded individuals around specific individual, social and cultural characteristics (such as gender, ethnic origin, nationality etc.). As to the exclusion from social services, we shall check each sector separately, and where the research data offer such possibilities, we shall also try to reveal multiple deprivations in order to discover the need for more complex forms of support.



## Health and health care

In analyzing the overall health of the population, it has been emphasized that the direct contribution of medical services to the improvement of the nation's health amounted to 10%, whereas the other 90% are the result of other processes.<sup>18</sup> The main determinants of health are in correlation with the living conditions, surroundings, life style and with biological factors such as age, sex and hereditary factors. Factors such as the living space, food quality, education, working conditions, water quality, hygienic conditions, transportation, fiscal regulations and the policies of social assistance often have a more powerful influence on the health of the population than the health care sector itself.<sup>19</sup> These contextual factors have also been discussed in other parts of this report. Here we shall devote our attention to the health care system as a factor of the exclusion of individuals in Serbia.

The research of the health of Serbian citizens from 2006 has shown that some parameters of the quality of health care services have been improved. In 2006, every second citizen in Serbia had his/her own general practitioner, which is more than the 43% that had their own doctor in 2000 (LSMS, 2008). The number of population on one doctor in 2008 was 356, which is somewhat better than 369 in 2005 (Serbian Municipalities, 2005 and 2009, RSO). The accessibility of medication improved, as 54% adult citizens used prescription medication in 2006 as compared to 39% in 2000. The satisfaction with the provided health care services, especially with hospital treatments rose from 60% in 2000 to 73% in 2006. Finally, even the population started slowly to change their habits and own care about health, so that the habit of smoking dropped from 41% in 2000 to 34% in 2006<sup>20</sup>. The share of the costs for health protection in the total expenses of a household dropped from 5.4% in 2002 to 4.5% in 2007. (*Living Standard Measurement Study*, 2008).

However, while the use of health care services in the general population increased from 30% to 35%, it was less used by vulnerable categories of population: 24% among the poor, 26% among the persons who did not have a health insurance, 22% among the unemployed and 25% among the Roma. Important reasons for the absence of use of health services for these categories of citizens were lack of money and the distance of the health care institution. Health care services of private praxes are not affordable for citizens below the poverty threshold.

18 Dahlgren G., *The Need for Intersectoral Action for Health. The European Health Policy Conference: Opportunities for the Future*, WHO Regional Office for Europe, Copenhagen, 5-9 December 1994, p. 18., taken from the *Report on the human development of BiH, 2007 [Izveštaj o humanom razvoju BiH]*, 2007

19 WHO, *Health 21 - Health for All in 21st Century*, WHO Regional Office, Copenhagen, 2000, taken from the *Report on the human development of BiH, 2007 [Izveštaj o humanom razvoju BiH]*, 2007

20 According to data from the Public Health Institute, the proportion of every-day smokers in the population over 15 years of age in Serbia was 26.2% in Serbia, which is at the level of European average. Available at <http://www.batut.org.rs/>

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According to the LSMS from 2007, 6% of the respondents did not have a health insurance. However, this survey did not encompass at all some exceptionally endangered groups of citizens of Serbia, like the Roma, fugitives and internally displaced persons. If one takes into account also these persons, the estimate is that ca. 1.2 million citizens of Serbia do not have a health insurance. This does not mean that they are deprived of the health care services, as this is a universal right in Serbia, but according to many reports this can mean that the access to the services is more difficult for them. Among the domicile population, significantly more without a health insurance could be found among the inhabitants of rural areas (10%), as well as among those below the poverty threshold (14%). The percentage of the uninsured is higher than the average also among the unemployed, especially among the Roma.

Data from the Social Exclusion Survey show that the situation with health insurance has deteriorated to some extent. According to this survey, at the national level towards the end of 2009 there were 8.1% of those who did not have a health insurance. This proportion is similar also in the subsample of internally displaced persons (7.7%), which confirms the findings of earlier research (Cvejic, Babovic, 2008) that internally displaced persons are – in respect of this form of social exclusion – in the same position as the domicile population. The situation is however significantly worse among the Roma. According to the abovementioned survey, even 24.7% of the Roma do not have a health insurance. A specific issue is that a similar representation of health insurance exists also among persons who reported a long-term illness or a disability to the interviewers that limits them in their activities. In the national sample, 9% of such persons do not have a health insurance, among the internally displaced persons there are 6.1% of these and among the Roma 22.2%. Persons who do not have a health insurance are somewhat more represented in persons with a low education level (near 10% among the ones who did not finish high school) and from rural areas (ca. 11% as compared to around 6% in urban areas), but contrary to typical expectations, this is not conspicuous in groups of elderly people, but in groups of young people (around 11% among persons younger than 35) and of unemployed (even 26.6% of the unemployed claims that they do not have a health insurance). Similar to the picture from the national sample is also the picture from the subsample of internally displaced persons, but the situation in the Roma subsample is different. There the percentage of the employed and the inactive persons who do not have a health insurance is higher than for the unemployed, and the participation of such persons is relatively equally distributed in all age groups, as well as in towns and in rural areas.

**Graph 5.1.**  
**Persons who do not have health insurance, in %**



Source: Social Exclusion Survey, 2009.

### Education

The network of primary schools in Serbia is spread widely, but very unevenly and it is inflexible in relation to migratory movements. Therefore, schools in Serbia exist in around 70% of settlements, but 60% of these are village schools attended by as few as 10% of the student population. In the school year 2005/06, 98.41% children of school age were included in primary education, with a drop-out rate of 0.36%. The completion rate was 95%. According to survey data from 2007, 12% of children from poor families were not in the educational system, while in 2002 this was 6%.

The highest percentage of the poor in 2002 and 2007 was among the families where family head had no or incomplete primary school education (67% and 41% respectively). 37% of the unemployed do not have secondary education.

Preschool education reaches only 7% of poor families, and among Roma families it is even worse – 4%. The reach of preschool education was increased when the preschool preparation year for elementary school became compulsory (and free of charge), covering 87%. However, among the households whose head has a low level of education, the percentage of children who attend compulsory preschool education is 57%, and among the poor households this percentage amounts to 51%. Among the Roma children this ratio is 45%.

According to the LSMS from 2007, all children from families of internally displaced persons and all children with disabilities were integrated into the educational system. The highest percentage of children not integrated into the education system was from Roma families (21.6%), from poor families (11.8%) and from insufficiently educated families (4.4%), which is significantly higher than the national average of 1.6%. Between 2002

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and 2007 the number of children from rural areas who were not included into the educated system increased (from 1.5% to 2.4%). This group consists in its largest part of children from Western and Central Serbia and from Vojvodina.

Secondary education reaches only 10.2% of the youth from Roma settlements (MICS research 3, 2005). Just as in the case of elementary education, it has been observed also here that among the Roma families the trends are worse for children from poor families where the head of the family has a low level of education. In such households, children also drop out more often from high school. The drop-out rate from secondary education increased between 2005 and 2008 from 14.3% to 17.2%. This rate among IDP and rural children is higher than the national rate (Progress of the Realisation of Millennium Development Goals in Serbia: 42).

Although a clear increase in the reach of higher education could be observed in Serbia from 2002 to 2007, the differences in the outreach between various social groups are still present. Although even the number of students of the Roma nationality has increased, they still make up only 0.06% of the total student population. Among poor families only 14% of the children between the age of 19 and 24 attend some studies. At the national level this percentage amounts to 39%. This percentage among families with a lower level of education amounts to 19%, and among beneficiaries of family allowance (MOP) 0.8%. However, the trend seems to be favourable, because the increase of the students' share was highest in groups of persons from lower-educated families, and the increase was also observed among poor families.

It is also interesting to look into the education possibilities of national minorities, as they make up 17.14% of the Serbian population. The education of national minorities is performed either in their mother tongue or bilingually, or in Serbian, but then includes also the study of the mother tongue with elements of the national culture. In the school year 2005/06 there was 247 elementary schools with classes where instructions were held in the languages of national minorities, with 33.415 pupils. Also, there were 42 such high schools with 9.675 pupils. In schools for special education (both elementary and secondary) there were 1.418 pupils from minority groups. The percentage of Roma without finished elementary school amounts to 63%, whereas only 0.9% Roma has obtained a degree from universities or other institutions of higher education! Various research show that the education system reaches around 20% of Roma children, that 30-40% of enrolled pupils do not attend more than four grades of school, as well as that in special schools Roma make up the majority. It is this occurrence that bears the deep seed of poverty and social exclusion of the Roma. This is why it is positive that the percentage of reach of elementary education to children from Roma families increased from 56% to 73% between 2002 and 2007, as well as that their share in schools for children with developmental disabilities dropped from 8% to 6% in the same time period.

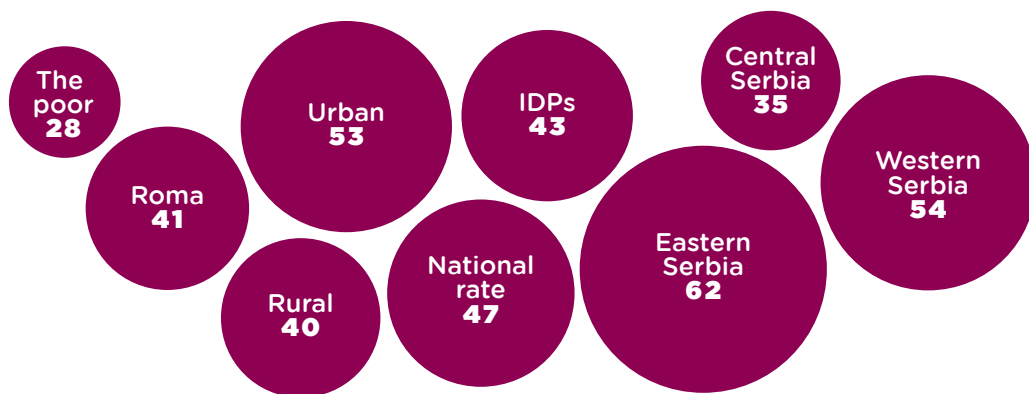
Still, except for the outreach of the educational system, what is also important is the quality of the service. This dimension was investigated in the survey in the following way:

the respondents assessed the grade of seriousness of specific problems in schools attended by them or by their older child<sup>21</sup>. Above all, one has to stress that none of the mentioned problems was said not to exist in the respective schools by more than 10% of qualified respondents (from households where there are children of school age), which speaks for itself about the perception of the quality of education. In order to present the responses as concisely as possible, we constructed a scale of problems and deduced from it an indicator variable that indicated the seriousness of the presence of problems in schools<sup>22</sup>. Almost half of the qualified respondents said that serious problems were present in schools: 47% in the national sample, 41% in the subsample with Roma population and 43% in the subsample with internally displaced persons. Typically, the respondents of Roma nationality indicated less that there existed problems with the quality of education, equipment or safety in schools, but they stated much more often than other respondents that there existed ethnic intolerance among children (48% as compared to 29% among the subsample with internally displaced persons and 21% of respondents from the national sample) and discrimination from the part of the teacher/the pupils (28% as compared to 21% among the internally displaced persons and 22% among the national sample). Apart from that, respondents from the national sample stated most often that there existed the use of drugs in schools (54%), violence (46%) and social pressure among the pupils to be popular (41%). As compared to the average 47% of respondents who reported serious problems in schools, there were significant regional variances in Eastern and Western Serbia, where the presence of problems is even more frequent (62%, i.e. 54%) and in Central Serbia where problems are less frequent (35%). In accordance with the expectations, the problems in school are more frequent in urban areas (53%) than in rural areas (40%). Finally, the presence of serious problems in schools was more often reported by respondents who were above the poverty line (47%) than by those who were below it (28%).

21 The following problems were suggested: low quality of education, school materials and equipment are in a bad state, violence, harassment, drugs, discipline in the classroom, social pressure among the pupils to be popular, ethnic intolerance among children, discrimination from the part of the teacher/the pupils, crime and violence in the school environment, something else.

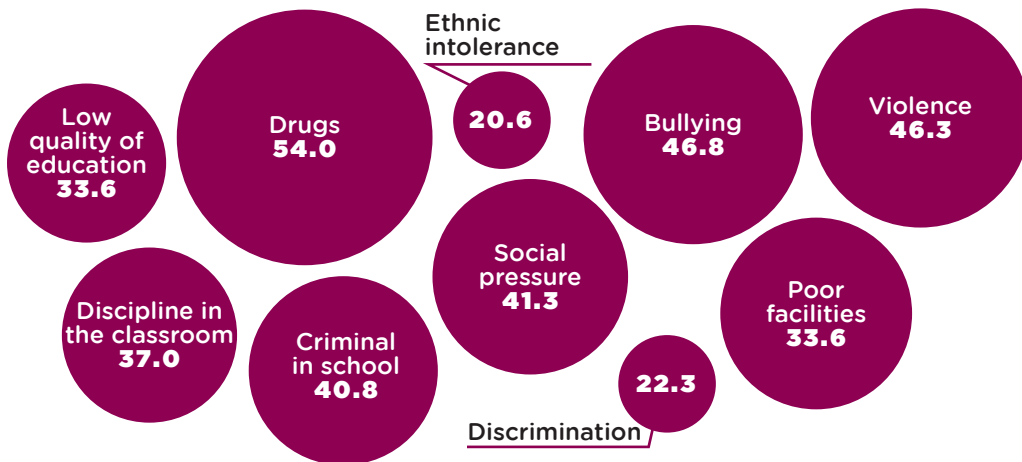
22 Firstly we amalgamated the responses from a scale with five grades to a dichotomous variable, where the answers 'a very serious problem' and 'a somewhat serious problem' indicated the presence of the problem, and the other responses were interpreted as indicators that the problem was not present or present to a very small extent. Subsequently, 7 from 10 suggested problems were chosen (low quality of education, school materials and equipment in a bad state, violence, drugs, social pressure among the pupils to be popular, ethnic intolerance among children, discrimination from the part of the teacher/the pupils) and a composite index was established based on these problems. Finally, this composite index was transformed into an indicator variable by treating the score of three and more problems in a school as an indicator of the presence of serious problems in that respective school.

**Graph 5.2.**  
**Presence of serious problems in schools, composite index, in %**



Source: Social Exclusion Survey, 2009.

**Graph 5.3.**  
**Presence of single problems in schools, national sample, in %**



Source: Social Exclusion Survey, 2009.

Thus we can conclude that, although elementary and secondary education reaches a pretty high percentage of citizens, there are serious problems with regard to the quality of the education, in several dimensions. Drugs and violence are the main problems, although there are a lot of objections to the quality of the curriculum and the equipment in schools. For Roma children we can also add a low outreach of education, ethnic distance and discrimination.

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### *Social protection*

In 2008 there were 139 Centres for Social Work in Serbia (Report Analysis on the Work of CSWs in Serbia, 2009)<sup>23</sup>. In the last several years activities have been undertaken on raising the capacities of these institutions, but the difficulties in financing and double competence (on the national and municipal level) have made this process difficult. However, it is evident that the centres have intensified their activities. Although the total number of employees in CSW in Serbia has been approximately the same during the last several years, the number of service beneficiaries increased by around 3,000, from 354,519 in 2002 to 516,907 in 2008. This is not the outcome of the exacerbated economic situation, because poverty rates were dropping in the period 2002-2007, but the outcome of the improved functions of CSWs. This can also be seen in the higher percentage of social welfare beneficiaries in 2008 in more developed and wealthier Vojvodina (8.2%) than in Central Serbia (6.8%). What is important is that the number of MOP beneficiaries has not significantly increased, but it was the number of financial assistance beneficiaries provided by the local self-government and the number of beneficiaries of non-financial forms of assistance (e.g. the number of household assistance beneficiaries from 2002 until 2008 increased by 4.3 times to 9,183).

From 2002 to 2007 the ability of the Serbian state to provide social protection for poor citizens developed significantly by means of regular financing, because there was a considerable rise of the extent to which poor citizens started to rely on institutionalized protection programs, and they relied less and less on humanitarian assistance. Not only was the percentage of the poor reduced from 14% in 2002 to 6.6% in 2007, but also the percentage of poor households that were included in social programs increased by 12.4%. In the welfare benefit program for foster care and assistance the increase in the number of beneficiaries among the poor amounted to 118.2%, the number of users in the veterans and war cripples protection program rose by 250%, the number of beneficiaries of financial support in families rose by 83%, the use of children's benefits by 29.9% and of parents' benefits by 66.7%. On the other hand, the number of poor households that use humanitarian assistance dropped and also the share of such households dropped by 94.3% as compared to 2002. By comparing the data from these two surveys conducted in these two years one can see that social protection programs were above all meant for poor households. But the number of households included in these programs was much more favourable in 2007 as compared to 2002. The percentage of welfare beneficiaries among the 6.6% households that are below the poverty line has increased, and on the other hand also the percentage of the beneficiaries in the lowest consumption quintile (through which poverty was measured) dropped, which speaks in favour of the fact that the targeting of the program has been improved. According to the results from 2007, with the help of the benefits given through social programs of support to poor households, these households financed on the average almost one fourth of the total consumption means. This represents

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<sup>23</sup> In several municipalities CSWs covered the services of one or more neighbouring/urban municipalities

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also an increase by 5 percentage points as compared to 2002, which speaks in favour of the improved efficiency of welfare programs (Living Standard Measurement Survey, 2008).

### *Social capital*

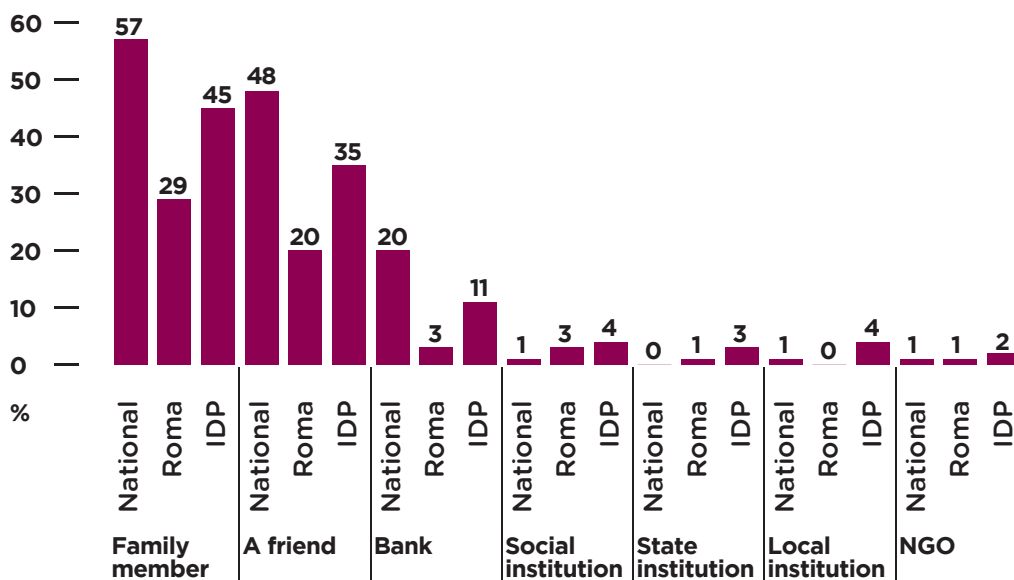
Social capital, as the foundation of social cohesion in Serbia, has been going through a fundamental transformation in the last twenty years or so. During the period of socialism social capital was based on the directed social solidarity in the ideological form of economic egalitarianism and Yugoslav unitarianism. In Serbia it has been practically realized via two models: traditional family values and local patriotism of the rural and provincial Serbia on one hand and the socialistic cosmopolitanism and internationalism of the cultural elite and of one part of the middle class on the other. Out of this situation of opposite polarity one crossed to a new one where large social movements dominated: the nationalist/populist one that nurtured traditional values and traditional ways of connecting with others, as well as the civic movement that promoted the establishment of civil society organizations and stressed cultural variety and tolerance. Such two forms of social capital represented a realistic social substrate for the development of two different models of institutional order, the authoritarian one in which institutions were vertically organized and served above all as transmission of commands from the political top to the executors of orders, and the democratic one on the other side, whose orientation was towards horizontally organized institutions directed at flexible and efficient functioning. It was only from 2002 onwards that this second model became a normative standard towards which the whole society is staggeringly moving. The basic difficulty here is the weakness of informal institutions of trust, reciprocity and limited solidarity (Štulhofer, 2000). These demand the expansion of social connections from the binding towards the bridging and linking capital, and this is a process for which a more fundamental and long-term change of the cultural framework is necessary.

