

ANNEXES

ANNEX 1

CROSS-CUTTING ISSUES IN THE POVERTY REDUCTION STRATEGY

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1. Poverty Reduction Among Refugees and Internally Displaced Persons

Given their social status, refugees and internally displaced persons (IDPs) fall into the category of the most vulnerable groups in Serbian society. An abrupt interruption of the cycle of renewal of economic, social, and cultural capital deprives them of access to all kinds of resources: earnings, property, social networks, and emotional security. The problem of poverty among these groups must also be considered from the perspective of basic human rights in view of their difficulties in exercising the right to freedom of movement, obtaining necessary documents, having freedom of disposal of their property, access to the formal labour market, adequate health care services, income support, quality education, and so on. Consequently, their problems can only be resolved through comprehensive measures, providing a legal status that would eliminate obstacles in their ability to exercise their guaranteed human rights and providing compensation and stimulating recovery of all the above mentioned resources.

1.1. Status and Prospects

Around 278,000 refugees and more than 200,000 persons internally displaced from Kosovo live in Serbia (assessment of the Commissariat for Refugees, 2003). 18,500 IDPs are placed in collective centers. It is known that there are no up-to-date assessments of the rate and depth of poverty among refugees and internally displaced persons. The estimates and results from the research done by WFP and CES MECON in 2000 specify that the share of the poor among refugees and internally displaced persons is twice as high as that in the overall population. Similar estimates have also been provided by the Survey on the Living Standard of the Population and the household survival strategies from 2002. In all three surveys different methodologies were applied for measuring poverty, and in the last two mentioned refugees and internally displaced persons were not proportionately represented in their samples. A number of good quality findings in the reports of various international organizations and NGOs indicate significant regional disparities in the distribution of poverty among refugees and IDPs (it is higher in Central Serbia than in Vojvodina and in Belgrade), as well as differences in terms of age (it is higher among the elderly), with respect to type of accommodation (collective centres), and profession. The lack of recent information on these problems represents a major problem for an unbiased assessment of poverty among refugees and displaced persons. Nevertheless, the estimates are that the number of poor among refugees and internally displaced persons ranges from 120,000 to 140,000. As for likely future developments, the repatriation that has been announced of a large number of refugees and internally displaced persons who had sought asylum in the Western European countries (around 40,000 in Germany alone) indicates that the problem will at least remain at present levels, and may even increase. The majority of those who are to be returned from Germany are internally displaced Roma from Kosovo, most of whom fall into the category of the poor. A special problem is some 30,000 internally displaced citizens of Serbia, who are at present located in Montenegro.

The Status of Resources

The economic resources available for dealing with poverty are diminishing. The budget inflow is too small for a problem of this size; the international organizations are

announcing the phasing out or termination of their programmes. These are the circumstances that additionally reinforce the decision that the scope of direct transfers to all the poor should be reduced and thereby also to poor refugees and internally displaced, and that they should be encouraged to enter the labour market. Scarce economic resources among refugees and internally displaced persons are only partly the consequence of a high unemployment rate (almost twice as high as that of the local population). Another cause of their poverty is the loss of property (either because it was destroyed during the armed conflicts, or because it is impossible for them to freely dispose of it through use or sale). Elimination of obstacles to exercising their property rights can be a significant factor in the reduction of the scope of poverty and the change in the structure of poverty among these groups. In particular, scarcity of funds for housing, as well as particularly poor accommodation of poor refugees and displaced persons represent the most significant consequence of the lack of property rights and is a significant feature of their poverty.

The institutional and organized coverage of the problem of refugees and internally displaced persons is better than it is for some other vulnerable groups. In the first place, the Government of Serbia has established the National Strategy for Solving the Problem of Refugees and Internally Displaced Persons. The Commissariat for Refugees of the Government of Serbia has a network of Commissioners in all towns in Serbia in which there are large groups of refugees and displaced persons. All major international organizations dealing with refugees have now been actively working on this problem in Yugoslavia for years, and among a large number of NGOs and associations specialising in this problem there are several that were founded by or that employ refugees and internally displaced persons. However, these organisations providing assistance to refugees and the displaced make different evaluations of the quality and efficiency of mutual cooperation, which in itself indicates that there is a problem in that area. On the basis of opinions that have been stated, it seems that the key problem lies in insufficient coordination between different institutions and organizations and in particular in the absence of a centralized system of acquisition and distribution of information. The problem of inaccurate information on property, legal status, health care, etc., is relevant for refugees and displaced persons in general, and is even greater when planning measures for poverty reduction, particularly when it comes to planning and implementation of special measures.

Social capital as a special resource represented by the number of social networks and the strength of personal ties is closely related to household economic production. Poor refugees as a rule are in an unfavourable position in this respect: their access to social institutions and organizations is poor, their circle of friends is small, and many of them have broken family ties. They get little information and few services that could improve their status in life.

Relevant to social capital is also the **system of values and opinions** that prevails among refugees and in the local community and which to a large extent influences their degree of integration in the local community. As far as this is concerned, it could be said that the attitude of the local population towards the refugees is positive, with the exception of Vojvodina¹. The positive attitude of the local population towards refugees is often

¹ In Vojvodina the ethnic minorities are afraid of the changes in the ethnic structure, and the old animosity of the original inhabitants towards the 'newcomers' is also present. And yet, the refugees in Vojvodina particularly relied on the concentration of 'colonists' in certain settlements.

expressed through solidarity; however, to achieve better integration it is necessary to convert that solidarity into efficient actions, and for that it is necessary to coordinate the activities of government institutions and international organisations and NGOs. It should be borne in mind that with constraints on economic resources, the local community could represent a potential source of funds for the implementation of certain actions.

As far as **human capital**, i.e. knowledge, skills, and abilities, is concerned, the refugees are relatively well educated, which certainly represents an advantage in the labour market. On the other hand, the majority of them have undergone traumatic experiences due to the violent interruption of their former existence with abrupt economic, emotional, and other losses. Many of them have fallen into a state of apathy and value disorientation, which fundamentally affects their ability to work and adapt. The problem of human capital is even greater among internally displaced persons because their level of education is low, i.e. similar to the level of education of the local population. This indicates the need for a differentiated approach to refugees and internally displaced persons with regard to the strengthening of their human capacities.

1.2. Goals

In formulating the poverty reduction strategy there are two main goals: reduction of the level of poverty and the poverty gap, and the shortening the average length of time an individual remains in poverty. Poor refugees and internally displaced persons are intensely exposed to the risk of long-term poverty and being trapped in a cycle of inter-generational reproduction of poverty related to it. The development of a culture of passivity and poverty plays a particular role in the initiation of this cycle and due attention should be paid to its prevention when formulating the programme for poverty reduction. Therefore, in order to achieve the above mentioned goals, the actions must also be focused, apart from providing a minimum of social production, on the motivation of individuals, households or communities to become economically independent. The problem of motivation is also related to two non-economic factors. One includes individual values and motivation for economic independence. Here, we should once again stress the problem of post-traumatic apathy. The other non-economic factor which very much affects the motivation of poor refugees and internally displaced persons in the labour market is the weakening of social capital, i.e. the breaking of social ties and difficulties in establishing new ones in the environments in which they now live.

1.3. Strategic Options, Measures, and Activities

In line with leading UN principles on internally displaced persons, the Convention on the Status of Refugees and the accompanying Protocol, the wider social community and in particular Government institutions bear responsibility for assistance to refugees and internally displaced persons. However, if the programmes of assistance treat such persons only as passive beneficiaries, the burden of responsibility of the state will only grow in time, and the problem will not be qualitatively resolved. Moreover, the majority of refugees and displaced persons and their households even under their new circumstances act as economic and social participants who attempt to formulate an optimal strategy using various resources to improve their economic position. While some realistically cannot succeed in escaping from dependence on support and transfers (e.g., elderly households), it is the case that for some others organized assistance from the community represents just one of the available resources. A thought-out strategy for

dealing with the problem of refugees and internally displaced persons must take account of the following:

- a) How to maximize the efficiency of programmes enabling and encouraging economic independence and social integration, and
- b) How to avoid abuse of resources in social welfare programmes.

The problem of poverty among refugees and internally displaced persons should be solved in three ways:

- The overall effects of economic growth will also have an impact on this group. However, it should once again be stressed that due to poor integration and poor motivation, the poor among the refugees are less able to benefit from economic progress.
- A special strategy for assistance to refugees and internally displaced persons. As it is planned, the National Strategy is targeted to the restoration of the overall resources of such persons and would thereby to a considerable extent contribute to the reduction of poverty among them. The two main courses of action, return and integration, represent a good framework for economic recovery for a considerable number of the vulnerable.. However, in order to ensure that the two policies exclude each other and thus to achieve better overall targeting, it is necessary to completely update the information system on the targeted group.
- Special programmes, as already stated, should define the actions that would encourage the economic independence of those who are expected to remain socially dependent even after the implementation of the National Strategy.

It is estimated that at the start of 2004 there will be around 8,500 refugees placed in collective centres in Serbia. The yearly cost of placement for one person is around USD 1000, while taking action to resolve refugees' status would require a one-off cost of USD 3,000 per person. That means that the budget required for a three-year placement of refugees in collective centres (USD 25 million) would be sufficient for the permanent resolution of this problem (construction of housing units, employment programme, one-off financial assistance, and conversion of collective centres into homes for the elderly). This would enable a yearly saving in the Republic's budget of USD 8,500.

The poverty reduction strategy for refugees and internally displaced persons should be developed according to the following strategic options:

The first strategic option is aimed at the recognition of basic human rights. The measures defined within this option include removing certain obstacles that could impede the effectiveness of the general poverty reduction measures due to the unresolved legal status of refugees and administrative problems in providing the relevant documents by refugees and internally displaced persons, in particular:

- Conducting a new census of refugees and internally displaced persons, which would include more information about these two groups and serve as an improved basis for directing the programmes and monitoring their implementation;
- Facilitating the procedures for issuance of personal documents to refugees and internally displaced persons (ID cards, birth certificates, certificates of residence, citizenship certificates, and the like). To accomplish this, it will be necessary to conclude inter-governmental agreements on cooperation among municipal

administrations (for refugees), and to adopt an ordinance allowing internally displaced persons to obtain their documents by mail. The information about procedures for obtaining the documents would be provided by the municipalities of their current residence;

- Issuance of new documents (or copies thereof) to persons who are left without them; for this purpose, an ordinance should be adopted regulating the procedure for issuance of new employment record books, ID cards, passports and other documents;
- Facilitating the procedures for issuing residence certificates to internally displaced persons; for this purpose, it is necessary to issue and distribute a letter to the relevant offices of the Ministry of Internal Affairs ordering more efficient issuance of these certificates; persons who live in unofficial collective centres should be permitted to register at the address of the relevant institution (e.g. a local office of the Commissariat for Refugees of the Republic of Serbia);
- Facilitating procedures for obtaining citizenship by refugees (more expeditious procedures and exemption of refugees from the citizenship registration fee);
- Establishing preconditions, through inter-country agreements, for facilitating repatriation procedures, for those who take this option;
- Introducing mandatory medical record cards for refugees and internally displaced persons at primary health care institutions in the places of their current residence; for this purpose, an ordinance applicable to refugees should be adopted, while the Ministry of Health should be approached with a request to be more efficient in providing the cards for internally displaced persons.

The second strategic option would involve several different sets of measures depending on the type of resource targeted:

- Provision of housing resources and closing down of collective centres represents an essential prerequisite (together with acquiring equal legal status and inclusion in the labour market) for the social integration of refugees and internally displaced persons. Low quality collective accommodation intensifies social isolation, makes access to information, to the labour market, and to various social institutions more difficult, and significantly contributes to the development and maintenance of a culture of poverty and inertness. Refugees and internally displaced persons who are accommodated in rented flats are in a somewhat better position, because this opens up more scope for the development of social networks and possible access to necessary information, but it places a considerable burden on the fragile economic subsistence of a family.
- Accommodation within the social housing programme is intended for those who do not own a flat, whose property was destroyed and who live below the poverty line.
- Subsidies for self-help housing and assistance for construction works which have already been initiated are intended for those who do not own a flat, who cannot dispose of their property in the country of origin, and who are below the poverty line.

- Accommodation in social institutions is intended for internally displaced persons aged 65 or over, and refugees aged 60 plus who are not in need of another person's care and assistance, provided that their living standard is below the poverty line and that they are placed in collective centres or live as tenants.
- Accommodation in health institutions is intended for persons with disabilities, the seriously chronically ill and mentally challenged persons from the collective centres, as well as for mentally challenged members of poor families.

The above programmes draw on the programmes planned by the National Strategy on Solving the Problems of Refugees and Internally Displaced Persons.

- The measures focused on asserting rights over existing property in the places of origin. Not only the return of refugees and internally displaced persons to their place of origin, but also the possibility of their more successful integration, which would be facilitated by the use once again of resources which had been abandoned, depends to a large extent on the degree of implementation of these measures. In this area, the Poverty Reduction Strategy Paper can only rely on international and inter-governmental agreements and diplomatic efforts of the Government of Serbia and Montenegro, and the Government of Serbia.
- The measures focused on employment, targeting primarily able-bodied individuals who come from highly vulnerable households (e.g. single-parent families, families with no employed members, and the like). Engagement of refugees and internally displaced persons in the implementation of poverty reduction programmes for these two groups could be introduced as special employment measure. The measures below are envisaged for the labour market:
 - subsidizing part of labour costs as an incentive to companies to employ refugees and internally displaced persons.
 - Individual and collective self-employment, on the basis of interest-free loans with favourable repayment terms.
 - Subsidized the purchase of years of service for refugees who need less than three years to fulfil the retirement eligibility criteria.
 - Employing semi-skilled or unskilled refugees and IDPs on construction works.
 - Enabling employment in the agricultural sector, by allocating arable land for permanent utilization or ownership and credits on favourable terms for mechanization and raw materials.
 - Providing severance packages to surplus workers employed in state-owned enterprises or administrations of Kosovo municipalities and their redirection to other labour market programmes.

The third strategic option should include programmes for the development of socio-cultural resources and human capital. In addition to basic educational programmes, this should include: the provision of information to refugees and internally displaced persons, raising their motivation, promotion of activism and the abandonment of passive attitudes of reliance on various forms of social assistance, education focused on the abandonment of some traditional values (particularly those regarding the employment of women), encouragement of mobility that would facilitate employment, and the like.

These programmes should also target the local population, i.e. stimulate solidarity and

discourage discrimination towards refugees and internally displaced persons among them in order to encourage efficient integration. A significant role in the planning and implementation of such programmes would be played by the NGOs that already have developed networks, methodologies of work in the field, and built up relationships of mutual confidence with refugees and internally displaced persons. The training and education programmes should include the following:

- Additional training and re-training of unemployed and poor refugees, in keeping with the needs of the labour market;
- Mandatory pre-school education for the children of internally displaced persons in the form of a one-year preparatory programme for primary school (5 days a week, 5 hours a day);
- Scholarships for secondary school and university students from poor refugee and IDP households.

The fourth strategic option should be focused on a precise definition of target categories for social transfers. When formulating these measures, it is necessary to target accurately adequate types of transfers towards the beneficiaries, but at the same time also prevent possible abuses that would lead to the waste of resources and reduced efficiency in the targeting of various forms of material support. The main programmes within this option are as follows:

- "Material Support to Families" (MOP) for internally displaced persons and direct cash assistance for refugee households that qualify for MOP;
- Child allowance for children aged 0-14, for households of internally displaced persons and refugees who meet the requirements for child allowance;
- Carer's allowance for poor internally displaced persons and refugees who are in need of such assistance;
- Compensation of costs incurred in relation to orthopaedic and other aids for the relevant groups of persons with disabilities internally displaced persons and refugees.

To ensure that the precisely defined programmes and measures generate appropriate effects in the circumstances of the poverty of refugees and internally displaced persons with its multiple causes, it is necessary to set priorities among the planned measures. The goal is not only to deal with the major poverty hot spots among this population in the short term, but also to bring both individuals and families as fast as possible into the economic mainstream. In this respect, first and foremost, conditions should be created to make it possible for refugees and internally displaced persons to apply for all programmes on equal terms with the rest of the population. This means that the measures under the first strategic course of action are of the top priority, along with improved coordination among the programmes and unhindered flow of information. The next in priority are the programmes related to labour markets, through which a great number of people will be able to find jobs in a not very complicated way (subsidized employment, employment in the agricultural sector and public works), training and educational programmes, as well as housing and accommodation programmes enabling faster phasing out of collective centres (welfare housing, accommodation in nursing homes and

medical institutions). Bringing these priorities to the forefront does not mean that MOP will be pushed to the margins. On the contrary, it is assumed that once the planned measures are effectively in place MOP will be relieved of a considerable burden.

In those municipalities and regions with a notable concentration of poor refugees and internally displaced persons, special action plans should be drawn up in order to better harmonize the planned programmes and achieve more efficient targeting.

1.4. Institutional - Administrative Framework

The institutional and administrative policies for the implementation of the measures and programmes of poverty reduction among refugees and internally displaced persons, as well as their monitoring, should bring together three groups of actors: the Republican Government (as the proponent of the Strategy), the local authorities, and relevant NGOs.

As far as the level of action is concerned, in view of the nature of the problems and resources, it seems that strategic planning as well as acquisition and channelling of information should be centralized, i.e. placed within the competence of the Government (the Commissariat for Refugees) in cooperation with certain international organizations and NGOs. For this purpose, it is necessary that a law be passed amending the mandate of the Commissariat so as to include responsibility for solving the problems of internally displaced persons, as for refugees. Better communication and exchange of information between the Commissariat and the line ministries is also necessary. Formulation and implementation of concrete programmes should be left to the institutions and NGOs and associations at the local level, while the local Commissioners of the Commissariat for Refugees would be responsible for coordination and monitoring. In that respect the Commissioner must be answerable to the Commissariat, and not to the local administration. The funds could come from various sources (the budget, international organizations, local community, private sector). NGOs should play an important role in the implementation and monitoring of assistance programmes for poor refugees and internally displaced persons (the roles of the Commissariat and NGOs would be complementary in this respect). To enable monitoring to be carried out effectively, training programmes should be organised for NGO activists.

Most of the programmes proposed within the PRSP build on policies that have already been defined in the National Strategy on Solving the Problems of Refugees and Internally Displaced Persons. The obstacle, however, to closer interaction of the two strategies lies in the fact that the implementation of the programmes set out in the National Strategy has been limited, and the fact that the extent to which internally displaced persons are covered by these programmes has not been expressly specified. Nevertheless, in the course of their implementation the two strategies will have to be coordinated so as to ensure that once the programmes under the PRSP are completed they can relieve the relevant programmes envisaged under the National Strategy, and vice versa, once the conditions are met for the implementation of certain programmes under the National Strategy, they will as a priority include poor refugees and internally displaced persons, and thus relieve the burden of the respective programmes set out under the PRSP.

1.5. Necessary Financial and Other Resources

PRSP programmes will be partly financed from the Republican budget, and partly from

loans, donations, and similar funds. Detailed cost assessments by programme and number of potential beneficiaries are given in a separate chapter.

The institutional and organisational network is well developed, but is poorly coordinated. It is necessary to improve communication between all the actors. For more efficient development and implementation of the programmes at the local level it would be appropriate to establish coordinating bodies comprising representatives of the Commissariat, local self-government, international organizations, and NGOs.

1.6. Indicators and Monitoring

In the course of monitoring the implementation of programmes outlined by the PRSP, key actors, methods and indicators should be defined. The nature of existing data sources and regular statistical procedures for data collection, as well as fragmentariness, lack of uniformity, absence of IT inter-linkage between data bases and monitoring procedures of various international and local NGOs call for significant interventions in this area. As stated above, better methods of data collection as well as the interconnection of different data bases are essential not only for monitoring of strategy implementation, but also for better targeting of individual groups and beneficiaries of specific programmes. Relevant local institutions should be entrusted with the monitoring of most relevant indicators of poverty among refugees and internally displaced persons. Therefore, in data collection conducted by statistics offices, line ministries and other relevant bodies, the instruments should be sensitised to distinguish between members of these two specific population groups.

Monitoring should include indicators of the number and type of programmes that have been launched; investments (in the broad sense of the word) according to the source and type of programme; the implementation process (regular reports to the organisation through which programmes are implemented); and programme impact according to reports (of institutions in charge) and general and specific indicators. The general indicators mean all relevant indicators specified in Chapter 7 of the strategy, showing changes in the status of poverty among refugees and internally displaced persons according to the same dimensions as those applied to the non-refugee/IDP population. The specific indicators relate to the specific dimensions of poverty in the said groups, i.e. to the implementation of the programmes targeting refugees and internally displaced persons under the PRSP. The key specific indicators include:

- The number of refugees who have returned to the countries of their origin;
- The number of internally displaced persons who have returned to Kosovo;
- The number of refugees who are entered in the register of citizens of Serbia and Montenegro;
- The number of internally displaced persons who have registered their new place of residence in Serbia;
- The number of internally displaced persons from the unofficial collective centres who have registered their place of residence in Serbia;

- The number of registered or unregistered collective centres that have been closed down;
- The number of social housing units that have been constructed in which refugees and internally displaced persons are accommodated;
- The number of loans granted for self-help housing or completion of construction works;
- The number of completed buildings for which loans were granted under the programme of self-help housing and programmes for completion of initiated construction works;
- The number of refugees and internally displaced persons placed in social institutions;
- The number of refugees and internally displaced persons accommodated in health care institutions;
- The number and employment status of refugees and internally displaced persons hired through the labour market programmes envisaged under the PRSP;
- The number of internally displaced persons who retired under the programmes of subsidized buy-off of years of service;
- The number of refugee and IDP households that were allotted arable land under the programme of employment in agricultural sector;
- The type and volume of production of these households;
- The number of internally displaced persons who received severance pay under the programme of employing redundant workers from state-owned enterprises in Kosovo and redundant civil servants from Kosovo municipalities;
- The number of beneficiaries of MOP and direct monetary transfers;
- The number of households receiving child allowance;
- The number of persons involved in the programmes of additional training and re-training;
- The number of refugees and internally displaced persons covered by these programmes who found jobs;
- The number of high-school scholarships;
- The number of university scholarships;
- The number of children of refugees and internally displaced persons covered by the programme of mandatory pre-school education.

A comprehensive picture of the effects of the PRSP on poverty among refugees and

internally displaced persons should be presented in annual reports of the Commissariat, while close monitoring and independent reporting on PRSP implementation by the relevant NGOs is also encouraged.

2. Poverty Reduction among Children

2.1. Background

In the analysis of poverty among children it is necessary to understand that different measures of government policy (economic policy, fiscal policy, pricing policy, the transitional model, etc.) affect the population of different ages in different ways, and consequently, they affect children as well. It is even more important that, when developing various components of government policy, one should bear in mind that certain measures undertaken by the government affect different parts of the population of children in different ways. This is also valid for the analysis of poverty among children and it is also important for any poverty reduction strategy.

The struggle against poverty among children and youth is of a particular importance for a long-term poverty reduction strategy because only in this way is it possible to avoid trans-generational transmission of poverty and to break out of the vicious circle of poverty among some parts of the population.

The main problems in working out the strategy of poverty reduction among children emanate precisely from the fact that elimination of poverty among children is a long-term process.

2.2. Indicators of Poverty among Children and Families with Children

The manifestations of poverty among children are numerous and versatile and have a deleterious effect on the development of children and their chances for full inclusion in community life:

- **Under five mortality rate** – particularly among some parts of the population and in some regions of the country.
- **Low birth - weight** - which also includes numerous negative effects of ante-natal malnutrition, possible toxicity, etc.
- **Undernourishment** during childhood
- **Frequent illnesses**, chronic diseases and specific structure of diseases (higher incidence of diseases that are easier to control and more efficiently treated)
- **Problems in physical development** – stunted growth, deformities, consequences of chronic diseases
- **Certain problems in mental development** – higher incidence of mental retardation, more frequent physical infirmity and developmental disorders
- Certain forms of **socio-cultural disadvantages** – mental pseudo-retardation, language difficulties, etc.

- **Problems in education** – failure to enrol in school or late enrolment, early school drop-out, high repetition rate, school underachievement, completion of schooling without acquiring knowledge, far lesser access to secondary and higher education
- Certain forms of **socially deviant behaviour** – higher incidence of anti-social behaviour, juvenile delinquency, etc..

The above mentioned indicators of poverty sometimes appear as isolated factors but more commonly they appear in **combination** (i.e. as a complex poverty syndrome) and/or **cumulatively** over time whereby the early manifestations of poverty produce later ones and thus result in the continuation of the “vicious circle of poverty”, because the combined and cumulative manifestations of poverty thwart social integration and social promotion of the young generation and thus poverty continues into the next generation.

For understanding the nature of poverty among children and for defining the poverty reduction policies and strategies it is important to understand the **diversity of poverty manifestations** because the strategies for poverty reduction will have a different focus for different poverty needs (for example, in our country the problem of malnutrition of children can be solved in one way and prevention of the failure at school in another).

Particularly Vulnerable Categories of Children

The above manifestations of poverty among children appear more frequently among certain special categories of children, i.e. among children from certain types of families and from certain social groups.

According to the data obtained in the Survey on the Living Standards of the Population, poverty has hit children hardest, particularly those aged 7-14 (12.71% of the poor) and children aged 15-18 (10.72%), mostly in multi-family households (16.05% of the poor) and in families where parents are unemployed (21.34%).

However, it is noteworthy that due to the structure of the sample covered by the Survey and due to insufficient disaggregation of the data, poverty amongst some categories of children (Roma, single mothers, refugees, etc.) is probably masked. The nature of the Survey is such that the problems of children's poverty are not sufficiently visible.

In order to understand the nature of poverty and differentiated measures for poverty reduction, it is important to bear in mind that some of the above mentioned manifestations of poverty are more often related to some of the specified categories of children. So, for example, the manifestations of socio-cultural disadvantages will be more frequent in the category of rural poor people, chronic diseases more frequent in the urban slums in which the ethnic group of Roma lives, the problems of undernourishment among the poor refugees, etc.

2.3. The Nature of Poverty among Children

The description of different manifestations of poverty among children and enumeration of the categories of children that are particularly vulnerable inevitably leads us to the definition of different categories of poverty among children.

Low income (low family income earnings or low income earnings per unit of consumption in a family, particularly those that are below some of the precisely defined poverty lines) is, naturally, the basic defining variable of poverty in general, and

therefore, among children as well. But it is here also possible to differentiate **financial** poverty from a wider **economic** poverty. For the purposes of understanding the effects of poverty on children's development, this economic definition of poverty is necessary but not sufficient.

Lack of access to social services (health care services, social protection, education, culture for children) is a separate form of poverty. Namely, many categories of children do not have access to the the above-mentioned social services for various reasons (geographic unavailability, social marginalization, lack of information on the rights/entitlements, lack of parental awareness on its importance, payment of participation fees, families that are not entitled to some of those services, acceptance of the situation of poverty, etc.).

Thus, for instance, pre-school institutions are inaccessible for children under the age of 3 because of their physical distance from these institutions, which on average are 6.4 km in East Serbia, 5.3 km in West Serbia and 4.9 km in Central Serbia. The same applies to ages from 4 to 6: the average distance from a pre-school institution is 6.3 km in East Serbia, 5.8 km in West Serbia and 4.2 km in Central Serbia.

The coverage of children with pre-school education is very small: 11.8% of children under 3 years of age and 44.4% of children aged 4-6.

Children's participation in cultural, additional educational and sporting programs is extremely low (8.8% at the age of 4-6 and 10.6% at the age of 7-14).

In addition, the number of poor in rural areas is 25.0% and indicators on accessibility of these social services are even less favourable.

However, it is not just about the mere unavailability of these services. Significant aspects of this form of poverty are the **low quality of those services** to the poor (what is available to the poor is a small range of the lowest quality of these services), the **matching of the services with the characteristics and needs of participants** (this applies to all services, particularly for education and culture, and particularly to children in marginalized groups, such as rural children, children from certain national, ethnic, and cultural groups that live in poverty), and **efficiency of service provision** (in other words, it is not only about whether there is a possibility of medical treatment but also whether that treatment is efficient; not only whether the children that are poor are covered by some form of education but also whether they have learnt something).

This form of poverty is particularly important for the analysis of poverty among children because it has **great negative developmental effects**, which are the main mechanism of trans-generational transmission of poverty.

Poverty of individuals vs. poverty of the environment. The definition of poverty on the basis of family income or per capita is insufficient when we talk about the poverty of children in development. Theoretically and empirically, it is possible to find numerous situations when such income can be somewhat above the defined poverty line and yet the **poverty of the environment** (of the family environment, rural/urban dwelling, local community, region) can be so great as to produce all the negative effects of poverty in the development of children. When we speak about the poverty of environment, we then also bear in mind the poverty of the physical environment (in unsanitary settlements, overcrowded urban neighbourhoods), absence of utilities, lack of roads and communications (which causes social exclusion), absence of the above social services. However, here we should particularly point out **poverty of the cultural environment**, i.e. absence of the socio-cultural infrastructure (lack of pre-school institutions, educational and cultural institutions and programs, media, institutions for recreation and

holidays, etc.). Such poverty of the environment can be hazardous both for physical development and it is particularly critical for mental development and it can contribute to underachievement and school failure which impedes the breaking out of the circle of poverty. Here we should picture traditional Roma settlements, a collective centre for refugees, a city slum, some illegal outlying housing developments or a poor isolated village in a mountainous region, in order to get a clear picture of the impact of a discouraging environment for development.

There are no accurate data on these categories of poor communities and the above general data on inaccessibility of various educational and cultural institutions for children indicate that a large number of communities have very unfavourable environments for child development

The significance of the above forms of poverty (unavailability of social services and poverty of the environment) among children is so great that the strategies consisting of rendering assistance to individuals (and even families) cannot be efficient in solving poverty and its effects on children if they are not supplemented by poverty reduction strategies in the local community, rural/urban settlements.

Generally speaking, different forms of poverty require different strategies for poverty reduction (temporary and occasional poverty as opposed to the lasting poverty, "new" as opposed to "old", rural as opposed to urban, financial as opposed to a wider economic, poverty with regard to income earnings as opposed to poverty of social services, individual as opposed to poverty of the environment, etc.).

2.4. General Approach and Strategic Options in Poverty Reduction Among Children

The general objectives of the Poverty Reduction Strategy from children's viewpoint are:

- to assist individual poor children and families; and
- to prevent the effects of poverty by interventions in those communities that, due to poverty, generate poverty transmission across generations

The nature of poverty among children determines the overall approach to solving the problem of poverty. Here we shall tackle first of the following approaches:

Long-term prospects (the main strategies must be long-term ones because we are faced with a phenomenon which affects the entire cycle of children's development).

Perspective of human and children's rights. This approach stems from a number of important international documents including the General Declaration on Human Rights, the International Covenant on Economic, Social and Cultural Rights, the Millennium Development Goals of the UN, the World Fit for Children (decisions of the UN General Assembly's special session) and, in particular, the UN Convention on the Rights of the Child. The approach from the viewpoint of human rights has several meanings:

- through the above international documents, the international community has opted for the elimination of poverty (as had been done with slavery and colonialism) because it threatens all human rights;

- the above international documents define a kind of international standard and value system in the treatment of human beings that serve as a normative orientation for actions;
- the human rights perspective in the treatment of poverty is the basis for international co-operation in poverty eradication;
- human rights perspective means that the poor (including poor children) are treated as equal human beings and must be empowered to participate themselves in poverty eradication (rather than as mere recipients of other people's aid) because that is the only way to ensure sustainability of anti-poverty measures;
- human rights perspective means that children, regardless of their social status, must be granted special rights, in view of their psycho-physical development;
- from the aspect of exercising the rights, it is necessary to foresee a special definition of a child so that various legal eligibility criteria for certain rights and responsibilities would not leave room for arbitrary interpretation and abuse.

Strategies for reduction of poverty among children necessarily stem from the nature of that poverty and from the above-mentioned general approaches.

In order to confront various forms of poverty and its particular nature, the following appropriate strategies are to be applied:

Assistance to individual families and individual categories of children that are below the poverty line

The data on these categories of families and children are available for some sectors (health care, education and social protection) and various assistance measures intended for these categories of families and children are included in the sectoral chapters of this document. It should be underlined here that records on these categories must be updated and measures must be applied also to the "new" categories of poverty, especially families of workers rendered jobless in the period of transition.

Improvement of accessibility, quality and efficiency of social services for children

These strategies are also elaborated in the sectoral chapters of this document and mostly concern the reforms of these sectors (reform of the health care and social protection sector, educational reform). From the viewpoint of poverty-stricken children, it must be pointed out that reforms alone will not resolve specific problems of these children in each sector and that specific measures targeting poor children are required. (By its nature, e.g., the global program Education for All, for which a specific National Action Plan has to be developed, is such a measure).

Systemic, long-term, preventive and development strategy

This is the only strategy that is in full agreement with the nature of poverty affecting children.

