



# **NATIONAL REPORT**

ON SOCIAL INCLUSION  
AND POVERTY REDUCTION  
IN THE REPUBLIC OF SERBIA  
FOR THE PERIOD **2014–2017**



Government  
of the Republic  
of Serbia





Government of the Republic of Serbia

# **THIRD NATIONAL REPORT ON SOCIAL INCLUSION AND POVERTY REDUCTION IN THE REPUBLIC OF SERBIA**

**The Status of Social Exclusion and Poverty Trends  
in the Period 2014–2017 and Future Priorities**

Belgrade, December 2018



## **Prosperity for All as a Precondition for Creating a Better, More Equitable and More Solidary Society**

Dear citizens,

Having assumed the duties of the Prime Minister in June 2017, I committed to continuing the initiated activities and reforms and to improving, to the largest extent possible, the situation in the areas addressed by the present document. *The Third National Report on Social Inclusion and Poverty Reduction in the Republic of Serbia* gives a clear-cut, evidence-based summary of the situation and progress achieved between 2014 and 2017, as well as the challenges faced by our society.

The aforesaid period saw the launch of bold reforms, whose implementation was the key precondition for the macroeconomic stability of our country, which was achieved and internationally acknowledged in the meantime. This was the footing that set out course for the continuation of the reforms that I announced in my keynote address to the parliament.

Economic and social reforms, further strengthening of the rule of law, the promotion of human rights, the decrease of the unemployment rate, greater social justice, improved health care and the implementation of infrastructure projects have remained our priorities. During my term of office, we have expanded this list to also include progress in the field of education, the protection of the most vulnerable social groups (from children's rights to pensioners' concerns), practical measures for population policy improvement and prevention of further workforce emigration, as well as the modernisation and digitalisation of the public administration, whose service quality is being enhanced through good governance. A prerequisite for all of the above is to ensure a sustainable and inclusive economic growth to the benefit of all.

The at-risk-of-poverty-or-social-exclusion rate has decreased, but not enough for us to be contented. The proportion of people in our country who are at risk of poverty is still substantial and exceeds the figures in the European Union countries. Particularly vulnerable are children, multi-person households, the population of rural areas, unemployed persons and people with lower education levels. Moreover, we must not overlook the fact that the population of Serbia decreased by 111,000 in the period 2014–2017 as a result of negative natural growth, but also as a consequence of emigration.

These are only some of the reasons why I am convinced that our country's economic transition should provide equal opportunities to all through equitably

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targeted social protection, better education, social entrepreneurship and a modern labour market compliant with workers' rights and consistent with investors' needs and the time we live in. Continuous strengthening of the social protection system, by using all available resources and ensuring the accountability of the involved actors, irreversibly leads us to greater social justice at all levels of society.

Inclusive public policies created transparently, with the participation of all relevant stakeholders, bring us closer to a social agreement on the enhancement of the coherent system of social protection, health care, education and employment. The implementation of the necessary reforms should be a goal that unites us in the process of creating a better and more equitable society for all of us, as well as for the future generations. I am proud of the positive results presented in this Report, and I consider the recommendations provided in it as a solid foundation for further actions in our joint and sincere aspirations for achieving a higher standard and quality of life for all our citizens.

December 2018

Ana Brnabić  
Prime Minister of Serbia



## Contents

|   |     |
|---|-----|
| <b>Acronyms</b> .....   | 5   |
| <b>Introduction</b> .....   | 9   |
| <b>Executive Summary</b> .....  | 13  |
| Economic and social cohesion in the Republic of Serbia .....  | 14  |
| Overview of the dimensions and status of social<br>exclusion and poverty in the Republic of Serbia .....  | 25  |
| <b>1. Economic and social cohesion in the Republic of Serbia</b> .....  | 43  |
| 1.1. Population .....   | 44  |
| 1.2. Macroeconomic and fiscal framework .....   | 48  |
| 1.3. Functioning of the rule of law and good governance .....   | 59  |
| 1.4. Social inclusion and poverty reduction in the process of accession<br>of the Republic of Serbia to the European Union .....  | 66  |
| 1.5. Financial Poverty and Deprivation of Basic Needs .....   | 80  |
| 1.6. Social cohesion and quality of living .....  | 96  |
| <b>2. Overview of the dimensions and status of social exclusion<br/>    and poverty in the Republic of Serbia</b> .....   | 103 |
| 2.1. Employment and Labour Market .....   | 104 |
| 2.2. Education .....  | 144 |
| 2.3. Social and Child Protection .....  | 184 |
| 2.4. Pensions .....   | 213 |
| 2.5. Health and health care .....   | 236 |
| 2.6. Housing .....  | 264 |
| 2.7. Human rights and social participation .....  | 285 |
| <b>Annex 1 — Tables</b> .....   | 336 |
| <b>Annex 2 — Overview of indicators for monitoring progress in achieving<br/>    goals of social protection and social inclusion in the field of health care<br/>    and long-term care and treatment</b> ..... | 350 |
| <b>Annex 3 — List of laws relevant to the process of social inclusion<br/>    and poverty reduction</b> .....   | 354 |
| <b>Annex 4 – National IPA projects for the Republic of Serbia<br/>    related to social inclusion in the period 2014–2017</b> .....   | 359 |
| <b>Annex 5 – Glossary of Social Inclusion</b> .....   | 362 |

## Acronyms

|                          |   |
|--------------------------|---|
| AEP                      | Active employment policy  |
| AICESIS                  | International Association of Economic and Social Councils and Similar Institutions    |
| AP                       | Autonomous Province   |
| ARR                      | Aggregate replacement rate  |
| CB                       | Child benefit   |
| CFCU                     | Contracting and Financing of EU Funded Programmes                                     |
| CON                      | Children organizations network  |
| CPI                      | Corruption Perception Index   |
| CSO                      | Civil society organisations   |
| EBRD                     | European Bank for Reconstruction and Development                                      |
| EC                       | European Commission   |
| ECDC                     | European Centre for Disease Prevention and Control                                    |
| ECEC                     | Early Childhood Education and Care  |
| ECRI                     | European Commission against Racism and Intolerance                                    |
| EFC                      | Europe for Citizens   |
| EHIC                     | European Health Insurance Card  |
| EHIS                     | European Health Interview Survey  |
| EMD                      | Extreme material deprivation  |
| ENIC/<br>NARIC<br>Centre | National Information Centre on recognition of foreign higher education qualifications |
| EQF                      | European Qualifications Framework   |
| EQLS                     | European Quality of Life Survey   |
| ERP                      | Economic Reform Programme   |
| ESAP                     | Employment and Social Affairs Platform  |
| ESQ                      | Education system questionnaire  |
| ESRP                     | Employment and Social Reform Programme  |



|          |  |
|----------|--|
| ESSPROS  | European System of Integrated Social Protection Statistics |
| EU       | European Union   |
| EURES    | European Employment Services Network                       |
| Eurostat | Statistical Office of the European Union                   |
| FDI      | Foreign direct investment                                  |
| FSA      | Financial social assistance                                |
| GDP      | Gross domestic product                                     |
| GIS      | Geographic information system                              |
| GRB      | Gender responsive budgeting                                |
| GSI      | Group for social inclusion                                 |
| HBS      | Household Budget Survey                                    |
| HTA      | Health Technology Assessment                               |
| IACS     | Integrated Administration and Control System               |
| IDC      | Interdepartmental committee                                |
| IE       | Inclusive education  |
| IEP      | Individual educational plan                                |
| IESN     | Inclusive education support network                        |
| IHIS     | Integrated health information system                       |
| ILO      | International Labour Organization                          |
| IMF      | International Monetary Fund                                |
| IPA      | Instrument for Pre-accession Assistance                    |
| IPARD II | Instrument for Pre-Accession in Rural Development          |
| ISCED    | International Standard Classification of Education         |
| LAG      | Local action group   |
| LEAP     | Local Employment Action Plan                               |
| LEC      | Local Employment Council                                   |
| LFES     | Law on the Foundations of the Education System             |
| LFS      | Labour Force Survey  |

|        |  |
|--------|--|
| LG     | Local government   |
| LGBTI  | Members of lesbian, gay, bisexual, transgender and intersexual populations |
| LGU    | Local government unit  |
| LOI    | Low operating intensity  |
| MD     | Material deprivation   |
| MICS   | Multiple Indicator Cluster Survey  |
| MoESTD | Ministry of Education, Science and Technological Development               |
| Mol    | Ministry of Interior   |
| MLEVSA | Ministry of Labour, Employment, Veteran and Social Affairs                 |
| MoYS   | Ministry of Youth and Sports   |
| NALED  | National Alliance for Local Economic Development                           |
| NAPTS  | National Association of Parents and Teachers of Serbia                     |
| NBS    | National Bank of Serbia  |
| NEAP   | National Employment Action Plan  |
| NEET   | Not in employment, education or training                                   |
| NES    | National Employment Service  |
| NHIF   | National Health Insurance Fund   |
| NMPT   | National Mechanism for the Prevention of Torture                           |
| NPAA   | National Programme for the Adoption of the Acquis                          |
| NQFS   | National Qualifications Framework of Serbia                                |
| OECD   | Organization for Economic Cooperation and Development                      |
| OHCHR  | Office of the United Nations High Commissioner for Human Rights            |
| OSCE   | Organization for Security and Cooperation in Europe                        |
| PDI    | Pension and Disability Insurance   |
| PISA   | Programme for International Student Assessment                             |
| PP     | Percentage point   |
| PPP    | Preparatory pre-school programme   |





|        |   |
|--------|---|
| PPS    | Purchasing Power Standard   |
| PR     | Poverty risk  |
| PRSE   | Poverty risk or social exclusion rate                                 |
| PSE    | Pre-school education  |
| PwD    | Persons with disabilities   |
| RMI    | Relative median income  |
| RS     | Republic of Serbia  |
| RTS    | Radio-televizija Srbije (Serbian Broadcasting Corporation)            |
| RTV    | Radio-televizija Vojvodine (Public Broadcasting Service of Vojvodina) |
| SALAR  | Swedish Association of Local Authorities and Regions                  |
| SCTM   | Standing Conference of Towns and Municipalities                       |
| SDR    | Special Drawing Rights  |
| SILC   | Survey on Income and Living Conditions                                |
| SIPRU  | Social Inclusion and Poverty Reduction Unit                           |
| SORS   | Statistical Office of the Republic of Serbia                          |
| SWC    | Social Work Centre  |
| TIMSS  | Trends in International Mathematics and Science Study                 |
| UEIS   | Uniform education information system                                  |
| UN     | United Nations  |
| UNDP   | United Nations Development Programme                                  |
| UNHCR  | United Nations High Commissioner for Refugees                         |
| UNICEF | United Nations Children's Fund  |
| UNOPS  | United Nations Office for Project Services                            |
| UNSC   | United Nations Security Council                                       |
| VAT    | Value Added Tax   |

# Introduction



The Constitution of the Republic of Serbia stipulates that the Republic of Serbia is a state founded on the principle of social justice. In this respect, it has ratified many international conventions that promote social and economic rights and made the decision to join the European Union and build a social model based on the European social model.

In addition, the Republic of Serbia defined active participation in the European process of social inclusion as one of the key tasks in the process of EU accession. The Government is committed to meeting the requirements that EU set at the Lisbon and Copenhagen summits and at the same time keeps abreast of all decisions pertaining to the implementation of the Europe 2020 strategy. However, the issues of social inclusion and poverty reduction in the Republic of Serbia are not solely an obligation arising from the documents of the European Union but instead represent an ongoing commitment of a socially responsible country.

The Third National Report on Social Inclusion and Poverty Reduction in the Republic of Serbia (hereinafter: Report) includes an overview of the legal, strategic, and institutional frameworks relevant to social inclusion and poverty reduction processes, analysis of the current situation in the relevant areas, overview of the implemented measures and programmes, conclusions, and main lines of action for the following period.

The preparation of the Report is a joint activity of line ministries and other executive bodies, civil society organizations, international partners, scientific and research institutions, social partners, and the expert community.

The preparation of the Report involved using Government documents (reports on line ministries for the period 2014–2017, reports on the implementation of the National Programme for the Adoption of the Acquis, as well as other relevant documents and research prepared by line ministries), relevant EU reports and documents, as well as reports and analyses by civil society organizations, international organizations, and independent experts.

A comprehensive consultation process was carried out to review the main findings, which serve as basis for the priority lines of action for the following period presented in the Report. The consultation process involved representatives of the Government, the National Assembly and other institutions at the central level, local self-governments, civil society, social partners, independent experts, scientific and international institutions, as well as the general public.

The Report was drafted from September 2017 to October 2018. The information in the Report was last updated in September 2018 (using information available on the SORS, Ministry of Finance, and National Bank of Serbia websites), which means that it does not contain subsequent changes to forecasts or recent performance of the major macroeconomic aggregates. Accordingly, there may be discrepancies in reference shares and some data in line with more recent changes.

The Report covers the period from 2014 to 2017, disregarding the data and information on tyhe Government's legislative activities that took place after December 2017.

All terms used in the Report in the masculine grammatical gender include both the masculine and feminine genders of the person to whom they pertain.

The aggregate data presented in the Report relating to the Republic of Serbia does not contain data for the AP Kosovo and Metohija.



# Executive Summary





## Economic and social cohesion in the Republic of Serbia

### Population

In the period 2014–2017, the Republic of Serbia significantly improved the legislative framework and introduced various measures aimed at the improvement of the demographic policy. The Law on Financial Support to Families with Children and the Labour Law stipulated two direct population policy measures of importance to birth promotion: birth grant and parental leave. This agenda is also supported by the Birth Promotion Strategy, the National Gender Equality Strategy 2016–2018 and the National Strategy on Ageing 2006–2015. The Law on Health Care and several associated strategies and programmes supporting health promotion are also aimed at decreasing the lagging of life expectancy behind the mean length of life in developed countries, as well as the differences in terms of the average length of life between men and women, in favour of women. The Law on Migration Management and the Strategy on Migration Management regulate important demographic policy issues.

The population of the Republic of Serbia decreased in the period 2014–2017 by 111,000. Besides the negative natural growth, this decrease was also caused by emigration, which will continue to influence population trends in the future. Negative natural growth was recorded in as many as 163 cities and municipalities out of the total of 169. The year 2017 was the 26th consecutive year in which negative natural growth was recorded in the Republic of Serbia. For nine years in a row, the average number of live births per woman in the reproductive age in Serbia has been stable at between 1.40 and 1.46, which is lower than the EU average (1.6 in 2016). The crude death rate remained unchanged in the reporting period. In 2017, there was a slightly larger number of deaths compared to 2014, while the number of infant deaths and the infant mortality rate remained unchanged in comparison with the previous reporting period.

The trend of increasing life expectancy at birth has continued for both sexes; however, despite reaching the record high level, the length of life is more than five years shorter than that in the European Union, and more than seven years shorter than in Italy and Spain, the countries with the highest life expectancy for both sexes in the EU. There are no data on emigration from and immigration to the Republic of Serbia on an annual basis. The share of the elderly in the total population stands at 19.2%, which corresponds to the EU average, while the average age of the population in 2017 was as high as 43 years. The Active Ageing Index in the Republic of Serbia was estimated at 29.5 out of 100 in 2014, which was lower than in all but four EU countries.

## **Macroeconomic and fiscal framework**

Towards the end of 2014, the Republic of Serbia's economy saw the end of its years-long stagnation and the beginning of recovery, stopping the growth of the public debt-to-GDP ratio, considerably reducing the country's foreign trade deficit and increasing the economy's competitiveness in the considered period. The GDP per capita increased from EUR 4,642 in 2014 to EUR 5,226 in 2017.

The main objectives of the country's economic and fiscal policy are formulated so as to maintain the macroeconomic stability with further reduction of the public debt to sustainable levels, continue the implementation of structural reforms, especially in public enterprises, as well as to increase the efficiency of the public sector.

At the end of 2014, a new three-year fiscal consolidation programme was launched, providing for — in addition to budgetary savings — comprehensive structural reforms.

After the implemented fiscal consolidation measures, the 2014 general government deficit of 6.6% was reduced to 1.3% of GDP at the end of 2016, which was followed by the 2017 surplus of 1.2% of GDP.

The impact of the fiscal consolidation measures influenced the real decrease of pensions and wages in the public sector in 2017 compared to 2014. The decline in public sector pay, along with the concurrent rise in private sector pay, helped to reduce the difference between average salaries in the public sector and outside it from 14.9% in November 2014 to 3% in 2017.

In the considered period, according to the functional classification of expenditures, the decrease in the share of GDP was seen, inter alia, in the expenditures on social protection, health care, education and general public services, (the share of social protection expenditures decreased by as many as 2 percentage points). The share of social transfers in the GDP also dropped (from 17.8% of the GDP in 2014 to 16.1% of the GDP in 2017), as did the real level of expenditures for social assistance and other transfers to households, which saw a real decrease of 2.7% in the considered period (2014-2017). This real decline cannot be accounted for by the rise in the population's standard of living and poverty reduction, but rather by the real decrease in pensions and unemployment benefits, as well as the reduced social protection expenditures.

## **Functioning of the rule of law and good governance**

The Constitution adopted in 2006 provides that the Republic of Serbia is a state founded on the rule of law. The Action Plan for Chapter 23 in the negotiations on the accession of the Republic of Serbia to the EU provides for an analysis of constitutional provisions on the judiciary and making amendments to these by the





end of 2017. Although the Serbian Constitution is largely in line with European standards and good practice, its deficiencies are reflected, above all, in the fact that it was adopted without a comprehensive public consultation, as well as in the shortcomings appearing in numerous provisions, among which the most concerning include the so-called party-administered mandate of members of parliament and the excessive role of the National Assembly in the appointment of judges.

From the beginning of 2014 to September 2017, the National Assembly adopted 552 laws. Laws are most commonly proposed by the Government, while very few laws are proposed through civil initiatives. Many laws are still being adopted in an accelerated procedure. Although a significant number of amendments are proposed for the bills, especially by members of parliament, their final content is not considerably affected by debates in the National Assembly.

During this reporting period, a number of new and amended existing laws were adopted regarding the organisation and functioning of the principal government authorities. The majority of these laws are in the judiciary sector. In June 2017, the new Law on General Administrative Procedure came into force, which is used by all government authorities when deciding on specific rights, obligations and interests of citizens and legal entities. The adoption of the Law on Free Legal Aid, as provided for by the Action Plan for Chapter 23, which should ensure access to justice for a more citizens, particularly vulnerable population groups, is still pending. The Government approved the Bill on the Planning System of the Republic of Serbia and referred it to the parliamentary procedure for adoption.

The public administration reform, which began in 2014, represents an on-going process and an important requirement for a successful implementation of the reform principles and objectives across all segments of society. The Public Administration Reform Strategy in the Republic of Serbia defines the overall objective of seeking further improvement of public administration functioning in accordance with the principles of the so-called European Administrative Space, securing high quality of services for citizens and legal entities, as well as developing a public administration system that will significantly contribute to economic stability and increasing citizens' standard of living. In this regard, a set of around 18 regulations — some already adopted and others under preparation — allows for efficient administration and services, as well as better exercising of rights of citizens and national minorities.

There is scope for strengthening the parliamentary oversight of the executive. The oversight mechanisms used by the National Assembly are reduced to asking parliamentary questions, while numerous other mechanisms of parliamentary oversight provided for by the Constitution are almost non-existent in parliamentary practice.

The existing level of transparency of the work of the National Assembly was maintained. The website of the National Assembly publishes parliamentary questions.

voting minutes and stenographic records of plenary debates and broadcasts debates. During the reporting period, 34 public hearings were held.

Regulations on the financing of political entities and election campaigns are frequently violated. Reports by the Anti-Corruption Agency from 2014, 2015 and 2017 draw focus to typical violations of the Law on Financing Political Activities in almost all political entities and elections at all levels. The most common violations pertain to maximum contributions from private sources and their disclosure; dedicated spending of funds and failure to submit reports to the Agency.

The independence of the judiciary is not fully ensured in practice. In this regard, the inadequacy of the constitutional and legal frameworks, which are still not in line with European standards, continue to be pronounced, as do the unjustified internal and external pressures on the judiciary.

Courts remain heavily backlogged with old cases, and judicial proceedings frequently end outside reasonable timeframes. In 2016 the Supreme Court of Cassation adopted a new national programme to clear old cases, which then served as basis for adopting lower court programmes. During 2016, 65% more cases were resolved than in 2014.

Further efforts are needed in order to standardise court practices. The inconsistencies are in part caused by the inadequate use of information technology to connect courts and provide access to courts.

The position of independent bodies overseeing the executive branch is similar compared with that in the previous reporting period. Public authorities do not act fully and consistently in line with their decisions.

The Republic of Serbia remains among countries with widespread corruption. The new Law on the Anti-Corruption Agency has not yet been adopted. It is also necessary to amend the legal regulations on the conflict of interest, as well as to regulate the practice of lobbying. The perception of corruption still remains high.

There is scope for improvement of the quality of conducting the analysis of the effects of regulations and monitoring the implementation of regulations. Adequate horizontal and vertical coordination is often lacking in the policy-making process.

Reforms related to the improvement of the work of inspection services in the Republic are underway. The reform in electronic administration implemented through the Strategy for the Development of e-Government in the Republic of Serbia in the period 2015–2018 will enable improvement of coordination of inspections, legal regulation and establishment of an information system with the aim of efficient data and electronic documents exchange in the planning and implementation of inspection supervision.



Gender responsive budgeting (GRB) was introduced through the amendments to the Budget System Law. Gender-responsive budgeting implies gender analysis of the budget and restructuring of revenues and expenditures with a view to promoting gender equality. The process of gradual introduction of GRB is planned to be completed by 2020 for all budget beneficiaries at all levels of government.

## **Social inclusion and poverty reduction in the process of accession of the Republic of Serbia to the European Union**

The EU accession negotiations with the Republic of Serbia started on 28 June 2013, when the European Council welcomed and accepted the Council's Conclusions of 25 June 2013 on enlargement and the Stabilisation and Association Process and decided to launch accession negotiations with the Republic of Serbia. In March 2015, the first stage was completed involving the review and assessment of the extent to which the legislation of the Republic of Serbia was in alignment with the *acquis communautaire*, meaning the process of analytical review of legislation (screening) for all negotiation chapters.

During the reporting period, seven meetings of the Intergovernmental Conference were held and negotiations were launched for a total of 12 negotiating chapters (in chronological order: 32 — Financial control and 35 — Other issues; 23 — The judiciary and fundamental rights and 24 — Justice, freedom and security; 5 — Public procurement and 25 — Science and research; 20 — Enterprise and industrial policy; 26 — Education and culture; 7 — Intellectual property law and 29 — Customs union, 6 — Company law and 30 — External relations), while two chapters were temporarily closed (25 — Science and research, 26 — Education and culture). For the eight chapters in which negotiations were started, the European Union established interim benchmarks, requirements for temporary closing of negotiations, which are currently under consideration and negotiating structure activities. The Government adopted the National Programme for the Adoption of the *Acquis* (NPAA), the adoption of which aims to define all activities and measures for fulfilling the commitments arising from the negotiations that are necessary for alignment with the EU legal system. The planned implementation period for the third revised NPAA will end at the end of 2021.

Considering the ratings contained in the Screening Report for Chapter 1 - Freedom of movement for workers, the Republic of Serbia has reached a satisfactory level of compliance in this area. In addition, the European Commission's 2016 Report on Serbia recommends that the Republic of Serbia continue its efforts to strengthen the social protection institutions capacities. In line with the EC's assessments in the Screening Report for this chapter, all the basic elements related to the European Jobs Network (EURES) have been introduced. With regard to this issue, it is important to

make efforts to strengthen the institutional capacities for participation in EURES. In line with the EU *acquis communautaire* and procedures, it is necessary to begin preparations for the introduction of the European Health Insurance Card (EHIC) from the moment of accession to the EU. Prior to accession, it would be convenient to prepare a feasibility study on the impact of introducing the Card on public finances.

After the completed screening process for the Negotiating Chapter 11 – Agriculture and rural development, the benchmarks for opening negotiations under this chapter were established. The first benchmark refers to the requirement that the Republic of Serbia prepare the Action Plan as the basis for the transposition and implementation of the EU *acquis* in the field of agriculture and rural development. The Government of the Republic of Serbia adopted the document “IPARD Programme for the Republic of Serbia for the period 2014–2020” (IPARD Programme) in September 2017. The IPARD Programme envisages the contribution to reducing poverty and the risk of social exclusion through relevant measures.

Considering the ratings contained in the Screening Report for Chapter 18 – Statistics, the Republic of Serbia has reached a satisfactory level of compliance in the area of statistics. The European Commission’s 2016 Report on Serbia asserts that the Statistical Office of the Republic of Serbia’s capacity in terms of human resources should be further strengthened. In the 2018 Report, the EC states that the statistical data on the wage structure were submitted to Eurostat in 2016 in accordance with EU regulations. Also, it was noted that the work on producing statistical data on vacancies has progressed and that statistical data on public health in line with the *acquis communautaire* remain unavailable.

The European Commission prepared the Screening Report for Chapter 19 – Social policy and employment based on its assessment of the degree of compliance of legislation and existing capacities for its proper implementation. The requirement for opening negotiations under Chapter 19 involves the preparation of the Action Plan for the gradual transposition of the *acquis communautaire* and the building of the necessary capacities for the implementation and application of the *acquis communautaire* in all areas under the Chapter. The Screening Report for Chapter 19 asserts that the Serbian legislation is partially harmonised with the *acquis communautaire* in the area of social policy and employment. The report especially points out that the very high unemployment rate among young people and the high rate of young people who are not employed and not in any education or training systems are serious reasons for concern. In addition, the priorities include increasing efforts to reduce poverty, promote the social inclusion of Roma and Roma women, people with disabilities and other vulnerable groups, as well as good functioning and transparency of social dialogue.

In the 2016 Report on Serbia, the European Commission argued that the adoption of the first Employment and Social Reform Programme (ESRP) was an important step in addressing political challenges in employment and social issues, which were



still affected by scarce public funding and limited institutional capacity. The EC 2018 Report estimates that some progress has been made in aligning legislation with the *acquis communautaire*, mainly in occupational health and safety, as well as the functioning of social dialogue. The EC recommended that the Republic of Serbia increase the financial and institutional resources for employment and social policy, so that they are more systematically focused on youth, women and the long-unemployed, improve the adequacy of the system of social benefits, in order to secure more effective support to those parts of the population that need it most and significantly strengthen bilateral and trilateral social dialogues at all levels.

The negotiations under Chapter 23 – Judiciary and fundamental rights officially started in July 2016. The Republic of Serbia implements the activities provided for by the action plan to meet the defined benchmarks and submits timely six-month reports on this to the European Commission. The 2018 Progress Report identified an urgent need for a consistent and effective implementation of human rights legislation and policies. In addition, Serbia must strengthen human rights institutions and guarantee their independence and strengthen activities to protect the rights of groups facing discrimination, including lesbian, gay, bisexual, transgender and intersexual (LGBTI) populations, people with disabilities, people with HIV, people with AIDS and others.

The negotiations under Chapter 24 – Justice, freedom and security officially started in July 2016. The Republic of Serbia implements the activities provided for by the action plan to meet the defined benchmarks and submits timely six-month reports on this to the European Commission. In the 2018 Report, the EC noted that Serbia played an active and constructive role in the refugee and migrant crisis, as well as that it established an effective cooperation with neighbouring countries and member states. The report concluded that the priorities include, among other things, the implementation of the new Law on Asylum and Temporary Protection, Law on Foreigners and Law on Border Control, as well as the adoption and implementation of the strategy and action plan for combating irregular migration.

Chapter 26 – Education and culture was opened and temporarily closed at the meeting of the Intergovernmental Conference held on 27 February 2017. The European Commission's 2016 Report on Serbia asserts that additional investment in education is most needed at preschool and primary levels of education. In addition, the report found that the unemployment rate of graduates with higher education (up to 24 years of age) stood at 43.5% in 2015 and that the emigration of young experts still remains high. The EC's 2018 Report finds that the early school leaving rate declined, as well as that the participation rate for children under six years of age in early childhood education and the lifelong learning rate are still low. In addition, the report concluded that there is a need to further improve coordination mechanisms for youth policy at the local level and measures to reduce the school leaving rate among Roma pupils, as well as their segregation, especially at the local level.

The Report on Explanatory and Bilateral Screening in Serbia's EU Accession for Chapter 28, which focuses on consumer and health protection and which was completed in February 2015, found that Serbia has reached a satisfactory level of alignment with the *acquis communautaire* in the area of health. The EC's 2018 Report states that the national human resources plan in the health sector has not yet been implemented and that an increasing number of doctors are leaving the country. As a result, the report recommends strengthening general management capacities and human resources. The negotiating position for Chapter 28 was prepared in October 2017.

### **Financial Poverty and Deprivation of Basic Needs**

A headline indicator for monitoring the implementation of the Europe 2020 strategy in the area of social inclusion and poverty reduction is the at-risk-of-poverty-or-social-exclusion (AROPE) rate. This indicator is a combination of three indicators – the at-risk-of-poverty rate, the severe material deprivation rate and the very low work intensity rate. Broken down by risk factors, a total of 25.5% of the population of the Republic of Serbia (1.79 million people) are at risk of poverty, 19.5% (1.37 million people) are severely materially deprived, and 15.7% (1.01 million people) live in households with low work intensity. During the reporting period, the at-risk-of-poverty-or-social-exclusion rate decreased by 4.4 percentage points and also decreased relative to the level according to SILC (2013) data, which stood at 42%. This was underpinned by the reduction in the severely materially deprived population, as the at-risk-of-poverty and low work intensity levels remained almost unchanged.

According to the SILC (2016) data, the at-risk-of-poverty rate (the proportion of individuals whose income per equivalent adult was below 60% of the median equivalised income in the total population) stood at 25.5%, remaining virtually unchanged during the reporting period, with a slight increase relative to the preceding period, when it stood at 24.5% according to the SILC (2013) data. The at-risk-of-poverty rate in the Republic of Serbia is considerably higher than the average at-risk-of-poverty rate in the EU-28 (17.3%).

In 2015, the at-risk-of-poverty threshold or relative poverty line, calculated as 60% of the median equivalised income, amounted to, on average, RSD 15,416 per month for a single-person household, and RSD 32,374 for a four-member household with two adults and two children up to the age of 14. Expressed in purchasing power standards (PPS), the at-risk-of-poverty threshold for a single-person household amounts to 263 PPS monthly. The at-risk-of-poverty threshold is lower in the Republic of Serbia than in any of the 28 European Union Member States (except Romania).



Children (up to 18 years of age) are at a higher risk of poverty (30%) than other age groups, which is primarily attributable to the composition of the households in which they live. The at-risk-of-poverty rate is considerably higher in rural areas (34.1%). According to the at-risk-of-poverty criterion, people with lower education attainment are significantly more vulnerable. Individuals living in households with dependent children, specifically households with two adults and three or more dependent children and single-parent families, were at the highest risk of poverty. Moreover, the at-risk-of-poverty rate of people aged 18+ by the most frequent activity status held during the preceding year indicates that the unemployed fared worst, since almost one out of two unemployed people (48%) was at risk of poverty.

According to the SILC (2016) data, 15.7% of Serbia's population were at persistent risk of poverty, which was a higher proportion than in most European Union Member States, except Romania (20.2%).

Income distribution by deciles shows that, according to the SILC (2016) data, the poorest 10% of the Republic of Serbia's population accounted for only 0.9% of the national equivalised income, while the richest 10% accounted for 27.4%.

Income inequality is very high in the Republic of Serbia, according to both the income quintile share ratio (S80/S20) and the Gini coefficient.

According to the SILC (2016) data, the income quintile share ratio stood at 9.7, which means that the equivalised income of the richest 20% in the Republic of Serbia was almost 10 times higher than that of the poorest 20%.

The Gini coefficient measures inequality across the income distribution. In the Republic of Serbia, according to the SILC (2016) data, the Gini coefficient stood at 38.6, significantly above the EU-28 average (30.7) and comparable only to the level recorded in Bulgaria (38.3).

According to the subjective poverty indicator, almost two thirds (63.9%) of the population of the Republic of Serbia are subjectively poor, which is 2.5 times higher than the proportion of the population at risk of poverty (25.5%).

The data on absolute poverty development based on the Household Budget Survey show that in 2017 approximately 500,000 thousand people in the Republic of Serbia, or 7.2% of the total population, were not able to meet their basic needs. The absolute poverty incidence decreased slightly in the reporting period, although it remained somewhat higher than in the period of 2008-2012.

In the Republic of Serbia, differences by sex in terms of the (in)ability to meet the basic needs point to a somewhat less favourable position of men, while differences by age were on the decrease. By age, children and youth are vulnerable to an above-average extent. By the absolute poverty criterion, in the Republic of Serbia, the most vulnerable individuals are those living in households whose heads have lower education attainment, incomplete primary education (19.0%) or only primary education (14.8%), and are unemployed (23.8%).

Data on the absolute poverty incidence show that the population in non-urban areas is more vulnerable (10.5%), especially in Eastern and Southern Serbia (12.1%).

When the key elements of the absolute and relative poverty profiles are considered together, it is noticeable that, in the Republic of Serbia, the unemployed, people with no education, multi-person households and non-urban population are severely vulnerable.

The material deprivation rate, which indicates the proportion of individuals who cannot afford three or more items from the list of basic needs, stood at 37.4% in the Republic of Serbia in 2016, while the severe material deprivation (SMD) rate, which indicates the proportion of individuals who cannot afford four or more items, stood at 19.5%. The proportion of people who cannot afford more than five items is also very high, at 9.6%. In the European Union, the material deprivation rate stood at 15.7%, the severe material deprivation rate was 7.5%, and the extreme material deprivation rate was 3%. Particularly concerning is the fact that a substantial share of individuals in the Republic of Serbia live in households that cannot afford basic needs such as adequate heating of a dwelling (13.3%) and adequate diet (20.3%), according to SILC (2016).

## **Social cohesion and quality of living**

The European Commission estimates that the Republic of Serbia made progress in areas such as employment, social inclusion of Roma, prohibition of discrimination and gender equality, but also that the areas of employment and social issues remain affected by scarce public finances and limited institutional capacity. The Council of Europe finds that the adequacy level of financial social assistance is still inadequate because the total amount of the assistance that an individual with no means of livelihood can receive does not reach the poverty line. On the other hand, the World Bank positively assesses the progress in fiscal consolidation, while at the same time suggesting that the potential distribution impact of structural reforms will pose a challenge to reducing poverty in the short term and require measures to mitigate it. In this regard, it is recommended that social protection and job creation should remain an important part of public policy agendas.

The data of the Commissioner for the Protection of Equality reveal that the social distance in most of the examined categories is declining compared with the results obtained in 2013, the most prominent being towards members of the LGBTI population.

The distrust in the public authorities reveals that the average perception of corruption in the Republic of Serbia is considerably higher than in the countries of Western Europe, as well as in the Western Balkans countries, except in Turkey. The EBRD data indicate that a higher level of perceived corruption affects reduced life satisfaction to





a greater extent compared with income and years of life. The public sector corruption perception survey, Corruption Perceptions Index (CPI) for 2017, shows that the Republic of Serbia is still considered a country with a high level of corruption, since it has a score of 41 points out of 100, which ranks it in the 77th place out of 180 countries, which is worse than its previous ranking when it placed 72nd out of 176 countries.

The European Quality of Life Survey, carried out by Eurofound, included the Republic of Serbia in the last two cycles (2012 and 2016), putting a special focus on the quality of public services. Life satisfaction in the Republic of Serbia is lower than the EU average, but it is among the highest among the candidate countries participating in the survey. The level of happiness at the EU level is slightly higher, while the degree of optimism about personal future is lower in the Republic of Serbia than the average in the EU and the candidate countries.

According to the results of the European Quality of Life Survey, 69% of citizens in the Republic of Serbia responded that they can barely make ends meet with the income they have, whereas when it comes to the reconciliation between the family and professional life, 66% of citizens responded as having difficulties in fulfilling their family responsibilities because of the time they spend at work. Like in other candidate countries, the proportion of the people who play sports and exercise is twice smaller than that in the EU countries. The level of trust in other people, as an important indicator of social capital, is somewhat lower than in the EU.

Satisfaction with the quality of public services is generally slightly lower than at the EU level, and it is similar or slightly better in comparison with the candidate countries. The highest score, in relative terms, was seen in the education system quality, while the lowest was that of the state pension system quality.

The survey and research titled "Life in Transition: A decade of measuring transition", conducted by the European Bank for Reconstruction and Development, contains important information on the quality of life in the Republic of Serbia. Nearly a third of respondents believed that the economic and political circumstances in the country were better in 2016 than four years earlier, which was more than in other Southeast European countries (about 25%). Nearly a third of the population of the Republic of Serbia believed that their household was in a better situation in 2016 than four years earlier, while one in three people were satisfied with their financial situation.

Life satisfaction in the Republic of Serbia increased in 2016 across all demographic groups compared with 2010 — by a significant 16 percentage points. About 45% of citizens in the Republic of Serbia were satisfied with their lives in 2016, which is less than in the countries of Western Europe (58%), and equal to the countries of the Western Balkans. Nevertheless, the optimism of the Republic of Serbia's citizens about the future is below the optimism level in countries in transition.

## **Overview of the dimensions and status of social exclusion and poverty in the Republic of Serbia**

### **Employment and Labour Market**

The improvement of the legislative framework and the adoption of the Employment and Social Reform Programme enabled considerable progress in employment policies in the period 2014–2017, although the situation in this field is still less favourable than it is in the European Union countries.

It has been assessed that the first five years of the implementation of the National Employment Strategy 2011–2020 strengthened the employment policy system and the labour market institutions and adapted the creation and implementation of active labour market measures in line with the needs of the national and local labour markets and the available funds for ALMP implementation. However, the share of the expenditures on active labour market policy measures did not increase, which affected the implementation of the planned ALMP programmes and measures and the number of persons included in them.

The situation in the Serbian labour market, measured by the basic Labour Force Survey indicators, shows signs of considerable labour market recovery – decreased unemployment rate, increased employment rate, increased number of employed persons, followed by a decrease in the number of unemployed and inactive persons. Despite these improvements, the conditions are still more unfavourable compared to those in the EU Member States, which is manifested as the disparity between the key labour market indicators of the working age population, as well as in the differences in the gender employment gap and the employment rates by age groups. The considerably decreased inactivity of the working age population (15–64) still does not change the fact that the labour market in Serbia has one of the highest inactivity rates compared to the EU-28 countries, as well as one of the lowest employment rates of youth (15–24) and older workers (55–64). The gender gap exists in all these categories, in favour of men.

Informal employment in Serbia is relatively high, especially in agriculture and construction sectors. In the services sector it is at a relatively low level; however, its increase in this sector was the greatest contributor to the growth of the total informal employment.

The employment quality analysis, which takes into account the professional status, type of work/employment and the working time, shows that the profile of employed persons by professional status in Serbia did not change significantly, but vulnerable employment (insecure jobs) is high compared to that in the EU-28. In terms of the type of work/employment, the structure deteriorated as the share of employees with open-ended contracts declined, while the share of persons engaged in temporary forms of work increased. The structure of employment by types of contracts also



deteriorated, as the share of paid workers employed under an oral contract of employment increased. Even though the share of part-time workers in Serbia is much smaller than in the EU, the fact that about half of them work part-time involuntarily is negative.

Unemployment in Serbia has been decreasing constantly since 2012; however, it is almost twice as high as that in the EU-28. The rate of decrease was higher for women, which resulted in the narrowing of the gender gap. The long-term unemployment rate decreased, but a comparison with the EU countries shows that it is two and a half times higher than the EU-28 average, while the gender gap in this regard has almost closed. The youth long-term unemployment rate is higher than that of the general population, despite the decrease in the considered period.

Like most of the EU countries, Serbia is facing the problem of population ageing. Although the activity and employment rates of older people increased, their position in the Serbian labour market is significantly worse than in the EU-28. Older women are less active in the labour market than older men, but the difference between the unemployment rates is practically negligible.

Many measures and programmes have been implemented with a view to employment policy improvement. Funding is regularly provided to support the employment of unemployed people in the form of LEAP co-financing, but the allocated amounts need to be continuously increased. The ALMP measures, as well as active job search measures, vocational education programmes, subsidies and public work schemes included large percentages of women from particularly vulnerable groups, PWDs and Roma persons.

The amount of the appropriations has influenced the implementation of the foreseen ALMP programmes and measures, as well as the number of people included in them, which has resulted in a limited coverage of unemployed people. As a consequence, in some of the considered years, the majority of unemployed people were included in the measures implemented by the NES staff, although hard-to-employ persons required a more intensive support to increase their employability.

In the forthcoming period, it is necessary to define a new employment policy framework in line with the European priorities and the situation in the Serbian labour market. Furthermore, the new framework should be followed by adequate financial allocations for ALMP measures in line with the objectives stipulated in the National Employment Strategy, with a view to reducing the disparity between the labour market indicators in Serbia and those in the EU countries. In order to improve the impact of active labour market policies, the findings of the evaluation of employment programmes should be used as inputs for the development of employment action plans and budgeting at the national and local level. The focus should also be on the targeting of the persons facing multiple factors of vulnerability / impaired employability, with the NES records as a valuable resource to that end.

In the period 2014–2017, the youth activity and employment rates increased, while the youth unemployment rate declined substantially. Despite the positive trends, the youth unemployment rate is twice higher than that of their peers in the EU-28 countries, while the youth employment rate in Serbia is significantly lower than in the EU-28. The statistics shows a considerable decrease of the informal youth employment rate; however, it also indicates that one in five young employed persons worked in the informal sector without the basic legal protection provided by employment/work contracts. The basic labour market indicators show an improvement of the position of young women in the labour market, although the gender gap has not decreased.

The statistics on employed people according to their professional status indicate that there was an increase in the share of paid workers and a decrease in the share of unpaid family workers in the total number of employed youth. However, the benefits of this positive trend were enjoyed only by young men, as the share of young employed women in the category of unpaid family workers increased and their share in the category of paid workers and self-employed workers decreased, which indicates the deterioration of their position in terms of the quality and security of their work. The reduction of the share of self-employed people in the total number of employed youth shows that youth entrepreneurship needs to be further stimulated, especially in terms of eliminating the barriers in the start-up process.

The total number of youth in the NEET category decreased significantly, partly as a result of the diminished population aged 15–29 years, but also as a consequence of the overall improvement of the position of youth in the labour market. The structure of young NEETs is more unfavourable for women.

The records on registered unemployment, administered by the NES, show that there was a decrease in the total number of unemployed people. Nevertheless, more than a half of the total number of youth in the NES unemployment registry are still jobless longer than 12 months. Statistics shows that the institutional support is important for young people in the categories of hard-to-employ and multiply vulnerable persons. The records on the structure of youth in the NES registry, disaggregated by education levels, show that the share of youth with no/low qualifications has increased and the share of highly educated youth has increased only slightly, while the share of youth with the secondary level of education has decreased. The educational structure of unemployed young women has also seen an increase in the share of women with no/low qualifications.

To promote youth employment, lines of action in the upcoming period should include the prioritisation of the vulnerable categories of young people, followed by the adequate allocation of funds, as well as by the strengthening of institutional capacities for the implementation of measures and the monitoring of their impact. Special attention should be devoted to the position of young women in the labour market, the youth with no/low qualifications and the youth who have been unemployed for



over 12 months. Furthermore, new outreach measures should be introduced, as well as other approaches in the work of the institutions responsible for employment and education, to enable the outreach to those young people who are discouraged and passive in the labour market.

Particular focus should be put on the support mechanisms for the implementation of youth employment programmes, which stimulate inter-sectoral cooperation, a broad consultation process, support to innovations in the field of youth employment, continual monitoring of the achieved results and impacts, as well as the redesign of the measures in line with the lessons learned.

## Education

In 2015, at the proposal of the Ministry of Education, Science and Technological Development, the Government of Serbia adopted the Action Plan for Implementation of the Education Development Strategy until 2020, which provided concrete formulations of the activities envisaged by the Strategy's goals and priorities.

In comparison with the previous reporting period, the legislative framework in the field of education has been significantly amended by new laws and by-laws, and these amendments predominantly refer to pre-university education.

The new Law on the Foundations of the Education System (LFES) more clearly defines the idea of equality in exercising the right to education and upbringing, especially in relation to people with developmental problems or disabilities, students in difficult financial and social situations, children at risk of early school leaving, children of migrants/refugees. In the field of preschool education, the greatest novelty refers to the co-financing obligation of local self-government units, as amendments to the Law stipulate that local self-governments must finance up to 80% of the economic price of child day care services.

In the field of primary education, the amendments to the Law on Primary Education allowed the formation of special classes for pupils with developmental challenges and disabilities, which represents a type of segregation of pupils.

In the field of secondary education, the Law on Dual Education was adopted for the first time with a view to ensuring the conditions for acquiring, improving and developing competencies in accordance with the labour market needs and increasing employment after graduation from high school, while the Law on Amendments to the Law on Secondary Education introduced the concept of state graduation that should improve the quality of secondary education and enable students to move to the subsequent levels of education. The law also stipulates that individuals or groups of persons may enrol secondary schools under more favourable conditions in order to achieve full educational equality, especially having in mind the children from the Roma national minority communities and financial social assistance beneficiaries.

In the field of higher education, the new legal framework further strengthened the objectives related to the development and improvement of the quality of higher education by establishing the National Council for Higher Education and the National Accreditation Body.

The situation regarding the development of human capital in the Republic of Serbia still lags behind both the projections defined by the Strategy for Development of Education, and targets of the Europe 2020 strategy. The percentage of people aged 30 to 34 years who completed higher education, as well as the percentage of adults aged 25 to 64 who participate in education and training is significantly lower compared to the target values, which consequently contributes to the general lack of key competencies and adequate qualifications of the working age population, thus limiting their employability.

The number of children and pupils at different levels of the pre-university education system varies, especially given the children and students coming from the Roma national community and/or the poorest households. The proportion of children attending the full-time preparatory pre-school programme increased compared to 2014; however, Roma children are still largely excluded — only 6% of children living in Roma settlements are covered by pre-school education. The number of pupils in primary schools continues to decline due to the negative demographic trend, and the number of students in secondary schools remained stable during the previous period.

The number of enrolled students in academic studies increased compared to 2014, while the number of students in vocational studies decreased; however, the fact that the completion rate in higher education is extremely low raises concerns. The number of persons aged 25 to 64 who take part in lifelong learning programmes is extremely small compared to the EU indicators, while the number of early school leavers who are not in training is still significant.

As regards the quality of education, the first cycle of external evaluation of primary and secondary schools in Serbia was completed at the end of school year 2016/2017, in which the score 3 was dominant for primary schools, 2.8 for secondary schools, while the average score for overall quality of work in pre-school institutions was 3.4. The key changes in the area of quality improvement were achieved by focusing the teaching and learning towards the achievement of expected learning outcomes and the development of (key and cross-curricular) competencies.

The Republic of Serbia is establishing the National Qualifications Framework, which includes all qualification levels and types, regardless of how and at what age they are acquired, which contributes to reform processes that will improve the education system so that it produces competent individuals capable of responding to the needs of the labour market and society as a whole, as well as of meeting their personal needs.



The fairness of education has significantly improved over the past few years, yet considerable challenges still exist: there are no systematized data on the accessibility of educational institutions; the education of children with developmental disabilities still takes place in segregated environments; in homes for children and youth with developmental disabilities, school-age children are not involved in education; insufficient readiness and skills of a number of teachers for the provision of additional educational support; difficulties in the operation of interdepartmental committees and so on.

The fact that Serbia failed to participate in the PISA 2015 cycle disabled reporting and appropriate monitoring of the trend in the number of children regarded as functionally illiterate at the time of completing their compulsory education. The TIMSS achievement of Serbian fourth grade students continues to rank above the international average, and above the TIMSS scale, and at the same time, Serbia has made progress in comparison with the 2011 testing.

The information system of the Ministry of Education, Science and Technological Development "Dositej" was established in 2016, which enabled the collection of data on institutions and employees at all levels of education. The most important innovation in the education information system is the introduction of the unique education number, which the holder keeps throughout all levels of formal education and which represents the key to integrating all information about a child, student or adult.

## **Social and Child Protection**

In the recent years, the Ministry of Labour, Employment, Veteran and Social Affairs adopted two missing bylaws important for the implementation of the Law on Social Protection, namely: the Decree on Earmarked Transfers in Social Protection and the Decree on Social Inclusion Measures for Financial Social Assistance Recipients. Earmarked transfers in social protection provide additional funds from the national budget for social care services within the local government mandate, while the Decree on Social Inclusion Measures specifies forms of activation of financial social assistance recipients, such as participation in formal and non-formal education, employment, health treatment and community service or community work.

In 2016, support for these purposes totalling RSD 400 million was provided to 122 local government units, and in 2017, support totalling RSD 710 million was provided to 123 local government units. Part of the social services is within the mandate of the central level (assessment and planning services, residential and foster care services, shelters for trafficking victims and supportive housing for persons with disabilities, except in the highest-developed cities and municipalities), and part within the mandate of local governments. Public-sector institutions prevail among service

providers. A significant presence of non-state providers was recorded in day care for children with developmental and other disabilities, child home care, personal attendant and supportive housing for persons with disabilities. Data show that in 2016 the elderly prevailed among the clients of public-sector residential care institutions; they mainly resided in about forty adult and elderly care homes (approximately 6,700 clients (65+) towards the end of 2016). A number of elderly persons (571 clients) resided in care homes for persons with mental health difficulties. In the past decade, elderly residential care services developed in the private sector as well, predominantly in smaller care homes – with a capacity of up to 30 places. Towards the end of 2016, approximately 3,000 clients aged 65+ resided in over one hundred licenced privately-owned care homes, fully funded from clients' resources.

The new Law on Financial Support to Families with Children was passed in December 2017 and became applicable in mid-2018. It defines cash benefits aimed at protecting poor families with children (child allowance) and benefits aimed at the reconciliation of work and parenthood, as well as support to childbearing (birth-related leave benefit and birth grant). Other laws and bylaws relevant to the area of social and child protection include the Law on the Use of Sign Language and the Law on Movement Using Guide Dogs, passed in 2015, and the Law on the Prevention of Domestic Violence, passed in late 2016 and introducing two major changes from the social protection aspect. The Law, firstly, introduces the principle of “zero tolerance to violence” and provides for emergency orders, and secondly, stipulates cross-sectoral cooperation and foresees that public prosecutors' offices, the police and centres for social work, as authorities with mandate to combat violence, should consider cases jointly and cooperate through a joint body – the Coordination and Cooperation Group. The Family Law was passed in 2005, with minor amendments in 2011.

The strategic courses in the sector are defined in the Social Protection Development Strategy, which was adopted back in 2005 and due to be revised in 2018. The evaluation of the National Strategy on Ageing 2006–2015 has shown that the policy framework of development with regard to population ageing should remain within the set objectives, in line with the objectives specified in this sphere by the EU until 2022. The new Strategy for Social Inclusion of the Roma in the Republic of Serbia 2016–2025 has been adopted. The Employment and Social Reform Programme in the EU accession process (ESRP) was adopted in mid-2016.

The key cash benefits targeting the poor in the Republic of Serbia's social and child protection system are financial social assistance and child allowance. The total expenditures on all cash benefits awarded in the social and child protection system amounted to approximately 1.75% of the GDP in 2017. Expenditures on financial social assistance totalled RSD 14.5 billion (0.33% of the GDP) in 2017. The overall financial social assistance coverage rate did not change substantially relative to the preceding reporting period; however, it rose by over 50% relative to the period prior to the legal changes of 2011, when it stood at 2.3%. During a year, the number of recipients varies as a result of three-month interruptions for individuals able to work and families with a majority of members able to work.



The long-term care and assistance system in Serbia predominantly relies on cash benefits and allowances, and to a lesser extent on support services. Within the social protection system, approximately 16 thousand individuals received the attendance allowance, and approximately 35.9 thousand received the augmented attendance allowance. Recipients with the most severe disabilities included over 20 thousand top-up recipients who received the basic allowance under the pension and disability insurance system. According to the records of the Pension and Disability Insurance Fund, the attendance allowance amounting to an average of RSD 15,742 per month (252.7 PPS) was received, on average, by over 76 thousand people in 2017, and the annual expenditures for these purposes amounted to approximately RSD 14.5 billion (0.33% of the GDP). During the observed period, the number of allowance recipients decreased, while the number of augmented allowance recipients remained unchanged.

Under the Law on Social Protection, with a view to supporting the deinstitutionalisation process, a special cash benefit has been introduced for parents who are not entitled to a pension and have personally cared for a child with the most severe disability for a minimum of 15 years. The special benefit is paid after attaining the retirement age, in the form of a life-long monthly benefit equal to the minimum pension. This benefit was received by fewer than 537 individuals, and the expenditure in 2017 totalled only RSD 88.6 million (0.002% of the GDP). The number of birth-related leave benefit recipients continued to grow in recent years, exceeding 42 thousand in 2017.

The schemes targeting the poor – financial social assistance and the child allowance – are designed in line with international practices and well targeted in terms of vertical efficiency, but are still characterised by low coverage and low assistance amounts insufficient to meet the basic needs. The coverage of the poor by financial social assistance is especially low, although the coverage of the population living in Roma settlements is fairly high. Active inclusion programmes for financial social assistance recipients have not gained ground yet; hence, this component, of outstanding importance in European terms, affects the overall efficiency of assistance. It is essential to highlight that an evaluation of the efforts made in this area to date is missing.

## Pensions

The pension system in the Republic of Serbia is organised as statutory, publicly run pension insurance based on current income financing (pay-as-you-go). It is governed by the Law on Pension and Disability Insurance (Law on PDI) passed in 2003 and amended several times afterwards. Since 2010, pension uprating has been regulated by the Budget System Law as well, although it is foreseen that the entitlements under pension and disability insurance are regulated by the sectoral law only. The Law on the Temporary Regulation of Pension Disbursement was passed in November 2014. In October 2017, the Decree on the Exercise of Special Rights

of Judicial Officials and Employees in Judicial Authorities and the Administration for the Enforcement of Penal Sanctions from the Territory of the Autonomous Province of Kosovo and Metohija was adopted; the Decree grants “the right to a special pension if the retirement requirements stipulated by the regulations on pension and disability insurance are not fulfilled”, although, under Article 7 of the Law on PDI, “as an exception, in the cases and in the manner stipulated hereby, specific categories of insured persons may acquire and exercise the entitlement to a pension under special conditions”. In addition, in November 2017, the Bill Amending the Law on the Police was adopted; its Article 43 stipulates a special retirement requirement as an exception to the Law on PDI.

These changes are a confirmation that the Republic of Serbia has still not taken a clear stance on the direction in which the pension system is to develop: whether it will remain within the framework of the existing, traditional, Bismarckian system, aimed primarily at income maintenance and poverty prevention, or shift towards a Beveridge-type system, with a weak link between employment history and pension level and with the primary goal of poverty prevention and reduction.

Although all three types of pensions (covering the three key types of risk: old age, disability, death of the insured person) are calculated by means of the point formula, the passage of the Law on the Temporary Regulation of Pension Disbursement undermined the solid link between past earnings and the old-age pension. In the past 15 years, the modality of uprating the general point value and pension levels has sustained so many changes that it is fair to say that pensions have been uprated on an ad hoc basis for years, and that the formulas stipulated by the amendments to the Law on Pension and Disability Insurance of 2005 and 2010 were never truly implemented.

In addition to the statutory publicly run pension system, voluntary pension savings are also possible; however, this area is underdeveloped as yet.

The component ensuring minimum income in old age is also provided for within the statutory pension insurance system; hence, the instrument of securing the absolute living standard of the elderly is also tied to employment history and payment of contributions. There is no specific old-age minimum income scheme for the elderly who never worked, or did not work for the minimum number of years required in order to qualify for a pension.

The publicly run pension insurance is funded through pension and disability insurance contributions, whose rate has been 26% of the earnings since May 2014 (14% chargeable to the employee and 12% – to the employer), and a sizeable proportion is covered by transfers from the national budget.

The ratio of pension expenditures to the GDP has been reduced considerably in the Republic of Serbia and is approaching the fiscal target of 11%. Transfers from the Republic of Serbia Budget (which are used for the disbursement of not only

pensions, but also other entitlements under pension and disability insurance) have been decreased significantly – from over 6% of the GDP in 2013 to 3.6% in 2017, which is a result of both the reduction in pension expenditures and the increase in the contributions rate.

Towards the end of 2017, the total number of pensioners in the Republic of Serbia amounted to 1.72 million, only a few thousand fewer than in the corresponding period of 2013. Pension coverage among the population older than 65 years of age is 88%, and it is slightly higher for men than for women (95% and 82.5%, respectively). The 2017 net replacement rate shows that a worker working full pensionable service can maintain the income at the level of approximately 62% of the pre-retirement earnings.

The real decline trend of the average pension under employee and self-employed insurance, which had existed since 2010, continued in 2014 and 2015, was halted in 2016 by the one-off RSD 5,000 assistance, but again resumed in 2017. In 2017, the average pension income (including the one-off payment) for all three branches of insurance and all three pension types was 5.9% lower in real terms compared to 2013.

The minimum pension, as the key instrument for ensuring minimum income in old age, amounted to an average of RSD 13,471 per month in 2016 for old-age and disability pensioners under employee/self-employed insurance, and the total pension income amounted to RSD 13,888, or about 22% of the gross and 30% of the net average monthly wage.

The minimum old-age and disability pensions under employee and self-employed insurance has always been above the absolute poverty line for a single-person household, but below the relative poverty line.

If the at-risk-of-poverty rate before and after social transfers is used for measuring pension system efficiency in relative poverty reduction, we can see that, without pensions, the elderly population's at-risk-of-poverty rate would exceed 80%, and when all pension types are taken into consideration, it amounts to 19.1%. In the European Union, pensions and social transfers play an even more important role than in Serbia.

Pensioners' absolute poverty is below that of the overall population, the poverty of people aged 65+ is lower than or equal to that of the overall population, while the poverty of those aged 75+ is higher than the poverty of the overall population. Pensioners' (65+) severe material deprivation is slightly lower compared to the population 18+, slightly higher for people aged 65+ and higher still for those aged 75+. The pensioners' at-risk-of-poverty rate is substantially lower than that of the overall population. Women in the higher-age groups (65+ and 75+), as well as those in the pensioner population, are at a significantly higher risk of poverty relative to men.

## Health and health care

The health care system of the Republic of Serbia is facing many challenges that are common to all countries in the Balkans. One of the key challenges is the endangered availability and accessibility of health care, which generates inequalities in the health care system, especially for vulnerable social groups, which are manifested as poorer health outcomes compared to those in the European Union countries.

The health legislation of the Republic of Serbia is adapting to the development and reform of the health care system in an effort to overcome the shortcomings observed during the previous implementation of systemic laws and to better respond to the needs of the population for health care. The adoption of new or amendment to the existing laws are justified by the necessity to improve the organisation and functioning of the health system, standardise the level of provision of health services in the entire territory of Serbia, improve the quality of services, define standards harmonised with European criteria and standards, and ensure harmonisation with the EU *acquis* in the area of health care.

In the conclusion of the Report on Explanatory and Bilateral Screening in Serbia's EU Accession Process for Chapter 28 on consumer and health protection, which was completed in February 2015, it was noted that the Republic of Serbia was sufficiently prepared for negotiations on this chapter, and the Commission recommended the opening of accession negotiations. In 2016, Serbia joined the Third EU Health Programme (2014–2020), as the European Commission's key instrument for the implementation of the EU Health Strategy, which opens the possibilities for applying for significant project funding under this programme.

According to SILC data, about one in ten people in Serbia (10.5% in 2016) had unmet needs for medical examination and treatment, while the prevalence of unmet needs for dental examination and treatment was somewhat higher (14.8% in 2016). The most common reasons for unmet needs for medical examination and treatment were of financial nature, followed by the waiting for the health condition to improve, the lack of time and waiting lists. Similarly, the main reason for unmet needs for dental examination and treatment is the cost, while others include fear of the dentist and the distance to dental clinics. The reasons are very similar to those cited in the EU countries; however, the prevalence of unmet needs in the EU is two and a half times smaller (4.3% for medical services and 5.6% for dental services). Population groups vulnerable to unmet health care needs, identified based on the said indicators, are the older working-age population (45–64 years of age) and the people aged over 75, people with primary education, the unemployed, people in the poorest household income quintile, people with chronic diseases and functional inability to perform daily activities.

Equality in health outcomes is usually assessed based on life expectancy and healthy life expectancy (i.e. life expectancy without disease) at a specific age and by socioeconomic status. Health outcomes experienced an increase of life expectancy



at birth for both sexes by 0.75 years in the period 2012–2014, and that increase was not consistent with the resources invested in the health care system, although it does not depend solely on investments, but rather on a larger number of determinants that are not the sole responsibility of the health care system, but of the entire society. Serbia trails the EU-28 by more than five years of life expectancy at birth, by five years at age 45 and by four years at age 65.

The quality of health care, its effectiveness, safety and patient-centeredness are not satisfactory when assessed on the basis of vaccination coverage of children, seasonal influenza vaccine coverage of people 65 and older and screening coverage for the most common malignancies. The vaccination coverage of children decreased in the period between the two reports and for many vaccines it is below the minimum level for the prevention of epidemics. The coverage of the elderly by the influenza vaccine is exceptionally low, while the coverage by screening for malignant diseases is insufficient, with great discrepancies among districts. It is encouraging to see that standardised death rates for breast, cervix and colon cancer are declining, which can be attributed to the implementation of the national programmes for early detection of these diseases and the efforts of the National Cancer Screening Office.

The sustainability and efficiency of Serbia's health care system is highly questionable, as shown by both the indicators of the costs of health care and the indicators of the operation of the most expensive health care subsystem, such as the hospital subsystem. As the 2016 Serbia Progress Report noted, special attention should be dedicated to the strengthening of the overall financial sustainability of the public health system, and in particular the national health insurance fund. The share of health care costs is high – in the past few years it stood at about 10 percent, which was higher than the EU-28 average. Particularly concerning has been the increase of personal, out-of-pocket payments for health care services (at 36.6% in 2014, they were the largest in Europe), as the principal generator of health inequalities, while at the same time health outcomes in Serbia lagged considerably behind those of most European countries, except the neighbouring countries. The indicators of the use and work efficiency of hospitals also lagged behind the EU-28 average.

The number of health care workers is insufficient, and they are also inadequately paid for their work, especially at the primary health care level where most of the population's health care needs are addressed. The density of health workers has remained unchanged or has decreased; it is in disproportion with the number of medical graduates who are seeking employment, as well as with large-scale migrations. The overall proportion of administrative and technical staff is large and requires thorough reorganisation and rightsizing in order to enable significant savings.

## Housing

Compared to the previous reporting period, the most significant legislative change in the field of housing was the adoption of the Law on Housing and Maintenance of Buildings, which came into force in 2017 and which incorporates three earlier laws (the Law on Housing, the Law on Maintenance of Buildings and the Law on Social Housing). It is foreseen that the Government of the Republic of Serbia will adopt a national housing strategy within 12 months from the date of entry into force of the Law, while local government units should adopt their local strategies.

The law introduces the concept of housing support, which is defined as “any form of housing assistance to a person who, for social, economic and other reasons, cannot meet their and their family’s housing needs under the conditions existing in the open market”. The Law clearly specifies the eligibility requirements for receiving housing support. For the first time, the law defines the procedures of eviction and relocation of persons from properties built in contravention of the law governing spatial planning and the construction of buildings, located on the land owned by another natural or legal person. The procedures stipulate the obligation of competent authorities to provide adequate accommodation and other forms of support for people affected by eviction. In addition to the law, the Rulebook on the content and method of keeping records of eviction and relocation procedures has also been prepared.

As regards the institutional framework, the Republic Housing Agency was abolished and its powers were transferred to the Ministry in charge of housing affairs and the Housing Council, while at the local level, the law envisages the establishment of non-profit housing organisations, whose licenses for operation are regulated by the Rulebook on conditions and documentation for issuing and revoking licenses for the operation of non-profit housing organisations, the manner of keeping the registry and its content. However, this process was not augmented by training and capacity building of the staff of housing agencies and other stakeholders in the field of social housing and client support.

Strategic goals in the area of social housing were stipulated in the previously adopted National Strategy for Social Housing and the Action Plan for its implementation, while other strategic documents setting the objectives and measures in the field of housing included the Strategy for Social Inclusion of Roma Men and Women for the period 2016-2025 and the Action Plan for its implementation for the period 2017-2018, as well as the National Strategy for Resolving the Issues of Refugees and Internally Displaced Persons.

The period from 2013 to 2016 saw a trend of increasing number of people living in a flat in a family house compared to those living in a flat in residential building, as well as the trend of a mild increase in the share of people living in their own flat; however, the share of people who owned a flat burdened by loan or mortgage decreased almost three times compared to the previous reporting period. Persons with income above the relative poverty line are still more likely to own a flat than those with



income below this line, but the gap between these two income groups is no longer pronounced as it was in the previous period with regard to the share of persons who repay the loan or own a flat with a mortgage. The construction of housing for social rent has dropped in the past period. The contributing factor was the lack of funds in the national and local budgets allocated for this purpose, and the lack of donor programmes. Keeping track of housing needs in the longer term requires the establishment of the single record of publicly owned dwellings, i.e. social housing units and social housing beneficiaries.

The overcrowding rate is still extremely high and shows a growing tendency. The population living in households with dependent children is twice as likely to live in overcrowded homes as persons without children are. The greatest proportion of them live in households with three and more children and, by the same token, the share of children and youth living in overcrowded homes is also high. The population in households at risk of poverty have a somewhat smaller number of rooms in dwellings than those with higher income: 0.9 and 1.0 rooms, respectively. The issue of the insufficient number of rooms is also observed in social dwellings built in various housing projects, where about a quarter of households have 0.5 rooms per member. The indicator of multiple housing deprivation shows that there were no significant changes compared to the previous period and that multiple housing deprivation was observed most often among the population with the lowest income. The share of persons living in dwellings without a bathroom or toilet was 3.5% in 2016, which is slightly lower than in the previous period, but still almost twice as high as in the EU. There is a declining trend in the proportion of the population living in households that are unable to keep home adequately warm; nevertheless, despite the positive trend, a quarter of the people at risk of poverty cannot afford adequate heating of their dwellings.

The housing situation of the Roma population is still very complex. In the reporting period, settlements were still being resettled and people evicted from facilities that did not comply with the international standards. The situation has remained virtually unchanged with regard to the unregulated legal and planning status and the poorly developed utility facilities in the settlements, accompanied by inadequate housing conditions, which can still be found in a great number of Roma settlements. There is a frequent practice of constructing social housing where Roma men and women are the only tenants in the constructed buildings, which can lead to new spatial segregation.

As regards homelessness in the Republic of Serbia, the Statistical Office of the Republic of Serbia published a detailed overview of the results of the 2011 Population Census, while since then, there have been no further surveys on this phenomenon, nor do the social work centres keep records of homeless people or children living and working in the street, so it is not possible to identify and monitor trends. Increasingly frequent forced evictions, along with the enforcement of the Law on Enforcement and Security, are cited as one of the potential causes of homelessness.

Measures and programmes in the field of housing and social housing are still directed at two groups of households. On the one hand, there is a system of long-term support to households with medium and higher income in providing privately-owned dwellings under favourable conditions and, on the other hand, activities are directed towards members of vulnerable social groups, mostly refugees, displaced persons, and Roma men and women, for which permanent housing solutions are provided mainly through donor funds and individual projects.

The provision of housing solutions for refugees and internally displaced persons has continued at a similar pace as in the previous period. From the beginning of 2014 until July 2017, 20 collective centres were closed and housing was provided for 2,226 people. As regards the most vulnerable persons accommodated in collective centres, the implementation of the social housing model in protected conditions continued, and in the period from 2014 to 2016, 316 flats were built in 10 municipalities.

The construction of non-profit dwellings in major cities in the Republic of Serbia has continued as a way of providing housing for households with medium and high income, and the National Mortgage Insurance Corporation has continued to provide insurance for commercial housing loans granted by banks to citizens. Furthermore, the reduction of part of the monthly costs of electricity, natural gas and heating for the financially vulnerable households has continued, whereas at the local level, subsidies to poor households for paying housing costs have been granted occasionally. However, there is still a lack of research that would enable the perception of the impact of housing programmes and measures on the end users, especially households with the lowest incomes. Also, there are some phenomena for which data is lacking, such as forced eviction from dwellings due to the inability to repay housing loans, mortgages on the dwelling or similar arrears.

## **Human rights and social participation**

In the Republic of Serbia, a constitutional, legislative and institutional framework has been established in the domain of human rights, which is in line with international standards in this area. The Republic of Serbia has ratified eight out of nine fundamental international human rights treaties, and provisions on the prohibition of discrimination have been incorporated in most of the laws adopted in the reporting period.

High standards in the protection of the rights and freedoms of members of national minorities are applied in the Republic of Serbia. The legal framework for the protection of national minorities has not changed, but their position has been improved by certain laws in other areas.

As far as Roma people are concerned, their position remains unsatisfactory. Most Roma face social exclusion and poverty, the living conditions being particularly difficult for those living in substandard settlements where adequate access to water





and electricity is not ensured. Roma women belong to one of the most vulnerable social groups in Serbia. At the beginning of 2016, the Government adopted the Strategy for Social Inclusion of Roma in the Republic of Serbia (2016–2025), as well as the Action Plan for the Implementation of the Strategy (2017–2018). The implementation of the Action Plan is monitored by the Coordination Body for Monitoring the Implementation of the Strategy, established in March 2017, which includes representatives of the Roma community.

The position of persons with disabilities was significantly improved in the reporting period, but the adoption of the Strategy for Improvement of the Position of Persons with Disabilities and of the associated Action Plan is behind schedule. Persons with disabilities are facing multiple challenges – many public buildings and areas are not accessible to them, access to information and communications for people with sensory disabilities is difficult, and persons with disabilities encounter significant barriers when exercising voting rights. Persons with intellectual and psychosocial difficulties are still at risk of being declared legally incompetent, since this institution has not yet been abolished as a protection measure. Particularly worrying is the poor situation of persons with mental and intellectual disabilities in the institutions of social protection of the home type, and there are sporadic cases of their isolation and accommodation in inadequate space, as well as the application of measures of users' confrontation, for which there is no legal basis. The process of de-institutionalization of children and adults is in progress, but there are difficulties in its implementation, primarily because of insufficiently and unevenly developed support services and services for the independent life of persons with disabilities and their reintegration.

The position of the elderly, especially those in rural areas, is not satisfactory. At the level of local communities there is no uniform and financially sustainable system of services and support services for the elderly, and elderly people in rural areas are at risk of social isolation, have difficulties in accessing health and social services, as well as transport services.

In the reporting period, there has been an improvement in the position of women in certain areas, especially in the domain of representation of women in legislative and executive power. In spite of positive developments, women's participation in decision-making remains low, the economic situation of women is unfavourable and various forms of segregation and discrimination persist in the labour market. Women who are discriminated against on multiple grounds are facing particularly complex challenges. The possibility of reconciling professional and family life is not at a satisfactory level. Domestic violence and other forms of gender-based violence are still widespread, including the particularly worrying presence of femicide. The ratification of the Istanbul Convention and the adoption of the Law on the Prevention Domestic Violence, in addition to the implementation of the general and special protocols, have given the greatest contribution to the improvement of the work of the institutions in the system for the prevention of and protection of victims against this form of violation of human rights. In order to promote gender equality, in 2016,

the second National Strategy for Gender Equality for the period 2016–2020 was adopted, with the Action Plan for the period from 2016–2018.

In the area of the rights of the child, uniform standards have not yet been established because the Law on the Rights of the Child has not been adopted, but the work on the law started in 2017. Adoption of a new National Action Plan for Children is being late, as well as reviewing the implementation and evaluation of a previously adopted plan. The Council for the Rights of the Child was established in 2014, and in November 2017 a new Council composition was elected. It established the priorities for action in accordance with the Sustainable Development Goals until 2030 and considered the basics of the future Strategy for the Prevention and Protection of Children against Violence and the Protocol for the Protection of Children whose life or work is related to the street. All forms of peer violence, including gender-based violence, are widespread in schools, despite the prevention measures being taken. Accommodation of children in institutions is strictly controlled and supervised, and there is an evident trend of reduction of institutional accommodation of children and increase of alternative forms of care, in accordance with international standards.

In the area of protection of the rights of persons of different sexual orientation or gender identity (LGBTI), certain positive developments have taken place, which are primarily the result of the implementation of the measures and activities foreseen in the Action Plan for Implementation of the Strategy for Prevention and Protection against Discrimination for the period 2014–2018. Trans and intersex people continue to experience the lack of understanding in the community and are exposed to various forms of direct and indirect discrimination.

As regards the people living with HIV, the Strategy for the Prevention and Control of HIV Infection and AIDS of the Republic of Serbia for the period 2018–2025 was developed in 2017 as the basic framework for defining goals and implementation of activities in the area of prevention, health and social protection and support for people living with HIV, as well as for raising awareness of the general public on the subject.

In the Republic of Serbia, there are still almost all forms of trafficking in human beings, and a large share of domestic trafficking victims trafficked within the borders of the Republic of Serbia. The Government of Serbia adopted a new Strategy for the Prevention and Suppression of Trafficking in Persons, Especially Women and Children, and the Protection of Victims 2017–2022, as well as the Action Plan for its implementation for 2017 and 2018. In October 2017, the Anti-Trafficking Council and the Office for Coordination of Anti-Trafficking Activities were established.

The situation of refugees and displaced persons, including persons returned under the Readmission Agreement, is gradually improving. The number of collective centres for the accommodation of refugees and internally displaced persons has significantly decreased. The biggest challenges are still employment and housing.



In 2017, a decrease in the number of asylum seekers was observed compared to the previous years. A particular challenge is the increased number of unaccompanied asylum-seeking minors, who are exposed to an increased risk of trafficking. Since September 2017, all children in asylum centres and reception centres have been included in formal primary education.

As regards the improvement of the living conditions for persons deprived of liberty, the new Strategy for Reducing Overcrowding of Residential Capacity in Institutions for Enforcement of Criminal Sanctions in the Republic of Serbia by 2020 has been adopted. In the Republic of Serbia there is no torture as an organized and encouraged phenomenon by state authorities; however, there have been sporadic cases of physically inadequate treatment of persons deprived of liberty.

Regarding the freedom of expression, the ambient is not suitable for the full exercise of the right to freedom of expression. In order to improve the public information system, the development of a new Public Information System Development Strategy has been initiated, which should strengthen the transparency of media ownership, monitor the effects of media privatization, prevent media control, strengthen media pluralism and media literacy and eliminate weaknesses in self-regulation. There are still cases of attacks and pressures on journalists, but their number is decreasing. Although the availability of programme contents for people with impaired hearing or eyesight has increased, it is necessary to increase the share of programmes designed for sensitive groups.

In the digitization process, measures have been taken to make the members of vulnerable social groups exercise the right to information. The number of people who have access to the computer and the Internet is increasing. There is Internet access in 68% of households and this proportion is constantly increasing. There are still significant differences between households in urban and rural areas.

The Office for Cooperation with Civil Society supports the dialogue between government institutions and CSOs and the involvement of civil society in the decision-making process, as well as the exchange of views in a constructive dialogue. The process of negotiations with the EU takes place with full transparency and public participation. Different mechanisms for consultation of CSOs in the negotiation process have been developed, among which the National Convention on the EU is particularly important. Citizens' associations are active and carry out numerous projects and programmes. Changes in election laws introduced quotas for less represented sex, which has led to increased participation of women in legislative power. Youth participation has been increased by the activities defined in the Action Plan for the implementation of the National Youth Strategy for the period 2015–2017, while the participation of the elderly and persons with disabilities in political and public life is not at a satisfactory level.

# Economic and social cohesion in the Republic of Serbia

1



## 1.1. Population

### 1.1.1. Legal and strategic framework in the Republic of Serbia

In the Republic of Serbia, there are **two direct population policy measures of importance to birth promotion: birth grant and parental leave**. These measures are stipulated by the Law on Financial Support to Families with Children<sup>1</sup> and the Labour Law<sup>2</sup>. Birth grant is paid for the first, second, third and fourth child in the family. Its amount increases with birth order, adjusted by the rate of increase of costs of living and, with the exception of the grant for the first child, is paid in 24 monthly instalments. **In 2017, the nominal birth grant amounts ranged from approximately RSD 39 thousand for the first child to RSD 370 thousand for the fourth, paid over a period of two years.**<sup>3</sup> The law also provides for a maternity pay equal to the employed mother's earnings, during maternity leave and childcare leave for a period of one year for the first and second child, or a period of two years for the third and any subsequent child. According to the Labour Law and the Law on Financial Support to Families with children, fathers are also entitled to parental and childcare leave, as well as to paternity pay equal to their earnings, in compliance with these laws.<sup>4</sup>

The Republic of Serbia's response to the phenomenon of below-replacement fertility and its consequences is also based on strategic documents. These include **the Birth Promotion Strategy, National Gender Equality Strategy 2016–2018 and the National Strategy on Ageing 2006–2015**. The comparative analysis of the fertility and family policies in the Central and Eastern European countries has shown that Serbia's Birth Promotion Strategy delivers a comprehensive response to this challenge.<sup>5</sup> As a complement, the National Gender Equality Strategy stipulates equal participation of women and men in the parenthood and the economics of ageing, through the achievement of long-term objectives: reducing the burden of unpaid work and the economics of ageing on women and improving women's quality of life (sufficient hours of sleep, sports and recreation, time for lifelong learning), expected increase of the natural growth, increase of women's employment and decreased

<sup>1</sup> *Official Gazette of RS*, Nos 16/02, 115/05 and 107/09. The new Law on Financial Support to Families with Children was passed during the preparation of this report (*Official Gazette of RS*, Nos 113/17 and 50/18). The Law was passed in December 2017, but it did not come into force until 1 July 2018, which is why the solutions from this Law have not been included in the Report.

<sup>2</sup> *Official Gazette of RS*, Nos 24/05, 61/05, 54/09, 32/13, 75/14 and 13/17.

<sup>3</sup> For more information about the birth grant and other measures for the reconciliation of work and parenthood, please see the section of the Report that addresses Social and Child Protection.

<sup>4</sup> Article 94 of the Labour Law (*Official Gazette of RS*, Nos 24/05, 61/05, 54/09, 32/13, 75/14, 13/17 – Constitutional Court decision and 113/17) and Article 12 of the Law on Financial Support to Families with Children (*Official Gazette of RS*, Nos 113/17 and 50/18).

<sup>5</sup> Basten, S., Frejka, T., *Fertility and family policies in Central and Eastern Europe after 1990*, Comparative Population Studies, 1, 41, 2016, pp. 3–58.

discrimination against young women in the labour market<sup>6</sup>. In 2017, **the Government started the development of the new Birth Promotion Strategy, supported by the Social Inclusion and Poverty Reduction Unit.**

The evaluation of the National Strategy on Ageing 2006–2015 has shown that the policy framework of development with regard to population ageing should remain within the set objectives, in line with the objectives specified in this sphere by the EU until 2022. Moreover, the evaluation has revealed that the implementation of the Strategy has been slower than envisaged, and that the included measures are still relevant.<sup>7</sup>

**The health promotion programmes are aimed at increasing life expectancy, as well as healthy life expectancy in the Republic of Serbia.** The promotion of health is defined as the promotion of a healthy lifestyle in a healthy environment, including the awareness raising of personal responsibility for one's own health. The Law on Health Care<sup>8</sup> and several associated strategies and programmes supporting health promotion are aimed at decreasing the lagging of life expectancy in the Republic of Serbia behind the mean length of life in developed countries, as well as the differences in terms of the average length of life between men and women, in favour of women.

**The migration policy of the Republic of Serbia is implemented in line with the principles stipulated in the Law on Migration Management<sup>9</sup> as well as in the Strategy on Migration Management.<sup>10</sup>** These include: preservation of family unity, prohibition of artificial alteration of the population's ethnic structure, balanced and planned economic development, strengthening of the ties with the diaspora and the Serbs in the region, protection of the rights of persons in the process of migration and respect of the relevant ratified international treaties and the generally accepted provisions of the international law in the relevant field.

The economic development, investments in the health care, educational and environmental protection programmes, the promotion of a post-materialist system of values, as well as the more efficient implementation of adopted policy documents are the preconditions and requirements for mitigating the demographic challenges with regard to fertility, life expectancy and migration.

<sup>6</sup> The National Gender Equality Strategy 2016–2020 and the Action Plan 2016–2018, available at: <http://www.mgsi.gov.rs/lat/dokumenti/nacionalna-strategija-za-rodnu-ravnopravnost-za-period-od-2016-do-2020-godine-sa-akcionim>

<sup>7</sup> Conclusion of the round table "Evaluation of the Implementation of the National Strategy on Ageing 2006–2015 and Recommendations for a New Policy Framework", organised on 6 November 2015 by the National Social Protection Institute, the Ministry of Labour, Employment, Veteran and Social Affairs and the United Nations Population Fund.

<sup>8</sup> *Official Gazette of RS*, Nos 88/10, 99/10, 57/11, 119/12, 45/13 – law amended by another law, 93/14, 96/15 and 106/15.

<sup>9</sup> *Official Gazette of RS*, No 107/12.

<sup>10</sup> *Official Gazette of RS*, No 59/09.

### 1.1.2. Basic demographic indicators

**According to the Statistical Office of the Republic of Serbia, the population of Serbia<sup>11</sup> in mid-2017 totalled 7,020,858.<sup>12</sup>** In mid-2016, the population was estimated at 7,058,322. These data indicate the continuation of Serbia's depopulation trend, since the country's population shrunk by 111,000 in the period 2014–2017. Besides the negative natural growth, the population decrease was also caused by emigration, which will continue to influence Serbia's population trends in the future.

**In 2017, the number of live births was lower than the number of deaths by 38.8 thousand.** Negative natural growth was recorded in as many as 163 cities and municipalities out of the total of 169. At the same time, 2017 was the 26th consecutive year in which negative natural growth was recorded in the Republic of Serbia. In relative terms, the natural growth rate per one thousand inhabitants was -5.5‰. In the same year, among the EU countries only Bulgaria had a lower rate, while the average EU natural growth rate was -0.4‰.<sup>13</sup>

**The number of babies born in 2017 was 64,894,** which was 1,567 fewer than in 2014. The birth rate was 9.3‰. In 2017, nine EU Member States had fewer than 10 live births per 1,000 inhabitants (EU average is 10‰).

The total fertility rate<sup>14</sup> is far below the replacement level, which is ensured at 2.1 children per woman. **For nine years in a row, the average number of live births per woman in the reproductive age in Serbia has been stable at between 1.40 and 1.46, which is lower than the EU average (1.6 in 2016).** Tutin was the only municipality in Serbia where the total fertility rate was high enough for generation replacement (2.20).<sup>15</sup>

The crude death rate remained unchanged in the reporting period. **In 2017, there was a slightly larger number of deaths compared to 2014.** A total of 103,722 persons died, i.e. 14.8 per 1,000 inhabitants, which was slightly fewer than in Bulgaria, the country with the highest crude death rate in the European Union.

<sup>11</sup> All data for the Republic of Serbia are presented without the data for the Autonomous Province of Kosovo and Metohija.

<sup>12</sup> Statistical Release SN40, Number 169, year LXVIII, from 29 June 2018, Statistical Office of the Republic of Serbia. Available at: <http://publikacije.stat.gov.rs/G2018/Pdf/G20181169.pdf>

<sup>13</sup> The data referring to the EU are taken from the website: <http://ec.europa.eu/eurostat/statistics-explained/index.php/Population> and from the publication Kaneda, T., Bietsch, K., 2016 *World Population Data Sheet with a Special Focus on Human Needs and Sustainable Resources*, Washington DC, Population Reference Bureau, 2016.

<sup>14</sup> Total fertility rate is the most common indicator of a population's fertility, which shows the total number of live births per woman under the conditions of age-specific fertility from the observation year. It is calculated as the sum of age-specific fertility rates, which represent the ratio of the number of live births given by mothers of a specific age to the number of women of the same age.

<sup>15</sup> Average rate in the three-year period (2014–2016).

**The number of infant deaths and the infant mortality rate remained unchanged in comparison with the previous reporting period.** The number of infant deaths in 2017 was 381, the same as in 2014. The infant mortality rate in 2017 was identical to that in 2014 (5.7‰). The value of this indicator in the Republic of Serbia was above the EU average (3.6‰), but at the same time lower than the number of infant deaths per 1,000 live births in some of the EU Member States – Malta (7.4‰), Romania (7.0‰) and Bulgaria (6.5‰).

**The trend of increasing life expectancy at birth has continued for both sexes.** The value of this indicator reached 77.9 years for women and 73.0 years for men in 2017. Despite reaching the record high level, the length of life in the Republic of Serbia is more than five years shorter than that in the European Union, and more than seven years shorter than in Italy and Spain, the countries with the highest life expectancy for both sexes in the European Union.

There are no data on emigration from and immigration to the Republic of Serbia. Rough estimates based on the data from various sources have indicated an average negative annual balance of external migration of at least 15,000 people (according to the records of the Statistical Office of the Republic of Serbia, the Commissariat for Refugees and Migration, as well as of the most common destination countries for the people migrating from Serbia).<sup>16</sup>

**The share of the elderly in the total population stands at 19.2%, which corresponds to the EU average.** In 2016, more than 1,350,000 persons in the Republic of Serbia were 65 years old or older. These figures rank the Republic of Serbia's population among the older ones in Europe.

**The average age of the Republic of Serbia's population in 2017 was as high as 43 years.** The process of population ageing is the consequence of the decreasing share of youth (0–14 years of age) in the overall population (14.4% in 2017), while the share of older people (65 and over) in the total population was 19.6%. The working age population aged 15 to 64 years accounts for 66.0% of the total population. Examples of extreme demographic collapse are the municipalities of Svrlijig, Rekovac, Gadžin Han and Crna Trava, all four with an average age above 50 years. The Active Ageing Index<sup>17</sup> in the Republic of Serbia was estimated at 29.5<sup>18</sup> out of 100 in 2014, which was lower than in all but four EU countries (EU average was 33.9 in 2014).<sup>19</sup>

<sup>16</sup> Nikitović, V., *Ključni demografski izazovi Srbije i njihove buduće tendencije*, Demografski pregled, 63, 2017, p. 1–4.

<sup>17</sup> The Active Ageing Index is a tool for measuring the untapped potential of older people for active and healthy ageing at the national level. It measures the extent to which older people live independent lives, participate in paid employment and social activities, and their capacity to age actively. The Index comprises 22 individual indicators, grouped in four domains.

<sup>18</sup> *The Active Ageing Index: Pilot Studies for Serbia and Turkey*, Geneva, UNECE, 2016.

<sup>19</sup> *Active Ageing Index 2014: Analytical Report*, Geneva, UNECE, 2015.



## 1.2. Macroeconomic and fiscal framework

### 1.2.1. Legislative and Strategic Framework in the Republic of Serbia

The main objectives and guidelines in the implementation of the economic and fiscal policy are defined by the Fiscal Strategy. According to the Fiscal Strategy for 2017 with projections for 2018 and 2019<sup>20</sup>, the main objectives include maintaining macroeconomic stability with further reduction of public debt to sustainable levels, continued implementation of structural reforms, especially in public enterprises, as well as increasing the efficiency of the public sector.

At the end of 2014, a new three-year fiscal consolidation programme was launched, providing for — in addition to budgetary savings — comprehensive structural reforms. The economic recovery that started in 2015 has shown that the negative impact of fiscal consolidation on economic growth is low in the short term. In the long term, fiscal consolidation had a favourable impact on economic growth and secured macroeconomic stability, which is one of the prerequisites for the needed growth of investments. Fiscal consolidation measures reduced public expenditure and moderately increased tax revenues with a change in their structure, which implies a change in the structure of aggregate demand.

The Government of the Republic of Serbia signed the Memorandum of Economic and Financial Policies<sup>21</sup> with the International Monetary Fund (IMF) at the beginning of 2015. The Memorandum includes the economic policies that the Government of the Republic of Serbia intends to implement within the framework of the a precautionary stand-by arrangement<sup>22</sup> between 2015 and 2017, in order to eliminate the accumulated economic imbalances. The main objectives of the agreed arrangement include strengthening public finances, implementing a structural reform plan, and increasing the financial sector's stability.

Since 2014, the Republic of Serbia has been annually producing the Economic Reform Programme (ERP) document for the period of three years.<sup>23</sup> In March 2017, the Government of the Republic of Serbia adopted the ERP for the period

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<sup>20</sup> Government of the Republic of Serbia, Fiscal Strategy for 2017 with projections for 2018 and 2019. Downloaded from:  
<http://www.mfin.gov.rs/UserFiles/File/dokumenti/2016/Fiskalna%20strategija%202017.pdf>.  
27 September 2017.

<sup>21</sup> <http://www.srbija.gov.rs/vesti/vest.php?id=241285>

<sup>22</sup> At a meeting held on 23 February 2015, the IMF Executive Board approved a stand-by arrangement of approximately 1,168.5 million euros to the Republic of Serbia for a period of 36 months in support of the agreed economic programme.

<sup>23</sup> The original title of this document in 2014 was the National Economic Reform Programme, and since 2015 it is drafted under the name Economic Reforms Programme (ERP).  
<http://www.mfin.gov.rs/pages/article.php?id=13105>

from 2017 to 2019.<sup>24</sup> The Programme underlines that the fiscal policy priority, as in the previous period, is establishing a tax system that would stimulate economic activity and employment, ensure higher tax collection efficiency, and reduce the gray economy. The selected priority structural reforms are in line with the priorities defined in national documents, national and regional strategies, key documents in the process of the Republic of Serbia's accession to the European Union and the recommendations of the EU's Economic and Financial Affairs Council.<sup>25</sup>

**In order to reduce the total expenditures, and therefore the country's fiscal deficit, in 2014 the Government adopted the Law on the Temporary Regulation of Salary Calculation and Payment Bases,<sup>26</sup> regulating wages and other steady income for beneficiaries of public funds.** The reason for adopting the Law were the main indicators of the country's fiscal position in 2014 — the deficit and debt in % of GDP were among the highest in Europe. The Law was applied starting from the calculation and payment of salaries for November 2014 and ending with the calculation and payment of salaries for December 2017, which reduced the base for salary calculation and payment by 10%. The estimated net effect of this law amounted to around 60 billion dinars, or around the then 1.5% of GDP. This law, as well as the **Law on Temporary Regulation of Pensions Payments,<sup>27</sup>** significantly reduced the fiscal deficit level.

**The Public Finance Management Programme 2016–2020<sup>28</sup> was adopted in November 2015.** The objective of this programme is to provide a comprehensive and integrated framework for planning, coordinating, and monitoring progress in the implementation of activities in order to achieve macroeconomic stability, ensure efficient and purposeful allocation and use of public resources and improve services provided by the state administration in the Republic of Serbia, while increasing the transparency and efficiency of public finance management.

**A foothold for the implementation of fiscal consolidation measures is the Tax Administration Transformation Programme 2015–2020<sup>29</sup> adopted by the Government of the Republic of Serbia in early June 2015.** In the previous period, the overall tax revenues in Serbia increased significantly (by more than 560 million euros in 2016)<sup>30</sup>, as a result of greater efficiency in collecting tax revenues and an

<sup>24</sup> Economic Reform Programme 2017–2019, downloaded from: [http://www.mfin.gov.rs/UserFiles/File/strategije/ERP%202017-2019\(1\).pdf](http://www.mfin.gov.rs/UserFiles/File/strategije/ERP%202017-2019(1).pdf), 27 September 2017.

<sup>25</sup> *Ibid.*

<sup>26</sup> Official Gazette of the Republic of Serbia No. 116/14.

<sup>27</sup> *Ibid.*

<sup>28</sup> Public Finance Management Reform Programme 2016–2020, downloaded from: <http://www.mfin.gov.rs/UserFiles/File/dokumenti/2016/Program%20reforme%20upravljanja%20javnim%20finansijama%202016-2020%20SR.PDF>, 27 September 2017.

<sup>29</sup> Tax Administration Transformation Programme 2015–2020, downloaded from: <http://www.poreskauprava.gov.rs/sr/o-nama/program-transformacije.html>, 28. 9. 2017.

<sup>30</sup> The Ministry of Finance estimate.

increased number of online services provided by the Tax Administration, as well as the efforts of other inspection services combating the grey economy.

**At the end of 2016 the National Assembly of the Republic of Serbia adopted the Law on Amendments to the Law on Local Government Funding,<sup>31</sup> which adjusted the redistribution of revenue generated from wage taxes between municipalities and cities and the Republic** and which came into force on 1 January 2017. The law stipulates that out of the total wage taxes paid to local governments, 77% — instead of 80% — goes to cities, 74% goes to municipalities, while the percentage for Belgrade is 66%, instead of the previous 70%.<sup>32</sup>

### 1.2.2. Macroeconomic trends

**In the fourth quarter of 2014 and early 2015, negative trends in the economy were halted, and 2016 saw GDP grow by 2.8%.** This is the highest GDP growth in the last eight years and it eliminated the years-long stagnation of the Republic of Serbia's economy. The Serbian economy in 2016 is characterized by more favourable tendencies that pertain to the growth of economic activity, whose main drivers were net exports and investments. Private and public spending also had a positive effect, while the decline in inventories had a negative impact. Positive economic trends continued in 2017, albeit at a slower pace. The GDP growth rate in 2017 was 1.9%. The reason for this were the adverse agrometeorological conditions and the consequential decline in agricultural production, as well as the unfavourable trends in the electric power industry at the beginning of 2017.

**Table 1. Macroeconomic trends**

|   | 2014    | 2015    | 2016    | 2017    |
|---|---------|---------|---------|---------|
| GDP, RSD bn                             | 3,908.5 | 4,043.5 | 4,261.9 | 4,464.6 |
| GDP, EUR bn                             | 33.3    | 33.5    | 34.6    | 36.8    |
| GDP, per capita in EUR                  | 4,672   | 4,720   | 4,904   | 5,226   |
| GDP, real growth rate in %              | -1.8    | 0.8     | 2.8     | 1.9     |
| Inflation, end of the period            | 1.7     | 1.5     | 1.6     | 3.0     |
| Exchange rate RSD/EUR, period's average | 117.31  | 120.73  | 123.12  | 121.34  |
| Consolidated fiscal balance, % GDP      | -6.6    | -3.7    | -1.3    | 1.2     |
| Public debt, % GDP                      | 70.4    | 74.7    | 71.9    | 61.6    |
| Foreign currency savings, EUR m         | 8,525   | 8,629   | 8,987   | 9,373   |

Source: Ministry of Finance

<sup>31</sup> Law on Amendments to Law on Local Government Funding, downloaded from: [http://www.parlament.gov.rs/upload/archive/files/lat/pdf/predlozi\\_zakona/1856-16%20-lat.pdf](http://www.parlament.gov.rs/upload/archive/files/lat/pdf/predlozi_zakona/1856-16%20-lat.pdf), 17. 10. 2017.

<sup>32</sup> <http://www.srbija.gov.rs/vesti/vest.php?id=275428>

According to the latest report of the World Economic Forum for 2017, the Republic of Serbia's competitive position has improved.<sup>33</sup> Among 137 countries, the Republic of Serbia's Global Competitiveness Index stood at 4.1 (out of 7) and ranked 78th.<sup>34</sup> This represents advancement on the competitiveness list by 12 places in comparison with 2016.<sup>35</sup> The biggest obstacles to business in the Republic of Serbia are the tax rates, availability of financial resources, and inefficiency of state bureaucracy.<sup>36</sup>

In 2014 investments dropped by 3.5%. However, since 2015 investments have been growing, of which **private investments have the highest positive contribution to GDP** of 1.1 percentage points.<sup>37</sup> Like private ones, state investments saw real growth (17.0%) in 2015 and contributed to GDP growth with 0.4 percentage points. The growth continued in 2016 and 2017. Higher macroeconomic stability and improved business environment have influenced the growth of investments in fixed funds, which saw a growth rate of 4.9%.<sup>38</sup> **In addition, the net inflow of foreign direct investments (FDI) in 2017 was 2,414.7 million euros, or 6.6% of GDP, which is 27.1% more than in 2016.** FDI inflows remained spread over sectors and mostly targeted the manufacturing, financial, construction and trade sectors. Observed by countries, most of FDI, as in previous years, originated from EU countries, but compared with 2016 inflows from China, Russia and the United Arab Emirates increased. Particularly advantageous is that FDI inflow, as in the previous two years, was diversified in terms of sectors, which contributed to the expansion of the export base.<sup>39</sup>

**The decline in the world oil price and the economic recovery of Republic of Serbia's key foreign trade partners had a beneficial effect on the foreign trade, characterized by an increased volume of trade and a significant reduction in the foreign trade deficit.** The country's balance of payments between 2014 and 2017 significantly improved. In 2017, the deficit of the current account of the balance of payments stood at 2,089.6 million euros, nearly twice as high as in 2016. During 2017, Serbia exported and imported goods worth 15,047.1 million euros and

<sup>33</sup> Global Competitiveness Report 2017–2018, World Economic Forum, downloaded from: <http://reports.weforum.org/global-competitiveness-index-2017-2018/>, 12 November 2017.

<sup>34</sup> In 2016 the Republic of Serbia ranked 90th, while in 2014 and 2015 it ranked 94th.

<sup>35</sup> The advancement by two places is due to the fact that Barbados and Macedonia, which placed higher, were excluded from this year's report. (Downloaded from: <https://www.fren.org.rs/node/615>, 12 November 2017)

<sup>36</sup> Global Competitiveness Report 2017–2018, World Economic Forum, downloaded from: <http://reports.weforum.org/global-competitiveness-index-2017-2018/>, 12 November 2017.

<sup>37</sup> National Bank of Serbia, Annual Monetary Policy Report (2015), Belgrade, downloaded from: <https://www.nbs.rs/internet/latinica/90/mp.html>, 23 October 2017.

<sup>38</sup> National Bank of Serbia, Annual Monetary Policy Report (2016), Belgrade, downloaded from: <https://www.nbs.rs/internet/latinica/90/mp.html>, 23 October 2017.

<sup>39</sup> National Bank of Serbia, Annual Monetary Policy Report (2017), downloaded from: [https://www.nbs.rs/internet/latinica/90/90\\_7/monetarna\\_politika\\_2017.pdf](https://www.nbs.rs/internet/latinica/90/90_7/monetarna_politika_2017.pdf), 19 October 2018.

19,418.6 million euros, respectively, an increase of 12% and 13.8% compared with 2016. **The trade deficit in the observed year amounted to 4,371.5 million euros, jumping by 20.2% compared with the previous year.**<sup>40</sup>

**In 2017, external debt decreased compared with the previous year (from 15.7 to 13.9 billion euros).** The external debt decrease compared with the previous year resulted from the public sector debt's lessening due to higher repayments than withdrawals, banks deleveraging, and the dollar weakening compared with the euro. **The solvency indicator shown as the ratio of external debt to GDP improved at the end of 2017 compared with the end of 2016 (37.8% compared with 45.3%).** External liquidity indicators saw an improvement in the share of debt repayments in goods and services exports.

**In 2017 inflation was within the target limits ( $3 \pm 1.5\%$ ), while in December and on the annual average level it reached the targeted 3.0%.** Around 70% of year-on-year inflation in December originated from food prices, primarily fruits and vegetables, and excise products, which indicates that inflation in 2017 was driven by the increasing prices of a small number of products and services. Also indicating that inflationary pressures remained low was the low and stable core inflation, which in December amounted to 1.3% year-on-year core inflation — its lowest level since inflation started to be measured by the consumer price index.<sup>41</sup>

**The National Bank of Serbia used monetary policy measures and instruments to support the Government's economic and fiscal policies implementation. In addition, 2015 saw the adoption of the Non-Performing Loans Resolution Strategy,**<sup>42</sup> which should remove the obstacles in the efficient resolving of non-performing loans and reduce the possibility of their creation, in order to reduce interest rates and total borrowing costs. The successful coordination of monetary and fiscal policies allowed for a loosening of monetary policy by gradually reducing the reference interest rate, while preserving exchange rate stability.<sup>43</sup>

**Monetary policy in 2016 was in accordance with the National Bank of Serbia's Monetary Policy Programme in 2016.**<sup>44</sup> Because the projections suggested that inflationary pressures in 2016 would be low, as in the previous two years, the Programme anticipated expansionary monetary policy that would drive the

<sup>40</sup> Ministry of Finance, Public Finance Bulletin No. 160, Belgrade, 2017, downloaded from: <http://www.mfin.gov.rs/UserFiles/File/bilten%20javne%20finansije/2018/160%20Bilten%20javnih%20finansija.pdf>, 19 October 2018.

<sup>41</sup> National Bank of Serbia, Inflation Report, February 2018, Belgrade, downloaded from: [https://www.nbs.rs/system/galleries/download/pdf\\_ioi/oi\\_02\\_2018.pdf](https://www.nbs.rs/system/galleries/download/pdf_ioi/oi_02_2018.pdf), 19. 10. 2018.

<sup>42</sup> Official Gazette of RS No. 72/15.

<sup>43</sup> The Government of the Republic of Serbia, Fiscal Strategy for 2016 with projections for 2017 and 2018, downloaded from: <http://www.mfin.gov.rs/pages/issue.php?id=8382>, 27 September 2017.

<sup>44</sup> National Bank of Serbia, Annual Monetary Policy Report (2016), Belgrade, downloaded from: <https://www.nbs.rs/internet/latinica/90/mp.html>, 23 October 2017.

commenced economic recovery. According to the NBS analysis, low inflationary pressures in the period between 2014 and 2016 are considered to have occurred on account of most domestic factors, as well as low cost pressures from the international environment driven by the low prices of oil and primary agricultural products on the global market and the generally low inflation in the international environment.<sup>45</sup>

In the period 2014–2017, **salary and pension trends were influenced by the fiscal consolidation measures** and the overall macroeconomic situation in the country. Pensions and salaries in the public sector saw a real drop in 2017 compared with 2014. The real and nominal decline in public sector pay in 2015 — along with the concurrent rise in private sector pay — helped to reduce the difference between average salaries in the public sector and outside it from 14.9% in November 2014 to 3% in 2017. The average real pension dropped by 2.3% in 2014, by 5.5% in 2015, and 1.2% in 2017 year over year.

**Table 2. Salaries and pensions**

|   | 2014   | 2015   | 2016   | 2017   |
|---|--------|--------|--------|--------|
| Average net pay (in RSD)                      | 44,530 | 44,432 | 46,097 | 47,893 |
| Real growth rate (in %)                       | -1.5   | -2.1   | 2.5    | 0.9    |
| Average net pay in the public sector (in RSD) | 49,445 | 46,721 | 47,636 | 48,865 |
| Real growth rate (in %)                       | -1.8   | -7.3   | 0.7    | -0.4   |
| Average pension (in EUR)                      | 24,085 | 23,196 | 23,488 | 23,913 |
| Real growth rate (in %)                       | -2.3   | -5.5   | 0.1    | -1.2   |

Source: Ministry of Finance

**Stopping the growth of the public debt-to-GDP ratio is the primary objective of the fiscal consolidation programme, and it was achieved a year earlier than planned.** The trajectory of the public debt-to-GDP ratio was reversed in 2016, following several years of upward momentum. The public debt-to-GDP ratio was 73%<sup>46</sup> in 2016 compared with 74.7% at end-2015, and 64.6% in August 2017. The reduced fiscal deficit and the achieved primary surplus in 2016 are the most important factors that affected the declining trajectory of the public debt-to-GDP ratio.<sup>47</sup>

<sup>45</sup> *Ibid.*

<sup>46</sup> Ministry of Finance, Table 5: The Republic of Serbia's public debt in the period from 2000 to 31 August 2017, updated on 26 September 2017, downloaded from: <http://www.mfin.gov.rs/pages/article.php?id=13351>

<sup>47</sup> Government of the Republic of Serbia, Economic Reform Programme for the period 2017–2019 (2017), Belgrade, downloaded from: <http://www.mfin.gov.rs/pages/article.php?id=13105&#txt13105>, 27 September 2017.



**At end-2016, foreign exchange reserves amounted to 10,205 million euros, 173 million euros less in comparison with end-2015.** In addition, in 2016 foreign exchange reserves were twice as high as the M1 money supply and covered more than six months of imports of goods and services.<sup>48</sup> At end-2016 the highest share of foreign exchange reserves was that of foreign securities at 61.5%, followed by foreign currency funds in accounts abroad at 22.9%, effective foreign currency at 8.4%, gold at 6.5% and SDRs<sup>49</sup> held with the IMF at 0.7%.

**The combination of the effects of restrictive fiscal policy and accommodative monetary policy proved to be successful.** Thanks to these activities, macroeconomic stability improved, the economy started to grow somewhat earlier than expected and fiscal space was created in the period from 2017 to 2019, which, among other things, could be used for new policies on the expenditure side. In the subsequent medium-term period, fiscal policy objectives are aimed at further reduction of fiscal deficit and public debt. The medium-term fiscal framework provides for a reduction of the general government deficit to 1% of GDP by 2019 and of the public debt share to below 70% of GDP.

### 1.2.3. Fiscal trends

**After the implemented fiscal consolidation measures, the 2014 general government deficit of 6.6% was reduced to 1.3% of GDP at the end of 2016, which was followed by the 2017 surplus of 1.2% of GDP.** The primary fiscal consolidation measures included the reduction of public sector pay and pensions (with an overall effect of around 1.7% of GDP by the end of 2015), which meant a reduction in total public expenditure leading to a real decline in public spending of 3.3%. Tax revenue growth largely resulted from the increase in revenues generated by excise duties and VAT, as well as more efficient tax collection. The continuation of such practice is supported by the consolidated surplus of 52.3 billion dinars generated at the end of 2017 (of which RSD 40 billion was at central-government level and RSD 12.3 billion was at local-government level).

<sup>48</sup> National Bank of Serbia, Annual Monetary Policy Report, Belgrade, 2016, downloaded from: <https://www.nbs.rs/internet/latinica/90/mp.html>, 23 October 2017.

<sup>49</sup> Special Drawing Rights.

**Table 3. Consolidated balance of the state**

|                      | RSD bn  |         |         |         | Real growth annual index in % |       |       |       | % GDP |      |      |      |
|----------------------|---------|---------|---------|---------|-------------------------------|-------|-------|-------|-------|------|------|------|
|                      | 2014    | 2015    | 2016    | 2017    | 2014                          | 2015  | 2016  | 2017  | 2014  | 2015 | 2016 | 2017 |
| Public revenues      | 1,620.7 | 1,694.8 | 1,842.6 | 1,973.4 | 102.7                         | 103.0 | 107.5 | 104.0 | 41.5  | 41.9 | 43.9 | 44.1 |
| Public expenditure   | 1,878.9 | 1,843.9 | 1,896.6 | 1,921.1 | 102.5                         | 96.7  | 101.9 | 98.3  | 48.1  | 45.6 | 45.2 | 43.0 |
| Consolidated balance | -258.1  | -149.1  | -54.0   | 52.3    | 100.6                         | 56.7  | 37.8  | -     | -6.6  | -3.7 | -1.3 | 1.2  |

Source: Ministry of Finance

In the period 2014–2017, the decrease in the share of GDP was seen in a number of categories of expenditures, according to the functional classifications of expenditures.

**The share of expenditures intended for social security in GDP was reduced by almost 2 pp**, while a significant reduction of share in GDP was also achieved in general public services, healthcare, education, economic affairs and internal security.

