

## Characteristics of the social context and social protection system

During the last ten years the social situation in Bosnia and Herzegovina was mainly determined by the economic and social consequences of the war, major humanitarian assistance and, later, support for reforms and a very slow transition process. This process included not only transition to a market economy and democracy but also a transition from dependence to sustainability and full domestic responsibility for the progress of the country.

The social situation resulted in specific forms of social exclusion but social policies did not properly try to address the issue of social exclusion and its local manifestations. It is for this reason that reform in this area of policy is particularly necessary, especially in the context of EU integration.

The basic characteristics of the social context are the following:

- Low level of economic activity
- Poverty and the specific structure of poverty
- High unemployment levels
- Underdeveloped services in the social protection system

A special characteristic of the social context is what may be termed “new poverty”. Before the war, a majority of population enjoyed a relatively high standard of living before the war, but many now find themselves hovering just above or living under the poverty line. Socially and politically, this makes the situation even more complex. It also contributes to the public perception of poverty, which views the situation as perhaps being more dramatic than it actually is. This is manifested in the expressed social exclusion of the “newly poor,” the sudden break of social ties that depend on living standards and the phenomenon of moving from “inclusion” to “exclusion.”

The poorest groups of population in BiH in 2004 include: households with three or more children, refugees and displaced persons, households with two children, households where the head of household is younger than 25, the unemployed (ILO classification), and households where the head of household has only elementary education. If one attempts to describe a “typical” poor household in BiH, it is one where the head of household is a man, who did not move during the war, with no older members of household, where most members are not economically active, and located in a rural area. It should also be remembered that 31.2% of households (in FBiH - 37%, in RS - 22.3% and in Brčko District - 37.2%) are without any monetary income.

The social protection system provides services for some 590,000 beneficiaries, which amounts to about 16% of the estimated population of BiH. A more detailed structure of beneficiaries, based on data provided by statistics agencies, is provided in the following tables:

**Table 1 Beneficiaries of social protection in BiH**

	minors			adults			total number of beneficiaries		
	total	female	male	total	female	male	total	female	male
2003	128,793	59,813	68,980	457,445	220,571	236,874	586,238	280,384	305,854
2004	132,814	61,417	71,397	454,886	248,078	206,808	587,700	309,495	278,205
2003	100.00%	46.44%	53.56%	100.00%	48.22%	51.78%	100.00%	47.83%	52.17%
2004	100.00%	46.24%	53.76%	100.00%	54.54%	45.46%	100.00%	52.66%	47.34%

Source: UNDP BiH/IBHI; NHDR BiH-2006 Social Inclusion (in process of publishing)

**Table 2 Beneficiaries of social protection in BiH: Minors**

	FBiH			RS			BiH		
	total	female	male	total	female	male	total	female	male
2003	64,189	29,118	35,071	64,604	30,695	33,909	128,793	59,813	68,980
2004	64,063	28,460	35,603	68,751	32,957	35,794	132,814	61,417	71,397

Source: *ibid*

**Table 3 Beneficiaries of social protection in BiH: Adults**

	FBiH			RS			BiH		
	total	female	male	total	female	male	total	female	male
2003	262,090	137,538	124,552	195,355	83,033	112,322	457,445	220,571	236,874
2004	273,105	155,501	117,604	181,781	92,577	89,204	454,886	248,078	206,808

Source: *ibid*

According to EPPU\*, the number of poor (absolute poverty, poverty line was determined at KM 2223 KM per person per year) in BiH in 2004 was 680,000, while the number of registered beneficiaries of social welfare is below that number, as presented in Table 1. As a result of differences in Entity legislation and the fact that not all citizens enjoy equal rights or equal financial assistance, almost 100,000 persons who need assistance are not covered by any social program.

The present provision of social protection is based on a traditional system implemented by public institutions and with entitlements to financial assistance defined by law. Very little attention has been given to the service aspects of the system of, particularly with respect to new models of services that include a client-oriented approach. In this way, the system itself reduces the possibilities of social inclusion.

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\* EPPU „Suggested measures for alleviate consequences of increased prices of basic foodstuffs as results of VAT”, Sarajevo, July 2005, pp. 13-14