It has the following characteristics:

- it is a long-term Strategy

- it is oriented towards reducing poverty in the environments that generate transmission of poverty across generations
- it is multi-sectoral (includes the minimal improvement of communal infrastructure, environmental protection measures, health care and health education, provision of minimum conditions for educational, cultural, recreational and sports programs, various incentive programs especially at pre-school age, preparation of young people for first employment, etc.)
- it deals with causes rather the consequences of poverty, with the view to eradicating them
- it is based on active participation of the local community, family and children themselves

This strategy can be implemented through implementation of the following:

Institutional policies

The existing Council for the Rights of the Child of the Government of Serbia needs to be strengthened in order to be able to accomplish the roles defined for it (to review all Government measures from the viewpoint of their consequences for children, particularly in connection with poverty generation and to draft a National Action Plan for children to help meet the standards in the basic international documents on the position of the child).

Development of the map of poor areas in Serbia unfavourable for child development, generating poverty and leading to social exclusion

This map will serve as the information base for all poverty reduction activities in Serbia.

Development of the National Plan of Priority Action Areas for Poverty Reduction in Serbia

Based on the Map of Poverty Areas, this plan would be used for initiating poverty reduction measures in Serbia and for mobilising national, local and private resources with the view to eradicating poverty in the poorest areas in Serbia. Operationalized projects for particular Priority Action Areas would be financed from domestic and foreign resources.

Pilot projects for Priority Action Areas

Pilot projects in the first year of implementation would include:

- two already-existing Roma Development Centres in South Serbia that need to be made sustainable;
- two localities in poor rural areas that have the potential for revitalisation and where the existing local school would be transformed into a communal rural development centre;
- two localities in poor suburban settlements that do not have any infrastructure to encourage child development (absence of pre-school institutions and programs,

absence of conditions for additional assistance to children in school learning, absence of educational, cultural and sports institutions and programs).

3. Poverty reduction among youth

Serbia has 1,512,646 young people, aged between 15 and 29².

Young people are often declared to be the future of this country, but the actual possibilities and mechanisms for young people to truly become drivers of change and active actors in the society's development are still scarce. One of the reasons is that issues and problems relating to young people are often treated in relation to policies for children. The notion of the young, however, postulates a stage in the life cycle that has specific features deserving special attention. Another problem is that young people are mostly treated as a uniform category, whereby they are defined as a collective body, with insufficient space for manifestation and appreciation of their diverse needs and potential.

Indicators of poverty of young people

- *In the course of the 1990's, 250,000 young people, mostly university graduates, left the country (Educational Forum/UNESCO 2002). 17.9% young people are planning to leave the country, and another 31.5% would like to leave the country if they had the opportunity. The main reasons for which young people would leave the country: low standard of living, no prospects for the future, security reasons.*
- *54% of young people wish to live in big cities, believing that they provide better chances for life than small communities.*
- *72.3% of young people are still living with their parents and only 11.5% of the young aged from 15-25 live independently. 44.2% assess their current standard of living as average, but generally speaking, young people are optimistic and expect a better future.*
- *Around 80% of the young are dissatisfied with the quality and choice of educational opportunities. The rate of secondary school enrolment of young people is around 75%.*
- *31.8% of students believe that they never get their teachers' support and 24.8% believe that teachers are not willing to support them.*
- *Young people aged 19-25 account for 23.9% in the structure of the unemployed, 33.6% of them are unskilled.*
- *39% of young people expect to be consulted and to decide on how to spend their leisure time; 20% believe that they should be more involved in decision making at school.*
- *A significant percentage of young people, 60.7%, spend their leisure time with their friends, 39.6% listening to music and 38.8% watching TV. 10.9% is very satisfied with the ways in which they spend their leisure time, 55.9% are satisfied and 28.5% are dissatisfied.*
- *Over 90% of young people state that they have tried various kinds of drugs once, and 11.1% state that*

²

- Children are persons younger than 18 years of age;
- Adolescents are persons aged from 10 to 19 (including early, middle and late adolescence);
- Young people are the group aged 10 to 24;

It is also noteworthy that due to mass poverty, high unemployment rate among young people, late marriages, as well as the influence of the broader community, young people in our country undergo the stages of change later in their lives and thus "stay young longer". The term "young", therefore, where relevant, includes the population aged up to 30 - Brave New Generation, The Young in the FRY, UNICEF 2002

they consumed marijuana more than three times.

- *34.5% of young people aged 15–25 smoke regularly and 18.5% smoke sometimes.*
- *Among sexually active persons aged 15-19, 43% of girls and 20% of boys never use any protection, and 51% of sexually active university students do not use condoms regularly.*
- *40% of young women aged from 15-24 report that they have been pregnant at least once, among them one in five had one or more abortions and only 40% of young women have ever visited a gynaecologist.*
- *One in four young people say that they do not have the right information about HIV and AIDS.³*

3.1. Problems and constraints

With respect to poverty amongst young people, in addition to the economic aspects and the situation nationwide, it is necessary to also mention the inadequacy, low quality and absence of respective services to deal with young people. The poverty of the cultural and social environment leaves little space to young people to express and often even to recognise their own needs, affinities, strengths and weaknesses.

The results of research undertaken in 2002 by Catholic Relief Services in a number of towns in Serbia indicated that there are no bodies at the municipal level that deal with youth issues. Issues of the youth are handled by the social services or *ad hoc* drug-prevention actions. Youth problems are treated from a narrow viewpoint only, and the measures proposed and implemented are restrictive and result in prohibitions and shortened working hours for cafes, etc. There are a number of NGOs in these towns but not many of them focus on young people.

Not even the somewhat more open civil sector in Serbia deals sufficiently with youth issues nor provides adequate opportunities for young people to be involved in the creation of programs, activities and decision making processes. According to the data of the NGO Policy Group, only 5.6% of non-governmental institutions in Serbia include young people in their programs and activities. The activities that are implemented are oriented at educational programs such as courses and to a lesser extent exchanges of young people primarily with the countries in the region.

Research has shown that there are considerable differences in the perception of youth problems from the perspective of parents, young people and secondary school students. Young people believe that their main problem is the lack of conditions and space for quality organisation of activities and spending leisure time, whereas parents and teachers believe that drugs are the main problem. Young people see the solution in the establishment of youth centres whose space and contents would be adjusted to meeting their needs. All three groups envisage progress only in the partnership of various actors. Interestingly, all three groups consider the role of an external facilitator or neutral partner beneficial. It is encouraging that young people see their own group as the one that should assume the leadership role.

Over the past decade young generations in Serbia grew up at the margins of society, isolated from the rest of the region and from Europe, as did the entire country. For most of those who are young today the time of childhood and growing up was marked by feelings of insecurity and powerlessness. The present experiences of the young are

³ Sources: Brave New Generations – The Young in the FRY, UNICEF 2002; Youth research / PRONI

considerably different from the experiences of their parents and adults who grew up in different times.

Society cannot develop if young people are marginalized. Their participation at all levels of decision-making and activity is of crucial importance for the initiation of changes and further development.

In recent years, the European Union has urged that the development of national youth policies support the participation of young people in the society. Youth participation can be defined as participation and influence in processes, decisions and activities, especially those directly concerning them. This implies assuming an active role in the family, school, health services, social life and the authorities.

3.2. Strategic options

- It is necessary to define a uniform approach to young people at the state level, but also to define regional, local strategies of development that will elaborate national policies and strategies and be based on specific conditions, needs and developmental objectives;
- The youth poverty reduction strategy must be treated as a long-term and developmental process;
- The main strategic orientation in combating youth poverty must be based on the perspective of children's and human rights;
- Youth poverty reduction must be undertaken through accessibility, quality and efficiency of social activities and services intended for young people: health care, education, social welfare;
- Youth poverty reduction must be addressed through the enrichment of the social and cultural environment.
- Youth poverty reduction must be addressed through the involvement and participation of young people in the decision-making system, at both local and national level.

3.3 Operational objectives, policies and activities

Objectives	Policies and activities
Preparation of the National Strategy for Youth	The Ministry of Education and Sports of the Republic of Serbia initiated in 2003 preparation of the National Strategy for Youth. The Strategy defines activities on the national and local level answering to the priority needs of youth. This process will include all interested stakeholders on the national and local level, primarily young people
Elaboration of local development strategies	Elaborate development strategies on the local level, in line with the National Strategy, while taking into account local community specificities and priority needs of youth. Local strategies must support the holistic approach towards young people and result from the joint work of all relevant actors and service providers: educational and health care institutions, NGOs, experts and above all, the youth. In order to ensure applicability of such strategies, they must be based on the participatory research on the needs of youth, while local teams must undergo certain trainings. Once they are adopted, local plans and strategies must be evaluated and permanently improved in accordance with the social changes and needs of youth.
Creating social and cultural environment in keeping with the needs of youth	Support and development of the new social and cultural forms that would lead to the enrichment of activities and environment. Encouragement and capacity building of young people to help them become active initiators of changes. Assist NGOs that support the youth and include them in their activities. Initiate and support the projects of cultural institutions that satisfy the needs of youth. Support and initiate the establishment of youth centers that would cherish different kind of activities for and with young people. Such centers would offer the opportunity to the young people to take the creative role and role of service providers and to be included in the decision-making and evaluation process. Such centers can promote different “youth for youth” programs.
Participation of youth in the decision-making systems	Open the space for participation of youth at all decision-making levels: local, regional and national. Also, develop mechanisms for the inclusion of youth in all the relevant institutions: schools, health care and cultural institutions, etc.
Raising accessibility, quality and efficiency of services for youth	<p>Health services: Initiate and support establishment of youth counseling centers that would foster holistic approach and be open for all relevant issues that can improve the quality of living of youth. Organize services and programmes for the realization of “youth for youth” programmes Open the doors of counselings centers to adults and parents. Organize actions promoting responsible behaviour and healthy lifestyles.</p> <p>Schools: Make room for the inclusion of youth in the decision-making system and build partnership relations between pupils, teachers and parents. Organize cultural, educational and sports events at schools Modernize extracurricular activities in line with the interests of youth.</p> <p>Social protection services: Create programmes based on the more humane approach for the youth in residential institutions. Create programmes for resocialization of risky groups and include the youth in the creation and implementation of these programmes.</p>

4. Poverty Reduction among Persons with disabilities

4.1. Current Status

Poverty is one of the relevant features of the life of persons with disabilities. This is clearly indicated by the following data:⁴

Incomes of families whose members are persons with disabilities are very low and they can be justifiably considered to be disproportionately below the poverty line. According to the 2001 surveys, over 70% of persons with disabilities had a particularly low income and, according to the current criteria, they would be ranked among the poor.

The data on the sources of income confirm the origin of low incomes among families whose members have some type of disability. Over 50% of the income originates from transfers on the grounds of entitlements due to disabilities (14% disability benefit (benefit for bodily impairment), 26% advanced home help, and 14% social assistance).

The causes of poverty are, first of all, a low level of education and a low level of employment. The low level of education is, according to the results from this survey, one of the consequences of the unfavourable social environment for persons with disabilities. Thus 50% of them had no education or had primary education only, while only 7% acquired higher education degrees, while 10% completed their education in special schools.

The low employment rate and work places not adapted to the requirements of persons with disabilities provide the explanation not only for the low incomes but also for the very low employment rate among the persons with disabilities.

- Only 13% of persons with disabilities have the opportunity to work,
- Only one third of those employed have a workplace adjusted to their needs,
- Only 40% of those employed have appropriate working conditions (starting hours, number of working hours, scope of work and breaks).

The specificity of poverty among persons with disabilities is reflected in the undeveloped supporting services and provision of services, as well as in the inaccessibility of public services and cultural institutions:

- Physical access to the educational and other services for persons with bodily impairments is unsatisfactory;
- Physical access to health care institutions and infrastructures of specific health care services for persons with disabilities is adequate. However, the effective availability of health care services is low, particularly when considering home visits, rehabilitation or home help;

⁴ The data were obtained in a survey conducted in May 2001. The results were published in the study titled "Disabled Persons and Environment" (editor Prof. PhD Viktorija Cucic), CPA, Belgrade, 2001. The application of more reliable methodological procedures that are not based only on verbal statements of respondents concerning income will provide more accurate and more reliable findings on their position with respect to the poverty line.

- The dominant form of rehabilitation is medical rehabilitation while the share of occupational rehabilitation is small;
- Availability of services and service provision differs according to the level of education and work status of the persons with disabilities (there is full availability for 55% of the educated and only for 28% of the uneducated);
- Only 38% of persons with bodily impairments can use public transport;
- Shops are inaccessible to 53% of persons with disabilities;
- Other public services (municipality, post-office, Police) are inaccessible to 35% of persons with disabilities;
- Cinemas are accessible to only 20% of persons with bodily impairments;
- Libraries can be visited without problems only by 17% of persons with disabilities;
- Theatres are accessible to only 12% of the persons with bodily impairments.

The consequence of such a situation is a blockage in the development of needs. Low family income, inaccessibility of services, and public and cultural assets, with frequent unpleasant experiences in the social environment, have a negative influence on the level of aspirations of persons with disabilities. The result of this vicious circle is loneliness, isolation, and very limited social participation.

4.2. Problems and Constraints ⁵

The system of compensatory entitlements, i.e. all the rights related to rehabilitation, technical aids and pecuniary benefits, in the period of crisis, isolation and, first of all, destruction of the economy and decline of the national income, had «atrophied» which resulted in low performance with limited effects. These problems and constraints have partly been compensated for through humanitarian aid. On the other hand, a part of the system of compensatory rights, first of all the passive pecuniary transfers, do not encourage inclusion.

The education system in Serbia is more exclusive (with »special education«) than providing support for the creation of equal opportunities for persons with disabilities. Isolated education and the kind of knowledge acquired in »special education« turn out to be a problem and a major constraint in some areas (labour market, for example) and processes (social integration and employment).

The employment of persons with disabilities is, according to experience so far, one of the biggest problems. In this area, there has been more discrimination (in employment),

⁵ After the change of regime on October 5, 2000, a positive attitude has been expressed and activities have taken place with regard to all the above problems and constraints. The delay has been compensated for and regular payment of pecuniary transfers has been established. In the reform processes and strategies of individual sectors the problems and constraints for the inclusion of persons with disabilities have been identified and included.

exclusions (with the predominance of passive transfers) and low participation in income earning (low employment or employment in difficult and poorly paid jobs) rather than the development of an active employment policy (with targeted programmes) and the creation of equal opportunities for persons with disabilities in the area of labour and employment.

Supporting services are generally developed within the system of social welfare, first of all as residential institutions for the long-term placement of children with developmental disorders. This network is both insufficient for the range of needs of persons with disabilities and inadequate from the point of view of the kind of needs to be met and possible responses to the demands of the beneficiaries. The undeveloped supporting services represent a major obstacle, making it difficult to improve the process of inclusion. There is a lack of alternative forms of support for persons with disabilities and their families.

Inaccessibility and unadapted environment are terms that include numerous obstacles and barriers that persons with disabilities encounter daily and that represent a major factor of discrimination, i.e. the denial of equal opportunities for exercising their rights.

Invisibility and insufficient understanding of persons with disabilities is also one of the obstacles that make it more difficult to overcome the unfavourable social environment. The language used to label the phenomena in the area of disabilities stresses the impairments and constraints. The potentials and capacities of persons with disabilities and their human rights are still, at least among the wider public, insufficiently recognised and appreciated.

Insufficiently reliable data on persons with disabilities, and difficulties in establishing the scope, distribution, and main characteristics of disabilities (particularly from the aspect of interactive relationship between personal and environmental factors, as this phenomenon is now being determined) represent a serious problem and a major constraint in the planning and development of systematic measures in this area.

4.3. Goals

The main goal of the Poverty Reduction Strategy in this area is, by reducing poverty, to encourage inclusion and independent living of persons with disabilities.

Priorities:⁶

- Social protection of persons with disabilities,
- Accessibility of the environment,
- Access to education,
- Employment of persons with disabilities.

⁶ The priorities were identified by the focus group of persons with disabilities within the SSBS Network, March 6, 2003.

4.4. Strategic Options, Measures, and Activities

In order to achieve a favourable outcome for persons with disabilities within the Poverty Reduction Strategy, it is necessary to accept and at the same time apply five main principles on which the policy for the creation of equal opportunities for persons with disabilities is based: **(1) dignity, (2) participation, (3) non-discrimination, (4) right to compensation, and (5) proximity.**

The strategic option should include the key areas for the creation of equal opportunities and inclusion of persons with disabilities as an important precondition for poverty eradication.

Compensatory rights, i.e. all the entitlements related to rehabilitation, technical aids and pecuniary benefits, represent a major factor in creating equal opportunities for persons with disabilities. However, they are a necessary but not a sufficient precondition. Therefore, it is necessary to take a new approach and take into account human rights and factors relating to inclusion. From the human rights perspective, it is necessary to complement regulations pertaining to persons with disabilities, in order to improve their position through affirmative action and to enable them to participate in society. It is necessary to undertake revitalization, re-conceptualisation and harmonization with the international standards of the entire system of compensatory rights. **Revitalisation** means renewal of the system and the taking over of responsibility for rehabilitation, technical aids and pecuniary benefits by the State. It is necessary to include all persons with disabilities in the system of compensatory rights irrespective of the origin and characteristics of their impairments and constraints, differentiated according to the needs and conditions for equalisation of opportunities. **Re-conceptualisation** means the grounding of the system in human rights and on the responsibility of the State to create equal opportunities for persons with disabilities instead of the limited approach and rhetoric focused on “social security” and care of the State for the “social categories”. **Harmonisation** should enable the provision of sustainable standards in the process of transition and budgeting in real terms (in other words, adjustment to the available financial resources).

Adaptation of space to the needs of persons with disabilities and accessibility of public buildings is very important, because the possibility of their inclusion in different spheres of social life depends on it . Campaigns and successful projects in certain local communities have confirmed that better understanding of the needs of persons with disabilities and raising the awareness of citizens, town planners, and local authorities helps to create a more favourable environment. It is, however, also necessary to have clearer and more strict normative regulations and control of compliance with those norms.

Education and access to education and the acquisition of higher levels of knowledge and occupational skills is one of the key prerequisites for the development of individual capacities and inclusion in society. Elimination of obstacles to education (both physical barriers and other selective mechanisms, such as, for example, »screening« of children with developmental disorders)⁷ and development of special educational curricula as a way to »adjust« the environment to the needs of persons with disabilities, should be the

⁷ The work on the project “Improvement of Work of Screening Panels for Children with Developmental Disorders” is under way and its result should be a new model of assessment, monitoring, and referral of the children with developmental disorders.

course of the reform of the present system of special education («special schools»). Inclusive education should become a strategic goal in the reform of education, particularly in the transformation of special education. It is necessary to ensure full provision of education for children with disabilities. Therefore, it is important to provide versatile, tailored educational curricula that also offer opportunities to persons with severe mental impairments.

Employment and inclusion in work and paid income is also one of the major conditions for the eradication of poverty and the creation of conditions for independent living of persons with disabilities. The system of employment measures should include both support for employment through the labour market and for so-called “protected employment”, i.e. joining work programmes under special terms and conditions.⁸

Supporting services are also an important condition for the creation of equal opportunities for persons with disabilities. It is essential that supporting services exist in all the main areas where equal opportunities are provided for exercising human rights (education, administrative authorities, public services, judiciary, and the like) but also as informational and advisory services to individuals and families for the development and building of their own capacities to achieve their personal goals. The process of development of supporting services should be based on the needs and initiatives of the associations of persons with disabilities. The government and the developed civil society organisations should provide financial and technical support to these initiatives.

Full participation of persons with disabilities in everyday and social life is an essential condition for poverty reduction and adjustment of the social environment to enable inclusion. In view of the different forms and levels of participation, it is very important to take a comprehensive approach and to support different forms of participation. To achieve participation in social life, it is necessary to build the capacities of the associations of persons with disabilities but also to create equal opportunities for participation in various forms of involvement in civil society.

Measures and activities within the above strategic options are:

- When establishing the poverty line for material support to families, the specific expenses of the families with disabled members should be taken into account;
- The right to pecuniary benefit should be granted to all persons with disabilities irrespective of the cause and nature of disability;
- The existing forms of institutional social protection for persons with disabilities should be reformed;
- Services (service provision) to support persons with disabilities and their families should be developed;
- The production and servicing of technical aids should be renewed, improved, and regulated;

⁸ A new Law on Occupational Training and Employment of Persons with Disabilities is being drafted, which will, on new grounds and principles, govern the equalization of opportunities for employment of persons with disabilities.

- Disability should be made visible in local communities and local resources should be mobilized.

4.5. Institutional and Legislative Sphere

The issues of disability should be dealt with in the context of human rights, in accordance with international standards, and a unique legal framework should be established to deal with issues of disability comprehensively, i.e. an anti-discriminatory law should be adopted which would represent the basis for other legislative regulations in the area of disability. The constitutional framework is now more favourable since the Constitutional Charter of Serbia and Montenegro now includes the terms “non-discrimination” and “partnership”.

When defining the poverty line in social protection (minimum security for material support to families) the specific expenses of families with disabled members should be taken into account. These expenses can be direct (for specific needs of persons with disabilities), indirect (the expenses other households do not have), and specific (unrealised earnings of household members because of greater engagement with the disabled member).

Institutional mechanisms should be provided for the participation of persons with disabilities in decision-making on issues that concern them, in all areas and at all levels.⁹

4.6. Indicators and Monitoring

Given a very low level of sources of data about persons with disabilities (poor primary records, data processing and statistical reporting), selection and definition of relevant indicators for the monitoring of the implementation of the PRS in the area of disability also implies a thorough revision and upgrading of the records and statistics that should enable their monitoring, including:

- The number of persons with disabilities below the poverty line;
- The level of inclusion (absolute and relative coverage) of persons with disabilities in the system of compensatory rights (rehabilitation, technical aids, pecuniary transfers and services);
- The number of persons with disabilities covered by education (regular and special);
- The number of persons of working age with disabilities (employed and unemployed).

Because access to public assets and services is one of the specific indicators of poverty among persons with disabilities, for good-quality monitoring that their needs are being met special periodic surveys should be established by means of which the “quality of the environment” would be measured for persons with disabilities (the disability monitor).

⁹ Establishment of the Council in charge of the issues of the persons with disabilities in the middle of 2002 provided the opportunity for inter-sectoral coordination and active participation of persons with disabilities in the consultative process.

5. Poverty reduction among the Roma¹⁰

5.1. Current Status

The overall social status of the Roma, not only in this country but also in almost all the countries in which they live, is particularly unfavourable. According to all indicators of social status (employment, education, social respect, living standards, and so on), the Roma are on the lowest level of the social scale.

Although it is not easy to explain the position of the Roma, it is still possible to specify several main factors.

The first factor, which seems likely, is that the Roma, since their arrival in Europe, have not been welcome due to their different social characteristics and that they have been, as “alien blood”, held in isolation. It is also probable that, as a nomadic tribe, their culture has been alien to the cattle-raising agrarian culture and the prevailing patterns of life. Regarding the Balkans, one should bear in mind that the Roma came together with the Ottomans – the conquerors – and that they were not welcome. For that reason the Roma have been exposed to contempt and prejudice from the dominant majority, which made them a socially powerless group. This has denied the Roma the opportunity to develop competitive and political power as an important means for mobilization to change, i.e. to improve their position.

The second factor is related to the type of cultural adjustment of the Roma. There are sufficient reasons to assume that this group, at least as far as our territories are concerned, adjusted itself to the traditional customs and the way of life and that it has today become a guardian of traditionalism. It seems that their process of cultural adjustment stopped at that level and so this is probably the reason that the Roma did not follow the processes that were followed by the majority population, which also had to change its values under the wave of industrialization and to harmonize them with the modern patterns of life. Among the Roma, however, the usual process of acculturation was disrupted. In the majority of cases the process of cultural adjustment starts with the behavioural aspects of a culture. However, the Roma accepted the religion of the majority group, its traditional customs, often the language as well, but they preserved *their way of life* and the external symbols of being different. This certainly intensified the prejudices of the majority people towards the Roma and the lasting segregation, on the one hand, but it also intensified the powerlessness of the Roma, on the other.

The Roma represent a separate social group (ethno – class), which has all the characteristics of a sub-proletarian stratum, which in a “vicious circle of poverty” reproduces poverty in succeeding generations. Thus, the Roma are not included in work because they are not educated, and they are not educated because they are poor, i.e. they do not have adequate access to education. In order to improve their social position, which requires stable income earnings, the Roma, as well as the others, must at least complete primary education, and many of them cannot do so because they do not have

¹⁰ Due to the shortage of time, it was not possible to submit all the elements of this contribution, which will be done after consulting some experts (health care experts, for example) and the representatives of the Roma.

the necessary means And so they end up in a vicious circle. The results of numerous surveys indicate that the Roma, compared to the other poor groups, are *the poorest*.

5.2. Problems and limitations

Just like other poor groups, the Roma have many problems. However, there are also problems that could be characterised as specific to the Roma, such as prejudices that are patent barriers especially when the exercise of rights in employment, education and health care is concerned. In addition, there is also residential segregation partly enforced and partly spontaneous, as a result of which the Roma now live in separate settlements (mahalas) characterised by a specific lifestyle. Spatial isolation makes communication with the rest of society difficult and certainly limits the possibilities of modernisation of their way of life.

As for problems that most directly generate poverty across Roma generations, these primarily arise in the spheres of *employment, education, health care and housing*.

Employment

The main characteristic of the socio-economic status of the Roma is a low rate of economic activity and a high unemployment rate. This is vividly illustrated by the data from the 1991 Population Census:

- Only 27.2% of Roma are economically active,
- 58.2% of Roma are within the working-age contingent (15-64).

The level of economic activity of the Roma has not changed over the past fifty years.

Apart from the lack of socio-economic development and barriers to employment, the low rate of economic activity of the Roma is also the consequence of several demographic factors. The Roma population is particularly young, with an above-average share of the contingent of up to 15 years of age. The share of those 15 years of age and over in the overall Roma population is 58.3%. The rate of economic activity is an important indicator of the exclusion of the Roma from the economic and social mainstreams. The low economic activity of the population, a very young age structure of the Roma population, and a high share of supported population represent the key factors which maintain and deepen the differences and the socio-economic gap between the Roma and the majority population. The share of supported persons in the Roma population is 60.0%, while among the majority population it is 36.6% (Stankovic, V., 1992: 168).

The unemployment rate among the Roma is four times as high as that in the majority population and it has almost doubled in the past ten years (Stankovic, V., 1992: 167). When one looks at the activity of the population according to trades, it is evident that the Roma are mainly in those trades that are ranked lowest in the stratification scale. Over 40% of the Roma are in labour occupations, predominantly manual. The percentage of the Roma in the group of "labour in services" is also noticeable. A somewhat higher share in the group of "experts and artists" is due to the classification of musicians and other artists in this group irrespective of the level of their formal education. The Roma are, however, most represented in the occupations for which no professional skills are required: workers maintaining facilities and buildings, cleaners, porters, warehouse workers, construction workers, workers in cemeteries, etc.; as a rule, those are underpaid and stigmatised occupations. Employment of the Roma is constrained, first of all, by the low capacities of the labour they offer and by the still relatively high influx of labour into

the secondary labour market. The intensive exodus of labour from agriculture into industry and the movement of women towards employment have produced a high level of competition in the secondary labour market. In addition to the other circumstances that should certainly include the prejudices and stereotypes concerning the working performance of the Roma, all this has given rise to the emergence of obstacles to their employment, and therefore, it is understandable that the unemployment rate among the Roma continues to grow (O Prokic, M., 1992: 106).

The expansion of the grey economy has contributed to the development of certain types of economic activity in which, to a somewhat larger extent, the Roma participate as well. The largest number of Roma are involved in the informal economy, which is denominated as “heterogeneous work”: the sale of scarce goods in the streets, agricultural activity, and trade in convertible currencies.

Education

The situation with respect to the level of education of the Roma has always been particularly unfavourable. Both compared to the overall population and to other ethnic groups in Serbia, the Roma have the lowest levels of literacy: according to the 2002 census, 62% Roma have not completed primary school, 32% have less than four grades of primary school or no education at all, 29% have completed primary school, 7.8% secondary school, while 0.3% of them have two-year post-secondary or university qualifications.

The Roma most often live in the regions and municipalities, which, in Serbia, fall among the economically underdeveloped, and their life takes place in the Turkish Quarters, separate neighbourhoods with little contact with others. Their children, from an early age, seldom have the opportunity to hear and learn any other language apart from their mother tongue; additionally, not even 10% of the children attend a pre-school institution and thus they lose the opportunity to learn the language in which teaching is carried out in schools (1991 Population Census).

Education is for the Roma a possible channel of social promotion which is, however, too long, expensive and uncertain, and requires much patience and effort. Roma children do not have suitable conditions for learning in the environment in which they live and grow. Therefore their attainment is not satisfactory, but that is also due their experience of unkindness at school. The teaching staff are often overburdened with the curricula, and insufficiently motivated for any separate work with such children, but they are also burdened with prejudices towards the Roma and often and relatively easily they refer Roma children to special schools.

The problem of the inclusion of the Roma in the educational system is one of the most urgent, particularly in relation to their integration into society. A mere calculation of the duration of the consequences of exclusion of the Roma children from regular schooling indicates that in the forthcoming period generations will be born that will further continue the cycle of illiteracy, and thereby they will experience social handicaps which constrain their participation in modern society and social development (Mitrovic, A. “On the Bottom”, 1990).

Roma Settlements and Housing

The Roma usually live together in settlements –“Mahalas”- Turkish Quarters. The main characteristics of such settlements are insanitary and substandard dwellings, irregular legal status, a deprived environment and poor utilities, which is the consequence of

exclusion from urban utility systems. The following data can at least to a certain extent illustrate the problem:

- According to some estimates, about two thirds of Roma live in the most difficult housing conditions and the worst living environment.¹¹
- About 80% of Roma live in poor areas and settlements, worse in comparison to all other ethnic communities.¹²
- The worst and the most imperilled poor settlements – slums - are in most cases populated by Roma. They are settlements of extreme misery, with substandard and very insanitary housing, substandard or entirely lacking utilities, with completely deprived environments. In Belgrade alone, 41 slums have been registered, with a population of about 9,000, 6,500 of whom are Roma.¹³
- It has been assessed that of about 600 Roma settlements in Serbia 35% have no water supply, about 65% have no sewerage, about 45% have no maintained streets, and about 10% have no electricity network.¹⁴
- Most Roma settlements do not have a regulated legal status, are outside urban systems and are not adequately covered by planning regulations.¹⁵

Resolving the housing problem requires not only major material resources but also the elimination of the numerous constraints on taking necessary action; these include:

- Lack of systematized urban development data on the poor regions and the Roma settlements on the level of Serbia,
- Inadequate regulatory policies for practical actions to improve the Roma settlements,
- The inherited authoritarian model for dealing with the poorest settlements, which is based on unilateral direct intervention (by introducing temporary measures which most often become permanent), without a development concept or the participation of all stakeholders,
- Lack of formal structures that would deal with this problem in a practical way, as well as a lack of trained experts who understand the concept of the integrated development of poor regions,
- Low level of awareness of the Roma community itself about opportunities to improve their own living conditions.

It is also necessary to point out that the highest concentration of the Roma is in those regions and municipalities that are most underdeveloped, in the Southeast of Serbia. The

¹¹ Mitrovic, A., 1990: *On the Bottom - Roma on the verge of poverty*, Naucna Knjiga, Belgrade

¹² Macura, V., Petovar, K., Vujovic, S., 1997: *Poor Quarters of Belgrade - the situation and how to improve the living conditions*, IAUS, Belgrade

¹³ Petrovic, M., 2002: *Possibilities for resolving the problem of slums*, Draft Master Plan of Belgrade, City Planning Institute, Belgrade

¹⁴ Laksic, B., Basic, G., 2002: *Roma settlements, living conditions and possibilities for integrating Roma in Serbia*, Centre for Ethnicity Research, OXFAM

¹⁵ Petrovic, M., Macura, V., 2002: *Overview of Roma Settlements in Belgrade*, Association for the Improvement of Roma Settlements, Belgrade

percentage of Roma in the overall population in those municipalities ranges from 2 to 12%. This certainly completes the picture of the Roma Turkish Quarters, i.e. of the living conditions in them.

Health Problems

Demographic data most vividly illustrate the health status of the Roma population. The Roma are one of the youngest populations in Serbia. The most numerous age group among Roma are children up to 14 years of age (40.7%). If we bear in mind that one fifth of the Roma are 15 to 24 years of age, then the initial statement is clear. More than half of the Roma population are under 25 years of age (62%), while the elderly only make up 4.1%. Such an age structure is the consequence, first of all, of the high birth and high death rates and of the relatively low average age of the Roma. The population growth rate of the Roma is more than twice that of the overall population.

The demographic situation among the Roma is the consequence of several interrelated factors. The results and analyses of a small number of surveys indicate that the life span of the Roma is not only short, but that they are also, from birth and throughout their lives, exposed to hazardous situations, so that their quality of life is particularly low.

Their quality of life and health are affected, first of all, by their physical environment. The majority of Roma do not have even basic living conditions because they live in insanitary settlements and in inadequate housing. Because they are either unemployed or they have very low incomes, their nutrition is meagre and inadequate.

Large families are not planned because ignorance is high, and there is no family planning information. The following health problems are the most common among the Roma population:

- A considerable number of births still take place at home,
- A very large number of children have not been inoculated,
- Among the chronic diseases, TB has been more frequent as of late,
- Skin diseases are present among the children,
- Asthma is present both among adults and children.

