

IV. THE SOCIO-ECONOMIC CONDITIONS AND PERSPECTIVES

The social dimension of sustainability is based on the principle that equality and understanding of interdependencies of people within communities are a precondition for quality of life, which in fact is the first goal of development. For development to be sustainable in the long-run, wealth, resources and opportunities must be distributed in a way that all citizens may enjoy the basic standards of safety and human rights and social privileges such as food, health, education, housing and the ability to develop their personalities. Social equity means ensuring access for all to education and the ability through their work to contribute to the development of society. The inter-relations in society are such that any social inequality affects its stability. The inter-relations in society also have an impact on the acceptance of the fact that living standards in a society very much depend on the size of the population and its ability to be in harmony with planetary environmental resources and the existing infrastructure. It is, therefore, necessary in order to achieve the social aspects of sustainability to keep in mind the following:

- The protection and development of social values and enlargement of social capital;
- Equal rights, equality and security before the law for all, with special emphasis on equal rights of men and women, children and the young, equal rights and protection of minority and human rights;
- Guaranteeing and promoting comprehensive health protection and security;
- Quality education creating conditions for individual development and preservation of identity;
- Solidarity within and between generations and solidarity with marginalized groups, the poor and the under-privileged.

1. Social values, quality of life and social welfare

For the purpose of this Strategy, social welfare implies those aspects of peoples' lives on which there is full consensus in society that they represent the major preconditions for a personal feeling of happiness, quality of life and welfare of an individual. Quality of life, although it essentially represents the feeling of satisfaction with one's way of life, in a broader sense may also be defined as the relation between the individual and his living environment – physical, health, social and economic.

Achieving the desired level of social welfare in Serbia depends primarily on adopting sustainable life styles in society, values and increasing of social capital, social and cultural identity, and on the achieved level of economic development.

Sustainability means that the lifestyle of each individual in a society should be environmentally aware, healthy, safe, in solidarity, participatory and diversified.

The level of environmental awareness in Serbia is very low. Average citizens do not have a developed positive awareness of the need to reduce pollution or establish rational use of energy and non-renewable resources. Many Serbian citizens lead health-risky life styles (smoking, consuming alcohol and psychotropic substances) which are often tolerated by the community due to traditional behaviour patterns. According to the data derived from the population health survey for the year 2000, almost one in two men (48%) and one in three women (33.6%) smokes, while the share of smokers is even higher among younger smokers. The same survey indicated that half of the students in Serbia smoke, while among those of the age 15 a share of 27% smokes on a daily basis. The total prevalence of smoking among

adolescents, according to the survey for 2000 is as high as 69.8%! The survey of young people carried out in 2003 indicates that 51% are smokers, and a majority of young people start smoking at the age of 15. The 2000 survey indicates that almost a half of the adult population consumes alcohol, and 3.3% do so every day (6.6% men and 0.3% women). According to the same source, the prevalence of the use of alcohol among adolescents is 32.8% (intermittent consumption of alcohol). Abuse of narcotics and psychotropic substances is increasing among the young. They start with marijuana at a very early age (around 13). Marijuana is the most widely used drug – about one third of all young people try it. The prevalence of use (regular consumption) of drugs among adolescents, according to the 2003 survey was 1.8%. Survey data from June 2006 indicates that 11% of the population have tried drugs, 3.7% have used them over the last 12 months, while 19.2% of the younger population (from 15 to 34 years) have used drugs, 7.4% of which have done so in the last 12 months. The predominant drug in use is marijuana, but the abuse of amphetamines, cocaine and ecstasy is increasing.

Certain forms of violence have an increasing trend (family violence, peer violence, violence against animals), and it is accompanied by tolerance to different forms of verbal and non-verbal aggressive and violent behaviours. Data on the prevalence of family violence from 2001 is alarming: 30.6% of the interviewed women stated that they have been victims of physical violence, 46.1% were victims of psychological violence, while 8.7% stated that they have been sexually abused. It is supposed that the so-called «dark number of violence» is even higher. Peer violence is also very widespread: 65% of primary school pupils have at least once in the last three months been victims of violence, while 24% have been victims of violence more than once in the same period of time, and 28% in some way took part in violence. According to a youth survey, 24% of young men have had a fight during the last year, and the same goes for 4% of young girls.

There is a social distance towards members of other national, ethnic or religious communities and a visible increase of this among the young. Ethnocentrism is present as well as the risk of its radicalization. About 20% of the Serbian population is ready to accept ethnocentric attitudes expressing lack of trust towards others and a feeling of one's own superiority. The greatest level of ethnocentrism is present among those who declare themselves religious and who accept all that the church teaches, while the category of the population with completed college or university degree show a lower level of ethnocentrism. Although among the young the level of ethnocentrism decreases with age, it is strongest at the age of 20 to 23. Since the youngest age group in its attitude to ethnic minorities is no longer different from other age groups (it used to be more tolerant than the older age groups), this may be interpreted as an increase of radicalization among the young.

The culture of social participation is very low: a low percentage of people take an active part in the work of political parties, social organizations or interest associations of citizens, and this percentage is even lower among the young. The ability of young people to meet their need for a certain self-selected individualized life style is low due to significant structural barriers.

Social values are a symbolic framework of individual and group actions which at a macro level take the form of certain development or stagnation processes. With respect to social values, Serbia at present has two major problems. One is the excessive differences within the political and economic elite in terms of the normative framework of the new social order, enabling the co-existence of three models of social reproduction; the command, the market and the informal model. This further

aggravates the process that transition countries undergo, which is the process of harmonizing the value patterns of the population with the prevailing normative framework. Such disharmony in Serbia exists also on the macro level and at the level of major social classes. The second problem is that about the same percentage of the population in Serbia believe that environmental protection should have the priority, even at the price of slower economic development and lower employment, as those believing that economic development should have priority, even at the price of certain environmental pollution. Therefore, Serbia is faced with two tasks: the first is to remove the internal normative-value controversies which stand in the way of stable social reforms, and the second to avoid such controversies at the global level and integrate into the global trend of sustainable development. The inherited economic difficulties and the still present poverty in Serbia result in widespread materialism and a feeling of insecurity and exposure to risk. It is particularly emphasized that alienation of the rural population is alienated from the natural resources in their direct environment which is paradoxical and is to a great degree the consequence of emphasized poverty which, in Serbia, is a predominantly a rural phenomenon.

Social capital as the basis of recovery of the wider society in Serbia is very weak. The citizens are very untrusting among themselves and towards institutions. More trust is placed in traditional than in modern institutions. On the other hand, since the year 2000 there is a visible trend of changing intensity which is leading to stabilization of a democratic, market based society and integrations into European and international institutions. Also, the rhetoric of tolerance to minority and vulnerable groups is much more present, and their rights are increasingly determined by special legislative solutions.

Apart from the above risks, the achievement of the desired social welfare in the republic of Serbia is burdened by different security risks. This has become especially acute since, as a consequence of contemporary security challenges and threats (interethnic conflicts and rivalry, organized crime, environmental risks, etc.), the concept of security has shifted from national and state security to individual security and security of social groups which, as the reference objects of security are primarily under risk. Security is no longer an issue only of territorial integrity and state sovereignty, but also a “freedom from fear” of criminals and other threats (social, economic) which burden individuals or social groups in the face of states or social communities powerless to provide effective protection. Security is therefore increasingly seen as the *ability* of the state through its mechanisms to protect the rights and freedoms of individuals and social groups and *threats* targeting them. The issue of social security or safety is primarily an issue of the sustainability of the social entities with different *identities* which more powerfully shape the behaviour of social groups or individuals within them than do the borders of a state territory. In terms of crises that affect the Republic of Serbia, the organizational and human weaknesses at the national level reflect the situation at the local level. Irrespective of the adopted policy of decentralization, there are no effective plans in place to respond to emergencies nor is there a clear responsibility of authorities at the level of local communities. It is expected that the negative trend of the occurrence and consequences of crises will continue with increased vulnerability of the population and infrastructure, due to urbanization and economic and social development in vulnerable regions.

The fundamental constituents of the Serbian society have in a very short time been questioned several times, and it is therefore clear that the collective and individual identity of the citizens of Serbia has undergone serious frustrations. Serbia,

like all modern societies, is internally pluralized (heterogenic) on several grounds and its citizens belong to different groups. Apart from gender identity, there is also ethnic identity which, along with cultural, religious and regional identity, is the basis for pluralization of identities in all contemporary societies. To add to this there is also professional identity, as this – like other forms of identity – is a basis for links between individuals and groups through belonging to the same professional (class) associations. These, however, are among the most important basis for the development of a civil society. Finally, there is also another wider identity framework whose development lies in the future and is covered by European identity. Relying too heavily on collective identities, primarily ethnic ones, brings with it the risk of exclusion which is established in a form of ethnocentrism which, along with underestimating others, focuses on the members of one's own ethnic group or nation. This is a threat not only to the functioning but also to the very existence of complex communities made up of members of different nations or ethnic groups. Over recent years there developed a concept of cultural diversity, of cultural differences which, in contrast to the exclusive understanding of one's identity also has a dimension of inclusiveness or openness to the identities of others. This concept needs to be promoted further and integrated in specific programs, primarily programs of cultural development in Serbia.

Cultural identity should be perceived as a set of relatively persistent identifiers, not as a coherent and stable whole. The national religion thus becomes a part of the cultural map which is a consensus agreed image of society, an image on which there is general consensus. The media record and report among the headline news (including commentaries) on that which fits on such a map, while information which challenges the consensus agreed cultural map is silenced, marginalized or interpreted so that it can fit the matrix of meaning that is pre-determined, thereby minimizing disagreements. It is highly unlikely, for instance, for a humanitarian action by any religious community (with the exception of the Serbian Orthodox Church) to receive adequate coverage in the media, as such an action does not fit in the negative stereotype on sects, which is already established.