**Table 4. General government expenditure by function, % of GDP**

|                                   | 2014 | 2015 | 2016 | 2017 |
|-----------------------------------|------|------|------|------|
| General public services           | 7.7  | 7.2  | 7.0  | 6.7  |
| Defence                           | 1.5  | 1.4  | 1.5  | 1.5  |
| Internal security                 | 3.0  | 2.7  | 2.6  | 2.6  |
| Economic affairs                  | 6.0  | 6.0  | 5.8  | 5.6  |
| Environmental protection          | 0.3  | 0.3  | 0.3  | 0.3  |
| Housing and utilities             | 1.5  | 1.4  | 1.5  | 1.5  |
| Healthcare                        | 6.0  | 5.6  | 5.5  | 5.5  |
| Recreation, culture, and religion | 1.1  | 1.1  | 1.0  | 1.0  |
| Education                         | 3.7  | 3.4  | 3.3  | 3.3  |
| Social security                   | 17.3 | 16.9 | 16.0 | 15.4 |
| Total                             | 48.1 | 45.9 | 44.5 | 43.2 |

Source: Ministry of Finance

In the economic classification of the consolidated balance of the Republic of Serbia,<sup>50</sup> social transfers are covered by the category of social assistance and transfers to households. **Social transfers<sup>51</sup> accounted for 17.8% of GDP in 2014, then they gradually reduced over the reference period year after year, and in 2017 they dropped to 16.1% of GDP.** The largest portion of the transfers goes to the

<sup>50</sup> The economic classification focuses primarily on the type of expenditure, its economic feature and the impact of government spending on the goods and services market, the financial market and the redistribution of income.

<sup>51</sup> Social transfers comprise money allowances stemming from insurance — pensions, unemployment and sickness leave benefits, as well as money allowances not based on contributions — social welfare benefits, children and parental allowance, maternity leave benefits, allowance for assistance to and care of another person and various money rights stemming from war veteran and disability care. In addition, local self-governments approve one-time financial assistance, as well as additional money allowances intended for the disadvantaged.





disbursement of pensions. The share of pensions in total social transfers decreased from 72.9% in 2014 to 69% in 2015 and remained nearly unchanged since then. **In 2017, 69.1% of social transfers were earmarked for the disbursement of net pensions.**

**Table 5. Economic classification of expenditure on social assistance and transfers to households in the consolidated state balance (in billion RSD)**

|  | 2014  | 2015  | 2016  | 2017  | Index of growth in real terms <sup>52</sup> |               |
|--|-------|-------|-------|-------|---|---------------|
|  |       |       |       |       | 2017/<br>2014                               | 2017/<br>2016 |
| Social assistance and transfers to households  | 696.8 | 710.0 | 713.8 | 720.1 | 97.3  | 97.9          |
| 1. Net pensions                                | 508.1 | 490.2 | 494.2 | 497.8 | 92.2  | 97.8          |
| 2. Unemployment benefits                       | 12.6  | 12.5  | 9.8   | 9.1   | 68.0  | 90.2          |
| 3. Sickness benefits                           | 8.8   | 9.7   | 10.3  | 12.4  | 132.7                                       | 116.9         |
| 4. Social protection*                          | 107.7 | 115.1 | 108.4 | 109.3 | 95.5  | 97.9          |
| Child protection                               | 48    | 49.5  | 50.1  | 52.5  | 103.0                                       | 101.7         |
| Budget social protection                       | 28.5  | 28.5  | 29.0  | 29.8  | 98.4  | 99.8          |
| War veteran and disability care                | 14.7  | 13.9  | 13.6  | 13.3  | 85.2  | 94.9          |
| Transition fund                                | 0.0   | 11.0  | 3.2   | 1.6   | -   | 48.5          |
| Other  | 16.6  | 12.2  | 12.5  | 12.1  | 68.6  | 94.0          |
| 5. Budget transfers for military pensions      | 0.0   | 0.0   | 0.0   | 0.0   | -   | -             |
| 6. Other transfers to households <sup>53</sup> | 59.7  | 82.4  | 91.2  | 91.4  | 144.1                                       | 97.3          |

Source: Ministry of Finance and annual financial statements

\* Payments made from the state budget, except for the category Other, which in addition to payments from the state budget comprises allocations both on the local and AP Vojvodina levels.

Categories within social welfare are:

**Child protection:** 1. Disbursement of earnings to employed women on maternity leave, 2. Parental allowance, 3. Children's allowance, 4. Reimbursement of costs for children in pre-school institutions, 5. Assistance to refugee mothers with children up to one year of age.

**Social protection from the state budget** (allowances and rights under the Law on Social Welfare and Provision of Social Security for Citizens): 1. Disability allowance — allowance for care and assistance, 2. Budgetary allowances for children and family — material support, 3. Budgetary allowances for children and family — family placement, 4. Budgetary allowances for housing

<sup>52</sup> Nominal growth adjusted for inflation

<sup>53</sup> Other transfers to households comprise payments of organisations of compulsory social insurance for various purposes: allowance for care and assistance, funeral costs, medical aids, etc.

and living — centres for social affairs and placement in institutions, 5. One-time payments.

**War veteran and disability care:** 1. Disability allowances for disabled war veterans, civil war disabilities and family disability allowances (disability allowances, veteran allowances, transportation of disabled war veterans, services of hospitals and medical centres, as well as the right to motor vehicles for disabled war veterans).

**Transition fund:** The funds of the Transition Fund are used to resolve the labour status of employees made redundant in companies undergoing the restructuring process or preparation for the privatisation process.

**Other:** Social protection from the state budget (1. Solidarity Fund, 2. VAT refunds for people with disabilities when importing cars, 2. Pupils' and students' standard of living, 3. National pensions for extraordinary contribution in culture and sports, 4. Young Talents Fund of the Republic of Serbia, etc.) and allocated social welfare funds within the competence of local self-governments and AP Vojvodina.

**The real level of expenditures for social assistance and other transfers to households was lower in 2017 by 2.1% compared with the previous year, while the entire reference period (2014–2017) saw a real decrease in allocations for these purposes of 2,7%.** This real decline can not be accounted for by the rise in the population's standard of living and poverty alleviation (see Chapter: Financial Poverty and Deprivation of Existential Needs), and it stems from the real decrease in pensions and unemployment benefits, as well as the reduced social protection expenditures.

**Social protection expenditures in the narrow sense** are defined by the Law on Social Protection<sup>54</sup> and the Law on Financial Support to Families with Children<sup>55</sup> and include child, social, war veteran and disability care. In 2017, compared with 2014, expenditures for these purposes decreased in real terms by 4.5%, and only the subcategory child protection saw a real expenditure growth of 3.0%. This increase is primarily caused by the increase in expenditure on salary compensation during leave of absence for birth of child, which in 2017 reached around RSD 32.7 billion or 0.73% of GDP (see Chapter: Social and Child Protection).

Expenditures intended for social protection in the EU are monitored in the same way in each of the member countries while respecting the principles of the **European System of Integrated Social Protection Statistics (ESSPROS)**.<sup>56</sup> According to the ESSPROS methodology, total social protection expenditure<sup>57</sup> at the EU-28 level in 2014

<sup>54</sup> Official Gazette of RS No. 24/11.

<sup>55</sup> Official Gazette of RS No. 16/02, 115/05 and 107/09.

<sup>56</sup> European System of Integrated Social Protection Statistics — ESSPROS MANUAL AND USER GUIDELINES, 2016 edition, European Commission, Eurostat, downloaded from: <https://ec.europa.eu/eurostat/documents/3859598/7766647/KS-GQ-16-010-EN-N.pdf/3fe2216e-13b0-4ba1-b84f-a7d5b091235f>, 8 October 2018.

<sup>57</sup> According to the ESSPROS methodology, total allocations for social protection comprise all interventions of public (state) institutions by means of which households and individuals are relieved from a given set of risks or needs (sickness/health care, disability, old age, heirs, family/children, unemployment, housing, social exclusion not elsewhere mentioned) on the condition that there are no identical interventions or individual contracts.



amounted to 28.5% of GDP,<sup>58</sup> although with substantial differences between the member states themselves.

The comparison of expenditure on social protection in the EU and the **Republic of Serbia, measured as a percentage of GDP by the ESSPROS methodology, indicates that the Republic of Serbia is below the EU average but still earmarks more funds than new EU Member States.** Estimates suggest that social protection and social protection expenditures in the Republic of Serbia in 2014 varied around 23% of GDP. The structure of expenditures is dominated by expenditures on net pensions, accounting for more than 13% of GDP.

**Table 6. Expenditures intended for social protection in the EU and the Republic of Serbia, % of GDP**

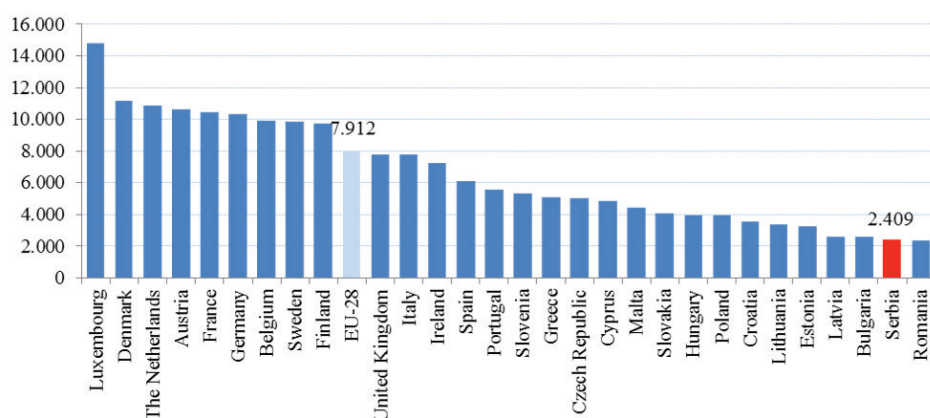
|   | 2014 | 2015 |
|---|------|------|
| Serbia  | 23.4 | 22.1 |
| EU-28   | 28.5 | N/A  |
| <b>EU states with largest allocations for social protection as a percentage of GDP</b>  |      |      |
| France  | 34.2 | 33.9 |
| Denmark   | 32.8 | 32.3 |
| Finland   | 31.9 | 31.6 |
| Belgium   | 30.2 | 30.4 |
| <b>EU states with smallest allocations for social protection as a percentage of GDP</b> |      |      |
| Romania   | 14.7 | 14.6 |
| Latvia  | 14.5 | 14.9 |
| Lithuania   | 15.3 | 15.6 |
| Estonia   | 14.9 | 16.1 |
| Ireland   | 21.6 | 16.3 |

Source: Eurostat

Comparing these expenditures through the Purchasing Power Standard (PPS)<sup>59</sup> per capita paints a different picture. **The Republic of Serbia belongs to the group of countries that allocate the least PPS per capita for social protection in Europe,** as much as 3.3 times less than in the EU-28, while only Romania earmarks less. In 2014, Luxembourg allocated the most (14,828 PPS), the EU-28 average amounted to 7,912 PPS per capita, while the Republic of Serbia allocated only 2,409 PPS for social protection as defined here.

<sup>58</sup> Data downloaded from: <https://ec.europa.eu/eurostat/data/database>, 8 October 2018.

<sup>59</sup> Purchasing power parity, an artificial currency unit formed in the way that one unit of PPS buys the same quantity of goods and services in different countries, allows for comparisons between countries.

**Figure 1. Social protection expenditure in 2011, PPS per capita**

Source: Eurostat database

## 1.3. Functioning of the rule of law and good governance

### 1.3.1. Legislative and strategic framework in the Republic of Serbia

**The Constitution adopted in 2006 provides that the Republic of Serbia is a state founded on the rule of law.** The Constitution upholds the principle of the separation of powers while placing the organisation of powers within the parliamentary system framework, in which the Government wields a majority of executive powers, as well as the principle of legality, which is reflected in the fact that government authorities are subject to the rule of law. The principle of legality is guaranteed in relation to certain government authorities, and especially state administration.

**The Action Plan for Chapter 23 in the negotiations on the accession of the Republic of Serbia to the EU provides for an analysis of constitutional provisions on the judiciary and making amendments to these by the end of 2017.** Although the Serbian Constitution is largely in line with European standards and good practice, its deficiencies are reflected, above all, in the fact that it was adopted without a comprehensive public consultation, as well as in the shortcomings appearing in numerous provisions, among which the most concerning include the so-called party-administered mandate of members of parliament and the excessive role of the National Assembly in the appointment of judges. In the course of 2017, two rounds of consultations by civil society organisation were held in relation to amending the part of the Constitution pertaining to the judiciary.<sup>60</sup>

<sup>60</sup> <https://www.mpravde.gov.rs/tekst/16110/konsultacije-u-vezi-sa-izmenom-ustava-republike-srbije-u-delu-koji-se-odnosi-na-pravosudje.php> and <https://www.mpravde.gov.rs/tekst/16584/nastavak-konsultacija-u-vezi-sa-izmenom-ustava-u-delu-koji-se-odnosi-na-pravosudje.php>. Professional associations and civil society organisations informed the Ministry of Justice at the end

During this reporting period, a number of new and amended or supplemented existing laws were adopted regarding the organisation and functioning of the main government authorities. Most of these laws pertain to the judiciary<sup>61</sup> **June 2017 saw the introduction of the new Law on General Administrative Procedure**, which is used by all government authorities when deciding on specific rights, obligations and interests of citizens and legal entities. The Law on Free Legal Aid is still pending adoption<sup>62</sup> as provided for by the Action Plan for Chapter 23, which should ensure access to justice for a more citizens, particularly vulnerable population groups.

The Government approved the draft **Law on the Planning System of the Republic of Serbia** and referred it to the parliamentary procedure for adoption.<sup>63</sup> This draft regulates the planning system of the Republic of Serbia, meaning public policy system management and midterm planning, types and content of planning documents that are proposed, adopted and implemented by participants in the planning system in accordance with their competencies, mutual compliance between planning documents, procedure for establishing and implementing public policies and obligatory reporting on the implementation of planning documents, as well as the appropriate enacting of the obligation to conduct an analysis of the effects on regulations and on evaluating the outcomes of these regulations (Article 1).<sup>64</sup>

**The public administration reform, which began in 2014, represents an ongoing process and an important requirement for a successful implementation of the reform principles and objectives across all segments of society.** The Public Administration Reform Strategy in the Republic of Serbia<sup>65</sup> defines the overall objective of seeking further improvement of public administration functioning in

of 2017 about suspending their participation in the consultations regarding the amendments to the Constitution "primarily because the government has not yet proposed any starting points for amending the Constitution". <http://www.cepris.org/2017/10/30/strukovna-udruzenja-napustila-konsultacije-o-izmenama-ustava/>

<sup>61</sup> The following new laws were passed: Law on Mediation in Dispute Resolution (Official Gazette of RS No. 55/14), Law on Enforcement and Security (Official Gazette of the Republic of Serbia No. 106/15, 106/16 — authentic interpretation), Law on Public Attorney's Office (Official Gazette of the Republic of Serbia No. 55/14), Law on Enforcement of Non-Custodial Sanctions (Official Gazette of RS No. 55/14), Law on Enforcement of Criminal Sanctions (Official Gazette of the Republic of Serbia No. 55/14), Law on Public Attorney's Office (Official Gazette of RS No. 55/14).

<sup>62</sup> While the preparation of the Report was underway, the Government of the Republic of Serbia adopted the Law on Free Legal Aid and referred it to the National Assembly. Since the Law was adopted during 2018, which is not in the focus of this report, the solutions from this law are not included in the Report.

<sup>63</sup> In April 2018, the National Assembly of the Republic of Serbia adopted the Law on the Planning System of the Republic of Serbia (Official Gazette of RS No. 30/18).

<sup>64</sup> Text available on the website of the National Assembly: [http://www.parlament.gov.rs/upload/archive/files/lat/pdf/predlozi\\_zakona/2386-17%20-%20LAT.pdf](http://www.parlament.gov.rs/upload/archive/files/lat/pdf/predlozi_zakona/2386-17%20-%20LAT.pdf)

<sup>65</sup> Public Administration Reform Strategy in the Republic of Serbia, downloaded from: <http://www.mduls.gov.rs/doc/Strategija%20reforme%20javne%20uprave%20u%20Republici%20Srbiji.pdf>, 26 September 2017.

accordance with the principles of the so-called European Administrative Space, securing high quality of services for citizens and legal entities, as well as developing a public administration system that will significantly contribute to economic stability and increasing citizens' standard of living. In this regard, a set of around 18 regulations — some already adopted and others in preparation stages — allows for efficient administration and services, as well as better exercising of rights of citizens and national minorities. In addition, the **Government adopted a new Strategy for Development of Public Internal Financial Control in the Republic of Serbia for the period 2017–2020**, with the action plan for the period 2017–2018.<sup>66</sup>

### 1.3.2. State of affairs in the area

When it comes to vertical separation of powers, Serbia is a **unitary decentralized state** characterized by an asymmetric regionalism within the two autonomous provinces and a single-level and almost completely monotype structure of local self-government in cities and municipalities.<sup>67</sup> A separate law on the financing of AP Vojvodina is still pending adoption, which is a constitutional obligation.

**From the beginning of 2014 to September 2017, the National Assembly adopted 552 laws.** Laws are most commonly proposed by the Government, while very few laws are proposed through civil initiatives. Many laws are still being adopted as emergency regulations (Annex 1, Table 1 Legislative activity of the National Assembly). Although a significant number of amendments are filed on draft laws, especially by members of parliament, their final content is not considerably affected by debates in the National Assembly.<sup>68</sup>

**The National Programme for the Adoption of the Acquis (2014–2018)<sup>69</sup> (NPAA) had a 63% completion rate**, according to the NPAA progress report published in

<sup>66</sup> Official Gazette of RS No. 51/17.

<sup>67</sup> V. Jerinić, J., "Serbia", in: Merloni, F. (ed.) (2016), *Regionalisation Trends in European Countries (2007–2015)*, Strasbourg: Council of Europe, pp. 168–174 and Milosavljević, B., Jerinić, J. (2017), *Ustavnopravni položaj lokalne samouprave: Ustav Republike Srbije u uporednoj evropskoj perspektivi*, Belgrade: Standing Conference of Towns and Municipalities.

<sup>68</sup> The Evaluation Report on Serbia for 2015 (p. 3), drawn up by the Council of Europe's Group of States Against Corruption (GRECO), underscores that the National Assembly "does not exercise proactive and meaningful control functions" and that it "mainly operates upon governmental initiatives".

<sup>69</sup> The third, most recently revised National Programme for the Adoption of the Acquis (NPAA) was adopted on 1 March 2018. The last report on fulfillment of obligations under the NPAA was drawn up for the period April–June 2018 and the Government had a 28% success rate, since it established or adopted 16 of the planned 57 regulations. On the whole, having observed the regulations that were planned to be adopted in the period starting from the start of the implementation of the third revised NPAA and ending with the second quarter of 2018, the NPAA's completion rate was 45% (53/119).

2016.<sup>70</sup> The prescribed measures cover the areas of democracy and rule of law pertaining to the Constitution, the National Assembly, the Government, the state administration (in the broader sense, including authorities of autonomous provincial authorities and local government authorities), the electoral system, the judiciary, the anti-corruption policy and defence reform.

**There is room for strengthening the parliamentary oversight of the executive.**

The oversight mechanisms used by the National Assembly are reduced to asking parliamentary questions, while numerous other mechanisms of parliamentary oversight provided for by the Constitution are almost non-existent in parliamentary practice.<sup>71</sup> At the end of 2015, the Public Finance Supervision Portal was launched, connecting the National Assembly and the Ministry of Finance (specifically the Treasury Administration) and enabling members of parliament to have direct access to information on spending of budgetary resources.

**The existing level of transparency of the work of the National Assembly was maintained.** The website of the National Assembly publishes parliamentary questions, voting minutes and stenographic records of plenary debates and broadcasts debates. **During the reporting period, 34 public hearings were held.**

**A proportional representation system is applied at all levels of government.**<sup>72</sup>

For years, the proportional representation system has been causing imbalanced geographical composition of members of parliament, which in turn results in cities and municipalities having never had their representatives in the National Assembly.<sup>73</sup> This electoral system generates similar effects at the local level, as well.<sup>74</sup> The reporting period saw two elections for members of parliament (2014 and 2016), one election for councilors of local and provincial assemblies (2016) and one election for the president of the Republic (2017).

**Regulations on the financing of political entities and election campaigns are frequently violated.** Reports by the Anti-Corruption Agency from 2014, 2015 and

<sup>70</sup> Izveštaj o sprovođenju Nacionalnog programa za usvajanje pravnih tekovina Evropske unije (NPAA) (Report on the Implementation of the National Programme for the Adoption of the Acquis (NPAA)), Q4 2015, downloaded from: [http://www.mei.gov.rs/upload/documents/nacionalna\\_dokumenta/npaa/npaa\\_oktobar\\_decembar\\_2015.pdf](http://www.mei.gov.rs/upload/documents/nacionalna_dokumenta/npaa/npaa_oktobar_decembar_2015.pdf), 28 September 2017.

<sup>71</sup> During 2014, 46 parliamentary questions were raised, and 61 in 2015, 53 of which were answered. Data from the website of the National Assembly of the Republic of Serbia.

<sup>72</sup> The former mixed electoral system for electing members of the Assembly of AP Vojvodina was replaced in 2014 with the proportional representation system. Provincial Assembly Decision on Election of Deputies to the Assembly of the Autonomous Province of Vojvodina (Official Gazette of AP Vojvodina No. 23/14).

<sup>73</sup> Data on members of parliament by place of residence can be found at: <http://otvoreniparlament.rs/poslanik?stranka=&klub=&ime=&pol=&profesija=&mesto=291>, 10 October 2017.

<sup>74</sup> Josipović, R., Radić-Milosavljević I., Jerinić, J. (2012), *Analytical Study on the Functioning of Local Assemblies in Serbia*, UNDP, p. 19.

2017 draw focus to typical violations of the Law on Financing Political Activities in almost all political entities and elections at all levels. The most common violations pertain to maximum contributions from private sources and their disclosure; dedicated spending of funds and failure to submit reports to the Agency.<sup>75</sup>

**The independence of the judiciary is not fully ensured in practice.** In this regard, the inadequacy of the constitutional and legal frameworks, which are still not in line with European standards, continue to be pronounced, as do the unjustified internal and external pressures on the judiciary.<sup>76</sup>

**Courts remain heavily backlogged with old cases, and judicial proceedings frequently end outside reasonable timeframes.** In 2016 the Supreme Court of Cassation adopted **a new national programme to clear old cases**, which then served as basis for adopting lower court programmes. During 2016, 65% more cases were resolved than in 2014 (Annex 1, Table 2 Number of unresolved court cases for all courts in the Republic of Serbia by year). Despite this, the number of unresolved cases is still high, due to, among other things, the increased inflow of new cases. The average duration of judicial proceedings in 2016 was 253 days, with the shortest average duration of the proceedings being of those before the Misdemeanor Appellate Court and the general courts of appeal, and the longest average duration being of those before the Administrative Court — 534 days.<sup>77</sup> A large number of applications against Serbia before the European Court of Human Rights still pertain to the excessive duration of court proceedings.

**Further efforts are needed in order to standardise court practices.** The inconsistencies are in part caused by the inadequate use of information technology to connect courts and provide access to courts.<sup>78</sup>

Similar to regular courts, the **Constitutional Court is burdened with broad jurisdictions and heavy caseloads.** The majority of caseload is made up of constitutional appeals (more than 95%), even after regular courts started to provide

<sup>75</sup> The Agency reports can be found at: <http://www.acas.rs/finansiranje-politickih-subjekata/>, 8 October 2017.

<sup>76</sup> The European Commission's 2016 Progress Report on Serbia, pp. 12–13; GRECO Report, 2015, p. 3 (<https://rm.coe.int/16806ca35c>, 8 October 2017). The European Commission's 2018 Report notes that some progress has been made, especially in terms of reducing the backlog of cases, through introducing measures to harmonize judicial practices and through adopting improved rules for evaluating the performance of judges and prosecutors. On the other hand, the scope for political influence on the judiciary continues to be an issue of concern. Text available on the website of the Ministry of European Integration: [http://www.mei.gov.rs/upload/documents/eu\\_dokumenta/godisnji\\_izvestaji\\_ek\\_o\\_napretku\\_izvestaj\\_ek\\_o\\_srbiji\(1\).pdf](http://www.mei.gov.rs/upload/documents/eu_dokumenta/godisnji_izvestaji_ek_o_napretku_izvestaj_ek_o_srbiji(1).pdf)

<sup>77</sup> Annual Report on the Work of the Courts in the Republic of Serbia for 2016, Supreme Court of Cassation, [http://www.vksud.rs/sites/default/files/attachments/GODISNJI%20IZVESTAJ%20O%20RADU%20SUDOVA%20U%20REPUBLICI%20SRBIJI%20ZA%202016.%20GODINU\\_V6\\_0.pdf](http://www.vksud.rs/sites/default/files/attachments/GODISNJI%20IZVESTAJ%20O%20RADU%20SUDOVA%20U%20REPUBLICI%20SRBIJI%20ZA%202016.%20GODINU_V6_0.pdf), 25 September 2017.

<sup>78</sup> The European Commission's 2016 Progress Report on Serbia, p. 14.



protection of the right to trial within a reasonable time in 2014. In December 2016, nine newly elected judges of the Constitutional Court took office.

The position of independent bodies overseeing the executive branch is similar compared with that in the previous reporting period. **Public authorities do not act fully and consistently in line with their decisions.**<sup>79</sup> When it comes to access to information of public importance, the Commissioner and the European Commission pointed to the necessity of amending the legal framework, which would secure opportunities for monitoring the execution of decisions by the Commissioner.<sup>80</sup> In the reporting period, the new Commissioner for the Protection of Equality (2015) and the new Protector of Citizens (2017) were elected.

The Republic of Serbia remains among countries with widespread corruption. **The new Law on the Anti-Corruption Agency has not yet been adopted.**<sup>81</sup> It is also necessary to amend the legal regulations on conflict of interest, as well as to regulate the practice of lobbying.<sup>82</sup> The perception of corruption still remains high.<sup>83</sup>

**The representation of women in government bodies, particularly in public offices, slightly increased.** Compared with 2014, although the Government now has a female prime minister, there are only four other women out of a total of 22 members, while the National Assembly has six more women than in the previous convocation (a total

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<sup>79</sup> According to the Annual Report of the Protector of Citizens for 2016, the overall acceptance percentage for recommendations issued to authorities was 88.88% compared with 87.14% in 2015. However, the percentage of acceptance of recommendations by some authorities ranges only between 31% and 62%. In addition, out of the nine legislative initiatives that the Protector of Citizens submitted to the National Assembly, two were accepted:

<http://www.izvestaji.rs/zastitnikgradjana/#ci-2016-21>, 10 October 2017.

The number of decisions issued by the Commissioner for Information of Public Importance and Personal Data Protection that public authorities did not implement or failed to inform the Commissioner of that remains high. In 2014 such decisions accounted to 225 (of which 43 were not implemented by ministries), in 2015 to 135 (of which 26 issued to ministries), and in 2016 there were 228 non-implemented decisions, of which as many as 50 were issued to ministries. Data downloaded from: <http://www.poverenik.rs/sr/izvestaji-poverenika.html>, 1 October 2017.

<sup>80</sup> EC Report for 2016, p. 15.

<sup>81</sup> Draft Law on the Anti-Corruption Agency:

<https://www.mpravde.gov.rs/sekcija/53/radne-verzije-propisa.php>, 10 October 2017. The public consultation ended in November 2016.

<sup>82</sup> GRECO Report, p. 15.

<sup>83</sup> The corruption perception index did not change significantly during this period. For 2014 Serbia ranks as 78th, for 2015 as 71st, for 2016 as 72nd, and for 2017 as 77th out of 180 countries within the global Corruption Perceptions Index

[https://www.transparency.org/news/feature/corruption\\_perceptions\\_index\\_2016#table](https://www.transparency.org/news/feature/corruption_perceptions_index_2016#table).

1 October 2017, and

[http://www.transparentnost.org.rs/images/dokumenti\\_uz\\_vesti/Saop%C5%A1tenje\\_CPI\\_2017.pdf](http://www.transparentnost.org.rs/images/dokumenti_uz_vesti/Saop%C5%A1tenje_CPI_2017.pdf), 10 October 2018.

of 90, which is 36%, compared with the previous 84, and 33.73%). Representation is even smaller at the local level, especially in the executive branch.<sup>84</sup>

**There is room for improvement of the quality of conducting the analysis of the effects of regulations and monitoring the implementation of regulations.**

Adequate horizontal and vertical coordination is often lacking in the policy-making process.<sup>85</sup> Although to a lesser extent, there are still delays in the adoption of subordinate legislation.<sup>86</sup>

Through sectoral budget support, the European Union secured EUR 80 million in grants for the public administration reform.<sup>87</sup> By holding a workshop for the preparation of the new Action Plan for the implementation of the Public Administration Reform Strategy for the next two-year period 2018–2020, the Ministry of Public Administration and Local Self-Government launched consultations and work on establishing this document.<sup>88</sup> In addition, in mid 2016 the World Bank used the Program-for-Results instrument to lend EUR 69 million to the Republic of Serbia in support of public sector and state finances reforms.<sup>89</sup>

**Reforms related to the improvement of the work of inspection services in the Republic are underway.** The reform in electronic administration implemented through the **Strategy for the Development of e-Government in the Republic of Serbia in the period 2015–2018**<sup>90</sup> will enable improvement of coordination of inspections, legal regulation and establishment of an information system with the aim of efficient data and electronic documents exchange in the planning and implementation of inspection supervision. Combining the work of market inspection, labour inspection, communal inspection, etc., as well as their better coordination with the work of the Tax Administration through the development of a unique information system will enable more efficient and effective functioning of all inspections. In addition, this reform should contribute to the reduction of the shadow economy.

<sup>84</sup> According to the Standing Conference of Towns and Municipalities (SCTM), the representation of women in municipal and city councils is 16.7%, and only nine women are mayors/municipal presidents. The councilwomen make up 32.3% of local assemblies. The database Gender Equality in Serbia is available at: <http://rrskgo.org> 8 October 2017.

<sup>85</sup> The European Commission's 2016 Progress Report on Serbia, p. 11.

<sup>86</sup> According to the National Alliance for Local Economic Development (NALED), the value of the indicator "Adoption of subordinate legislation" in 2015 was 83.33, and the indicator "Delay of subordinate legislation" was 70. <http://ri.naled.rs/htdocs/tableView2.php?sJezik=rs>, 10 October 2017.

<sup>87</sup> <http://www.srbija.gov.rs/vesti/vest.php?id=301478>

<sup>88</sup> <http://www.mduls.gov.rs/aktivnosti-saopstenja.php>

<sup>89</sup> <http://www.srbija.gov.rs/vesti/vest.php?id=265619>

<sup>90</sup> Strategy for the Development of e-Government for the period 2015–2018, downloaded from: <http://www.mduls.gov.rs/doc/Strategija%20razvoja%20eUprave%20sa%20AP%202015-2018.pdf>, 17 October 2017.



the increase in the budgetary inflow from taxes and contributions, and the growth of formal employment.<sup>91</sup>

**Gender responsive budgeting (GRB)** was introduced through changes and amendments to the Budget System Law.<sup>92</sup> **Gender responsive budgeting involves gender analysis of the budget and restructuring of revenues and expenditures with a view to promoting gender equality.** A total of 28 direct budget beneficiaries were involved in the pilot project of gender responsive budgeting, of which 16 defined at least one gender-responsive goal in their financial plans for 2016. The process of gradual introduction of GRB is planned to be completed by 2020 for all budget beneficiaries at all levels of government. By the end of 2017, 441 public sector employees received training in gender responsive budgeting, and 24 budget beneficiaries at the national level and 10 at the provincial level implemented gender responsive budgeting in their budgets for 2017.

## 1.4. Social inclusion and poverty reduction in the process of accession of the Republic of Serbia to the European Union

### 1.4.1. Overview of negotiations

**The EU accession negotiations with the Republic of Serbia started on 28 June 2013**, when the European Council welcomed and accepted the Council's Conclusions of 25 June 2013 on enlargement and the Stabilisation and Association Process and decided to launch accession negotiations with the Republic of Serbia. The European Council called on the European Commission to develop the Negotiating Framework for negotiations on the accession of the Republic of Serbia to the European Union. The first meeting of the Intergovernmental Conference on the Accession of the Republic of Serbia to the European Union was held on 21 January 2014. **In March 2015, the first stage was completed involving the review and assessment of the extent to which the legislation of the Republic of Serbia was in alignment with the *acquis communautaire*, meaning the process of analytical review of legislation (screening) for all negotiation chapters.**

**During the reporting period, seven meetings of the Intergovernmental Conference were held and negotiations were launched for a total of 12 negotiating chapters** (in chronological order: 32 — Financial control and 35 — Other issues; 23 — The judiciary and fundamental rights and 24 — Justice, freedom and security; 5 — Public procurement and 25 — Science and research; 20 — Enterprise and industrial policy;

<sup>91</sup> Economic Reform Programme 2017–2019, downloaded from: [http://www.mfin.gov.rs/UserFiles/File/strategije/ERP%202017-2019\(1\).pdf](http://www.mfin.gov.rs/UserFiles/File/strategije/ERP%202017-2019(1).pdf), 27 September 2017.

<sup>92</sup> Law on Changes and Amendments to the Budget System Law (Official Gazette of RS No. 103/15), Article 16.

26 — Education and culture; 7 — Intellectual property law and 29 — Customs union, 6 — Company law and 30 — External relations), while two chapters were temporarily closed (25 — Science and research, 26 — Education and culture). For the eight chapters in which negotiations were started, the European Union established interim benchmarks, requirements for temporary closing of negotiations, which are currently under consideration and negotiating structure activities.

The stages of other negotiating chapters can be classified into three categories: 1) chapters for which the European Commission submitted the screening results and which have no defined opening benchmarks — the preparation of negotiating positions is underway; 2) chapters for which the European Commission submitted the screening results and which have defined criteria for opening of negotiations; and 3) other chapters for which the EC completed the screening reports and forwarded them to the preparatory bodies of the EU Council.

The Basis for Negotiations and Conclusion of the Treaty of Accession of the Republic of Serbia to the European Union<sup>93</sup> was prepared on the assumption that membership in the European Union would create an environment for faster and more stable development, contribute to macroeconomic stability and increase the inflow of investments, increase the standard of living and social security of citizens and encourage the development of a competitive knowledge economy. At the same time, in accordance with the acts adopted by the Government before the official opening of negotiations, the Republic of Serbia fully respects the fact that the current EU *acquis communautaire* represents the basis for negotiations on the accession and accepts the rights and obligations arising from the *acquis communautaire*.

**The Government adopted the National Programme for the Adoption of the Acquis (NPAA)**, the adoption of which aims to define all activities and measures for fulfilling the commitments arising from the negotiations that are necessary for alignment with the EU legal system.

**The planned implementation period for the third revised NPAA will end when 2021 ends.** This deadline, taking into account all steps that are involved in the formal EU accession procedure, has been determined in accordance with the membership prospects expressed in the letter of intentions that the President of the European Commission presented for the period until the end of his mandate. The letter, in addition announcing the strategy “A credible enlargement perspective for and enhanced EU engagement with the Western Balkans for 2018”, ties the prospects of Serbia and Montenegro’s membership to 2025, placing special focus on the rule of law, fundamental rights, fighting corruption and stability in the region.

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<sup>93</sup> The document is available on the website of the Ministry of European Integration: <http://www.mei.gov.rs/src/dokumenta/nacionalna-dokumenta/dokumenta-neophodna-za-pregovore-sa-eu>

### 1.4.2. Freedom of movement for workers (Negotiating Chapter 2)

Taking into account the assessments contained in the Screening Report for this chapter,<sup>94</sup> **the Republic of Serbia has reached a satisfactory level of compliance in freedom of movement for workers.** Drawing on this assessment, the European Commission recommended the opening of accession negotiations with Serbia, in line with which the Republic of Serbia was invited to submit its negotiating position. In order to fulfill the obligations of EU membership in this area, it is necessary to establish plans for achieving full compliance of the national legislative framework with the regulations of the European Union and establishing conditions for the correct application of the harmonised legislation. In addition, the European Commission's 2016 Report on Serbia<sup>95</sup> **recommends that the Republic of Serbia continue its efforts to strengthen the social protection institutions capacities.** In the 2018 Report, the EC concludes that the Republic of Serbia must continue to strengthen its cooperation with EU Member States on coordinating the social security system, as well as simplify the procedures for issuing work permits to EU citizens.<sup>96</sup>

When it comes to access to the labor market, **it is necessary to achieve full alignment with the provisions of Regulation (EU) No. 492/2011 on the freedom of movement for workers in the Union** in the part concerning specifying cases of justified public order and public security interests for determining citizenship as a condition for public service employment. In addition, further harmonisation of requirements and consideration of solutions for full adoption of the provisions of Council Directive 98/49 of 29 June 1998 on safeguarding the supplementary pension rights of employed and self-employed persons moving within the Community and the harmonisation of the voluntary pension funds and pension schemes system in the Republic Serbia with the requirements laid out by this directive, in the part regulating the operation of voluntary pension funds. From the harmonisation perspective, the following period will benefit from monitoring the process of harmonisation of EU member states' regulations with the provisions of Directive 2014/50/EU on minimum requirements for improving the mobility of workers between member states by improving the acquisition and safeguarding of the right to supplementary pension, in order to ensure that the harmonisation process is completed before joining the EU.

With regard to the coordination of the social protection system, in order to fulfill the obligations of membership in the EU, **measures should be taken in the forthcoming period to improve the coordination of social security with the EU countries,**

<sup>94</sup> The document is available on the website of the Ministry of European Integration:  
<http://www.mei.gov.rs/src/dokumenta/nacionalna-dokumenta/skrining>

<sup>95</sup> The document is available on the website of the Ministry of European Integration:  
[http://www.mei.gov.rs/upload/documents/eu\\_dokumenta/godisnji\\_izvestaji\\_ek\\_o\\_napretku/izvestaj\\_ek\\_srbija\\_2016.pdf](http://www.mei.gov.rs/upload/documents/eu_dokumenta/godisnji_izvestaji_ek_o_napretku/izvestaj_ek_srbija_2016.pdf)

<sup>96</sup> The document is available on the website of the Ministry of European Integration:  
[http://www.mei.gov.rs/upload/documents/eu\\_dokumenta/godisnji\\_izvestaji\\_ek\\_o\\_napretku/izvestaj\\_ek\\_o\\_srbiji\(1\).pdf](http://www.mei.gov.rs/upload/documents/eu_dokumenta/godisnji_izvestaji_ek_o_napretku/izvestaj_ek_o_srbiji(1).pdf)

**through concluding bilateral health insurance treaties with EU member states** with which these treaties have not been concluded, as well to improve existing treaties and secure legal requirements for the commencement of direct application of the coordination regulations (Regulation 883/2004 of the European Parliament and Council of 29 April 2004 on the coordination of the social security system, Regulation 987/2009 of the European Parliament and Council of 16 September 2009, establishing a procedure for the implementation of Regulation 883/2004 on the coordination of the social security system, Regulation 1231/2010 of the European Parliament and Council of 24 November 2010, extending the application of Regulation 883/2004 and Regulation 987/2009 to third-country nationals who are not covered by these regulations solely on the basis of their nationality, other accompanying regulations, decisions and recommendations) and to improve the personnel and technical skills of employees in relevant bodies and organisations.

**In line with the EC's assessments in the Screening Report for this chapter, all the basic elements related to the European Jobs Network (EURES) have been introduced.** When it comes to the future participation of the Republic of Serbia in EURES, it is necessary to continue the preparations for connecting with the European Job Mobility Portal in order to ensure that all vacancies posted on the National Employment Service website are available for posting on the Portal after the country's accession to the EU. With regard to this issue, it is important to make efforts to strengthen the institutional capacities for participation in EURES.

In line with the *acquis communautaire* and procedures, **it is necessary to begin preparations for the introduction of the European Health Insurance Card (EHIC) from the moment of accession to the EU.** Prior to accession, it would be convenient to prepare a feasibility study on the impact of introducing the Card on public finances.

### **1.4.3. Agriculture and rural development (Negotiating Chapter 11)**

After the screening process, the benchmarks for opening negotiations under this chapter have been established.<sup>97</sup> The first benchmark requires the **Republic of Serbia to prepare an Action Plan that will serve as basis for the transposition, implementation and application of the EU *acquis communautaire* in agriculture and rural development.** The Action Plan, among all other issues, should include the improvement of relevant administrative capacities, assessment of the required resources and improvement of the Integrated Administration and Control System (IACS) in order to prepare the Republic of Serbia for the supervision and control of agricultural payments. The second established benchmark pertains to the request for entrusting budget execution tasks and implementing obligations for IPARD II in accordance with the provisions of the European Commission Implementing Regulation 447/2014.

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<sup>97</sup> The document is available on the website of the Ministry of European Integration: <http://www.mei.gov.rs/src/dokumenta/nacionalna-dokumenta/skrining>

The Government of the Republic of Serbia adopted the document **“IPARD Programme for the Republic of Serbia for the period 2014–2020”**<sup>98</sup> (IPARD Programme) in September 2017. The IPARD Programme stipulates that the Programme will contribute to reducing poverty and the risk of social exclusion through the following measures: investments in physical assets of agricultural holdings, investments in physical assets concerning processing and marketing of agricultural and fishery products, agroecological measures and implementation of local rural development strategies — the LEADER approach. In addition, the Program will promote gender equality by, among other things, giving priority to women entrepreneurs through ranking criteria, as well as by including the rural female population organisations in LAGs. In addition, the IPARD Programme provides for ways to prevent discrimination during the various stages of the implementation of the Programme. The first public call within the IPARD Programme was announced at the end of 2017 and includes, among other things, investments in physical assets of agricultural holdings and in physical assets concerning processing and marketing of agricultural and fishery products.

#### 1.4.4. Statistics (Negotiating Chapter 18)

**Considering the ratings contained in the Screening Report for this chapter,<sup>99</sup> the Republic of Serbia has reached a satisfactory level of compliance in the area of statistics.** Bearing in mind the above, the European Union has invited the Republic of Serbia to submit a negotiating position for this chapter. In order to meet the obligations of EU membership in this area, plans must be identified for achieving full compliance of the national legislative framework with EU regulations and establishing conditions for the proper application of the harmonised legislation.

The key task in relation to this chapter is to follow European regulations regarding the development of European statistics and the improvement of data quality. As for the **Labour Force Survey** (LFS), it is necessary to continue monitoring European regulations and accelerating the transmission of the remaining microdata and quality reports. Regarding the **Survey on Income and Living Conditions** (SILC), in order to maintain full compliance with the EU acquis in connection with statistics on income and living conditions, data and quality reports must be continuously sent to Eurostat. With regard to the **European system of integrated social protection statistics** (ESSPROS), in order to maintain full compliance with the EU acquis, data must be regularly collected and results sent to Eurostat in accordance with the established time frames. As for education statistics, **it is necessary to continue to regularly complete the questionnaire on the education system** (UOE) in order to maintain full compliance with the EU acquis in this area. In addition, as for continuing vocational

<sup>98</sup> The document is available on the website: <https://ipard.co.rs/doc/srbija-ipard-2-program.pdf>

<sup>99</sup> The document is available on the website of the Ministry of European Integration: <http://www.mei.gov.rs/src/dokumenta/nacionalna-dokumenta/skrining>

training surveys (CVTS), further details regarding the European Continuing Vocational Education Survey should be monitored. **As for public health statistics**, ongoing activities are to be continued in order to maintain full compliance with the relevant EU *acquis communautaire* in this area. As for statistics on work-related injuries, in order to submit these data to Eurostat, an appropriate electronic application must be developed for keeping uniform records on statistics on injuries at work, in addition to considering plans for full harmonisation with the EU *acquis communautaire* regarding statistics on public health and occupational health and safety in terms of statistical information on accidents at work.

The European Commission's 2016 Report on Serbia<sup>100</sup> asserts that the **Statistical Office of the Republic of Serbia's capacity in terms of human resources should be further strengthened**. In addition, it has been noted that statistics on the structure of wages and jobs have yet to be produced and that public health statistics in line with the *acquis communautaire* remain unavailable. In the 2018 Report,<sup>101</sup> the EC states that the statistical data on the wage structure were submitted to Eurostat in 2016 in accordance with EU regulations. Also, it was noted that the work on producing statistical data on vacancies has progressed and that statistical data on public health in line with the *acquis communautaire* remain unavailable.

#### 1.4.5. Social policy and employment (Negotiating Chapter 19)

**The European Commission prepared the Screening Report for Chapter 19<sup>102</sup>** based on its assessment of the degree of compliance of legislation and existing capacities for its proper implementation. In this report, the European Commission recommended that the negotiations under this chapter be opened when the established benchmark is met. **The requirement for opening negotiations under Chapter 19 involves the preparation of the Action Plan for the gradual transfer of the *acquis communautaire* and the building of the necessary capacities for the implementation and application of the *acquis communautaire* in all areas under the Chapter.** The Action Plan needs to define: a) time frames, b) identifying the human resources needed to fulfill all the tasks, c) identifying the relevant institutions, their competencies and their role in the negotiation process and d) identifying supporting activities for providing support in the pre-accession context (strengthening of administrative capacities). The Screening Report for Chapter 19 asserts that the Serbian legislation is partially harmonised with the *acquis communautaire* in the area

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<sup>100</sup> The document is available on the website of the Ministry of European Integration: [http://www.mei.gov.rs/upload/documents/eu\\_dokumenta/godisnji\\_izvestaji\\_ek\\_o\\_napretku/izvestaj\\_ek\\_srbija\\_2016.pdf](http://www.mei.gov.rs/upload/documents/eu_dokumenta/godisnji_izvestaji_ek_o_napretku/izvestaj_ek_srbija_2016.pdf)

<sup>101</sup> The document is available on the website of the Ministry of European Integration: [http://www.mei.gov.rs/upload/documents/eu\\_dokumenta/godisnji\\_izvestaji\\_ek\\_o\\_napretku/izvestaj\\_ek\\_o\\_srbiji\(1\).pdf](http://www.mei.gov.rs/upload/documents/eu_dokumenta/godisnji_izvestaji_ek_o_napretku/izvestaj_ek_o_srbiji(1).pdf)

<sup>102</sup> The document is available on the website of the Ministry of European Integration: <http://www.mei.gov.rs/src/dokumenta/nacionalna-dokumenta/skrining>





of social policy and employment. The report notes that decisive action is needed in order to achieve progress in harmonising the legislation and in order to solve the critical situation on the labour market, including undeclared work. The report especially points out that the very high unemployment rate among young people and the high rate of young people who are not employed and not in any education or training systems are serious reasons for concern. In addition, the priorities include increasing efforts to reduce poverty, promote the social inclusion of Roma and Roma women, people with disabilities and other vulnerable groups, as well as good functioning and transparency of social dialogue.

**The European Commission's 2016 Report on Serbia<sup>103</sup> states that some progress has been made in the areas of employment policy, social inclusion of Roma, prohibition of discrimination and gender equality.** The report concludes that the adoption of the first **Employment and Social Reform Programme (ESRP)** is an important step in addressing political challenges in employment and social issues, which are still affected by scarce public funding and limited institutional capacity. That is why the Republic of Serbia is advised to provide financial and institutional resources for employment and social policy, to increase the efficiency of social benefits for persons below the poverty line and to significantly strengthen bilateral and trilateral social dialogues at all levels, including consultations on the draft legislation. The EC 2018 Report<sup>104</sup> estimates that **some progress has been made** in aligning legislation with the *acquis communautaire*, mainly **in occupational health and safety, as well as the functioning of social dialogue.** The EC recommended that the Republic of Serbia increase the financial and institutional resources for employment and social policy, so that they are more systematically focused on youth, women and the long-unemployed, improve the adequacy of the system of social benefits, in order to secure more effective support to those parts of the population that need it most and significantly strengthen bilateral and trilateral social dialogues at all levels.

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<sup>103</sup> The document is available on the website of the Ministry of European Integration:  
[http://www.mei.gov.rs/upload/documents/eu\\_dokumenta/godisnji\\_izvestaji\\_ek\\_o\\_napretku/izvestaj\\_ek\\_srbija\\_2016.pdf](http://www.mei.gov.rs/upload/documents/eu_dokumenta/godisnji_izvestaji_ek_o_napretku/izvestaj_ek_srbija_2016.pdf)

<sup>104</sup> The document is available on the website of the Ministry of European Integration:  
[http://www.mei.gov.rs/upload/documents/eu\\_dokumenta/godisnji\\_izvestaji\\_ek\\_o\\_napretku/izvestaj\\_ek\\_o\\_srbiji\(1\).pdf](http://www.mei.gov.rs/upload/documents/eu_dokumenta/godisnji_izvestaji_ek_o_napretku/izvestaj_ek_o_srbiji(1).pdf)

## Thematic Focus: European Pillar of Social Rights

On 17 November 2017, the Council of the EU, the European Parliament and the European Commission published and signed the **European Pillar of Social Rights**. The aim of this instrument is to strengthen the EU *acquis communautaire* in the area of social protection and to ensure more effective civil rights. **It focuses on employment and social aspects**, as well as on harmonising the European social model with the challenges of the 21st century. The European Pillar of Social Rights sets out 20 principles and rights to support labour markets and social protection systems that are fair and well functioning, divided into three categories: 1) Equal opportunities and access to the labour market; 2) Dynamic labour markets and fair working conditions; and 3) Social protection and inclusion. Earlier in April 2017, in order to achieve a more coherent and fairer economic and monetary union, the European **Commission presented the Communication on the European Pillar of Social Rights**,<sup>105</sup> after naming a social Europe as one of the key priorities of the European Commission. The focus is on respecting new trends in labour and society as a whole in order to fulfill the intentions of the Treaty on the Functioning of the European Union, in connection with the highly competitive social market economy in order to achieve full employment and social progress. Along with the social pillar, there is also an “overview of social indicators” that tracks the progress made. The purpose of these indicators is to monitor trends and success in all countries, as well as to establish the basis for political guidelines within the European Semester for the coordination of economic policies. The European Pillar of Social Rights reiterates existing rights in the EU’s international and legal *acquis* and at the same time supplements them to take into account the current circumstances. Respect for the principles and rights defined by the European Pillar of Social Rights is a shared responsibility of member states, EU institutions, social partners and other relevant stakeholders. The majority of the mechanisms necessary for establishing the pillar are under the purview of local, regional and national bodies, as well as social partners and civil society as a whole. The European Union, and in particular the European Commission, can contribute by establishing a framework, providing guidance and establishing equal conditions for all, while respecting the specific nature of national conditions and institutional frameworks. If necessary, the existing EU *acquis* will be updated and amended, and its implementation improved. In order to effectively implement the set of principles and rights covered by the pillar, additional legislative initiatives will be needed at the national level. The launch of the European Pillar of Social Rights was accompanied by the first set of legislative initiatives related to the balance of work and private life, access to social protection and providing information to workers. Further initiatives in the areas covered by the principles and rights that are included in the pillar will be

<sup>105</sup> Brussels, 26 April 2017, COM (2017) 250 final — Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions on the establishment of a European Pillar of Social Rights.

established in the future process of preparing the annual work programme of the European Commission and discussing it. The implementation of the **European Pillar of Social Rights is supported by EU funds**, in particular the European Social Fund. The operational programmes 2014–2020 within the European Structural and Investment Funds and other major financial programmes, such as the Youth Employment Initiative, Erasmus +, European Globalisation Adjustment Fund and the Fund for European Aid to the Most Deprived, will play a fundamental role in supporting a number of pillar principles. In addition, in the area of social dialogue, it is important to point out that the joint statement on the **“A New Start for Social Dialogue”**, signed in July 2016 by the European Union’s social partners, the Council Presidency and the European Commission, confirmed the commitment to improving the framework conditions, effectiveness and social dialogue quality at all levels. The Framework Agreement on Active Aging and the Intergenerational Approach, signed in March 2017 by social partners at the EU level, was described as a way for social partners to contribute to better governance and greater effectiveness of social and economic reforms.

#### 1.4.6. Judiciary and fundamental rights (Negotiating Chapter 23)

**The negotiations under this chapter officially started in July 2016.** Representatives of the EU and the Republic of Serbia agreed the mechanisms for monitoring and reporting on the implementation of measures with the aim of establishing interim benchmarks. In monitoring the fulfillment of membership obligations in terms of this chapter, the obligation was established for the European Commission to submit six-monthly reports to the Council of Ministers on the progress made in these chapters, as was occasional sending of expert missions.

**The Republic of Serbia implements the activities provided for by the action plan to meet the defined benchmarks<sup>106</sup> and submits timely six-month reports on this to the European Commission.** The first, second and third reporting cycles were carried out in 2016, while the fourth, fifth, sixth and seventh reporting cycles were carried out in 2017. According to a report published in January 2018,<sup>107</sup> activities regarding changes and amendments to the Law on the Prohibition of Discrimination, adoption of the Law on Gender Equality, preparation and adoption of the new national Strategy and Action Plan for the prevention of domestic violence against women and partners, strengthening of capacities of the Office for Human and Minority Rights, adoption of the Law on Free Legal Aid and the adoption of a subordinate legislation that will specify the scope of work with specific tasks, performance quality standards and continuation of capacity building for pedagogical assistants, as well as specify the contractual modality. The report also stresses the need to clarify the

<sup>106</sup> The document is available on the website of the Ministry of Justice:  
<https://www.mpravde.gov.rs/files/Akcioni%20plan%20PG%2023.pdf>

<sup>107</sup> The document is available on the website of the Ministry of Justice:  
<https://www.mpravde.gov.rs/files/Izve%C5%A1taj%20br%204-2017%20o%20sprovo%C4%91enju%20Akcionog%20plana%20za%20Poglavlje%2023.pdf>

division of responsibilities between the newly established Department for Anti-Discrimination Policy and the Promotion of Gender Equality within the Ministry of Labour, Employment, Veteran and Social Affairs and the Coordination Body for Gender Equality, as well as to ensure an efficient institutional structure with adequate resources.

**The European Commission's 2016 Report<sup>108</sup> notes that anti-discrimination legislation** and legislation protecting minorities should be consistently implemented, and that effective action should be taken to promote equality and ensure the integration of the most discriminated groups (Roma, LGBTI, people with disabilities, people with HIV and people with AIDS and other socially vulnerable persons). **The 2018 Report<sup>109</sup> identified an urgent need for a consistent and effective implementation of human rights legislation and policies.** In addition, Serbia must strengthen human rights institutions and guarantee their independence and strengthen activities to protect the rights of groups facing discrimination, including lesbian, gay, bisexual, transgender and intersexual (LGBTI) populations, people with disabilities, people with HIV, people with AIDS and others.

#### **1.4.7. Justice, freedom and security (Negotiation Chapter 24)**

**Negotiations in this chapter were officially launched in July 2016. The EU has defined 43 interim benchmarks for Chapter 24,** as well as 27 measures (12 for the fight against organised crime and police cooperation, 12 for asylum and three for judicial cooperation in civil, commercial and criminal matters). Representatives of the EU and the Republic of Serbia agreed the mechanisms for monitoring and reporting on the implementation of measures with the aim of establishing interim benchmarks. Within the monitoring of membership obligations fulfillment in terms of this chapter, the European Commission became bound by the obligation to submit six-monthly reports to the Council of Ministers on the progress made under these chapters, and occasional sending of expert missions was established.

**The Republic of Serbia implements the activities provided for by the action plan to meet the defined benchmarks<sup>110</sup> and submits timely six-monthly reports on this to the European Commission.** According to the January–June 2017 report, the activities pertaining to asylum and the fight against trafficking in human beings

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<sup>108</sup> The document is available on the website of the Ministry of European Integration: [http://www.mei.gov.rs/upload/documents/eu\\_dokumenta/godisnji\\_izvestaji\\_ek\\_o\\_napretku/izvestaj\\_ek\\_srbija\\_2016.pdf](http://www.mei.gov.rs/upload/documents/eu_dokumenta/godisnji_izvestaji_ek_o_napretku/izvestaj_ek_srbija_2016.pdf)

<sup>109</sup> The document is available on the website of the Ministry of European Integration: [http://www.mei.gov.rs/upload/documents/eu\\_dokumenta/godisnji\\_izvestaji\\_ek\\_o\\_napretku/izvestaj\\_ek\\_o\\_srbiji\(1\).pdf](http://www.mei.gov.rs/upload/documents/eu_dokumenta/godisnji_izvestaji_ek_o_napretku/izvestaj_ek_o_srbiji(1).pdf)

<sup>110</sup> The document is available on the website of the Ministry of European Integration: [http://www.mei.gov.rs/upload/documents/pristupni\\_pregovori/akcioni\\_planovi/akcioni\\_plan\\_pg\\_24.pdf](http://www.mei.gov.rs/upload/documents/pristupni_pregovori/akcioni_planovi/akcioni_plan_pg_24.pdf)

activities are yet to be finalised.<sup>111</sup> Serbia continues its efforts in the areas of migration, asylum, border management and judicial cooperation. The country has yet to adopt an effective asylum procedure in line with the EU *acquis communautaire*.<sup>112</sup>

**The European Commission's 2016 Report<sup>113</sup> found that Serbia was affected by the refugee and migrant crisis, during which it played an active and constructive role and cooperated with neighbouring countries and member states.** The report recommends that Serbia adopt and implement a new Law on Asylum that would place special focus on vulnerable groups and integration measures for persons in need of international protection, as well as that the country continue to tackle the issue of unfounded asylum applications filed by Serbian nationals in EU member states through maintaining the declining trend in the number of asylum seekers from Serbia. In the 2018 Report, the EC<sup>114</sup> noted that Serbia played an active and constructive role in the refugee and migrant crisis, as well as that it established an effective cooperation with neighbouring countries and member states. The report concluded that the priorities include, among other things, the implementation of the new Law on Asylum and Temporary Protection, Law on Foreigners and Law on Border Control, as well as the adoption and implementation of the strategy and action plan for combating irregular migration.

In order to align the national legislation in the field of asylum with the EU *acquis* and to ensure full harmonisation with the European Union directives in this field, in 2015, as part of the "Support to the National Asylum System in the Republic of Serbia" Twinning project, in which the beneficiary institutions were the Commissariat for Refugees and Migration and the Ministry of Interior, an analysis of the legislative framework was undertaken, followed by the preparation of the Draft Law on Asylum and Temporary Protection. The final output of this project is the new Law

<sup>111</sup> The document is available on the website of the Ministry of the Interior:

<http://www.mup.gov.rs/wps/wcm/connect/83f79f5f-4a39-4aad-a9ba-983a0c4aab8b/%D0%90%D0%9A%D0%A6%D0%98%D0%9E%D0%9D%D0%98+%D0%9F%D0%9B%D0%90%D0%9D+%D0%97%D0%90+%D0%9F%D0%9E%D0%93%D0%9B%D0%90%D0%92%D0%89%D0%95+24+-+%D0%98%D0%97%D0%92%D0%95%D0%A8%D0%A2%D0%90%D0%88+%D0%97%D0%90+%D0%9F%D0%95%D0%A0%D0%98%D0%9E%D0%94+%D0%88%D0%90%D0%9D%D0%A3%D0%90%D0%A0+-+%D0%88%D0%A3%D0%9D+2017.pdf?MOD=AJPERES&CVID=ITb6etA&CVID=ITb6etA&CVID=ITb6etA&CVID=ITb6etA>

<sup>112</sup> Non-paper on the state of play regarding chapters 23 and 24 for Serbia, November 2017.

The document is available on the website of the Ministry of European Integration:

[http://www.mei.gov.rs/upload/documents/eu\\_dokumenta/non\\_paper\\_23\\_24/non\\_paper\\_23\\_24\\_novembar\\_srp.pdf](http://www.mei.gov.rs/upload/documents/eu_dokumenta/non_paper_23_24/non_paper_23_24_novembar_srp.pdf)

<sup>113</sup> The document is available on the website of the Ministry of European Integration:

[http://www.mei.gov.rs/upload/documents/eu\\_dokumenta/godisnji\\_izvestaji\\_ek\\_o\\_napretku/izvestaj\\_ek\\_srbija\\_2016.pdf](http://www.mei.gov.rs/upload/documents/eu_dokumenta/godisnji_izvestaji_ek_o_napretku/izvestaj_ek_srbija_2016.pdf)

<sup>114</sup> The document is available on the website of the Ministry of European Integration:

[http://www.mei.gov.rs/upload/documents/eu\\_dokumenta/godisnji\\_izvestaji\\_ek\\_o\\_napretku/izvestaj\\_ek\\_o\\_srbiji\(1\).pdf](http://www.mei.gov.rs/upload/documents/eu_dokumenta/godisnji_izvestaji_ek_o_napretku/izvestaj_ek_o_srbiji(1).pdf)

on Asylum and Temporary Protection<sup>115</sup>, as well as strengthened capacities for the implementation of this law.

#### 1.4.8. Education and culture (Negotiation Chapter 26)

Following the completion of the screening process, **the European Commission determined that the Republic of Serbia is ready to open negotiations under this chapter.** In line with the above, Chapter 26 was opened and temporarily closed at the meeting of the Intergovernmental Conference held on 27 February 2017.

Through its Negotiating Position for Chapter 26 — Education and Culture, the Republic of Serbia introduced its plans for aligning its legislative framework with the *acquis communautaire*, drawing on the European Commission's assessments presented in the Screening Report.<sup>116</sup>

**As for the area of education**, in order to meet the obligations of EU membership and in accordance with the Strategy for Education Development in Serbia by 2020 and the supporting action plan, **further improvement of the existing legal framework is proposed as part of the plans for fulfillment of membership obligations in order to ensure conditions for achieving the defined strategic goals.** At the same time, the willingness to achieve the set of objectives agreed by the EU was communicated as part of the broader Europe 2020 strategy and the Education and Training 2020 (ET) objectives. The negotiating position, as well as the National Programme for the Adoption of the Acquis of the European Union, sets out plans for meeting the membership requirements under this chapter, which include measures in pre-school education and care, in primary, secondary and higher education, in lifelong learning, in national qualifications framework, as well as in education access for EU citizens.

When it comes to **youth and sports, plans for fulfillment of membership obligations are developed and include, among other things, the use of EU youth policy indicators in monitoring the implementation of the National Youth Strategy 2015–2025 and the supporting action plans.** The setting of priorities in the following period will take into consideration the Joint Report on the implementation of the renewed framework for European cooperation in the youth field (November 2015), Resolution on a EU Work Plan for Youth (2016–2018), and Resolution on encouraging political participation of young people in democratic life in Europe (November 2015). The Republic of Serbia will continue to participate on a voluntary basis, on the invitation of the European Commission, in drafting the EU reports on youth. As a membership candidate, the Republic of Serbia expects an invitation to participate in all expert groups of the Open Method of Coordination in the area

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<sup>115</sup> *Official Gazette of RS*, No 24/18.

<sup>116</sup> The Screening Report for Chapter 26 and the Negotiating Position of the Republic of Serbia for the Intergovernmental Conference for Chapter 26 are available on the website of the Ministry for European Integration: <http://www.mei.gov.rs/src/dokumenta/nacionalna-dokumenta>

of sports: match fixing, proper management, economic dimension, development of human resources in sports and importance of physical activity in health promotion.

**As for the area of culture, the Republic of Serbia plans to, among other things, continue to actively promote opportunities for the cultural and creative sector within the EU program.** The participation of the Republic of Serbia in the Creative Europe programme is a strategic goal and the country is committed to the undertaking. Once the Republic of Serbia becomes a member of the EU, it will be committed to participating in the European Heritage Label programme and sharing its diverse experience and knowledge in cultural heritage and policy management gained within the programmes and projects of the UNESCO and the Council of Europe.

**The European Commission's 2016 Report on Serbia<sup>117</sup> asserts that additional investment in education is most needed at preschool and primary levels of education.** In addition, the report found that the unemployment rate of graduates with higher education (up to 24 years of age) stood at 43.5% in 2015 and that the emigration of young experts still remains high. The EC's 2018 Report<sup>118</sup> finds that the early school leaving rate declined, as well as that the participation rate for children under six years of age in early childhood education and the lifelong learning rate are still low. In addition, the report concluded that there is a need to further improve coordination mechanisms for youth policy at the local level and measures to reduce the school leaving rate among Roma pupils, as well as their segregation, especially at the local level.

#### 1.4.9. Consumer and health protection (Negotiation Chapter 28)

**The Report on Explanatory and Bilateral Screening in Serbia's EU Accession for Chapter 28**, which focuses on consumer and health protection<sup>119</sup> and which was completed in February 2015, **found that Serbia has reached a satisfactory level of alignment with the *acquis communautaire* in the area of health.** As for the area of public health, the **Law on Protection of Population Against Infectious Diseases** was adopted, while legal harmonisation in areas pertaining to blood, cells, tissues, organs and pharmaceuticals was met with praise. The report pointed out that it is necessary to continue to build the administrative capacities of the healthcare system

<sup>117</sup> The document is available on the website of the Ministry of European Integration:  
[http://www.mei.gov.rs/upload/documents/eu\\_dokumenta/godisnji\\_izvestaji\\_ek\\_o\\_napretku/izvestaj\\_ek\\_srbija\\_2016.pdf](http://www.mei.gov.rs/upload/documents/eu_dokumenta/godisnji_izvestaji_ek_o_napretku/izvestaj_ek_srbija_2016.pdf)

<sup>118</sup> The document is available on the website of the Ministry of European Integration:  
[http://www.mei.gov.rs/upload/documents/eu\\_dokumenta/godisnji\\_izvestaji\\_ek\\_o\\_napretku/izvestaj\\_ek\\_o\\_srbiji\(1\).pdf](http://www.mei.gov.rs/upload/documents/eu_dokumenta/godisnji_izvestaji_ek_o_napretku/izvestaj_ek_o_srbiji(1).pdf)

<sup>119</sup> Screening Report — Serbia, Chapter 28 — Consumer and Health Protection. The document is available on the website:  
<http://www.mei.gov.rs/src/dokumenta/nacionalna-dokumenta/skrining/izvestaji-i-rezultati-skrininga/izvestaji-sa-skrininga>

and pay special attention to the *acquis communautaire* that refers to the application of EU standards in the area of technical quality and safety in public health and to strengthen its financial sustainability. In addition, **effective promotion of health is cited as important, especially when it comes to determinants of health** (healthy lifestyles, education, housing, the environment and a sustainable healthcare system) **and active and healthy aging**. The report's conclusion notes that the Republic of Serbia was sufficiently prepared for the negotiations on Chapter 28, and the Commission recommended opening accession negotiations under this chapter.

**The European Commission's 2016 Report<sup>120</sup> concludes that the Republic of Serbia should work to strengthen the overall financial sustainability of the public health system, and in particular the national health insurance fund.** The EC's 2018 Report<sup>121</sup> states that the national human resources plan in the health sector has not yet been implemented and that an increasing number of doctors are leaving the country. As a result, the report recommends strengthening general management capacities and human resources.

**The negotiating position for Chapter 28 was prepared in October 2017.** It outlines the measures and challenges in the healthcare system and the plans for harmonising the legislative and institutional framework with the EU *acquis communautaire*. Particular emphasis is placed on: eHealth, tobacco control, serious cross-border threats to health (infectious diseases), rights of patients in cross-border healthcare, biomedicine, pharmaceuticals and medical devices, cosmetics, rare diseases, malignant diseases screening, mental health, drugs, prevention of alcohol abuse, injury prevention and promotion of safety, nutrition, inequalities in health and healthcare professionals.

**The Republic of Serbia joined the Third EU Health Programme (2014–2020)<sup>122</sup>** in February 2016. This programme is the European Commission's key instrument for the implementation of the EU Health Strategy and it is implemented within the annual work plans in which the programme priorities are set. The programme has four comprehensive objectives pertaining to health promotion, disease prevention and development of incentive environments that support healthy lifestyles while applying the Health in All Policies principle, protecting EU citizens from serious cross-border threats to health, contributing to the development of innovative, effective and sustainable health systems and facilitation of EU citizens' access to better and safer healthcare. The Republic of Serbia is eligible to compete with health projects for programme funds amounting to 449.4 million euros.

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<sup>120</sup> The document is available on the website of the Ministry of European Integration: [http://www.mei.gov.rs/upload/documents/eu\\_dokumenta/godisnji\\_izvestaji\\_ek\\_o\\_napretku/izvestaj\\_ek\\_srbija\\_2016.pdf](http://www.mei.gov.rs/upload/documents/eu_dokumenta/godisnji_izvestaji_ek_o_napretku/izvestaj_ek_srbija_2016.pdf)

<sup>121</sup> The document is available on the website of the Ministry of European Integration: [http://www.mei.gov.rs/upload/documents/eu\\_dokumenta/godisnji\\_izvestaji\\_ek\\_o\\_napretku/izvestaj\\_ek\\_o\\_srbiji\(1\).pdf](http://www.mei.gov.rs/upload/documents/eu_dokumenta/godisnji_izvestaji_ek_o_napretku/izvestaj_ek_o_srbiji(1).pdf)

<sup>122</sup> Third EU Health Programme (2014–2020). Data downloaded from the website: [https://ec.europa.eu/health/programme/policy\\_eu](https://ec.europa.eu/health/programme/policy_eu), 8 August 2017



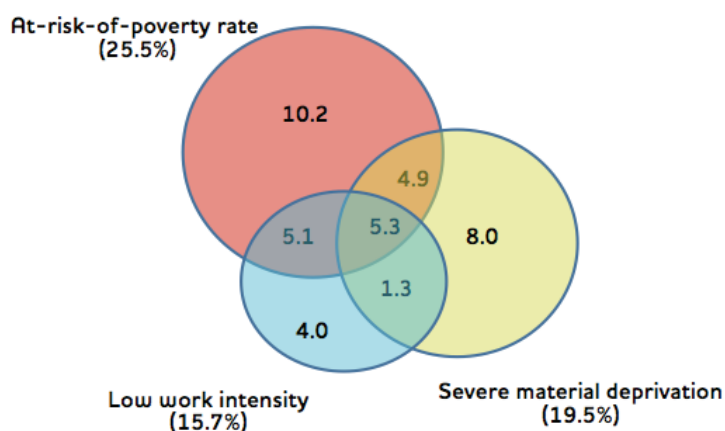
## 1.5. Financial Poverty and Deprivation of Basic Needs

### 1.5.1. Risk of Poverty or Social Exclusion

A headline indicator for monitoring the Europe 2020 strategy in the area of social inclusion and poverty reduction is the at-risk-of-poverty-or-social-exclusion (AROPE) rate. This indicator is a combination of three indicators – the at-risk-of-poverty rate, the severe material deprivation rate and the very low work intensity rate,<sup>123</sup> which measure destitution and living standard by three criteria: income, non-monetary outcomes and employment/work.

A third of European Union Member States have not accepted it as a headline indicator when setting the target values to be attained by 2020 in the area of poverty and social exclusion.<sup>124</sup> Some authors note that the AROPE rate does not necessarily ensure focusing on the most vulnerable ones among the vulnerable and that it does not entail a substantively multidimensional approach to poverty reduction, while there are also indications that this indicator is a result of a political compromise.<sup>125</sup>

**Figure 2. At-risk-of-poverty-or-social-exclusion rate in the Republic of Serbia, SILC 2016, %**



Source: Survey on Income and Living Conditions, Statistical Office of the Republic of Serbia

<sup>123</sup> The population at risk of poverty or social exclusion is the proportion of the population which is at risk of poverty after social transfers (people whose equivalised income is below 60% of the median equivalised income) or severely materially deprived (people who cannot afford at least four of the nine material deprivation items) or living in households with zero or very low work intensity (adults worked for fewer than 20% of the total number of months in which they could have worked during the reference period).

<sup>124</sup> [http://ec.europa.eu/eurostat/documents/4411192/4411431/Europe\\_2020\\_Targets.pdf](http://ec.europa.eu/eurostat/documents/4411192/4411431/Europe_2020_Targets.pdf)

<sup>125</sup> For more information about the indicator, see: Matković, G., Mijatović, B., Krstić, G. (2015), *Income and Living Conditions 2013*. Belgrade: Statistical Office of the Republic of Serbia, p. 102.

Beside the population affected by only one risk factor and the population affected by all three (union of the sets), it is also possible to consider the population segments affected by different “risk combinations” (Table 7).

Although the population affected by all three risk factors (intersection of the three sets) appears to be the most vulnerable, it should be noted that, owing to the definition of low work intensity, the intersection cannot include people aged over 60,<sup>126</sup> even when they are without income and severely materially deprived. In addition, the intersection will naturally include a very low proportion of the employed and self-employed, as well as their household members. In the interest of better understanding of the multiple vulnerability issue, some authors propose monitoring consistent poverty, i.e. the population which is simultaneously at risk of poverty and severely materially deprived.

According to the SILC (2016) data, 38.7% of the population of the Republic of Serbia (2.72 million people) were at risk of poverty or social exclusion. This was considerably above the EU-28 average (23.5%). A higher proportion of the population at risk of poverty or social exclusion than in the Republic of Serbia was recorded only in Bulgaria (40.4%) and Romania (38.8%).<sup>127</sup>

Broken down by risk factors, a total of 25.5% of the population of the Republic of Serbia (1.79 million people) were at risk of poverty, 19.5% (1.37 million people) were severely materially deprived, and 15.7% (1.01 million people) lived in households with low work intensity.

Approximately 40% of the population at risk of poverty or social exclusion were affected by a combination of two or three risk factors, i.e. were in the intersection of two or three sets. The low work intensity and severe material deprivation sets had the smallest intersection.

**Table 7. Population at risk of poverty or social exclusion and in specific intersections of the indicator components, SILC 2014-2016 (in thousands and %)**

|      |           | SILC 2014 | SILC 2015 | SILC 2016 |
|------|-----------|-----------|-----------|-----------|
| AROE | %         | 43.1      | 41.3      | 38.7      |
|      | thousands | 3,068     | 2,926     | 2,724     |
| AROP | %         | 25.6      | 25.4      | 25.5      |
|      | thousands | 1,807     | 1,797     | 1,791     |
| SMD  | %         | 26.3      | 24.0      | 19.5      |
|      | thousands | 1,873     | 1,701     | 1,374     |

<sup>126</sup> People aged over 60 cannot simultaneously belong to all three categories, since the set of individuals living in low-work-intensity households comprises only those under this age threshold (i.e. population aged 0-59).

<sup>127</sup> Eurostat database Tables *People at risk of poverty or social exclusion*.



|                                |           |       |       |       |
|--------------------------------|-----------|-------|-------|-------|
| LWI                            | %         | 15.2  | 15.6  | 15.7  |
|                                | thousands | 1,084 | 1,106 | 1,104 |
| Intersection of AROP and SMD   | %         | 12.2  | 11.9  | 10.2  |
|                                | thousands | 866   | 839   | 721   |
| Intersection of SMD and LWI    | %         | 8.3   | 7.6   | 6.6   |
|                                | thousands | 588   | 536   | 464   |
| Intersection of AROP and LWI   | %         | 9.4   | 10.1  | 10.4  |
|                                | thousands | 669   | 711   | 733   |
| Intersection of all three sets | %         | 6.0   | 5.8   | 5.3   |
|                                | thousands | 427   | 409   | 373   |

Source: Eurostat database Tables *Intersections of Europe 2020 poverty target indicators by age and sex*

Approximately 10.2% of the population (721 thousand people) were at risk of poverty and severely materially deprived (consistent poverty). An almost equal proportion (10.4% or 733 thousand people) were at risk of poverty and lived in households with low work intensity. The proportion of population affected simultaneously by all three risk factors stood at 5.3% (373 thousand people).

During the reporting period, the at-risk-of-poverty-or-social-exclusion rate decreased by 4.4 percentage points and also decreased relative to the level according to SILC (2013) data, which stood at 42%. This was underpinned by the reduction in the severely materially deprived population, as the at-risk-of-poverty and low work intensity levels remained almost unchanged.

In line with the reduction in severe material deprivation, the number and share of people in the intersections of this risk and the remaining two also decreased. Over time, it was only the intersection of at-risk-of-poverty and low work intensity that increased by one percentage point.

### 1.5.2. Trends and Characteristics of Relative Poverty

According to the SILC (2016)<sup>128</sup> data, the at-risk-of-poverty rate (the proportion of individuals whose income per equivalent adult was below 60% of the median equivalised income<sup>129</sup> in the total population) stood at 25.5%, remaining virtually unchanged during the reporting period, with a slight increase relative to the preceding period, when it stood at 24.5% according to the SILC (2013) data.

<sup>128</sup> The income reference period was 2015.

<sup>129</sup> Household income did not include in-kind income.

The at-risk-of-poverty rate in the Republic of Serbia was considerably above the average at-risk-of-poverty rate for the EU-28 (17.3%), and also exceeded the highest values recorded in individual countries according to SILC (2016) – Romania (25.3%), Bulgaria (22.9%) and Spain (22.3%).

**Table 8. At-risk-of-poverty rate and at-risk-of-poverty threshold in the Republic of Serbia, SILC 2014–2016**

| % of median income per equivalent adult | At-risk-of-poverty rate, % |           |           | At-risk-of-poverty threshold, per month |           |           |
|---|----------------------------|-----------|-----------|---|-----------|-----------|
|   | SILC 2014                  | SILC 2015 | SILC 2016 | SILC 2014                               | SILC 2015 | SILC 2016 |
| 60%                                     | 25.4                       | 25.4      | 25.5      | 13,500                                  | 14,920    | 15,416    |
| 40%                                     | 14.1                       | 13.6      | 14.1      | 9,000                                   | 9,947     | 10,277    |
| 50%                                     | 19.4                       | 19.4      | 19.3      | 11,250                                  | 12,433    | 12,847    |
| 70%                                     | 32.0                       | 31.7      | 31.6      | 15,750                                  | 17,407    | 17,985    |

Source: Eurostat database Tables *At-risk-of-poverty thresholds; At-risk-of-poverty rate by poverty threshold, age and sex*

Note: Household income does not include in-kind income.

In 2015, the at-risk-of-poverty threshold or relative poverty line, calculated as 60% of the median equivalised income, amounted to, on average, RSD 15,416 per month for a single-person household, and RSD 32,374 for a four-member household with two adults and two children up to the age of 14. Expressed in purchasing power standards (PPS<sup>130</sup>), the at-risk-of-poverty threshold for a single-person household amounts to 263 PPS monthly. The at-risk-of-poverty threshold is lower in the Republic of Serbia than in any of the 28 European Union Member States (except Romania).<sup>131</sup>

Table 8 shows alternative poverty lines and the sensitivity of the at-risk-of-poverty rate to the choice of the poverty line. The rate of change of the at-risk-of-poverty rate is higher than the rate of change of the poverty line, which points to a considerable concentration of population around the poverty line. Raising the poverty line by 16.7% (from 60% to 70% of the median equivalised income) would increase the at-risk-of-poverty rate by 24% (from 25.5% to as high as 31.6%), while lowering the poverty line by 16.7% (from 60% to 50% of the median equivalised income) would decrease the at-risk-of-poverty rate by 24.3% (from 25.5% to 19.3%). The sensitivity of the at-risk-of-poverty rate did not change in comparison to the preceding reporting period.

The relative poverty profile is shown in Table 9.

<sup>130</sup> Purchasing power standards (PPS) based on the HFCE (Household final consumption expenditure) converter.

<sup>131</sup> Eurostat database Tables *At-risk-of-poverty thresholds*.



**Table 9. Relative poverty profile, SILC 2014-2016**

|  | SILC 2014 | SILC 2015 | SILC 2016 |
|--|-----------|-----------|-----------|
| Total                                      | 25.4      | 25.4      | 25.5      |
| males                                      | 26.0      | 26.1      | 25.8      |
| females                                    | 24.8      | 24.6      | 25.2      |
| <b>Age</b>                                 |           |           |           |
| Children (<18)                             | 29.7      | 29.9      | 30.2      |
| 18-64                                      | 25.6      | 25.8      | 26.0      |
| 65+  | 20.4      | 19.7      | 19.1      |
| <b>Degree of urbanisation</b>              |           |           |           |
| Cities                                     | 15.9      | 14.2      | 19.1      |
| Smaller towns and suburban settlements     | 21.9      | 24.3      | 21.8      |
| Rural area                                 | 37.5      | 36.7      | 34.1      |
| <b>Household type</b>                      |           |           |           |
| Single-person household                    | 28.7      | 29.0      | 32.5      |
| One adult with children                    | 33.8      | 35.4      | 40.0      |
| Two adults, one child                      | 19.8      | 21.0      | 22.4      |
| Two adults, two children                   | 26.8      | 26.7      | 23.6      |
| Two adults, three or more children         | 36.7      | 35.8      | 49.8      |
| Households without dependent children      | 22.9      | 21.7      | 21.5      |
| Households with dependent children         | 27.4      | 28.2      | 28.5      |
| <b>Education attainment (18+)</b>          |           |           |           |
| Without school and primary (ED 0-2)        | 38.6      | 40.4      | 39.1      |
| Secondary (ED 3 and 4)                     | 21.8      | 21.7      | 22.0      |
| Tertiary (ED 5-8)                          | 9.6       | 8.1       | 10.3      |
| <b>Most frequent activity status (18+)</b> |           |           |           |
| In dependent employment                    | 8.4       | 8.5       | 9.0       |
| Self-employed                              | 37.7      | 37.3      | 32.4      |
| Unemployed                                 | 47.0      | 46.2      | 48.0      |
| Pensioners                                 | 15.4      | 15.2      | 15.4      |
| Other inactive                             | 33.3      | 36.6      | 34.7      |

Source: Eurostat database Tables *At-risk-of-poverty rate by poverty threshold, age and sex*; *At-risk-of-poverty rate by poverty threshold and household type*; *At-risk-of-poverty rate by poverty threshold and most frequent activity in the previous year*; *At-risk-of-poverty rate by degree of urbanization*

Note: In all families, the term "children" means dependent children.

Data analysis gives rise to the following conclusions:

- By sex, there were no significant differences in at-risk-of-poverty rates between men and women at the level of the overall population (which is primarily due to the fact that most households included members of different sexes and the assumption of even distribution of income within the household).
- Children (up to 18 years of age) were at the highest risk of poverty (30%) compared to other age groups, which is primarily attributable to the composition of the households in which they lived. The at-risk-of-poverty rate decreased with age and was the lowest for people aged 65 and over (19.1%). However, for the elderly living in single-person households, the at-risk-of-poverty rate was considerably higher, exceeding the average for the overall population (27.2%).<sup>132</sup>
- The at-risk-of-poverty rate was considerably higher in rural areas (34.1%), which was partly due to the treatment of consumption of items produced for own use and low monetary income in rural communities. It is, however, important to note that, in the observed period, the at-risk-of-poverty rate decreased in rural areas, and grew in cities (from 15.9 to 19.1%).
- According to the at-risk-of-poverty criterion, those with lower education attainment were significantly more vulnerable. The proportion of people aged 18+ at risk of poverty decreased with rising educational attainment levels. The population with no or primary education had the highest at-risk-of-poverty rate, which stood at 39.1%, and the population with non-university or university-level higher education – the lowest, at 10.3%.
- Individuals living in households with dependent children, specifically households with two adults and three or more dependent children and single-parent families, were at the highest risk of poverty according to the SILC 2016 data (49.8% and 40.0%, respectively). Higher risk of poverty was a result of the significantly more adverse earner-dependent ratio. The share of these households in the total household structure in Serbia was not high.
- The at-risk-of-poverty rate of people aged 18+ by the most frequent activity status held during the preceding year indicates that the unemployed fared worst, since almost one out of two unemployed people (48%) was at risk of poverty. The employed population's at-risk-of-poverty rate was more than two and a half times lower than the average (9%), while that of the self-employed was significantly above the average (32.4%). Such adverse position of the self-employed is attributed to low wages in the grey economy, in which

<sup>132</sup> Eurostat database Tables *At-risk-of-poverty rate by poverty threshold and household type*.



they frequently operate<sup>133</sup>, and also to the fact that this category includes farmers, as well as unpaid family workers, who do not have monetary income by definition. Pensioners were in the best position after those in dependent employment. Over time, the profile of the population at risk of poverty did not change significantly, except in terms of household type. The at-risk-of-poverty level increased significantly for families with many children, as well as for single-person households and single-parent families.

The persistent at-risk-of-poverty rate shows the percentage of people at risk of poverty in the current year and during at least two of the preceding three years. According to the SILC (2016) data, 15.7% of the population were at persistent risk of poverty in the Republic of Serbia, which was higher than in most European Union Member States, except Romania (20.2%).<sup>134</sup>

According to the SILC (2016) data, 7.8% of the population of the Republic of Serbia were poor during three years in the preceding four-year period,<sup>135</sup> which was more than in any European Union Member State except Croatia, where the level was approximately equal (rate of 7.6%).<sup>136</sup>

The relative at-risk-of-poverty gap measures the difference between the poverty line and the median income per equivalent adult of individuals below the poverty line, and is expressed as a percentage of the poverty line. This indicator shows the level of redistribution needed to raise the income of individuals at risk of poverty to the level of the at-risk-of-poverty line.

According to the SILC (2016) data, the relative at-risk-of-poverty gap stood at 38.1% of the poverty line and decreased slightly during the observed period. This value was considerably higher than the average for the 28 European Union Member States (24.8%) and the highest relative at-risk-of-poverty gaps for individual countries, such as Romania (36.2%), Greece (31.9%) and Spain (31.4%).<sup>137</sup>

By age, the gap was the greatest for children, and its increase during the reporting period was especially adverse.

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<sup>133</sup> Krstić et al. (2013). *Policy Measures to Formalize the Shadow Economy and their Effects on Economic Growth in Serbia*, USAID and FREN.

<sup>134</sup> Eurostat database Tables *Persistent at-risk-of-poverty rate by sex and age*. Based on the data available at the time of accessing the database on 22 October 2018.

<sup>135</sup> Any three years in a four-year period. It does not necessarily include the current year.

<sup>136</sup> Eurostat database Tables *Distribution of population by number of years spent in poverty within a four-year*. Based on the data available at the time of accessing the database on 14 December 2017.

<sup>137</sup> Eurostat database Tables *Relative at risk of poverty gap by poverty threshold*.

**Table 10. Relative at-risk-of-poverty gap in the Republic of Serbia, SILC 2014-2016**

|          | SILC 2014 | SILC 2015 | SILC 2016 |
|----------|-----------|-----------|-----------|
| Total    | 40.3      | 37.6      | 38.1      |
| Under 18 | 40.3      | 40.0      | 44.2      |
| 18-64    | 43.5      | 39.6      | 40.9      |
| 65+      | 25.1      | 26.2      | 27.5      |

Source: Eurostat database Tables *Relative at risk of poverty gap by poverty threshold*

### 1.5.3. Income Distribution and Income Inequality

Income distribution by deciles shows that according to the SILC (2016) data, the poorest 10% of the Republic of Serbia's population accounted for only 0.9% of the national equivalised income, while the richest 10% accounted for 27.4% (Annex 1, Table 3. Income distribution by deciles, share in national equivalised income, in %). The upper limit of the poorest decile, which indicates the highest equivalised income in this population segment, stood at only RSD 7,828 per month.

Income inequality was very high in the Republic of Serbia, according to both the income quintile share ratio (S80/S20) and the Gini coefficient.

According to the SILC (2016) data, the income quintile share ratio stood at 9.7, which means that the equivalised income of the richest 20% in the Republic of Serbia was almost 10 times higher than that of the poorest 20%.<sup>138</sup> The value of this indicator was substantially higher than the EU-28 average, which stood at only 5.1; it was also above the highest values recorded in individual countries – Bulgaria (7.9), Romania (7.2) and Lithuania (7.1).<sup>139</sup>

<sup>138</sup> The position of the population at the bottom end of equivalised income distribution relative to the population at the top end may be illustrated by the income quintile share ratio, which compares the total equivalised income received by the top income quintile (20% of the population with the highest equivalised income) to that received by the bottom income quintile (20% of the population with the lowest equivalised income).

<sup>139</sup> Eurostat database Tables *S80/S20 income quintile share ratio by sex and selected age group*.



**Table 11. Gini coefficient and income quintile share ratio (S80/S20) of equivalised income in the Republic of Serbia, SILC 2014-2016**

|                             | SILC 2014 | SILC 2015 | SILC 2016 |
|-----------------------------|-----------|-----------|-----------|
| Gini coefficient            | 38.6      | 38.2      | 38.6      |
| Income quintile share ratio | 9.8       | 9.0       | 9.7       |

Source: Eurostat database Tables *Gini coefficient of equivalised disposable income; S80/S20 income quintile share ratio by sex and selected age group*

The Gini coefficient measures inequality across the income distribution. In the Republic of Serbia, according to the SILC (2016) data, the Gini coefficient stood at 38.6, significantly above the EU-28 average (30.7) and comparable only to the level recorded in Bulgaria (38.3).<sup>140</sup>

The values of these two indicators did not change significantly in the observed period. Both indicators recorded values slightly higher than those recorded in the SILC (2013), when the income quintile share ratio was 8.8, and the Gini coefficient – 38.0.

Targeted processing of the Household Budget Survey (HBS) data shows that the Gini coefficient value did not change compared to the previous reporting periods<sup>141</sup> and stood at 30.16 in 2016.<sup>142</sup> According to this survey, income inequality in Serbia had not increased since 2006 (Annex 1, Table 4. Gini coefficient of income distribution in the Republic of Serbia, HBS 2006-2016). The substantial difference between these two surveys (SILC and HBS) requires further in-depth research and identification of methodological, technical and other causes of the said differences.

#### 1.5.4. Subjective Poverty

According to Eurostat, subjective poverty is defined as respondents' assessment of their household's ability to "make ends meet". Respondents are offered five responses, and those who report making ends meet "with difficulty" and "with great difficulty" are considered poor.

According to this indicator, almost two thirds (63.9%) of the population of the Republic of Serbia were subjectively poor, which was 2.5 times higher than the proportion of the population at risk of poverty (25.5%). One out of four people who reported making ends meet with great difficulty was not at risk of poverty.<sup>143</sup> Of course, it does

<sup>140</sup> Eurostat database Tables *Gini coefficient of equivalised disposable income*.

<sup>141</sup> Government of the Republic of Serbia (2011), *The First National Report on Social Inclusion and Poverty Reduction in the Republic of Serbia 2008-2010* and Government of the Republic of Serbia (2014), *The Second National Report on Social Inclusion and Poverty Reduction in the Republic of Serbia 2011-2014*.

<sup>142</sup> Available at:

<http://socijalnoukljucivanje.gov.rs/rs/socijalno-ukljucivanje-u-rs/statistika/nejednakost/>

<sup>143</sup> Eurostat database Tables *Inability to make ends meet*.

not necessarily mean that an individual with income above the at-risk-of-poverty line cannot “feel” poor; it is also objectively possible to have problems making ends meet owing to high health care expenditures, child pursuing education in another city and the like.

In the EU-28, only 24.1% of the population considered themselves poor. The Republic of Serbia’s subjective poverty level was exceeded only by that of Greece, where over three quarters of the population reported making ends meet with difficulty or with great difficulty (76.8%), while subjective poverty was also widespread in Cyprus (59.8%) and Bulgaria (61.7%).

**Table 12. Respondents’ subjective assessment of households’ ability to “make ends meet” in the Republic of Serbia, 2014–2016**

| Do you think that your household is able to "make ends meet" | 2014 | 2015 | 2016 |
|--|------|------|------|
| With great difficulty  | 34.9 | 31.9 | 32.7 |
| With difficulty  | 33.4 | 32.8 | 31.2 |
| With some difficulty   | 26.9 | 30.1 | 31.7 |
| Fairly easily  | 3.7  | 3.9  | 3.2  |
| Easily   | 1.0  | 1.1  | 1.0  |
| Very easily  | 1.0  | 1.1  | 1.0  |

Source: Eurostat database *Tables Inability to make ends meet*

### 1.5.5. Absolute Poverty Trends and Characteristics

Monitoring absolute poverty<sup>144</sup> is important not only with regard to monitoring the development of the number of the poor, but also with a view to developing poverty reduction policies.

In 2016, in line with the recommendation of the European Statistical Agency – Eurostat, the Statistical Office of the Republic of Serbia changed the individual consumption data processing methodology<sup>145</sup>. In order to ensure methodologically consistent data series, the absolute poverty data for the period of 2006–2016 were revised as well.<sup>146</sup>

<sup>144</sup> The absolute poverty line is defined as fixed consumption required to satisfy minimum needs, adjusted over time only for changes in prices. The equivalent adult is defined according to the OECD scale (weight assigned to the first adult household member = 1, other adults = 0.7, children under 14 = 0.5).

<sup>145</sup> Since 2015, the Classification of Individual Consumption by Purpose at the five-digit level, instead of four-digit level, has been in use.

<sup>146</sup> Mladenović, B. (2017). *Poverty in the Republic of Serbia 2006–2016 – Revised and New Data*. Belgrade, Social Inclusion and Poverty Reduction Unit, Government of the Republic of Serbia.



The data on absolute poverty development based on the Household Budget Survey show that in 2017 approximately 500 thousand people in the Republic of Serbia, or 7.2% of the total population, were not able to meet their basic needs. The absolute poverty incidence decreased slightly in the reporting period, although it remained somewhat higher than in the period of 2008-2012. A single-person household whose consumption is below approximately RSD 12,045 was below the poverty line. For a four-person family with two children aged under 14, the line stood at RSD 32,522.

**Table 13. Absolute poverty profile, 2014-2016**

|  | 2014   | 2015   | 2016   | 2017   |
|--|--------|--------|--------|--------|
| Poverty line, RSD per month per equivalent adult                   | 11,340 | 11,556 | 11,694 | 12,045 |
| % poor in the Republic of Serbia                                   | 7.6    | 7.4    | 7.3    | 7.2    |
| Percentage of the poor by regions                                  |        |        |        |        |
| Vojvodina  | 6.8    | 6.5    | 6.3    | 6.2    |
| Belgrade   | 4.0    | 3.9    | 4.0    | 4.0    |
| Šumadija and Western Serbia  | 6.7    | 6.6    | 6.6    | 6.8    |
| Eastern and Southern Serbia  | 13.5   | 13.1   | 12.8   | 12.1   |
| Percentage of the poor by settlement type                          |        |        |        |        |
| urban  | 5.3    | 5.4    | 5.1    | 4.9    |
| non-urban  | 10.5   | 10.9   | 10.5   | 10.5   |
| Proportion of the poor by sex                                      |        |        |        |        |
| males  | 7.7    | 7.5    | 7.3    | 7.4    |
| females  | 7.5    | 7.4    | 7.3    | 7.0    |
| Proportion of the poor by household type                           |        |        |        |        |
| single-person  | 3.9    | 7.9    | 5.8    | 5.3    |
| two-person   | 5.8    | 6.7    | 7.3    | 5.5    |
| three-person   | 5.0    | 5.1    | 5.9    | 4.8    |
| four-person  | 6.0    | 3.9    | 5.6    | 4.1    |
| five-person  | 8.9    | 8.7    | 7.3    | 10.6   |
| six-person and larger  | 15.4   | 15.8   | 12.1   | 15.2   |
| Percentage of the poor by age                                      |        |        |        |        |
| children up to 13  | 10.5   | 9.9    | 8.4    | 9.1    |
| children 14–18   | 9.9    | 10.6   | 8.5    | 10.6   |
| adults 19–24   | 9.4    | 8.0    | 8.4    | 9.0    |
| adults 25–45   | 7.2    | 7.0    | 6.4    | 6.0    |
| adults 46–64   | 6.5    | 6.8    | 7.0    | 6.7    |
| the elderly 65+  | 6.5    | 8.9    | 7.4    | 7.0    |
| Percentage of the poor by educational attainment of household head |        |        |        |        |
| incomplete primary education                                       | 18.8   | 21.8   | 19.0   | 18.5   |
| primary education  | 14.9   | 11.8   | 12.2   | 14.8   |

|   |      |      |      |      |
|---|------|------|------|------|
| secondary education   | 4.8  | 5.6  | 5.5  | 4.4  |
| non-university higher education                                   | 0.7  | 2.5  | 2.5  | 2.3  |
| university-level higher education                                 | 0.7  | 0.5  | 0.5  | 1.1  |
| Percentage of the poor by socio-economic status of household head |      |      |      |      |
| self-employed   | 9.7  | 10.1 | 8.4  | 6.4  |
| employed  | 3.2  | 3.4  | 2.8  | 3.5  |
| unemployed  | 21.8 | 19.0 | 22.5 | 23.8 |
| pensioners  | 6.3  | 6.2  | 6.3  | 6.8  |
| other inactive  | 16.6 | 21.7 | 20.4 | 13.8 |

Source: Mladenović, B. (2017), *Poverty in the Republic of Serbia 2006-2016 – Revised and New Data*, Belgrade, Social Inclusion and Poverty Reduction Unit, Government of the Republic of Serbia and <http://socijalnoukljucivanje.gov.rs/rs/socijalno-ukljucivanje-u-rs/statistika/apsolutno-siromastvo/>

In the Republic of Serbia, differences by sex in terms of the (in)ability to meet the basic needs pointed to a somewhat less favourable position of men, while differences by age were on the decrease. By age, children and youth were vulnerable to an above-average extent. Compared to 2013, poverty incidence decreased or remained virtually unchanged in all age groups, except for children aged 14-18 and those aged 65+. More detailed disaggregations show a somewhat more pronounced vulnerability of those aged 75+, whose poverty incidence stood at 9.3% in 2016. These data should be interpreted with caution, since variations in data are more pronounced in some years.

By the absolute poverty criterion, in the Republic of Serbia, the most vulnerable individuals were those living in households whose heads had lower education attainment, incomplete primary education (19.0%) or only primary education (14.8%), and were unemployed (23.8%). In contrast with the general trend, the vulnerability of these population segments increased during the reporting period, except where the household head had completed primary school.

Data on the absolute poverty incidence show that the population in non-urban areas was more vulnerable (10.5%), in particular in Eastern and Southern Serbia (12.1%). In the observed period, poverty decreased to a greater or lesser extent in all parts of Serbia except Belgrade, where it had stood at approximately 4% since 2006, with some variation.

Finally, as in past years, individuals living in households of six or more members were more vulnerable (12.1%). This group's poverty incidence was, at the same time, the only one exceeding the average. In the observed period, poverty decreased in larger households and grew moderately in single-, two- and three-person households. Since 2006, the largest poverty decrease was recorded in the largest households, and differences by household size decreased.

When the key elements of the absolute and relative poverty profiles are considered together, it is noticeable that, in the Republic of Serbia, the unemployed, people with

no education, multi-person households and non-urban population were severely vulnerable.

Consumption-based inequality indicators (Table 14) were considerably less unfavourable than income-based ones (Table 11), placing Serbia among countries with a relatively even consumption distribution<sup>147</sup>. Both indicators remained virtually unchanged in the observed period.

**Table 14. Gini coefficient and consumption quintile share ratio (S80/S20) in the Republic of Serbia**

|                             | 2014  | 2015  | 2016  | 2017  |
|-----------------------------|-------|-------|-------|-------|
| Gini coefficient            | 26.65 | 25.54 | 26.13 | 25.89 |
| Income quintile share ratio | 3.90  | 3.70  | 3.89  | 3.80  |

Source: Mladenović, B. (2017), *Poverty in the Republic of Serbia 2006–2016 – Revised and New Data*, Belgrade, Social Inclusion and Poverty Reduction Unit, Government of the Republic of Serbia and <http://socijalnoukljucivanje.gov.rs/rs/socijalno-ukljucivanje-u-rs/statistika/nejednakost/>

### 1.5.6. Material Deprivation

Under the deprivation concept, vulnerability is assessed by means of non-monetary indicators focused on outcomes. While financial poverty based on income assesses an individual's capacity to meet his/her basic needs, the material deprivation concept facilitates an insight into the effective standard of living.<sup>148</sup>

Material deprivation (MD) is assessed in terms of whether an individual lives in a household that can afford items from the following list: 1. adequate heating of a dwelling; 2. facing unexpected expenses amounting to RSD 10,000.00; 3. a meal with meat or fish (or vegetarian equivalent) every second day; 4. a one-week annual holiday away from home; 5. timely payment of mortgage or rent, utility bills, hire purchase instalments or other loan payments; 6. a colour television set; 7. a washing machine; 8. a car; and 9. a telephone.

The material deprivation rate, which indicates the proportion of individuals who cannot afford three or more items from the above list, stood at 37.4% in the Republic of Serbia in 2016, while the severe material deprivation (SMD) rate, which indicates the proportion of individuals who cannot afford four or more items, stood at 19.5%. The proportion of people who could not afford more than five items was also very high, at 9.6%. In the European Union, the material deprivation rate stood at 15.7%, the severe material deprivation rate – at 7.5%, and the extreme material deprivation

<sup>147</sup> Mladenović, B. (2017), *Poverty in the Republic of Serbia 2006–2016 – Revised and New Data*, Belgrade, Social Inclusion and Poverty Reduction Unit, Government of the Republic of Serbia, p. 17.

<sup>148</sup> For more information about the material deprivation concept, see: Matković, G., Mijatović, B., Krstić, G. (2015), *Income and Living Conditions 2013*, Statistical Office of the Republic of Serbia, Belgrade.

rate – at 3%.<sup>149</sup> Compared to the 28 European Union Member States, the values of these indicators in the Republic of Serbia were among the highest. More adverse values were recorded only by Bulgaria, Romania and Greece.

The material deprivation depth, i.e. the average number of items that a materially deprived individual could not afford in the Republic of Serbia in 2016, stood at four, slightly exceeding the European Union average (3.8). A few European Union countries recorded the material deprivation depth of four or more items (Latvia, Hungary, Romania and Bulgaria).

**Table 15. Material deprivation, severe material deprivation and extreme material deprivation rates, 2014-2016**

| Rates                | 2014 | 2015 | 2016 |
|----------------------|------|------|------|
| Material deprivation | 44.1 | 40.9 | 37.4 |
| Severe MD            | 26.3 | 24.0 | 19.5 |
| Extreme MD           | 13.1 | 11.8 | 9.6  |

Source: Eurostat database Tables *Material deprivation rate for the 'Economic strain' and 'Durables' dimensions, by number of item of deprivation*

The economic strain dimension of material deprivation (the first five items on the list) is far more significant for explaining vulnerability, compared to the inability to afford certain durable consumer goods, which, except cars, are mainly affordable for almost all households in the Republic of Serbia.<sup>150</sup> Judging by the data in Table 16, the largest share of individuals lived in households that could not afford to go on an annual holiday (62.8%); however, it is concerning that a substantial share of individuals lived in households that could not afford basic needs such as adequate heating of a dwelling (13.3%) and adequate diet (20.3%).

During the reporting period and in comparison with the SILC (2013) data, vulnerability levels decreased with respect to all items, except the household's ability to face unexpected expenses.

<sup>149</sup> Eurostat database Tables *Material deprivation rate for the 'Economic strain' and 'Durables' dimensions, by number of item of deprivation*.

<sup>150</sup> Matković, G., Mijatović, B., Krstić, G. (2015). *Income and Living Conditions 2013*. Statistical Office of the Republic of Serbia, Belgrade.



**Table 16. Economic strain dimension of material deprivation in the Republic of Serbia, 2014-2016**

| Household cannot afford:   | 2014 | 2015 | 2016 |
|--|------|------|------|
| Adequate heating of a dwelling                                       | 17.1 | 15.2 | 13.3 |
| A one-week annual holiday away from home                             | 68.4 | 68.5 | 62.8 |
| A meal with meat or fish (or vegetarian equivalent) every second day | 26.1 | 24.6 | 20.3 |
| Facing unexpected expenses   | 50.7 | 47.3 | 48.3 |
| Debt and arrears   | 43.5 | 37.8 | 36.7 |

Source: Eurostat database Tables *Economic strain*

The severe material deprivation profile is shown in Table 17.

**Table 17. Severe material deprivation rate by population characteristics in the Republic of Serbia, 2014-2016 (%)**

|                                       | 2014 | 2015 | 2016 |
|---------------------------------------|------|------|------|
| Total                                 | 26.3 | 24.0 | 19.5 |
| males                                 | 26.5 | 24.0 | 19.3 |
| females                               | 26.1 | 24.0 | 19.7 |
| <b>Age</b>                            |      |      |      |
| Children (<18)                        | 24.4 | 22.0 | 17.6 |
| 18–64                                 | 26.6 | 24.0 | 19.7 |
| 65+                                   | 27.1 | 25.9 | 20.9 |
| <b>Household type</b>                 |      |      |      |
| Single-person household               | 38.7 | 40.8 | 29.6 |
| One adult with dependent children     | 43.8 | 42.6 | 30.2 |
| Two adults, one dependent child       | 22.9 | 18.9 | 16.7 |
| Two adults, two children              | 19.1 | 15.6 | 9.3  |
| Two adults, three or more children    | 26.8 | 28.0 | 28.0 |
| Households without dependent children | 30.0 | 27.9 | 22.9 |
| Households with dependent children    | 23.4 | 21.0 | 16.9 |
| <b>Income quintiles</b>               |      |      |      |
| I                                     | 50.3 | 48.2 | 41.8 |
| II                                    | 35.7 | 35.2 | 28.5 |
| III                                   | 25.3 | 21.4 | 16.2 |
| IV                                    | 14.4 | 10.9 | 8.3  |
| V                                     | 5.9  | 4.3  | 3.0  |

| Most frequent activity status (18+) |      |      |      |
|-------------------------------------|------|------|------|
| In dependent employment             | 17.0 | 14.6 | 11.1 |
| Self-employed                       | 18.7 | 13.7 | 11.1 |
| Unemployed                          | 42.0 | 37.2 | 33.1 |
| Pensioners                          | 25.7 | 24.7 | 19.4 |
| Other inactive                      | 30.1 | 28.8 | 21.8 |

Source: Eurostat database Tables *Severe material deprivation rate by income quintile and household type; Severe material deprivation rate by most frequent activity status (population aged 18 and over)*

An analysis of the population profile by the severe material deprivation rate shows the following:

- No statistically significant differences were observed in severe material deprivation rates by sex, which is attributed to living in shared households that mainly include members of both sexes. Differences by age were not pronounced, but were nevertheless observable – children were less vulnerable, and people aged 65+ were more vulnerable than the average. In this respect, the vulnerability profile differs from the profiles of both absolute and relative poverty.
- By household type, single-person households, single parents and families with two adults and three and more dependent children were the most affected by severe material deprivation, given the share of individuals who were severely materially deprived and lived in these households (approximately 30%). The latter household type is the only one whose severe material deprivation rate increased during the observed period, while all others recorded a decrease. Overall, households without children are more vulnerable than those with children.
- In 2016, among the individuals in the poorest income quintile, as many as 41.8% could not afford four or more items, while in the richest income quintile the corresponding proportion was only 3%. As expected, higher income means being able to afford more items.
- By the most frequent activity status, the unemployed were the most disadvantaged, since as many as 33.0% of them could not afford four or more items from the list. In contrast with the relative poverty profile, the employed and the self-employed were equally vulnerable, and pensioners fared worse than both categories. During the observed period, the severe material deprivation rate decreased for all individuals, irrespective of the activity status.



## 1.6. Social cohesion and quality of living

### 1.6.1. Social cohesion

**Social cohesion is defined as the ability of society to ensure the well-being of all its members, to reduce differences and to avoid divisions.**<sup>151</sup> The European Commission estimates that the Republic of Serbia made progress in areas such as employment, social inclusion of Roma, prohibition of discrimination and gender equality, but also that the areas of employment and social issues remain affected by scarce public finances and limited institutional capacity.<sup>152</sup> When it comes to the adequacy of social welfare assistance, the Council of Europe estimates that its level is still inadequate because the total amount of aid that an individual without the means of living can receive does not reach the poverty line.<sup>153</sup> On the other hand, the World Bank positively assesses the progress in fiscal consolidation, while at the same time suggesting that the potential distribution impact of structural reforms will pose a challenge to reducing poverty in the short term and require measures to mitigate it.<sup>154</sup> In this regard, it is recommended that social protection and job creation should remain an important part of public policy agendas.

When it comes to ethnic and social distance towards members of different groups, **the data of the Commissioner for the Protection of Equality reveal that the social distance in most of the examined categories is in decline compared with the results obtained in 2013.**<sup>155</sup> Social distance is least towards the poor, women and members of Serbian nationality. The most prominent social distance is that displayed towards members of the LGBTI population — although social distance towards LGBTI citizens is declining in all examined areas — 27% of respondents do not want LGBTI people to be their colleagues, 34% do not want to socialise with them, 47% do not want LGBTI people to be their children's educators, while 63% of respondents would object to themselves or their children being married to an LGBTI person. Social distance towards migrants (asylum seekers) is slightly increasing in some areas (the number of those who do not accept migrants as citizens of Serbia, or as their neighbours or colleagues), while in other areas it is decreasing (the number of those who would object to migrants being members of their families or being in leadership positions in the country).