Data from the Social Exclusion Survey show that today the majority of Serbian citizens have regular social contacts with persons who are close to them. And yet, these contacts are above all directed at family members, and the weaker the emotional bond, the weaker is the intensity of the contact. 90% of Serbian citizens devote their free time to their near and wider family at least several times a month. 81% of respondents from the national sample maintain regular contacts with friends, whereas 76% associate regularly with neighbours. There is a small difference in the subsample with internally displaced persons, in the way that they associate somewhat more with neighbours (86%) than with friends (71%). A measure of subjective feeling of direct social bonds, expressed via the answer to the question whether the respondent has close friends, shows that the two marginalized social groups that were separately analyzed through the subsamples are to some degree less integrated than the national average. Namely, in the national sample, the percentage of the persons who expressed having close friends was 87%, whereas this percentage amounted to 71% in the Roma subsample. On the other hand, when the respondents were confronted with the assumption that they needed a lesser financial support (500 EUR), a large number of them could not



find a way to obtain this support. There were 17% of such persons in the national sample, 33% among the internally displaced persons and even 57% among the Roma. The source for such a support for respondents from the national sample were family members (57%), friends (48%), or their bank (20%), whereas other forms of support, like employers, local or national institutions, social institutions or associations rarely occur (in 2-3% of the cases). Even when measured in this way, internally displaced persons and Roma have weaker social capital. Both groups have fewer opportunities to rely on family members or friends when they need financial help, and also significantly less on their bank. The fact that in such a situation they have a greater chance to rely on social or municipal institutions, or on NGOs, compensated for this to some extent, but this applies only to 2-3% of the Roma and IDP.

**Graph 5.4.**  
**Sources of support in the case of urgent financial need, in %**



Source: Social Exclusion Survey, 2009.

It is interesting that the existence of close friendships differs regionally, from 84% in Central Serbia to 92% in Southern and Western Serbia, but, contrary to expectations, it does not differ in respect of the type of settlement, i.e. it is equally represented both in urban and rural areas. The weakening of friendships grows proportionally with aging, so that persons without close friends are more frequent in groups of elderly and inactive persons. Also very conspicuous is the result that there are two times more people among the poor (22%) who do not have close friends than among those who are above the poverty line (10%).

The presence of a bridging social capital (connections with people that are different from us) was measured through the existence of close friends with some characteristics

that make them differ greatly from the respondents. Eight characteristics were chosen that were relevant for the realistic social context of Serbia and out of them an indicator variable was constructed that indicates the presence/absence of the bridging capital<sup>24</sup>. It was measured that around 56% of the respondents from the national sample dispose of sufficient bridging capital and that this percentage is not much lower even among the Roma (54%) and the internally displaced persons (51%). The regional variance is significant, from 38% in Southern Serbia up to whole 70% in Vojvodina, which can be explained with a larger grade of ethnic, religious, social and economic differences between these two regions. Belgrade is at the level of the national average. There were no differences in respect of the type of settlement or sex of the respondents, but there were differences in respect of the level of education and level of activity of the respondents – respondents who are better educated and more active (unemployed and especially employed persons) own more bridging social capital. In accordance with the previously said, this form of social capital was least represented in the youngest and oldest respondents. The difference between the poor and the ones who are not poor was found not to be significant in this sense.

Finally, the linking social capital was measured by posing the question whether the respondents have friends with political power. In accordance with the expectations, this form of social capital is least represented from the three. There were 16% of those who have politically powerful friends in the national sample, whereas among the Roma and the internally displaced persons there were 10% in each. Linking social capital has the strongest presence in the most developed region, Belgrade, where 23% of the respondents reported having friends with political power, and it was least represented in Western Serbia, where only 10% had such friends. The difference between urban and rural settlements is on the edge of statistic significance (18% to 14%), but it is conspicuous between those who have a high level of education (30%) and those with a low level of education (12%), as well as between employed persons (20%) and inactive persons (10%). Also the poor and those who are above the poverty line differ in this form of social capital, because among the first ones it is present in 10% of the cases, and among the others in 20% of the cases.

We can see from the presented findings that a significant number of Serbian citizens do not even possess the basic, binding form of social capital and that the social bonds decrease in more modern forms of social capital. Noticeable are also great regional and social differences so that one can say that the level of social capital is higher in better developed regions (Vojvodina and especially Belgrade) and among better educated, more active and wealthier citizens.

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24 These 8 characteristics of close friends are the following: disability, significantly more affluent than the respondent, significantly poorer than the respondent, different ethnicity, different confession, HIV or AIDS, homosexuality, a large age difference. From these eight variables a composite index was averaged and this index was subsequently transformed into an indicator variable in the following way: every respondent who cited to have a close friend with at least 3 of the mentioned characteristics was treated as owning bridging capital.

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### 5.3. Why are they excluded? Exclusion drivers and processes

In order to be able to recommend adequate measures of support to human development we shall investigate how is the process of social inclusion functioning. We will describe to what extent the problem can be assigned to bad laws and rules, to what extent to the weaknesses of institutions, and how much to other factors (e.g. crises, discrimination and the like) that hinder the socially excluded ones from exercising their due rights and claiming offered services. There are several steps one person must make in order to reach the support he/she needs, such as finding information on the offered services and on the requirements for obtaining that service, addressing the service provider in an adequate way (preparation of documentation, respecting deadlines, etc.), regular use of the service... On each of these steps problems may occur that can ultimately lead to exclusion and endanger human development.

Concerning laws, as described in introduction to this chapter, substantial transformations were initiated in many fields of social care, like social protection, pension insurance, health care, education and the like. These changes dealt with respective laws, strategies and action plans. Many of these laws and strategies have been redefined since 2000. in order to recognize the lessons learned meanwhile and to stress the need for intersectoral approach in improving social inclusion (e.g. connecting health care and education for vulnerable groups like Roma, connecting social protection and active labour market measures, etc.). In this field it is only minor drivers of social exclusion that are being activated by laws themselves (e.g. too restrictive conditionality for cash benefits).

Another component of social services treated by reforms was institutional capacity building. This is where the most of problems with social inclusion comes from. Generally speaking, the problem is that many good laws and action plans are not being practiced. Process of decentralization assumes that many social services will be in charge of local administration and financed from local budget. However, preconditions for sustainability of new institutional and policy arrangements are not sufficiently developed. There is general problem with lack of financial means increased by current economic crisis. Another problem is incapacity of local administrations to successfully manage resources needed for inclusive development in their territory. Only a part of the problem is of financial nature, and another part lays in lack of knowledge and initiative in setting procedures of successful social inclusion. A large part of this problem is conditioned by cultural patterns. Paternalistic, etatistic and authoritarian values inherited from socialist times hinder initiative and autonomous action and maintain vertical organization of institutions which limits efficiency of their performance. Also, these values slow down the extermination of discriminatory practices in service delivery. That is why a lot of activity in recent years was directed towards capacity building of local institutions, building up their physical and technical facilities, but also the knowledge and attitudes of the employees. An important corrective and initiating factor in this regard is civil sector. Many good ideas and initiatives, but also practices are coming from this sector. That is why their capacity building and support to cooperation between the two sectors has been cultivated in recent years.

Finally, part of the problem with social inclusion lays in service beneficiaries themselves. The access to new technologies and to virtual communities related to these technologies becomes also a factor of discrimination and of social exclusion, because for those who do not have the knowledge, the technical equipment and other resources necessary for an advanced communication, the choice of forms of sociability becomes restricted. Knowledge is however an important factor of social inclusion even in 'ordinary' social situations, in contact with physically accessible institutions and organizations, when one has to claim a guaranteed right or obtain a needed service. Research of policies in Serbia have shown that whole social groups are very often socially excluded exactly because of the lack of information and lack of knowledge about the procedures (Roma, internally displaced persons, elderly rural population) (Ilić, Babović, Cvejić, 2007; Cvejić, Babović 2008; Satarić, Rašević, 2007), which is why they need support exactly in this direction. Individual strengthening, as a part of human development, is often a prerequisite for the efficient functioning of institutional arrangements, even when they are designed to be maximally inclusive. An important instrument in this endeavour could be the increase in social capital in the form of civil organizations and associations. Sharing and protecting common interests, building up knowledge about the means to solve the problem, concentrating resources and making pressure on institutions to maintain inclusive policy will not only help marginalized groups and individuals, but build up social cohesion as well.

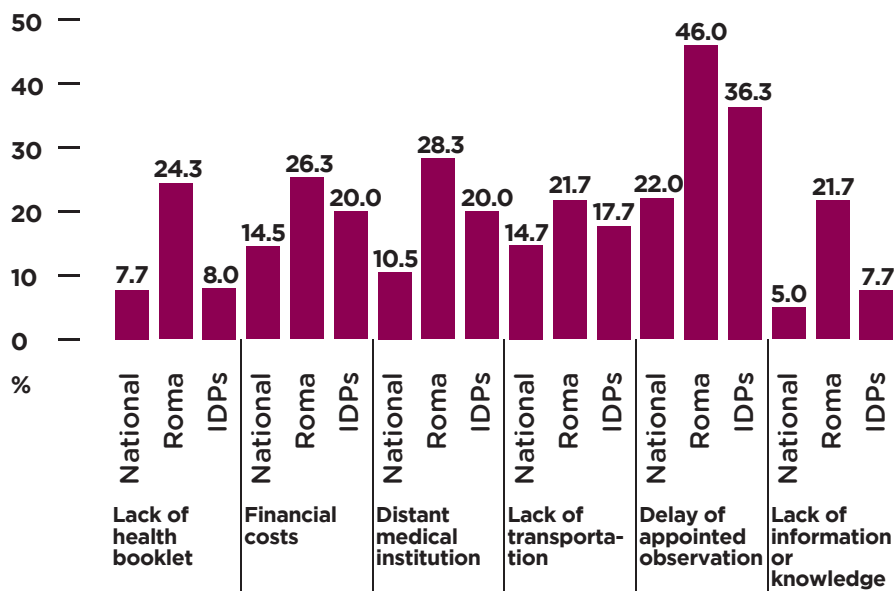
In realistic circumstances, the drivers of exclusion from the domain of social services often appear combined and are linked into a cycle of exclusion. Regarding health protection, respondents most often state unemployment as the main reason for not having health insurance. Even though all unemployed registered with NES have the right to health protection, among those who are unemployed and give this as the main reason for not having health insurance even 85% are registered with NES. The second most important reason in the national sample and the Roma subsample is that they cannot afford health coverage, and among IDPs is that they do not fulfil the criteria. A third important reason for not having health insurance is that respondents are employed informally, without a contract. If we add to this the answer that the employer is not honouring the commitment of paying benefits into the health fund, then informal work status has actually equal weight as 'the lack of opportunity'. It is important to mention here that this interpretation of the issue of informal employment as the reason for the lack of health protection is most often found with Roma (25.7%), IDPs (24%) and only then in the national sample (18.5%).

Even when claiming the right to health care services, certain drives of exclusion emerge on the surface. More often than not having a health insurance authentication, the costs of the examination are mentioned as a factor that makes an adequate medical service more difficult to reach. Other significant factors include the distance of the health care institution, the non-existence of transportation to the medical institution, as well as the postponing of a scheduled examination. These circumstances point to the fact that health care services are linked to other economic, infrastructural and organizational factors, but

also to the need to plan intersectorally the development of policies in this domain. On the other hand this stresses also the issue of multiple exclusion; i.e. it stresses the fact that infrastructural deprivation and financial poverty are followed also by other elements of exclusion that fundamentally jeopardize human development. In this regard, the situation is more difficult for internally displaced persons than for persons from the national sample, and it is most difficult for the Roma. There is yet another factor in the Roma population, which was already recognized in earlier research on social and economic exclusion of this group, and this is the lack of awareness about the existence of certain institutions that are important for social integration, as well as the lack of awareness about the right to health care services and about the ways in which this right can be accessed.

**Graph 5.5.**

**Factors that make it more difficult to obtain an adequate health care service, in %**



Source: Social Exclusion Survey, 2009.

The costs of paying a visit to a doctor represent the biggest problem in the poorest, southern part of Serbia (even 40% of the respondents mentioned this problem), somewhat more in rural than in urban settlements (26% to 19%), more among the elderly and less educated persons, and half as much among the poor and the deprived than among all others. The distance of the medical institution and transportation problems are most present in rural areas (the first reason three times, and the second two times more than in urban areas), above all in Southern, Central and Western Serbia. According to that, this problem strikes mostly the elderly and less educated population. Also cancellations

of made appointments at the doctor's by the health institution, which may be a consequence of a poorly developed healthcare network (too many patients on one doctor), but also a cultural phenomenon (bad organization), is somewhat more frequent in Southern, Central and Western Serbia than in other regions, in the countryside rather than in town. One can consider it as logical that elderly persons, at the same time less educated, report this problem more often, as they are the ones who most often seek the services of doctors.

Persons with long-term illnesses and disabilities think that they are discriminated in this respect in important social situations. 33.7% of such persons reported problems in obtaining healthcare services, 19.8% in obtaining social protection, 14.7% in getting a suitable job and 9% reported having problems with the physical access to public institutions.

Data from the 2009 Social Exclusion Survey throw additional light to the problem of children's education. Firstly, when stating reasons for why their children do not go to kindergarten or school, respondents gave almost non-discriminative answers. The main reason for not sending their children to kindergartens is that they are of too small an age, or that there is no such need (somebody takes care of them at home). This applies at the same time to the national sample, as well as to the subsamples of the Roma and of internally displaced persons. As to elementary education, both the national sample and the subsample of internally displaced persons are almost 100% covered by elementary education, whereas in the Roma subsample, the main reason for why children of a certain age do not attend school (2/3 of the responses) is that they cannot afford to buy the books. Let us also remember the data on the proportion of households with young members enrolled in university among poor households being nearly three times less than the national rate. It is obvious here that financial issues are the predominant exclusion drivers, but we should also remember that a large number of rural youth who do not enrol or leave high school before time do this under the influence of exclusion drivers in the cultural sphere (the attitude that they do not need more than high school, short time horizon when envisaging the life path) (Cvejić et al, 2010).

The least experiential records on exclusion drivers exist in the area of social welfare. As presented above, the network of CSWs is broadly distributed around Serbia, and their capacities have been developing in the past 10 years. However, there is the opinion that non-financial services are still not quite developed to meet citizens' needs (Serbian Social Welfare Development Strategy, 2005), and that the function of CSWs should be strengthened in this direction (World Bank, 2006). These recommendations in strategic and action documents have initiated the process of reform of the social welfare system and CSWs, and although the effects are still limited, continuing such a trend could significantly improve the access of citizens to social welfare services. CSWs increasingly provide support and assistance services and are increasingly funded by local self-governments, which gives them greater flexibility. However, the extent to which citizens have been reached has not been sufficient, so that a large number of citizens that can be objectively said to have need services, either do not know that these services exist, or they do

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not know their rights and how to ask for the service. For example, The Living Standard Measurement Study (2008) shows that the poor households' level of knowledge on the possibilities for getting different types of social support is low. Only 11.4% of poor households applied for FA in the year of the study. The main reason for this is being unfamiliar with the application procedure.

#### **5.4. Outcomes of exclusion. The consequences of social exclusion on human development, at the individual and the systemic levels**

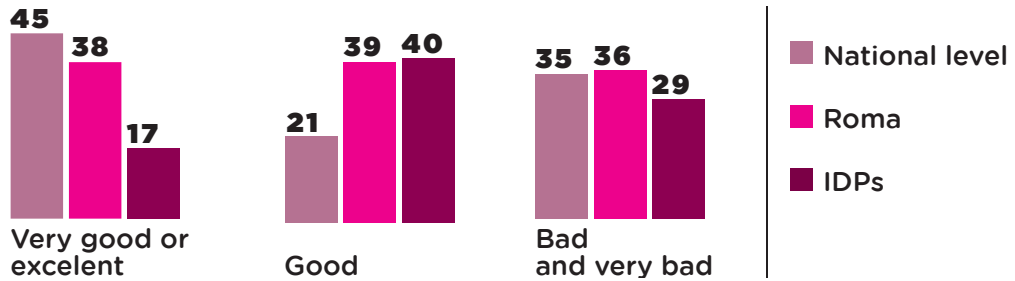
In this part of the report we present some of implications that result from the exclusion from social services and social life. We are interested in implications for individual abilities and strengthening, i.e. how much of personal benefits one loses because of this exclusion. We also want to see how many implications social exclusion produces on the systemic level (implications for policies, solidarity and trust).

In the national sample, 42% of respondents said they felt abandoned by the society, while the proportion of such answers in two of the vulnerable groups was even higher – 63% among IDP and even 70% among Roma.

As to the health of the Serbian population, one has to stress above all that for one of the three HDI components, life expectancy, a slight increase has been reported. According to the data of the Statistical Office of the Republic of Serbia, life expectancy for newborns went up from 74.9 years in 2001 to 76.3 years in 2008. On the other hand, one can generally say that the health of Serbian citizens is worse than in EU countries. In the dying of Serbian citizens, dominant is the preventable and premature mortality. Two other important indicators show that this situation has improved, but also that it is still worse than in the EU. The mortality rate for nurslings amounted to 10.6 in 2000, 10.1 in 2002 and 7.4 in 2006. In the EU this rate amounted to 4.3 in 2005. As to the mortality rate for children up to five years of age, it decreased from 11.7 in 2002 to 8.6 in 2006, which is still far more than 5.1, which was the mortality rate for children of this age in the EU in 2005. Here we can also add that the percentage of respondents who were limited in their daily activities due to a chronic disease amounted to 19% (48% among people older than 60). Among the two poorest quartiles this percentage was 15%, and among the two wealthiest 14%.

