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SOCIAL POLICY DEVELOPMENT

The <u>system of social protection in Bosnia and Herzegovina</u> suffers from a number of shortcomings that can be identified with a lack of focus on individual needs of beneficiaries, underdevelopment of the mixed system, insufficient capacities of the Social Work Centres, and absence of a social policy and equal standards and criteria at the level of BiH. From these shortcomings stem a number of key challenges for social policy development:

Social policy management

To develop an efficient and equitable social protection system in line with EU standards, particularly in the context of Stabilization and Association Agreement, reform of social policy management is necessary. Improving the well being of BH citizens requires greater harmonisation of standards and policies in the sector which, in turn, means creating the institutional pre-conditions at the level of BiH to bring about this harmonisation.

Re-balancing spending within the social welfare system

One issue that faces policy-makers is to restrain the overall level of <u>expenditure on social protection</u>. In this respect, policy could set the objective of bringing the level of social transfers - relative to GDP and government expenditures - into line with the regional average. This would require a gradual reduction of the total costs of the social welfare system. The more delicate question is: "how to achieve such a reduction?" One avenue that could be pursued would be to look at the balance of social payments between war veterans and disabled war veterans, and social payments for all other categories of beneficiaries of the social protection system. Or, in a more general context, the balance between financial assistance that is provided without reference to the financial situation of the beneficiary, which is the case with war veterans, and assistance that is provided on the basis of a 'needs assessment' (i.e. based on review of the financial situation and other needs of the beneficiary). Shifting the balance in favour of greater needs-based assessment of entitlements for social protection would still provide a social safety net for most vulnerable groups while providing scope for reducing the overall cost of the system.

Enhancing Social Work Centres and their partnerships with NGOs

A further element for social policy reform is to determine the appropriate delivery mechanisms for services. Here, the way forward should be based on a mixed system of services that is focused on beneficiary-oriented approach throughout, and that defines clear roles for public institutions (e.g. Canters for Social Work, civil society organizations, the private sector, and volunteer groups).

An important part of social protection reform should focus on the systems and structures in place at the local community (municipality) level. Again, there is a need to develop an effective mixed welfare system that includes Social Work Centres, NGOs, private sector, and other public institutions. The importance of local groups and institutions is particularly prominent in creating networks of partners that participate together in social welfare reform and that can help to mobilise additional resources from outside of public financing structures.

The inclusion of these local actors, who should be help to enhance quality of social work.	more responsive to local needs, will also