<sup>151</sup> Council of Europe – European Committee for Social Cohesion, A new strategy for Social Cohesion, 2004, [https://www.coe.int/t/dg3/socialpolicies/socialcohesiondev/source/RevisedStrategy\\_en.pdf](https://www.coe.int/t/dg3/socialpolicies/socialcohesiondev/source/RevisedStrategy_en.pdf)

<sup>152</sup> European Commission, Republic of Serbia — 2016 Report, [http://www.mei.gov.rs/upload/documents/eu\\_dokumenta/godisnji\\_izvestaji\\_ek\\_o\\_napretku/izvestaj\\_ek\\_srbija\\_2016.pdf](http://www.mei.gov.rs/upload/documents/eu_dokumenta/godisnji_izvestaji_ek_o_napretku/izvestaj_ek_srbija_2016.pdf)

<sup>153</sup> Council of Europe – European Committee of Social Rights, Conclusions 2017 – Serbia, [https://www.ecoi.net/en/file/local/1425561/1226\\_1519804752\\_cr-2017-srb-eng.pdf](https://www.ecoi.net/en/file/local/1425561/1226_1519804752_cr-2017-srb-eng.pdf)

<sup>154</sup> World Bank Group, Polarization and Populism, 2016, <http://documents.worldbank.org/curated/en/494811479976405381/pdf/110422-WP-ECANovcwr-PUBLIC-ABSTRACT-SENT.pdf>

<sup>155</sup> Regular Annual Report of the Commissioner for the Protection of Equality for 2016, <http://ravnopravnost.gov.rs/wp-content/uploads/2017/08/PDF-Redovan-godi%C5%A1nji-izve%C5%A1taj-Poverenika-za-za%C5%A1titu-ravnopravnosti-za-2016-godinu.pdf>

**Trust is the key determinant of a good governance system and a functioning market economy.**<sup>156</sup> Corruption weakens the political and economic systems. The lack of confidence caused by corruption can negatively affect the effectiveness of democracy and the functioning of institutions, including financial markets, according to a survey by the EBRD. The data, however, reveal that representatives of public services and institutions are often perceived as corrupt in countries in transition, which is a huge difference compared with Western Europe, where the level of trust in public services is higher. Research shows that the highest level of perceived corruption is seen in the health sector, while the lowest is related to obtaining official documents.

**Trust in institutions is key to the success of public policies. In most countries in transition, confidence in the public sector is relatively low,** and this level further declined in recent years in the countries of the Western Balkans,<sup>157</sup> both at the national level (where around 40% of citizens place their trust in institutions and at the local level (where around 20% of respondents say they trust their regional or local authorities)).<sup>158</sup>

**Citizens of the Republic of Serbia are least satisfied with the functioning of courts and traffic police in comparison with other public services** (Table 18). The level of satisfaction with the functioning of the two services is lower than in all EU countries and countries in transition that participated in the EBRD survey. Similar to the European Survey on Quality of Life, the EBRD survey shows that citizens are most satisfied with primary and secondary schools, compared with all other public services.

**Table 18. Citizen satisfaction with public services**<sup>159</sup>

|                               | Serbia | Turkey | Montenegro | Albania | Macedonia | Slovenia | Germany |
|-------------------------------|--------|--------|------------|---------|-----------|----------|---------|
| Primary and secondary schools | 72     | 79     | 75         | 72      | 66        | 80       | 81      |
| Obtaining documents           | 64     | 84     | 69         | 68      | 72        | 85       | 67      |
| Healthcare system             | 61     | 76     | 54         | 53      | 61        | 78       | 76      |
| Social welfare assistance     | 42     | 83     | 37         | 38      | 12        | 70       | 41      |
| Traffic police                | 35     | 83     | 40         | 54      | 50        | 59       | 62      |
| Courts                        | 25     | 84     | 27         | 37      | 38        | 68       | 54      |

Source: EBRD, *Life in Transition Survey: A decade of measuring transition*, 2016

<sup>156</sup> *Ibid.*, p. 27.

<sup>157</sup> *Ibid.*, p. 6.

<sup>158</sup> *Ibid.*, p. 36.

<sup>159</sup> The share of citizens who are very satisfied or satisfied with the quality and efficiency of the services provided in the previous 12 months.

**The average perception of corruption in the Republic of Serbia is considerably higher than in the countries of Western Europe**, as well as in the Western Balkans countries, except in Turkey. In principle, the EBRD survey shows that people who believe that unofficial payments and gifts are necessary for successful provision of public services in society are by four percentage points less satisfied with their lives than those who do not believe this. The results also show that respondents who are concerned about high corruption in society place 1.7% to 5% less trust in others and they are less optimistic about the future. **The EBRD data indicate that a higher level of perceived corruption affects reduced life satisfaction to a greater extent compared with income and years of life.**<sup>160</sup> Judicial reform and corruption control are seen as key structural reform priorities in many European countries.<sup>161</sup> The public sector corruption perception survey **Corruption Perceptions Index** *Transparency International* (CPI) for 2017<sup>162</sup> shows a similar state of play. **The Republic of Serbia is still considered a country with a high level of corruption**, since it has a score of 41 points out of 100. According to this survey, the Republic of Serbia ranked 77th out of 180 countries, which is worse than its previous ranking when it placed 72nd out of 176 countries.

### 1.6.2. Quality of life

**The two most important data sources for measuring the quality of life used by EU member states are regularly used in the Republic of Serbia, also. The European Quality of Life Survey (EQLS)** is a survey that monitors living conditions, social cohesion and quality of society, while the **Survey on Income and Living Conditions (SILC)** monitors certain issues related to quality of life through regular questionnaires and research and specific modules. The European Commission plans to integrate the issues related to quality of life into the regular Survey on Income and Living Conditions.

**The European Quality of Life Survey is conducted by the European Foundation for the Improvement of Living and Working (Eurofound) over four-year periods.** This unique pan-European survey provides information on issues that are not covered by general statistical surveys, such as: perceived quality of society, trust in institutions, social tensions, degree of happiness of individuals, life satisfaction and citizen participation in society.

**In the last two cycles (2012 and 2016), the Eurofound included Serbia in the European Quality of Life Survey.** The latest, fourth European Quality of Life Survey,

<sup>160</sup> EBRD, o. c., p. 33.

<sup>161</sup> International Monetary Fund, 2017, *Europe: Europe hitting its stride. Regional economic issues. World economic and financial surveys*. Prepared by the staff of the IMF's European Department under the general guidance of Jörg Decressin, p. 39.

<sup>162</sup> CPI 2017: Serbia lost one point and dropped five places on the Corruption Perception Index list, [http://www.transparentnost.org.rs/images/dokumenti\\_uz\\_vesti/Saop%C5%A1tenje\\_CPI\\_2017.pdf](http://www.transparentnost.org.rs/images/dokumenti_uz_vesti/Saop%C5%A1tenje_CPI_2017.pdf)

which was conducted between September and December 2016, involved all EU member states, as well as five candidate countries (Albania, Macedonia, Montenegro, Serbia and Turkey). Special attention in the Survey is placed on the quality of public services.

**The overall life satisfaction in the Republic of Serbia was estimated at 6.3, which is the same as four years ago.**<sup>163</sup> Life satisfaction in the Republic of Serbia is lower than the EU average, but it is among the highest among the candidate countries participating in the survey: satisfaction with living in the EU stands at 7.1 (the same as four years ago), in Montenegro at 6.3, in Turkey at 6, in Macedonia at 5.1 and in Albania at 4.9.

**The level of happiness in the Republic of Serbia is at a similar level as four years ago** — in 2016 it stood at 7, while in 2012 it stood at 7.1. The level of happiness at the EU level is slightly higher than that in the Republic of Serbia, amounting to 7.4, while in Montenegro it stands at 7.3, in Turkey at 6.2, in Macedonia at 6.1 and in Albania at 5.2.

**The indicator that measures the degree of optimism about personal future is lower in the Republic of Serbia than the average in the EU and the candidate countries.** The degree of optimism about personal future in the Republic of Serbia stands at 58% and it dropped in comparison with the score of four years ago (60%). For comparison, the level of optimism at the EU level is 64% (52% four years ago), in Albania it is 67%, in Montenegro 65%, in Macedonia 63% and in Turkey 59%.

**According to the results of the European Survey on the Quality of Life, 69% of citizens in the Republic of Serbia responded that they can barely make ends meet with the income they have.** The data related to this indicator are considerably worse than the EU average, where about 39% of citizens responded as barely making ends meet with the income they have, while in Turkey it stands at 46%, in Macedonia at 55%, and in Montenegro at 58%. The situation in terms of available income is unfavorable only in Albania, where about 78% of citizens barely make ends meet, when taking into account their income.

**When it comes to balancing between work and life, 66% of citizens in the Republic of Serbia responded as having difficulties in fulfilling their family responsibilities because of the time they spend at work.** This number is significantly higher than in the EU, where around 38% of citizens finds it hard to balance work and life. About 83% of the respondents in the Republic of Serbia and 59% at the EU level claim that they come from work too tired to perform their household duties. At the same time, 52% of citizens in the Republic of Serbia claim that they have difficulties concentrating on work because of family responsibilities, while in the EU only 19% of citizens responded that they find it hard to concentrate on work because of family responsibilities.

<sup>163</sup> This indicator refers to individuals' assessment of the degree of life satisfaction and it is based on the question: Taking everything into account, how satisfied are you with your life today? (Where 1 means very dissatisfied and 10 very satisfied).



**In the Republic of Serbia, as in other candidate countries, twice as many citizens as in the EU play sports and exercise.** In the Republic of Serbia, only 19% of citizens take part in sports and exercise at least once a week, while this percentage in the EU stands at 42%, in Turkey at 21%, in Montenegro at 20%, in Macedonia at 14% and in Albania at 12%.

**The level of trust in other people is an important indicator of social capital and it is somewhat lower in the Republic of Serbia than in the EU.** The level of trust in other people in Serbia is 4.4.<sup>164</sup> The level of trust in other people in the EU is 5.2, in Turkey 5.5, in Montenegro 4.5, in Macedonia 3 and in Albania 2.4.

**Satisfaction with the quality of public services in the Republic of Serbia is generally slightly lower than at the EU level,** and it is similar or slightly better in comparison with the candidate countries (Table 19). The highest score in the Republic of Serbia, in relative terms, was seen in the education system quality, while the lowest was that of the state pension system quality.

**Table 19. Quality of public services** (on a scale of 1 as the lowest to 10 as the highest)

|                                | Serbia | EU  | Turkey | Montenegro | Macedonia | Albania |
|--------------------------------|--------|-----|--------|------------|-----------|---------|
| Education system quality       | 6.4    | 6.7 | 6.4    | 6.3        | 5.3       | 5.8     |
| Child care quality             | 6.2    | 6.7 | 6.2    | 6.5        | 5.4       | 6.2     |
| Public transportation quality  | 6.1    | 6.6 | 6.6    | 5.5        | 5.5       | 5.7     |
| Healthcare services quality    | 6.0    | 6.7 | 6.9    | 6.1        | 5.0       | 6.1     |
| Long-term care service quality | 5.4    | 6.2 | 6.3    | 5.8        | 4.4       | 5.6     |
| State pension system quality   | 4.8    | 5.0 | 6.1    | 5.2        | 4.9       | 4.9     |

Source: Eurofound and the Statistical Office of the Republic of Serbia (2017), European Survey on Quality of Life

**In 2016, the European Bank for Reconstruction and Development (EBRD) conducted a research and survey “Life in Transition: A decade of measuring transition”<sup>165</sup>,** which contains important information on the quality of life in the Republic of Serbia. The survey summarizes the key results and compares changes in comparison with previous research (2006 and 2010). Life in Transition measures the socioeconomic status of respondents and covers the measurement of perception

<sup>164</sup> On a scale of 1 as the lowest to 10 as the highest.

<sup>165</sup> European Bank for Reconstruction and Development (2016), Life in Transition: a decade of measuring transition, <http://litsonline-ebd.com>

around different economic, political and social issues. The latest survey was conducted in more than 30 countries.

**Life satisfaction in former communist countries has been on the rise in recent years, and the difference in the degrees of life satisfaction in Western and Eastern European countries has dropped**<sup>166</sup>, according to the latest research in comparison with previous surveys carried out in 2006 and 2010. Furthermore, EBRD data show that the degree of corruption in countries in transition has been declining in recent years, but that it remains relatively high throughout the Western Balkan region and in countries in transition. The report shows that corruption diminishes citizens' trust in various institutions, as well as citizens' satisfaction with the functioning of public services and institutions.<sup>167</sup>

**Nearly a third of respondents in the Republic of Serbia (about 30%) believe that the economic and political circumstances in the country are better in 2016 than four years ago, which is more than in other SEE countries (about 25%).** Nearly a third of citizens in the Republic of Serbia (29%) believe that their household is better in 2016 than four years ago, while a third of citizens (31%) are satisfied with their financial situation.

**Life satisfaction in the Republic of Serbia increased in 2016 across all demographic groups compared with 2010 — by a significant 16 percentage points.** About 45% of citizens in the Republic of Serbia were satisfied with their lives in 2016, which is less than in the countries of Western Europe (58%), and equal to the countries of the Western Balkans (Table 20). Nevertheless, the optimism of citizens in the Republic of Serbia about the future is below the optimism level in countries in transition, according to the EBRD survey.<sup>168</sup>

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<sup>166</sup> *Ibid.*, p. 4.

<sup>167</sup> *Ibid.*

<sup>168</sup> EBRD, o. c., p. 122.



**Table 20. Life satisfaction and corruption level<sup>169</sup>**

|   | Serbia | Turkey | Montenegro | Albania | Macedonia | Slovenia | Western Europe |
|---|--------|--------|------------|---------|-----------|----------|----------------|
| Life satisfaction                               | 45.23% | 42.16% | 46.47%     | 48.05%  | 35.07%    | 69.21%   | 57.59%         |
| Average perception of corruption <sup>170</sup> | 10.27  | 15.94  | 4.92       | 6.40    | 8.00      | 3.61     | 1.29           |
| Average experience of corruption <sup>171</sup> | 14.94  | 16.43  | 9.49       | 19.60   | 7.80      | 1.85     | 3.35           |

Source: EBRD, *Life in Transition Survey: A decade of measuring transition*, 2016

<sup>169</sup> The share of citizens who are very satisfied or satisfied with the quality and efficiency of the services provided in the previous 12 months.

<sup>170</sup> This refers to the share of participants in the survey who said that people like themselves usually or always have to pay unofficial expenses or give gifts, on average in all public services covered by the survey.

<sup>171</sup> This refers to the share of participants in the survey who responded that they or their household members paid unofficial expenses or gave gifts over the past 12 months, equally in all public services covered by this survey.

Overview  
of the dimensions and status  
of social exclusion and poverty  
in the Republic of Serbia

2





## 2.1. Employment and Labour Market

### 2.1.1. Legislative and strategic framework of the Republic of Serbia

The legislative framework for employment policy-making and the implementation of active labour market policy programmes and measures (ALMPs) is outlined by two laws – **the Law on Employment and Unemployment Insurance**<sup>172</sup> and the **Law on Vocational Rehabilitation and Employment of Persons with Disabilities**,<sup>173</sup> both passed in 2009.

**The amendments to the Law on Employment and Unemployment Insurance, adopted in 2015 and 2017, regulated more closely some issues in order to ensure a more efficient practical implementation of the regulations.** These amendments included: the possibility of recommending new measures and programmes through the National Employment Action Plan (NEAP), in line with the labour market needs and based on the impact analysis of previously implemented measures; the possibility of including employed persons (rather than exclusively the unemployed) in the programmes aimed at the acquisition of additional knowledge and skills significant for keeping a job; definition of a new concept of public works, with the idea of including more unemployed persons in the public work schemes; introduction of the obligation of the National Employment Service (NES) staff to pursue continual professional education and training with a view to enabling the provision of higher-quality services to employers and unemployed persons; a more detailed specification of the responsibilities towards the persons who have used private agency job placement services for employment abroad, especially in cases when they have to temporarily return from the country in which they were sent to work, as well as for the loss of earnings sustained by the employee.

**An impact analysis**<sup>174</sup> **of the Law on Vocational Rehabilitation and Employment of Persons with Disabilities** (PWD) was undertaken in order to assess its influence on the position of PWDs in the labour market, the fulfilment of the obligation to hire PWDs in the open market, as well as the position of the enterprises for vocational rehabilitation and employment of PWDs. **The analysis has shown that the position of PWDs has improved over the eight years of implementation of the law,** considering the situation in the Serbian labour market. However, from employers' perspective, PWDs are still an untapped and largely unrecognised source of labour force, and employers are not sufficiently aware of the various modalities in which they can fulfil their statutory obligations related to the employment of PWDs.

<sup>172</sup> *Official Gazette of RS*, Nos 36/09, 88/10, 38/15, 113/17 – amended by another law and 113/17.

<sup>173</sup> *Official Gazette of RS*, Nos 36/09 and 32/13.

<sup>174</sup> *Procena primene Zakona o profesionalnoj rehabilitaciji i zapošljavanju osoba sa invaliditetom u Republici Srbiji*, UNDP, 2016

**The Law on the Employment of Foreigners<sup>175</sup>** (Official Gazette of RS, No 128/14) regulates the conditions and procedures for the employment of foreign nationals in the Republic of Serbia, as well as other issues of relevance to the employment and work of foreigners in Serbia. Among other things, the Law stipulates the possibility of entering into an employment relationship with foreigners and/or concluding other types of contracts that entail the exercise of labour-related rights, and other issues of relevance to the employment of foreigners. The amendments<sup>176</sup> to this Law, which were adopted in 2017, introduced a new type of work permit (the work permit for vocational training and specialisation) and specified the requirements for issuing the work permit to foreigners engaged in the training. In order to stimulate audio-visual production in the Republic of Serbia, the members of production and acting companies are exempt from the application of this law. The amendments also introduce the possibility of extending the work permits for seconded persons and persons transferred within the same company, for persons performing activities or rendering services of interest for the Republic of Serbia, as part of the efforts to enhance foreign investments in Serbia.

**The amendments to the Labour Law,<sup>177</sup> which were adopted in 2014, contribute** to the creation of the conditions for the development of the business environment (the changes included the extension of the maximum period for which a fixed-term contract can be concluded from 12 to 24 months, as well as the introduction of part-time work and work from home as flexible forms of work). Employers' obligation to submit the request for registration of their newly recruited workers for statutory social insurance, based on the concluded employment contracts or contracts on other types of work, within the time limit specified by the law regulating the Central Registry of Statutory Social Insurance, but in any case before the employee/worker starts working, was introduced in 2017.

**Changes have been introduced to the regulations on taxes<sup>178</sup> and contributions,<sup>179</sup> with the purpose of creating more favourable conditions for commercial activities,**

<sup>175</sup> The law prescribes that a foreigner employed in the Republic of Serbia has equal rights and obligations with regard to work, employment and self-employment as Serbian nationals do, subject to the fulfilment of the requirements stipulated by the law. The creation of this law took into account the conventions of the International Labour Organisation, the relevant directives of the European Union, as well as the World Trade Organisation requirements.

<sup>176</sup> *Official Gazette of RS*, No 113/17.

<sup>177</sup> *Official Gazette of RS*, Nos 24/05, 61/05, 54/09, 32/13, 75/14, 13/17 – Constitutional Court decision, 113/17.

<sup>178</sup> Law on the Personal Income Tax (*Official Gazette of RS*, Nos 24/01, 80/02, 80/02 – amended by another law, 135/04, 62/06, 65/06 – corrigendum, 31/09, 44/09, 18/10, 50/11, 91/11 – Constitutional Court decision, 93/12, 114/12 – Constitutional Court decision, 47/13, 48/13 – corrigendum, 108/13, 57/14, 68/14 – amended by another law and 113/17).

<sup>179</sup> Law on Statutory Social Insurance Contributions (*Official Gazette of RS*, Nos 84/04, 61/05, 62/06, 5/09, 52/11, 101/11, 47/13, 108/13, 57/14, 68/14 – amended by another law and 113/17).

**decreasing the operational costs, eliminating the grey sector of employment and transforming it into the legal sphere.** Incentives for employers have been introduced for hiring new workers (effective since 1 July 2014 and available until 31 December 2019) in the form of reimbursed taxes and contributions payable by the employer, ranging between 65% and 75%. There is also a new incentive for persons who are starting their own businesses, whereby they are exempt from the payment of the personal income tax and the statutory social insurance contributions for their own wages, as well as for the wages of newly hired persons. The implementation of this incentive started on 1 October 2018.

**The Performance Assessment<sup>180</sup> of the National Employment Strategy 2011–2020<sup>181</sup>** (hereinafter: the Strategy), as the strategic framework of the employment policy, covering the first five years of its implementation, was conducted with the support of the European Commission and the International Labour Organisation (ILO). **The first five years of the Strategy's implementation were characterised by the strengthening of the established employment policy system and the labour market institutions and by the creation and implementation of active labour market measures in line with the needs of the national and local labour markets and the available funds for ALMP implementation.** An ALMP planning cycle has been established. The National Employment Action Plan (NEAP) is adopted on an annual basis, operationalising the objectives set by the Strategy, determining concrete ALMP programmes and measures to be implemented and specifying the categories of hard-to-employ persons that should be prioritised. The parties involved in the process of determining and/or specifying the employment policy objectives and priorities included the representatives of the relevant institutions, social partners and other stakeholders. At the local level, ALMP programmes and measures are planned by local government units (LGUs), through the adoption of local employment action plans (LEAPs), and funds are allocated for their implementation. The National Employment Service Performance Agreement<sup>182</sup> is concluded every year, enabling the implementation of NEAPs and specifying the responsibilities, objectives, expected results, implementation timeframes and the financial framework. However, **in the considered period, the share of the expenditures on active labour market policy measures in the gross domestic product (GDP) did not increase as envisaged in the Strategy (increase of the share of expenditures for active labour market policy**

<sup>180</sup> [https://www.minrzs.gov.rs/files/procena\\_uspesnosti\\_nacionalne\\_strategije\\_zaposljavanja\\_za\\_period\\_2011-2020\\_godine\\_za\\_prvih\\_5\\_godina\\_primene\\_2011-2015.pdf](https://www.minrzs.gov.rs/files/procena_uspesnosti_nacionalne_strategije_zaposljavanja_za_period_2011-2020_godine_za_prvih_5_godina_primene_2011-2015.pdf)

<sup>181</sup> *Official Gazette of RS*, No 37/11;  
<https://www.minrzs.gov.rs/nacionalna-strategija-zaposljavanja.html>

<sup>182</sup> This agreement is concluded by the Minister competent for employment activities and the NES Director. The NES submits regular quarterly reports and the annual report to the competent ministry on the implementation of the active labour market policy programmes and measures, which is used as the basis for monitoring the degree of achievement of the target performance.

**measures to 0.5% of the GDP by 2020).** This fact affected the implementation of the planned ALMP programmes and measures and the number of persons included in them (limited coverage of unemployed persons). **Due to insufficient funding, in some of the years the majority of unemployed persons were included in the measures implemented by the NES staff, although hard-to-employ persons need a more intensive support to enhance their employment prospects.** As a result, certain categories of unemployed persons are still facing difficulties in accessing the labour market, as well as employment instability.

The Economic Reform Programme (ERP), in the Employment and Labour Market section, envisages the **structural reform “Improving the effectiveness of active labour market policies with special emphasis on youth, redundant workers and the long-term unemployed”.**<sup>183</sup> The Employment and Social Reform Programme<sup>184</sup> (ESRP) is a strategic document and the key mechanism for dialogue with the EU on the Republic of Serbia’s priorities in the areas of employment, social inclusion and social policy.<sup>185</sup> Other strategic documents of relevance in the field of employment and labour market, which have been adopted in the recent years, are the **National Youth Strategy 2015–2025,**<sup>186</sup> **the Strategy for the Social Inclusion of Roma in the Republic of Serbia 2016–2025**<sup>187</sup> and the **National Gender Equality Strategy 2016–2020.**<sup>188</sup>

**The Ministry of Labour, Employment, Veteran and Social Affairs (MoLEVSA) is responsible for employment policy creation and implementation in the Republic of Serbia, while the competent bodies for employment affairs in the labour market are the National Employment Service (NES) and employment agencies.** The number of employment agencies has been increasing (from 67 in 2013 to 104 in 2017), and the quality and efficiency of the job placement services they provide is analysed based on their six-month and annual reports.

<sup>183</sup> The reform focuses on the improvement of the methods and techniques of the counselling provided to unemployed persons, which is essential for employability assessment of each individual based on their profiles (educational attainment level, work experience, additional knowledge and skills, sex and so on), as well as on the labour market situation, with a view to their inclusion in the active labour market policies that will most effectively contribute to their more competitive integration or reintegration in the labour market.

<sup>184</sup> Adopted on 31 May 2016.

<sup>185</sup> Addressed areas are labour market and employment, human capital and skills, social inclusion and social protection, as well as the challenges in the pension and health care systems.

<sup>186</sup> *Official Gazette of RS*, No 22/15.

<sup>187</sup> *Official Gazette of RS*, No 26/16.

<sup>188</sup> *Official Gazette of RS*, No 4/16.

## 2.1.2. State of affairs in the area

**The situation in the Serbian labour market**, measured by the basic Labour Force Survey<sup>189</sup> (LFS) indicators, **shows signs of considerable labour market recovery – decreased unemployment rate, increased employment rate, increased number of employed persons and decreased number of unemployed and inactive persons.** The basic labour market indicators that denote improvement are largely consistent with the other macroeconomic indicators (GDP growth, low and stable inflation, the balance of payments current account deficit, public debt decrease, inflow of foreign direct investments). However, despite these improvements, the labour market indicators in Serbia are still more unfavourable compared to those in the EU Member States. The disparity between the key labour market indicators of the working age population in Serbia and those in the EU-28 remains one of the fundamental challenges in Serbia's EU accession process. The disparity is also present in the gender employment gap and the employment rates by age groups. **The gender employment gap in Serbia is wider than in the EU-28 by 2.6 percentage points (13.1 percentage points and 10.5 percentage points, respectively), whereas the youth (15–24) and older persons' (55–64) employment rate in Serbia is lower than in the EU-28 by 13.8 and 11.6 percentage points, respectively.**

**Table 21. Labour market indicators<sup>190</sup> (15–64), comparative analysis – Republic of Serbia and the EU, 2014–2017**

| Labour market indicators |                 | Republic of Serbia |      |      |      |                    | EU-28<br>(2017) | Serbia/ EU-28<br>in pp |
|--------------------------|-----------------|--------------------|------|------|------|--------------------|-----------------|------------------------|
|                          |                 | 2014               | 2015 | 2016 | 2017 | 2017/2014<br>in pp |                 |                        |
| 1.                       | Activity rate   | 63.3               | 63.6 | 65.6 | 66.7 | 3.4 ▲              | 73.3            | -6.6                   |
|                          | Men             | 71.3               | 71.6 | 73.1 | 73.8 | 2.5                | 78.9            | -5.1                   |
|                          | Women           | 55.3               | 55.6 | 58.1 | 59.6 | 4.3                | 67.8            | -8.2                   |
| 2.                       | Employment rate | 50.7               | 52.0 | 55.2 | 57.3 | 6.6 ▲              | 67.7            | -10.4                  |
|                          | Men             | 57.7               | 59.1 | 61.9 | 63.9 | 6.1                | 72.9            | -9.0                   |
|                          | Women           | 43.7               | 44.9 | 48.4 | 50.8 | 7.1                | 62.4            | -11.6                  |

<sup>189</sup> In 2015, the Labour Force Survey methodology was significantly changed in compliance with the Eurostat regulations (the surveys are conducted continuously, throughout the year, and the evaluation system was modified), making data comparisons with those from the previous years impracticable, after which the SORS revised and published the data for 2014.

<sup>190</sup> For the purpose of monitoring social inclusion and poverty reduction, with the ultimate aim of reporting on and monitoring of the employment policy, as well as for making comparisons with the EU countries, we are using the data from the Employment and Labour Market domain of the publication *Monitoring Social Inclusion in the Republic of Serbia – Third Revised Edition*, which represents an improved framework for monitoring social inclusion and poverty reduction in the Republic of Serbia. <http://socijalnoukljucivanje.gov.rs/wp-content/uploads/2017/10/Pracenje-socijalne-ukljucenosti-u-Republiци-Srbiji-trece-dopunjeno-izdanje.pdf>

<sup>191</sup> The industry sector includes: mining, processing industry, electricity, gas and steam supply, water supply and wastewater management and construction.

|     |   |      |      |      |      |         |      |       |
|-----|---|------|------|------|------|---------|------|-------|
| 3.  | Youth employment rate (15–24)                                 | 14.9 | 16.6 | 19.7 | 20.9 | 5.9 ▲   | 34.7 | -13.8 |
|     | Men   | 19.0 | 21.2 | 24.9 | 26.1 | 7.1     | 36.3 | -10.2 |
|     | Women   | 10.6 | 11.7 | 14.2 | 15.3 | 4.7     | 32.9 | -17.6 |
| 4.  | Employment rate – older workers (55–64)                       | 36.7 | 37.3 | 42.7 | 45.5 | 8.8 ▲   | 57.1 | -11.6 |
|     | Men   | 47.7 | 48.9 | 53.8 | 55.9 | 8.2     | 63.7 | -7.8  |
|     | Women   | 26.6 | 26.6 | 32.5 | 36.0 | 9.4     | 50.8 | -14.8 |
| 5.  | Employees by professional status                              |      |      |      |      |         |      |       |
|     | Employed (paid) workers                                       | 71.3 | 72.5 | 71.7 | 72.8 | 1.5 ▲   | 85.3 | -12.5 |
|     | Women   | 46.0 | 46.4 | 46.7 | 46.7 | 0.7     | 48.1 | -1.5  |
|     | Self-employed   | 21.5 | 20.1 | 21.2 | 22.0 | 0.5 ▲   | 13.7 | 8.2   |
|     | Women   | 25.7 | 23.2 | 26.5 | 30.6 | 4.9     | 32.6 | -1.9  |
|     | Unpaid family workers   | 7.3  | 7.3  | 7.1  | 5.2  | -2.1 ▼  | 0.9  | 4.3   |
|     | Women   | 68.6 | 68.6 | 69.8 | 71.3 | 2.7     | 64.2 | 7.1   |
| 6.  | Employees by sector   |      |      |      |      |         |      |       |
|     | Services  | 57.1 | 57.4 | 58.0 | 58.2 | 1.1 ▲   | 71.9 | -13.7 |
|     | Women   | 50.8 | 51.3 | 52.1 | 52.7 | 1.9     | 43.3 | 9.4   |
|     | Industry <sup>191</sup>                                       | 25.7 | 25.4 | 25.6 | 26.5 | 0.8 ▼   | 24.2 | 2.3   |
|     | Women   | 29.7 | 29.8 | 29.2 | 29.5 | -0.2    | 23.4 | 6.1   |
|     | Agriculture   | 17.2 | 17.2 | 16.4 | 15.3 | -2.0 ▼  | 3.9  | 11.4  |
|     | Women   | 38.6 | 36.6 | 38.6 | 39.0 | 0.4     | 33.3 | 5.7   |
| 7.  | Informal employment rate                                      | 19.1 | 18.8 | 20.0 | 18.6 | -0.6 ▼  | /    |       |
|     | Men   | 18.7 | 18.5 | 19.5 | 17.8 | -0.9    | /    |       |
|     | Women   | 19.7 | 19.3 | 20.7 | 19.5 | -0.1    | /    |       |
| 8.  | Unemployment rate   | 19.9 | 18.2 | 15.9 | 14.1 | -5.8 ▼  | 7.8  | 6.3   |
|     | Men   | 19.1 | 17.4 | 15.3 | 13.5 | -5.6    | 7.6  | 5.9   |
|     | Women   | 21.0 | 19.3 | 16.7 | 14.8 | -6.2    | 8.0  | 6.8   |
| 9.  | Youth unemployment rate (15–24)                               | 47.5 | 43.2 | 34.9 | 31.9 | -15.6 ▼ | 16.8 | 15.1  |
|     | Men   | 46.1 | 40.1 | 32.2 | 29.2 | -16.9   | 17.4 | 11.8  |
|     | Women   | 50.0 | 48.2 | 39.5 | 36.3 | -13.7   | 16.1 | 20.2  |
| 10. | Youth (15–24) not in employment, education or training (NEET) | 20.4 | 19.9 | 17.7 | 17.2 | -3.2 ▼  | 10.9 | 6.3   |
|     | Men   | 21.0 | 20.2 | 17.2 | 17.1 | -3.9    | 10.7 | 5.6   |
|     | Women   | 19.9 | 19.6 | 18.3 | 17.3 | -2.6    | 11.2 | 6.1   |



|     |  |      |      |      |      |        |      |     |
|-----|--|------|------|------|------|--------|------|-----|
| 11. | Unemployment rate of older persons (55–64) | 12.4 | 11.5 | 9.0  | 8.1  | -4.3 ▼ | 5.8  | 2.3 |
|     | Men  | 13.7 | 12.5 | 9.8  | 9.1  | -4.6   | 6.1  | 3.0 |
|     | Women                                      | 10.2 | 9.8  | 7.8  | 6.6  | -3.6   | 5.5  | 1.1 |
| 12. | Long-term unemployment rate                | 13.3 | 11.7 | 10.4 | 8.5  | -4.8 ▼ | 3.4  | 5.1 |
|     | Men  | 12.5 | 11.0 | 10.0 | 8.3  | -4.3   | 3.3  | 5.0 |
|     | Women                                      | 14.3 | 12.6 | 10.9 | 8.8  | -5.5   | 3.5  | 5.3 |
| 13. | Inactivity rate                            | 36.7 | 36.4 | 34.4 | 33.3 | -3.4 ▼ | 26.7 | 6.6 |
|     | Men  | 28.7 | 28.4 | 26.9 | 26.2 | -2.5   | 21.1 | 5.1 |
|     | Women                                      | 44.7 | 44.4 | 41.9 | 40.4 | -4.3   | 32.2 | 8.2 |

Source: SORS, Labour Force Survey; Eurostat

**Decreased inactivity of the working age population (15–64) was the most noticeable change in the structure of the Serbian labour market in the period 2014–2017.** The number of inactive persons of working age decreased by about 233 thousand, while the inactivity rate decreased by 3.4 percentage points in this period, to 33.3% in 2017. **Despite these positive trends, the labour market in Serbia still has one of the highest inactivity rates compared to the EU-28 countries** (only Italy and Croatia had higher inactivity rates than Serbia did, at 34.6% and 33.6%, respectively).

**The number of active people of working age increased by about 28 thousand (0.9%) in the period 2014–2017; however, since the total working age population decreased by 205 thousand (4.2%) in this period, this resulted in the increase of the activity rate by 3.4 percentage points.** The activity rate in Serbia was 66.7% in 2017, but this was still 6.6 percentage points lower than that in the EU-28 (73.3%).<sup>192</sup> The activity rate<sup>193</sup> of women was 59.6%, which was 14.2 percentage points lower than the activity rate of men (73.8%).

**Employment of the working age population (15–64) is constantly growing, and the number of employed persons increased by 202 thousand in the period 2014–2017, totalling more than 2.6 million.** In the same period, the employment rate increased to 57.3% (by 6.6 percentage points), but it was still 10.4 percentage points lower than that in the EU-28 (67.7%).<sup>194</sup> Similarly to other indicators, the employment rate was higher for men (63.9%) than for women (50.8%), and this employment rate disparity of 13.1 percentage points makes Serbia's gender employment gap greater than the EU-28 average (10.5 percentage points). **The youth employment rate (15–24) in Serbia is very low – at 20.9% it is 13.8 percentage points lower than**

<sup>192</sup> In the considered group of European countries, only in Italy (65.4%) and Croatia (66.4%) was the activity rate lower than in Serbia.

<sup>193</sup> SORS, LFS, 2017.

<sup>194</sup> Of all the considered European countries, only in Greece was the value of this indicator (53.5%) lower than in Serbia.

**the youth employment rate in EU-28 (34.7%)**, while the employment rate of older workers (55–64) is 45.5% (increase of 8.8 percentage points relative to 2014), which is 11.6 percentage points lower than the employment rate of older workers in EU-28 (57.1%). The gender employment gap between young men and women is 10.8 percentage points (the employment rate of men being higher than that of women), while the disparity of employment rates between older men and women is as high as 19.9 percentage points in favour of men.

**Informal employment in Serbia is relatively high.**<sup>195</sup> About 492 thousand people of working age were informally employed in 2017, which, in other words, means that **almost one in five employed persons worked in the informal sector** (informal employment rate – 18.6%). Informal employment is particularly high in agriculture, where informal workers account for a half (49.2%) of the total number of persons working in this sector, as well as in the construction sector (36.6%). Although informal employment in the services sector is at a relatively low level (14.3%), its increase by 83 thousand people between 2014 and 2017 was the greatest contributor to the growth of the total informal employment.<sup>196</sup> **The informal employment rate of women (19.5%) was 1.7 percentage points higher than that of men (17.8%),** and the structure of informal employment in terms of the professional status also differed significantly between men and women. While more than a half of informally employed men (53%) were own-account workers without employees, the dominant group among women was “unpaid family workers in a family business” (43%).

There are marked territorial (regional) disparities in Serbia with regard to many aspects of the socio-economic life. One of those aspects is employment. The data analysis reveals minor disproportions with regard to employment rates. **In all regions, the employment rate increased in the period 2014–2017 (the greatest increase was in the regions of Southern & Eastern Serbia and Vojvodina – by more than 14 percentage points),** while the difference between the region with the highest employment rate in 2017 (Šumadija & Western Serbia – 64.9%) and the one with the lowest employment rate (Southern & Eastern Serbia – 61.3%) was 3.6 percentage points.

**As regards employment by sectors (agriculture, industry and services), the largest share of the working age population was employed in the services sector (58.2%), slightly more than a quarter (26.5%) worked in the industry sector (processing industry), while the agriculture sector accounted for 15.3%.** The share of persons employed in the services sector in the total employment gradually increased (by 1.1 percentage points in the period 2014–2017, as a result of the

<sup>195</sup> Informal employment is defined as the share of persons who work without a formal employment contract in the total number of employed people. It includes the employees working in non-registered companies, those who work in registered companies without formal employment contracts and without social insurance, as well as unpaid family workers.

<sup>196</sup> In the same period, the number of informally employed persons in agriculture decreased by about 73 thousand.



increased number of persons employed in the activities of households as employers of domestic personnel), while the share of agriculture in the total employment is decreasing. Nevertheless, despite these trends, the share of persons employed in agriculture in Serbia is four times larger than in the EU-28 (3.9%).

**The employment quality analysis** takes several aspects into account, namely the professional status, type of work/employment and the working time.

**The profile of employed persons by professional status in Serbia did not change significantly in the considered period.** The highest share in the total employment of the working age population<sup>197</sup> was that of **paid workers (72.8%), while the share of self-employed persons was 22%, and unpaid family workers accounted for 5.2%.** Paid employment was regarded as the safest form of work, and its share increased in the period 2014–2017 by 1.5%. Vulnerable employment<sup>198</sup> refers to own-account workers and unpaid family workers, and its share of 28.3% in Serbia is high compared to that in the EU-28 (15%). However, we should understand that paid workers can also be in a situation characterised by severe job insecurity (seasonal jobs, work without a written employment contract), while certain categories of the self-employed (e.g. small business owners, highly qualified professionals and the like) can enjoy a comfortable position in the labour market although, by definition, their type of employment is regarded as vulnerable.

**In terms of the type of work/employment<sup>199</sup>, the structure deteriorated in the period 2014–2017 as the share of employees with open-ended contracts declined** (by 3.9 percentage points), while the share of persons engaged in temporary forms of work increased. The majority of paid employees had open-ended employment contracts (77.3%),<sup>200</sup> while slightly under a quarter (22.7%) were engaged in temporary forms of work (fixed-term contracts – 18.9%, seasonal and casual jobs – 3.8%). A great majority of persons engaged in temporary forms of work are in this situation because they are unable to find a job with an open-ended contract, and this form of work remains the only option for them, which increases their risk of being “stuck” in this type of jobs and deepens the duality of the labour market.

**The structure of employment by types of contracts also deteriorated: the share of paid workers employed under an oral contract of employment was 6.9%** (increase of 1.1 percentage points in the period 2014–2017), whereas 93.1% had a written employment contract with the employer.

<sup>197</sup> SORS, LFS, 2017

<sup>198</sup> Basically, vulnerable employment is defined as insecure, low-paid and low productivity jobs, with a low level of workplace protection and poor work conditions, and very often these are informal jobs, without the basic and health insurance. Arandarenko, M. (2011), *Tržište rada u Srbiji: trendovi, institucije, politike*, Centar za izdavačku delatnost Ekonomskog fakulteta u Beogradu.

<sup>199</sup> The analysis of employment by type of work takes only paid workers into account, rather than all employed persons.

<sup>200</sup> The share of persons employed under open-ended contracts in Serbia is lower than that in the EU-28 (85.7%).

**Table 22. Employment quality indicators for the working age population – paid workers**

| Paid workers |                             | 2014 | 2015 | 2016 | 2017 | 2017/2014 |
|--------------|-----------------------------|------|------|------|------|-----------|
|              |                             | in % |      |      |      | in pp     |
| 1.           | Type of employment          |      |      |      |      |           |
|              | Open-ended                  | 81.2 | 78.3 | 76.4 | 77.3 | -3.9 ▼    |
|              | Fixed-term                  | 14.5 | 16.8 | 18.8 | 18.9 | 4.4 ▲     |
|              | Seasonal and casual jobs    | 4.3  | 4.9  | 4.8  | 3.8  | -0.5 ▼    |
| 2.           | Type of contract            |      |      |      |      |           |
|              | Written employment contract | 94.2 | 93.1 | 92.9 | 93.1 | -1.1 ▼    |
|              | Oral employment contract    | 5.8  | 6.9  | 7.1  | 6.9  | 1.1 ▲     |

Source: SORS, LFS – Newsletter

**The majority of employed people in Serbia work full-time (89.5%), while the share of persons who work part-time is 10.5%.** However, even though the share of part-time workers is relatively small, the fact that about half of them (48.6%) work part-time involuntarily and cannot find a full-time job although they would like to is negative (their share increased by 1.4 percentage points in the period 2014–2017). Compared to the EU-28, where the share of people in part-time employment in the total employment is 19.4%, the share of part-time workers in Serbia is smaller. The principal reasons for working part-time stated by employed people in the EU were taking care of children and dependent adult family members (22.1%), other family and personal reasons (13.4%), as well as the involvement in further education and training (11.4%), whereas only 26.4% of them worked part-time involuntarily.

**Table 23. Employment quality indicators for the working age population**

| Total employment |                       | 2014 | 2015 | 2016 | 2017 | 2017/2014 |
|------------------|-----------------------|------|------|------|------|-----------|
|                  |                       | in % |      |      |      | in pp     |
| Working time     |                       |      |      |      |      |           |
| 1.               | Full time             | 89.4 | 89.6 | 89.0 | 89.5 | 0.1 ▲     |
| 2.               | Part time             | 10.6 | 10.4 | 11.0 | 10.5 | -0.1 ▼    |
|                  | Involuntary part time | 47.2 | 53.5 | 54.0 | 48.6 | 1.4 ▲     |

Source: SORS, LFS – Newsletter

**Unemployment in Serbia has been decreasing constantly since 2012. However, despite these positive trends, the unemployment rate in Serbia is almost twice as high as that in the EU-28 (7.8%).** The number of unemployed persons of working age (15–64) was estimated at approx. 433 thousand in 2017, or about 175

thousand people fewer than in 2014. As a result of the decrease in the number of the unemployed and an increase of the employed population, the unemployment rate dropped by 5.8 percentage points to 14.1%. Although unemployment of both men and women decreased in the period 2014–2017, **the rate of decrease was higher for women**, which resulted in the difference between the employment rates of men and women decreasing to 1.3 percentage points in 2017 (from 1.9 percentage points in 2014).

**The challenges of structural unemployment are still present, since a large number of unemployed people have been looking for a job longer than one year. The long-term unemployment rate, which was 8.5% in 2017, decreased by 4.8 percentage points in the period 2014–2017.** A comparison with the EU countries shows that the long-term unemployment rate in Serbia is two and a half times higher than the EU-28 average (3.4%). The long-term unemployment rates of men and women drew very near to each other (with only 0.5 percentage points between them in 2017). Long-term unemployment leads to the obsolescence of knowledge and, since the likelihood of finding a job decreases as the length of one's unemployment spell increases, it can result in the permanent exclusion from the labour market.

**The are significant disparities in the long-term unemployment rates of various age groups. The youth long-term unemployment rate is 5.1 percentage points higher than that of the general population,** despite the decrease of 10.8 percentage points in the period 2014–2017. On the other hand, the long-term unemployment rate of older people, which also decreased by 3.4 percentage points in the considered period, was lower than the overall long-term unemployment rate by 2.5 percentage points.

**Table 24. Long-term unemployment rate by age in the Republic of Serbia, 2014–2017**

|   | 2014 | 2015 | 2016 | 2017 | 2017/2014 |
|---|------|------|------|------|-----------|
|   | in % |      |      |      | in pp     |
| Long-term unemployment rate of youth (15–24)        | 24.4 | 21.2 | 17.3 | 13.6 | -10.8 ▼   |
| Men   | 25.3 | 19.7 | 17.3 | 13.6 | -11.7     |
| Women   | 22.7 | 23.5 | 17.4 | 13.7 | -9        |
| Long-term unemployment rate of older people (55–64) | 9.4  | 8.8  | 6.9  | 6.0  | -3.4 ▼    |
| Men   | 10.3 | 9.4  | 7.5  | 6.5  | -3.8      |
| Women   | 7.9  | 7.7  | 6.1  | 5.2  | -2.7      |

Source: SORS, LFS

**The very long-term unemployment rate (joblessness longer than two years) also dropped in the considered period by 2.4 percentage points, to 5.9% in 2017.**

There are no significant differences in the very long-term unemployment rate between women and men, or between unemployed people in different age groups.

**The labour market in Serbia is also characterised by hidden unemployment (discouraged persons), i.e. the practice of classifying the people who are looking for a job but are unable to work, and the people who are able to work but are not looking for a job, as inactive persons.** These people are a potential labour force, the size of which decreased in the period 2014–2017 by about 57 thousand people (or 17%), where women accounted for 41 thousand (22% decrease) and men for 16 thousand (11% decrease). According to the trends of the potential labour force, the hidden unemployment rate<sup>201</sup> also decreased in the considered period by 6.7 percentage points, to a level of 21.1% in 2017.

**Table 25. Hidden unemployment in the Republic of Serbia, for the population aged 15–64, in the period 2014–2017**

|                                       | 2014                | 2015  | 2016  | 2017  | 2017/2014 |
|---------------------------------------|---------------------|-------|-------|-------|-----------|
|                                       | in %                |       |       |       | in pp     |
| Hidden unemployment rate              | 27.8                | 27.3  | 24.4  | 21.1  | -6.7      |
|                                       | thousands of people |       |       |       |           |
| Potential labour force <sup>202</sup> | 334.6               | 375.5 | 310.7 | 277.3 | -57.3     |
| Men                                   | 147.8               | 170.5 | 136.6 | 131.3 | -16.5     |
| Women                                 | 186.8               | 205.0 | 174.2 | 146.1 | -40.7     |

Source: SORS, LFS

**The unemployment rate and the number of unemployed people decreased in all age categories, but the decrease was the most significant in the youngest categories.** Indeed, persons up to the age of 34 accounted for more than a half (95 thousand or 54%) of the total unemployment decrease in the period 2014–2017 (175 thousand). As far as the unemployment rate is concerned, its most significant decrease occurred among youth up to 24 years of age (by 15.6 percentage points), which is generally also the age group with the highest unemployment rate.

**Despite the decrease of 15.6 percentage points, the unemployment rate of youth (15–24) of 31.9% in 2017 was twice as high as that of the working age population (14.1%).** That also makes it 15.1 percentage points higher than the same indicator in the EU-28 (16.8%).<sup>203</sup> Young women in the labour market have a higher

<sup>201</sup> Unemployment rate that also takes into account the potential labour force.

<sup>202</sup> Consists of the persons who are actively looking for a job, but are unable to start working immediately or in the next two weeks, as well as the persons who are able to start working immediately, but are not actively looking for a job (including the so-called discouraged persons, i.e. people who are not looking for a job because they believe that they cannot find one, although they would be able to start working immediately if a job was offered to them).

<sup>203</sup> Only Greece, Spain and Italy had higher youth unemployment rates in 2017 (43.6%, 38.6% and

unemployment rate than young men do, the difference being 7.1 percentage points (36.3% and 29.2%, respectively). The specificity of the education-to-work transition in Serbia<sup>204</sup> is characterised by the extension of education into the late twenties; however, due to family pressure and young people's aspirations to achieve financial independence, the prolonged completion of tertiary education is combined with temporary and casual (unregulated, precarious) work and employment. In addition to being unemployed, a significant number of young people are at the same time not in education or training. **The number of youth in Serbia who were not in employment, education or training<sup>205</sup> was about 127 thousand (17.2% of the total number of youth aged 15–24 years) in 2017**, which represented a decrease relative to 2014 (the number of youth in this category decreased by 23%, while their share dropped by 3.2 percentage points). There are no significant differences in this category between the share of young women and that of young men (17.2% and 17.1%, respectively). The high youth inactivity rate of 69.4% in 2017 additionally complicated the challenges in this domain of the labour market (young women are more inactive in the labour market than young men, the difference being 12.7 percentage points – 63.2% and 75.9%, respectively).

**Older people (55–64) in the Serbian labour market are vulnerable and Serbia, like most of the EU countries, is facing the problem of population ageing.** The activity rate of older people increased by 7.6 percentage points in the period 2014–2017 (from 41.9% to 49.5%), their employment rate increased by 8 percentage points (from 36.7% to 45.5%), while their unemployment rate decreased by 4.3 percentage points (from 12.4% to 8.1%). Nevertheless, despite the positive trends of these indicators, the position of older people in the Serbian labour market is significantly worse than that in the EU-28 (60.6%, 57.1% and 5.8%, respectively). If the indicators for this population category are considered from a gender perspective, it is noticeable that **older women are less active in the labour market than older men** (the difference in the activity rates being 22.9 percentage points); the gender gap in the employment rate is 19.9 percentage points, while the difference of 2.5 percentage points between the unemployment rates is practically negligible.

**The unemployment rate decreased for all educational attainment levels in the period 2014–2017. The highest unemployment rate, by level of educational attainment, was registered among persons with secondary education (14.8% in 2017**, after a decrease of 6.5 percentage points in the considered period). The second highest unemployment rate was registered among persons with the tertiary non-university and university education (12.2%, following a decrease of 3.1 percentage points), while the lowest rate was registered among the persons with elementary

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34.7%, respectively).

<sup>204</sup> Tomanović S., Stanojević D. (2015), *Young People in Serbia 2015. Situation, perceptions, beliefs and aspirations*, Belgrade, FRIEDRICH EBERT STIFTUNG and SeConS.

<sup>205</sup> English acronym NEET (Not in employment, education or training).

or no education (11%<sup>206</sup>, after a decrease of 6.3 percentage points). **Considered by sex, it was found that the unemployment rates of women were usually higher than those of men at the same educational attainment level.**<sup>207</sup> Most of the overall decrease of unemployment in the period 2014–2017 was attributed to the persons with secondary education (approx. 123 thousand, or 70%). Women in Serbia are much more inclined towards pursuing higher levels of education than men, which can also be seen in the unemployment figures: the share of women with college and university degrees in the total number of unemployed women is 28%, whereas men's share is 18%.

**A little over 100 thousand persons, or 23.4% of the total unemployment in 2017, were not registered with the NES** (unchanged share in the period 2014–2017). However, there are differences when the gender aspect is concerned, since about 60% of unregistered unemployed persons are men, while women account for just under 40%.

**The decreasing trend of the survey-based unemployment figures went hand in hand with the decreasing official registered unemployment**<sup>208</sup> **in the period 2014–2017.** The average number of people in the NES unemployment registry in 2017 (approx. 650 thousand) was 117 thousand people or 15% smaller than in 2014 (the share of unemployed women was 52% or about 340,000, which was 52 thousand fewer than in 2014). The profile of registered unemployed people<sup>209</sup> is considered with regard to their age, educational attainment level and the duration of joblessness. **The age structure of unemployed people is unfavourable: the share of unemployed people older than 50 years is 30%** (or about 192,500 persons), **while that of youth is 23%** (about 150,000 persons). **In terms of the education attainment level, a third of the unemployed have no qualifications** (33%, or 212,698 persons), **more than a half have secondary education** (53%, or about 345,000 persons), **while about 14% of the unemployed** (approx. 94,000 people) **have non-university and university tertiary education.** Long-term unemployment is very common among the persons in the NES unemployment registry, since about 70% of them have been searching for a job longer than one year.

<sup>206</sup> The relatively low unemployment rate of persons with elementary or no education is a paradox that is connected to the very low activity rate of these persons. This is caused by the fact that the low level of education usually goes hand in hand with other vulnerability factors, since these persons are classified in hard-to-employ categories in the labour market: older workers, rural population, persons with disabilities and Roma.

<sup>207</sup> The exception are people with lower or no education – the unemployment rate of women in this category is lower than men's.

<sup>208</sup> The average number of unemployed persons in the NES registry was 767,434 in 2014, 743,158 in 2015 and 713,154 in 2016.

<sup>209</sup> The calculation was based on the average number of registered unemployed persons in 2017.



**The average number of persons with disabilities in the NES registry who requested NES job placement services in 2017 was 14,905 (38% of women).**

The share of PWDs in the total number of unemployed persons in the NES registry is 2.3%. The qualification and age profile of the unemployed PWDs is a constraining factor for their employment and inclusion in the ALMP measures. About 39% of unemployed PWDs are unqualified, 55% of them have secondary level of educational attainment, while only 3.2% of them have higher education degrees. With respect to the age structure, only 17% of them are younger than 30 years, whereas 41% of unemployed PWDs are older than 50 years.

**On average, there were about 26,600 Roma persons (of whom 47% were females) in the NES unemployment registry in 2017, which represented a share of 4.1% in the total number of unemployed people.** Looking at their age, the majority of the registered unemployed Roma persons are younger than 30 years (32% of the total number of registered unemployed Roma), which means that one in three unemployed Roma are youth. As for their educational attainment, 89% of registered unemployed Roma are unqualified, 10.2% have secondary education, while only 129 registered unemployed Roma persons have college and university degrees (0.5%). The poor educational structure of the Roma population poses a huge challenge that should be addressed in the future.

**Social enterprises** in Serbia operate under the following legal forms, stipulated by the Business Registers Agency: cooperatives, enterprises for vocational rehabilitation of PWD, civil associations and foundations (non-profit organisations), limited liability companies and joint-stock companies. The new Law on Cooperatives<sup>210</sup>, passed in 2015 to stimulate the development of this sector, defines the special form of "social cooperatives". In 2015, the Ministry of Labour, Employment, Veteran and Social Affairs established a new working group for the Law on Social Enterprises. There are various stakeholders and platforms (Coalition for Social Entrepreneurship Development, SENS) that provide various incentives, training or funding to social enterprises. Moreover, several local governments have supported initiatives in the field of social entrepreneurship.<sup>211</sup>

**In 2017, there were 51 active enterprises for vocational rehabilitation and employment of PWDs (six newly established) with about 1,270 employed persons with disabilities, which was 67% of the total number of their employees.** Enterprises for vocational rehabilitation and employment of persons with disabilities spent approx. RSD 696 million in 2017 from the Budget Fund for Vocational Rehabilitation and Stimulation of Employment of Persons with Disabilities, on subsidised wages of PWDs and the improvement of the working conditions, development of production programmes, introduction of standards, product and service quality improvement, workplace adaptation, or for other purposes.

<sup>210</sup> *Official Gazette of RS*, No 112/15.

<sup>211</sup> European Commission (2019) Social enterprises and their ecosystems in Europe. Country fiche: Serbia. Author: Slobodan Cvejic. Brussels: Directorate-General for Employment, Social Affairs and Inclusion, European Commission.

The position of individuals in the labour market, as well as the supply of available jobs once they have entered the labour market, have a critical impact on the level of poverty and social exclusion (for more details see the section on Financial Poverty and the Deprivation of Basic Needs).

### 2.1.3. Social dialogue

The Socio-Economic Council of the Republic of Serbia has been admitted into full membership of the International Association of Economic and Social Councils and Similar Institutions (AICESIS), and this membership should contribute to strengthening the Council's role and the promotion of social dialogue, as well as to facilitate knowledge and experience sharing. In 2017, the Council discussed the following draft laws submitted by the competent ministries: the **Draft Law on the Remuneration of Civil Servants and Government Employees in the Authorities of Autonomous Provinces and Local Government Units**, the **Draft Law on the Employees of Public Services**, the **Draft Law on the Amendments to the Law on the System of Wages of Public Sector Employees**, the **Draft Law on the Amendments to the Law on Amicable Settlement of Labour Disputes**, the **Draft Law on the Amendments to the Labour Law**, as well as two draft rulebooks in the field of occupational safety and health. In 2017, the National Assembly passed 89 laws, including a considerable number of laws in the Council's sphere of competence, but for which the Council's opinion was not asked, namely: the Law on the Amendments to the Law on Value Added Tax, the Law on the Amendments to the Law on Corporate Income Tax, the Law on the Amendments to the Law on Personal Income Tax, the Law on the Amendments to the Law on Bankruptcy, the Law on the Amendments to the Law on Employment and Unemployment Insurance, the Law on the Foundations of the Education System, the Law on the Amendments to the Law on Primary Education, the Law on the Amendments to the Law on Secondary Education, the Law on Higher Education and the Law on the Amendments to the Law on Civil Servants.

**In the recent years, the Socio-Economic Council has worked on the establishment of new local socio-economic councils and on improving the functioning of the already registered ones.** According to the Ministry of Labour, Employment, Veteran and Social Affairs, there are a total of 18 registered local councils. The establishment and active operation of local councils are essential for the improvement of the social dialogue, and their development and strengthening are part of the obligations under the negotiation chapter 19.

**Collective agreements are usually concluded in the public sector, whereas the dominant form in the private sector is company-level collective bargaining.** Four branch collective agreements have been signed in the recent period (musical artists and performers, agriculture, construction, chemical industry and non-metal industry).



The Socio-Economic Council adopted the Decision on the Minimum Wage, whereby the amount of the minimum wage for 2018, excluding tax and contributions, was set at RSD 143.00.

#### 2.1.4. Measures and programmes

In 2017, the average monthly number of unemployment benefit recipients (passive labour market measure) was 40 thousand<sup>212</sup> (6.4% of the total number of registered unemployed people), which was about 12,000 recipients fewer than in 2014. Although most of the recipients (approx. 82%) received the unemployment benefit in the minimum statutory amount, the expenditure for this purpose totalled RSD 11.6 billion, or 49% of the NES budget. The share of the unemployment benefit expenditures in the GDP was about 0.3%.<sup>213</sup>

Although the Strategy has determined the necessity and schedule of continual increase of the budget for ALMP measures, **in the recent years, the available financial framework for ALMP measures<sup>214</sup> was characterised by fluctuations in the allocated amounts** (Annex 1, Table 5. Allocations for active labour market policies in the period 2014–2017, in RSD million), before it became stable in 2015 at the level of 0.08% of the GDP. In addition to these allocations, the financial support to employment has also been provided by provincial and local governments, through the financing of LEAPs. Other sources of funding have included the European Union funds, in the form of direct grants to the NES.<sup>215</sup>

**The total number of unemployed persons who benefited from ALMP measures in 2017 was about 145 thousand** (Annex 1, Table 6. Inclusion of unemployed persons in active labour market policy measures in the period 2014–2017), **which was approx. 23% of the unemployed persons in the NES registry who can use these measures in the course of one year.** The share of unemployed women in the measures was 54% (or about 78,300 women), which was more than their share in the total number of registered unemployed people (52% on average in 2017). The

<sup>212</sup> Compared to 44,668 in 2016, 53,757 in 2015 and 61,911 recipients in 2014; NES Annual Work Report for 2017

<sup>213</sup> In addition to the regular unemployment benefit, the NES also manages the payment of the temporary benefit for employed persons from the territory of AP Kosovo & Metohija, as well as the special benefit for employed persons who have less than five years to work before their fulfilment of the nearest retirement requirement.

<sup>214</sup> Includes the funds for the implementation of active labour market policy measures (Budget of the Republic of Serbia) and the funds for the implementation of the programmes and measures for vocational rehabilitation and stimulation of the employment of unemployed persons with disabilities (Budget Fund for Vocational Rehabilitation and Stimulation of Employment of Persons with Disabilities).

<sup>215</sup> EU-IPA 2012 – direct grant in the amount of EUR 6.5 million; EU-IPA 2013 – direct grant in the amount of EUR 4.5 million.

ALMP measures included women from particularly vulnerable categories, namely: 3,410 single mothers, about 13,200 women over 50 years of age, about 7,400 redundant female workers, almost 30,000 women under the age of 30, approx. 6,000 unemployment benefit recipients and about 2,430 Roma women.

**Active job search measures,<sup>216</sup> which accounted for a very modest percentage of the funds spent on active labour market policies during the year (only 0.1%), included a large number of unemployed people – as many as 84% (123 thousand) of the total number of unemployed people included in 2017.** Other measures – vocational education and training programmes<sup>217</sup> (internship programmes mostly include young, well-educated people who are looking for their first job, whereas training programmes typically include persons with no/low qualifications), the employment subsidies<sup>218</sup> (the most expensive measures in terms of their cost per person) and the public work schemes (providing temporary financial support and work experience to discouraged, long-term unemployed people in need of social protection services) – included the remaining 16% persons (22 thousand), while the share of their costs in the total expenditures on ALMP was 29.4%, 48.1% and 22.4%, respectively (Annex 1, Table 7. Expenditures by ALMP measures in the period 2014–2017, in RSD million, and Table 8. Detailed overview of the inclusion of unemployed persons in ALMP measures in the period 2014–2017, by sex). The share of included unemployed women in the ALMP measures was as follows: 54% in active job search measures, 63% in vocational education and training programmes, 49% in employment subsidies and 43% in public work schemes.

**Following their participation in the ALMP measures, about 47 thousand beneficiaries were employed,<sup>219</sup> which is 32% of the total number of persons included in the measures in the considered year** (Annex 1, Table 9. Persons who were employed after participating in ALMP measures in the period 2014–2017). The share of employed women in the total number of employed persons is 51% (about 24,220 women). The impact of active job search measures on employment was 24%, whereas for vocational education and training programmes it was 22%. The subsidies for hiring hard-to-employ persons require the conclusion of employment contracts; therefore, the status of the persons needs to be followed up after the expiry of the contractual obligations.

<sup>216</sup> These include: active job search training, job clubs, job fairs, self-efficiency training and entrepreneurship development training.

<sup>217</sup> These include: preparation for unassisted work (internship programme, on-the-job training programme), training programmes (in response to labour market needs, at employer's request) and functional elementary adult education.

<sup>218</sup> These include: self-employment subsidies and the subsidies for hiring hard-to-employ persons in newly created jobs.

<sup>219</sup> The impact of the measures is followed up six months after the completion of the measures. As a result, the presented impact is not complete because certain measures were still in progress or had just ended at the time of reporting. Source: Report on the 2017 NEAP Implementation.

**The implementation of the service package for hard-to-employ persons and particularly vulnerable categories of unemployed people who are prioritised for inclusion in ALMPs, as a means of providing integrated services in the circumstances of very limited funds for ALMPs, is enabled and has been operational since 2013.** In 2017, measures were undertaken towards stimulating the employment and inclusion of hard-to-employ persons<sup>220</sup> in the labour market, in particular: youth (about 53,100, of whom 27,440 females), redundant workers (more than 12,000, of whom more than 7,000 females), people older than 50 years (more than 27,000, of whom about 12,500 females), persons with no/low qualifications (more than 36,000, of whom about 17,750 females), long-term unemployed people (about 75,000, of whom approx. 41,600 females), unemployment benefit recipients (about 10,770, of whom approx. 5,500 females), as well as PWDs (about 8,500, of whom approx. 3,600 females), who were targeted by special service packages.<sup>221</sup>

**Although the funds allocated for ALMP programmes and measures for PWDs account for only a minute share of the GDP (0.01%), the number of PWDs participating in those programmes and measures has constantly grown (in 2009, about 2,660 PWDs participated).** The service package for PWDs, provided by the NES, includes job placement services and the inclusion of unemployed PWDs in ALMP measures under general conditions and under adapted programmes, in line with the determined individual employment plans and, as required, in accordance with the assessed work capability. In 2017, the share of PWDs in the total number of unemployed persons included in ALMP measures was 5.8%, which was 3.5 percentage points larger than their share in the total number of registered unemployed persons (2.3).<sup>222</sup>

For a number of years, in addition to general calls for applications, the NES has also launched **special public calls for the award of self-employment subsidies to Roma persons, which enabled 86 Roma persons to start their own businesses in 2017.** Besides these calls for applications, Roma have also participated in other ALMP

<sup>220</sup> Note: A single unemployed person included in an ALMP measure can have multiple factors of decreased employability. Therefore, such persons have been counted in several hard-to-employ categories. As a result, the total number of persons included in a measure cannot be calculated by adding the number of persons in different categories (the result would be much higher than the actual number of included persons).

<sup>221</sup> The service packages for unemployed people who are given the priority for inclusion in active labour market policies entails a set of steps that the NES undertakes in order to prevent the obsolescence of their knowledge and skills and their fall into long-term unemployment. The fundamental idea behind the service package is based on the intensified collaboration between the NES counsellors and the registered unemployed people.

<sup>222</sup> By far, the most PWDs participated in job fairs – about 3,550 persons, or 42% of the total number of PWDs included in the measures. Then, there are measures that included more than a thousand unemployed people – active job search training with 1,470 included PWDs, and public works with about 1,800 included PWDs – which in total represented an additional 39%. That means that four out of five PWDs who benefited from ALMPs in 2017 participated in the aforesaid measures.

programmes and measures implemented by the NES. In 2017, 5,140 unemployed Roma (43.8% females) participated in ALMPs, which represented a share of 3.5% in the total number of unemployed persons included in ALMPs.

**The NES stimulates women's entrepreneurship by organising entrepreneurship training, by awarding self-employment subsidies to female entrepreneurs and by providing mentoring services to businesses owned by women, during the first year of their operation.** In 2017, the two-day training titled "The Road to a Successful Entrepreneur" was completed by 5,663 women (45.4% of the total number of training participants); self-employment subsidies were awarded to 1,848 women (50.2% of the total number of awarded subsidies), of whom 44 were women with disabilities, while the mentoring programme was used by 251 female business owners.

**With a view to improving the coordination of activities among institutions, planning and organising joint activities and facilitating information exchange, aimed at the development of an integrated service system, the NES has signed 135 cooperation protocols with the centres for social work.**<sup>223</sup> These protocols have regulated the modalities of cooperation in the implementation of the measures for social inclusion and activation of financial social assistance recipients,<sup>224</sup> as well as of other persons in need of social protection, who are registered with the NES.

**The NES has continually implemented the activities aimed at joining the EURES network, by building the administrative capacities of the migrant service centres and by training its employment counsellors in the EURES-related issues.** A network of seven migrant service centres has been established within the NES, enabling the provision of individual assistance and counselling to unemployed people and potential migrants. The NES information system is being re-engineered, to enable access to the EURES network upon Serbia's accession to the EU.

**A direct grant, awarded to the NES under the EU-IPA 2012 programme in the amount of EUR 6.5 million, helped to increase the effectiveness of employment policies towards disadvantaged groups** (persons with no/low qualifications, youth with no/low qualifications, long-term unemployed people, rural population and the Roma). Training was organised in response to labour market needs – 47 types of training courses were designed and delivered in 2017 for about 4,300 persons (76% women) from the category of hard-to-employ persons (mostly long-term unemployed people), while about 1,000 of them also got a job (impact on employment of 22%). The internship programme included 264 interns from rural areas and, after the completion of this measure, 143 young persons kept their jobs with the same employer that trained them. The NES launched the Employment Caravans – a new

<sup>223</sup> In compliance with the Decree on the Measures for Social Inclusion of Financial Social Assistance Recipients (*Official Gazette of RS*, No 112/14).

<sup>224</sup> Activation of fit-for-work financial social assistance recipients has been addressed by the amendments to the Law on Social Protection.



measure implemented in the underdeveloped and less developed municipalities (20 NES branch offices), aimed at providing the information about the NES services. In 2017, about 3,900 persons received information about the NES services, and 625 persons were registered as unemployed.

**A contract on a direct grant to the NES, under the EU-IPA 2013 programme, was signed in mid-2017, in the amount of EUR 4.5 million and including national co-financing of EUR 500 thousand.** The project activities are aimed at the inclusion of unemployed people in the vocational training in response to labour market needs and at employer's request, the award of job creation subsidies to employers, as well as the award of self-employment subsidies to unemployed persons.

**The regional and local employment policy decentralisation and the stimulation of its development is one of the employment policy priorities. In order to develop the local employment policies, the MoLEVSA and the NES have strengthened their cooperation with the local government units (LGU), have stimulated<sup>225</sup> the establishment of local employment councils (LEC) and have undertaken LGU and LEC capacity strengthening activities by organising local labour market data analysis training, as well as the LEAP development training.<sup>226</sup>** In 2017, four regional peer-review meetings were held<sup>227</sup> with 70 LGUs, other institutions and social partners, donors and experts. The joint conclusions of these meetings are essentially guidelines for employment policy creation based on the needs of local labour markets, as well as the proposals of the courses of further development of the cooperation with and among the local government units. A special incentive for the local employment policy development has been provided through the LEAP co-financing scheme (from the national budget and the LGU budgets). Due to the small budget allocated for ALMPs in 2014, the co-financing scheme was not implemented; however, as the budget stabilised, the scope of co-financing considerably increased and, consequently, in 2015, local employment action plans were implemented by 83 LGUs, in 2016 by 84 LGUs and in 2017 by 109 LGUs. In addition to co-financing, there has also been a significant number of LGUs that have financed ALMPs in their LEAPs solely from their own budgets, with the professional and technical support from the NES.<sup>228</sup>

**Based on the labour market forecasting methodology, which is constantly improved, annual survey-based research is regularly conducted. The field research includes the collection of data/information on employers' needs for occupations, qualifications, knowledge and skills, based on a sample of employers in the territory of Serbia. The research helps to identify the mismatch between labour**

<sup>225</sup> In compliance with the Law on Employment and Unemployment Insurance.

<sup>226</sup> The Manual for Local Employment Action Plan Development has also been created.

<sup>227</sup> With the support from the Social Inclusion and Poverty Reduction Unit, the IPA 2012 Technical Assistance project and the GIZ.

<sup>228</sup> 53 LGUs in 2014; 48 LGUs in 2015; 54 LGUs in 2016; 43 LGUs in 2017.

supply and demand in terms of occupations, special knowledge and skills. The research findings<sup>229</sup> are a basis for designing the measures and developing a training catalogue, with a view to decreasing the existing mismatch and satisfying the employers' needs.

**The existing classification of occupations, which has been in use in Serbia since 1990, has for many years posed a challenge for the operation of businesses and various institutions, since it has not corresponded to the needs of the market,** i.e. it does not include the new occupations that have been continually and increasingly emerging in the labour market. To address this issue, inter-sectoral<sup>230</sup> activities have been undertaken towards the preparation of an updated classification of occupations, which has resulted in the development of a list of occupations classified in line with ISCO-08.

**Active labour market policy measures are continually evaluated, and the findings of concrete evaluations and the labour market trends are used as inputs for the improvement of the NES services and ALMP measures.** The evaluation of the training in response to labour market needs, the training at employer's request and the labour market training for persons with disabilities was conducted in 2015. The evaluation of the youth service package and the internship and on-the-job training<sup>231</sup> was undertaken in 2016. The evaluation of ALMPs implemented under LEAPs, with a special focus on hard-to-employ categories,<sup>232</sup> was conducted in 2016. One of the conclusions is that there should be more hard-to-employ persons among the beneficiaries of the measures financed under LEAPs.

**The NES reform process has continued,<sup>233</sup> aimed at increasing the impact of ALMP measures, as well as the effectiveness of the services provided to unemployed persons and employers.** The emphasis is placed on the improvement of the counselling methods and techniques, which are critical for employability evaluation of every individual, in accordance with their profiles (qualification level, work experience, additional knowledge and skills, sex and so on) and the situation in the labour market, with a view to their inclusion in the "targeted" ALMP measures. On the other hand, the focus is on intensifying the contacts with employers and increasing the number of their requests for NES placement services.

<sup>229</sup> [http://www.nsz.gov.rs/live/dokumenti/anketa\\_poslodavaca\\_2017\\_cid44954](http://www.nsz.gov.rs/live/dokumenti/anketa_poslodavaca_2017_cid44954)

<sup>230</sup> The Ministry of Labour, Employment, Veteran and Social Affairs and the Ministry of Education, Science and Technological Development as the lead implementing agencies, as well as the representatives of other relevant institutions and social partners.

<sup>231</sup> Marjanović D., Nojković A., Ognjanov G., Lebedinski L. and Aleksić D. (2016), *Evaluation of the Youth Service Package and the Relevant Programmes and Measures Funded from the Republic of Serbia Budget and Targeted at Youth*, Social Inclusion and Poverty Reduction Unit, Belgrade.

<sup>232</sup> *Procena oblasti, opsega i efekata aktivnih programa tržišta rada, s fokusom na ugrožene kategorije, koji se sprovode posredstvom lokalnih akcionih planova zapošljavanja u periodu 2010–2016*; Projekat tehničke pomoći IPA 2012.

<sup>233</sup> In 2015, with the support from the *World Bank Competitiveness & Jobs project*.



The **“Employment and Social Affairs Platform (ESAP)”**<sup>234</sup> has been operational in the Western Balkans since 2016, with the purpose of contributing to the enhancement of the policy, institutional framework and results, as well as to the regional cooperation in the fields of employment, human capital and social policy. To date, the project has conducted a regional study of ALMP measures, has presented the findings of the comparative analysis in the field of performance measurement of the public employment services of the six countries participating in the project and has launched the benchlearning initiative, based on the methodology used in the EU.

The **“Youth Employment Promotion”** project, implemented within the German-Serbian development cooperation, is in progress. The project includes the **“Support Programme to Social Enterprises that Stimulate Youth Employment”**, which provides strategic consultancy support to these enterprises in the development and improvement of their activities through the cooperation with experienced business consultants and entrepreneurs, as well as in the development of their cooperation with the GIZ and in networking with similar enterprises in Serbia.<sup>235</sup>

Since April 2015, the Swiss Agency for Development and Cooperation has financially supported the implementation of the **“Education to Employment: Development of Youth Skills and Public-Private Partnerships in the Republic of Serbia”** programme, whose overall goal is the inclusive and sustainable increase of youth employability in the Republic of Serbia. A part of this programme is the **“Support to the Implementation of the Employment and Social Reform Programme in Serbia with a Focus on Youth Employment and Employability Policies”** project, implemented by the Social Inclusion and Poverty Reduction Unit in partnership with the key line ministries responsible for the implementation of youth employment and employability policies in the Republic of Serbia – the Ministry of Labour, Employment, Veteran and Social Affairs, the Ministry of Education, Science and Technological Development and the Ministry of Youth and Sports. The project will be implemented until December 2019, with a total budget of CHF 1,150,000.<sup>236</sup>

### 2.1.5. Conclusions

**Certain progress has been achieved in the employment policy. The process of employment policy creation is integrated with the process of economic policy creation, by way of improving the effectiveness of active labour market policy measures as a priority structural reform.** Serbia has also adopted the first Employment and Social Reform Programme.

<sup>234</sup> IPA 2015 Multi-Beneficiary Grant Scheme. The lead implementing agencies are the Regional Cooperation Council and the International Labour Organisation, with the support of the European Commission's DG Employment, Social Affairs and Inclusion.

<sup>235</sup> <http://odskoledoposla.org/integralni-pristup/podrska-socijalnom-preduzetnistvu/>

<sup>236</sup> <http://socijalnoukljucivanje.gov.rs/rs/o-nama/inicijativa-za-zaposljavanje-mladih/>

**The legislative framework has also improved**, both in terms of the changed regulations and certain provisions in the field of employment aimed at ensuring the provision of higher-quality services to employers and unemployed people, and in terms of the adoption of the new regulations of relevance to the employment and work of foreigners in Serbia.

**The conducted Strategy Performance Assessment, covering the first five years of its implementation, has indicated the progress in strengthening the established employment policy system** and the labour market institutions and in aligning the creation and implementation of active labour market policies with the national and local labour market needs and the available resources for their implementation.

**According to the Labour Force Survey, the Serbian labour market recovered in the period 2014–2017:** the unemployment rate of the working age population (15–64) decreased (by 5.8 percentage points) and the employment rate increased (by 6.6 percentage points); the number of employed persons increased, followed by a decline in the number of unemployed and inactive people. The downward trend of the survey-based unemployment rate was also followed by the decrease of the official registered unemployment.

However, despite the improving labour market indicators, **the overall situation still lags behind that of the European Union.** The unemployment rate in Serbia is almost twice higher than in the EU-28, while the employment rate is lower than in all EU member states except Greece.

**The structure of unemployed people in Serbia did not change significantly in the considered period. Two in three employed people in Serbia worked in the services sector, one in four worked in the industry sector, while the share of people working in the agriculture sector decreased.** The labour market duality is pronounced: the share of vulnerable employment (self-employed people and unpaid family workers) is considerable; the share of part-time workers is 11%, but as many as 48.6% of these people are unable to find a full-time job contrary to their wishes; almost one in four paid workers are engaged in temporary forms of work (fixed-term, temporary or seasonal jobs).

**Informal employment in Serbia is relatively high** (almost one in five employed persons are informally employed). This is especially true in agriculture, where informal employment accounts for more than a half of all employment. Another sector with a high share of informal employment is construction.

**The gender employment gap in Serbia exists and it is wider than the EU-28 average.** The employment rate of men is higher than that of women by 13.1 percentage points. Women's informal employment is 1.7 percentage points higher than men's, and the structure of informal employment, in terms of the professional status, also differs considerably: more than a half of informally employed men are "own-account workers without employees", whereas the dominant group among women are "unpaid family workers in a family business" (just under a half).



**The unemployment rate of the working age population in Serbia is still twice higher than that in the EU countries.** Although the unemployment of both men and women diminished in the reporting period, the rate of decline was higher for women, and the difference between the unemployment rates of men and women dropped to 1.3 percentage points. In the same period, the long-term unemployment rates of men and women became almost the same in 2017. **The Serbian labour market still has one of the highest inactivity rates.** Among the EU-28 countries, only Italy and Croatia have a higher inactivity rate than Serbia does.

**The comparison with the EU countries indicates that the long-term unemployment rate is two and a half times higher than the EU-28 average.** Long-term unemployment results in the obsolescence of knowledge and, since the likelihood of finding a job decreases as the length of one's unemployment spell increases, it can result in the permanent exclusion from the labour market.

Like most EU countries, Serbia also faces the problem of population ageing. **Despite the decreased unemployment rate, older people (55–64) in the Serbian labour market remain vulnerable.** Older women are less active in the labour market than older men are, and the difference between their activity rates is 22.9 percentage points; the gender gap between men's and women's employment rates is 19.9 percentage points; the disparity between unemployment rates of only 2.5 percentage points is almost negligible.

**The position of youth (15–24) in the labour market has generally improved.** There have been positive developments with regard to the rates of employment, activity, inactivity, unemployment and informal employment, and the share of NEET youth has also decreased. The percentage of young paid workers has increased, while the share of young unpaid family workers has decreased. There has also been a decrease in the number of unemployed youth in the NES registry, as well as in their share in the total registered unemployment despite the decline in the total number of registered unemployed people.

**However, certain negative indicators have also been registered: the share of self-employed youth and the youth with open-ended employment contracts has also decreased;** the share of youth who are inactive and not looking for a job has increased within the NEET category; the share of youth who are not registered with the NES in the total number of unemployed youth has increased.

**Although the appropriations for the active labour market policies have been stable in the recent years, they have not followed the foreseen increase of the share of these funds in the GDP, as envisaged in the Strategy.** In addition to these, the funds for the active employment policy have also been provided from the provincial and local government budgets (through LEAP co-financing), while the EU-IPA funds, which are provided to end beneficiaries (registered unemployed people) through direct grants awarded to the NES, have also grown in significance.

**The amount of the appropriations has influenced the implementation of the foreseen ALMP programmes and measures, as well as the number of people included in them, which has resulted in a limited coverage of unemployed people.**

As a consequence, in some of the considered years, the majority of unemployed people were included in the measures implemented by the NES staff, although hard-to-employ persons required a more intensive support to increase their employability.

The knowledge of the specific factors of vulnerability, their combined impact and their influence on the long-term outcomes in the labour market is still insufficient. The conducted analyses of the multiply vulnerable persons in the labour market<sup>237</sup> have indicated that the **increase of the number of vulnerability factors goes hand in hand with the increase of the average length of unemployment**, as well as that certain characteristics have a much more unfavourable impact on labour market outcomes than others.

**The state has invested in youth, has given them the priority for inclusion in the programmes and measures, and certain results have been achieved.** This is especially important because the at-risk-of-poverty rate<sup>238</sup>, considered by the labour market status, is the highest for unemployed youth (45.0% in 2016). For inactive youth, this rate is also high (43.6%), whereas, logically, it is the lowest for employed youth (11.4%).

#### 2.1.6. Lines of action

The continuation of the reforms in the key areas of economic development is the precondition for the fulfilment of the employment policy objectives. **In the forthcoming period, the employment policy approach needs to be formulated as a response to the labour market situation and dynamic trends**, through the implementation of activities within the following strategic courses and priorities:

- **further improvement of the labour legislation** (implementation of the Law on Simplified Hiring of Workers in Seasonal Jobs in Certain Fields of Economic Activity and the Law on Amicable Settlement of Labour Disputes, adoption and implementation of the regulations on strike and temp agency employment);
- besides the reform of the labour legislation, **the recommendations regarding the labour force demand** also refer to labour taxation, the creation of a favourable business environment and the increased creation of new jobs, stimulation of investments and self-employment subsidies;

<sup>237</sup> An internal analysis conducted by the SIPRU, in cooperation with the MoLEVSA, as the preparation for the NEAP 2019, and an analysis conducted within the UNDP project "Youth Employment Bond: Target Group Analysis", B. Mladenović, 2017

<sup>238</sup> SORS, Survey on Income and Living Conditions – SILC.



- improvement of the legislative framework to enable the **implementation of ALMP measures by a wider circle of service providers**, with the use of various sources of funding;
- **defining a new policy framework for the forthcoming period** in line with the European priorities and the situation in the Serbian labour market, based on the report on the achieved objectives and results in the implementation of the National Employment Strategy 2011–2020;
- **provision of the financial allocations for ALMP measures** in line with the objectives stipulated in the National Employment Strategy 2011–2020 (increase of the ALMP budget to 0.5% of the GDP by 2020), in order to reduce the disparity between the labour market indicators in Serbia and those in the EU countries;
- improvement of the design and impact of active labour market policies by **using the data and findings of the evaluation of employment programmes** as inputs for the development of employment action plans and budgeting at the national and local level;
- adequate and timely **targeting of the persons facing multiple factors of vulnerability / impaired employability** emerges as a necessity in the forthcoming period. With that regard, the NES records are a valuable and untapped resource<sup>239</sup>;
- **capacity strengthening of the bodies competent for the implementation of employment-related activities, especially the NES**, in order to ensure better targeting and efficiency of labour market measures, with a focus on the improvement of the process of profiling and counselling of unemployed persons;
- **support to local employment councils** for the interpretation of labour market information, which is used as the basis for identifying the priorities of the local employment policy, with a special focus on the identification of persons who need the most support and their inclusion in the appropriate ALMP measures;
- **cooperation strengthening and activity coordination among the relevant local level stakeholders** in the employment policy system, in line with the needs of the most vulnerable categories of unemployed people at the local level;

<sup>239</sup> The existing records enable the monitoring of unemployed people's labour market outcomes through 20 different categories of vulnerability, with the following statuses: persons with disabilities; unemployment benefit recipients; redundant workers; single parents; both parents unemployed; internally displaced persons; refugees; financial social assistance beneficiaries; children in foster families; returnees under the readmission agreement; former prisoners; Roma; victims of human trafficking; victims of domestic violence; persons with no/low qualifications; children of fallen soldiers (up to 30 years of age); children without parental care (up to 30 years of age); parents of children with developmental disabilities; both spouses unemployed.

- **LGU institutional capacity strengthening** for planning and analyses with regard to youth employment, with a special focus on the capacity for monitoring of the effectiveness of local youth employment policies;
- more effective professional and technical **support to LGUs in the development of local employment action plans**, which would address actual labour market needs, taking into account the local economic context and the needs of young people (strengthening the connection between the labour market situation and the selected measures).

The recommendations regarding labour market policies and the measures aimed at stimulating the activity of the population and enhancing labour force quality:

- **continuous investigation of employers' future needs**, with a view to balancing the labour force supply and demand in terms of occupations, special knowledge and skills;
- further development of the **national standard classification of occupations**, in order to harmonise the educational system with the world of work;
- **provision of support to unemployed people in their active job search** through individual employment plans, aligned to the needs of both unemployed persons and the labour market;
- determine different types and levels of vulnerability of unemployed people, especially youth, and **prioritise those who are classified in several categories of vulnerability** (multiple vulnerability) to prevent the risk of their passivity and long-term unemployment;
- design **vocational education and training programmes** in a way that ensures their better consistency with the needs of unemployed people with lower qualification levels, as well as of the local labour markets, while focusing on the practical part of the training;
- devote special attention to the **position of young women in the labour market** and promote the programmes that support women's employment and stimulate women's entrepreneurship;
- in cooperation with employers, design special programmes that **stimulate the employment of persons with disabilities** in the open market;
- **introduction of preventive measures for young Roma people** in order to increase their access to education, decrease early school leaving, prevent labour market exclusion and generally reduce social exclusion;
- place the focus of public work schemes on the inclusion of **financial social assistance beneficiaries**, to stimulate their activation in the labour market;
- **strengthen the inter-sectoral cooperation and introduce integrated services** in the field of education, social protection, employment and youth

care, with a view to preventing and shortening the length of unemployment of hard-to-employ persons;

- create the conditions for activation of social protection system clients who are able to work, hard-to-employ people in line with the regulations in the field of employment and other hard-to-employ members of particularly vulnerable groups in the labour market, by improving the regulatory framework and other policy measures (financial and institutional support) for the **development of social entrepreneurship**;
- **continue the development of the social dialogue at all levels**, which includes the capacity building of social partners and the strengthening of collective bargaining.

### Thematic focus: Youth in the Serbian labour market

In the Republic of Serbia, young people or youth are defined as persons between 15 and 30 years of age,<sup>240</sup> since the global social changes have resulted in the phenomenon of “extended youth”, which is characterised by a longer period of education, delayed entering in the labour market, as well as later marriage and parenthood. According to the 2011 Population Census, young people account for 18.4% of the total population of Serbia (1,322,021 young persons), and analyses show that the number of youth will be declining over the next 30 years as a result of demographic ageing and emigration,<sup>241</sup> the latter being more popular among youth than among the older population.<sup>242</sup> The Employment and Social Reform Programme (ESRP) recognises the significance of improving the position of youth in the labour market. This requires dialogue and effective communication among various ministries and sectors, since no institution can solve the problem of youth unemployment on its own. It is critical to ensure the involvement of social partners and youth organisations, as well as the continuous monitoring of the effects of youth employment policies.

Young people in Serbia were strongly affected by the consequences of the global economic crisis in 2008, when the youth unemployment rate soared

<sup>240</sup> Law on Youth (*Official Gazette of RS*, No 50/11).

<sup>241</sup> Serbia also has a high emigration rate of 13.6% and the primary destination (72.3%), including after 2002, have been the European countries. There have been three major reasons for youth emigration: employment abroad, staying abroad as a family member of a person working abroad, and persons studying abroad while their family members are in Serbia.

<sup>242</sup> According to the 2011 Population Census, 22.6% of migrants are 0–19 years old, and 38.3% are 20–39 years old. In the structure of the resident population, the share of persons aged 0–19 years is 19.8%, and the share of persons aged 20–39 is 26.6% (source: *Migracije i razvoj u Srbiji*, Mirjana Rašević, 2016).

from 32.6% in 2008 to 49.4% in 2013.<sup>243</sup> In the next four years, the basic labour market indicators showed positive developments in all population categories, including youth. In the period 2014–2017, the youth activity and employment rates increased by 1.8 and 6.2 percentage points, respectively. The unemployment rate saw a substantial decline of 10.6 percentage points. **Despite the positive trends, the youth unemployment rate is twice higher than that of their peers in the EU-28 countries, while the youth employment rate in Serbia is significantly lower than in the EU-28.**<sup>244</sup>

**Table 1. Labour market indicators for youth (15–29 years of age<sup>245</sup>), Republic of Serbia**

|    |                             | 2014 | 2015 | 2016 | 2017 | 2017/2014<br>in pp |
|----|-----------------------------|------|------|------|------|--------------------|
| 1. | Activity rate               | 45.8 | 46.1 | 47.2 | 47.6 | 1.8                |
|    | Men                         | 52.2 | 52.0 | 53.0 | 53.6 | 1.4                |
|    | Women                       | 39.1 | 39.9 | 41.0 | 41.2 | 2.1                |
| 2. | Employment rate             | 28.7 | 30.2 | 33.1 | 34.9 | 6.2                |
|    | Men                         | 33.4 | 35.2 | 38.4 | 40.3 | 6.9                |
|    | Women                       | 23.8 | 25.0 | 27.5 | 29.1 | 5.3                |
| 3. | Gender employment gap in pp | 9.6  | 10.2 | 10.9 | 11.2 | 1.6                |
| 4. | Informal employment rate    | 24.9 | 26.4 | 26.3 | 21.9 | -3.0               |
|    | Men                         | 28.4 | 30.5 | 29.7 | 25.1 | -3.3               |
|    | Women                       | 19.7 | 20.3 | 21.5 | 17.4 | -2.3               |
| 5. | Unemployment rate           | 37.3 | 34.5 | 29.8 | 26.7 | -10.6              |
|    | Men                         | 35.9 | 32.4 | 27.5 | 24.8 | -11.1              |
|    | Women                       | 39.2 | 37.4 | 32.8 | 29.3 | -9.9               |

<sup>243</sup> Due to the changed LFS methodology, the data before and including 2013 cannot be compared with the data from 2014 onward.

<sup>244</sup> Eurostat data for 2017, for the population aged 15–29: unemployment rate – 13.2%; employment rate – 49.2%; activity rate – 56.7%; inactivity rate – 43.3%.

<sup>245</sup> The statistical category of 15–29 years of age includes persons from 15 years and 0 days to 29 years and 364 days, as specified in the Law on Youth. In the consultations with the MoLEVSA and the MoYS, the key indicators have been selected as the basis for monitoring the position of youth in the labour market.



|    |   |      |      |      |      |      |
|----|---|------|------|------|------|------|
| 6. | Long-term unemployment rate (12+ months)      | 21.1 | 18.9 | 16.7 | 13.1 | -8.0 |
|    | Men   | 21.0 | 17.8 | 16.3 | 12.9 | -8.1 |
|    | Women   | 21.2 | 20.4 | 17.2 | 13.4 | -7.8 |
| 7. | Very long-term unemployment rate (24+ months) | 10.0 | 9.8  | 9.0  | 6.9  | -3.1 |
|    | Men   | 10.1 | 9.6  | 8.9  | 7.2  | -2.9 |
|    | Women   | 9.8  | 10.1 | 9.3  | 6.5  | -3.3 |
| 8. | Inactivity rate                               | 54.2 | 53.9 | 52.8 | 52.4 | -1.8 |
|    | Men   | 47.8 | 48.0 | 47.0 | 46.4 | -1.4 |
|    | Women   | 60.9 | 60.1 | 59.0 | 58.8 | -2.1 |

Source: LFS, SORS

The long-term and very long-term unemployment rates of young people also decreased relative to 2014, by 8 and 3.1 percentage points, respectively. The informal youth employment dropped relative to 2014 by 3 percentage points, to 21.9% in 2017. Although the statistics shows a considerable decrease of the informal youth employment rate, especially compared to 2015 and 2016, it also indicates that **one in five young employed persons worked in the informal sector without the basic legal protection** provided by employment/work contracts.

Looking from the perspective of sex, although the basic labour market indicators for 2017 (activity, employment and unemployment rates) showed an **improvement of the position of young women in the labour market** relative to 2014, **the gender gap did not decrease**. On the contrary, the difference between the unemployment rates of young women and men increased by 1.2 percentage points, and so did the gender employment gap – the difference between the shares of men and women in total employment – by 1.6 percentage points compared to 2014. The decrease of the informal employment rate was also greater for young men (3.3 percentage points) than for young women (2.3 percentage points). The positive developments are seen in the slight decrease of the difference between the activity rates of men and women, as a consequence of the greater increase of young women's activity rate.

The statistics on employed people according to their **professional status** indicate that there was an increase in the share of paid workers and a decrease in the share of unpaid family workers in the total number of employed youth, compared to 2014. This shift towards paid work is a positive development in terms of the increased quality of employment, since unpaid family workers work without

remuneration within their own families, and this type of work is extremely insecure.

However, the benefits of this **positive trend were enjoyed only by young men, unlike their female peers.** The share of young women in some of the categories of employed people, determined by their professional status, experienced a markedly opposite trend. The increase of the share of young employed women in the category of unpaid family workers and the decrease of their share in the category of paid workers and self-employed workers indicates the deterioration of their position, from the perspective of the quality and security of their work.

**Table 2. Employed youth (15-29 years of age) by professional status**

|    |                                 | 2014 | 2015 | 2016 | 2017 | 2017/2014<br>in pp |
|----|---------------------------------|------|------|------|------|--------------------|
| 1. | Paid workers,<br>%              | 76.0 | 78.1 | 78.9 | 81.3 | 5.3                |
|    | Women                           | 44.3 | 44.2 | 42.9 | 43.7 | -0.6               |
| 2. | Self-<br>employed<br>workers, % | 13.3 | 10.6 | 10.4 | 11.9 | -1.4               |
|    | Women                           | 23.6 | 25.6 | 27.7 | 22.6 | -1.0               |
| 3. | Unpaid<br>family<br>workers, %  | 10.7 | 11.3 | 10.7 | 6.9  | -3.8               |
|    | Women                           | 32.6 | 26.8 | 34.5 | 35.6 | 3.0                |

Source: LFS, SORS

As regards **youth self-employment**, the reduction of the already small share of self-employed people in the total number of employed youth shows that youth entrepreneurship needs to be further stimulated, especially in terms of eliminating the barriers in the start-up process. The interest for entrepreneurship exists among young people – the question “Would you like to start your own business?”<sup>246</sup> was answered affirmatively by about 40% of the respondents. **The findings of the said studies indicate the necessity of a systemic approach to supporting potential young entrepreneurs.**<sup>247</sup>

The analysis of the measures of subsidised employment focused on the share of youth up to 30 years of age in the “self-employment subsidy” measure, implemented by the NES in 2014.<sup>248</sup> Young beneficiaries of self-employment

<sup>246</sup> The study on the position and needs of young people, conducted by the Ministry of Youth and Sports in 2014, 2015 and 2016, <http://www.mos.gov.rs/dokumenta/omladina/istrazivanje>

<sup>247</sup> The year 2016 was promoted as the year of entrepreneurship, <http://privreda.gov.rs/program-decenija-preduzetnistva/>

<sup>248</sup> This active labour market policy measure was implemented based on the 2014 National Employment Action Plan. The measure entails the award of lump sum self-employment subsidies



subsidies were more successful in sustaining their start-ups than the general population of subsidy beneficiaries, by 6 percentage points: 64.1% and 58.1%, respectively.<sup>249</sup> In the 2017 NEAP, the Ministry of Labour, Employment, Veteran and Social Affairs prioritised young people up to 30 years of age for the award of self-employment subsidies.<sup>250</sup>

Young people who are classified according to their professional status as paid workers, and who are formally employed, sign open-ended or fixed term employment contracts, or work contracts outside an employment relationship (temporary and casual work, service contract...).<sup>251</sup> **The share of youth employed under open-ended contracts saw a negative trend, having decreased by 4.5 percentage points** (from 57.4% in 2014 to 52.9% in 2017). In the same period, the share of youth employed under fixed-term contracts increased by 5.8 percentage points (from 35.2% in 2014 to 41% in 2017). The share of youth working under contracts outside an employment relationship decreased by 1.4 percentage points (from 7.5% in 2014 to 6.1% in 2017).

The gender-disaggregated statistics about youth in different types of contracts indicate an increase in the share of young men (by 1.5 percentage points) and a proportional decrease of the share of young women in the total number of people working under open-ended employment contracts. The gender profile changed even more drastically in the work contracts outside an employment relationship, where men's share increased by 4.7 percentage points at the expense of young women's share.

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to unemployed persons for the purpose of starting their own businesses. The results showed that their inclusion in the measure was smaller than their share in the total number of registered unemployed people.

<sup>249</sup> Note on the methodology: the analysis covered the beneficiaries who received the subsidy in 2014; the duration of contractual obligations was 12 months, while the follow-up on the activity of their businesses was conducted in early July 2017.

<sup>250</sup> It resulted in the increased share of youth participating in this ALMP measure to 26%, while the average share of youth in registered unemployment in 2017 was 23%. Source: NES Work Report for the period January–December 2017.

<sup>251</sup> Labour Law (Official Gazette of RS, Nos 24/05, 61/05, 54/09, 32/13, 75/14 and 13/17 – Constitutional Court decision). Fixed-term contracts and work contracts outside an employment relationship are time-limited, and they are concluded in the situations stipulated by the law. Open-ended contracts do not specify the period of contract validity and, as such, they are considered as the most desirable form of employment, especially for young people who need stable jobs as the precondition for starting a family and making long-term plans in their lives (e.g. addressing the housing issue and separating from their parents).

**Table 3. Employed youth (15–29 years of age) by contract type**

|    |   | 2014 | 2015 | 2016 | 2017 | 2017/2014<br>in pp |
|----|---|------|------|------|------|--------------------|
| 1. | Open-ended employment contract, %                   | 57.4 | 53.2 | 49.3 | 52.9 | -4.5               |
|    | Men   | 54.8 | 55.0 | 56.0 | 56.3 | 1.5                |
|    | Women   | 45.2 | 45.0 | 44.0 | 43.7 | -1.5               |
| 2. | Fixed-term employment contract, %                   | 35.2 | 38.0 | 41.7 | 41.0 | 5.8                |
|    | Men   | 54.7 | 54.2 | 54.8 | 54.1 | -0.6               |
|    | Women   | 45.3 | 45.8 | 45.2 | 45.9 | 0.6                |
| 3. | Work contract outside an employment relationship, % | 7.5  | 8.8  | 9.0  | 6.1  | -1.4               |
|    | Men   | 66.8 | 68.0 | 73.5 | 71.5 | 4.7                |
|    | Women   | 33.1 | 32.0 | 26.5 | 28.5 | -4.6               |

Source: LFS, SORS

The difficulties of finding a stable job that young people in Serbia are facing are also shown by the survey on the employment-to-work transition, which indicates that young persons need two years on average (23.4 months) from graduation to their first stable or satisfactory job.<sup>252</sup>

The NEET rate<sup>253</sup> was 21.7% in the end of 2017, which was 3.6 percentage points lower than in 2014. **The decrease of the total number of youth in the NEET category** in 2017 by about 67,700 persons or 21% relative to 2014 was partly the consequence of the diminished population aged 15–29 years (by 7.9%), but it was also the result of the overall improvement of the position of youth in the labour market in the considered period. Compared to 2014, the NEET rate of young men decreased by 3.8 percentage points in 2017, while that of young women decreased by 3.3 percentage points to 23.7%.

<sup>252</sup> *Tranzicija mladih žena i muškaraca na tržištu rada Republike Srbije*, D. Marjanović, MOR, 2016.

<sup>253</sup> NEET – not in employment, education or training. It represents the share of young people aged 15–29 years who are not employed and not involved in education or training in the total number of youth aged 15–29 years.



**Table 4. Youth (15–29 years of age) who are not in employment, education or training**

|        |                                    | 2014      | 2015      | 2016      | 2017      | 2017/2014<br>in % |
|--------|------------------------------------|-----------|-----------|-----------|-----------|-------------------|
| 1.     | Total – youth                      | 1,273,207 | 1,235,068 | 1,197,189 | 1,172,313 | -7.9              |
| 2.     | Active population – youth          | 583,032   | 569,433   | 564,707   | 557,749   | -4.3              |
| 2.1.   | Employed people                    | 365,699   | 373,167   | 396,629   | 408,856   | 11.8              |
| 2.2.   | Unemployed people                  | 217,333   | 196,266   | 168,077   | 148,893   | -31.5             |
| 2.2.1. | Involved in education or training  | 25,075    | 24,108    | 20,958    | 17,422    | -30.5             |
| 2.2.2. | Not in education or training       | 192,258   | 172,158   | 147,119   | 131,471   | -31.6             |
| 3      | Inactive population – youth        | 690,175   | 665,634   | 632,482   | 614,564   | -11.0             |
| 3.1.   | Involved in education or training  | 560,221   | 535,232   | 512,038   | 491,501   | -12.3             |
| 3.2.   | Not in education or training       | 129,954   | 130,403   | 120,443   | 123,063   | -5.3              |
| 4.     | NEET (total 2.2.2 + 3.2)           | 322,212   | 302,561   | 267,562   | 254,534   | -21.0             |
| 5.     | Share in the total number of youth | 25.3%     | 24.5%     | 22.3%     | 21.7%     | -3.6 pp           |

Source: LFS, SORS

The NEET category includes the persons who are not employed and not involved in education or training. They can be members of either the active population, if they are searching for a job (unemployed, row 2.2.2 in the table above), or of the inactive population, if they are not looking for a job (row 3.2 in the table above). As regards the structure of the NEET category in terms of the share of active and inactive NEETs in the total number of NEET youth (Table 5. *Structure of the NEET category*), **there was an increase in the share of inactive youth who were not in employment, education or training** by 8 percentage points in the period 2014–2017. Namely, within the overall decrease of the total number of young NEETs between 2014 and 2017, the decrease was much greater among the active NEETs (unemployed) than among inactive ones – 31.6% and 5.3%, respectively. This trend was consistent with the increase in the number

of employed youth (11.8%), and it indicated that youth who were looking for a job, were also successful in finding it, despite not having been involved in further education or training while they searched for a job.

Furthermore, the fact that large numbers of young job-seekers request support from the relevant institutions is also an indicator of the necessity of working with young people more intensively and comprehensively.<sup>254</sup> On the other hand, a considerably smaller decrease in the number of inactive young NEETs shows that the system needs to devise a new approach to reach out to young people who are passive, unmotivated and who are reluctant to request support from institutions.

**From the perspective of sex, the structure of young NEETs was more unfavourable for women,** since the share of inactive women in the total number of young NEET women was 56.1%, while the share of active, unemployed women who were not involved in education or training was 43.9%. Compared to 2014, the share of inactive women increased by 5 percentage points, while the share of active ones decreased correspondingly. Although the structure of young NEET men was more favourable than that of young women in this category (since the respective shares of inactive and active NEET men in the total number of young NEET men in 2017 was 39.6% and 60.4%), compared to 2014, there was an increase in the share of inactive young NEET men of as many as 11 percentage points and the corresponding decrease of the share of active young NEET men. Reaching out to young inactive NEETs will pose a tremendous challenge to the relevant institutions in the forthcoming period, not least since it is one of the key objectives of the European Youth Guarantee.

**Table 5. Structure of the NEET category (not in employment, education or training), for persons aged 15–29 years**

|  | 2014           |                  | 2015           |                     | 2016           |                     | 2017           |                     | 2017/2014<br>PP |
|--|----------------|------------------|----------------|---------------------|----------------|---------------------|----------------|---------------------|-----------------|
|  | Youth<br>15–29 | Share in<br>NEET | Youth<br>15–29 | Share<br>in<br>NEET | Youth<br>15–29 | Share<br>in<br>NEET | Youth<br>15–29 | Share<br>in<br>NEET |                 |
| Active – unemployed, not involved in education or training | 192,258        | 59.7%            | 172,158        | 56.9%               | 147,119        | 55.0%               | 131,471        | 51.7%               | -8.0            |
| Women  | 81,875         | 48.9%            | 77,707         | 49.6%               | 67,676         | 47.4%               | 59,255         | 43.9%               | -5.0            |
| Men  | 110,383        | 71.4%            | 94,451         | 64.8%               | 79,443         | 63.7%               | 72,216         | 60.4%               | -11.0           |

<sup>254</sup> In the considered period, the share of unemployed youth who were not registered with the National Employment Service was under 30%.



|   |         |        |         |        |         |        |         |        |      |
|---|---------|--------|---------|--------|---------|--------|---------|--------|------|
| Inactive, not involved in education or training | 129,954 | 40.3%  | 130,403 | 43.1%  | 120,443 | 45.0%  | 123,063 | 48.3%  | 8.0  |
| Women   | 85,715  | 51.1%  | 79,040  | 50.4%  | 75,114  | 52.6%  | 75,630  | 56.1%  | 5.0  |
| Men   | 44,239  | 28.6%  | 51,363  | 35.2%  | 45,329  | 36.3%  | 47,433  | 39.6%  | 11.0 |
| NEET total                                      | 322,212 | 100.0% | 302,561 | 100.0% | 267,562 | 100.0% | 254,534 | 100.0% |      |
| Women   | 167,590 | 100.0% | 156,747 | 100.0% | 142,790 | 100.0% | 134,885 | 100.0% |      |
| Men   | 154,622 | 100.0% | 145,814 | 100.0% | 124,772 | 100.0% | 119,649 | 100.0% |      |

Source: LFS, SORS

The records on **registered unemployment**, administered by the NES, show that there was a decrease in the total number of unemployed people by 16.6% in the period 2014–2017, while the number of unemployed youth decreased by 29.5%. The number of unemployed young women diminished by 27.3%. Furthermore, the share of youth in the total number of unemployed people also decreased by 4.1 percentage points in 2017. **The share of long-term unemployed youth who had been jobless longer than 12 months in the total number of unemployed youth decreased in 2017 by 2.4 percentage points**, the same as young women's share. Nevertheless, more than a half of the total number of youth in the NES unemployment registry were still jobless longer than 12 months. Although the number of youth registered as unemployed decreased considerably, their share in the number of people who were employed from the registry remained high at 35.5% in 2017, which was significantly higher than the share of youth in the total number of unemployed people (22.4%) in the end of 2017.