The Social Exclusion Survey showed that most Serbian citizens estimate their own health as good, very good or excellent. Yet there are significant differences between the subjective perception of health on the national level and among the Roma and IDPs.

**Graph 5.6. Subjective assessment of one's own health**



Source: Social Exclusion Survey, 2009.

In accordance with the aforesaid, a heavy illness or disability which limit one's activities were reported mostly by Roma (24%), followed by internally displaced persons (22%), whereas the lowest rate of such health problems was found in the national sample (15.3%). A long-term illness that limits daily activities in children occurs at the national level in 4.7% of the cases, but this rate among children in the subsample with internally displaced persons was 18.5%, and among Roma children 14.1%.

The main determinant of a long-term illness and disability is age. However, one has to emphasize here that along this characteristic also poverty, deprivation and a low level of education go together, which makes the problem of social inclusion of such persons more complex. As to long-term chronic diseases in children, regional differences are conspicuous, because there are more of such children in Southern, Central and Western Serbia than in other regions. There is no significant difference between villages and towns, but such health problems of children are reported by poor and deprived households two times more often than by those who live in relative affluence. These findings imply once again the presence of the problem of multiple exclusion and of the correlation between the excluding agents.

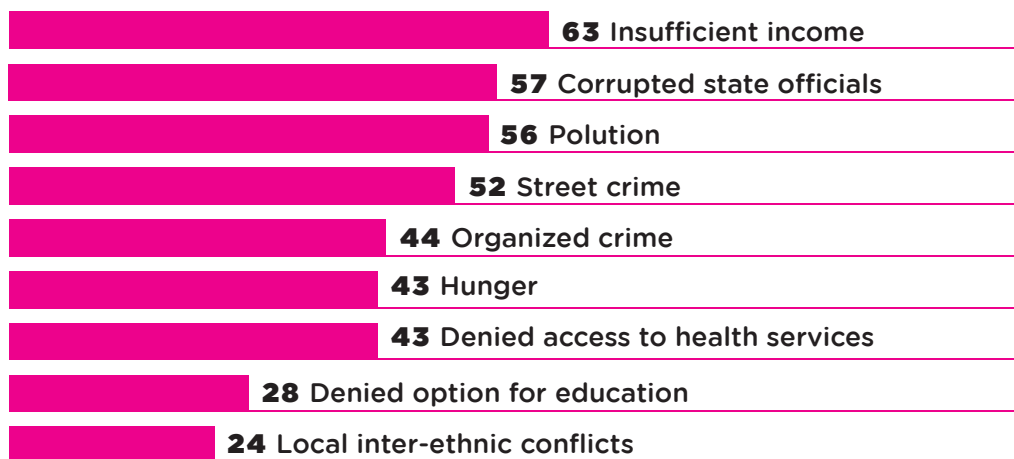
As to education, according to data of the RSO for Serbia in 2007, among the population without children of preschool and elementary school age, there were 13% of people without elementary school, 23% with finished elementary school, 49% with high school and 14% with higher and university education. The coverage of children by preschool education in Serbia is among the lowest in Europe and amounted to 38% in 2002 and 39% in 2005. The network of preschool institutions is insufficiently developed and geographically unequally distributed. According to the LSMS from 2007, the coverage with elementary education was high. Regular school was attended by 97.5% of children of the relevant age, whereas 0.6% children attended schools for children with developmental disabilities. The coverage with secondary education amounted to 78% in the school year 2005/06, and the drop-out rate was 2.3%. As to higher education, the number of students increased between the first and the second survey (2002 and 2007) by 20%, the number of teachers by 18% and the number of institutions by even 50%.



Weaknesses in the functioning of institutions, as well as the noticed weakly developed bridging and linking capital hinder the development of trust in society as an important base for the development of social cohesion. According to the Social Exclusion Survey, 28% of the respondents from the national sample uttered the belief that the health system is not able to provide adequate health care service. Among the Roma, this percentage amounted to even 42%. Only 17% of the respondents uttered that they saw improvements in the education system as compared to five years before which is in accordance with small improvements in PISA test results. Only 46% of the respondents from the national sample believe that the state-funded pension fund is able to provide pensions to citizens when the time for it comes, and this percentage in the subsample of Roma amounts to only 21%. 41% of respondents from the national sample have trust in the state welfare system, while this is the case in only 31% of the Roma and 49% among the internally displaced persons. Finally, the weakness of institutions and of social networks impedes also the development of general trust. The percentage of respondents who think that they can trust most people is 18.7%. Among the Roma there are only 8.7% who think that way. Such a low level of trust into institutions and other people leads to an increase of concern of citizens. A large percentage of them are concerned about potential problems for the functioning of the community and for a successful human development, such as hunger, denied access to health services, denied option for education, violence in the streets, organized crime and corruption.

**Graph 5.7.**

**Concern over important problems of human development, in %**



Source: Social Exclusion Survey, 2009

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## CHAPTER 6.

# Exclusion from cultural life as an outcome and a process and social exclusion based on culture

## 6.1 Concepts: Cultural inclusion as component of human development

Cultural participation is essential for appropriate human development, since the culture has been present in human lives since the time of first human communities, through the use of language, adopted customs, artistic expression, rituals, and later through institutions reproducing cultural patterns and practices through which the identity of the community and the individual is built. Any cultural exclusion is detrimental to human development and social cohesion, because it hinders constitution of identity, or denies lifestyles of a certain social group or community. In this way, cultural exclusion affects other aspects of life, limiting the ability to choose and contributing to social, political and economic exclusion.

Human development is a process which emphasizes the expansion of people's ability to do or be whatever they want in life. Since the culture defines, to a large extent, what people want and which values they appreciate, it has a great influence. Emphasis on policies of cultural inclusion and participation represents a step further with respect to dominant policy models, the main purpose of which is the improvement of economic standards and development of democracy.

Support for cultural inclusion and participation should be in line with other human development goals, such as consolidated democracy, building an efficient state and ensuring equality for all citizens. Human choices on a cultural basis must not entail narrowing of choices in other areas of life, which is essential for the logic of human development (HDR 2004).

The very process of human development is transformed within culture (Kymlicka, 2004:6). However, it is necessary to take into account the difference between "cultural inclusion" and "cultural preservation". Kymlicka, for example, maintains that traditional cultures in many societies (including Western) often include elements which cannot be adjusted to a modern interpretation of human rights and, therefore, cannot be a factor of human development. Unlike the liberal theory of culture which only advocates individual rights in the area of cultural practices and questions multiculturalism as the basic principle of cultural policy, the communitarian approach highlights the importance of collective identity and multiculturalism. In this paper, we accept the moderate approach to multiculturalism which maintains that the inviolability of individual rights and certain guaranteed collective rights may be combined (Kymlicka, 1995).

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*“The essence of multiculturalism lies in acknowledging the existence of different groups as well as acknowledging that they possess certain characteristics and needs and that, therefore, they must be allowed to develop, while each individual must be treated with tolerance and enabled to make own contribution to the general progress of society.” (UNDP, 2005:12)*

Culture is observed, in the broadest sense, as a way of life. It is observed as a part of society, but also as a part of an individual. When we say that “*the culture is for society what personality is for the body*”, we point to the very essence of meaning of culture (Golubovic, 2008). UNESCO’s definition of “*intangible cultural heritage*”<sup>25</sup> highlights the significance of cultural heritage, whereas some other definitions emphasize the humanizing role of culture (Marcuse) or the structure of symbolic interaction (Levi Strauss).

As stated by Bourdieu, people live and operate within various “fields” – families, jobs, peer groups, educational institutions, political parties, etc. Each field creates its own style of belonging by use of language and symbolic elements, the combination of which produces a lifestyle or specific culture. On the other hand, this means that the control of information flow and symbolic interaction may be used in exercising power and control over others through different cultural practices.

In this analysis, the culture is observed as a dynamic system of more or less integrated material and spiritual creations which, on one hand, enable the society/community/group to achieve its goals and, on the other, enable the individuals to fully participate therein (society/community/group) through cultural practices (Golubovic, 2005). It encompasses, in addition to arts, lifestyles, ways of living together, value systems, tradition and belief (UNESCO op.cit.).

The significance of culture for social cohesion is best recognized in the unbreakable bond between culture and social action. On one hand, culture provides a pool of resources for action that draws from it the values to set its goals, the norms to specify the means, the symbols to furnish it with meaning, the codes to express its cognitive content, the frames to order its components, the rituals to provide it with continuity and sequence and so forth. “*In brief, culture supplies action with axiological, normative, and cognitive orientation. In this way it becomes a strong determining force, releasing, facilitating, enabling, or, as the*

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25 According to the UNESCO Convention for the Safeguarding of Intangible Cultural Heritage (2003) ‘The “intangible cultural heritage” means the practices, representations, expressions, knowledge, skills – as well as the instruments, objects, artifacts and cultural spaces associated therewith – that communities, groups and, in some cases, individuals recognize as part of their cultural heritage’, manifested ‘inter alia in the following domains: (a) oral traditions and expressions, including language as a vehicle of the intangible cultural heritage; (b) performing arts; (c) social practices, rituals and festive events; (d) knowledge and practices concerning nature and the universe; (e) traditional craftsmanship.’

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*case might be, arresting, constraining, or preventing action. On the other hand, action is at the same time creatively shaping and reshaping culture, which is not a God-given constant, but rather must be seen as an accumulated product, or preserved sediment of earlier individual and collective actions. In brief, action is the ultimate determining factor in the emergence, or morphogenesis of culture” (Sztompka, 2003:3).*

Gerz emphasizes the meanings attributed to creations which may be adopted by personality and social structures. Culture should teach people “*what a ‘better society’ means and how to achieve it; what is ‘normal’ and what should be treated as ‘deviant’ and immoral (in human relations and communication); which value systems should be supported in order to improve human development (as opposed to complete relativism); which cultural (symbolic) forms should be given preference in a modern (democratic) society; how to understand the concept of personal and group freedoms and how to use them (especially in a political framework)*” (Golubovic, 2008:8). The culture should, by means of specific cultural policies, stimulate social inclusion in conformity with democratic society and the right of an individual/group to receive equal treatment within a community.

In a time of deep economic crisis, the most widespread cultural forms encourage irrational impulses, bad taste and populist rhetoric which diminish the language and communication by reducing the humanizing role of culture and creating an escape from reality, with the market values being dominant in life. In such an environment, various stereotypes and prejudices become manifest and mark the members of minority cultural communities. The role of dominant cultural pattern in defining what should be considered as “normal” and defining the priority values leaves room for exclusion, disapproving values, attitudes and practices which are different from the dominant ones.

Sztompka emphasizes the concept of “morality”, which, in his opinion, expresses the essence of interpersonal relationships within a society. Taking over the idea of moral community from Fukuyama, Sztompka maintains that it is reflected at the individual level in personal identity, through self-definition of one’s place within the limits of moral space, perceived as “we” to which “I” feels it belongs (Sztompka, 2003:5). Sztompka puts forward a culturalist view, where each action is conditioned by what the individual adopts at the personal level when growing up, that is by socialization.

Socialization, as a process of creating identity, an awareness of “I” within a “we”, is mediated and shaped by culture. During the process of socialization, individuals acquire a specific “cultural capital” which largely defines the level of human abilities and choices, and therefore the cultural exclusion as a possible outcome.

Cultural identities represent individual and group identification with core values, behaviour patterns and attitudes (religious, ethnic, sexual, gender, regional). Cultural exclusion is, therefore, manifested through exclusion of minority cultural identities by the dominant ones.

Cultural exclusion is observed in two aspects. The first one is the institutionally-based exclusion which may be analyzed in terms of state legislation and policies. It is identified in

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practices by which the individuals and groups are prevented or hindered from expressing their positive cultural identity. The other aspect represents exclusion created by values and attitudes. This form of exclusion is primarily identified in prejudices and stereotypes which are persisting in a society, even if they are not in line with dominant norms, and which are directed at individuals and groups which do not belong to the dominant culture. As a special form of such exclusion, one may treat self-isolation, i.e. a situation where individuals and groups exclude themselves because they hold views which are not in conformity with dominant culture (traditionalism, closed cultures such as one of Amish).

For the institutionally-based exclusion, it is important to analyze cultural policies, as an area where cultural priorities are defined and certain cultural practices supported. The other form of exclusion will be analyzed by means of available data on values and attitudes, stereotypes and prejudices and manifestation of such attitudes through discriminating actions.

### *Serbian cultural evolution*

Changing the cultural milieu is a much slower and more complex process than building a political, legal and economic system. And while the economic, political and legal institutions in a modern system are often modelled after developed Western societies, cultural transformation has a more authentic course and outcome. It affects both institutions' taking roots in a society and the outcome of institutional change. This is why the concept of post-socialist transition was soon replaced by the concept of transformation. After the initial expectations that the collapse of socialism in CEE would open an unequivocal path of these countries towards a unique model of Western-European capitalism, it has gradually been accepted that the transformation is a multidimensional process in which the culture plays a very important role. Ralf Dahrendorf identifies 3 levels and speeds of transformation in the metaphor of three clocks (Sztompka, 2003:11). While 6 months may be sufficient for, let's say, a change of constitution in the area of politics whose clock runs the fastest, the clock of economics requires years to shift from command economy to a market one. The clock of civil society runs the slowest, since the changes in values, mentality and "habits of the heart", i.e. in the area of cultural heritage and practices, require decades. The very culture is responsible for much of the slowing down and obstacles on the transformational road of the post-socialist countries.

Post-socialist transformation in Serbia, most visible and analyzed in the area of economy and politics, can be observed within culture as well. It can be analyzed in terms of the breakdown of communist-era value system, retraditionalization, ethnification of the society and confusion in post-communist value system.

Such breakdown requires new cultural policies in order to establish a new or at least a different value system which would enable the integration of society. Cultural policies are here taken as systems of institutional practices and norms enabling achievement of specific goals in culture and defining conditions and possibilities of cultural development. Therefore, the cultural policies are an expression of the dominant political, economic and

ideological interest of the ruling group. They represent a factor of modernization and democratization of society, but can also be a factor of the opposing processes, all of which indicates a large influence of the culture in society. The latter was especially the case in Serbia during the 1990s, while the former may be recognized (albeit with numerous difficulties on the way) after 2000, when the priority was given to European integrations, which also meant a pluralist, civil, multiethnic and multicultural society.

During 2007, the Ministry of Culture started working on new priorities and strategies. After the new, pro-European government was elected, some of the changes were institutionalized. The Ministry managed to ensure the adoption of the new Law on Culture in the parliament and ratify a number of important international conventions (Convention on the Protection and Promotion of the Diversity of Cultural Expressions). However, turbulences due to economic crisis resulted in numerous budget cuts, which halted the development of new institutions. The Ministry still insists on implementation of long-term strategic goals, and the cultural policy is based on the following keywords – *transformation, rationalization, concentration and innovation*.

*Influence of European integration processes* on cultural policy and cultural inclusion in Serbia is considerable. Cultural policies of the European Union promote multiculturalism and recognition of various minorities, providing equal human rights regardless of specific cultural identities. Since Serbia is a future candidate country, the implementation of cultural policies which meet such requirements is necessary.

Membership in the Council of Europe and application for EU membership requires signing of international treaties in the area of human rights, which requires conducting of dialog which has long been avoided or conducted in the wrong way. By Serbia's becoming a signatory party to the European Convention on Human Rights, its citizens were provided with a possibility of applying to the European Court of Human Rights.

Council of Europe's "Human Dignity and Social Exclusion" project is a strong encouragement for improvement of the position of groups excluded from social life, by which the Council of Europe has attempted, through development initiatives, to create favourable conditions for the development of a multicultural society. Serbia joined the Decade of Roma in cooperation with UNDP, OSCE, Council of Europe and UNHCR, Serbia drafted the National Strategy for Integration of Roma Population in Serbia, which is an important step in eliminating the exclusion of this population.

A large number of NGOs and professional associations of culture workers operate within the civil society. This sector, during the last two decades, has developed programs aimed at excluded social groups. The role of civil sector largely depends on whether it is seen by the political sector as a participant able to contribute to the implementation of various social welfare programs. It is noticeable that the government authorities are not aware of the potential of the role of NGOs in working with vulnerable groups. Representatives of NGOs claim that they have the knowledge, ideas and organizational capacities they are able to use in the process of combating exclusion in Serbia (SeConS, 2009).

## 6.2 Who is excluded and how?

Since certain groups are perceived as excluded based on their cultural practices and/or characteristics, or their identities, the focus is on following groups: ethno linguistic, religious minority communities, sexual minorities, persons with disabilities and forced migrants which are present in Serbia in considerable numbers. Exclusion of such groups/individuals is observed in terms of their discrimination.

However, cultural exclusion should also be observed at the level of general population in terms of non-attendance of cultural events. Social Exclusion Survey conducted at the end of 2009 for the purpose of this project has shown that *63.5% of the population has not attended any cultural event in the last 3 months*. As for Roma population, the percentage rises to 90.6%, while among IDPs it equals 83.5%.

It is noticeable that the number of attendees drops with age, which is why only 24.3% of respondents aged 50-64 and 15.5% of those over 65 have attended a cultural event. After measurement with Chi-square test, the type of settlement, education and monthly household expenditure proved significant, indicating a weaker position of the rural areas compared to urban (28% vs. 44.1% of attendees), of those with lower education compared to those with higher (9.7% of those having completed no more than elementary school vs. 72.3% of those with post-secondary education) and of poor people compared to those in a better financial situation (14.4% of those with the lowest income vs. 53.5% of those with the highest income). Nevertheless, it should be noted that a significant number of the general population *has not attended a cultural event because they feel that it is not important to them*, which shows general interest in culture. In Roma population, lack of funds is a predominant reason, which is in line with their financial position which is very low.

