

**Bosnia and Herzegovina
Human Development Report/
Millennium Development Goals 2003**

UNDP Bosnia and Herzegovina, June 2003

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Where will I be

in 2015?

FOREWORD

'Where will I be in 2015?' is the slogan that has been chosen for the promotion of this year's NHDR that is focused on the Millennium Development Goals (MDGs) that all countries have committed to achieve by 2015. The MDGs are not an esoteric collection of issues but cover fundamental areas of national activity that lie at the well being of all populations such as Education, Health, Women's equality, etc

Answering the question 'Where Will I be in 2015?' even in the setting of advanced countries in today's world is a challenge. It is even more of a challenge in the context of BiH made up as it is of its intricacies and complexities. However, that makes finding an answer to our question even that much more important for all of BiH's citizens.

The set of universal MDGs with its targets specially tailored for BiH provide a golden opportunity for this country and its citizens to discuss where the country and its people want to be in 2015 and how they want to be in the context of the all important challenge of Europe.

The challenge of the MDGs is that they require vision, strategy and commitment but not just on the part of national decision-makers at all levels but also of Civil Society and, of course, all citizens.

I am glad that this process has already started with very close collaboration between the team that worked on this report and the PRSP process. Excellent synergies have been accomplished between the two in terms of complementary timeframes and indicators.

Although an analysis of the MDGs leaves a generally positive picture of BiH, its overall good performance is also perhaps misleading. Many achievements were in fact inherited from the previous system particularly in the areas of education and health - and cannot certainly any longer be taken for granted. Even the fact that HIV propagation rate in the country is low does not mean that the AIDS pandemic is prevented for good. The HDR also outlines a series of other fundamental challenges namely with regard to improving Governance, which underpins all aspects of national activity, Gender and the need to ensure a shift in international assistance towards supporting long term nationally-defined priorities.

It is clear that Poverty reduction emerges as the number one priority for BiH and this cannot be tackled in the isolation from the other goals.

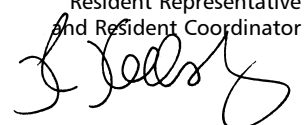
Hence the relevance of the entire set of MDGs for BiH and hence the need for a long term development strategy that is based on the accomplishment of the MDGs across key national areas of activity and at the service of BiH's population.

The NHDR for 2003 thus presents a set of policy suggestions that could help the country move better towards the full achievement of locally-relevant MDGs and their 18 BiH specific targets. These are coupled with 48 indicators and milestones for more accurate monitoring of the progress.

UNDP as global scorekeeper of the MDGs is committed to supporting this process and in BiH will be providing support to civil society to become an active partner in the MDG process while continuing to support local authorities through various capacity building initiatives.

And this brings me to my last point, particularly as BiH embarks on the all important process of European Integration, nothing should guide citizens more in assessing the performance of Government than the answer to the question: 'Where will I be in 2015?' - which ultimately means: 'Where do you want to be?!'

Henrik Kolstrup
Resident Representative
and Resident Coordinator



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Some information on Bosnia and Herzegovina, 2001
Source: Bosnia and Herzegovina Agency for Statistics, LSMS

Official name:	Bosnia and Herzegovina (BiH)		
Geographic location:	Bosnia and Herzegovina is situated in the western part of the Balkan peninsula		
Neighbouring countries:	Croatia to the north, west, and south; Serbia to the east; Montenegro to the southeast		
Administrative division:	BiH is divided into two entities – the Federation of Bosnia and Herzegovina (FBiH) and Republika Srpska (RS) – and Brčko District		
Entity structure:	FBiH is administratively divided into 10 cantons. Cantons are divided into a total of 84 municipalities. Republika Srpska is administratively divided into 64 municipalities. The town of Brčko is a distinct administrative unit (District).		
Surface area (km2)	total 51,209.2	land: 51,197 sea: 12.2	
Population	3,798,336 (estimate)		
Population density	74.2 inhabitants/km²		
Population structure	Bosniaks, Croats, Serbs, and members of other ethnic groups		
Population profile by sex	51.64% female	48.36% male	
	1,961,461	1,836,875	
Population profile by age and sex	0 – 14	15 –64	over 65
total	18.4%	68.0%	13.6%
within age group	49.7% m/50.3%f	49.4%m/50.6%f	41.5%m/58.5%f
Average life expectancy (years)	average 73	76 for women	
		71 for men	
GDP/pc	US\$ 1,263		
Vital statistics (rates per thousand)	birth rate9.9	mortality8.0	natural growth 1.9
Human Development Index HDI	0.744		
Gender Development Index GDI	0.731		