**Table 6. NES registry of unemployed people, in the period 2014–2017**

|   | 2014    | 2017    | 2017/2014 |
|---|---------|---------|-----------|
| Registered unemployed people  |         |         |           |
| Total   | 741,905 | 618,826 | -16.6%    |
| Youth 15–29   | 196,259 | 138,391 | -29.5%    |
| Women 15–29   | 99,326  | 72,247  | -27.3%    |
| Share of youth in the total number of unemployed people                       | 26.5%   | 22.4%   | - 4.1 pp  |
| Long-term unemployment  |         |         |           |
| Share of long-term unemployed people in the total number of unemployed people | 68.3%   | 69.2%   | 0.9 pp    |
| Youth 15–29   | 54.0%   | 51.6%   | -2.4 pp   |
| Women 15–29   | 55.2%   | 52.4%   | -2.8 pp   |
| Employment from the registry  |         |         |           |
| Total number of cases of employment from the NES registry                     | 232,280 | 268,497 | 15.6%     |

|  |        |        |         |
|--|--------|--------|---------|
| Youth 15–29  | 91,284 | 95,230 | 4.3%    |
| Women 15–29  | 47,370 | 47,291 | -0.2%   |
| Share of youth in employment from the NES registry | 39.3%  | 35.5%  | -3.8 pp |

Source: NES

"The Assessment of the Public Expenditures from the Budget of the Republic of Serbia in the Period 2013–2015 for Youth Employment and Employability Policies"<sup>255</sup> showed that more than RSD 2.5 billion was spent in the said period on the programmes and measures aimed at the promotion of youth employment and employability.<sup>256</sup> The analysis revealed that 80% of the total amount was spent on the **ALMP measures implemented by the NES**, and this was the net cost of the measures, excluding the administrative and operational costs of implementation. Out of the total budget for the ALMP measures (RSD 4.5 billion) implemented by the NES in the reporting period, 45% was spent on the inclusion of youth in the ALMPs. The NES services (employability assessment and employment counselling, entrepreneurship development services) were used annually by about 235 thousand young people on average (which was approx. 35% of the average number of people who used the services), whereas the ALMP measures (active job search, vocational education and training, job creation subsidies, public works, stimulation of the employment of persons with disabilities) included just under 155 thousand young people in the period 2013–2015, or 41% of the total number of persons included in the measures. The share of youth who used the NES services and of those who were included in the ALMP measures was higher than the share of unemployed youth in the total number of registered unemployed people in the considered period (25–27%).<sup>257</sup> which is an indicators of the prioritisation of youth, as one of the hard-to-employ categories, by the employment policy. About RSD 119 million, or 4.5% of the total expenditures, were used in the period 2014–2015 for financing and co-financing the programmes and projects of public interest in various areas of the youth sector, which were implemented by associations of young people, associations targeting young people and their confederations, local governments (within which youth offices have been established), institutions and science and research institutes. These projects included about 7,700 young people. Out of the total spent amount, 84% was used for direct financing of the programmes and measures, while 16% was spent on the administrative and operational costs of the ministries and institutions that implemented them.

<sup>255</sup> <http://socijalnoukljucivanje.gov.rs/rs/o-nama/inicijativa-za-zaposljavanje-mladih/polozaj-mladih-na-trzistu-rada/>

<sup>256</sup> In addition to the finances for supporting youth employment through their inclusion in the active labour market policies within the competence of the MoLEVSA and the NES, the analysis also includes the finances intended for the implementation of other relevant youth employment programmes and measures, implemented by the MoYS.

<sup>257</sup> The share of unemployed youth in the total number of registered unemployed people was: 27.3% in 2013; 26.6% in 2014; and 25.6% in 2015.



The records on the structure of youth in the NES registry, disaggregated by education levels, show that **the share of youth with no/low qualifications has increased** by 1.8 percentage points, while the share of highly educated youth has increased only slightly. The increase of the shares of the above two categories occurred at the expense of the share of youth with the secondary level of education, which decreased by 2.3 percentage points. The educational structure of unemployed young women also saw an increase in the share of women with no/low qualifications by 1.4 percentage points.

**Table 7. The structure of youth in the NES unemployment registry, by educational attainment levels**

| Registered unemployed people   | 2014           |               |               |               | 2017           |               |               |               | 2017/2014 pp |       |
|--|----------------|---------------|---------------|---------------|----------------|---------------|---------------|---------------|--------------|-------|
|  | Total          | Share         | Women         | Share         | Total          | Share         | Women         | Share         | Total        | Women |
| No/low qualifications  | 37,597         | 19.1%         | 18,750        | 18.9%         | 28,924         | 20.9%         | 14,641        | 20.3%         | 1.8          | 1.4   |
| Secondary education  | 115,171        | 58.7%         | 51,742        | 52.1%         | 78,102         | 56.4%         | 36,621        | 50.7%         | -2.3         | -1.4  |
| Higher education (three- and four-year college and university degrees) | 43,491         | 22.2%         | 28,834        | 29.0%         | 31,365         | 22.7%         | 20,985        | 29.0%         | 0.5          | 0.0   |
| <b>Total</b>   | <b>196,259</b> | <b>100.0%</b> | <b>99,326</b> | <b>100.0%</b> | <b>138,391</b> | <b>100.0%</b> | <b>72,247</b> | <b>100.0%</b> |              |       |

The planning of future youth support activities should take into account that 28.9% of unemployed youth were not registered with the NES in 2017 and that this share increased by 2.5 percentage points relative to 2014. Although it is possible to look for a job without the support from the public employment service, e.g. through private employment agencies, as well as independently, **the institutional support is important for young people in the categories of hard-to-employ and multiply vulnerable persons**. One of the possible consequences of losing the support in the process of looking for a job can be the transition of youth from the category of active NEETs, who are looking for a job, into the category of inactive ones, who are not looking for a job and are not ready to work.

In the period 2014–2016, the NES implemented the EU-funded project “Support to Disadvantaged Groups” (IPA 2012 Direct Grant), which piloted a new service – “Employment Caravans”. This service represented the inception of the so-called outreach activities within the employment system of the Republic of Serbia, and its purpose was to reach out to the members of the most vulnerable categories of unemployed persons. In view of the data presented above, on the increase of the share of inactive youth in the total number of NEETs and the increase of the share of unemployed youth who are not registered with the

NES, the “Employment Caravans”, as well as other outreach activities, should be mainstreamed in the employment policy and the NES regular activities.

## Conclusions and recommendations

If the focus is on solving the problem of youth unemployment and improving their position in the Serbian labour market, the lines of action and the activities to be supported in the upcoming period should include the following:

- **Prioritisation of the vulnerable categories of young people** should go together with the adequate allocation of funds, as well as with the strengthening of institutional capacities for the implementation of the measures and the monitoring of their impact. Special attention should be devoted to the position of young women in the labour market, the youth with no/low qualifications and the youth who have been looking for a job longer than 12 months.
- **Introduction of new outreach measures, as well as other approaches in the work of the institutions** responsible for employment and education, to enable the outreach to those young people who are discouraged and passive in the labour market.
- Improvement of the policy framework and its adaptation to the needs of youth, with a view to **formalising every type of work in which young people engage** (e.g. by developing the concept of student jobs with a limited weekly number of working hours,<sup>258</sup> enhancing the legal and qualitative framework that regulates traineeship<sup>259</sup> and so on).
- Modification of the youth employment policy framework, **with a view to improving the measures for hard-to-employ youth** (e.g. by introducing traineeship for persons with disabilities, as a special measure within the NEAP).
- **Change of the regulatory framework to enable the NES branch offices** to provide greater support to local youth employment programmes.
- **Increased involvement of the representatives of young people in the work of local employment councils**, with a view to enhancing the process of designing and monitoring youth employment programmes.
- **Development of functional support mechanisms for the implementation of youth employment programmes**, which stimulate inter-sectoral cooperation, a broad consultation process, support to innovations in the field of youth employment, continual monitoring of the achieved results

<sup>258</sup> “Employment and Social Reform Programme in the Process of Accession to the European Union”, adopted on 31 May 2016

<sup>259</sup> “Improvement of the Legal Framework for the Regulation of Traineeships in the Republic of Serbia”, SIPRU and BOŠ: [http://socijalnoukljucivanje.gov.rs/wp-content/uploads/2017/04/Unapredjenje\\_pravnog\\_okvira\\_za\\_uredjenje\\_radnih\\_praksi\\_u\\_Republici\\_Srbiji.pdf](http://socijalnoukljucivanje.gov.rs/wp-content/uploads/2017/04/Unapredjenje_pravnog_okvira_za_uredjenje_radnih_praksi_u_Republici_Srbiji.pdf)



and impacts, as well as the redesign of the measures in line with the lessons learned.

- Special focus should be placed on **youth self-employment**, by strengthening the system for supporting entrepreneurship, which includes greater start-up subsidies, tax incentives in the first two years of operation, continual advisory and mentoring support to young people in their initial entrepreneurial stages.
- **Promotion of good youth employment and employability practices**, with a special focus on hard-to-employ young people.

## 2.2. Education

### 2.2.1. Legislative and strategic framework in the Republic of Serbia

**The Strategy for Education Development in Serbia 2020<sup>260</sup> was adopted in 2012, while the Action Plan for the accomplishment of goals defined by the strategy was adopted in 2015.<sup>261</sup>** The Action Plan specifies policies, actions and measures to achieve the identified education development objectives, as well as indicators of progress and monitoring the implementation of strategic measures. The implementation and effects of the Action Plan are monitored by a special working group at the level of the Ministry of Education, Science and Technological Development (MESTD).

The Ministry's years-long work on improving the regulations in education resulted in the **adoption of the new Law on Foundations of Education System (LFES)<sup>262</sup>** in September 2017. The new LFES retained the key principles that guarantee equality and access to quality education, without discrimination on any ground, and gave more precise definitions of the most important mechanisms for exercising the right to quality education.

**The law stipulates that citizens of the Republic of Serbia are equal in exercising the right to education and care.** Foreign citizens, stateless persons and persons applying for citizenship have the right to education and care under the same conditions and in the manner prescribed for citizens of the Republic of Serbia. **For members of national minorities, education and care is in the language** (in speech and writing) of the **national minority or bilingual. Persons with physical disabilities and intellectual and developmental disabilities have the right to education and care that respects their needs for support** in the process of education. Education and care for persons who use the sign language or a special script or other technical solutions can be provided in the sign language and by the means of that language.

<sup>260</sup> Official Gazette of the Republic of Serbia No. 107/12.

<sup>261</sup> Official Gazette of the Republic of Serbia No. 16/15.

<sup>262</sup> Official Gazette of the Republic of Serbia No. 88/17.

For refugee and displaced children and students, refugees and migrants and children and students returned to the country on the grounds of a readmission agreement who do not know the language in which education or some programme content of relevance for continuing education and care are provided, the institution must organise language learning, preparation for classes and supplementary classes.

As before, **the right to free education in the institution founded by the Republic of Serbia, autonomous province or local self-government unit** for children in the year before starting school, primary education of students and adults, secondary education of full-time and part-time students is prescribed under equal conditions. For the purpose of achieving full equality in secondary education and care or training for work, persons over the age of 17 can be exempt from tuition fees because of a difficult financial and social situation, which is a novelty introduced by LFES.

**The institution prohibits discrimination and discriminatory treatment**, which — directly or indirectly, openly or covertly — makes for an unjustified difference or an unequal treatment, which includes omissions (exclusion, limitation or preferance) in relation to persons or groups of persons — open or covert — on any grounds. **The law also stipulates the obligations of institutions for protection against discrimination, violence, abuse and neglect, as well as the ways of implementing preventive and intervention measures.**

**The law expands the right to an individual education plan (IEP)** and prescribes that children, students and adults who because of social deprivation, developmental disabilities, disability, learning difficulties, early school leaving risk and other reasons require additional support in education and care are to be provided by the institution with elimination of physical and communication barriers, adjusting the implementation of the school curriculum and development, adoption and implementation of the IEP.

**Additional support pertain to rights and services that ensure the overcoming of physical and social obstacles for uninterrupted everyday life activities of importance for inclusion in the educational process, community life and advancement.** The assessment of the need for additional educational, health and social support is carried out by an interdepartmental committee (IDC) formed by the local self-government unit. The local self-government unit decides on the premises, provides compensation for members' work, technical and other support, resources to fund the support recommended by the interdepartmental committee, archiving and keeping records, as well as soliciting reports on performance and effects of additional support measures. An IDC novelty is that it keeps a collection of performance data.

**The new LFES contains the missing legal basis for the adoption of a regulation that determines the conditions for the work of the pedagogical and andragogical assistant**, as well as the possibility to form expert teams in the territory of the local self-government unit in order to provide additional support in learning, including implementation of education and care.

**The law stipulates that the institution may acquire the status of a resource centre for assistive technologies that would assess the needs for a certain type of assistive technology, the procurement, servicing and training of children, students and adults in the use of assistive technology devices.** The law also prescribes that the regulation that regulates the conditions and functioning of the resource centre for assistive technologies is passed by the minister in charge of local self-government affairs, the minister in charge of healthcare, the minister in charge of social protection and the minister in charge of education.

**The uniform education information system (UEIS) will have a register of institutions, a register of children, students and adults and a register of employees in institutions with the aim of improving the quality, efficiency and effectiveness of the education and care system,** and in particular the monitoring of participation of children, students and adults in education and care, their progress and educational achievements, early school leaving, completion of education; planning and undertaking educational and enrollment policy measures; conducting final exams and graduation; professional status and employee training; functioning of institutions, financing of the education and care system; creating a basis for the implementation of national and international research in the area of education, as well as the safe, efficient and rational records keeping and reporting on educational indicators according to the undertaken international obligations. For the purpose of creating a register of children, students and adult learners, which will contain particularly sensitive personal information in addition to general information, a unique educational number will be created and designated, which the holder keeps throughout all levels of formal education and care and which represents the key to tying all information about the child, student or adult in the UEIS.

**Improving the quality of education and care is aimed at achieving the standards of education and care that are a set of norms based on which quality assessments in the education system are carried out:** standards of achievement of the student; standards of quality of work of the institution; textbook quality standards; standards of competence of teachers, educators and professional associates; standards of competence of directors. Education and care functioning of institutions is oriented towards educational outcomes and development of general cross-curricular competencies and key competencies for lifelong learning. A standard of qualification is introduced that contains learning outcomes and objectives and achieved learning outcomes check, and in vocational education and training it also contains a description of professional competencies required for a group of similar jobs and tasks within a related occupation or several related occupations. **A separate law defining the national framework of qualifications is also expected to be adopted.**

**The law provides for greater participation of parents in the institution's activities and stipulates the possibility of establishing municipal parental councils,** which are made up of representatives of parents' councils of all institutions in the municipality or the city. The law sets out greater parents' responsibility for enrolling the child

in a preparatory pre-school programme or school, as well as regular attending of classes and in institutions violations of prohibitions and serious violations of students' obligations.

**The local self-government unit, as before, is responsible for keeping records on children who are old enough to be enrolled in preparatory preschool programme and first grade of primary school, as well as for getting involved when the child is not enrolled or not attending school regularly.** The law precisely sets out the purposes for which funds from the local self-government unit budget are secured and prescribes that local self-government units secure funds for performing pre-school education and care activities (half-day and full-day stay, food, care and preventive care of pre-school children) up to 80% of the economic price per child, which is a shift in comparison with the previously applicable regulation and the effects of which should be monitored. The law prescribes the obligation for one local self-government unit to adopt an act on the network of pre-school institutions and primary schools based on requirements established by the Government of the Republic of Serbia.

**The Law on Higher Education was adopted in 2017.**<sup>263</sup> In addition to forming the National Council for Higher Education, appointed by the Government of the Republic of Serbia in order to ensure the development and improvement of the quality of higher education, the Law provides for the formation of the National Accreditation Agency in order to carry out accreditation, quality assurance for higher education institutions and their units, study programmes evaluation and quality assurance in higher education.

**Candidates are enrolled in studies with the acceptance of general or vocational graduation for enrollment in vocational and academic studies, or of arts graduation for enrollment in study programmes in the arts.** The higher education institution determines the criteria that serves as basis for the classification and selection of candidates for enrollment in studies. The number of students enrolled in study programmes is determined by an independent higher education institution, and this number cannot be higher than the number specified in the operating permit. In institutions founded by the state, the number of students financed from the budget, as well as the number of students enrolled under affirmative action, is determined by the Government, according to the obtained opinion of higher education institutions and the National Council. The obligation of a student whose studies are financed from the budget is to earn 48 ECTS credits during each school year. A student with disability and a student enrolled under affirmative action who earns 36 ECTS credits in the current school year has the right to be financed from the budget in the next school year.

**The evaluation of a foreign study programme is carried out based on the type and level of achieved competencies gained through the completion of the study programme,** taking into account the education system in the country in which the

<sup>263</sup> Official Gazette of the Republic of Serbia No. 88/17.

higher education degree was earned, the enrollment requirements, the rights arising from the foreign higher education diploma in the country in which it was earned and other relevant facts, without considering the formal features and structure of the study programme. The evaluation of a foreign study programme, or part of a study programme, for the continuation of education is carried out by the expert body of the independent higher education institution that received the request for academic recognition. The evaluation of a foreign study programme for employment is carried out by the National Information Centre on recognition of foreign higher education qualifications (ENIC/NARIC Center), as an internal organisational unit of the Ministry.

**In 2017, for the first time the Republic of Serbia adopted the Law on Dual Education,**<sup>264</sup> which is expected to come into force as of the school year 2019/2020. Dual education is a model of teaching in the system of secondary vocational education in which, through theory classes and practice at school and learning through working with employers, competencies are acquired in accordance with the standard of qualification.

**The goals of dual education are, among other things, to provide conditions for acquiring, improving and developing competencies in accordance with the labour market needs, to increase employment after high school completion,** to provide conditions for lifelong learning and career development, as well as conditions for entrepreneurship development, strengthening the competitiveness of the Republic of Serbia's economy and overall social development.

**The law regulates: the content and manner of achieving dual education, the mutual rights and obligations of students, parents, schools and employers, the material and financial security of students,** as well as other issues of importance for dual education. The volume of learning through work is at least 20% and at most 80% of the total number of hours of vocational classes. A student who is learning through work is provided by the employer with: 1) means and equipment for personal protection at work; 2) compensation of actual transportation costs from school to the place of learning through work and back, no more than in the amount of the price of a public transport ticket, if the employer did not provide own transport; 3) reimbursement of food expenses in accordance with the employer's general act; 4) insurance in case of injury during learning through working with the employer. The employer can provide the student with coverage of the cost of accommodation and food in a residence hall. The student who is learning through work is entitled to a remuneration for learning through work. The compensation for learning through work is paid once a month at the latest by the end of the current month for the previous month for each hour spent on learning through work in a net amount of at least 70% of the minimum labour cost in accordance with the law.

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<sup>264</sup> Official Gazette of RS No. 101/17.

**The Law on Amendments to the Law on Primary Education**<sup>265</sup> harmonised the text of the law with the novelties in the LFES and, among other things, regulated the education of students with disabilities and students with intellectual and developmental disabilities in more detail.

While the LFES uses categories according to the OECD classification, this law defines that a student with disability or developmental disabilities is a child with: intellectual disorders, sensory disorders, motor disorders, learning disabilities, speech and language disorders, behavioural disorders, emotional difficulties, developmental disorders that are manifested simultaneously in several areas, because of which the child faces a number of obstacles in meeting basic needs and requires the most complex support or other disorders because of which he or she requires support.

**In order to promote inclusive education, a school for education of students with disabilities and developmental disabilities, as well as a school that has a class for students with disabilities and developmental disabilities, provides support to a school in the regular education system.** Special professional assistance can be provided by persons who are competent in the area of inclusive education and schools whose activities made them examples of good practice in the implementation of inclusive education.

**A parent, or another legal representative, can decide that his or her child acquires primary education at home, while covering education costs, as well as through distance learning.** Distance learning must ensure the achievement of the prescribed objectives, outcomes and standards of achievement. For a student with disabilities or developmental disabilities who is taking part in distance learning and who is acquiring primary education by IEP 2, distance learning must ensure the achievement of customized objectives and outcomes.

**In order to receive additional support in education, the school principal, teacher, expert associate, educator, pedagogical assistant and parent or another legal representative can receive special professional assistance in the implementation of inclusive education.** In order to receive additional support in education, the school cooperates with a local self-government units, as well as with a school for students with disabilities or developmental disabilities or a school that has a class for students with developmental disabilities, other organisations and institutions at local and broader levels. The school is obliged to establish cooperation with another school in which the student receives additional support continues to acquire education, with the aim of achieving continuity of additional support.

**Children from vulnerable social groups can be enrolled in school, without proof of their parents' residence and required documentation, with proof of medical examination of the child.** A student who lives more than four kilometres from the school head office is entitled to free transportation. The student is entitled to free transportation also in the case of attending school in the territory of another

<sup>265</sup> *Ibid.*

local self-government unit, if the school is more than four kilometres away and is the closest is the student's place of residence. The student with disabilities or developmental disabilities is entitled to free transportation regardless of the distance between his/her place of residence and the school.

**The Law on Amendments to the Law on Secondary Education<sup>266</sup> provides for the introduction of a state graduation concept that should improve the quality of secondary education and enable students to move to the subsequent levels of education.** The law specifies that secondary education ends with passing exams at the state level, and the types of these exams are general graduation, vocational and arts graduation, final exam of secondary vocational education, specialist and trade exams. A student who completes a three-year secondary vocational education in the dual education model has the right to take a professional or general graduation exam if he/she mastered the program for acquiring the competencies required by the graduation programme after at least two years after the completion of secondary education. The law defines cross-curricular competencies for the completion of secondary education based on key competences.

**The school administration, in cooperation with the competent authority in the local self-government unit or the autonomous province, makes a municipal or city proposal for the enrollment plan for secondary school students.** Individual persons or groups of persons can enroll in secondary school under more favourable conditions in order to achieve full equality in acquiring education.

**The school development plan also contains measures for improving cooperation with employers in the sector to which the educational profiles of the secondary vocational school pertain,** while the school curriculum includes, among other things, programmes for protection against violence, abuse and neglect and programmes for the prevention of other forms of risk behaviour and programme for protection against discrimination and guidelines for customisation and providing additional support. The recognizes the importance of providing additional support for students at risk of early school leaving and that individual persons or groups of persons can enroll in secondary school under more favourable conditions in order to achieve full equality in acquiring education. In order to help students and parents find opportunities for further learning and employment, secondary school carries out a career guidance programme. In addition to the self-evaluation of the school's operation, parents rate the satisfaction with the programmes implemented by the school at the end of each semester through an anonymous survey.

**The Law on Amendments to the Law on Preschool Education<sup>267</sup> stipulates that** parents, or child's legal representatives, participate in the financing of the activities of pre-school institutions founded by the Republic of Serbia, an autonomous province or a local self-government unit, while the economic price of the pre-school programme

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<sup>266</sup> *Ibid.*

<sup>267</sup> Official Gazette of RS, No 101/17.

and the level of participation in the costs is determined by local government units. The Law on the Foundations of the Education System<sup>268</sup> has introduced a new provision which stipulates that local governments must co-finance pre-school education activities with up to 80% of the economic cost per child, instead of exactly 80% as the previous regulation specified. Children without parental care, children with disabilities or developmental disabilities and children from disadvantaged families are exempt from payment, in accordance with the regulations governing financial support to families with children.

**The pre-school programme defines, among other things, the forms of cooperation with the family, local community and parents' council formed in the local self-government unit,** as well as the ways to develop an individualized approach in educational work and providing additional support to children and families, especially children and families from vulnerable social groups, while respecting the developmental, educational, medical and socio-cultural needs of children. In order to improve the quality of educational work, expand the diversity of programmes, forms of work and services and increase the coverage of children, the pre-school institution also implements different forms and programmes with the aim of providing care and education of children, rest and recreation, providing support to families, fostering national minority language and culture, mediating certain areas of culture, science and art, and according to the established needs and interests of children and families also the specificities of the local community. The law provides for the education and training of national minorities to be exercised in the language of the national minority, and it can also be bilingual in the language of the national minority and in the Serbian language, if at least 50% of parents or other legal representatives of children option for it.

**The law defines in more detail the area of collecting data on children and employees, as well as the ways of handling data.** The records on the child are data that determine the child's identity (personal data), educational, social and health status, as well as data on the recommended and provided additional educational, medical and social support.

The Law on the confirmation of the Agreement between the Government of the Republic of Serbia and other members of the **Education Reform Initiative of South East Europe**<sup>269</sup> was adopted in 2017, **and the Secretariat seated in Belgrade started its operation.** The Education Reform Initiative of South East Europe represents a regional platform for cooperation in education and training. The initiative contributes to the improvement and implementation of educational reform processes in the region, taking into account the specific needs and conditions in each member state, as well as the broader European context and trends. The member states of the Initiative are: Albania, Bosnia and Herzegovina, Croatia, Macedonia, Moldova, Montenegro and Serbia.

<sup>268</sup> Official Gazette of RS, Nos 88/17 and 27/18.

<sup>269</sup> Official Gazette of RS – International agreements, No. 2/17.



**The Law on Textbooks sets out the procedures for approving textbooks, textbook quality standards, selection procedures, quality evaluation, and textbook plans.<sup>270</sup>**

This law also stipulates the publication of textbooks whose contents and/or format is adjusted for students with disabilities or developmental disabilities, textbooks in the national minority languages, electronic supplements to textbooks, obligations of public publishers and financing textbooks with funds from the budget of the Republic of Serbia: "In order to ensure the availability of all textbooks and manuals and teaching materials defined by the textbook plan, the Government can decide to finance or co-finance the preparation and/or procurement and award of missing textbooks, manuals and teaching materials for students and learners with disabilities or developmental disabilities, members of national minorities, as well as for professional courses in vocational and art schools, in accordance with this law."

The following are expected to be adopted in the following period: **the Law on National Qualifications Framework, the Law on Textbooks and the Law on Inspection Control.**

By the time new laws were adopted in 2017, a number of subordinate legislation acts (regulations) were adopted that closely regulate issues of importance for improving the quality of education in the Republic of Serbia.

The Regulation on the criteria and procedure for enrolling students members of the Roma national minority in secondary school under more favourable conditions in order to achieve full equality was adopted in 2016, and **as of school year 2017/2018 enrollment of Roma students under more favourable conditions is prescribed by the Regulation on the enrollment of students in secondary school.<sup>271</sup>** The Regulation defines that primary school, starting from the seventh grade, undertakes measures to inform parents or guardians of Roma students about the criteria and procedure for enrolling students in secondary school under more favourable conditions, in accordance with the Rulebook. Informing parents or guardians about the criteria and procedure of enrollment of students in secondary school under more favourable conditions in accordance with this Regulation is also implemented by the National Council of the Roma National Minority. The number of points that students earn in school based on the final exam is increased by 30% of the number of points earned out of 100 points. Students living in families that are beneficiaries of social welfare receive increased number of points earned in school and the final exam by 35% of the number of points earned out of 100 points. Students are assigned to schools based on their choice and the number of points along with other students.

**The Regulation on textbook content and/or format<sup>272</sup>** was adopted, defining in more detail what customized textbooks contain and provides guidelines for customizing textbooks in Braille, with enlarged fonts or in electronic format.

<sup>270</sup> Official Gazette of RS No. 68/15.

<sup>271</sup> Official Gazette of RS No. 38/17.

<sup>272</sup> Official Gazette of RS No. 55/17.

**The Regulation on sign language learning programme<sup>273</sup>** was adopted in accordance with the Law on the Use of Sign Language<sup>274</sup> in order to ensure the exercise of the constitutionally guaranteed basic human rights principles, the prohibition of discrimination and the right to use sign language to achieve full equality of persons with disabilities. The programme participants acquire knowledge in sign language, community and culture of deaf people in the Republic of Serbia, as well as skills necessary for carrying out work activities in the area of sign language interpretation.

**The Regulation on the National Framework for Education<sup>275</sup> provides the basis for improving the work of institutions and the entire education system in the Republic of Serbia.** This is a normative and developmental document that provides a uniform basis and approach to children, students and adults, learning and teaching, as well as the understanding of common key elements of pre-school, primary and secondary levels of education. The framework represents the link between legal solutions and educational practice in the domain of education up to university education. Its purpose is to ensure the coherence and functionality of the education system, to contribute to the understanding of the connection between objectives, educational standards, student competencies and learning outcomes and planning, monitoring and evaluation processes and other key elements of education.

**The Regulation on General Standards of Achievement for the Subject “Serbian as a Second Language”** was adopted for the end of the first and second cycles of compulsory education, general secondary education and basic adult education.<sup>276</sup>

**The Regulation on closer criteria for recognizing forms of discrimination by employees, students or third parties in institutions<sup>277</sup>** jointly prescribed by the minister in charge of education and the minister in charge of human and minority rights, determines more closely the meaning of the terms “discrimination” and “discriminatory treatment in education” and describes forms of discrimination and their manifestations (hate speech, harassment and humiliation, etc.).

Regulations are being prepared that stem from the new LFES:

- **The Regulation on the conduct of institution when discriminatory behaviour is suspected or established** prescribes ways of implementing preventive and intervention activities, obligations and responsibilities of the employee, child, students, adult, parent or other legal representative, third party in the institution, bodies of the institution and other issues of relevance to protection against discrimination;

<sup>273</sup> Official Gazette of RS, Educational Gazette No. 1/17.

<sup>274</sup> Official Gazette of RS No. 38/15.

<sup>275</sup> Official Gazette of RS No. 98/17.

<sup>276</sup> Official Gazette of RS No. 55/17.

<sup>277</sup> Official Gazette of RS No. 22/16.



- **The Regulation on detailed instructions for exercising the right to an individual educational plan**, its application and evaluation;
- **The Regulation on additional education, health and social support for the child, student or adult** that is mutually agreed by the minister in charge of health affairs, the minister in charge of social policy affairs, the minister in charge of state administration and local self-government and the minister in charge of education;
- **The Regulation on the education of children in long-term home and hospital treatment**;
- **The Regulation on the criteria and standards for providing additional support in the education of children, students and adults with disabilities or developmental disabilities** in educational groups or another school and family;
- **The Regulation on the basics of the pre-school education programme**;
- **The Regulation on competence standards for the profession of educators and their professional development**;
- **The Regulation on the norm of funds for educational work** in pre-school education.

In the upcoming period, a regulation is expected to be adopted governing the criteria for obtaining the status of the resource centre for assistive technology, as is a regulation on pedagogical assistance, regulation on detailed conditions and manner of establishing the Unified Information System for Education and a regulation on detailed conditions regarding the procedure for awarding the Uniform Education Number.

## 2.2.2. State of affairs in the area

### 2.2.2.1. Coverage and access to education — Pre-school education

**The system of pre-school education (PSE) in the Republic of Serbia in 2017 included 212,719 children aged 6 months to 6.5 years** (109,808 boys and 102,911 girls), which represents 20,714 more children than in 2014.

**Pre-school education in 2017 was organized in a total of 403 pre-school institutions (162 public and 241 private institutions) and 2,784 facilities**, which is an increase of 292 compared with 2014 (of which 60 are state facilities and 232 are private facilities).

**Table 26. The number of children enrolled in pre-school institutions**

|                                 | 2014    | 2015    | 2016    | 2017    |
|---------------------------------|---------|---------|---------|---------|
| The number of enrolled children | 192,005 | 199,790 | 206,170 | 212,719 |
| The number of enrolled girls    | 92,284  | 96,679  | 99,930  | 102,911 |
| The number of enrolled boys     | 99,721  | 103,111 | 106,240 | 109,808 |

Source: SORS

**The coverage of children aged 6 months to 5.5 years in 2017 was 36%.** The PSE system includes children at least 6 months to 3 years of age (20%), and the largest coverage is seen in children aged 4 to 5.5 years (39%). Compared with 2014, the inclusion of children in the PSE system shows a slight increase, but the inclusion of children, especially from the age of 4 up to the compulsory education age (pre-school curriculum), is significantly lower than the target set by the Strategy for Education Development 2020 (80%) and the EU target (95%).

**In 2017, the highest number of children aged between 6 months and 5.5 years attended PSE for 9 to 12 hours per day (94.24% of children), while 5.46% of children attended PSE up to 6 hours per day.** When it comes to the length of stay in PSE, the biggest differences can be seen between the Belgrade region, in which 99.3% of children attend programmes lasting from 9 to 12 hours, while only 0.7% of children attend programmes lasting up to 6 hours a day, compared with the region of Vojvodina, where the attendance rate of these programmes was 89.21% and 10.71% for programmes that lasted up to 6 hours a day.<sup>278</sup>

**In 2017, 5.2% (11,067) children were enrolled in PSE programmes through the norms, and this percentage did not change significantly over the previous years** (in 2014 it was 5.8% or 11,142 children). **The number of children not enrolled because of filled PSE capacities in 2017 was 7,887**, or 3.71%, in comparison with the number of enrolled children. In 2014, 4,265 children (2.22%) were unable to enroll PSE because of filled capacities. The region of South and East Serbia saw the most significant increase in children who did not enroll PSE for this reason, from 314 children in 2014 (0.98%) to 3,047 children in 2017 (8.93%).

**Table 27. The number and coverage of children in pre-school education by age group and sex**

|      |          | number of enrolled children | from 6 months to 5,5 years | from 6 months to 3 years | from 3 years to 5,5 years | from 5.5 to 6.5 years | from 6.5 to 7.5 years |
|------|----------|-----------------------------|----------------------------|--------------------------|---------------------------|-----------------------|-----------------------|
| 2014 | Total    | 192,005                     | 126,657                    | 37,701                   | 88,956                    | 59,147                | 6,201                 |
|      | Coverage |                             |                            | 19.07%                   | 53.66%                    |                       |                       |
|      | Girls    | 92,284                      | 60,974                     | 18,120                   | 42,854                    | 28,417                | 2,893                 |
|      | Girls %  |                             |                            | 18.89%                   | 53.36%                    |                       |                       |

<sup>278</sup> SORS, Preschool Institutions for School Years 2014/2015 and 2017/2018

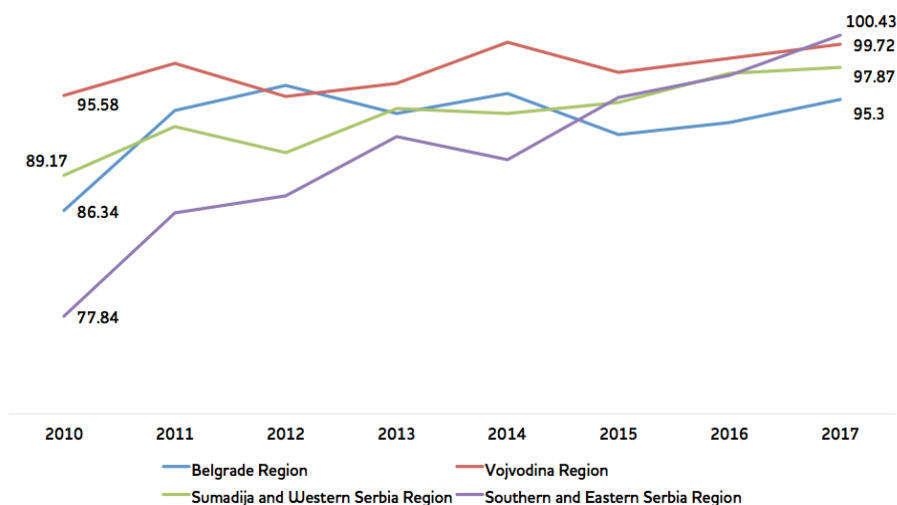


|      |          |         |         |        |         |        |       |
|------|----------|---------|---------|--------|---------|--------|-------|
|      | Boys     |         | 65,683  | 19,581 | 46,102  |        |       |
|      | Boys %   |         |         | 19.25% | 53.94%  |        |       |
| 2015 | Total    | 199,790 | 135,331 | 43,716 | 91,615  | 59,731 | 4,728 |
|      | Coverage |         |         | 22.17% | 55.50%  |        |       |
|      | Girls    | 96,679  | 65,813  | 21,146 | 44,667  |        |       |
|      | Girls %  |         |         | 22.11% | 55.81%  |        |       |
|      | Boys     |         | 69,518  | 22,570 | 46,948  |        |       |
|      | Boys %   |         |         | 22.22% | 55.21%  |        |       |
| 2016 | Total    | 206,170 | 142,496 | 45,234 | 97,262  | 58,136 | 5,538 |
|      | Coverage |         |         | 23.06% | 59.00%  |        |       |
|      | Girls    | 99,930  | 68,904  | 21,936 | 46,968  |        |       |
|      | Girls %  |         |         | 23.12% | 58.69%  |        |       |
|      | Boys     |         | 73,592  | 23,298 | 50,294  |        |       |
|      | Boys %   |         |         | 23.01% | 59.30%  |        |       |
| 2017 | Total    | 212,719 | 150,416 | 48,788 | 101,628 | 56,819 | 5,484 |
|      | Coverage |         |         | 25.02% | 61.78%  |        |       |
|      | Girls    | 102,911 | 73,021  | 23,670 | 49,351  | 27,324 | 2,566 |
|      | Girls %  |         |         | 25.11% | 61.78%  |        |       |
|      | Boys     | 109,808 | 77,395  | 25,118 | 52,277  | 29,495 | 2,918 |
|      | Boys %   |         |         | 24.95% | 61.77%  |        |       |

Source: SORS, Devinfo

**The number of children included in the preparatory pre-school programme (PPP) in 2017 was 64,345, which is a coverage of 98.17% of children.** Although the coverage increased by 2.9 percentage points in comparison with 2014, it is still not full.

Figure 3. Coverage of children by compulsory preparatory pre-school programme, 2010-2017



Compared with 2014, the share of children with full-time participation in PPP increased by 8.31 percentage points, from 43.02% (28,177) in 2014 to 51.34% (33,033) in 2017. The most pronounced differences in relation to the regional division can be seen between the regions of South and East Serbia, where 38.02% of children attend full-time PPP, while in the region of Belgrade 74.44% of children attend it.

According to the Multiple Indicator Cluster Survey (MICS), the coverage of children aged 3 to 5 years in pre-school education from the most disadvantaged households was only 9% in 2014 (compared with 82% of families with higher socioeconomic status). Roma people are still largely excluded — only 6% of children living in Roma settlements are covered by pre-school education. Inclusion of mothers and fathers in activities that support learning is very important for the early development of children. Among the general population, 90% of mothers of children aged 3–5 years are regularly involved in activities that stimulate development and learning, while the same applies to only 37% of fathers. The percentage of children under the age of 5 who have at least three children's books at home in Roma settlements is 12%.<sup>279</sup>

<sup>279</sup> Statistical Office of the Republic of Serbia and UNICEF, *Multiple Indicator Cluster Survey*, 2014, and *Roma Settlements Multiple Indicator Cluster Survey*, 2015



## 2.2.2.2. Coverage and access to education — Primary education

The number of students in primary education continues to decline because of the negative demographic trend. In 2017, there were 539,147 students in primary education, which is 19,722 compared with 2014.<sup>280</sup> Despite the fact that primary education is mandatory, the coverage of children is still not full and in 2017 it was 95.54%, which is a reduction of 2 percentage points compared with 2014. Approximately one in ten students (10.73%) attended primary school in 2017 in a district/separate school department.

The number of students in schools for students with developmental disabilities remained roughly the same over the previous years, and in 2017 it amounted to 4,760 (0.88%), out of which 3,056 were boys (64.2%) and 1,704 were girls (35.8%).

Table 28. The number and coverage of children in primary education by sex

| Year | Number of children |         | Net coverage rate in % | Completion rate in % | Dropout rate in % |
|------|--------------------|---------|------------------------|----------------------|-------------------|
| 2014 | total              | 558,869 | 97.55                  | 96.4                 | 0.4               |
|      | boys               | 286,994 | 97.45                  | 96.4                 | 0.4               |
|      | girls              | 271,875 | 97.64                  | 96.5                 | 0.5               |
| 2015 | total              | 551,607 | 96.62                  | 96.5                 | 0.6               |
|      | boys               | 283,292 | 96.52                  | 96.2                 | 0.7               |
|      | girls              | 268,315 | 96.73                  | 96.8                 | 0.5               |
| 2016 | total              | 545,234 | 96.62                  | 94.8                 | 0.6               |
|      | boys               | 280,498 | 95.94                  | 94.6                 | 0.6               |
|      | girls              | 264,736 | 95.9                   | 95.1                 | 0.6               |
| 2017 | total              | 539,147 | 95.54                  | 94.3                 | 0.4               |
|      | boys               | 277,260 | 95.43                  | 94.2                 | 0.5               |
|      | girls              | 261,887 | 95.65                  | 94.4                 | 0.4               |

Source: SORS, Education Statistics

The completion rate for primary school, according to the data of the Statistical Office of the Republic of Serbia, amounted to 96.4% in 2014, while in 2017 it was 94.3%.

<sup>280</sup> Data pertain to the beginning of the school year.

**Children who drop out of regular primary education<sup>281</sup> most often come from marginalized groups (Roma),** who either do not continue their education or continue their education in adult education schools.

**The percentage of children from Roma settlements attending primary school is significantly lower than the percentage of children from the general population in 2013/2014 — 69%.** Disparities are noticeable also during schooling — 93% of children from the general population complete primary education compared with only 64% of Roma children.<sup>282</sup>

**Table 29. The number of students in regular primary schools with individual education plans (IEP)**

|       | 2014  | 2015  | 2016  | 2017* |
|-------|-------|-------|-------|-------|
| IEP 1 | 4,826 | 6,065 | 7,298 | 8,149 |
| IEP 2 | 3,018 | 3,702 | 4,248 | 5,897 |

Source: SORS, for 2017

\* Data from the Dositej database

**The number of students for which individual education plan 1 (IEP 1) was developed in primary schools was significantly increased in the period 2014–2016.** In 2014, IEP 1 was developed for 4,826 children, while in 2016 IEP 1 was developed for 7,298 children. **The number of children working under the IOP 2 plan is also on the rise.** In 2014, IOP 2 was developed for 3,018 children, while in 2016 IOP 2 was developed for 4,248 children. In school year 2017/2018, the number of IOP 1 (8,149) and IOP 2 (5,897) amounted to 14,046 in regular schools, while IOP 1 (198) and IOP 2 (2,935) equaled a total of 3,133, in schools for the education of students with developmental disabilities.<sup>283</sup>

**The total number of students in schools for the education of students with developmental disabilities reduced,** and children with severe and multiple disorders who were out of the system were included as a key target group in these schools. Special classes in regular schools have retained their traditional form, although legal regulations are focused on a different practice.

<sup>281</sup> Statistical Office of the Republic of Serbia, Education Statistics: The dropout rate represents the difference between the number of students at the beginning and the number of students at the end of the school year, in comparison with the number of students at the beginning of the school year. This dropout rate method cannot include those students who dropped out between the end of one school year and the beginning of the next.

<sup>282</sup> Statistical Office of the Republic of Serbia and UNICEF, *Multiple Indicator Cluster Survey*, 2014, and *Roma Settlements Multiple Indicator Cluster Survey*, 2015

<sup>283</sup> Data from the Dositej database.





**Table 30. The number of students enrolled in schools for students with developmental disabilities**

|                        | 2013  | 2014  | 2015  | 2016  | 2017  |
|------------------------|-------|-------|-------|-------|-------|
| Primary education      |       |       |       |       |       |
| The number of students | 5,348 | 4,919 | 4,768 | 4,867 | 4,760 |
| Secondary education    |       |       |       |       |       |
| The number of students | 2,015 | 2,109 | 1,940 | 1,786 | 1,852 |

Source: SORS

**Data for Serbia show that in special education, including special classes in regular schools, there were 0.85% students in school year 2013/2014.** According to the SORS, the total number of students in primary and secondary schools is 827,218, and according to the research on the state of affairs in schools, the total number of students in some sort of segregated education is 7,028. According to the criteria applied in the EU (criteria of the European Agency for Special Needs and Inclusive Education), Serbia is among the countries with full involvement with less than 1% of students in segregated education, which includes special schools and special classes (in 2017 this percentage was 0.97%).

#### 2.2.2.3. Coverage and access to education — Secondary education

**The number of students in secondary schools remains stable even though it increases slightly in grammar schools but decreases in art schools.** When it comes to secondary vocational education, the largest number of students attends four-year secondary vocational schools. In relation to school year 2016/2017, the number of students in three-year schools increased by 3,144, while in four-year secondary vocational schools their number reduced. In 2017, 1,752 students (0.74%) attended secondary schools for students with developmental disabilities, of which 1,109 were male (59.88%) and 743 were female (40.12%).

**Table 31. The number of students in secondary education**

|   | 2016/2017 | 2017/2018 |
|---|-----------|-----------|
| The number of students in grammar schools                         | 64,691    | 65,381    |
| The number of students in art schools                             | 742       | 697       |
| The number of students in four-year secondary vocational schools  | 157,200   | 152,723   |
| The number of students in three-year secondary vocational schools | 27,263    | 30,407    |

Source: MESTD

**In the Republic of Serbia, secondary education is not yet mandatory, although the Strategy for Education Development provided for the introduction of compulsory secondary education.** The coverage of children in secondary education is 90% in 2016, and the coverage of girls is greater than boys. The Feasibility Study for the introduction of compulsory secondary education is underway.

**The percentage of secondary education attendance is lower among children from vulnerable groups.** Only 74% of children (68.2% of boys and 83.3% of girls) attend secondary school among the most disadvantaged. The percentage of children from Roma settlements attending secondary education is 21.6%, only 14.9% of girls and 28% of boys of high school age.<sup>284</sup> New data from MICS surveys will be available next year.

**Table 32. The number and coverage of children in secondary education by sex**

| Year |       | Number of children | Net coverage rate in % | Completion rate in % | Dropout rate in % |
|------|-------|--------------------|------------------------|----------------------|-------------------|
| 2014 | total | 261,156            | 88.7                   | 83.6                 | 1.2               |
|      | boys  | 131,81             | 86.9                   | 80.53                | 1.3               |
|      | girls | 129,346            | 90.5                   | 86.94                | 1.1               |
| 2015 | total | 253,997            | 89.6                   | 87.77                | 1.3               |
|      | boys  | 128,44             | 88.1                   | 85.3                 | 1.6               |
|      | girls | 125,557            | 91.3                   | 90.39                | 1.1               |
| 2016 | total | 250,011            | 89.8                   | 90.1                 | 1.1               |
|      | boys  | 126,727            | 88.5                   | 86.8                 | 1.3               |
|      | girls | 123,284            | 91.1                   | 93.6                 | 0.9               |
| 2017 | total | 249,094            | 89.2                   | 85.45                | 1.5               |
|      | boys  | 126,118            | 87.8                   | 82.08                | 1.8               |
|      | girls | 122,976            | 90.7                   | 89.02                | 1.1               |

Source: SORS

With the beginning of the first Decade of Roma, the importance of social inclusion of Roma in all segments of society was recognized in Serbia, **and special attention was directed to improving the educational potential of the Roma population. The number of students enrolled in secondary schools based on affirmative action measures has increased significantly in the previous period.** A particularly significant increase in the number of students was in 2016/2017, when 1,713 students were enrolled in secondary schools based on affirmative action, while in school year 2017/2018, 1,969 students from the Roma population were enrolled in secondary schools.

<sup>284</sup> Statistical Office of the Republic of Serbia and UNICEF, *Roma Settlements Multiple Indicator Cluster Survey*, 2015



**Table 33. Number of Roma students enrolled under affirmative action measures**

| 2014/2015 | 2015/2016 | 2016/2017 | 2017/2018 |
|-----------|-----------|-----------|-----------|
| 330       | 422       | 1,713     | 1,969     |

Source: MESTD

#### 2.2.2.4. Coverage and access to education — Higher education

**The number of young people included in the higher education system in 2017 was 256,172.** The number of enrolled students increased compared to 2014 by 15,118. The number of students in academic studies is increasing, while the number of students in vocational studies is decreasing.

**Table 34. The number of students enrolled in higher education**

|                       | 2014    | 2015    | 2016    |
|-----------------------|---------|---------|---------|
| Enrolled students     | 241,054 | 251,162 | 262,108 |
| In academic studies   | 190,948 | 201,619 | 214,324 |
| In vocational studies | 50,106  | 49,543  | 47,784  |

Source: SORS

**Higher education covers 39% of young people aged 19 to 24 in 2016.** The coverage of girls is significantly higher than that of boys (12 percentage points).

**Table 35. The number and coverage of young people in higher education by sex**

|   | 2014    |        |         | 2015    |        |         | 2016    |        |         |
|---|---------|--------|---------|---------|--------|---------|---------|--------|---------|
|   | total   | boys   | girls   | total   | boys   | girls   | total   | boys   | girls   |
| The number of students (19–24 years of age) | 182,318 | 79,187 | 103,131 | 187,589 | 82,306 | 105,283 | 187,657 | 81,564 | 106,093 |
| Coverage (19–24 years of age)               | 36.3    | 30.7   | 42.2    | 37.9    | 32.4   | 43.8    | 38.8    | 32.8   | 44.7    |

Source: SORS

**Although the higher education coverage is significant, it concerns that the completion rate in higher education is extremely low.** In the 19–24 age group, the completion rate was only 3.7 in 2016, while that of the population aged 22–30 years was slightly higher at 4.5%.

**Table 36. Completion rate in higher education**

|                             | 2014 | 2015 | 2016 |
|-----------------------------|------|------|------|
| Higher (22–30 years of age) | 4.6  | 4.6  | 4.5  |
| Higher (19–24 years of age) | 3.6  | 3.8  | 3.7  |

Source: SORS

**Roma are very little represented in higher education.** Among the total student population, they are represented with less than one permille, which is far less than their representation in the total population, which is 3–5%.

**The number of students covered by affirmative action through the programmes of the Government of the Republic of Serbia in school year 2017/2018 was 471,** while 526 students were covered by affirmative action through other programmes in school year 2017/2018.

#### 2.2.2.5. Coverage and access to education — Adult education and lifelong learning

**The government adopted the Annual Plan of Adult Education for 2016<sup>285</sup> and prepared the Annual Plan of Adult Education for 2017.** The primary adult education programme (based on the functional primary adult education model), which was implemented in 68 primary schools, was enrolled by 6,072 (46.6% female) students in 2017, while in 2016 there 5,908 students were enrolled.

**Part-time secondary education for adult students older than 17 was implemented in 209 secondary schools, attended by 2,801 students.** In addition, retraining, additional qualification and specialization activities were attended by 6,747 students and implemented in 238 secondary schools.

**In school year 2016/2017, 1,158 Roma students completed the third cycle of primary adult education.**

**The number of persons aged 25 to 64 who take part in lifelong learning programmes was extremely small** compared with EU indicators and amounts to 4.6% in 2017.

**Table 37. Adult participation in lifelong learning**

|  | 2016      | 2017      |
|--|-----------|-----------|
| Persons aged 25–64   | 3,920,098 | 3,882,629 |
| Persons aged 25–64 who participated in education or training | 201,204   | 180,376   |
| Adult participation in lifelong learning (%)                 | 5.1       | 4.6       |

Source: SORS

**The number of early school leavers who are not in employment, education or training (NEET) is still high.** Serbia has almost 18% people aged 15–24 with primary education (ISCED 2) who are not involved in education or training, and about 22% people aged 15–29. The Labour Force Survey data show a downward trend in this number over the past few years, but it is still unsatisfactory compared with trends in other European countries.

<sup>285</sup> Official Gazette of RS No. 9/16.

**Table 38. Early school leavers who are not in training**

| NEET  | 2014    | 2015    | 2016    | 2017    |
|---|---------|---------|---------|---------|
| Persons 15–24   | 164,448 | 155,461 | 134,058 | 126,983 |
| Persons 15–29   | 322,212 | 302,561 | 267,562 | 254,534 |
| Share of NEET in the total population (people aged 15–24), in % | 20.4    | 19.9    | 17.7    | 17.2    |
| Share of NEET in the total population (people aged 15–29), in % | 25.3    | 24.5    | 22.3    | 21.7    |

Source: SORS

## 2.2.2.6. Quality of Education

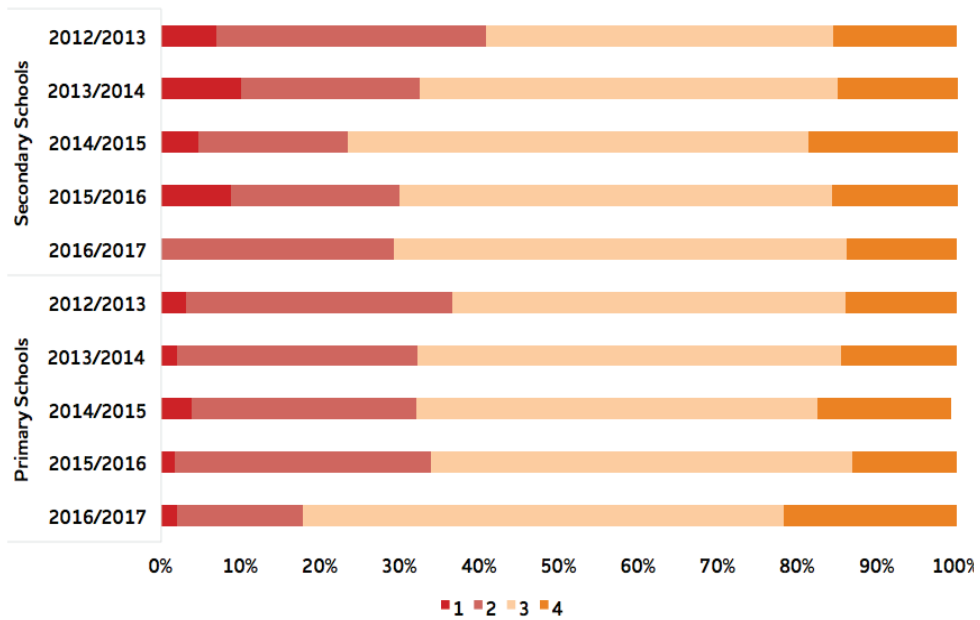
Since October 2016, the Ministry of Education, Science and Technological Development, the Institute for the Improvement of Education, the UNICEF and the Institute of Pedagogy and Andragogy of the Faculty of Philosophy of the University of Belgrade have been jointly implementing the project “Piloting the Draft Basics of the Preschool Education Programme — Upward Years”. The aim of this project is to develop new basics of pre-school education in Serbia and to create preconditions for its implementation: drafting a programme document proposal, developing a training concept for professional associates and educators, collecting examples of good practice and adopting guidelines for introducing new basics of the programme in practice, which is planned for 2018.

**The report on final exam results at the end of primary education in school year 2016/2017<sup>286</sup> reveals that the average performance of the students on the test in the Serbian language, shown in points, is 13.47, 10.79 in mathematics, and 11.19 on the combined test out of 20 points.** The analysis of student performance at the district level indicates that half of the districts are underperforming on all three tests. Girls are more successful than boys, with differences higher in the Serbian language test than in the other two tests. Although in most schools the exam is organized according to procedures, the results of previous analyses suggest that there are problems during the exams, first of all in examining the tests, which can somewhat jeopardize the confidence in the results or the reliability of the data.

**As of school year 2016/2017, the first cycle of external evaluation of primary and secondary schools in Serbia was completed.** All institutions are expected to receive an assessment of their overall quality of work in the first evaluation cycle (2012-2017).

<sup>286</sup> Report on the results of the final exam at the end of elementary education in school year 2016/2017, Institute for Education Quality and Evaluation, 2017

Figure 4. Distribution of overall quality assessment



**Two thirds of elementary schools have overall quality scores that place them in the category of those that work well (3 and 4),** whereby 3 is dominant as the score of every other school evaluated in school year 2015/2016. The results show that the most support for schools is needed in achieving quality teaching and in providing conditions to encourage better performance of students. The average score of the overall quality of work for 11.1% of evaluated secondary schools is 2.8. In relation to the scores that represent the overall quality of work of the institution, the group of the so-called good high schools (scores 3 and 4) includes 70.2% of evaluated institutions, but only 15.8% have the highest score. It is also indicative that 30% of evaluated high schools is in the so-called bad schools group (scores 1 and 2), with 9% having the lowest score. The results show that the quality areas of Ethos, School Organization and Management and Resources are the easiest to achieve standards in, while Teaching and Learning is the hardest. In school year 2015/2016, the average overall quality of work score in pre-school institutions was 3.4. Score 3 was received by 50% of the evaluated, and score 4 was received by 43.3%, which means that the good group (scores 3 and 4) includes more than 90% of the institutions. No kindergartens were rated with the lowest score (1), and 6.7% received score 2. Pre-school institutions have the most difficulties in achieving standards in the Planning and Programming area at the institution level and in the Children's Development and Advancement area.

**The 2015 TIMSS study in Serbia<sup>287</sup> was conducted only in the fourth grade of primary school. The testing of students within the main study was conducted in May 2015.** The study involved 160 primary schools, or 4,036 students who follow classes in Serbian. The students from Serbia achieved better results in the 2015 TIMSS on the math and science test than in 2011, ranking them above the international average and above the TIMSS scale average. Students from Serbia achieved a score of 518 points in the mathematics test, and a score of 525 points in the science test (TIMSS average is 500 points). In relation to international reference values, in natural sciences 8% of our students achieve or exceed the advanced reference value, 40% exceeds the high reference value, 77% of students exceed the median one and 93% exceed the low reference value. These data indicate that 7% of our students fail to solve assignments that measure the lowest level of TIMSS competencies in science.

**The students from Serbia did not participate in the 2015 PISA testing, but 15-year-olds took part once again in this international testing in 2018.** The new PISA test will check the functional knowledge in reading, mathematical, scientific and financial literacy.

**In the Republic of Serbia, a unique national qualifications framework is established that covers all levels and types of qualifications, regardless of acquiring (through formal or non-formal education or informal learning — life or work experience) and age in which they are acquired (young or adult).** This enables the integration and coordination of existing qualifications systems in Serbia: a system of qualifications of higher education, a system of qualifications of secondary vocational education and other systems. At the country level, the National Qualifications Framework of Serbia (NQFS) should contribute to reform processes that will improve the education system, which will produce competent individuals who can respond to the needs of the labour market, society as a whole, as well as meet their personal needs. At the international level, the NQFS is part of European integration, linking with the European Qualifications Framework (EQF) and labour mobility.

**The Ministry of Education, Science and Technological Development formed the Expert Team for the development of a uniform National Qualifications Framework, a qualification database was established and the NQFS website was launched, and in September 2017 an Interministerial Working Group was formed involving 21 institutions.** Continuous and active participation of the members of the Interministerial Working Group, both at the strategic and operational levels, should ensure the necessary national and institutional approach in establishing a sustainable National Qualifications Framework in Serbia in the further development and implementation of the NQFS. A particular challenge is linking the NQFS to the European Qualifications Framework (EQF), which will ensure the comparability of the acquired qualifications and in turn encourage labour mobility in the European market.

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<sup>287</sup>Available at: <http://www.ipisr.org.rs/timss/TIMSS>

### 2.2.2.7. Fairness

**There are no systematized data on the accessibility of educational institutions.** Most educational institutions still have no access ramps or toilets, which means that children with disabilities who are educated in these institutions face additional difficulties.

**During the period from 2014 to 2017, thanks to the project “Procurement of teaching materials for students, learners and institutions”, the budget of the Republic of Serbia secured funds to provide a certain number of students with free learning resources.** The number of these students changed, so in school year 2014/2015 most students exercised this right, while their number was the smallest in school year 2016/2017. In school year 2017/2018, in accordance with the Birth Rate Strategy, for the first time every third and subsequent child in the family who is in the education system received free textbook sets. A large number of custom textbooks for the same school year were provided — 7,369 textbooks in Braille, with enlarged fonts, in audio format and in electronic format for 835 students.

**During 2017, the mechanisms for supporting the enrollment of children from vulnerable social groups in higher levels of education were improved.** In school year 2017/2018, 501 students with disabilities and developmental disabilities were enrolled in the framework of affirmative action.

**In order to increase the coverage and accessibility of education to secondary school students, every school year, a competition for the admission of secondary school students to student accommodation institutions is conducted.** The competition for school year 2016/2017 saw 63 high school residence halls and schools with residence halls admitted 11,314 students, of which 88 were students from vulnerable social groups. The competition for admission of students of higher education institutions to student accommodation institutions was conducted, thanks to which in school year 2016/2017, 9 student centres admitted 17,101 students, of which 915 were students from vulnerable social groups.

**Of the total scholarships and credits, the Ministry of Education, Science and Technological Development still allocates up to 10% for students and up to 10% for students from vulnerable social groups.**

**There are currently 140 pedagogical assistants in elementary schools, while 35 work in pre-school institutions.** All of them were certified after successfully completed accredited training for pedagogical assistants within the Lifelong Learning Centre in Kragujevac. In line with the Operational Conclusions of the Seminar on Social Inclusion of Roma, the Strategy for the Social Inclusion of Roma Men and Women in the Republic of Serbia for the Period 2016– 2025 and the Action Plan for Chapter 23, 50 new pedagogical assistants by the end of 2018 are planned to be hired through the sectoral budget support mechanism.



**Based on the research conducted by IPSOS in cooperation with the UNICEF and the MESTD, schools and departments for students with developmental disabilities had 18% of Roma students in school year 2014/2015.** This finding points to the prevalence of Roma children in special education, as well as to a significant decrease in the number of Roma students in these schools compared with 2010, when new legislation came into force.

**A Memorandum of Cooperation was signed with the representatives of eight national councils of national minorities for publishing textbooks in national minority languages and scripts** (namely Hungarian, Croatian, Ruthenian, Bulgarian, Bosniak, Slovak, Romanian and Albanian), defining the production and printing of priority textbooks for primary school in the languages of national minorities whose entire learning is conducted in their native language. The memorandums provide for printing of 57 textbooks. Annexes were signed with the seven national councils of national minorities for the production and printing of the missing textbooks for 2017/2018 school year, providing for additional 84 titles.

**During 2014 Serbia participated for the first time in the international comparative study on the social dimension in higher education — EUROSTUDENT**, which served as basis for the EUROSTUDENT V report for the Republic of Serbia published in 2016 — Social Dimension of Studying in Serbia.

**The Minister of Education, Science and Technological Development issued the Expert Manual for the Inclusion of Refugee/Asylum Seeker Students in the Education System.** The Expert Manual prescribes for the Expert Team for Inclusive Education to draft a support plan for students that contain: a programme for adaptation and overcoming stress; a programme of intensive learning of the language of the environment, individualisation of learning activities through adapting the schedule of attending classes, didactic material, methods and ways of work.

With the support of the UNICEF and other partners, the Ministry of Education, Science and Technological Development seeks to enable the inclusion of refugee/migrant children in the education system of the Republic of Serbia. **In mid-October 2017, the number of children involved in elementary schools was 464 (86% of registered migrant children).** In the same period, 63 migrant/refugee children (15%) were involved in high schools according to UNICEF data. In the same period, the centres in Serbia accommodate 420 children of high school age (15–18 years).

**The educational reforms in Serbia aimed at deinstitutionalization and inclusion in regular schools of an increasing number of children requiring additional support also affected schools for education of students with disabilities and developmental disabilities.** Although the number of students in segregated environments was managed to be reduced, the education system of the Republic of Serbia has primary and secondary schools and special departments for education of students with developmental disabilities. While the number of “special” classes in regular schools decreased significantly during this period (in school year 2015/2016, 119 schools

had special classes), all “special” primary and secondary schools, 45 of them in Serbia, continue to be open.

**According to data from 2016, homes for children and youth (former institutions for children without parental care) accommodate 381 children, of which 84% are covered by education.** Of that, 38% attend special primary school, 18% attend regular primary school, 21% attend regular secondary school and 9% attend special high school. About 70% of these children are children with developmental disabilities.

In homes for children and youth with developmental disabilities, of 620 users, 43% are at school-age and not involved in education.

### 2.2.2.8. Efficiency of the education system

**The network of educational institutions is still not adjusted to demographic and economic changes,** but thanks to the project implemented in 2017, which aims to analyse the network of pre-school institutions, primary and secondary schools throughout the territory of Serbia, a Feasibility Study, which includes mapping the capacities of primary and secondary schools and pre-school institutions in Serbia, was produced for the Ministry of Education, Science and Technological Development, through mediation by the World Bank. **The study provides an overview of alternative scenarios for the development of the pre-school and primary education network in Serbia, as well as a proposed optimization model** that the Ministry of Education, Science and Technological Development has in order to rationalize the network of schools. This study indicates that a total of 551 (49.19%) primary schools in Serbia are attended by 400 or fewer students, 183 are attended by 600 or fewer students (16.37%), and 385 primary schools are attended by 600 and more students (34.44%). As many as 21 primary schools in Serbia are the only schools in local self-government, and small-scale schools are most common in Vojvodina, followed by Central Serbia and, ultimately, the City of Belgrade. Separate classes of primary schools, attended by students of different ages, are rarely present in Vojvodina and Belgrade compared with the rest of Serbia. These data indicate that almost half of the primary schools in Serbia are enrolled by 400 or fewer students. Bearing in mind that these schools are not the only ones in local self-government territory, the support for increasing the efficiency of the education system should be sought in the implementation of certain optimization measures within this group of schools, while respecting the local context and legal provisions relating to distance between schools.<sup>288</sup> The same study also states that out of a total of 451 state schools, 37 schools are art schools, and of the remaining 414 schools, only 26 or 6.28% of secondary schools should be considered for optimization, namely schools with fewer than 600 students and those where classes have 18 or fewer students. These high schools are the most common in Vojvodina.

<sup>288</sup> Centre for Education Policy based on data from the Statistical Office of the Republic of Serbia.

In the past three years, the number of classes in primary and secondary education is quite stable.<sup>289</sup> However, it should also be noted that, although the number of children significantly reduced in the period 2014/2016, the number of classes in primary education is increased.

**Table 39. The number of classes in elementary and secondary schools**

| School year     | 2014/2015 | 2015/2016 | 2016/2017 |
|-----------------|-----------|-----------|-----------|
| Primary schools | 25,113    | 25,100    | 25,151    |
| High schools    | 10,597    | 10,320    | 10,135    |

Source: SORS

During school year 2017/2018, the enrollment plan provided for a decrease in the total number of places in secondary vocational schools by 2.28%, so that the offered number of places would be adjusted to the demand for a certain number of professional educational profiles. This measure mostly influenced the optimization of the number of students in classes, preventing the creation of a large number of classes with small numbers of students. During the same school year, the four-year profile quota in the fields of economy, law and administration was reduced by 6.29%, in line with current trends in the labour market in order to optimize the network of profiles in this area. In parallel with this decrease, there was an increase in the trade/three-year educational profile quota in a large number of areas (construction 15%, forestry and woodworking 33%, textile and tanning 47%, trade, catering and tourism 3%), in response to the identified lack of qualified people for occupations of this kind and, at the same time, better trends in their employment after the completion of their education.<sup>290</sup>

The information system of the Ministry of Education, Science and Technological Development “Dositej” was established in 2016, which enabled the collection of data on institutions and employees at all levels of education. “Dositej” includes an established uniform register of institutions (institutes, higher education institutions and innovation organizations) and employed researchers, teachers and associates who have teaching, scientific, research or professional titles in order to increase transparency, quality, monitoring and improvement of scientific and research work and higher education.

Transparency of data on institutions and researchers and employees with titles is provided through the Open Data Portal,<sup>291</sup> which has been developed and whose public release is expected by mid-2018.

<sup>289</sup> Statistical Office of the Republic of Serbia.

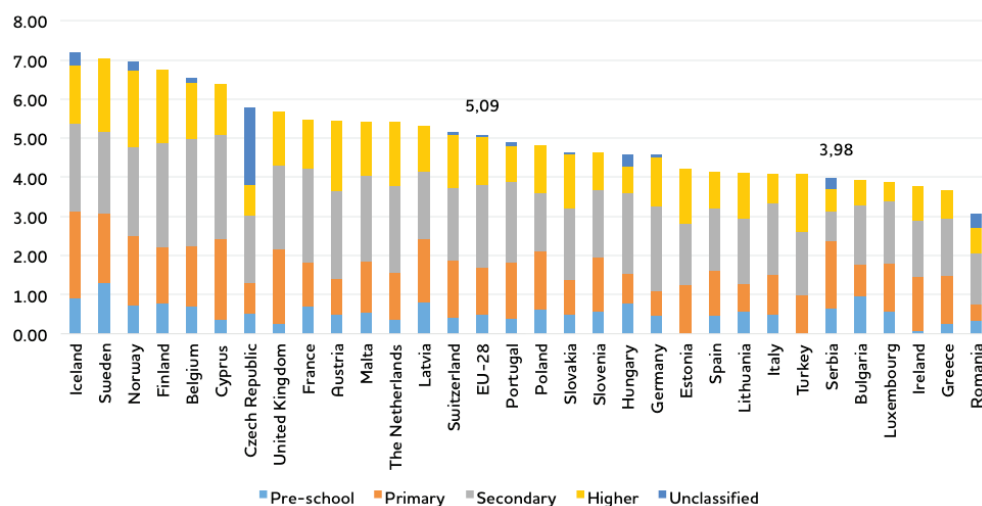
<sup>290</sup> Ministry of Education, Science and Technological Development.

<sup>291</sup> <https://data.gov.rs/sr/discover/>

### 2.2.2.9. Allocation of public funds for education

Public sector expenditure for education includes expenditures of all levels of government (central, provincial and local) at all levels of education (pre-school, primary, secondary and higher education), as well as expenditures not allocated by levels of education. According to the EU methodology, the estimated public expenditures for education at the level of the Republic of Serbia in 2015 amounted to 3.9% of GDP, which is below the average of public spending at the EU-28 level, which amounted to 5.09% of GDP. **According to the Ministry of Finance,<sup>292</sup> total public education expenditures in 2017 amounted to 3.98% of GDP.**

**Figure 5. Structure of public expenditure for education by level of education**



Source: For Serbia — calculation for the purposes of this report, based on the data of the final accounts of the budget of the Republic of Serbia and AP Vojvodina for 2017 and the Treasury Administration (data from the payment system of local self-governments, for calculation of expenditures incurred at the level of local self-governments). Eurostat — data for European countries refer to 2015.

\* Note: Data for Serbia are available on Eurostat for 2015, but their structure is not logical in terms of levels of education, and for this reason the calculation made for the purpose of this report, which relates to 2017, was used. This, as well as differences in the coverage of ISCED levels in some levels of education, is the reason for the partial comparability of data for other European countries and Serbia.

<sup>292</sup> Data from the Final Accounts of the Budget of the Republic of Serbia and AP Vojvodina for 2017 and the Treasury Administration (data from the local government payment system).



Of the total public expenditures intended for education, **the largest part is spent at the state level, or 71.7% of expenditures**, 27.9% at the level of local self-government, and only 0.4% at the level of AP Vojvodina.

Observed by the level of education in the Republic of Serbia, **16.4% of total education expenditure is allocated to pre-school education, 43.2% to primary education, 18.8% to secondary education and 14.5% to higher education**. Compared with the previous reporting period (2012), primary education expenditure increased at the cost of pre-school expenditures, while the share of expenditure for secondary and higher education was almost unchanged.

**Table 40. Public expenditure for education by government level and education level, 2017**

|   | Pre-school | Primary | Secondary | Higher | Expenditures that are not defined by level, unclassified expenditures and auxiliary services in education | Total |
|---|------------|---------|-----------|--------|---|-------|
| In RSD bn   |            |         |           |        |   |       |
| Republic of Serbia  | 2.1        | 61.5    | 26.8      | 25.9   | 11.3  | 127.6 |
| Local self-governments  | 27.0       | 15.2    | 6.4       | 0.0    | 0.9   | 49.6  |
| AP Vojvodina  | 0.1        | 0.2     | 0.1       | 0.0    | 0.3   | 0.7   |
| Total   | 29.2       | 76.9    | 33.4      | 25.9   | 12.5  | 177.9 |
| Total, % GDP  | 0.65%      | 1.72%   | 0.75%     | 0.58%  | 0.28%   | 3.98% |
| Structure of financing of different education levels in %     |            |         |           |        |   |       |
| Republic of Serbia  | 7.2        | 80.0    | 80.4      | 99.9   | 90.3  | 71.7  |
| Local self-governments  | 92.7       | 19.7    | 19.3      | 0.1    | 7.3   | 27.9  |
| AP Vojvodina  | 0.2        | 0.3     | 0.3       | 0.0    | 2.4   | 0.4   |
| Total   | 100.0      | 100.0   | 100.0     | 100.0  | 100.0   | 100.0 |
| Structure of expenditures of different government levels in % |            |         |           |        |   |       |
| Republic of Serbia  | 1.6        | 48.2    | 21.0      | 20.3   | 8.8   | 100.0 |
| Local self-governments  | 54.6       | 30.6    | 13.0      | 0.0    | 1.8   | 100.0 |
| AP Vojvodina  | 7.7        | 34.5    | 14.7      | 0.0    | 43.1  | 100.0 |
| Total   | 16.4       | 43.2    | 18.8      | 14.6   | 7.0   | 100.0 |

Source: For Serbia — calculation for the purposes of this report, based on the data of the final accounts of the budget of the Republic of Serbia and AP Vojvodina for 2017 and the Treasury

Administration (data from the payment system of local self-governments, for calculation of expenditures incurred at the level of local self-governments).

Calculation clarification:

1. The total of the Ministry of Education, Science and Technological Development against the Final Budget Accounts of 144.2 billion was reduced by 16.6 billion dinars allocated for science.
2. AP Vojvodina's total expenditures of 0.7 billion include only allocations from the Budget of AP Vojvodina, but not transfer funds from the state budget for salaries of employees in education in Vojvodina.
3. Expenditures of local self-governments include allocations from payment transactions of all municipalities and city treasuries, reduced by the amount of transferred funds from the Republic of Serbia budget for preparatory pre-school programme (RSD 2.1 billion). Allocations of AP Vojvodina Treasury are not included because they are calculated either through the allocations of the state (transfer funds) or through the allocations of municipalities in AP Vojvodina, or in a small amount through the allocations from original revenues of AP Vojvodina. Allocations include municipalities from Kosovo and Metohija.
4. Expenditure for pre-school education includes all local self-government expenditures from functional categories 910 and 911, as well as expenditures of the Republic under the functional classification 910 — transferred funds from the Republic of Serbia budget for preparatory pre-school programme (RSD 2.1 billion).
5. Expenditures for primary education include all expenditures of the Republic and AP Vojvodina under the functional classification 910 (except for the aforementioned transfer funds for preparatory pre-school programme) and expenditures of cities and municipalities under functional categories 912, 913, 914 and 915.
6. Allocations for secondary education include all expenditures of the Republic and AP Vojvodina under the functional classification category 920 as well as the allocations of cities and municipalities categorized under 920, 921, 922 and 923.
7. Allocations for higher education include all expenditures of the Republic and AP Vojvodina under the functional classification category 940, as well as the allocations of cities and municipalities categorized under codes 930 and 940.
8. Expenditures within the category "Expenditures that are not defined by level, unclassified expenditures and auxiliary services in education" include allocations of the Budget and AP Vojvodina under codes 960 (usually include the costs of pupil and student standards, various scholarships, etc.) and 980 (costs of the Ministry, institutes, etc.). This category includes the expenditures of cities and municipalities categorized into categories 900, 950, 960, 970 and 980.

### 2.2.3. Measures and programmes

**The Group for Social Inclusion (GSI)<sup>293</sup> was established within the Ministry of Education, Science and Technological Development in 2015**, with the aim of ensuring continuous improvement of early development and inclusive approach at all levels of education in the Republic of Serbia. There are many purposes for establishing the Group, but the most important are the following:

- providing support to MESTD in coordination, planning and implementation of inclusive education policies;
- providing support for the full implementation of existing legislative measures and developing new mechanisms for further IE improvement at all levels of education;
- providing interdepartmental connectivity through all management segments, and empowering employees of MESTD for application of the IE principles.

**GSI is in charge of initiation and coordination of various initiatives for development of the inclusive education-related policy through cooperation with other sectors and partners.** So far, the work of this group has been focused on drafting the Action Plan for Inclusive Education, improving regulations in the field of inclusive education, establishing interdepartmental cooperation, creating various methods for improving employee competencies of the persons employed in state administration and inclusive education, and coordinating direct support to educational institutions, children, pupils and their parents.

**In 2017, Serbia gained the observer status at the European Agency for Special Needs and Inclusive Education**, and it became a member country on January 1, 2018.

**Through the activities of the Inclusive Education Support Network (IESN), 561 children with developmental disabilities, 106 parents and 1,110 employees from 123 educational institutions received support through 144 visits to schools/institutions.** In addition to the above, 804 teachers from 151 high schools, 55 educational advisers of the Ministry of Education, Science and Technological Development, 96 external evaluators, as well as 129 IESN members completed various trainings and study visits.

**Establishment of local networks to support inclusive education, which includes networking of educational institutions and various other stakeholders** (e.g. social welfare centres, health centres, local governments, civil society organizations, media, children's homes, youth offices, cultural-artistic associations, etc.) was successfully performed thus forming 13 local networks which include 124 educational institutions and partners.

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<sup>293</sup> As of November 2017, the Group for social inclusion, Group for minority education and human and minority rights in education and the Violence prevention unit constitute one Group – the Group for minority education, social inclusion and protection against violence and discrimination.

**The Peer Support Network for Inclusive Education was formed**, and 29 network members from 20 towns and 23 schools have been selected, and so far they attended 3 meetings and 2 trainings.

**National Association of Parents and Teachers of Serbia (NAPTS)**<sup>294</sup> was formed during its constitutional assembly in Belgrade, as a result of the “In partnership for education” initiative of the Open Society Foundation and UNICEF in Serbia. The main idea is to promote and strengthen the cooperation between parents, teachers and schools, in order to successfully initiate changes in education, and resolve specific issues faced by stakeholders in education on a daily basis.

**NAPTS aims to provide the following: development of partnership, culture of respect and cooperation among parents, educational workers and schools; strengthening the capacities of parents and educational workers for cooperation and participation in various mechanisms** – parent teacher clubs, parents’ councils, school boards, etc.; creating the discussion platform which brings together and directs parents and teachers, as well as other stakeholders – experts, decision makers, etc.; involving parents and educational workers in the development of educational policies and measures; promoting and supporting the education decentralisation process – strengthening the ties between the families, schools and the local community.

In two phases of the **“Kindergartens without Borders – Quality Inclusive Preschool Education in Serbia”** project, 11 new facilities have been renovated and equipped in 10 local self-government units, 20 educational groups with 436 children attending half-day programmes were opened, and analysis of the current situation in the field of preschool education and assessment of the capacities of the 10 local self-government units and 10 preschool institutions involved in the project have been completed.

**The “Early Childhood Education and Care – ECEC” project**, funded using the World Bank loan, foresees an increase in the number of children aged from 3 to 5.5 years (56% children aged 3 to 4, and 76% children aged 4 to 5.5). The aim of the project is to improve availability, quality and fairness of preschool education, especially for children from vulnerable social groups. This project worth 47 million euros is being implemented in the period from 2017 to 2022.

**The Preschool Education Practitioners Support Network was established**, i.e. the Decision of the Minister determined a list of persons to be included in the two-year training program with the aim of strengthening the professional capacities of persons employed in pre-school education, based on the analysis of the professional empowerment needs.

**The “Prevention of Early School Leaving from the Education System in the Republic of Serbia” Project** designed, piloted and evaluated the model for early identification of students at risk of dropping out, and reacting in a situation

<sup>294</sup> Available at: <https://www.unicef.rs/formirana-asocijacija-roditelja-i-nastavnika-srbije/>





**where the risk of dropout exists.** The results indicate that the 10 pilot schools from the territory of entire Serbia, selected on the basis of complex criteria that indicated that these are the schools with the highest risk of student dropping out, managed to significantly reduce the dropout of their students, compared to the period prior to the implementation of this model. The performance level of these schools with the most difficult working conditions suggests that this model can be successfully implemented in other schools that do not have the challenges of this scale.

**The analysis of the work of 10 interdepartmental commissions was conducted within the “Improving Professional Support in the Community – an Important Step in the Inclusion of Children” project** identifying the needs for additional training, and the most important trainings for the 10 selected interdepartmental commissions have been completed. The basic training for all 156 interdepartmental commissions in Serbia was developed and implemented on the basis of the analysis results and work with the aforementioned 10 interdepartmental commissions. The project included grants for assistive technology in 10 local self-governments to fund the assistive technologies recommended by the interdepartmental commissions, enabling higher level of educational inclusion for c. 400 children in 10 local self-government units.

**During the school year 2015/2016, 520 scholarships were awarded to Roma students from the first to the fourth grade of secondary education with average school achievement ranging from 2.5 to 3.5 through the IPA 2012 – TARI project.** The project continued in the school year 2016/2017, with 520 additional scholarships awarded. A total of 176 scholarships were awarded to Roma students who achieved excellent results (65% of them are girls) from the budget of the Republic of Serbia for 2015/2016, and in 2016/2017, 139 scholarships were awarded to Roma students who attend secondary schools and have achieved excellent results (60% of them are girls). The scholarship awarding process continued through the new project IPA 2014, and funds for 300 secondary school students have been provided from the budget of the Republic of Serbia. A total of 93 student scholarships and 34 student loans were allocated from the budget for the school year 2016/2017.

**A total of 201 mentors** who worked with Roma students enrolled in secondary schools on the basis of affirmative action measures, who have been scholarships beneficiaries in 2015/2016, **continued their mentoring in the school year 2016/2017.**

**Through the work of school administrations, MESTD initiated the practice of collecting data on the effects of affirmative action measures,** and the results show that more than 65% Roma students enrolled on the basis of affirmative action measures and have received mentoring support completed their secondary education.

During 2015, with the aim of improving the professional staff for implementation of the elective course “Roma language with elements of national culture”, MESTD in cooperation with the Centre for Continuing Education and Evaluation of the Faculty

of Philology of the University of Belgrade and the National Council of the Roma National Minority organized **a one-month course for Roma language teachers**. In the school year 2016/2017, a total of 2,264 pupils attended the elective course “Roma language with elements of national culture” in 72 primary schools in Serbia, and a total of 55 teachers are engaged for teaching this course.

By the decision of the Educational and Scientific Council of the Faculty of Philology of University of Belgrade, **teaching of Roma language is included in the basic academic studies as of April 15, 2015**, and within the Centre for Vocational Training and Evaluation, the Faculty organizes Roma language courses, thus enabling qualified teachers to obtain Roma language proficiency certificates, and take part in regular teaching in primary and secondary schools where the course “Roma language with elements of national culture” is taught.

#### 2.2.4. Conclusions

**The legislative framework in the field of education has been significantly amended and supplemented by introducing the new legislation and by-laws in the previous period**, and the Law on Dual Education was adopted in the Republic of Serbia for the first time.

**These amendments predominantly cover pre-university education. The new Law on Foundations of Education and Upbringing System more clearly defines the idea of equality in exercising the right to education and upbringing**, especially in relation to people with developmental problems or disabilities, students in difficult financial and social situations, children at risk of early school leaving, children of migrants/refugees. Furthermore, the Law more closely defines institutions' obligations in the context of providing additional support to students from vulnerable groups.

**The greatest novelty in the field of preschool education refers to the obligation of funding from the budget of local self-government units**, and amendments and supplements to the Law stipulate that local self-governments shall finance up to 80% share of the economic price per child.

**Primary education took a step backwards due to the amendments to the special law**. Even though the Law on Primary Education and Upbringing from 2013 abolished special classes for students with developmental problems or disabilities in primary schools, 2017 amendments to this Law allowed formation of classes/forms for children with developmental problems or disabilities as a type of segregation.

**The novelties defined by the Law on Amendments to the Law on Secondary Education include introduction of the state graduation exam, which should improve the quality of secondary education and enable students to reach the next level of education**, redefining the time students should spend at schools, and defining cross-curricular competencies at the end of secondary education based on key competencies.

**The importance of providing additional support for students at risk of early school leaving is recognized at a secondary school level as well,** and the law stipulates that individuals or groups of persons may enrol secondary schools under more favourable conditions in order to achieve full educational equality, especially having in mind the children from the Roma national minority communities and social welfare beneficiaries.

**In the field of higher education, the new legal framework further strengthened the objectives related to the development and improvement of the quality of higher education by establishing the National Council for Higher Education and the National Accreditation Body,** while the Ministry of Education, Science and Technological Development is obliged to take care of the harmonization of the system of education and upbringing of the Republic of Serbia with the European education development trends. However, the higher education funding system has not been modernized by the adoption of the new Law.

**The situation regarding the development of human capital in the Republic of Serbia still lags behind both the projections defined by the Strategy for Development of Education, and targets of the Europe 2020 strategy.** The percentage of people aged 30 to 34 years who completed higher education, as well as the percentage of adults aged 25 to 64 who participate in education and training is significantly lower compared to the set values, which consequently contributes to the general lack of key competencies and adequate qualifications of the working age population, thus limiting their employability. Although the number of young people who are a part of the system of higher education is at a satisfactory level, the fact that the higher education completion rate is extremely low is discouraging, which additionally contributes to the lower percentage of the population with completed higher education compared to Strategy projections.

**The number of children and pupils at different levels of the pre-university education system varies, especially given the children and students coming from the Roma national community and/or the poorest households.** A significantly smaller number thereof can be noted at the pre-school level, although the total number within this part of the system is slightly higher than in the previous period. Roma boys and girls are still underrepresented in higher education, although the applied affirmative measures continuously contribute to their greater inclusion in the system of secondary and higher education.

**The number of pupils in primary schools continues to decline due to the negative demographic trend, and the number of students in secondary schools remained stable during the previous period.** However, this process was not accompanied by the optimization of the existing network of educational institutions, although initial steps in the form of data collection and analysis have been taken, which shall serve as a basis for adequate optimization of the aforementioned network. Despite the envisaged introduction of compulsory secondary education prescribed by the

Strategy, the Republic of Serbia is one of the few countries with non-compulsory secondary education. The number of students enrolled in secondary schools as per the affirmative action measures increased in the previous period, but it is necessary to continue with implementation and monitoring of the effects of this measures.

**The fact that Serbia failed to participate in the *PISA* 2015 cycle disabled reporting and appropriate monitoring of the trend in the number of children regarded as functionally illiterate at the time of completing their compulsory education.**

Furthermore, it is not possible to compare Serbia with other countries when it comes to basic competencies of students in the field of language, mathematics and science. In 2018, Serbia re-joined the group of countries participating in the PISA assessments.

**Education continues to largely focus on the transfer of academic knowledge at all levels, as a result of which, young people who have just finished their education do not have developed key competencies which condition their active participation in society and the labour market.** It is envisaged that the implementation of the Law on dual education and establishment of a unique national qualifications framework will help reduce this trend.

**The education system still involves formal education,<sup>295</sup> and the importance of lifelong learning is not sufficiently recognized,** therefore a developed system of previous learning (non-formal and informal) validation does not exist. This is evidenced by the low percentage of working population involvement in the process, which is lower than both the Strategy projections and the EU 27 trends.

The analysis of student achievement based on the results of their final examination indicates the already established trend pursuant to which **about half of the district achieves significantly lower results in all three tests within the final examination.**

**The *TIMSS* achievement of Serbian fourth grade students continues to rank above the international average, and above the *TIMSS* scale,** and simultaneously, Serbia has made progress in comparison with the 2011 testing. If, in addition to the existing indicators of the state of the system in the 4th and 8th grade, we take into account the data obtained through external evaluation of institutions – that schools need the highest level of support in implementation of quality teaching and provision of conditions which encourage better educational performance of students, it is evident that the efforts of the professional community, as well as the decision-makers, must be directed towards the second cycle of primary education, and raising of efficiency and quality thereof.

<sup>295</sup> Formal education consists of pre-school education and non-compulsory (ISCED 0) education (except for the pre-school preparatory program in the year before a child is due to attend primary school), compulsory primary education (ISCED 1 and 2), various secondary education programs (ISCED 3) and higher education (ISCED 5, 6 and 7, EQF 6, 7 and 8), whereby education after the completed secondary education, which is not a part of the higher education (ISCED 4), is not sufficiently developed.

**The capacity of the educational system to respond to the educational needs of various sensitive social groups has been improved, but there is still room for further improvement.** Although a unique mechanism for recognizing and preventing early abandonment and dropout of children from the education system does not exist, the model for early identification of students at risk of dropping out and reacting in a situation where the risk of dropout exists has been designed, piloted and evaluated. Further implementation of this model requires support at the system level.

**Over the past years, monitoring and planning in education was made difficult due to the lack of a functional information system.** After several delays, the system has been implemented, which enabled the collection of data on institutions and employees at all levels of education.

### 2.2.5. Lines of Action

**The levels of education and competencies of the population of the Republic of Serbia are still inadequate, therefore achieving the goals set by the Strategy for Development of Education in Serbia 2020<sup>296</sup> seems impossible.** If human capital and education are perceived as one of the key factors of a country's economic development, and overall development of a society, general and long-term lines of action should focus on all segments of the education system (increasing the scope, quality, fairness and efficiency of the education system) at all levels thereof, and the action has to be intensified.

**During the previous period, measures have been set to support the inclusive approach in education at various levels of the system, but in order to maintain the sustainability of the achieved results and the dissemination of good practice, it is important to continue the work on strengthening the established mechanisms and monitor the performance thereof.** At the same time, it is necessary to continue the work on strengthening inclusion in schools by raising awareness of the benefits of inclusive education for the general public, improving employee competencies,

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<sup>296</sup> The key indicators defined by the Strategy for Development of Education in Serbia indicate that by 2020: all children aged 4 to 5.5 may attend free half-day education programs, and all children between the ages of 5.5 and 6.5 are included in half-day or full-day preschool programs; a minimum of 98% children enrolled primary schools, with a maximum dropout of 5%, so that 93% of the generation acquires primary education; a minimum of 95% children with completed primary education enrolled secondary schools, and 39% of the generation enrolled four-year vocational schools, 39% of the generation enrolled general secondary and art schools, and 10% enrolled other secondary vocational schools; a minimum of 95% students who enrolled four-year schools completed this level of education, and 74% of the generation acquired four-year secondary education; a minimum of 50% pursued higher education; 70% of enrolled students completed higher education studies, with a maximum of a one-year extension; c. 50% graduates (bachelor's degree) enrolled master studies, and a minimum of 10% students who completed their master studies enrolled PhD studies; a minimum 10% of doctoral study programs are implemented in cooperation with one of the international universities.

creating an inclusive environment and improving material resources for quality implementation of inclusive education.

**Legislation clearly recognizes the need to support the underprivileged students and their families** (e.g. prescribed affirmative measures upon enrolment of such students in high schools). The same measures have been introduced for Roma national minority pupils and higher education students, and even though significant results have been achieved, it is necessary to continuously work on increasing the level of education in the Roma population, and to fully engage Roma children in the education system, while establishing new and improving the existing support mechanisms. **Monitoring and reporting system on the level and quality of education in Roma boys and girls still does not exist and it is necessary to develop it.**

Although the number of Roma children in special schools has been reduced since the beginning of implementation of the measures in 2010, it is necessary to proceed in this direction.

In addition to the above, **it is necessary to redefine the criteria for granting student loans and scholarships in relation to the needs of these social groups.** Support measures for socially excluded groups should also be improved (underprivileged, from rural areas, students with disabilities, Roma students, etc.) at the level of university education. The criteria for granting scholarships and loans at the level of university education still do not sufficiently take into account the specificities of these groups of students.

In addition to the legislation that recognizes the need to prevent dropout of children from the education system, **it is necessary to institutionalize mechanisms for early recognition of children who are at risk of leaving the education system** and reacting in a situation where the risk of dropout exists.

**Implementation of the unique information system will improve the process of collecting the data about the institutions within the education system, but this system needs to be improved by establishing quality control mechanisms of the collected data.** Implementation of this information system was one of the key preconditions for both improving the process of educational measures planning and implementation, and the Education Development Strategy goals achievement monitoring. However, the existence of the information system is not inherently sufficient to change the way of creating policies and measures in the field of education, or to establish the practice of informed creation of educational policies. This means that, in the forthcoming period, it is of the utmost importance to intensify the work on capacity building of the people employed in institutions involved in creation of educational policies for decision-making based on reliable and valid data and facts.

**One of the primary goals at all levels of education defined by both the Strategy and the Action Plan is to improve the quality of the process and outcomes of education.** The prerequisite for this to happen is **continuous orientation of the**



**education system towards the development of students' key** competences through improving the quality of curricula, so they can contribute to development and quality of the learning outcomes. So far, this element has not been present to a greater extent in the system. In addition to the above, external school evaluation reports indicate the necessity to support the teachers in terms of developing their competencies in order for them to be able to provide students with the kind of support they need to develop their key competencies and achieve educational standards. Consequentially, this means that it is necessary to continue the work on improving the system of teacher education so as to ensure the proper level of teacher education both in terms of academic disciplines, and in terms of psychological, pedagogical and methodological competencies.

**The system of continuing professional development for teachers and training offer is still based on the market offer** and does not comply with the real needs of the teachers. In addition to the above, an effective system for monitoring the effects of professional development does not exist, therefore it is recommended to establish this system as soon as possible.

**Further work on removing discriminatory content from individual textbooks is necessary, and appropriate professional development programmes need to be elaborated** in the field of children and human rights, non-discrimination, gender equality and nonviolence, and in cooperation with representatives of the councils of national minorities, it is necessary to continuously ensure the availability of all the necessary textbooks for students who learn in their mother tongue throughout their entire education.

**It is necessary to change the funding model at all levels of education,** in order to improve efficiency, effectiveness and fairness by improving education system management and targeted measures. In its report on Serbia, the European Commission noted that additional investments in the field of pre-school and primary education are much needed, and the level of allocation for science remained at the same low level (under 1% GDP).

**Ongoing activities related to optimization of the network of educational institutions are a significant measure, which is expected to contribute to the increased efficiency of the education system.** The number of classes/forms remained the same, although analyses indicate that 400 students or less enrol almost half of the primary schools in Serbia. Bearing in mind that these schools are not the only schools in the territory of local self-governments, the support for increased efficiency of the education system should be sought in the application of certain measures of optimization within this group of schools, while respecting the local context and legal regulations which relate to the distance between schools. However, when implementing these changes, care must be taken to prevent an increase in the economic efficiency of the education system that might deepen the major regional and social inequality in terms of fairness and quality of education.

The number of children in pre-school education is inadequate. In this regard, it is necessary to ensure an increase in coverage and fairness within this part of the system in order to achieve the target values defined by the **Education Development Strategy**. These values include full coverage of the compulsory pre-school program, free pre-school program for all children in the duration of four hours per day in the year prior to compulsory pre-school program, increased coverage of younger children with a special emphasis on increased involvement of vulnerable social groups and development of additional capacities and diversified programmes for families and children. **In particular, measures are needed to enhance the participation of Roma children and the poorest stratum of society.** It is necessary to strengthen local self-governments, primarily for planning and optimizing the network of preschool institutions, as well as for establishing an efficient funding process and developing cooperation with the private sector.

**The work should continue to focus on linking vocational education to the needs of the labour market,** and in that sense, it is important to continue the work on improving the quality of programmes for individual educational profiles. At the same time, it is necessary to reform the preparatory education [grammar schools].

**It is necessary to work on an increase in the number of secondary school students who pursue and complete their education at higher education institutions within the stipulated time frame,** which should be supported by the continuation of work in the segment of professional orientation, career counselling and guidance.

The work on the functional **National Qualification Framework** started, which integrates all levels of education, and has been created in close cooperation with the National Employment Service and other relevant stakeholders. However, **it is necessary to make sure this process runs without major interruptions, and the Framework should be incorporated in the regulations governing the education system as soon as possible.** That way, the working population of the Republic of Serbia will become more competitive in the global labour market as the recognition of competences acquired outside formal education will be enabled. In addition, this shall provide a framework for increasing the engagement of the adult population in one of the adult education and lifelong learning programmes, in accordance with the lines of action defined by the Education Development Strategy.

**It is necessary to continue with ongoing participation of representatives of the Republic of Serbia in various European programmes:** Open method of coordination, Erasmus+, Horizon 2020, and to continuously work on our institutional capacity building in order to use these programmes as effectively as possible.



## 2.3. Social and Child Protection

### 2.3.1. Legal and Strategic Framework in the Republic of Serbia

The legal framework in the sphere of social and child protection includes primarily the **Law on Social Protection**,<sup>297</sup> the **Law on Financial Support to Families with Children**<sup>298</sup> and the **Family Law**.<sup>299</sup>

The **Law on Social Protection** was passed in 2011. It regulates the entitlement to cash benefits targeting the poor (financial social assistance, one-off assistance), benefits for persons with disabilities (attendance allowance and augmented attendance allowance), social care services, institutions and service providers, quality control mechanisms and competencies for the establishment and funding of social protection.

Two missing bylaws important for the implementation of the Law on Social Protection were adopted in recent years: the **Decree on Earmarked Transfers in Social Protection**<sup>300</sup> and the **Decree on Social Inclusion Measures for Financial Social Assistance Recipients**.<sup>301</sup> The Decree on Earmarked Transfers sets the transfer amounts, the criteria for their allocation, as well as the criteria for local government units' (LGU) contributions. Earmarked transfers provide additional funds from the national budget for social care services within the local government mandate. The Decree specifies that the funds are intended for social care services in underdeveloped local government units, in municipalities in which residential institutions under transformation are located, and for innovative services and social care services of particular importance for the Republic of Serbia. The Decree stipulates that the latter group comprises services to provide support for the preservation of birth families and for children to remain in their families, as well as support for the elderly aged 65+ in rural and sparsely populated areas. The Decree on Social Inclusion Measures specifies forms of activation of financial social assistance recipients, such as participation in formal and non-formal education, employment, health treatment and community service or community work. The centre for social work concludes an agreement with the beneficiary, specifying the beneficiary's activities and obligations and providing for the possibility of reducing or terminating the entitlement to financial social assistance in the event of unjustified non-performance. A number of non-governmental organisations has launched the initiative to assess the constitutional compliance of this Decree.

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<sup>297</sup> Official Gazette of RS No 24/11.

<sup>298</sup> Official Gazette of RS Nos 16/02, 115/05 and 107/09.

<sup>299</sup> Official Gazette of RS Nos 18/05 and 72/11.

<sup>300</sup> Official Gazette of the RS No 18/16.

<sup>301</sup> Official Gazette of the RS No 112/14.

With regard to safeguarding living standards in the situation of price liberalisation, a significant step was the adoption of the **Decree on Protected Energy Customers and Vulnerable Heating Customers**<sup>302</sup>, applicable since 2014.

The **Law on Financial Support to Families with Children** was passed in 2002 and slightly amended in 2005 and 2009. The Law defines cash benefits aimed at protecting poor families with children (child allowance) and benefits aimed at the reconciliation of work and parenthood, as well as support to childbearing (birth-related leave benefit and birth grant). **The new Law on Financial Support to Families with Children**<sup>303</sup> was passed in December 2017 and became applicable in mid-2018.

The **Family Law** was passed in 2005, with minor amendments in 2011. This Law governs marriage and relations in marriage and domestic partnership, relations between child and parents, adoption, foster care, guardianship, maintenance, property relations in the family, protection against domestic violence etc.

Other laws and bylaws relevant to the area of social and child protection include the **Law on the Use of Sign Language**<sup>304</sup> and the **Law on Movement Using Guide Dogs**<sup>305</sup> passed in 2015, and the **Law on the Prevention of Domestic Violence**<sup>306</sup> passed in late 2016 and introducing two major changes from the social protection aspect. Firstly, the **Law introduces the principle of “zero tolerance to violence” and provides for emergency orders**, including barring the perpetrator from home and from contacting the victim, even when there is “only” imminent danger of violence. Such legal provisions enable the victim to recover and gain independence and provide prerequisites for more efficient support through social care services. Secondly, the Law stipulates cross-sectoral cooperation and foresees that public prosecutors’ offices, the police and centres for social work, as authorities with mandate to combat violence, should consider cases jointly and cooperate through a joint body – the Coordination and Cooperation Group.

**The strategic courses in the sector are defined in the Social Protection Development Strategy**<sup>307</sup>, which was adopted back in 2005 and due to be revised next year. Many other strategic documents relevant to the area of social and child protection are outdated, especially local ones, and some, such as the **Birth Promotion Strategy (2007)**, are under revision. The revised Strategy was adopted in March 2018. Some strategic documents, such as the **National Strategy on Ageing**, have

<sup>302</sup> Official Gazette of RS Nos 90/13 and 82/15– amended by Constitutional Court decision. For more information about this benefit, see the “Housing” section of this Report.

<sup>303</sup> Official Gazette of the RS No 113/17.

<sup>304</sup> Official Gazette of the RS No 38/15.

<sup>305</sup> Official Gazette of the RS No 29/15.

<sup>306</sup> Official Gazette of the RS No 94/16.

<sup>307</sup> Official Gazette of the RS No 108/05.

been subjected to evaluation.<sup>308</sup> The new **Strategy for Social Inclusion of the Roma in the Republic of Serbia 2016–2025**<sup>309</sup> was adopted in 2016.

The **Employment and Social Reform Programme in the EU accession process (ESRP)** was adopted in mid-2016.<sup>310</sup> The Programme analyses the challenges, future changes and reforms in the areas of labour market and employment policy, human capital and skills development policy, as well as social inclusion and social protection policy, including the pension and health care systems. The Employment and Social Reform Programme is envisaged as a strategic process, which will accompany the European integration process as the key mechanism for dialogue on the priorities in the areas of social policy and employment and is modelled after the Europe 2020 strategy.

The Employment and Social Reform Programme is of outstanding importance for the area of social and child protection, since it set the direction and pace of reforms. A report on the implementation of the planned measures and activities is expected to be prepared by the end of 2018.

### 2.3.2. State of Affairs in the Area

The situation in this area is monitored through relevant indicators.<sup>311</sup>

**The key cash benefits targeting the poor in the Republic of Serbia's social and child protection system are financial social assistance and child allowance.**

**Financial social assistance (FSA)** is a minimum-income-type benefit. Assistance amounts equal the balance to the legally defined income level, differ by household size and age structure, and are uprated by the consumer price index twice per year. Households without members able to work and single-parent families are entitled to augmented financial social assistance, 20% higher than the basic amount. Assistance amounts are not increased for families of more than six members, and households with a majority of members able to work are eligible for up to nine months in a calendar year.

According to the European Social Policy Network study on minimum income schemes in Europe, **Serbia is among countries with schemes that are simple**, not

<sup>308</sup> Kozarčanin, L., Milojević, S. (2016), *Evaluacija primene Nacionalne strategije o starenju Vlade Republike Srbije 2006–2015. i predlozi za novi strateški okvir: izveštaj o radu na okruglim stolovima*, Populacioni fond Ujedinjenih nacija (UNFPA), Beograd.

<sup>309</sup> Official Gazette of the RS No 26/16.

<sup>310</sup> <http://www.minrzs.gov.rs/lat/aktuelno/program-reformi-politike-zaposljavanja-i-socijalne-politike-u-procesu-prist447cd5bb31b5d1565483b1a42.html>

<sup>311</sup> For more information about indicators, see the publication of the Social Inclusion and Poverty Reduction Unit of the Government of Serbia (2017), *Monitoring Social Inclusion in Serbia – Third revised edition*, [http://socijalnoukljucivanje.gov.rs/wp-content/uploads/2017/10/Pracenje\\_socijalne\\_ukljucenosti\\_u\\_Republici\\_Srbiji\\_trece\\_dopunjeno\\_izdanje.pdf](http://socijalnoukljucivanje.gov.rs/wp-content/uploads/2017/10/Pracenje_socijalne_ukljucenosti_u_Republici_Srbiji_trece_dopunjeno_izdanje.pdf)

confined to specific categories, but with restricted eligibility and coverage. This group also includes Austria, Greece (the scheme is still being established), Croatia, Lithuania, Hungary, Portugal and some regions of Spain.<sup>312</sup>

**In contrast with many European Union Member States, in the Republic of Serbia assistance amounts are not tied to a national living standard threshold, and weights assigned to children are low, especially when it comes to older children.**<sup>313</sup> This weakness is, to an extent, compensated by the child allowance, available to children from financial social assistance recipient families if they attend school regularly. In comparison with European Union Member States, a significant difference is recipient activation, for which Serbia provided legal grounds only upon adoption of the Decree in 2014.

**In 2017, financial social assistance was received by over 104 thousand households, with over 260 thousand adults and children, or 3.7% of the total population.** The overall financial social assistance coverage rate did not change substantially relative to the preceding reporting period; however, it rose by over 50% relative to the period prior to the legal changes of 2011, when it stood at 2.3%. During a year, the number of recipients varies as a result of three-month interruptions for individuals able to work and families with a majority of members able to work.

**An analysis of the breakdown of recipients by age reveals a disproportionately high share of children (36.3%, compared to 17.3% in the total population), and a disproportionately low share of those over 65 years of age (5.6%, compared to 19.5%).** This is certainly a result of the higher child poverty in Serbia, as well as of other barriers that hamper the elderly population's access to assistance (in particular the land ownership ceiling and insufficient awareness).<sup>314</sup> The breakdown of financial social assistance recipients by sex is balanced and consistent with the overall population structure.

<sup>312</sup> Frazer, H. and Marlier, E. (2016), *Minimum Income Schemes in Europe: A study of national policies 2015*. European Social Policy Network (ESPN), European Commission, Brussels.

<sup>313</sup> Ibid. Matković, G., Mijatović, B., Stanić, K. (2013), *Novčana davanja za decu i porodice sa decom u Srbiji – analiza i preporuke*, Centar za liberalno-demokratske studije – Centar za socijalnu politiku – UNICEF, Beograd.

<sup>314</sup> Satarić, N. i grupa autora (2013), *Analiza primene Zakona o socijalnoj zaštiti u delu novčanih socijalnih pomoći i cost-benefit analiza servisa pomoć u kući za stara lica*, Udruženje građana „Snaga prijateljstva” – Amity, Beograd (Matković, G., Petrović, M. (2012), *Life under the line: Determinants of low take up of FSA in Serbia*, Beograd, p. 16).

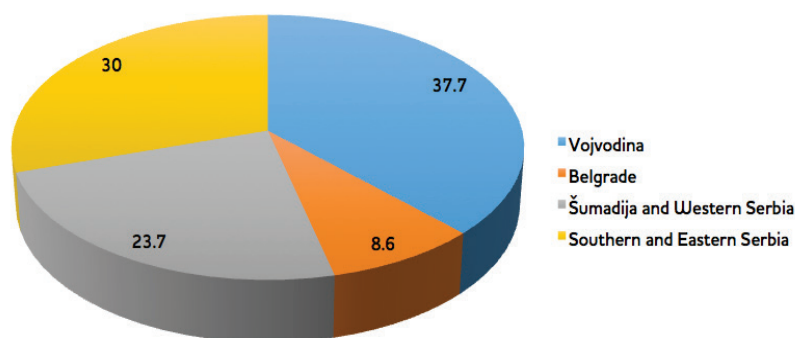
**Table 41. Number of recipients and annual expenditures on FSA (in RSD million and % of the GDP), in 2010 and in 2014-2017**

| Year | No of recipients – annual average |             | Annual expenditures |                  |
|------|-----------------------------------|-------------|---------------------|------------------|
|      | Households                        | Individuals | RSD million         | Ratio to the GDP |
| 2010 | 65,816                            | 167,914     | 5,147.8             | 0.18             |
| 2014 | 107,570                           | 275,309     | 14,416.1            | 0.37             |
| 2015 | 105,064                           | 263,893     | 14,103.8            | 0.35             |
| 2016 | 106,439                           | 268,010     | 14,304.1            | 0.34             |
| 2017 | 104,276                           | 260,759     | 14,510.7            | 0.33             |

Source: Ministry of Labour, Employment, Veteran and Social Affairs

In line with the data on poverty, **the vulnerable groups protection rate was the lowest in Belgrade** (1.3% of the population of this region received financial social assistance). In the Autonomous Province of Vojvodina and the Eastern and Southern Serbia Region, the rate stood at approximately 5.0%, while in the Šumadija and Western Serbia Region, approximately 3% of the population were covered by protection. The breakdown of financial social assistance recipients by statistical regions is shown in Figure 6.

**Figure 6. Number and breakdown of FSA recipients (individuals) by statistical regions in 2017**



Source: Ministry of Labour, Employment, Veteran and Social Affairs

**According to the World Bank data, the coverage of the vulnerable population was low – financial social assistance was received by only 11% of the poorest quintile.**<sup>315</sup> These findings are supported by the targeted processing of the Survey on Income and Living Conditions – SILC (2016) data for the purposes of the National Report. According to the SILC (2016) data, the coverage of individuals from

<sup>315</sup> World Bank (2017) Republic of Serbia, *Restructuring and Right Sizing Project Vertical Review of Ministry of Labor – Review of Social Assistance Programs in Serbia*

the poorest income quintile stood at 10.5%, the coverage of individuals at risk of poverty – at 9.4%, and the coverage of severely materially deprived individuals – at 11.8% (Annex 1, Table 10. FSA recipient individuals as a proportion of total vulnerable population, 2013–2016). The low coverage is partly a result of the relatively broad definition of vulnerability, given that the number of people in the poorest quintile exceeded 1.4 million, that the same number of people were affected by severe material deprivation, and that 1.8 million people were at risk of poverty.