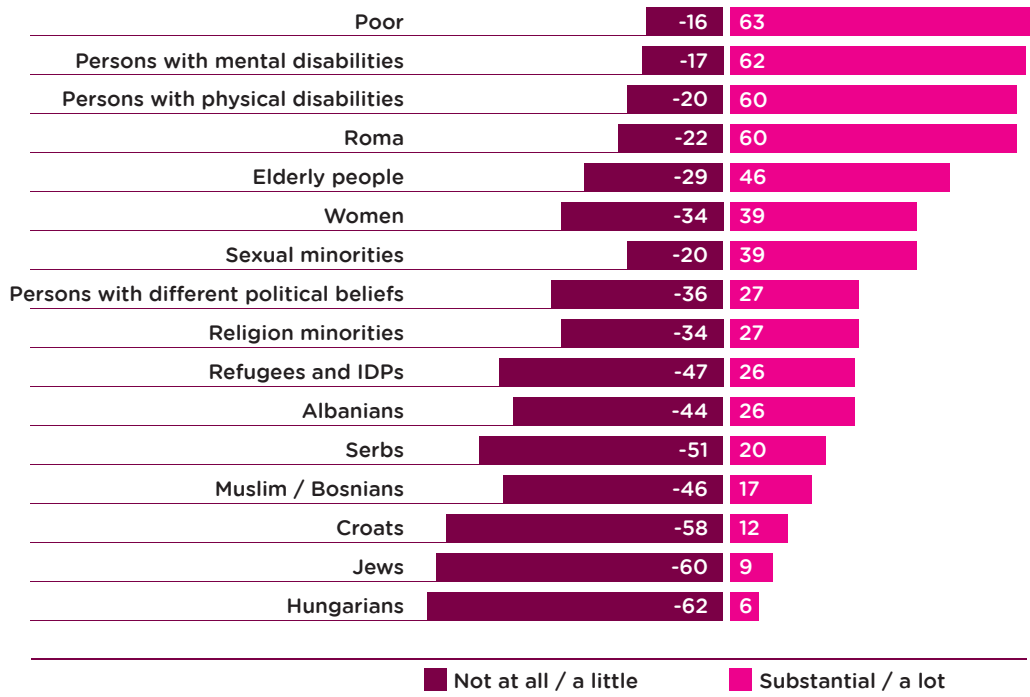
**Table 6.1.**  
**Reasons for non-attendance of cultural events, in %**

	General population	Roma	IDP
I have not attended a cultural event in the last 3 months	63,5	90,6	83,5
I could not afford it	33,9	63,4	56,7
It is not important to me	44,5	33,6	35,0
Due to remoteness	14,3	1,5	2,1
I have not been able for health reasons	7,2	1,5	6,2

For the purposes of the project by UNDP and Ministry of Labour and Social Policy entitled “*Support for Implementation of Antidiscrimination Legislation and Mediation in Serbia*”, Strategic Marketing conducted a survey of Serbian citizens’ attitudes in 2009.

**Graph 6.1.**

**To what extent are the following groups discriminated in Serbia?**



Source: Strategic Marketing

(Source: Public opinion on discrimination and inequality in Serbia, page 12)

As discriminated groups, primarily Roma are mentioned (60%), followed by PWD (62%), the poor (63%), elderly (46%), women (39%) and sexual minorities (39%). The situation in Serbia is specific in relation to neighbouring countries, because there is a large number of Roma among IDPs from Kosovo and Metohija, who are generally in a difficult situation.

Also, the said UNDP survey provided information on perception of various groups, based on which it can be determined that the greatest distance is felt toward persons abusing opiates, homosexuals, ex convicts and persons with HIV, which will be discussed further.

What are the forms and causes of exclusion from the two previously described aspects – as institutionally-based exclusion and exclusion based on attitudes?

In the first case, the focus is on the role of legislation and state institutions at the national level. Forms of institutionally-based exclusion based on culture are as follows:

- *Access to and protection of cultural heritage* – it is implemented through acknowledgement and protection of cultural norms, customs and practices. These rights, as well as the right to education and use of mother tongue, have been present for a long time



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in Serbian society and represent a tradition in itself. The Law on the Protection of the Rights and Freedoms of National Minorities guarantees the right to express, keep, nurture, develop, and publicly express national, ethnic, cultural and religious individuality. In this respect, national minorities are entitled to form their own cultural institutions, societies and associations which operate independently and which are funded by the state according to its available means. Providing for ethno cultural preservation of minorities is within the competence of National Councils of Minorities, and apart from these institutions, a multitude of nongovernmental organizations and institutions which contribute to exercising of these rights is lately being set up. In Serbia, and especially Vojvodina, there are numerous cultural events in connection to national minorities.

- *Access to education* – it is reflected in the equality of the opportunities for education and the use of minority languages, history and culture in school curricula. The Constitution and the Law on the Protection of the Rights and Freedoms of National Minorities specify that minorities are entitled to an education in their own languages in all educational institutions (UNDP, 2005:119). Also, the law specifies that national councils of minorities participate in the preparation of curricula for all forms of teaching of national minorities, and that, diplomas received in mother countries are to be recognized, through implementation of particular procedures. Special attention is given to encouraging enrolment of Roma children in the first grade, for the purpose of which the Ministry of Education is hiring assistants in elementary schools to help in the implementation of the education of Roma children.

According to the bill of the Law on Preschool Education, educational work will be conducted in the mother tongue or bilingually, if endorsed by at least 50% of the children in an educational group.

The Law on Elementary School, as well as the Law on Secondary Education provide members of national minorities with the right to an education in their mother tongue or bilingual, if at least 15 students apply for the enrolment in the first grade, or less with the Minister of Education's consent. Also, if members of national minorities are educated in Serbian, classes in their mother tongue with elements of their national culture are to be provided. Classes in some of minority languages are conducted in most municipalities in Vojvodina where the greatest obstacle is the lack of qualified teaching staff mostly for teaching in Slovakian, Romanian and Rusyn language, but also the lack of interest in taking classes in the mother tongue.

Whereas, the situation in Central Serbia is far worse. Only Albanians and Bosnians have managed to exercise their right to education in their mother tongues, whereas Bulgarians, Roma and Vlachs have had no success in their demands.

Post-secondary and high education of national minorities is conducted in the mother tongue only in Vojvodina, and this type of teaching is mostly chosen by Hungarians.

Members of minorities have the right to use textbooks from their mother countries, based on minister's approval, if such textbooks comply with the standards set forth by the National Educational Council. In the territory of Serbia, textbooks are issued in minority languages by the state-owned textbook publishing and teaching aids company, "Zavod za udzbenike i nastavna sredstva", in Belgrade.

- *Use of language* – it is viewed through the presence of language in education, administration and the media. The aforementioned law controls official use of minority languages in municipalities with more than 15% of minority population or even less, if such languages had been in use prior to the law was passed (acquired right). This law is implemented in Vojvodina, but there are some obstacles registered in its full implementation in Central Serbia.

According to the Statute of the Autonomous Province (AP) of Vojvodina, some of its authorities, apart from the Serbian language and Cyrillic and Latin alphabet, also use Hungarian, Slovakian, Romanian and Rusyn language and their respective alphabets (Article 6), and also, the initiative to include Croatian language among official languages has been started.

Based on the decision on the improvement of some issues regarding official use of languages and alphabets of national minorities on the territory of AP Vojvodina, language and alphabet of a national minority will be introduced in the official use in residential areas/local communities where the percentage of specific national minority is at least 25% according to results of the last census, and in cases when these are not in the official use at the entire territory of a municipality (Article 8).

A few municipalities have still not complied with said use at their territories (Indjija, Irig, Sombor, Pancevo and Sid). Also, the initiative made by Bunjevci population to introduce Bunjevac language among official languages has not yet been accepted in Subotica (Basic, Crnjanski, 2006:102-103).

Introduction of minority languages in Central Serbia is below than its implementation level in Vojvodina. Bosnian language has been introduced in 3 municipalities in which Bosnians are the absolute majority. The Municipality of Priboj has not yet implemented this right, even though Bosnians make more than 15% of the population. Albanian language is in use in 3 municipalities where Albanians are the majority. In accordance with the law, Vlach/Romanian language is to be introduced in 4 municipalities.

The Roma population is very vulnerable in terms of language use and information. Specifically, approximately 80% of the members of the Roma population is illiterate, they are hindered in exercising their rights because their local government has not adopted a standard variant of their language which could be officially used.

With respect to language application practices, it has been observed that the number of proceedings conducted before the state authorities in minority languages has considerably

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decreased. Such decrease has been recorded mostly due to the provision of the Law on the Official Use of Languages and Alphabets, according to which, if a party within the proceedings requests that the proceedings be conducted in Serbian, this must be complied with, however, this is also due to the lack of capacities to conduct second instance proceedings in a minority language (Basic, Crnjanski, 2006:109). Such practice is also partly a consequence of the lack of funds of the authorities in charge of financing the hiring of interpreters in proceedings conducted in minority languages, but also due to the lack of professional staff with the knowledge of minority languages. In multiethnic municipalities on the territory of Central Serbia, official use of languages is rarely implemented in proceedings.

Issuing of certificates from the register of births, marriages and deaths is provided for in a special regulation on the territory of Vojvodina, whereas the minorities in Central Serbia are not provided with the possibility to exercise that right, even though it is not specified according to the Law on the Official Use of Languages and Alphabets. Also, despite the fact that the right to use personal names in minority languages has been legally provided for, in practice, it is often not being complied with and names are entered only in Serbian.

Furthermore, according to the Serbian Constitution, in areas with a considerable number members of a national minority, traditional local names, names of streets and communities and topographic symbols are to be written in the language of respective minority (Article 79). These names are set forth by National Counsels of Minorities. However, signs with the names of settlements are often incorrect, due to the fact that information on such signs sometimes does not include Cyrillic writing, and more often, such signs do not include minority languages (Basic, Crnjanski, 2006:118).

With respect to the media, laws prescribe that the state is obligated to air informative, cultural and educational contents in the language of respective national minority on public radio and television shows, and also, the state may set up special radio and TV stations which would air programs in national minority languages (Basic, Crnjanski, 2006:148-155). Moreover, members of minorities are entitled to establish and maintain media in their own language. Individually, Hungarian is the most frequent minority language in the Serbian media.

There are about 160 print and electronic media in national minority languages. Radio programs are aired by 84 radio stations, and TV program is aired by 32 television stations. In addition, territorial presence is definitely highest in Vojvodina with almost 85% of minority language medias (Ilic, nd:6).

It is evident that the situation in Vojvodina is considerably better than in Central Serbia, but in practice, the right to use languages has still not been fully implemented. The most frequent argument of municipal authorities for such a situation is that there are obstacles in financing, staff, lack of public interest, etc.

According to public opinion in the Social Exclusion Survey, only 2.2% of the respondents have no access to TV news in their own language. The situation is far worse with the Roma population, 49.7% of which claims that they do not have any access to news programs in their language.

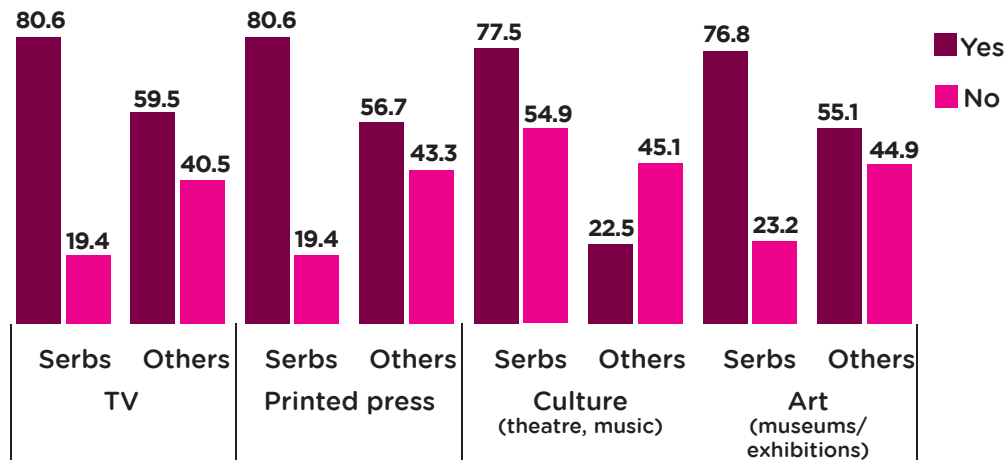
In view of the overall presence of ethnic groups in the media, the situation is as follows:

**Table. 6.2.**  
**Perception of the presence of ethnic groups, in %**

	TV	Press	Culture (theatre/ music)	Art (museums/galleries)
1 Yes	78,10	77,60	74,74	74,19
2 No	21,90	22,40	25,26	25,81

From the aspect of ethnicity, members of non-Serbian nationalities mostly think that different ethnic groups are not being sufficiently represented in the media and culture in general. Also, the number of members of the Serbian nationality which share similar views is not negligible. However, the most negative feeling is among the members of the Roma population of which 80% thinks that there is no such presence in any of mentioned areas.

**Graph 6.2.**  
**Perception of the presence of ethnic groups according to ethnicity, in %**



Source: Social Exclusion Survey

The percentage of those who believe that their language is a hindrance in some aspects of life is 7.6% of respondents. This feeling of deprivation is present with almost one third of Hungarian (26.7%) and 40.3% of Roma population. As mentioned above, Hungarians have the largest number of the media in their language. Nevertheless, apart from the aspect of the media, which is at a satisfactory level, there is a problem of the use of mother tongue in other aspects such as education and employability.

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- *Access to health care* – it is analyzed through cultural and possibly religious norms as the limiting factors of health care, i.e. the prejudices of health care employees towards minorities. Marginalized groups are very important for the health care system, because members of these groups are among the most potential patients. “*Marginalized persons are also tired from failures, overwhelmed with the feeling of helplessness, and have given up on asking for any form of help, whereas they see health prevention as a luxury.*“ (Group 484, 2008:19) A great number of displaced persons and the Roma population is being excluded (especially in cases when 51.3% of displaced Roma population and 74% of their children do not have health care identification cards) due to the lack of information about the health care system and the lack of personal documents, whereas, greatly important aspects of cultural exclusion are language and cultural barriers which are manifested through Roma population’s distrust and discrimination by those who provide health care services. The Roma population is most often perceived as filthy, which is the result of the reality in which their adverse conditions of living and discrimination cause the low level of the basic hygienic habits, both with children and adult Roma population.

According to the study conducted by the Minority Rights Centre (MRC), Roma population is faced with direct discrimination in exercising their rights to medical care (MRC’s Information Booklet No. 7). Direct discrimination is manifested in the situations when a health care worker refuses to help a member of the Roma population. Verbal abuse and demeaning treatment are also seen as direct discrimination. Even though this type of exclusion is primarily based on attitudes, it is discussed in this chapter because it represents a characteristic of an institutional system – health care, and not of individuals and groups. These cases of severe violation of the right to health care, which are not rare, have been illustrated through testimonies collected in a special edition of the MRC on the treatment of Roma population in healthcare (Antic, nd).

On the other hand, there has been small progress concerning indirect discrimination, i.e. exclusion as a result of so-called “neutral” legislation and practices. According to the Law on Health Insurance, which was passed at the national level, compulsory health care also includes the Roma population, which, due to its traditional way of life, does not have permanent places of residence. The Law on Health Care also contains some provisions where the Roma population is mentioned as a separate category of the population which is provided with health care and special care. However, the greatest problem is that the procedure according to which persons who have no social security would be able to exercise their right to health care has not been defined in this law, which is a good basis for arbitrary treatment of the Roma population.

- *Freedom of expression and religion* – it is viewed through recognition of various religious practices and treatment of religious, sexual and other non-national minorities on an institutional level. These freedoms can also be threatened due to discriminatory atti-

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tudes of members of the majority, but this is another type of exclusion which will be analyzed in the following chapter.

From the aspect of the rights to freedom of expression, and especially the freedom of religion in Serbia, the situation is not satisfactory. There are numerous complaints with regard to the Law on Churches and Religious Communities concerning discrimination of small communities. Even though the Constitution (Article 43) specifies that “*everyone shall have the freedom to manifest their religion or religious beliefs in worship, observance, practice and teaching, individually or in community with others, and to manifest religious beliefs in private or public.*” (Constitution of the Republic of Serbia), these rights are limited by the aforementioned law, which was passed in 2006. Provisions of this law prevent registration of a large number of small religious communities, other orthodox churches (Romanian Orthodox Church) and non-Christian communities (Ilic, 2009). Division of religious communities into traditional and non-traditional in this law is in itself deemed discriminatory.

The Law on the Prohibition of Discrimination, despite the objections made by traditional churches, specifies that “*Discrimination shall be considered to occur in the case of conduct contrary to the principle of free expression of faith or beliefs, or if an individual or a group of persons is denied the right to acquire, maintain, express and change faith or beliefs, or the right to express, be it privately or publicly, or act in accordance with his/her beliefs.*” (Article 18, Law on the Prohibition of Discrimination). It is evident that the Law on Churches and Religious Communities does not conform to the Constitution or the Law on the Prohibition of Discrimination, which has led to the submittal of the request to assess the constitutionality of the disputed provisions of this law, which has not been assessed even after one year.

The Law on National and other Holidays provides for days-off at the time of religious holidays for members of Christian, Islamic and Jewish communities, whereas other communities are not mentioned in this law.

With respect to the attitudes of citizen on the freedom of religion, according to the 2009 Social Exclusion Survey, 87% thinks that there is a place in their residential area where they can freely practice their religious customs. This percentage is the same with respect to different religions. However, unlike Christian religions, there is a tendency among the citizen of Islamic faith (32.1%) who deem their faith as a hindrance in their life. Members of the Roma population also have a similar attitude (26.7%) regardless of their religion. The Roma population is far more deprived of their places of worship (44.1%), which is probably connected to their housing conditions and isolated communities.

An interesting aspect is that 16% of respondents expressed concern for being deprived of the opportunity to practice religious customs, which is again somewhat more pointed out by the Muslims (25%)<sup>26</sup>.

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<sup>26</sup> It should be taken into account that the sample included less than 100 respondents of Islamic faith, which is not sufficient for drawing reliable conclusions.

Wearing traditional religious clothing is not generally practiced in Serbia, because only 4.5% of respondents wear such clothes and see them as being a part of their personality. According to the respondents, there are no formal hindrances or prohibitions for wearing such clothes, but in most cases it is deemed unimportant (69.7%) or not fashionable, i.e. inappropriate (24.4%), whereas according to 13.4%, wearing such clothes would be seen as strange by their immediate surroundings.

The Law on the Prohibition of Discrimination represents an important step toward providing for equality and implementation of rights to freedom of expression. Under this law, Article 13, the following is considered to constitute severe forms of discrimination: “*causing and inciting inequality, hatred and enmity on the grounds of national, racial or religious affiliation, language, political opinions, gender, gender identity, sexual orientation or disability*“. However, notwithstanding the provisions of the Law on the Prohibition of Discrimination, sexual minorities in Serbia do not enjoy freedom of expressing their beliefs and attitudes. Serbian Constitution guarantees the freedom of movement, thought and expression as well as freedom of peaceful assembly. This right has been violated a number of times by assaults to the representatives of non-heterosexual organizations. Even though certain progress is notable with the reaction of the state to these assaults, the state’s responsibility is reflected in the inability to provide protection of such assemblies and sanction the violation of the constitutional rights (Belgrade Centre for Human Rights, 2009:7).

#### ■ Exclusion and ethnic discrimination

The 2009 Social Exclusion Survey” analyzed nine attitudes which describe the perception of reduced opportunities for being provided with different services in the society due to ethnicity. These attitudes have been used to create perception scale of unequal opportunities<sup>27</sup>, but neither descriptive analysis nor regression analysis have shown the importance of the effects of different variables, which means that members of all ethnic groups equally accept (9.1% fully and 11.1% partially), i.e. reject unequal opportunities due to ethnicity (79.8%). The situation greatly differs with the Roma population where 81.9% of respondents thinks that ethnicity partially or fully reduces the opportunities for being provided with services. In 40.5% of the cases, such attitude is fully or partially accepted by IDPs.

Individually, the least opportunities for getting a job are in state institutions, according to the opinion of 24.1% of general population respondents. Here, somewhat more spread attitude about the small opportunities is noticed with members of non-Serbian nationality (22.3% vs. 35.6%).