Mass media are of great significance for forming, promoting and maintaining social and cultural identity. This was demonstrated during the 1990s, when the state electronic media were used systematically to promote nationalistic policies. After the year 2000 their role changed significantly. The result of the privatization of electronic media which is underway – and which is required by the Law on Public Information (“Official Gazette RS” Nr. 43/03 and 61/05) – is a profit orientation and marginalisation of program contents which refer to culture, both contemporary and cultural heritage. This implies an even stronger role of the public national broadcaster whose financing (subscription, and revenues from advertising) and program scope - two national TV and two radio channels and one TV and radio channel in the Autonomous Province of Vojvodina - was initially established so as to have a positive function in terms of both national identity and the identities of minority communities.

Table 1. The structure of HDI* in the Republic of Serbia

	2000	2001	2002	2003	2004
Average life	71.4	72.1	72.5	72.4	72.4
Literacy rate	96.5	96.5	96.5	96.5	96.5
Combined enrollment ratio (%)**	78	77	80	79.5	82.6
GDP according to PPP ***	3,833	4,040	4,760	6,305	7,640
Life expectancy index	0.77	0.79	0.79	0.79	0.79

Education index	0.90	0.90	0.91	0.91	0.92
GDP index	0.61	0.62	0.64	0.69	0.72
Human Development Index	0.762	0.768	0.782	0.797	0.811
Global HDI ranking	70	75	65	59	H.A.

*Human Development Index (HDI), ** (PPP US\$, per capita; Source: RSO (2005))

Finally, social welfare in Serbia is directly related to indicators of economic development. Although it is common in global terms to contrast directly dynamic economic growth with achieving sustainability, the conditions in which the Serbian economy developed in the past imply the need for the *strategic orientation of Serbia to continued accelerated economic growth*. The average growth rate of 5.2% from 2000-2006 ranks Serbia among European countries with fastest growth and would enable the country in 13.5 years to double its average living standard in real terms, meaning without inflation. There are, however, a series of significant socio-economic problems (inflation, a high rate and increasing unemployment, high foreign debt, high trade and current account deficit, overestimated local currency, a high level of state control over prices, slow privatization of public and utility companies, postponed restitution, delay in bankruptcy of companies employing about half a million people, tolerance of monopolies, high corruption, etc.).

Strategic objectives in achieving social welfare in Serbia include:

- Creating favourable economic conditions at the macro level through increasing the growth rate, and the share of investments and *green-field* investments in GDP;
- Promoting and developing sustainable life styles;
- Promoting values based on political liberalism, civic participation, market economy and social equity as dominant values in public and political life
- Increasing the generalized trust of citizens to 40% and achieve over half majority trust of citizens in modern institutions;
- Developing identity policies as a part of a long-term cultural development strategy;
- Increasing cultural capital through preservation, promotion and presentation of Serbian cultural heritage,
- Developing risk management policy at the national level.

The priority in creating conditions for a gradual change to sustainable life styles in Serbia is to resolve the unfavourable socio-economic position of the young, who are at present and in the future the main actors of sustainable development. A comprehensive, operationalized and coordinated program based on the National Strategy for the Young (adopted by the government on May 9, 2008) also needs to include the issue of raising awareness and promoting life styles for sustainable development.

In terms of increasing the social capital and achieving social values characteristic of modern democratic societies, the **priority** is to achieve a prevailing social consensus regarding the basic elements of the direction of social and economic development and integration into European and global institutions. It is necessary to agree a visible and formalized consensus among all leading political parties, NGO-s and other stakeholders in defining the specific national objectives of sustainable development and build mechanisms of monitoring, evaluation, review and harmonization with the European sustainable development strategy. It is also imperative to achieve consensus among the major political parties regarding the

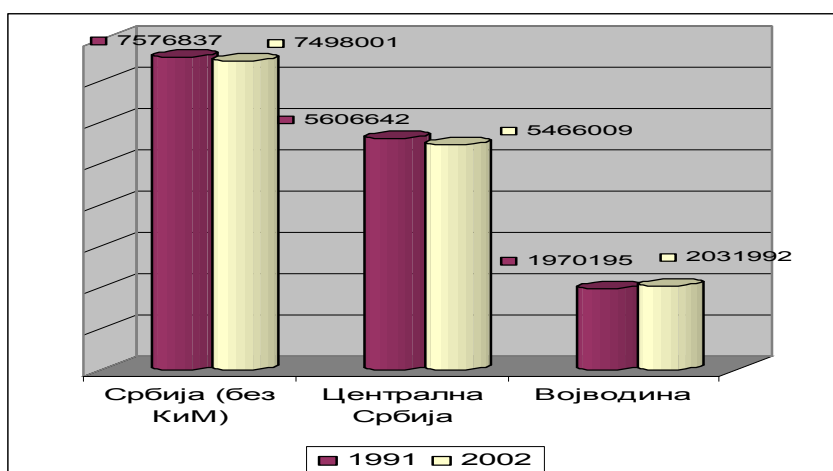
desired form of state organization (political liberalism, civic participation, market economy, social equity) and values supported by the majority of the population regarding such a normative framework.

The priority of Serbia in promoting social and cultural identity is to create and promote the concept of cultural diversity, seen as an aspect of the European dimension of identity which, starting from the local and the regional includes also the national, but does not stop at its limits.

The priority in respect to economic development is strong economic growth accompanied with attracting foreign direct investments, enhanced the business environment in Serbia and an increased level of economic freedoms (full protection of property rights, including intellectual property rights, freedom of contract, relieving the national market of state control, privatization, denationalization, reducing customs duties and non-customs barriers, reducing state spending and taxation, moderate regulation, removing administrative barriers for business start-up, operation and closure, liberalizing capital and current transactions, free regulation of the exchange rate, suppress non-economic rents, corruption, the grey economy and tax evasion). In respect to regulatory measures, it is necessary to promote measures related to further reduction of state spending, giving priority to economic development and economically-motivated employment, giving equal regulatory and political status to entrepreneurs and other employees, unions of employers and trade unions. In the domain of regulatory measures, there is a need to further promote the reduction in public expenditures, assigning priority to accelerated economic development and increased employment, protection of the interests of employers and rights of employees, development and strengthening of social dialogue at all levels.

2. Population policy

The phenomenon of low birth rate is currently a major problem in the demographic development in Serbia. It is characterised by a number of new-born babies lower than needed for simple reproduction of the population. The total population reduced from 1991 to 2002 by 78,800 or at an average annual rate of -1.0%. The fall in population has, for the first time, been recorded in Central Serbia as well. The population fell by 140,600 at an average rate of -2.3% annually. AP Vojvodina experienced an increase in total population in the period between the two censuses (1981-1991), in contrast with the period before that census, which witnessed a population drop. The population of AP Vojvodina increased by 61,800 or at an average annual rate of 3.1 per 1,000 inhabitants per year.

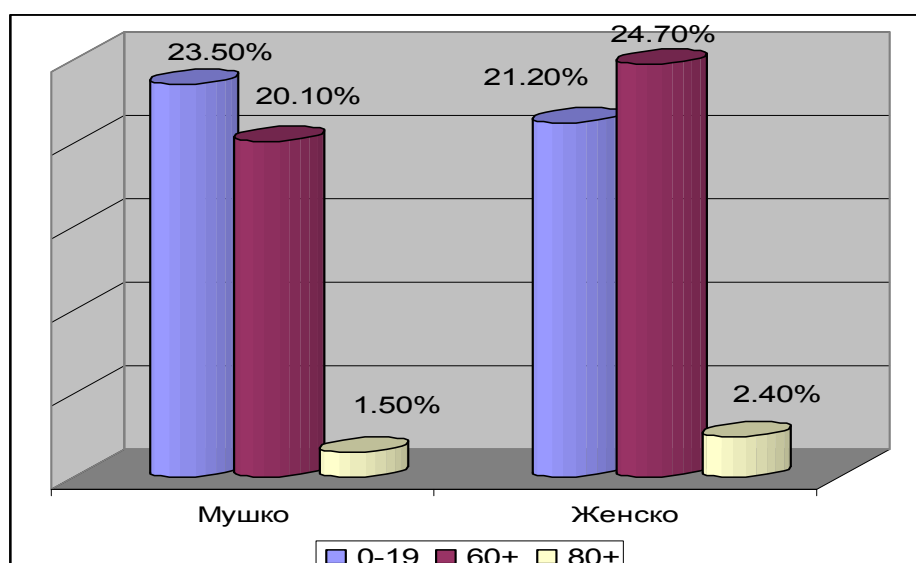


Source: Population 1-4 (2004 :160)

Figure 7. The population of the Republic of Serbia (without AP Kosovo and Metohia) in 1991 and in 2002

The scale of depopulation is obvious at municipal level. Of the total number of 161 municipalities at the time of the last census in 2002, only one in four municipalities (40 in total) had a positive population growth rate. Among them, most municipalities (32) with a moderate growth rate, up to 10‰. The greatest population growth rate has been recorded in the municipality Nova Pazova (17.2‰). Among the municipalities with reduced population from 1991 to 2002, most have a rate of up to –10.1‰ (57% of the total number of municipalities), while others (with one exception) had rates ranging between –20.1‰ to –10.0‰. The population was reduced the most in the municipality Crna Trava, with a population reduction rate of -34.8‰ annually.

The natural increase of population in central Serbia and AP Vojvodina was decreasing in both absolute and relative terms. In contrast with this, the natural increase in the Autonomous Province Kosovo and Metohia increased constantly, and the rate also increased until the mid 1970s, after which it began to drop. The low reproduction present in most areas reached critical values causing open depopulation and accelerated demographic aging. A major influence on natural increase was the birth rate. In 2004, the total fertility rate was 1.57 live-births per woman, and net reproduction rate was 0.74.



Source: Population statistics 2002, 2003, Statement Nr. 306/2005

Figure 8. Population of the Republic of Serbia by gender and by age groups (2002)

The changes in the total population of Serbia 1991-2002 were the result of intensive migration during the 1990s, which may now be a significant obstacle to sustainable development. Immigrants contributed most to mitigating the depopulation of Serbia in the last decade of the 20th century. The effects of migrations are obvious in the individual macro-units of the Republic of Serbia, but with varying effects in terms of totals. In Central Serbia, the natural depopulation (at the level of 89,100 from 1991 to 2002) was increased by the negative sum of migrations to a total of 51,500. In AP Vojvodina, the positive migration sum at the level of 144,400 neutralized the

negative effects of new births (at the level of 82,600 for the whole period), and it even led to a population increase. Therefore, the total population of Serbia at the time of the census was under the major impact of the inflow of a significant number of refugees (5.1% of the total population of Serbia, excluding AP Kosovo and Metohia).