**Under the conditions of perfect targeting** (if assistance were provided only to those who are poor and to none of the more affluent), **the coverage rate of poor people by the absolute consumption poverty criterion could be 53%** (492,306 individuals who are poor by the absolute poverty criterion<sup>316</sup>, compared to 261,614 who received financial social assistance in 2016). The incomplete coverage is primarily a result of the low income ceiling<sup>317</sup> and land ownership ceiling, as well as of a combination of many requirements that inevitably lead to a small number of those who meet all requirements simultaneously.

According to the UNICEF MICS<sup>318</sup> survey data, **the coverage rate of vulnerable Roma population was fairly high**. In 2014, in Roma settlements, almost one out of two households – and as many as 63.8% of those poorest according to the wealth index – received financial social assistance.<sup>319</sup>

This survey also showed that, **for most citizens, insufficient awareness and complicated administrative procedures did not present obstacles**; however, the reasons why less educated and poorer people, especially those from Roma settlements, did not apply for assistance were important (with regard to reasons for not applying for financial social assistance, as many as one quarter of the poorest Roma households cited “being told orally that they did not meet the requirements”, and another quarter cited “complicated administrative procedures” as the primary reason).<sup>320</sup>

**Targeting in terms of vertical efficiency is very good, even on a par with the highest-developed countries, according to World Bank assessments.**<sup>321</sup> According to the SILC (2016) data, the poorest income quintile received approximately 60%

<sup>316</sup> Mladenović, B. (2017), *Poverty in the Republic of Serbia 2006–2016 – Revised and New Data*, Belgrade, Social Inclusion and Poverty Reduction Unit, Government of the Republic of Serbia.

<sup>317</sup> For an individual, it is lower by one third than the absolute consumption poverty threshold.

<sup>318</sup> Statistical Office of the Republic of Serbia and UNICEF (2014), *2014 Serbia Multiple Indicator Cluster Survey and 2014 Serbia Roma Settlements Multiple Indicator Cluster Survey*, Final Report, Belgrade.

<sup>319</sup> Statistical Office of the Republic of Serbia and UNICEF (2014), *2014 Serbia Multiple Indicator Cluster Survey and 2014 Serbia Roma Settlements Multiple Indicator Cluster Survey*, Final Report, Belgrade, p. 240.

<sup>320</sup> Ibid.

<sup>321</sup> World Bank (2017) Republic of Serbia, *Restructuring and Right Sizing Project Vertical Review of Ministry of Labor – Review of Social Assistance Programs in Serbia*

of the total funds of the financial social assistance scheme (Annex 1, Table 11. FSA funds awarded to recipients from a given (income) quintile as a proportion of total FSA expenditure). During the observed period, this indicator somewhat deteriorated, especially in comparison with the SILC (2013) data, when the corresponding value stood at 74%.

**According to the data for 2017, on average, the basic monthly financial social assistance amounted to RSD 8,121 (PPS 130),<sup>322</sup> while the augmented amount was RSD 9,745 (PPS 156).** For an individual or the right holder in a household, the maximum assistance amount is equal to the basic amount, each additional adult member is awarded 50% of the basic amount, and each child up to the age of 18 – 30%.

A European Union context indicator showing **the net social assistance income as a proportion of the at-risk-of-poverty threshold for three types of households**<sup>323</sup> is calculated only for countries with non-categorical schemes. **In the Republic of Serbia, this indicator stood at 0.61% in 2015 for all three household types receiving augmented financial social assistance and 0.51% for those receiving the basic amount** (Table 42). This means that families with financial social assistance as the sole income source received half or 40% less funds compared to the amount needed to reach the at-risk-of-poverty threshold. The missing amounts were slightly higher than in the preceding period. Among the European Union Member States for which similar data are available, lower proportions were recorded in Bulgaria, Latvia, Poland, Romania and Slovakia in 2013.<sup>324</sup>

**Benefit adequacy is also unsatisfactory when assistance amounts are assessed from the aspect of the ability to meet the basic needs, i.e. being lifted out of absolute consumption poverty.** Indeed, as shown in Table 42, the at-risk-of-poverty threshold and the absolute poverty threshold differed very little for families with children, owing to higher equivalence scales applied for absolute poverty calculation in the Republic of Serbia.<sup>325</sup>

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<sup>322</sup> In this part of the Report, dinar amounts have been converted into the artificial currency PPS based on the HFCE (Household final consumption expenditure), whose value for the Republic of Serbia stood at 62.3 in 2017. Source: Eurostat database Tables *Purchasing power parities (PPPs), price level indices and real expenditures for ESA 2010 aggregates*.

<sup>323</sup> Overarching portfolio and Social inclusion portfolio

<sup>324</sup> Frazer, H. and Marlier, E. (2016), *Minimum Income Schemes in Europe: A study of national policies 2015*, European Social Policy Network (ESPN), European Commission, Brussels.

<sup>325</sup> In the calculation of absolute consumption poverty, the OECD equivalence scale is used in Serbia; according to this scale, additional adults and older children are assigned the weight of 0.7, and children up to 14 years of age – the weight of 0.5. In the calculation of the at-risk-of-poverty threshold by income, the corresponding weights are lower, at 0.5 and 0.3 respectively.

**Table 42. Monthly FSA amounts for certain household types, absolute poverty threshold and at-risk-of-poverty threshold (in RSD), net FSA income as a proportion of the at-risk-of-poverty threshold (in %), 2015**

|   | Basic amount | Augmented amount | Absolute poverty threshold | At-risk-of-poverty threshold | Net FSA income as a proportion of the at-risk-of-poverty threshold* |
|---|--------------|------------------|----------------------------|------------------------------|---|
| Individual                                    | 7,843        | 9,412            | 11,556                     | 15,416                       | 0.51-0.61   |
| Single-parent family with two children (0-13) | -            | 15,059           | 23,112                     | 24,666                       | 0.61  |

Source: Calculation for the purposes of this Report based on the data of the Ministry of Labour, Employment, Veteran and Social Affairs, the Statistical Office of the Republic of Serbia (SILC 2016) and the Social Inclusion and Poverty Reduction Unit.

Note: Single-parent families always receive the augmented amount.

\* The data on the at-risk-of-poverty threshold are based on the SILC (2016), which refers to income in 2015.

If financial social assistance adequacy is assessed from the aspect of (dis)incentivising work, **the ratio of the transfer amount to the net minimum wage<sup>326</sup> stood at 37% for an individual able to work.** Only families with four children received financial social assistance amounting to the minimum monthly wage. In addition, it should be noted that annual assistance amounts are less adequate for households with a majority of members able to work, given that they are eligible for only nine months in a calendar year.

Finally, in 2017, **the assistance amount for an individual unable to work reached 91% of the pension under farmers' insurance**, which constitutes a natural limit for further increase of financial social assistance, considering that assistance amounts should not exceed the entitlement acquired by individuals on the grounds of several decades' payment of contributions, albeit low ones. In the coming period, as in recent years, this difference can be expected to decrease further, given the regular indexation of assistance amounts, on the one hand, and decelerated pension growth, on the other.

With regard to adequacy, it is not enough to consider only the assistance received by the poor in the form of financial social assistance, in view of various other benefits for which this entitlement often constitutes the "passport", as it were. **Financial social assistance recipients are eligible for the status of protected energy customer, entitled to a reduction in monthly electricity or gas bills, health care and, as a rule, also child allowance if the child attends school regularly.** Other types of assistance may vary between local government units; in most cities and municipalities, financial social assistance recipients are entitled to different types of one-off cash assistance

<sup>326</sup> The net minimum monthly wage amounted to, on average, RSD 22,533 in 2017.





or in-kind benefits such as free-of-charge meals in soup kitchens, free-of-charge textbooks, clothing and footwear for children, reduction in utility bills and the like.

No information is currently available about the profile of financial social assistance recipients and characteristics of households in which they live, or about the reasons preventing their exit from extreme poverty.

**Expenditures on financial social assistance totalled RSD 14.5 billion (0.33% of the gross domestic product) in 2017.** Compared to the long-standing trend before the legislative changes in 2011, the ratio of expenditures on financial social assistance to the gross domestic product almost doubled. According to the most recent Eurostat data available, in the EU-28, the average ratio of allocations for means-tested income support cash benefits, within the social exclusion not elsewhere classified function, stood at 0.2% of the gross domestic product in 2014.<sup>327</sup>

According to World Bank findings, **in terms of cost efficiency, financial social assistance is the best performing one among the social schemes funded from the national budget.** The cost-benefit ratio, showing the reduction in (at-risk-of-) poverty depth for every dinar spent on the given scheme, stood at 0.85.<sup>328</sup>

**The child allowance is awarded in equal amounts to the first four children in the family, is subject to a means test and conditional upon regular school attendance.**

Children with disabilities and children in single-parent, foster and guardian families receive the augmented amount (30% higher).<sup>329</sup> In 2017, the child allowance income ceiling was higher than that for financial social assistance (RSD 8,555 or PPS 137.3 per household member per month); for augmented child allowance, the income ceiling was 20% higher. The ceiling level allows families at risk of poverty with more than one child to qualify for the child allowance by the income criterion. The child allowance is not awarded to children beyond the fourth in birth order, and the age limit is set at 19, and, as an exception, 26 for children with disabilities. Child allowance amounts and the income ceiling are uprated by the consumer price index twice per year. The entitlement is funded from the national budget and administered by local government services.

**The child allowance scheme targeting only poor families with children is present in approximately one third of European Union Member States:** Croatia, the Czech Republic, Poland, Portugal, Slovenia, Cyprus, Italy, Lithuania and Bulgaria.<sup>330</sup> In the

<sup>327</sup> Eurostat database *Tables by benefits – social exclusion n. e. c. function, income support* (means-tested).

<sup>328</sup> World Bank (2017) *Republic of Serbia, Restructuring and Right Sizing Project Vertical Review of Ministry of Labor – Review of Social Assistance Programs in Serbia*.

<sup>329</sup> In 2017, still under the legal provisions before the legislative changes of December 2017.

<sup>330</sup> Eurostat database *Tables by benefits – family/children function*. In Bulgaria, the universal child allowance is awarded only to children with disabilities, while the majority of the scheme is subject to a means test.

other Member States, the child allowance is a universal entitlement, or the universal component is accompanied by one targeting poorer families with children.

**In 2017, the child allowance was received by approximately 342 thousand children and youth in the Republic of Serbia, of whom approximately 72 thousand received the augmented amount.** The overall coverage rate of children and youth up to the age of 19 stood at approximately 21%. During the observed period and in comparison with the preceding reporting period, a downward tendency was observed both in the number of recipients and the coverage by this entitlement. Under the conditions of perfect targeting and without the regular school attendance requirement, the coverage should be 30% if the goal of the scheme were to award the allowance to all children at risk of poverty. The coverage is considerably lower for secondary-school-age children and youth owing to the regular school attendance requirement.

**Table 43. Number of child allowance recipients, coverage (%), monthly allowance amounts (RSD) and annual expenditures (RSD million and % of the GDP), 2014-2017**

| Year | No of recipients   |          |                      | Monthly amount (basic) | Expenditure         |                  |
|------|--------------------|----------|----------------------|------------------------|---------------------|------------------|
|      | Children and youth | Families | Coverage rate (0-18) |                        | Total (RSD million) | Ratio to the GDP |
| 2014 | 384,315            | 204,818  | 23.6                 | 2,595                  | 12,997.3            | 0.33             |
| 2015 | 370,718            | 196,801  | 22.8                 | 2,641                  | 12,768.5            | 0.32             |
| 2016 | 359,411            | 189,509  | 22.1                 | 2,662                  | 12,428.5            | 0.30             |
| 2017 | 342,248            | 178,591  | 21.0                 | 2,734                  | 12,343.4            | 0.28             |

Source: Ministry of Labour, Employment, Veteran and Social Affairs, Statistical Office of the Republic of Serbia

Note: The coverage is calculated with reference to the 0-18 cohort, since the entitlement is granted to children and youth up to the age of 19.

According to the SILC (2016) data, **the child allowance coverage rate of children at risk of poverty (0-17) stood at approximately 45%**, and the coverage rate of children living in severely materially deprived households – at 53% (Annex 1, Table 12. CA recipient children (0-17) as a proportion of total vulnerable children (0-17), 2013-2016).

Since 353 thousand children received the child allowance in 2016, the scheme could theoretically cover all 110 thousand children who are poor by the absolute consumption poverty criterion.<sup>331</sup>

**The coverage of children from Roma settlements is high for primary-school-age children and low for secondary-school-age children.** According to the MICS

<sup>331</sup> Mladenović, B. (2017). *Poverty in the Republic of Serbia 2006-2016 – Revised and New Data*, Belgrade, Social Inclusion and Poverty Reduction Unit, Government of the Republic of Serbia.

data, of all primary-school-age children in Roma settlements, over 70% received the child allowance in 2014, while the coverage rate of secondary-school-age children was below 30%.<sup>332</sup> The explanation for this difference in coverage rates is clearly linked to Roma children quitting education at older ages. The MICS findings show that complicated administrative procedures remained a major obstacle for the poorest and less educated parents, especially in Roma settlements.<sup>333</sup>

**According to World Bank assessments, the child allowance is well targeted in terms of vertical efficiency.**<sup>334</sup> The SILC (2016) data show that over 70% of the total funds for this scheme were received by the population in the first (poorest) and second quintiles (Annex 1, Table 13. CA funds awarded to recipients from a given (income) quintile as a proportion of total CA expenditure). As is the case with the financial social assistance scheme, a slight deterioration in targeting occurred during the observed period.

According to World Bank data, **poverty implications are not insignificant** – without the child allowance scheme, the at-risk-of-poverty rate would increase by 0.8 percentage points.<sup>335</sup>

**In 2017, on average, the basic child allowance amounted to RSD 2,734 (44 PPS), while the augmented allowance amounted to RSD 3,554 (57 PPS).** As this benefit is aimed at poverty reduction, its adequacy could also be assessed against the (at-risk-of-) poverty threshold. In 2016, for children up to the age of 14, the basic child allowance amounted to about one half of the consumption attributed to children in families whose total consumption was equal to the poverty threshold.<sup>336</sup> For older children, the allowance amounted to only one third of the relevant amount.

**In comparative terms, the child allowance amounts are not low when compared to Central and Eastern European EU Member States.**<sup>337</sup> Out of the 11 countries in this region, only Slovenia, Croatia, Estonia and Hungary award higher amounts to

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<sup>332</sup> Statistical Office of the Republic of Serbia and UNICEF (2014), *2014 Serbia Multiple Indicator Cluster Survey and 2014 Serbia Roma Settlements Multiple Indicator Cluster Survey*, Final Report, Belgrade, p. 244.

<sup>333</sup> *Ibid.*

<sup>334</sup> World Bank (2017) Republic of Serbia, *Restructuring and Right Sizing Project Vertical Review of Ministry of Labor – Review of Social Assistance Programs in Serbia*

<sup>335</sup> *Ibid.*, pp. 27.

<sup>336</sup> In 2016, the absolute poverty threshold stood at RSD 11,694 per equivalent adult and the OECD equivalence scale was applied. The weight of 0.5 applied to a child up to the age of 14, and 0.7 to an older child. The at-risk-of-poverty threshold stood at RSD 15,416 and the OECD-modified equivalence scale was applied. The weight of 0.3 applied to a child up to the age of 14, and 0.5 to an older child. For data sources, see the section on Financial Poverty and Deprivation of Basic Needs.

<sup>337</sup> Central and Eastern European EU Member States include: Bulgaria, Croatia, the Czech Republic, Estonia, Latvia, Lithuania, Hungary, Poland, Romania, Slovakia and Slovenia.

two-parent families with one child of a younger age than Serbia, expressed in units of the same purchasing power.<sup>338</sup>

**In 2017, the expenditures on child allowance totalled approximately RSD 12 billion, or 0.28% of the gross domestic product,** which constitutes a gradual decline in the ratio compared to previous years. **This ratio was considerably lower than in the European Union** (1.1% of the gross domestic product in 2014),<sup>339</sup> as expected, in view of the universal entitlement in most countries and a different aim of this benefit (cost compensation or life-cycle consumption smoothing). In 2014, lower ratios than in Serbia were recorded in Lithuania, Latvia, Spain and Poland.<sup>340</sup>

**Cash benefits for children and adults with disabilities include the attendance allowance and the augmented attendance allowance.** They target children and adults who are unable to independently perform activities of daily living as a result of illness or disability, regardless of their material status. Children and adults with the most severe disabilities receive the augmented attendance allowance. The attendance allowance and the augmented attendance allowance are within the central government mandate and are funded from the national budget. Under the law, their amounts are regularly updated by the consumer price index twice per year. Active insured persons or pension recipients are entitled to the insurance-based allowance within the pension and disability insurance system, while the augmented allowance is available to them within the social protection system as a top-up. The eligibility assessment procedure is conducted by expertise authorities under the Pension and Disability Insurance Fund.

**The long-term care and assistance system in Serbia predominantly relies on cash benefits and allowances, and to a lesser extent on support services, which is the case in a number of other European countries (Germany, Austria).** Compared to the systems in the highest-developed countries, a specific feature of Serbia's system is the presence of only two benefit levels (attendance allowance and augmented attendance allowance), rather than multiple, differentiated benefit amounts; however, the main difference is the application of medical instead of functional criteria in eligibility assessment.<sup>341</sup>

**Within the social protection system, approximately 16 thousand individuals received the attendance allowance, and approximately 35.9 thousand received the augmented attendance allowance.** Recipients with the most severe disabilities included over 20 thousand top-up recipients who received the basic allowance under the pension and disability insurance system. During the observed period, the number

<sup>338</sup> Source: MISSOC Comparative Tables Database.

<sup>339</sup> Eurostat database *Tables by benefits – family/children function*.

<sup>340</sup> *Ibid.*

<sup>341</sup> Matković, G., Stanić, K. (2014), *Socijalna zaštita u starosti: Dugotrajna nega i socijalne penzije*. Beograd, Tim za socijalno uključivanje i smanjenje siromaštva, Centar za socijalnu politiku, Fakultet za ekonomiju, finansije i administraciju.

of allowance recipients decreased, while the number of augmented allowance recipients remained unchanged.

**An analysis of the age structure of the recipients of both entitlements shows that in 2017 the proportion of adults with disabilities (41%) was close to the proportion of the elderly (37.6%), while the structure by sex was balanced (48.6% were men and 51.4% women).** The relatively low proportion of the elderly was a result of the fact that they predominantly exercised their entitlement to the attendance allowance through the pension fund, on the grounds of insurance.

According to the 2011 Population Census, approximately 88 thousand people declared they were not able to perform activities of daily living without the assistance of another person (independence in dressing, eating, personal hygiene).<sup>342</sup> Their **coverage by cash entitlements within the social protection system stood at approximately 60%**, while the total coverage, including attendance allowance recipients within the pension and disability insurance system<sup>343</sup>, exceeded 100%. These findings are a result of the difference between the criteria applied in eligibility assessment and the subjective declaration in the Census.

**In 2017, the monthly allowance amounted to about RSD 10 thousand (164 PPS), and the augmented allowance – to RSD 27,568 (442.5 PPS).** The augmented allowance was 22.3% higher than the net minimum wage, which stood at an average of RSD 22,533 per month (361.7 PPS). In view of the purpose of this allowance, which is intended to compensate for the missed earnings of family members who decide to stay out of the labour market and care for a child/adult with disability, the adequacy of the augmented allowance was at an appropriate level.

**The total expenditures on both entitlements reached approximately RSD 10 billion (0.24% of the gross domestic product) in 2017.**

**Table 44. Number of recipients, monthly amounts and annual expenditures on attendance allowances within the social protection system, 2014–2017**

| Year | No of recipients     |                                   |                    | Monthly amount (RSD) |                     | Expenditure         |                  |
|------|----------------------|-----------------------------------|--------------------|----------------------|---------------------|---------------------|------------------|
|      | Attendance allowance | Augmented under social protection | Augmented – top-up | Attendance allowance | Augmented allowance | Total (RSD million) | Ratio to the GDP |
| 2014 | 16,965               | 15,317                            | 19,848             | 9,700                | 26,161              | 9,796.2             | 0.25             |
| 2015 | 16,420               | 15,438                            | 19,693             | 9,873                | 26,627              | 9,973.6             | 0.25             |

<sup>342</sup> Statistical Office of the Republic of Serbia (2013), *Census of Population, Households and Dwellings 2011, Book 8 – Persons with Disabilities*, Belgrade.

<sup>343</sup> According to the records of the Pension and Disability Insurance Fund and the MoLEVSA, in 2017, the attendance allowance was received, on average, by 76,255 people, of whom, on average, over 56 thousand did not receive a top-up.

|      |        |        |        |        |        |          |      |
|------|--------|--------|--------|--------|--------|----------|------|
| 2016 | 15,942 | 15,400 | 19,721 | 9,952  | 26,840 | 10,027.3 | 0.24 |
| 2017 | 16,197 | 15,847 | 20,032 | 10,222 | 27,568 | 10,376.3 | 0.24 |

Source: Ministry of Labour, Employment, Veteran and Social Affairs

According to the records of the Pension and Disability Insurance Fund, **the attendance allowance amounting to an average of RSD 15,742 per month (252.7 PPS) was received, on average, by over 76 thousand people in 2017**, and the annual expenditures for these purposes amounted to approximately RSD 14.5 billion (0.33% of the gross domestic product).<sup>344</sup>

Under the Law on Social Protection, **with a view to supporting the deinstitutionalisation process, a special cash benefit has been introduced for parents who are not entitled to a pension and have personally cared for a child with the most severe disability for a minimum of 15 years**.<sup>345</sup> The special benefit is paid after attaining the retirement age, in the form of a life-long monthly benefit equal to the minimum pension. In 2017, the average monthly benefit base amounted to approximately RSD 13,750 (220.6 PPS). This benefit was received by fewer than 537 individuals, and the expenditure in 2017 totalled only RSD 88.6 million (0.002% of the gross domestic product).

**In connection with childbirth, an employed woman is entitled to a three months' maternity leave, while either parent may take childcare leave until the child is one year old.** Special childcare leave is available to either parent of a child who requires special care owing to a severe psychological and physical disability, at the latest until the child attains the age of five. The leave benefit is equal during all three types of leave and amounts to the employee's average base monthly earnings (plus the "years of service" increment), i.e. the replacement rate is 100%. It is disbursed by the employer, but fully recoverable from the national budget. For third-born children and beyond, the leave is extended to two years.

**The number of birth-related leave benefit recipients continued to grow in recent years, exceeding 42 thousand in 2017.** The expenditures continued to grow as well, reaching about RSD 32.7 billion or 0.73% of the gross domestic product in the same year. In most European Union Member States, birth-related leave benefits are funded from health insurance or a dedicated general social insurance contribution.<sup>346</sup> Further, the modality of exercising the right to leave is "conservative" in terms that it does not recognise flexible forms, such as combining the benefits with part-time work, the possibility of choosing a longer leave with lower benefit level and the like. Compared to the European Union average, the ratio of expenditures on benefits

<sup>344</sup> Data of the MoLEVSA and the Republic of Serbia Pension and Disability Insurance Fund. <http://pio.rs/images/dokumenta/Informator/2018/Informator-%20jun%202018-lat.pdf>

<sup>345</sup> Law on Social Protection, Article 94.

<sup>346</sup> World Bank (2017) Republic of Serbia, *Restructuring and Right Sizing Project Vertical Review of Ministry of Labor – Review of Social Assistance Programs in Serbia*; Matković, G., Mijatović, B., Stanić, K. (2013), *Novčana davanja za decu i porodice sa decom u Srbiji – analiza i preporuke*, Centar za liberalno-demokratske studije – Centar za socijalnu politiku – UNICEF, Beograd.



to the gross domestic product is high, but not uncommon in former transition countries.<sup>347</sup> In the coming period, the new legal provisions of December 2017 will lead to substantial changes in this sphere as well.

**The birth grant is a cash benefit for the first four children born in a family.** This is not a universal entitlement, it is subject to an assets test, but with a high assets ceiling (RSD 12 million). It is funded from the national budget and is the only benefit, whether cash or in-kind, that should yield direct population effects. The birth grant amount increases with the birth order and is paid in equal instalments over two years, except for the first-born child.<sup>348</sup> **In 2017, the nominal birth grant amounts ranged from approximately RSD 39 thousand (628 PPS) for the first-born child to RSD 370 thousand in total over two years (5,892 PPS) for the fourth-born.**

**In 2017, the number of birth grant recipients was 62.5 thousand, and the expenditures totalled RSD 7.4 billion (0.17% of the gross domestic product).** In recent years, the number of recipients and the ratio to the gross domestic product did not change.

**Compared to European countries, the amounts are high, and the payment modality – in instalments – is uncommon.**<sup>349</sup> The ratio of birth-related benefits to the gross domestic product is very low in European Union Member States and is somewhat more substantial only in Croatia and Slovenia, at 0.1%.<sup>350</sup> In Serbia, this benefit is clearly geared towards a different goal, linked to birth promotion, while in the European Union Member States the goal is to reduce or compensate the initial costs associated with birth.

**Social care services in the Republic of Serbia comprise assessment and planning services, day-care community-based services, services for independent living, counselling/therapy services and social/educational services, as well as residential and foster care services.** Part of the services is within the mandate of the central level (assessment and planning services, residential and foster care services, shelters for trafficking victims and supportive housing for persons with disabilities, except in the highest-developed cities and municipalities), and part within the mandate of local governments.

**Potential clients are referred to social care services and entitlements by centres for social work (CSW),** which also discharge the role of guardianship authorities under the Family Law. Approximately 1.8 thousand professionals are employed on an open-ended basis in the total of 140 centres for social work throughout the territory of the Republic of Serbia.<sup>351</sup> **In recent years, a reduction of staff numbers these**

<sup>347</sup> *Ibid.*

<sup>348</sup> Before the entry of the new legal provisions into force.

<sup>349</sup> *Ibid.*

<sup>350</sup> Eurostat database *Tables by benefits – family/children function*.

<sup>351</sup> Republic Institute for Social Protection (2017), *Report on the Operation of Centres for Social Work 2016*, Belgrade.

**institutions was observed.** Approximately 80% of the centres' staff are funded from the national budget, as they attend to the entitlements within the mandate of the central level. According to the data of the Ministry of Labour, Employment, Veteran and Social Affairs, the expenditures on wages and centres' operating costs amounted to approximately RSD 2.7 billion (0.06% of the gross domestic product) in 2017.

**Foster and residential care services are the most prevalent social care services; in 2017, in public-sector institutions, the number of clients exceeded 21 thousand,** of whom one third in foster care and two thirds in residential care. The national budget expenditures on foster and residential care services totalled RSD 6.2 billion (0.14% of the gross domestic product) in 2017. The total number of clients increased slightly in the observed period, owing to an increase in the number of clients in foster care.

**Data show that in 2016 the elderly prevailed among clients of public-sector residential care institutions; they mainly resided in about forty adult and elderly care homes** (approximately 6,700 clients (65+) towards the end of 2016).<sup>352</sup> A number of elderly persons (571 clients) resided in care homes for persons with mental health difficulties. In the past decade, elderly residential care services developed in the private sector as well, predominantly in smaller care homes – with a capacity of up to 30 places. Towards the end of 2016, approximately 3,000 clients aged 65+ resided in over one hundred licenced privately-owned care homes,<sup>353</sup> fully funded from clients' resources. Over 60% of the total private-sector residential care capacities were in Belgrade. The total coverage of the elderly by residential care in Serbia stood at under 0.8%, far below the average for European countries and comparable only to the coverage in Portugal.<sup>354</sup> According to the reports of public-sector adult and elderly care homes, although there were waiting lists, the capacities for rather independent clients were not filled. Private-sector care homes' reports also stated that clients resorted to their services only "in advanced stages of disease and incapacitation", while a number of them used services only temporarily, for instance, after hospital treatment.<sup>355</sup>

<sup>352</sup> Republic Institute for Social Protection (2017), *Report on the Operation of Public-Sector Adult and Elderly Residential Care Institutions 2016*, Belgrade.

<sup>353</sup> Republic Institute for Social Protection (2017), *Report on the Operation of Licenced Non-Public-Sector Adult and Elderly Residential Care Institutions for 2016*, Belgrade.

<sup>354</sup> In most European OECD states, the coverage of the population aged 65+ by non-hospital institutional care ranges between 4% and 5%. See the data on individual countries in the OECD online database, *Table Long-Term Care Resources and Utilisation: Long-term care recipients in institutions (other than hospitals)*, available at <http://www.oecd.org/health/health-data.htm>.

<sup>355</sup> Republic Institute for Social Protection (2017), *Report on the Operation of Public-Sector Adult and Elderly Residential Care Institutions 2016*, Belgrade; Republic Institute for Social Protection (2017), *Report on the Operation of Licenced Non-Public-Sector Adult and Elderly Residential Care Institutions 2016*, Belgrade.



**Towards the end of 2016, approximately 4,000 clients, of whom approximately 52% males, resided in 15 public-sector residential care institutions for adult and elderly persons with mental, intellectual, physical or sensory difficulties.** Most clients were with mental (45%) and intellectual difficulties (27%), over one quarter had been institutionalised for over 20 years, and three quarters were under guardianship.<sup>356</sup> The conditions in these institutions remained highly unsatisfactory, as noted in international reports.<sup>357</sup> A number of adult persons with disabilities aged over 26 resided in adult and elderly residential care institutions (1,518), and a number of them even in residential care institutions for children with disabilities (794).

**Over 5,300 children and 1,000 youth without parental care and with disabilities were in kinship or non-kinship foster care in approximately 4,500 families.** From an international perspective, in 2014 Serbia had the lowest rate of children and youth (0-25) in residential care (123.5 per 100,000 children)<sup>358</sup> among Central and Eastern European countries. Approximately half of the foster families were supported by foster care and adoption centres.<sup>359</sup>

**Over 750 children resided in institutions, with a tendency of further decrease compared to 2014.** Despite the legal ban on their admission, towards the end of 2016 about thirty children under the age of three still resided in institutions. According to the report of the Republic Institute for Social Protection, when shelters and emergency shelter stations are taken into account, institutional care of children of young ages recorded an increase.<sup>360</sup> Out of the total number of children, 280 resided in homes for children with disabilities, where the conditions were highly unsatisfactory. An especially unacceptable aspect is that the composition of these homes' clients included a growing share of adult persons (aged 26+), who accounted for more than half of total clients towards the end of 2016.

**In 2016, centres for social work, in the capacity of guardianship authorities, intervened by separating 1,066 children from their families, or about 100 children fewer than in the preceding year.** It is essential to monitor this trend, in view of the fact that in previous years an increase in the number of children separated from their birth families had been recorded.

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<sup>356</sup> Republic Institute for Social Protection (2017), *Report on the Operation of Residential Care Institutions for Adult and Elderly Persons with Mental, Intellectual, Physical or Sensory Difficulties 2016*, Belgrade

<sup>357</sup> [http://www.mei.gov.rs/upload/documents/eu\\_dokumenta/godisnji\\_izvestaji\\_ek\\_o\\_napretku/izvestaj\\_ek\\_srbija\\_2016.pdf](http://www.mei.gov.rs/upload/documents/eu_dokumenta/godisnji_izvestaji_ek_o_napretku/izvestaj_ek_srbija_2016.pdf)

<sup>358</sup> TransMonEE 2016 Database, UNICEF Regional Office for CEE/CIS (released in July 2016) Table 6.2.2 *Rate of children in residential care (at the end of the year, per 100,000 population aged 0-17)*.

<sup>359</sup> Republic Institute for Social Protection (2017), *Synthetic Report on the Operation of Foster Care and Adoption Centres 2016*, Belgrade.

<sup>360</sup> Republic Institute for Social Protection (2017), *Report on the Operation of Centres for Social Work 2016*, Belgrade, p. 36.

In 2016, 55 trafficking victims<sup>361</sup> were identified, which constituted a 37% increase relative to the preceding year. Out of the total number of victims, 62% were adults, of whom 82% females.<sup>362</sup>

**During the period of 2014-2016, the number of children and adults under guardianship increased.** In 2016, over 10 thousand children and approximately 13 thousand adults were under guardianship and a clear upward trend was recorded in comparison to the previous two years. Among the reasons for placing children under guardianship, the prevailing ones were linked to family dysfunction, although, as in previous years, the Republic Institute for Social Protection stated that the reliability of these data was problematic.<sup>363</sup>

**Out of the total number of adult clients under guardianship, 93% were fully and 7% partially deprived of their legal capacity.** An especially large increase in the number of people fully deprived of their legal capacity was recorded in 2015, by as much as 20%.<sup>364</sup> **The arrangements for the deprivation of legal capacity in Serbia are outdated and inconsistent with the international legal standards.**<sup>365</sup> This is highlighted in the European Commission's Progress Report on Serbia 2016<sup>366</sup> and in the Concluding Observations of the UN Committee on the Rights of Persons with Disabilities.<sup>367</sup> The share of women in the total number of persons under guardianship stood at 47%. The structure by sex did not change for many years.

According to mapping data<sup>368</sup>, **in 2015, 133 municipalities and cities, out of the 145 in Serbia, provided social care services within the local government mandate.** A more comprehensive offer of services was found only in some major cities, while municipalities with two to three established services prevailed. Approximately one quarter of the local government units provided only one service, mainly adult and elderly home care.

<sup>361</sup> For more details, see the section of the Report on human rights and social participation.

<sup>362</sup> Data of the Centre for Human Trafficking Victims Protection  
<http://www.centarzztlj.rs/index.php/statistika/12-info/48-statistika-2016>

<sup>363</sup> Republic Institute for Social Protection (2017), *Report on the Operation of Centres for Social Work 2016*, Belgrade, p. 23.

<sup>364</sup> *Ibid.*

<sup>365</sup> Beogradski centar za ljudska prava (2017), *Ljudska prava u Srbiji 2016 pravo, praksa i međunarodni standardi ljudskih prava*, Beograd.

<sup>366</sup> [http://www.mei.gov.rs/upload/documents/eu\\_dokumenta/godisnji\\_izvestaji\\_ek\\_o\\_napretku/izvestaj\\_ek\\_srbija\\_2016.pdf](http://www.mei.gov.rs/upload/documents/eu_dokumenta/godisnji_izvestaji_ek_o_napretku/izvestaj_ek_srbija_2016.pdf)

<sup>367</sup> [http://www.ljudskaprava.gov.rs/sites/default/files/dokument\\_file/zakljucna\\_zapazanja\\_komiteta\\_za\\_prava\\_osoba\\_sa\\_invaliditetom\\_srb.pdf](http://www.ljudskaprava.gov.rs/sites/default/files/dokument_file/zakljucna_zapazanja_komiteta_za_prava_osoba_sa_invaliditetom_srb.pdf)

<sup>368</sup> Matković, G., Stranjaković, M. (2016), *Mapping Social Care Services within the Mandate of Local Governments in the Republic of Serbia*, Social Inclusion and Poverty Reduction Unit – Government of the Republic of Serbia, Belgrade.



In 2015, social care services provided by local government units covered, on average, approximately 25 thousand clients per month.<sup>369</sup> That said, it should be borne in mind that this figure is not an adequate indicator for assessing service availability, as the intensity of service provision varied greatly among municipalities and cities, depending on the service provision model and service type.

The total expenditures on social care services provided by local government units amounted to approximately RSD 2.6 billion (0.06 of the gross domestic product) in 2015. The highest expenditures on services were recorded in Belgrade, at almost RSD 1.1 billion, i.e. 42% of the total expenditures for these purposes in Serbia.

**Table 45. Distribution of clients and expenditures on the most prevalent social care services provided by local government units, 2015**

| Service type                             | Number of LGUs | Number of clients | Total expenditure (RSD) |
|--|----------------|-------------------|-------------------------|
| Elderly and adult home care              | 122            | 15,043            | 1,008,102,501           |
| Home care for children with disabilities | 68             | 2,111             | 716,439,394             |
| Personal attendant                       | 30             | 709               | 160,456,247             |
| Counselling centres                      | 29             | 798               | 47,169,500              |
| Day care for PWD                         | 21             | 716               | 82,210,043              |
| Home care for children with disabilities | 20             | 262               | 30,395,963              |
| Personal assistants                      | 17             | 160               | 47,255,093              |
| Shelters for violence victims            | 15             | 695               | 71,833,644              |
| Supported housing for PWD                | 13             | 145               | 48,109,628              |

Source: Matković and Stranjaković (2016), *Mapping Social Care Services within the Mandate of Local Governments in the Republic of Serbia*, Social Inclusion and Poverty Reduction Unit, Belgrade.

Beside the largest cities (Belgrade, Novi Sad), which allocated 1.1% of their budgets for these purposes, social care services were also prioritised by some smaller municipalities with modest total budget funds in the south of Serbia (the share of expenditures exceeding 2% was recorded in the municipalities of Blace, Vlasotince, Bela Palanka, Čoka, Crna Trava and Babušnica, 5 of which were in development level group IV – the least developed municipalities in Serbia).

The most prevalent services were day care community-based services, specifically adult and elderly home care (in 122 local government units) and day care for children with developmental and other disabilities (in 68 municipalities and cities). These two services covered over 17 thousand clients and accounted for two

<sup>369</sup> This figure does not include club clients.

thirds of the total expenditures on social care services at the local level in Serbia (over RSD 2.6 billion or 0.06% of the gross domestic product).

Availability indicators for these two services illustrate the extent to which services within the local government mandate in Serbia were undeveloped.

**The coverage of children and youth with developmental and other disabilities was low**, given that services were provided to only 2,000 clients, and that, according to the 2011 Population Census data, the number of children and youth with disabilities (0-25) was over 17 thousand, while the number of (augmented) attendance allowance recipients stood at approximately 10 thousand.

**The coverage of the elderly by home care** (1.1% of the total population aged 65+) **was low**, even in comparison with European countries relying predominantly on a similar long-term care model in terms of the relationship between cash and in-kind benefits.<sup>370</sup> **Availability was especially inadequate in rural areas.**

Except these two, **all other services were provided in a small number of municipalities and cities.** Some services, such as respite care and drop-in centres, had been established in only a few local government units, while some, e.g. counselling centres, were present mainly in major cities. It should be emphasised that services for independent living focused on persons with disabilities, such as personal assistance services and supportive housing for persons with disabilities, were undeveloped (Table 45). Compared to 2012, the number of local government units providing supportive housing increased, albeit insignificantly, in view of the legal changes that created the possibility for funding this service from the national level in all except the highest-developed municipalities and cities.

**Public-sector institutions prevailed among service providers.** A significant presence of non-state providers was recorded in day care for children with developmental and other disabilities, child home care, personal attendant and supportive housing for persons with disabilities.

In comparison with the preceding reporting period, **no significant progress was made in the development of social care services provided by local government units.** The number of municipalities and cities in which services were provided, the total allocations, and even the number of clients remained almost unchanged. It remains to be seen whether the funds provided through earmarked transfers since 2016 will stimulate the development of social care services within the local government mandate.

<sup>370</sup> Matković, G., Stanić, K. (2014), *Socijalna zaštita u starosti: Dugotrajna nega i socijalne penzije*, Tim za socijalno uključivanje i smanjenje siromaštva, Centar za socijalnu politiku, Fakultet za ekonomiju, finansije i administraciju, Beograd

### 2.3.3. Measures and Programmes

**In the previous two years, the Ministry of Labour, Employment, Veteran and Social Affairs awarded funds for the development of social care services within local government mandate, in the form of earmarked transfers, to local government units whose development level was below the national average.**<sup>371</sup> In 2017, support for these purposes totalling RSD 710 million was provided to 123 local government units, and in 2016, support totalling RSD 400 million was provided to 122 local government units. According to the programme that preceded the adoption of the Decree on Earmarked Transfers, in 2014, 35 underdeveloped municipalities received funds for social care service development and quality improvement totalling approximately RSD 50 million.<sup>372</sup>

**In the period of 2014-2017, between RSD 350 and 400 million were allocated annually from the Budget Fund for Programmes on the Protection and Improvement of the Status of Persons with Disabilities.** The resources from this Fund were awarded through the Programme-based, Annual and Standing open calls, primarily to federations and associations of persons with disabilities, as well as other organisations whose programmes and activities were geared towards improving the position of persons with disabilities.<sup>373</sup> Under the Standing Open Call 2017, funds totalling RSD 95 million were provided for projects aimed at improving the accessibility of the physical environment to persons with disabilities and facilitating the participation of persons with disabilities in different forms of social life. Most of the funds were awarded through the Programme-based Open Call to civic associations' federations whose membership included local associations with experience in implementing projects in the area of improving the position of persons with disabilities. In 2017, RSD 225 million were awarded under this Open Call.

**The initiative to introduce social cards was also launched in 2017;** it is identified as a priority for the Ministry of Labour, Employment, Veteran and Social Affairs. The purpose of introducing social cards is to contribute to more equitable exercise of citizens' social rights based on their socio-economic status, to raise efficiency in the area of social policy, to accelerate and facilitate the exercise of rights by citizens and prevent any abuse.

**With funding from the Instrument for Pre-Accession Assistance (IPA 2013) and with UNICEF support, the family outreach worker and intermittent foster care services were developed on a project basis during the reporting period.** The

<sup>371</sup> Official Gazette of the RS No 18/16.

<sup>372</sup> Municipalities from groups III and IV by development level, as well as devastated areas under the Decree of the Government of the Republic of Serbia Establishing the Single List of Regions and Local Government Units by Development Levels.

<sup>373</sup> Rulebook on the Allocation of Funds for Programmes on the Protection and Improvement of the Status of Persons with Disabilities and for Funding Social Care Institutions (Official Gazette of RS No 109/12).

development of these services prevents the institutionalisation of children through support to families in crises. The monitoring of the piloted family outreach worker service has shown that the service helps families develop a secure and stimulating environment for child development and reduces the risk of separation.

**With UNICEF support, the project “Advancing the Rights of the Child through Strengthening the Justice and Social Welfare Systems in Serbia” was implemented;** it was aimed at implementing sustainable mechanisms for the realisation of the best interest of the child principle in practice, when the child comes in contact with the judicial or social protection systems. Notable project results include strengthening families, preventing the separation of children from families and improving case management in centres for social work. The project value is EUR 2 million.

**In 2016, with UNICEF support, a parents’ helpline started operating on a project basis at the Moša Pijade children’s home,** offering advice on parenting and raising children.

The **project “Support to Unaccompanied Minor Migrants”, funded by the Government of Switzerland,** was implemented in 2015; the project was aimed at improving the system for the protection of unaccompanied minor migrants, strengthening social protection system staff capacities for working with this group of clients and increasing accommodation capacities in social care institutions to receive them.

**The programme “Enhancing Good Governance and Social Inclusion for Municipal Development – Swiss PRO” is implemented by the United Nations Office for Project Services (UNOPS) with the Standing Conference of Towns and Municipalities as a partner.** The programme is worth EUR 5,800,000 and involves 99 cities and municipalities in Serbia (in Šumadija and Western Serbia, Southern and Eastern Serbia).

Towards the end of 2017, the Ministry of Labour, Employment, Veteran and Social Affairs launched the project **“Strengthening Centres for Social Work in the Territory of the Republic of Serbia”**. The staff of centres for social work will receive training modelled after social protection systems of European Union Member States.

The project to establish a **National SOS Helpline** has also been launched; it should enable every woman with an experience of violence, throughout Serbia, to obtain all the information needed in order to get protection and exercise her rights in the fastest way possible. Calls will be toll-free from all fixed and mobile telephone lines.

#### 2.3.4. Conclusions

**The schemes targeting the poor – financial social assistance and the child allowance – are designed in line with international practices and well targeted in terms of vertical efficiency, but are still characterised by low coverage and low assistance amounts insufficient to meet the basic needs.** The coverage of the poor by financial social assistance is especially low, although the coverage of the population living in Roma settlements is fairly high. In this scheme, increasing the coverage is directly linked to the issue of benefit adequacy, in view of the fact that the benefit amount is tied to the income ceiling. Any improvements in coverage without simultaneously raising the benefit amount could only be achieved by relaxing other eligibility criteria, in particular property-related ones. An increase in the coverage by the child allowance scheme without changing the eligibility criteria can only be expected if compulsory secondary education is introduced in the Republic of Serbia. Other conditions being equal, more children who have quit school and come from families that currently meet the material status requirements would attend secondary school, which would make them eligible for the child allowance. Further, in respect of both schemes, the extent of non-take-up should be explored, in order that assistance could be received by all those for whom it is intended under the law.

**From the aspect of the ability to meet the basic needs, there is ample scope for improving the adequacy of both financial social assistance and the child allowance;** however, when the entitlements are assessed cumulatively and from the aspect of potential disincentive to work and employment, the scope is limited.<sup>374</sup> The cumulative assistance amounts (financial social assistance and child allowance) are sufficient to lift only those clients that receive augmented amounts (single-parent families) out of poverty. To be lifted out of poverty, two-parent families should be receiving between one third and one half more than the current amounts, depending on the number of children. It is only with the birth grant that two-parent families receive a cumulative assistance amount that exceeds the poverty threshold for two years following the birth of the third- or fourth-born child.

Comparisons to the minimum wage show that **cumulative assistance amounts exceed the minimum wage level for all family types** except those with only one child.

In assessing adequacy, it should be noted that financial social assistance recipients can access **subsidies for vulnerable energy customers**, as well as various additional cash benefits and in-kind assistance for the poor, granted and funded by local government units, as well as childbirth-related benefits.

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<sup>374</sup> Matković, G., Mijatović, B., Stanić, K. (2013), *Novčana davanja za decu i porodice sa decom u Srbiji – analiza i preporuke*, Centar za liberalno-demokratske studije – Centar za socijalnu politiku – UNICEF, Beograd.

**Active inclusion programmes for financial social assistance recipients have not gained ground yet;** hence, this component, of outstanding importance in European terms<sup>375</sup>, affects the overall efficiency of assistance. **It is essential to highlight that an evaluation of the efforts made in this area to date is missing.**

**Insufficient awareness and complicated administrative procedures remain an obstacle for the less educated and poorest people when applying for assistance.** The announced linking of the information systems is expected to alleviate these problems at least partly.

Very little is known about the characteristics of the financial social assistance recipient households and individuals, the interaction between this benefit and other benefits targeting the poor, or the impact of this assistance on the attitude to work of the recipients able to work.

**The attendance allowance scheme under the Law on Social Protection**, in terms of the coverage and adequacy indicators, **may be considered appropriate**, especially when it comes to the augmented allowance. Further research is needed in order to assess the coverage and adequacy of the basic attendance allowance. A comprehensive assessment of the protection of persons with disabilities in need of long-term care requires an analysis of the overall system, including the attendance allowance under pension and disability insurance, as well as specific health and social care services.

**Cash benefits aimed at work–parenthood reconciliation and assistance to parents in reaching the desired number of children** (birth-related leave benefit and birth grant) **are characterised by high coverage** and generosity in relative terms.<sup>376</sup>

**With regard to the birth grant, it should be noted that, in Serbia, this is the only benefit with a pro-natalist goal** and that, in some countries, child allowance schemes are often geared towards this goal or there are benefits for unemployed mothers as an analogue of maternity leave.

Several weaknesses can be highlighted in the **birth-related leave benefit scheme**. The first is its **lack of flexibility**, both in terms of recognising flexible employment arrangements as grounds for entitlement and in terms of using the leave. The birth-related leave benefit may be accessed only by those in “standard formal employment”, i.e. working under an employment contract, with the benefit equal to the base earnings.

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<sup>375</sup> The European Social Policy Network report on minimum income schemes in Europe stresses that the focus of the European Commission's policy is on strengthening these schemes through an active inclusion approach, which entails the development of active labour market policies for minimum income scheme beneficiaries. Frazer, H. and Marlier, E. (2016). *Minimum Income Schemes in Europe: A study of national policies 2015*, European Social Policy Network (ESPN), European Commission, Brussels, p. 8.

<sup>376</sup> *Ibid.*



The second problem in the design of the birth-related leave benefit scheme is the **benefit calculation modality, which leaves scope for abuse**. The benefit calculation modality is such that it provides an incentive for entry into fictitious employment contracts to enable unemployed women to access the entitlement.<sup>377</sup>

Finally, the modality of granting special childcare leave leads to an evident inclusion error.

There is clearly room for streamlining of the birth-related leave benefit scheme and, in particular, for the introduction of more flexible forms of using these entitlements, as well as for **encouraging fathers to use childcare leave to a greater extent**.

The new legal provisions are expected to remove part of these weaknesses.

**The total expenditures on all cash benefits awarded in the social and child protection system amounted to approximately 1.75% of the gross domestic product in 2017.**<sup>378</sup> This ratio is low, having in mind that, in 2014, European Union Member States allocated an average 1.6% of the gross domestic product to the family/child cash benefits alone. Compared to the European Union, the ratio of allocations for the child allowance is markedly lower, and for the birth grant – higher.

**The effectiveness of social transfers is satisfactory, although there is scope for improvement.** This assessment is based on the comparison of at-risk-of-poverty rates before and after the award of all social transfers, which, in addition to the cash benefits considered above, also include unemployment benefits, sick pay, social benefits under veteran protection and disability pensions. According to the SILC (2016) data, **all social transfers taken together** (except survivors' and old-age pensions, which are treated as income) **reduced the at-risk-of-poverty rate** in the Republic of Serbia **by as much as 10.4 percentage points**, and the effectiveness rate stood at 29.0%,<sup>379</sup> below the average European Union level of 33.2%, according to the SILC (2016) data. Effectiveness improved considerably in the Republic of Serbia in comparison to the preceding reporting period. It is considerably higher if pensions are treated as social transfers as well.

**Residential and foster care services are the most prevalent social care services**, while non-institutional services within local government mandate are under- and unevenly developed. In that respect, no improvement was achieved in comparison to the preceding reporting period.

**The protection of persons with disabilities is predominantly ensured through residential care services**, assessed as highly unsatisfactory. The improvements made in the provision of services for independent living to this group are very small.

<sup>377</sup> For more information about this topic, see: Stanić, K., Matković, G. (2017), "Uzroci porasta broja korisnika odsustva povodom rođenja deteta u Srbiji", *Stanovništvo*.

<sup>378</sup> Under the Law on Social Protection and the Law on Financial Support to Families with Children.

<sup>379</sup> Calculated as the difference between the at-risk-of-poverty rate values before and after social transfers and expressed in % relative to the value before transfers.

**The protection of the elderly is relatively balanced in terms of the ratio of institutional to non-institutional care**, owing to the provision of home care, **which is the highest-developed non-institutional social care service** at the local level. The coverage of the elderly by services remains low compared to the developed countries and should be increased within the long-term care system.

**Children and youth are predominantly protected through foster care services.**

Despite the fact that the rate of institutional care of children is very low in the Republic of Serbia, multiple findings warn of problems in the protection of this vulnerable group. Firstly, children under the age of 3 are still present in institutional care, and a number of them also in shelters. Secondly, specialised foster care and non-institutional social care services for children with disabilities are underdeveloped. Further, it should be noted that only half of all foster families, and therefore also half of all children and youth in foster care are supported by foster care and adoption centres, since these centres have not been established in all parts of the country, as foreseen by the relevant Decree.<sup>380</sup> Thirdly, services to support the inclusion of children with disabilities in the mainstream education system (personal assistant, day care and the like) are underdeveloped. Finally, the continued “entry” of children in the system points to the underdevelopment of services for birth families aimed at the protection of families with children at risk.<sup>381</sup> It is, therefore, **essential to expand counselling/therapy and social/educational services and mainstream the recently piloted family outreach worker service.**

Overall, the adequacy of protection of specific vulnerable groups should be assessed by assessing an optimum level of prevalence and availability of specific social care services and answering the question what portion of the needs is unmet. No such research has been conducted in Serbia.

Finally, it should be highlighted that no improvement in social and child protection in the Republic of Serbia can be achieved without **strengthening the capacities of centres for social work and improving assessment and planning services**, and especially without establishing integrated social protection and intersectoral cooperation. In that respect, no improvement was made in recent years.

The total expenditures on the services provided in the social and child protection system amounted to approximately 0.2 % of the gross domestic product in 2016.

<sup>380</sup> Republic Institute for Social Protection (2017), *Synthetic Report on the Operation of Foster Care and Adoption Centres 2016*, Belgrade, p. 6.

<sup>381</sup> Republic Institute for Social Protection (2017), *Report on the Operation of Centres for Social Work 2016*, Belgrade, p. 30.



## 2.3.5. Lines of Action

### 2.3.5.1. Lines of Action in the Short Term (up to two years)

Increasing the coverage and improve the adequacy of cash benefits from mid-2018::

- An improvement in the adequacy of cash benefits and coverage of the poor can be expected primarily in the child allowance scheme, in view of the provision of the new Law on Financial Support to Families with Children. **The Law provides for the introduction of a universal entitlement, without a means test, for attendance allowance recipient children with the most severe disabilities and an increase in the child allowance amount by 50% for all children with disabilities.** The introduction an additional, "thirteenth" child allowance instalment for secondary-school-age children is also foreseen Under the Law, the requirement for parents to be covered by health insurance is repealed, and the entitlement is awarded to children from financial social assistance recipient families without an additional procedure, upon presentation of proof of regular school attendance; hence, an increase in the coverage of children could be anticipated on these grounds as well. On the other hand, **the new legal provisions do not set the entitlement amounts, nor do they foresee their regular adjustment in order to maintain the real value of the benefits;** instead, this is left to the Government, at the proposal of the minister in charge of social affairs. Hence, an assessment of the new legal provisions' impact on increasing benefit coverage and adequacy will be possible only after the publication of the Government Decree in mid-2018.
- In the short term, **the coverage by birth-, childcare- and special-childcare-related leave benefits is expected to be increased to include all mothers who had labour income prior to childbirth.** These entitlements would thus become available to self-employed individuals, including family farm owners, individuals working under temporary and casual work contracts, service contracts, copyright contracts and the like. The Law also foresees the direct payment of leave benefits and other benefits to the recipient's bank account. The new Law should prevent abuse and reduce the inclusion error by introducing a new benefit calculation modality, which takes into consideration the period of 18, instead of 12 months before childbirth during which statutory social insurance contributions have been paid as the basis for the assessment of entitlements.
- No short-term changes in the financial social assistance scheme are envisaged at this time. Based on the research conducted to date,<sup>382</sup> the least disputable

<sup>382</sup> Matković, G., Mijatović, B., Stanić, K. (2013), *Novčana davanja za decu i porodice sa decom u Srbiji – analiza i preporuke*, Centar za liberalno-demokratske studije – Centar za socijalnu politiku – UNICEF, Beograd.

intervention is an **increase of the weight from 0.3 to 0.5 for children over the age of 14** in line with the OECD-modified equivalence scale, as well as an additional increase of the weight for children with disabilities. **Relaxing property-related requirements, in particular raising the land ownership ceiling**, would allow increasing the coverage without increasing the benefit amount. Both reforms were recognised and endorsed by the Government of the Republic of Serbia in 2016 within the Employment and Social Reform Programme.

In the short term, enhancing support to birth families, continuing the deinstitutionalisation process and development of community-based services entail in particular:

- **Mainstreaming the family outreach worker service**, in view of the positive evaluations, as well as the need to prioritise support services for families at risk of child separation, or risk of child neglect, abuse and compromising child safety.
- **Evaluation of the earmarked transfers scheme** for the development of social care services within local government mandate.
- Launch of programmes aimed at **strengthening local capacities to establish supportive housing services for persons with disabilities** and development of the next phase of the institutions' transformation plan.
- **Finalisation of the process of social care service standardisation**, as well as the process of licencing social care institutions and other service providers.

In the short term, **amendments to the Law on Social Protection and a new Social Protection Development Strategy 2019-2025** are expected to be adopted. The Social Protection Development Strategy will focus on: combating the consequences of poverty, best interests of children and families, support to adult and elderly citizens, especially persons with disabilities, and social protection capacities. In the forthcoming period, a **Strategy for Deinstitutionalisation and Development of Community-Based Services 2019-2025** and a **Strategy for the Prevention and Protection of Children against Violence 2018-2022** are also expected to be adopted.

### 2.3.5.2. Lines of Action in the Long Term

Increase the coverage and improve the adequacy of cash benefits:

- In the medium term, increasing the coverage would entail **raising the financial social assistance amount/income ceiling to the level of the absolute poverty threshold or some other minimum living standard threshold**, while respecting the natural limits imposed by pension and disability insurance entitlements and the minimum wage level.



- The **introduction of social pensions for the elderly** under the financial social assistance scheme should be considered.
- In line with the goal of active inclusion, **the introduction of integrated services for the poorest should be foreseen**, both in the form of employment/work and in the interest of returning youth to education and further training or retraining.
- In the **child allowance scheme, improving adequacy would entail raising the benefit amount to a level that would cover at least half of the costs attributed to children** in families whose consumption is equal to the poverty line.
- Exploring the possibilities of **awarding a universal entitlement to the child allowance to children living in substandard Roma settlements**.
- **Reviewing the basic attendance allowance amount**, combining cash benefits with relevant services and applying functional assessment scales in eligibility assessment..

Improving service quality, strengthening control and regulatory mechanisms, monitoring and evaluation:

- **Building mechanisms for the individualisation of services**, defining more adequate criteria for client selection, introducing service quality monitoring and evaluation (including client satisfaction assessment).
- **Intensifying support to civil society organisations** as social service providers.
- Expanding **regional foster care and adoption centres**.
- Conducting a **functional analysis of centres for social work**.
- **Strengthening inspectorates** at the national level.
- **Improving the information system** and developing a single database on social benefits and services.
- **Strengthening the capacities of centres for social work** and building links to health care, education and employment service providers, as well as the police, the judiciary, civil society organisations representing certain vulnerable groups, the Red Cross and relevant local government services.

## 2.4. Pensions

### 2.4.1. Legal and Strategic Framework in the Republic of Serbia

The pension system in the Republic of Serbia is organised as statutory, publicly run pension insurance based on current income financing (pay-as-you-go). It is governed by the Law on Pension and Disability Insurance (Law on PDI) passed in 2003 and amended several times afterwards.<sup>383</sup> Since 2010, pension uprating has been regulated by the Budget System Law as well, although it is foreseen that the entitlements under pension and disability insurance are regulated by the sectoral law only.<sup>384</sup> The **Law on the Temporary Regulation of Pension Disbursement** was passed in November 2014.<sup>385</sup> In October 2017, the **Decree on the Exercise of Special Rights of Judicial Officials and Employees in Judicial Authorities and the Administration for the Enforcement of Penal Sanctions from the Territory of the Autonomous Province of Kosovo and Metohija**<sup>386</sup> was adopted; the Decree grants “the right to a special pension if the retirement requirements stipulated by the regulations on pension and disability insurance are not fulfilled”, although, under Article 7 of the Law on Pension and Disability Insurance, “as an exception, in the cases and in the manner stipulated hereby, specific categories of insured persons may acquire and exercise the entitlement to a pension under special conditions”. In addition, in November 2017, the Bill Amending the Law on the Police<sup>387</sup> was adopted; its Article 43 stipulates a special retirement requirement as an exception to the Law on Pension and Disability Insurance.<sup>388</sup>

**In addition to the statutory publicly run pension system, voluntary pension savings are also possible; however, this area is underdeveloped as yet.** Voluntary pension savings are governed by the Law on Voluntary Pension Funds and Pension Plans.<sup>389</sup>

<sup>383</sup> Official Gazette of RS Nos 34/03, 64/04 – amended by Constitutional Court decision, 84/04 – amended by another law, 85/05, 101/05 – amended by another law, 63/06 – amended by Constitutional Court decision, 5/09, 107/09, 101/10, 93/12, 62/13 and 108/13.

<sup>384</sup> Articles 5 and 7 of the Law on Pension and Disability Insurance.

<sup>385</sup> Official Gazette of RS Nos 116/14 and 99/16.

<sup>386</sup> Session of the Government of RS No 24 of 19 October 2017.

<sup>387</sup> Session of the Government of RS No 29 of 9 November 2017.

<sup>388</sup> As an exception to the regulations on pension and disability insurance, where required by the service, a police officer who performs or has performed specific or operational tasks and whose further performance of those tasks or further work in those organisational units is no longer possible owing to specific working conditions or job requirements, and who attains 45 years of age and 15 years of effective service on tasks or jobs in the Ministry that are eligible for accelerated pensionable service, may have his/her employment relationship terminated on request, with entitlement to an old-age pension, before fulfilling the general old-age retirement requirements.

<sup>389</sup> Official Gazette of RS Nos 85/05 and 31/11.

The component ensuring minimum income in old age is also provided for within the statutory pension insurance system; hence, the **instrument of securing the absolute living standard of the elderly is also tied to employment history and payment of contributions**. There is no specific old-age minimum income scheme for the elderly who never worked, or did not work for the minimum number of years required in order to qualify for a pension. However, they are entitled to financial social assistance subject to the same requirements as all other citizens.

**The publicly run pension insurance is funded through pension and disability insurance contributions, whose rate has been 26% of the earnings since May 2014** (14% chargeable to the employee and 12% – to the employer). All types of pensions (old-age, disability and survivors'), pensioners' health insurance, as well as other benefits under insurance against old age and disability are funded from these contributions.<sup>390</sup> As contribution revenues are insufficient, a sizeable proportion of pension fund expenditures is covered from the national budget, which is also the reason why contribution rates have been increased in several steps since 2001.<sup>391</sup>

**Statutory pension insurance entails insurance against three key types of risk: old age, disability and survivor risks.** All three types of pensions are calculated by means of the point formula, which, in the case of old-age pensions, closely links workers' earnings throughout their working lives to their future pensions, while redistribution in the system is present in disability, survivors' and minimum pensions, as well as pensions under the accelerated retirement scheme. The passage of the Law on the Temporary Regulation of Pension Disbursement undermined the solid link between past earnings and the old-age pension.

**The old-age pension is calculated by multiplying the personal coefficient, which represents the ratio of one's earnings to the average, by the number of years of pensionable service.** Pensionable service may total a maximum of 45 years, and the personal coefficient may not exceed 3.8.<sup>392</sup> The resulting personal point value is multiplied by the general point value, which stood at RSD 735.53 in 2017.<sup>393</sup>

**A qualifying requirement for the old-age pension is the attainment of the retirement age, which was 65 years for men and 61 years and 6 months for women in 2017.** Under the legal amendments of July 2014, women's retirement

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<sup>390</sup> For details on the types of costs financed from the Pension and Disability Insurance Fund and causes of the deficit, see: Bajec, J. and Stanić, K. (2005), "Koliki je stvarno deficit penzionog sistema u Srbiji?", *Kvartalni monitor ekonomskih trendova i politika u Srbiji*, No. 1, 2005, pp. 58–64.

<sup>391</sup> As part of the tax reform of 2001, the pension and disability insurance contribution rate was lowered to 19.6% in total, only to be raised to 20.6% as of 1 May 2003, to 22% as of 1 July 2004, and to 24% as of 30 May 2013.

<sup>392</sup> The annual personal coefficient may be up to 5, but for the purposes of maximum pension calculation, the personal coefficient may not exceed 3.8.

<sup>393</sup> This means that an individual who worked full pensionable service (40 years) with average earnings had a pension of  $40 \times \text{RSD } 735.53 = \text{RSD } 29,421$  in 2017.

age will be raised by 6 months each year, and from 2021 onwards by 2 months each year, to reach 65 years in 2032 and be equalised with that of men.

**Another possibility is old-age retirement on the grounds of pensionable service – the “early old-age pension”;**<sup>394</sup> men are eligible after 40 years of pensionable service, and women – after 37 years and 6 months in 2017 (accompanied by a 10% increase of the pensionable service in the pension formula).<sup>395</sup> The minimum retirement age applies for retirement on the grounds of pensionable service; in 2017, was 56 years and 4 months for men, and 55 years and 8 months for women.<sup>396</sup> The legal amendments of July 2014 introduced a pension reduction (“penalties”) for retirement before the statutory retirement age – a deduction of 0.34% for every month short of the statutory age.

**The disability pension is determined by calculating the personal coefficient in the same manner as in the case of the old-age pension.** When determining the personal point value, those claiming the disability pension on the grounds of an occupational injury or illness are credited with 40 years of pensionable service. If the cause of disability is a non-occupational injury or illness, an insured person under 53 years of age is additionally credited with two thirds of the missing years of pensionable service he/she would have attained by the age of 53 and one half of the missing years of pensionable service he/she would have attained by the age of 63 (men) or 58 (women). An insured person over 53 years of age is additionally credited with one half of the missing years of pensionable service he/she would have attained by the age of 58 (women) or 63 (men).

**The survivors’ pension is calculated as a proportion of the old-age or disability pension that an insured person or recipient would be entitled to at the moment of death,** depending on the number of family members entitled to the pension: a) 70% for one family member; b) 80% for two members; v) 90% for three members; g) 100% for four or more members.

**As of 1 January 2006, the lowest (minimum) pension was raised to the level of 25% of the average monthly wage in 2005, and subsequent legal amendments ensured that it could not decline below 27% of the average monthly wage in the preceding year.** Survivors’ pensions are not raised to the minimum pension level; instead, if the old-age or disability pension which is used as the basis for calculating

<sup>394</sup> This term is defined by the legal amendments of July 2014.

<sup>395</sup> The full pensionable service required for retirement was traditionally lower for women than for men; until 2013, it was 35 years, with the proviso that it would be increased by 15% in the pension formula, which in effect equalised it with men’s full pensionable service. Under the legal amendments of 2010, women’s full pensionable service was gradually raised and was intended to reach 38 years in 2021 with a 6% increase; however, under the legal amendments of 2014, women’s full pensionable service is to be equalised with men’s, at 40 years, as of 2023 (but the 6% increase was retained in the Law on Pension and Disability Insurance).

<sup>396</sup> The minimum retirement age is gradually being raised to reach 60 years for both women and men in 2024.





the survivors' pension is lower than the minimum pension, it is raised to the minimum pension level and the survivors' pension is then determined as a proportion of that amount, depending on the number of recipients.

**Farmers' pensions are defined as a separate pension type, although, legally, they constitute an integral part of statutory pension insurance.** These pensions are characterised by two key features. Firstly, **the minimum farmers' pension is lower than the minimum pension under employee/self-employed insurance.** The difference was created in 2006, when the minimum pension under employee and self-employed insurance was increased from 20% to 25% of the average monthly wage from the preceding year, while the minimum farmers' pension was left at the existing level. The other feature is that **about 80% of pensioners under farmer insurance receive the minimum pension.** Few pensioners under farmer insurance receive pensions higher than the common minimum pension; in fact, these are largely recipients of the minimum pensions under the old legal provisions (multiple minimum pension levels). The reason for such distribution of recipients is the level of the minimum contribution base, according to which an insured farmer would be entitled to an old-age pension equal to the minimum pension only after 40 years of pensionable service.<sup>397</sup>

**In the past 15 years, the modality of uprating the general point value and pension levels has sustained so many changes that it is fair to say that pensions have been uprated on an ad hoc basis for years.** The formulas stipulated by the amendments to the Law on Pension and Disability Insurance of 2005 and 2010 never been truly implemented;<sup>398</sup> uprating is regulated both by the Law on Pension and Disability Insurance and the Budget System Law, while in reality, in the past few years, pensions have been uprated once per year, in a manner that does not fully comply with either of the legally stipulated arrangements and usually at a rate below the price growth rate – 0.5% in April 2014, 1.25% in December 2015 and 1.5% in December 2016. **In December 2017, pensions and the general point value were raised by 5%, which was the first time in several years that the raise was above the consumer price growth rate.**<sup>399</sup>

<sup>397</sup> Mijatović, B. (2010), *Penzijско osiguranje poljoprivrednika*, CLDS – USAID-SEGA, p. 17.

<sup>398</sup> Legal amendments of 2010 foresee biannual uprating (on 1 April and 1 October) by the rate of consumer price change in the territory of the Republic of Serbia in the preceding six months. However, in the event that the gross domestic product grew by more than 4% in the preceding calendar year, the uprating percentage on 1 April of the current year is equal to the sum of the consumer price growth (or decrease) rate in the preceding six months and the real gross domestic product growth rate in the preceding calendar year less 4 percentage points. Under the Law Amending the Budget System Law of 2010, this modality of uprating will remain in effect until the ratio of pensions to the gross domestic product reaches 10%. This modality of uprating was not implemented, but it was retained in the Law on Pension and Disability Insurance. However, by amendments to the Budget System Law, this formula was removed, some other rates were stipulated but, in reality, were not applied either, and it was stipulated that the fiscal management principles required confining pension expenditures to 11% of the gross domestic product.

<sup>399</sup> The inflation December 2017 / December 2016 amounted to slightly above 3%.

The temporary pension reduction in effect since November 2014 entails a reduction in pensions higher than RSD 25,000, as follows: pensions higher than RSD 25,000 and lower than RSD 40,000 are reduced by the amount calculated by multiplying the pension amount in excess of RSD 25,000 by the coefficient of 0.22; pensions higher than RSD 40,000 are reduced by the sum of the amount obtained by multiplying RSD 15,000 by the coefficient of 0.22 and the amount obtained by multiplying the pension amount in excess of RSD 40,000 by the coefficient of 0.25.<sup>400</sup> The effective pension reduction ranges from 0 for pensions below RSD 25,000 to 20% for the highest pensions (Table 46).

**Table 46. Effective pension reduction**

| Under the Law on PDI  | 25,000 | 30,000 | 40,000 | 50,000 | 60,000 | 70,000 | 80,000 | 90,000 | 100,000 | 120,000 |
|-----------------------|--------|--------|--------|--------|--------|--------|--------|--------|---------|---------|
| Reduced pension level | 25,000 | 28,900 | 36,700 | 44,200 | 51,700 | 59,200 | 66,700 | 74,200 | 81,700  | 96,700  |
| Effective reduction   | 0%     | 3.7%   | 8.3%   | 11.6%  | 13.8%  | 15.4%  | 16.6%  | 17.6%  | 18.3%   | 19.4%   |

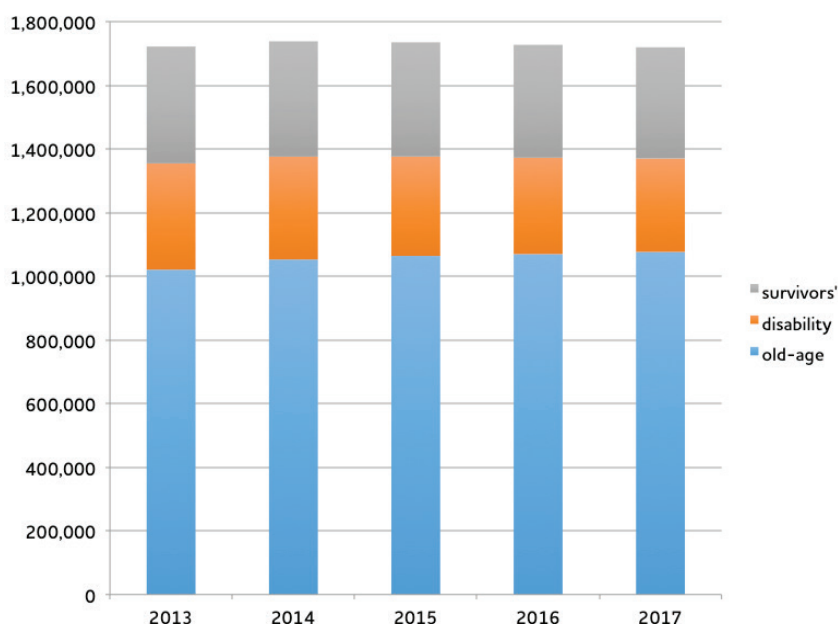
Source: Calculation based on the Law on the Temporary Regulation of Pension Disbursement

#### 2.4.2. State of Affairs in the Area

Towards the end of 2017, the total number of pensioners in the Republic of Serbia amounted to 1.72 million, only a few thousand below the figure in the corresponding period of 2013. Pensioners under employee insurance prevailed, while the number of pensioners under farmer insurance decreased year after year, reaching 185 thousand. With regard to pension types, the trend of increasing share of old-age pensioners at the expense of disability pensioners and survivors continued.

<sup>400</sup> The Law on the Temporary Regulation of Pension Disbursement, Articles 2 and 3.

**Figure 7. Total pensioners in Serbia and breakdown by pension types**



Source: Pension and Disability Insurance Fund

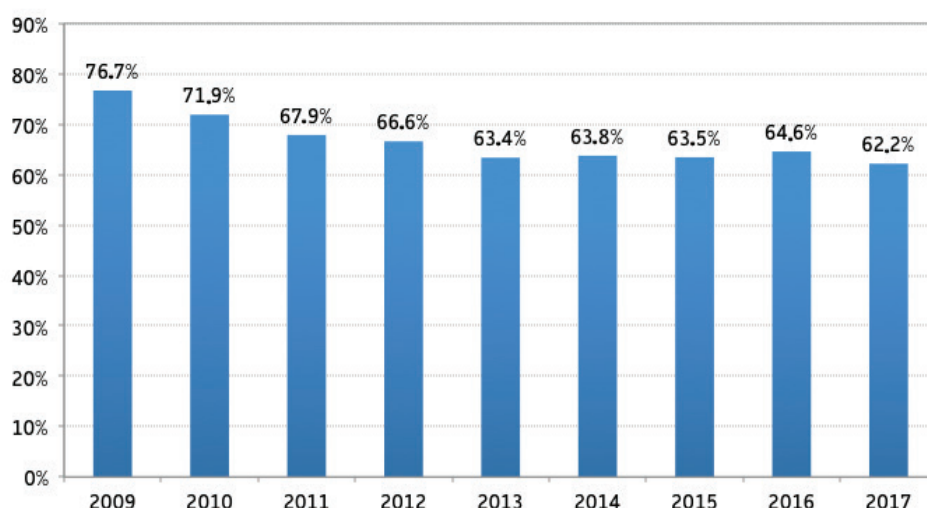
Note: Data as at 31 December.

**The coverage of the population aged 65+ by pensions was nearly 88%; the figure for men was higher, at 95%, while for women it stood at 82.5%,** according to the population estimates for 2016 made by the Statistical Office of the Republic of Serbia cross-referenced with the Pension and Disability Fund data. Pension coverage increased significantly, from 77% for the population 65+ in 2009.<sup>401</sup>

**The 2017 net replacement rate shows that a worker working full pensionable service can maintain the income at the level of approximately 62% of the pre-retirement earnings.** This is the key indicator of pension system design in terms of old-age income maintenance and refers to full pensionable service (40 years for men, 37 years and 6 months for women) and a worker whose earnings were constantly at the average level. The replacement rate substantially declined over the past 10 years (Figure 8).

<sup>401</sup> First National Report on Social Inclusion and Poverty Reduction in the Republic of Serbia, Government of the Republic of Serbia, Belgrade, 2011.

Figure 8. Net replacement rate, 2009-2017

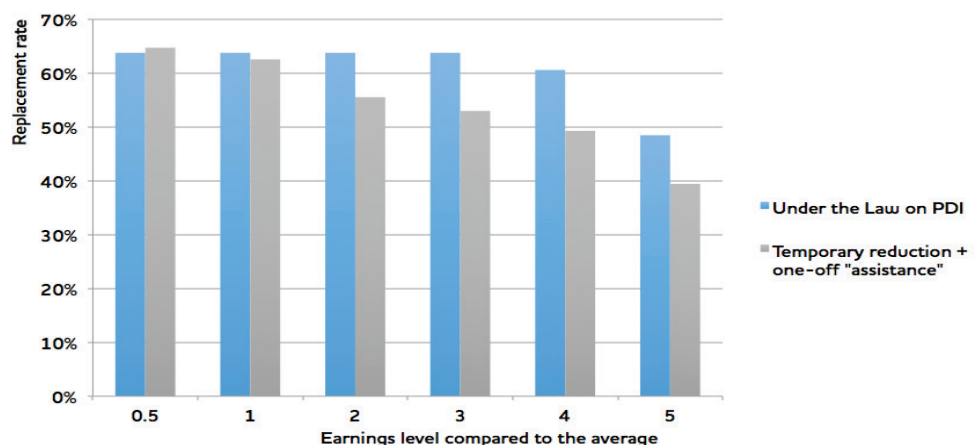


Source: Calculation for the purposes of the present report

Until 2015, the replacement rate was equal for different earnings levels up to 3.8% of the average, which is a feature of a Bismarckian system and indicates a strong link between the pension level and employment history.<sup>402</sup> With the temporary pension reduction and the award of one-off assistance of RSD 5,000 to all pensioners towards the end of 2016 and 2017, the replacement rate increased slightly for the lowest earnings, with a progressive decrease for higher ones; thus, Serbia's pension system begun to shift towards a redistributive (Beveridge) system (Figure 9).

<sup>402</sup> The annual personal coefficient may be up to 5, but the personal coefficient (the sum of annual personal coefficients divided by the period [years, months and days] for which they are calculated, with every year counted as 1, every month as 0.0833 and every day as 0.00278) may not exceed 3.8.

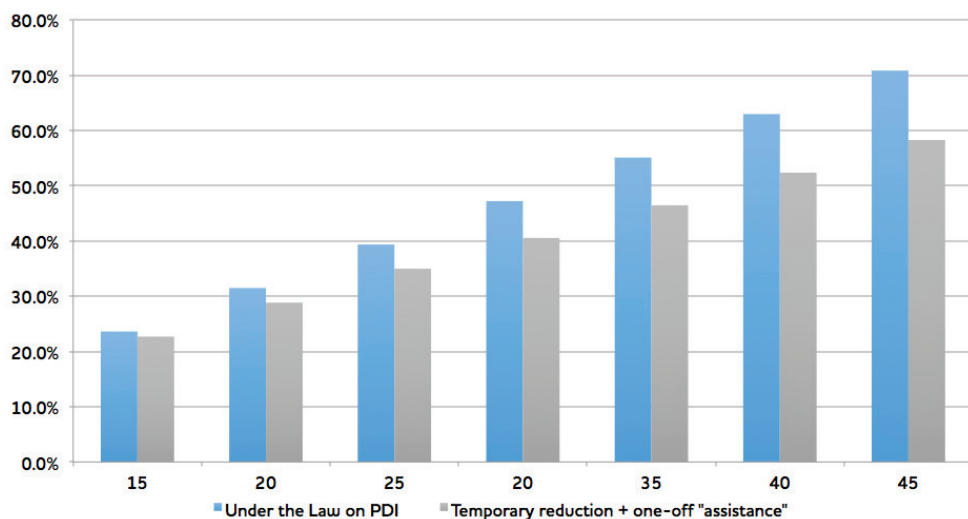
**Figure 9. Replacement rates for different earnings levels throughout the working life**



Source: Calculation for the purposes of the present report

**The temporary pension reduction affects not only those who had higher earnings, but also those who worked longer,** as the point formula takes both factors into account when determining pension levels. In an example of workers whose earnings were constantly 3 times the average wage, the reduction will be larger for a worker who worked longer (Figure 10).

**Figure 10. Net replacement rates for different lengths of pensionable service**



Source: Calculation for the purposes of the present report

Note: An example based on a worker whose earnings were constantly 3 times the average wage.

In 2017, the average pension under employee insurance amounted to about RSD 25.6 thousand, under self-employed insurance – about RSD 24 thousand, and under farmer insurance – RSD 10.7 thousand; however, the average pension income for all categories was about RSD 400 higher than the said amounts, owing to the fact that a one-off payment of RSD 5 thousand was made to all pensioners.

**The average old-age pension is, as a rule, higher than the survivors' and disability pensions** – towards the end of 2017, it exceeded RSD 29 thousand, compared to the average disability pension of RSD 24.6 and average survivors' pension of about RSD 21 thousand (under employee insurance).<sup>403</sup> **Women's average old-age pension under employee insurance was about 16% lower than men's average pension.**<sup>404</sup>

The real decline trend of the average pension under employee and self-employed insurance, which had been present since 2010, continued in 2014 and 2015, was halted in 2016 by the one-off RSD 5,000 assistance, but continued again in 2017. **In 2017, the average pension income (including the one-off payment) for all three branches of insurance and all three pension types was 5.9% lower in real terms compared to 2013.** At the same time, as a result of the progressive pension reduction in late 2014 and the one-off payments of RSD 5,000 in late 2016 and 2017 to all pensioners, significant differences occurred in the development of real values of different types of pension income. Thus, the real decline of the average old-age pension (with the one-off payments) under employee/self-employed insurance, which is typically the highest, was the largest – over 10%, while the decline of the average survivors' pension, which is typically low, was somewhat below 4% relative to 2013 in the case of self-employed insurance, and even smaller – about 2% in the case of employee insurance. The average pension income under farmer insurance, which also declined in real terms in 2014 and 2015, was almost 2% higher in real terms in 2017 compared to 2013 owing to the one-off payment. A similar trend was observed in the development of the minimum pension under employee/self-employed insurance, which, in 2017, stood approximately at the real level of the minimum pension in 2013 (Table 47). On the other hand, the maximum pension under employee/self-employed insurance, including the one-off payment, was 20% lower in real terms in 2017 compared to 2013.<sup>405</sup>

<sup>403</sup> All amounts are exclusive of the one-off payment of RSD 5,000.

<sup>404</sup> Data of the PDI Fund, OS-5 for 2016.

<sup>405</sup> More precisely, the maximum pension is compared to the equivalent amount of the maximum pension that would have been applicable in 2013 if, at that time, the maximum retirement age had been 45 years, instead of 42.5, which was the case before the legal amendments of 2014.



**Table 47. Real development of the average levels of different pension types**

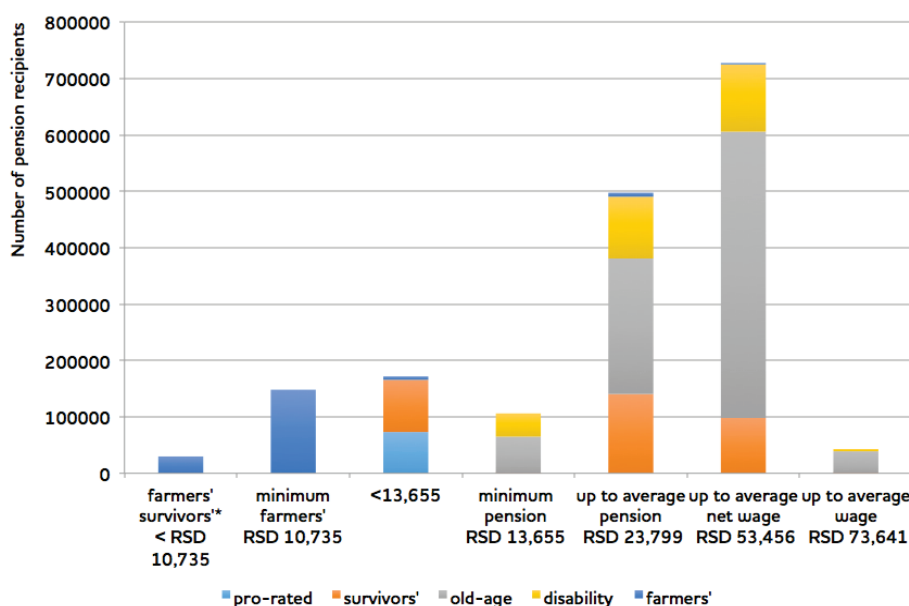
|                       | Employee insurance |         |            |            | Self-employed insurance |         |            |            |
|-----------------------|--------------------|---------|------------|------------|-------------------------|---------|------------|------------|
|                       | All pensions       | Old-age | Survivors' | Disability | All pensions            | Old-age | Survivors' | Disability |
| 2014                  | -1.7%              | -2.6%   | -1.0%      | -1.7%      | -2.0%                   | -3.3%   | -1.3%      | -2.4%      |
| 2015                  | -5.5%              | -6.9%   | -3.0%      | -4.4%      | -5.5%                   | -7.1%   | -3.3%      | -5.2%      |
| 2016                  | -0.1%              | -0.5%   | 0.6%       | 0.0%       | -0.9%                   | -1.6%   | -0.1%      | -0.9%      |
| 2016 (incl. one-off)  | 1.6%               | 1.0%    | 2.7%       | 1.8%       | 0.9%                    | 0.0%    | 2.2%       | 0.9%       |
| 2017 (incl. one-off)* | -1.5%              | -1.9%   | -1.1%      | -1.5%      | -2.0%                   | -2.6%   | -1.5%      | -2.1%      |
|                       |                    |         |            |            |                         |         |            |            |
| 2017*/2013            | -7.1%              | -10.1%  | -2.4%      | -5.8%      | -8.5%                   | -12.4%  | -3.9%      | -8.6%      |

|                       | Min. pension (employee/self-employed) | Farmer insurance |         | Total (all pension types/all insurance branches) |
|-----------------------|---------------------------------------|------------------|---------|--|
|                       |                                       | Minimum          | Average |  |
| 2014                  | -0.8%                                 | -0.8%            | -0.4%   | -1.5%  |
| 2015                  | -1.1%                                 | -1.3%            | -0.8%   | -5.0%  |
| 2016                  | 0.1%                                  | 1.6%             | 0.3%    | 0.1%   |
| 2016 (incl. one-off)  | 3.2%                                  | 5.6%             | 4.3%    | 1.9%   |
| 2017 (incl. one-off)* | -1.3%                                 | -2.6%            | -1.2%   | -1.3%  |
|                       |                                       |                  |         |  |
| 2017 */2013           | -0.1%                                 | 0.7%             | 1.9%    | -5.9%  |

Source: Pension and Disability Insurance Fund (monthly bulletins) and Statistical Office of the Republic of Serbia

Towards the end of December 2016, pensions lower than the average pension, which stood at RSD 23,799 (for all three insurance branches), were received by nearly one million pensioners, or 55%. These were predominantly recipients of farmers', survivors' and disability pensions and, to a certain extent, also recipients of pro-rated pensions<sup>406</sup> (Figure 11). Of all recipients of below-average pensions, old-age pensioners under employee/self-employed insurance accounted for slightly more than one third, i.e. 300,000. Traditionally, over 60% of pensioners received below-average pensions, but the distribution is now slightly changed owing to the temporary progressive pension reduction.

**Figure 11. Distribution of all pensioners' pensions (all three insurance branches)**



Source: Pension and Disability Insurance Fund (monthly bulletin, December 2016)

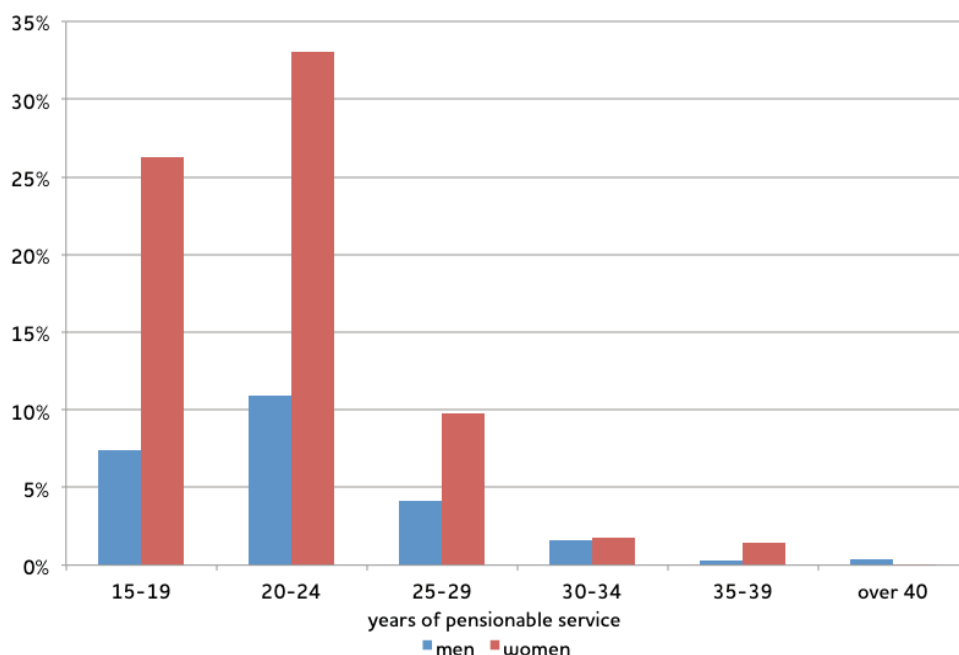
\* Including pro-rated pensions, of which there are approximately 5,000.

**The minimum pension under employee/self-employed insurance, which stood at RSD 13,655 in late December 2016, was received by 106 thousand pensioners** – about 60 thousand old-age and 40 thousand disability pensioners. As regards minimum old-age pension recipients, over 80% of them worked for up to 25 years (Figure 12). These are predominantly women with 15-25 years of pensionable service. This means that the minimum pension is, to a greater extent, a redistribution instrument towards those with a short pensionable service, rather than those with low earnings during their working lives. In the past years, this figure was even higher, at over 85%.

<sup>406</sup> A pro-rated pension is a pension that the recipient earned partly in Serbia and partly in another country. This means that a pro-rated pension is only a part of the recipient's pension income, while the other part is received from abroad. These are often pensions from former SFRY states.



**Figure 12. Breakdown of minimum old-age pension recipients by pensionable service, December 2016 (employee insurance)**



Source: Pension and Disability Insurance Fund

Ninety thousand, or **almost 30% of survivors' pension recipients under employee/self-employed insurance received pensions below the minimum pension level in late December 2016.**<sup>407</sup> The lowest survivors' pension stood at RSD 9.5 thousand for one recipient. The largest proportion of survivors – about 140 thousand, or over 40%, received pensions above the minimum, but below the average pension level.

**The minimum farmers' pension, amounting to RSD 10,736, was received by 76.5% of retired farmers in December 2016.** About 15% of farmers' pension recipients received pensions below the minimum level – the survivors' pension under farmer insurance stood at RSD 7,515 for one survivor. About 5% of pensioners received pensions above the minimum level, but below RSD 12,500. Such distribution explains the fact that the average farmers' pension (RSD 10,641 in December 2016) was lower than the minimum pension.

**The ratio of the average pension under employee insurance to the net average wage stood at 55% in 2016, while the ratio of the average old-age pension under employee insurance to the average wage –at about 61%.** In addition to the pension system design, this indicator also reflects the employment history of the present recipients – pensionable service and earnings levels; as regards the overall average

<sup>407</sup> The stated data do not take into account pro-rated survivors' pensions, estimated at about RSD 10 thousand.

pension, it also takes into account the levels of disability and survivors' pensions, which are inherently significantly lower.

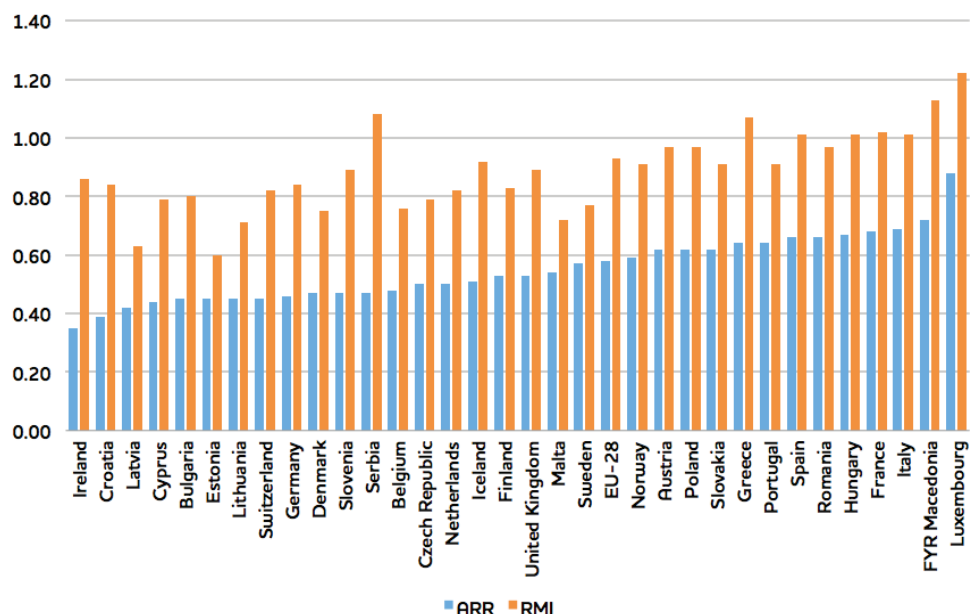
**The aggregate replacement rate (ARR) for 2015<sup>408</sup> stood at 47% and was more favourable for men, at 57%, than for women, at 43%.** Since this indicator has been monitored in Serbia, it has recorded a slight decline from 49% in 2012.<sup>409</sup> This SILC figure represents the ratio of the median old-age and survivors' pension income of the population aged 65–74 to the median gross labour income of the population aged 50–59. **In comparison with the EU-28, the aggregate replacement rate is fairly unfavourable in Serbia.** At the same time, **the relative median income (RMI) of the elderly population**, which compares the median equivalised disposable income of the population aged 65+ and the median equivalised disposable income of the remainder of the population (below 65) **is outstandingly favourable, at over 100%.** Serbia thus has the highest difference between these two indicators compared to the EU-28 countries – as high as 61 percentage points, while the average difference between the two indicators is 34 percentage points in the European Union. Beside Serbia, notable exceptions with a difference of about 50 percentage points, are Ireland and Croatia, at 45 pp. Such large difference can be attributed to several factors. Firstly, the aggregate replacement rate compares gross income to net pension income, while the rate would be about 66% if net amounts were compared. This difference is not present in countries where pensions are subject to taxation. Secondly, in the ARR, the pension income does not include disability pension income, which is taken into account in the RMI; on the other hand, in many European Union countries these pensions are treated as old-age pensions, after fulfilling the old-age retirement requirements, and are hence taken into account in the ARR as well. Finally, the RMI takes equivalised income into account, thus highlighting the importance of economies of scale in two- and multi-person households which include elderly members (65+); this is probably the case in Serbia more often than in the European Union, and is not reflected in the ARR.

<sup>408</sup> The figure is taken from the survey conducted in 2016, but the question on income refers to 2015.

<sup>409</sup> The figure from the preceding, Second National Report on Social Inclusion and Poverty Reduction in the Republic of Serbia 2011–2014 was calculated for the purposes of the Report as the ratio of pension income to the net income of the population aged 50–59 and amounted to 66%.



**Figure 13. Aggregate replacement rate and relative median income of the elderly population, 2016**



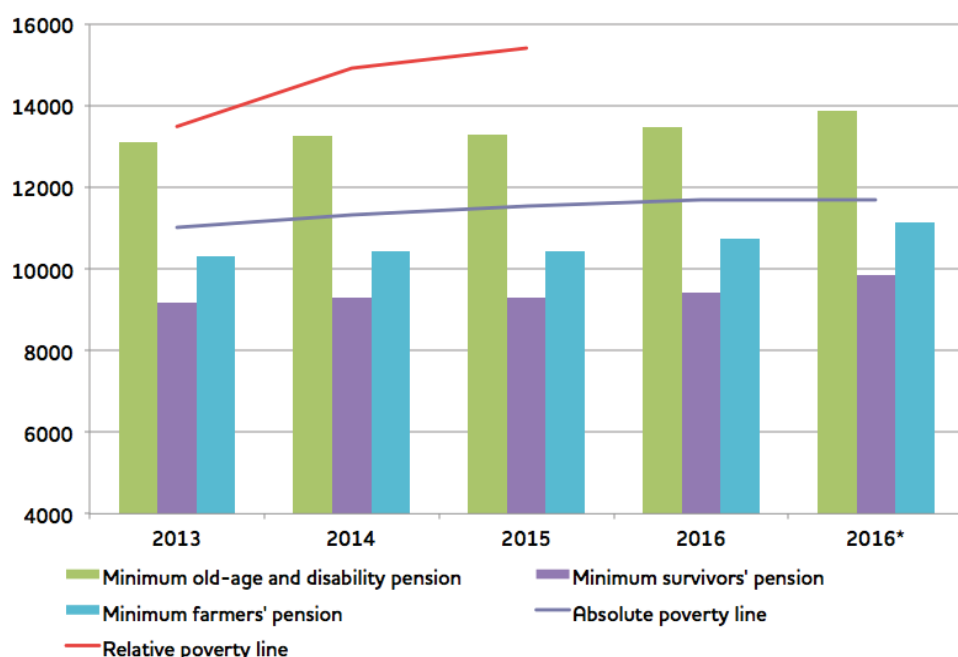
Source: Eurostat database (EU SILC)

The minimum pension, as the key instrument for ensuring minimum income in old age, amounted to an average of RSD 13,471 per month in 2016 for old-age and disability pensioners under employee/self-employed insurance, and the total pension income amounted to RSD 13,888, or about 22% of the gross and 30% of the net average monthly wage. Survivors' pensions may be very low, since they are not raised to the minimum pension level, which means that in 2016 they may have been as low as RSD 9,400. The minimum pension under farmer insurance amounted to an average of RSD 10,736 per month in 2016 (slightly over RSD 11,000 when the additional RSD 5,000 disbursed in November are taken into account). The survivors' pension under farmer insurance (in the case of one recipient) amounted to only RSD 7,500 in 2016.

**The minimum old-age and disability pensions under employee and self-employed insurance has always been above the absolute poverty line for a single-person household, but below the relative poverty line.** Farmers' pensions are mainly below the absolute poverty line; however, in-kind income from own production should be taken into consideration, as it is mainly generated by the farming population, even in old age. The minimum survivors' pension level is significantly below the poverty line, and the possibilities for pooling income within the household are much more limited for survivors' pension recipients.<sup>410</sup>

<sup>410</sup> By their very nature, survivors' pensions are awarded after the breadwinner's death, which

Figure 14. Minimum pension and poverty lines



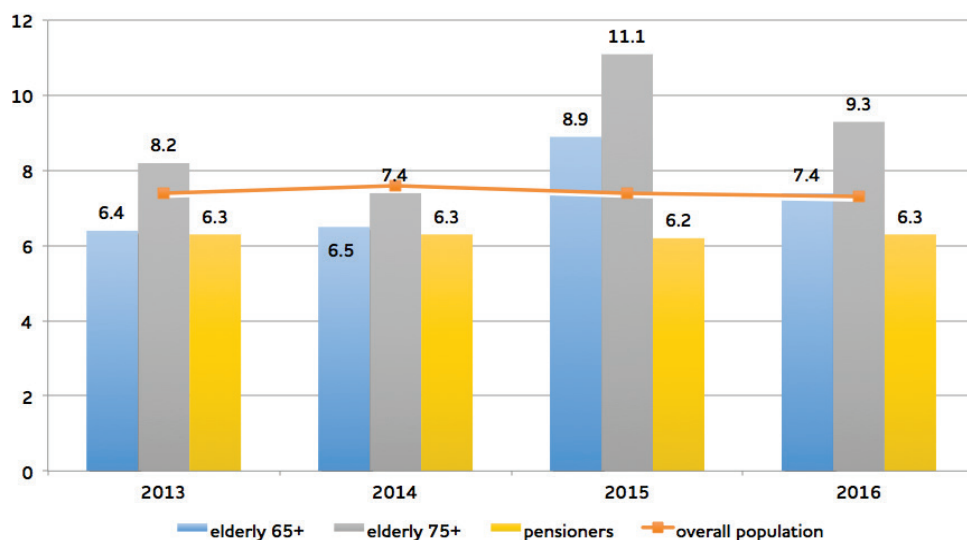
Source: Pension and Disability Insurance Fund; Statistical Office of the Republic of Serbia for the relative poverty line; Mladenović (2017) for the absolute poverty line

\* Including the one-off payment.

**Pensioners' absolute poverty is below that of the overall population.** Broken down by age groups, the poverty of people aged 65+ is lower than or equal to that of the overall population, except in 2015, while the poverty of those aged 75+ was higher (Figure 15).

implies a single-person household; besides, research also confirms that about 50% of survivors' pensions recipients live in single-person households (research conducted by the Centre for Social Policy on the basis of the SILC 2013 and Matković, G. and Stanić, K. (2014), *Socijalna zaštita u starosti: dugotrajna nega i socijalne penzije*, Tim za socijalno uključivanje i smanjenje siromaštva – Vlada Republike Srbije – CSP – FEFA, Beograd).

**Figure 15. Poverty incidence of pensioners and the elderly, % (absolute consumption poverty)**

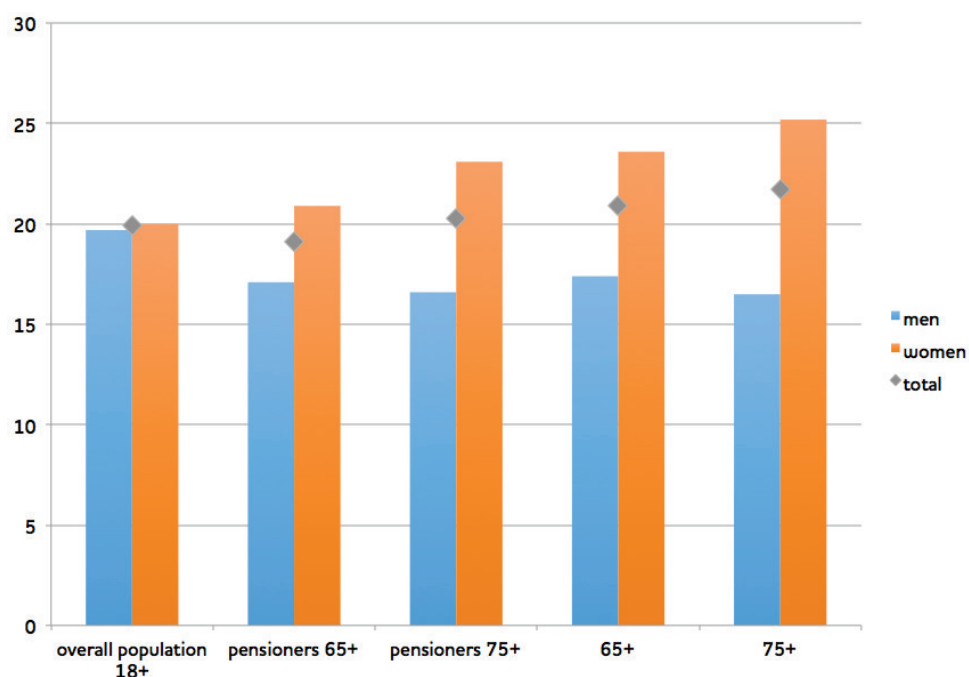


Source: Mladenović, B. (2017), *Poverty in the Republic of Serbia 2006-2016 – Revised and New Data*, Belgrade, Social Inclusion and Poverty Reduction Unit, Government of the Republic of Serbia..

An analysis of severe material deprivation reveals similar relationships. **Pensioners' (65+) severe material deprivation is slightly lower compared to the population 18+**, slightly higher for people aged 65+ and higher still for those aged 75+. The severe material deprivation of elderly females is higher compared to elderly males, and also higher compared to the total population 18+<sup>411</sup> (Figure 16).

<sup>411</sup> The difference is higher still in comparison with the severe material deprivation of the total population including children, at 19.5%.

Figure 16. Severe material deprivation by age groups, 2016



Source: Eurostat database (SILC)

**The pensioners' at-risk-of-poverty rate is substantially lower than that of the overall population.** The situation is similar with regard to the population aged 65+. For those aged 75+, this advantage is not as evident, owing to women's higher relative poverty.

**Compared to 2012, the at-risk-of-poverty rate grew both for the overall population and for pensions;** however, the increase was somewhat larger for pensioners – their at-risk-of-poverty rate grew from 15.5 to 16.2%, while that of the overall population grew from 24.6 to 25.5%. When compared to the EU-28, in Serbia pensioners and people aged 65+ are in a relatively better economic position than the rest of society.



**Table 48. At-risk-of-poverty rate (threshold: 60% of the median equivalised income after social transfers), 2015**

|                    | Women | Men  | Total | EU-28 average |
|--------------------|-------|------|-------|---------------|
| Overall population | 25.2  | 25.8 | 25.5  | 17.3          |
| Pensioners (65+)   | 18.4  | 13.6 | 16.2  | 14.1          |
| 0-64               | 26    | 27.8 | 26.9  | 17.9          |
| 65+                | 22    | 15.2 | 19.1  | 14.7          |
| 0-74               | 24.9  | 26.3 | 25.6  | 17.4          |
| 75+                | 27.2  | 17.7 | 23.4  | 16.2          |

Source: Eurostat database (SILC 2016)

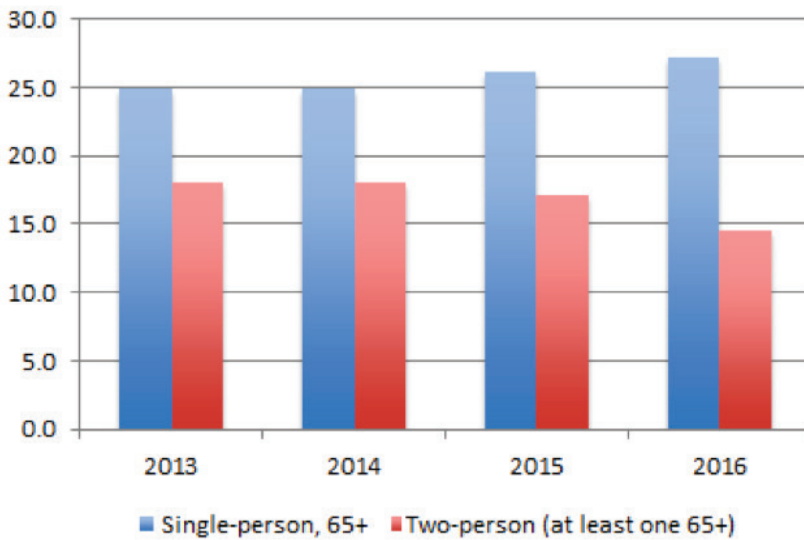
Note: The figure is officially recorded as referring to 2016, but the questions on income refer to 2015.

**Women in the higher-age groups (65+ and 75+), as well as those in the pensioner population, are at a significantly higher risk of poverty relative to men,** which is not the case in the overall population. This can be attributed to two factors: the fact that, owing to higher life expectancy, elderly women more frequently live in single-person households, which are typically at a higher risk of poverty (Figure 17) and lower pension coverage of women, especially those oldest (80+).<sup>412</sup>

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<sup>412</sup> *Ibid.*

Figure 17. At-risk-of-poverty rate of the elderly population by household type

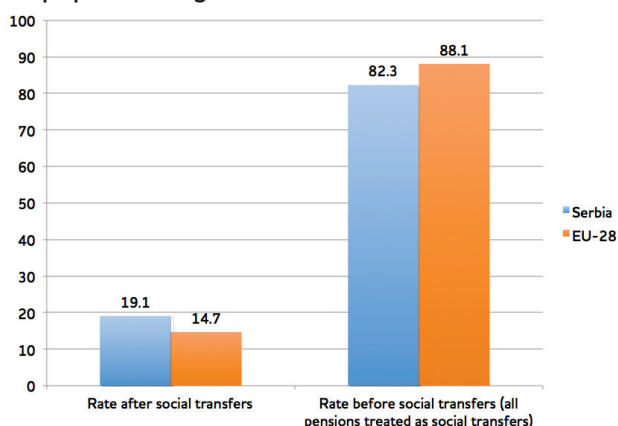


Source: Eurostat database (SILC)

**An analysis of the poverty of the elderly and pensioners corroborates the important role of the pension system in elderly poverty reduction.** The at-risk-of-poverty rates before and after social transfers can be used as the measure of pension system efficiency in relative poverty reduction. Thus, **without pensions, the elderly population's at-risk-of-poverty rate would exceed 80%, and when all pension types are taken into consideration, it amounts to 19.1%.** In the European Union, pensions and social transfers play an even more important role than in our country (Figure 18).