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<sup>27</sup> Through factor analysis, one factor which explains 70.54% of the total variance has been extracted, whereas analysis of reliability has given a very high value of Cronbach’s alpha = 0.946.

According to Roma population, their opportunities are the lowest concerning employment in state or private sector, granting of projects funded by the Government and possibility of social housing, i.e. being provided with social services in general.

**Table 6.3.**

**Perception of reduced opportunities for being provided with services due to ethnicity, in %**

	General population	Roma	IDP
Public administration services	16,3	71,2	31,8
Health care services	14,0	66,7	27,3
Social services	16,1	74,7	35,4
Employment in state institutions	24,1	80,0	39,7
Projects funded by the Government	18,4	77,5	34,5
Employment in the private sector	17,7	78,6	31,4
Elementary and secondary education	10,8	57,3	20,7
University-level education	12,8	65,1	20,2
Social housing	14,7	75,3	30,4

It is noticeable that the two groups which are estimated as especially susceptible to exclusion have higher scores of reduced chances than the general population, moreover, the Roma population has considerably higher scores than IDPs.

A somewhat more detailed image is provided by the study conducted by Strategic Marketing by way of social distance scale which has been based on fitness for jobs. This study shows that there is a distinctive distance felt towards four groups, and in the following order: Albanians, members of sexual minorities, Roma and Muslims/Bosnians (Strategic Marketing, 2009:16). Compared to the social distance measured in 2005, there is a perceived mild drop in distance towards ethnic minorities, around 10% on average. Thus, 65.5% rejected Albanians, and 60.9% rejected Roma as relatives in 2005, while this percentage dropped to 55% for Albanians and 46% for Roma in 2009. The variables describing perception of reduced opportunities for being provided with certain services due to sexual orientation in the Social Exclusion Survey were quite similar. No independent variables showed significant influence, and therefore, a conclusion can be made that comprehension of unequal opportunities extends among different categories of the population without any greater difference.

Sexual orientation is seen as the cause of unequal opportunities by a bit more citizens than ethnicity, because 13.4% of respondents greatly accepts and 10.4% partially



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accepts such an assumption. A very similar attitude is popular also towards the (in)ability to find employment in state institutions, and therefore 27.4% of respondents thinks that sexual orientation is a hindrance. Employment-related discrimination is more notable in the private sector than it has been the case with ethnicity, thus 27.7% of respondents thinks that sexual orientation has an adverse effect on this aspect. Unlike perception of deprivation based on ethnicity, with Roma and IDPs, perception of the effect of sexual orientation is not considerably more different. CESID's public survey on LGBT population, conducted for Gay-Straight Alliance, recorded considerable distancing from the persons of non-heterosexual orientation. Almost 30% of respondents believe that the topic of homosexuality is being imposed by NGOs, whereas 36% thinks that this is a western fabrication which is dangerous to the society (50%) and that it is a disease (70%). Most of these respondents think that there should be no places for assembly of homosexuals, whereas public displays, such as gay pride parade, would not be allowed by over 70% of respondents.

*There's not even a proper gay pub in Belgrade, let alone a theatre. Things've moved now a bit, the association X just got a place for theatre performances, so we'll see what it's all about. But again the beginning is there, with dialogue, intercultural between the straight and the gay, that's where we need to begin. I'll be in an elderly home before we get to our culture... (gay activist, FGD participant)*

People with disabilities and chronically ill persons are barely in a better position, since 17% claims that they had difficulties in finding appropriate jobs, according to the Social Exclusion Survey. Paradoxically, these persons have more problems in being provided with health care services (36.7%) and social security services (22.4%) which they need the most. Also, 20.6% thinks that disabled children should not attend the same schools with the nondisabled children, which indicates another exclusion factor of such persons.

### **6.3 Why are they excluded?**

The main causes of cultural exclusion are as follows:

#### *1. Insufficient implementation of existing regulations and insufficient development of such regulations.*

Introduction of new regulations has not been appropriately accompanied by relevant trainings and funding. For example, despite the fact that the Law on Health Care defines the Roma population as a protected category of the population, to be provided with health care and treated with special care, procedures for exercising such rights have not been defined. Also, nonconformity of regulations has been noted, as in the case of the Law on Churches and Religious Communities and the Law on the Prohibition of Discrimination.

Such insufficient development and nonconformity of regulations contributes to another society problem concerning cultural exclusion, which is:

## *2. Ignorance, fear and prejudices of citizens towards those who are different than themselves.*

Prejudices, social distancing and discrimination as means of expressing prejudices and stereotypes is the main reason for exclusion of aforesaid vulnerable groups. Various studies show that intolerance toward minority groups is present in a considerable number of Serbian citizens. Strategic Marketing's study shows that 59% of citizens who were included in the study thinks that discrimination is considerably or largely present. Evidently, some groups are more sensible towards the presence of discrimination, because the same opinion was held by 90% of the disabled persons and 74% of refugees and IDPs.

*A really ugly scene, I was an extra in this film... and now this director got the idea to make a scene in which we are all eating and now like: "Stretch your fingers!" And later on I was told that we were supposed to eat with our hands in that scene... Horrible... Only our scene, but not just eating with my hands but also grabbing... And if they'd asked me, I also use a knife and fork to eat. (FGD participant, blind person)*

*We are somehow, how can I explain for you to understand... We are people, special characters, special types, on the outside, everything is normal, and here it's not normal. When we go outside and we think something's normal they don't understand us, because they don't know. We are really backward. (FGD participant, prisoner re-offender)*

Visibility of intolerance and prejudice was observed in the Social Exclusion Survey. In this study, 8.7% of respondents, who are members of the general population, has personally experienced prejudices. The greatest number of such situations occurred in health care institutions (26.7%) and at school or at work (also 26.7%). The most frequent reason for prejudice is age (21%), however, 62.6% of respondents who specified this reason belong to the middle-aged group in cases (25-49 years of age). The following reason, by frequency, is ethnic/racial origin, according to 16.6% of the respondents, most of which are Serbs (82.8%)! They are followed by sex and political preference, each with 10.8% of respondents who selected these causes of prejudice.

The prejudice expressed toward the Roma population is much higher, as expected (36%). This population is treated with prejudice by the social services (49%) which they are often referred to, followed by the public transportation (25%). The Roma population

is very aware that its ethnicity is the cause of expressed prejudices, because this is confirmed in 89.7% of the cases.

IDPs are in the middle between the general and the Roma population, with 19.6% of those who are treated with prejudice. Similar to the Roma population, IDPs are faced with prejudice mostly by social services (48.2), and then at public places and health services, each with 26.8%. Reasons for exclusion are also very similar, considering the fact that 55.3% mentioned its ethnic origin as the reason for being exposed to prejudice.

From this, a conclusion may be drawn that the services to which vulnerable persons are mostly dependent on, are the greatest source of exclusion, and therefore, members of these two vulnerable groups are feeling cast out by the general population who often treats them inadequately at public places.

In terms of social distance, citizens of Serbia clearly have the most problems with accepting drug addicts, homosexuals, ex convicts and people with HIV.

**Chart 6.3.**

**Categories of people who are unwanted as neighbours, in %**



Source: Social Exclusion Survey

Also, children with HIV are not welcome in the same schools with others, in 44% of the cases.

After measuring the social distance at the level of personal relationships (neighbour, friend, partner), Strategic Marketing's study shows that the least tolerated are HIV-positive persons, sexual minorities and Albanians. Ethnic distance measured by acceptance of marriage with other nationals is expectedly more present in Central Serbia, and considerably less present in Belgrade, and the least present in Vojvodina.

As the reasons for exclusion of the Roma population from the opportunities for performing various jobs (with the exception of the city sanitation department), citizens stated lack of education, incapability, irresponsibility, but also expectation that others may not accept and respect them in such roles. Other nationalities are excluded due to distrust because of their nationality and mutual national intolerance. Sexual minorities are either simply disliked or deemed as deviant.

Similar findings are also presented in a previous study of social distance conducted in 2004 (UNDP, 2005:32), which shows a very high level of exclusion of Albanians who, over 60% of the population would not let into their homes, whereas 25% would not give them citizenship in their own country. Bosnians and Roma population are the following concerning undesirability, whereas, quite high intolerance is also expressed towards Croats and Hungarians at the level of accepting family relationships. In general, this study shows that 53.5% of the citizen of Serbia refuses family association with members of other nationalities, while exclusion is less prominent (13.8%) with acceptance to a common life in one country.

In 2004, Belgrade Centre for Human Rights conducted a study on religious distance. Understandably, the smallest distance is felt towards members of orthodox faith. The greatest distance is felt towards members of small religious communities. This should be viewed in the light of the fact that they are usually called “religious sects” in public. It is somewhat less shown towards Muslims (UNDP, 2005:36).

Strategic Marketing’s study also provided information according to which the citizen of Serbia stated three factors as discrimination factors: ignorance (54%), religious beliefs (43%) and family attitudes (33%). However, a considerable percentage of citizens also stated fears (31%), cultural attitudes (29%), negative experiences (28%) and physical differences (23%). The main factor – ignorance – contributes to creation of prejudice when people form a feeling based on emotional and not cognitive aspects. „*Such campaigns (antidiscrimination campaigns – author’s note) can also be understood by frustrated and discontent people as putting minority groups in a privileged position, which may cause odium and hatred*” (Discrimination in Serbia, nd:4).

The heritage of ethnic/religious conflicts, as well as revived nationalism, contribute to maintaining of prejudices and stereotypes. Also, as shown by Strategic Marketing’s *Public Survey on Discrimination and Inequality*, citizens are largely uninformed about discrimination.

## 6.4 Outcomes of cultural exclusion

The importance of culture for the development of the entire society is not sufficiently recognized. Attention is most often focused on political and economic aspects of exclusion, disregarding the effect of cultural norms which prevail in a society compared to economic and political activities.

The relationship between cultural and economic development is increasingly becoming the topic of discussion at the European level. Through education, science and information science, culture is becoming the driving force of development of the modern society. Cultural industry is one of the most significant branches of industry in the developed countries concerning with a growth in new job openings (Vujadinovic, 2003). In Europe, any form of cooperation without international cultural cooperation is unthinkable.

In Serbia, cultural patterns, such as the presence of the spirit of collectivism, and authoritarianism which is connected to submissiveness, followed with socialist heritage, indicate a high degree of expectations from the state and lack of individual initiative. The findings

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of the study which indicate low involvement of citizens, which is more closely described in the chapter on political participation, can be also deemed as consequences of such a state.

In the long-term, cultural exclusion creates serious consequences for human development. Reduced opportunities for vulnerable groups to access educational, health and cultural institutions lead to reduced opportunities for individuals' choice. Such state is also translated into other areas of human life and contributes to economic, political and total social exclusion.

It is evident that the most vulnerable group – the Roma population – is facing a high degree of exclusion from all aspects of life due to cultural exclusion, which is based on discrimination and aimed at this population.

Reduced opportunities for the Roma population, refugees and PWD represent the greatest consequence of cultural exclusion. Reduced opportunities indicate existence of inequality in the access to social services, and therefore threaten the achievement of cohesion in the society, which is seen as the final goal of inclusive policies.

The presented information shows that there is a very high degree of prejudice and discriminatory behaviour displayed in services on which underprivileged persons are mostly dependent (health care, social institutions). Such findings may also indicate that the excluded population does not come into contact with other institutions to a great extent, and therefore it cannot experience discrimination to a considerable degree.

Ignorance and fear are important causes of cultural exclusion, but these are also the consequences of exclusion which has been present with past generations and one may freely say that, by way of prejudices and rejection, it is passed down by generations.

On the other hand, the Roma population, which is excluded on many levels, believes that they have the smallest opportunities for finding employment in state-owned and private sector, of being granted projects funded by the Government and of the possibility of social housing, i.e. being provided with social services in general.

On a regional level, Vojvodina stands out as the region where multi-ethnicity with all its legally defined rights is far more recognized than in Central Serbia. Vojvodina traditionally nurtures the spirit of multiculturalism on its territory, and therefore it may be expected that the consequences of cultural exclusion are less present in this region, however, due to more evolved consciousness on people's rights, such consequences are more visible where they are present. In this region, the response to the activities of the civil sector is better than in Central Serbia.

The most frequent excuse of local governments with respect to recognizing of minority rights are hindrances concerning finances, staff, lack of citizen's interest, etc. The global economic crisis contributes to marginalization of such issues and postpones them for better times when mere subsistence will no longer be an issue.

In order to eliminate the consequences of exclusion, first it is necessary to take action against the causes. The following chapter provides input to possible directions of action taking into account the main factors of exclusion.

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## PART THREE: CONCLUSIONS AND RECOMMENDATIONS

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### CHAPTER 7: Social exclusion as an obstacle to human development in Serbia

HD indicators had increased in last several years and reached the average value for countries in the region (South-East Europe) (UNDP, 2008). Some of indicators of social inclusion, like employment and unemployment rate were not quite good, but showed signs of improvement before the global economic crisis outburst in 2009. Some other were much better, like poverty rate, education enrolment, etc.

However, when observed in relative terms, the situation with social inclusion is not good. As presented in the introduction, even such a rough indicator as Human Development Index (HDI), which summarises one general indicator each for health, education and economic development, is showing significantly lower score for inhabitants of South-East Serbia. As for indicators of social inclusion, employment is very low and unemployment among the highest in Europe. The share of long-term unemployed persons is very high. Poverty is very high in certain groups or regions (Roma, rural areas, South Serbia), and there is large number of citizens just above the poverty line, being extremely sensitive to effects of the crisis. The drop out from secondary education is small, but increasing. Also, an increasing number of citizens is lacking health insurance. The whole picture of social inclusion is worse than in EU to which Serbia is aspiring.

Transitional risks are unevenly distributed among Serbian citizens. There are large groups for whom social exclusion is a lasting condition. The variety of socially excluded is large, encompassing different age groups, genders, ethnic groups, regions, levels of education, etc. Many of them suffer from multiple deprivation, low education, unemployment, poverty and discrimination at the same time. It is hard to make precise estimate of the number of socially excluded without reliable methodology, like hopefully SILC will offer, but we are talking about hundreds of thousands.

There seems to be three major types of social exclusion that differ basically in depth of their roots and permanence of their effect:

- **Conjunctural exclusion** is the one that has roots in current circumstances in economy and society. This could be unemployment caused by transformation of economy, poverty caused by such unemployment or by effects of economic crisis, as well as cultural

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and political discrimination of certain group formed by recent historical occurrences (e.g. refugees). Such exclusion could be decreased by general development policy, but also relatively easy to target by specific policy measures.

- **Complex exclusion** is the one that has deep roots in structural position of certain person or group. This position has been formed through more profound historical change and probably reproduced intergenerationally in same family of group surrounding as to take on cultural markers that make strong identity of belonging to the group. Usually this type of exclusion assumes multiple deprivation and several forms of exclusion, like low education, poverty, discrimination. Examples of such exclusion in Serbia is the position of Roma, or small farmers (especially rural women as farm household helpers). Such exclusion is not well responsive to general development trends, is hard to deal with and asks for complex policies and lot of resources (time, money, people, knowledge).
- **Specific exclusion** is the one that has been socially constructed around certain characteristic that makes a person or a group distinct to others (like some form of disability, homosexual orientation or old age). This type of exclusion is strongly dependent on cultural surrounding (which is the slowest to change) and asks for as much intervention in community as in excluded persons' activism.

Of course, different types of exclusion might combine and form extremely difficult position for the excluded, as well as for the institutions.

Historical specificities, recent transformation processes and structural determinants of Serbian economy and society have brought to high concentration of social exclusion in some social groups. Here we specify the most numerous ones.

1. **Roma.** This is culturally distinctive ethnic group that suffers the worst economic and social status in Serbia produced by complex social exclusion. Although Serbia is the only country in Europe to recognize Roma as constitutive ethnic group, they are facing extreme social segregation. The majority of Roma have a low level of education (63% without completed elementary school), they are unemployed (over 50%, and in 69% of households none of the members are employed), they live in extreme material deprivation (85%), very often in slums, lacking basic infrastructure and conditions for human living. As a consequence Roma have the shortest life expectancy (by ten years shorter than with the rest of the population), highest child mortality and high rate of chronic diseases (24%). Their poverty is immense and forms the culture of misery which decreases self confidence and action potential of individuals and the group as a whole. Specific problem lays in the fact that Roma are facing discriminatory attitudes and practices from side of majority population, which has effects on every aspect of

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their everyday life, from education, through housing and obtaining social services, to being physically attacked and sometimes even murdered.

There are several programmes and policy measures being implemented in order to tackle this serious problem. These programs and measures are trying to cut the roots of Roma exclusion by supporting their education enrolment, health improvement, employment, housing, civic and political participation.

- 2. IDPs.** This is the group mostly composed of Serbs displaced from Kosovo in 1999/2000. However, there are other ethnicities among them and Roma displaced from Kosovo are probably in the worst position in Serbia at the moment, since occasionally they get discriminated from domicile Roma, too. Although being recognized all rights that belong to Serbian citizens, many of IDPs struggle with outcomes of conjunctural exclusion like unemployment (28%), poor housing conditions and even poverty (58% below the national relative poverty line).

There are measures of support being activated in order to improve inclusion of IDPs, like institutional support from Commissariat for refugees and IDPs, housing programs and budget transfer to those who lost their job in Kosovo (around 11,000 persons).

- 3. Long-term unemployed youth.** The unemployment rate among the youth (15-24) is over 40%, two and a half times higher than the national average and more than half among them are long-term unemployed. On the first glance, we would say that this quite large group was stroke by conjunctural exclusion. However, having in mind that youth unemployment is increasing in whole Europe, we should reconsider deeper structural factors that are producing their exclusion. In Serbia they are for sure related to slow economic transformation after socialism and general problem of high unemployment. However, we should stress that problem of disharmony between secondary education profiles and labour market demands has strong impact on their employment, too.

Support measures have been designed for employment of this group and implemented through NES.

- 4. Jobless households.** Households with all active person(s) being unemployed are severely hit by conjunctural exclusion. Number of these has rapidly increased with restructuring of economy. In 2009, there were 17% households with members of working age (15-64) where none of the members were employed. Relative poverty rate among these households is 32% (compared with the national 18%).

Low labour market mobility and undeveloped real estate market make activation of this group difficult, so the government is trying to put more emphasis on regional development and to bring FDI to this region.