The population of Serbia (excluding AP Kosovo and Metohia) can be categorized as a group of extremely aged populations. The share of the young is low and decreasing, while the share of the old is high and increasing. The population census from 2002 registered 1,177,000 persons under the age of 15, while the number of those in the age group over 65 was 1,241,000. This was the first time that the registered number of old persons in Serbia exceeded the number of the young. The situation differs among some ethnic groups (Roma, ethnic Albanians in the south) and forced migrants (refugees, displaced persons) with a much younger population.

If the indicator of demographic age is the mean age in that case the population of Serbia (excluding AP Kosovo and Metohia) with the age of 40.7 years at the time of the 2002 population census is among the oldest populations in the world. According to data from 2000, only four countries in the world (Japan, Italy, Switzerland and Germany) have a mean population age exceeding 40.

The aging and the emigration of population affects especially the rural areas of Serbia, in which the reduced share of the working population means the loss of the ability for sustainable management and use of natural resources over almost 85% of the national territory. The rate of economic dependence in Serbia is increasing because the active population has increased more slowly than the number of supported persons and persons with their own income added together.

Strategic objectives of population policy include:

- Stopping and/or slowing down the unfavourable demographic trends, by stimulating childbirth and creating conditions to stabilize the population.
- Creating adequate policy, birth promoting policy, and policy for the young
- Respecting the aging of the population in all aspects of development policy;
- Increasing life expectancy and the number of lives lived in good health;
- Reducing infant mortality in terms of approaching the levels achieved in European countries;
- Promoting internal migrations leading to a more balanced spatial distribution of the population and eliminating the “brain drain” by creating favourable conditions for return and/or investment by the Diaspora in the Republic of Serbia,

The priorities of the demographic development of Serbia are to build an adequate *institutional framework* and regulatory mechanisms for population policy. This implies the adoption of a national strategy of demographic development, establishing special bodies (at all government levels) to monitor and implement strategy objectives, continually improve legislative solutions and better sectoral harmonization, monitoring the work of family planning centres and developing counselling for biological reproduction and aging.

In order to achieve the identified goals, it is of major significance to strengthen financial assistance to families, to develop education and adequate public information. This requires implementation of measures aimed at: direct financial support to family and children, assistance to single parent families, introducing special incentives (including tax incentives) for the most vulnerable categories of population (unemployed, old, sick), developing a network for providing services of daily childcare, increasing financial benefits for parents and children. Special attention

needs to be paid to the specific features of rural areas and the development of the needed infrastructure. In order to remove the identified problems in further development and in achieving the basis for improving the population policy and demographic development of Serbia, it is of the utmost importance that the topics relevant to population policy are adequately present in education (at all levels), and promoted by the media in order to motivate the public and stimulate reproduction (with the respect of basic human rights).

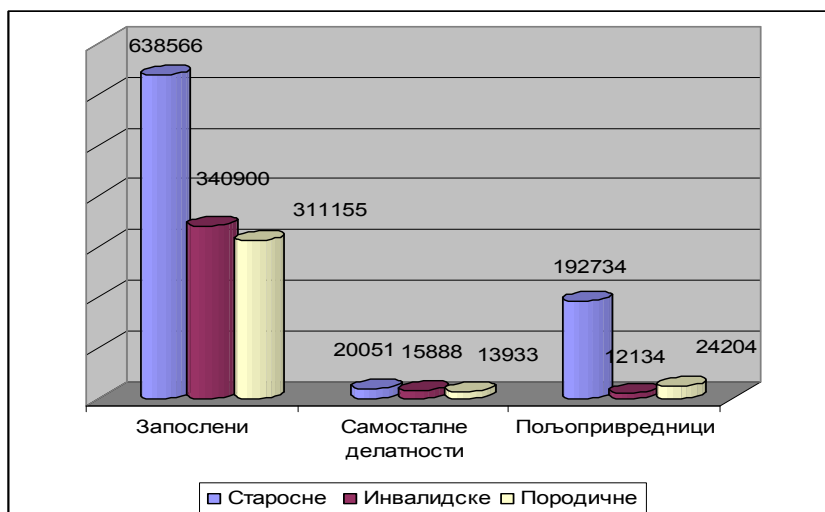
3. Social security

The social security system in Serbia covers social insurance, (pensions and disability, health and unemployment), and social and child protection. In view of EU integrations and in the context of national macroeconomic trends, the fundamental pre-requisites of this system are the subject of a broad scope of reforms. These issues are also required by the current demographic trends, changes in the sphere of work and family, and the maturity of the system itself. Political, economic and socially specific features make it more difficult to arrive at a social consensus regarding the desired objectives and directions of reforms, which in turn delays the modernization of the system and has negative impacts on the social security of beneficiaries.

Pension and disability insurance is organized predominantly according to the principle of current financing and inter-generation solidarity. For quite some time the amount of funds collected through contributions is not sufficient to cover legally prescribed rights. At the end of 2001, a reform was initiated aimed at restructuring the mandatory pension insurance (I pillar) and the limited introduction of voluntary pension insurance (III pillar).

Measures aimed at the I pillar included the increasing of the age limit for retirement, longer calculation period for pension benefits, a changed formula for calculation of amount of pension, and adjustments of pension payments. Further changes will be directed at gradual increase of the age limit for retirement until 2011 (to 65 for men and 60 for women), the introduction of a mechanism of more efficient collection and control of contributions is planned, and inclusion of military beneficiaries in a single pension fund and introducing an optimal formula for pension adjustments.

Although the World Bank advocates its introduction, mandatory private insurance (II pillar) has not been implemented. The high risks associated with its introduction (unfavourable macroeconomic trends and stability, lack of information, lack of financial instruments in private ownership, lack of trust in private funds) support the belief that the necessary pre-conditions for a changed role of the state do not exist, which also applies to the lack of values required for such a system component.



Source: The Republic Pension Insurance Fund ПИО, (2008)

Figure 9. Structure of pension beneficiaries (December 2007)

Voluntary private pension insurance (III pillar) has been introduced, but with a low number of beneficiaries, coupled with the lack of funds for investment in this form of insurance, which with time will further develop. It can be expected in the long-term that the share of the state in the system of pension and disability insurance will be reduced in favour of capitalized funds.

Health insurance is characterized by a high rate of coverage of the population with healthcare, a disparity between broadly defined rights and available funds to meet them, the dominant state ownership of buildings and assets, centralized management systems at the Republic level, a dominant role of secondary and tertiary protection over primary healthcare, and lack of integration of the private sector in the system. Despite the fact that many problems are manifest, the reform of the health care system and healthcare rights and health insurance have long not been treated as a priority. As a result of this, the gap between the real health-related needs of the population and the scarce funds for their efficient fulfilment has been increasing continually. The privatization of the healthcare system and private healthcare services has not significantly contributed to improving the position of beneficiaries nor has it resolved the existing controversies.

Simultaneously, apart from mandatory health insurance, provisions exist to enable voluntary health insurance, but they must be further elaborated. The documents adopted set out the objectives of healthcare policy and fundamental reform principles, and in addition to developing strategic documents, activities have been initiated to rationalize and standardize the healthcare system and services, and decentralize the management and financing of healthcare institutions.

Unemployment insurance is mandatory for all employees in Serbia. The replacement rate is 55.7% and the amount of financial benefit is set relatively high. The number of beneficiaries of this benefit is not high, compared to the total number of the unemployed. Irrespective of this, there are difficulties in providing financing for them as well.

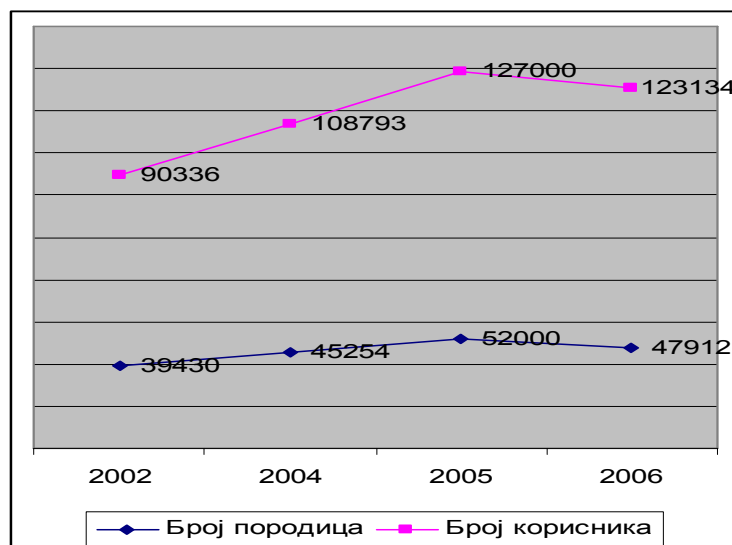
Apart for passive measures, conditions have also been provided for active labour market policies for employment. They include, primarily, incentive measures to generating new employment, as well as the employment of certain vulnerable social groups: refugees and internally displaced persons, the long-term unemployed, persons

above the age of 50, members of ethnic minorities, persons with disabilities, etc. employment on public works, and the like.

The National Employment Strategy for 2005-2010 identifies priority actions needed to increase employment, enhance the quality and productivity of labour, and to provide social cohesion in a highly segmented labour market.

The number of beneficiaries of financial unemployment benefit (MOP) increased from 1999 to 2005. Although MOP is the best targeted social transfer in Serbia, the coverage of the population is low (only 3% of poor households enjoy this right). The criteria for entitlement to this right are very strict, while the amount of MOP is insufficient to meet the basic needs of the beneficiaries, which leads to social exclusion and marginalization. Despite the legislative changes, most beneficiaries are unemployed, able bodied persons. This requires the re-direction of passive benefits into measures which would contribute to their quicker employment.

The existing network of social protection institutions does not correspond to the actual needs of beneficiaries and does not provide adequate services. Despite numerous changes in the legislation, the substantive reform progress that started in 2000 in the context of decentralization and de-institutionalization of the previously highly centralized system is still incomplete. The most significant measures are directed at improving the position of the most vulnerable categories of the population: individuals and households who do not have basic social security, persons with disabilities, the old, children without parental care, victims of family violence, etc.