List of Acronyms

ANUBiH	Academy of Arts and Sciences of BiH
ASBiH	Statistics Agency of BiH
BHZEM	BiH Women's Network
BiH	Bosnia and Herzegovina
CEDAW	Convention on Elimination of All Forms of Discrimination against Women
CIDA	Canadian International Development Agency
CRA	Communications Regulatory Agency
CSO	Civil Society Organisation
DEZA	Swiss Agency for Development and Cooperation
DFID	Department for International Development
EBRD	European Bank for Reconstruction and Development
EC	European Commission
EFTA	European Free Trade Association
EMS	Environmental Management System
ESI	European Stability Initiative
EU	European Union
EUPM	European Union Police Mission
ESC	Environmental Steering Committee
FBiH	Federation of Bosnia and Herzegovina
FDI	Foreign Direct Investment
GDP	Gross Domestic Product
GDI	Gender Index of Human Development
GEF	Global Environmental Fund
GTF	Gender Task Force
HDI	Human Development Index
HDR/MDG	Human Development Report/Millennium Goals Report
IBHI	Independent Bureau for Humanitarian Issues
ICRC	International Committee of the Red Cross
IHRLG	International Human Rights Law Group
ILO	International Labour Organisation
IMF	International Monetary Fund
IOM	International Organisation for Migration
IPTF	International Police Task Force
KM	Convertible Mark
LGI	Local Government Initiative
NAP	National Action Plan
NEAP	National Environmental Action Plan
NHDR	National Human Development Report
LSMS	Living Standards Measurement Survey
MDG	Millennium Development Goal
ODA	Official Development Assistance
OECD	Organisation for Economic Cooperation and Development
OHR	Office of the High Representative
OSCE	Organisation for Security and Cooperation in Europe
OSI	Open Society Institute
PRP	Priority Reconstruction Programme
PRSP	Poverty Reduction Strategy Paper

RS	Serb Republic
RZSRS	Republic Institute of Statistics of RS
SEE	South East Europe
SFRY	Socialist Federal Republic of Yugoslavia
SME	Small and Medium Enterprise
STD	Sexually Transmitted Disease
UNCED	United Nations Conference on Environment and Development
UNEP	United Nations Environment Programme
UNDP	United Nations Development Programme
UNHCR	United Nations High Commissioner for Refugees
WB	World Bank
WEDO	Women, Environment, and Development Organisation
WHO	World Health Organisation
WSSD	World Summit on Sustainable Development
WTO	World Trade Organisation
ZS FBiH	Institute for Statistics of FBiH
ZZJZ FBiH	Public Health Institute of FBiH
ZZZ RS	Health Care Institute of RS

Where will I be

CHAPTER I EXECUTIVE SUMMARY

Time of challenges-why MDGs in Bosnia and Herzegovina

1. Bosnia and Herzegovina is facing a turning point. After the destruction of the 1992-1995 war and the subsequent, massive international reconstruction support, the country now finds itself at a crossroads between economic, social and political dependency on one side and the sustainability and local ownership of its development on the other. The Human Development/Millennium Development Goals Report for Bosnia and Herzegovina for the year 2003 is forward-looking and proposes policies in specific sectors that will help achieving sustainability and ownership. It also contains quantitative forecasts for the implementation of the Millennium Development Goals (MDGs) by 2015.

The MDGs are of critical importance for BiH. They provide a global context that determines previously under appreciated aspects of the globalisation process, especially with regards to poverty reduction, the humanisation of development, and the advancement of development aid. With this report and by implementing its recommendations and policies, BiH is actively joining the globalisation process, especially the activities of UN agencies and the UNDP in particular. One may argue that MDGs as such cannot be all that relevant for BiH context as the global goals have been defined too generically and detached from the present day of BiH. There also might be voices to express discontent with irrelevance of AIDS or maternal mortality, for example, in the country where these are not policy priorities. Yet, the question is - what BiH can do to prevent them from becoming issues before too late, and what real priorities the country can set in such areas as health, education and economy, outlined in MDGs.

Some statistics provide an optimistic, but perhaps misleading development picture of BiH, in light of global generic MDGs. Primary education rates stand far much higher than most of the developing countries, while maternal mortality figures are not high¹. Yet, such a status quo is rather an inheritance from former socialist system. Unless the country embarks on the implementation of the mid and long-term development strategy, such achievements cannot be taken for granted forever given a current fragile economic outlook and insufficiency of public revenues. Furthermore, this report takes a look at disaggregated data to capture who are the vulnerable and neglected groups, and who would be the potential vulnerable ones, all of which should be taken into account when

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BiH governments and CSOs formulate development policies and implement them in line with 8 ambitious MDGs.