5.3. Goals

Qualitative:

In the context of the general measures specified in the Draft of the Strategy for Integration and of providing new empowerment to the Roma, the priority goals related to the reduction of Roma poverty should be targeted at:

- Elimination of all forms of discrimination to which the Roma are exposed,
- Regulation of relationships related to the system of employment (and self-employment),
- Providing access to educational institutions at all levels,

- Regulation of housing problems,
- Solving the problems of primary health care,
- Application of principles of affirmative action in all of the above areas.

Quantitative:

In view of the limited resources (material and others), and on the basis of positive experiences in neighbouring countries, it is reasonable to target certain goals, first of all those related to education, towards those regions or municipalities in which the concentration of the Roma population is the highest. Those are the municipalities in the Southeast of Serbia in which certain programmes have been initiated, whose results could be encouraging and could serve as a “model” for solving the complex problems of Roma poverty (Niš, Leskovac, Pirot, Bela Palanka, Vlasotince, Prokuplje, Žitorađa, Bojnik, Lebane, Vladičin Han and Surdulica).

5.4. Strategic Options, Measures, and Activities

The National Council of the Roma National Minority was selected on 24 May and established in July 2003. According to the Law on Protection of Rights and Freedoms of National Minorities, it represents the Roma minority in the areas of information, education, culture and official use of language. Regarding the implementation of the PRSP, certain competences, as well as financial resources required for performing of some activities, may be transferred to this Council.

Strategic directions of the PRSP related to alleviation of poverty among Roma should be carried out through the following measures and activities:

Employment

Since employment is closely related to education, actions whose aim is to increase the level of employment of the Roma should be planned and undertaken in a synchronized way. But since the educational process is long, certain measures should be undertaken immediately. This includes, first of all, acquiring relevant data on the market for the products the Roma traditionally produce, and then establishing small workshops in those areas where the Roma can engage in such handicrafts.

One of the measures that require relatively few resources is training in some of the skills that do not require high qualifications.

Education

Some particularly important measures for Roma that should be undertaken urgently, since the reform of the schooling system has started, are to:

- enrol children in pre-school institutions
- introduce compensatory programmes in primary schools
- train teachers to work with Roma children
- prepare tests for enrolment of children in the first grade

- analyse causes and consequences of enrolment and attendance of special schools by a large number of Roma children
- direct older Roma children who have dropped out of school to take craft and vocational courses
- provide scholarships for students, especially for future pre-school and primary school teachers
- teach adults, especially women, to read and write (literacy courses)
- provide a daily snack and free transport for poor children.

These measures should be coordinated with the Strategy on Education of Roma.

Roma Settlements and Housing

In the area of housing the priority tasks are as follows:

- Resolving the legal status of sustainable autochthonous Roma settlements by the implementation of an adequate legal framework;
- Creation of statutory grounds, layout plans and relevant regulatory rules for the inclusion of the Roma settlements within urban systems and their further development;
- Assisting the most vulnerable part of the Roma population, especially in South Serbia, through support and co-ordination of the existing as well as development of new models for improving Roma settlements, based on real resources, needs and possibilities of the community, participation, partnership, co-operation and integrated development;
- Providing utilities and infrastructure in Roma settlements - electricity, water supply, sewerage systems, streets, waste disposal;
- Increasing the participation of all stakeholders in the process;
- Resettlement of and help to the most vulnerable urban slums, which are mostly populated by Roma and other vulnerable groups.

Measures and actions aimed at the attainment of priority tasks include:

- Undertaking an urban-architectural study and assessing the existing situation of poor areas and settlements in Serbia;
- Undertaking a study on the resources for the improvement of poor settlements and areas;
- Working out the Recommendations for Work on the Development of Poor Settlements that will ensure their sustainable development, with full respect for

the specific characteristics and lifestyle of the Roma population, in keeping with domestic¹⁶ and international¹⁷ documents and standards;

- Providing targeted policies through the implementation of pilot projects, architectural open competitions, campaigns, etc. that may be implemented as a form of aid to the most vulnerable population and poorest municipalities, especially in South Serbia, where the concentration of Roma is highest;
- Drafting new and revising old Roma urban plans, that will ensure their formal integration in town and infrastructure systems, integrated improvement and further development, while respecting their specific characteristics and lifestyle;
- Improving the quality of life in Roma settlements through the development of public facilities, landscaping and social standard buildings, with a view to supporting social and economic development;
- Educating local authorities and all relevant services to better understand the problems and training professionals to work on the improvement of Roma settlements;
- Educating the Roma population on the opportunities for improving their own standard of living and housing conditions, and encouraging the participation of the local community through practical activities in the settlements;
- Resettling the most vulnerable unsustainable settlements, building new ones and introducing programmes of socio-economic support for their inhabitants. This particularly applies to unsustainable urban slums - the most vulnerable settlements located in central areas of big cities, mainly Belgrade. The decision to resettle or keep any individual settlement is a sensitive and costly undertaking, with a number of complex aspects, and thus has to result from a detailed and professional analysis. If such a decision is necessary, it must be implemented in accordance with particular rules and standards, with the involvement of all parties concerned;
- Operationalisation - formation of an agency or another service, to develop the basis and framework for resolving the problems of poor settlements, with a task force for Roma settlements which account for a vast majority of these areas. The Agency should gather experts and train professional staff to work on these complex problems. The Agency should have experts of various profiles (urban planners, architects, economists, sociologists, lawyers), as well as Roma representatives, because its work has to be multidisciplinary and integrated and must provide solutions to real problems and needs of the local Roma communities. The Agency's tasks would be the following:
 - Developing the basis and framework for resolving the problems of poor settlements;

¹⁶ Draft National Strategy for Roma Integration, 2002, Ministry for National and Ethnic Communities

¹⁷ Memorandum on Problems Facing Roma/Gypsies in the Field of Housing, MG-S-ROM (2000)3, Council of Europe

- Raising funds from domestic sources for the improvement of poor areas (from the respective ministries, services, business sector and local resources);
- Raising external funds for the resolution of housing problems in Roma settlements (from UN Habitat, the World Bank, the European Commission, Stability Pact for South Eastern Europe, etc.);
- Co-ordinating the activities of various players in this field;
- Creating, initiating and implementing specific programmes - models for the improvement of Roma settlements with visible results.

6. Gender Aspects of Poverty

6.1. Current Status

Poverty among women should be understood, first of all, as a problem of the social discrimination of women which takes place through ignorance of the actual, real, working contribution of women and non-payment or underpayment of their work, as well as the constantly lower esteem accorded to 'women's' occupations, aggravated professional promotion, or as of late the 'flexibilization' of work which often marginalizes women in a new way. Women's work is either not recognised, or not paid for, or insufficiently paid for. In that respect poverty among women is equally determined by factors that affect the scope of poverty in the population as a whole, as well as by those factors that are related particularly to women. Hence the strategy against poverty of women also necessarily includes the entirety of the Poverty Reduction Strategy, but also specific, additional measures related to women, so as to avoid increased inequality and to ensure its reduction. It is important to stress that there is no automatic link whatsoever between the reduction of poverty and of gender inequalities: poverty can be reduced but gender inequalities can increase and, vice versa, poverty can grow, and gender inequalities can be reduced.

On the basis of the Survey of the Living Standard of the Population (SLSP) and other surveys, the indicators of the unfavourable economic status of women are:

- Over 40% of women over 15 years of age do not have any regular personal income (as opposed to less than 30% of men in the same age group);
- The unemployment rate (self-declared) is higher (26%) among women as compared to that among men (20%);
- On average, women's wages are 15% lower than men's;
- More demanding requirements for the employment of women;
- Longer time spent waiting for employment by women;
- Open and hidden discrimination in workplace promotion (the higher the level, the smaller number of women);
- Higher probability that women will be exposed to poverty as single parents because, after divorce, they either predominantly or entirely support their children, and also due to births outside marriage;
- Higher probability of poverty in old age as a consequence of a smaller relative number of retired women and lower pensions (due to higher unemployment and inequality in

wages);

- Lower qualifications and levels of education, particularly among the older age categories of the population;
- Inequality in ownership of property (only 17% of women possess apartments, as compared to 31% of men);
- Inequality in inheritance as a result of common law practices;
- The proportion of female employers (owners/co-owners of enterprises or shops) is only 30%;
- Low participation of women in ownership transformation;
- Women much more often fall into the category of employees than the category of employers, compared to men (at least twice less);
- A particularly high share of women in the category of 'helping household members' (up to three quarters);
- A particularly high difference in unpaid housework between men and women (about 4-5 hours difference per day);
- The spread of the 'sex industry' which results in intensification of the negative stereotypes about women in general and 'legitimises' their sexual exploitation.

Economic status is closely linked to political power, and the unfavourable status of women in institutions is a good reflection of that. Women are particularly under-represented in political institutions: in the Parliament (11.2%), in the Government, at local levels of government, in political parties, and in trade unions.

Poverty among women is very much related to their family and marital status. So, for example, it is more severe when they are single parents. It is also worth mentioning that household consumption, as a unit of measure, in no way means that women in families, either as parents or children, obtain an equal share and have their needs satisfied in the same way as the male members of the household.

The vicious circle of poverty is also often reinforced by violence against women, both within families and outside them. There is quite a clear relationship between economic independence and opportunities for dealing with the issue of violence in families. But violence can also be the grim side of economic dependence. The prevalence of violence in families, which reaches dramatic levels in Serbia, also has its economic price (it is neither socially nor economically rational to undertake anything because, in any further cycle, in the circle of violence, the costs will grow, and the social price will become unbearably high, including the consequences to the younger generations). Finally, trafficking of women and poverty are also directly related, but, for the time being, this is manifested rather as a relationship between the economic situation of a state and the probability that women will be the object of trafficking, than as a clear relationship at a group or individual level.

6.1.1. Legal status

Although the legislative framework contains presuppositions on gender equality in different fields, the practice largely deviates from the formal regulations. As a country signatory to the Convention on Abolishing All Forms of Discrimination against Women, and the optional Convention Protocol, this country is obliged not only to harmonize its

regulations with the rules set out by the Convention, but also to secure their active implementation. These guarantees are currently contained in the highest legal acts and relevant laws.

The current situation results from the inefficient implementation of rules that guarantee gender equality. A particularly aggravating factor is the traditional view on women's status and role in society.

In order to secure actual gender equality it is necessary to undertake adequate measures aimed at raising public awareness of the importance of women's rights (as an integral aspect of human rights), strengthening the capacities of immediate beneficiaries of these rights, and also empowering and informing the representatives of institutions in charge of the protection of human rights.

6.2. Problems and Constraints

The **particular constraints** in establishing the economic equality of women can be identified as:

- Low level of general knowledge on gender inequality;
- Lack of gender sensitive statistics that would include the time-budget;
- The burden of childcare is predominantly in the private sphere and predominantly on women (also, care for the elderly);
- Insufficient representation of women in the political decision-making bodies and insufficient sensitisation or readiness of women in politics to protect the interests of women;
- Continued gender segregation in education and as a result by occupation ;
- Non-integrated knowledge on gender inequalities in the regular education system;
- Accelerated deterioration of female human resources, of health first of all, due to an economy of 'survival' and inadequate health protection;
- Lower participation of women in ownership, which is aggravated by the transformation of ownership;
- Administrative obstacles for establishing cooperatives and encouraging the entrepreneurship of women;
- Non-existence of institutional mechanisms that would ensure that women are paid equally for a job of the same value, that they are equally promoted under the same criteria, and are not exposed to discrimination at work, including sexual blackmail and harassment.

The greatest poverty risks exist with the following categories of women; individuals can be in more than one category, resulting in greater levels of marginalisation:

- Single mothers (particularly of small children with special needs);

- Housewives;
- Elderly women;
- Diseased and women with disabilities (persons with special needs);
- Some rural women (the elderly and without property);
- Refugees;
- Women who are “helping members” of family firms ;
- Roma women;
- Uneducated women;
- Unemployed women;
- Women who are the victims of violence.

From the experience of countries in transition, two categories are the most vulnerable: elderly rural women and single mothers. At the same time, they also represent two completely different challenges to programmes of assistance . Additional surveys should be conducted in Serbia on this issue.

6.3. Goals

In respect of gender equality, the Poverty Reduction Strategy involves, first of all, the reduction of the scope of poverty and the elimination of specific barriers that produce women's poverty. In that sense, it is important to completely clarify the relationship between unpaid housework and competitiveness of women in the labour market. The goal of the strategy targeted on women should be to establish a clear functional distinction between those who need income support and those who, apart from income support, need specific measures of assistance to help them realise their potential and which would empower them to break out of the circle of poverty.

Qualitative Goals:

- Reduction of gender inequalities;
- Economic and political empowerment of women at all levels, in all areas, simultaneously;
- Incorporation of these goals in all development programmes, including the PRSP;
- Greater concrete responsibilities of all the social stakeholders in achieving this goal in addition to monitoring;
- Raising gender awareness in all social and state institutions;

- Incorporating gender aspects into the budget, i.e. establishing transparent and gender-sensitive indicators on the effects of financing certain areas;
- Establishing gender-sensitive statistics in all fields;
- Better dissemination of information about the problems and possibilities of achieving gender equality.

In view of the fact that poverty among women cannot be reduced to the overall problem of poverty, it is necessary to incorporate specific elements into the process of implementing the strategy, by including relevant measures, such as:

- Measures against the discrimination of women (in employment and work and desegregation of education);
- Assessment of the overall working contribution of the female population, including both paid and unpaid work, as well as formal and informal work, i.e. productive work and work related to children and the family;
- Assessment of the quality of human resources of the female population (level of education, knowledge, skills, and technological/engineering literacy, business ambitions);
- Analysis and monitoring of changes in legislation and their effects on gender inequality;
- Stimulation of women's cooperatives and women's entrepreneurship.

6.4. Strategic Options

There are two dominant, complementary approaches in dealing with poverty among women. The first is focused on the problem of discrimination against women and on poverty among women as a consequence of various cumulative discriminatory processes, past and present. Discrimination is a cause of poverty, but it is also a frequent consequence of poverty, the problem of exercising human rights, i.e. women's human rights, and is a specific form of social exclusion, which is in the most direct relationship with other forms of exclusion (educational, economic, political). Such an approach insists on the moral justification for working towards the economic equality of women.

The second approach is more pragmatic and explicitly establishes a relationship between development and female human resources. Economic discrimination against women, as well as any other form of discrimination, is counterproductive in terms of the use of their human resources, in particular at a time when the economy relies on human resources and knowledge as the key resource. Women in the countries in transition, and even in Serbia, have very good educational qualifications, but more so in terms of quantity than quality, because a severe segregation by educational profiles has been retained.

The relationship between poverty among women and development is not totally straightforward and linear. Thus, it is not possible to affirm that intensified development will necessarily lead to more proportionate inclusion of women in 'profit sharing', or that pauperisation of women will not favour one specific type of 'development', which is actually taking place in the process of 'transition'. Public services in which women are

most often employed and which are also particularly important for the quality of life of women can be most affected particularly in transition. Therefore, political pressure will decide how much a part and which part of the population will gain, i.e. how high a price will be paid by which part of the population.

However, it is possible to establish a relationship between development and female human resources, whereby both the strategy of development and the improvement in the position of women will go in the same direction. The idea of sustainable development needs to take into account the specific accumulated discrimination that has produced and reinforces the unfavourable position of women, and at the same time needs to set free female economic potential for future development. It is particularly important that there will be no sustainable demographic growth, i.e. simple replacement of the population, if women cannot achieve economic security and conditions for raising children that correspond to the expectations of civilised society. The low birth-rate in Serbia is predominantly the consequence of the heavy responsibility of parenthood, in particular mothers towards their children, which requires adequate conditions (Blagojevic, 1997).

In order to better tackle the issue of poverty among women, it should be differentiated. Women's poverty originates from different sources and that is why specific measures should be formulated for each vulnerable group.

7. Poverty and Human Rights

7.1. The Current Status

During the last two and a half years, Serbia has achieved significant results in improving human rights. Progress in the areas of institutional reform and legislation on human rights, the protection of minorities, freedom of the media and the introduction of reforms of the justice system and the police has been particularly significant.

The commitment and determination exist to establish the necessary conditions for further progress towards democracy, multi-party society, the rule of law, a market economy, and the observance of human rights and the rights of minorities.

As a result of progress made in human rights, and their current overall state in Serbia, at the end of 2002 the Third Committee of the UN GA decided they were no longer a cause for concern, and there has been a similar decision at the 59th Session of the Commission for Human Rights. The removal of Serbia from the mandate of the Special Representative Mr. J. Cutillero represents an expression of support for plans to work intensively in future for the improvement of human rights, and to create conditions for the full implementation of internationally accepted obligations in this area.

In addition to national measures, further improvement of human rights in Serbia will be achieved by means of technical assistance projects and programmes to be secured by the Office of the UN High Commissioner for Human Rights. In this context, the Memorandum of Understanding on Technical Co-operation with the UN High Commissioner for Human Rights has been signed. One of the projects to be implemented in the next year is the implementation of economic, social and cultural rights with a particular emphasis on poverty reduction.

Serbia has demonstrated its commitment to further improve human rights by signing and ratifying a majority of the international conventions in this area.

On the basis of the successor's statement of 12 March 2001, Serbia's membership in all the major conventions on human rights has been resumed. These conventions are the so-called core conventions, including the International Covenant on Civil and Political Rights, the International Covenant on Economic, Social and Cultural Rights, the International Convention on Elimination of all Forms of Racism and Racial Discrimination, the International Convention on the Elimination of all Forms of Discrimination against Women, the Convention on the Rights of the Child, and the Convention against Torture. The only one of the so-called core conventions which has not yet been ratified is the Convention on the Protection of Migrant Workers and their Families.

In the past two and a half years, both Optional Protocols to the International Pact on Civil and Political Rights (relating to consideration of individual appeals and the abolition of the death penalty) have been ratified. A Statement was issued recognising the competence of the Committee on the Elimination of Racial Discrimination (CERD) to consider individual claims pursuant to Article 14 of the Convention on the Elimination of Racial Discrimination. Moreover, the Draft Law on the Ratification of the Optional Protocol to the International Convention on the Elimination of Discrimination against Women has been drawn up and it provides for the possibility of resolving individual claims. The two Optional Protocols to the Convention on the Rights of the Child have been ratified and they ban the abuse of children in wars, as well as child prostitution and pornography. Since the Optional Protocol to the Convention against Torture was adopted in December 2002, the process required for its signature, namely accession to the Protocol, should commence soon. Membership of the Council of Europe commits Serbia to ratifying the European Convention on Human Rights and the accompanying Protocols, as well as all other human rights instruments, including the European Convention on Abolition of Torture and Humiliating Treatments and Punishments, the European Charter on Languages of Regional or Minority Groups, the European Charter on Local Self-Government, the European Social Charter, etc. This process will be neither simple nor easy, because it involves harmonisation of domestic legislation with European standards. Deadlines for fulfilling these obligations (on average one to three years from the day of accession to the Council of Europe) represent an additional stimulus for the acceleration of legislative reform in the field of human rights.

Great improvement has undoubtedly been achieved in terms of government commitment to the respect and advancement of human rights. However, there is still a lot more to be done in order that the human rights guaranteed by these conventions (of which Serbia is a signatory), become a reality and are implemented in practice. Most assessments concern a lack of information, such that the rights that are guaranteed by the conventions are not implemented. This requires the whole society to implement measures towards further the strengthening of norms and the legal framework (legislative reform), which becomes particularly important after admission to the Council of Europe. Entry to the CoE and the ratification of the European Convention on the Protection of Human Rights and Freedoms means that Serbian citizens will be able to enjoy the system of protection of human rights that is guaranteed by the Convention. This at the same time means that they will be able to seek legal remedy for violations of human rights before the European Court for human rights.

Apart from the obligations arising from the Conventions, as a UN member Serbia has a political obligation to implement Action programmes and Declarations adopted at numerous UN conferences.

The lack of adequate national capacities necessary for the protection and strengthening of human rights is to be dealt with by passing the Law on the Ombudsman in the Serbian Parliament as soon as possible, as well as by establishing that institution (the Law has gone through the procedure of the Government of the Republic of Serbia), since the ombudsman will be responsible for dealing with the problems of marginalized groups and the victims of human rights violations.

The National Action Plan on human rights has not yet been drawn up, although it is a requirement under the Vienna Declaration on Human Rights adopted in 1993. Such an action plan would be of the great significance for the overall development of society, particularly with regard to the poverty reduction strategy. In the plan special care is to be taken in creating a culture of human rights and education on human rights. Ignorance of obligations under the Conventions demonstrates the need for education at all levels including for members of Parliament and those employed in the judiciary, police, media, and pupils and students. Furthermore, a national strategy for education on human rights, which is an obligation under the UN Action Plan for the Decade of the Education on Human Rights, 1995-2004, is not yet in place. The national strategy should be comprehensive (in terms of its range and objectives), participatory (including all relevant stakeholders – both governmental and non-governmental), and efficient (in terms of education methods, including seminars, the integration of human rights into the curricula of primary and secondary school, and of the graduate schools). Educational reforms that have already been initiated are taking this into account.

In addition to the obligations under the Conventions on human rights, Serbia as a member of the UN has a political obligation to implement the Action Programmes and Declarations adopted at numerous UN Conferences and the special sessions of the UN GA. These include decisions made by the World Social Summit, the World Conference on Sustainable Development, the Fourth UN Conference on the Advancement of Women, the Special Session of the UN GA on children, the UN Congress on the Elderly, and the Special Session of the UN GA on AIDS. In the documents of all these conferences, the member states were requested to develop their national action plans with precise goals and short-term and long-term deadlines for their implementation and to report on them to the UN annually or every four years. In Serbia, these action programmes have not yet been drafted. Work on the Action Plan for Children is under way.

7.2. Poverty and the Framework of the Applicable Human Rights

Poverty has multi-dimensional effects on the ability to exercise human rights. It jeopardizes all aspects of human existence, whether they are political, economic, social or cultural. A negative impact in one area of human rights, for example economic rights, has a domino effect on all other human rights. This reinforces the principle outlined in the Vienna Declaration on Human Rights that all human rights are universal, interdependent and integral. The integrity of human rights is particularly expressed in the International Covenant on Civil and Political Rights, the International Covenant on Economic, Social and Cultural Rights, the Convention on the Rights of the Child and the Convention on the Elimination of Discrimination against Women. The implementation of obligations based on these conventions, involving the further promotion and protection of human rights, together with democratisation and the rule of law, are key elements of the development process and thus also of poverty eradication.

The negative impact of poverty, especially on vulnerable groups, is regarded as a violation of a wide range of human rights guaranteed by the four above-mentioned conventions. This particularly holds true for enjoyment of basic aspects of the rights to life, freedom from inhumane and degrading treatment (which includes rights to adequate nutrition, accommodation and clothing), the right to a high standard of physical and mental health, the right to work, and also a whole range of rights pertaining to labour relations, freedom of association and assembly, the right to collective contract, and so forth.

The Committee for Economic, Social and Cultural Rights has in its general comments on the nature of the obligation taken a stand that states that signatories have concrete legal obligations arising from Article 2. They are therefore obliged to provide minimum standards related to all rights from the Agreement, using all available means in an efficient manner. The guidelines from the Maastricht Treaty of 1997 on the violation of economic, social and cultural rights represent further elaboration of states' obligations to observe, protect and realize rights. Core obligations in this area are set out in the guidelines and they must be fulfilled regardless of any obstacles.

The relationship between poverty and human rights has not always been unidirectional (with poverty resulting in deprivation of human rights). In fact, poverty has often arisen from the failure of mechanisms to ensure the realization of human rights. There are numerous examples of individuals finding themselves in poverty because they have not been able to exercise their rights in respect of state bodies and institutions (especially rights relating to employment, the peaceful disposal of property, health care and social protection, freedom from discrimination etc.). It is therefore necessary to deal simultaneously with poverty and human rights in order to take account of the way they interact.

7.3. Poverty – the Approach Based on Human Rights

During the last two years, the UN system has been dealing intensively with issues relating to poverty and development through an approach based on human rights. That approach is clearly expressed in the programme of reforms of the UN Secretary-General within the UN Strategy for the Reduction of Extreme Poverty by Half by 2015. Human rights are recognised as the key strategic and essential component, while Conventions and Declarations on human rights (particularly the Declaration on the Right to Development) provide a framework of reference for resolving problems of poverty and development, for the progressive implementation of human rights, and for making the poor aware of their rights.

While poverty primarily emphasizes multi-sectoral issues, for which it is not easy to find simple solutions, the application of the normative frameworks contained in the international conventions on human rights to poverty helps to ensure the inclusion of basic elements of strategies against poverty, such as:

Universality and inalienability of human rights – this includes the responsibility and obligation of all social actors to undertake adequate measures to guarantee and protect human rights. The principle of universality means that every person possesses these rights based on the fact that he/she was born as a human being. Inalienability directly means that the state cannot deprive an individual of these rights, and indirectly, that human rights are not proscribed, but guaranteed by the highest acts of the state.

Interdependence and the integrity of human rights – the starting point of every poverty reduction strategy is the interdependence of civil, political, economic, social and cultural rights. Thus the purpose of a strategy is to develop a framework be based on internationally guaranteed rights, covering all sectors including health, education, housing, administration of justice, personal safety, political participation and others.

Accountability –this relates to the obligations of all relevant stakeholders, including individuals, government agencies, local governments and organizations, private companies, civil society, donors and international institutions. Such an approach also involves the development of appropriate laws, policies, institutions, administrative procedures and practices, as well as mechanisms for dealing responsibly with violations of human rights (courts, administrative panels, special commissions, ombudsman). This requires the transformation of universal standards into locally adopted benchmarks for evaluating the development and strengthening of accountability.

Training – priority should be given to training strategies instead of charity actions and exclusive reliance on humanitarian aid. This will give the poor an opportunity to develop their own capacities and potentials in order to change their lives and the life of their community. The poor should be seen as capable of making an active contribution to poverty reduction as part of the overall development of society, and not just as passive recipients.

Participation – the human-rights-based approach requires a significant level of participation, including by local communities, civil society, minorities, and vulnerable categories (such as women, children, persons with disabilities, and others). Moreover, it implies the implementation of projects in such a manner that they are closely involve both the partners and the beneficiaries.

Right to freedom from discrimination and vulnerable groups –particular attention needs to be paid to issues of discrimination, equality and justice in respect of the vulnerable categories of people (women, children, refugees, IDPs, persons with disabilities, the elderly, and others). It is also necessary to disaggregate the data concerning the vulnerable categories. National priorities include the Law on Freedom from discrimination, the Law on Gender Equality, and the Law on Refugees, in order fully to observe the provisions of the Convention on Refugees of 1951.

7.4. Poverty and its Impact on Human Rights

For many years, issues relating to poverty and the poverty reduction strategy have been prominent in the UN system. The authorities dealing with human rights, particularly the Committee on Human Rights and the treaty bodies established following the conventions on human rights, have taken the initiative on this. In the struggle against poverty, the emphasis is on good governance, the functioning of the legal and justice system, initiatives in education and health care, the reduction of debts and, of particular relevance to Serbia, the fight against crime and corruption.

In the preparation of the poverty reduction strategy, the approach based on human rights must take into account the fact that poverty deeply affects a series of human rights. The list of human rights being violated under conditions of poverty is not final, and the experts dealing with this issue are extending the scope of rights in relation to poverty.

Of particular relevance in the preparation of the poverty reduction strategy are the rights guaranteed by the International Covenant on Civil and Political Rights, the International Covenant on Economic, Social and Cultural Rights, the Convention on the Rights of the Child, the Convention on the Elimination of Discrimination against Women, numerous Conventions of the International Labour Organization (ILO), and the strategies adopted by the World Health Organization (WHO). Since the Poverty Reduction Strategy represents a long-term process, accession to the European Social Charter needs to include harmonization of anticipated measures with the obligations that arise from it.

Poverty affects the implementation of the following human rights:

The Right to an Adequate Standard of Living – guaranteed under Article 11 of the International Covenant on Economic, Social and Cultural Rights. In General Commentary No. 3, the starting point of the Committee on Economic Social and Cultural Rights has been the obligation of the signatory states to secure basic rights, primarily in providing food, health care, accommodation and education.

The Right to Adequate Accommodation - This right is of crucial importance for the realisation of other human rights. It is guaranteed by Article 11 of the International Covenant on Economic, Social and Cultural Rights. It is also included in Article 27 of the Convention on the Rights of the Child, and the Committee has declared it an essential component of the right to a standard of living necessary for a child's development. This right is also directly linked to the right to freedom from discrimination, the right to life and the right to participation. Insecure accommodation for the poor arises from legal or arbitrary evictions or their inability to pay even minimum rents regularly.

The Right to Education – this is guaranteed in Articles 13 and 14 of the International Covenant on Economic, Social and Cultural Rights, and the Convention on the Rights of the Child. The World Declaration on Education adopted by UNESCO commits the signatories to preparing national action plans, in which Serbia is behind schedule.

The Right to Work – Articles 6, 7, 8 and 9 of the International Pact on the Economic, Social and Cultural Rights stipulate everyone's right to work under fair and favourable conditions. This right is guaranteed by numerous Conventions adopted by the ILO, of which Serbia is a member (please refer to the Attachment).

The Right to Health – stipulated in Article 12 of the International Covenant on Economic, Social and Cultural Rights. There is still no national strategy on health, which was an obligation under the WHO Global Strategy. The right to health is an inclusive right, which in addition to health care and protection includes provision of drinking water, sanitation, safe and healthy food, healthy working and environmental conditions, access to information, sexual and reproductive health care, etc. Health care reform is necessary to enable the provision of comprehensive, continuous and accessible health services, as well as the development of the health improvement concept directed at those factors which have the greatest impact on health. The principles of equality, justice and solidarity in health care need to be taken into account with the aim of decreasing the differences between urban and rural areas, various social and economic groups, and diverse vulnerable categories.

The Right to the Protection of the Family – stipulated in Article 23 of the International Covenant on Civil and Political Rights, as well as in related articles of the Convention on the Rights of the Child. It needs to be borne in mind the assistance of the social services is often considered as an obstacle to taking on of responsibility by the family, though one should not disregard the cases where inefficiency of these services prevents the

realization of rights.

The Right to Privacy – stipulated in Article 17 of the International Covenant on Civil and Political Rights. In this case, the actions of the social services are also considered as those, which jeopardize privacy and it is, therefore, important to determine legislative, ethical and professional standards. It is also necessary to provide efficient implementation of the guaranteed principle of protection of personal data from potential abuses by government bodies and public institutions.

The Right to Recognition of a Personality in Court and the Right to Registration – Difficulties relating to the exercising of this right are particularly associated with the Roma population, as well as IDPs and refugees because of problems of documentation, though the procedures for obtaining citizenship have been made somewhat easier by the latest changes in the Law on Citizenship.

The Right to Life and Physical Integrity – this is guaranteed under Article 3 of the Universal Declaration on Human Rights and Article 6 of the International Covenant on Civil and Political Rights. The interpretation of this right cannot be restrictive, and its exercise requires the State to adopt positive measures, such as steps for reduction in general mortality, reduction in child mortality, increasing life expectancy, elimination of malnutrition, and so on. There has been progress in the realization of civic and political rights through the ratification of some international instruments (Second Optional PGP Protocol, Convention Against Torture and Other Humiliating Treatments and Punishments, Convention Against Transnational Organized Crime and the accompanying Protocol, etc); the death penalty has been abolished, measures against human trafficking and organized crime were introduced into domestic legislation, and there has been an increasing emphasis on the ban on unauthorized use of force in the work of government bodies.

The Right to a Fair Trial – key principles related to the judiciary were introduced by ratification of the Pact on Civic and Political Rights. The prerequisite for the realization of these rights is, primarily, an independent and impartial judiciary (see the chapter on judiciary reform). Among the principles mentioned, special significance is attached to those related to the equal treatment of parties before the court (and before other government bodies on whose decisions depend the realization of rights), the right to use one's own language, the prohibition of the retroactive application of laws, the right to an efficient legal cure, the right to compensation (not only material, but also moral), the presumption of innocence (in criminal proceedings), etc. From the time of ratification of the European Convention on Human Rights, citizens have an additional guarantee for the protection of their human rights – namely, they will be able to start proceedings before this body if deprived of the protection by local courts.

The Right to Participate in Political, Social and Cultural Life – This is quite a broad area, and it includes the interaction and interdependence of numerous rights as listed above and guaranteed by the four Conventions listed. Illiteracy, lack of education, lack of personal documents, and even social discrimination, are the main obstacles to the responsible exercising of political rights. The situation is most aggravated in the field of electoral rights, since certain categories of population are deprived of the right to vote and to be candidates in elections. During the World Decade for Cultural Development, UNESCO advocates the renewal of the right to culture for the poor, through the cultural dimension of anti-poverty and developmental efforts.

7.5. Exercising of Human Rights in the Area of Employment and Work

7.5.1. Strategic Options, Measures and Activities

In order to eliminate factors that are an additional cause of poverty, *the ILO's Conventions and Recommendations are to be adopted as soon as possible*, particularly those directly referring to unemployment, protection for those made redundant, employees' earnings, working conditions and development of human resources, i.e. education of employees, and those with regard to conducting the social dialogue.

The implementation of international labour standards (Conventions and Recommendations provided by the International Labour Organization (ILO) in Serbia has only been carried out to a modest degree so far. Out of 184 Conventions in total, 67 have so far been ratified, and it is necessary to ratify other important Conventions as soon as possible.