Source: The Ministry of Labour and Social Policy (2007)

Figure 10. Beneficiaries of material benefits (2002-2006)

Changes in the system of social protection are directed towards creating mechanisms for prompt, efficient and adequate implementation of established social protection rights. In that respect, reforms are aimed at activation of the beneficiaries of social protection, development of a network of social services, and the inclusion of the NGO sector in the provision of services which are to contribute to improving the position of beneficiaries and stimulating their social inclusion.

Certain rights in the system of social protection of children (parents' allowances) are actually measures of population policy, while others (children's allowances) are designed to be an instrument of social policy or a form of support and assistance to poor families and children. The parents allowance is a one-shot allowance at the time of childbirth of the first child, while for the second, third, or

fourth child it is paid out in 24 monthly instalments, replacing the previously used different monthly or one-shot allowances. The amount of children's allowance is now equal for all children and the universal right to children's allowance has been abolished.

Social cohesion is one of the issues to which the EU assigns great attention, since economic policy which disregards social factors cannot lead to the increased competitiveness and productivity of the economy of EU. This was reinforced in the Lisbon Strategy which puts emphasis on an integral approach to economic, social and employment policy. Sustainable economic development accompanied by investments in people is the focus of activities of the European Committee for Social Cohesion and is the main component of the ratified Social Cohesion Strategy ("Official Gazette SCG" Nr. 18/05). Social rights, as stated in the European Social Charter, are rights in the field of housing, social protection, employment, health and education.

Better access to social rights and to the social security system is a pre-requisite for social cohesion, together with enhancement towards establishing and improving mechanisms and institutes promoting social equity. Although the principal way of providing social cohesion is through adequate employment, crucial roles are also played by the components of policies for the protection of households with children, care of the old, and promotion of social inclusion (through programs for housing, employment, education and training, healthcare, financial benefits and social services). Apart from the state authorities a great role to be played in this context is the role of the civil society, primarily non-governmental organizations and trade unions.

From the point of view of social security and social cohesion, priority actions should be directed towards resolving the problems identified above while balancing the existing strengths and advantages with the weaknesses and threats.

The strategic objectives include:

- Strengthening social stability and solidarity;
- Preventing extreme inequalities in the distribution of income;
- Promoting efficiency components in the system of social security;
- Increasing the level of social security for beneficiaries of the social security system, social and children's welfare,
- Promoting social inclusion.

The priorities of Serbia in the area of social security and social cohesion are modernization of the social security system, along with building a social consensus regarding the objectives of its development and the basis of paradigmatic changes; providing the minimum social security for all members of society, while strengthening the responsibility of the individual; creating the pre-conditions for a financially sustainable system of social security and building a complementary model of private insurance.

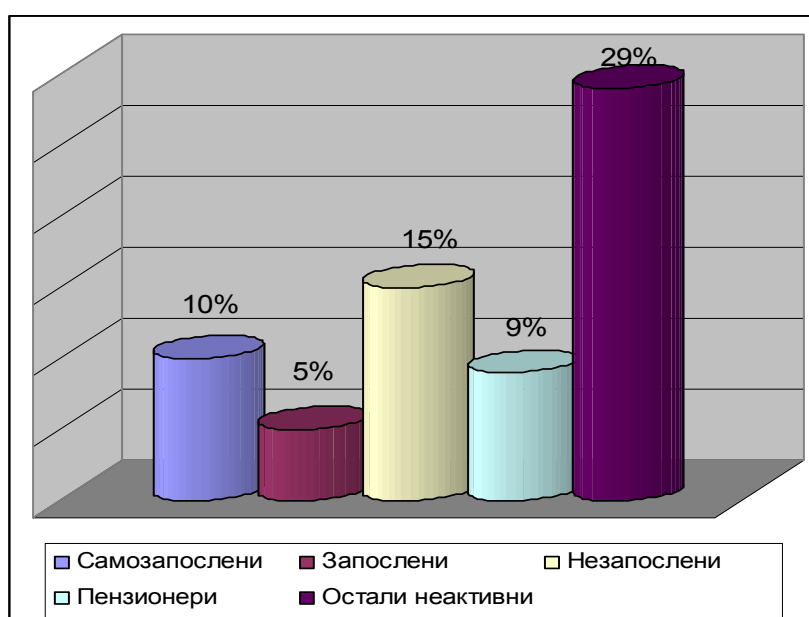
4. Poverty and social inclusion

The current data regarding the number and structure of the poor in Serbia rank poverty and social exclusion among the greatest social problems and challenges, whose resolution to a great extent depends on the sustainability of its future development. Poverty and social exclusion have an extremely negative impact and cause huge losses of human resources. At the same time, they annihilate all efforts

and innovations implemented in the society as its progress does not belong equally to all its members.

There are different criteria for identifying poverty, just as there are different categories of poverty (absolute poverty, relative poverty, new poverty, pauperization, etc.). The Poverty Reduction Strategy defines poverty as a “multi-dimensional phenomenon which, apart from insufficient income to meet basic living needs, implies also other aspects related to human rights, such as inability to become employed, inadequate housing, inadequate access to social protection, healthcare, education, and utility services, and lack of the right to a healthy environment and natural values, primarily clean water and clean air.

With respect to poverty, since the beginning of the 1980s, the concept of social exclusion has been used increasingly, especially in the EU. In the most general sense, social exclusion is a wider phenomenon also including aspects of poverty which may be both the cause and the consequence of social exclusion. At the same time, poverty refers more strongly to distribution and re-distribution of resources, or lack of them, while social exclusions refers also to the reduced participation of individuals and households in society and their inadequate integration due to an inability to achieve certain social rights. The result of social exclusion is a breaking of the links between the individual and society.



Source: Poverty Reduction Strategy Second implementation report (2007)

Figure 11. Poverty according to socio-economic status (2006)

Poverty in Serbia is caused by the position on the labour market and economic activity, degree of education and qualification, age, gender, household size, type of settlement and regional location, and membership of certain social groups which, generally, are more exposed to poverty.

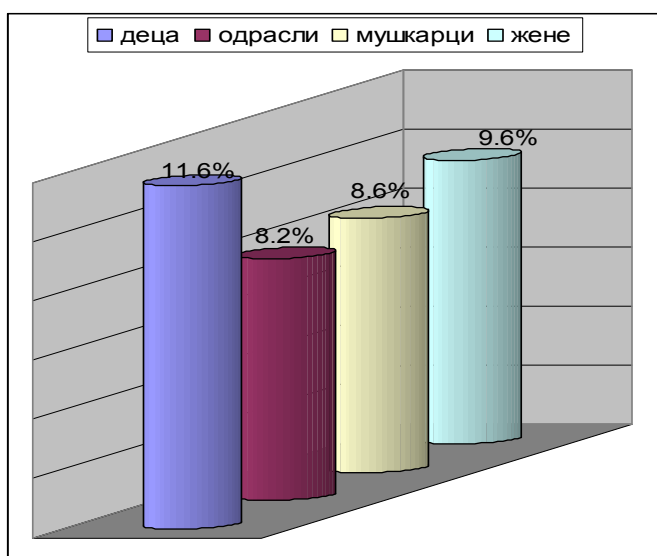
Persons exposed to above-average risk of poverty are those aged over 65 (especially those without pension benefits) and children. The old make up almost one fourth of the total number of the poor, and 12.7% of children are poor. Among children, exposed risk of poverty refers to children in the age group 7 to 14 (12.71%) and 15 to 18 (10.72%).

Women make up more than a half of the total unemployed (54.7%) and, according to the data provided by the National Employment Service (2006) they have a less favourable qualification structure, and are employed in economically non-productive sectors and generate lower income. Persons exposed especially to poverty risks include older women in rural areas, single mothers, housewives, Roma and refugee women, uneducated and unemployed women, women with disabilities and women victims of violence. In terms of the household structure, poverty is strongest in households with five or more household members, but also in one or two member old households.

The greatest percentage of the poor in the year 2003 (Poverty Reduction Strategy) lived in south-east Serbia (23.5%), which also scored the strongest increase of poverty (41.6%) relative to the year 2002. In western Serbia, the percentage of the poor was above average at 13.2% of the population, as in eastern Serbia, with 11.4% of the population being poor. In contrast with this, the population of Šumadija (9.7%) and Vojvodina (7.9%) have a below average exposure to poverty risk. The lowest percentage of the poor is in Belgrade (4.2%).

The Roma, the refugees and the internally displaced persons and persons with disabilities are especially vulnerable to poverty, as a result of accumulation of risks, primarily derived from lack of employment. The unemployment rate of the Roma is twice that of the rest of the population (of which 67% have never been employed), and through their education and qualifications they are predisposed to a lower rate of poverty. A low percentage of Roma have pension rights, which is a consequence of the rate of employment and work in the grey informal economy. About 67% of the Roma living in Roma settlements are poor, while 11.2% are extremely poor (Standing Conference of Cities and Municipalities, 2004). One fourth of the internally displaced persons and refugees live below the poverty line, which is a total of 120,000. At the same time, 49% of the refugee and IDP population have never been employed (UNDP, 2006), which is an extremely high risk of long-term unemployment. The employment rate of persons with disabilities is low (only 13%). Causes of poverty among persons with disabilities are, primarily, unemployment and lack of access to education (Standing Conference of Cities and Municipalities, 2004).

Apart from the factor of income, poverty and social exclusion also include non-revenue based aspects, meaning lack of access or difficult access to healthcare, education, housing, social and other public services and sectors of society. This refers also to guaranteed human rights, including the right to a healthy environment, clean air, clean drinking water, public utilities, etc. Therefore, the enhancement of the environment and natural resources should continue to be one of the aims in fighting poverty, which is also important for sustainable development. A degraded environment has negative impacts on human health and quality of life, and the poor are most exposed to this. As a rule, they lack access to utilities, and live in worse housing conditions. There is, however, lack of data that could document, in an integrative or direct way, the link between environmental degradation and poverty in Serbia.