MDG 1 on poverty reduction seems to be a main challenge of BiH today, but it cannot be addressed in isolation of other MDGs as poverty reduction requires integrated and multisectoral approach that cannot be carried out if other MDGs are left aside. In other words, it would be myopic to formulate poverty reduction policies without taking education, health and environmental factors as relevant variables in an integrated manner. Goal 8 (on international cooperation) is also of utmost importance as it should enlighten the international community how to better address internally identified development priorities in BiH especially at a time when external financial support is on decline.

Therefore, this Human Development Report on MDGs attempts to assess problems, set priorities, and identify solutions along with BiH specific development indicators and benchmarks for all 8 goals. The report thus should enable governments and civil society organizations together to implement, monitor and evaluate country specific MDGs.

MDGs as a breakthrough for the new BiH development phase

After the end of the war, physical reconstruction and humanitarian assistance dominated a BiH development landscape. Eight years after the Dayton, a central aspect of the new development phase in BiH is the internally driven stabilisation process, i.e. the gradual accession to EU structures. That process is based on the full local ownership and sustainability of the country's development and requires the complete engagement of state and entity institutions as well as civil society in all its forms and capacities. That, however, is not possible unless all actors of BiH society radically change their thinking about these issues.

All citizens of BiH must understand that their future depends primarily on themselves and their full participation in the provision of their own welfare as well as in all matters of public import. There simply is no "centre", domestic or international, nor will there ever be, that solves

¹ On primary education statistics (Goal 2) and maternal mortality rates (Goal 5), please see Annex of the report.

the problems of individuals or local communities or society at large. Individuals, civil society organisations, public institutions and governments all need to take responsibility for the country's progress. To paraphrase a famous line, "it is time for each of us to ask what he or she can do for our country, not to keep waiting for state institutions and the international community to solve all our problems."

What is at stake

Such an approach requires a change in attitude with regard to the policies of international support to BiH. This includes a change in the way domestic actors see the role of the international organisations; equally important, however, is a change in the way international organisations see that role. This refers above all to the following: Objectively, international organisations, particularly those specifically established for BiH and for special reasons, have become an internal factor of the political, economic and social development of the country. Starting from that premise, specific mechanisms should be developed to help realising the responsibility of international organisations toward the citizens of BiH. This is an important precondition for the BiH citizens to start feeling responsible for the overall situation and the country's development.

Local ownership can only be developed through partnership with domestic public institutions and civil society and the full participation of domestic actors in determining reform policies. The accountability of international and domestic actors must be enhanced through the establishment of mechanisms of monitoring and evaluation by politically independent civil society organisations.

While reforms are a necessity for BiH, it is equally necessary to adjust the character of reform policies to the specific features of BiH. A general doctrine or a universal model cannot achieve the right results.

That is why reforms, while responding to the tangible problems of BiH, must primarily be focused on transforming the current condition of complete dependency on international support into a condition of sustainability. This means above all the concentration of all reform policies on increasing production and creating a market economy. Privatisation, institution-building (primarily of state institutions), the development of market mechanisms, and international instruments and sector development policies are not just self-sufficient projects but important tools to achieve the aforementioned goals. This is the only way to solve the greatest social problems of our time, such as unemployment and poverty.

Cross- cutting features of the Report

A gender-sensitive approach has been implemented to the greatest possible degree in all chapters of the report, and gender issues have also been addressed in a separate chapter. This represents an

attempt to overcome the neglect of the gender dimension of many social problems that is typical of current situation analyses and development policies in BiH.

Much attention has been devoted to the role of civil society and policies that might support it, and a great number of civil society organisations has directly participated in the preparation of this report. Their recommendations were directly incorporated in the report in an attempt to create a new space for civil society by putting it in the role of a critical, dynamic actor in the development of BiH. All too often, civil society activism has only been superficial and limited to participation in discussions; NGO elites were often reduced to promoters of democratisation and human rights. This needs to be replaced by a situation where civil society does more, and in a more serious manner.

The critical evaluation of international support policies is also incorporated in all parts of the report; the goal here is to recommend improvements that will benefit both international organisations and the citizens of BiH. Such an approach is a prerequisite for partnership, sustainability, and the acceptance by domestic actors of their responsibility for their own destiny.

MDG and PRSP - working together

This report was made with the full cooperation of the team working on the Poverty Reduction Strategy Paper (PRSP) for BiH. In consequence, these documents complement each other, even though the HDR/MDG Report is focused on the long term (2003-2015) while the PRSP is focused on the medium term (2003-2007). The implementation of the BiH Poverty Reduction Strategy will permit the implementation of MDGs in the mentioned period, and monitoring of progress on both documents should facilitate the efficient preparation of other documents addressing development strategies and policies.