7.5.2. Changes in the Institutional and Legislative Spheres

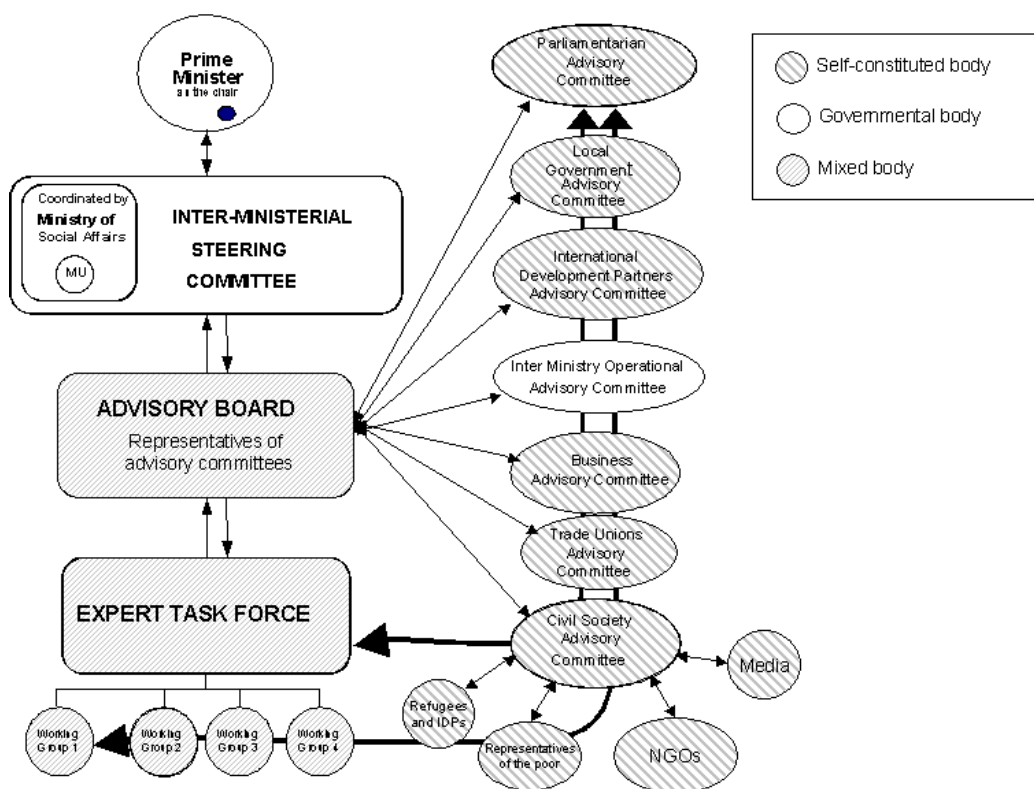
International labour standards as determined by ILO documents should be fully regulated by labour legislation and other laws that regulate appropriate areas, and which are currently being prepared (*Law on Employment, Law on Employment of Persons With Disabilities, Law on the Guarantee Fund, Law on Private Entrepreneurs, Law on Safety and Health Protection at Work, Law on Amicable Resolution of Collective and Individual Disputes, Law on Trade Union, Law on Strikes*). Furthermore, these laws, other regulations, and the collective agreements need to be harmonized with the current rules of the European Union.

ANNEX 2

Consultative process of the poverty reduction strategy preparation

As already outlined in the Interim PRSP, one of the key preconditions for the efficient formulation and implementation of the consultative-participatory process in preparing the PRSP is a clear organizational structure for the process. At the same time, to ensure the active involvement of all interested stakeholders in the process of consultation and preparation of the PRSP, the PRSP formulation was designed and implemented to be open and flexible.

I Institutional Set-Up and Organizational Structure



The institutional and organizational structure for strategy formulation was as follows.

1. The PRSP Steering Committee (SC) coordinated by the Ministry of Social Affairs and chaired by the Prime Minister, was responsible for policy guidance and strategic decision-making regarding the full PRSP. The Committee was formed at the Government's session held on September 13, 2002. The Inter-ministerial Committee is comprised of the ministers from the Ministries of Social Affairs, Labour and Employment, Education and Sports, Health, Economy and Privatisation, International Economic Relations, Trade, Tourism and Services, and Finance and Economy. In addition, other ministries, e.g. the Ministry of Public Administration and Local Government, Ministry of Agriculture, etc., will be also involved when required.

2. PRSP Management Unit – is a Unit set up specially within the Ministry of Social Affairs, in charge of organizational support for PRSP preparation. Apart from the Head of Unit the MU consists of the following staff: Strategic Communication Expert, Coordinator in the PM's office, nine experts for Sectors / Consultative process, Communication and PR Expert, Translator and Office Administrator as well as the International Advisor.

3. Advisory Board (AB) – was formed on 19 June 2003. It consists of representatives from Advisory Committees, Expert Task Force and Government. Its main task is to disseminate information, coordinate and consolidate comments provided by the different Advisory Committees and to present recommendations and conclusions to the Steering Committee concerning the full PRSP. At the start of PRSP preparation, it was planned that the AB should meet regularly throughout the PRSP process, but due to delays in constitution of Advisory Committees (ACs) and time limitations, the AB was not constituted until the end of the formulation process. Therefore, members of the AB feel that their main activity is not limited to commenting on PRSP drafts, but will also include active participation in strategy monitoring and implementation.

4. Advisory Committees (AC)

In connection with the PRSP process, seven representative Advisory Committees have been established:

- ***Poverty Reduction Committee of the National Assembly of the Republic of Serbia*** – on 22 October, a group of 15 MPs submitted the “Proposal for the Decision on Changes and Amendments of the Rules of Procedure of the National Assembly of the Republic of Serbia”, requesting that it be put on the agenda. The National Assembly of the Republic of Serbia reached a decision on the establishment of the Poverty Reduction Committee at the Eighth sitting of the First Regular Session, held on 30 May 2003. The Poverty Reduction Strategy Management Unit held several meetings with MPs, to inform them on the progress of the PRSP preparation, while MPs in turn regularly attended all consultative meetings.
- ***The Local Government Advisory Committee*** – after a series of meetings with the representatives of the Standing Conference of Towns and Municipalities of Yugoslavia (SKGOJ), it was concluded that this national association of the representatives of local authorities represents a good basis for the PRSP consultation process. The SKGOJ Committee for Social Affairs, which was formally established as the Local Government Advisory Committee within the PRSP process on 25 February 2003, is in charge of coordinating the process at the local level. The Local Government Advisory Committee is comprised of the representatives of the following municipalities / towns: Bor, Bujanovac, Zemun, Zrenjanin, Kragujevac, Kraljevo, Priboj, Ruma, Užice and Šabac.
- ***The Civil Society Advisory Committee*** was established on 5 December 2002 and consists of representatives of 11 local non-governmental organizations. The establishment and work of this AC was significantly supported by the United Nations Development Program (UNDP) and Catholic Relief Services (CRS). In the PRSP process, the representatives of the Civil Society Advisory Committee see their role as: communicating with the Government, prioritisation of PRSP

sectors in which the comments of civil society are needed, and communication with other civil society actors (forwarding information, collecting comments etc.)

- ***Labour Unions Advisory Committee*** – representatives of three labour unions (Confederation of Autonomous Trade Unions of Serbia; Trade Union Confederation “Nezavisnost” and Association of Free and Independent Trade Unions) were at first members of the Civil Society Advisory Committee, but due to differences in priorities/interests and approach between civil society and labour union organizations, they set up a separate Labour Unions Advisory Committee on 29 April 2003
- ***The International Development Partners’ Advisory Committee*** was established on 11 February 2003 and consists of the representatives of 6 bilateral / multilateral donors, 3 UN agencies and 5 representatives of international non-governmental organizations. The meetings of the AC are organized on a rotational basis and attended by representatives of all the above-mentioned sub-groups.
- ***The Business Community Advisory Committee*** - at the session held on 3 April 2003, the Business Community Advisory Committee was formally established, with the purpose of taking active part in the PRSP preparation and consultative processes. The Advisory Committee consists of the representatives of: the Employers’ Union, the Entrepreneurial Council at the Ministry of Economy and Privatisation, the Association of Economists of Serbia, the Association of Joint-Stock Companies of Serbia, the Bakers’ Union, the Regional Centre for Development of Small and Medium Enterprises, and the Council for Foreign Investments.
- ***The Inter - Ministry Operational Advisory Committee*** – during October / November 2002 every ministry delegated one representative to the Inter-Ministry Operational Advisory Committee.

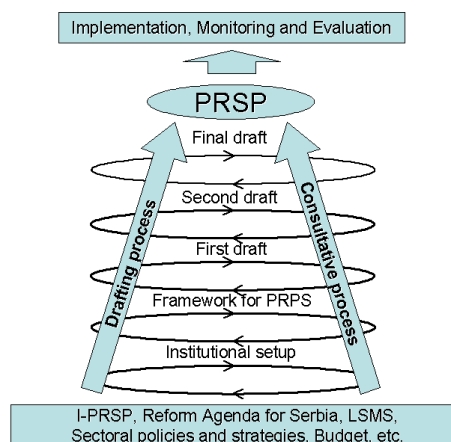
Representatives of faith communities, supported by the Government of the Republic of Serbia, decided to take active part in the preparation and implementation of the PRSP. After the conference “Serbia Free of Poverty – the Role of Faith Communities in Poverty Reduction”, representatives of various faith communities suggested that the Religious Council on Poverty Reduction be formed, in charge of concrete activities related to poverty reduction in accordance with PRSP priorities.

5. Expert Task Force (ETF) – The main task of the Expert Task Force was to draft the full PRSP, based on consultations with and instructions from the Steering Committee and different ACs, and the outputs of the consultative / participatory process. In this process the ETF relied on the capacities of the governmental sector, civil society, academic bodies and think tanks, as well as on the support of international organizations. The ETF actively participated in the policy dialogue between the Government and key stakeholders. The ETF also participated in the identification and establishment of institutional and operational links between the PRSP and the Medium-Term Expenditure Framework (MTEF).

II Preparation of the PRSP

The PRSP process in the Republic of Serbia can conceptually be seen as two parallel vertical processes linked together by a number of parallel horizontal processes, each with a specific starting point (starting date) and an end result (deliverable). The two parallel vertical processes are:

- The **drafting process**, i.e., writing of the Strategy,
- The **consultative process**, i.e., the process of including all relevant stakeholders in Strategy preparation.



The **horizontal process** included the following five phases:

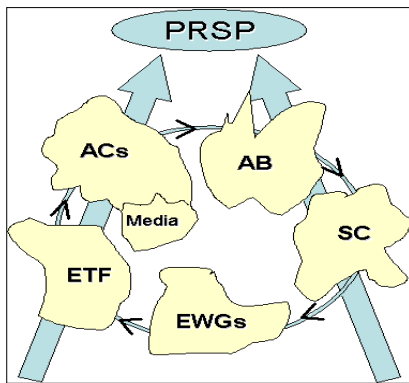
- Institutional set-up
- Development of the Framework for the PRSP
- First Strategy draft
- Second Strategy draft and the PRSP conference
- Final draft and Full PRSP

The horizontal process of PRSP preparation was defined as follows:

Phases	Activities	Outputs
1. Institutionalisation of the PRSP process	1.1. Institutional set-up of the PRSP process discussed and agreed on with stakeholders 1.2. Basis for the operational manual discussed with stakeholders	1.3. All bodies participating in the PRSP process established 1.4. A draft Operational Manual is distributed 1.5. A draft Communication Strategy prepared by PRSP MU is distributed
2. Formulation of the framework for the PRSP	2.1. Draft Operational Manual reviewed and commented on by stakeholders 2.2. Framework for the PRSP developed by the experts and then discussed with relevant stakeholders 2.3. Provisional list of contents of PRSP is designed	2.4. Operational Manual and Communication Strategy are endorsed by Steering Committee 2.5. Framework of Strategy accepted by the Government
3. First draft of the PRSP	3.1. Framework for the strategy is further discussed through the consultative process 3.2. Written sectoral analysis defining the starting point, poverty and social situation across sectors is prepared 3.3. Detailed sectoral strategies, including initial costing, are developed and discussed with	3.5. The SC reviews the elaborated framework (backbone) for the strategy and identifies priority measures 3.6. The SC reviews the first draft and suggest improvements

	<p>stakeholders</p> <p>3.4. Overall development goals (Serbia in 5-10 years), initial sectoral priorities drawn up</p>	
<p>4. Second draft of the PRSP</p>	<p>4.1. Sectoral strategies and interventions finalised</p> <p>4.2. Sectoral and individual interventions developed into programmes, and the costing of these finalised and reviewed by relevant government experts, including developed cross sectoral priorities (with options, if applicable) and initial overall costing presented and discussed by stakeholders</p>	<p>4.3. The SC reviews the second draft and suggests improvements</p> <p>4.4. The SC prioritises different versions of priority interventions and programmes based on results of cost-benefit analysis</p> <p>4.5. A tentative list of interventions approved</p> <p>4.6. Draft PRSP submitted to WB and IMF</p>
<p>5. Final draft and approval of full PRSP</p>	<p>5.1. The draft, which was presented and discussed extensively in the consultative process, is submitted to WB and IMF</p> <p>5.2. A final version of the PRSP is prepared by the experts and discussed with stakeholders.</p> <p>5.3. Final comments of PRSP bodies forwarded to ACs together with the final PRSP</p>	<p>5.4. The SC reviews the final document and makes a recommendation to the Government.</p> <p>5.5. The full PRSP is approved by the Government</p>

All vertical processes follow a certain pattern when it comes to sequencing and communication:



Based on outputs from the previous phase (in most cases, Advisory Board recommendations and Steering Committee assessments), the Expert Working Groups will continue working on the drafting process, staying in regular contact with representatives from the Advisory Committees (ACs).

The Expert Working Groups forward their written input to the Expert Task Force, which consolidates the received input into one product.

The ETF will then forward the consolidated draft to the ACs. The Advisory Committees review and discuss the consolidated draft and prepare recommendations to the Advisory Board.

Based on the AC comments, the AB presents recommendations to the SC.

The Steering Committee will review drafts, comments, suggestions, and other inputs, and make policy choices and decisions regarding the preparation of the full PRSP.

III Consultative process

In the period **October 2002 – April 2003** the representatives of the PRSP Management Unit made more than 10 presentations to the representatives of different ACs, to present the organizational structure, the PRSP process and its stages. Also, at the invitation of the ACs, representatives of the PRSP Management Unit attended their internal meetings and clarified the dilemmas concerning the PRSP formulation process.

At the **end of October 2002** the AC representatives (who were formally elected in the later stage), participated, together with the Government representatives, at the Balkan Poverty Forum for Albania, BiH and FR Yugoslavia, which was organized by the World Bank and UNDP in Baden, Austria. At the end of **May 2003**, the AC representatives together with government representatives also participated at the regional PRSP conference in Sarajevo, organized by the Government of Bosnia and Herzegovina in cooperation with the government of Austria.

In **November 2002**, the Government of the Republic of Serbia – PRSP Management Unit, in cooperation with the Centre for the Development of Non-Profit Sector, Civic Initiatives and UNDP held a two-day seminar with the purpose of presenting the PRSP process, as well as the role of non-governmental organizations and the media in the PRSP, to the representatives of national and local media.

Also, at the beginning of **November 2002** the Government of the Republic of Serbia – PRSP Management Unit organized a one-day seminar «BiH Experiences in the PRSP Process» with the goal of learning more from the representatives of the BiH PRSP Management Unit, civil society, donors and the media in BiH on the activities, problems and challenges they encountered in the PRSP process. Apart from the representatives of the PRSP Management Unit, the representatives of the Civil Society AC, donors and the private sector in Serbia also took part in the seminar.

In mid-**December (18.12.2002)**, the Government of the Republic of Serbia organized a conference «Poverty Profile in Serbia», to present the findings of the *Survey on the Living Standard of the Population*, which provides the basis for PRSP formulation. At the beginning of **June (2.6.2003)** The Government of the Republic of Serbia, in cooperation with “Čovekoljublje” – Charity Fund of the Serbian Orthodox Church and Catholic Relief Services, organized a conference “Serbia Free of Poverty – the Role of Faith Communities in Poverty Reduction”. Representatives of the Government, civil society, local governments, the private sector, international development partners and experts from the public attended both conferences.

In the period **13.3.2003 – 3.4.2003**, with the purpose of commenting on the PRSP Framework, the following thematic meetings were held: poverty analysis in Serbia; the grey economy, the labour market, employment; social protection and pensions; rural development; health; education; decentralization; local and public governance; reforms, integration and creation of the market economy institutions; the macroeconomic framework, fiscal aspects; and the monitoring and evaluation system.

In the period **March-May 2003**, there were also thematic meetings concerning cross-cutting issues: persons with disabilities; children; refugees and internally displaced persons; human rights; gender equity; and Roma and other ethnic minorities.

The meetings were primarily attended by representatives of experts from the public, but representatives of line ministries, civil society and international development partners also participated.

In cooperation with the local authorities in the period **April/May 2003** 11 thematic tables were organized in the following towns: Kikinda, Novi Sad, Šabac, Kragujevac, Kraljevo, Novi Pazar, Požarevac, Užice, Bor, Niš, Vranje, Belgrade. The themes were defined based on local specificities, and the meetings were attended by the representatives of the local authorities and institutions, local NGOs, labour unions and international development partners.

During **June 2003**, representatives of labour unions organized three round tables on labour regulations, the Law on Employment and reform of the Pension Law; labour market reform, transferring the grey economy into legal channels, entrepreneurship and role of social cooperatives; and social and educational policy. Apart from labour unions, representatives from other Advisory Committees, line ministries and experts also attended the meetings.

In addition to numerous bilateral meetings with representatives of different relevant stakeholders in the process, the Strategy was also presented in different forms in around 80 meetings and forums with approximately 3,300 participants.

At the end of this chapter there is a tabular review of relevant data on meetings, seminars and conferences held within the consultation process on the First PRSP Draft.

IV Local Initiatives of the Poverty Reduction Strategy

The objective of PRSP Local Initiatives was to strengthen national ownership of the PRSP.

During July and August 2003, 27 local initiatives across Serbia were realized for the purpose of strengthening national ownership over the PRSP through pilot-projects. This objective was accomplished by strengthening various “bottom-up” initiatives in more than 40 municipalities and 100 rural settlements, aimed at raising the participation of local communities in the formulation and implementation of the PRSP.

Specific objectives of the PRSPLI were as follows:

- **Inclusion** of relevant stakeholders at the local level, including local civil society organizations, professional associations, citizen groups, and other stakeholders;
- **Dissemination of information and education** of local stakeholders about the PRSP process in a transparent manner;
- **Participation** in the consultative process with inputs on: a) identification of poverty reduction priorities at the local level; b) the costs of poverty alleviation measures; c) implementation mechanisms at the local level; and d) the monitoring and evaluation of the implementation of poverty reduction measures.

Activities necessary for achieving the objectives outlined above fall into three areas:

PRSP-related consultative activities were implemented by 16 organizations: 3 local self-governments, i.e. municipal assemblies, 1 municipal Red Cross organization and 12 NGOs. These consultative activities were various: printing and distributing brochures, pamphlets and leaflets for the purpose of raising general public awareness on the PRSP, organizing panel discussions, round tables, seminars and educational meetings, as well as conducting of research. Local media expressed considerable interest in these activities (more than 30 local TV and radio stations and local printed media), and there was also coverage by local branches of the national media. At the

majority of panel discussions and round tables a considerable number of local government representatives participated, including important local institutions such as social welfare centres, refugee commissariats and labour market bureaux, business sector representatives, numerous NGOs, and civil society representatives. Apart from numerous recommendations and suggestions, these activities resulted in very concrete plans:

- a. A working group for mobilization of economic sectors with business potential was established in the municipalities of Mladenovac and Sopot;
- b. A working group for solving the problems of the Roma was formed in four municipalities in the south of Serbia;
- c. An internal communication PRSP network was formed in Valjevo (between 4 NGOs, regional branch of the labour union “Nezavisnost” and the local self-government);
- d. Research on vulnerable groups was conducted in the municipal assembly of Knjaževac;
- e. A seminar “New initiatives for overcoming poverty in the municipalities of Bojnik in Žitorađa” was planned
- f. The establishment of the school of traditional crafts was planned in cooperation with the city assembly of Kragujevac, the Ministry of Education and Sport and the Labour Market Bureau;
- g. Projects were initiated: “Help towards self-help” targeting the Roma population and facilitating access to public services (in the municipalities of Vladičin Han, Bela Planka and Lebane) and “Roma – parents and children in the education process” (in the municipalities of Prokuplje, Surdulica and Pirot).

Creation of Models for Local Level PRSP Implementation was the objective of activities undertaken by 7 local organizations: 1 municipal red-cross organization, 1 municipal administration and 5 NGOs. These projects included a combination of educational activities, research, surveys and consultations with all relevant local community actors, so the majority of the proposed models included mixed working groups to be in charge of preparation of local action plans, creating an institutional framework. This kind of activity was primarily targeted at vulnerable groups: single mothers in Niš, elderly, unemployed over 50 years of age and persons with disabilities, poor rural population in 18 remote villages, and so on. One of the recommendations issuing from these projects is that **decentralisation of responsibilities and resources** should be undertaken at the local level, while the partnership between the governmental and non-governmental sector turned out to be an extremely important issue (the creation of a local action plan was *the first* project of the town administration of Kragujevac implemented in partnership with a local NGO).

Defining the role of different stakeholders in monitoring and implementation of the PRSP was the objective of activities undertaken by 4 NGOs. Trying to respond comprehensively to the project requirements, they focused on finding efficient ways of monitoring and evaluating PRSP outcomes at the local level, through the participatory contribution of all local stakeholders, designing strong incentives for

active participation in the process and defining conditions and mechanisms for the inclusion of as wide a range of participants as possible. The survey (questionnaires and focus groups) and meetings/discussion groups were also based on a professional and systemic approach to solving the poverty problems by direct field data collection. Apart from the recommendation that it was necessary to urgently form a working group to monitor the PRSP continually at the local level, these activities also resulted in concrete plans (to continue poverty research in other regions with the network of resource centres and include the whole network in the PRSP monitoring and implementation process).

The overall impression upon the implementation of all local initiatives is the following:

- That immense efforts were put in by all organizations in trying to answer the project task, which was manifested by the fact that though 90 activities were originally planned, there were 117 carried out by the end of the project and within the previously approved budget;
- That a great degree of inclusion was achieved among all the local level actors within all kinds of activities;
- That within the realization of these activities, a large coverage of the territory of Serbia with local initiatives as well as high media coverage was achieved;
- That, as acknowledged by almost all the organizations involved, they considerably improved and advanced their capacities both in terms of programmes and finances, regardless of time limitations; and
- That local initiatives for the first time offered the opportunity for the poverty problem to be discussed at the local level jointly by institutions engaged in poverty and by the poor themselves.

In view of the very short deadline for implementation of the PRSPLI, it is of utmost importance to transform best practices from this project into a sustainable programme of local initiatives that would become an integral part of implementation, monitoring and evaluation of the PRSP, both at local and national level.

V Lessons learned from the PRSP preparation process

The opinion shared by all the participants is that PRSP process in Serbia included from the very beginning efforts to introduce changes in the usual practices of preparation of strategic documents and therefore was also marked by the problems that these changes entailed. Although occasionally burdened by uncertainties and unclarified issues, this process provided a good foundation for establishing good relations between the Government of the Republic of Serbia and other actors in the society.

For the sake of clear review of comments received from different Advisory Committees (ACs) and government representatives, all lessons learned from the PRSP process were classified into four categories:

1. lessons learned from the internal operation of ACs/Government
2. lessons learned from the consultative process

3. lessons learned from the full PRSP

4. lessons for further work on monitoring and implementation of the PRSP

Lessons learned from the internal operation of ACs and ministry representatives

The process of internal consultations occasionally included conflicts of interest between AC members, but these conflicts in most cases were caused by differences in their starting positions and level of inclusion, as well as by the short deadlines imposed. The need to reach consensus on the main causes of poverty and the main directions proposed for overcoming it required balancing of social, economic and institutional interests of different stakeholders in the PRSP process, which in most cases led to resolution of these conflicts. The recommendation for overcoming differences in the starting positions of AC members in the monitoring and implementation process is to organize regular informational/educational meetings to keep all the members updated on all present and planned activities within the AC and the overall PRSP process.

Extensive everyday obligations of AC members resulted in their uneven contribution to the joint work, and occasional internal coordination problems. Since this kind of approach to the preparation of strategic documents was new not only to the Government but to the other stakeholders as well, in the next period focus should be placed on strengthening the capacities of local government, NGOs, labour unions, parliament and the business community for active participation in the formulation and implementation of strategic projects. Technical expertise from international development partners in this and other relevant areas is more than welcome.

In the work of expert working groups and ministry representatives there was a need for the promotion and application of advanced techniques of strategic planning such as group work, and the establishment of multidisciplinary groups in order to reach optimal solutions through dialogue etc. Although every ministry delegated two focal points to work on the PRSP, the fact that ministries are engaged on several important projects simultaneously and that consequently, there is not enough time to devote just to the PRSP, meant that the comments of line ministries did not at every point reflect the work and attitudes of all the ministry sectors. Clear definition of roles and responsibilities of ministry focal points and improvement of internal communication mechanisms between ministry employees should help to overcome this problem in the PRSP monitoring and implementation phase.

The Poverty Reduction Strategy Management Unit established within the Ministry of Social Affairs, significantly contributed both in the consultative process and in the writing of the PRSP to better coordination of the process, dissemination of information, organizing local level consultations and preparing the final PRSP. Representatives of Advisory Committees were satisfied with successful communication with PRSPMU members and their swift and concrete reactions in terms of providing additional information and clarification on the process and activities.

Lessons learned from the consultative process

The PRSP formulation process offered the opportunity for those social actors who have not traditionally been involved in the preparation of strategic documents to contribute with their proposals and suggestions to the formulation of the national PRSP. Participation of different ACs reflected on the one hand the degree of interest expressed in different areas and on the other, the different level of “know-how” in the consultative

work method.

The active involvement of civil society representatives in all phases of PRSP preparation contributed to better understanding of the everyday problems encountered by the poor at the local level, and consequently, to adequate suggestions on how to satisfy their needs in the most appropriate way.

Due to procedural constraints and irregular sessions, parliamentary representatives, though kept informed on the PRSP from the very beginning, did not set up their AC until the finalisation of the PRSP preparation process. They are to be fully engaged in the process of PRSP monitoring and implementation.

In general, consultations with all the ACs provided additional insight into the problems of vulnerable population groups and in that way contributed to the improvement of proposed policies and activities.

Dialogue between experts and other stakeholders in the process led to a better understanding of sectoral needs and priorities on the expert side and to a better understanding of economic constraints, financing mechanisms etc. by other stakeholders.

A great number of participants contributed with their thorough critiques to the PRSP process and drafts. Not all the critiques were equally logical and useful, but the great advantage lay in the inclusion of actors experienced in particular areas as well as in the spirit of openness and the opportunity that was presented to influence the substance of the PRSP. These comments enabled immense improvements in the quality and operationalization of the PRSP document.

Lessons learned from the final PRSP

In the preparation of the final PRSP, experts endeavoured to include as many comments received from ACs as possible.

The reasons for not including some of the critiques and comments were the following: 1) certain suggestions basically dwelled on theoretical conceptions or common place ideas, without clear explanation as to how the obviously desirable outcomes could be reached; 2) the extreme complexity of the problem observed and insufficient reliability of the suggestions proposed.

Representatives of different ACs consider that the greatest contribution of their joint work within the AC lies in lobbying for a multidimensional approach to poverty, i.e. efforts to view the poverty problem from all aspects, which led to a relatively successful balance in the final PRSP between the purely economic perspective and the human rights approach.

Lessons for further work on monitoring and implementation of the PRSP

The shared opinion of all the stakeholders in the PRSP preparation process is that in the monitoring and implementation phase the following principles should be observed:

- transparency and regular information exchange;
- inclusion of the relevant actors in all the monitoring and implementation phases;
- continuation of the consultative process throughout the implementation of the PRSP;
- monitoring of the PRSP should be coordinated by the representatives of the existing ACs;

- the multidisciplinary approach to the poverty problem should be maintained, as well as multidisciplinary work on poverty reduction;
- prepare regional action plans for poverty reduction, since it is insufficient to implement the PRSP on the national level only, while the local level lacks both the capacities and financial resources

- **Thematic meetings by sectors**

	Meeting	Date	Attendance
1.	Grey economy, employment, labour market	13.02.2003.	36
2.	Social protection and pensions	17.02.2003.	17
3.	Regional and rural development	18.02.2003.	24
4.	Urban aspects of poverty and social housing	20.02.2003.	14
5.	Educational aspects of poverty	21.02.2003.	24
6.	Decentralization and local government	24.02.2003.	20
7.	Macroeconomic and fiscal framework	26.02.2003.	29
8.	Monitoring and indicators	27.02.2003.	18
9.	Implementation of reforms, creation of market economy institutions and European integration	28.02.2003.	20
10.	Health care and poverty	03.03.2003.	28
11.	Strategic goals concerning the most vulnerable - Roma	19.03.2003.	31
12.	Ensuring equal opportunities for persons with disabilities – way out of poverty	24.03.2003.	30
13.	Poverty and children	25.03.2003.	36
14.	Gender equity	27.03.2003.	27
15.	Refugees and internally displaced persons	28.03.2003.	26
16.	Environmental protection and poverty	31.03.2003.	16
17.	Human rights	20.05.2003.	13
TOTAL:			409

- **Local thematic meetings:**

	Town	Date	Attendance
1.	Vranje	14.04.2003.	30
2.	Novi Pazar	15.04.2003.	27
3.	Kragujevac	16.04.2003.	39
4.	Bor	17.04.2003.	44
5.	Niš	18.04.2003.	32
6.	Kraljevo	21.04.2003.	24
7.	Užice	22.04.2003.	37
8.	Šabac	23.04.2003.	27
9.	Novi Sad	07.05.2003.	26
10.	Kikinda	08.05.2003.	25
11.	Požarevac	26.06.2003.	30
TOTAL:			341

- **Presentations to SKOGOJ-local government representatives:**

	Meeting	Date	Attendance
1.	Committee for Utilities and Housing	14.05.2003	On average 15
2.	Committee for Local Self-government and Local Finances	15.05.2003	On average 15
3.	Committee for International Cooperation	16.05.2003	On average 15

4.	Committee for Services to Membership	27.05.2003.	On average 15
5.	Committee for Social Affairs	25.02.2003 28.05.2003	On average 30
6.	Committee for Culture, Youth and Sports	29.05.2003	On average 15
7.	Committee for Economic Development	30.05.2003	On average 15
TOTAL:			around 120 (out of that around 80 local governments)

• *Meetings with labour union representatives:*

	Meeting	Date	Attendance
1.	Labour regulations; Employment Law; Reform of the Pension Law	9.06.2003	On average 70
2.	Labour market reform; Transferring grey economy into legal channels; Entrepreneurship and role of social cooperatives	12.06.2003	On average 50
3.	Social policy and educational policy	30.06.2003	On average 50
	TOTAL:		around 170

- ***Other PRSP presentations (to different partners):***

	Presentation held	Date	Attendance (Approximately)
1.	SKGOJ Conference on citizens' participation (organized by Council of Europe + SKGOJ)	October, 2002.	100
2.	Press conference (org. UNDP, CRS, ARDI)	October, 2002.	20
3.	International organizations coordination meeting (org. HRH Princess Katarina)	October, 2002.	50
4.	UNHCR human rights contact group	November, 2002.	30
5.	CRS Network `Serbia Free of Poverty`, monthly meeting	November, 2002.	30
6.	PRSP presentation to the media and NGO sector at the seminar in Palić	December, 2002.	30 (media representatives)
7.	Yearly SKGOJ conference	December, 2002.	200
8.	Conference `Poverty Profile in Serbia`	December, 2002.	210
9.	Meeting of International Development Partners and NGOs (org. ICVA)	December, 2002.	30
10.	Meeting of International Development Partners in UNICEF	January, 2003.	30
11.	Presentation to Serbian parliamentarians	January, 2003.	50
12.	Presentations on seminars `Children and PRSP` in Novi Pazar, Belgrade and Niš (org. Center for Children's Rights and UNICEF)	March, April 2003.	15 x 3
13.	Presentation to DFID country team	March, 2003.	20
14.	Presentation to USAID/CRDA (org. MIER/DACU)	March, 2003.	25
15.	Presentation to UNICEF staff	May, 2003.	15
16.	UNICEF seminar (Novi Pazar, Tutin, Sjenica, Raška)	May, 2003.	15
17.	Presentation to Labour Unions AC	May, 2003.	20
TOTAL:			approximately 920

- ***Seminar, workshops, conferences and meetings (bi- and multilateral) attended by PRSP MU representatives:***

	Event	Date	Attendance
1.	Conference `Strategy on Modernization of Public Administration of the Republic of Serbia`	October, 2002.	150

2.	Seminar on BIH Experiences in PRSP Preparation	November, 2002	25
3.	UNDP workshop `Local Economic Development in FRY`	December, 2002	90
4.	UNHCR round table `Role of Politicians and Media in Promotion of Human rights in Serbia`	December, 2002	50
5.	Meeting with representatives of American Embassy (econ. dept.)	January, 2003	2
6.	Meeting with Serbia and Montenegro CRS Team and representatives from USA	January, 2003	7
7.	Handicap International round table `New experiences in development of supportive services for persons with disabilities: processes and results`	February, 2003	50
8	Constitutive conference FENS (Federation of NGOs of Serbia)	February, 2003	400
9	WB seminar `Selection and Employment of Consultants`	February, 2003	40
10	Seminar `Tripartite Social Dialogue in the Republic of Serbia` (Ministry of Labour and Employment)	February, 2003	50
11	Meeting with NDI representatives (National Democratic Institute)	February, 2003	10
12	UNDP workshop `Including the Gender Aspect into the PRSP`	March, 2003	30
13	Meeting with representatives of AFL-CIO (American Center for International Labor Solidarity)	March/April, 2003	10
14	Round table `Housing Policy of Vulnerable Population in Serbia` (Ministry of Construction)	March, 2003	60

15	Meeting of the Association of Shareholders' Enterprises of Serbia	March	40
16	UNDP regional conference in Bratislava on MDG statistics	March	40
17	OXFAM/CAHY conference on Roma settlements in Serbia	March, 2003	150
18	Meeting with representatives of International Education Club (org. Finnish Embassy)	April, 2003	10
19	Meeting with the representatives of Embassy of Finland and the Finnish Orthodox Church	April, 2003	8
20	Meeting with ICRC Poverty Research Group	April, 2003	5
21	Meeting with Red Cross representatives	May, 2003	5
22	`484' Conference on Inclusion of Refugees and IDPs in the PRSP`	May, 2003	40
23	WB/CEU seminar in Budapest on poverty statistics	May, 2003	30
24	DRC seminar `Final evaluation of Projects Helping Refugees and IDPs`	June, 2003	40
TOTAL:			approximately 1,342

ANNEX 3

ON POVERTY IN SERBIA

- Historical Outline –

Classical poverty when one starves to death because one literally has nothing to eat or when an individual is not capable of providing for mere existence was very, very rare in the country of Serbia. Serbia was never a country in which people died from hunger; it has rather been a “paradise for a poor man” (Herbert Vivian, 1897).