Source: PRSP Second implementation report (2007)

Figure 12. Poverty in the Republic of Serbia by age and by gender (2006)

In 2006, 8.8% of the Serbian population was classified as poor, as their consumption per consumer was on the average below the poverty line. The 2006 Household Expenditures Survey indicated that the poverty line was CSD 6,221 per month per consumer unit. The rural population is two and a half times poorer than the urban population. The population poverty index for rural areas is by about 50% higher than that of the overall population, at 13.3%.

Numerous reasons indicate that it is not sustainable to resolve problems of poverty within the system of social protection. The principal aim of fighting poverty should be dynamic economic development and growth. In line with this, the objectives of the Sustainable Development Strategy, from the point of view of fighting poverty and social exclusion, cannot be isolated from the objectives of economic and social development. It is necessary, however, to integrate the objectives of social inclusion policy into all national policies, primarily into the employment policy, education, housing and healthcare policies.

Strategic objectives in the area of poverty and social exclusion include:

- Improving equal access for all to benefits of social and economic progress and development
- Providing the pre-conditions for building a socially inclusive society;
- Removing obstacles to developing the skills of the extremely poor and poor;
- Implementing special social inclusion programs and providing greater support to those with higher exposure to poverty.

The priority of Serbia in creating economic pre-conditions for resolving the problems of massive poverty is in pro-active employment policies and designing a separate segment of employment policy to promote greater inclusion of the poor into the formal labour market and reduce their involvement in the grey economy; investing in and improving the material and non-material status of the poor and providing financial benefits for persons not capable to work. The success of social inclusion policies depends on promoting the objectives of sustainable development in Serbia in order to sensitize and attract the participation of all actors of civil society in the fight against poverty. This requires respect of the principle of timely provision of public information about the risks of social changes that produce increased numbers of “losers” and measures to prevent new poverty. To achieve this, it is necessary to

remove the obstacles in access to information and improve statistics in order to monitor the changes and to promote examples of best practice.

5. Policy of equal opportunities

The issues of equality in the context of the general idea of the sustainable development of Serbia should be viewed within the set of general issues of political, legislative, economic and cultural development, for the purpose of improving the issues relevant to education, information, culture, social care, but also through changes to the electoral system, the attitude to integration of minorities, and any form of citizen participation in public life.

The period since the democratic changes in Serbia in 2000 has been characterized by enhancement of the protection of human rights, achieved through legislative changes and in practice. With the exception of problems in implementing the Law on Responsibility for Violation of Human Rights in the Republic of Serbia (“The Law on Lustration“) (“Official Gazette RS” Nr. 58/03), it can generally be said that the legislative framework for the protection of human and minority rights is harmonized with the practice of the EU and the Council of Europe. On the other hand, there are still problems in implementing the rights to free access to public information, despite the fact that the Law on Public Access to Information of Public Interest (“Official Gazette RS” Nr. 120/04 and 54/07) has been adopted. The media, generally speaking, function in an open and pluralistic environment, with certain problems in institutional organization, which applies mostly to electronic media. Minority rights are guaranteed by positive laws and are institutionally established through the National Councils of Minority and Ethnic Communities. Progress has been made in respect to the use of the languages of minorities, including southern Serbia where the Albanian language is in official use. The European Convention on the Use of Regional and Minority Languages (“Official Gazette SCG” Nr. 18/05) has been ratified. Work is continuing on the integration of the Roma, including measures in the system of education, and in 2006 modest progress was made in institutionalizing the Roma Decade as an obligation undertaken by Serbia in February 2005. Additional stimulation for more active participation in political life by members of the minorities (from the point of view of collective rights) relies on Article 32 of the ratified Charter on Human and Minority Rights (“Official Gazette SCG” Nr. 6/03), as it sets out the right to political association, and on the decision by the National Assembly of the Republic of Serbia to abolish the census of five percent for minority election lists at the Republic level. It is a fact, however, that the said rights and possibilities have not yet been systemically accommodated and that there are still isolated ethnically motivated incidents, as well as racist and chauvinist incidents at sporting events.

The position of Roma communities still remains uncertain as there is no institution charged with the adoption and implementation of the Strategy of Roma Integration and action plans from the Roma Decade.

Table 2. Refugees and internally displaced persons in the Republic of Serbia (2005)

0-4 /(%)	5-17/ (%)	18-59/(%)	60 + (%)	Total
<i>Refugees</i>				
1,232/ 0.89%	16,402 /11.78%	81,154/ 58.30%	40,407/29.03%	139,195/100%
<i>Internally displaced persons</i>				

3,009/1.45%	50,693/ 24.42%	120,842/58.22	33,010/15.90	207,554/100%
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Source: UNHCR (2005)

The great number of internally displaced persons additionally aggravates the difficult socio-economic conditions. The authorities continue to pursue repatriation and local integration on the basis of the National Strategy for Refugees and Internally Displaced Persons and in cooperation with partners in the region. The policy of resolving the problems of displaced persons is founded on return to AP Kosovo and Metohia. As no realistic conditions exist for their return, the majority of the displaced do not have their own property and face a number of difficulties. The persons returning to the Republic of Serbia under the Agreement on readmission are in a delicate situation. The establishment of the Office for Re-Admission and Returnees is one step forward to improve the treatment and acceptance of those persons, and the first step towards their integration.

A special problem related to the practice of human rights in the Republic of Serbia refers to the situation of persons with disabilities. A contemporary approach to this issue is based on the fact that the policy related to improving the situation of persons with disabilities should no longer be seen as an issue of social policy but as a human rights issue. Activities aimed at greater inclusion of persons with disabilities into the mainstreams of society contribute directly not only to improving the position of PwD but of other vulnerable groups as well (for instance, the old, children, national minorities, rural population, talented pupils/students, etc.).

In the Republic of Serbia, there is no consent on the definition of persons with disabilities (PwD) nor is there accurate data regarding their number (there is no single database on PwD). According to the estimates of the World Health Organization, at least 10% of every population are persons with disabilities (which, in the case of Serbia, would be about 800,000), whereas the EuroStat data indicate that persons with disabilities make up 12% of the population. The position of persons with disabilities is still unsatisfactory although certain steps have been taken to improve it. Only one out of five persons with disabilities is employed. The percentage of the poor among this population is several times greater than among the total population of Serbia.

From 2000 to 2006 there was an increase in interest regarding the problems faced by persons with disabilities in Serbia, primarily thanks to opening up cooperation with the international community in all areas, but also thanks to intensified activities undertaken by organizations of persons with disabilities, which resulted in rejection of the previously dominant medical approach to persons with disabilities and adopting the social model. The Law Preventing Discrimination against Persons with Disabilities ("Official Gazette RS" Nr. 33/06) has been adopted, and work is in progress on drafting the Law on Professional Rehabilitation and Employment of Persons with Disabilities. The Government of the Republic of Serbia has adopted the National Strategy to Improve the Position of Persons with Disabilities as a mid-term plan of action by all stakeholders in the Republic of Serbia for the period from 2007 to 2015, proclaiming as its strategic objective the enhancement of the position of PwD to the level of equal citizens enjoying all rights and responsibilities. The government has recognized the need to develop a multi-sectoral and multi-disciplinary approach in the policy measures relevant to the position of PwD. In order to change the long-term dependency and passive role of persons with disabilities, it is necessary to create conditions under which PwD can become active and productive members of society.

Strategic objectives of Serbia in the field of human and minority rights and gender equality are the following:

- To finalize the initiated harmonization of the national legislation with European standards in the field of human rights and to establish institutional mechanisms for the practice of guaranteed rights;
- To balance and make equal the socio-economic standard of living for certain minority communities (primarily the Roma community) with the standard of living of the majority Serbian population;
- A proportional share of members of minorities in the judiciary, prosecutors offices, police, army, local self-government;
- To reduce social distance;
- To improve the position of persons with disabilities to that of equal citizens enjoying all rights and obligations.

Priorities in achieving human rights are to continue the initiated reform processes, eliminate structural deficits, especially in terms of coordinating tasks which at the same time are divided between the competences of several authorities and clearly define competences for the implementation of obligations resulting from international conventions and relevant standards for practices in Serbia. It is also necessary to develop a system of efficient reporting and supervision over implementation of measures in the domain of respect of human and minority rights.

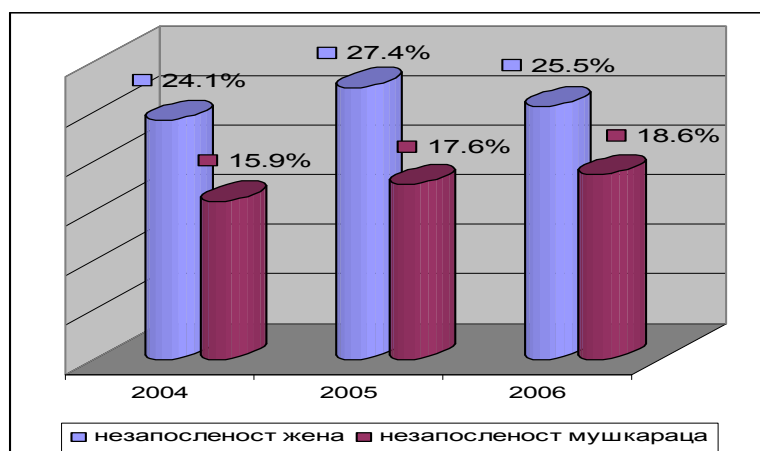
Priorities of Serbia in implementing minority rights are related, primarily, to continuing the initiated process of legislative regulation of the rights and position of minorities and ethnic communities, further strengthening the socio-economic position of members of minority communities and reducing the ethnic distance between the majority Serbian population and the members of minority communities.

6. Gender equity

The share of women in government and political life in Serbia, and the share of women in executive power is still at an unsatisfactory level. The position of women on the labour market has changed compared to that of the socialist period in which women had a high share in labour – around 70%, which in recent years is reduced to about 58%. The rates of activity and employment of women are much lower than rates of activity and employment of men. The unemployment rates for women in Serbia are among the highest female unemployment rates in Europe. Among the unemployed, there is a higher share of long-term unemployed women than men (61.4% of women have been unemployed for two years or more, while 57% of unemployed men have the status of long-term unemployment). Women have lower rates in total employment, too. In 2005, women made up 44.9% of the total number of persons who became employed during that year, while data for 2002-2005 indicate a continued fall in the employment rate of women (from 50.1% in 2002, to 44.9% in 2005). Women earn on a monthly basis on the average 17% less than men and are much less in evidence among the self-employed and entrepreneurs.