How is the Report structured

The next chapter describes the MDGs and provides an overview of the situation in BiH with regard to the 18 tasks and indicators utilised in their implementation and monitoring. Chapters III-X analyse in detail the situation in separate sectors and propose recommendations for reform policies. Implementation forecasts for the MDG tasks for 2007, 2010, and 2015 are provided in chapter XI. The Human Development Index (HDI) and the Human Development Gender Index (GDI) have already been calculated for 2001, while the position of BiH in human development and the method of calculating the HDI and GDI are provided in chapter XII. It is therefore neither necessary nor possible in this summary to present the basic findings and recommendations provided in the text that follows. The Annex provides a statistical overview of MDGs, targets and indicators as well as projections of their implementation dynamics through 2015.3.

Where will I be

CHAPTER II INTRODUCTION

1 Millennium Development Goals

1.1. The adoption of the Millennium Declaration by 189 members of the United Nations in September 2000 was an important moment for global cooperation in the twenty-first century. The Declaration outlined the crucial challenges that mankind faces at the threshold of a new millennium; articulated responses to these challenges; and established specific indicators to assess progress towards interrelated goals and tasks in development, governance, peace, security, and human rights.²

To make this possible, the Declaration set out, as a global programme, interrelated development goals:

- Eradicate poverty and hunger;
- Achieve universal primary education;
- Promote gender equality and empower women;
- Reduce child mortality;
- Improve maternal health;
- Combat HIV/AIDS, malaria, and other diseases;
- Ensure environmental sustainability;
- Develop a global partnership for development.

The Declaration defined numerous tasks to achieve these goals by 2015, as well as a large number of indicators to assess progress in the implementation of the eight basic goals. (See more about this in chapter XII), which complement progressive realization and monitoring a broad spectrum of human rights.

The MDGs are outcomes. You do not achieve the economic growth to sustain the halving of poverty without creating private sector and foreign trade; you do not sustain poverty reduction without ceding democratic rights and power to the poor; you do not get a country to the starting point of meeting the MDG goals if refugee, post-conflict and failed states crises are left unresolved.

Development and humanitarian action covers much more ground than these goals, yet the goals remain as an agreed and universal way to measure outcomes - on the one hand leaving space for developing countries to seek their own path, rather

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than be prescriptively in detail managed by international development officials, while on the other knowing that international support will be contingent on progress towards these outcomes - that all heads of government, north and south alike, have solemnly signed up to.

Address by Mark Malloch Brown, UNDP Administrator, at the Interaction Conference, Washington, D.C., 3 June 2002

1.2. This is, therefore, a universal and global programme to secure the welfare of the world's population and protect and promote human rights a programme around which all development actors should congregate and cooperate – the public sector (executive, judiciary, legislature), the private sector, civil society, local communities, international organisations, CSOs, families, and individuals, working at the global and national levels.

One of the instruments and activities to achieve these goals are the Millennium Development Goals Reports that should mobilise the authorities, civil society, communities, and public opinion. They serve to change the way each individual thinks and raise awareness of the importance of each person's participation in the overall social, economic, and political processes. Attaining the Millennium Goals enhances the possibilities and choices of each individual and allows for progress in the welfare of the population, in maintaining a balance in the environment, and in the process of socio-political and human development. The Millennium Development Goals Reports should also build capacities to monitor and report on the pace of achieving goals and tasks.

The Reports are an instrument of the entire society and each individual, not only of governments, and should therefore give voice and direction to a social and civil movement that will encourage decision-makers at all levels.

² For more details, see "The United Nations and MDGs – a Core Strategy", 7 June 2002.

2 National Human Development and Millennium Development Goals Reports

2.1. The concept and programme of the Millennium Development Goals relies on the UNDP human development concept and is therefore fully complementary with it.

Furthermore, the basic idea of human development – that enriching the lives and freedoms of ordinary people is fundamental – has much in common with the concern expressed by declarations of human rights.³ The promotion of human development and the fulfilment of human rights share, in many ways, a common motivation, and reflect a fundamental commitment to promoting the freedom, well-being and dignity of individuals in all societies⁴. Accelerated economic growth in and of itself does not necessarily produce an increase in human welfare at the national level, let alone at the global level. The gap between rich and poor may grow, the environment may be threatened, the health of the population deteriorate, and poverty increase.

The human development concept seeks to incorporate human, “quality of life” elements into purely economic concepts and doctrines of development as well as the criteria for their monitoring and assessment. The impact of the rate of production growth on the environment, health, or poverty is here equally important as the rate itself, i.e. economic growth is seen as a means to achieve overall human development.