Who Is Poor?

There are many documents, starting from the Old Testament, that speak about poverty, the poor and their protection, but there are usually no concrete data on who is considered to be poor, where the line that divides the poor from others is and what it consists of. However, in the Byzantine document Prochiron (reference law), published in Constantinople in the 9th century, it is stated who is considered to be poor and thus not eligible to be a witness: “a poor man does not give testimony, and poor is the one who does not have property of fifty small coins.” This is one of the first documents that define the poverty line by monetary value.

Stojan Novaković writes that in the Middle Ages “there were different people in villages. It can be imagined that there were slaves, new settlers without property, but free, poor people with very inadequate and small property, people who left their property somewhere and came to a richer country or a better master... In that diversity of settlers there was a ready supply of the proletariat and homeless people, on the one hand, while on the other a question was raised: what should these good people have done in order to obtain property?” It can be seen from this quotation that a poor person was considered to be one who had no property or property so small that it could not support even the most modest lifestyle.

At a later date, it was again property that served as a line that reflected poverty status. Thus Prince Miloš Obrenović, asking in 1837 that taxes “should not be difficult for the poor”, considered poor the one “who is really poor, who is honourable and diligent but has no land, the one who has children or is made poor in some other honourable way.” He freed from direct taxes poor people with small children, who had no land but had to feed their families by working as day labourers. So, not having land was for Miloš the necessary but not sufficient condition to consider someone to be poor; the additional condition was that he/she had small children.

Lack of land or its insufficiency is the cause of poverty, wrote Jefta Dedijer later, and claimed that traditionally “the synonym of the adjective rich is honourable,” while “the shame of being poor is so big that children of poor farm labourers run away into the world out of shame as much as for hunger.”

From the above examples it can be seen that the line dividing the poor and non-poor was defined by having or not having land or property. There are many synonyms for the poor and poverty in the Serbian language: **poor devil, the poor; misery, miserable, penurious; pauper, charity case, bare-assed, needy, indigent** etc.

One does not necessarily have to become a pauper; one can just become poorer and feel miserable. Thus Archibald Peton, who stayed in Serbia in the mid 19th century, wrote about his encounter with the Turkish agha in Šabac: “I watched him sitting in his lonesome tower, the last member of a once rich and powerful nation, now living in misery... the times have changed, poor man; his salary now amounts to 250 piasters per month, while his family used to be like small kings in Šabac.” At that time, 250 piasters were for many people of Šabac an unattainable amount, but for an agha who had lost his authority and power, it was like being poor.

Causes of Poverty

Folk tradition very clearly distinguishes the causes of the emergence of poverty, and treats them differently. These causes can be classified into several main groups: 1. fateful, 2. inherited, 3. personal, and 4. general.

Fateful poverty is the consequence of “force majeure” and it is very difficult or impossible to eliminate. Whatever one did, worked hard, created things, the result would always be negative. Something will always happen that will devalue one’s efforts and leave the individual who had put his efforts into it without the rewards merited.

“Force majeure” that prevents one from getting away from poverty is called **MISERY**. In the Slavic folk tradition it is represented as a supernatural being who travels around the world, attacking and torturing people. There is a related belief in Serbian folk tradition, too: the saying “misery found him” clearly shows that misery itself finds the one to cause trouble. A similar statement is given in the following proverbs: “One does not invite trouble, it comes by itself.” “Force is temporary, while trouble comes successively.”

People believe such poverty to be doom or punishment for one’s own sins, or for sins that some ancestors committed in the past.

It is possible to eliminate this kind of poverty, “to take misery off one’s back”, as the saying goes, only if one’s own or one’s ancestors’ sins are tracked down and atoned for.

The most picturesque description of such a situation is given in the folk story “Destiny” recounted by Vuk Stefanović Karadžić.

The story tells about the different destinies of two brothers. The first is diligent and hard-working, but his property does not improve; the more he works the poorer he gets, and eventually he fails. The other brother leads an easy life of abundance; he does not work on his property himself, but his holdings are still growing. Therefore, the first brother decides to go round the world and find out why he has nothing despite hard work and diligence, while his lay-about, do-nothing brother has everything. After various trials and tribulations he meets a hermit who tells him where **Destiny** lives and gives him advice on what to do when he arrives there.

“When you arrive at Destiny’s place, do not say anything, just do whatever he does, and wait till he poses a question,” the hermit told him.

When the brother arrived at a magnificent mansion, he did as advised by the hermit. He sat down at the table with Destiny, he had dinner with Destiny, and he went to sleep when Destiny went to bed, too. In the dead of night he was woken up by loud cries: “Oh, Destiny, today were born such and such number of souls, give them whatever you want to give them!” Destiny woke up, got up, opened his case with money and started throwing around golden coins saying: “As it is for me today, let it be for them all their lives.”

The next morning, when the brother woke up, the magnificent mansion became smaller, but it still looked rich. The story was repeated at midnight, and in the morning the house became smaller again, until one morning the brother and Destiny woke up in a very poor hut. That night the voice called again, and Destiny threw only a few breadcrumbs and a lost iron coin. The next morning, when the brother woke up, instead of the poor hut there again stood the mansion from the beginning of the story.

Then Destiny asked him why he had come. When the brother told him, Destiny answered: "You saw how I threw golden coins on the first night and what happened later. As it was for me on the night when someone was born so it will be for this person all his or her life. You were born on a poor night, so you will be poor all your life. Your brother was born on a lucky night and he will be lucky as long as he lives."

The story ends with Destiny's advice on how it could be changed, but the brother had to accomplish a rather difficult task and stick to it all the time, never disclosing to anyone why he did it.

Besides Misery, folk tradition also tells about the Fairies who determine one's destiny at birth, which is difficult to change later.

The Fairies come three days after the child's birth and foretell his or her destiny. The common belief is that what these Fairies determine that day, can by no means be changed at a later date.

The broader community is helpless against such poverty, but it also does not truly want to offer assistance fearing that punishment could be transferred to it as well. There is tacit understanding for the poor person, but fear of supernatural force is stronger and everybody simply avoids offering any assistance in order not to bring Misery's wrath on themselves. Only an individual can change his or her own destiny, as the story about "Destiny" clearly tells.

Inherited poverty is frequent, and folk tradition is full of data and stories about poor families.

This kind of poverty was very much present among the Serbs and one can freely say that it can be applied to the majority of all poor people in Serbia. However, the fact is that this poor stratum has decreased over time.

"Escape from this kind of poverty" has always met understanding both by individuals and the broader community. The "escape" was fully divergent, i.e. it developed into different directions. One could change residence, find a job, become educated, save, work hard or go to a richer environment.

According to folk stories collected and published by Vuk Karadžić, one could run away from inherited poverty by working, getting educated, and acquiring knowledge and awareness.

The stories usually start with "*Once upon a time there was a poor man*" or "*One poor man lived in a cave*", and when the story develops one finds a way to defeat poverty. In the story "*The Devil and His Apprentice*" a poor son says to his even poorer father: "*I can't live like this; I shall go abroad to learn a craft. You see how it is today: if one is skilled even a little in some craft he lives better than any farm labourer*". The son learned a craft and became a rich man.

One can see to what extent knowledge or information can help in the stories "*Animal Language*" and "*Evil Woman*" where information or knowledge obtained for a good deed

enables a person to get rich. In the story “*One Cannot Hide Real Trouble*” it is shown how hard work can help one escape from poverty.

By posing the question “What should these good people do in order to acquire some land?”, i.e. to get rid of poverty, Stojan Novaković quotes examples from Byzantine laws on share-cropping (renting land or estates) that were practically in force during the Turkish administration of the Balkans and were implemented in the 19th century as well. He says that “this method stands in the Slavic translations of the same laws, where it is stipulated that arable land or vineyards can be rented on a share-cropping basis, on which occasion the first seed is spared for the one who gave it, and the crop is thereupon shared in two parts...”

In some areas it is the custom to give one third instead of one half, and there are some more differences in negotiations. In other areas labourers are given a house, some money, some salt and a piece of land for their own crops. The name of the land given under such conditions, for crops as salary, in the Old and New Zagora and around Čustendil was called **paraspor** or **paraspur**, and labourers hired in that way were called **paraspurdžije**. These labourers were hired for one year or every six months, on St George’s Day and St Demetrius’ Day. In the villages of the Old Zagora District they were paid 300-500 groschen in cash and 15 to 18 kg of wheat, seed for sowing, salt and footwear. Share-cropping remained as a method throughout the 20th century.

In the old times the state was usually not blamed for poverty, and it was not responsible for fighting poverty. The common belief was that it depended on the person himself whether he would be a poor or a rich man and that his success in life basically depended on his own efforts. Thus Čedomilj Mijatović advised the young that they would best succeed in life if they stuck to traditional virtues, such as honesty, diligence and thrift (1892).

Personal causes of poverty are numerous and very clearly classified in the folk tradition.

The very beginning of the story “Bekri-Mujo” gives the best description of people’s views of this phenomenon. It starts as follows: “The story goes that once upon a time in Constantinople there was a Turk called Bekri-Mujo, who inherited an enormous fortune from his father, but he turned to drink and drank away and squandered everything. So, he had no other clothes but one blanket and he walked the streets cloaked in it, with an old cap on his head through which hung his pigtail.”

The story “Going for the First Time with My Father to the Morning Service” by Laza Lazarević tells about the distinguished head of a household and father of the family who is sunk in gambling and alcohol, and who gambles away his whole property, taking his family to disaster. He eventually becomes aware of it and decides to stop gambling. The moral of the story is that the one who has brought himself into an unpleasant situation must become aware of his responsibility and guilt; he must change and try to solve the problem by himself.

Idleness, irresponsibility, laziness, prodigality, alcoholism, gambling are the main causes of one’s poverty. There is no understanding for such poverty and the common belief is that those individuals should not be given any material assistance because it is a futile effort. They are believed to be guilty for their own condition; therefore they have to find a way out by themselves.

Miloš Obrenović had a similar opinion, and he did not consider poor “a good-for-nothing, a lazybones, a drunkard and the like, whom I never forgave and who are not to

be forgiven for anything.”

A folk saying goes “Neither acquire from a clever person nor leave to a fool”, while in the Property Code for the Principality of Montenegro by Valtazar Bogišić it is stipulated: “The Court can also proclaim as prodigal those who squander their property and do not want to improve, and they can be put under guardianship.” They should therefore not be freed from taxes nor given any other facilities.

General reasons for poverty are consequences of natural disasters, economic crises or political events (wars, loss of privileges and position, state robbery).

They are usually temporary and related to persons affected by some of the said events.

For those who become impoverished under such circumstances, if they have no personal guilt, there is great understanding among people, because they are “guilty without guiltiness” and the common opinion is that they should be given necessary assistance by the broader community and the state. They do not lose their reputation and the common belief is that they should be helped as soon as possible; also, that they will soon recover.

In the 19th century, and in some places even later, there was an institution called the “village basket” in which everyone allocated certain amounts of wheat after harvest, according to their possibilities and yield. That wheat would be given to the poor to feed themselves during winter and spring or when crops failed. The village chieftain would decide with the most distinguished heads of households who would have the right to use the wheat.

Unlike those who are impoverished in such situations, those who get richer experience reproach and contempt because they are considered to have become rich on account of the misfortune of others. Such wealth is considered to be doomed. Those who become rich in an immoral way and on account of someone else’s misfortune will experience misfortune sooner or later, or their closest family members will experience misfortune, and will lose these riches.

ATTACHEMENTS

I SCOPE AND CAUSES OF POVERTY IN SERBIA

Table A1. Poverty by gender and age groups in Serbia in 2002.

	% Vulnerable	% of the poor	Relative poverty risk	Structure of the total population	Structure of the poor	Depth of poverty	Severity of poverty
Gender							
Men	20.1%	10.6%	0.2%	48.6%	48.7%	2.3%	0.8%
Women	19.9%	10.6%	-0.1%	51.4%	51.3%	2.2%	0.7%
Age							
Children 0-6	14.2%	6.9%	-34.5%	6.0%	3.9%	1.4%	0.5%
Children 7-14	22.2%	12.7%	20.1%	8.5%	10.3%	3.0%	1.1%
Children 15-18	19.7%	10.7%	1.3%	5.1%	5.2%	2.4%	0.8%
Adults 19-25	18.6%	9.6%	-9.6%	9.5%	8.6%	1.8%	0.6%
Adults 26-45	17.3%	9.1%	-14.2%	26.4%	22.7%	1.9%	0.6%
Adults 46-64	19.1%	9.7%	-8.0%	26.8%	24.6%	2.0%	0.7%
Elder 65+	27.2%	14.8%	40.0%	17.7%	24.8%	3.2%	1.1%
Total	20.0%	10.6%	-	100%	100%	2.2%	0.8%

Note: The relative poverty risk is calculated as the percentage growth (fall) of the poverty index for each group compared to the average poverty index of the whole population.

Source: SLSP 2002.

Table A2. Poverty by household type in Serbia in 2002

	% Vulnerable	% of the poor	Relative poverty risk	Structure of the total population	Structure of the poor	Depth of poverty	Severity of poverty
Households							
Without children	20.6%	11.2%	8.5%	63.5%	68.9%	2.3%	0.8%
with children	17.6%	8.8%	-14.8%	36.5%	31.1%	1.9%	0.6%
Number of family members							
one member	20.4%	11.3%	9.1%	17.4%	19.0%	2.4%	0.8%
two members	21.0%	10.9%	5.8%	24.7%	26.1%	2.4%	0.9%
three members	16.5%	8.6%	-16.9%	19.8%	16.4%	1.7%	0.5%
four members	15.4%	8.4%	-18.6%	21.6%	17.6%	1.6%	0.5%
five members and more	25.3%	13.0%	26.3%	16.5%	20.9%	2.9%	1.0%
Total	19.5%	10.3%	-	100%	100%	2.2%	0.8%

Note: The relative poverty risk is calculated as the percentage growth (fall) of the poverty index for each group compared to the average poverty index of the whole population.

Source: SLSP 2002.

Table A3. Poverty by socio-economic status in Serbia in 2002 (based on respondents' statements)

	% Vulnerable	% of the poor*	Relative poverty risk	Structure of the whole population over 15	Structure of the poor*	Depth of poverty	Severity of poverty
Employed	12.7%	6.2%	-42.0%	30.6%	17.7%	1.2%	0.4%
Employers and self-employed	16.3%	9.2%	-13.3%	5.1%	4.4%	1.6%	0.5%
Farmers	23.3%	10.6%	-0.5%	5.3%	5.3%	2.0%	0.7%
Other active	23.1%	13.2%	24.6%	1.4%	1.7%	2.7%	0.8%

population							
Unemployed	29.2%	16.9%	59.4%	11.9%	19.0%	3.6%	1.2%
Pensioners	22.0%	10.9%	2.9%	24.1%	24.8%	2.4%	0.8%
Other non-active population	23.7%	13.3%	25.2%	21.7%	27.1%	2.9%	0.9%
Total	20.2%	10.6%	-	100%	100%	2.2%	0.8%
Employed	10.2%	4.8%	-38.6%	36.4%	22.3%	0.8%	0.2%
Employers and self-employed	13.6%	7.4%	-4.9%	5.7%	5.4%	0.7%	0.2%
Farmers	13.3%	8.6%	10.6%	0.5%	0.5%	1.5%	0.5%
Other active population	22.3%	8.8%	14.1%	0.8%	1.0%	1.4%	0.2%
Unemployed	26.9%	14.4%	86.1%	11.6%	21.6%	2.6%	0.7%
Pensioners	18.0%	7.9%	1.3%	26.0%	26.3%	1.5%	0.5%
Other non-active population	19.2%	9.3%	19.9%	19.0%	22.8%	1.8%	0.5%
Total - urban	16.2%	7.8%	-	100%	100%	1.4%	0.4%
Employed	17.8%	9.0%	-37.2%	23.1%	14.5%	1.9%	0.6%
Employers and self-employed	20.9%	12.4%	-13.5%	4.2%	3.6%	3.2%	1.2%
Farmers	23.9%	10.7%	-25.5%	11.6%	8.6%	2.0%	0.7%
Other active population	23.5%	15.4%	7.7%	2.1%	2.3%	3.3%	1.0%
Unemployed	32.0%	20.0%	39.4%	12.3%	17.1%	4.9%	1.8%
Pensioners	28.1%	15.7%	9.6%	21.6%	23.7%	3.6%	1.4%
Other non-active population	28.3%	17.2%	20.2%	25.1%	30.2%	4.1%	1.4%
Total - rural	25.4%	14.3%	-	100%	100%	3.3%	1.2%

* The relative poverty risk is calculated in relation to the poverty index of the referential population.

Note: Categories referring to socio-economic status are defined based on respondents' statements.

Source: SLSP 2002

Table A4 Comparison between inequality of incomes in Serbia and selected East European countries (countries are ranked according to the Gini coefficient, on per capita basis)

Country (year)	Income or expenditures per capita (USD)	Gini coefficient
Hungary (income; 1999)	1800	26
Slovenia (income; 1998)	4900	26
Bosnia (income; 2001)	1300	27
Macedonia (1998)	1000	29
Byelorussia (expenditures; 1999)	630	30
Ukraine (income; 1999)	820	30
Bulgaria (income; 1999)	820	33
Lithuania (expenditures; 2000)	1200	33
Serbia (income; 2002)	1480	33
Croatia (expenditures; 1998)	3200	36
Estonia (income; 2001)	1600	38
Russia (income; 2000)	1000	40
<i>Unweighted average</i>	<i>1360</i>	<i>32</i>

Note: For Bosnia, Croatia and Byelorussia - incomes without imputed rent.

Source: Branko Milanović, Poverty in Serbia in 2002, Ministry of Social Affairs.

Table A5. Breakdown of income inequalities according to source, Serbia 2002

	(1)	(2)	(3)	(4)
	Share in Total Income (%)	Concentration Coefficient	Gini Coefficient Share (1)*(2)	Share of Total Inequality (in %) (3)inc. Gini
Labour earnings	45.5	33.0	15.0	47.0
Property-based Income	3.8	55.3	2.1	6.6
Net Income from an Agricultural Property	11.4	46.1	5.3	16.5
Pensions	16.3	24.9	4.1	12.7
Unemployment Allowance	0.4	-13.6	-0.1	-0.2
Social Protection	0.3	30.8	0.1	0.3
In-kind Consumption	12.8	27.3	3.5	11.0
Scholarships	0.2	12.8	0.0	0.1
Health Assistance	0.2	27.8	0.1	0.2
Imputed Income from Durable Goods 1/	4.7	30.0	1.4	4.4
Imputed Rent	4.4	10.4	0.5	1.4
Total Gross Income	100.0	32.2	32.2	100.0

1/ Also includes depreciation of durable consumables.

Source: Branko Milanovic, Poverty in Serbia in 2002, Ministry of Social Affairs.

II TRANSITIONAL REFORM FRAMEWORK FOR POVERTY REDUCTION

Fiscal Limitations in the Implementation of the Poverty Reduction Strategy

Consolidated public revenues - million yum

	Realized	Realized	Planned
Revenue	275.343,8	404.467,5	473.924,3
I Current revenue (1.+2.)	275.340,5	404.467,5	473.674,3
1. Tax revenue (1.1+...+1.10)	262.626,9	385.359,0	449.951,2
1.1. Customs	14.331,0	24.648,1	26.195,9
1.2. Personal income tax	32.927,2	48.658,9	57.773,3
1.3. Corporate income tax	3.422,6	4.306,5	4.353,1
1.4. Retail sales tax	72.112,1	105.427,7	129.756,3
1.5. Excises	26.091,2	45.040,0	57.243,1
1.6. Property tax	2.533,9	3.755,1	4.562,3
1.7. Financial transaction tax	10.014,0	10.066,7	3.800,0
1.8. Extra profit tax	1.228,1	2.901,8	0,0
1.9. Other taxes	24.651,6	41.154,4	46.967,5
1.10. Social insurance contributions	75.315,0	99.399,8	119.299,7
2. Non-taxable revenue	12.713,6	19.108,6	23.723,1
II Capital revenue	3,2	0,0	250,0

Fiscal deficit - million yum

	2001	2002	2003 (plan)
Total deficit	-11.116,2	-31.073,4	-44.033,6
Primary deficit	-6.811,2	-22.432,4	-30.547,6

Consolidated revenues and deficit - million yum

	2004	2005	2006	2007	2008	2009	2010
Consolidated public revenues	542.536,1	612.306,2	679.866,5	749.552,8	824.400,2	904.531,5	992.428,4
Total deficit	-46.906,5	-49.755,7	-49.990,6	-47.451,2	-45.928,1	-45.867,0	-45.406,8
Primary deficit	-26.577,2	-26.216,5	-19.015,9	-12.066,4	-7.791,1	-5.293,5	-2.015,2

Consolidated public expenditures - economic classification - million yum

	2001	2002	2003
Total	286.460,00	435.540,90	513.757,9
1. Salaries	62.930,90	90.291,30	115.561,9
2. Purchase of goods and services	53.550,00	72.326,50	84.244,9
3. Pensions	68.385,90	111.205,00	130.981,4
4. Social protection	23.052,70	38.781,00	44.598,2
5. Subsidies and restructuring	39.346,60	62.801,10	68.942,9
6. Capital expenditures	9.187,90	14.911,70	19.976,6

7. Public debt servicing	10.992,00	19.965,00	26.452,0
7.1. Interests	4.305,00	8.641,00	13.486,0
7.2. Paying off debt	6.686,60	11.323,50	12.966,0
8. Other expenditures	19.014,40	25.259,90	23.000,0

Consolidated public expenditures - economic classification

- million yum

	2004	2005	2006	2007	2008	2009	2010
Total	589.442,6	662.062,0	729.857,1	797.004,0	870.328,3	950.398,5	1.037.835,2
1. Salaries	129.175,3	143.555,1	158.146,4	172.558,9	188.264,5	205.376,7	224.019,0
2. Purchase of goods and services	151.854,1	167.798,8	182.061,6	195.716,3	210.395,0	226.174,6	243.137,7
3. Pensions	151.854,1	167.798,8	182.061,6	195.716,3	210.395,0	226.174,6	243.137,7
4. Social protection	49.058,0	52.982,6	56.161,6	58.969,6	61.918,1	65.014,0	68.264,7
5. Subsidies and restructuring	64.587,6	65.918,1	65.215,0	61.114,6	59.451,9	61.176,0	67.446,6
6. Capital expenditures	32.293,8	43.945,4	52.172,0	61.114,6	71.342,3	83.024,6	96.352,3
7. Public debt servicing	45.395,5	52.136,6	65.974,8	79.335,9	92.316,1	106.032,1	107.533,6
7.1. Interests	20.329,4	23.539,2	30.974,8	35.384,8	38.137,0	40.573,6	43.391,6
7.2. Paying off debt	25.066,2	28.597,5	35.000,0	43.951,2	54.179,1	65.458,6	64.141,9
8. Other expenditures	20.196,9	25.861,8	27.847,6	33.382,3	38.010,5	39.736,0	50.420,8

Consolidated public expenditures - functional classification

- million yum.

	2001	2002	2003
I Total expenditures (1.+.....+10.)	286.460,20	435.540,90	513.757,9
1. General public services	26.161,30	33.722,90	41.625,2
2. Defence	26.049,00	32.688,00	39.144,0
3. Public order and safety	18.090,30	21.146,80	24.939,7
4. Economic affairs	22.717,20	48.076,20	55.920,0
5. Environmental protection	0	124,7	1.118,4
6. Housing construction and utilities	16.490,30	22.860,70	26.961,0
7. Health	34.466,40	48.807,40	58.679,9
8. Sport, culture and religion	2.940,90	4.696,30	5.538,6
9. Education	19.392,30	30.653,00	38.387,7
10. Social protection	120.152,50	192.764,90	221.443,3

Consolidated public expenditures - functional classification

- million yum.

	2004	2005	2006	2007	2008	2009	2010
I Total expenditures (1.+.....+10.)	589.442,6	662.062,0	729.857,1	797.004,0	870.328,3	950.398,5	1.037.835,2
1. General public services	48.004,6	55.551,9	66.224,0	71.581,6	75.155,3	87.483,6	96.106,7
2. Defence	41.336,1	43.945,4	39.129,0	41.342,2	43.598,1	45.882,0	48.176,1
3. Public order and safety	28.805,3	32.665,3	36.356,4	40.083,0	44.191,5	45.882,0	50.584,9
4. Economic affairs	63.295,9	67.383,0	73.366,9	79.089,5	85.214,4	91.764,1	101.169,9
5. Environmental protection	2.583,5	4.394,5	4.891,1	5.392,5	5.945,2	6.554,6	7.226,4
6. Housing construction and utilities	31.139,9	33.691,5	37.498,6	41.342,2	45.579,8	48.066,9	52.993,7
7. Health	69.067,0	79.786,9	90.433,2	98.861,9	110.977,0	122.352,1	134.893,2
8. Recreation, culture and religion	6.397,1	7.254,3	8.074,1	8.901,7	9.814,1	10.820,0	11.929,1

9. Education	46.921,3	56.138,5	65.742,9	76.076,5	87.196,2	98.318,6	108.396,3
10. Social protection	251.891,8	281.250,7	308.140,9	334.332,9	362.656,8	393.274,6	426.358,8

Expenditures for social welfare (without pensions)

- % GDP

	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Serbia									3,2	4,1
Bulgaria	4,2	3,3	2,8	2,1	2,6	2,4	3,3	4,0	3,7	...
Croatia	...	...	...	...	3,7	3,2	3,1	3,4	3,6	...
Hungary	...	...	...	...	6,7	7,0	5,9	5,5	...	...
Slovakia	...	...	6,8	7,8	6,3	6,7	6,8	6,1	...	...
Macedonia	...	...	...	...	3,3	3,1	4,2	3,7	2,6	2,3
Albania	5,0	3,2	2,7	2,6	2,4	1,9	1,7	1,6	...	...

3. Transition to a market economy

Reduction of energy poverty

The Millennium Goal 1: Eradicate extreme poverty and hunger
The Millennium Goal 2: Achieve universal primary education
The Millennium Goal 3: Promote gender equality and empower women
The Millennium Goal 4: Reduce child mortality
The Millennium Goal 7: Ensure environmental sustainability
The Millennium Goal 8: Develop a global partnership for development

Strategic objectives	Operative objectives	Activities	Implementation period	Responsible institution
Provide sufficient heating for all	Overcome extreme energy poverty	National strategy for reduction of energy poverty	2003 – 2005	NGO Association of consumers Serbian Government
		Put in place the system for direct assistance in form of facilities, equipment, and materials having in mind the role of women in energy supply for households	2004 – 2010	NGO
		Reform the subsidies system in terms of directing subsidies towards vulnerable families	2003-2004	Municipal administrations MFE MEM MoSA
		Incentives for substituting electrical heating with other forms of energy	2003-2004	Municipal administrations MFE MEM MoSA
		Raise awareness among energy consumers	2003 – 2010	Association of consumers NGO
		Raise awareness among women in respect to efficient use of energy	2004-2010	NGO Association of consumers
	Re-direct subsidies towards the poor	Reform of tariff systems in electricity and district heating so that all costs reflect actual expenditures	2003-2005	Regulatory agency (to be founded three months upon adoption of reform energy law)
		By improved measurement and other measures reduce cross subsidies in district heating networks	2004-2010	MEM Agency for measurements and standards The judiciary

		Improve protection of rights and equality of consumers	2003-2006	Association of consumers Ministry of Justice
Reduce energy consumption per unit of national product	Reduce energy consumption in residential and public buildings	Upgrade the system of construction standards	2003-2004	MCUP SEEA ¹⁸
		Reduce transaction fees in allocating residential space	2003 - 2004	MFP
		Apply construction standards on the ground	2004-2010	MCUP Municipal administrations
		System of assistance and subsidized micro credits to improved energy efficiency of buildings	2004-2010	MCUP Banks
		System of training the unemployed for trades related to improving energy efficiency	2004-2010	Labor market bureaus Ministry of Labour
	Radically reduce energy consumption in passenger traffic	Improving public transport	2004-2010	The City of Belgrade Ministry of Transport
		Reform of direct taxes and customs duties for motor vehicles	2005	MFE Municipal administrations
		Reform of the subsidies system in public transport	2005	MFE Municipal administrations
Improve environmental protection relative to energy generation activities	Reduce environmental impacts of traffic	Adopt a national strategy for abandoning motor vehicles on lead containing fuel	2005	MEM Ministry of Transport
		Abandon the use of motor vehicles running lead fuel	2004-2010	MEM Ministry of Transport
	Reduce environmental impacts of energy generation	Identify and put in place the program of measures for direct reduction of emissions from power generating plants based on the existing technology	2004- 2005	Ministry of Environment MEM Chamber of Commerce

¹⁸ SEEA – The Agency for Energy Efficiency was established in line with the Decree on the general secretariat and services of the Government of the Republic of Serbia. Based on the proposed Energy Law, an Agency for Energy Efficiency will be established with greater authorities which will then include the activities specified herein.

		Feasibility study for accession to the Kyoto Protocol	2004	MRE, MPNRE Chamber of Commerce
		National CDM strategy	2004	NGO MRE, MPNRE Chamber of Commerce
		Adopt and implement the national strategy of forestation	2004 2004-2010	MRE, MPNRE Ministry of Labour and Employment
Improve efficiency in the energy sector	Increase effectiveness and safety in energy supply	Program of joining REM, UCTE and other strategic networking	2004 -2006	MEM
	Increase effectiveness in conversion of primary into final energy	National energy strategy	2003-2004	Serbian Government MEM NGO Professional organizations Chamber of Commerce
		Work out an energy balance and a system of energy statistics	2003-2004	Agency for Statistics MEM Chamber of Commerce
Introduce process supervision and monitoring	Establish a measuring and monitoring system	Questionnaires concerning energy consumption	2004-2010	Agency for Statistics Association of consumers
		Standards and indicators of energy efficiency	2004-2006	Agency for standardization Association of Consumers

THE REPORT ON LEGISLATIVE ACTIVITIES OF THE GOVERNMENT OF THE REPUBLIC OF SERBIA¹⁹

LAWS OF IMMEDIATE IMPORT FOR THE LIVING STANDARDS OF THE POPULATION IN THE REPUBLIC OF SERBIA

LAW	RELEVANT MINISTRY	TIMELINE FOR PREPARATION	NOTES/POTENTIAL PROBLEMS	OBJECTIVE
1. Law on Consumer Protection	Ministry of Trade, Tourism and Services	End of 2003	Note: The issue of customer protection will be regulated within the context of the relevant trade laws.	Establishment of basic customer rights and method for exercising the rights
2. Amendments to the Law on Social Protection and Provision of Citizens' Social Security	Ministry of Social Affairs	Preparation finalized The Government of the RS adopted Law Proposal on December 5, 2002 and submitted it to the Parliament	In parliamentary procedure	Improvement of the living standard of the population in vulnerable financial position
3. Law on Pension and Disability Insurance	Ministry of Social Affairs	Enacted on April 4, 2003		-more equitable, more stimulating and a simpler method for the calculation of pensions; -more equitable burden distribution among the contributors; - creation of a possibility for pension increase;
4. Law on Mandatory Social Insurance Contributions	Ministry of Social Affairs	Third quarter of 2003 Working document finalized	Note: the implementing agency is the Ministry of Finance and Economy	Uniform regulation on mandatory social insurance system financing

¹⁹ Ministry of International Economic Relations of the Republic of Serbia, Belgrade, July 2003

LAW	RELEVANT MINISTRY	TIMELINE FOR PREPARATION	NOTES/POTENTIAL PROBLEMS	OBJECTIVE
5. Law on Voluntary Pension and Disability Insurance	Ministry of Social Affairs	End of 2003	Note: the implementing agency is the Ministry of Finance and Economy Problem: extending timeline for the implementation and adoption of the Law due to the lack of appropriate financial conditions and institutions	Insurance providing a greater scope of rights than the mandatory pension and disability insurance
6. Law on Confiscated Land Restitution and Compensation	Ministry of Finance and Economy	Drafted	Drafted – public discussion with all the relevant institutions to follow in July and August	
7. Law on Pledge of Registered Movables	Ministry of International Economic Relations	Enacted (effective from January 1, 2004)	Note: establishment of a pledge registry is a necessary condition for the commencement of implementation of the Law. Unification of pledge registry, leasing registry, accounting registry and the registry of commercial entities into a single registry is planned (cooperation with the Ministry of Economy and Privatization, the Ministry of Finance and Economy and the National Bank)	-ensuring a high degree of legal security in debtor-creditor relations; -ensuring conditions for efficient and smooth credit transactions in the country
8. Law on Mortgage	Ministry of International Economic Relations	End of 2003	Cooperation with the National Bank and line ministries. First draft completed.	-ensuring favourable conditions for obtaining mortgage secured loans; -fast and reliable registration of mortgaged real estate and mortgages in public books; -efficient mortgage creditors settlement procedure.