At the level of primary and secondary education, gender inequality has practically been eliminated among the majority population and is still present only among the marginalized social groups. The share of women in university education is even somewhat higher than that of men: in 2002 women made up 52.9% of the total number of students compared to 47.1% men. However, the share of women among

holders of MA or Ph.D. degrees is 30-32%. Gender inequality in education is reflected more in the segregation by education profiles, which is indicative of the preservation of the patriarchal patterns on “appropriate female and male professions”. In that respect, women have a higher share among students in humanities and arts. Despite the improving trends, the share of women at the different levels of education, the educational structure of the female population at different levels according to the population census from 2002 was less favourable than the structure of the male population. Illiteracy is also more present among the female population than the male population and according to the census of 2002, the illiteracy rate among men was 2.2%, while among women it was 10.1%. Illiteracy is highest among the old population, and in the age group above 65 it is 36%. In that respect, the qualification structure of the female population still reflects the unfavourable position of women in the past, whereas the more recent trends of equal participation in education at all levels have not yet resulted in equalizing the educational structure of men and women.



Source: The Republic Statistical Office (Labour Force Survey, 2007)

Figure 13 Unemployment rates for women and men

Women from marginalized social groups (The Roma, refugees, IDPs, women with disabilities) show a strongly unfavourable social position. Their discrimination is double, meaning that it results simultaneously from their gender and from being a member of a marginalized group with more difficult access to key institutions and resources of the society. According to the data and surveys of the UNDP from 2004, unemployment rates in marginalized groups are considerably higher compared to the unemployment rates of the general population. In the Roma population, out of four employed Roma, only one is a woman. The economic activity of Roma women refers mostly to the informal sector of the grey economy (home help, cleaners, coffee making, reselling goods, etc.). Apart from the low level of economic activity and high unemployment rate, the position of Roma women is also characterized by: a high rate of illiteracy, dropping out of school, poverty and bad living conditions in isolated settlements, early marriage, lack of personal documents, etc. According to the data from registers of refugees for the year 2001, women have a higher share among the unemployed and a significantly higher share among supported persons than men. There are also strong differences between refugees from Croatia and Bosnia and Herzegovina. The refugee women from Bosnia and Herzegovina are more frequently unemployed and supported household members than those from Croatia.

Inadequate access to major resources of a society results in lack of important resources (financial, knowledge, skills, social capital) and drives the following categories of women towards poverty: single mothers (especially with young children and children with special needs), housewives, old women, sick women and women

with disabilities, rural women (especially when old and without property), women refugees, women who are helping household members, Roma women, uneducated women, unemployed women and women victims of violence.

Gender relations within partner relations and within the family are still strongly dominated by the patriarchal system of values. The preservation of the patriarchal patterns within the household and in the family leads to unequal division of labour in which women perform most of the unpaid household chores, and very often have limited access to money.

Despite the progress that has been made in formulating and implementing gender equity policies in the Republic of Serbia, there remain problems that need to be resolved, primarily:

- the presence of social and cultural barriers, accompanied by the traditional social structure which is not open to change the conventional power sharing between men and women;
- lack of political will of the government to finalize the process of adopting a set of laws on gender equality and the obligation to eliminate all forms of discrimination against women;
- lack of implementation of gender specific policies, or lack of harmonization of the programs and indicators for monitoring in different programs and strategies which the gender aspect is missing.

The policy of equal opportunities for men and women that this Strategy is to promote should adopt a two-direction approach based on EU standards, combining the principle of gender mainstreaming across the institutional framework and undertaking specific measures to gap the negative differences and gender sensitive deficits in all areas of public and private life of women and men in the Republic of Serbia.

The strategic objectives of the Republic of Serbia in the area of gender equity include:

- to establish an institutional framework for measures which will provide for the gender mainstreaming of all activities of public authorities and institutions;
- equal participation of women and men in government and decision-making on public policy;
- Improving the position of women on the labour market and at work while providing for equal opportunities with men;
- social integration of women and men from marginalized social groups through education, the labour market and participation in decision-making on public policy;
- increase employment rates and the self-employment of women in urban and rural areas;
- prevention, suppression and protection from violence against women;
- remove gender stereotypes in the public domain.

The priorities of Serbia in the field of gender equality are to harmonize and implement the gender related programs, strategies and legislation that have already been adopted (The Poverty Reduction Strategy, Nationalized Millennium Development Goals, The National Employment Strategy 2005-2020, Integral programs of social protection, etc.) and adopt the National Action Plan to Empower Women, adopt the Law Prohibiting Discrimination, and The Law on Gender Equality. The said institutional framework should consistently monitor European and international standards on gender equity and the right to development (UN

Convention to Eliminate all Forms of Discrimination Against Women - CEDAW, the Beijing Platform, the MOP principles). It is necessary through active measures to strengthen the economic capacities of women by increasing employment rates and increase the number of women from vulnerable groups who get education and employment. Access by women to different resources in agricultural production must be improved in order to diversify the rural economy and preserve the environment.

7. Public health

The health of the population of Serbia has been exposed to unfavourable impacts resulting from conflicts in the former Yugoslavia, sanctions imposed by the international community, a large number of refugees and internally displaced persons, economic crises (with record inflation). Such a situation was inevitably reflected not only in the health of the population, but also in the ability of the health services and the society generally to preserve and promote public health. During the 1990s, investments in the health care system and public health were very low (up until the year 2000), which resulted in dilapidation of buildings, outdated equipment and problems in acquisition of new knowledge among health professionals.

Chronic non-infectious diseases still have a dominant share, and under circumstances of dramatic demographic change and the accelerated aging of the population, there are increases in mortality and disability rates. The lack of preventive measures and adopted life styles are a risk factor also for chronic non-infectious diseases (smoking, inadequate nutrition, lack of physical activity). Injuries, infectious diseases and psychosomatic diseases (depression) contribute to deterioration of health, increase of the number of those incapable of work and cause considerable losses for the community and the society as a whole.

Inequality in access to health services, differences in the quality of services, crisis in financing health insurance and privatization of the healthcare system are reflected negatively especially on the poor and other vulnerable population groups.

There is no complete information providing insight in the state of public health in Serbia with respect to the impact of environmental factors. The reasons given for this fact are lack of systematic collection of data concerning diseases that, directly or indirectly, can be linked to the quality of the environment and the lack of research and studies dealing with environmental impact on health. Data for 2005 indicates that in central Serbia there are 6719 persons registered as suffering from chronic obstructive respiratory diseases (CORD), for which a risk factor in the course of the disease includes (also) air pollution. Of the total number of patients suffering from CORD in central Serbia, the share of Belgrade is 36.06% of cases. Analysis of the period 1996-2005 indicates that there has been an increase in CORD sufferers, especially between 2001 and 2005. The mortality rate ranged from 29.6 in 2001 to 38.2 in 2005, with a strong increasing trend.

Table 3. Mortality rates per 100,000 inhabitants

Groups of diseases	2001	2003	2005
Cardiovascular diseases	110.2	106.1	104.5
Malignant diseases	92.1	94.1	97.3
Injuries, poisoning and external factors	36.9	32.0	30.8

Source: Nationalized Millennium Development Goals in the Republic of Serbia (2006)

There is also a lack of systematic information regarding the number of patients suffering from methemoglobinemia, arsenosis, fluorosis and diseases resulting from chemical contamination of drinking water. In 2005 there were 4 registered cases of water-borne epidemics in Serbia caused by the microbiological inadequacy of drinking water, and the number of such registered cases in the period 2001-2005 was 16 epidemics. Over the past five years, the number of these epidemics has dropped.

Since the year 2000, visible progress has been made in the field of integral planning of healthcare. A new healthcare policy has been defined and adopted by the government, the Poverty Reduction Strategy has been developed and adopted and its implementation has begun, and a series of other documents and laws were adopted whereby healthcare reform was initiated. The Vision of the Healthcare System and healthcare policy adopted through the documents, both emphasize as their priorities the enhancement of public health, reduction of inequalities in healthcare and the role of preventive and primary healthcare. In respect to specific diseases and the greatest risk factors for sustainable development, the following documents have been adopted: the National Strategy against HIV/AIDS, and the Tobacco Control Strategy ("Official Gazette RS" Nr. 8/07). The program of protection against TBC was adopted in 2005. Within the project for enhancement of preventive health services which aims at strengthening the capacities of primary and secondary healthcare to implement prevention against cardiovascular diseases, diabetes and malign diseases, as well as an *ante-natal screening program*, an activity was initiated to establish centres for preventive services within primary healthcare centres throughout Serbia. The National Strategy of Mental Health ("Official Gazette RS" Nr. 8/07) has been adopted as well.

The children and the young are particularly exposed to the negative effects of the environment. During certain periods in their development, they have so-called "sensitivity windows" which enable the detrimental environment effects to penetrate and negatively affect their delicate young bodies. At the Fourth Ministerial Conference on Environment and Health in 2004, the Republic of Serbia assumed the obligation ensuing from the Budapest Declaration to adopt a national Children's and Environment Health Action Plan (CEHAP). The Poverty Reduction Strategy also emphasises the importance of improving the health of the vulnerable groups by improving the quality of healthcare (particularly the care provided to these groups), as well as the importance of improving the prevention services. The need for better mechanisms for public health funding has been mentioned but not elaborated. The mechanisms to provide adequate funding of activities regarding public health are to be formulated within the Public health Strategy and the Law on Public Health, which are under preparation.