2.2. The complementarity of concepts and goals makes it possible and, in the case of Bosnia and Herzegovina (BiH), necessary to merge the National Human Development Report (NHDR) and the Millennium Development Goals Report (MDG) – all the more so because the practice of preparing a NHDR is fairly new in BiH.⁵ Given the country’s special features and its post-war recovery in the context of European heritage and tradition, the resulting HDR/MDG for BiH should and must be special itself. This refers above all to:

- The need to develop policy recommendations, for both international support policies and national policies, whose focus should include the MDGs;
- The need to allow the voices of citizens, in particular underprivileged and vulnerable groups, to have an impact on their and their country’s future on the basis of thorough analysis, exact data, and rigorous argument;
- The need to define, in addition to the globally defined indicators, BiH-specific indicators to monitor MDG implementation.

2.3. This report provides an assessment of the Human Development Index (HDI) and the Gender Index of Human Development (GDI) for 2001. BiH’s HDI is 0.744 and its GDI 0.731.

The data used for the assessment refer to the year 2001, while the data in certain chapters refer to 2000, which was the recommendation for the MDG report.

The HDI and GDI for 2001 show an increase in relation to the 2000 HDI (0.718) and GDI (0.707). This increase is mainly due to the more realistic, higher PPP estimate in this report. It is also the result of accounting for the informal economy based on statistical research conducted last year.

It is significant that the HDI and GDI of BiH are lower than those of other central and eastern European countries, with the exception of Albania.

Differences between the HDI and the GDI in BiH clearly point to gender inequality, especially with regards to economic activity and literacy. For that reason, this report pays special attention to gender equality and policies for achieving that goal.

3 The BiH Development Strategy (PRSP) and the HDR/MDG

3.1. The HDR/MDG for BiH is also special because it is being prepared simultaneously and in conjunction with the Development Strategy of BiH, i.e. the Poverty Reduction Strategy Paper (PRSP). The Development Strategy of BiH has been defined as a policy basis for the three years through 2007 and has a mid-term character, while the time horizon of the HDR/MDG is long-term (through 2015). This has made it possible for the two strategies to be fully complementary. The HDR/MDG recommendations have partially been incorporated in the PRSP; since that document will be officially adopted by the BiH authorities as their Development Strategy, the HDR/MDG recommendations will become operational as an integral part of BiH government policy.

³ “Human Rights and Human Development” *Human Development Report*, 2000, p. 19

⁴ Ibid.

⁵ To date, UNDP has produced a NHDR for BiH for 1998, 2000 (devoted to youth), and 2002. These reports were special since they were designed and prepared by local experts and were thus the first voices of local expertise among the many studies done by international organisations in BiH.

3.2. Generally speaking, a country that faces the reality of a variety of great practical problems requiring substantial, short-term solutions runs the risk of losing any sense of perspective and of the long term. It is in precisely such a situation that a strategic vision – which the HDR/MDG represents in many respects – gains in importance and should become a focal point for policy. This will help to prevent daily pragmatism from generating apparent solutions that only create new problems, and will also address the current lack of coordination and harmonisation of policies and related measures.

BiH needs to develop a vision that places its own sustainable development and full local ownership within the context of global processes. The BiH experience can at the same time advance those global processes.

3.3. The Millennium Development Goals (MDGs) defined in various UN documents clearly and precisely identify the need for global policies leading to progress in welfare, in the preservation of a balanced environment, and in the process of modernisation of institutions and social and political relations. The very articulation of these goals is an important and positive intervention designed to change the direction of the ostensibly spontaneous globalisation process.

As we have indicated, the experience of BiH also demonstrates this need.

Within the basic conceptual framework of the MDG long-term strategy, the mid-term Development Strategy of BiH plays a critical role. Its goals are the following:

1. Fulfil the prerequisites for sustainable economic development;
2. Ensure social stability and reduce the poverty rate;
3. Fulfil the prerequisites for full EU membership;
4. Fulfil the prerequisites for a greater degree of integration of BiH in international trade flows.

In order to achieve these goals, the following priorities have been defined:

1. To generate political agreement on the reform programme;
2. To maintain macroeconomic stability;
3. To implement fiscal reform;
4. To ensure the faster operation of the private export-oriented sector;
5. To maintain the stability of the financial sector;
6. To establish a self-sustainable social protection system;
7. To conclude a stabilisation and association agreement with the EU;
8. To become a full member of the World Trade Organisation (WTO).⁶

The conceptual framework of international development cooperation provided by the MDG – which already includes elements of human development – can offer a solid foundation to make these priorities

operational and to achieve a new quality in the development of the country. It will also directly contribute to a change in our way of thinking and to an overall transformation of society based on participation, which is the essence of development.