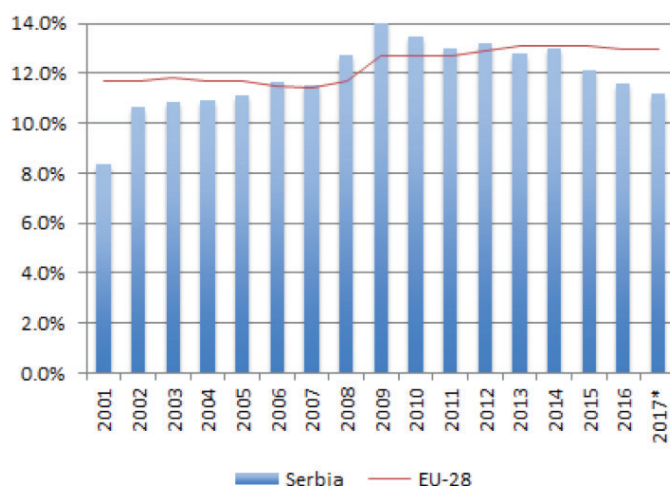
**Figure 18. At-risk-of-poverty rates before and after social transfers (including pensions) for the population aged 65+**



Source: Eurostat database (SILC)

The expenditures on pensions are on the decrease, having reached 11.2% of the gross domestic product in 2017, not including the one-off assistance of RSD 5,000, or about 11.4 % of the gross domestic product including the one-off assistance. The ratio of pension expenditures to the gross domestic product, which has been below the EU-28 average of about 13% since 2015 (Figure 19), has thus approached the fiscal target of 11% set in the Budget System Law.

**Figure 19. Pension expenditures, % of the GDP**



Source: Pension and Disability Insurance Fund, for the EU-28 – Eurostat database (up to 2008, the figures refer to the EU-27)

Note: The figures for 2016 and 2017 do not include one-off assistance of RSD 5,000.

\* Estimate.

**Transfers from the Republic of Serbia Budget have been decreased significantly** – from over 6% of the gross domestic product in 2013 to 3.6% in 2017, which is a result of both the reduction in pension expenditures and the increase in the contributions rate. These transfers are used for the disbursement of not only pensions, but also other entitlements under pension and disability insurance.

**Revenues remain one of the central problems of the pension system**, primarily because of high unemployment, but also because of partial contribution evasion, i.e. payment of contributions on the minimum contribution base only.

### 2.4.3. Conclusions

**The pension system is characterised by two key trends.** One, which became explicit in late 2014 with the passage of the Law on the Temporary Regulation of Pension Disbursement, is the **shift in the main pension system goal from old-age income maintenance** (Bismarckian systems) **towards poverty prevention** (Beveridge systems). Such a major shift in the goal and essence of the pension system requires a public debate and analysis of advantages and disadvantages. The key problem is the transitional costs, which is already borne by a part of the pensioners and which would, in the future, also be borne by a part of the present employees with higher earnings and longer pensionable service if the existing pension reduction arrangement became permanent. A separate issue is the modality of financing the transitional cost – whether the already acquired entitlements can be withdrawn, or whether it is acceptable to impose the cost only on the future generations of pensioners, who would be notified of this in advance, or whether there would be a third option; finally, whether, the transitional cost is an acceptable option at all, and to what extent. Another issue concerns the advantages and disadvantages of both systems, alternative options for savings for old age and the like.

The other trend, which can be said to have emerged already in 2005, is **the introduction of uncertainty in the pension system, primarily with regard to pension indexation** – formulas that changed so frequently that they were never truly implemented, the introduction of another law (Budget System Law) governing pension indexation, and the culmination of the problem manifested in the fact that the matter of indexation is, obviously, no longer even regulated by the pension law. This trend can be viewed from a broader perspective – there is a tendency to regulate this area by multiple laws rather than by one sectoral law – the Law on Pension and Disability Insurance, and also by other legal instruments such as decrees, Government conclusions and the like, although this is contrary to the Law on Pension and Disability Insurance and to the principle of consistent regulation of the pension system.

**A notable positive feature is the role of the pension system in elderly poverty prevention**, which remains crucial in the Republic of Serbia. Analyses show that, under both absolute and relative poverty concepts, pensioners' poverty is below that



of the overall population. The pension system efficiency in relative poverty reduction, measured by comparing the at-risk-of-poverty rates before and after social transfers (where pensions count as social transfers), shows a reduction in the at-risk-of-poverty rate by over 60 percentage points.

**The ratio of pension expenditures to the gross domestic product has been reduced considerably in the Republic of Serbia and is approaching the fiscal target of 11%.** The reduction in pension expenditures, accompanied by the increase in the contribution rate, has also led to a reduction in the budget transfers for this purpose. Revenues remain one of the central problems of the pension system, primarily because of high unemployment, widespread grey economy and contribution evasion, as well as partial contribution evasion, i.e. payment of contributions on the minimum contribution base only.

#### 2.4.4. Lines of Action

**The Republic of Serbia should primarily take a clear stance on the direction in which the pension system is to develop:** whether it will remain within the framework of the existing, traditional, Bismarckian system, aimed primarily at income maintenance, and thereby also poverty prevention, or shift towards a Beveridge-type system, with a weak link between employment history and pension level and with the primary goal of poverty prevention and reduction. **To make that decision, it is essential to consider all the consequences of introducing a redistributive pension system,** especially in terms of the transitional cost, as well as many other issues, such as alternative savings mechanisms, protection against financial and other risks and the like.<sup>413</sup>

The recommendations below are based on the assumption of remaining within the framework of the existing Bismarckian system and maintaining a strong link between employment history and pensions. In that respect, the key course of action is to lift the temporary pension disbursement arrangement, announced for end-2018, and regulate the pension system by the Law on Pension and Disability Insurance only.

**It is necessary to make the decision about the modality of uprating of the general point value and pensions and/or possibly separate modalities of uprating of the general point value and pensions, in such a way as to avoid compromising either system adequacy,** which is already close to borderline acceptable with the net replacement rate of 62%, or its financial sustainability. To halt the replacement rate decline, the general point value should be uprated by the real wage growth rate, which would ensure pension adequacy at the time of retirement. On the other hand, uprating pensions by the real wage growth rate would be absolutely unacceptable in terms of costs and financial sustainability of the system, and separate modalities of

<sup>413</sup> For more information about a related topic, see Matković et al. (2009), *Izazovi uvođenja obaveznog privatnog penzijskog sistema u Srbiji*, CLDS – USAID-SEGA, Beograd.

uprating the general point value and pensions would lead to wide disparities among pensioners. This problem requires thorough analysis and the identification of an adequate and balanced solution, which should then be implemented consistently.

**It is essential to review the existing measures aimed at securing minimum income in old age**, namely the minimum pension and protection of low pensions by the disbursement of one-off assistance, as well as uneven pension indexation (higher rate applied to lower pensions and vice versa). The analysis of living standards and poverty shows that household economies of scale are very significant; hence, the measures targeting low pension recipients are inefficient, as the composition and total income of their households are not known. It should also be borne in mind that there are still elderly persons without pensions. In that respect, **in the medium term, it is possible to consider the introduction of an instrument for securing minimum income in old age that would be more adequate than minimum pensions and that would cover the elderly without pension income as well**. From the aspect of cost effectiveness, the most acceptable option would be a dedicated "module" for the elderly within the financial social assistance scheme, which would entail either a higher base for elderly households than the existing one, and/or a higher weight for each elderly person in the family (0.7 instead of the current 0.5).<sup>414</sup>

**There is scope for further improvement and streamlining of the pension system, in particular by fine-tuning the existing system**. This concerns, for instance, pensions under the accelerated retirement scheme (including pensions under special regulations), which should also be subject to the same reduction provisions as early old-age pensions, with the exception of occupations in which life expectancy is lower.

**With regard to raising the retirement age, it is essential to take life expectancy into account** and refrain from raising the retirement age further, unless life expectancy rises. In that respect, it is possible to tie the retirement age to life expectancy, thus introducing automatic raising of the retirement age.

**It is vital to improve the collection of public revenues and enhance the oversight of the wages declared and disbursed**. Moreover, it is necessary to put great efforts into the collection of contributions from insured farmers and improve it.

**There are some minor incongruities in the Law on Pension and Disability Insurance that need to be changed**. For example, the 6% increase of pensionable service for women has been retained (most probably in error), although the pensionable service requirement for early retirement has been raised to 40 years, as in the case of men.

Also, with regard to the calculation of disability pensions, the arrangement from the Law of 2003 has been retained. It provides that the insured person is additionally credited with one half of the missing years of pensionable service he/she would have

<sup>414</sup> Matković, G., Stanić, K. (2014), *Socijalna zaštita u starosti: dugotrajna nega i socijalne penzije*, Tim za socijalno uključivanje i smanjenje siromaštva – Centar za socijalnu politiku – Fakultet za ekonomiju, finansije i administraciju, Beograd.

[http://www.inkluzija.gov.rs/wp-content/uploads/2014/02/sipru\\_DTNSC\\_web\\_jan.pdf](http://www.inkluzija.gov.rs/wp-content/uploads/2014/02/sipru_DTNSC_web_jan.pdf)

attained by the age of 63 (men) or 58 (women); these were the retirement ages applicable at the time, but have been raised since. Naturally, it is clear that equalising these thresholds with the retirement age is not cost-neutral. These very questions point to the need to **explore the scope for the reform of survivors' and disability pensions**, in view of the fact that insurance against some risks may also be provided through other, not necessarily pension schemes.

## 2.5. Health and health care

### 2.5.1. Legal and strategic framework in the Republic of Serbia

**The health legislation of the Republic of Serbia is adapting to the development and reform of the health care system in an effort to overcome the shortcomings observed during the previous implementation of systemic laws and to better respond to the needs of the population for health care.** The adoption of new or amendment to the existing laws are explained by the necessity to improve the organisation and functioning of the health system, standardise the level of provision of health services in the entire territory of the Republic of Serbia, improve the quality of services, define standards harmonised with European criteria and standards, and ensure harmonisation with the EU legislation.

**In the period from 2014 to 2017, several important laws were adopted. The Law on Medical Documentation and Records in the Area of Health Care**<sup>415</sup> was a long-awaited law that stipulates the type and content of medical documentation and records, entry of data and the manner of keeping and using the data (in accordance with eHealth requirements).<sup>416</sup> It came into force in late 2014 (its provisions became effective on 1 January 2016) and was amended in late 2017. This law provides the basis for the functioning of the integrated health information system and is partially in line with the Directive on the rights of patients in cross-border healthcare.<sup>417</sup> The Law on the amendments to this law defines more closely the responsibility for the electronic health information system (i.e. designates the Institute of Public Health, founded for the territory of the Republic of Serbia, as the competent entity for managing the Integrated Health Information System of the Republic of Serbia, i.e. for collecting and processing data, establishing a database, reporting on and publishing data related to the health care system). **The Law on Prevention and Diagnosis of**

<sup>415</sup> Law on Medical Documentation and Records in the Field of Health Care, Official Gazette of RS, Nos 123/14, 106/15 and 105/17.

<sup>416</sup> eHealth is a concept of health care introduced at the beginning of this century supported by electronic data processing and internet communication.

<sup>417</sup> Directive 2011/24/EU on the patients' rights in cross-border healthcare. Downloaded from: <https://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1540564133761&uri=CELEX:32011L0024>

**Genetic Diseases, Genetically Conditioned Anomalies and Rare Diseases** (also known as the “Zoja’s Law” after girl who died of rare Batten disease)<sup>418</sup> provides for the diagnosis and treatment of children with rare diseases abroad, for the time being using the funds of the specially established (state) fund for this purpose, and later using the RHIF funds. **The Law on the Protection of Population from Infectious Diseases**<sup>419</sup> has harmonised the national legislation in this area with the International Health Regulations and other international regulations and recommendations of the World Health Organisation and the EU. **The Law on Public Health**<sup>420</sup> supersedes the 2009 law and regulates the area of public health, jurisdiction, planning, implementation of activities related to the preservation and improvement of the health of the population, as well as the manner of its financing. **The Law on Biomedically Assisted Fertilisation**<sup>421</sup> and the **Law on Transfusion Medicine**<sup>422</sup> were adopted in 2017 and both laws are fully harmonised with the EU regulations. Until now, the field of in vitro fertilisation was regulated by the Law on Infertility Treatment with Biomedically Assisted Fertilisation Procedures<sup>423</sup>, which was partly harmonised with the relevant European regulations. Bearing in mind that this is an area that develops rapidly and offers great opportunities for the treatment of various forms of infertility, there is a need to improve and specify the conditions and organisation of activities related to in vitro fertilisation, as well as the supervision of the work of healthcare institutions where this procedure is carried out. The new law envisages the formation of a bank of reproductive cells, tissues and embryos in order to increase the effectiveness of in vitro fertilisation. It also foresees the possibility for private practice to participate in the provision of health services of this kind, and regulates better supervision of the implementation of this law. The new Law on Transfusion Medicine regulates the organisation of blood collection and defines the number of blood units annually needed by the Republic of Serbia to ensure that necessary amounts of safe blood and blood components are supplied.

**The Law on Health Care, as one of the most important systemic laws, has undergone several changes on an urgent basis in the observed period.** The Law amending the Law on Health Care<sup>424</sup> amended Article 184, which allowed the approval of specialist programmes for branches of medicine, dentistry and pharmacy with the lack of staff and for unemployed health workers (in an effort to solve the lack of specialists in certain fields of medicine). Amendments to the 2015 Law on

<sup>418</sup> Law on Prevention and Diagnosis of Genetic Diseases, Genetically Conditioned Anomalies and Rare Diseases, Official Gazette of RS, no. 8/15.

<sup>419</sup> Law on the Protection of Population from Infectious Diseases, Official Gazette of RS, no.15/16.

<sup>420</sup> Law on Public Health, Official Gazette of RS, no.15/16.

<sup>421</sup> Law on Biomedically Assisted Fertilisation, Official Gazette of RS, no. 40/17.

<sup>422</sup> Law on Transfusion Medicine, Official Gazette of RS, no. 40/17.

<sup>423</sup> Law on Infertility Treatment with Biomedically Assisted Fertilisation Procedures, Official Gazette of RS, no. 72/09.

<sup>424</sup> Law on amendments to the Law on Health Care, Official Gazette of the RS, no. 93/14.

Health Care<sup>425</sup> referred to the articles of the law that specify the relicensing of health workers (since many health workers have not collected a sufficient number of points for the renewal of their license), the traineeship (shortened to 6 months), definition of the term healthcare worker and the field of trade in medicines while the following Amendments to the Law on Health Care<sup>426</sup> of the same year, the founding rights for clinic and hospital centres were transferred from the City of Belgrade level to the Republic level and the provisions referring to the outside employment of health workers were stipulated. The health care legislation is only partially harmonised with Directive 2011/24/EU on patients' rights in cross-border health care. A public debate on the draft Law on Health Care<sup>427</sup> was completed in January 2017. This law regulates the health care system consisting of healthcare institutions, private practice, faculties of health professions and other legal entities, the term "health service" was abolished, the term "health care" was introduced, general interest in health care and social care for health redefined. In the population groups covered by social health care, two new categories were introduced: persons with the veteran status, refugees i.e. persons expelled from former SFRY republics, as well as displaced persons who are unemployed and with a low monthly income, whose place of residence is in the territory of the Republic of Serbia, and persons who are provided with recommended immunisation in addition to the mandatory vaccination. An important novelty is that the founding rights over health institutions in public ownership are taken over by the state, or the Autonomous Province. Medical centres, general hospitals and community health centres founded by the state, or by the AP authorities when they are located in the territory of the autonomous province are again introduced into the healthcare system (which completely centralises the management of the healthcare system). According to the competent Ministry, the amendments to the Law and the by-laws regulating more closely the issues addressed by this law will lead to the harmonisation with the EU regulations, most notably with the Directive 2005/36/EC and the Directive 2013/55/EC.

**he Law on Health Insurance has also undergone several amendments. The Law on Amendments to the Law on Health Insurance<sup>428</sup> from 2014, 2015 and 2016 harmonises the Law** on Health Insurance with other laws that were adopted in the period since the adoption of the current Law on the basis of the regulations governing pension and disability insurance, social protection of veterans, military and civilian invalids, as well as regulations governing the activities of the Central Registry of Compulsory Social Security. This systemic law is also only partially aligned with Directive 2011/24/EU on patients' rights in cross-border health care. In January

<sup>425</sup> Law on Amendments to the Law on Health Care, Official Gazette of the RS, no. 96/15.

<sup>426</sup> Law on Amendments to the Law on Health Care, Official Gazette of the RS, no.106/15.

<sup>427</sup> Draft Law on Health Care, downloaded from: [www.zdravlje.gov.rs](http://www.zdravlje.gov.rs), 7 August 2017.

<sup>428</sup> Law on Amendments to the Law on Health Insurance. Official Gazette of RS, no. 99/14, 123/14, 126/14 – decision of CC, 106/15 and 10/16 – state law

2017, a public debate on the Draft Law on Health Insurance<sup>429</sup> was completed. Novelty brought by this law are extensive, and in addition to those already adopted through the amendments to this law, they are related to: expanding the insurance basis for insured persons, more precisely regulating the right to health care of insured persons provided from the funds of compulsory health insurance; defining the package of basic healthcare services from the compulsory insurance; the nomenclature of health services which has been proposed, specified meaning of palliative care, more precisely regulated use of health care abroad, stipulated rights to insurance in case the contributions are not paid and the detailed regulation of voluntary health insurance.

Several other draft laws for which the public hearing has been completed and which are now harmonised with EU regulations have been prepared. **The Draft Law on Amendments to the Law on Psychoactive Controlled Substances**<sup>430</sup> harmonises the 2010 Law<sup>431</sup> with the Strategy on the Prevention of Drug Abuse<sup>432</sup> (for the period from 2014 to 2021) with the accompanying action plan (2014-2017). This strategic document is in line with the EU Drugs Strategy (2013-2020)<sup>433</sup> and its action plan. The **Regulation on the Establishment of the Office for the Fight against Drugs**<sup>434</sup> has been adopted, which will represent the professional service of the Government of the Republic of Serbia and will perform a wide range of activities in this field. The two draft laws should replace the Law on the Transplantation of Cells and Tissues<sup>435</sup>. **Draft Law on the Transplantation of Human Organs for Treatment Purposes**<sup>436</sup> and the **Draft Law on the Application of Human Cells and Tissues**.<sup>437</sup> Both drafts have been criticised, and the reports on the organised public hearings can be accessed on the Ministry of Health website.<sup>438</sup> The majority of comments on the Draft Law on the Transplantation of Human Organs for Treatment Purposes refer to the provisions regulating the recovery of organs from deceased persons,

<sup>429</sup> Draft Law on Health Insurance, downloaded from: [www.zdravlje.gov.rs](http://www.zdravlje.gov.rs), 7 August 2017.

<sup>430</sup> Draft Law on Amendments to the Law on Psychoactive Controlled Substances, downloaded from: [www.zdravlje.gov.rs](http://www.zdravlje.gov.rs), 8 August 2017.

<sup>431</sup> Law on Psychoactive Controlled Substances, Official Gazette of the RS, no. 99/10.

<sup>432</sup> Strategy on the Prevention of Drug Abuse (for the period from 2014 to 2021) with the accompanying Action Plan (2014-2017), Official Gazette of the RS, no. 1/15.

<sup>433</sup> EU Drugs Strategy, 2013–2020. General Secretariat for the Council, 2013. Downloaded from: [www.consilium.europa.eu](http://www.consilium.europa.eu), August 2017.

<sup>434</sup> Regulation on the Establishment of the Office for the Fight Against Drugs, Official Gazette of the RS, no. 79/14.

<sup>435</sup> Law on the Transplantation of Cells and Tissues, Official Gazette of the RS, no. 72/09.

<sup>436</sup> Draft Law on Transplantation of Human Organs for Treatment Purposes, downloaded from: [www.zdravlje.gov.rs](http://www.zdravlje.gov.rs), 8 August 2017.

<sup>437</sup> Draft Law on the Application of Human Cells and Tissues, downloaded from: [www.zdravlje.gov.rs](http://www.zdravlje.gov.rs), 8 August 2017.

<sup>438</sup> [http://www.zdravlje.gov.rs/downloads/2017/Januar/lzvestaj\\_o\\_sjr\\_organ.pdf](http://www.zdravlje.gov.rs/downloads/2017/Januar/lzvestaj_o_sjr_organ.pdf) and [http://www.zdravlje.gov.rs/downloads/2017/Januar/lzvestaj\\_o\\_sjr\\_celije.pdf](http://www.zdravlje.gov.rs/downloads/2017/Januar/lzvestaj_o_sjr_celije.pdf)



i.e. the solution that relates to the “presumed consent” for organ donation. As the Report states, the comments refer to the need of introducing the register of non-donors, the existence of donor cards that should be legally binding, with a possibility of three options for the citizens of Serbia, as well as the exclusion of the family from the procedure of organ recovery from a deceased person. The Association of Lawyers for Medical and Health Law – SUPRAM<sup>439</sup> criticised their titles, consistency, and in particular the decision regarding the presumed consent to organ donation that does not provide sufficient security for the citizens of Serbia that such consent will not be abused. This was otherwise the main reason for the adoption of new laws because of the small response of Serbian citizens to calls for the donation of organs and tissues. Public review was also completed for the **Draft Law on Sanitary Control**<sup>440</sup>, which was harmonised with the Law on Inspection Supervision<sup>441</sup> as the umbrella law. **The Draft Law on Pharmaceuticals** was withdrawn from the legislative procedure after the public review, and the plan was to regulate the pharmaceutical activities in detail with the new Law on Health Care. **The Law on Medical Devices**<sup>442</sup> was passed in late 2017, regulating the conditions for production and sale of medical devices, which should replace the Law on Medicines and Medical Devices when it enters into force (1 December 2018). The adoption of new laws is an opportunity to organise the pharmacy business in a modern way, adapted to the modern standards and requirements of the EU, and that the production and sale of medical devices are in line with the EU directives.

**Serbia still does not have an “umbrella document” for the development of the health care system.** The national plan for the development of health care<sup>443</sup> ceased to be valid in 2015 and the new one has not been formulated, which makes it impossible to clearly understand the priorities in the development of the health system. The activities of the Ministry of Health are mostly focused on harmonisation with EU legislation and formulation of standards in certain areas of health care listed in the Serbia Progress Report in recent years<sup>444</sup> as areas where improvements are needed – in the field of blood, transplantation of tissues, cells and organs, in the field of rare diseases and management of chronic mass non-communicable diseases.

**The improvement of the health of Roma men and women and better accessibility of health care for them are stated as objectives in the newly adopted Strategy for**

<sup>439</sup> 2016 Public Hearing on Health Laws, Association of Lawyers for Medical and Health Law – SUPRAM. Downloaded from: <http://www.supram.org.rs/wp-content/uploads/2012/12/PRILOG-JAVNOJ-RASPRAVI-Udru%C5%BEenje-Supram.docx>, accessed on 20 July 2017.

<sup>440</sup> Draft Law on Sanitary Control, downloaded from: [www.zdravlje.gov.rs](http://www.zdravlje.gov.rs), 8 August 2017.

<sup>441</sup> Law on Inspection Control, Official Gazette of the RS, no. 36/15.

<sup>442</sup> Law on Medical Devices, Official Gazette of RS, No 105/17.

<sup>443</sup> Development Plan for Health Care of the Republic of Serbia, Official Gazette of the RS, no. 88/10.

<sup>444</sup> The European Commission. Republic of Serbia: 2016 Progress Report. Downloaded from: [www.eukonvent.org/wp-content/uploads/2016/11/godisnji\\_izvestaj\\_16\\_srp.pdf](http://www.eukonvent.org/wp-content/uploads/2016/11/godisnji_izvestaj_16_srp.pdf), 10 August 2017.

**Social Inclusion of Roma Men and Women in the Republic of Serbia for the period from 2016 to 2025** and the action plan for the implementation of the strategy for the period from 2017 to 2018 concretised the tasks of all stakeholders in the health system – the Ministry of Health, Health Centres and health mediators<sup>445</sup>. Major commitments have been made within this plan, which requires the mobilisation of the overall primary health care and capacity building of health mediators, whose role is important for improving the health status of Roma men and women at the level of local communities.

### 2.5.2. State of affairs in the area

In order to monitor the social dimension of the Europe 2020 Strategy, indicators were updated in 2015 by the Social Protection Committee,<sup>446</sup> i.e. its subgroup for the development of indicators. Indicators related to monitoring progress in achieving the goals of social protection and social inclusion in the field of health care and long-term care and treatment are divided into three groups: **(1) indicators relating to access to health care and long-term care and treatment, including inequalities in accessibility and inequalities in health outcomes; (2) indicators relating to the quality of health care, including its effectiveness, safety and patient orientation, and (3) indicators relating to the long-term sustainability of the health system, including health care costs and health system efficiency, and additionally (4) contextual information** (Annex 2). These indicators are supplemented by proposals of new indicators in the field of health<sup>447</sup> and long-term care and treatment<sup>448</sup>, which require special adaptation of the national social and health-statistical system of data collection and processing. For the existing indicators the available data sources were used: Survey on Income and Living Conditions (SILC), which has been continuously implemented in the Republic of Serbia since 2013<sup>449</sup>, Eurostat databases<sup>450</sup> to

<sup>445</sup> Strategy for Social Inclusion of Roma and Roma in the Republic of Serbia for the period 2016-2025 and the Action Plan for the Implementation of the Strategy for the period 2017-2018. Downloaded from: [www.ljudskaprava.gov.rs/sh/node/19971](http://www.ljudskaprava.gov.rs/sh/node/19971), 10 August 2017.

<sup>446</sup> Social Protection Committee, *Indicators Sub-group. Portfolio of EU Social Indicators for the Monitoring of Progress Towards the EU Objectives for Social Protection and Social Inclusion – 2015 Update*, European Union, 2015. Downloaded from: <https://ec.europa.eu/social/BlobServlet?docid=14239&langId=en>, 1 August 2017.

<sup>447</sup> European Commission. *Towards Joint Assessment Framework in the Area of Health*, Brussels, 22 November 2015. Retrieved from <https://ec.europa.eu/social/main.jsp?catId=758&langId=en&moreDocuments=yes>, 1 August 2017.

<sup>448</sup> *Adequate social protection for long-term care needs in an aging society*, Report jointly prepared by the Social Protection Committee and the European Commission, European Union, 2014. Downloaded from: <https://ec.europa.eu/social/BlobServlet?docid=12808&langId=en>.

<sup>449</sup> Survey on Income and Living Conditions in Serbia – SILC. For more information, visit: <http://www.stat.gov.rs/oblasti/potrosnja-prihodi-i-uslovi-zivota/prihodi-i-uslovi-zivota/>, 1 August 2017.

<sup>450</sup> EU SILC database. Downloaded from: <https://ec.europa.eu/eurostata/data/database>, 10 August 2017.

compare the values of indicators with the European Union and/or indicators of the "Health for All" database of the World Health Organisation, Multiple Indicator Survey of Women and Children in Serbia (MICS), conducted by UNICEF and the Statistical Office of the Republic of Serbia in 2014<sup>451</sup>, and the latest available data from routine health statistics published by the Institute of Public Health of Serbia "Dr Milan Jovanovic Batut".<sup>452</sup>

### 2.5.2.1. Indicators of inequality in the accessibility of health care and inequality in health outcomes

**Unmet health care needs for medical and dental examination or treatment are the primary indicators of endangered accessibility** (financial reasons and distance of the health institution) **and availability** (waiting lists) **of health care**, as well as personal preferences of respondents (lack of time, fear of a doctor, waiting for health condition to improve, does not know a good doctor)<sup>453</sup>. According to SILC data, in the Republic of Serbia, **the rate of unsatisfied needs for medical examination or treatment in people over 16 years of age in the period 2014-2016 decreased by 4.4 percentage points** (2014 – 14.9%, 2015 – 14.6 %, and 2016 – 10.5%). The differences between Serbia and the EU-28 are high, and the rate of unmet health care needs in the EU-28 countries in 2016 was lower by 6.2 percentage points (Table 49). The most common reasons for unmet needs for medical examination or treatment in the observed period were of financial nature (could not afford the service, it was too expensive), followed by a lack of time, waiting for the health condition to improve and waiting lists – reasons are similarly ordered in the EU countries (Annex 1, Table 14. Reasons for unmet needs for medical examination or treatment in Serbia according to SILC data). There are twice as many respondents who due to financial reasons failed to obtain a medical examination or treatment as in 2014, and since 2015 the number of those who did not receive the necessary service due to the waiting list has been reduced. The financial reasons for unmet needs for medical examination or treatment in 2016 were more frequently reported by females, in the poorest (the first quintile of available income) and in much older working age population (from 45 to 64 years of age), and then in those older than 75 (Annex 1, Table 15. Unmet needs for medical examination or treatment by sex, age and income in Serbia due to financial reasons according to the 2016 SILC survey). The region of Vojvodina had the largest share of unmet needs for medical examination

<sup>451</sup> Statistical Office of the Republic of Serbia and UNICEF, *Istraživanje višestrukih pokazatelja položaja žena i dece u Srbiji 2014. i Istraživanje višestrukih pokazatelja položaja žena i dece u romskim naseljima u Srbiji 2014. Konačni rezultati*, Belgrade, 2014. Downloaded from: [www.unicef.rs/wp-content/uploads/2016/09/Srbija\\_MICS\\_Resime.pdf](http://www.unicef.rs/wp-content/uploads/2016/09/Srbija_MICS_Resime.pdf).

<sup>452</sup> Institute of Public Health of Serbia "Dr. Milan Jovanović Batut", *Zdravstveno-statistički godišnjak RS 2015*, Belgrade, 2016. Downloaded from: [www.batut.org.rs/index.php?category\\_id=132](http://www.batut.org.rs/index.php?category_id=132), 1 August 2017.

<sup>453</sup> European Statistics Explained. Unmet health needs statistics. Downloaded from: [http://ec.europa.eu/Eurostat/statistics-explained/index.php/unmet\\_health\\_care\\_needs\\_statistics](http://ec.europa.eu/Eurostat/statistics-explained/index.php/unmet_health_care_needs_statistics), 1 August 2017.

or treatment in 2016 (15.3%), followed by the Belgrade region (9.3%), then the region of South and East Serbia, while the smallest rate of unmet needs for medical examination or treatment was in Šumadija and Western Serbia (8.5%). Respondents without mandatory health insurance (who did not have a certified health booklet) reported twice more frequently unmet needs for medical examination or treatment (35.6% in 2014).

**Table 49. Rate of unmet needs for medical examination or treatment in Serbia and the EU-28**

|      | The Republic of Serbia | EU-28 |
|------|------------------------|-------|
| 2014 | 14.9%                  | 6.7%  |
| 2015 | 14.6%                  | 5.0%  |
| 2016 | 10.5%                  | 4.3%  |

Source: Eurostat

**The rate of unmet needs for dental examination and treatment is somewhat higher due to the fact that this service, both in Serbia and in the countries of the European Union, is not covered by mandatory health insurance system, except for preventive dentistry and emergency intervention.** In the Republic of Serbia in 2016, almost every seventh respondent over 16 years of age (14.8%) reported unmet needs for dental examination and treatment (EU-28 – 5.6%) and it should be noted that the share of people with unmet needs for dental examination and treatment has been on the rise since 2015 (Table 50). Among them, there are slightly more men, aged 45 to 64, and then those aged 25 to 44 and those of the lowest income (the first quintile of income), the highest share of whom is in Vojvodina. Again, the main reason for unmet needs for dental examination and treatment is the cost, and the next common reasons are the fear of the dentist, lack of time and distance (Annex 1, Table 16. Reasons for unmet needs for dental examination and treatment in Serbia according to the SILC data). The share of people reporting financial barriers as a reason for unmet needs for dental examination and treatment slightly dropped in 2015 and then remained unchanged in 2016.

**Table 50. Rate of unmet needs for dental examination and treatment in Serbia and the EU-28**

|      | The Republic of Serbia | EU-28 |
|------|------------------------|-------|
| 2014 | 16.1%                  | 7.8%  |
| 2015 | 14.0%                  | 6.3%  |
| 2016 | 14.8%                  | 5.6%  |

Source: Eurostat

**Coverage of statutory health insurance is a good indicator of access to health care.** According to data from the database of beneficiaries of the Republic Health Insurance Fund (RHIF)<sup>454</sup>, **the coverage of the statutory insurance was 97.2% in 2016** and

<sup>454</sup> Calculated on the basis of the data of the Republic Health Insurance Fund. Data downloaded from: [www.rfzo.rs/index.php/broj-osiguranika-stat](http://www.rfzo.rs/index.php/broj-osiguranika-stat). 10 August 2017.

slightly higher than in 2012 – 95.8%. Approximately, every fifth citizen of Serbia (20% of total insured persons in 2016) during this entire period belonged to vulnerable social groups (Article 11 of the Law on Health Care) and obtained insurance on this basis (Article 22 of the Law on Health Insurance). The Law on the Contributions for Statutory Social Insurance<sup>455</sup> regulates the base for statutory social insurance contributions for persons whose contributions are financed from the Budget of the Republic of Serbia. The questionnaire used in the MICS Serbia survey<sup>456</sup> contained a question about the possession of a health booklet and whether it was shown to the interviewer. According to the current legislation, all children under the age of 18 are entitled to health insurance. However, complicated administrative procedures still constitute an obstacle for vulnerable groups of children, especially those who have not been registered in the birth register. Most children under the age of five in Serbia (97.5%) have a health booklet. Children who do not have a booklet are more often male, live in Vojvodina, in other settlements, in the first year of life, their mothers are not educated, they belong to the first (the poorest) quintile of available income and are of Roma nationality (18.8% of those without a health booklet).<sup>457</sup>

**Primary indicators of (in)equality in health outcomes include the life expectancy and healthy life expectancy** (i.e. life expectancy without disease) when analysed by sex, at birth, at age 45 and 65, and in terms of socioeconomic status.

**Compared to the previous reporting period, the expected life expectancy at birth was increased in both sexes by 0.75 years, slightly higher in men than in women** (Table 51). Compared to the EU-28, the Republic of Serbia lags behind by 5 years, slightly more for women (5.5) than for men (5.1), although in the EU-28 countries the value of this indicator is declining.<sup>458</sup> The worrying fact is that the gender gap in the EU is almost two years smaller (3.4 years) than in Serbia (4.9 years). Estimated values for life expectancy at birth, age 45 and 65 are available for Serbia in the World Health Organisation's "Health for All" database<sup>459</sup> (Annex 1, Table 17. Life expectancy at birth, age 45 and 65 in Serbia and the EU-28). In 2014 (the latest available data) it was expected that 45-year-olds would live another 32 years, and people aged 65 years for almost 16 years. The values of these indicators increased from 2010 to

<sup>455</sup> Law on the Contributions for Statutory Social Insurance, Official Gazette of RS, Nos 84/04, 61/05, 62/06, 5/09, 52/11, 101/11, 47/13, 108/13, 57/14, 68/14 – amended by another law, 112/15 and 113/17.

<sup>456</sup> Statistical Office of the Republic of Serbia and UNICEF: *Praćenje stanja i položaja dece i žena: Istraživanje višestrukih pokazatelja 2010*, Beograd 2012, and Statistical Office of the Republic of Serbia and UNICEF: *Istraživanje višestrukih pokazatelja položaja žena i dece u Srbiji 2014*, and *Istraživanje višestrukih pokazatelja položaja žena i dece u romskim naseljima u Srbiji 2014*, Final results, Belgrade, 2014. Downloaded from: [www.unicefrs/wp-content/uploads/2016/09/Srbija\\_MICS\\_Resime.pdf](http://www.unicefrs/wp-content/uploads/2016/09/Srbija_MICS_Resime.pdf), 20 August 2017.

<sup>457</sup> *Ibid.*

<sup>458</sup> Eurostat, Downloaded from: [https://ec.europa.eu/eurostat/statistics-explained/inex.php#mortality\\_and\\_life\\_expectancy\\_statistics](https://ec.europa.eu/eurostat/statistics-explained/inex.php#mortality_and_life_expectancy_statistics), 15 August 2017.

<sup>459</sup> WHO, Health for All Database, Downloaded from: [www.data.euro.who.int/hfa/](http://www.data.euro.who.int/hfa/), 15 August 2017.

2014 by less than a year (0.85 years for people aged 45 and 0.65 for people aged 65 years), and the differences between Serbia and the EU-28 are high: five years for persons aged 45 and four years for persons aged 65.

**Table 51. Expected life expectancy at birth by sex**

| Distribution by sex | 2012  | 2013  | 2014  | 2015  | 2016  |
|---------------------|-------|-------|-------|-------|-------|
| Male                | 72.22 | 72.46 | 72.61 | 72.62 | 73.01 |
| Female              | 77.29 | 77.68 | 77.70 | 77.67 | 77.98 |
| Both sexes          | 74.74 | 75.05 | 75.14 | 75.14 | 75.49 |

Source: Institute of Public Health of Serbia "Dr Milan Jovanović Batut", *Health and Statistical Yearbook RS 2012, 2013, 2014, 2015 and 2016*

**It is not possible to monitor the expected life expectancy with regard to the socio-economic status of persons**, but if the approximation for this indicator is a gap in the socio-economic development of local self-governments, then they are large and range from three to four years in 2016 at the district level. The highest value of this indicator was recorded in Belgrade (76.69 years), and the lowest in North Banat (72.89 years) and Western Bačka (73.91 years). The gap is even more pronounced at the municipal level and can be as high as seven years. The most expected life expectancy at birth was recorded in Belgrade municipalities of Novi Beograd (77.59), Vračar (77.49) and Voždovac (77.40), while the lowest values were recorded in the municipalities of Crna Trava (70.16), Senta (70.57) and Novi Bečej (71.41 years).<sup>460</sup>

**Healthy years of life (or life expectancy without disease) are also not calculated by national mortality statistics.** Estimated values for Serbia can be found in the World Data Atlas<sup>461</sup> for 2000, when the value was 63, and for 2012 — when it was 65 years (67 years for women and 63 years for men). The same year, out of 192 countries, Serbia was ranked 80th in terms of this indicator (close to Turkey and Sri Lanka).<sup>462</sup>

**The secondary group of indicators of health care accessibility comprises self-reported limitations in usual activities (by gender, age and income), self-perceived general health (by sex, age and income) and infant mortality including socio-economic status gap** as a health outcome indicator for one the most vulnerable population groups in the life cycle – children from birth to the first year of life.

Self-reported limitations in usual activities due to health problems are one of the health indicators that provide an insight into long-term health problems, the burden of diseases and health needs of the population. **In 2016, 16% of Serbian citizens**

<sup>460</sup> Institute of Public Health of Serbia "Dr Milan Jovanović Batut", *Zdravstveno-statistički godišnjak RS 2015*, Belgrade, 2017. Downloaded from: [www.batut.org.rs/index.php?category\\_id=132](http://www.batut.org.rs/index.php?category_id=132), 1 August 2017.

<sup>461</sup> World Data Atlas, Downloaded from: <https://knoema.com/atlas/Serbia>, 15 August 2017.

<sup>462</sup> World Health Rankings, Downloaded from: [www.worldexpectancy.com/country-health-profile/Serbia](http://www.worldexpectancy.com/country-health-profile/Serbia), 15 August 2017.



**older than 16 had moderate (11.3%) and severe (4.7%) limitations in their daily activities**, and this value has virtually remained unchanged since 2014 according to the SILC data, which is about 10 percentage points less than in the EU-28 countries (Table 52). Limitations in daily activities are more often reported by women, and they increase with age so that almost 40% of people aged over 65 report these limitations and they are more prevalent in poor people (first and second income quintile groups). A similar situation is reported in the EU-28 countries (Annex 1, Table 18. Self-reported limitations in usual activities due to health problems in Serbia and the EU-28 according to the SILC data, 2015).

**Table 52. Self-reported limitations in usual activities due to health problems in Serbia and EU-28**

|      | Republic of Serbia | EU-28 |
|------|--------------------|-------|
| 2014 | 16.3%              | 27.3% |
| 2015 | 17.5%              | 25.3% |
| 2016 | 16.0%              | 24.1% |

Source: Eurostat and Statistical Office of the Republic of Serbia

Self-perceived health is a subjective assessment of the physical, mental and social aspects of health and well-being and a good predictor of the illness and mortality of the population. It is not a substitute for more objective health measures, but only an addition to these indicators. **According to the SILC data from 2014 to 2016, one in six respondents in Serbia aged 16 and over assessed their health as bad or very bad**, while this number in the EU-28 was twice lower (Table 53). Health was perceived as bad and very bad more frequently by women than men, followed by older population groups, most often those older than 75, then those aged 65 and the age group 55-64, persons belonging to the first and second income quintile groups, and those who live in Central Serbia – the region of Southern and Eastern Serbia and Šumadija and Western Serbia. A similar distribution is also seen in the EU-28 countries, but health is assessed as bad or very bad twice more often than in Serbia (Annex 1, Table 19. Rate of bad and very bad self-perceived health in Serbia and the EU-28 according to the SILC data, 2016).

**Table 53. Self-perceived health in Serbia and the EU-28**

| Self-perceived health | 2014  | 2015  | 2016  |
|-----------------------|-------|-------|-------|
| Serbia:               |       |       |       |
| Good and very good    | 57.2% | 56.7% | 57.1% |
| Fair                  | 23.8% | 24.0% | 25.0% |
| Bad and very bad      | 19.0% | 19.3% | 17.9% |
| EU-28:                |       |       |       |
| Good and very good    | 67.3% | 66.8% | 67.4% |
| Fair                  | 22.9% | 23.5% | 23.7% |
| Bad and very bad      | 9.8%  | 9.7%  | 8.9%  |

Source: Eurostat

The infant mortality rate is a good indicator of the health outcome for the most vulnerable population group – children in the first year of life. **Although in 2016 the value of this indicator in Serbia was 5.4 infant deaths per 1,000 live births, it is still almost two infant deaths more per 1,000 live births than the EU-28 average, with a decrease of one infant death per 1,000 live births compared to 2012** (Table 54). The gender gap is almost insignificant; in 2015, there were 5.32 male infant deaths and 5.21 female infant deaths per 1,000 live births (Annex 1, Table 20. Infant mortality rate by gender in the Republic of Serbia). Infant mortality is also an indicator of social and economic development as it is influenced by the general development of an area. Consequently, the regional gap in Serbia is the lowest in Vojvodina (5 infant deaths per 1,000 live births) and Belgrade region (5.3 infant deaths per 1,000 live births) and the highest in the region of Southern and Eastern Serbia (6.0 infant deaths per 1,000 live births)<sup>463</sup> The gap is even more pronounced in Serbian districts and amounts to 6 to 7 infant deaths per 1,000 live births; the highest values are reported in Kolubara district (9.4 infant deaths per 1,000 live births) and Middle Banat district (7.8 infant deaths per 1,000 live births), and the lowest in Zaječar district (2.7 infant deaths per 1,000 live births) and Mačva district (2.8 infant deaths per 1,000 live births). **The mortality rate of Roma infants in Roma settlements in the period between two MICS surveys, in 2010 and 2014, dropped from 14 to 13 infant deaths, although it is still more than twice as high as in the rest of the population of the Republic of Serbia.**<sup>464</sup>

**Table 54. Infant mortality rate in Serbia and the EU-28**

|       | Republic of Serbia | EU-28 |
|-------|--------------------|-------|
| 2012. | 6,3                | 3,8   |
| 2013. | 6,3                | 3,7   |
| 2014. | 5,7                | 3,7   |
| 2015. | 5,3                | 3,6   |
| 2016. | 5,4                | 3,6   |

Source: Eurostat and Statistical Office of the Republic of Serbia

<sup>463</sup> Statistical Office of the Republic of Serbia. Demographic statistics, 2015. Belgrade, 2016. Downloaded from: <https://pod2.stat.gov.rs/ObjavljenePublikacije/...> (20 August 2017).

<sup>464</sup> Statistical Office of the Republic of Serbia and UNICEF: *Praćenje stanja i položaja dece i žena: Istraživanje višestrukih pokazatelja 2010*, Beograd 2012, and Statistical Office of the Republic of Serbia and UNICEF: *Istraživanje višestrukih pokazatelja položaja žena i dece u Srbiji 2014 and Istraživanje višestrukih pokazatelja položaja žena i dece u romskim naseljima u Srbiji 2014, Final results*, Belgrade, 2014. Downloaded from: [www.unicef.rs/wp-content/uploads/2016/09/Srbija\\_MICS\\_Resime.pdf](http://www.unicef.rs/wp-content/uploads/2016/09/Srbija_MICS_Resime.pdf), 20 August 2017.





### 2.5.2.2. Health care quality indicators: effectiveness, safety and responsiveness/patient-centeredness

With regard to primary indicators of this group, only data on coverage of children by inoculation and coverage of women by screening for cervical cancer are available, while the rates of five-year survival from cervical cancer and colon cancer, as excellent indicators of the quality of health care provided, are not accompanied by routine health statistics. These indicators point to a gap in health care quality and safety provided to vulnerable population groups such as children and women.

Since 2013, the coverage of children by inoculation has shown a drop (except for vaccination against tuberculosis) and only for the vaccine against diphtheria, tetanus and pertussis (DTaP) and poliomyelitis (IPV) the coverage reached 95% in 2015, which is a threshold for herd immunity (Annex 1, Table 21. Inoculation coverage of children at birth, in the first and second year of life in Serbia). What poses a serious concern is the low coverage by MMR (morbili, mumps and rubella) vaccination in the second year of life, which was 84% in 2015. **In 2016, there was a further drop in the vaccination coverage, which is now below 95% for vaccination against DTaP (94.1%), IPV (94.2%) and MMR (81%).**<sup>465</sup> The increase in the number of parents who refuse to vaccinate their children is blamed on a strong anti-vaccine lobby spreading the misconception that the MMR vaccine can cause autism in children, as well as insufficient support to compulsory vaccination of children provided by paediatricians from primary health care. Inoculation coverage is much better in Vojvodina than in Central Serbia, and the smallest number of vaccinated children is reported in large cities, although there are enough vaccines in all Serbian health centres. **According to the 2014 MICS data**<sup>466</sup> **inoculation coverage of Roma children under three years of age in Roma settlements is lower than for the rest of the children in Serbia,** although it increased in the period between the two surveys (2010-2014). A total of 94% of children were vaccinated against tuberculosis, and 93% of them against hepatitis and both vaccines are administered in maternity wards. The coverage rate for all other vaccines is lower than 90% and decreases for the second and third dose. The coverage is lowest for the measles, rubella and mumps (MMR) vaccine, and only 63% of children have been administered this vaccine by the end of their second year of life. Full immunisation coverage for all recommended vaccines in the national vaccination calendar is twice lower for Roma children compared to the average rate for Serbia.

<sup>465</sup> Institute of Public Health of Serbia, *Izveštaj o sprovedenoj imunizaciji na teritoriji Republike Srbije u 2016. godini*, Belgrade, 2017. Downloaded from: [www.batut.org.rs/index.php?category\\_id=132](http://www.batut.org.rs/index.php?category_id=132), 10 August 2017.

<sup>466</sup> Statistical Office of the Republic of Serbia and UNICEF: *Praćenje stanja i položaja dece i žena: Istraživanje višestrukih pokazatelja 2010*, Beograd 2012, and Statistical Office of the Republic of Serbia and UNICEF: *Istraživanje višestrukih pokazatelja položaja žena i dece u Srbiji 2014* and *Istraživanje višestrukih pokazatelja položaja žena i dece u romskim naseljima u Srbiji 2014*, Final results, Belgrade, 2014. Downloaded from: [www.unicef.rs/wp-content/uploads/2016/09/Srbija\\_MICS\\_Resime.pdf](http://www.unicef.rs/wp-content/uploads/2016/09/Srbija_MICS_Resime.pdf), 20 August 2017.

**The coverage of women by cervical screening is monitored in Serbia for the target population of women aged 25 to 64, and the aim is to achieve the coverage level of at least 75% for the last three years.**<sup>467</sup> According to the data of the Cancer Screening Office, which was established to monitor national screening programmes of the most common causes of deaths from early-detectable malignancies, of the total number of invited women in 2016, 62.4% responded to the invitation to participate in the screening, i.e. 35.14% of women aged 25–64 were tested in that year. The highest rate was recorded in the area covered by the Institute for Public Health of Vojvodina – Novi Sad (66.7%) and the Institute for Public Health in Kraljevo (64.7%), while the lowest was in Belgrade (16.7%) and in the area covered by the Public Health Institute of Valjevo (20.4%).<sup>468</sup>

**Secondary indicators of the second group introduce women aged 65 and older as a vulnerable population group and monitor their coverage by vaccination against seasonal influenza, the coverage of women aged from 20 to 69 by screening for breast cancer** as one of the most common causes of death from malignant diseases in women, a five-year survival rate from this disease and the rate of perinatal mortality – that is, newborn deaths at birth and during the first seven days after birth.

The coverage of people aged 65 and older by vaccination against seasonal influenza is one of the indicators of the quality of primary health care services in Serbia. Unfortunately, **the coverage of elderly citizens by this vaccine is low and practically on the same level since 2013** (14.7% – 2013, 13.2% – 2014 and 14.5% – 2015), which is insufficient to reduce the burden of diseases, additional hospitalisation due to illness and its complications in the elderly, and the costs of health care.<sup>469</sup> The lowest coverage level was reported in Niš district (9.4%), and the highest in the North Bačka (31.5%).

**The coverage of women by breast cancer screening is monitored in Serbia for the 50–69 age group according to the National Programme for Early Breast Cancer Detection**<sup>470</sup> and the goal is to reach at least 75% in a two-year screening cycle. **In 2016, the coverage of women in Serbia was 16% (38.5% of women responded to the invitation);** the largest coverage was in the area of the Public Health Institute Pirot (42.6%) and Kraljevo (40%), and the smallest in the area of the Public Health Institute Zrenjanin (8.3%).

<sup>467</sup> Regulation on the National Programme for the Early Detection of Cervical Cancer. Official Gazette of RS, no. 73/13 and 83/13..

<sup>468</sup> Cancer screening office. Downloaded from: [www.skriningsrbija.rs/srl/statistika/1/13/208.detajli/...](http://www.skriningsrbija.rs/srl/statistika/1/13/208.detajli/...), 20 August 2017.

<sup>469</sup> Institute of Public Health of Serbia, *Izveštaj o unapređenju kvaliteta rada u zdravstvenim ustanovama Republike Srbije u 2015. godini*, Belgrade, 2016. Downloaded from: [www.batut.org.rs/index.php?category\\_id=132](http://www.batut.org.rs/index.php?category_id=132), 10 August 2017.

<sup>470</sup> Regulation on the National Programme of Early Detection of Breast Cancer. Official Gazette of RS, no. 73/13.

Since five-year survival rates are not available, the rate of preventable mortality that can be reduced by early detection of the disease, how survival can be prolonged and quality of life improved is indicated by the standardised death rate (per 100,000 inhabitants) for breast and cervical cancer in women, and colon cancer in both sexes. Breast cancer death rate is almost four times higher, and colon cancer death rate in women is twice the rate for cervical cancer, while colon cancer death rate is twice as high in men as in women. In the period from 2011 to 2014, standardised death rate for colorectal cancer in both women and men, and for breast cancer and cervical carcinoma in women in Serbia were reduced, albeit slightly, mostly for cervical cancer (1.4 deaths per 100,000 inhabitants), then breast cancer (one death fewer per 100,000 inhabitants), while the values for colon cancer vary. The gap between Serbia and the EU-28 is huge: cervical cancer death rate is three times higher in Serbia than in the EU-28, there are 10 more deaths from breast cancer per 100,000 inhabitants, while the differences in colon cancer death rates between women in Serbia and in the EU-28 are slightly less (3.5 deaths per 100,000 inhabitants) than the difference in men (11 deaths per 100,000 inhabitants) (Annex 1, Table 22. Standardised death rates (per 100,000 inhabitants) for colon, cervix and breast cancer in Serbia and the EU-28).

**The rate of perinatal mortality** (number of stillbirths and deaths in the first week of life per 1,000 total births – both live and stillborn) is a good indicator of the quality of health care provided to pregnant women and children immediately after delivery, especially when there is almost complete coverage of pregnant women by prenatal health care and when virtually all deliveries take place in a health institution with professional help. **What is concerning is the increase in stillbirth in the period from 2013 to 2015, which, with the decrease in the number of live births, leads to a high and unchanged rate of perinatal mortality in this period** (2013 – 8.6, 2014 – 8.7 and 2015 – 8.7 stillbirths and neonatal deaths in the first week of life per 1,000 total births).<sup>471</sup>

### 2.5.2.3. Indicators of long-term sustainability of the health system including cost and efficiency

**In order to reduce health inequalities and ensure the engagement of all stakeholders in maintaining and improving health, sustainable and effective health systems are needed.** Primary indicators of the third group relate to health care expenditure and efficacy measured by days and hospitalisation cases, as well as the effectiveness of the system in combating risk factors, such as obesity. **Data on health care expenditure at the national level are very scarce, and no one is seriously analysing these costs, nor trying to improve the reporting system.** Thus,

<sup>471</sup> Statistical Office of the Republic of Serbia. Demographic statistics, 2013, 2014 and 2015. Belgrade, 2016. Downloaded from: <https://pod2.stat.gov.rs/ObjavljenePublikacije/...>, 20 August 2017

there is no data on costs for long-term care and treatment, nor any projections of public expenditure for health care. The Eurostat database does not monitor the health care costs of Serbia (except for health care costs per capita), so the report uses data from the "Health for All" database of the World Health Organisation, which allows for international comparisons and contains values of most of the required indicators. According to the Eurostat database,<sup>472</sup> **health care expenditure per capita in euro terms in Serbia is on the decline** (2013 – EUR 281.8, 2014 – EUR 279.1 and 2015 – EUR 257.6 per capita) and was about eight times lower than the average in the EU-28 countries, which in 2014 amounted to EUR 2,223.1 per capita.

**The ratio of total health care expenditure to gross domestic product is very high and has practically remained unchanged since 2010 and is around 10%, the highest of all countries in the region**, somewhere at the level of Greece, and by 1 percentage point higher than the EU average in 2014 (Annex 1, Table 23. Indicators of health care expenditure in Serbia and the EU-28). However, although the relative amounts are high, in terms of the purchasing power standard (PPS), Serbia ranks somewhere in the middle of the European countries where Bulgaria and Romania are below, and Greece and Hungary above it. The total health care expenditure per capita in international dollars, and adjusted to the purchasing power standards, is lower by more than 2,000 international dollars in Serbia than the EU-28 average (Annex 1, Table 23. Indicators of using hospitals (efficiency) in Serbia). Although these absolute amounts are relatively moderate, they can be used more rationally. Several recent analyses of the efficiency of Serbian health system<sup>473</sup> point out that **there is a discrepancy between healthcare costs and health outcomes**, which can be explained by the old equipment and facilities, inefficient hospital work, poor quality of health services, long waiting lists, and corruption in the health system. Public health care expenditure as a percentage of total health care expenditure has slightly increased (2013 – 59.16% and 2014 – 61.88%) and is lower than the EU-28 average (2013 – 76.1% and 2014 – 76.2%). "Out-of-pocket payments" as a percentage of total health care expenditure are high (36.6% in 2014) and are higher than the average in both the EU-28 and the European countries. These generate inequalities in health care, as they lead to impoverishment of patients, especially those with chronic diseases and conditions, who have to pay "out of pocket", usually for medicines or other medical procedures (often in the private sector), or threaten the accessibility of health care to those who cannot afford them.

**The hospital system accounts for the highest proportion of health care expenditure in all health systems, including Serbia** (the share of secondary and

<sup>472</sup> Eurostat Table *Expenditure: main results*, 10 December 2017

<sup>473</sup> The Economist Intelligence Unit, *Modernising the Serbian Health System The need for a reliable decision-making compass*, Downloaded from: [www.einperceptiveseconomist.com/sites/...](http://www.einperceptiveseconomist.com/sites/...), May 2017, and *Zajednička studija Američke privredne komore i Ministarstva zdravlja RS o mogućnostima sinergije javnog i privatnog sektora radi unapređenja efikasnosti u sistemu zdravstvene zaštite* (2016). Retrieved from [www.amcham.rs/platforme/unapredjenje-poslovnog-okruzenja/odbor-za-zdravstvo.183html](http://www.amcham.rs/platforme/unapredjenje-poslovnog-okruzenja/odbor-za-zdravstvo.183html), May 2017.

tertiary health care in total health care expenditure amounted to 73.2% in 2016).<sup>474</sup> For this reason, its effectiveness is extremely important for the sustainability of health systems. The hospitalisation rate (the number of inpatient hospital discharges per 1,000 inhabitants) and the hospitalisation day rate (the number of hospitalisation days per 1,000 inhabitants) belong to the group of primary indicators, and the average daily occupancy of hospitals and the average length of hospital treatment belong to the group of secondary indicators of the third group. In general, it can be said that there are **no significant changes in the use of hospital health care in Serbia in the period 2013-2016, except that in the last year the hospitalisation rate and the average daily occupancy of hospitals increased while the average length of hospital treatment was reduced, which shows improved efficiency of the work of hospitals** (Annex 1, Table 24. Indicators of the use [efficiency of work] of hospitals in Serbia). Although the average length of hospital treatment has declined (Serbia ranks the same as Croatia, Austria and Italy), it is still high and Serbia is among the countries with the longest hospital treatment in Europe, which points to the low efficiency of hospital work. It should be noted that it is difficult to compare the hospital system of Serbia with European countries because there is no categorisation of hospitals into those dealing with acute illnesses and conditions (short-term hospital care) and those dealing with chronic diseases and conditions (long-term hospitalisation). The average daily occupancy of hospital beds is low, and practically 1/3 of beds are empty on the daily level. The reasons for the ineffectiveness of the hospital system are: providing inadequate care to patients at the level of primary health care (so-called pre-hospital care), relatively good provision of hospital beds, but inappropriate structure – insufficient number of beds for elderly people, people suffering from malignant diseases, and the surplus of children's beds, for patients suffering from eye diseases, ORL diseases, and others; the rise in chronic diseases with complications and accompanying morbidity and the payment to hospitals for the number of sick days since more modern payment methods for hospitals (diagnostically related groups) that enhance their work efficiency are still under development.

**Obesity** (primary indicator), **smoking and use of (abuse) alcohol** (secondary indicators) **are the most common risk factors for a large number of illnesses.** The main source of information on risk behaviours is the European Health Interview Survey (EHIS), which was last conducted in Serbia in 2013,<sup>475</sup> so there are no recent data on the incidence of risk factors, either in Serbia or Europe. According to the EHIS, smoking prevalence in Serbia in 2013 was 34.7%, with a higher percentage of men (37.9%) than women (33%), and the largest percentage of the smokers was in the 35 to 44 age group (where approximately every second person smoked – 47%). **Every fifth inhabitant of Serbia (22.1%) was obese, and 53.9% of the population**

<sup>474</sup> Republic Fund for Health Insurance, *Izveštaj o finansijskom poslovanju Republičkog fonda za zdravstveno osiguranje za 2016. godinu*, Belgrade, April 2017. Downloaded from: [www.rfzo.rs](http://www.rfzo.rs), 25 August 2017.

<sup>475</sup> Ministry of Health of the Republic of Serbia, *Istraživanje zdravlja stanovništva Srbije 2013. godine*, Belgrade, 2014.

**aged 15 and over consumed alcohol on an occasional or daily basis**, usually in the 25 to 34 age group (66%). According to the latest data from 2015,<sup>476</sup> 11.2 litres of pure alcohol per capita are consumed in Serbia, which ranks it among countries with higher alcohol consumption (mostly beer) in Europe. Also, the MICS survey data on obesity incidence among children date from 2014<sup>477</sup> and show that **the prevalence of obesity is more than twice as high in children in Serbia (13.9% of children younger than five) compared with children in Roma settlements (5.1% of children under the age of five).**

The sale of generic drugs falls within the group of secondary indicators of the health system sustainability and effectiveness as it shows how well the expenditure of medicines are controlled in the health system. According to the data of the Serbian Chamber of Commerce,<sup>478</sup> **generic drugs accounted for 54% of turnover in boxes, but only 32% of the financial market for medicines in 2016.** They record 5% of financial growth and 0.2% growth in pieces compared to 2015, which is less than the financial growth of originator drugs (9%). **According to the RHIF data, generic drugs represent the majority of medicines sold and most of them are produced in the Republic of Serbia.**<sup>479</sup> The share of total pharmaceutical costs (for medicines and medical supplies) in total health care expenditure is high in Serbia and according to the "Health for All" database of the World Health Organisation, it amounted to 32.5% in 2014, with a growth of 1.5 percentage points compared to 2012, while public expenditure on medicines in 2014 was 43.7%, which means that more than half of the costs for medicines and medical supplies were covered from the personal funds of users/patients (Annex 1, Table 23. Indicators of the use of [work efficiency] hospitals in Serbia).

#### 2.5.2.4. Contextual information

**These indicators relate to health personnel, that is, the provision of the population with physicians, nurses and technicians, and expenditure for basic health care areas** (prevention, treatment and rehabilitation) for which we do not have data. They

<sup>476</sup> Current Worldwide Alcohol Consumption Among Adults, Downloaded from: [chartsbin.com/view/1016](http://chartsbin.com/view/1016), 27 August 2017.

<sup>477</sup> Statistical Office of the Republic of Serbia and UNICEF: *Praćenje stanja i položaja dece i žena: Istraživanje višestrukih pokazatelja 2010*, Beograd 2012, and Statistical Office of the Republic of Serbia and UNICEF: *Istraživanje višestrukih pokazatelja položaja žena i dece u Srbiji 2014 and Istraživanje višestrukih pokazatelja položaja žena i dece u romskim naseljima u Srbiji 2014. Final results*, Belgrade, 2014. Downloaded from: [www.unicef.rs/wp-content/uploads/2016/09/Srbija\\_MICS\\_Resime.pdf](http://www.unicef.rs/wp-content/uploads/2016/09/Srbija_MICS_Resime.pdf), 20 October 2017.

<sup>478</sup> Serbian Chamber of Commerce: *Farmaceutska i medicinska privreda. Tržište lekova od 2012. do 2016. godine*. Downloaded from: [www.pks.rs/PrivredaSrbije.aspx?id=1804](http://www.pks.rs/PrivredaSrbije.aspx?id=1804), 27 August 2017.

<sup>479</sup> Republic Health Insurance Fund: *Izveštaj o finansijskom poslovanju Republičkog fonda za zdravstveno osiguranje za 2016. godinu*, Belgrade, April 2017. Downloaded from: [www.rfzo.rs](http://www.rfzo.rs), 25 August 2017.



link all three groups of the above indicators and make them meaningful, i.e. they connect functions of the health system in the whole (management, provision of services, financing and resources) with intermediary goals (availability, accessibility, quality, acceptability, efficiency) and ultimate goals of the system – improving the health of the population, protecting against financial risk and the performance of the system on human health.

**Density of physicians in public health sector in Serbia decreased in the period from 2013 to 2016** (284 physicians per 100,000 inhabitants in 2016), **as well as the density of dentists** (24 dentists per 100,000 inhabitants), **while the density of nurses and technicians has been reduced to a greater extent** (474 nurses and technicians per 100,000 inhabitants), and the density of pharmacists was almost unchanged during this period (28 pharmacists per 100,000 inhabitants) (Annex 1, Table 25. Density of health workforce in Serbia).<sup>480</sup> Data from the Health for All<sup>481</sup> database show somewhat better density of all profiles of health professionals in Serbia as it is likely that health workforce from the private sector is also included; and the comparison with the average of the EU-28 countries shows there are 40 physicians (a dozen general practitioners) and 200 nurses fewer per 100,000 inhabitants, the number of dentists is two times lower, while the number of pharmacists is three times lower (Annex 1, Table 26. Density of health workforce in Serbia and the EU). **The relatively low density of health workforce threatens the accessibility of health care to the population, the quality of services provided, but also the efficiency of work, as it does not provide the highest value for money.** Stagnation or decline in density is also the consequence of the migration of healthcare workers to the EU countries. It is assumed that in the last two years alone, about 1,500 doctors have left the country, accompanied by nurses who are sought after in the Western European countries. These two groups comprise both unemployed and employed health workers.<sup>482</sup> Despite the fact that over 3,000 health workers (of which 1,200 physicians) have been employed in the last two years and about 4,000 specialist programmes approved (one part is volunteering programmes),<sup>483</sup> **the unemployment rate of health workers is increasing, so according to the National Employment Service, on December 31, 2016, there were 18,698 unemployed persons of medical profession, with an increase of 4.6% compared to 2015.**<sup>484</sup>

<sup>480</sup> Institute of Public Health of Serbia "Dr. Milan Jovanovic Batut": *Health-statistical yearbook RS 2015*, Belgrade, 2016. Downloaded from: [www.batut.org.rs/index.php?category\\_id=132](http://www.batut.org.rs/index.php?category_id=132), 20 August 2017.

<sup>481</sup> WHO. Health for All Database. Downloaded from: [www.data.euro.who.int/hfa/](http://www.data.euro.who.int/hfa/), 15 August 2017.

<sup>482</sup> *Migracija zdravstvenih radnika u Srbiji, analiza uzroka, posledica i politika*, Javna politika, Regional Research Promotion Programme, Western Balkans. Downloaded from: [www.batut.org.rs/downloads/novosti/2015SeptembarNalazMigracijeRADnika.pdf](http://www.batut.org.rs/downloads/novosti/2015SeptembarNalazMigracijeRADnika.pdf), 20 November 2017.

<sup>483</sup> Ministry of Health of the Republic of Serbia. Downloaded from: [www.zdravlje.gov.rs](http://www.zdravlje.gov.rs), 1 September 2017.

<sup>484</sup> Vreme 1361, February 2017, *Zdravstvo u Srbiji: Migranti u belim mantilima*. Downloaded from: [www.vreme.com/cms/view.php?id=1463040](http://www.vreme.com/cms/view.php?id=1463040), 1 September 2017.



Another problem was identified as a factor the reduced cost efficiency of the Serbian healthcare system, and that is twice the burden with non-health workers in relation to the EU-28 average.<sup>485</sup> In Serbia, in 2015, they accounted for 23.3 percent of the total number of employees in the health care system.<sup>486</sup>

### 2.5.3. Measures and programmes

**Great progress has been made in increasing the accessibility of health care for the Roma population, largely thanks to the activities of health mediators in Roma substandard settlements and an integrative approach at the level of local self-government units.** They created mobile teams composed of Roma coordinators, pedagogical assistants, health mediators, and representatives of Social Work Centres and the National Employment Service (OSCE mission project "We are together"), which enabled linking local institutional and other resources and established a coordinated access to providing services to Roma population. Mobile teams work on the basis of semi-annual plans, organising joint field visits to Roma settlements. Within **Connecting project** carried out by the Ministry of Health, UNICEF and Telenor, training programmes for health mediators were organised and technical equipment was provided for their more efficient and quality work in Roma settlements.

**The improvement of health care accessibility, quality and efficiency is supported by the development of an integrated health information system (IHIS) or what is now known as eHealth.**<sup>487</sup> In recent years, the low level of implementation and use of information and communication technologies in public healthcare institutions in Serbia has been improved by the implementation of the unique electronic system for scheduling specialist examinations, which is gradually being introduced (portal of the My Doctor project), and the replacement of old (paper) health booklets with electronic booklets. Since the end of October 2017, electronic recipes have been introduced in 10 Belgrade municipalities, and by the end of the year, they will have replaced paper recipes in all Belgrade municipalities. In the beginning of 2018, e-recipes will be available to all patients in Serbia. **The communication between health institutions is still a hindered as well as the exchange of information in real time,** especially for medical interventions for which there are waiting lists, as well as for searching patient data. Activities on the development of an integrated

<sup>485</sup> *Zajednička studija Američke privredne komore i Ministarstva zdravlja RS o mogućnostima sinergije javnog i privatnog sektora radi unapređenja efikasnosti u sistemu zdravstvene zaštite* (2016). Retrieved from [www.amcham.rs/platforme/unapredjenje-poslovnog-okruzenja/odbor-za-zdravstvo.183html](http://www.amcham.rs/platforme/unapredjenje-poslovnog-okruzenja/odbor-za-zdravstvo.183html), May 2017.

<sup>486</sup> Institute of Public Health of Serbia "Dr. Milan Jovanovic Batut": *Zdravstveno-statistički godišnjak RS – 2015*, Belgrade, 2016. Downloaded from: [www.batut.org.rs/index.php?category\\_id=132](http://www.batut.org.rs/index.php?category_id=132), 10 August 2017.

<sup>487</sup> *eZdravlje Akcioni plan od 2012 do 2020: Inovativna zdravstvena zaštita za 21 vek*. Downloaded from: <https://ec.europa.eu/digital-single-market/en/news/ehealth-action-plan-2012-2020-innovative-healthcare-21st-century>, 1 September 2017.



health information system are being implemented slowly accompanied with a lot of organisational problems, difficulties in using the system and additional costs that are difficult to cover.

**Mental health protection poses a serious challenge for the health care system and requires a series of activities for the implementation of the Law on Patients' Rights<sup>488</sup> and the Law on the Protection of Persons with Mental Disorders.<sup>489</sup>**

Within these activities, a feasibility study for the transformation of five specialised psychiatric hospitals was developed and two mental health centres were opened in the community as organisational units of psychiatric hospitals in Vršac and Novi Kneževac (the centre is located in Kikinda). Guidelines and forms have also been prepared that facilitate the practical implementation of certain legal provisions concerning the improvement of the health care quality and the protection of the rights of people with mental disorders.

The revised Special Protocol of the Health Care System for the protection of children from abuse and neglect was published in June 2017.<sup>490</sup> In addition to the special protocols of the Ministry of Health for the protection and treatment of women exposed to Violence and protection of children from abuse and neglect, adopted in 2009, the prevention of injuries and the promotion of safety, especially for women and children, included the collection of data on the extent of the phenomena. The **pilot project Establishing a Sustainable Reporting System on Child Protection against Abuse and Neglect in the Health Care System was launched**, which provides for the establishment of a database on the scale of this problem based on the reporting of health institutions run by the Institute of Public Health of Serbia "Milan Jovanović Batut".<sup>491</sup> **It is envisaged to establish expert teams for the protection of children from abuse and neglect in every health institution**, and health workers in primary health care institutions are trained to better document violence and cooperate with all key stakeholders at the local level in dealing with partner violence, and child abuse and neglect.

**The area of serious cross-border health threats, which is particularly related to infectious diseases, includes the active participation of the Republic of Serbia in programmes organised by the European Centre for Disease Prevention and Control (ECDC) and in the activities of the EU Health Security Committee.** A new standardised Internet application and database for monitoring and evaluating responses to HIV/AIDS and a database of voluntary confidential counselling and

<sup>488</sup> Law on Patients' Rights, Official Gazette of the RS, no.45/13.

<sup>489</sup> Law on the Protection of Persons with Mental Disorders, Official Gazette of the RS, no.45/13.

<sup>490</sup> The protocol is available on the Ministry of Health website  
[http://www.zdravlje.gov.rs/downloads/2017/Oktobar/protokol\\_zlostavljanje\\_dece.doc](http://www.zdravlje.gov.rs/downloads/2017/Oktobar/protokol_zlostavljanje_dece.doc)

<sup>491</sup> Institute of Public Health of Serbia "Dr. Milan Jovanovic Batut": *Analiza rada stručnih timova za zaštitu dece od zlostavljanja i zanemarivanja u zdravstvenim ustanovama Republike Srbije u 2015. godini*, Belgrade, 2017. Downloaded from: [www.batut.org.rs/downloads/publikacije/strucni%20timovi%20za%20zastitu%20dece%202015.pdf](http://www.batut.org.rs/downloads/publikacije/strucni%20timovi%20za%20zastitu%20dece%202015.pdf), 20 November 2017.

testing has become operational. A project was initiated to improve the quality of the microbiological diagnostic system with the aim of developing a plan for improving the capacity of microbiological laboratories in the public and private sector of the health system and improving the epidemiological system for controlling infectious diseases in Serbia. This system is often cited as a weak point in the health system in the European Commission reports on Serbia's progress in the EU accession process. In addition, there are several more ongoing projects and education programmes aimed at improving health safety in the Mediterranean and the Balkans.

**The monitoring of the implementation of the three organised screening programmes for early detection of breast, cervical and colon cancer, strengthens administrative capacity and increases the number of healthcare institutions participating in the programmes.** For the purpose of monitoring the implementation of these three programmes, process and outcome indicators have been defined that are in line with the internationally recommended indicators, and IT support is being developed, i.e., the development of a registry for each separate programme, as well as capacity building of state health institutions for exchanging images and data in order to speed up the interpretation of results.

**Managing inventory and optimising the procurement of medicines and medical materials is of great importance for the financial stability of the entire healthcare system in Serbia, which is often underlined as a serious problem.** The new drug procurement model<sup>492</sup> is being developed in cooperation with the World Bank and is based on a detailed analysis of the drug market and the country's existing financial capabilities. A model proposed by the World Bank implies a centralised public procurement of under-the-counter medicines by generic names, issued on the expense of insurance (A list), and those for which patient co-payment is paid (A1 list). This model would provide significant savings to the healthcare system (up to EUR 50 million a year) and procurement would be done through a tender. Expert missions within the EU Policy and Legal Advice Centre project – PLAC supported the implementation of Directive 89/105/EEC on the transparency of measures for determining the prices of medicines for human use within the national health insurance system, as well as in the field of clinical trials of medicines (implementation of the Regulation (EU) No. 536/2014 of the European Parliament and the Council). What poses a significant challenge is the harmonisation of the medicine production of the Institute of Virology, Vaccines and Serums – Torlak and the Institute for Blood Transfusion of Serbia with harmonised standards for medicines used in human medicine. The introduction of these standards in the production requires investments in the premises and equipment, as well as education of the staff since these refer to standards for sterile medicines where it is necessary to provide special, closely controlled production conditions. In 2016, the **Good Distribution Practice Guidelines** were adopted and used to implement Guidelines for Good Distribution

<sup>492</sup> Ministry of Health of the Republic of Serbia. Downloaded from: [www.zdravlje.gov.rs](http://www.zdravlje.gov.rs), 1 September 2017.

Practice of Medicinal Products for Human Use (2013/C 343/01) and the Guidelines for Good Distribution Practice of Active Substances for Medicinal Products for Human Use (2015/C 95/01).

**In the period from January 2015 to July 2017, with the approval of the Government of the Republic of Serbia, the Ministry of Health approved 4,017 job openings for health workers.** Out of the total number of approved jobs, there are 1,856 health workers with a university degree. In cooperation with representative trade unions in the field of health care, the criteria for determining the surplus of employed non-medical workers have been adopted. The application of the Law on the method of determining the maximum number of employees in the public sector<sup>493</sup> has changed the ratio of medical and non-medical workers by reducing the number of non-medical workers.

**Investments in buildings and equipment in the healthcare system have been increased over the past two years.** Toilets are being refurbished in 142 health centres and the construction of the Clinical Centre in Niš is nearing completion, while construction works are continued for other clinical centres (Belgrade, Novi Sad and Kragujevac). Expensive equipment is being purchased: a contract was signed for the procurement of 6 new linear accelerators for the radiotherapy of malignant diseases, procurement of a radiotherapy apparatus for whole body stereotypical radiosurgery with accompanying equipment, procurement of a craniotome with equipment and instruments for esophagoscopy and bronchoscopy. Nevertheless, it should be pointed out that an Economist article on the modernisation of the health care system of Serbia<sup>494</sup> reiterates the lack of a sustainable, comprehensive and transparent way of assessing new health technologies and their procurement, which could be solved by the establishment of the Agency for the Assessment of Health Technologies, which exists in the majority of developed countries and which would replace, synchronise and enhance the work of the two health assessment committees that are currently working in the Ministry of Health and the Republic Health Insurance Fund.

In September 2017, the Ministry of Health established the **Commission for fighting corruption in the health care system**.<sup>495</sup> Serbia 2016 Progress Report by the European Commission pointed out that corruption is still prevalent in many areas and continues to be a serious problem, and that anti-corruption effort has yet to yield meaningful results. The anti-corruption team has five members and, in its unannounced visits to health facilities, it checks public procurement procedures, waiting lists, as well as connections between doctors employed in state institutions

<sup>493</sup> Law on the method of determining the maximum number of employees in the public sector, Official Gazette of the RS, no. 68/15.

<sup>494</sup> The Economist Intelligence Unit: *Modernising the Serbian Health System The need for a reliable decision-making compass*. Downloaded from: [www.einperceptiveseconomist.com/sites/...](http://www.einperceptiveseconomist.com/sites/...), May 2017

<sup>495</sup> Ministry of Health of the Republic of Serbia. Downloaded from: [www.zdravlje.gov.rs](http://www.zdravlje.gov.rs), 1 October 2017

with the private health sector and the pharmaceutical industry in order to achieve zero tolerance for corruption. Success in combating systemic corruption, which is not an exclusive characteristic of the health care system, depends on amending laws, supporting professional associations and efficiency of the judicial system, as well as the readiness of patients and health care users to report corruption.

#### 2.5.4. Conclusions

**Serbia faces a number of challenges in modernising its health system**, including budget constraints, health care affordability, accessibility and availability issues, and the introduction of innovative health technologies – medicines, equipment, and the development of new skills and knowledge of health care workers.

**The responsibility of the health system for health care affordability (financial) and accessibility (geographical) and availability (the network of health institutions and waiting lists) is high and will increase in the coming period. Despite the large coverage of the population by health care, the health service does not respond adequately and timely to the needs of the population for its services, especially the needs of vulnerable social groups.** Different population groups need different types of services and it is necessary to ensure that the system is more sensitive to their needs and to ensure that specific services (for palliative care and treatment, long-term care, day care, community centres, preventive services) are more accessible and more available to the population. Little progress is made in increasing access to health care for certain vulnerable social groups, with poorly developed measures and programs. In this respect, it is necessary to mention in particular the elderly in remote rural areas, then people who suffer from mental illnesses, where no alternative approaches to stationary treatment can be developed – the establishment of centres in the community, and prisoners – for whom it is often emphasised that their health care access is seriously threatened, as well as their health. An analysis of the values of social inclusion indicators allows better specification of vulnerable groups by reducing their number (their current number is 17 according to the Law on Health Insurance), and paying special attention to those who are really vulnerable, such as older working people (45–64), those aged 75 and older, women in reproductive age, children in the first year of life, those with elementary education, the unemployed, the poor and people without a certified health booklet, as well as to develop special programmes with a view to increasing the accessibility and availability of health care for them.

**The greatest progress in increasing the accessibility of health care has been achieved for the Roma population group, largely thanks to the activities of health mediators** in Roma substandard settlements and an integrative approach to the needs of Roma men and women at the level of local self-government units. The obligations from the Strategy for Social Inclusion of Roma Men and Women in the Republic of Serbia for the period from 2016 to 2025 imply further support to their work by employing a large number of health mediators and their institutionalisation



in the health system so that efforts to improve the health status and access to health services for this vulnerable social group would become sustainable. Results achieved so far in reducing the mortality of Roma infants, increasing the vaccination coverage of Roma children, improving the reproductive health of Roma women and increasing the coverage of this population by compulsory health insurance have justified these efforts.

**Inequalities in health outcomes are present in Serbia.** Although from 2012 to 2016 there was an increase in the expected life expectancy at birth for both sexes, a greater gender gap and slower growth of this indicator for women compared to the EU-28 average, as well as a significant difference in the values for working-age population (aged 45) and the elderly (aged 65) indicates a discrepancy between the investment in the health system and its outcomes for the health of Serbian population. The situation is similar with the infant mortality rate, which was reduced in the same period, but still lags behind the EU-28 average. **It is notable that Serbian citizens self-report the limitations in usual activities much more seldom than the EU average, but at the same time twice more often assess their health as bad or very bad,** indicating that they are accustomed to living and working with health problems and accepting their condition as normal. Mortality statistics of Serbia do not allow tracking differences in socioeconomic status, but if the differences in the values of these indicators reflect the development of the region, districts and municipalities in which the population lives and work, then they are significant, with great variations among those that are the most developed, such as Belgrade, and the least developed – Southern and Eastern Serbia, and Vojvodina, which is particularly threatened by the aging of the population and the consequent weaker response of the health system to the health needs of this vulnerable social group, although the situation is very similar in the entire territory of Serbia, especially in remote rural areas. The equalisation of regional development in the health care system, therefore, comes as an imperative.

**The quality of health care, its effectiveness, safety and patient-centeredness are not satisfactory when assessed on the basis of vaccination coverage of children, seasonal influenza vaccine coverage of people 65 and older and screening coverage for the most common malignancies.** Improving the quality of health care today mostly involves the procurement of expensive equipment, the purchase of innovative medicines, and investments in healthcare institutions or recruitment of health workforce to solve the shortage, which is an important, but insufficient component of quality. At the same time, they neglect the quality of work and the safety of patients in the health care system, which are regularly monitored through a set of indicators, including surveys of users'/patients' satisfaction with health care. In particular, it is necessary to emphasise the importance of patients' safety in the health care system where the status of the private health sector is insufficiently regulated and the control of the use, quality and results of its work is insufficient. No incentives have been developed for those providing a better quality of work nor sanctions for those making mistakes in work (apart from court processes that last long and strip the whole concept of quality of its meaning).

**The sustainability of the health care system is one of the most serious problems that is manifested by the high share of the system's expenditure in the gross domestic product, in particular, the largest out-of-pocket payments by healthcare users in Europe.** High costs in relative amounts, and small in absolute amounts, are not in accordance with the health outcomes of Serbian population, which can be significantly improved by orienting the system towards preventive measures and activities and long-term care and treatment, which would lead to the development of healthy lifestyles and enhance the life quality of Serbian citizens, especially in the elderly and those living in remote areas, who, it must be noted, are not only dependent on the work of health service, but also on the numerous health determinants that are within the competence of the entire society. Therefore, it is necessary to establish cross-sectoral cooperation with an integrative and participatory approach with a view to achieving the long-term sustainability of the health care system.

## 2.5.5. Lines of action

### 2.5.5.1. Short-term lines of action (up to two years)

**Drafts for the tobacco control strategy with an action plan for the period 2017-2020, and the law on the complete smoking ban in enclosed spaces have been prepared** and therefore the procedure for their adoption should be continued in accordance with the demand of the EC to adopt these documents in the process of Serbia's accession to the EU and harmonise national regulations with the WHO Framework Convention on Tobacco Control.

**The new Law on Public Health should follow the new Public Health Strategy with an action plan** to support the goals of providing social health care and as a basis for improving the health and quality of life of the population of Serbia, including vulnerable social groups.

**The formulation of a human resources development strategy for health with better resource management and the improvement of organisational capacities in the country is imposed as one of the necessary and urgent lines of action.** Special attention should be paid to primary health care, which meets more than 80 per cent of health needs, and where the shortage of health and administrative workers is the most evident.

Acceptability of health services for users (delaying seeking health services, fear of a doctor, lack of time) requires measures to raise awareness about the importance of health that is very low in our society and increase the responsibility for our own health, especially when it comes to risk factors for chronic diseases and conditions (smoking as the most important risk factor; then obesity, stress, insufficient physical activity, use of alcohol), i.e. shifting from the "fix me" approach and dependence on the health service towards "managing my own health". The health care system supports

these measures by promoting the appropriate use of preventive health services and encouraging health workers to engage more in health promotion and disease prevention.

**The health-statistical information system should be improved.** Although numerous databases have been developed, it is very complicated to search them and data have not been updated for two to three years. It is not possible to monitor modern health system performance indicators and almost impossible to monitor health care expenditure by areas (prevention, long-term care and treatment, etc.). There are no developed and adopted national indicators of (in)equality and social exclusion. International databases are sometimes incomparable with national ones, and more often than not the data about Serbia are missing or deal with estimates (and rankings) without sufficient description and explanation of how they were obtained.

It is necessary to think about and plan a **new Health Resource Survey of Serbia** (previous surveys were done in 2000, 2006, and 2013) **in order to provide data on lifestyles and risk behaviour of the population** – nutrition, physical activity, smoking, alcohol use, chronic illness and limitations in daily activities, the use of health services and household expenditures for health care according to the socio-economic status. These data can be obtained only in this way and they are important for establishing priorities in the health system and developing national programmes and activities.

#### 2.5.5.2. Long-term lines of action (three to five years)

**Formulation of the National Health Care Development Plan with clearly defined priorities is imposed as an inevitable task.** Now the priorities are only assumed on the basis of the activities in formulating new laws and EU objections. Priorities should be followed by SMART objectives with suggested indicators for tracking progress in their implementation. A number of indicators would have to be related to monitoring health inequalities and measures for their reduction. It is necessary to include cost-benefit analyses as an obligation for adopting laws, national programmes and strategies in order to ensure the sustainability of the health system, as well as action plans for their implementation with monitoring and periodic reporting on the effects achieved.

**Effective health promotion and disease prevention programmes can reduce the burden of diseases resulting from risky behaviour** (smoking, malnutrition, alcohol use) **and consequently the costs of their treatment and rehabilitation.** Numerous surveys have shown that smoking prevention, physical activity, appropriate fruit and vegetable intake, and moderate alcohol consumption contribute to a better quality of life, healthier aging, and lower the risk of illness and death by increasing the life span by an average of 14 years. There is no recent data for Serbia, nor surveys on the prevalence of risky behaviour among vulnerable population groups, although smoking and alcohol consumption can be expected to be more common, and malnutrition or

irregular nutrition is widespread among vulnerable social groups than among the rest of the population.

**The new Management Strategy for Massive Chronic Noncommunicable Diseases should be adopted** bearing in mind the burden of these diseases and conditions for the society. This is of immense significance for primary health care, where the highest number of requests for health care services are submitted for these diseases, and it is necessary to increase coordination of all services involved in their treatment (diagnosis and treatment). In addition, it is necessary to improve indicators for monitoring the quality of health care services in provided to the population, especially the elderly, the poor and people with disabilities, as well as Roma men and women, who are most often faced with difficulties in obtaining specialist medical services or with additional costs for medicines and aids.

**Completion of the construction and equipping of clinical centres in Serbia and the beginning of their operation should ensure a higher standard of hospital treatment and shorter waiting lists.** The purchase of new equipment and the introduction of new methods and techniques in diagnostics and treatment should be more transparent and based on the Health Technology Assessment (HTA), which could be supported by a new independent body (agency) that would assess the health technologies, including methods and techniques of alternative and complementary medicine, as well as an analysis of the cost-effectiveness of these technologies (cost-benefit analysis or cost-profit analysis).

**A systemic approach to improving the response of the health system to the health needs of vulnerable social groups would involve a careful analysis of the use of health care services according to the levels** (primary, secondary and tertiary health care) with improved management and a better organisation of the health service. Mechanisms for resolving the status of vulnerable social groups and their health care needs under financial (budget) constraints would include a better definition of vulnerability, and a large number of these groups should be narrowed down to those who are really in a state of health need (taking into account the health status and socio-economic status). Health policies, programmes and health legislation should be more oriented towards the poor. An integrated approach with a developed partnership between the health, social and education sectors in creating interventions for vulnerable population groups can increase fairness and reduce health inequalities. The participatory approach involves the empowerment of vulnerable groups and their direct involvement in the development of strategies and policies aimed at reducing their vulnerability.

**Management focused on equality in health, including the sustainable development of the health system, imposes the need for introducing more coherent policies to support management at the national and local level and defining instruments that establish responsibility for what is (not) done.** When selecting instruments for establishing responsibility, efforts should be made to better balance the use of “hard”



measures, such as laws, with “soft” measures that support and encourage action in favour of health and equality both in the public and private health sectors.

**A long-term strategy for dealing with health inequalities as a consequence of social exclusion and poverty requires serious research into the causes in the health care system,** which could be achieved through the organisation of coalitions of leaders and key actors, both at national and local level, which would propose specific programmes to address inequalities. The objectives of these programmes should focus on assessing health needs and identifying population groups in the state of greatest need, developing database for analysing health condition for monitoring changes in health, assessing the best way to use resources at all levels to better coordinate responses to the health needs of vulnerable groups, and precisely defining the role of government and non-governmental sectors and provide incentives to make programs sustainable.

## 2.6. Housing

### 2.6.1. Legal and strategic framework in the Republic of Serbia

**The adoption of the Law on Housing and Maintenance of Buildings<sup>496</sup> was the most extensive change in the legislative framework in the field of housing in the Republic of Serbia in the past period.**<sup>497</sup> It entered into force in 2017 and incorporates the three previous laws: Law on Housing, Law on Maintenance of Buildings and Law on Social Housing. The new law regulates issues related to the management, use and maintenance of buildings and their common and special parts,<sup>498</sup> eviction and relocation process, as well as the provision of housing support. The objectives of the law are as follows: preserving the value of the housing fund and creating preconditions for establishing mechanisms for managing and maintaining residential buildings, providing housing support to citizens who cannot buy a dwelling on the market and improve housing standards.<sup>499</sup>

<sup>496</sup> Official Gazette of the RS, no. 104/16.

<sup>497</sup> The Ministry of Construction, Transport and Infrastructure has prepared a special website Stanovanje i održavanje zgrada (<http://stanovanje.gov.rs/>), where regulations, documents and other information regarding the Law on Housing and Maintenance of Buildings are posted.

<sup>498</sup> The law regulates the issue of managing and maintaining buildings for all purposes (residential, residential-business, business, etc.) and the responsibility of the owners of all buildings in public and private property and family houses.

<sup>499</sup> Antašević, N. (2017), *Zakon o stanovanju i održavanju zgrada: prezentacija Zakona o stanovanju i održavanju zgrada, predstavljanje sistema registracije stambenih zajednica i načina vođenja Registra*, Ministry of Construction, Transport and Infrastructure, retrieved on 15 November 2017.

**The law introduces the concept of housing support,<sup>500</sup> which is defined as “any form of housing assistance to a person who, for social, economic and other reasons, cannot meet their and their family’s housing needs in the market” (Article 88).**

The foreseen forms of housing support are: renting a flat (renting a flat in a public property at reduced rent or subsidising the rent of the flat in any form of ownership); acquisition of ownership over a flat or family home (assignment or purchase of a flat or family home at non-profit conditions); improvement of living conditions (provision of building materials and/or professional support); assistance for the legalisation of a flat or family house (assistance in preparing technical and geodetic documentation for legalisation) and housing care (temporary accommodation for a person until their housing need is met).

The law stipulates that **citizens of the Republic of Serbia have the right to housing support if they do not own a dwelling, that is, a dwelling of adequate standard and who cannot find a housing solution in the market using their own means** (Article 89), specifying the meaning of the adequate dwelling (Article 90) and income threshold as conditions for the provision of housing support (Article 91).<sup>501</sup> The law also defines vulnerable categories – beneficiaries of housing support: homeless people, temporary homeless people, victims of domestic violence, recipients of the financial social assistance, veterans of the first category, beneficiaries of veteran-disability protection and protection for civilian invalids of war, persons with disabilities. Housing support beneficiaries can also be people without a dwelling, that is, without adequate housing and without sufficient funds to buy a flat in the market, that is, to improve their living conditions, as well as persons who do not have a profession relevant to the local self-government unit or state administration body (Article 89).

<sup>500</sup> The term “housing support” replaced the earlier term “social housing” and its meaning is the same.

<sup>501</sup> Depending on the type of housing support, the right to meeting housing needs can be exercised by a single-person household whose maximum income does not exceed the amount of: 1) 0.5 average salary without taxes and contributions in the local self-government unit for improving the living conditions and assistance for the legalisation of a flat or family house ; 2) 1.2 average salary without taxes and contributions in the local self-government unit for non-profit rent or the allocation of a flat or family house; 3) 1.5 average salary without taxes and contributions in the local self-government unit for non-profit purchases; 4) 0.7 average salary without taxes and contributions in the local self-government unit in order to improve the energy efficiency of the dwelling. The maximum income for multi-person households, as a condition for exercising the rights referred to in paragraph 1 of this Article, shall be calculated by multiplying the maximum income of a one-person household for the appropriate type of housing support referred to in paragraph 1 of this Article with a coefficient (K) calculated according to the formula  $K = 1 + O \times 0.7 + D \times 0.5$  where 1 is the person who is entitled to housing support, O – number of household members over 14 years of age, and D – number of children under the age of 14 (for example: 1 adult:  $K = 1.0$ ; 1 adult and 1 child:  $K = 1.5$ ; 2 adults:  $K = 1.7$ ; 2 adults and 1 child:  $K = 2.2$ ). When determining the maximum income of a family household for persons with disabilities, the coefficient is increased by an additional 0.5.

The new legal solution is also the obligation of local self-government units to regularly report to the Ministry in charge of housing issues about housing needs, housing conditions and housing support programmes on their territory. Reporting is done using a unique form<sup>502</sup> and instruction.<sup>503</sup> It is envisaged that local governments submit the report to the Ministry once a year, by the end of February, with data for the previous year. The purpose of collecting the data is to create a national housing strategy and local housing strategies, to perceive the actual situation and to systematise data on housing needs, housing conditions and housing programmes and activities that are implemented at the local level.

**For the first time in the Republic of Serbia, eviction and relocation procedures are specified by law. The procedures** relate to the “eviction of a person from a property built in contravention of the law governing spatial planning and the construction of facilities located on the land owned by another natural or legal person” (Article 79) and **stipulate the obligation of competent authorities to provide adequate accommodation and other forms of support for people affected by eviction.** In order to carry out the eviction, it is necessary that the competent authority first make a **decision on the necessity of the eviction, which is part of the relocation plan** drafted in consultation with the persons affected by the eviction and organisations for the protection of human rights. Local self-government units in whose territory the relocation process is carried out shall provide persons who are in the process of relocation with the following: basic living needs, adequate access to health and social protection, sources of income, prospective employment or work engagement, and access to an inclusive education system. **In order to monitor and record the eviction and relocation procedures, the Rulebook on the content and method of keeping records of eviction and relocation procedures has been prepared.**<sup>504</sup>

**Changes have been made in the institutional framework for housing policy implementation.** The Republic Housing Agency was abolished,<sup>505</sup> and its powers were transferred to the Ministry in charge of housing affairs and the Housing Council, whose establishment was envisaged by the new law (Article 119). For the provision of services at the local level it is necessary to establish non-profit housing organisations (Article 109), which are similar to the existing local housing agencies, and are required to obtain appropriate licenses for their work, which is defined in more detail in the Rulebook on conditions and documentation for issuing and revoking licenses for

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<sup>502</sup> Rulebook on the form of the report on housing needs, housing conditions and housing support programmes in the local self-government unit, Official Gazette of the RS, no. 52/17)

<sup>503</sup> Standing Conference of Towns and Municipalities (2017): Guidelines for preparing reports on housing needs, housing conditions and housing support programmes of the local self-government unit, Belgrade.

<sup>504</sup> Official Gazette of the RS, no. 75/17.

<sup>505</sup> The Republican Housing Agency was established in 2011 and abolished at the beginning of 2017 when the new Law entered into force.

the operation of non-profit housing organisations and the manner of keeping the registry of non-profit housing organisations and its content.<sup>506</sup>

As regards other by-laws within the Law on Housing and Maintenance of Buildings, **in mid-2017, the Rulebook on criteria for determining the priority order for the allocation of housing support was adopted,**<sup>507</sup> **then the Rulebook on conditions to be met by the dwelling for adequate accommodation,**<sup>508</sup> **the Rulebook on the conditions and norms for planning and designing residential buildings and apartments in housing support programmes,**<sup>509</sup> **as well as the Rulebook on a uniform methodology for calculating non-profit rent.**<sup>510</sup>

**It is foreseen that the Government of the Republic of Serbia will adopt a national housing strategy within 12 months from the date of entry into force of the Law.** Local self-government units should adopt their own, local strategies. Although the obligation to develop local housing strategies existed in the former Law on Social Housing, only few local governments fulfilled it.

**Strategic goals in the area of social housing are stipulated in the previously adopted National Strategy for Social Housing**<sup>511</sup> **and the Action Plan for its implementation.** When it comes to other strategic documents, housing objectives and measures are stipulated in the Strategy for Social Inclusion of Roma men and women for the period 2016–2025,<sup>512</sup> and the Action Plan for its implementation for the period 2017–2018, as well as in the National Strategy for Resolving the Issues of Refugees and Internally Displaced Persons.<sup>513</sup>

## 2.6.2. State of affairs in the area

**The period from 2013 to 2016 in the Republic of Serbia saw a trend of increasing the number of people living in a flat in a family house** (from 71.8% in 2013 to 75.4% in 2016), compared with those living in a flat in residential building (from 28.2% in 2013 to 21.6% in 2016).<sup>514</sup> **There is also a trend of a mild increase in the share of people living in their own flat** (81.1% in 2013 compared with 82.4% in 2016), and

<sup>506</sup> Official Gazette of the RS, no. 104/17.

<sup>507</sup> Official Gazette of the RS, no. 75/17.

<sup>508</sup> Official Gazette of the RS, no. 75/17.

<sup>509</sup> Official Gazette of the RS, no. 76/17.

<sup>510</sup> Official Gazette of the RS, no. 90/17.

<sup>511</sup> Official Gazette of the RS, no. 13/12.

<sup>512</sup> Official Gazette of the RS, no. 26/16.

<sup>513</sup> National Strategy for Resolving the Issues of Refugees and Internally Displaced Persons for the period 2015–2020, downloaded from: <http://www.kirs.gov.rs/docs/Nacionalna%20strategija%20za%20izb%20i%20irl%202015-2020.pdf>, 19 November 2017

<sup>514</sup> Eurostat Table *Distribution of the population by degree of urbanisation, dwelling type and income group*

**almost three times lower share of people who own a flat with an outstanding loan or mortgage in relation to the previous reporting period** (3.1% in 2013 compared with 0.9 in 2015 and 1.3% in 2016). There was also a decrease in the share of tenants who lived in rented dwellings (17.6% in 2016), either with a market price rent (3.1% in 2016) or with a reduced rent (14.6% in 2016). The tenure status in the Republic of Serbia differed considerably from the situation in the EU countries, where about half of the population were tenants in owner-occupied dwellings free of financial burden (42.7% in the EU compared with 81.1% in the Republic of Serbia, in 2016), and almost a quarter of people lived in owner-occupied dwellings with an outstanding loan or mortgage (26.5% in 2016).

**Table 55. Households in the Republic of Serbia by dwelling type and income group (%)**

|                                       | 2013 |       | 2014 |       | 2015 |       | 2016 |       |
|---------------------------------------|------|-------|------|-------|------|-------|------|-------|
|                                       | flat | house | flat | house | flat | house | flat | house |
| Below 60% of median equivalent income | 3.1  | 21.3  | 3.1  | 22.2  | 2.5  | 22.8  | 3.8  | 21.6  |
| Above 60% of median equivalent income | 25.1 | 50.4  | 21.9 | 52.6  | 21.0 | 53.6  | 20.8 | 53.7  |
| Total                                 | 28.2 | 71.8  | 25.1 | 74.8  | 23.5 | 76.5  | 24.6 | 75.3  |

Source: Eurostat Table *Distribution of the population by degree of urbanisation, dwelling type and income group*

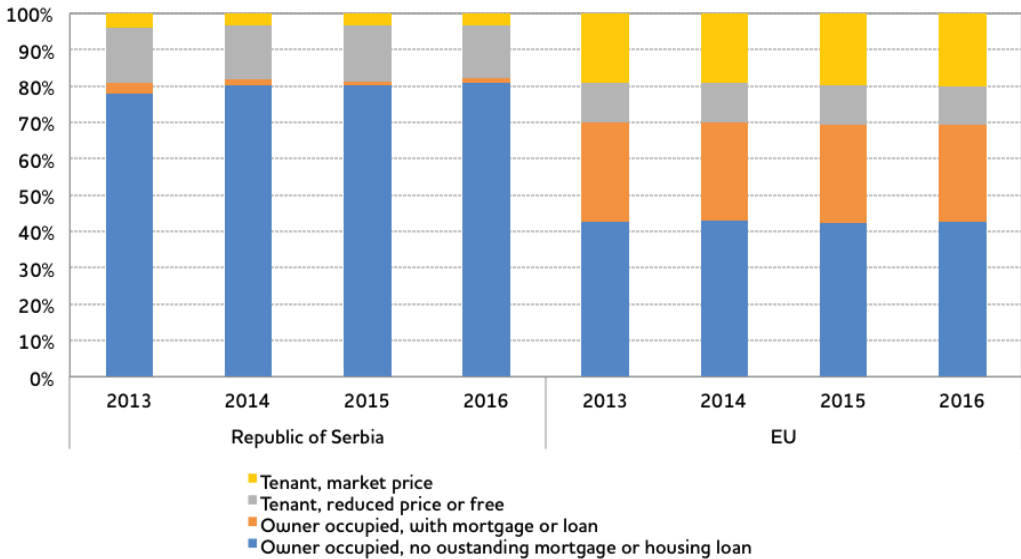
**Persons with income above the relative poverty line are still more likely to own a flat (82.6% in 2016) than those with income below this line (76.7% in 2016).**<sup>515</sup>

The gap between these two income groups is no longer as pronounced as in the previous period with regard to the share of persons who repay the loan or own a flat with a mortgage (1.4% compared with 0.7% in 2016), which is a consequence of the reduced share of persons with higher income who own a dwelling with an outstanding loan or mortgage. The share of tenants with a market price rent was not significantly changed – about 3% of the population in both income groups during the entire period. About one-fifth of persons with income below the poverty line were tenants in reduced rent accommodation, while there was still a relatively high share of persons with income above the poverty line in reduced rent or free accommodation (14.5% in 2015 and 12.9% in 2016). On the other hand, **there is no single record of publicly owned dwellings, that is, social housing** built on different bases, mainly through donor projects. **There is no single record of social housing beneficiaries, which impedes keeping track of housing needs** in the longer term, especially in view of the issues with payment of housing costs and frequent court procedures initiated by local self-governments, as owners of dwellings, against tenants, who mostly belong to the most vulnerable groups, due to outstanding rents and other housing costs.<sup>516</sup>

<sup>515</sup> Eurostat Table *Distribution of the population by tenure status, type of household and income group*

<sup>516</sup> Praxis, *Adequate response from the authorities to the problem of social housing users in Beranovac*

**Figure 20. Tenants in the period 2013-2016 in the Republic of Serbia and the EU (%)**



Source: Eurostat Table *Distribution of population by tenure status, type of household and income group*

The overcrowding rate<sup>517</sup> is still extremely high and shows a growing tendency, so in 2016, 55.5% of the population lived in overcrowded dwellings, of whom 65% were at risk of poverty and 52.3% had income above the poverty line.<sup>518</sup> These indicators are approximately 3.5 times worse than those in the EU (16.8% of total households in 2016). The worsening trend is also observed in relation to income groups, where 65.1% of persons in the first income quintile group lived in overcrowded dwellings in 2016, then 61.6% and 54.8% of the population in the second and third income quintile group, as well as 44.9% of persons in the highest, fifth income quintile. The

still lacking, downloaded from:

<https://www.praxis.org.rs/index.php/sr/praxis-tags/itemlist/tag/Stanovanje>, 15 December 2017.

<sup>517</sup> This indicator is defined as the percentage of the population living in an overcrowded household. A person is considered as living in an overcrowded household if the household does not have at its disposal a minimum number of rooms equal to:

- one room for the household;
- one room per couple in the household;
- one room for each single person aged 18 or more;
- one room per pair of single people of the same gender between 12 and 17 years of age;
- one room for each single person between 12 and 17 years of age and not included in the previous category;
- one room per pair of children under 12 years of age.

<sup>518</sup> Eurostat Tables *Overcrowding rate by age, sex and poverty status*.

overcrowding rate was very high in terms of tenure status, where 79.8% of tenants lived in overcrowded dwellings with a market-price rent, and 61.5% in dwellings with reduced rent.<sup>519</sup> An overcrowded dwelling without an outstanding loan or a mortgage was home to 53.3% of the owners, and 70.6% of them lived in dwellings without a loan or mortgage, which is nine times higher compared with the EU households (7.6% in 2016).

**The population living in dwellings with dependent children is twice more likely to live in overcrowded homes than persons without children** (67.8% and 39.7% respectively in 2016), among whom the largest share lives in households with three and more children (81.8% in 2016).<sup>520</sup> Compared to the previous period, this indicator is slightly more favourable for single parents with children (77.8% in 2013 compared with 68.9% in 2016), but worse for persons living in households with three or more adults and dependent children (69.2% in 2013 compared with 72.5% in 2016). Consequently, **the rate of children and young people living in overcrowded dwellings is high**. Thus, in 2016, 67.1% of children aged up to 5 years lived in an overcrowded dwelling. The housing conditions are still the least favourable for the young population, and 72.0% of people aged 12-17 years live in overcrowded dwellings. The situation is slightly more favourable for adults aged between 18 and 64 (57.2%), and the most favourable for those aged 65 and over (38.5%) where men fare better than women (33.8% and 42 % respectively).

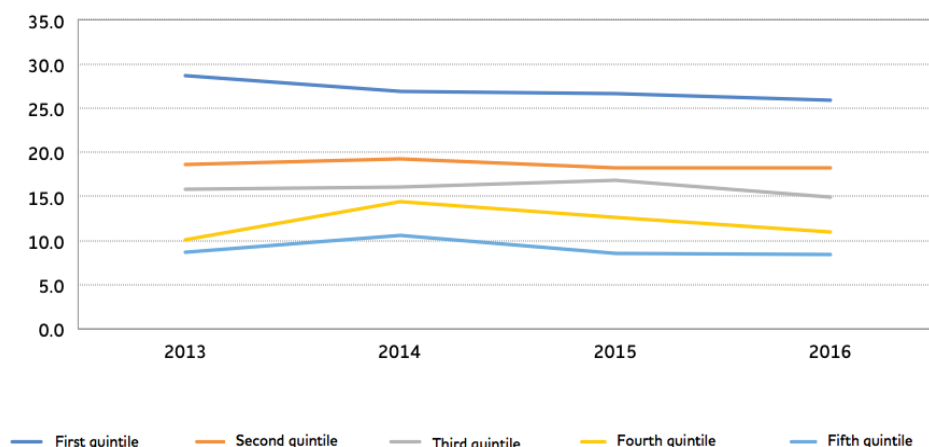
**The average occupancy rate has remained unchanged in terms of the number of rooms in the dwelling per person.** According to the data from the Survey on Income and Living Conditions, the average in the Republic of Serbia is 1.0 rooms in a flat in a private house per person, or 0.9 rooms in a dwelling in a residential building.<sup>521</sup> This share is lower, usually 0.7 and 0.8 rooms per person, in rented dwellings, regardless of whether they are in a family house or a residential building. Apart from that, the population in households at risk of poverty have a somewhat smaller number of rooms in dwellings than those with better income: 0.9 rooms per person versus 1.0. **The issue of the insufficient number of rooms is also observed in social dwellings built in various housing projects**, where about a quarter of households have 0.5 rooms per member.

<sup>519</sup> Eurostat Table *Overcrowding rate by age, sex and poverty status*.

<sup>520</sup> Eurostat Table *Overcrowding rate by age, sex and poverty status*.

<sup>521</sup> Eurostat Table *Average number of rooms per person by tenure status and dwelling type*.

**Figure 21. Multiple housing deprivation rate by income quintile in the period 2013–2016 in the Republic of Serbia (%)**



Source: Eurostat Table *Severe housing deprivation rate by income quintile*

The indicator of multiple housing deprivation<sup>522</sup> shows that there are no significant changes compared to the previous period, so 15.7% of persons in the Republic of Serbia in 2016 (17.5% in 2014 and 16.6% in 2015) lived in overcrowded dwellings faced with some other aspects of deprivation: a damp or dark dwelling, poor quality windows, no bath/shower or toilet, etc. **Multiple housing deprivation was recorded most often in the population with the lowest income** (first quintile), 26.9% in 2014 and 25.9% in 2016, but an improving trend is somewhat more present in this income group compared with other groups and the previously observed period. There is still a significant number of persons in the second (18.2% in 2016) and the third (14.9% in 2016) income quintile group facing multiple housing deprivation, and a relatively high number of households in the highest, fifth quintile group (8.4% in 2016).