LAW	RELEVANT MINISTRY	TIMELINE FOR PREPARATION	NOTES/POTENTIAL PROBLEMS	OBJECTIVE
9. Law on Free Access to Public Information	Ministry of Culture and Public Information	Law Proposal adopted by the Government of the RS on July 11, 2003		-providing citizens with free access to information to ensure transparency and accountability in the operation of state bodies; -minimizing risk of the abuse of power of public administration bodies.
10. Law on Drugs and Medical Items	Ministry of Health	July 2003 In parliamentary procedure	Law Proposal adopted by the Government of the RS	
11. Law on Health Protection	Ministry of Health	Second half of 2003	Law Proposal completed, public discussion in progress. Proposal to be submitted to the Parliament in October 2003	
12. Law on Health Insurance	Ministry of Health	Second half of 2003	Law Proposal completed, public discussion in progress. Proposal to be submitted to the Parliament in October 2003	
13. Law on Passenger Road Transport	Ministry of Transport and Telecommunications	End of 2003	In preparation	Regulating the overall area of inland and international passenger road transport, with a clear definition of all forms of such transport
14. Law on Telecommunications	Ministry of Transport and Telecommunications	Enacted on April 24, 2003		
15. Law on Postal Services	Ministry of Transport and Telecommunications	2003		

LAW	RELEVANT MINISTRY	TIMELINE FOR PREPARATION	NOTES/POTENTIAL PROBLEMS	OBJECTIVE
16. Law on Tertiary Education	Ministry of Education and Sports	In progress		-Increased efficiency of the tertiary education system; - Harmonization of the tertiary education system with European trends, especially through introduction of lecturing process control mechanisms
17. Amendments to the Law on Personal Income Tax	Ministry of Finance and Economy	Enacted on November 26, 2002		
18. Law on Mandatory Social Insurance Contribution Bases and Rates	Ministry of Finance and Economy	End of September 2003. Draft Law to be submitted to the Government of the RS	Note: cooperation with the Ministry of Social Affairs	Uniform regulation on mandatory social insurance system financing
19. Law on Financial Assistance for Families with Children	Ministry of Social Affairs	Effective from June 1, 2002		The Law has ensured more accurate targeting of the poorest families with children, abolished regional differences in terms of criteria, ensured maintenance of the real value of benefits and their continuity. The change in the procedure has allowed for budget savings of over 200 million dinars at annual level.
20. Law on Pension and Disability Insurance	Ministry of Social Affairs	Enacted on April 1, 2003		
21. Law on Health Insurance	Ministry of Social Affairs	October 2003		
22. Law on Employment and Unemployment Insurance	Ministry of Labour and Employment	Enacted on July 10, 2003		

LAWS OF IMMEDIATE IMPORT FOR ECONOMY AND INDUSTRY

LAW	RELEVANT MINISTRY	TIMELINE FOR PREPARATION	NOTES/POTENTIAL PROBLEMS	OBJECTIVE
1. Amendments to the Law on Privatization	Ministry of Economy and Privatization	Enacted on February 28, 2003		-establishment of a clear ownership regime; -establishment of the optimum environment for strong foreign capital inflow; - establishment of strong corporate management; - establishment of an open, liberal economy; - supporting development of financial markets
2. Law on Privatization Agency	Ministry of Economy and Privatization	Enacted		Establishment of the Agency as a legal entity which would promote, initiate, implement and control the privatization process, enable efficient privatization through its services, inform public about the results and the method of privatization
3. Law on Shares Fund	Ministry of Economy and Privatization	Enacted		Establishment of the Shares Fund as a legal entity representing the state in the privatization process during a specified period that will not exceed 6 years, obliged to sell the shares transferred to it under the Law, with the aim of stimulating financial markets

LAW	RELEVANT MINISTRY	TIMELINE FOR PREPARATION	NOTES/POTENTIAL PROBLEMS	OBJECTIVE
4. Law on Chambers of Commerce	Ministry of Economy and Privatization	Enacted on November 21, 2003		-unified definition of the chamber of commerce system in the RS; -ensuring equal treatment of all members and harmonizing the regulations with the relevant regulations in other European countries
5. Law on SME and Entrepreneurship Development Agency	Ministry of Economy and Privatization	Enacted on November 19, 2001		Assistance for the start-up of small and medium enterprises and entrepreneurs, permanent education and informing SMEs and entrepreneurs
6. Amendments to the Law on Public Companies and Activities of Public Interest	Ministry of Economy and Privatization	Enacted on May 15, 2002		Allowing local self-governance units as the founders of public enterprises full freedom to initiate the foundation of public companies if in their economic interest
7. Amendments to the Law on Private Entrepreneurs	Ministry of Economy and Privatization	Enacted on June 20, 2002		Liberalization and simplification of the procedure for the registration of stores and retail outlets
8. Law on Guarantee Fund	Ministry of Economy and Privatization	Enacted on May 27, 2003		Promotion of SME and entrepreneurship development

LAW	RELEVANT MINISTRY	TIMELINE FOR PREPARATION	NOTES/POTENTIAL PROBLEMS	OBJECTIVE
9. Bankruptcy Law	Ministry of Economy and Privatization	Law Proposal adopted by the Government of the RS		Streamlining bankruptcy procedures, and harmonizing them with the procedures for restructuring of legal entities in the course of privatization, and the reorganization and liquidation of enterprises in bankruptcy procedures, as a model of the implementation of the privatization of enterprises
10. Law on Business and Entrepreneurship Registration	Ministry of Economy and Privatization	July 2003	Law Proposal adopted by the Government and submitted to the Parliament. Proposal put on the agenda of the Parliament.	Establishment of a Central Registry of all commercial entities in the RS
11. Company Law	Ministry of Economy and Privatization	September 2003		
12. Law on Foreign Investments	Ministry of International Economic Relations	Enacted	Law adopted by the Federal Parliament	Establishment of a legal framework and a regime open to foreign investments, with the aim of efficient development of economy, strengthening its competitiveness, modernization of business activities, import of new equipment and modern technology, expanding export, harmonization of national regulations with the regulations of developed market economies

LAW	RELEVANT MINISTRY	TIMELINE FOR PREPARATION	NOTES/POTENTIAL PROBLEMS	OBJECTIVE
13. Law on Concessions	Ministry of International Economic Relations	Enacted May 27, 2003 Official Gazette No. 55/2003		-ensuring conditions for efficient implementation of concession activities, with a high level of legal security; -equal and just treatment of all participants in the procedure of giving concessions; -free market competition
14. Law on Pledge of Registered Movables	Ministry of International Economic Relations	Enacted (effective from January 1, 2004)	Note: establishment of a pledge registry is a necessary condition for the commencement of implementation of the Law. Unification of pledge registry, leasing registry, accounting registry and the registry of commercial entities into a single registry is planned (cooperation with the Ministry of Economy and Privatization, the Ministry of Finance and Economy and the National Bank)	-ensuring a high level of legal security in debtor-creditor relations; -ensuring conditions for efficient credit transactions in the country
15. Law on Investments and Export Facilitation Agency	Ministry of International Economic Relations	Preparation finalized The Government of the RS adopted Law Proposal on April 18, 2002 and submitted it to the Parliament		The Agency is established in order to promote the economic development of the country, direct foreign investments and the export of goods and services.
16. Law on Financial Leasing	Ministry of International Economic Relations	Enacted on May 27, 2003		Enabling domestic commercial entities lacking funding for the purchase of equipment to obtain the equipment under favourable conditions, by means of repaying leasing installments.

LAW	RELEVANT MINISTRY	TIMELINE FOR PREPARATION	NOTES/POTENTIAL PROBLEMS	OBJECTIVE
17. Law on International Trade Arbitration	Ministry of International Economic Relations	October 2003	Draft prepared January 2001. Due to problems at the level of Federal Ministry of Justice not submitted for public discussion to date	Adoption of modern, liberal and simple rules regarding international trade arbitration
18. Law on Mortgage	Ministry of International Economic Relations	End of 2003	Cooperation with National Bank and line ministries. First draft completed.	-ensuring favourable conditions for obtaining mortgage secured loans; -fast and reliable registration of mortgaged real estate and mortgages in public books; -efficient mortgage creditors settlement procedure
19. Law on Foreign Trade	Ministry of International Economic Relations Ministry of Trade, Tourism and Services	September-October 2003	Draft completed	Liberalization of foreign trade regime in the direction of its harmonization with the WTO requirements and the EU directives, taking into account the actual situation and the optimum requirements of domestic economy. Enactment of the identical versions of the Law in the RS and in Montenegro.
20. Anti Trust Law	Ministry of Trade, Tourism and Services	September-October 2003	Draft completed	Ensuring efficient competition allowing for maximum customer benefits
21. Amendments to the Budget Law	Ministry of Finance and Economy	Enacted on April 2, 2003		
22. Law on Confiscated Land Restitution and Compensation	Ministry of Finance and Economy		Drafted – to be followed by a public discussion with all the relevant institutions in July and August.	

LAW	RELEVANT MINISTRY	TIMELINE FOR PREPARATION	NOTES/POTENTIAL PROBLEMS	OBJECTIVE
23. Law on Local Self-Governance Infrastructure Development Agency	Ministry of Finance and Economy	Law Proposal adopted by the Government of the RS		
24. Law on Counter Guarantees Issued by the RS to the Federal Republic of Yugoslavia for Borrowing of the Cities Novi Sad, Kragujevac and Nis	Ministry of Finance and Economy	Enacted on February 28, 2003		
25. Anti Corruption Law	Ministry of Finance and Economy		In preparation	
26. Law on Value Added Tax	Ministry of Finance and Economy	In preparation January 1, 2004	In preparation Law Proposal to be submitted to the Government of the RS by September 30, 2003. Implementation planned to start from January 1, 2004.	
27. Amendments to the Law on Corporate Income Tax	Ministry of Finance and Economy	Enacted on April 22, 2003	New amendments November 2003	Harmonization with VAT – November 2003
28. Amendments to the Law on Excise	Ministry of Finance and Economy	Enacted on April 22, 2003	New amendments November 2003	Harmonization with VAT – November 2003
29. Amendments to the Law on Property Tax	Ministry of Finance and Economy	Enacted on November 26, 2002	New amendments November 2003	Harmonization with VAT – November 2003
30. Amendments to the Law on Financial Transactions	Ministry of Finance and Economy	Enacted on April 22, 2003		Harmonization with VAT – November 2003
31. Amendments to the Law on Sales Tax	Ministry of Finance and Economy	Enacted on July 10, 2003	The Government adopted Law Proposal on July 19, 2003, and submitted it to the Parliament in urgent procedure. New amendments November 2003	Harmonization with VAT – November 2003
32. Amendments to the Law on Personal Income Tax	Ministry of Finance and Economy	Enacted on November 26, 2002	New amendments November 2003	Harmonization with VAT – November 2003
33. Law on Trade	Ministry of Trade, Tourism and Services	End of 2003	Note: new republic law in preparation	Market operations, conducting business based on market principles, implementation of the RS trade development strategy and policy

LAW	RELEVANT MINISTRY	TIMELINE FOR PREPARATION	NOTES/POTENTIAL PROBLEMS	OBJECTIVE
34. Law on Electronic Sales	Ministry of Trade, Tourism and Services	Mid 2003	Drafted. Public discussion finalized	Determining conditions for electronic business i.e. electronic sales and control methods
35. Law on Tourism	Ministry of Trade, Tourism and Services	September 2003	Proposal in parliamentary procedure	Establishment of normative and legal conditions for the development of an integral tourist product, requiring a planning system, identified sources of financing and the promotion of the development of tourism.
36. Law on Prices	Ministry of Trade, Tourism and Services	End of 2003		Implementation of the concept of free price formation for goods and services, implying freedom of commercial entities to form prices based on full competition, i.e. market economy principles
37. Law on Advertising (Marketing)	Ministry of Trade, Tourism and Services	Mid 2003	Law Proposal drafted and will be submitted to the Government of the RS in July 2003.	Regulation of the area of advertising, promotion of market competition and market conduct of commercial entities

LAW	RELEVANT MINISTRY	TIMELINE FOR PREPARATION	NOTES/POTENTIAL PROBLEMS	OBJECTIVE
38. Law on Goods and Services Market Inspection	Ministry of Trade, Tourism and Services	End of 2003		Determining the competencies of market inspection and a more clearly defined segregation of competencies with respect to other inspection services, determining competencies, rights and duties of market inspectors, prescribing inspection and supervision measures
39. Law on Tobacco	Ministry of Trade, Tourism and Services in coordination with Ministry of Finance and Economy	Enacted on February 25, 2003		
40. Law on Public Skiing Venues	Ministry of Trade, Tourism and Services	Mid 2003	Draft completed, in the procedure before the Government of the RS	Defining the term public skiing venue and all measures relating to the performance of activities, determining conditions for planning, development and marking of skiing venues, safety on public skiing venues
41. Law on Roads	Ministry of Transport and Telecommunications	Mid 2003	Draft completed – public discussion to follow	Implementation of a new strategy of the regulation of the area of public roads in compliance with the EU legislation, taking into account changed international position of our country

LAW	RELEVANT MINISTRY	TIMELINE FOR PREPARATION	NOTES/POTENTIAL PROBLEMS	OBJECTIVE
42. Law on Transport and Road Safety	Ministry of Transport and Telecommunications	End of 2003	In preparation	Improvement of road safety by modernizing the existing law and the harmonization of legislation with the legislation applicable in the EU
43. Law on Cargo Road Transport	Ministry of Transport and Telecommunications	End of 2003	In preparation	Comprehensive regulation of inland and international cargo transport and limiting grey economy in this area
44. Law on Hazardous Substances Transport	Ministry of Transport and Telecommunications	End of 2003	Drafting initiated in cooperation with the Ministry of Internal Affairs and the Ministry for Protection of Natural Resources and Environment.	
45. Law on Passenger Road Transport	Ministry of Transport and Telecommunications	End of 2003	In preparation	Regulating the overall area of inland and international passenger road transport, with a clear definition of all forms of such transport
46. Law on the Annulment of the Law on the Foundation of Public Air Transport Company	Ministry of Transport and Telecommunications	Mid 2003		Harmonization with the Law on Public Companies from 2000.
47. Law on Internal Navigation	Ministry of Transport and Telecommunications	End of 2003	Drafted	
48. Law on Telecommunications	Ministry of Transport and Telecommunications	Enacted on April 24, 2003		
49. Law on Postal Services	Ministry of Transport and Telecommunications	2003		
50. Law on Health Protection	Ministry of Health	Second half of 2003		
51. Law on Health Insurance	Ministry of Health	Second half of 2003		

LAW	RELEVANT MINISTRY	TIMELINE FOR PREPARATION	NOTES/POTENTIAL PROBLEMS	OBJECTIVE
52. Law on Physical and Technical Security	Ministry of Internal Affairs	<p>Preparation finalized</p> <p>The Government of the RS adopted Law Proposal and submitted it to the Parliament</p>		<p>Regulating terms, scope and conditions for performing the activities of physical and technical security, prescribing greater degree of control by relevant state authorities, especially taking into account that many developed countries have separate laws regulating the above issues</p>
53. Law on Energy	Ministry of Energy and Mining	<p>The Government of the RS adopted Law Proposal, currently in parliamentary procedure</p>		<p>Providing a single development policy and creating conditions for constant and balanced development of strategically important activities in this area. Inclusion of all areas with the aim of satisfying the needs of the economy and the population for energy products and services. More efficient operation of all entities performing energy activities and harmonization with the EU regulations.</p>

LAW	RELEVANT MINISTRY	TIMELINE FOR PREPARATION	NOTES/POTENTIAL PROBLEMS	OBJECTIVE
54. Amendments to the Law on Mining	Ministry of Energy and Mining	Draft Law to be submitted to the Government of the RS in the second half of 2003		Providing a single development planning policy in the area of mining, harmonization with the needs of market-based operations, as well as with the EU regulations. Decreased influence of the state in the planning process in the area of mining, stimulation of private sector growth, and domestic and foreign investments. Environmental impact and protection.
55. Law on Republic Administrative Fees	Ministry of Justice	Enacted on April 22, 2003		
56. Amendments to the Law on Securities and Other Financial Instruments Markets	Ministry of Finance and Economy	Enacted on May 30, 2003	Implementation deferred, new amendments to follow In parliamentary procedure – September 2003.	
57. Anti Money Laundering Law	Ministry of Finance and Economy	Parliament September 2003		
58. Law on National Housing Credit Corporation	Ministry of Finance and Economy	Parliament September 2003		
59. Law on Deposit Insurance	Ministry of Finance and Economy	Parliament September 2003		
60. Law on Bank Rehabilitation, Bankruptcy and Liquidation	Ministry of Finance and Economy	Parliament September 2003		
61. Law on Deposit Insurance Agency	Ministry of Finance and Economy	Parliament September 2003		
62. Law on Rail	Ministry of Transport and Telecommunications	Law Proposal in parliamentary procedure (July 2003)		

SYSTEM LAWS

LAW	RELEVANT MINISTRY	TIMELINE FOR PREPARATION	NOTES/POTENTIAL PROBLEMS	OBJECTIVE
1. Company Law	Ministry of Economy and	September 2003	Being drafted	

LAW	RELEVANT MINISTRY	TIMELINE FOR PREPARATION	NOTES/POTENTIAL PROBLEMS	OBJECTIVE
	Privatization			
2. Law on Bankruptcy	Ministry of Economy and Privatization	Law Proposal adopted by the Government of the RS		Streamlining bankruptcy procedures, and harmonizing them with the procedures for restructuring of legal entities in the course of privatization, and the reorganization and liquidation of enterprises in the bankruptcy procedure, as a model of the implementation of the privatization of enterprises
3. Law on Business and Entrepreneurship Registration	Ministry of Economy and Privatization	July 2003	Law Proposal adopted by the Government of the RS in July 2003. On the agenda of the session of the Parliament.	Establishment of a single electronic registry of all commercial entities in the RS
4. Law on Pledge of on Registered Movables	Ministry of International Economic Relations	Enacted On May 30, 2003	Note: establishment of a pledge registry is a necessary condition for the commencement of implementation of the Law. Unification of pledge registry, leasing registry, accounting registry and the registry of commercial entities into a single registry is planned (cooperation with the Ministry of Economy and Privatization, the Ministry of Finance and Economy and the National Bank)	-ensuring a high degree of legal security in debtor-creditor relations; -ensuring conditions for efficient and smooth credit transactions in the country
5. Law on the RS Aviation	Ministry of Transport and Telecommunications	In the final stage of preparation	Note: worldwide experiences which are primarily based on the maintenance and improvement of air transport safety set an imperative that air transport be single and unified	Establishment of a single aviation authority as the executive authority in the area of air transport, easily recognizable to all domestic and international air transport entities, in accordance with the worldwide accepted practice and the recommendations of ICAO
6. Law on Ministries	Ministry of Public Administration and Local Self-Government	Enacted on April 2, 2003		Overall administration system building and the creation of

LAW	RELEVANT MINISTRY	TIMELINE FOR PREPARATION	NOTES/POTENTIAL PROBLEMS	OBJECTIVE
				the preconditions for its functioning on new, reformed bases, harmonization with modern comparative law standards and solutions of the EU legislation, and defining conditions for the establishment of republic administrative bodies and redefining the functions of officials and staff in public administration.
7. Law on Agriculture	Ministry of Agriculture and Water Management		Drafting of the law planned upon the finalization of the national strategy	Comprehensive regulations pertaining to current and development incentives in agriculture, terms and conditions for agricultural land development, terms and conditions for use of the state owned agricultural land, etc.
8. Law on Veterinary Medicine	Ministry of Agriculture and Water Utility	End of 2003	Drafting in progress	Harmonization with the EU and the proposal of a new concept for public veterinary service to provide more rational and efficient performance in this area.

LAW	RELEVANT MINISTRY	TIMELINE FOR PREPARATION	NOTES/POTENTIAL PROBLEMS	OBJECTIVE
9. Amendments to the Law on Primary Education	Ministry of Education and Sports	In progress		Creating space for active participation of all the stakeholders in the education process, promoting the autonomy of schools, respecting the principle of accessible education, and exercising rights to universal high-quality education, unifying teaching courses into educational segments
10. Amendments to the Law on Secondary Education	Ministry of Education and Sports	In progress		Creating space for active participation of all the stakeholders in the education process, promoting the autonomy of schools, respecting the principle of accessible education, and exercising rights to universal high-quality education, unifying teaching courses into educational segments
11. Law on Tertiary Education	Ministry of Education and Sports	In progress		<ul style="list-style-type: none"> -increasing efficiency in tertiary education; - harmonizing tertiary education system with European tendencies, primarily by introducing teaching process control mechanisms
12. Amendments to the Law on Sports	Ministry of Education and Sports	In the course of 2003	In preparation	System upgrading, elimination of identified shortcomings, raising financial discipline, harmonization with international standards,

LAW	RELEVANT MINISTRY	TIMELINE FOR PREPARATION	NOTES/POTENTIAL PROBLEMS	OBJECTIVE
				harmonization with new republic regulations under the Autonomous Province and local self-governance authorities, associations and private entrepreneurship
13. Law on Privatization in Sport Industry	Ministry of Education and Sports	Second half of 2003	Potential problem: lack of awareness about the advantages of new property and organizational structure of sports, opposition of the existing management in major sport organizations	Transformation and privatization of socially owned capital in the non-profit sector as a necessary step in the conditions of accelerated privatization of economy, establishment of autonomous privatization regime in the area of sports, regulation of ownership relations in sport and financing
14. Law on Public Information	Ministry of Culture and Public Information	Enacted on April 22, 2003		
15. Family Law	Ministry of Social Affairs	End of 2003	Drafting in progress, to be followed by public discussion	Ensuring the implementation of major international instruments applicable in our situation, and the harmonization of solutions with the European legislation, modern perceptions of family relations and the position of children in light of the overall social changes.
16. Amendments to the Law on Health Protection, and the Law on Health Insurance	Ministry of Health			
17. Amendments to the Law on Health Protection, and the Law on Health Insurance	Ministry of Health		Drafted	
18. Law on Police	Ministry of Internal Affairs	In preparation	With the enactment of this Law, following the recent enactment of the Law on	Police reform, redefining police competencies,

LAW	RELEVANT MINISTRY	TIMELINE FOR PREPARATION	NOTES/POTENTIAL PROBLEMS	OBJECTIVE
			Criminal Procedure and the Law Security Intelligence Agency, the obligations of our country pertaining to legislation regulating this area would be fulfilled.	implementation of the European Police Code of Ethics, establishment of governmental and parliamentary supervision over the police.
19. Law on Police Education Institutions	Ministry of Internal Affairs	In preparation	This Law would regulate only the issues pertaining specifically to police education, and all other issues would be governed by the regulations regulating the overall education system.	- establishment of a single organizational basis for a comprehensive reform of police education; - ensuring positive legal conditions for such reform and a legal framework which would provide for an adequate development of police education in a long-term period.
20. Law on Social Protection System	Ministry for Protection of Natural Resources and Environment	Law Proposal adopted by the Government of the RS on May 15, 2002		Harmonization with the EU regulations. Comprehensive regulation of the area of the sustainable exploitation of natural resources, natural values and environment covering all factors: air, water, land and flora and fauna.
21. Law on Waste Management	Ministry for Protection of Natural Resources and Environment	September 30, 2003	Drafting planned for the period following the finalization and the enactment of the National Waste Management Strategy (in the final stage) March 1, 2003	Comprehensive management of various categories of waste by hierarchy: collecting, segregation, recycling, disposal treatment, and compliance with the EU regulations.
22. Law on Academic Research	Ministry of Science, Technology and Development	End of 2003	Direct impact on the economy and industry and indirect impact on the living standard of the population	Harmonization with the EU standards and regulations.
23. Law on Innovation System	Ministry of Science, Technology and Development	End of 2003	Direct impact on the economy and industry and indirect impact on the living standard of the	Harmonization with the EU standards and regulations.

LAW	RELEVANT MINISTRY	TIMELINE FOR PREPARATION	NOTES/POTENTIAL PROBLEMS	OBJECTIVE
			population	
24. Law on Electronic Business Transactions and Digital Signature + bylaws	Ministry of Science, Technology and Development	Law Proposal adopted by the Government of the RS	Direct impact on the economy and industry and indirect impact on the living standard of the population	Harmonization with the EU standards and regulations.
25. Law on Planning and Construction	Ministry of Construction and Urban Planning	Enacted on April 22, 2003	The text of this Proposal unifies four laws regulating this area, namely: - Law on Constructions - Law on Planning and Physical and Urban Development - Law on Construction Land - Law on Special Conditions For Issuance of Construction, i.e. Use Permit for Specific Facilities	Ensuring conditions for: - investment of local and foreign capital in the construction of facilities to promote economic growth - sales and legal security in terms of construction land - conditions for the development and updating of real estate cadastre - elimination and prevention of illegal construction - legalization of illegal constructions -deregulation and acceleration of procedure in the process of planning and construction of all types of facilities
26. Law on Election of MPs into the Parliament of Serbia and Montenegro	Ministry of Justice	Enacted on February 13, 2003		
27. Amendments to the Law on the Organization and responsibilities of State Agencies in Anti Organized Crime Activities	Ministry of Justice	Enacted on March 19, 2003		
28. Law on Terms and Procedures for Amending the Republic of Serbia's Constitution	Ministry of Justice	Enacted on April 11, 2003		
29. Amendments to the Federal Republic of Yugoslavia's Penal Code	Ministry of Justice	Enacted on April 11, 2003		

LAW	RELEVANT MINISTRY	TIMELINE FOR PREPARATION	NOTES/POTENTIAL PROBLEMS	OBJECTIVE
30. Law on Republic Administrative Fees	Ministry of Justice	Enacted on April 22, 2003		
31. Amendments to the Law on Central Registry		Enacted on May 30, 2003		
32. Framework Law on Education System	Ministry of Education and Sports	Enacted on June 17, 2003		
33. Amendments to the Law on the Republic of Serbia's Budget for 2003	Ministry of Finance and Economy	Enacted		
34. Law on the National Bank of Serbia	Ministry of Finance and Economy	Enacted		
35. Customs Law	Ministry of Finance and Economy	Enacted		
36. Law on Public Debt	Ministry of Finance and Economy	Proposal to be submitted to the Parliament in September 2003		
37. Law on the Republic of Serbia's Budget for 2004	Ministry of Finance and Economy	Autumn 2003		
38. Law on the Level of Funding and the Shares in Payroll Tax and Sales Tax by Municipalities and Towns for 2004	Ministry of Finance and Economy	Autumn 2003		
39. Law on Insurance	Ministry of Finance and Economy	Proposal to be submitted to the Parliament in September 2003		
40. Amendments to the Law on Payment System	Ministry of Finance and Economy	Proposal to be submitted to the Parliament in September 2003		
41. Amendments to the Law on Foreign Currency Transactions	Ministry of Finance and Economy	Proposal to be submitted to the Parliament in September 2003	Law will be proposed as a result of proposing the Law on Public Debt	
42. Amendments to the Law on Tax Procedure and Tax Administration	Ministry of Finance and Economy	Enacted on July 10, 2003		
43. Amendments to the Law on Excise	Ministry of Finance and Economy	Enacted in July 2003		
44. Amendments to the Law on Banks and Other Financial Institutions	Ministry of Finance and Economy	Enacted in July 2003		

LAW	RELEVANT MINISTRY	TIMELINE FOR PREPARATION	NOTES/POTENTIAL PROBLEMS	OBJECTIVE
45. Law on Political Parties Financing	Ministry of Finance and Economy	Enacted		
46. Law on Counter Guarantees Закон Issued by the Republic of Serbia to Serbia and Montenegro as a Guarantor of a Loan from the European Bank for Reconstruction and Development for the Republic Directorate for Roads	Ministry of Finance and Economy	Enacted on July 10, 2003		

OTHER LAWS

LAW	RELEVANT MINISTRY	TIMELINE FOR PREPARATION
1. Law on Medical Workers' Chambers	Ministry of Health	Law Proposal adopted by the Government of the RS and submitted to the Parliament in July 2003
2. Law on Biomedical Artificial Insemination	Ministry of Health	Draft Law to be submitted to the Government of the RS in October 2003
3. Law on Harvesting and Transplantation of Human Organs	Ministry of Health	Draft Law to be submitted to the Government of the RS in October 2003
4. Law on Health Safety of Food Stuffs and General Goods	Ministry of Health	
5. Law on Sanitary Inspection	Ministry of Health	
6. Law on the Rights of Veterans, Military Invalids, Civilian War Victims and their Survivors	Ministry of Social Affairs	Drafting in progress, closing date for preparation being end of 2003
7. Law on Records, Development and Maintenance of Memorial Sites and Serbian Veteran Cemeteries in the Country and Abroad and Foreign Soldiers Cemeteries in the territory of the RS	Ministry of Social Affairs	
8. Law on the Protection of the Family Members of the Military Service Conscripts	Ministry of Social Affairs	
9. Law on Cultural Heritage	Ministry of Culture and Public Information	Drafting in progress
10. Law on Cinematography/ Law on Cinematography Fund	Ministry of Culture and Public Information	Second half of 2003
11. Law on Publishing	Ministry of Culture and Public Information	Working document in preparation
12. Law on Libraries	Ministry of Culture and Public Information	
13. Amendments of the Law on Artistic and Other Activities in	Ministry of Culture and Public Information	Law Proposal submitted to the Parliament on November 15, 2002

LAW	RELEVANT MINISTRY	TIMELINE FOR PREPARATION
the Area of Culture		
14. Law on Preprimary Education	Ministry of Education and Sports	Mid 2003
15. Law on Student Associations	Ministry of Education and Sports	Mid 2003
16. Law on Prevention of Doping in Sport	Ministry of Education and Sports	In parliamentary procedure
17. Law on Public Skiing Venues	Ministry of Education and Sports in cooperation with Ministry of Trade, Tourism and Services	Mid 2003
18. Civil Service Labour Code	Ministry of Public Administration and Local Self-Government	
19. Law on Political Organizations	Ministry of Public Administration and Local Self-Government	
20. Law on Inspection Supervision and Administrative Inspection	Ministry of Public Administration and Local Self-Government	In progress
21. Law on Spas	Ministry of Trade, Tourism and Services	2003
22. Amendments to the Law on Terms and Conditions of Approving Rights and Restituting Land Transferred in Social Ownership on the Basis of Agricultural Land Fund and Confiscated on the Basis of Unfulfilled Obligations of Mandatory Buyout of Agricultural Production	Ministry of Finance and Economy	Drafted, to be followed by a public discussion
23. Law on Financing of Political Organizations	Ministry of Finance and Economy	Law Proposal adopted by the Government of the RS in July 2002, and submitted to the Parliament
24. Law on Prevention of the Conflict of Public and Private Interest in Performance of Public Functions	Ministry of Finance and Economy	
25. Law on Agency for Rural Development	Ministry of Agriculture and Water Utility	Preparation planned
26. Law Against Violence and Improper Conduct in Sport Events	Ministry of Internal Affairs	Enacted on July 1, 2003
27. Law on Protection Against Non-ionic Radiation	Ministry for Protection of Natural Resources and Environment	Law Proposal adopted by the Government of the RS on November 14, 2002
28. Law on Fisheries	Ministry for Protection of Natural Resources and Environment	November 2003
29. Law on Forest Trees Reproductive Material	Ministry for Protection of Natural Resources and Environment	November 2003
30. Geology Law	Ministry for Protection of Natural Resources and Environment	First half of 2004
31. Law on Agency for Serbian Academic Computer Network	Ministry of Science, Technology and Development	End of 2003
32. Amendments to the Law on Misdemeanour Penalties	Ministry of Justice	July 2003. In parliamentary procedure
33. Law on the Rehabilitation of Political Convicts and Prisoners	Ministry of Justice	July 2003
34. Amendments to the Law on Court Organization	Ministry of Justice	Enacted on March 19, 2003
35. Amendments to the Law on Judges	Ministry of Justice	Enacted on March 19, 2003
36. Amendments to the Law on Public Prosecutors' Office	Ministry of Justice	Enacted on April 11, 2003
37. Amendments to the Law on	Ministry of Justice	Enacted