4 International support policies and the experience of BiH

4.1. The experience of BiH as a beneficiary of extensive international support raises two very important general questions. They both point to problems of the system of international organisations and the necessity to reform them.

The first question is the relationship between poverty and sustainable development. The current, increased level of global poverty has not just been inherited but is to a large extent being produced. This is a new kind of poverty, especially in former socialist countries. It cannot be overcome by a policy of responding to the problem alone but only through sustainable development, an elimination of the factors that generate poverty.⁷

The second question is the common tendency to reduce the transition process in former socialist countries to the development of a market economy. The development of a market economy can then be further reduced to privatisation. Free markets and functioning new economies seem to have been expected to automatically replace all social structures with new ones and to create democratisation and civil society, i.e. welfare and prosperity. This has not happened.

The consequences of this reductionism – poverty, a decline in the formal economy, the development of new forms of organised crime, the rise of the grey economy, in some cases totalitarianism, etc. – cannot be considered to be merely temporary consequences of great changes ten to twelve years after the start of this transition.

A radical examination of policy approaches to transition is in order.

⁶ See “Razvojna strategija Bosne i Hercegovine – PRSP” [Development Strategy for BiH/PRSP], Second draft for public consultation, May 2003.

⁷ For more details, see “Eliminating World Poverty: Making Globalization Work for the Poor,” white paper on International Development, DFID, December 2000, www.globalisation.gov.uk.

4.2. The experience of BiH can serve as an important contribution to the reform of international organisations and their approaches and policies⁸, all the more so because relevant analyses of international support by its beneficiaries are lacking. All existing analyses have been conducted by donors and implementers for their own purposes. This creates a completely one-sided picture of international support and prevents critical analysis and radical policy reform.

The BiH experience with international support and the above-mentioned massive discrepancy between the support offered and the results achieved make it clear that new solutions must be found for problems related to the concept and reality of support policy. For example:

The existing policy is not adjusted to the new and special conditions in BiH. The new conditions for international support in BiH have to do with the fact that this is a European country with already existing local, especially human, capacities, and that since 1995, BiH has been going through a transition under specific post-war conditions. The support policy traditionally developed for other cultural conditions and static social situations cannot yield good results in BiH.

There are no instruments or policies for the early prevention of the dependency syndrome. Instead, responses are a consequence of an already developed dependency.

The policy of economic recovery as well as attempts to support economic transition, are separated from social sector adjustment policies. Even worse, support for the reconstruction of social structures in BiH has been neglected, even though the devastation of social structures in this region far exceeds that of the economy.

4.3. All of these problems seem to result from the already mentioned belief that the development of a market economy will lead to the development of new social structures and institutions, and that fair multi-party elections will automatically usher in democracy in the country.

To the contrary, as the experience of BiH clearly shows, the rule of law and transparent institutions are a precondition for the development of a market economy. Likewise, a multi-party system means democracy only if accompanied by the development of civil society, non-governmental organisations and local self-rule, together with free media.

5 The MDG process: a prime opportunity to empower civil society

The involvement and empowerment of civil society is essential to deepening democracy. The MDGs are of direct relevance for the empowerment of civil society in general and CSOs in particular. The substantive involvement of CSOs in the MDG process from day one will be a critical factor in the strategic approach to deepening democratic governance.

5.1. Why civil society involvement in the MDG process?

5.1.1. CSOs hold governments and international organisations accountable

To democratise the BiH development process means holding governments accountable for the policy choices they design and adopt. The important role of international organisations in BiH means that they have a great responsibility towards the citizens of the country. They are also driving forces for the realization of human development and human rights in the country. Should the governing structures of BiH institutionalise the involvement of CSOs as active participants and watchdogs, citizens will have a clearer picture, for instance, of public spending for education and health on the one hand and defence on the other. In fact, the MDGs urge governments and CSOs to collect data on a country's progress every year.

Civil society needs to participate in the development and monitoring of support policies of international organisations and institutions in BiH both in the inception phase and during implementation. This will strengthen accountability as citizens will become actively involved in support policies.

5.1.2. CSO situation analyses provide a balanced picture

Present-day BiH cannot achieve grandiose MDGs unless goals and indicators are pragmatically defined within national and

⁸ For a detailed analysis, see Ćarko Papić (ed.), "International Support Policies to South-East European Countries – Lessons (Not) Learned in B-H," Muller/Open Society Fund BiH, Sarajevo 2001.

local contexts. Putting MDGs into a field perspective requires relevant and comprehensive situation analyses that cannot be produced solely by government authorities and legislatures since the voice of the weakest and the vulnerable may not be heard. In view of human rights-based development process, findings of governments must be complemented by those who understand real-life situations at the field level, i.e. citizens and CSOs. The same applies to analyses of international organisations and institutions.