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- 5. Rural children.** Poor infrastructure, low quality of life, low offer of activities outside the school and poverty of the families put the children in a position of limited freedom of choice and opportunity for development, which also reflects on the later course of integration in the society (continued education, access to labour market, cultural and social participation). A high percentage of these children are exposed to material deprivation (38%), they are covered by total immunisation less than urban children (52% in relation to 62%, MICS3), they go to preschool institutions less often (14% in relation to 33.5% of urban children, MICS3) and they get lower quality primary education<sup>28</sup>.
- 6. Rural elderly.** Elderly households in rural areas of Serbia are among all other types of households the most exposed to material deprivation (51%, Cvejić et al, 2010). This group is comprised mostly of small farmers who very often live in remote settlements with weak infrastructure. Many of them live in deep poverty, surviving on cultivating small piece of land or breeding some cattle. Usually they don't have neither financial income nor health care, because they didn't contribute to pension and health care funds during their active period. Elderly households that did not access the right to pension, represented by 12% in the sample, are twice as exposed to poverty as elderly households receiving pension (Cvejić et al, 2010). Most often their only support is their family, however, since youth is leaving rural areas in quest for job, they stay alone. The government has enacted measures to provide for their health care and some NGOs are providing house visits to elderly households in rural areas.
- 7. Old unemployed** (older than 45). Similar to jobless households, this group faces conjunctural exclusion, often combined with structural legacy of inefficient socialist enterprises, closed down or privatized after 2000. Some of them collected remittances from old enterprises. UNDP Severance to Job programme demonstrated effectively that severance can be used to improve the position on the labour market. In the period between 2007 and 2009, support was provided through this project for re-employment of 1,947 redundant workers, in such a way that they were given the opportunity to invest the severance money in an existing company or to start their own business. The project increased the possibility for employment of beneficiaries by 44%; during a two-year cycle, the beneficiaries earned over 3.5 million EUR through salaries; and 90% of them were still employed in companies they themselves started or in existing companies at the time of the evaluation of results. The project enabled a return of at least 182% in relation to the invested 2.4 million EUR (Severance to Job Project Evaluation, 2010).

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<sup>28</sup> Rural children achieve by about 10 percent points lower scores than urban children in school tests in Serbian language and mathematics (Ivić, 2009)

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In addition to having defined the model of company privatisation guaranteeing a social programme for redundant employees, through NES measures the government still supports employers who employ persons over 45 years of age. However, the majority of those who had taken severance invested that money in consumption. Many of them lack knowledge and skills for successful integration in new enterprises and occasionally face discrimination from side of employers.

**8. Rural women as family farm helpers.** Helping household members make up 37% of the total number of employees in agriculture or 18% of the total number of employees. A vast majority of this category representing unpaid labour force consists of women (74%, Babović, Vuković, 2008). These women could be treated as subgroup of otherwise socially quite excluded small farmers. However, they suffer the worst of exclusion in such families, being not only poor, but subordinated to traditionalist values, working over hours with no payment, having almost none influence on decisions and money distribution in family and rarely being owners of the land.

There was research done by UNDP on social and economic position of this group, but no policy measure designed so far.

**9. PWD.** Quite large group with decreased abilities that suffers specific exclusion and needs support for active inclusion in society. Many of PWDs are capable for independent and active life, but need some sort of support in this regard, like particular work place, adjusted access to public space of work space, specific contents or tools for cultural participation. However, 68% of these individuals are inactive and 20% unemployed. There are many measures designed to support inclusion of PWDs. Probably the most important is the Law on employment and vocational rehabilitation of PWDs that provides legal framework for the only true form of social enterprise in Serbia. However, there is much to be done on increasing visibility of PWDs and solidarity with them in Serbia. Among those registered with NES programme for employment support, only 4,664 PWD are included, and between July and September 2010, 82 PWD found employment using it.

**10. Sexual minorities.** Another group that suffers specific exclusion. People with non-heterosexual orientation, that could be found in any segment of population and consequently suffer all other forms of social exclusion like the rest of population, have particularly emphasized problem of cultural and political discrimination. There are no statistical data on this group for the reason of social covertness.

Improvements have been made in laws in order to support their social inclusion, but exercising standard civil rights is sometimes very difficult for them. This is another group for which visibility should be raised and awareness of their identity and rights built among majority population.

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Social exclusion of above mentioned citizens and groups is result of acting of different drivers. These drivers can be classified in the fields of economy, politics, social subsystem and cultural subsystem. In each of these fields, though, difference could be made between historical and current agencies and macro, mezzo and micro level.

- 1. Drivers in economic sphere.** In essence, these are basic gears of economic development. Sustainable development, GDP, investment, entrepreneurship, employment, as well as opening of economy and joining to international markets and organizations form general conditions for economic prosperity of each citizen. The combination of structural factors from past systems (before WWII and during socialism) still has impact on development outcomes and in combination with disastrous economic policy during Milosevic's time produces great delay in stabilizing trend of economic growth. The low level of GDP and high unemployment are direct consequences of that. Besides that, the achievements in economic transformation have not been distributed equally among the regions, which produces inequalities at mezzo level. Finally, drivers of economic exclusion can be found at micro level, too, e.g. in unjust distribution inside the household.
- 2. Drivers in political sphere.** Political liberalization and strong civil society give basis for sustainable development of inclusive society. Actually, since economic processes are at high risk of being captured and abused by new (old) elites, the strength of institutions, especially the state of law, and civil organizations and movements have at least equal role in development process as economic performances. Unfortunately these actors are being formed slowly in post-socialist Serbia. There were many political compromises with old regime after 2000 and lot of legislative malfunctioning that wasted scarce social energy needed for increase of social cohesion. This influenced directly the growth of intolerance and violence in the society and jeopardized general trust needed for establishment of new forms of solidarity. At the moment we are still facing hard consequences of these processes, both in the form of instability of Parliament and in slow decentralization and political indolence and civic passivity of citizens.
- 3. Drivers in social sphere.** Here the major issue is that of institutions. With strong traditionalistic and paternalistic heritage, Serbia needed stable and transparent institutional setting in order to establish new *modus operandi*. However, it has been only recently that some signs of moving in that direction are becoming visible. Major part of last decade was spent in getting back trust in institutions and building new institutional mechanism out of complete disorder from 1990s. Modelling after European institutional order could be a good incentive for Serbia, if adjusted properly to realistic surrounding. So far, there is still vast evidence of malfunctioning of institutions expressed in discriminative practices or unreliable protection of basic civic laws. Overcoming these

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difficulties is of crucial importance for regaining trust in institutions. The inefficiency of institutions reflected in piling up legal and strategic documents not supported by relevant activities and funding represents a growing problem.

**4. Drivers in cultural sphere.** These are usually slowest to change and hardest to deal with. Their major forms regarding social cohesion are prevailing political culture and dominant value orientations. Evidence presented in earlier chapter showed that there is still many difficulties to overcome in this field. Strong presence of authoritarian and extreme values in post-conflict era, as well as lucrative and populist ethos in political culture have for an outcome increased intolerance, lack of solidarity and political passivism. In addition to this, strong support to redistributive values in economic sphere restricts scope of action of numerous actors who perceive themselves as ‘transition losers’.

Above mentioned drivers often merge in combination that produces disastrous effects for transformation towards more inclusive society. Since Serbia has been passing through post-socialist transformation with significant delay, the risk of costs and benefits of transformation being distributed unfairly became even more emphasized. That is where the state should play a crucial role and provided social justice, primarily through building of the state of law, but also through designing policy measures and strengthening institutions of social protection to decrease negative effects of the restructuring of economy. However, this role of the state was jeopardized in both regards, due to two major reasons. The delay in transformation processes was so long that the risks of transformation became as high as to block any radical solution from the side of new elites which would speed up reforms. This was accompanied, on the other hand, with enforced populist compromises that produced high redistributive costs and decreased efficiency of budget allocation. In the first instance it apparently decreased risk of poverty for many citizens, but on the long run it has been making new employment less probable and more costly and transformation of the whole system slow (again). All of this is having consequences on raising up of institutional capacities to improve social inclusion, as well as on changing dominant values toward tolerant and solidary society.

## CHAPTER 8: Concluding Recommendations

Since major institutions have been established or renewed and many policy measures already set up and enacted, there is more to be done on removing most general drivers of exclusion explained above and consequently enforcing institutions and policy measures and increasing their efficiency than building new ones. Our recommendations are classifi-

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ed in the four fields in which drivers of exclusion were recognized and directed at a more general level of policy design and strategic guidance, which is conditioned by the scope and level of the analysis presented.

## 8.1. Economic inclusion

Human development is only possible together with inclusive development. Economic growth, from the processes and effects of which a part of the population is being excluded, does not only represent a loss to individuals and families which do not have gains from such growth, but also a loss to the society which does not adequately use human resources in the processes of economic development, thus reducing the chances of sustainable development. The question of what should be done to provide such inclusive economic growth suggests that the following areas of policies should be analyzed:

1. Making stronger connections between economic and social policies which should be provided by the development of human resources appropriate to development sectors of the economy, but also, which should generate growth in the sectors in which vulnerable groups are being engaged (especially in agriculture or other sectors of rural economy).
2. The policies of well-balanced regional development which should reduce prominent differences between the city and the country, especially in the outermost regions of Serbia (east, south and west), and urban and rural areas.
3. The policies which should provide a more favourable and extensive social context with respect to elimination of various forms of discrimination, stereotypes on particular underprivileged groups, development of cultural tolerance, equal chances and encouragement of new forms of solidarity.

### *Connecting Economic and Social Policies*

Social policy and measures of the labour market should be based on empirical insights, they should be fair with respect to creating equal chances for various groups and regions and they should be accompanied by clear long-term visions. This strategic direction includes a number of specific policies: education (including good-quality lifelong education programs), employment, development of social services in the areas where such services are not available, encouraging entrepreneurship and development of small and medium sized businesses, promoting infrastructure, making financial services and modern communications more available to more groups in the population and the broadest geographic areas. Additionally, development strategies on the national, regional and local level should be tested *ex-ante*, from the aspect of the effects such measures have on the inclusion of marginalized groups, or from the aspect of potential risks from creating conditions for new

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forms of economic exclusion or reproducing the existing ones. In order to achieve this, attention should be given to the following:

- It is very important to form fiscal policy according to criteria of inclusive development, which means that care of social exclusion within this policy must not be reduced to the issue of social transfers, but to economic and social investments which improve the capacity of people and local communities in order to generate suitable growth.
- It is necessary to provide easier access to financial and physical capital by stimulating the real estate market (especially the market of land leasing in rural areas), financial markets and conditions under which financial services are available to the most general groups. This would promote resource relocation processes and improve the chances of inclusion of marginalized groups in development flows.
- A more extensive coverage of marginalized groups with more appropriately arranged active employment measures, is one of the most important conditions for improving human resources that are excluded from the labour market or the marginalized labour under the risk of economic exclusion. Such programs should contribute to a better structural conformity of supply with the actual demand of employment, improve the abilities of finding employment, encourage proactive behaviour during job searching and, in general, to improve the skills which are important for better positioning on the labour market.
- Direct interventions in the most severe forms of infrastructural deprivation are also necessary (finish introducing electricity to all households, provide running water) for which local community potentials can be activated.

### *Policy of Balanced Regional Development*

In order to stimulate inclusive development of the entire society, it is also necessary to implement the policies which strengthen resources and increase development potential (human, infrastructural, economic, organizational) of areas which have not managed to generate appropriate growth and to exit the vicious cycle of declining economic activities and depopulation, such as rural areas, small towns and geographic areas in the south, west and east of Serbia. In this respect, the following should be focused on:

- Additionally improve parts of rural development strategy relating to agricultural policy and diversification of the economy in rural areas, with emphasis on the sets of measures for the improvement of infrastructural conditions and social services in rural areas. Local authorities must take over a part of the initiative in this area and promote local partnership; promote diversification projects of local/rural economy through municipal agricultural budgets.

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- It is necessary to provide a more efficient market information transfer system, new technologies, available programs in rural areas, and even entire districts which are characterized by economic exclusion and underdevelopment.
  - It is necessary that, within their development strategies and activities, local governments should adjust their programs aimed at attracting investments in such manner that would promote investing in rural areas in order to increase employability of the rural population and diversification of rural economy.

### *Policy of Anti-Discrimination and Equal Opportunities*

Despite the fact that performing interventions is the most difficult in this area, since discriminative patterns can be latent and hidden beneath formally proper procedures, it is very important that policies are formed in accordance with estimated effects in the areas of discrimination of various social groups. In that respect, it is necessary that laws, development policies, and development measures and programs are prepared in such way that they provide equal opportunities for the most extensive social groups to access various markets, institutions and services. It is necessary to simultaneously strengthen mechanisms for supervision and sanctioning of discriminating practices, primarily through the labour inspection and judicial system, which are in charge of penalizing discrimination practices in finding employment or at the workplace.

- It is necessary to prohibit and sanction advertising of jobs which discriminate potential candidates as regards their sex, age, physical, ethical and religious characteristics and sexual orientation.
- It is necessary to efficiently suppress informal forms of employment in which workers are exposed to various forms of exploitation and deprived of their social rights with respect to employment and also occupational safety.
- It is necessary to generally promote the values of tolerance, respect and mutual solidarity, which are threatened by the two decades long economic and social crisis, and changes in which social groups are perceived as primarily competitive and with opposing interests in the competition for the sparse economic resources.

## **8.2. Political inclusion**

To achieve higher participation of citizens in political life, there needs to be political willingness to pass and implement strategies at different levels, aimed at including citizens in policy-making directly or indirectly through civil society organizations.

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*1. Enhancement of the political participation of citizens is possible by: Providing the fundamental political rights such as the right to vote to the marginalized groups.*

Resolving the status of documents for marginalized groups, such as refugees and Roma, and enabling the physical access for disabled persons is the step one in realizing higher degree of participation for vulnerable groups.

*Inclusion of citizens, either directly (public debates, panels, etc.) or indirectly through civil sector into the policy-making locally and nationally – active citizen communication, versus the present passive one.*

The right to access to information is a means for the citizens to control the operations of government bodies between two election cycles, therefore awareness raising about this means is necessary. Simultaneously, educating citizens on their interest in participating in the political life of the community, or raising awareness of citizen accountability and promoting participative democracy can best be achieved in cooperation with the civil sector.

Active citizen communication should be carried out in the first place via Internet, as a wide-reach and low-cost media, but also through sub district offices, public meetings with citizens and via PR Office. Also, partnership relations need to be established with NGO sector which owns capacities for citizen communication. Special attention in citizen communication should be paid to the groups which are by rule excluded from the community where the partnership with NGOs is a prerequisite of success. In addition, the means of citizen communication should be innovated by using new methods such as focus groups, citizen panels and forums.

Enabling a more active dialogue is another prerequisite for higher democratic participation of citizens in the local community life, as well as introducing the division of responsibilities by including citizens into the local decision-making process. To achieve that, legal and political frameworks should be improved to allow direct participation of citizens in the public life, i.e. the Law on Local Self-Government and the Law on Referendum and Popular Initiative.

The openness of local self-governments is the first precondition for achieving significant citizen participation. After passing the Law on Free Access to the Information of Public Importance, it is necessary to continue the improvement of this framework and the practice of its implementation.



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*Enabling autonomous and transparent operation of regulatory bodies with enabling the sanction mechanisms for violation of procedures.*

Improved autonomy and availability of resources to regulatory bodies is a highly important step in strengthening the rule of law. The observance of procedures, transparency and public character of government bodies' work and sanctioning any irregularity is necessary to regain the citizen trust in institutions.

There is a special need for adopting a legal framework which would more clearly define and protect the information and data which cannot be available to public. It is of special importance as the non-definition of such information gives room for manipulation and excuses for denying the insight into the required information. The Office of the Commissioner for Information indicates the need for activating the mechanisms for forced collection of information in case of resistance to execution of Commissioner's decisions which are in accordance with Law.

*Division of Serbia/local communities into more electorates in order to enable the voting for a person rather than a party list.*

This would allow a better representation quality of the Serbian regions and higher trust of citizens in adequate representation of their interests in the Parliament as the major representation body. As demonstrated in the Social Exclusion Survey, the election of the right people in the parliament is considered most important. In addition, it is necessary to change the local electoral system so that local representatives would have more even representation of territorial units and special communities in the city and municipal assemblies, and to improve the position of community offices as the primary interest community of local importance to citizens.

*Strengthening the role of CSOs*

In order for civil sector to function autonomously, its source of financing should be enhanced. The introduction of facilities for voluntary contributions would make the collection of assets easier and enable higher involvement of citizens through civil sector. Apart from that, the improvement of influence of the third sector on the policy-making should be carried out by better networking of the present NGOs, higher involvement and improvement of NGO operation, active pressure on the government and improvement of media image.

The improvement of NGO sector image is possible by the citizen education on the role and significance of the sector. It is necessary to maintain the direct citizen contact as much as possible through panels, round tables, and to improve the cooperation with local governments and influential people and have a better reaction to the citizen needs (Citizen Initiatives, 2005:56).

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*1. Improve international relations and membership in institutions as a factor in establishing consolidated democracy and eliminating political exclusion in Serbia*

*2. Increase efficiency in using EC Instruments for Pre-Accession Assistance (IPA)*

Through EU priorities defined in the programme of Instruments for Pre-Accession Assistance, as well as through other agreements with candidate countries, European Union influences policy making in the direction of accepting basic principles EU is founded on and adapting national strategies and priorities.

Serbia has been using these funds through programmes monitored by the Delegation of the European Commission. The priorities in implementation of these programmes are: strengthening democratic institutions, public administration reform, strengthening rule of law, combating corruption, human rights and minority protection (EU Integration Office, 2008:5). An important factor in successful use of IPA funds is experience and knowledge of civil society organisations. The EU Integration Office signed in 2005 a Memorandum of Cooperation in the process of EU integration with civil society organisations, underlining their role in promoting European ideas and values (Civic Initiatives, 2009:41). The civil society can play an important role in the process of EU integration, through mobilising citizens for European values, promoting the advantages of EU integration, etc. following the model of other EU societies. It is therefore important for the government to provide support mechanisms for civil sector organisations in pre-financing and co-financing on European Commission programmes.

*3. Further promote membership in international bodies and cooperation with international institutions and organisations*

We have to mention that the European Union is not the only “pressure factor” on the national political scene, although it can be said to be the most important. International bodies such as the International Monetary Fund influence policy making in Serbia, primarily because of their role as creditor to the government. Also, other international organisations, such as the United Nations and their agencies (UNDP, UNICEF, etc.) or development agencies from certain countries (such as USAID, DFID, etc.) put pressure on the institutions of the system in the direction of adjusting policies with the consolidated democracy model, primarily through change and adaptation of legal framework.

Finally, international donor organisation programmes influence activities in the civil sector determining priorities in accordance with their objectives. In this way donors to a greater or a lesser extent provide direction for political participation in the country.

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## 8.3. Societal inclusion

### 1. Health Services

To improve health of the nation and health care *the decrease of social insurance rate should be stopped and preventive health behaviour of the population strengthened*. Also, distant geographic locations should be better integrated into health care system and discriminative practices in service delivery decreased.

- Do research on reasons and modalities for not having health insurance, esp. among the unemployed.
- Build up capacities of health institutions in rural areas to provide services to local population, esp. the elderly; harmonize public transportation in rural areas with dispersion of health institutions; develop cooperating with teams for daily home care (Centres for social protection or NGOs).
- Fight against discriminative practices in providing health services, esp. against Roma and IDPs, primarily through supporting anti-discriminative values among employees and raising up knowledge of the beneficiaries about their rights and options to act against discrimination (through NGOs, solicitors of citizens rights, regular court, etc.).
- Continue promotional activities targeted at moving from curative to preventive health care, both through media campaign and through trainings for target groups (pupils, students, elderly, Roma) and opinion leaders (journalists, teachers, social care workers, NGO activists, etc.).