**The share of persons living in dwellings without a bathroom or toilet was 3.5% in 2016**, i.e. 3.8% in 2014 and 2015, which is slightly lower than in the previous period (4.3% in 2013), but it is still almost twice the rate in the EU (2.3% in 2014 and 2.2% in 2015). In the Republic of Serbia, dwellings without a bathroom or toilet in 2016 were home to 9.3% of the population at risk of poverty. As regards the household structure, dwellings without a bathroom or toilet were most often homes to persons living in single-member households (10.2% in 2016), especially households composed of one person aged 65 and older (11.6%). In general, there is an increase in the share of single-member households living in such dwellings (9.4% in 2014, 11.1% in 2015 and 10.6% in 2016), with a gradual decrease in the percentage of single-member households composed of a man in dwellings without a bathroom or toilet (13.6% in 2014; 11.6% in 2015 and 9.7% in 2016) and it is lower compared with the previous

<sup>522</sup> Eurostat Table *Severe housing deprivation rate by income quintile*.





period (12.2% in 2013). Households with dependent children are twice as likely to live in dwellings without a bathroom and shower compared with those without dependent children (4.8% and 2.2% respectively in 2016).

**Table 56. Share of persons living in households with inability to keep home adequately warm (%)**

|   | Below 60% median<br>equivalent income |      |      | Total |      |      |
|---|---------------------------------------|------|------|-------|------|------|
|   | 2014                                  | 2015 | 2016 | 2014  | 2015 | 2016 |
| Single-person household                                 | 31.5                                  | 29.5 | 24.5 | 20.8  | 20.3 | 18.5 |
| Single-person female-headed household                   | 29.9                                  | 28.6 | 27.3 | 22.3  | 20.8 | 19.3 |
| Single-person male-headed household                     | 33.5                                  | 30.4 | 21.2 | 18.3  | 19.6 | 17.4 |
| Single parent with one child or more dependent children | 26.5                                  | 25.8 | 26.2 | 24.3  | 17.6 | 17.2 |
| An adult aged 65 and over                               | 29.9                                  | 30.7 | 26.7 | 19.8  | 20.6 | 19.6 |
| An adult under 65                                       | 33.0                                  | 28.1 | 22.4 | 22.0  | 19.9 | 16.9 |
| Two adults without dependent children                   | 29.3                                  | 29.7 | 24.5 | 16.3  | 17.4 | 13.5 |
| Two adults with one dependent child                     | 22.3                                  | 22.2 | 19.6 | 14.3  | 13.2 | 9.1  |
| Two adults with two dependent children                  | 23.4                                  | 14.6 | 16.0 | 11.8  | 7.1  | 7.3  |
| Two adults under the age of 65                          | 32.6                                  | 31.7 | 31.0 | 17.7  | 19.3 | 15.5 |
| Two adults, where at least one adult is 65 and over     | 25.3                                  | 27.3 | 16.4 | 15.1  | 15.8 | 11.8 |
| Two adults with three or more dependent children        | 17.8                                  | 32.3 | 30.7 | 17.1  | 19.1 | 16.4 |
| Three or more adults without dependent children         | 30.3                                  | 24.6 | 26.8 | 19.7  | 16.8 | 16.6 |
| Three or more adults with dependent children            | 25.3                                  | 26.1 | 17.8 | 17.2  | 15.1 | 12.8 |
| Households with dependent children                      | 24.0                                  | 23.6 | 19.4 | 15.8  | 13.3 | 11.4 |
| Households without dependent children                   | 30.2                                  | 27.5 | 25.5 | 18.6  | 17.7 | 15.8 |
| Total   | 31.5                                  | 29.5 | 24.5 | 17.1  | 15.2 | 13.3 |

Source: Eurostat *Table Inability to keep home adequately warm*

**There is a declining trend in the rate of the population living in households unable to keep home adequately warm**, and in the period from 2014 to 2016 their share fell by 3.8 percentage points. Nevertheless, a quarter of people at risk of poverty cannot afford adequate heating of their dwelling (24.5% in 2016).<sup>523</sup> In terms of the

<sup>523</sup> Eurostat *Table Inability to keep home adequately warm*.

household structure and income group in 2016, the greatest difficulties were faced by single-person households: single-person female-headed households (19.3%) and adults aged 65 and over (19.6%). The rate of the inability to keep home adequately warm is twice higher in the population below the relative poverty line (regardless of the household structure) than above the poverty line. Among those at risk of poverty, according to this indicator, there are no major deviations in terms of the type of household, where multi-person households composed of two persons under 65 (31.0%) as well as two adults with three or more children (30.7%) are at somewhat higher risk.

**Table 57. Housing cost overburden rate by income quintile group, age and sex in 2013-2016 (%)**

|                       |                 | 2013 | 2014 | 2015 | 2016 |
|-----------------------|-----------------|------|------|------|------|
| Income quintile group | First quintile  | 73.5 | 84.3 | 80.2 | 78.6 |
|                       | Second quintile | 35.7 | 45.2 | 39.2 | 32.7 |
|                       | Third quintile  | 18.3 | 22   | 16.9 | 20.2 |
|                       | Fourth quintile | 8.1  | 8.8  | 7.2  | 7.2  |
|                       | Fifth quintile  | 2.5  | 2.7  | 2.2  | 2.7  |
| Age                   | 0–17            | 32.3 | 36.8 | 32.1 | 31.9 |
|                       | 18–64           | 28.9 | 33.1 | 29.9 | 29.6 |
|                       | 65 +            | 20.8 | 26.7 | 23.6 | 20   |
| Sex                   | Women           | 28.2 | 32.8 | 29.1 | 28.7 |
|                       | Men             | 27.8 | 32.3 | 29.2 | 27.7 |

Source: Eurostat Table *Housing cost overburden rate by age, sex and poverty status*

**The housing cost overburden rate<sup>524</sup> in the Republic of Serbia between 2014 and 2016 was reduced by 4.4 percentage points.<sup>525</sup>** In the Republic of Serbia the share of persons living in households with housing cost overburden is more than double the EU average.<sup>526</sup> Housing costs still overburden the household budget in the Republic of Serbia, and almost three-quarters of the population with income below the relative poverty line lived in households that spent more than 40% of their available income on housing cost (71.6% in 2016). In terms of income quintile groups, in 2016, 78.6% of people in the lowest (first) income quintile group, as well as 32.7% of persons in the second and 20.2% in the third income quintile group, are heavily burdened with housing costs. As regards sex, women are in a somewhat less favourable situation than men. There is no clear trend when this indicator is observed by age, where housing costs exceeding 40% of available income are present in almost a third of young people aged 0–17 (31.9% in 2016). A similar situation is seen in the

<sup>524</sup> Housing costs include expenditures for payment of utility services, regular maintenance of the dwelling, repayment of the housing loan, tenancy payment, etc.

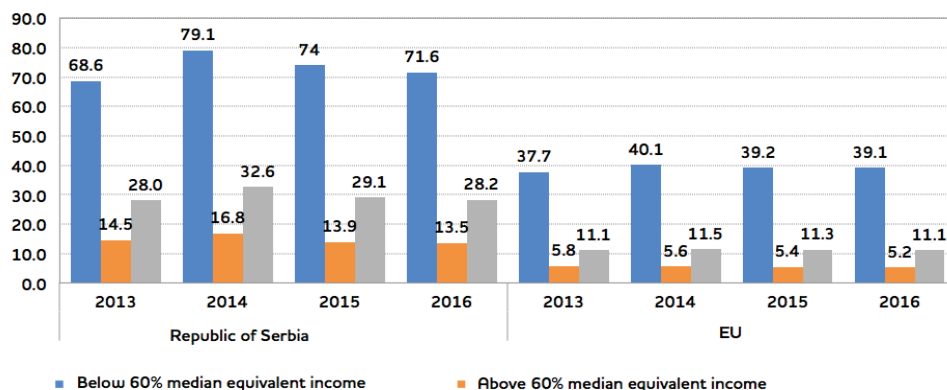
<sup>525</sup> Eurostat Table *Housing cost overburden rate by age, sex and poverty status*.

<sup>526</sup> If the household spends 40% or more of their disposable income on housing, this is deemed an overburden.



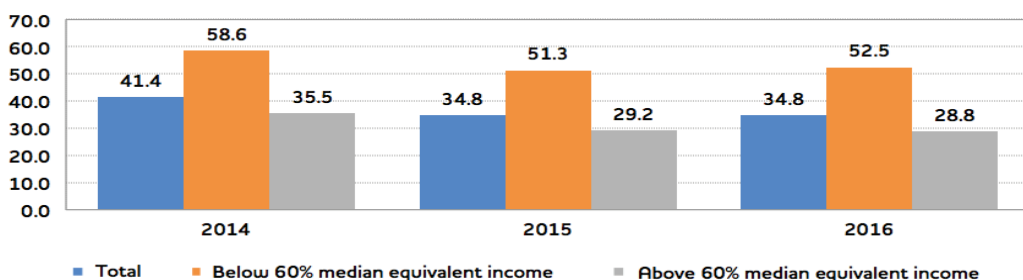
population aged 18–64 (29.6% in 2016), and most favourable is for those aged 65 and over (20.0% in 2016).

**Figure 22. Housing cost overburden rate by income group of households in 2013–2016 (%)**



Source: Eurostat Table *Housing cost overburden rate by age, sex and poverty status*

**Figure 23. Arrears on utility bills by income groups in 2014–2016 (%)**



Source: Eurostat Table *Arrears on utility bills*

**Arrears on utility bills** among households fell by almost 5 percentage points in 2015 compared with 2014, were almost unchanged in 2016, but **still high**. In 2016, 52.5% of the population lived in households with income below the relative poverty line and 28.8% of persons lived in higher income households. In general, persons living in households with dependent children are more likely to have arrears on utility bills than those without dependent children.

**Low percentage of persons living in households with arrears on rent or loans for the dwelling** results from the modest share of persons in households who rent an apartment or repay a housing loan – in 2016, they accounted for 1.1% of the total

number of households, or 1.9% households with income below the poverty line.<sup>527</sup>

**High arrears on rent or repayment of loans are still reported in single parents with one child or more dependent children.** In 2015, these arrears were the most pronounced and reported for 4.7% of single parents, or 10.1% of single parents with income below the relative poverty line. In the following year, 2016, the situation was better – half the number of the single parents had these arrears.

**In 2014, the National Mortgage Insurance Corporation filed 26 lawsuits against debtors** – loan beneficiaries for the amount representing 75% of the net loss paid after the sale of the real estate was completed, i.e. for the portion of the undistributed amount in the original currency and **9 procedures for executing the collection of debt from the borrower on the basis of final court verdicts.**<sup>528</sup> During 2015, the Corporation filed 18 lawsuits against debtors and 6 debt enforcement procedures. **There is no data on the manner in which the households that have lost their dwellings in this way solved their housing issue.**

**The Report of the Commissioner for Protection of Equality points out that women are less likely to own a property than men and immovable property is primarily registered in the man's (husband's) name.**<sup>529</sup> On the other hand, there are no data on discrimination against women in exercising their right to a property, nor there are adequate measures for the housing support for women – victims of violence. The current practice is to provide shelter for women victims of violence in safe houses, or shelters for survivors of violence that exist in 16 cities in the Republic of Serbia, five of which are located in the territory of Vojvodina.<sup>530</sup>

**In July 2017, 5 collective centres with 153 persons, including 45 refugees and displaced persons and 108 internally displaced persons, were located in the territory of the Republic of Serbia outside of Kosovo and Metohija.**<sup>531</sup> At the same time, **there were 8 collective centres with 318 persons in the territory of Kosovo and Metohija**, while new data on the remaining, unrecognised collective centres and informal settlements in which refugees and displaced persons live were not available.

**At the beginning of December 2017, 4,484 persons were registered in the Republic of Serbia as refugees, asylum seekers and migrants – of which 4,210 were housed in 18 governmental centres.** These centres are located in

<sup>527</sup> Eurostat Table *Arrears on mortgage or rent payments*.

<sup>528</sup> National Mortgage Insurance Corporation, Independent Auditor Reports, downloaded from: <http://www.nkoskrs/content/izvestaji-nezavisnih-revizora>, 20 December 2017.

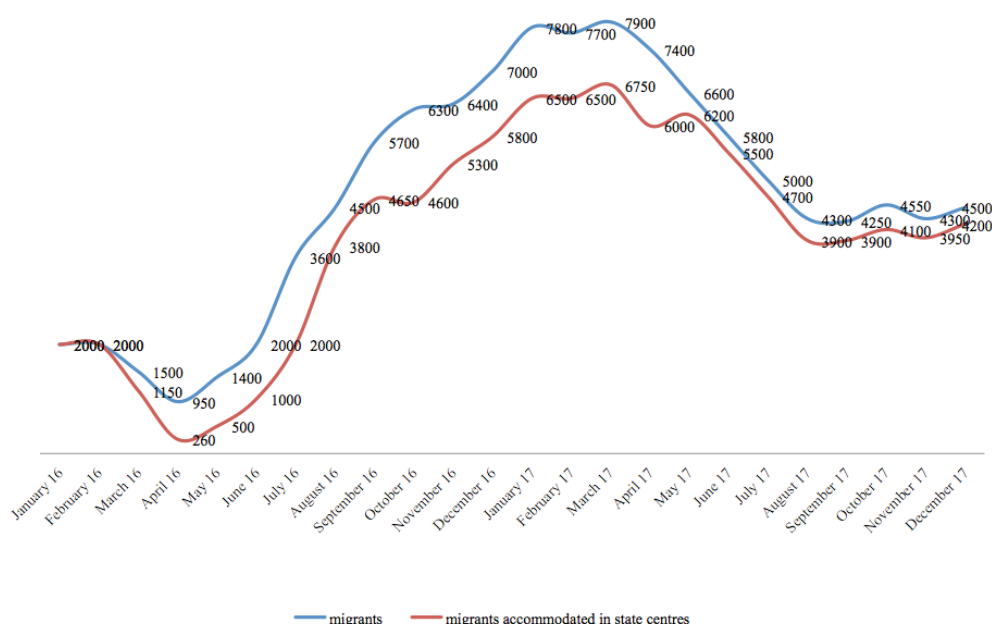
<sup>529</sup> Petrušić, N. (2015), *Poseban izveštaj Poverenika za zaštitu rodne ravnopravnosti o diskriminaciji žena*, Belgrade.

<sup>530</sup> There are safe houses in: Belgrade, Jagodina, Kragujevac, Leskovac, Niš, Smederevo, Šabac, Užice, Valjevo, Vlasotince, Vranje, Novi Sad, Kikinda, Pančevo, Sombor, Zrenjanin. (Safe houses, Currently active shelters on the territory of Serbia, downloaded from: [http://www.sigurnakuca.net/informacije/sigurne\\_kuce.80.html](http://www.sigurnakuca.net/informacije/sigurne_kuce.80.html), 27. December 2017.

<sup>531</sup> Commissariat for Refugees and Migration of the Republic of Serbia, Collective Centres, downloaded from: <http://www.kirs.gov.rs/articles/centri.php?lang=SER>, 14. December 2017.

the south (Bujanovac, Preševo and Vranje); in the east (Piroć, Divljana, Bosilegrad and Danilovgrad); in Belgrade (Krnjača and Obrenovac); in the west (Adaševci and Principovac); and in the north (Horgoš, Kelebija, Subotica, Sombor and Kikinda). In these centres, beneficiaries are provided with food, medical assistance, counselling, translation, child protection, police registration, etc.<sup>532</sup>

**Figure 24. Number of migrants and number of migrants accommodated in state centres in the Republic of Serbia, January 2016 – December 2017**



Source: UNHCR Serbia Update

(<https://reliefweb.int/report/serbia/unhcr-serbia-update-04-10-dec-2017>)

**The housing situation of the Roma population is still very complex. In the reporting period, settlements were still being resettled and people evicted from facilities that did not comply with the international standards.** The situation has remained virtually unchanged in the matter of the unregulated legal and planning status and poor utility equipment of the settlements, accompanied by inadequate housing conditions, which can still be found in a great number of Roma settlements in the Republic of Serbia.<sup>533</sup> The issue of the legality of housing facilities and other

<sup>532</sup> More about refugees and internally displaced persons, as well as migrants and asylum seekers, can be found in the part of the Report on human rights and social participation.

<sup>533</sup> Vuksanović-Macura, Z. (2012), *Mapping and enumeration of informal Roma settlements in Serbia, Environment and Urbanization*, Vol. 24, No. 2, pp. 685–705; Živković, Lj., Đorđević, A. (2015), *Osnovne karakteristike podstandardnih romskih naselja u Srbiji i predlog budućih razvojnih inicijativa za unapređenje uslova života romske zajednice*, OSCE Mission to Serbia, Belgrade.

structures in informal Roma settlements is becoming more and more evident. Thus, some of the measures for improving the housing conditions that were envisaged by certain programmes could not be implemented due to the set criteria for evidencing the ownership of the facility or possession of a building permit and, on the other hand, the material and housing vulnerability of the household.<sup>534</sup>

As regards homelessness in the Republic of Serbia, the Statistical Office of the Republic of Serbia published a detailed overview of the results from the 2011 census.<sup>535</sup> **The 2011 census collected data about 18,287 homeless people**, 97.6% of whom were secondary homeless (people living in emergency accommodation, such as sheds, shacks, trailers, wagons, basements, tents, tugboats, cardboard and non-hygienic settlements) and 2.4% primary homeless (persons without permanent or temporary place of residence, living on the street, in parks, under bridges, etc.). Since then have been no further surveys on this phenomenon, nor do the social work centres keep records of homeless people or children living and working on the street,<sup>536</sup> so it is not possible to identify and monitor trends.

**Increasingly frequent forced evictions, along with the enforcement of the Law on Enforcement and Security<sup>537</sup>, are cited as one of the potential causes of homelessness.** Reasons for evictions include the collection of outstanding household debts, inability to pay housing loan and mortgage on the dwelling, loss of tenancy rights due to the bankruptcy of the company that owned the dwelling, etc. Although increasingly common, these forms of eviction, their cause, scope and consequences are still unexplored and there are currently no publicly available quantitative indicators.<sup>538</sup>

<sup>534</sup> Such was, for example, the situation in the call for the project "Permanent Resolutions for Housing and Improvement of Physical Infrastructure in Roma Settlements" (IPA 2013) when an extremely small number of households could meet the set criteria related to material status and regulated ownership of the facility.

<sup>535</sup> Bobić, M. (2014), *Beskućnici*, Statistical Office of the Republic of Serbia, Belgrade.

<sup>536</sup> Republic Institute for Social Work (2017), *Sintezni izveštaj o radu centara za socijalni rad u Srbiji za 2016. godinu*, Belgrade.

<sup>537</sup> Official Gazette of RS, Nos 106/15 and 106/16 – authentic interpretation.

<sup>538</sup> Krstić, I. (2017), *Od privatizacije do deložacije*, Mašina, 23 June 2017, downloaded from: <http://www.masina.rs/?p=4939>; *Sprečena deložacija porodice Havatmi*, Mašina, 4 May 2017, downloaded from: <http://www.masina.rs/?p=4658>, 12 November 2017.

### 2.6.3. Measures and programmes

Measures and programmes in the field of housing and social housing are still directed at two groups of households. One is a system of long-term support to households with medium and higher income in providing privately-owned dwellings under favourable conditions (sale of dwellings under non-profit conditions, insurance of housing loans, refund of value added tax, etc.). The other group comprises activities directed towards members of vulnerable social groups, mostly refugees, displaced persons, and Roma men and women, for which permanent housing solutions are provided (construction of dwellings, prefabricated houses, allocation of building materials, purchase of houses in the countryside, etc.), which are mainly financed by donor funds and through individual projects.

In the past period, significant funds have been allocated for projects for improving housing conditions of Roma men and women. IPA funds supported the following projects: **We are Here Together: European Support to Roma Inclusion** (IPA 2012) worth EUR 4.8 million<sup>539</sup> and **Let's Build a Home Together** (IPA 2009) (the value of the first phase was EUR 3.6 million, and the second phase, worth EUR 1.5 million, is being carried out through IPA 2014 programme). In mid-2017, the project **Roma Housing: EU Support to the Inclusion of Roma men and women** (IPA 2013) started and at the end of the same year, the project **Support to Roma Inclusion (IPA 2016)** worth EUR 4.2 million.

The project **We are Here Together: European Support to Roma Inclusion** was conducted in the period 2014–2017 in 20 municipalities in the Republic of Serbia.<sup>540</sup> Model housing solutions were developed and good practice examples given for different types of family and collective housing along with guidelines for their implementation.<sup>541</sup> In 11 municipalities, 13 urban plans were implemented that included Roma settlements.<sup>542</sup> Technical documentation for 17 infrastructure projects was prepared in 14 municipalities as well as one project per municipality for improving housing and manufacturing activities.<sup>543</sup> In cooperation with the Ministry of

<sup>539</sup> These funds were not fully spent on housing, but also on other project activities (support to health mediators, educational programs, provision of personal documents, etc.). This applies to all of the sums given in this section.

<sup>540</sup> The project was implemented in the following municipalities: Sombor, Odžaci, Novi Sad, Pančevo, Kovin, Palilula, Zvezdara, Smederevo, Koceljeva, Valjevo, Kragujevac, Kruševac, Knjaževac, Bela Palanka, Prokuplje, Žitorađa, Leskovac, Bojnik, Vranje and Bujanovac. The project was implemented by the OSCE Mission to Serbia.

<sup>541</sup> Vuksanović-Macura, Z., Macura V. (2014), *Stambeni modeli za podstandardna romska naselja: smernice za jedinice lokalne samouprave, organizacije civilnog društva i romske zajednice*, OSCE Mission to Serbia, Belgrade.

<sup>542</sup> Karpino, L. et al. (ed.) (2016), *Urbanistički planovi za podstandardna romska naselja*, OSCE Mission to Serbia, Belgrade.

<sup>543</sup> Divjak, L. (2017), *Izrada tehničke dokumentacije za unapređenje romskih naselja*, OSCE Mission to Serbia, Belgrade.

Civil Engineering, Transport and Infrastructure, a geographic information system (GIS) was established which gathered data for 583 substandard settlements,<sup>544</sup> in order to monitor the situation and plan activities for improving housing conditions. The Ministry of Construction, Transport and Infrastructure is responsible for managing the GIS database.

**A number of projects has been implemented to provide permanent accommodation for Roma families which the city authorities accommodated in newly formed container settlements after the resettlement of Gazela and Belville settlements.<sup>545</sup>**

A total of 51 households were settled into the social dwellings financed from the funds of the European Investment Bank.<sup>546</sup> In the first phase of the project Let's Build a Home Together, <sup>547</sup> implemented from 2013 to 2016, housing solutions were provided for 110 households, 59 of which moved into social dwellings, 10 families received help to rebuild their privately-owned house/flat, and village houses were purchased for 41 families.<sup>548</sup> The second phase of the project (2017–2019) provides for the construction of social dwellings for 23 households in Ovča and the purchase of village houses for 27 households. **In all newly built buildings members of Roma nationality are the only tenants.**

**The provision of housing solutions for refugees and internally displaced persons has continued at a similar pace as in the previous period.** From the beginning of 2014 until July 2017, 20 collective centres were closed and housing was provided for 2,226 people.<sup>549</sup> As regards the most vulnerable persons accommodated in collective centres, the implementation of the social housing model in protected conditions continued, and in the period from 2014 to 2016, 316 flats were built in 10 municipalities.<sup>550</sup> In the earlier period, dwellings were most often allocated in the

<sup>544</sup> Živković, Lj., Đorđević, A. (2015), *Osnovne karakteristike podstandardnih romskih naselja u Srbiji i predlog budućih razvojnih inicijativa za unapređenje uslova života romske zajednice*, OSCE Mission to Serbia, Belgrade.

<sup>545</sup> Container settlements established by the City of Belgrade for the accommodation of Roma from displaced settlements and displaced facilities are the following: Makiš 1, Makiš 2, Resnik, Jabučki Rit, Kijevo and Orlovsko naselje.

<sup>546</sup> A total of 24 households moved into newly-built social apartments in Orlovsko settlement, the Municipality of Zvezdara, and 27 households in Jabučki Rit, Municipality of Palilula.

<sup>547</sup> Both phases of the project are implemented by the United Nations Project Services Programme (UNOPS).

<sup>548</sup> A total of 12 families in Orlovsko settlement, 15 families in Jabučki Rit and 32 families in Mislođin moved into the newly-built flats. Vuksanović-Macura, Z. and Macura, V. (2016), *Svetlo i tamno: stanovanje Roma u Beogradu na prelazu 20. u 21. vek*, Belgrade, SANU.

<sup>549</sup> Commissariat for Refugees and Migration of the Republic of Serbia, Collective Centers, downloaded from: <http://www.kirs.gov.rs/articles/centri.php?lang=SER>, 12 December 2017.

<sup>550</sup> In the period 2003–2016, 1,282 apartments were built in 44 municipalities for social housing in protected conditions. Housing Center. Social Housing in Protected Conditions, downloaded from: [http://www.housingcenter.org.rs/download/SSZU\\_kapaciteti\\_u\\_Srbiji\\_realizovani\\_2003-2016.pdf](http://www.housingcenter.org.rs/download/SSZU_kapaciteti_u_Srbiji_realizovani_2003-2016.pdf), 18. December 2017.



following proportion: 80% to refugees and IDPs and 20% to domicile population, and in the period 2014-2016 there was a greater rate of the Roma population as the only tenants in the building. **Measures for providing housing to refugees were mainly implemented in the past period within the framework of the Regional Housing Programme in the Republic of Serbia implemented by the Commissariat for Refugees and Migration in cooperation with local self-governments, and the main donor is the EU.**<sup>551</sup> Within the Regional Programme, the Republic of Serbia agreed upon the provision of 6,289 housing solutions through four housing models, which are expected to be implemented by 2020.<sup>552</sup> The total contract value for the implementation of these housing solutions is EUR 123,399,503, of which the Republic of Serbia provided EUR 18,715,462, and EUR 104,684,041 are received through the Regional Programme. In the period 2015-2017, 1,807 housing solutions were implemented including: construction of 816 dwellings, assembly of 183 prefabricated houses, 453 packages of building materials and the purchase of 1,203 village houses.

**At the beginning of 2017, the Republic Housing Agency was abolished, while in the period 2014-2016 new housing agencies or public companies were established and licensed as non-profit housing organisations.**<sup>553</sup> This process was not accompanied by the implementation of education measures nor the strengthening of the capacities of employees in housing agencies and other stakeholders in the field of social housing and work with beneficiaries.

**The construction of non-profit dwellings in major cities in the Republic of Serbia has continued as a way of providing housing for households with medium and high income.** The dwellings were mainly built by the city housing agencies and sold under non-profit terms, with long-term loans, low-interest rates and VAT reimbursement in compliance with the law.

**The National Mortgage Insurance Corporation has continued to provide commercial housing loans granted by banks to citizens.** By the end of 2015, the Corporation insured a total of 83,342 housing loans, 7,608 of which were insured during 2014-2015.<sup>554</sup> The loan security requirements remained strict and available

<sup>551</sup> Regional Housing Programme downloaded from: <http://regionalhousingprogramme.org/>, 20 December 2017.

<sup>552</sup> Initially it was planned to provide a housing solution for 16,780 refugee households, or 45,000 persons in the Republic of Serbia by 2017. Compare: Regional Housing Programme, downloaded from: <http://www.kirs.gov.rs/articles/regionalniproces.php?lang=SER> and Regional Housing Programme, Projects downloaded from: [http://regionalhousingprogramme.org/wp-content/uploads/2017/10/RHP\\_Subprojects\\_September\\_2017.pdf](http://regionalhousingprogramme.org/wp-content/uploads/2017/10/RHP_Subprojects_September_2017.pdf), 21 December 2017.

<sup>553</sup> Public companies with licenses for non-profit housing organisations are in Kragujevac, Niš, Čačak, Kraljevo, Pančevo, Stara Pazova, Belgrade, Užice, Smederevo, Kikinda, Zrenjanin, Pirot, Smederevska Planka, Novi Sad, Leskovac and Arandelovac.

<sup>554</sup> National Mortgage Insurance Corporation, Independent Auditor Reports, downloaded from: <http://www.nkosk.rs/content/izvestaji-nezavisnih-revizora>, 20. December 2017.

to households with medium and higher incomes, with an annual rate of around 30 litigation and execution proceedings under final court judgments against the borrower i.e. loan beneficiary.

**The reduction of part of the monthly costs of electricity, natural gas and heating for the financially vulnerable households has continued.** The number of households that receive this type of subsidy increased almost two times compared to the situation in 2013, when the Regulation was introduced.<sup>555</sup> This was the consequence of the adoption of a new Regulation that extended the scope of those who are entitled to this right and increased the maximum allowed electricity consumption per month from two to four times of the established right to a subsidy in kWh. In 2016, 1.65 billion dinars (0.012% of GDP) from the budget of the Republic of Serbia were allocated for this purpose, of which only a part was spent, because this right was exercised by about 65,000 households, which was only a fifth of the expected number.<sup>556</sup> In the 2017 budget, 1.15 billion dinars (0.008% of GDP) were allocated, estimating that around 85,000 households will use subsidies for paying electricity and gas. At the local level, the practice of occasional granting subsidies to poor households for paying housing costs has continued. The most commonly applied measure was a partial reduction in the number of utility bills.

#### 2.6.4. Conclusions

**Legislative framework in the field of housing has been significantly changed by the adoption of the Law on Housing and Maintenance of Buildings (2017) and the accompanying Rulebooks and regulations.** The law more precisely regulates the issue of managing and maintaining the housing fund, introduces the concept of housing support and foresees a greater number of possible measures for its implementation. The law also governs eviction and relocation issues and thus regulates this area after a long time, following generally accepted standards of human rights protection. The new Law has brought about changes in the institutional framework by abolishing the Republican Housing Agency, while envisaging non-profit housing organisations as service providers. Since the Law on Housing and Maintenance of Buildings entered into force at the beginning of 2017, it is not possible to see the long-term effects of its implementation.

**The National Housing Strategy is being drafted and its adoption is envisaged within 12 months of the entry into force of the Law.** For the purpose of drafting

<sup>555</sup> Regulation on energy-vulnerable buyer, Official Gazette of the RS, no.113/15, replaced the previous Regulation on energy-burdened purchaser, i.e. vulnerable buyer of heating energy. Official Gazette of the RS no. 90/13, 44/14 – state rulebook, 124/14 – state rulebook, 40/15 – state rulebook and 82/15 – decision of the CC, which was declared unconstitutional in 2015.

<sup>556</sup> Besplatna struja i gas – mnogo zainteresovanih, malo prijavljenih, downloaded from: <http://www.rts.rs/page/stories/sr/story/13/ekonomija/2561001/besplatna-struja-i-gas--mnogo-zainteresovanih-malo-prijavljenih.html>, 22 November 2017.



the strategy, it is envisaged to collect information from local self-governments that, using a single questionnaire and following instructions, should submit information on housing needs on their territory to the ministry in charge of housing. Until this document has been drafted and adopted, strategic goals and housing programmes are partly realised under the existing National Strategy on Social Housing.

**The regular implementation of the Survey on Income and Living Conditions (SILC) has made it possible to perceive trends and monitor important data on social exclusion indicators in housing.** However, there is still a lack of research that would enable the perception of the impact of housing programmes and measures on the end users, especially households with the lowest incomes. Also, there are some phenomena for which data is lacking, such as forced eviction from dwellings due to the inability to repay housing loans, mortgages on the dwelling or similar arrears.

**There has been an increase in the ownership of a flat in a family house, as well as a drop in the share of persons who rent.** It can be assumed that this was the outcome of more intensive construction of family houses that provided dwellings in the ownership. The reduced share of persons who live in an owner-occupied dwelling with a loan or mortgage may be the result of financially inaccessible loans for the income generated by persons within the household, as well as non-fulfilment of other conditions for obtaining a loan for the construction of a family house (lack of building permit, etc).

**Overcrowding rate is high and shows a growing trend, both for owner-occupied and rented dwellings.** Overcrowded dwellings are most often used by persons who are at risk of poverty, especially those in the first income quintile group, then persons living in households with dependent children, where a particularly high percentage of young people aged 12–17 live in overcrowded conditions. Overcrowding is also pronounced in social housing dwellings. On the other hand, there were no significant changes in the multiple housing deprivation rate during the observed period. This indicates that **housing deprivation is increasingly affected by the overcrowding aspect, while the impact of other aspects is getting lower such as: damp rooms, leaking roof, poor quality windows, lack of bathroom, shower or toilet, etc.** Bearing in mind that the average dwelling has not changed in terms of the number of rooms per number of persons, it can be concluded that families are more likely to live in dwellings whose total area is smaller but are somewhat better equipped.

**Housing costs are still high,** and almost three-quarters of the population, whose income is below the relative poverty line, live in households that spend more than 40% of their available income on housing costs, half of whom have arrears on utility bills. **Although the number of households receiving subsidies under the Regulation on energy-protected buyers has increased, there are significantly fewer households that have exercised this right compared with the number of households that acquired the status of an energy-protected customer.** This is also influenced by the criteria for exercising the rights, which, despite changes, are still restrictive, such

as the maximum allowed level of monthly electricity consumption, i.e. gas or the obligation to regularly pay bills on the monthly level. There is still no systematised data on the size and type of subsidies for housing costs that are allocated by individual local self-governments.

**The construction of housing for social rent has dropped in the past period.** The contributing factor was the lack of funds in the republic and local budgets allocated for this purpose, and the lack of donor programmes. In addition, there have been no studies on the long-term effects of this type of housing support. On the other hand, **in the existing social dwellings there are issues with outstanding rents and other housing costs**, which leads to several years of litigation procedures, as well as their enforcement and eviction of tenants, with the lack of solutions to accommodate evicted households and possible homelessness.

**The number of collective centres has been significantly reduced in the past period and there are only five (with 153 persons) that are in service.** Providing housing support to refugees and IDPs has continued within the framework of the Regional Housing Programme.

Although several projects aimed at improving the housing situation of Roma men and women have been launched and implemented in the past period, there is still a great gap between the housing conditions of this national minority and the majority population, and there is an evident problem of the lack of urban planning documentation for Roma settlements and unregulated ownership status for residential buildings. **There is a frequent practice of constructing social housing where Roma men and women are the only tenants in the constructed buildings, which can lead to new spatial segregation.** Investments in projects aimed at improving the housing of Roma men and women, primarily from IPA funds, were significant compared with the earlier period, but still insufficient. Better results can be achieved if more funds are allocated from the republican and local budgets for these needs.

#### 2.6.5. Lines of action

**It is necessary to further develop measures in the field of housing support in accordance with the Law on Housing and Maintenance of Buildings through the adoption of the National Housing Strategy and Housing Programmes.** It is essential to establish mechanisms for more efficient implementation of the prescribed measures at the local level and work on improving coordination in the implementation of the programme for improving housing conditions of certain vulnerable groups. **It is also necessary to strengthen the capacities of employees in non-profit housing organisations and educate other relevant stakeholders in the field of housing**, as well as all bodies in charge of implementing new legal provisions and regulations related to the provision of housing support, work with housing support beneficiaries, and in particular implement procedures related to eviction and resettlement

procedures. It is important to support information and educational programmes that promote economic and social importance of providing housing support with a view to improving coverage of prospective beneficiaries with established measures as well as licensing organisations as providers of housing support services.

**Data relevant to monitoring social exclusion in the field of housing should be regularly collected and updated.** It is necessary to carry out research and evaluate the so far implemented programmes for providing housing to vulnerable households in order to determine the impact on the economic and social sustainability of the applied housing models and make recommendations for their improvement in the future application. This particularly refers to the social leasing model (issues of spatial-physical organisation of dwellings, buildings and surroundings, financial accessibility of dwellings to their users), as well as the model of purchase and allocation of rural houses (cultural adequacy of the model, economic sustainability for households, etc).

Taking into account the overcrowding rate of dwellings with reduced rent, i.e. within social housing, in future housing projects, **it is necessary to pay attention to the ratio between the number of household members, structure and area of the dwelling allocated to the household, and to design dwellings according to the adopted regulations.**

**It is essential to continue the initiated activities aimed at raising awareness on the significance of energy efficiency of buildings, networking and cooperation of stakeholders and defining and establishing a measure to support households to improve the energy efficiency of their dwellings and family houses,** which would reduce very high heating and electricity costs in a great number of households in the Republic of Serbia. The implementation of the adopted measures for increasing the energy efficiency of the dwellings should be in line with the financial and other possibilities of households.

**It is necessary to establish a more efficient system of providing adequate and timely support to homeless people,** as well as develop programmes and measures for the prevention of homelessness and the empowerment and reintegration of the homeless, especially considering the fact that in the past period these measures were not implemented.

**It is important to continue funding the programme for improving housing conditions of Roma men and women, provide additional resources, and encourage local self-governments to work on improving the housing conditions of the Roma population and more consistently implement measures and goals set out in the national strategic documents.** It is necessary to conduct surveys in local self-governments on housing needs of Roma men and women and develop action plans with measures aimed at improving housing conditions in Roma settlements, starting from the adopted National Strategy for Social Inclusion of Roma men and women and the accompanying Action Plan for the period 2017-2018. Also, it is necessary to make more efficient use of the existing GIS database containing data on substandard

settlements in order to target relevant local self-governments through planned housing programmes and design appropriate solutions for improving living conditions in Roma settlements.

## 2.7. Human rights and social participation

### 2.7.1. Legislative and strategic framework in the Republic of Serbia

In the Republic of Serbia, human rights are a priority area to which great importance is attached. **The legal framework of human rights in Serbia is rounded out and in line with international standards.** The Constitution proclaims that the legal system is based on the rule of law, social justice and human and minority rights, guarantees civil, political, cultural, economic and social rights to all citizens, and additionally guarantees individual and collective rights to members of national minorities, in conformity with the Constitution, law and international agreements,<sup>557</sup> determining the obligation of the state to develop the spirit of tolerance, inter-cultural dialogue, mutual respect, understanding and cooperation of all citizens. The Constitution proclaims the principle of equality and explicitly prohibits any form of direct and indirect discrimination in any personal capacity, and in order to achieve substantive equality, it determines the possibility of taking special measures to achieve full equality of persons or groups of persons who are essentially in unequal position with other citizens.<sup>558</sup> The Constitution guarantees equality of women and men, prescribing the obligation of the state to conduct a policy of equal opportunities for women and men.<sup>559</sup> Citizens are guaranteed equality in access to justice, as well as the right to an effective remedy. Constitutional protection of human and minority rights is ensured and an independent body – the Ombudsman, which protects the rights of citizens and exercises control of public authorities – has been established.<sup>560</sup>

**Serbia has ratified eight out of nine fundamental international human rights treaties.** In the domain of ratifying international treaties, Serbia in 2015 adopted the **Law on Ratification of the Protocol no. 15 to the Convention for the Protection of Human Rights and Fundamental Freedoms**,<sup>561</sup> and in 2017 it ratified the Agreement on the Status and Functions of the International Commission on Missing Persons, thereby contributing to the development of the International Commission on Missing Persons, established in 2004, into an international organization that helps the state authorities seeking and identifying missing persons.

<sup>557</sup> Articles 75–81 of the Constitution of Serbia.

<sup>558</sup> Article 21 of the Constitution of Serbia.

<sup>559</sup> Article 15 of the Constitution of Serbia.

<sup>560</sup> Article 81 of the Constitution of Serbia.

<sup>561</sup> Official Gazette of the Republic of Serbia - International Treaties, no. 10/15.

**Provisions on the prohibition of discrimination** (anti-discrimination clauses) were incorporated in most of the laws adopted in the reporting period (2014-2017): Law on Advertising,<sup>562</sup> Law on Police,<sup>563</sup> Law on Sports,<sup>564</sup> laws in the field of education and media laws.

During 2017, the Ministry of Labour, Employment, Veterans' Affairs and Social Affairs started work on amendments and supplements to the Anti-Discrimination Law in order to comply with EU directives.

**Law on Amendments to the Criminal Code**<sup>565</sup> reformed some criminal justice institutes and **introduced new crimes in the domain of gender-based violence and economic crime.** The incrimination of the criminal offense of violation of equality has changed, in such a way that this work can be done by limiting and denying rights based on sexual orientation or gender identity. The conditions for conditional release were amended to improve its implementation, and in terms of monetary penalties, better conditions for the application of fines in daily amounts were created, which in practice were poorly applied. In November 2016, the provisions of the Law on Confiscation of Property arising from the criminal act were amended,<sup>566</sup> which extended the application of the law for further criminal offenses, improved the efficiency of the procedure and improved the work of the competent authorities in the detection and management of temporarily confiscated property.

**A new Law on Public Gatherings was adopted.**<sup>567</sup> The law states that the gathering is not allowed when the goals of the gathering are aimed at invoking and encouraging armed conflict or the use of violence, violation of human and minority freedoms and the rights of others, or inciting or encouraging racial, national, religious or other inequality, hatred and intolerance. Although the law is in line with the recommendations of the Venice Commission for regulating the freedom of gatherings in the Republic of Serbia, civil society organizations consider that it is not fully in line with international standards and that certain legal solutions need to be improved.<sup>568</sup>

From the aspect of improving the legal position of vulnerable social groups, the **Law on Housing and Maintenance of Buildings** is of special importance.<sup>569</sup> **This law for the first time regulates the conditions and procedure of forced eviction and relocation of persons,** which stipulate the provision of adequate accommodation for those who cannot provide their own accommodation with their own means. Legal

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<sup>562</sup> Official Gazette of the Republic of Serbia, no. 6/16.

<sup>563</sup> *Ibid.*

<sup>564</sup> Official Gazette of the Republic of Serbia, no. 10/16.

<sup>565</sup> Official Gazette of the Republic of Serbia, no. 94/16.

<sup>566</sup> Official Gazette of the Republic of Serbia, no. 94/16.

<sup>567</sup> Official Gazette of the Republic of Serbia, no. 6/16.

<sup>568</sup> *Ljudska prava u Srbiji 2016 (Human rights in Serbia 2016)*, Beogradski centar za ljudska prava (Belgrade Centre for Human Rights), Belgrade, p. 46.

<sup>569</sup> Official Gazette of the Republic of Serbia, no. 104/16.

solutions are in line with international standards in this area. The law also stipulates the obligation to protect especially vulnerable persons, as well as housing support for persons who are unable to solve their housing needs under market conditions, which is exercised in proportion to the social vulnerability.

**Sensitive social groups also pay due attention to the Law on Public Health from 2016,**<sup>570</sup> which establishes solidarity and equity as the basic principles, emphasizing the needs of sensitive social groups. These groups are also recognised by the **Law on Amendments and Supplements to the 2016 Law on Culture,**<sup>571</sup> which stipulates that the attainment of general interest in culture is achieved, *inter alia*, by encouraging the cultural and artistic creation of socially sensitive groups.

**The 2015 Law on Cooperatives**<sup>572</sup> introduced social cooperatives through whose work social, economic and labour involvement are achieved, as well as meeting other needs of members of vulnerable social groups and general interests within the local community. It is regulated that social cooperatives invest at least half of the realised profits in improving and achieving set social goals.

**The 2015 Law on the Protection of the Right to a Trial within a Reasonable Term**<sup>573</sup> provides for the judicial protection of the right to a trial within a reasonable time, with the aim of preventing the violation of this right.

Provision of free legal aid has been fragmentarily regulated by procedural laws, but the law on free legal aid has not yet been enacted<sup>574</sup> establishing a comprehensive, functional and effective legal aid system. Free legal assistance provided during the reporting period did not meet the needs of citizens, and it was necessary to establish a functional and sustainable system of free legal aid. Measures are taken to improve the application of mediation as an alternative dispute resolution method, which yields first results.

**There has been no change in the legal framework relating to churches and religious communities** in the previous period, although there is a need to make appropriate changes to the Law on Churches and Religious Communities regarding the registration of churches and religious communities in the Register of Churches and Religious Communities.

**The legal framework for the protection of national minorities has not changed, but their position has been improved by certain laws in other areas. Thus, the Law on Employees in Autonomous Provinces and Local Self-Government**

<sup>570</sup> Official Gazette of the Republic of Serbia, no. 15/16.

<sup>571</sup> Official Gazette of the Republic of Serbia, no. 13/16.

<sup>572</sup> Official Gazette of the Republic of Serbia, no. 112/15.

<sup>573</sup> Official Gazette of the Republic of Serbia, no. 40/15.

<sup>574</sup> During the preparation of the Report, the Government of the Republic of Serbia established the Bill on Free Legal Aid and sent it to the National Assembly. Since the Law was adopted during 2018, which is not in the focus of this report, the solutions from this law are not included in the Report.





**Units**<sup>575</sup> prescribes that when hiring, the following is taken into account: the national composition, gender representation and the number of persons with disabilities among employees reflects the structure of the population to the greatest extent possible, and when hiring, priority is given to equally qualified candidates belonging to national minorities. Public consultations on the **Draft Law on Amendments and Supplements to the Law on National Councils of National Minorities have begun**,<sup>576</sup> which was prepared with the full participation of national councils, and at the end, the text of amendments to the Law on the Protection of the Rights of National Minorities was also being worked on.<sup>577</sup>

At the beginning of 2016, the Government adopted the **Strategy for Social Inclusion of Roma and Roma in the Republic of Serbia for the period from 2016 to 2025**,<sup>578</sup> and in 2017 the **Action Plan for the Implementation of the Strategy**. The action plan was adopted for the period from 2017 to 2018.

During 2017, the Ministry of Public Administration and Local Self-Government prepared a **Draft Law on Amendments to the Law on Civil Registers**, which contains provisions that enable voluntary registration of data on nationality in the registers, and it also opens the possibility of enrolling the gender in the register of births.

At the beginning of November 2017, **the Ministry of Health initiated the creation of the National Strategy for the Prevention and Control of HIV and AIDS (2018-2025)**, as well as the accompanying action plan, the adoption of which is expected in 2018.

**The position of persons with disabilities was enhanced by the adoption of the Law on Movement with the Help of a Guide Dog from 2015**,<sup>579</sup> which entitles persons with disabilities to the right to move with the help of dog guides in all means of public transport, all facilities in public use and in the workplace. In addition, the **Law on the Use of Sign Language was adopted in 2015**<sup>580</sup> with the aim of equalizing opportunities, ensuring accessibility and creating the conditions for people with hearing impairments to communicate freely and be involved in all areas of social life. **The 2016 Law on Amendments and Supplements to the Law on Prevention of Discrimination against Persons with Disabilities**<sup>581</sup> regulates the issue of the use of stamps with engraved signature for persons who, due to the nature of their disability or illness, are not able to sign themselves personally. The Law on Textbooks, adopted

<sup>575</sup> Official Gazette of the Republic of Serbia, no. 21/16.

<sup>576</sup> Information from the website of the Office for Human and Minority Rights. Available at: <http://www.ljudskaprava.gov.rs/sr/press/vesti/javne-konsultacije-u-postupku-donosjenja-izmena-i-dopuna-zakona-o-nacionalnim-savetima>

<sup>577</sup> The information available at: <http://www.paragrafrs.dnevne-vesti/061017/061017-vest14.html>

<sup>578</sup> Available at: [http://www.ljudskaprava.gov.rs/sites/default/files/dokument\\_file/strategija\\_za\\_socijalno\\_ukljucivanje\\_roma\\_i\\_romkinja\\_2016\\_2025\\_0.pdf](http://www.ljudskaprava.gov.rs/sites/default/files/dokument_file/strategija_za_socijalno_ukljucivanje_roma_i_romkinja_2016_2025_0.pdf)

<sup>579</sup> Official Gazette of the Republic of Serbia, no. 29/15.

<sup>580</sup> Official Gazette of the Republic of Serbia, no. 38/15.

<sup>581</sup> Official Gazette of the Republic of Serbia, no. 13/16.

in July 2015, is also significant.<sup>582</sup> It stipulates the obligation to prepare textbooks in the languages of national minorities and children with disabilities. From the point of view of equal opportunities in transport, important is the provision of the **Law on Merchant Shipping**,<sup>583</sup> which prohibits discrimination and the prescribed duty to establish non-discriminatory conditions for access to port terminals and ships, including their facilities and premises for persons with disabilities and their escorts. Also, in 2017, the **Law on Electronic Document, Electronic Identification and Trusted Services in Electronic Commerce** was adopted,<sup>584</sup> which stipulates that trust services, electronic identification services and products used to provide these services should be available to persons with disabilities.

In order to improve the situation, the **Proposal of the Strategy for Improving the Position of Persons with Disabilities in the Republic of Serbia for the period until 2024** was prepared. It follows the European Strategy for People with Disabilities 2010-2020 — Europe without Barriers, as well as the Action Plan for the implementation of the Strategy for the period 2017-2020.

In order to reduce the overload of the institution for the enforcement of criminal sanctions and to enable conditions that meet international standards, and in order to achieve successful reintegration of convicted persons, in 2017, the **Strategy for Reducing Overcrowding of Residential Capacity in Institutions for Enforcement of Criminal Sanctions in the Republic of Serbia by 2020** was adopted.

With the aim of more effective prevention and suppression of human trafficking, the Government of Serbia adopted a new **Strategy for the Prevention and Suppression of Trafficking in Persons, Especially Women and Children and Protection of Victims 2017-2022**,<sup>585</sup> with an action plan for its implementation for 2017 and 2018, which established a policy of prevention, protection of victims and combating trafficking in human beings and measures and activities for its implementation.

In order to promote gender equality, in 2016, the second **National Strategy for Gender Equality for the period 2016 to 2020** was adopted, with the Action Plan for the period from 2016 to 2018.<sup>586</sup> Adopting this strategy was preceded by an evaluation of the implementation of the first strategy, based on which a new strategy was made, with the full participation of civil society organizations. The Strategy identified three strategic goals: changed gender patterns and improved gender equality culture; increased equality between women and men by applying policies and measures of equal opportunities; and the systemic introduction of a gender perspective in the adoption, implementation and monitoring of public policies.

<sup>582</sup> Official Gazette of the Republic of Serbia, no. 68/15.

<sup>583</sup> Official Gazette of the Republic of Serbia, no. 96/15.

<sup>584</sup> Official Gazette of the Republic of Serbia, no. 94/17.

<sup>585</sup> Official Gazette of the Republic of Serbia, no. 77/17.

<sup>586</sup> Official Gazette of the Republic of Serbia, no. 4/16.

**During 2018, the Law on Gender Equality is expected to be adopted,** which will regulate the obligations of state bodies, autonomous provinces, local self-government units and other relevant actors to integrate gender dimension into the area in which they operate. The first draft of the law was prepared by the Coordination Body for Gender Equality of the Government of the Republic of Serbia. When the Ministry of Labour, Employment, Veteran and Social Affairs took upon itself the task of proposing the law on gender equality, it prepared a new Draft Law on Gender Equality, which should be the subject of a public review in the following period.

In order to prevent and combat domestic violence and other forms of gender-based violence and the implementation of the ratified Council of Europe Convention on Preventing and Combating Violence against Women and Domestic Violence was adopted in 2016. **The Law on Prevention of Domestic Violence,<sup>587</sup> which established the coordinated functioning of institutions of the system in preventing domestic violence and providing urgent protection and victim support measures.** The law provides protection to victims of violence and various forms of support, starting with information about rights, through offering legal assistance and social and psychological procedures aimed at strengthening the victim, recovering, isolating and starting life without violence.

Another law significant for the area of gender equality is the **Law on Budget System,<sup>588</sup> adopted in 2015, which introduced the obligation of gender-responsive budgeting (GRB).** Under the law, gender-responsive budgeting refers to the introduction of the principle of gender equality into the budget process, which implies gender analysis of the budget and restructuring of revenues and expenditures with a view to promoting gender equality.

**The Law on Amendments and Supplements to the Criminal Code<sup>589</sup>** was adopted in 2016, introducing new criminal acts of gender-based violence: female genital mutilation; persecution, sexual harassment and forced marriage, and inducing a child to be present during sexual intercourse. The process of preparing this law was transparent, with the full participation of women's NGOs that contributed to the quality of the law by their comments and suggestions.

**In the area of the rights of the child, new offenses have been incriminated in order to better protect children,** in accordance with the Council of Europe Convention on the Protection of Children against Sexual Exploitation and Sexual Abuse, which Serbia ratified in 2009. In the course of 2017, the **Decree determining dangerous work for children<sup>590</sup>** was adopted and the Draft Strategy for Prevention and Protection of Children from Violence 2018-2022 was prepared.

<sup>587</sup> Official Gazette of the Republic of Serbia, no. 94/16.

<sup>588</sup> Official Gazette of the Republic of Serbia, nos. 54/09, 73/10, 101/10, 101/11, 93/12, 62/13, 63/13 - corr., 108/13, 142/14, 68/15 - amending law, 103/15, 99/16 and 113/17.

<sup>589</sup> Official Gazette of the Republic of Serbia, no. 94/16.

<sup>590</sup> Official Gazette of the Republic of Serbia, no. 53/17.

**The Decree on the Safety and Protection of Children in the Use of Information and Communication Technologies from 2016**<sup>591</sup> was improved the protection of children from abuse on the Internet. Also, protection of children on the internet is highlighted in the Information Security Strategy in the Republic of Serbia for the period from 2017 to 2020.<sup>592</sup>

**The adopting of the Law on the Prevention and Diagnostics of Genetic Diseases, Genetically Disabled Anomalies and Rare Diseases,**<sup>593</sup> diagnosis and treatment of sick children abroad is enabled.

In accordance with the 2015 Action Plan for implementation of the Education Development Strategy until 2020,<sup>594</sup> **the field of education was reformed with the adoption of a set of laws: Law on Amendments to the Law on Preschool Education,**<sup>595</sup> **Law on Amendments to the Law on Primary School Education,**<sup>596</sup> **Law on Dual Education,**<sup>597</sup> **Law on Higher Education.**<sup>598</sup> In the field of primary education, a legal basis for the development of internal mechanisms for prevention and protection against discrimination in schools has been established. A new Law on Textbooks was adopted,<sup>599</sup> by which free textbooks became a legal category. It is expected that the implementation of the new law on textbooks will permanently provide the necessary number of textbooks in the languages of national minorities for each school year.

The active participation of young people was promoted in 2017 by the adoption of the **Law on the Ratification of the Agreement on the Establishment of the Regional Office for Youth Cooperation**, which provides the youth in the Western Balkans with an institutional mechanism for supporting the implementation of innovative projects and activities that promote reconciliation, mobility, diversity, democratic values, active citizenship and intercultural education, in the spirit of the process of European integration of the region.

**In the area of migration and asylum, the legal framework has not been amended, but in 2016 a Draft Law on Asylum and Temporary Protection was prepared**<sup>600</sup> in order to harmonize regulations with international and EU directives regulating the field of asylum as well as establishing an efficient asylum system of the Republic of

<sup>591</sup> Official Gazette of the Republic of Serbia, no. 61/16.

<sup>592</sup> Official Gazette of the Republic of Serbia, no. 53/17.

<sup>593</sup> Official Gazette of the Republic of Serbia, no. 08/15.

<sup>594</sup> Government Conclusion on the adoption of the National Plan 05 No. 61-802/2015-1 (Official Gazette of the Republic of Serbia, no. 16/15).

<sup>595</sup> Official Gazette of the Republic of Serbia, no. 101/17.

<sup>596</sup> *Ibid.*

<sup>597</sup> *Ibid.*

<sup>598</sup> Official Gazette of the Republic of Serbia, no. 88/17.

<sup>599</sup> Official Gazette of the Republic of Serbia, no. 68/15.

<sup>600</sup> The draft law is available at: <http://www.paragrafs.rs/dnevne-vesti/150316/150316-vest15.html>

Serbia and reducing the possibilities for abuse by more precise definition of conditions, as well as the asylum procedure. The proposed solutions significantly improve the behaviour of competent authorities with unaccompanied children. Also, the gender perspective has been introduced into the asylum procedure, and gender-based violence is envisaged as a form of persecution based on which international legal protection can be obtained. Expert and other tasks related to migration management are performed by the Commissariat for Refugees and Migration. Local governments have established local migration councils, and many local governments have adopted their local action plans to improve the position of migrants.<sup>601</sup>

### 2.7.2. State of affairs in the area — Human rights

In the Republic of Serbia, a constitutional, legislative and institutional framework has been established in the domain of human rights, which is in line with international standards in this area. **Work on the promotion of human rights needs to continue and ensure the consistent implementation of the legal framework and international standards throughout the country.**<sup>602</sup>

**The capacities of the Commissioner for the Protection of Equality have been significantly strengthened,** and adequate space has been provided for its work, in accordance with the Action Plan for Chapter 23. In addition to the implementation of complaints procedures for discrimination, which are on the increase, the institute of the Commissioner, in cooperation with CSOs, works on raising awareness on discrimination, conducts public opinion surveys, publishes professional publications in Serbian and the languages of national minorities and conducts a variety of training courses for judges, police officers, public administration employees, and local self-government, the media and others.

**There is visible progress in the prevention of and protection from discrimination. The period 2014–2017 saw the implementation of the activities specified in the Action Plan for Implementation of the Strategy for Prevention and Protection against Discrimination for the period 2014–2018,** about which four quarterly reports were adopted, while the fifth and sixth reports have been drafted. The Analysis of the Strategy and Action Plan Implementation Results has also been conducted, in order to prepare the foundations for a new policy document, whose preparation is envisaged in the upcoming period. In accordance with the EC recommendations contained in the Screening Report for Chapter 23,<sup>603</sup> in August 2015, the Government of Serbia formed the Council for Monitoring the Implementation of the Action Plan for the Implementation of the Strategy for Prevention and Protection

<sup>601</sup> See for example, the Decision on the adoption of the local action plan for improving the position of migrants in the city of Kikinda 2016–2020 ("Official Gazette of the City of Kikinda", No. 1/17).

<sup>602</sup> 2016 Annual Progress Report for the Republic of Serbia, European Commission, p. 21. Available at: [http://www.mei.gov.rs/upload/documents/eu\\_dokumenta/godisnji\\_izvestaji\\_ek\\_o\\_napretku/izvestaj\\_ek\\_srbija\\_2016.pdf](http://www.mei.gov.rs/upload/documents/eu_dokumenta/godisnji_izvestaji_ek_o_napretku/izvestaj_ek_srbija_2016.pdf)

<sup>603</sup> The report is available at [http://www.mei.gov.rs/upload/documents/skrining/izvestaj\\_pg\\_23\\_16.pdf](http://www.mei.gov.rs/upload/documents/skrining/izvestaj_pg_23_16.pdf)

against Discrimination for the period 2014-2018, especially the working body that monitors progress in the execution of measures, implementation of activities, respect of the foreseen deadlines and timely warns of the challenges in the execution of the planned measures.

The Republic of Serbia has continued to implement the ratified international treaties concerning the protection of human rights, on which it has submitted and presented periodic reports to the competent UN committees, as well as the reports on the implementation of their recommendations, which were marked as priority in the final observations.

Fulfilling one of the recommendations of the UN Human Rights Council, from the Second Cycle of the Universal Periodic Review in December 2014, a national mechanism for monitoring the implementation of the recommendations of international bodies in the field of human rights protection has been established – **the Council for monitoring the implementation of the recommendations of the UN human rights mechanisms**. The Council adopted the Rules of Procedure, established the Roadmap for monitoring the implementation of UN recommendations and established cooperation with civil society organizations in the field of human rights. The Council meets regularly and examines the state of human rights, proposes measures for the implementation of recommendations by international bodies, and provides opinions and expert explanations on the state of human rights and results achieved through recommendations.

In addition to the reports that are submitted to the UN contracting authorities, in the meeting held on 31 October 2017, the Government also adopted the Report for the Third Cycle of the Universal Periodic Review (UPR). This report was presented to the Human Rights Council.

### 2.7.2.1. National Minorities

**High standards in the protection of the rights and freedoms of members of national minorities are applied in Serbia.** The Republic of Serbia's combined Second–Fifth periodic report on the implementation of the International Convention on the Elimination of All Forms of Racial Discrimination was presented to the UN Committee on the Elimination of Racial Discrimination in November 2017. In the final remarks on the report,<sup>604</sup> the Committee praised the efforts made by Serbia to improve the position of all national minorities, including the most vulnerable of them – the Roma. In October 2017 Serbia submitted the Fourth periodic report on the implementation of the European Charter for Regional or Minority Languages for the period 2013 — 2015 to the Council of Europe.

**In terms of expressing national identity, the principle of free and voluntary expression is respected, and in the identity issues of minority communities, a neutral policy and the principle of free self-identification are being implemented.**

<sup>604</sup> CERD/C/SRB/CO/2-5, dated 3 January 2018

The Action Plan for Chapter 23 identifies the need to improve the position of national minorities and a special Action Plan for the exercise of the rights of national minorities has been developed,<sup>605</sup> the implementation of which has begun. A number of activities are undertaken with the aim of developing tolerance and preventing discrimination. The European Commission report against racism and intolerance of 22 March 2017<sup>606</sup> pointed to the progress Serbia has made in the area of combating racism, intolerance and hate speech, and the need for even more intensive work on this plan.

According to the 2011 Population Census, 147,604 members of the Roma national minority live in the Republic of Serbia, whose position is still difficult. **Most Roma men and Roma women are confronted with social exclusion and poverty, and in particular the difficult living conditions of Roma men and Roma women living in sub-standard settlements where adequate access to water and electricity is not ensured.** There are still frequent cases of open and covert discrimination in all areas of social life. Nevertheless, the number of complaints about violations of rights has recorded a slight decline. Thus, in 2016, the number of complaints received by the Ombudsman decreased by 16.8% compared to 2015 and it amounted to 99 cases,<sup>607</sup> while in 2017 the number of cases in this area was 61.<sup>608</sup>

**Registration of “legally invisible persons” into the birth register is successfully implemented, so the number of persons without personal documents is significantly reduced.** It is important to ensure the fulfilment of the right to report births of children born in health institutions whose parents do not have personal documents, as well as children born outside health institutions.

**The Action Plan for the implementation of the new Strategy for the Social Inclusion of Roma men and Roma women in the Republic of Serbia for the period 2016–2025 is being implemented and its implementation is monitored by the Coordination Body for Monitoring the Implementation of the Strategy,** established in March 2017, which includes representatives of the Roma community. In addition to coordinating the work of state administration bodies in the area of social inclusion of Roma men and Roma women, the scope of work of the Coordination Body is to improve inter-ministerial cooperation, to consider and give recommendations for resolving urgent situations, which may result in additional vulnerability of Roma men and Roma women, proposing ways to achieve prescribed, but and additional measures/activities that contribute to greater involvement of this national minority, as well as the process of European integration.

<sup>605</sup> Available at the website of the Office for Human and Minority Rights: [http://www.ljudskaprava.gov.rs/sites/default/files/prilog\\_fajl/akcioni\\_plan\\_za\\_sprovodjenje\\_prava\\_nacionalnih\\_manjina\\_-\\_sa\\_semaforom.pdf](http://www.ljudskaprava.gov.rs/sites/default/files/prilog_fajl/akcioni_plan_za_sprovodjenje_prava_nacionalnih_manjina_-_sa_semaforom.pdf)

<sup>606</sup> Final Report on Serbia adopted on 22 March 2017 by ECRI at the 72nd plenary meeting (22–24 March 2017) [http://www.ljudskaprava.gov.rs/sites/default/files/prilog\\_fajl/finalni\\_izvestaj\\_ekri\\_o\\_srbiji.pdf](http://www.ljudskaprava.gov.rs/sites/default/files/prilog_fajl/finalni_izvestaj_ekri_o_srbiji.pdf)

<sup>607</sup> Regular Annual Report of the Ombudsman for 2016, p. 90.

<sup>608</sup> Regular Annual Report of the Ombudsman for 2017.

**With regard to forced evictions and displacement, the new Law on Housing is being applied.** In 2015, the Ministry of Civil Engineering, Transport and Infrastructure established a GIS database containing data on all substandard settlements on the territory of the Republic of Serbia, which provides the possibility for the funds to be directed to solving the problem. **According to the GIS database, there are 593 substandard settlements in the territory of the Republic of Serbia.**

**Employment of Roma men and Roma women**<sup>609</sup> is still a very pronounced problem, although certain results have been achieved, especially in the territory of AP Vojvodina. Key activities are focused on the development of individual employment plans,<sup>610</sup> subsidizing self-employment and provision of professional help with the aim of stimulating self-employment. In the framework of the National Action Plan for Employment for 2017, the Roma have the status of hard-to-employ people.<sup>611</sup> It is expected that measures will be taken to employ a proportionate number of Roma and Roma and members of other minorities in the civil service in accordance with the ECRI Recommendation.<sup>612</sup>

**The number of children leaving school and the number of Roma students attending high school and faculties has been reduced.**<sup>613</sup> By applying the Rulebook on the criteria and procedure for enrolment of pupils — members of the Roma national minority in high school under more favourable conditions in order to achieve full equality,<sup>614</sup> in the school year 2016/2017, 1,512 students were enrolled, significantly more than in the previous year, when 420 Roma students were enrolled.<sup>615</sup> The Rulebook on criteria and procedure for enrolment of students who completed the elementary adult education program in secondary school was adopted under more favourable conditions in order to achieve full equality.<sup>616</sup> Although the number of Roma students in special schools has decreased, it is still too high. Some schools in

<sup>609</sup> See more on employment of Roma men and Roma women in the Report dedicated to employment and labour market.

<sup>610</sup> During 2016, employment counseling services (employability assessment and development/revision of an individual employment plan) included 21,778 Roma (9,691 Roma women), and in the period January–August 2017, a workforce employability assessment was developed and individual employment plans were completed for 17,365 Roma, of whom 7,749 are Roma women.

<sup>611</sup> National Employment Action Plan for 2017 available at:

<https://www.minrzs.gov.rs/lat/plan-zaposljavanja.html>

<sup>612</sup> Final Report on Serbia adopted on 22 March 2017 by ECRI at the 72nd plenary meeting (22–24 March 2017)

[http://www.ljudskoprava.gov.rs/sites/default/files/prilog\\_fajl/finalni\\_izvestaj\\_ekri\\_o\\_srbiji.pdf](http://www.ljudskoprava.gov.rs/sites/default/files/prilog_fajl/finalni_izvestaj_ekri_o_srbiji.pdf)

<sup>613</sup> See more about the education of Roma children in the part of the Education Report.

<sup>614</sup> Official Gazette of the Republic of Serbia, no. 12/16.

<sup>615</sup> Available at:

<https://www.mpravde.gov.rs/files/Izve%C5%A1taj%20br%20%201-2017%20o%20sprovo%C4%91enju%20Akcionog%20plana%20za%20Poglavlje%2023.pdf>

<sup>616</sup> Official Gazette of the Republic of Serbia, no. 42/16.





the vicinity of Roma settlements still have a high percentage of Roma students.<sup>617</sup> The teaching of Roma language was introduced in 15 cities in Serbia, and at the Faculty of Philology of the University of Belgrade, a language lab for the Roma language was established.

**A joint body for supporting social inclusion has been established, which provides support in the work and coordinates the supervision of interdepartmental commissions** needs assessment activities for providing additional educational, health and social support to students. The work of pedagogical assistants was improved — 174 pedagogical assistants completed an accredited training module.

**There are difficulties in accessing Roma men and Roma women to health care, as there is a high percentage of uninsured persons.**<sup>618</sup> In order to overcome the problem, it continues to support and promote the work of health mediators through their education, but they have not yet become part of the health care system.

**Roma women belong to one of the most vulnerable social groups in Serbia.** They often encounter obstacles in accessing the right to health care, live in poor economic and social conditions and are exposed to discrimination and exclusion, as well as the risk of domestic violence and partner relationships. A large number of Roma women face departure from school at an early age, early marriage, multiple pregnancies within a small time period, a lack of information on reproductive health, and are in a position to depend on older family members and partners.<sup>619</sup>

**Particularly worrying is the frequency of child marriages,** which are also present among the general population in Serbia, but they are more represented in Roma communities. More than half of the girls from the Roma community get married before the age of 18.<sup>620</sup> Child marriages have been identified in various documents<sup>621</sup> as a problem in which the solution requires additional efforts.

#### 2.7.2.2. Rights of the child

**In the area of the rights of the child, uniform standards have not yet been established because the Law on the Rights of the Child has not been adopted, but the work on the law started in 2017.** Adoption of a new National Action Plan

<sup>617</sup> *Ljudska prava u Srbiji 2016* (Human rights in Serbia 2016), Beogradski centar za ljudska prava (Belgrade Centre for Human Rights), Belgrade, p. 327.

<sup>618</sup> See more on health care of Roma men and Roma women in the Report dedicated to health and health care.

<sup>619</sup> A special report by the Ombudsman on the reproductive health of Roma women with recommendations for 2017.

<sup>620</sup> *Dečji brakovi u romskoj populaciji u Srbiji* (Child marriages in Roma population in Serbia), UNICEF, Belgrade, 2017.

<sup>621</sup> National Strategy for Gender Equality (2016–2020), Strategy for Prevention and Protection against Discrimination (2014–2018), Strategy for Social Inclusion of Roma and Roma in the Republic of Serbia (2016–2025).

for Children is being late, as well as reviewing the implementation and evaluation of a previously adopted plan.<sup>622</sup> The Council for the Rights of the Child was established in 2014, and in November 2017 a new Council was elected. The Council established priorities for action in accordance with the Sustainable Development Goals until 2030 and considered the basics of the future Strategy for the Prevention and Protection of Children against Violence and the Protocol for the Protection of Children whose life or work is related to the street. A Roadmap for the Elimination of Child Labour Abuse in Serbia, including the worst forms, was prepared for the period 2018–2022. years.<sup>623</sup> including the worst forms for the period 2018–2022. The complexity of the phenomenon of child labour abuse requires additional efforts to put the existing policies, laws and plans of various actors into a framework that will enable more effective and purposeful action in the protection of children, prevention and suppression of child labour abuse, including the worst forms of child labour.

The Republic of Serbia's combined Second and Third Periodic Report on the implementation of the Convention on the Rights of the Child was presented to the UN Committee on the Rights of the Child in January 2017. In the concluding observations on the considered report, the Committee highlighted the progress made in the domain of the rights of the child, as well as the areas of concern in which the situation should be improved.

The third Optional Protocol to the UN Convention on the Rights of the Child on the complaint procedure to the Committee on the Rights of the Child was signed by the Republic of Serbia in February 2012.

**All forms of peer violence, including gender-based violence, are widespread in schools,**<sup>624</sup> despite the prevention measures being taken. The corporal punishment of children with the aim of disciplining is not yet legally prohibited. Violence and abuse of children in the family context is still widespread. Existing general and specific protocols for the protection of children from abuse and neglect are not in line with the best EU practices, as foreseen in the Chapter 23 of the Action Plan..

**The judiciary is still not fully adapted to children, although a certain shift has been made, especially in the domain of juvenile justice.** Although the Action Plan for Chapter 23 foresees amendments to the Law on Juvenile Offenders and Criminal Protection of Juveniles in order to improve the types and systems of

<sup>622</sup> Regular Annual Report of the Ombudsman for 2016, p. 56.

<sup>623</sup> The road map includes activities that influence the more effective prevention and elimination of the consequences of child labour abuse. The document is harmonised through a consultation process of key actors: ministries, national bodies and councils, social partners (tripartite dialogue) and civil society organisations. The process of developing the Roadmap was implemented through the project of the International Labour Organization (ILO) "Engaging and Support at the National Level to Reduce the Occurrence of Child Abuse" (CLEAR project).

<sup>624</sup> Research of Gender-Based Violence in Schools in Serbia, Faculty of Political Sciences, UNICEF, 2015, p. 7-8.

criminal sanctions for minors and introduce a wider range of special obligations and educational orders, this law has not yet been adopted.

**The effectiveness of access to justice for children in civil litigation has not been significantly improved.** In cooperation with UNICEF, the Centre for the Rights of the Child, the Ministry of Justice and the Ministry of Labour, Employment, Veterans' and Social Affairs, **Guidelines for the participation of children in civil litigation and assessment of the best interest of the child and Guidelines for the treatment of centres for social work in the context of civil litigation which concern the rights and interests of the child.**<sup>625</sup> It is, however, necessary to continue work in the area of adjusting the judiciary to the needs of children,<sup>626</sup> and protection of children from secondary traumatization and victimization in judicial and other proceedings.<sup>627</sup> Appropriate normative changes, as well as the trainings of judges and representatives of the centres for social work, should ensure active participation of children in procedures related to family relations, better conditions for exercising the right of the child to express an opinion, and more effective implementation of the best interests of the child in accordance with international standards, including the Guidelines of the Committee of Ministers of the Council of Europe on judiciary adjusted to children in 2010.

**Establishing a mechanism for resolving cases of missing new-born babies from the maternity wards** is being late, which was the state's obligation under the decision of the European Court of Human Rights in the case of *Zorica Jovanović v. Serbia* (application No. 21794/08).

**Accommodation of children in institutions is strictly controlled and supervised, and there is evident trend of reduction of institutional accommodation of children and increase of alternative forms of care,** in accordance with international standards. According to the data of the Republic Institute for Social Protection, 87% of children are placed in foster families, and 13% are in accommodation institutions.<sup>628</sup> With the development of family support services, it is expected to maintain the trend of reducing the entry of children on home accommodation, that is, the increase in the number of children living in biological and kinship families.

<sup>625</sup> The Guidelines are available at the website of the Centre for the Rights of the Child: [http://cpd.org.rs/wp-content/uploads/2017/10/Smernice\\_za\\_postupanje\\_CSR\\_2016.pdf](http://cpd.org.rs/wp-content/uploads/2017/10/Smernice_za_postupanje_CSR_2016.pdf)

<sup>626</sup> Kako do pravosuđa po meri deteta (How to get a child-tailored judiciary), Centre for the Rights of the Child, p. 62. Available at: [http://cpd.org.rs/wp-content/uploads/2017/10/ka\\_pravosudju\\_po\\_meri\\_deteta\\_gradjansko.pdf](http://cpd.org.rs/wp-content/uploads/2017/10/ka_pravosudju_po_meri_deteta_gradjansko.pdf)

<sup>627</sup> Regular Annual Report of the Ombudsman for 2016.

<sup>628</sup> Report on the Operation of Centres for Social Work in Serbia 2016, Republic Institute for Social Protection, Belgrade, 29. Available at: [http://www.zavodsz.gov.rs/PDF/izvestaj2017/CSR%202016\\_final.pdf](http://www.zavodsz.gov.rs/PDF/izvestaj2017/CSR%202016_final.pdf)

### 2.7.2.3. Persons with disabilities and the elderly

**Although the situation of people with disabilities has improved considerably, this sensitive social group is still facing problems. Many public buildings and areas are still inaccessible to people with disabilities,** access to information and communications for people with sensory disabilities is difficult, and persons with disabilities encounter significant barriers when exercising voting rights.<sup>629</sup> Persons with disabilities are exposed to various forms of discrimination<sup>630</sup> and violation of rights. The European Commission's 2016 Progress Report on Serbia<sup>631</sup> pointed to the need to invest effort to increase the participation of people with disabilities in education, as well as the implementation of a comprehensive plan on access to facilities for people with disabilities, the elderly and socially vulnerable.

In April 2016, the Republic of Serbia's Initial Report on the Implementation of the Convention on the Rights of Persons with Disabilities was presented to the UN Committee on the Rights of Persons with Disabilities. The Committee's Closing Remarks on the considered report<sup>632</sup> noted positive developments in improving the situation of persons with disabilities and gave recommendations for taking measures in areas that are not in line with conventional standards. One of the recommendations is to intensify work on the prevention and fight against multiple and cross-discrimination of women and girls with disabilities. In compliance with Article 70 of the Closing Remarks, in May 2017, the Government submitted to the Committee a report on the implementation of two priority recommendations – from paragraph 34 (prohibit medical interventions for which prior consent is not obtained from the person with disability on whom they are to be undertaken) and paragraph 54 (review the implementation of the Law on Vocational Rehabilitation and Employment of Persons with Disabilities to ensure that these regulations do not put persons with disabilities at a disadvantage).<sup>633</sup>

**Persons with disabilities, especially with intellectual and psychosocial difficulties, continue to be exposed to the risk of being deprived of their skills because this institution has not yet been eliminated as protection measures,** although the Initial Report on the Implementation of the Convention on the Rights of Persons with Disabilities expressed Serbia's readiness to do so do. Therefore, it is necessary to proceed without delay with the harmonization of the relevant laws with the Convention and General Comment No. 1. of the Committee for the Rights of Persons with Disabilities, which stipulated the obligation of States to provide access to support in exercising their business capacity, instead of deprivation of capacity

<sup>629</sup> Regular Annual Report of the Commissioner for 2017.

<sup>630</sup> During 2017 the Commissioner for the Protection of Equality is the most complaints filed for discrimination based on disability (18%) (Annual Report of the Commissioner for 2017).

<sup>631</sup> The report is available at: [http://www.mei.gov.rs/upload/documents/eu\\_dokumenta/godisnji\\_izvestaji\\_ek\\_o\\_napretku/izvestaji\\_ek\\_srbija\\_2016.pdf](http://www.mei.gov.rs/upload/documents/eu_dokumenta/godisnji_izvestaji_ek_o_napretku/izvestaji_ek_srbija_2016.pdf)

<sup>632</sup> CRPD/C/SRB/CO/1, dated 23 May 2016

<sup>633</sup> Available at <http://www.ljudskaprava.gov.rs/sr/node/155>

for mental disorders. This recommendation is also contained in the last three annual reports of the Commissioner for the Protection of Equality.

**Particularly worrying is the poor situation of persons with mental and intellectual disabilities in the institutions of social protection of the home type,** and there are sporadic cases of their isolation and accommodation in inadequate space, as well as the application of measures of users' confrontation, for which there is no legal basis.<sup>634</sup> Although the Action Plan for Chapter 23 foresees the adoption of the Law on the Protection of Persons with Mental Disorders in Social Protection Institutions in 2017,<sup>635</sup> the law has not yet been adopted.

**The national preventive mechanism,** which, with the full cooperation of the institutions, **performs its function, points to the poor position of persons with mental disorders in institutions of social protection of the home type, psychiatric hospitals or institutions for the enforcement of criminal sanctions,** as well as on the need to improve the way internal control is conducted, prosecutors' offices and courts, with the aim of more effective and effective fight against torture.<sup>636</sup>

**The position of women with mental disabilities in residential institutions is characterized by various difficulties,** including the lack of privacy, the inability to make decisions about their own life, social exclusion and disregard for basic human rights and dignity of a person, but also a high risk of violence, abuse and neglect.<sup>637</sup>

**The process of transforming psychiatric hospitals has not moved far, but the situation is improving in these hospitals, and efforts are also made towards developing services and institutions for the protection of mental health in the community,** as well as in improving the position and human rights of people with mental disorders and mental health problems.<sup>638</sup> The current situation in psychiatric hospitals is not satisfactory. Many hospitals are bulky, with several hundred patients, including those who are forcibly hospitalized. Patients remain for treatment for more than a month, but there are some patients who have been in psychiatric institutions for many years, mainly for social reasons, because there is no adequate support for their treatment in the community.<sup>639</sup> It is necessary to adopt a new strategy for the

<sup>634</sup> Regular Annual Report of the Ombudsman for 2016, p. 23.

<sup>635</sup> Item 3.6.1.26. of the Action Plan for Chapter 23.

<sup>636</sup> Regular Annual Report for 2016, p. 4. Available at: <https://npm.rs/attachments/article/711/GI%20NPM%202016%20final.pdf>

<sup>637</sup> Berek, K., Milošević, T. (2017), *Nasilje nad ženama sa invaliditetom u rezidencijalnim institucijama: polazna sudbina* (Violence against women with disabilities in residential institutions: a background study), MDRI-S Initiative for the Rights of Persons with Disabilities.

<sup>638</sup> Jović, V., Palibrk, Lj., Mirkov J. (2016), *Priručnik za uspostavljanje i razvoj centara za zaštitu mentalnog zdravlja u zajednici* (Manual for the Establishment and Development of Centers for the Protection of Mental Health in the Community), Belgrade, p. 6. Available at: <http://socijalnoukljucivanje.gov.rs/wp-content/uploads/2016/03/Prirucnik-za-uspostavljanje-i-razvoj-centara-za-zastitu-mentalnog-zdravlja-u-zajednici.pdf>

<sup>639</sup> NPM Regular Annual Report for 2016, p. 7.

development of mental health protection, given that the expiry date of the previous strategy and the action plan for its implementation has expired.<sup>640</sup> The adoption and implementation of the new strategy will accelerate the process of closure of large psychiatric institutions, the establishment of effective mechanisms in local communities for the reception, support and care of persons with mental disorders, including the support provided to their families.

**The process of de-institutionalization of children and adults is in progress, but there are difficulties in its implementation, primarily because of insufficiently and unevenly developed support services and services for the independent life of persons with disabilities and their reintegration.**<sup>641</sup> Accommodation conditions in certain social care institutions are not at a satisfactory level, there is a lack of uniformity in the availability of programs for social and psychological rehabilitation, and sporadic occurrence of irregularities in the application of physical restraint.<sup>642</sup> Many children in residential accommodation are excluded from education, and those involved are attending special schools.<sup>643</sup> In addition, there are numerous examples of abolishing the nationally-supported housing support service,<sup>644</sup> and those who have already emerged from institutions in the risk of reinstitutionalization.

**Children with disabilities who have the need for alternative care are increasingly referred to family care** (including kinship, guardianship and foster care as a shared concern) rather than institutions. For children who live in homes, living conditions have improved. Two new social protection services have also been developed: Family Associate for Families in Crisis and Family Associate for Families with Children with Developmental Disorders and Occasional Foster Care, Families with Many Complex Needs and Families with Children with Developmental Disabilities.<sup>645</sup>

**Progress has been made in implementing inclusive education.**<sup>646</sup> There is a continuous resistance in the work of teaching staff that advocates a medical disability model, and many schools are physically inaccessible. Insufficient and unevenly

<sup>640</sup> Strategy for development of mental health protection, Official Gazette of the Republic of Serbia, no. 8/07.

<sup>641</sup> *Mapiranje usluga socijalne zaštite u nadležnosti JLS u Republici Srbiji (Mapping Social Protection Services under LSGU jurisdiction in the Republic of Serbia)*, Social Inclusion and Poverty Reduction Team, Belgrade, 2016 Available at: <http://socijalnoukljucivanje.gov.rs/wp-content/uploads/2016/12/Mapiranje-usluga-socijalne-zastite.pdf>

<sup>642</sup> Annual Report of the Ombudsman for 2016, p. 125.

<sup>643</sup> Beker, K., Janjić, B. (2016), *Isključivanje i segregacija dece sa smetnjama u razvoju na rezidencijalnom smeštaju iz obrazovnog sistema (Exclusion and segregation of children with disabilities at the residential accommodation of the education system)*, Available at: <http://www.mdri-s.org/wp-content/uploads/2016/04/Publikacija-SRB-1.pdf>

<sup>644</sup> [http://www.sapi.rs/2012/index.php?option=com\\_k2&view=item&id=800:обавештење-о-прекиду-пружања-услуге-становане-уз-подршку&Itemid=792&lang=sr](http://www.sapi.rs/2012/index.php?option=com_k2&view=item&id=800:обавештење-о-прекиду-пружања-услуге-становане-уз-подршку&Itemid=792&lang=sr)

<sup>645</sup> Report no. 2/2017 on implementation of the Action Plan for Chapter 23.

<sup>646</sup> See more about inclusive education in the part of the Education Report.



developed support services for children with developmental disorders and with disabilities, including the services of pedagogical and personal assistants, and the number of professional workers in elementary and secondary schools does not meet the needs for implementing inclusive education, which can jeopardize the whole idea of inclusive access at school<sup>647</sup> which may jeopardize the whole idea of inclusive approach in school. In recent years, the number of classes has increased and the number of students in the class has been reduced, which is one of the obstacles for the implementation of inclusive education.<sup>648</sup>

**The position of the elderly, especially those in rural areas, is not satisfactory.**<sup>649</sup> At the level of local communities there is no uniform and financially sustainable system of services and support services for the elderly,<sup>650</sup> and elderly people in rural areas are at risk of social isolation, have difficulties in accessing health and social services, as well as transport services. Due to the economic crisis and the austerity measures at all levels, the elimination or reduction of certain services and support services for the elderly has been made, making their position even more difficult.<sup>651</sup> The deterioration of the material situation was also influenced by the reduction of pensions, which was the result of the adoption of the Law on Provisional Regulation of the Payment of Pensions.<sup>652</sup>

#### 2.7.2.4. Gender equality

**The promotion of gender equality was one of the priority goals in the reporting period.** According to the Gender Equality Index for Serbia for 2014,<sup>653</sup> which is the only country that has been introduced outside the EU countries, the gender equality index is 40.6%, compared to the index of the EU member states, which is 52.9%. **The greatest success in achieving gender equality has been achieved in the domain of power, and the biggest lag in the achievement of gender equality has been recorded in the domains of labour and money.**

**In the reporting period, there has been an improvement in the position of women in certain areas, especially in the domain of representation of women in legislative**

<sup>647</sup> Regular Annual Report of the Ombudsman for 2016, p. 82, 124.

<sup>648</sup> Strategy for the Development of Education in Serbia until 2020. (Official Gazette of the Republic of Serbia, no. 107/12). Available at <http://www.mppn.gov.rs/wp-content/uploads/2015/08/STRATEGIJA-OBRAZOVANJA.pdf>

<sup>649</sup> *Položaj starijih na selu (Position of the Elderly in the Village)*, Red Cross of Serbia, 2016.

<sup>650</sup> Annual Report of the Ombudsman for 2016, p. 119.

<sup>651</sup> Annual Report of the Ombudsman for 2016, p. 123.

<sup>652</sup> Official Gazette of the Republic of Serbia, nos. 116/14 and 99/16.

<sup>653</sup> According to the Gender Equality Index in the Republic of Serbia, Social Inclusion and Poverty Reduction Team, Government of the Republic of Serbia, Belgrade, 2016 Available at: [http://socijalnoukljucivanje.gov.rs/wp-content/uploads/2016/02/Izvestaj\\_Indeks\\_rodne\\_ravnopravnosti\\_2016\\_SRP.pdf](http://socijalnoukljucivanje.gov.rs/wp-content/uploads/2016/02/Izvestaj_Indeks_rodne_ravnopravnosti_2016_SRP.pdf)

**and executive power.** The political platform for gender equality has been developed in a partnership between civil society and a broad spectrum of actors and provided strategic guidelines for gender equality and development of Serbia that can integrate into public policies. Data for monitoring various aspects of women's position and gender equality have been significantly improved, including official statistics, public records and research. It continued with the publication of gender-sensitive statistics at the state level.<sup>654</sup>

**In spite of positive shifts, women's decision-making remains low,<sup>655</sup> the economic situation of women remains unfavourable, and various forms of segregation and discrimination persist in the labour market.**<sup>656</sup> Women from multi-discriminated groups are faced with particular challenges, whose economic situation is particularly difficult. Promoting the visibility of women is not supported in the media, and sexism and misogyny are still regularly present in the media.<sup>657</sup>

**The capacities of institutional mechanisms for gender equality remain at a satisfactory level.** The Coordination Body for Gender Equality of the Government of the Republic of Serbia was established in 2014, but the stability and sustainability of existence of this intersectoral Government body has still not been secured. The Sector for Anti-Discrimination Policy and the Promotion of Gender Equality within the Ministry of Labour, Employment, Veteran and Social Affairs was established in 2017. Regarding the mechanisms for gender equality at the local level, there are no standardized procedures and forms for the establishment of working bodies for gender equality and, where they are established, their stability and sustainability has not been ensured. **A gender equality body has been established in 81 units of local self-government, a gender equality-related employee has been designated in 63 units of local self-government, while there are both mechanisms in 32 local self-government units.**<sup>658</sup> Wider mutual cooperation between local mechanisms has not been developed, as well as cooperation with other actors in local self-governments.<sup>659</sup>

<sup>654</sup> *Žene i muškarci u Srbiji (Women and Men in Serbia), 2017; Žene i muškarci u Srbiji (Women and Men in Serbia), 2014.* Republic Statistics Office.

<sup>655</sup> *Evaluation of the National Action Plan for Implementation of the National Strategy for the Advancement of Women's Position and the Promotion of Gender Equality in the Republic of Serbia 2010-2015,* available at: <https://www.rodnaravnopravnost.gov.rs/sr/dokumenti/strategije/evaluacija-nacionalnog-akcionog-plana-za-primenu-nacionalne-strategije-za>

<sup>656</sup> See: *Mogućnosti pristupa ekonomskim šansama za žene (Opportunities to Access to Economic Chances in Serbia for Women),* Social Inclusion and Poverty Reduction Team, Belgrade, 2016 Available at: <http://socijalnoukljucivanje.gov.rs/wp-content/uploads/2016/11/Mogucnost-pristupa-ekonomskim-sansama-u-Srbiji-za-zene.pdf>

<sup>657</sup> *Evaluation of the National Action Plan for Implementation of the National Strategy for the Advancement of Women's Position and the Promotion of Gender Equality in the Republic of Serbia 2010-2015.*

<sup>658</sup> Regular Annual Report of the Commissioner for Protection of Equality for 2017.

<sup>659</sup> Conclusions of the Conference on Gender Equality, held on 18 May 2017. Available at: [www.skgo.org/reports/1987/Zaklju%C4%8Dci-konferencije-o-rodnoj-ravnopravnosti-na-lokalnom-nivou](http://www.skgo.org/reports/1987/Zaklju%C4%8Dci-konferencije-o-rodnoj-ravnopravnosti-na-lokalnom-nivou)



The European Charter on Gender Equality at the local level was signed by 46 out of 174 municipalities and cities, and many of them adopted local action plans for gender equality.

The Ministry of Finance started implementing the plan for introducing gender-responsive budgeting. **Thirty-three institutions at the national level and 14 institutions at the provincial level applied the principles of gender-responsive budgeting during the budget preparation for 2018.**<sup>660</sup>

**Domestic violence and other forms of gender-based violence are still widespread, including the particularly worrying presence of femicide.**<sup>661</sup> Still, the implementation of the National Strategy for Preventing and Combating Violence against Women in Family and in Intimate Partner Relationships,<sup>662</sup> as well as the application of general and special protocols, have improved the work of the institutions of the system for preventing and protecting victims from this type of crime. The initial results of the implementation of the Law on the Prevention of Domestic Violence are encouraging with regard to the response of the competent authorities,<sup>663</sup> and further work is needed on the improvement of data records, multisectoral cooperation and cooperation with CSOs, as well as on improving individual assistance and support to women who survived violence. It also implies greater incentives and support for the work of specialized CSOs that provide immediate assistance to women.

Unfortunately, **there is still no single statistics and records of cases of domestic violence.** Institutions of the system keep records of cases of violence with which they meet and react. Any response of the institutions of the system is recorded in the system for registering the data of a particular sector. Every year, the social protection sector, the judiciary, as well as the Ministry of the Interior, process data on cases of domestic violence that they have reacted to. Some of the official statistics data are publicly available, while other data can be obtained by special request. According to the Statistical Office of the Republic of Serbia, **in 2017, 7,795 (7,244 in 2016) of adult persons were reported for domestic violence, while 2,713 (2,065 in 2016) were convicted for the aforementioned criminal offense.** According to the data of the Republic Institute for Social Protection,<sup>664</sup> **in 2016, 24% more reports**

<sup>660</sup> [http://rs.one.un.org/content/dam/unct/serbia/docs/Publications/UNW\\_GRB\\_06%202018\\_ENG\\_digital.pdf](http://rs.one.un.org/content/dam/unct/serbia/docs/Publications/UNW_GRB_06%202018_ENG_digital.pdf)

<sup>661</sup> According to the data of the Women Against Violence Network (monitoring media reports), in Serbia from 2010 to 2017 at least 251 women were killed by a partner or family member.

<sup>662</sup> Official Gazette of the Republic of Serbia, no. 27/11.

<sup>663</sup> In the first two months of the application of the law, a large number of applications followed: in June, at least 2,430 were considered, and in July 3,141 cases of domestic violence. In June, 1,174 extended emergency protection measures were issued, while 1,292 measures were imposed in July. At least 2,430 were considered, and in July 3,141 cases of domestic violence were reported.

<sup>664</sup> *Report on the Operation of Centres for Social Work in Serbia 2016*, Republic Institute for Social Protection, Belgrade, 2017. Available at [http://www.zavodsz.gov.rs/PDF/izvestaj2017/CSR%202016\\_final.pdf](http://www.zavodsz.gov.rs/PDF/izvestaj2017/CSR%202016_final.pdf).

of domestic violence and violence in partner relations compared to 2015 were recorded (23,218 in relation to 13,425 applications).

**Significant results have been achieved in terms of integrating the gender perspective into the security sector.** The activities undertaken by the previous National Action Plan for the implementation of United Nations Security Council Resolution 1325 — Women, Peace and Security in the Republic of Serbia (2010–2015) have been evaluated and evaluated.<sup>665</sup> More than 30 CSOs and many local governments participated in the implementation of the planned activities, some of which adopted their local plans for the implementation of Resolution 1325.<sup>666</sup> Based on the dialogue of the Government's Political Council for the implementation of the NAP with all actors involved in its implementation, including CSOs, it is estimated that the implementation of UN Security Council Resolution 1325 should be continued in the following period, with the involvement of a larger number of actors, with the focus of implementing the activities of the second National Action Plan local level. In accordance with that, the second **National Action Plan for the implementation of United Nations Security Council Resolution 1325 — Women, Peace and Security in the Republic of Serbia (2017–2020)** has been adopted,<sup>667</sup> which established the overall goal of enhanced security of women in society by integrating implementation of Resolution 1325 in areas prevention, participation, protection and recovery, with greater involvement of the local community, and among the specific objectives it is indicated the improved efficiency and effectiveness of work of all actors, institutional bodies and mechanisms envisaged for the implementation of the new NAP.

In accordance with the UN Committee on the Elimination of Discrimination against Women's Closing Observations concerning the Second and Third Periodic Reports on the Implementation of the Convention on the Elimination of All Forms of Discrimination against Women, in January 2016, Serbia reported to the Committee on the implementation of two recommendations related to the mechanisms, implementation of national strategies and action plans (Recommendation No 17) and to combating violence against women (Recommendation No 23). Moreover, as part of the regular periodic monitoring activities, Serbia also submitted to the Committee the Fourth Periodic Report on the implementation of the Convention on the Elimination of All Forms of Discrimination against Women,<sup>668</sup> which provides a comprehensive overview of the activities undertaken towards the implementation of all recommendations received from the Committee in the previous reporting period.

**The ability to reconcile work with family life is not at a satisfactory level since the reform of labour legislation in this area has not been carried out,** and the necessary

<sup>665</sup> Government Conclusion 05 No. 337-9657/2010 of 23 December 2010.

<sup>666</sup> See, for example, Decision on Adoption of Local Action Plan for Gender Equality and Implementation of UN Resolution 1325 - Women, Peace and Security, at the local level in the City of Niš for the period 2016–2017. ("Official Gazette of the City of Niš", No. 98/15).

<sup>667</sup> Official Gazette of the Republic of Serbia, no. 53/17.

<sup>668</sup> Available at: <http://www.ljudskaprava.gov.rs/sr/node/156>

services for women and families at the local level are not sufficiently developed. No appropriate legislative changes were made in the domain of exercising the right to equitable remuneration in case of termination of employment, the right to organize employers, and the rights of employees to strike in activities of public importance. These are the recommendations of the European Committee for Social Rights, that in January 2015 submitted a report on the implementation of the Revised European Social Charter in Serbia, on the occasion of the Fourth Periodic Report that Serbia submitted. It is necessary to pay more attention to the harmonization of domestic legislation with the standards established by the Revised European Social Charter, as well as the collection of data relevant to monitoring its implementation.

#### 2.7.2.5. Rights of LGBTI community

**In the area of protection of the rights of persons of different sexual orientation or gender identity (LGBTI), certain positive developments have taken place,** which are primarily the result of the implementation of the measures and activities foreseen in the Action Plan for Implementation of the Strategy for Prevention and Protection against Discrimination for the period 2014–2018, which refers to this sensitive group, as well as through the continuous consistent implementation of the Anti-Discrimination Law.

**More effective suppression of discrimination and hate speech towards LGBTI people has contributed to the development of community policing model and improved cooperation with representatives of the LGBTI community through the appointment of contact persons,** which contributes to a better security situation for members of the LGBTI community. A national liaison officer and seven liaison officers with LGBTI persons, who had undergone specialized training, were placed in the MOI and in the four largest cities (Belgrade, Novi Sad, Niš, Kragujevac). Trainings are organized to strengthen the capacity of the intersectoral network in working with LGBTI people in local communities. With the support from the Council of Europe and the British Embassy (a project financed in the period 2013–2014), training was organised for the staff of all centres for social work, in adequate treatment of LGBTI persons and their family members aimed at their successful social inclusion and the improvement of their position. Advanced training in the work with sexual and gender minorities and their families in the social protection system were supported by the Kingdom of Norway in 2016, under the project “Creating Tolerance and Understanding Towards LGBT Population in Serbian Society”.

**The acts of spreading, promoting and encouraging hatred and intolerance towards LGBTI people at public gatherings have not been fully tackled,** with the help of the media and the Internet, as well as through graffiti and in other ways, but they were less frequent compared to the previous period. The results of the public opinion poll “Attitude of citizens to discrimination in Serbia”,<sup>669</sup> conducted in 2016,

<sup>669</sup> The results of the public opinion poll “Attitude of citizens to discrimination in Serbia”, Commissioner for Protection of Equality, 2016, Belgrade. Available at:

show that social distance is still the most prominent among the LGBT community, but that it is significantly reduced compared to 2013. **A quarter of respondents (27%) do not want their LGBT members to be colleagues, a third (34%) does not want to hang out with them,** half (47%) do not want LGBT citizens to be their children's educators, while 63% of respondents something against them or their children being married to a LGBT person. The reduction in social distance is the highest in terms of accepting marriage and close association with a LGBT person. Thus, in relation to 2013, the non-acceptance of marriage was reduced by 19%, and the acceptance of LGBT by a friend for 12%.<sup>670</sup>

**It is necessary to continue with awareness-raising activities on the rights of the LGBTI community and the problem of their discrimination.** The Serbian Parliament and the Government are expected to adopt a code of conduct that prohibits the use of hate speech, as well as to continue with activities in the field of education and awareness-raising, which is planned by the Action Plan for Implementation of the Strategy for Prevention and Protection against Discrimination, as well as the Action Plan for Chapter 23. One of the items envisaged in the Strategy for Prevention and Protection against Discrimination is the adoption of laws on registered same-sex communities.

**Trans\* persons continue to experience misunderstanding in the community and are exposed to various forms of direct and indirect discrimination.** There are no adequate legal solutions that would protect their rights, **and the main problems of trans\* persons are problems in attempting to change the name, the gender mark and the unique identity number of the citizens in order to be in accordance with their gender identity.** Within the civil sector, the adoption of laws was initiated and a Model of the Law on Gender Identity was drafted, whose solutions accelerate and facilitate the administrative process of document change, that is, the legal recognition of gender identity, protection against discrimination and guarantees trans\* to persons with rights in terms of work, employment, family and marital life. The initiative, however, was not subject to the attention of the competent authorities. During 2017, the Ministry of Public Administration and Local Self-Government prepared the Draft Law on Amendments to the Law on the Register of Civil Registers, which contains a provision that opens the possibility of registering the sex change in the birth register.

**When it comes to intersex persons in Serbia, there is stigmatization and auto stigmatization, especially in rural areas.** Very little information is available on the intersex people living in Serbia, there is widespread ignorance among representatives of institutions on this topic, and there are no administrative procedures and legislation related to intersection of persons.<sup>671</sup>

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<http://ravnopravnost.gov.rs/rs/izvestaj-o-istrazivanju-javnog-mnjenja/>

<sup>670</sup> Ibid.

<sup>671</sup> Research on the position of intersex persons in Albania, Bosnia and Herzegovina, the former Yugoslav Republic of Macedonia and Serbia, UNDP, available at: <http://www.rs.undp.org/content/serbia/sr/home/library/poverty/intersex-research-study-2017.html>.



#### 2.7.2.6. People living with HIV

**In the Republic of Serbia, at the beginning of 2017, 3,100 people were living with HIV.** The Republic Institute for Health Insurance covers the costs of antiretroviral therapy for all patients.

Through the consultation process with the professional public and other relevant actors, the Strategy for the Prevention and Control of HIV Infection and AIDS of the Republic of Serbia for the period 2018–2025 was developed during 2017, which is the basic framework for defining goals and implementation of activities in the area of prevention, health and social protection and support for people living with HIV, as well as raising awareness of the general public on the subject. The Strategy as priority areas identifies the promotion of healthy lifestyles, education of the general population and part of the population with risky behaviour, respect and promotion of human rights of people living with HIV, improvement of quality of interventions, as well as improvement of the system of epidemiological monitoring, monitoring and evaluation of HIV responses.

#### 2.7.2.7. Victims of trafficking in human beings

**In October 2017, a Council for the fight against trafficking in human beings** was established, whose authority is to coordinate national and international activities in the field of combating trafficking in human beings, reviews reports of various international bodies, proposes measures for implementing recommendations by international bodies in the fight against human trafficking, as well as to monitor and evaluate progress in the implementation of the **Strategy for the Prevention and Suppression of Trafficking in Persons, Especially Women and Children, and Protection of Victims 2017–2022**<sup>672</sup> and the accompanying Action Plan. Also, the Office for Coordination of Activities in Combating Trafficking in Human Beings was established.

**In the Republic of Serbia, there are still almost all forms of trafficking in human beings,** and a large share of domestic trafficking victims trafficked within the borders of the Republic of Serbia.<sup>673</sup> The number of children victims of trafficking has increased, the occurrence of dual or multiple exploitation of victims, as well as the increase in the number of domestic victims of trafficking in human beings abroad. Men are most often victims of labour exploitation in the construction industry, while women are victims of exploitation in prostitution.<sup>674</sup>

<sup>672</sup> Official Gazette of the Republic of Serbia, no. 77/17.

<sup>673</sup> Strategy for the Prevention and Suppression of Trafficking in Persons, Especially Women and Children and Protection of Victims 2017–2022.

<sup>674</sup> *Ibid.*

**Within the Centre for the Protection of Victims of Trafficking, which was established in 2012, only the Service for Coordination of Protection of Victims of Trafficking in Human Beings operates,** while the work of the Shelter for Victims of Trafficking Victims is provided, but its work has not started.<sup>675</sup> In accordance with the Plan of Work in 2017,<sup>676</sup> the Centre performed the tasks of identifying, coordinating and supporting victims of trafficking in human beings, working to provide appropriate conditions for performing trusted jobs and developing the competencies of experts in the system for providing the necessary activities and services in dealing with victims of trafficking.

**During 2017, the Centre received applications for the identification of 138 possible victims of human trafficking.** In 99 reports, it was established that these are the alleged victims, and the identification of victims has continued. **Formally, 43 victims of trafficking were identified,** of whom 49% of identified victims (21 victims) are victims of sexual exploitation. Additionally, in all 10 recorded multiple-use cases, there is some form of sexual exploitation, and the representation of victims of sexual exploitation among identified victims is 72% and make them mostly women (only 1 person is identified as a victim of sexual exploitation in multiple exploitation).<sup>677</sup>

**In the prevention and suppression of trafficking in human beings and the provision of assistance to victims, good cooperation has been achieved with civil society organizations specialized in the work in this field.** The Astra Association permanently organizes trainings for social service providers with the aim of training as many staff as possible to identify victims of trafficking in human beings and to provide adequate assistance to victims within their jurisdiction.<sup>678</sup> The Open Club — Reintegration Centre, the first of its kind in Southeast Europe, operates under the “Atina” association, which offers numerous forms of support for the social inclusion of women who as victims of trafficking were previously included in the primary care programme.<sup>679</sup>

The Republic of Serbia’s **Initial Report on the Implementation of the International Convention on the Protection of All Persons from Enforced Disappearances** was presented to the UN Committee on Enforced Disappearances in February 2015. The Committee’s Concluding Observations on the presented report highlighted the

<sup>675</sup> Report on the work of the Centre for the Protection of Trafficking Victims for 2016. Available at: <http://www.centarzztlj.rs/images/Vesti/mar17/Izvestaj%20o%20radu%20za%202016.g.pdf>

<sup>676</sup> Plan of Work available at: <http://www.centarzztlj.rs/images/Vesti/mar17/Plan%20rada%20CZZTLJ%20za%202017.g.pdf>

<sup>677</sup> Basic statistical report on the identification of victims of trafficking in human beings for 2017, available at: <http://www.centarzztlj.rs/images/stat/17/2017%20Statisticki%20izvestaj.pdf>

<sup>678</sup> The information available at: <https://www.astra.rs/organizovali-smo-deveti-po-redu-trening-za-socijalne-radnike-ce/>

<sup>679</sup> The data from the website of the organization “Atina”: <http://www.atina.org.rs/sr/reintegracioni-centar>

positive and negative aspects of the implementation of the Convention and gave recommendations for taking measures to improve its implementation.

#### 2.7.2.8. Refugees and displaced persons

**The situation of refugees and displaced persons, including persons returned under the Readmission Agreement, is gradually improving.** The number of collective centres for the accommodation of refugees and internally displaced persons has significantly decreased. In 2017, the number of collective centres amounted to 11, and there were 433 persons in it. Out of the total number of centres, 3 collective centres are located outside the territory of Kosovo and Metohija (115 persons), and 8 centres are in Kosovo and Metohija (318 persons accommodated).<sup>680</sup> The biggest challenges are still employment and housing. **The National Strategy for Resolving the Issues of Refugees and Internally Displaced Persons 2014-2020** is successfully being implemented. The permanent solution of the housing problem is realised through the implementation of the Regional Program for Housing Refugee Care and Regular National Care Programmes, which includes 117 local self-government units. Funds for completion and adaptation of a residential building, for repairing or renovating a village house with a garden, for purchasing a village house with a garden and for the provision and assembling of prefabricated houses and other residential premises are allocated. In addition to the funds provided by the project, improvement of the living conditions of refugee families is realised through the implementation of local action plans, which are financed from the republican budget. In November 2017, the construction of 270 apartments for refugee families from Bosnia and Herzegovina and Croatia began.<sup>681</sup> Funds are also provided for the sustainable integration of refugees and displaced persons through programs aimed at economic empowerment.

#### 2.7.2.9. Migrants and asylum seekers

**In Serbia, the issue of asylum and migration is being examined in the context of the increased number of asylum seekers,** but also in the context of the reform processes, the implementation of which has been committed by a strategic commitment to the status of a full EU member.

**Serbia has shown strong responsibility and readiness for all migrants who have found themselves in its territory to provide food, water, accommodation, emergency medical care and safe passage to desired destination countries** through the process of registering and issuing documents necessary for free movement through the territory of the Republic of Serbia. Since 2016, the situation has changed because, despite the undisguised intention of migrants to continue

<sup>680</sup> The information available at: <http://www.kirs.gov.rs/articles/centri.php?lang=SER>

<sup>681</sup> Available at: <http://www.srbija.gov.rs/vesti/vest.php?id=307785>

their journey to EU countries, they stay longer in the territory of Serbia, which has required the need to take measures to prevent irregular movements and smuggling, reducing the risk of trafficking, status issues and protection of especially vulnerable groups among migrants, primarily children and women.

**During 2017, laws on migration and asylum were amended.** The proposal of the new Law on Asylum and Temporary Protection entered parliamentary procedure in September 2017, and the proposal of the new Law on Foreigners in December 2017. These laws were adopted in 2018.

As for the institutional framework in Serbia, the competences in the area of asylum are divided among several state institutions in charge of the implementation of the Law on Asylum and Temporary Protection. The Ministry of Interior – Office for Asylum is responsible for the registration of asylum seekers, case management and decision-making in the first instance on asylum applications and termination. Appeals against first-instance decisions can be submitted to the Asylum Board.

The Commissariat for Refugees and Migration provides the material conditions for the reception of asylum seekers and temporary accommodation for persons who have been granted asylum, implements voluntary return programmes, as well as integration programmes for persons who have been granted asylum in conformity with the regulations governing the area of migration management.

The Ministry of Labour, Employment, Veteran and Social Affairs cares for persons with special needs through centres for social work, within the social protection rights. Open-type asylum centres implement special measures for vulnerable people, including unaccompanied minors, persons with disabilities, pregnant women, single parents, victims of torture, rape or other severe forms of psychological, physical or sexual abuse. Furthermore, guardians are appointed for unaccompanied minors who are granted asylum. Special attention is devoted to ensuring sufficient administrative and institutional capacities in the circumstances of increased inflow of migrants.