As a claim holder, citizens are entitled to get data and information through MDG process. Every citizen has a right to know how BiH is moving toward MDGs in comparison with other countries, which in turn, inspire people to claim their rights more vocally. Additionally, CSOs can advocate what are the priorities by presenting policy alternatives and recommendations.

5.1.3. MDGs provide CSOs with unprecedented opportunities for involvement in policy formulation and implementation

CSOs are also accountable for achieving MDGs. They are central to sustainable government and have to work *with* governments, since they are not a substitute for government. As the MDGs are a global commitment of the new millennium, the international community is interested not only in the extent to which MDGs are going to be achieved but also in the manner in which this happens. CSOs therefore will have opportunities to play an influential role in policy formulation and implementation. CSOs are also catalysts to maximise the visibility of MDGs and indicators among ordinary citizens and to highlight areas of concern.

5.2. MDG strategies: how can CSOs be involved in their progress?

5.2.1. CSOs interact with BiH governments through policy dialogue

With a view to fostering strategic partnerships, the BiH government should have a clear understanding on CSO involvement in the MDG process and view them as a strategic partner, not as an adversary that obstructs the formulation and implementation of public policy and international support. In this context, CSOs need to actively cooperate with BiH parliaments to provide all elements of civil authority.

In order to avoid elitism among CSOs accredited by the Economic and Social Council, the network of CSOs should be directed towa-

ards enriching horizontal and vertical communication with a view to enhancing interaction and accountability and to advancing community interests, which should be taken into account during policy dialogue at all levels.

5.2.2. The “right to development” (Goal 8) needs to be promoted through increased CSO advocacy

Goal 8 of MDG is to promote international cooperation for a balanced mobilisation of financial and technical resources for developing countries, including quality monitoring of the Official Development Assistance (ODA) and other actions taken by developed countries. There are also prevalent distortions in the international political economy that have neglected needs of people and condoned the violation of economic, social and cultural rights.

On the basis of relevant situation analyses and an articulation of what needs to be done and what resources are needed to achieve it, a coalition of civil society, is expected to lobby the international community by presenting the real development needs of BiH. Resource gaps must be identified based on national budget contributions to the PRSP and national policies to achieve MDGs, and donors should be lobbied constructively to fill those gaps. These activities will compel developed countries to provide more, not less.

5. 2. 3. Local volunteer activity is an important means of engaging the local population because it generates and helps expand a strong feeling of local ownership of development initiatives and thereby strengthens the likely sustainability of such programmes. Bearing in mind the long tradition in BiH of sharing skills, time, ideas and energy, the full engagement of the voluntary sector with the MDGs through groups of local communities is a key to addressing the existing challenges. Whether expressed through voluntary services, mutual assistance and self-help, campaigns and other forms of voluntary participation, the will and ability of citizens to give, voluntarily and in their own free time, out of a feeling of solidarity, will have a major influence on the degree to which the MDGs will be implemented and sustained.

The International Year of Volunteers 2001 has created a global awareness of the massive contribution of citizens to the development process through volunteer activities, and of the way in which voluntarism supports the sustainability of that process. Celebrating that year prompted the United Nations General Assembly to pass a resolution inviting all governments to include and empower all segments of population to participate in the development of activities to strengthen their potential for the role of active agents of change. The International Year of Volunteers

also marked an important turning point for voluntary work in BiH: for the first time, a poll on voluntary work was conducted (UNV 2002) which showed the need to enlist citizens with meagre incomes and young people as volunteers. The poll initiated a nation-wide debate on the issue of voluntary work and promoted the idea of non-combat military service.

5.2.4. Conclusion: ownership is in the hands of BiH citizens

The MDG exercise is based on the premise that people should be at the centre of the entire development process, from planning through implementation and monitoring. Many examples and experiences in UNDP field offices throughout the world have demonstrated that external intervention in the development process is just not sustainable. The engagement of civil society should therefore be facilitated to avoid the “gripping hand” of the international community to steer the development process – a feature that has prevailed in post-Dayton BiH and in many respects continues to be a problem today.

Where will I be

CHAPTER III POVERTY REDUCTION

1 MDGs and the general poverty situation in BiH

1.1. BiH has a number of special features in the MDG context. The basis for these special features is the socially and economically contingent, reversible historical situation. Before the war, BiH was a progressive, medium-developed European country, part of the former Yugoslavia, with a GDP of \$ 2,450⁹ per capita in 1990, and correspondingly developed capacities in the social and health sectors, for example.