### 2. Education

Improvements in education targeting at *increasing of quality and outreach of education system* are necessary in order to improve knowledge of the population and raise competitiveness in the labour market.

- Activities targeted at fighting violence and drug trafficking in school:
  - Strengthen cooperation between schools and local police in order to make schools safe places.
  - Intensify promotional campaign for increasing tolerance and for decreasing drugs abuse in school. This campaign should be organized both on general level (mass media) and through special programmes in the schools (workshops, cultural events, sport events, etc.).

- Support *curricula reform and improve teaching process through continued training of teaching staff*. The stress on building functional knowledge and improving PISA scores should be continued, together with training support provided to teaching staff in this regard. Secondary education curricula should be carefully reconsidered in order to fit reality at labour market and provide adequate knowledge for realistic occupations.
- *Increased coverage by compulsory education and decrease dropout in primary and secondary education should provide for sustainable human development:*
  - Increasing outreach of compulsory education and decreased dropout in primary education among Roma children should be the major tool for increased human development in this ethnic group. This should be achieved through economic, institutional and cultural strengthening. Concerning economic strengthening, Roma children should be provided with adequate clothing, transportation and teaching material. Concerning institutional strengthening, more pre-school facilities, more programmes in Roma language and more Roma teachers should be provided. Concerning cultural strengthening, Roma parents should be educated about usefulness and necessity of education for their children, especially girls. On the other hand, tolerance towards ethnic minorities should be supported among teachers and pupils through practical activities.
  - Decreased dropout from secondary education in rural areas. The increasing trend of this dropout should be prevented through decreasing schooling costs (traffic, accommodation, etc.) and through awareness raising campaign among pupils in rural elementary schools and among general rural population. For doing this it is also important to support development of civil sector in rural areas.

### 3. Social protection

*Improvements in social protection* should help marginalized groups be better included in the community, but could also raise the level of social solidarity out of institutional coverage.

- *Support further decentralization of social protection services* in order to improve efficiency of the programmes based on ‘at the hand’ knowledge and to better utilize human and financial resources. This also assumes better intersectoral cooperation.
- *Support inclusion of NGOs in service delivery* in order to extend resources and transfer knowledge and best practices already developed in NGO sector through long-term cooperation with international organizations.

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- *Improve local budgeting efficiency regarding social protection services* through prioritization of most urgent needs of the vulnerable population, improved targeting and improved combining of different financial sources. Also, transparency of local budgets needs to be increased.

#### 4. Local communities and institutions

***Improvements in local governance are important for building of inclusive community.*** Clever planning, active implementation and skilful financial management could provide favourable conditions for human development and compensate for some weaknesses of marginalized groups and individuals in local community.

- Strengthen capacities for implementation and management of local strategies and action plans in fields of social services in order to increase efficiency of planned activities.
- Support local action and budget planning for inclusive development in order to put more focus on multidimensionality of sustainable development and target best opportunities and strongest threats.
- Support cooperation between local governments and CSOs in order to extend resource basis and action alternatives.

***Building up social capital should contribute to stable institutional performance*** and thus provide a wider framework for sustainable human development.

- *Promote social values of trust, solidarity and tolerance* towards minority groups through concrete examples of individual activities, organizational networking and corporate social responsibility.
- *Support establishment and functionality of CSOs* in order to challenge slow and inefficient institutional procedures and offer alternative inclusion channels to citizens.

## 8.4 Cultural inclusion

According to prior analysis, in Serbia, there are two directions of action with respect to cultural exclusion. The following should be done:

1. Improve implementation of existing regulations and to better develop them.

In order to improve implementation of regulations, it is necessary to establish efficient communication between different persons involved who may contribute to the improvement of inclusion of vulnerable social groups and individuals.

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Most of all, it is necessary to improve cooperation between civil society associations dealing with vulnerable groups and combating discrimination, and government sector, as well as to establish better communication within state administration, which is currently at issue.

Combating exclusion requires constant action by a great number of individuals and institutions. Inclusion of associations of excluded categories of the population or associations advocating their rights is of special importance. Civil society organizations have a significant role in combating prejudices towards the members of excluded groups, and therefore it is necessary to provide them with open access to creating policies and activities directed at reduction of exclusion.

- 2.** Improve providing of information and to eliminate fear and prejudice citizens towards those who are different than themselves.

The process of establishment of a multicultural society in Serbia should be focused on the greatest exclusion factor, i.e. ignorance. Introducing members of one culture to other cultures, contributes to elimination of prejudices and integration of minority population into the community. Promotion of multiculturalism in Serbia requires clearly defined national strategy and measures for its implementation from top to bottom of the institutional hierarchy.

Expressed attitudes indicate a great need for educational programs aimed at general population and government institutions in order to improve the level of information and reduce the level of prejudices on the one side, while on the other side, such programs should also be aimed at vulnerable groups in order to make them aware of legal possibilities and ways of exercising rights.

In this respect, partnership between a part of civil sector dealing with excluded groups and government institutions is of great significance.

*Appointment of the Commissioner for the Protection of Equality* was only the first and significant step that needs to be taken in order to establish a unique supervisory body for implementation of Antidiscrimination Law. By law, the Commissioner may inform the public on the cases of discrimination, and may act before courts, in agreement with discriminated party, which will greatly contribute to improvement of information on discrimination. The Commissioner needs to be provided with funding, staff training and organizational structure in order to enable it to operate without the problems faced by other regulatory bodies.

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# ANNEXES

## ANNEX 1

### Some development indicators in Serbia

**Table I:**

**Economic development indicators in Serbia between 2001 and 2009**

Development indicator	Unit	2001.	2002.	2003.	2004.	2005.	2006.	2007.	2008.	2009.
GDP (PPP)	1,000 \$	4,04	5,463	6,293	7,547	8,499	9,22	10,815	12,070	-
GDP (PPP) per capita	EU27=100	21	26	26	29	32	33	34	36	-
GDP growth in %	Real growth	5,6	3,9	2,4	8,3	5,6	5,2	6,9	5,5	-3,0
Employment	Rate	50,3	48,6	47,6	53,4	51,0	49,8	51,5	53,3	50,0
Unemployment	Rate	12,2	13,3	14,6	18,5	20,8	20,9	18,1	14,0	17,4
Labour productivity, in %, GDP PPP per employee	(EU27=100)	-	39	40	44	48	52	56	58	59
Foreign Direct Investments (FDI)	% GDP	1,4	3,1	6,9	4,1	6,1	14,1	6,2	5,3	4,4
Inflation (from December to December)	Growth rate	40,7	14,8	7,8	13,7	17,7	6,6	10,1	6,8	6,6
External debt	% GDP	98,3	67,2	62,3	54,3	64,2	63,3	60,2	64,5	74,1
Budget surplus/deficit	% GDP	-0,5	-2,6	-2,7	0,7	1,0	-1,6	-1,9	-2,5	-4,1
NBS reserves	Bil. EUR	1,33	2,19	2,84	3,12	4,94	9,08	9,64	8,16	10,6
Inequality in income distribution	Gini coefficient	-	0,29	0,35	0,33	0,34	0,32	0,32	0,30	0,30*
Poverty	Rate	-	14,0	-	-	-	8,8	8,3	6,1	6,9

(HBS, for 2002 LSMS)

Sources: Reports on Development of Serbia, 2010, for poverty RSO

\* Monitoring social inclusion in Serbia, 2010.



**Table II:**  
**Structure of gross added value in Serbia between 2001 and 2009**

%	2001.	2002.	2003.	2004.	2005.	2006.	2007.	2008.	2009.
Agriculture	16,3	15,7	14,5	15,9	14,4	13,6	11,7	12,0	12,6
Industry	25,8	25,0	23,8	23,5	22,6	22,3	21,9	21,0	18,9
Refining industry	20,2	19,5	18,1	18,2	17,4	17,3	17,0	16,3	14,1
Civil engineering	3,9	3,6	3,9	3,8	3,7	3,7	3,9	3,8	3,2
Services	57,0	58,6	60,2	59,3	62,0	63,2	65,4	66,2	68,6
Wholesale and retail trade	7,5	8,5	9,4	10,2	11,9	12,3	13,9	14,0	13,1
Hotels and restaurants	1,1	1,1	1,1	1,0	0,9	0,8	0,8	0,8	0,7
Traffic and telecomm.	8,3	8,5	9,2	9,8	11,6	14,1	15,9	16,9	18,5
Financial intermediation	4,0	3,9	3,7	3,7	3,9	4,2	4,5	4,8	5,2
Real estate business	16,4	16,6	16,8	15,8	15,6	15,3	14,7	14,7	15,3
Other services	19,7	20,0	20,0	18,9	18,1	16,6	15,6	15,1	15,7
TOTAL	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0

Source: Report on development of Serbia, 2010

**Table III:**  
**Participation of individual economic sectors in total employment per sectors in Serbia between 2001 and 2009**

%	2001.	2002.	2003.	2004.	2005.	2006.	2007.	2008.	2009.
Refining industry	35,3	33,8	32,6	30,6	29,8	28,6	27,4	25,9	24,3
Agriculture	4,9	4,8	4,6	4,4	4,1	3,9	3,8	3,4	3,2
Traffic	7,2	7,4	7,4	7,5	7,5	7,5	7,6	7,6	7,6
Trade	11,8	12,1	12,5	13,2	13,3	13,5	13,7	14,0	13,8
Real estate	3,2	3,3	3,4	3,7	4,1	4,6	4,7	5,2	5,7
Finance	2,4	1,9	1,9	1,8	1,9	2,0	2,2	2,3	2,6
Health	9,3	9,7	10,1	10,4	10,7	10,7	11,0	11,2	11,6
Education	6,8	7,6	7,9	8,3	8,3	8,5	9,0	9,3	9,7

Source: Report on development of Serbia, 2010

**Table IV:****Value of annual EBRD transitional indicators for Serbia between 2001 and 2009**

Price liberalisation	2001.	2002.	2003.	2004.	2005.	2006.	2007.	2008.	2009.
Trade and foreign exchange	4,0↑	4,0	4,0	4,0	4,0	4,0	4,0	4,0	4,0
Privatisation of small companies	2,7↑	3,0↑	3,0	3,0	3,3↑	3,3	3,3	3,7↑	4,0↑
Privatisation of large companies	3,0	3,0	3,0	3,3↑	3,3	3,7↑	3,7	3,7	3,7
Enterprise re-structuring	1,0	2,0↑	2,3↑	2,3	2,7↑	2,7	2,7	2,7	2,7
Competition policy	1,0	2,0↑	2,0	2,0	2,3↑	2,3	2,3	2,3	2,3
Banking reform	1,0	1,0	1,0	1,0	1,0	1,7↑	2,0↑	2,0	2,0
Reform of non-bank financial institutions	1,0	2,3↑	2,3	2,3	2,7↑	2,7	2,7	3,0↑	3,0
Infrastructural reform	1,0	1,7↑	2,0↑	2,0	2,0	2,0	2,0	2,0	2,0
Indicator average	2,0	2,0	2,0	2,0	2,0	2,0	2,0	2,3↑	2,3
Srednja vrednost indikatora	1,86	2,33	2,40	2,43	2,59	2,71	2,74	2,86	2,89

Source: Report on development of Serbia, 2010

**Table V**  
**The most critical areas of Serbia according to WEF Global Competitiveness Report for 2009/2010**

	stab	rang
Burden of government regulation	1	129
Protection of minority stakeholders' interests	1	128
Efficiency of legal framework in settling disputes	1	124
Successfulness of state corporations	1	120
Quality of overall infrastructure	2	122
Quality of roads	2	117
National savings rate	3	123
Staff training	5	120
Extent of market dominance	6	131
Effectiveness of anti-monopoly policy	6	130
Intensity of local competition	6	120
Brain drain	7	132
Reliance on professional management	7	118
Firm-level technology absorption	9	125

Source: Report on development of Serbia, 2010

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## ANNEX 2

### HDI for 2010

This Annex presents the data on HDI value calculated according to new methodology and its basic components. It also gives the trends in index value in the last 20 years. In addition, it also shows some data from the jubilee global human development report, the data relevant for the topic of national human development report for 2010, and this is social inclusion.

Data are presented comparatively for several chosen countries in order to be able to understand the position of Serbia in relation to different indicators in a realistic setting. Two countries were chosen from the group of very high human development: Greece as a Balkan country having intensive economic cooperation with Serbia and Poland, as a former socialist country, in which, similarly to Serbia, the agricultural sector has great participation in GDP and employment. From the group that Serbia belongs to, the group with high human development, two neighbouring countries were chosen, Croatia, as a country with very similar historical experience and political position and Bulgaria, as a former socialist country on similar level of development which has already joined the EU. Furthermore, Russia is also presented as the former centre of real socialism and European economic power and Georgia, chosen as a country of different economic structure and representative of Caucasus countries. Finally, there is Turkey, increasingly recognised as an important regional economy with which Serbia has been having more intensive political relations.

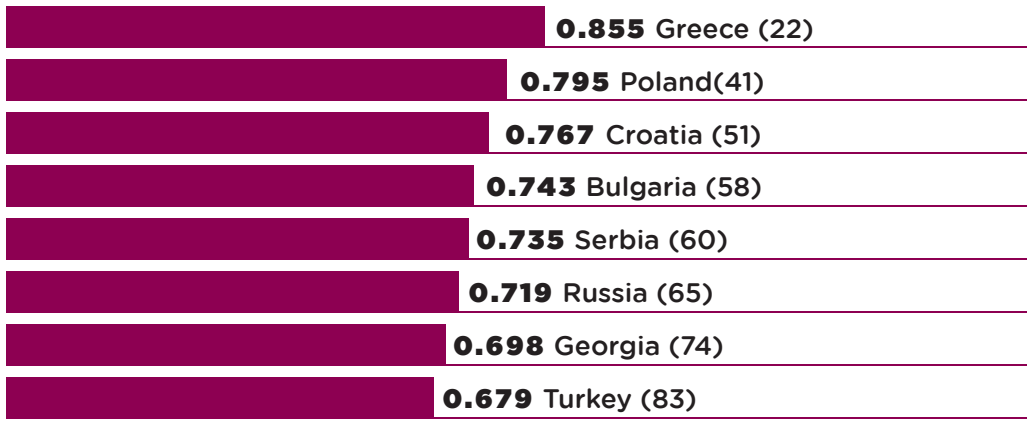
The data presented show that Serbia's key setback is on the economic plane and that considerable increase of GNI will easily lead to approaching the limit of very high human development. However, the list of indicators for other countries that progress in education will be necessary in order to enter the highest category. Other tables give a more detailed image of the status of economic inequalities, gender inequalities and democratic strengthening factors. These data show that Serbia shares the fate of the majority of countries in the region. World human development report contains an abundance of data completing the picture of fulfilled preconditions for more successful human development and they confirm that Serbia needs additional institutional reform and increase in economic competition in order to be able to make a significant step forward in human development.

Global report is available at <http://hdr.undp.org/en/reports/global/hdr2010/> .

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## HDI Value

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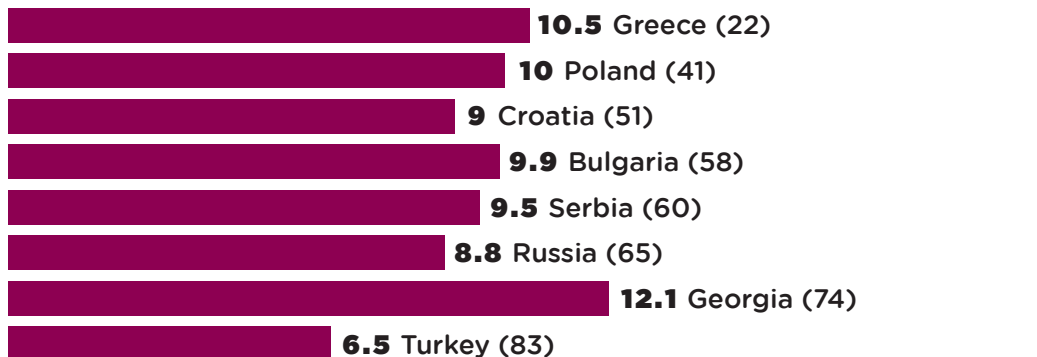
## Life expectancy on birth

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## Average years of schooling

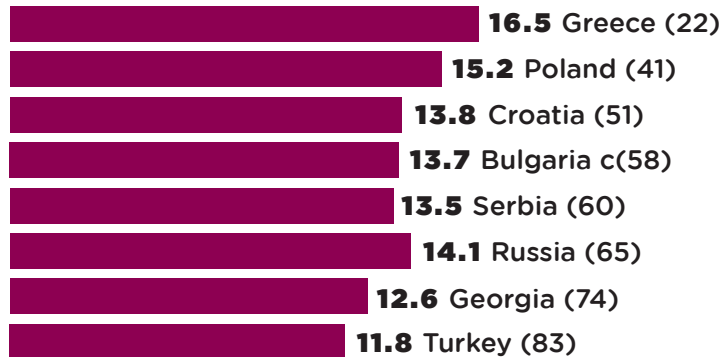
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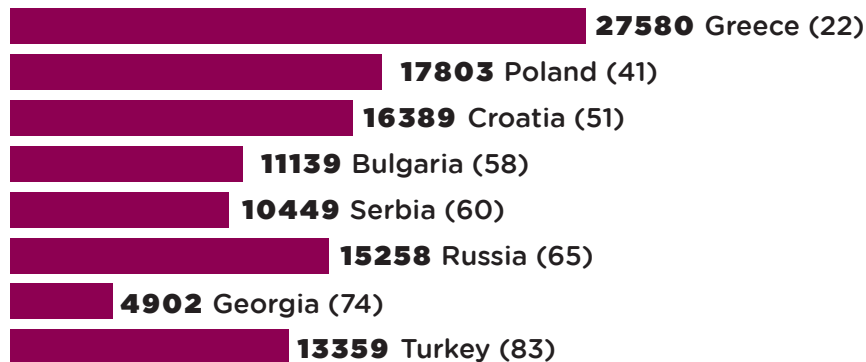
## Expected duration of schooling

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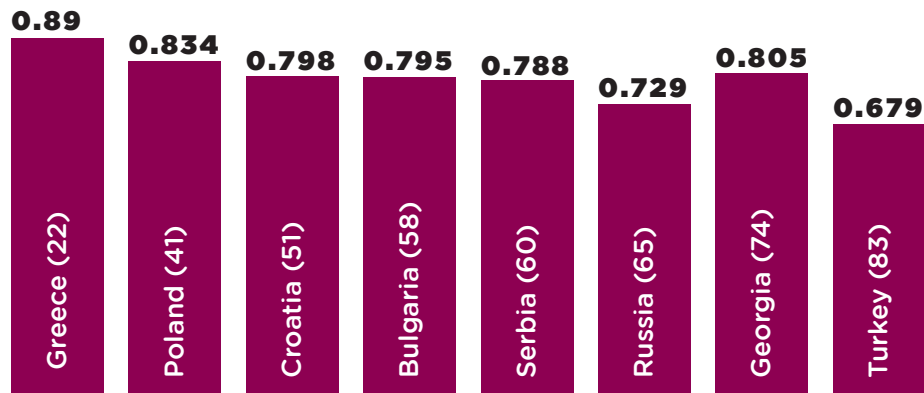
## Gross National Income (GNI) per capita PPP 2008\$