Strategic objectives in the area of public health include:

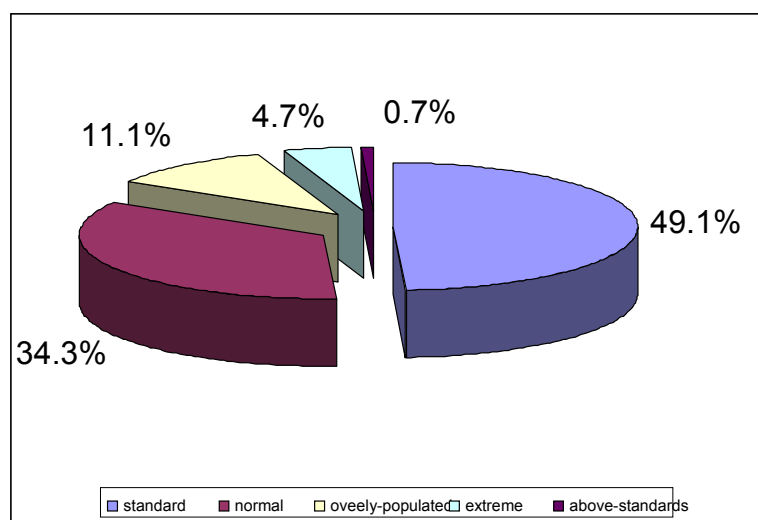
- Strengthening preventive healthcare
- Reducing morbidity, incapacitation and premature death caused by the predominant chronic non-infectious diseases (vascular and malignant diseases and diabetes);
- Reducing morbidity, incapacitation and premature death caused by injuries;
- Reducing negative effects of infectious diseases, especially AIDS and TBC on public health;
- Reducing the burden of diseases due to depression and other mental health disorders;
- Reducing inequality in health between population groups through improving the health of vulnerable groups

The priorities of Serbia in the area of public health include the development of an adequate IT system, monitoring the basic indicators and establishing a data base at national, regional and local levels. Measures for improvement of public health also include: developing the capacity of research and academic institutions to research risk factors, diseases, mortality, and the burden of disease; develop primary healthcare institutions and preventive programs; raise education in public health; develop a system of response in emergencies including control and supervision of infectious diseases. Sectoral strategies need to be developed and adopted, first of all the National Public Health Strategy, as the basis for the adoption of the Law on Public Health.

8. Housing and housing policy

Serbia introduced a significant deregulation of the housing sector, decrease of public subsidies and privatization of socially-owned flats (sale to residence permit holders) without having previously defined the necessary elements of the legislative and institutional framework, also including a financial system and a system of property registration which is necessary for adequate functioning of the housing system. Practically all of the Serbian housing stock is privately owned (98%).

A major problem in Serbia is affordability of housing, as the ratio of average household income and prices of housing would mean that an average household needs to invest 17 total annual incomes to buy a flat. The high price of flats compared to household income (both for new development and the existing housing in the secondary market) is one of the major motives for illegal building, and buying of illegally developed housing (with a price lower by 50%), and massive reliance on this mechanism of resolving in this staged approach the problem of affordability of housing. Renting a flat in private ownership in major cities and towns is also unaffordable to households with average incomes and below average incomes as the rent (without the additional expenditures for utilities) requires more than 50% of monthly income, or 27% of the average monthly income of all urban households in Serbia.



Source: The Republic Statistical Office (2004)

Figure 14. The standards of flats occupancy in the Republic of Serbia (2002)

In terms of quality, scarcity is still substantial in Serbia although most of the housing stock, compared to many EU countries, is relatively new. There is an obvious gap between the average household size (2.9 household members) and the average number of rooms per housing unit (2.6 rooms in used flats). The predominance of flats in private ownership and major regional differences with respect to the quality/value of flats is an obstacle to adequate mobility in terms of the expected increased mobility on the Serbian labour market.

The Law on Maintenance of Apartment Buildings (“Official Gazette RS” Nr. 44/95, 46/98, 1/01 and 101/05) is not adequate as it defines mandatory maintenance only in terms of security and protection of human life, but not in terms of adequate quality of housing and living. Another major problem is the maintenance of about 30% of the housing stock in Serbia which is in collective housing units that previously were in state and/or social ownership.

It has been estimated that the total number of informal (illegal) housing units in Serbia may be as high as one million housing units. These settlements are a hygiene risk (if they lack or have inadequate sanitation infrastructure) and they do not support the sustainability of the socio-economic development of the population (through lack of social infrastructure).

The most vulnerable social group in terms of rights to housing and housing in general are the Roma, refugees and internally displaced persons.

One half of all Roma in Serbia do not have access to safe or quality housing (they live in unhygienic settlements or slums). 15% of households of refugees and internally displaced persons do not have access to safe housing, 35% do not have adequate sanitation, and 10% does not even have access to drinking water in homes or front yards. The strong wave of illegal construction in informal settlements during the 1990s is directly linked with the need of these households to provide housing for themselves.

The strategic objectives of Serbia in the field of housing and housing policy are:

- To provide access to adequate housing for persons/households without such housing, along with increasing the action potential of all actors in the process;
- To prevent the degeneration of certain settlements into slums, and remove the existing slums with minimum disruption to settlers;
- To increase housing safety – put a stop to illegal building, implement the process of legalization and in the process avoid as much as possible the unnecessary pulling down or removal of housing and introduce regulation into the housing rental market;
- To prevent the degradation of the housing stock and approximate the average housing conditions with those of the EU
- To remove the great disparities in the quality of housing between settlements while at the same time maintaining the specific regional features;
- To take into consideration the specific housing needs of marginalized groups, displaced persons and refugees;
- Improve housing conditions in rural settlements.

The priorities of Serbia in the field of housing policy include the development of legislation and a financing framework for housing policy, primarily through the adoption of the national housing strategy and introducing legislation to improve the housing situation (adopt the new Law on housing and the relevant by-laws, adopt the Law on Social Housing). Within the housing policy, there is need to develop the

necessary elements of the institutional and financing frameworks for the funding of new housing development and initiate programs of affordable housing in the public/non-profit sector, programs for rehabilitation of slums and other informal settlements and a program of revitalizing uninhabited housing units.

9. Regional and local aspects of sustainable development

The current development trends in Serbia are such that there is a need to put a stop to the long-term trend of depopulation and to create policies supporting balanced regional development, in order to stop the decline of the very low level of economic and other development activities. In this, it is necessary to keep in mind that regionalization at present is the major trend in local government and the territorial organization in the EU. This may evolve on the basis of the existing institutions, or it may initiate a new territorial organization which will more effectively and efficiently meet these objectives. This of course always depends on the political and institutional set-up of a country, which may be vulnerable to certain limiting factors. Regionalization implies interests related to regional promotion of socio-economic development and also, where applicable, of cultural and political development.

The Constitution of the Republic of Serbia adopted in 2006 did not establish clear foundations for the regionalization of Serbia according to the principles prevailing in the EU. Likewise, the adopted Strategy of regional Development of Serbia for 2007–2012 did not sufficiently take into account the need for substantive regionalization, based on socio-economic principles.

Local government in Serbia shares the fate of other institutions and is still undergoing the process of reform. Since the year 2000, the position of units of local self-government has been improved significantly through the adoption of the Law on Local Self-Government (“Official Gazette RS” Nr. 9/02, 33/04, 135/04, 62/06 and 129/07), through the changes in attitude of the national level authorities to cities and municipalities, and through the higher level of decentralization achieved.

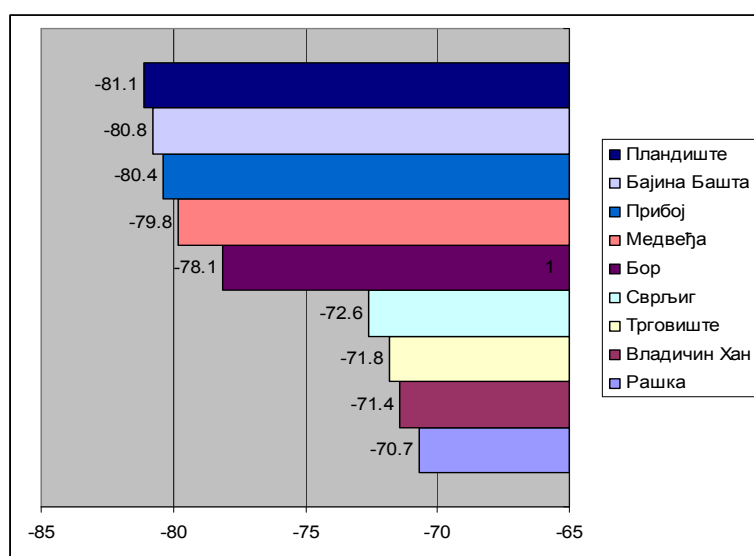
On the other hand, expectations of full decentralization have not fully materialized and the reform of local self-government has not been implemented consistently and fully, which raises questions as to the functional and financial autonomy of units of local self-government. One of the major reasons for this is that the reforms in this field depend directly on progress made in reforms in other areas (the adoption of the new Constitution, reforms of institutions at the central level and public administration reform, fighting corruption, regionalization of the Republic of Serbia, etc.). Another reason is in the internal weakness of the administration at local level and its insufficient capacity to implement reform measures.

The system of financing units of local self-government is one of the major aspects of establishing a successful development planning system, and it is important to provide the necessary funds and their timely appropriation.

The new Law on Financing Local Self-Government (“Official Gazette RS” Nr. 62/06) certainly introduced improvements in the position of local communities and it provided a more predictable and transparent framework for their financing thus facilitating the further transfer of competences to cities and municipalities. Apart from the Law on Financing Local Self-Government, the Law on Public Debt (“Official Gazette RS” Nr. 61/05) and the Law on Securities and Other Financial Instruments (“Official Gazette RS” Nr.47/06), conditions have been created for successful implementation of certain measures and activities set out in the Strategy of

Sustainable Local Development and the Declaration of Sustainable Development, (adopted by the Standing Conference of Cities and Municipalities in 2005).

The intensified urbanization and industrialization evolved to the detriment of rural areas due to the intensive migration of the population from rural to urban areas, the loss of major tracts of arable land and lagging behind in socio-economic and cultural development. The lack of systematic state support to integrated rural development led to overall underdevelopment in terms of socio-economic and cultural development, which in turn led to intensive migration from rural to urban areas and the abandonment of vast areas of fertile farming land and other natural resources. Rural areas in present day Serbia are characterized by a high degree of differentiation in terms of natural, infrastructure and other conditions for agriculture and the development of other economic activities, also in terms of vicinity to the market and conditions for marketing of products, and in terms of the size and composition of settlements. This diversification is also visible in terms of social development, demographic characteristics, cultural features, relation to tradition, modernization, environment, etc. The degree of urbanization according to the population census of 1948 was 20.7% while in 2002 it had reached 56.4%, and is expected to continue to grow in the future (for the sake of comparison, urbanisation in Romania is 55%, in Hungary 65%, in Greece 60% and in Croatia 58%).