LAW	RELEVANT MINISTRY	TIMELINE FOR PREPARATION
High Judicial Alliance		on April 11, 2003
38. Amendments to the Law on Court and Public Prosecutors Seats and Districts	Ministry of Justice	Enacted in April 2003
39. Law on Terms and Conditions for Performance of Court Expertise	Ministry of Justice	July 2003
40. Amendments to the Law on Arms and Ammunition		Enacted on April 11, 2003
41. Law on the Annulment of the Law on Yugoslav Chamber of Commerce	Ministry of Economy and Privatization	Enacted on May 27, 2003
42. Law on Accountability for Human Rights Violation		Enacted on May 30, 2003
43. Law on Narcotic Precursors	Ministry of Health	End of 2003
44. Law on Production and Trading of Narcotics	Ministry of Health	End of 2003

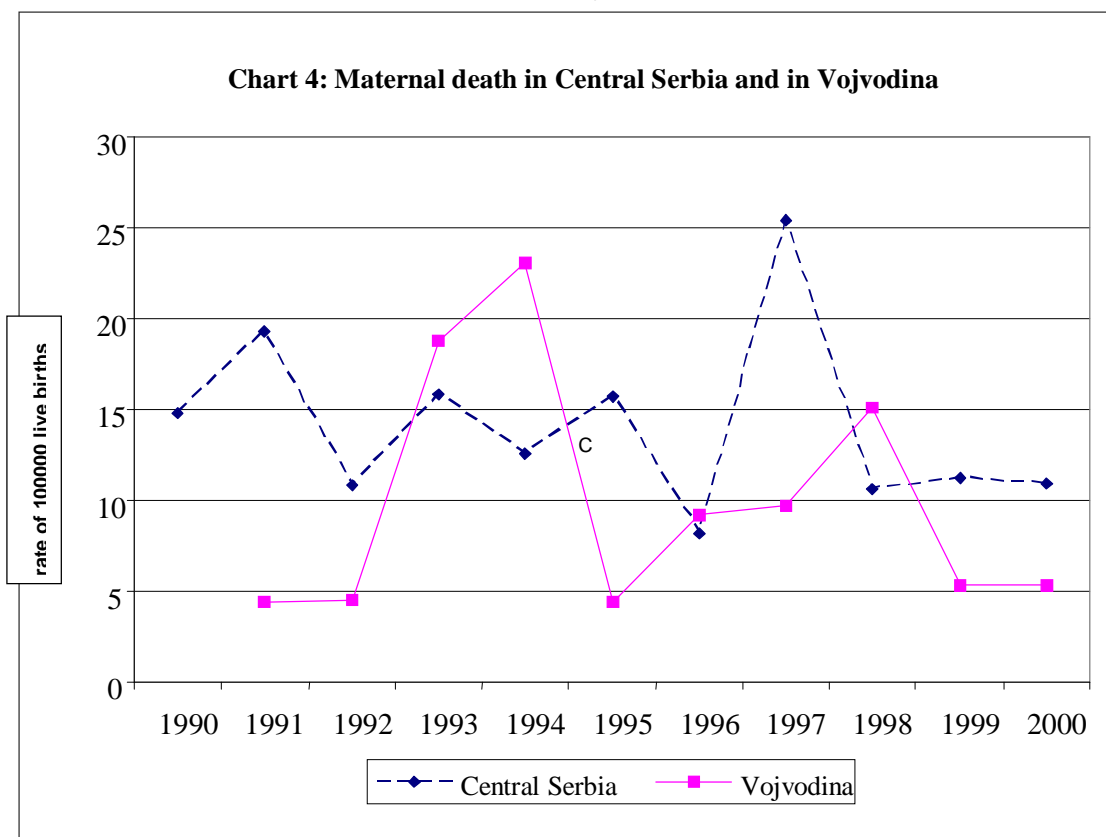
III STRATEGIC OPTIONS FOR POVERTY REDUCTION IN SERBIA

Health aspects of poverty reduction

Table B1: Changes in life expectancy at birth in Central Serbia and Vojvodina

Changes in life expectancy at birth by gender	Central Serbia	Vojvodina
Changes for male newborns 2000/1991	0,29	0,95
Changes for female newborns 2001/1991	0,07	-0,76
Difference between male and female newborns 2001	5,23	5,60
Best levels for male newborns during the observed period	11,71	5,60
Best levels for female newborns during the observed period	1994/95 70,06	1994/95 68,29
Worst levels for male newborns during the observed period	1992/93 69,10	1991/92
Worst levels for female newborns during the observed period	2000/01 75,16	1994/95 73,59

Maternal death in Central Serbia and in Vojvodina



Medical coverage and utilisation of primary health care services in the Republic of Serbia in 2000

Service	Number of citizens per		Average number of visits per capita per		Average number of visits during a working day	
	physician	medical nurse	physician	medical nurse	physician	medical nurse
General practice (19 +)	1864	1056	2.6	2.8	23.5	35.2
Preschool child health care (0 – 6 years)	769	438	6.5	4.7	18.3	7.6
School child health care (7 – 18 years)	1950	1350	2.9	1.7	21.1	23.0
Women health care (15+)	5390	3300	0.6	0.4	11.8	4.5
Occupational medicine (working force)	2804	2068	1.7	1.1	17.5	8.4

Expenditures for the health care per capita (USD), Republic of Serbia, Kosovo and Metohija excluded

Year	Expenditures for health care in thousands YUM ¹⁾	Population of the Republic of Serbia, Kosovo and Metohija excluded ¹⁾	Number of refugees	Total number of population (column 2+3)	Expenditures for health care per capita in YUM	Expenditures for health care per capita in USD	
						According to the official exchange rate of the NBJ ⁵⁾	According to the market exchange rate of the NBJ ⁶⁾
1996	5643275	7844000	705622 ³⁾	8549622	660,06	132,90	121,00
1967	7655534	7828000	705622 ³⁾	8533622	897,10	156,70	128,20
1998	8877799	7807000	705622 ³⁾	8512622	1042,90	111,60	98,80
1999	10891415	7822795	615000 ⁴⁾	8437795	1290,78	117,30	53,40
2000	19438498	7747000	615000 ⁴⁾	8362000	2324,62	139,20	41,60
2001	40968165 ²⁾	7727000	615000 ⁴⁾	8342000	4911,07	74,00	74,00

Source:

^{1); 3)} Statistic Year Book of the Republic of Serbia 1998- 2002 Belgrade: Republic Statistic Bureau

²⁾ Decision on adoption of the annual financial statement for 2001 - Official Gazette of the Republic of Serbia number10/02.

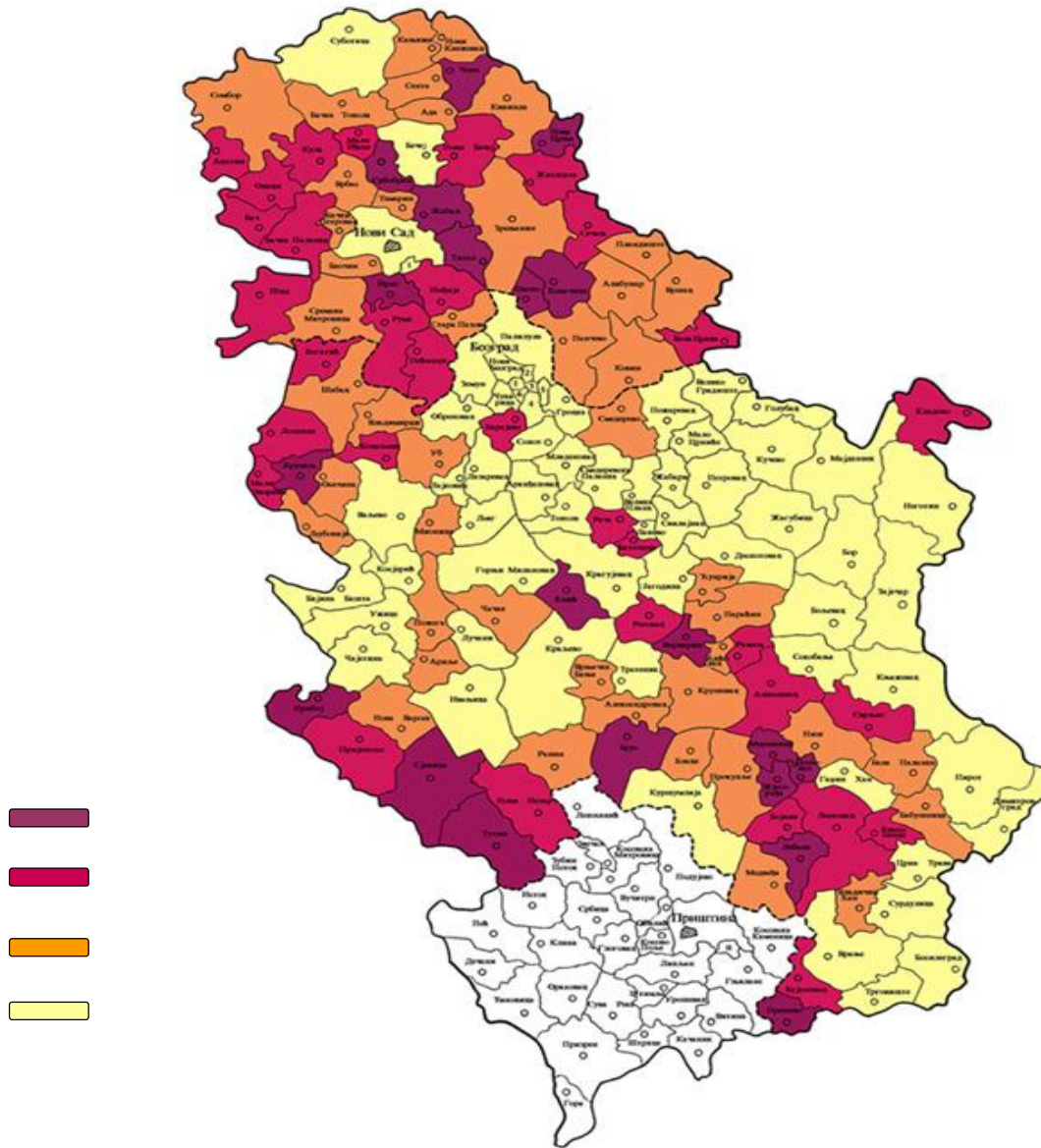
⁴⁾ Commissariat for Refugees of the Republic of Serbia

⁵⁾ Bulletin of the NBJ XXIII year, number 11, November 2002; Bulletin NBJ XXII year, number11, November 1995.

⁶⁾ Fluctuation of market rates. NBJ Publication, 2001.

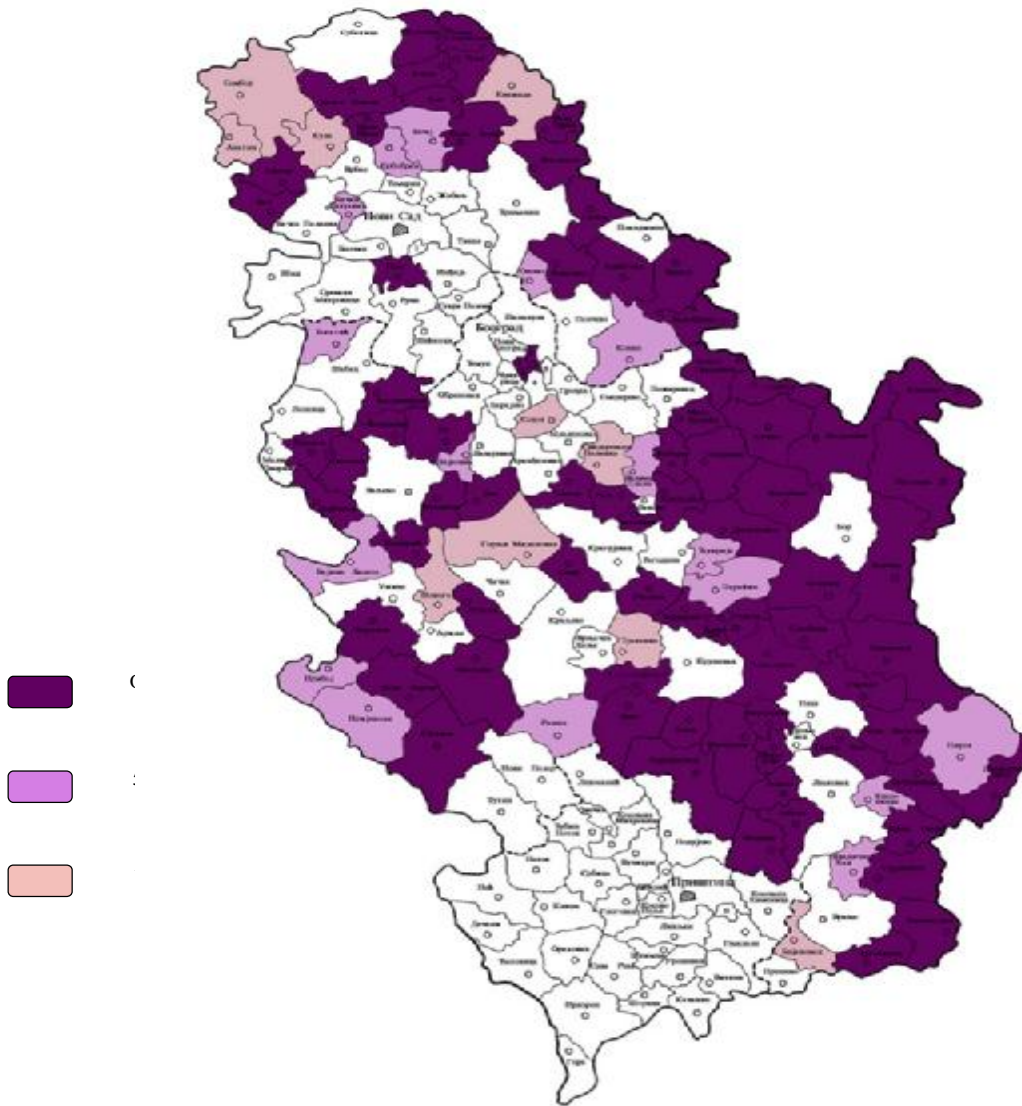
Regional aspects of poverty reduction

Regional poverty, unemployment in 2002



Decrease in number of inhabitants

71 till



Categorization of areas, tools and priorities

Region	Tools of development and regional policies	Programme and development priorities
UNDERDEVELOPED REGIONS		
Tutin, Presevo, Zabari, Malo Crnice, Zitoradja, Doljevac, Vladimirci, Razanj, Bujanovac, Petrovac, Golubac, Bojnik, Zagubica, Kucevo, Osecina, Mali Zvornik, Mionica, Sjenica, Koceljeva, Krupanj, Prijepolje, Ljubovija, Rekovac, Vlasotince,	Establishing a Fund for development aimed at stimulating underdeveloped regions in Serbia (or transforming of the existing Fund for development); Adoption of the law on tools for stimulation of development of underdeveloped regions in Serbia; Creation of a special Agency for development of Southern Serbia with a head office in Leskovac; Selective measures aimed at the	Institutional frame; Defining stable financial sources; Programme-development preparation and staff training; Providing necessary economic and social infrastructure; Structural changes; Selective agricultural development; Development of SMEs and

<p>Merosina, Trgoviste, Surdulica, Bosilegrad, Lebane, Medvedja, Gadzin Han, Babusnica, Blace, Kursumlija, Brus, Crna Trava, Zitiste.</p> <p>37 municipalities (702.729 inhabitants)</p>	<p>realization of programmes for revitalization of villages in highland areas; Selective measures for the realization of credit, tax and stimulative policies aimed at realization of programmes of development of border areas; Direct support to programme and development preparation in support to municipalities; Protective measures and improvement in environmental protection, especially concerning forests and water sources; Financing of staff training, regional and town planning, scientific and geological research; Set of measures stimulating faster development of SMEs: Deregulation – simplification of conditions and procedures for establishment of SMEs (establishment of a Centre for Deregulation); Linking and establishing cooperation between SMEs and big enterprises; Including SMEs in public procurement of various goods, for example, uniforms, school furniture, hospital supplies, construction materials , etc. ; Realization of sets of measures for demographic revitalization.</p>	<p>entrepreneurship (council centres, removal of legal barriers); Organization and urban planning and rationalization of housing network; Environmental protection and preservation; Selective revitalization of villages; Redirection of demographic flows; Development of tourism at Golija and in spas.</p>
THE MOST UNDERDEVELOPED REGIONS		
<p>Bosilegrad, Bujanovac, Medvedja, Presevo, Crna Trava, Gadzin Han, Trgoviste, Bojnik, Zitoradja, Kursumlija, Tutin, Zagubica</p> <p>12 municipalities (216.106 inhabitants)</p>	<p>Best conditions for usage of all stimulating mechanisms; Significant changes in market conditions for investments; All types of financial support; The most favourable conditions for granting credits to SMEs; Creation of municipal funds for development of SMEs; Infrastructural equipment for micro locations; Grants for construction of housing for IDPs and refugees; Construction of official housing; Incentive income for staff who decide to come to and work in this region for a certain period; Grants aimed at development of regional and town plans, scientific and geological researches.</p>	<p>Adoption of operative programmes aimed at development of all municipalities with specified responsibilities and time frame; Complex programme of demographic development; Complementary development of industry, agriculture, infrastructure and social standards; Selective revitalization of villages.</p>
SOUTHERN SERBIA (COMPACTLY UNDERDEVELOPED REGION)		
<p>Medvedja, Presevo, Zitoradja, Doljevac, Bujanovac, Bojnik, Vlasotince, Meresina, Trgoviste, Surdulica, Bosilegrad, Lebane, Crna Trava, Blace, Babusnica, Kursumlija, Prokuplje,</p>	<p>Creation of a special Agency for development of Southern Serbia; Combination of different types of direct and indirect support; Establishing municipal Funds for SME development; Tax facilities for enterprises that invest in productive activities in this region;</p>	<p>Adoption of a programme for development of Southern Serbia; Complementary development of industry, agriculture, infrastructure and social standard; Selective revitalization of</p>

<p>Dimitrovgrad, Vladicin Han, Vranje, Leskovac.</p> <p>21 municipalities (632.543 inhabitants)</p>	<p>Grants for construction of housing for IDPs and refugees; Construction of official housing; Incentive income for staff who decide to come to and work in this region for a certain period; Financing of staff training, regional and town plans, scientific and geological research; Realization of sets of measures of the demographic revitalization.</p>	<p>villages; Selective agricultural development; Development of SMEs and entrepreneurship; Organization and urban planning and rationalization of housing network; Redirection of demographic flows.</p>
<p>NEWLY DEVASTATED REGIONS - real income decrease higher than 80% (1990-2000)</p>		
<p>Majdanpek, Pozarevac, Kragujevac, Raska, Zrenjanin, Nova Varos, Priboj, Medvedja, Dimitrovgrad, Bela Palanka, Senta, Svrlijig, Bor.</p> <p>13 municipalities (619.356 inhabitants)</p>	<p>Facilities for the realization of programmes concerning exploitation of raw materials and mineral resources; More severe economic criteria for investments; Set of measures aimed at encouraging faster SME development and above all: - Establishment of a Centre for Deregulation; - Linking and establishing cooperation between SMEs and big enterprises; - Including SMEs in public procurement.</p>	<p>Structural changes; Selective industrial development; Faster development of SMEs and entrepreneurship; Tourism and catering; Better valorisation of mineral raw material; Programmes of revitalization of villages.</p>
<p>DEMOGRAPHICALLY MOST ENDANGERED REGIONS - decrease in number of inhabitants higher than 10% (1971-2002) - negative rate of natural increase of population more than -10⁰/₀₀</p>		
<p>Crna Trava, Dimitrovgrad, Bosilegrad, Bela Palanka, Babusnica, Blace, Svrlijig, Razanj, Gadzin Han, Kosjeric, Soko Banja, Knjazevac, Boljevac, Rekovac, Knic, Plandiste, Bela Crkva, Novi Knezevac, Secanj, Novi Becej, Nova Crnja, Zitiste.</p> <p>22 municipalities (345.649 inhabitants)</p>	<p>Combination of various forms of direct and indirect support; Economic support to young households (fiscal policy, equipping with objects and mechanization, etc.); Special encouragement for agricultural programmes; Realization of sets of measures aimed at demographic revitalization: Different maternity leave for third and fourth child, additional child allowance, financial aid to be received during pregnancy; Credits provided to families at child birth; Subsidies for housing credits, encouraging tax relief (income tax, abolition of sales tax on baby carriage, cribs and diapers), sanctions if children do not attend elementary school; Harmonizing system of measures of social, tax and development policies.</p>	<p>Family planning; Active labour market programmes; Health and social welfare programmes; Increase of social safety; Selective agricultural programmes; Priority – support selected village centres in support to municipalities.</p>

V IMPLEMENTATION AND MONITORING OF THE POVERTY REDUCTION STRATEGY

Preliminary indicator set. The indicator set is very extensive, with more than 100 outcome and more than 160 process indicators. The extensive scope of the set resulted from the need for poverty monitoring and implementation to allow for its multidimensional nature. According estimates, some 60% of outcome indicators and around 80% of process indicators can be provided from existing data sources, with small modifications (for example, in a number of cases process indicators boil down to necessary changes and the introduction of new regulations, which is easy to monitor). The list of indicators is not final. Upon systematic analysis of data availability²⁰ (regularity, quality, relevance), the list will be updated annually.

Outcome indicators are in normal letters, process indicators in italic

Process indicators include monitoring of strategy implementation from the initiation of a certain activity (level of investment in certain sectors that have a poverty reduction impact), to the monitoring of concrete reform trends (legislative changes...) and monitoring of implementation of concrete projects and activities within the PRSP, to the achievement of immediate activity results (e.g. «number of persons that attended training for professions that are in high demand»).

Outcome indicators are linked to the achievement of the declared Strategy objectives and to particular sectors (e.g. lower poverty rate among Roma population or lower unemployment rate of the population)

Strategic goals, policies/strategies/ activities and description of indicators		By region	By household type	By gender	By age group	By vulnerable groups	Institutions responsible for monitoring/activity
Basic poverty reduction outcome indicators							
Millennium Goal 1: Eradicate extreme poverty and hunger							
A1	Percentage of population below the poverty line (basket of commodities - RSO, national poverty line, 60% of household income median)	*	*	*	*	*	1
A2	Poverty deficit	*	*	*	*	*	1
A3	Share of the 25% of the poorest in the national consumption	*					1
A4	Household income and expenditure level by consumption unit	*	*	*	*	*	1
A5	Gini inequality coefficient (by income and expenditures)	*	*	*	*	*	1
A6	Poverty gap and severity	*	*	*	*	*	1
A7	Percentage of household consumption for food	*	*			*	1

Transition to a Market Economy: Enabling Strong Private Sector Growth							
Millennium Goal 8: Develop a global partnership for development							
Related PRSP main direction: 1. Economic growth							
<i>Strategic goal: Ensure that a transparent legal and institutional framework is in place to attract private investment · Ensure strong market institutions to support private sector growth/ development · Ensure provision of a conducive business environment for a dynamic private sector</i>							
Related policy/strategy/ activity: Privatisation of real sector							
B1	Number and percentage of privatised enterprises	*					18
B2	Number and percentage of privatised banks	*					18

²⁰ The analysis of the proposed set of indicators and the existence of data sources, as well as alternative solutions, is being carried out.

B3	Private sector share in GDP							12
Related policy/strategy/ activity: Restructuring of real sector								
b4	<i>Restructuring of the banking system</i>							21
b5	<i>Financial system reform and development</i>							21,13

Transition to a Market Economy: Global and Regional Integration

Millennium goal 8: : Develop a global partnership for development

Related PRSP main direction: 1. Economic growth

- Strategic objective: · Facilitate further foreign trade liberalisation · Work towards establishing a common market with Montenegro in the free flow of people, goods, services and capital · Progress towards closer association with the EU · Strengthen specific institutions necessary for Action Plan for SAA · Pursue membership of the WTO

Related policy/strategy/ activity: Joining the WTO

C1	Joining the WTO							22
c2	<i>Defining body in charge of communication with the WTO</i>							22
c3	<i>New law on customs tariff, tariffication of non-tariff barriers</i>							22
c4	<i>Offering tariff concessions for goods and services, second round of providing additional information</i>							22

Related policy/strategy/ activity: EU accession

C5	EU accession							22
c6	<i>Adoption of the Action plan for harmonizing economic policies with Montenegro</i>							22
c7	<i>Elaboration of harmonized foreign trade laws in Serbia and Montenegro</i>							22
c8	<i>Adoption of feasibility study and accession to EU</i>							22

Public administration, judiciary and local self-government

Millennium goal 8: : Develop a global partnership for development

Related PRSP main directions: 1. Economic growth
2. Prevention of new poverty
3. Bringing people out of poverty

Strategic goal: · Ensure the provision of a dynamic, efficient and transparent public administration which is well-suited to the appropriate role of Government in a market economy · Ensure access to justice for poor · Increase independence of judicial authorities · Improve efficiency and effectiveness of judiciary

Related policy/strategy/ activity: Modernization and reorganization of public administration and governance

d1	<i>Adoption of the Law on Public Administration and Law on Public Servants</i>							24
d2	Adoption of the Law on Administrative Disputes and Law on Ministries							24

Related policy/strategy/ activity: Judicial control of administration and introduction of the administrative court

d3	<i>Adoption of the Law on Administrative Procedure</i>							23
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Related policy/strategy/ activity: Training of local government employees, PRSP implementation on local level

d4	Number of city managers that have passed professional training	*						23,20
d5	Number of municipalities covered by strategic management training courses	*						23,20
d6	Number of municipalities that have developed local PRSPs	*						23,20
Related policy/strategy/ activity: Development of judiciary, strengthening independence								
d7	Adoption of the Law on Prosecution, Law on Public Attorney's Office and Law on Ombudsman							24
d8	Adoption of the Law on Courts and Law on Court Budget							24
d9	Development of free-of charge legal aid (PRSP project)							24
Related policy/strategy/ activity: · Reduce poverty through more locally appropriate measures and greater decision-making by lower levels of government and communities themselves								
d10	Preparation of legal regulations on local self-government, public administration and territorial organization							23
d11	Preparation of legal regulations on municipal property, local finances							23,13
Related policy/strategy/ activity: Municipality takes the leadership role in strategic management, transparency of local government's operation, increased level of citizens' participation								
d12	Number of municipalities covered by participatory activities (participation of poor and vulnerable groups), number of implemented activities (meetings, referendums, initiatives...)	*						10,20
d13	Adoption of the Law on NGOs							10,23

Increased Employment Opportunities

Millennium goal 1: Eradicate extreme poverty and hunger

Millennium goal 8: Develop global partnership for development

Related PRSP main directions: 1. Economic growth

2. Prevention of new poverty

Strategic goal: · More efficient and mobile labour market with a higher level of human capital · New employment opportunities (reduction of grey economy and SMEs) in order to reduce unemployment

· Increased employment opportunities for vulnerable groups

E1	Unemployment rate (by qualification structure, duration of unemployment)	*	*	*	*	*		2
E2	Number of non-registered employees	*						2
Related policy/strategy/ activity: Creating a supportive institutional environment								
e3	Enforcement of the Law on Employment and Unemployment Insurance (creation of institutions foreseen by the Law)							2, 26
e4	Drafting and adoption of the Law on Health and Safety at Work							2, 26
e5	Drafting and adoption of the Law on Labour Unions and Employees' Associations, Law on Peaceful Settlement of Collective and Individual Rights and Law on Strike							2, 26
e6	Drafting and adoption of the Law on Employment of Persons with Disabilities, Law on conditions of Employment of Foreign Citizens and Law on Protection of Citizens of the Republic of Serbia Working Abroad.							2, 26
Related policy/strategy/ activity: Determining strategic directions (dynamics and structure) of new employment								

e7	<i>Elaboration of the National Employment Strategy and National Action Plan</i>								2, 26
Related policy/strategy/ activity: Raising the value of human capital									
e8	<i>Total budget, number of projects, municipalities covered and persons without work experience that have passed the training</i>	*							2
e9	<i>Total budget, number of projects, municipalities covered and persons that have passed the training for professions in high demand</i>	*							2
e10	<i>Total budget, number of projects, municipalities covered and refugees and IDPs covered by training and retraining programs</i>	*							2,17
e11	<i>Total budget, number of projects, municipalities covered and persons with disabilities and special needs covered by retraining programs</i>	*							2,10
Related policy/strategy/ activity: Incentives for increasing employment opportunities for vulnerable groups									
e12	<i>Budget for financing and employment of interns</i>	*							2
e13	<i>Budget for financing and employment of elderly persons (women over 45 and men over 50)</i>	*							2
e14	<i>Budget for financing the employment of persons with disabilities (subsidizing part of labour costs)</i>	*							2
e15	<i>Budget for financing public construction works</i>	*							2,13
Related policy/strategy/ activity: Improved performance of mediating institutions									
e16	<i>Establishing unique database</i>	*							2
e17	<i>Number of employed from the Labour Market Bureau that have passed additional training</i>	*							2
e18	<i>Number of new workers employed at the National Employment Office</i>								2
e19	<i>Number of opened «employment clubs» and number of unemployed persons involved</i>	*							2,20
Related policy/strategy/ activity: Creating a conducive business environment									
E20	<i>Number of newly established small and medium-sized enterprises and entrepreneurs</i>	*							11
E21	<i>Number of business incubator centres, number of municipalities covered</i>	*							11,20
E22	<i>Number of industrial zones established, number of municipalities covered</i>	*							11,20
e23	<i>Elaboration of yearly programmes for implementation of the strategy for SMEE development</i>								18
e24	<i>Setting up a Guarantee Fund of the Republic of Serbia (SMEE)</i>								18
e25	<i>Drafting and adoption of Law on Trade Associations</i>								18
e26	<i>Drafting and adoption of the Law on Bankruptcy</i>								18
e27	<i>Drafting and adoption of the Law on Registration of Business Entities</i>								18
e28	<i>Drafting and adoption of the Law on the Agency for Economic Registers</i>								18

Macroeconomic Framework and Factors of Sustainable Economic Growth

Millennium goal 1: Eradicate extreme poverty

Millennium goal 8: Develop global partnership for development

Related PRSP main directions: 1. Economic growth

2. Prevention of new poverty

3. Bringing people out of poverty

Strategic goal: Macroeconomic stability and sustainable economic growth, long-term sustainable fiscal policy

F1	GDP, GDP per capita							12,13
F2	Average salary	*		*	*	*		12
F3	Assessment of the grey economy GDP share							12,13
F4	Net development aid/external assistance	*						22
F5	Net/percentage of development aid/external assistance aimed at poverty reduction	*						22
F6	Market dinar-euro exchange rate							21
F7	Consumer price index	*						14
F8	Level of foreign direct investment and its share in GDP	*						13
F9	Level and share of investment in GDP	*						13

Related policy/strategy/ activity: Medium-term fiscal sustainability

F10	Public revenues/GDP, public expenditures/GDP							13
f11	Level of subsidies to the economy, % of GDP	*						13
f12	Number of employed in public non-profit sector	*						12,2
F13	Fiscal deficit (primary and total)/GDP, structure of public deficit financing							13
F14	Public debt/GDP							13
f15	Tax rate levels by type, tax structure by type							13

Related policy/strategy/ activity: Medium-term external economic sustainability

F16	Balance of payments deficit/GDP, financing structure of balance of payments deficit							13
F17	Export, import/GDP							12
F18	Foreign debt/GDP							13
F19	Rate of foreign debt servicing							13

Social protection

Millennium goal 1: eradicate extreme poverty

Related PRSP main direction: 3. Bringing people out of poverty

Strategic objective: · To widen the provision of social protection, through paying higher amounts of assistance and widening the social safety net to include those most vulnerable groups (e.g. Roma, ex-refugees) currently ineligible for social assistance · Ensure access for all who are eligible for social protection but are currently not participating, including Roma, refugees who will become citizens, IDPs, etc. · Improved targeting of social services and entitlement programmes to those most in need and maintenance of fiscal sustainability.