The Ministry of Health is responsible for medical examinations of asylum seekers upon their reception in asylum centres and, with the support of health centres, it provides health care and assistance to both asylum seekers and the persons who are granted asylum.

**During 2017, 6,195 people expressed their intention to seek asylum, i.e. they were registered as asylum seekers in the Republic of Serbia.** In 2017, a decrease in the number of asylum seekers was observed in relation to the previous years — in 2016, 12,811 asylum seekers were registered and, in 2015, there were as many as 579,518 asylum seekers.<sup>682</sup>

The Republic of Serbia has established five asylum centres, whose capacities have been increased to 1,400 beds, i.e. by 75% since June 2015. Funds are allocated in the budget of the Republic of Serbia for asylum seeker accommodation capacities.

<sup>682</sup> According to the Ministry of Interior





In case of an extraordinary inflow of asylum seekers / migrants, funding is provided under the Contingency Plan in Case of Increased Inflow of Migrants.

**Although Serbia is currently facing a large number of persons seeking international protection, there are still very few people who decide to permanently remain in Serbia.** By the middle of 2017, only 1,796 people sought asylum from more than a million people who had been or are still in Serbia.<sup>683</sup> In the territory of Serbia, however, there is a significantly larger number of migrants (about 7,000), among whom there are persons who did not intend to seek asylum, persons who are staying in some of the accommodation facilities or in unofficial camps on the border with Hungary, waiting for the passage, and persons who have expressed their intention to seek asylum in Serbia but have not requested it, and there are also a number of persons who did not pass the registration process and issue a certificate of intent to seek asylum in Serbia, so they are staying illegally.<sup>684</sup> It is expected that the number of migrants who decide to permanently stay in Serbia will be increasing, bearing in mind the increasingly difficult access to the territory of the developed EU Member States.

**The Working Group on Solving Mixed Migration Flows, established in 2015, Plan of Response in case of an increased number of migrants on the territory of the Republic of Serbia for the period from October 2016 to March 2017,**<sup>685</sup> and the Government of Serbia adopted on 16 December 2016 a **Decree on the manner of inclusion in the social, cultural and economic life of persons granted asylum,**<sup>686</sup> the implementation of which is in progress. **Migrants have the necessary health and social protection, and the local population is more sensitive to the problems of migrants.** Activities are continually being carried out to raise the awareness of institutions, civil society and the general public about the rights and problems of migrants and the creation of a favourable social environment, and public attitudes that will facilitate the integration of asylum seekers. There are less open xenophobic acts and negative reactions of the local population to the presence of migrants in settlements in the vicinity of reception centres. However, with the influx of a larger number of migrants, the level of social distance towards them has increased.<sup>687</sup>

**In relation to asylum seekers, a special challenge is the increased number of underage asylum-seekers, who are exposed to an increased risk of trafficking.** Although there are no unified official data on the number of such children in the territory of Serbia, it is estimated that in the first six months of 2015 only more

<sup>683</sup> Statement by State Secretary Nenad Ivanišević.

<http://www.rts.rs/page/stories/ci/story/124/drustvo/2761306/ivanisevic-azil-u-srbiji-zatrazilo-samo-1796-migranata.html>

<sup>684</sup> *Migranti i migrantkinje u iregularnom statusu u Republici Srbiji – aktuelna pitanja i perspektive (Migrants and migrant women in irregular status in the Republic of Serbia – current issues and perspectives)*, Group 484, p. 20. Available at:

<http://www.potpisujem.org/doc/26ff9bb92b58de5a3ea136b8786849fe.pdf>

<sup>685</sup> Available at: <http://www.minrzs.gov.rs/files/doc/migranti/Plan%20Vlade0001.pdf>

<sup>686</sup> Official Gazette of the Republic of Serbia, no. 101/16.

<sup>687</sup> Regular Annual Report of the Commissioner for Protection of Equality for 2016, p. 47.

than 3,000 children migrants arrived in the territory of Serbia, of which more than 1,300 were children without parental care.<sup>688</sup> For the sake of their better protection in 2016, the **Standard Operating Procedures for the Protection of Children of Refugees/Migrants were adopted**,<sup>689</sup> which are largely in line with the European Principles of Legal Assistance for Children to Unaccompanied Migrant Children, adopted by the European Council for Refugees and Migrants in 2014.

**Girls and women migrant women and refugees are in a particularly difficult situation and face an increased risk of exploitation and violence.**<sup>690</sup> According to research carried out by the Athens Association of Citizens, in asylum centres and reception centres, 67% of women and girls experienced some form of physical or sexual violence.<sup>691</sup>

**Since December 2016, the inclusion of migrant children in the formal school system has begun through a pilot project implemented by UNICEF with partner organizations.** The pilot project included only unaccompanied children of migrants from the asylum centres in Krnjaca and Bogovađa. The Ministry of Education, Science and Technological Development passed and forwarded to all school administrations a mandatory **Professional Instruction for the Inclusion of Refugee/Migrant Students in the Education System**, which is a closer way of enrolling and enrolling children, as well as a set of measures to support inclusion in the educational system migrants in school age,<sup>692</sup> and training on inclusive education for more than 500 counsellors of external associates and educational workers from 17 municipalities in whose territory there are schools near the centres for asylum and private centres.<sup>693</sup> **From September 2017 all children who are in asylum centres and reception centres are included in formal primary education.**

#### 2.7.2.10. Persons deprived of liberty

**The number of persons deprived of liberty in Serbia at the beginning of 2015 amounted to 10,288, and the total accommodation capacities included 9,340 places, so the density of prisons was 110.1, which is a significant improvement compared to the previous situation** (for example, at the beginning of September

<sup>688</sup> *Europe Refugee Emergency – Briefing note on Unaccompanied and separated children*, UNHCR, <https://reliefweb.int/sites/reliefweb.int/files/resources/Europerefugeecrisis-briefingnoteonunaccompaniedandseparatedchildren.pdf>

<sup>689</sup> Available at: <https://www.unicef.org/serbia/publikacije/standardne-operativne-procedure>

<sup>690</sup> *Nasilje nad ženama i devojčicama u izbegličkoj i migrantskoj populaciji u Srbiji* (Violence against women and girls in refugee and migrant populations in Serbia), "Atina", Belgrade, 2017.

<sup>691</sup> *Ibid.*

<sup>692</sup> Professional instruction no. 601-00-00042/2017/ of 5 May 2017 Available at: <http://www.mpgn.gov.rs/wp-content/uploads/2017/06/STRUCNO-UPUTSTVO.pdf>

<sup>693</sup> Available at: <http://azil.rs/deca-migranti-u-srbiji-i-pravo-na-obrazovanje/>

2012. density of prisons in prisons was 159.3).<sup>694</sup> By implementing the Strategy for Reducing Overcrowding of Accommodation Facilities in Institutions for the Execution of Criminal Sanctions in the Republic of Serbia, in the period from 2010 to 2015,<sup>695</sup> overpopulation is reduced to acceptable frames, mostly due to the reduction of the number of detained persons and the application of alternative sanctions and measures, the number of prisoners to prison and overcrowding in the closed departments of the institution for the enforcement of criminal sanctions. Accommodation capacities and infrastructure in Prisons have significantly improved, thus improving the living conditions of persons deprived of their liberty. In order to further improve the situation, in 2017, a new **Strategy for Reducing Overcrowding of Accommodation Capacity in Institutions for the Execution of Criminal Sanctions in the Republic of Serbia was adopted by 2020.**<sup>696</sup> It identified activities aimed at improving methods of work with convicted persons, further development of alternative sanctions and measures and improvement of capacity and manner of work of the trustee service that supervises their execution, as well as improvement of accommodation conditions and increase of accommodation capacities in closed departments of the institute.<sup>697</sup> Serving the sentence of imprisonment for women and minors, as well as the execution of educational measures for sending to the correctional facility, is still carried out in one institution for women, that is, in one institution for minors and one correctional facility.<sup>698</sup>

**In the Republic of Serbia there is no torture as an organized and stimulated phenomenon by state authorities, but sporadic cases of physically inadequate treatment of personnel against persons deprived of liberty,** some of whom have received an epilogue before the European Court of Human Rights, continue to appear.<sup>699</sup> According to the Ombudsman's report, which carries out the activities of the National Torture Prevention Mechanism (NPM), there has been significant improvement in the Republic of Serbia regarding the prevention of torture and other forms of abuse, as well as treatment of persons deprived of their liberty.<sup>700</sup> In the Report of the European Committee for the Prevention of Torture and Inhuman or

<sup>694</sup> The Strategy for Reducing Overcrowding of Residential Capacity in Institutions for Enforcement of Criminal Sanctions in the Republic of Serbia by 2020 was adopted (Official Gazette of the Republic of Serbia, no. 43/17).

<sup>695</sup> Official Gazette of the Republic of Serbia, nos. 53/10 and 65/11.

<sup>696</sup> The Strategy for Reducing Overcrowding of Residential Capacity in Institutions for Enforcement of Criminal Sanctions in the Republic of Serbia by 2020 was adopted.

<sup>697</sup> *Ibid.*

<sup>698</sup> Excerpt from the Regular Annual Report of the Ombudsman for 2016, p. 11, available at: [https://www.ils.rs/index.php?option=com\\_content&view=article&id=408:2016&catid=130:izv-di-iz-g-dishnjih-izv-sh&Itemid=264](https://www.ils.rs/index.php?option=com_content&view=article&id=408:2016&catid=130:izv-di-iz-g-dishnjih-izv-sh&Itemid=264)

<sup>699</sup> Report to the Government of the Republic of Serbia on the visit of the European Committee for the Prevention of Torture and Inhuman or Degrading Treatment or Punishment, 6 November 2015. Available at: <http://www.ljudskaprava.gov.rs/sh/node/19862>

<sup>700</sup> Regular Annual Report of the Ombudsman for 2015, p. 20.

Degrading Treatment or Punishment, which the Committee drafted and adopted after the visit to Serbia made in the period 31 May-7. June 2017, it was pointed out that there is still a need to fundamentally re-examine the current approach to detention in the investigation and increase the commitment to address the problem of inadequate treatment of police officers.<sup>701</sup>

### 2.7.2.11. Freedom of expression and the media

**Regarding freedom of expression, the ambient is not suitable for the full exercise of the right to freedom of expression.**<sup>702</sup> Successful measures are implemented to prevent the hate speech foreseen by the Action Plan for the implementation of the strategy for prevention and protection against discrimination, but it is still present in the public discourse and is often spread through the Internet. The withdrawal of state ownership from the media by privatization was completed on 31 October 2015. Regulations in the field of project co-financing of the media have been completed,<sup>703</sup> The regulations in the field of project co-financing of the media have been completed, and the public authorities regularly submit reports on the co-financing of media projects. Co-funding of media content in the public interest should be made more transparent, at national and local level.<sup>704</sup> There is still too much media reliance on state funding for advertising; It is estimated that 25% of all advertising resources comes from the state budget.<sup>705</sup>

In order to improve the public information system, the new Public Information System Development Strategy has been launched, which should strengthen the transparency of media ownership, monitor the effects of media privatization, prevent media control, strengthen media pluralism and media literacy and eliminate weaknesses in self-regulation.

<sup>701</sup> The report is available at [http://www.ljudskaprava.gov.rs/sites/default/files/dokument\\_file/cpt\\_izvestaj\\_o\\_poseti\\_republici\\_srbiji\\_2017.pdf](http://www.ljudskaprava.gov.rs/sites/default/files/dokument_file/cpt_izvestaj_o_poseti_republici_srbiji_2017.pdf)

<sup>702</sup> 2016 Annual Progress Report for the Republic of Serbia, European Commission, p. 21.

<sup>703</sup> During 2016, the following were adopted: Rulebook on minimum conditions for provision of media services and criteria for decision making in the procedure for issuing a license for providing media services on the basis of the conducted public competition, Rulebook on the minimum technical and organizational conditions for issuing a license for providing media services based on requests of media service providers; Rulebook on the transfer of unused rights of public media services to the broadcasting of radio, television and other media contents of exceptional significance ("Official Gazette of the Republic of Serbia", No. 46/16); Rulebook on Advertising and Sponsorship in Electronic Media ("Official Gazette of the Republic of Serbia", No. 101/16), Ordinance on Amount, Amount Change and Method of Calculating Media Service Fees ("Official Gazette of the Republic of Serbia" No. 104/16) and Rules on the procedure for issuing an authorization for the provision of media services on request (Official Gazette of the Republic of Serbia, No. 108/16).

<sup>704</sup> 2016 Annual Progress Report for the Republic of Serbia, European Commission, p. 21.

<sup>705</sup> Action Plan for negotiating Chapter 23, p. 255.

**The Council of the Regulatory Body for Electronic Media works at full capacity.** It is necessary to strengthen the control of media service providers and to improve the effectiveness of measures and sanctions in case of violations of laws by regulatory bodies, especially when it comes to electronic media. In the financing of the public media service, the budget is still the dominant source of funding.

**Media reform had an impact on information in the languages of national minorities: 13 privatized media planned the program contents in minority languages in the elaborates, but the continuity of programmes in minority languages was retained.**<sup>706</sup> Unlike Radio Television Vojvodina (RTV), which fulfils its obligations to inform in the languages of national minorities and broadcasts the programme in several languages, Radio Television Serbia (RTS) broadcasts only the programme units in the Roma language, and plans to introduce media content in Albanian, Bulgarian and Romanian.

**Although the availability of program content for people with hearing impaired or increased vision is increased, it is necessary to increase the share of programmes designed for sensitive groups** to meet their need for information and to respect the linguistic and vocal standards of people with hearing impairment and the use of sign language as a form of communication.<sup>707</sup>

**There are still cases of attacks and pressures on journalists, but their number is decreasing.** An agreement on cooperation and measures for raising the level of security of journalists between the Public Prosecutor's Office, Ministry of the Interior and associations of journalists and media associations was established, and a contact point for the protection of journalists in emergency situations was established. At the end of 2016, the Public Prosecutor issued an Instruction for keeping separate records of crimes committed against journalists and media websites, establishing urgent investigations and prosecutions. The Commission for the Investigation of Journalist Murders continues to work. Police and prosecutors are conducting more investigations into cases of threats to journalists sent via the Internet.<sup>708</sup>

**The leakage of information on criminal investigations has not been completely halted.** It is late to adopt regulations on the disciplinary responsibility of police officers in case of unauthorized statements. In tabloids, events are often presented in a sensational way, with the violation of children's rights, the right to privacy, the

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<sup>706</sup> A special report of the Ombudsman on information in languages of national minorities after the privatization of the media, 2016, p. 24. Available at: <http://www.ombudsman.rs/index.php/izvestaji/posebnii-izvestaji/5018-2016>

<sup>707</sup> Public media service Radio-Television of Serbia, Methods of fulfilling legal and programme obligations, report for the period from 1 January to 31 December 2017, Regulatory Body for Electronic Media. Available at: <http://rem.rs/uploads/files/RDUS-i-RDUV/RTS%20%20izve%C5%A1taj%20za%202017%20godinu.pdf>

<sup>708</sup> See: Second Report on the Rule of Law (Non-paper) on the current state in Chapters 23 and 24 for Serbia, May 2017.

presumption of innocence and professional standards.<sup>709</sup> Media reporting on femicide and violence against women is mostly sensationalist and tabloid — brutality is promoted, victims are deprived of dignity and the families of the victims are not provided with elemental respect.<sup>710</sup> **The media are more interested in the rights and the position of some sensitive social groups, but some texts are based on stereotypes and prejudices.**<sup>711</sup>

### 2.7.2.12. Digitization

**In the digitization process, measures have been taken to make the members of vulnerable social groups realize the right to information.** The most vulnerable categories of the population, primarily beneficiaries of rights to financial social assistance and rights to care and assistance, as well as pensioners with minimum pensions living alone (altogether 160,000 people) have achieved the right to free set top box, which allows the reception of digital signals. 97.8% of households own a TV set, and cable TV holders account for 57.3%.

**The number of people who have access to the computer and the Internet is increasing.** The percentage of households that own a computer in Belgrade is 77.8%, in Vojvodina 66.2%, and in central Serbia 65.3%, while the percentage of households owning a laptop is 43.7%.<sup>712</sup> **There are still significant differences between households in urban and rural areas:** while in urban areas 73.5% of households own a computer, in rural areas this percentage is 60.7%. In terms of computer possession, there are differences as regards the income that households generate. The computer is mostly owned by households with a monthly income of over 600 euros (95.1%), while the share of households with income up to 300 euros is 49.7%. **There is internet connection in 68% of households and the number is constantly increasing.** In terms of having an internet connection there are differences between households in urban and rural areas, and the differences also occur in relation to the amount of monthly income that households earn. 61.9% of households have broadband internet connection, 72.7% in Belgrade, 61.1% in Vojvodina and 58.0% in central Serbia. **The number of computer users is constantly increasing, but there are still a large number of non-PC users (26.1%).** The number of people who use the computer every day or almost every day has been increased. Internet public administration services (e-government) are used by 32% of the population. When it

<sup>709</sup> According to the Press Council, in the period from March 1 to 30 November 2017, journalists of the print media violated the journalistic code in 5,292 texts. Available at: <http://www.savetzastampu.rs/doc/monitoring-2017/izvestaj-o-monitoringu-postovanja-kodeksa-novinara-srbije-u-dnevrim-stampanim-medijima-mart-novembarr-2017.pdf>

<sup>710</sup> *Nijedna žena manje*, Autonomous Women's Centre, Belgrade, 2018

<sup>711</sup> Regular Annual Report of the Ombudsman for 2016.

<sup>712</sup> *The Use of information and communication technologies in the Republic of Serbia*, Republic Statistics Office. 2017

comes to using the Internet to obtain information from websites of public institutions, 31.3% of the internet population uses the internet for this purpose, and 20.2% of the internet population uses the internet to download official forms.

**In the last three months, 72.2% of men and 63.4% of females used the computer for access to women and men with information and communication technologies,** with the largest difference in the use of computers between men and women in population aged 55–74 (28.8% of women compared to 39.3% of men). In the last three months, 73.7% of men and 67.4% of females used the Internet.

The Ministry of Trade, Tourism and Telecommunications finances programmes of public interest in the field of information society development implemented by associations, and the programmes financed include programmes aimed at improving social inclusion through the use of information and communication technologies.<sup>713</sup>

### 2.7.3. State of affairs in the area — social participation

**The Office for Cooperation with Civil Society supports the dialogue between government institutions and CSOs and the involvement of civil society in the decision-making process,** as well as the exchange of views in a constructive dialogue. The Office contributes to the creation of an incentive environment for the development of civil society through its activities.<sup>714</sup>

**The process of negotiations with the EU takes place with full transparency and public participation.** The inclusion of civil society is reflected in the monitoring of sessions of Explanatory Screening, the participation of CSOs in the preparation of bilateral screening for individual chapters, and the introduction of results and plans after bilateral screening for individual chapters. Different mechanisms for consultation of CSOs in the negotiation process have been developed, among which the **National Convention on the EU** is particularly important, with over 700 members, representing the largest organized civil society network supporting the process of Serbia's integration into the European Union. The activities of the National Convention are focused on monitoring the implementation of priorities identified by progress reports and action plans for individual chapters. Within the National Convention on the EU, working groups that thematically monitor the structure of the negotiating working groups for negotiations with the EU are working. CSO Groups and Coalition of CSOs lead and coordinate the work of special working groups in accordance with their expertise, capacities, existing references and already formed networks. The attention of the National Convention is also focused on the quality of the adopted laws,

<sup>713</sup> Rulebook on the selection of a programme of public interest in the field of information society development implemented by associations (Official Gazette of the Republic of Serbia, Nos. 47/13 and 88/16).

<sup>714</sup> See the Report on the work of the Office for Cooperation with Civil Society, available at: <http://www.civilnodrustvo.gov.rs/kancelarija/izvestaj-o-radu/izvestaj-o-radu.515.html>

strategies and plans, as well as the formulation of recommendations and proposals. The National Convention regularly publishes the Book of Recommendations.

**The Office for Cooperation with Civil Society provides support in the information and participation of vulnerable social groups in the negotiation process, whose representative organizations are included in the National Convention.** Since 2015, there is a Joint Consultative Committee, which consists of representatives of the European Economic and Social Committee, social partners and civil society. The Committee successfully promotes dialogue and cooperation between social partners and other CSOs in the EU and Serbia.<sup>715</sup>

**Citizens' associations are active and carry out numerous projects and programmes. In addition to individual activities, many organizations create alliances, coalitions and networks to achieve their goals,** such as for example the Organization of Children's Organization of Serbia (MODS),<sup>716</sup> which consists of over 80 associations dealing with the protection and promotion of children's rights in Serbia, the network "Women Against Violence", a coalition of specialist women's NGOs that provide individual support to women and contribute to changing the social context in order to reduce violence against women in Serbia,<sup>717</sup> the Coalition Against Discrimination and others.

**CSO projects are financed from foreign donor sources, as well as from the budget of the Republic of Serbia and the budget of local self-government units. In 2015, amendments to the Decree on Funds for Program Encouragement or the lack of funds for the financing of programmes of public interest implemented by Associations** were adopted,<sup>718</sup> which enhanced the transparency of the tender procedure in the allocation of funds. Over 700 CSOs (associations, endowments and foundations) were also registered for performing economic activities, although only 5% of them perform economic activities, mainly in areas requiring the least investment and for which they have expertise. The realised revenues are used mainly for the development of the CSO programmes.<sup>719</sup>

Youth participation has been increased by the activities defined in the **Action Plan for the implementation of the National Youth Strategy for the period from 2015 to 2017**, which envisages nine strategic goals, including the active participation of young women and men in the society. Continuous support for programmes

<sup>715</sup> The information from the website of the Office for Cooperation with Civil Society. <http://www.civilnodrustvo.gov.rs/eu/zajednicki-konsultativni-odbor/zajednicki-konsultativni-odbor292.html>

<sup>716</sup> The data available at: <http://zadecu.org/>

<sup>717</sup> The data available at: <http://www.zeneprotivnasilja.net/>

<sup>718</sup> Official Gazette of the Republic of Serbia, nos. 8/12, 94/13 and 93/15.

<sup>719</sup> See: *Economic Activity of CSOs in Serbia*, Civic Initiatives, 2017. Available at: <https://www.gradjanske.org/wp-content/uploads/2017/11/Istra%C5%BEivanje-o-ekonomskoj-aktivnosti-civilnog-dru%C5%A1tva-nov-2017-GI.pdf>





for implementing youth involvement activities in society, including young people from vulnerable groups, has been established. Activism and volunteering of young people in different fields are continuously supported. **In the National Volunteering Programme “The Young Rule”, over 40 organizations and 1,500 young people all over the country in more than 60 municipalities are involved annually.**<sup>720</sup>

In 2017, implementation of 12 youth projects was financially supported from the budget funds.<sup>721</sup>

**The number of youth offices (YO) in cities and municipalities in Serbia is increasing, which as part of local government participate in the planning, implementation and monitoring of youth policy development at the local level.** At the end of 2017, 128 local self-government units had their own youth offices.<sup>722</sup> For newly established youth offices, training is provided for their coordinators. Many local self-government units have adopted their local action plans for young people.

**The Office for Cooperation with Civil Society successfully accomplishes tasks as a national contact point for Serbia’s participation in the EU’s “Europe for Citizens” programme.** During 2017, 47 participants from Serbia applied for the allocation of funds under this program for all four measures of the Program — for Measure 1.1. within Chapter 1 (European Remembrance) and Measures 2.1. (City twinning), 2.2. (Networks of cities) and 2.3. (Civil Society Organizations Projects) under Chapter 2 (Democratic Engagement and Citizen Participation). 8 projects were approved, totalling 262,500 euros, and on approved projects, a total of 69 organizations, institutions and local self-government units from Serbia have partner status.<sup>723</sup>

**The National Assembly continued and improved the practice of public hearings in assembly committees in the form of public listening.** During 2015, 13 public hearings were organized, and in 2016, seven public hearings were devoted to various current social issues. In 2017, a public hearing was organized with the theme “Implementing Sustainable Development Objectives: the role of the National Assembly”.<sup>724</sup>

**Changes in election laws introduced quotas for less represented sex, which led to increased participation of women in legislative power.** In the National Assembly, over 30% are women, and in the assemblies of local self-government units close to 34.7%.<sup>725</sup> The practice, however, shows that the number of women in the parliamentary

<sup>720</sup> The data available at: <http://mladisuzakon.rs/>

<sup>721</sup> *Ibid.*

<sup>722</sup> The whole list of local youth offices is available at: <http://www.mos.gov.rs/public/mladisuzakon/index.php/2013-11-06-05-43-36>

<sup>723</sup> The report on the results of the programme “Europe for Citizens” in Serbia in 2017. Available at: <http://www.civilnodrustvo.gov.rs/evropa-za-gradjane-i-gradjanke>

<sup>724</sup> The data from the website of the National Assembly: <http://www.parlament.gov.rs/aktivnosti/narodna-skupstina/radna-tela/javna-slusanja.3013.html>

<sup>725</sup> *Gender equality in local self-government units*, Commissioner for the Protection of Equality, Belgrade, 2017.

elections is decreasing after the election, since the law does not stipulate that in the event of a change of the holder of the mandate, the next woman on the electoral list comes to that place. Because of this omission, in most cases a man is appointed to the position of the woman who was the holder of the mandate. In many executive boards of municipalities and cities there are no women, **and only 8% of women are in the position of president of the municipality and mayor.** Women are noticeably absent even in positions of leadership of the committees of the National Assembly, in parliamentary groups and state administration bodies, as well as in sectors such as security, economics, energy, foreign policy and sports. There are no women in the governing boards of public agencies and institutions, and there are few women in governing posts in public companies and legal entities with high financial power and profitable activities. Roma women, women with disabilities and other vulnerable groups are markedly absent from public and political life.<sup>726</sup> According to the SCTM, 129 local government units have gender equality mechanisms, whereas the number of municipalities that maintain gender-disaggregated statistical data is still small.

**The participation of persons with disabilities in political and public life is not at a satisfactory level.** There are still problems with accessibility of facilities and the possibility of access to information during political campaigns.

**The elderly are not sufficiently involved in the social life of the community.** Measures are introduced to encourage the integration of older persons and active participation, including measures to more fully meet their cultural and recreational needs.<sup>727</sup>

**The political participation of national minorities is being successfully realized.** Thanks to the election legislation, according to which parties of national minorities in the distribution of parliamentary mandates participate regardless of the number of votes they have received, nine members have nine seats in the new convocation of the National Assembly of the party or coalition of national minority parties.<sup>728</sup>

**Involvement of citizens in social and political life is also important for the submission of initiatives, petitions, applications and proposals.** The Rules of Procedure of the National Assembly<sup>729</sup> prescribe that the committees of the National Assembly, as its working bodies, consider initiatives, petitions, proposals and proposals within their scope of work. Upon consideration of submitted initiatives, petitions, submissions, proposals and suggestions, the Committee informs the complainant in writing of its position, and if it submits an initiative, petition, proposal and suggestion to another authority, it informs its submitter accordingly. **Practice shows that these instruments of direct democracy are not sufficiently used.** At the local level, the

<sup>726</sup> The National Strategy for Resolving the Issues of Refugees and Internally Displaced Persons 2014-2020 is successfully being implemented.

<sup>727</sup> Strategy for Prevention and Protection against Discrimination, p. 63.

<sup>728</sup> The data from the website of the National Assembly: <http://www.parlament.gov.rs/narodna-skupstina-/narodna-skupstina-u-brojkama/narodna-skupstina-u-brojkama.1737.html>

<sup>729</sup> Official Gazette of the Republic of Serbia, no. 13/09.



number of submitted initiatives, organized referenda and citizens' choices is higher in smaller cities than in the largest centres. **The most numerous forms of direct citizen participation are civic initiatives, and they are most often focused on solving everyday problems from the immediate living environment.** However, it is necessary to establish a unified policy on the direct participation of citizens in public life at the local level, which would contribute to the development of the relationship of local self-government units with citizens and their active involvement in the decision-making process, which implies adequate information of citizens on work plans and work of local authorities.<sup>730</sup>

#### 2.7.4. Measures and programmes

The European Union Delegation to the Republic of Serbia, in cooperation with the Ministry of Labour, Employment, Veteran and Social Affairs, is implementing the project **“European Support to an Inclusive Society”**, funded by the European Union with 5.4 million euros, aimed at increasing the social inclusion of sensitive groups in the Republic Serbia such as elderly people, children, members of minorities, including Roma and Roma women, and others. Through the project, the EU allocated 4.3 million euros in the form of 28 grants that were implemented in 36 cities and municipalities in Serbia by the end of 2017. Projects implemented by republican and provincial social welfare institutions, municipalities and cities, centres for social work, associations of citizens, foundations, educational institutions and public companies increase the scope and quality of services at the local level in the field of social and health care, housing, education and employment, and thus reinforces the social inclusion of vulnerable groups.

**The Social Inclusion and Poverty Reduction Team of the Government of the Republic of Serbia carried out activities under the second phase of the project “Support to the Improvement of Social Inclusion in the Republic of Serbia” (2013-2017), funded by the Government of Switzerland through the Swiss Agency for Development and Cooperation.** The team is in charge of strengthening the capacity of government institutions to develop and implement social inclusion and poverty reduction policies based on examples of good practice in the European Union, with the involvement of civil society organizations in these processes.

Between August 2015 and June 2017, the Office for Human and Minority Rights and the Commissioner for the Protection of Equality, in cooperation with the Ludwig Boltzmann Institute for Human Rights from Austria and the Office for National Minorities of the Republic of Slovenia, implemented the project **“Support to the Promotion of Human Rights and Zero Tolerance of Discrimination”**, aimed at empowerment and the implementation of the relevant legislative framework in the

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<sup>730</sup> *Citizen participation at the local level, Analysis of the legal framework and policy in Serbia and other European countries: research of the current situation*, Standing Conference of Towns and Municipalities, 2006.

field of human rights and the protection of minorities and its promotion in accordance with European standards.<sup>731</sup> The Office for Human and Minority Rights is included in the Council of Europe regional project **“Fight against Discrimination Based on Sexual Orientation and Gender Identity”**.<sup>732</sup>

In November 2017, the Office for Human and Minority Rights and UNICEF signed a Memorandum of Understanding, which established cooperation to support the work of the Council to monitor the implementation of the recommendations of the UN human rights mechanisms through greater involvement of civil society organizations in this process. A special emphasis on future cooperation will be on the implementation of the recommendations of the Committee on the Rights of the Child.<sup>733</sup>

In the period 2014-2016, a Twinning project **“Enhancing Social Dialogue”** was conducted, funded by the European Union in the amount of almost 1.5 million euros. The goal of the project was to strengthen social dialogue and enable it to become an instrument for the Republic of Serbia to achieve economic development and improve the working conditions by closer harmonization with the international and EU standards of work.

The Office for Cooperation with Civil Society is beneficiary of the project **“Improving the mechanisms for financing the civil sector from the budget funds in the Republic of Serbia”**, which aims to develop new regulations and guidelines based on the best practices from the European Union, to support the development of the Annual Summary Report on Financing of Organizations civil society from the budget funds for 2015 and 2016, as well as the improvement of the methodology of data collection. In the framework of the project, training for institutions at the national and local level is being funded by projects of civil society organizations.<sup>734</sup>

The Ombudsman started in mid-2015, the project **“Strengthening the Ombudsman’s Capacity for Legislative Initiatives through Cooperation with Civil Society Organizations”**, whose purpose is to contribute to an improved legal framework for the protection of human rights in accordance with relevant international standards and legal acquisitions of the European Union. Within the NGO project and other CSOs that promote human rights, they are committed to monitoring legislative initiatives and submitting to the Ombudsman an analysis of draft laws and other legal and secondary legislation in pre-agreed areas. Based on expert analysis, the Ombudsman will submit opinions on draft laws, amendments to laws in the Assembly procedure and initiate other types of legislative initiatives. The project is funded by the Embassy of Great Britain in Serbia and the Swiss Agency for Development and Cooperation, and is being implemented in cooperation with

<sup>731</sup> <http://www.ljudskaprava.gov.rs/sr/node/19836>

<sup>732</sup> <http://www.ljudskaprava.gov.rs/sr/node/194>

<sup>733</sup> See information at: <https://www.unicef.org/serbia/press-releases/kancelarija-za-ljudska-i-manjinska-prava-i-unicef-zajedno-za-ostvarivanje-prava>

<sup>734</sup> The data available at: <http://civilnodrustvo.gov.rs/kancelarija/projekti/projekti.481.html>



the Human Rights House, which provides administrative and technical support in the implementation of the project.<sup>735</sup>

The development program “European PROGRES” is being implemented, for which funds are provided by the European Union and the Government of Switzerland, together with the Government of the Republic of Serbia. This programme, which relies on the results of the previous **“EU PROGRES Programme”**, supports the sustainable development of 34 local self-governments in the southeast and southwest of Serbia. Four key goals are achieved through the program: strengthening local government, improving local economy, social inclusion and raising awareness about the importance of European integration. Users are provided with financial, technical and advisory support. The programme is implemented by the United Nations Office for Project Services (UNOPS) and the Sector for Contracting and Financing the European Union Funds (CFCU) program at the Ministry of Finance.<sup>736</sup>

The project **“Improving administrative efficiency and effectiveness at the local level”**, implemented by the Standing Conference of Towns and Municipalities (SCTM) with the financial support of the German Federal Ministry for Economic Cooperation and Development, is being implemented under the GIZ project **“Support to Public Administration Reform in Serbia”**. The project aims to strengthen the capacity of local self-government units to manage resources and raise the quality of services provided to citizens and businesses, while respecting the principles of good governance. The project will be implemented in the period 2017–2019.<sup>737</sup>

In 2016, the implementation of the four-year project **“Support to local self-governments in Serbia on the path of EU accession: the improvement of the quality of services, stakeholder dialogue and local administration efficiency”** started. The aim of the project is to support and further prepare cities and municipalities in Serbia for joining the EU through improving the quality of services, strengthening dialogue between key actors and facilitating more efficient local administration, in accordance with the principles of good governance and gender equality. The project is funded by the Kingdom of Sweden and implemented by the SCTM in partnership with the Swedish Association of Local Authorities and the Region (SALAR). The programme relies on the results of a previous program financed by the Kingdom of Sweden under the title “Support to Local Self-Governments in Serbia in the EU Integration Process”.

Since 2016, the project **“Improving the efficiency of the judiciary”** financed by the EU is being implemented. Project beneficiaries are judicial authorities, and the implementation is entrusted to a consortium led by the British Council. The main goal of the project is to improve the work of judicial authorities and their ability to measure

<sup>735</sup> The data available at: <http://www.ombudsman.rs/index.php/2011-12-25-10-17-15/2013-06-04-09-12-08/2013-06-04-11-33-36/5376-25>

<sup>736</sup> <http://www.europeanprogres.org/kosmo/sr/55/O-Programu/>

<sup>737</sup> <http://www.skgo.org/projects/103>

performance through the standardization of work processes and procedures, the introduction of new and improved work methodologies, improving communication with the public, improving professional competencies and reviewing the relevant legislative framework.<sup>738</sup>

Within the project **“We are here together – European support for Roma inclusion”**, financed by the European Union, implemented by the OSCE Mission to Serbia, the implementation of the Strategy for the Advancement of the Status of Roma and Roma in the Republic of Serbia is supported. The project provided support to Roma men and Roma women to receive personal documents, become health, education and social protection beneficiaries, and have improved access to rights. With the aim of enhanced cooperation and information exchange between local institutions dealing with social inclusion of Roma and Roma women, the project supported the creation of mobile teams and the systematization of positions of health mediators. Through the support and training of the Roma Coordinator, as well as CSOs involved in Roma inclusion, the project supports their active participation in the process of developing and implementing local action plans for the social inclusion of Roma men and Roma women. In cooperation with the Roma Education Fund, the project supports the establishment and implementation of programs aimed at preventing the dropout in secondary schools throughout Serbia. Monthly scholarships for Roma students are provided, as well as mentor and peer support. In order to improve the living conditions of the Roma population, affordable housing solutions have been developed and the legalization of Roma settlements has been promoted. In order to create new opportunities for employment of Roma men and Roma women, enterprises with potential for employment of Roma men and Roma women, as well as Roma entrepreneurs, have been provided with support in the form of equipment, mentoring and training.<sup>739</sup> From late 2011 until mid-2016, the Office for Human and Minority Rights, in cooperation with the OSCE Mission to Serbia, implemented the project “Technical Assistance to the Office for Human and Minority Rights in the Implementation of the Strategy for Improvement of the Status of Roma”, financed by the Swedish International Development Agency. The project aimed at: increasing the quality of Roma inclusion policy coordination and monitoring mechanisms; enabling direct participation of Roma in policy planning, implementation and monitoring, most notably through the support to civil society organisations, and by hiring Roma inclusion counsellors and trainees in the public administration, as well as local coordinators in local governments; developing good practice policies in the field of employment and vocational training, and at improving the living conditions through infrastructure projects, by providing direct support to local governments and so on.

Within German development cooperation, with the support of the German Ministry for Economic Cooperation and Development (BMZ), several projects are implemented that enable the implementation of the National Strategy for Social

<sup>738</sup> <https://www.britishcouncil.rs/programmes/education/capacity-building/judicial-efficiency>

<sup>739</sup> Available at the website of the Office for Human and Minority Rights: <http://www.ljudskaprava.gov.rs/sh/node/19841>

Inclusion of Roma through support to employment, education, social and health care and housing. Within the project **Stimulating Youth Employment**, 1,058 young Roma men and Roma women, including 265 returnees and returnees from asylum in EU countries, attended training for active job search and vocational training, and 87 of them were employed. Regional project Social Rights for Sensitive Groups/SoRi aims to key actors to improve the conditions for ensuring equal basic social rights for vulnerable groups in selected municipalities. The target group of the project are sensitive, discriminated groups such as ethnic minorities — mostly Roma, Ashkali, Egyptians, (potential) migrants, returnees, internally displaced persons, street children, the poor and the elderly, people with disabilities, people living with HIV/AIDS, victims of trafficking, LGBT people. The project has so far included about 10,000 people, members of vulnerable groups, professionals and social care providers.

**The Migration for Development Programme (MDP)**, which, in cooperation with the Ministry of Labour, Employment, Veteran and Social Affairs, as well as the National Employment Service, is organized and run by the German Information Centre DIMAK,<sup>740</sup> within the framework of the Migrant Service Centres of the NES with the aim of informing and advising returnees and potential migrants. The programme strengthens ties to the Serbian diaspora in Germany through the funding of projects implemented by diaspora associations. Within the Programme, strategic cooperation has been established with the Commissariat for Refugees and Migration in order to provide support to returnees in the process of reintegration. In this context, a catalogue of existing services for returnees, as well as a mobile phone application, has been developed. Coordination of five NGO projects for returnees has been established, which are financed through the NGO component BMZ of the program "Return to new chances", worth over four million euros.

A bilateral project with the Swiss Confederation, titled "Support to Migration Management in Serbia, under the migration partnership 2016–2019, represents the support from the Swiss State Secretariat for Migration to the Ministry of Interior and the Commissariat for Refugees and Migration, through a contribution to the national programme of the Republic of Serbia in the field of migration, asylum and human trafficking. The project is aimed at supporting the asylum system, preventing irregular migration, return and reintegration, as well as the protection of migrants' rights.

In order to align the national legislation in the field of asylum with the EU acquis and to ensure full harmonisation with the European Union directives in this field, in 2015, as part of the "Support to the National Asylum System in the Republic of Serbia" Twinning project, in which the beneficiary institutions were the Commissariat for Refugees and Migration and the Ministry of Interior, an analysis of the legislative framework was undertaken, followed by the preparation of the Draft Law on Asylum and Temporary Protection. The final output of this project is the new Law

<sup>740</sup> DIMAK is a component of the global project "Migration for Development" (MFD) and is implemented according to the Federal Ministry of Economic Cooperation and Development (BMZ) in selected partner countries.

on Asylum and Temporary Protection,<sup>741</sup> as well as strengthened capacities for the implementation of this law.

Since 2016, the project **“Integrated Response to Violence against Women and Girls in Serbia II”** is being implemented, with financial support from the Swedish International Development Cooperation Agency. The project is implemented in cooperation with the UN agencies in Serbia, and the lead implementing partner is the Coordination Body for Gender Equality. Other implementation partners include all line ministries and the Provincial Secretariat for Social Policy, Demography and Gender Equality. The overall objective of this project is the development of the social and institutional environment that will contribute to zero tolerance and eliminate violence against women in the Republic of Serbia. Within the project, activities aimed at improving the legal and political framework, strengthening the prevention system and mechanisms for providing assistance to victims of violence, as well as facilitating access to effective protection through the establishment of a sustainable system of general and specialist services, are carried out.

The Ministry of Education, Science and Technological Development of the Republic of Serbia, in cooperation with other bodies and organizations, is successfully implementing the project **“ECEC — Early Childhood Education and Care”**, supported by the International Bank for Reconstruction and Development. The project is aimed at improving the accessibility, quality and fairness of pre-school education, especially for children from vulnerable social groups, and has three key components: improving the accessibility of preschool education, improving the quality of inclusive preschool education and supporting children and families from vulnerable social groups. Increasing spatial capacity is planned — by building new, renovating/ adapting and replacing available spatial capacities in the local community (17,000 new places for children in urban and rural areas). The quality of inclusive preschool education and education will be improved by the implementation of new basics of preschool education and education programmes and the professional development of professional staff. It is expected that all children aged up to six and a half years old have adequate income from project activities related to raising awareness in the local community about the importance of preschool education and support to families in achieving their educational function (through programs for empowering parents and guardians).<sup>742</sup>

The Ministry of Education, Science and Technological Development of the Republic of Serbia, in partnership with UNICEF and Telenor, conducts the project “Stop the Digital Violence”, as well as the project **“Capacity Building of the System for Combating Violence, Abuse and Abuse of Children via the Internet”**, together with the Pedagogical Society of Serbia and UNICEF. Within these projects a manual “Digital Violence — Prevention and Response” was printed, intended for students,

<sup>741</sup> Official Gazette of RS, No 24/18.

<sup>742</sup> The information available at: <http://www.mpgn.gov.rs/category/inkluzivno-predskolsko/>





teachers and teachers, parents, as well as everyone working to protect children and youth from violence, abuse and neglect.<sup>743</sup>

In 2017, the **National Contact Centre for Children's Safety on the Internet** began to function, so that all citizens, including children and minors, can call a security advice centre on the Internet or report threats to children's safety.<sup>744</sup>

Within the project **"Strengthening the judiciary and social protection systems in order to improve the protection of children in Serbia — a direct contract with UNICEF"**, an assessment is made of existing resources in large and small residential institutions for children, and recommendations are given on methods of their use in the process of transition from institutional care for community care. The case management system in the centres for social work is improved, with the focus on developing a family therapy plan at the risk from separation. Greater use of educational orders and a restorative approach to juvenile perpetrators is supported.

**The National Program for Palliative Care of Children in the Republic of Serbia** is being implemented,<sup>745</sup> as well as the **National Programme for the Advancement of Early Childhood Development**.<sup>746</sup>

**The Ombudsman, the Standing Conference of Towns and Municipalities and the Government of the Republic of Serbia for Social Inclusion and Poverty Reduction signed in 2016 the Agreement on Cooperation** with the aim of improving the position of persons with disabilities and other sensitive population groups in the Republic of Serbia and achieving mutual cooperation in order to determine the situation in areas of accessibility and causes that are not fully implemented by regulations that guarantee the right to access public facilities, services and services to persons with disabilities. This agreement envisages the establishment of a Commission for awarding awards to local self-government units that in the previous calendar year most contributed to the development of all forms of accessibility in their territory, and joint promotion of good practice when accessibility is concerned.

In 2016, the Ombudsman, in cooperation with the Office of the United Nations High Commissioner for Human Rights (OHCHR), implemented the project **"Improving the Protection of Refugees and Migrants in the Republic of Serbia"** funded by the Government of the Federal Republic of Germany. The aim of the project was to contribute to the improved respect for the rights of refugees and migrants in the territory of the Republic of Serbia in accordance with international standards. The project included visits to asylum centres, reception centres and cross-border crossings, printing and distribution of information leaflets to refugees and migrants,

<sup>743</sup> The manual is available at:

<http://www.mpn.gov.rs/wp-content/uploads/2015/08/priru%C4%8Dnik-interaktivni.pdf>

<sup>744</sup> <http://mtt.gov.rs/slider/nacionalni-kontakt-centar-za-bezbednost-dece-na-internetu/>

<sup>745</sup> Official Gazette of the Republic of Serbia, no. 22/16.

<sup>746</sup> *Ibid.*

a roundtable dedicated to the refugee crisis, and a regional ombudsman meeting dedicated to the implementation of the Regional Action Plan from Thessaloniki to address the refugee and migrant crisis.

In the period 2015–2017, the project “**Support to the National Asylum System in the Republic of Serbia**” was funded by the European Union and implemented by the Commissariat for Refugees and Migration and the Ministry of the Interior of the Republic of Serbia, in partnership with the Swedish Migration Agency as the majority partner and the Integration Service of the Ministry of Security and the Interior of the Kingdom of the Netherlands and the Ministry of the Interior of the Republic of Slovenia. The project aims to improve the overall asylum system, including amending the Law on Asylum, developing mechanisms for integrating protected persons, improving interviewing techniques and protecting documents issued to asylum seekers, as well as conducting an information campaign to raise the level of asylum awareness of the rights and obligations of asylum seekers in the Republic of Serbia, as well as the consequences of abuse of visa-free regime by Serbian citizens in EU member states. The project was funded by the European Union in the amount of EUR 1 million under the IPA 2013 programme.<sup>747</sup>

#### 2.7.6. Conclusions

**In the Republic of Serbia, human rights are a priority area to which great importance is attached. The legal framework of human rights in Serbia is rounded up and in line with international standards.** The Constitution proclaims that the legal system is based on the rule of law, social justice and human and minority rights, guarantees civil, political, cultural, economic and social rights to all citizens, and additionally guarantees individual and collective rights to members of national minorities. Constitutional protection of human and minority rights is ensured and an independent body — the Ombudsman, which protects the rights of citizens and exercises control of public authorities — has been established. Provisions on the prohibition of discrimination (anti-discrimination clauses) were incorporated in most of the laws adopted in the reporting period (2014–2017).

**In the past period, the capacities of the Commissioner for the Protection of Equality have been significantly strengthened,** progress has been made in the field of prevention and protection against discrimination, the implementation of ratified international treaties concerning the protection of human rights has continued. **Work on the promotion of human rights needs to continue and ensure the consistent implementation of the legal framework and international standards throughout the country.** The Republic of Serbia is one of very few countries that have established the Council for Monitoring the Implementation of the Recommendations of the UN Human Rights Mechanism, which will contribute to intersectoral cooperation, as well

<sup>747</sup> <http://www.cfcu.gov.rs/vest.php?id=327>



as the cooperation with civil society organisations, in the aspirations to continually improve the status of human rights.

**High standards in the protection of the rights and freedoms of members of national minorities are applied in Serbia.** In terms of expressing national identity, the principle of free and voluntary expression is respected, and in the identity issues of minority communities, a neutral policy and the principle of free self-identification are being implemented. The situation of Roma men and Roma women remains at an enviable level. Most of them face social exclusion and poverty, and in particular the difficult living conditions of Roma and Roma women living in substandard settlements where adequate access to water and electricity is not ensured.

**Roma women belong to one of the most vulnerable social groups in Serbia.** They often encounter obstacles in accessing the right to health care, live in poor economic and social conditions and are exposed to discrimination and exclusion, as well as the risk of domestic violence and partner relationships.

**In the area of the rights of the child, uniform standards have not yet been established because the Law on the Rights of the Child has not been adopted, but the work on the law started in 2017.** Adoption of a new National Action Plan for Children is being late, as well as reviewing the implementation and evaluation of a previously adopted plan. All forms of peer violence, including gender-based violence, are widespread in schools<sup>748</sup> despite the prevention measures being taken. Accommodation of children in institutions is strictly controlled and supervised, and there is evident trend of reduction of institutional accommodation of children and increase of alternative forms of care, in accordance with international standards.

**Although the situation of people with disabilities has improved considerably, this sensitive social group is still facing problems.** Many public buildings and areas are still inaccessible to people with disabilities, access to information and communications for people with sensory disabilities is difficult, and persons with disabilities encounter significant barriers when exercising voting rights. Persons with disabilities, especially with intellectual and psychosocial difficulties, are still at risk of being deprived of their business skills, as the institution has not yet been eliminated as a measure of protection. Particularly worrying is the poor situation of persons with mental and intellectual disabilities in the institutions of social protection of the home type, and there are sporadic cases of their isolation and accommodation in inadequate space, as well as the application of measures of users' confrontation, for which there is no legal basis. The process of de-institutionalization of children and adults is in progress, but there are difficulties in its implementation, primarily because of insufficiently and unevenly developed support services and services for the independent life of persons with disabilities and their reintegration. The position of the elderly, especially those in rural areas, is not satisfactory. The adoption of the Strategy for Improvement of

<sup>748</sup> Research of Gender-Based Violence in Schools in Serbia, Faculty of Political Sciences, UNICEF, 2015, p. 7-8.

the Position of Persons with Disabilities and of the associated Action Plan is behind schedule.

**The promotion of gender equality was one of the priority goals in the reporting period. In the reporting period, there has been an improvement in the position of women in certain areas, especially in the domain of representation of women in legislative and executive power.** In spite of positive shifts, women's decision-making remains low,<sup>749</sup> the economic situation of women remains unfavourable, and various forms of segregation and discrimination persist in the labour market.

**Domestic violence and other forms of gender-based violence are still widespread,** including the particularly worrying presence of femicide.<sup>750</sup> The ratification of the Istanbul Convention and the adoption of the Law on the Prevention Domestic Violence, in addition to the implementation of the general and special protocols, have given the greatest contribution to the improvement of the work of the institutions in the system for the prevention of and protection of victims against this form of violation of human rights. It is a fact that the Action Plan for the implementation of the National Strategy for Preventing and Combating Violence against Women in Family and in Intimate Partner Relationships<sup>751</sup> has not yet been adopted.

**In the area of protection of the rights of persons of different sexual orientation or gender identity (LGBTI), certain positive developments have taken place,** which are primarily the result of the implementation of the measures and activities foreseen in the Action Plan for Implementation of the Strategy for Prevention and Protection against Discrimination for the period 2014-2018, which refers to this sensitive group, as well as through the continuous consistent implementation of the Anti-Discrimination Law. The acts of spreading, promoting and encouraging hatred and intolerance towards LGBTI people at public gatherings have not been fully tackled, with the help of the media and the Internet, as well as through graffiti and in other ways, but they were less frequent compared to the previous period. It is necessary to continue with awareness-raising activities on the rights of the LGBTI community and the problem of their discrimination.

In the Republic of Serbia, at the beginning of 2017, 3,100 people were living with HIV. **The Republic Institute for Health Insurance covers the costs of antiretroviral therapy for all patients.**

**There are still almost all forms of trafficking in human beings,** and a large share of domestic trafficking victims trafficked within the borders of the Republic of Serbia. In the prevention and suppression of trafficking in human beings and the provision

<sup>749</sup> Evaluation of the National Action Plan for Implementation of the National Strategy for the Advancement of Women's Position and the Promotion of Gender Equality in the Republic of Serbia 2010-2015, available at: <https://www.rodnarodnopravnost.gov.rs/sr/dokumenti/strategije/evaluacija-nacionalnog-akcionog-plana-za-primenu-nacionalne-strategije-za>

<sup>750</sup> According to the data of the Women Against Violence Network (monitoring media reports), in Serbia from 2010 to 2017 at least 251 women were killed by a partner or family member.

<sup>751</sup> Official Gazette of the Republic of Serbia, no. 27/11.



of assistance to victims, good cooperation has been achieved with civil society organizations specialized in the work in this field.

**The situation of refugees and displaced persons, including persons returned under the Readmission Agreement, is gradually improving.** The number of collective centres for the accommodation of refugees and internally displaced persons has significantly decreased. The biggest challenges are still employment and housing.

**Serbia has shown strong responsibility and readiness for all migrants who have found themselves in its territory to provide food, water, accommodation, emergency medical care and safe passage to desired destination countries through the process of registering and issuing documents necessary for free movement through the territory of the Republic of Serbia.** The Ministry of Education, Science and Technological Development has issued a binding Expert Manual for the Inclusion of Refugee/Migrant Students in the Education System. From September 2017 all children who are in asylum centres and reception centres are included in formal primary education.

**The occupancy density in prisons, in 2015, was 110.1, which represents a significant improvement compared to the previous situation.** In the Republic of Serbia there is no torture as an organized and stimulated phenomenon by state authorities, but sporadic cases of physically inadequate treatment of personnel against persons deprived of liberty.

**Regarding freedom of expression, the ambient is not suitable for the full exercise of the right to freedom of expression.**<sup>752</sup> Successful measures are implemented to prevent the hate speech foreseen by the Action Plan for the implementation of the strategy for prevention and protection against discrimination, but it is still present in the public discourse and is often spread through the Internet. It is necessary to strengthen the control of media service providers and to improve the effectiveness of measures and sanctions in case of violations of laws by regulatory bodies, especially when it comes to electronic media.

**Although the availability of program content for people with hearing impaired or increased vision is increased, it is necessary to increase the share of programmes designed for sensitive groups** to meet their need for information and to respect the linguistic and vocal standards of people with hearing impairment and the use of sign language as a form of communication.

**In the digitization process, measures have been taken to make the members of vulnerable social groups realize the right to information.** The number of people who have access to the computer and the Internet is increasing. There are still significant differences between households in urban and rural areas. When it comes to the access of women and men to information and communication technologies, 72.2% of men and 63.4% of women use a computer.

<sup>752</sup> 2016 Annual Progress Report for the Republic of Serbia, European Commission, p. 21.

The Office for Cooperation with Civil Society supports the dialogue between government institutions and CSOs and the involvement of civil society in the decision-making process, as well as the exchange of views in a constructive dialogue. The process of negotiations with the EU takes place with full transparency and public participation. Citizens' associations are active and carry out numerous projects and programmes. In addition to individual action, many organizations create alliances, coalitions and networks to achieve their goals. Changes in election laws introduced quotas for less represented sex, which led to increased participation of women in legislative power. In the National Assembly, over 30% are women, and in the assemblies of local self-government units close to 34.7%. The participation of persons with disabilities in political and public life is not at a satisfactory level. There are still problems with accessibility of facilities and the possibility of access to information during political campaigns.

### 2.7.7. Lines of action

**Continuation of negotiations on the accession of the Republic of Serbia with the EU should be managed with full participation of CSOs and the general public,** and work should be intensified on the harmonization of the existing legal framework and legal practice in the field of human rights with primary and secondary sources of law and EU legal practice.

The upcoming **constitutional reform should be carried out with the full participation of the broadest public,** limiting the social debate on all important constitutional issues.

**The proactive policy of signing international conventions should be continued, taking into account commitments undertaken so far and financed,** and work should be continued on harmonizing domestic human rights law with secondary sources of EU law relating to the fight against discrimination and the prevention of racial hatred and xenophobia.

It is necessary to **amend and supplement the provisions of the Law on the Ombudsman,** as well as the **Law on the Prohibition of Discrimination,** in accordance with the European directives. The work of independent bodies should continue to support and ensure the implementation of their recommendations.

In order to improve social participation, in the coming period, **public participation should be strengthened, work on the promotion and implementation of all forms of direct democracy, and ensure adequate involvement of CSOs and the wider public in the process of drafting laws and creating public policies.**

**A more effective data collection system for monitoring the situation and improving the position of minorities and vulnerable social groups should be established.** Make sure that the data is disaggregated by gender. This is especially



important for developing preventive measures and support systems for multiple marginalized members and vulnerable groups.

**It is necessary to systematically work on improving the accessibility of facilities, public areas, information, etc. persons with disabilities and effectively implement the planned measures to improve their position.**

**Further efforts should be made to implement de-institutionalization and develop community-based assistance and support services.**

Work on the **reform of the legal framework relating to business capacity and guardianship protection should begin without delay**, in accordance with the positions of the Committee on the Rights of Persons with Disabilities of the United Nations and the Council of Europe.

**It is necessary to improve the conditions in prison facilities and social institutions of the domestic type** and to strengthen mechanisms to prevent torture.

It is necessary to urgently adopt the **Law on Gender Equality and intensify work on the implementation of measures for the promotion of gender equality** and integrate the gender perspective into all public policies. Gender disaggregated statistics maintained by the Statistical Office of the Republic of Serbia monitors and provides a large number of indicators from the surveys it conducts. Nevertheless, further improvements in the area of gender disaggregated statistics at the local level and gender budgeting are needed.

**It is necessary to permanently monitor the implementation of the new legislation in the domain of prevention of domestic violence and to regularly inform the public about it.** Further strengthening of capacities of state bodies that implement measures for prevention and protection of victims from domestic violence and other forms of gender-based violence is still needed.

**In order to promote the rights of the child, it is necessary to adopt the umbrella child rights law**, in accordance with the standards established by the Convention on the Rights of the Child, the new National Action Plan for Children and continue to work on the implementation of the child-friendly concept of children's rights. It is necessary to improve the functioning of institutions of the system in combating and protecting children from abuse and neglect.

**The position of the elderly needs to further improve and develop intergenerational solidarity.**

**It is necessary to continue work on the suppression of homophobia, promoting the rights of LGBTI people and preventing their discrimination;** it is necessary to establish a legal framework for the registration of same-sex partnerships and to regulate the effects, legal consequences and manner of their termination, in accordance with the recommendations of the Council of Europe.

**It is necessary to improve the position of trans\* persons to enable them to fully integrate gender identity in their private and professional lives,** with full respect for the right to privacy. Legal recognition of the genus should not be conditioned by surgical interventions and sterilization, which is contrary to international human rights standards and the decision of the European Court of Human Rights of 6 April 2017, which stipulates the condition of legal recognition of the genus by sterilization as a violation of human rights.<sup>753</sup>

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[https://hudoc.echr.coe.int/eng#{%22languageisocode%22:\[%22ENG%22\],%22appno%22:\[%2279885/12%22,%2252471/13%22,%2252596/13%22\],%22documentcollection-id%22:\[%22CHAMBER%22\],%22itemid%22:\[%22001-172913%22\]}](https://hudoc.echr.coe.int/eng#{%22languageisocode%22:[%22ENG%22],%22appno%22:[%2279885/12%22,%2252471/13%22,%2252596/13%22],%22documentcollection-id%22:[%22CHAMBER%22],%22itemid%22:[%22001-172913%22]})



# Annex 1 — Tables





**Table 1. Legislative activity of the National Assembly**

| Year | Number of submitted bills |                       |                     |                       |                                     |                       |                     |                       |       |
|------|---------------------------|-----------------------|---------------------|-----------------------|-------------------------------------|-----------------------|---------------------|-----------------------|-------|
|      | Government                |                       | Deputies            |                       | Committees of the National Assembly |                       | Other proponents    |                       | Total |
|      | number of proposals       | % of the total number | number of proposals | % of the total number | number of proposals                 | % of the total number | number of proposals | % of the total number |       |
| 2014 | 181                       | 80.80%                | 38                  | 16.96%                | 0                                   | 0                     | 5                   | 2.23%                 | 224   |
| 2015 | 185                       | 80.43%                | 42                  | 18.26%                | 0                                   | 0                     | 3                   | 1.30%                 | 230   |
| 2016 | 62                        | 43.66 %               | 79                  | 55.63 %               | 0                                   | 0                     | 1                   | 0.70%                 | 142   |
| 2017 | 24                        | 34.29%                | 46                  | 65.71%                | 0                                   | 0                     | 0                   | 0.00%                 | 70    |

| Year | Number of adopted bills     |                       |                      |                       |       |
|------|-----------------------------|-----------------------|----------------------|-----------------------|-------|
|      | Under emergency proceedings |                       | In regular procedure |                       | Total |
|      | no. of laws                 | % of the total number | no. of laws          | % of the total number |       |
| 2014 | 159                         | 70.98 %               | 65                   | 29.02%                | 224   |
| 2015 | N/A                         | /                     | N/A                  | /                     | 196   |
| 2016 | N/A                         | /                     | N/A                  | /                     | 87    |
| 2017 | N/A                         | /                     | N/A                  | /                     | 45    |

| Year | Number of submitted amendments |            |          |                  |       |  |
|------|--------------------------------|------------|----------|------------------|-------|--|
|      | Government                     | committees | Deputies | other applicants | Total | On average — number of amendments by law |
| 2014 | 3                              | 69         | 2634     | 11               | 2717  | 12.13                                    |
| 2015 | 33                             | 105        | 5248     | 10               | 5396  | N/A                                      |
| 2016 | N/A                            | N/A        | N/A      | N/A              | 5174  | N/A                                      |
| 2017 | N/A                            | N/A        | N/A      | N/A              | N/A   | N/A                                      |

Source: Data published on the website of the National Assembly of the Republic of Serbia  
For 2017, data until 29 September 2017.

N/A: There is no information on the website of the National Assembly

**Table 2. Number of unresolved court cases for all courts in the Republic of Serbia by years**

| Year | Unsolved cases from the previous year | New cases received during the year | Resolved during the year | Growth compared to 2014 | Other unresolved at the end of the year | Decrease compared to 2014 |
|------|---------------------------------------|------------------------------------|--------------------------|-------------------------|---|---------------------------|
| 2014 | 2,890,41                              | 1,752,185                          | 1,752,185                |                         | 2,849,360                               |                           |
| 2015 | 2,837,468                             | 2,136,483                          | 2,087,332                | 16%                     | 2,886,619                               | 1%                        |
| 2016 | 2,885,902                             | 2,111,944                          | 2,953,921                | 65%                     | 2,043,925                               | 18%                       |

Source: Annual Reports on Court Work, Supreme Court of Cassation

**Table 3. Distribution of income by deciles, share in national equivalent income (in %)**

|              | 2014 | 2015 | 2016 |
|--------------|------|------|------|
| First decile | 0.9  | 1.2  | 0.9  |
| Tenth decile | 26.8 | 27.2 | 26.8 |

Source: Eurostat database Table *Distribution of income by quantiles***Table 4. Gini coefficient of income distribution in the Republic of Serbia, APD 2006-2016**

|                  | 2006  | 2007  | 2008  | 2009  | 2010  | 2011  | 2012  | 2013  | 2014  | 2015  | 2016  |
|------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Gini coefficient | 32.91 | 31.96 | 30.17 | 29.47 | 29.96 | 29.17 | 29.76 | 31.01 | 31.55 | 30.41 | 30.16 |

Source: Special processing of the Republic Statistics Institute

**Table 5. Funds for measures of active employment policy, 2014-2017, in mil. RSD**

|   | 2014   | 2015     | 2016     | 2017     |
|---|--------|----------|----------|----------|
| Funds for implementation of active employment policy measures   |        |          |          |          |
| Allocated funds   | 600.00 | 2,800.00 | 2,800.00 | 2,800.00 |
| Spent funds   | 497.16 | 1,895.54 | 2,424.04 | 2,367.91 |
| Funds for implementation programmes and measures of professional rehabilitation and encouragement of employment of unemployed persons with disabilities * |        |          |          |          |
| Allocated funds   | 519.00 | 500.00   | 550.00   | 550.00   |
| Spent funds   | 243.20 | 323.48   | 411.04   | 476.03   |



|                                      |          |          |          |          |
|--------------------------------------|----------|----------|----------|----------|
| TOTAL ALLOCATED FUNDS                | 1,119.00 | 3,300.00 | 3,350.00 | 3,350.00 |
| Share of defined assets in GDP, in % | 0.03     | 0.08     | 0.08     | 0.08     |

\* Budget fund for professional rehabilitation and stimulating employment of persons with disabilities

Source: Ministry of Labour, Employment, Veteran and Social Affairs, National Employment Action Plan; National Employment Service, Work Report for 2017

**Table 6. Overview of the inclusion of unemployed persons in active employment policy measures, 2014–2017**

| Active employment policy measure   | 2014    | 2015    | 2016    | 2017    |
|--|---------|---------|---------|---------|
| Active job seeking measures  | 102,740 | 125,163 | 124,223 | 122,646 |
| Additional education and training  | 3,422   | 8,013   | 7,986   | 6,916   |
| Employment subsidies   | 1,167   | 6,924   | 7,325   | 7,716   |
| Public works   | 1,335   | 10,853  | 7,357   | 8,078   |
| Coverage of unemployed persons with measures of the Employment Action Plan | 108,664 | 150,953 | 146,891 | 145,356 |
| Of that, persons with disabilities   | 6,567   | 7,620   | 8,219   | 8,449   |

Source: Ministry of Labour, Employment, Veteran and Social Affairs, National Employment Action Plan

**Table 7. An overview of spent assets according to active employment policy measures, 2014–2017, in mil. RSD**

| Active employment policy measure  | 2014       | 2015         | 2016         | 2017         |
|-----------------------------------|------------|--------------|--------------|--------------|
| Active job seeking measures       | 684.19     | 1,112.84     | 1,258.37     | 1,370.75     |
| Additional education and training | 35,555.24  | 291,529.03   | 650,140.29   | 696,309.17   |
| Employment subsidies              | 117,760.00 | 1,069,618.36 | 1,144,695.92 | 1,140,418.45 |
| Public works                      | /          | 484,976.37   | 627,941.32   | 529,816.06   |
| Undertaken obligations            | 343,158.55 | 48,298.80    | /            | /            |
| Spent funds                       | 497,157.98 | 1,895,535.39 | 2,424,035.90 | 2,367,914.43 |

Source: National Employment Service, Work Report, 2014–2017.

**Table 8. A detailed overview of the inclusion of unemployed persons in active employment policy measures, 2014–2017, by sex**

| Active employment policy measure  | Included in the measure |        |         |        |         |        |         |        |
|---|-------------------------|--------|---------|--------|---------|--------|---------|--------|
|   | 2014                    |        | 2015    |        | 2016    |        | 2017*   |        |
|   | Total                   | Women  | Total   | Women  | Total   | Women  | Total   | Women  |
| Active job seeking measures   | 102,740                 | 55,548 | 125,163 | 66,766 | 124,223 | 66,161 | 122,646 | 66,657 |
| Training in active job seeking  | 38,806                  | 21,496 | 40,396  | 22,002 | 38,607  | 20,845 | 38,868  | 21,361 |
| Self-efficacy training  | 2,986                   | 2,346  | 3,057   | 2,294  | 3,290   | 2,400  | 3,091   | 2,297  |
| Workshop for overcoming stress due to job loss                              | 3,416                   | 2,225  | 1,058   | 768    | 1,112   | 798    | 1,039   | 761    |
| Job Seekers' Club   | 46,406                  | 24,428 | 3,810   | 2,439  | 3,968   | 2,488  | 3,848   | 2,499  |
| Career fairs  | 11,126                  | 5,053  | 64,813  | 33,748 | 64,586  | 33,828 | 63,331  | 34,076 |
| Training for the development of entrepreneurship                            |                         |        | 12,029  | 5,515  | 12,660  | 5,802  | 12,469  | 5,663  |
| Additional education and training   | 3,422                   | 1,817  | 8,013   | 5,013  | 7,986   | 5,025  | 6,916   | 4,337  |
| Vocational practice programme   | 49                      | 30     | 4,836   | 2,952  | 4,301   | 2,817  | 4,094   | 2,701  |
| Practical skills training   |                         |        | 67      | 41     | 156     | 68     | 648     | 368    |
| Trainings for labour market   | 1,648                   | 890    | 1,156   | 840    | 1,264   | 830    | 323     | 190    |
| Training at employer's request  | 2                       | 0      | 505     | 381    | 568     | 390    | 515     | 332    |
| Functional basic adult education  | 1,723                   | 897    | 1,449   | 799    | 1,433   | 777    | 1,336   | 746    |
| Trainees IPA 2012   |                         |        |         |        | 264     | 143    |         |        |
| Employment subsidies  | 2,279                   | 975    | 17,495  | 7,736  | 14,210  | 6,384  | 15,425  | 7,090  |
| Self-employment grants  | 850                     | 363    | 3,803   | 1,688  | 3,594   | 1,563  | 3,680   | 1,848  |
| Employment subsidies  | 94                      | 38     | 2,832   | 1,276  | 3,218   | 1,483  | 3,667   | 1,756  |
| Subsidy of part of earnings of beneficiaries of financial social assistance |                         |        | 7       | 5      | 41      | 19     | 0       | 0      |
| Public works  | 1,335                   | 574    | 10,853  | 4,767  | 7,357   | 3,319  | 8,078   | 3,486  |



|  |         |        |         |        |         |        |         |        |
|--|---------|--------|---------|--------|---------|--------|---------|--------|
| Measures for persons with disabilities                                     | 223     | 77     | 282     | 116    | 472     | 210    | 369     | 151    |
| Income subsidies for persons with disabilities without work experience     | 212     | 71     | 258     | 107    | 446     | 200    | 347     | 143    |
| Support measures for persons with disabilities                             | 11      | 6      | 24      | 9      | 26      | 10     | 22      | 8      |
| Coverage of unemployed persons with measures of the Employment Action Plan | 108,664 | 58,417 | 150,953 | 79,631 | 146,891 | 77,780 | 145,356 | 78,235 |

\* With the support of the project from the IPA 2012 program cycle, the active employment policy measures in 2017 include 8,880 unemployed persons (5,923 of whom are women).

Source: Ministry of Labour, Employment, Veteran and Social Affairs, National Employment Action Plan; National Employment Service, Work Report

**Table 9. An overview of employees after leaving the active employment policy measure, 2014-2017**

| Active employment policy measure                 | Employees after leaving the active employment policy measure |       |        |        |        |        |        |        |
|--|--|-------|--------|--------|--------|--------|--------|--------|
|  | 2014   |       | 2015   |        | 2016   |        | 2017   |        |
|  | Total  | Women | Total  | Women  | Total  | Women  | Total  | Women  |
| Active job seeking measures                      | 14,208   | 7,715 | 23,801 | 12,154 | 21,733 | 11,404 | 29,793 | 15,996 |
| Training in active job seeking                   | 5,617  | 3,110 | 6,357  | 3,398  | 6,456  | 3,441  | 8,571  | 4,610  |
| Self-efficacy training                           | 254  | 221   | 361    | 255    | 443    | 311    | 559    | 405    |
| Workshop for overcoming stress due to job loss   | 638  | 464   | 185    | 145    | 180    | 130    | 231    | 170    |
| Job Seekers' Club                                | 7,699  | 3,920 | 741    | 441    | 769    | 463    | 1,045  | 682    |
| Career fairs                                     | 0  | 0     | 12,354 | 6,227  | 12,392 | 6,329  | 14,825 | 7,930  |
| Training for the development of entrepreneurship |  |       | 3,803  | 1,688  | 1,493  | 730    | 4,562  | 2,199  |
| Additional education and training                | 90   | 36    | 313    | 235    | 797    | 446    | 1,553  | 981    |
| Vocational practice programme***                 | 0  | 0     | /      | /      | 0      | 0      | 569    | 385    |
| Practical skills training*                       |  |       | 67     | 41     | 156    | 68     | 648    | 368    |
| Trainings for labour market***                   | 90   | 36    | /      | /      | 0      | 0      | 30     | 20     |

|  |        |       |        |        |        |        |        |        |
|--|--------|-------|--------|--------|--------|--------|--------|--------|
| Training at employer's request****   | 0      | 0     | 246    | 194    | 377    | 235    | 294    | 205    |
| Functional basic adult education***  | 0      | 0     | /      | /      | 0      | 0      | 12     | 3      |
| Trainees IPA 2012*   |        |       |        |        | 264    | 143    |        |        |
| Employment subsidies   | 2,279  | 975   | 17,495 | 7,736  | 14,210 | 6,384  | 15,425 | 7,090  |
| Self-employment grants*  | 850    | 363   | 3,803  | 1,688  | 3,594  | 1,563  | 3,680  | 1,848  |
| Employment subsidies*  | 94     | 38    | 2,832  | 1,276  | 3,218  | 1,483  | 3,667  | 1,756  |
| Subsidy of part of earnings of beneficiaries of financial social assistance* |        |       | 7      | 5      | 41     | 19     | 0      | 0      |
| Public works**   | 1,335  | 574   | 10,853 | 4,767  | 7,357  | 3,319  | 8,078  | 3,486  |
| Measures for persons with disabilities                                       | 223    | 77    | 282    | 116    | 472    | 210    | 369    | 151    |
| Income subsidies for persons with disabilities without work experience*      | 212    | 71    | 258    | 107    | 446    | 200    | 347    | 143    |
| Support measures for persons with disabilities                               | 11     | 6     | 24     | 9      | 26     | 10     | 22     | 8      |
| Coverage of unemployed persons with measures of the Employment Action Plan   | 16,800 | 8,803 | 41,891 | 20,241 | 37,212 | 18,444 | 47,140 | 24,218 |

\* Measure implies the obligation to establish a working relationship.

\*\* Those engaged on temporary-occasional jobs during the duration of public work.

\*\*\* It is not possible to display the number of participants after the inclusion because the measures are in progress.

\*\*\*\* Measure implies the obligation to start a working relationship after the completion of the training.

Source: Ministry of Labour, Employment, Veteran and Social Affairs, National Employment Action Plan; National Employment Service, Work Report

Note: The effects of employment measures are observed six months after the measure for the unemployed person expired, so these effects on employment are not complete, given that some measures were in progress at the time the report was drafted, or the persons just completed the measure.



**Table 10. Share of the number of beneficiaries of financial social assistance in the total number of vulnerable, 2013-2016**

|                | 2013 | 2014 | 2015 | 2016 |
|----------------|------|------|------|------|
| IMD            | 9.1  | 10.7 | 10.9 | 11.8 |
| Poverty risk   | 10.1 | 11.0 | 10.2 | 9.4  |
| First quintile | 11.4 | 12.3 | 11.1 | 10.5 |

Source: Special processing of Republic Statistics Institute (SILC 2016)

**Table 11. Share of NSP funds allocated to users from a certain quintile (income) in total NSP expenditures**

|      | 1    | 2    | 3   | 4   | 5   |
|------|------|------|-----|-----|-----|
| 2013 | 73.4 | 18.6 | 6.4 | 0.0 | 1.6 |
| 2014 | 60.0 | 22.1 | 9.3 | 8.5 | 0.1 |
| 2015 | 56.4 | 32.2 | 7.1 | 3.5 | 0.7 |
| 2016 | 58.2 | 28.7 | 8.3 | 1.7 | 3.2 |

Source: Special processing of Republic Statistics Institute (SILC 2016)

**Table 12. Share of children (0-17) of DD beneficiary in the total number of vulnerable children (0-17), 2013-2016**

|              | 2013 | 2014 | 2015 | 2016 |
|--------------|------|------|------|------|
| IMD          | 40.4 | 49.4 | 47.3 | 53.1 |
| Poverty risk | 45.3 | 47.7 | 46.5 | 44.8 |

Source: Republic Statistics Institute

**Table 13. Share of DD funds allocated to users from a certain quintile (income) in total DD expenditures**

|      | 1    | 2    | 3    | 4   | 5   |
|------|------|------|------|-----|-----|
| 2013 | 45.8 | 30.7 | 15.4 | 5.6 | 2.4 |
| 2014 | 38.7 | 34.3 | 17.4 | 6.8 | 2.8 |
| 2015 | 38.7 | 33.1 | 18.4 | 6.7 | 3.1 |
| 2016 | 37.3 | 33.8 | 18.7 | 6.1 | 4.1 |

Source: Republic Statistics Institute



**Table 14. Reasons for unsatisfied needs for doctor services in Serbia according to SILC data**

| Reasons why the respondents did not visit the doctor    | 2013  | 2014 | 2015 |
|---|-------|------|------|
| He could not afford the service, too expensive          | 5.7%  | 5.6% | 3.8% |
| Too far, there is no adequate transportation            | 2.0%  | 2.5% | 0.5% |
| There is a waiting list                                 | 0.9%  | 0.6% | 2.0% |
| He could not find time for work or child care           | 3.2%  | 2.2% | 1.7% |
| Fear from doctors/hospital/investigation/treatment      | 1.0%  | 0.9% | 0.8% |
| He wanted to wait to see if the situation would improve | 4.0 % | 2.9% | 3.5% |
| He did not know for any good doctor or specialist       | 0.2%  | 0.2% | 0.2% |
| For other reasons                                       | 2.5%  | -    | 2.0% |

Source: For 2013 and 2014: Popović N., Terzić-Šupić Z., Simić S., *Unsatisfied needs for health protection of the inhabitants of the Republic of Serbia*, Secondary analysis of data obtained from the Survey on Income and Living Conditions, Belgrade, 2016.

For 2015: Eurostat — EU SILC database

**Table 15. Frequency of financial reasons for unsatisfied needs for services of doctors by gender, age and income in Serbia according to data from SILC research in 2016**

| Modalities of features   | Republic of Serbia |
|--------------------------|--------------------|
| Gender                   |                    |
| Male gender              | 20.7 %             |
| Female gender            | 29.3%              |
| Age                      |                    |
| 16–64                    | 24.7%              |
| 18–44                    | 18.8%              |
| 45–64                    | 28.7%              |
| 55–64                    | 27.6%              |
| 65 +                     | 26.2%              |
| 75 +                     | 28.4%              |
| Quintiles income         |                    |
| I (the poorest) quintile | 44.6 %             |
| II quintile              | 30.0%              |
| III quintile             | 21.6 %             |
| IV quintile              | 9.5%               |
| V (richest) quintile     | 4.8 %              |

Source: Republic Statistics Institute



**Table 16. Reasons for unsatisfied needs for dental services in Serbia according to SILC data**

| Reasons why the respondents did not visit the doctor    | 2014 | 2015 | 2016 |
|---|------|------|------|
| He could not afford the service, too expensive          | 9.3% | 8.1% | 8.1% |
| Too far, there is no adequate transportation            | 0.2% | 0.3% | 0.5% |
| There is a waiting list                                 | 0.4% | 0.3% | 0.4% |
| He could not find time for work or child care           | 1.2% | 0.9% | 1.2% |
| Fear from doctors/hospital/investigation/treatment      | 2.1% | 2.0% | 1.9% |
| He wanted to wait to see if the situation would improve | 0.7% | 0.8% | 0.7% |
| He did not know for any good doctor or specialist       | -    | 0.1% | -    |
| For other reasons                                       | 2.2% | 1.6% | 2.0% |

Source: Eurostat — EU SILC database

**Table 17. Life expectancy at birth, at the age of 45 and 65 in Serbia and in the EU-28**

| Life expectancy | 2010  | 2011  | 2012  | 2013  | 2014  |
|-----------------|-------|-------|-------|-------|-------|
| Serbia          |       |       |       |       |       |
| At birth        | 74.39 | 74.65 | 74.94 | 75.31 | 75.42 |
| 45 years        | 31.26 | 31.48 | 31.71 | 32.05 | 32.11 |
| 65 years        | 15.19 | 15.26 | 15.44 | 15.77 | 15.84 |
| EU-28           |       |       |       |       |       |
| At birth        | 80.16 | 80.47 | 80.51 | 80.67 | 80.87 |
| 45 years        | 36.66 | 36.94 | 36.91 | 37.04 | 37.22 |
| 65 years        | 19.55 | 19.80 | 19.70 | 19.80 | 19.95 |

Source: WHO – Health for All Database – HFA

**Table 18. Self-imposed limitations in daily activities due to health problems in Serbia and EU-28 according to data from SILC research, 2015**

| Modalities of features | Republic of Serbia | EU-28 |
|------------------------|--------------------|-------|
| Weight of limitation   |                    |       |
| Average                | 12.2%              | 17.2% |
| With difficulty        | 5.1%               | 8.0%  |
| Total                  | 17.3%              | 25.2% |
| Gender                 |                    |       |
| Male gender            | 15.6%              | 29.9% |
| Female gender          | 19.0 %             | 27.4% |
| Age                    |                    |       |
| 16–64                  | 10.8%              | 17.8% |
| 18–44                  | 4.9 %              | 11.0% |

|                          |        |        |
|--------------------------|--------|--------|
| 45–64                    | 13.2%  | 21.7%  |
| 55–64                    | 22.7 % | 32.4%  |
| 65 +                     | 39.9 % | 50.0%  |
| 75 +                     | 50.6 % | 60.6%  |
| Quintiles income         |        |        |
| I (the poorest) quintile | 20.1%  | 31.2%  |
| II quintile              | 21.8%  | 30.6%  |
| III quintile             | 18.1%  | 26.4%  |
| IV quintile              | 15.4%  | 21.1 % |
| V (richest) quintile     | 11.3%  | 16.9%  |

Source: Eurostat — EU SILC database

**Table 19. Frequency of poor and very bad self-assessment of health status in Serbia and EU-28 according to data from SILC research, 2016**

| Modalities of features           | Republic of Serbia | EU-28 |
|----------------------------------|--------------------|-------|
| Self-diagnosed medical condition |                    |       |
| Poor                             | 14.7%              | 7.2 % |
| Very poor                        | 3.2%               | 1.7%  |
| Gender                           |                    |       |
| Male gender                      | 15.1%              | 7.7 % |
| Female gender                    | 20.5 %             | 9.9%  |
| Age                              |                    |       |
| 16–64                            | 10.0%              | 5.7%  |
| 18–44                            | 2.8%               | 2.7%  |
| 45–64                            | 19.2%              | 9.5%  |
| 55–64                            | 24.6%              | 11.7% |
| 65 +                             | 45.4%              | 19.4% |
| 75 +                             | 57.5 %             | 25.8% |
| Quintiles income                 |                    |       |
| I (the poorest) quintile         | 22.1 %             | 13.2% |
| II quintile                      | 22.3 %             | 11.3% |
| III quintile                     | 20.2 %             | 9.2%  |
| IV quintile                      | 14.6%              | 6.4 % |
| V (richest) quintile             | 10.4%              | 4.6 % |

Source: Eurostat — EU SILC database and the Republic Statistics Office



**Table 20. Infant mortality rate by gender in the Republic of Serbia**

| Infant mortality rate | 2012 | 2013 | 2014 | 2015 |
|-----------------------|------|------|------|------|
| Both genders          | 6.17 | 6.30 | 5.73 | 5.27 |
| Male gender           | 6.37 | 7.30 | 6.64 | 5.32 |
| Female gender         | 5.96 | 5.24 | 4.76 | 5.21 |

Source: Republic Statistics Institute

**Table 21. Coverage of children by vaccination at birth, in the first and second year of life in the Republic of Serbia**

| Type of vaccine                               | 2013  | 2014  | 2015  |
|---|-------|-------|-------|
| At birth — against tuberculosis               | 97.4% | 97.6% | 98.3% |
| In the first year:                            |       |       |       |
| Against diphtheria, tetanus, pertussis (DTaP) | 96.9% | 95.0% | 95.0% |
| Against Childhood Paralysis (IPV)             | 97.4% | 95.1% | 94.9% |
| Against hepatitis B                           | 93.4% | 93.9% | 91.5% |
| Against Haemophilus influenza type b          | 94.7% | 95.2% | 94.1% |
| In the second year:                           |       |       |       |
| Against morbiles, mumps, rubella (MMR)        | 92.6% | 85.8% | 84.0% |
| DtaP — revaccination                          | 93.1% | 90.3% | 88.7% |
| IPV — revaccination                           | 92.9% | 90.6% | 83.8% |

Source: Institute of Public Health of Serbia "Dr. Milan Jovanovic Batut", *Health-statistical yearbook in the Republic of Serbia — 2015*, Belgrade, 2016.

**Table 22. Standardized mortality rates (per 100,000 inhabitants) from colon cancer, cervix and breast cancer in Serbia and the EU-28**

| Type of disease | 2011   |       | 2012   |       | 2013   |       | 2014   |       |
|-----------------|--------|-------|--------|-------|--------|-------|--------|-------|
|                 | Serbia | EU-28 | Serbia | EU-28 | Serbia | EU-28 | Serbia | EU-28 |
| Colon cancer:   |        |       |        |       |        |       |        |       |
| Male gender     | 50.94  | 42.38 | 54.22  | 42.39 | 56.27  | 41.62 | 51.59  | 40.73 |
| Female gender   | 27.44  | 24.70 | 28.56  | 24.44 | 26.63  | 23.94 | 26.77  | 23.25 |
| Cervical cancer | 11.81  | 4.15  | 11.82  | 4.09  | 11.73  | 4.03  | 10.44  | 3.90  |
| Breast cancer   | 42.82  | 33.65 | 42.84  | 33.36 | 42.40  | 33.19 | 41.91  | 32.59 |

Source: Eurostat

**Table 23. Health consumption indicators in Serbia and EU-28**

| Indicators of health care consumption   | 2012   |       | 2013   |       | 2014   |       |
|---|--------|-------|--------|-------|--------|-------|
|   | Serbia | EU-28 | Serbia | EU-28 | Serbia | EU-28 |
| Total health care costs as % of the GDP   | 9.9%   | 9.5%  | 10.1%  | 9.5%  | 10.4%  | 9.4%  |
| Total cost per capita health care per capita (in int \$, PPP)   | 1,266  | 3,385 | 1,317  | 3,419 | 1,312  | 3,509 |
| "Payment from the pocket" of households for health care costs as % of the total costs for health care | 37.1 % | 16.5% | 37.1 % | 16.5% | 36.6%  | 16,7% |
| Total drug costs as % of total cost for health protection   | 31.0%  | -     | 31.1%  | -     | 32.5%  | -     |
| State drug costs expressed as % of total drug costs   | 44%    | -     | 45%    | -     | 43.7 % | -     |

Source: WHO – Health for All Database – HFA

**Table 24. Indicators of the use (efficiency of work) of hospitals in Serbia**

| Indicators of the use (efficiency) of work       | 2013   | 2014  | 2015  | 2016    |
|--|--------|-------|-------|---------|
| Hospitalization rate (per 1,000 inhabitants)     | 158.2  | 158.4 | 159.7 | 191.9   |
| Hospitalization day rate (per 1,000 inhabitants) | 1,389  | 1,370 | 1,361 | 1,464.5 |
| Average daily bed occupancy (%)                  | 69.7 % | 68.1% | 66.5% | 67.8%   |
| Average length of stay (in days)                 | 8.8    | 8.7   | 8.5   | 7.6     |

Source: Institute of Public Health of Serbia "Dr. Milan Jovanović Batut", *Analysis of the work of stationary health institutions and use of hospital health care in the Republic of Serbia in 2016*.



**Table 25. Coverage of the population of Serbia with health care workers**

| Indicators of coverage with health care staff  | 2013 | 2014 | 2015 | 2016 |
|--|------|------|------|------|
| Number of doctors per 100,000 inhabitants      | 294  | 289  | 288  | 284  |
| Number of dentists per 100,000 inhabitants     | 29   | 28   | 27   | 24   |
| Number of pharmacists per 100,000 inhabitants  | 31   | 31   | 30   | 28   |
| Nurses and technicians per 100,000 inhabitants | 529  | 551  | 522  | 474  |

Source: Institute of Public Health of Serbia "Dr. Milan Jovanovic Batut", *Health-statistical yearbook in the Republic of Serbia* — 2015, Belgrade, 2016.

**Table 26. Coverage of the population of Serbia and EU — 28 healthcare workers**

| Indicators of coverage with health care staff | 2013   |       | 2014   |       |
|---|--------|-------|--------|-------|
|   | Serbia | EU-28 | Serbia | EU-28 |
| Number of doctors per 100,000 inhabitants     | 310    | 346   | 307    | 349   |
| General practitioner per 100,000 inhabitants  | 71     | 79    | 71     | 80    |
| Number of dentists per 100,000 inhabitants    | 33     | 68    | 32     | 68    |
| Number of pharmacists per 100,000 inhabitants | 33     | 83    | 33     | 85    |
| Number of nurses per 100,000 inhabitants      | 634    | 856   | 629    | 864   |

Source: WHO – *Health for All Database – HFA*

## Annex 2 — Overview of indicators for monitoring progress in achieving goals of social protection and social inclusion in the field of health care and long-term care and treatment



## **An overview of indicators for monitoring progress in achieving goals of social protection and social inclusion in the field of health care and long-term care and treatment<sup>754</sup>**

**First group: Indicators relating to the accessibility of health care, including inequities in accessibility and inequalities in health outcomes**

### **Primary indicators:**

- Unsatisfactory needs for doctors' services (by gender, age groups: 18-44, 18-64, 45-54, 55-64, 65 + and 75 +, and quintiles of equivalent available income);
- Unsatisfactory needs for dental services (by gender, age groups: 18-44, 18-64, 45-54, 55-64, 65 + and 75 +, and quintiles of equivalent available income);
- The proportion of the population covered by compulsory health insurance;
- Life expectancy — by gender, age (at birth, at age 45, and age 65);
- Life expectancy according to socio-economic status — by gender, if possible.
- Healthy years of life — by gender, age (at birth, at age 45, and age 65);
- Healthy years of living according to socio-economic status — by gender, if possible.

### **Secondary indicators:**

- Self-imposed limitations in daily activities — by gender, age groups: 18-44, 18-64, 45-54, 55-64, 65 + and 75 +, and quintiles of equivalent available income);
- Self-assessed general health status — by gender, age groups: 18-44, 18-64, 45-54, 55-64, 65 + and 75 +, and quintiles of equivalent available income);
- Infant mortality — by gender;
- Infant mortality by socioeconomic status.

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<sup>754</sup> Social Protection Committee, Indicators Sub-group. Portfolio of EU Social Indicators for the Monitoring of Progress Towards the EU Objectives for Social Protection and Social Inclusion – 2015 Update, European Union, 2015.



## **Second group Indicators related to the quality of health care, its effectiveness (effectiveness), safety and patient orientation**

### **Primary indicators:**

- Coverage of children with vaccination;
- Coverage of women aged 20-69 years by screening for cervical cancer in the past three years;
- Rates of five-year survival from cervical cancer;
- Rates of five-year survival from colon cancer by gender.

### **Secondary indicators:**

- Coverage of those older than 65 years of age by the influenza vaccine;
- Coverage of women aged 50-69 years old by breast cancer screening;
- Rates of five-year survival from breast cancer;
- Perinatal mortality rate.

## **Third group: Indicators relating to the long-term sustainability of the health system, including its costs and efficiency**

### **Primary indicators:**

- Total cost per capita health care per capita
- Total health care costs as a percentage of gross domestic product;
- Total expenditures for long-term care and treatment as a percentage of gross domestic product;
- Projections of public expenditures for health care as a percentage of gross domestic product;
- Projections of public expenditures for long-term care and treatment as a percentage of gross domestic product;
- Hospitalization case rate (per 1,000 inhabitants);
- Hospitalization day rate (per 1,000 inhabitants);
- Obesity — percentage of obese people by sex, age groups: 18-44, 18-64, 45-54, 55-64, 65 + and 75+, and quintiles of equivalent disposable income.



## **Secondary indicators**

- Sale of generic drugs;
- The average daily occupancy rate of hospitals for the treatment of acute illnesses and conditions;
- Average length of stay;
- Frequency of smoking in the age of 15;
- The use of alcohol as the number of litres of alcohol per person per year.

## **Context indicators**

- Coverage of the population with doctors;
- Coverage of the population with nurses, technicians and midwives;
- Total consumption for the main types of activities or functions of health care (services, treatment and rehabilitation, prevention and public health as a percentage of total spending on health care).

## Annex 3 — List of laws relevant to the process of social inclusion and poverty reduction





| List of adopted laws relevant for the process of social inclusion in the period 2014 — 2017  | Published   |
|--|---|
| Labour Law   | Official Gazette of the Republic of Serbia, nos. 24/05, 61/05, 54/09, 32/13, 75/14 and 13/17                                |
| Law on Health Care   | Official Gazette of the Republic of Serbia, nos. 88/10, 99/10, 57/11, 119/12, 45/13 – amending law, 93/14, 96/15 and 106/15 |
| Law on Temporary Regulation of the Basis for Calculation and Payment of Wages and Salaries and Other Fixed Income with Beneficiaries of Public Funds | Official Gazette of the Republic of Serbia, no. 116/14  |
| Law on Amendments to the Law on the Financing of Local Self-government Units   | Official Gazette of the Republic of Serbia, no. 83/16   |
| Law on Administrative Procedure  | Official Gazette of the Republic of Serbia, no. 18/16   |
| Law on Mediation in Resolution of Disputes   | Official Gazette of the Republic of Serbia, no. 55/14   |
| Law on Enforcement and Security  | Official Gazette of the Republic of Serbia, nos. 106/15, 106/16 — authentic interpretation                                  |
| Law on Public Attorney's Office  | Official Gazette of the Republic of Serbia, no. 55/14   |
| Law on Enforcement of Non-institutional Sanctions and Measures   | Official Gazette of the Republic of Serbia, no. 55/14   |
| Law on Enforcement of Criminal Sanctions   | Official Gazette of the Republic of Serbia, no. 55/14   |
| Law on Financing Political Activities  | Official Gazette of the Republic of Serbia, nos. 43/11 and 123/14   |
| Law on Employees in Autonomous Provinces and Local Self-Government Units   | Official Gazette of the Republic of Serbia, nos. 21/16 and 113/17   |
| Law on Financial Support to Families with Children   | Official Gazette of the Republic of Serbia, nos. 113/17 and 50/18   |
| Law on Amendments to the Law on the Budget System  | Official Gazette of the Republic of Serbia, no. 113/17  |
| Law on Population Protection against Infectious Diseases   | Official Gazette of the Republic of Serbia, no. 15/16   |
| Law on Employment of Persons with Disabilities   | Official Gazette of the Republic of Serbia, no. 128/14  |
| Law on Amendments to the Law on Citizen Income Tax   | Official Gazette of the Republic of Serbia, no. 113/14  |
| Law on the Fundamentals of the Education System  | Official Gazette of the Republic of Serbia, no. 88/17   |
| Law on Amendments and Supplements to the Law on Primary School Education   | Official Gazette of the Republic of Serbia, no. 101/17  |

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| Law on Higher Education   | Official Gazette of the Republic of Serbia, no. 88/17                     |
| Law on Amendments and Supplements to the Law on Civil Servants  | Official Gazette of the Republic of Serbia, no. 94/17                     |
| Law on Amendments and Supplements to the Law on Secondary Education   | Official Gazette of the Republic of Serbia, no. 101/17                    |
| Law on Dual Education   | Official Gazette of the Republic of Serbia, no. 101/17                    |
| Law on Amendments and Supplements to the Law on Primary School Education                                    | Official Gazette of the Republic of Serbia, no. 101/17                    |
| Law on Amendments and Supplements to the Law on Secondary Education   | Official Gazette of the Republic of Serbia, no. 101/17                    |
| Law on Amendments and Supplements to the Law on Preschool Education   | Official Gazette of the Republic of Serbia, no. 101/17                    |
| Law on Textbooks  | Official Gazette of the Republic of Serbia, no. 68/15                     |
| Law on the Use of Sign Language   | Official Gazette of the Republic of Serbia, no. 38/15                     |
| Law on movement by means of a guide dog   | Official Gazette of the Republic of Serbia, no. 29/15                     |
| Law on Prevention of Domestic Violence  | Official Gazette of the Republic of Serbia, no. 94/16                     |
| Law on Health Documentation and Records in the field of Health Protection.                                  | Official Gazette of the Republic of Serbia, nos 123/14, 106/15 and 105/17 |
| Law on the Prevention and Diagnostics of Genetic Diseases, Genetically Disabled Anomalies and Rare Diseases | Official Gazette of the Republic of Serbia, no. 8/15                      |
| Law on Population Protection against Infectious Diseases  | Official Gazette of the Republic of Serbia, no. 15/16                     |
| Law on Public Health  | Official Gazette of the Republic of Serbia, no. 15/16                     |
| Law on Biomedical Fertility   | Official Gazette of the Republic of Serbia, no. 40/17                     |
| Law on Transfusion Medicine   | Official Gazette of the Republic of Serbia, no. 40/17                     |
| Law on Amendments to the Law on Health Care   | Official Gazette of the Republic of Serbia, no. 93/14                     |
| Law on Medical Devices  | Official Gazette of the Republic of Serbia, no. 105/17                    |
| Law on Inspection Surveillance  | Official Gazette of the Republic of Serbia, no. 36/15                     |
| Law on the Method of Determining the Maximum Number of Employees in the Public Sector                       | Official Gazette of the Republic of Serbia, no. 68/15                     |
| Law on Housing and Maintenance of Buildings   | Official Gazette of the Republic of Serbia, no. 104/16                    |



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| Law on Advertising   | Official Gazette of the Republic of Serbia, no. 6/16   |
| Law on Police  | Official Gazette of the Republic of Serbia, no. 6/16   |
| Law on Sports  | Official Gazette of the Republic of Serbia, no. 10/16.   |
| Law on Amendments to the Criminal Code   | Official Gazette of the Republic of Serbia, no. 94/16  |
| Law on Amendments and Supplements to the Law on Confiscation of Property arising from the criminal act   | Official Gazette of the Republic of Serbia, no. 94/16  |
| Law on Public Gathering  | Official Gazette of the Republic of Serbia, no. 6/16   |
| Law on Amendments and Supplements to the Law on Culture  | Official Gazette of the Republic of Serbia, no. 13/16  |
| Law on Cooperatives  | Official Gazette of the Republic of Serbia, no. 112/15   |
| Law on the Protection of the Right to a Trial within a Reasonable Term   | Official Gazette of the Republic of Serbia, no. 40/15  |
| Law on Amendments and Supplements to the Law on Prevention of Discrimination against Persons with Disabilities   | Official Gazette of the Republic of Serbia, no. 13/16  |
| Law on Commercial Shipbuilding   | Official Gazette of the Republic of Serbia, no. 96/15  |
| Law on Electronic Document, Electronic Identification and Trusted Services in Electronic Commerce  | Official Gazette of the Republic of Serbia, no. 94/17  |
| Law on Provisional Regulation of the Payment of Pensions   | Official Gazette of the Republic of Serbia, nos. 116/14 and 99/16  |
| Law on the Budget System   | Official Gazette of the Republic of Serbia, nos. 54/09, 73/10, 101/10, 101/11, 93/12, 62/13, 63/13<br>— corr., 108/13, 142/14, 68/15<br>— amending law, 103/15, 99/16 and 113/17 |
| Law on the Prevention and Diagnostics of Genetic Diseases, Genetically Disabled Anomalies and Rare Diseases  | Official Gazette of the Republic of Serbia, no. 8/15   |
| Law on Ratification of the Protocol no. 15 to the Convention for the Protection of Human Rights and Fundamental Freedoms.  | Official Gazette of the Republic of Serbia — international treaties, no. 10/15   |
| Law on Ratification of the Agreement between the Government of the Republic of Serbia and the other members of the Initiative for Reform of Education in South East Europe | Official Gazette of the Republic of Serbia — international treaties, no. 2/17  |

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| Law on Ratification of the Agreement on the Establishment of the Regional Office for Youth Cooperation | Official Gazette of the Republic of Serbia — international treaties, no. 4/17  |
| Law on Personal Income Tax   | Official Gazette of the Republic of Serbia, Nos 24/01, 80/02, 80/02 – amended by another law, 135/04, 62/06, 65/06 – Corrigendum, 31/09, 44/09, 18/10, 50/11, 91/11 – Constitutional Court decision, 93/12, 114/12 – Constitutional Court decision, 47/13, 48/13 – Corrigendum, 108/13, 57/14, 68/14 – amended by another law, 112/15 and 113/17 |
| Law on the Contributions for Statutory Social Insurance  | Official Gazette of the Republic of Serbia, Nos 84/04, 61/05, 62/06, 5/09, 52/11, 101/11, 47/13, 108/13, 57/14, 68/14 – amended by another law, 112/15 and 113/17  |

Annex 4 – National IPA  
projects for the Republic  
of Serbia related to social  
inclusion in the period  
2014–2017







| Project title  | Year | Beneficiary  | Budget (EUR) |
|--|------|--|--------------|
| Sector: Justice  |      |  |              |
| Capacity Strengthening of the Administration for the Enforcement of Penal Sanctions in the Field of Alternative Sanctions and Post-Penal Protection                            | 2015 | Ministry of Justice – Administration for the Enforcement of Penal Sanctions  | 1,850,000    |
| Sector: Home affairs   |      |  |              |
| Expansion of the Existing Capacities for Accommodation of Asylum Seekers   | 2014 | Commissariat for Refugees and Migration  | 3,240,000    |
| Improving the Living Conditions of Internally Displaced Persons and Returnees under the Readmission Process in Serbia and Support to Sustainable Return to Kosovo and Metohija | 2014 | Office for Kosovo and Metohija and the Commissariat for Refugees and Migration                                     | 6,400,000    |
| Legal Aid Necessary for Ensuring the Protection and Exercise of the Rights of Internally Displaced Persons, Refugees and Returnees   | 2016 | Office for Kosovo and Metohija   | 3,000,000    |
| Sector: Human resource and social development  |      |  |              |
| Towards Lifelong Learning  | 2014 | Ministry of Education, Science and Technological Development, Ministry of Youth and Sports                         | 5,750,000    |
| Youth Employability and Active Inclusion   | 2014 | Ministry of Labour, Employment, Veteran and Social Affairs, Ministry of Construction, Transport and Infrastructure | 10,600,000   |
| Education Quality Improvement through the Reform of School-Leaving Examinations in Secondary Vocational Schools and Graduation Examinations in Grammar Schools                 | 2015 | Ministry of Education, Science and Technological Development   | 4,000,000    |
| Sector Reform Contract for Education Reform in Serbia – Strengthening Links with Employment and Social Inclusion   | 2016 | Ministry of Education, Science and Technological Development   | 27,000,000   |

|   |      |  |            |
|---|------|--|------------|
| Key Steps towards Gender Equality   | 2016 | Coordination Body for Gender Equality, Ministry of European Integration  | 4,000,000  |
| EU Support to Roma Inclusion – Strengthening Local Communities towards Roma Inclusion | 2016 | Ministry of Labour, Employment, Veteran and Social Affairs   | 4,000,000  |
| Improving the Accessibility of Public Buildings for Persons with Disabilities         | 2016 | Ministry of Construction, Transport and Infrastructure   | 7,500,000  |
| Social Housing and Active Inclusion   | 2018 | Ministry of Construction, Transport and Infrastructure, Ministry of Labour, Employment, Veteran and Social Affairs | 20,000,000 |

Source: Ministry of European Integration

## Annex 5 – Glossary of Social Inclusion





## **Absolute Deprivation**

Lack of opportunities or capacities for individuals, households or social groups to access certain resources, institutions or to become involved with the basic processes of their society.

## **Active Population**

An economically active population, whether employed, or seeking employment in the labour market. It represents the available workforce.

## **Absolute Poverty**

The level of income or spending of families and individuals below the defined minimum of living requirements, such as food, clothes, footwear, housing, heating etc. The basic living requirements include accurately specified amounts and structure of consumption for these requirements.

## **Activity Rate**

The share of the active population (employed and unemployed) in the total working age population.

## **Dimensions of Exclusion**

These are specific forms of exclusion, or areas wherefrom individuals and groups are excluded, such as income distribution, financial markets, labour markets, goods and services markets, the systems of education, healthcare and social security, social networks, local or wider social communities, culture etc.

## **Discrimination**

Unequal treatment of individuals or social groups based solely on their affiliation to a certain category defined according to any socio-demographic feature (race, sex, age, political orientation, religion, ethnicity etc.).

## **Economic Exclusion**

Exclusion from the labour market, in the form of unemployment or inactivity, or exclusion from the distribution of economic resources, when it takes the form of poverty.

## **Economic Inequalities**

Inequalities of income or other economic resources among individuals, households or groups within a population.

### **Extreme Poverty**

Poverty that poses a threat to the basic physical survival. According to the World Bank methodology, it is defined as income amounts below 1.25 USD (PPP) per day.

### **Equivalent Adult**

The consumption of a household member, with calculated differences in the consumption levels of adults and children and the attributed shared consumption of the household.

### **Inactivity Rate**

The share of the inactive population in the total working age population.

### **Indicator**

Indicator of the qualities of a phenomenon, whose aim is to accurately, unambiguously and reliably show the nature of the phenomenon with regard to a specific aspect.

### **Living Standard**

Living standard represents the degree of satisfaction of certain needs or living conditions, such as income, housing, clothing, nutrition and the like, whereas lifestyle refers to the way people fulfil their needs.

### **Leaken Indicators**

Instrument for the standardized measurement of social inclusion at the EU level. The basic set of common Leaken indicators is open for re-examination and improvement, while the data on social inclusion are collected using the SILC survey (Statistics on Income and Living Conditions), standardized for all EU Member States.

### **Material Deprivation**

Material deprivation relates to the actual position that an individual has attained (the possibility of securing goods and services considered necessary for a quality life). An individual is materially deprived if he/she cannot afford at least three out of nine listed items, severely materially deprived if he/she cannot afford at least four items and extremely materially deprived if he/she cannot afford five or more items.



## **Median Income**

Income located precisely at the mid-point of the distribution of all incomes in a society, where half the society earns more than that amount, while the other half earns less.

## **Open Method of Coordination**

This is a voluntary process of political cooperation based on the agreed joint objectives and indicators that enable the measurement of the progress in achieving the set goals. It involves a joint process of planning, monitoring, comparing and adjusting national policies towards the common goals of the EU Member States.

## **Purchasing Power Parity**

Purchasing power parity is the principle wherein the rate of nominal depreciation is equal to the difference between the domestic and foreign inflation; a more stringent (and less likely) version of absolute PPP leads to the total equalization of prices in all countries, when expressed in a common currency.

## **Political Exclusion**

Exclusion from the process of selecting representatives for political decision-making in a community, exclusion from political decision-making and the inability to influence political decisions in any way (directly through participation in decision-making bodies, or indirectly through elections).

## **Prejudices**

Unfounded beliefs and attitudes causing individuals or groups to be valued positively or negatively, most often based on stereotypes.

## **Relative Deprivation**

Reduced chances for individuals, households or social groups (as compared to others in the same society) of being included in good-quality services, resources, or development processes of their society.

## **Relative Poverty**

The minimum acceptable living standard in a society. Not expressed through an absolute financial amount (unlike absolute poverty), but rather as a percentage of the median income or median consumption.

### **Social Cohesion**

Social cohesion represents the capacity of a society to ensure the welfare of all its members, to minimise inequalities and avoid divisions. Its aim is balanced development, the reduction of structural disparities among regions and the promotion of equal opportunities for all.

### **Social Exclusion**

The state of individuals or groups who are excluded from the economic, political, cultural or social system, and therefore unable to participate, to the best of their capacities, in the social relations and exchanges due to their poverty or the lack of basic knowledge and opportunities for lifelong learning, or as a result of discrimination. These circumstances distance individuals or groups from employment, income and educational opportunities, as well as from inclusion and participation in social networks and community-based activities. Excluded individuals and groups have insufficient or inadequate access to institutions, authorities and decision-making processes.

### **Social Inequalities**

Inequalities in the social positions of individuals, households and groups deriving from unequal levels of income and other economic resources, social power and social reputation.

### **Social Risks**

Factors increasing the likelihood for individuals and families to fall into a state of poverty or to be socially excluded (such as outdated qualifications, sickness, disability, unemployment etc.)

### **Social Inclusion**

The process enabling those at risk of poverty and social exclusion to have the opportunities and funds required for full participation in the economic, social and cultural life and for achieving a living standard and wellbeing that is considered normal in the society they live in. Social inclusion ensures greater citizen participation in decision making, which affects their lives and the exercise of fundamental rights.

### **Structural Poverty**

Mostly long-term poverty caused by structural factors such as the economic growth, the structure of the economy, vacancies, adequacy and availability of education etc.



## **Subjective Poverty**

The feeling of deprivation that people experience when comparing themselves with others and comparing their income with what they consider to be the minimum for an acceptable standard of living. According to the Eurostat definition, subjective poverty includes the households that report difficulty or great difficulty in “making ends meet”.

## **Vulnerable Groups of the Population**

Groups excluded from individual or multiple aspects of social life, living in poverty conditions or exposed to risks of being excluded and ending up in a state of poverty.



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Government  
of the Republic  
of Serbia



SOCIAL INCLUSION AND  
POVERTY REDUCTION  
UNIT



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