*Decrease of national income above 70%;

Source: Republic Bureau for Development

Figure 15. Impoverishment of municipalities* 1990-2005.

There are major disparities in the development of urban and rural areas, and a concentration of population, economic activities and social infrastructure in Belgrade, Novi Sad and Niš. There is no clearly expressed political will to implement a hierarchy network of towns according to the model offered by the Spatial Plan of Serbia, which would be a pre-condition for decentralization. There are major differences in terms of population density in towns. The structure of towns is dispersive with fragmentation of undeveloped land. Rural areas are depopulated and marginalized, especially in mountainous regions, with poor transport connections and insufficient municipal infrastructure. In terms of physical and social infrastructure, the rural population is in a much less favourable position than the urban population, primarily because the per capita cost of infrastructure is much greater in areas with

lower population density, especially in rural areas with “mahala” type settlements. For instance, in rural areas only 14.4% children attend pre-schools, and in urban areas this percentage is 45.2%. The situation is somewhat better at the level of primary schools, as the percentage of school attendance in rural areas is practically the same as in urban areas (98.4%). The distance to secondary schools has a significant impact on the fact that children from rural areas attend secondary school less (79.5%) than in urban areas (87.3%). According to the UNDP survey, a high percentage of the rural population is not satisfied with the quality of life (50% of respondents) which is caused primarily by insufficient access to various services, and the lack of satisfactory quality of the services available (healthcare and public utilities, culture, etc).

Strategic objectives in the field of regional and local sustainable development include:

- Decentralization accompanied by the implementation of modern concepts of regionalization and socio-economic approach
- Building and strengthening a new system of distribution of competences between different vertical levels of government;
- Strengthening the concept of regional competitiveness and linking;
- Reducing disparities in regional development inside regions and between rural and urban areas;
- Development, in terms of quality and continuation, of public utilities infrastructure;
- Protection and utilization of natural resources managed by units of local self-government in line with the principles of sustainable development and through use of economic incentives;
- Establishing better organized and coordinated local government, local administration and public utility companies, ongoing promotion, and public participation in the planning process and adoption of principles of best practice and sustainable development in urban-spatial planning documents;
- Development of the local economy on the basis of available natural resources and measures to support the promotion of sustainable use of resources;
- Strengthening the institutional capacity of local self-government and increased capacity of staff in appointed and elected positions in municipal administrations;
- Promoting the development of local management for sustainable development through the development of local strategic and development plans
- Develop a poly-centric network of settlements and establish urban areas with a network of medium and small size towns and villages.

The priority of Serbia in the field of local sustainable development includes establishing a system of rights of citizens to practice local self-government owned by the citizens and compatible with the relevant EU legislation and with the system of local self-government prevailing in the EU and in the region; re-introduction of the legal right of units of local self-government to own property. The priority also includes providing conditions for units of local self-government to generate their own sustainable sources of finance. Such sources are to be used to finance public works needed to meet fundamental communal needs, serve the interests of citizens and build the capacity of units of local government, with full citizen participation, to develop their own strategic sustainable development plans and implement them successfully. Having their own sources of financing will enable units of local self-government to enter into concession and other financial arrangements for the purpose of building and maintaining communal infrastructure.

The priority for resolving the problems of urban and rural development include the **reform** of the existing national legislation in line with the new generation of European policies on sustainable spatial development, legislation and practice in the EU, and its implementation in the field of planning and construction; a consistent and improved implementation of the Law on Strategic Environmental Impact Assessment (“Official Gazette RS Nr. 135/04”); strengthening institutions in charge of planning and environmental protection at national and local level. It is necessary to establish a system of monitoring and reporting on spatial changes, implement urban and spatial plans and increase the level of investment in IC technologies within authorities in charge of urban and spatial planning at national and local level, also including rural areas which are currently very isolated. There is also a need to design an efficient system of financing for the development of spatial and urban plans, especially in poorer municipalities. As the problem of legalization has not yet been resolved, it is necessary to reconsider the model to be used to finance the legalization of illegally developed buildings.

10. Information and public participation in decision-making

Public participation in decision-making consists of the following components: public participation in planning, decision-making, implementation and control; creative and active cooperation of the public, private and civil sector; broad social and political cooperation and consensus; public access to data and documents with the active participation of the public service, national, regional and local media in public information, for the purpose of raising awareness regarding sustainable development and the environment.

The state has a very important role in establishing the basis for public participation in decision-making concerning sustainable development. Its role is to promote and initiate public participation, to support and stimulate, and to provide to the public not only technical and organizational support, but also financial assistance. The government, as the executive power, exerts a positive force on authorities of local government to establish a system of mutual responsibility. The role of the state and of the public administration in the process of establishing and improving public participation in decision-making is determined by international conventions and national legislation. In December 2007, the government identified the *Proposed Law on Ratification of the Convention on Access to Information, Public Participation in Decision-Making and Access to Justice in Environmental Matters* (the Aarhus Convention) as one of the important European standards of public participation in procedures related to protection. Furthermore, even though the *Law on Free Access to Information of Public Interest* has been adopted and the Ombudsman for Information of Public Interest has been appointed, it seems that certain actors in public decision-making (at all levels of government and public administration) are still resisting implementation of this law and refusing to act on the orders of the Ombudsman.

The civil sector in Serbia is faced with serious problems of financing. The state does not provide sufficient support to the organization of the civil society, and does not treat them as equal participants in the political process. The national NGOs in Serbia are not active enough themselves and there are few environmental initiatives coming from civil society. On the other hand, there is increasing interest from NGOs and civil society generally in environmental protection and improvement issues, and

an increasing interest at the level of local self-government to build links with the NGO sector.

The role of the media in informing the public is to provide clear, credible and valid information regarding all processes of sustainable growth and the condition of the environment in Serbia, and to encourage the public to partake in planning, applying and controlling the implementation of national and local plans. The role of the media is determined by the Law on Public Information, International Principles of Professional Journalistic Ethics (principles 1, 2 and 5), and by the ethical code of the Journalist Association of Serbia (UNS), the Independent Journalist Association of Serbia (NUNS) and by the ethical code of electronic media.

Sustainable development processes and environmental matters are not adequately covered in the media, which results from insufficient interest of the media, lack of technical knowledge and awareness of the significance of reporting on strategic topics and relevant problems. Reports and special programs are not broadcast at primetime, they are not regular segments of programs and contents of electronic and printed media. In most cases, strategically important development issues are not even clearly defined in the editorial policies of these media. Very often, the terminology used is too technical for the general public. The reasons for such a situation lie in insufficient environmental awareness among journalists and editors in the media, lack of cooperation with the civil society, and inadequate readiness of the authorities to speak publicly on environmental issues. With the exception of isolated attempts by some NGOs, there is a visible lack of adequate forms of informal education of journalists (seminars, workshops, training sessions) in the field of environmental protection and sustainable development and the broader engagement of public authorities in such activities is required. Nonetheless, it seems that there is increasing interest from the media to report on environmental matters, and also on more general issues related to sustainable development. This is related, on the one hand, to increased reporting on topics relevant to climate change in the international media and, on the other, to increased media freedoms in the country.

Public participation in decision-making in general, and especially in the field of environment protection, is negatively affected by the lack of experience and knowledge among citizens about the techniques and methods of public participation in decision-making, and the lack of sufficiently developed mechanisms and procedures for public participation in decision-making (for instance, the public has a very short time to become informed about proposals for new legislation, documents and plans; certain plans, measures, or procedures are not published and presented to the public, or are not accessible which in turn also reduces the level of public participation in decision-making). On the other hand, the citizens of Serbia believe that they exercise their rights in the field of decision-making through the forms of political democracy, or through political parties at elections, which in a way inhibits them from participating in the decision-making process in other ways, primarily at national level. Since the year 2000, there has been an increased interest among citizens to resolve problems related to utilities and the environment, and problems caused by construction (turning green areas into housing).

Strategic objectives in the field of information and public participation include:

- Promoting pro-environmental thinking and awareness of sustainable development among citizens, civil society organizations and media;

- Promoting dialogue among environmental oriented NGOs and environmental projects and civil society initiatives;
- Building institutions of public administration and local government to support citizens, NGOs, environmental movements and other civic initiatives; cooperation with local authorities in access to information, public participation in environmental matters;
- Building a network of pro-environmental and other NGOs and civic initiatives;
- Motivating citizens to participate in decision-making and exercising their right to access to environmental information at local level;
- Engaging the media to take an active role in issues relevant to sustainable development and environmental protection, build capacities of journalists and identify clear editorial concepts both at the level of the public broadcasting service and among other media outlets to report on strategically significant aspects of sustainable development and the environment aimed at general progress.

The priority in the field of information and participation in decision-making is to create a space for dialogue and joint decision-making, in line with the Aarhus Convention. Sustainable development requires a system which would be aimed at increasing public environmental awareness, knowledge about the environment and the environmental responsibility of every citizen and social group. Responsibility must be established irrespective of whether it refers to direct or indirect participation in sustainable development and in design and implementation of the sustainable development strategy. Such a system can be built through different programs in the field of culture and education which promote sustainable development and environmental protection; through strengthening the system of information and access to information regarding the significance of certain measures, plans and actions; through strengthening responsibility for sustainable development (learning about alternative sources of energy, methods of saving energy in households, the role of recycling, etc.) and through building the capacities of non-institutional actors in public life (NGOs, environmental organizations, civic initiatives and the citizens themselves). As far as the state is concerned, it must be open, equipped with the technical and human resources to embrace all forms of a wider public participation in this process of dialogue. A system needs to be built which will consist of four components: participation in planning, decision-making, implementation and control; creative and pro-active cooperation of the public, private and civil society sector; broad social and political cooperation and consensus accompanied by the pro-active and vital role and responsibility of the media; public access to data and documents.