Related policy/strategy/activity: Reform of social assistance and children's allowance, improved targeting and information

G1	Number of beneficiaries and level of social transfers (overall and per beneficiary, by social transfer type, including number of children receiving children's allowance and number of children in households receiving other social transfers)	*	*	*	*	*		3
g2	Structure and level of social protection budget, GDP share							3,13
G3	Number of elderly persons covered by social protection	*		*		*		3
G4	Percentage of social transfers (by type) targeted at the first and second decile of the poor population	*						3
g5	Testing/piloting lifting of poverty line for social assistance, testing and introduction of reduced household economy of scale in social protection eligibility criteria							3
g6	Analysis of improved children's allowance targeting							3

g7	Further improvement of children's allowance targeting (differentiating children's allowance according to socio-demographic status of the household)						3
Related policy/strategy/ activity: Empowering people to exercise their legal rights							
g8	Number of municipalities covered by service providers (RC and NGO) supporting realization of social protection rights	*					3,10,20
g9	Number of beneficiaries of these services (rendered by RC and NGO service providers)	*	*	*	*		3,10,20
g10	Capacities and number of persons placed in homes for the elderly and mental health institutions	*					3
Related policy/strategy/ activity: Improved institutional and alternative forms of social protection							
g11	Number of alternative forms of protection of the elderly developed						3,10,20
g12	Number of collective centres transformed into homes for the elderly	*					3,17
g13	Analysis of carer's allowance system elaborated, implementation of proposed improvements						3,9, 10
g14	Preparing the strategy for support and taking care of elderly persons						3
Related policy/strategy/ activity: Setting the framework for further development of social and child protection							
e15	Total budget, number of projects of the Social Innovation Fund, number of municipalities covered	*					3
g16	Total budget, number of reform projects implemented (foster care, transformation of institutions, work standards and organization of SWC, integral social protection model)	*					3
g17	Analysis of implementation of the Convention on the Rights of the Child in the system of social and family protection						3,9, 10
g18	Analysis of needs and legal rights of persons with disabilities						3,9, 10
G19	Setting up a unique software in SWCs, local networking and training						3
g20	Number of children covered by alternative forms of social protection	*	*	*			3

Pension insurance							
Millennium goal 1: eradicate extreme poverty							
Related PRSP main direction: 3. Bringing people out of poverty							
<i>Strategic objective: · Raise the standard of living of pensioners and other elderly persons in terms of the number, the share and the depth of poverty · Strengthen the institutional and service provision for particularly vulnerable elderly persons.</i>							
Related policy/strategy/ activity: Reform of the mandatory social insurance, advancement of the information system and introduction of private insurance							
H1	Average pension (by sectors)	*	*	*			3
h2	Budget structure and level of pension funds, share in GDP	*					3,13
h3	Pension funds sources and deficit level of pension funds						3,13
h4	The employed /pensioner ratio	*					3
h5	Pension/earnings contribution rate						3,13
H6	Number and share of pensioners by type of insurance (including private insurance)	*					3

h7	Implementation of programme for unifying the existing pension funds							3
h8	Enforcing a new Law on Voluntary Pension Insurance							3,13
h9	Design of unified IT systems of pension funds							3

Health care								
Millennium Goal 3: Promote gender equality and empower women								
Millennium Goal 4: Reduce child mortality								
Millennium Goal 5: Improve maternal health								
Millennium Goal 6: Combat HIV/AIDS, malaria and other disease								
Related PRSP main direction: 3. Bringing people out of poverty								
<ul style="list-style-type: none"> • Strategic goal: · Fair and uniform access to health care for all citizens of Serbia. Decrease in inequality in access to health care, particularly for vulnerable groups · Provide affordable health care services for vulnerable groups and improve the quality of this care · Raise efficiency and effectiveness in resource utilisation 								
I1	Health service utilization indicators by levels, both within and outside of hospitals	*	*	*	*	*	*	5
I2	Coverage of population by health protection							5
Related policy/strategy/ activity: Reform health care financing system								
I3	Structure of health care expenditures and their share in GDP							5,13
I4	Per capita health care expenditures	*						5,12
I5	Share of «out-of-pocket» payments for health care in household consumption	*	*				*	5,12
i6	Level of donations for health care							5,22
i7	Development of the basic package of health care services, adoption of the Law on Health Insurance							5
i8	Adoption of new Law on Contributions							13
i9	Adopting a Decision on personal participation of insured persons in health protection expenditures							5
i10	Introduction of new models of compensation to the health service and supplementing for the expenditures of farmers' health care							5
i11	Supplementing for the expenditures of farmers' health care							5
Related policy/strategy/ activity: Reform of the primary health care system								
i12	Introduction of family medicine specialization course							5,9
i13	Separating specialist-consultative service from primary health protection							5
i14	Development of health care information system in primary health protection							5
Related policy/strategy/ activity: Reform of the secondary health care system								
I15	Structure of hospital beds	*						5
I16	Number of hospital beds per 1.000 individuals	*						5
i17	Development of Hospital Master Plan for redistribution and reduction of hospital capacities							5
i18	Development of hospital information system							5
i19	Number of restructured hospitals and hospitals equipped with modern facilities	*						5
Related policy/strategy/ activity: Development of human resources in health care								

I20	Number of primary health care medical doctors per 1.000 citizens	*						5
i21	<i>Adoption of the National plan of specialisations and sub-specialisations in health care</i>							5
i22	<i>Number of health workers included in continuing education, training/retraining</i>	*						5
i23	<i>Number of medical doctors and nurses that passed health management training</i>	*						5
Related policy/strategy/ activity: Raising the quality of health care services, particularly for vulnerable groups								
I24	Satisfaction of beneficiaries by health protection	*		*	*	*		5,10, 20
I25	Lethality -for certain diagnostical entities	*						5
I26	Incidence of infections within hospitals	*						5
Related policy/strategy/ activity: Accreditation of health care institutions and programmes, issuing licences for medical and associate staff								
i27	<i>Setting up an Agency for accreditation of institutions and programmes</i>							5
i28	<i>Adoption of the Law on Health Workers' Chamber -licensing</i>							5
Related policy/strategy/ activity: Programme for promotion of healthy lifestyles and prevention programmes targeting vulnerable population groups								
I29	Under 5 mortality rate	*	*	*		*		5
I30	Infant mortality rate	*	*	*		*		5
I31	Proportion of undernourished children under 5 (underweight, stunting, wasting)	*	*	*		*		5,9 10
I32	Proportion of children immunized against measles	*	*	*	*	*		5,9 10
I33	Maternal mortality rate	*	*		*	*		5
I34	Proportion of births attended by qualified medical workers	*	*		*	*		5
I35	Number of HIV infected	*	*	*	*	*		5,9, 10
I36	Rate and number of TBC ill/dead	*	*	*	*	*		5
I37	Life expectancy at birth	*	*	*		*		5
I38	Prevalence of risk factors (alcohol, smoking...)	*	*	*	*	*		5,9, 10
I39	Coverage of women by contraception	*	*		*	*		5,9 10
I40	Standardized morbidity and mortality rates for malignant diseases	*	*	*	*	*		5
I41	Standardized morbidity and mortality rates for injuries and accidents	*	*	*	*	*		5
I42	Standardized morbidity and mortality rates for cardiovascular diseases	*	*	*	*	*		5
I43	Number of women with iron-deficiency anaemia	*	*		*	*		5,9
I44	Number of persons suffering from iodine deficiency disorders	*	*	*	*	*		5,9
i45	<i>Development/existence of programmes for prevention of cardiovascular diseases, malignant diseases, injuries and accidents</i>							5,9
i46	<i>Development/existence of special programmes for care of Roma women, refugee women and women living in rural areas</i>							5,9 10
i47	<i>Development/existence of programmes for promotion of mental health and prevention of mental disorders</i>							5,9 10
i48	<i>Number of beneficiaries covered by special programmes for promotion of health and prevention of diseases</i>	*	*	*	*	*		5,9 10

Education

Millennium goal 1: Eradicate extreme poverty

Millennium goal 2: Achieve universal primary education							
Millennium Goal 3: Promote gender equality and empower women							
Related PRSP main directions: 2. Prevention of new poverty 3. Bringing people out of poverty							
Related policy/strategy/ activity: · increase budgetary expenditures as % of GDP over medium term · improve material standard of education provision · To improve efficiency and access of population · improve quality/training of teachers							
j1	Education budget by education structure/levels, education share in GDP, level of external assistance						4,13
Related policy/strategy/ activity: reform preschool education - implementation							
j2	Development of system of support to <u>-</u> integrated early childhood development						4,9, 10
j3	Number of pre-school institutions applying systems for support to integrated early childhood development, number of trained staff, number of municipalities covered, number of children covered	*					4,10, 20
j4	Preschool education legislation changes						4
Related policy/strategy/ activity: Reform of primary education							
J5	Primary school enrolment rate	*	*	*		*	4
J6	Proportion of the illiterate	*	*	*	*	*	4
J7	Proportion of children that reached the fifth grade	*	*	*		*	4
j8	Primary school education legislation changes						4
j9	Implementation of the school curriculum reform						4
j10	Implementation of teacher education reform						4
j11	Pupil/teacher ratio	*					4
j12	Per capita expenditure for primary education	*	*			*	4,12
j13	Budgetary indicators (level of primary education financing, share in GSP, level of external assistance)						4,13
Related policy/strategy/ activity: Reform of secondary vocational education							
J14	Secondary school enrolment rate	*	*	*		*	4
j15	Introducing flexible forms of crafts education						4
j16	Elaboration of pilot programmes in the priority areas, elaboration of training and counselling programmes						4,9, 10
j17	Pupil-teacher ratio	*					4
j18	Number of pupils receiving scholarships	*					4
j19	Per capita expenditure for secondary education	*	*			*	4,12
j20	Budgetary indicators (level of secondary education financing, share in GDP, level of external assistance)						4,13
Related policy/strategy/ activity: Reform of adult and second chance education							
j21	Number of persons covered by training (retraining) programmes and number of children covered by second-chance education	*			*	*	4,10, 20
j22	Legislation changes						4
j23	Implementation of programmes for acquiring first qualifications for the unemployed (aged 18 - 30)						4,9, 10
j24	Implementation of programme for primary education of children 12-18 that are out of the system						4,9, 10
Related policy/strategy/ activity: Inclusion of Roma in education system							

J25	All the above-mentioned main education indicators grouped for the Roma population	*			*	*	4
j26	<i>Elaboration of school preparation programmes and compensatory programmes</i>						4,9, 10
j27	<i>Number of Roma teachers</i>	*					4,10
j28	<i>Number of assistant teachers helping Roma students</i>	*					4,10
j29	<i>Level of financial assistance earmarked for the education of Roma population (transfers to households/pupils)</i>	*	*				4,10,12
Related policy/strategy/ activity: Reform of education of children with disabilities							
J30	Percentage/number of children with special needs covered by primary and secondary education	*			*	*	4,10,20
j31	<i>Implementation of projects Toward Better and Higher Quality Living and Toward World of Labour</i>						4
j32	<i>Number of teachers/trainees trained for inclusion of children with special needs</i>	*					4
Related policy/strategy/ activity: Integrating gender perspective into educational programmes							
j33	<i>Adjusting school curricula, programmes and text books and training of staff</i>						4,9, 10
Related policy/strategy/ activity: Reconstruction and equipping of schools							
j34	<i>Optimisation of schools' network</i>						4

Regional aspects of poverty							
Millennium goal 1: Eradicate extreme poverty Millennium goal 8: Develop global partnership for development							
Related PRSP main objectives: 2. Prevention of new poverty 3. Bringing people out of poverty							
<ul style="list-style-type: none"> Strategic objective: · Mitigate structural problems and regional differences through investment in human resources and infrastructure · Ensure relevant institutional infrastructure in place for regions and local communities to develop and implement comprehensive, long-term and strategic regional development plans 							
All so far defined outcome indicators for which regional display of data has been foreseen							

Related policy/strategy/ activity: Vertical and horizontal coordination							
k1	<i>Establishing government inter-sectoral working group for regional development</i>						19
k2	<i>Establishing National Regional Development Agency</i>						19
k3	<i>Setting up a network of regional development agencies</i>						19,20
Related policy/strategy/ activity: Formulation of strategic documents							
k4	<i>Preparing a strategy of regional development for Serbia</i>						19
k5	<i>Regionalization of areas</i>						19
k6	<i>Elaboration of the policy of regional development for Serbia</i>						19
k7	<i>Elaboration of the new Law on Under-Developed Areas</i>						19
Related policy/strategy/ activity: Financial incentives							
k8	<i>Elaboration of the Law on Financing Development of Under-developed Regions</i>						19
k9	<i>Level of financing and professional training, spatial and urban plans, scientific and geological research in under-developed regions</i>						13
k10	<i>Application of the set of fiscal incentives</i>						13

k11	Application of special incentives for border areas								13
Related policy/strategy/ activity: Encouraging the development of SMEs in underdeveloped regions									
k12	Implementing local deregulation								19
k13	Inclusion of SMEs in public procurement								11
k14	Setting up municipal funds for SME development								11,20
Related policy/strategy/ activity: Demographic revitalization of underdeveloped regions									
k15	Implementing special incentives for agrarian programmes								6,13
k16	Implementing special incentives for water supply and road network in under-developed areas								6
k17	Regional demographic trends	*							12
Related policy/strategy/ activity: Development of incentive mechanisms									
k18	Implementing special financial incentives for enterprises								13
k19	Implementing special incentives for staff, overall amount and number of the employed receiving incentives								19
Related policy/strategy/ activity: Development priorities in South Serbia									
k20	Elaboration of programme for development of southern Serbia								19
k21	Establishing an Agency for the Development of Southern Serbia								19

Rural aspects of poverty									
Millennium goal 1: eradicate extreme poverty									
Related PRSP main directions: 2. Prevention of new poverty									
3. Bringing people out of poverty									
• Strategic objective: Sustainable economic growth of rural areas · Reduction of rural poverty									
	All outcome indicators defined so far, planned for grouping by household type (rural/urban)								
L1	Poverty rate in rural areas, gap and severity of poverty	*							12
L2	Rural demographic trends	*							12
k3	Average size of land properties	*							12, 6
k4	Number of families and individuals who have received humanitarian aid, overall yearly amount of assistance	*	*	*	*	*			3,9, 10,20
Related policy/strategy/ activity: strengthening performance of local self-government, civil society and business sector									
k5	Establishing an Agency for Rural Development								6
k6	Number of municipalities that have formed expert developmental units for elaboration of rural development plans	*							6,20
k7	Number of municipalities that have established rural development funds	*							6,20
Related policy/strategy/ activity: Translating business ideas into sustainable projects									
k8	Number of business projects in the agro-business sector	*							6,20
k9	Number of business projects in organic farming	*							6,20
k10	Number of micro-credits approved for agribusiness, average and total amount of credits	*							6,20

Related policy/strategy/ activity: Creation and improvement of local business association capacities							
k11	Number of business associations in rural areas	*					20
k12	Number of agricultural and crafts women cooperatives	*					20,10

Urban and housing aspects of poverty							
Millennium Goal 7: Ensure environmental sustainability, especially achieve a significant improvement in the lives of slum dwellers							
Related PRSP main directions: 2. Prevention of new poverty 3. Bringing people out of poverty							
<ul style="list-style-type: none"> Strategic goal: Ensure that the needs of the poor are incorporated in urban planning · Develop and implement social housing programme, as part of National Housing Policy, currently being developed 							
	All previously mentioned outcome indicators for which grouping by household type is foreseen (rural/urban)						
L1	Poverty rate in urban areas, gap and severity of poverty	*					12
L2	Urban demographic trends	*					12
L3	Number of constructed apartments (by structure)	*					15
L4	Number of individuals/households living in slums	*	*	*	*	*	15
L5	m ² of apartment per capita	*	*			*	15, 12
L6	Infrastructure expenditures per capita	*					15,12
L7	Price of a square metre of the apartment (price median, newly built apartments etc), in relation to the median of household income	*					15,12
L8	Number/percent of vulnerable households that have a telephone	*					15,10
Related policy/strategy/ activity: Integrate poverty reduction programmes into all plans and programmes of urban development and devise operative plans for mobilization of resources (land, credits, assistance, expert support) on the national and local level							
l9	Number of municipalities with urban plans integrating Poverty Reduction Strategy aspects	*					15
l10	Evaluation of settlements/facilities with regulated legal status	*					15
Related policy/strategy/ activity: Government support to the social housing programme							
L11	Number of poor families - beneficiaries of housing subsidies, average and overall amount of subventions per year	*					15,12 10,20
L12	Availability of long-term crediting for buying of apartment (payment term and interest rate)						15
L13	Number of constructed «social» housing units	*					15
l13	Number of municipalities with urban plans incorporating aspects of the Poverty Reduction Strategy	*					15
l14	Adoption of Law on Social and Affordable housing						15
l15	Adoption of Law on Establishing National Agency/Fund for Social and Affordable Housing						15
Related policy/strategy/ activity: Supporting affordable rental housing							
L16	Monthly housing expenditures (nominal and as a share in overall household expenditures)	*	*				15
l17	Maximized level of housing rent						20,10
l18	Number of families/individuals beneficiaries of housing credits and premiums for housing construction	*	*				15,12 10,20

Human rights, gender equity and particularly vulnerable groups							
Millennium Goal 3: Promote gender equality and empower women							
Human rights present the basis of all other Millennium goals as well							
Related PRSP main directions: 3. Bringing people out of poverty							
Strategic objective: Realization of human rights							
	All the above-mentioned indicators for which grouping by vulnerable groups (and gender) has been foreseen						
Related policy/strategy/ activity: Strengthening norms and legal framework for protection of human rights, Implementation of political obligations arising from UN decisions, Realization of the right to be acknowledged as a person before the courts and of the right to justice							
M1	Rate of criminal acts, observed in poor and non-poor population (as victims)	*	*	*	*	*	25,16
M2	Number of police actions aimed at preventing violence or investigating criminal acts against the poor	*					25,16
M3	Percentage of the poor that have access to legal help in lawsuits	*					10,9 20,16
M4	Number of citizens per judge/court	*					24
M5	Average duration of procedure before civil courts	*					24,10 9
Related policy/strategy/ activity: Prevention and reduction of violence and help for female and child victims of abuse, reducing violence, protection of women from trafficking							
M6	Number of victims' retreats	*	*				20,10 9
M7	Number of cases of violence against women and children	*	*	*	*	*	16,20 10,9
m8	<i>Adopting comprehensive action plan for preventing violence against women and children</i>						16,20 10,9
m9	<i>Number of officers trained for provision of help and prevention of violence against women and children (number of police officers trained, social workers, judges)</i>	*					16,20 10,9
Strategic objective: Realizing gender equity							
M10	Proportion of girls in primary, secondary and higher education	*	*			*	4
M11	Proportion of illiterate women	*	*		*	*	4,12
M12	Proportion of employed women	*	*		*	*	2,12, 10
M13	Proportion of women MPs						1
Related policy/strategy/ activity: Raising awareness for problems of women, integration into development strategies, establishing legal preconditions for gender equity, building institutional network for improvement of position of women							
m14	<i>Preparing law on gender equality</i>						24
m15	<i>Preparing law for ban on discrimination</i>						24
m16	<i>Establishing National Committee for Advancement of Women's Position</i>						10
m17	<i>Number of local committees established for advancement of women's position</i>	*					10
Other aspects in monitoring status and rights of particularly vulnerable groups							
M18	Degree of inclusion of persons with disabilities into the system of compensatory rights (rehabilitation, technical aids, money transfers and services)	*		*			3
M19	Number of refugees with disabilities covered by special education	*		*	*		3,4
M20	Number of refugees who returned to the countries of their origin	*		*			17
M21	Number of IDPs who returned to Kosovo	*		*			17

M22	Number of IDPs who are entered in the register of citizens of Serbia and Montenegro	*		*				17
M23	Number of IDPs who registered their new place of residence in Serbia and Montenegro	*		*				17
M24	Number of collective centres	*						17
M25	Number of apartments for refugees and IDPs built under the programme of social housing, number of loans granted and objects completed	*						17,15
M26	Number of refugees and IDPs placed in social institutions	*		*	*			17,3
M27	Number of refugees and IDPs accommodated in health care institutions	*		*	*			17,5
M28	Number of refugee and IDP households/persons who were allotted arable land (under the programme of employment in agricultural sector)	*		*				17,6
M29	Number of youth centres, number of youth counsellings	*						10,20
M30	Number of children without parental care	*		*				3
M31	Number/rate of the poor appointed to public positions	*						10,20
M32	Number of public meetings, demonstrations and strikes organized by the poor or on behalf of the poor	*						10,20
M33	Number of public informative activities organized by the government that directly concern the poor	*						1
M34	Number of media programmes relating to the poor	*						1

Environmental aspects of poverty reduction

Millennium Goal 7: Ensure environmental sustainability

Related PRSP main directions: 1. Economic growth 2. Prevention of new poverty 3. Bringing people out of poverty

- **Strategic objective: · Sustainable access to improved water sources and access to improved sanitation · Improved waste management · Improvements in the condition of ecological black spots**

N1	Proportion of woodland territory	*						6
N2	GDP level per unit of consumed energy							7
N3	CO2 emission level per capita							7,8
N4	Number/percentage of households located less than 5 km from dangerous location (toxic waste, waste disposal sites)	*	*					8,15

Related policy/strategy/ activity: Improve the water supply system

N5	Proportion of water-supply systems with satisfactory quality of water	*						6
N6	Number and percentage of the population with access to clean and safe drinking water	*						6
n7	<i>Number of newly-built water-supply systems</i>	*						6

Related policy/strategy/ activity: Improve the management of waste waters

N8	Proportion of settlements equipped with sewage systems	*						6
n9	<i>Number of industry waste water processing plants</i>	*						6,8
n10	<i>Formation of an urgent sanitation team</i>							8

Related policy/strategy/ activity: Improve the management of communal waste

n11	<i>Number of repaired and newly built regional waste disposal sites</i>	*						8
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Millennium Development Goals

Goal 1. Eradicate extreme poverty and hunger

Target 1: Halve, between 1990 and 2015, the proportion of people whose income is less than one dollar a day

Target 2: Halve, between 1990 and 2015, the proportion of people who suffer from hunger

Goal 2: Achieve universal primary education

Target 3: Ensure that, by 2015, children everywhere, boys and girls alike, will be able to complete a full course of primary schooling

Goal 3: Promote gender equality and empower women

Target 4: Eliminate gender disparity in primary and secondary education, preferably by 2005, and to all levels of education no later than 2015

Goal 4. Reduce child mortality

Target 5: Reduce by two thirds, between 1990 and 2015, the under-five mortality rate

Goal 5: Reduce maternal mortality ratio

Target 6: Reduce by three quarters, between 1990 and 2015, the maternal mortality ratio

Goal 6. Combat HIV/AIDS, malaria and other diseases

Target 7: Have halted by 2015 and begun to reverse the spread of HIV/AIDS

Target 8: Have halted by 2015 and begun to reverse the incidence of malaria and other major diseases

Goal 7: Ensure environmental sustainability

Target 9: Integrate the principles of sustainable development into country policies and programmes and reverse the loss of environmental resources

Target 10: Halve by 2015 the proportion of people without sustainable access to safe drinking water

Target 11: By 2020 to have achieved a significant improvement in the lives of at least 100 million slum dwellers

Goal 8: Develop a global partnership for development

Target 12: Develop further an open, rule-based, predictable, non-discriminatory trading and financial system. Includes a commitment to good governance, development, and poverty reduction - both nationally and internationally

Target 14: Address the special needs of landlocked countries and small island developing States (through the Programme of Action for the Sustainable Development of Small Island Developing States and the outcome of the twenty-second special session of the General Assembly)

Target 15: Deal comprehensively with the debt problems of developing countries through national and international measures in order to make debt sustainable in the long

term

Target 16: In cooperation with developing countries, develop and implement strategies for decent and productive work for youth

Target 17: In cooperation with pharmaceutical companies, provide access to affordable essential drugs in developing countries

Target 18: In cooperation with the private sector, make available the benefits of new technologies, especially information and communications

Basis Millennium Development goals Indicators, the existing levels

The table below displays the basic set of MDG indicators i certain relevant macroeconomic indicators and their levels in 2002 (or the previous year for which the data are available).

Basic MDG indicators, the existing levels

	2002
Goal 1. Eradicate extreme poverty and hunger	
Target 1: Halve, between 1990 and 2015, the proportion of people whose income is less than one dollar a day	
Target 2: Halve, between 1990 and 2015, the proportion of people who suffer from hunger	
Percent of population whose consumption is below the poverty line	10.6%
Gini inequality coefficient (by consumption)	30
Proportion of moderately/highly undernourished children	2000: 1.9%
Goal 2: Achieve universal primary education	
Target 3: Ensure that, by 2015, children everywhere, boys and girls alike, will be able to complete a full course of primary schooling	
Primary school enrolment rate (net enrolment) ²¹	98.5%
Proportion of children that reached the fifth grade	2000: 95.9%
Proportion of children enrolled in primary schools that completed primary education	97.7%
Proportion of population over 15 without primary education or with less than 4 grades of primary education	12.4%
Proportion of Roma population over 15 without primary education or with less than 4 grades of primary education	32.5%
Proportion of Roma children included in primary education	20%
Goal 4. Reduce child mortality	
Target 5: Reduce by two thirds, between 1990 and 2015, the under-five mortality rate	
Girl/boy ratio in primary education	2001: 94.8
Proportion of employed women	42.1%
Proportion of women MPs	2001: 10.8%

²¹ Generally speaking, national indicators of primary education enrollment and attendance are at the enviable level, special attention shall be paid to the monitoring of specially vulnerable groups in which the mentioned indicators are unfavourable.

Goal 4. Reduce child mortality	
Target 5: Reduce by two thirds, between 1990 and 2015, the under-five mortality rate	
Under 5 mortality rate (per 1.000 livebirths)	2001: 11.8
Infant mortality rate (per 1.000 livebirths)	2001: 10.2
Proportion of children immunized against measles	2001: 90.5%
Goal 5: Reduce maternal mortality ratio	
Target 6: Reduce by three quarters, between 1990 and 2015, the maternal mortality ratio	
Maternal mortality rate (per 100.000 livebirths)	2001: 8.9
Proportion of births attended by qualified medical workers	2001: 98.8%
Goal 6. Combat HIV/AIDS, malaria and other diseases	
Target 7: Have halted by 2015 and begun to reverse the spread of HIV/AIDS	
Target 8: Have halted by 2015 and begun to reverse the incidence of malaria and other major diseases	
Number of HIV infected	1189
Goal 7: Ensure environmental sustainability	
Target 9: Integrate the principles of sustainable development into country policies and programmes and reverse the loss of environmental resources	
Target 10: Halve by 2015 the proportion of people without sustainable access to safe drinking water	
Target 11: By 2020 to have achieved a significant improvement in the lives of at least 100 million slum dwellers	
Proportion of woodland territory	1999: 25,6%
Proportion of water-supply systems with satisfactory quality (physical/chemical) of water	2000: 57,0%
Goal 8: Develop a global partnership for development	
Level and share of investment in GDP	14,0%
Total deficit, % of GDP	3,5%
Export/GDP	19,3%
Level of foreign direct investment, % GDP	6,0%
Foreign debt share in GDP	66%
Other indicators, macroeconomy and budget	
GDP per capita (USD)	1.946
Retail price index, inflation	14,2%
Unemployment rate (National Employment Service)	30%
Public expenditures / GDP	46%
Education expenditure share in GDP	3,4%
Health expenditure share in GDP	5,2%
Social protection expenditures share in GDP	4,1%
Pension insurance fund expenditures in GDP	11,7%

Institutions responsible for monitoring Strategy implementation and outcomes

- 1 Central PRSP Implementation Team
- 2 Ministry of Labour and Employment
- 3 Ministry of Social Affairs
- 4 Ministry of Education and Sports
- 5 Ministry of Health
- 6 Ministry of Agriculture and Water Utility
- 7 Ministry of Energy and Mining
- 8 Ministry for Protection of Natural Resources and Environment
- 9 Working Group of International Development Partners
- 10 Working Group of Civil Society and NGOs
- 11 Republic Agency for the Development of Small and Medium-Sized Enterprises and Entrepreneurship
- 12 Republic Statistical Office
- 13 Ministry of Finance and Economy
- 14 Ministry of Trade, Tourism and Services
- 15 Ministry of Construction and Urban Planning
- 16 Ministry of Human and Minority Rights
- 17 Commissariat for Refugees
- 18 Ministry of Economy and Privatisation
- 19 Republic Bureau for Development
- 20 Local municipality working groups for PRSP monitoring
- 21 National Bank of Serbia
- 22 Ministry of International Economic Relations
- 23 Ministry of Public Administration and Local Self-Government
- 24 Ministry of Justice
- 25 Ministry of Internal Affairs
- 26 Socio-economic Council

ABBREVIATION LIST

AB	Advisory Board
AC	Advisory Committee
AFL-CIO	American Federation of Labour - Congress of Industrial Organizations
AIDS/HIV	Acquired Immune Deficiency Syndrome / Human Immunodeficiency Virus
ARDI (ASID)	Association for Spiritual and Intellectual Development
BiH	Bosnia and Herzegovina
CAS	Country Assistance Strategy
CDM	Crisis and Disaster Management
cec	Coefficient of Energy Consumption
CERD	Committee on the Elimination of Racial Discrimination
CES MECON	Centre for Economic Studies
CIDA	Canadian International Development Agency
CIL	Centre for Independent Living
CLDS	Centre for Liberal-Democratic Studies
CoE	Council of Europe
CPA	Centre for Policy Alternatives
CRS	Catholic Relief Services
DD	Child Allowance
DFID	Department for International Development (with the U.K. Government)
DOTS	Directly Observed Treatment, Short-course
DRC	Danish Refugee Council
EBRD	European Bank for Reconstruction and Development
EC	European Commission
ECA	Energy Communities Alliance
EFF	Extended Fund Facility
EIB	European Investment Bank
EPS	Serbian Electric Power Industry
ETF	Expert Task Force
EU	European Union
EU CARDS	Community Assistance for Reconstruction, Development and Stabilisation
FAO	Food and Agriculture Organization
FBS	Federal Bureau of Statistics
FDI	Foreign Direct Investments
FENS	Federation of Non-Governmental Organizations of Serbia
FRY	Federative Republic of Yugoslavia
FYR Macedonia	Former Yugoslav Republic of Macedonia
GA UN	United Nations General Assembly
GDP	Gross Domestic Product
GDP	Gross Domestic Product
HBS	Household Budget Survey
HRH	Her Royal Highness
IAUS	Institute of Architecture and Regional & Urban Planning of Serbia
IBRD	International Bank for Reconstruction and Development
ICRC	International Committee of the Red Cross
ICVA	International Council of Voluntary Agencies
IDA	International Development Agency
ILO	International Labour Organization
IMF	International Monetary Fund

IT	Information Technologies
IUCN	International Union for Conservation of Nature and Natural Resources
LFS	Labour Force Survey
MAWU	Ministry of Agriculture and Water Utility
MCM	Ministry of Culture and Media
MCUP	Ministry of Construction and Urban Planning
MDG	Millennium Development Goals
MEM	Ministry of Energy and Mining
MEP	Ministry of Economy and Privatisation
MES	Ministry of Education and Sport
MFA	Macro-financial Assistance
MFE	Ministry of Finance and Economy
MG-S-ROM	Council of Europe Specialist Group on Roma/Gypsies
MH	Ministry of Health
MIA	Ministry of Internal Affairs
MICS	Multi-Indicator Cluster Survey
MIER	Ministry of International Economic Relations
MIER/ DACU	Ministry of International Economic Relations / Development and Aid Coordination Unit
MJ	Ministry of Justice
MLE	Ministry of Labour and Employment
MOP	Material Support to Families
MOP	Material Support to Families
MPALSG	Ministry of Public Administration and Local Self-Government
MPNRE	Ministry for Protection of Natural Resources and Environment
MR	Ministry of Religions
MSA	Ministry of Social Affairs
MSTD	Ministry of Science, Technology and Development
MTEF	Medium-Term Expenditure Framework
MTT	Ministry of Transport and Telecommunications
MTTS	Ministry of Trade, Tourism and Services
NAP	National Action Plan
NATO	North Atlantic Treaty Organization
NBS	National Bank of Serbia
NGO	Non-governmental organizations
NPK	Nitrogen (N), Phosphorus (P) and Potassium (K) fertilizers
OECD	Organization for Economic Cooperation and Development
OXFAM	GB development, advocacy and relief agency
p.c.	per capita
PIO	Pension Disability Insurance
PPP	Purchasing Power Parity
PRSP	Poverty Reduction Strategy Paper
PRSPLI	Poverty Reduction Strategy Local Initiatives
PRSPMU	Poverty Reduction Strategy Management Unit
PTT	Public Enterprise of PTT Traffic Serbia
RBD	Republic Bureau of Development
RBS	Republic Bureau of Statistics
REM	Regional Electricity Market
RHIO	Republic Health Insurance Office
SAA	Stabilisation and Association Agreement
SAC	Structural Adjustment Credit
SANU	Serbian Academy of Arts and Sciences

SAP	Stabilisation and Association Process
SC	Steering Committee
SEEA	Serbian Energy Efficiency Agency
SFP	Serbia Free of Poverty
FRY	Socialist Federative Republic of Yugoslavia
SIEPA	Serbian Import and Export Promotion Agency
SIF	Social Innovation Fund
SKOGOJ	Standing Conference of Towns and Municipalities of Yugoslavia
SLSP	Survey on the Living Standard of the Population
SM	Serbia and Montenegro
SME	Small and Medium-sized Enterprises
SMEE	Small and Medium-sized Enterprises and Entrepreneurship
SWC	Social Welfare Centre
TB	Tuberculosis
TSS	Transitional Support Strategy
UCTE	Union for the Co-ordination of Transmission of Electricity
UDR	Underdeveloped regions
UN	United Nations
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNHCR	United National High Commissioner for Refugees
UNICEF	United Nations Children's Fund
USA	United States of America
USAID	US Agency for International Development
VAT	Value Added Tax
WB	World Bank
WB/CEU	Central European University (Budapest)
WFP	World Food Program
WHO	World Health Organization
WTO	World Trade Organization
YuM	Yu Dinar