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## Non-income HDI value

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## Human development index (HDI) and its components, 2010

HDI value	Life expectancy at birth	Mean years of schooling	Expected years of schooling	Očekivano trajanje školovanja	Gross National Income (GNI) per capita PPP 2008\$	Nonincome HDI value
Greece (22)	0,855	79,7	10,5	16,5	27.580	0,890
Poland (41)	0,795	76,0	10,0	15,2	17.803	0,834
Croatia (51)	0,767	76,7	9,0	13,8	16.389	0,798
Bulgaria (58)	0,743	73,7	9,9	13,7	11.139	0,795
Serbia (60)	0,735	74,4	9,5	13,5	10.449	0,788
Russia (65)	0,719	67,2	8,8	14,1	15.258	0,729
Georgia (74)	0,698	72,0	12,1	12,6	4.902	0,805
Turkey (83)	0,679	72,2	6,5	11,8	13.359	0,679

## Human Development Index trends, 1990-2010

Country (rank)	1990	1995	2000	2005	2010	HDI rank change 2005-2010
Greece (22)	0,753	0,761	0,784	0,839	0,855	3
Poland (41)	0,683	0,710	0,753	0,775	0,795	3
Croatia (51)	-	0,690	0,720	0,752	0,767	-2
Bulgaria (58)	0,678	0,678	0,693	0,724	0,743	-1
Serbia (60)	-	-	-	0,791	0,735	-1
Russia (65)	0,692	0,644	0,662	0,693	0,719	3
Georgia (74)	-	-	-	0,679	0,698	-3
Turkey (83)	0,552	0,583	0,629	0,656	0,679	-1

## Inequality-adjusted human development index

Country (rank)	HDI value	Inequality-adjusted HDI			
		Value	Overall loss (%)	Change in rank	Gini coefficient
		2010	2010	2010	2000-2010
Greece (22)	0,855	0,768	10,2	-2	34,3
Poland (41)	0,795	0,709	10,8	1	34,9
Croatia (51)	0,767	0,650	15,3	-2	29,0
Bulgaria (58)	0,743	0,659	11,3	5	29,2
Serbia (60)	0,735	0,656	10,8	6	28,2
Russia (65)	0,719	0,636	11,5	7	43,7
Georgia (74)	0,698	0,579	17,0	5	40,8
Turkey (83)	0,679	0,518	23,6	1	41,2

## Gender inequality index

Country (rank)	Gender inequality index	Ma-ternal mortality	Seats in parliament	Population with at least secondary education (% 25 and older)		Stopa učešća u radnoj snazi (%)	
				female	male	fema- le	male
				2010	2010	2008	2008
Greece (22)	0,317	3	14,7	64,4	72,0	55,4	79,0
Poland (41)	0,325	8	18,0	79,7	83,9	56,9	71,0
Croatia (51)	0,345	7	20,9	57,4	72,3	58,9	71,7
Bulgaria (58)	0,399	11	21,7	69,1	70,6	63,4	73,8
Serbia (60)	0,395**	14	21,6	61,7	70,7	54,8*	71,1*
Russia (65)	0,442	28	11,5	90,6	71,3	68,7	76,3
Georgia (74)	0,597	66	6,0	89,7	92,7	59,8	77,4
Turkey (83)	0,621	44	9,1	27,1	46,8	26,9	74,6

\* Monitoring social inclusion in Serbia

\*\* Author's estimate based on data on labour force participation rate



## Empowerment

Country (rank)	Satisfaction with freedom of choice (% satisfied)		Political freedom (de- mocracy, score 0-2))	Human rights violati- ons (score 1-5)	Corruption victims (% of people who faced a bribe situati- on in the last year)	DDe- mocratic decentra- lisation (score 0-2)	Political en- gagement (% of people who voiced opinion to public offi- cials)
	Total	Female					
	2009	2009	2008	2008	2008	2008	2008
Grčka (22)	43	39	2	3	15	2	16
Poljska (41)	74	68	2	1	8	2	5
Hrvatska (51)	62	48	2	1	-	-	19
Bugarska (58)	48	45	2	2	-	2	14
Srbija (60)	42	37	2	-	-	-	12
Rusija (65)	50	51	1	4	21	-	13
Gruzija (74)	43	40	2	3	2	-	23
Turska (83)	38	46	2	3	13	2	12

## Perception of individual well-being and happiness, 2006-2009

Country (rank)	Overall life satis- faction (0-least, 10-most)		Satisfaction with personal dimensions of well-being			Negative experience index (0, most negative, 100, least nega- tive)
	Total	Female	Job (% of employed respondents who are sati- sfied)	Personal health (% satisfi- ed)	Standard of living (% satisfi- ed)	
	Greece (22)	6,8	6,8	80	82	57
Poland (41)	6,5	6,6	82	72	67	20
Croatia (51)	6,0	-	78	77	48	28
Bulgaria (58)	4,4	-	73	67	29	20
Serbia (60)	5,6	-	73	73	35	28
Russia (65)	5,9	5,9	74	56	36	16
Georgia (74)	4,3	4,3	63	50	22	22
Turkey (83)	5,5	5,5	71	76	44	28

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## ANNEX 3.

### UNDP Social exclusion survey

As part of the regional project ‘Human Development and Social Exclusion 2009 in Central and Eastern European Countries and Former Soviet Republics’, UNDP Regional Centre in Bratislava also organised surveys in 6 countries: Kazakhstan, Macedonia, Moldova, Serbia, Tajikistan and Ukraine<sup>29</sup>.

Surveys were conducted with unified methodology in order to enable maximum data comparability. Survey questionnaire was almost identical in all countries, with minimum adjustment of some questions and scales to meet national specificities. In addition to general information on the household and the individual surveyed, the questionnaire contained questions that measured social inclusion in four areas envisaged in the theoretical research framework: economic, political, social and cultural. National teams that were working on human development reports were at liberty to add a few questions that would more completely show the situation of social inclusion in all their countries.

The survey was conducted on nationally representative samples of 2,700 households. The main sample in Serbia was 2,400 households, and two subsamples were added of 300 units in size each, for IDPs and Roma, in order to get a sufficient number of households from these two groups which were known to have been exposed to stronger social exclusion than the rest of the Serbian population. The survey was implemented by Mediana Adria agency in Belgrade. The main sample was selected on the basis of census circles, additional IDP subsample from the list of the Commissariat for Refugees and IDPs, and the additional Roma subsample in cooperation with the Roma National Strategy Secretariat.

Data sets from the survey and files with the description of variables are available for public use on the UNDP web portal <http://europeandcis.undp.org/poverty/show/DEA-D2A6F-F203-1EE9-B97DD75685658B6A>

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<sup>29</sup> Survey was also planned in Uzbekistan which is a part of the same project, but it was not conducted in the foreseen timeframe.

## ANNEX 4.

### Focus Group Discussions Report

#### Aims and methodology

In addition to measuring and describing the prevalence of different forms of social exclusion from economic, social, political and cultural life, one of the aims of the Human Development Report in Serbia for 2009 was to identify social exclusion forms and mechanisms. Survey on a large, nationally representative sample, provides insight into the prevalence of these forms and the effect these mechanisms have on a large number of social groups (youth, rural population, the unemployed, etc). Special “boosting” was applied to prepare the sample so as to cover two large groups with the number of participants high enough for description, which as a standard are not adequately represented in national surveys, and these are Roma and Internally Displaced Persons (IDPs). Naturally, as individuals carry a variety of social, cultural, physical and other characteristics that can form basis for constitution, separation, and in extreme cases even discrimination and social exclusion of particular social groups, it was decided to examine several of these groups qualitatively, by organising focus group discussions (FGD).

The criteria for the selection of these groups, apart from the insufficient representation or insufficient visibility within the survey sample, which prevented separate analysis, was also the relative size of the group (the number of individuals in Serbia), the degree of recognised exclusion (the number of excluded within the group, possibility to overcome exclusion) and the symbolic importance of the exclusion of a given group to community development, especially for strengthening solidarity and social cohesion. Following these criteria, we decided to conduct focus discussions on social inclusion with the following 4 groups:

- 1. People with disabilities (PWDs).** The first problem is the fact that the number of these individuals in Serbia is unknown. Estimates tell about the number of 800,000, which would constitute over 10% of the population. Our attention was focused on the persons with more severe forms of disability, and it is estimated that they are not fewer than members of some other groups clearly recognised and chosen for analysis as specifically socially excluded (e.g. IDPs numbering around 200,000). Numerous researches have shown that the majority of PWDs live in very difficult conditions and that they are excluded from many forms of social life. They encounter problems already accessing education, health services, social protection, followed also by employment and economic independence. The fact that is particularly painful is that they are often not able to move freely because of unsuitable urban and construction designs and neglect that create physical barriers for their movement. This is the reason why PWD rights

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promotion has great symbolic importance for strengthening visibility of all socially excluded individuals, as well as for increasing community solidarity.

- 2. Sexual minorities.** This is a group that a large national sample could include in a high enough number, however, the high rate of concealment of the sexual orientation makes it difficult for the research instrument (questionnaire) to isolate the members of this group for separate analysis. Estimates here also tell about possibly 10% of the population over 15 years of age. According to scarce available sources of information, the members of this group cannot be said they are significantly threatened with regard to basic dimensions of social inclusion (financial status, access to education and health services, labour market participation), but there are numerous reports on discrimination in cases of public disclosure of their sexual orientation or on suspicion of homosexual orientation by the environment, individuals as well as institutions. These are the circumstances that limit their full inclusion in the community and threaten free development of their human potentials. This is the reason why the issue of discrimination against sexual minorities, as well as their higher visibility and improved social inclusion, have great symbolic importance for improving tolerance in society and strengthening social cohesion.
- 3. Long-term unemployed youth.** This social group is in the focus of expert and political interest throughout Europe, because the number of long-term unemployed youth (over two years in continuity) has been increasing year after year and its relative portion among the unemployed population has become higher. In Serbia the relative portion of this group is especially high. The rate of unemployment among youth (15-24 years) is over 40%, which is two and a half times more than the national rate (see chapter on economic exclusion in the national human development report), and among these more than half are long-term unemployed. If we take into consideration that this problem primarily strikes those without qualifications or those with completed primary, or secondary education even, it is clear that social exclusion of this social category has a complex effect mechanism and that a whole number of factors is active in defining their social position. Thus not only the human development of a large number of youth in Serbia is threatened, but also, indirectly, the overall development in Serbia.
- 4. Former prisoners.** The main reason why we wanted to examine this social group is the fact that very little is known about the ways of (re)integration of persons that have served prison sentences. There are certain activities aimed at persons currently serving sentences, but very little is known about the social inclusion processes for those seeking anew their place in society. What are their qualifications and work skills, to what extent and in which way are they referred to the labour market, what is their approach to social services, do they face discrimination, to what extent are they exposed to the risk of repeated offence?

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Three of four of the above mentioned focus group discussions were conducted during May 2010 in the premises of the United Nations Development Programme (UNDP) in Belgrade. Many individuals, organisations and institutions significantly helped gather the participants<sup>30</sup>. Unfortunately, gathering a group of former prisoners was not successful even after over a month of repeated attempts and contacts with civil rights organisations, prison directors and Criminal Sanctions Enforcement Directorate representatives. Therefore it was decided to try and organise a group discussion with individuals currently serving sentences, who are re-offenders, i.e. they have experience of freedom after previously having served their sentence. This discussion was held in mid-June.

We sought the groups to be diversified by a number of factors that could be significant for the interpretation of social inclusion mechanisms of their members (gender, age, place of residence, level of education and similar). All FGD were conducted in good atmosphere, with significant contribution from the participants.

The FGD guidelines were prepared so as to cover 4 basic areas of social exclusion that were also included in the survey questionnaire, enabling elementary comparability of data collected through the survey and FGD. The discussion was adjusted to meet the specifics of the social positions of these groups, so that the aspects of their social lives in which we expected more powerful exclusion indicators were discussed in more detail. With PWDs it was the economic position, movement and physical access to spaces and services, as well as access to different social services. With members of sexual minorities we spoke more about basic human and civil rights and freedom of expressing cultural particularities and with unemployed youth we spoke about the position on the labour market, access to labour market support measures and access to education services. Talking to prisoners also, the aspect of economic, as well as social exclusion, was prominent.

## Analysis results

### 1. Social exclusion mechanisms and outcomes for PWDs

Three blind, one visually impaired person and two individuals with paraplegia participated in this FGD. These individuals are of different gender, with secondary or university education and of different age (middle-aged and elderly individuals). Some of them live in families and have children, some are single or divorced. It is important to mention that all FGD participants are also active members of their associations, which enabled us to speak

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<sup>30</sup>We would like to thank: Association of Paraplegics and Quadriplegics “Danube”, Serbian Union of Paraplegics and Quadriplegics, Belgrade City Organization of the Blind, Labris, Gayten Belgrade, Raibow Sabac, National Employment Service, Belgrade Union of the Unemployed, Human Rights Committee Valjevo, ApsArt organisation Belgrade, Criminal Sanctions Enforcement Directorate of the Serbian Ministry of Justice, Criminal Correctional Institute in Valjevo, Jelena Tadzic, Ivana Cirkovic, Milka Damjanovic, Irma Lutovac and Natasa Ivanovic.

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about the problems of social inclusion for PWDs through both their personal experiences and from the organisations' perspectives.

In the case of PWD, discussion has shown that these persons live in very difficult conditions, quite often on social margins. Individuals needing daily assistance are especially vulnerable. The issues start with low visibility of the problems of PWD with integration and related low level of awareness of their needs. In this way the problem is generated as early as when entering the education system, after which it is multiplied with the attempt to enter the labour market, culminating with poverty and impossibility to satisfy needs for adequate medical aids and normal everyday life. The discussion participants said there was a number of activities on improving their position and the visibility of their living needs and difficulties, but that the results are still modest.

## **2. Social exclusion mechanisms and outcomes for the members of sexual minorities**

Eleven persons participated in this FGD, lesbians, homosexuals and transsexuals, including two heterosexual (female) activists in an organisation for sexual minority rights protection. These are individuals of different age and education, employment status and social background. Several individuals came from smaller towns, and one came from rural areas. Some of the participants are also activists in the organisations they belong to.

In the case of this social group, the key issue comes from intolerance to different sexual orientation and discrimination based on it in the work place, in social services or the wider community. This often results in difficulties in schooling and employment and consequently in the economic position. Discussion participants recognise new legal solutions and the possibility to associate as instruments to improve their social inclusion, but they need additional support to constitute independent action in this direction.

## **3. Social exclusion mechanisms and outcomes for unemployed youth**

This FGD included 10 young unemployed individuals of different gender and level of education from Belgrade and another three smaller nearby towns. Even though our effort was to gather individuals that strictly match the definition of long-term unemployment, and this means that they have not done any work in continuity for at least 24 months, the discussion revealed that most of them had done some kind of work during that period. Those were, however, short-term and mostly informal jobs, so they all considered themselves unemployed.

It can be, therefore, concluded that the mechanism of economic exclusion of unemployed youth is complex. It is closely connected also with exclusion mechanisms in other fields and also encompasses the difficult financial situation in the country and employers' discriminatory behaviour, and a relatively poor cultural capital of these individuals (low level of education, lack of will for further education), as well as the lack of will to fight for their rights through suitable social and political action, and, finally, limited extent of NES support measures. In this respect it seems that acting on all these causes of economic

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exclusion only can lead to employment and improvement of the economic position of unemployed youth.

#### **4. Mechanisms and outcomes of social inclusion for former prisoners**

Focus group discussion with former prisoners – re-offenders was held in the Zabela Correctional Facility. The Serbian Criminal Sanctions Enforcement Directorate and the Zabela Facility management provided full support in organising the discussion, and the prisoners applied for participation in the discussion voluntarily. The interview was conducted in good atmosphere. Eleven prisoners – re-offenders to serve sentences of different degrees of severity participated in the discussion. All participants were men, with low degree of education. The majority of participants had only primary education completed, whereas just a few finished schools for labour professions.

We can conclude from the above that prisoners, after they are free, face a kind of stigma that denies them inclusion in the community and they often reproduce it themselves, recreating their own subculture. In the attempt of more successful inclusion in the community they use strategies of concealing their past or they plan on going abroad, where they see chances for a new beginning. A new beginning is more of an ideal than a real plan – interviewees do not recognise institutionalised support measures that would help them in the first months after they leave prison, during the period most difficult for adjustment, which seems to be the largest space to improve their social inclusion. Their greatest problem is that they are denied access to the labour market, which the participants themselves recognise to be the source of other issues, but this specific category of excluded citizens often has trouble with even the basic communication with the wider community and institutions and they need support in the basic societal functioning.

#### **5. Final findings**

The analysis results show that we recognised four social groups in Serbia through the focus groups discussions held with specific mechanisms and factors of social exclusion at work.

With PWDs the situation is very complex, because many of them need standard raising in several different areas in order to be independently and actively included in the society: enabling physical access to public spaces and the work place, securing special conditions in the work place, financial support and enhanced social welfare and last, but not least, raising the degree of solidarity in the wider community. Actually, the last seems to be the necessary framework for creating all else and because of that an even stronger accent should be placed on the visibility of PWD needs and systematic education about their rights and needs in schools and service providing institutions. Finally, considering that support to PWD in the areas mentioned has already been included in relevant legislation, accent should be placed on the control of consistency in the implementation of these laws.

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The exclusion mechanism for unemployed youth is complex, but primarily located on the economic plane. This complex mechanism demands simultaneous approach on macro, mezzo and micro levels. However, since improving economy performance and overcoming the world economic crisis is a long-term process, and stimulation measures for employers to employ the unemployed youth as well as measures to encourage active job search and improve the youth's qualifications already exist, it seems most important to even more intensively work on creating better links between demand and supply on the labour market, as well as monitoring consistent implementation of existing legislation in the areas of labour and employment. One of the incentive measures for active solution to the problem could be free tuition charges for those that would study but find themselves in a bad financial situation.

Sexual minority members largely share the fate of other citizens. The main agent of their social exclusion is the lack of respect for human rights or discrimination based on sexuality when accessing employment, education, treatment... The new law on discrimination creates possibilities to improve their position, so that attention should be focused on consistency and diligence in implementation of the law, on increasing the visibility of these groups and their rights, as well as on strengthening their organisation and action capacity.

On the issue of former prisoners, the exclusion mechanism is based on low education, devaluation of positive norms, stigma and discrimination. Consequently, these citizens are denied access to the labour market, which initiates a very pronounced social exclusion. The members of this group meet with lack of understanding and lack of support by institutions, so it is necessary to use coordinated activities to link the institutions that former prisoners are referred to and enable them to get information on the possibilities for more successful reintegration. Also, it is necessary to remove obstacles for accessing the labour market based on stigma and treat them as equals before all institutions.





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