The loss of life and material devastation during the 1992-1995 war were enormous. There are still no completely reliable data on the measurable consequences and no one dares to even estimate the immeasurable consequences¹⁰.

The number of killed or missing inhabitants of BiH has been estimated at 258,000, which means a loss of 5.9 % of the pre-war population. Other estimates put the number of those killed or missing, combined with an increased mortality rate, at 269,800 (out of whom 152,900 are Bosniaks, 72,350 Serbs, 31,060 Croats, and 13,500 others). According to the state commission in charge of the search for missing persons, 27,371 persons have been reported missing so far, while the Red Cross puts that number at 19,000.

During the war, the largest displacement was recorded in 1995, when 1,282,000 persons were displaced. By the end of the war, 1.2 million Bosnian refugees had sought refuge in other countries. Around 50% of the BiH population of 1991 had changed their places of residence.

The direct material damage to industrial facilities has been estimated at \$ 50-60 billion. Several estimates also take into account the lost GDP from 1992 to date as measurable direct damage and put the combined direct and indirect damage at around \$ 100bn. Though immeasurable, indirect damage of other kinds is certainly also massive – the destruction of the system of public administration and governance, the interruption in the development of knowledge and technological innovation, the brain drain of qualified workers and experts. Among the most tragic consequences of the war that cannot be redressed in a short period of time are the destruction of the social fabric, of social ties of tolerance and co-existence, the dissolution of families and small communities, and the general

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collapse of social values and normal life. A society is infinitely more difficult to reconstruct than roads or bridges.

After these human and material losses and seven years of reconstruction and recovery with broad international support, the country is still at a lower level of development compared to earlier periods. In economic terms, the current GDP is \$ 1,263 per capita – around 50% of the 1990 level. This highlights the especially serious problems of poverty and unemployment.

The process of building a normal institutional structure is still under way, compounded by political and interethnic problems and the inadequate constitutional framework provided by the BiH Constitution (contained in Annex IV of the General Framework Agreement for Peace signed at Dayton).

1.2. Poverty and unemployment are two critical problems whose main cause is the huge decline in GDP compared to its pre-war level, i.e. the fact that the real economy has not recovered.

Underdeveloped statistical capacities and the fact that no population census has been carried out in BiH since the war make it difficult to obtain exact data. In addition, the official statistical methodologies often differ from those employed by international organisations.

According to the latest data,¹¹ around 20% of the population (16% in the FBiH and 25% in RS) live below the general poverty line. Extreme poverty has not been found to exist. For the sake of comparison, 4% of the Croatian population and 43.9% of the Macedonian population live below the poverty line.¹²

A special feature of the problem is that this is new poverty. A considerable section of the population enjoyed a relatively high living standard before the war and now finds itself on or below the

⁹ See UNDP/Economic Institute Sarajevo, "Human Development Report 2002, Bosnia and Herzegovina," Sarajevo 2002, p. 20.

¹⁰ See UNDP/IBHI, "Human Development Report 1998, Bosnia and Herzegovina," Sarajevo 1998.

¹¹ See ASBiH, ZSFBiH, RZSRS, "Anketa o mjerenu životnog standarda u BiH (LSMS)" [Living Standards Measurement Survey], (with support by UNDP, WB, DFID) Sarajevo 2003.

¹² See EBRD: "Transition Report, 2002", pp. 136 and 152.

poverty line. Socially and politically, this makes the situation more complex and also contributes to a public perception of poverty levels as considerably more dramatic than they actually are.

The results of the Living Standards Measurement Survey (LSMS) are indicative of the employment situation in BiH and its entities. The overall employment figure in BiH is estimated at 999,500 persons, of whom a surprising 33% are employed in the informal sector. The overall percentage of those employed in the informal sector is considerably higher in the RS (41.4%) than in the FBiH (31.9%). The LSMS findings confirm the importance of the informal sector's contribution to productivity and poverty reduction.

Towards the end of 2001, 498,000 persons were registered as unemployed with employment bureaus in BiH as a whole. Using the definitions of unemployment of the International Labour Organisation (ILO) and the Organisation for Economic Cooperation and Development (OECD), the LSMS suggests that only 24% of the total number are actually unemployed, while the remaining registered persons have in fact completely withdrawn from the labour market. A further 14% or 69,200 persons are actually unemployed without having been registered as such. Most of those who are effectively unemployed are young men and women and unqualified persons.

On this basis, the actual unemployment rate in BiH has been calculated at 16.4% (16.9% for FBiH and 15.8% for RS).¹³ By OECD standards, these rates are very high, but they are lower than the turbulent history of BiH and popular belief suggest. However, the main problem is that a large portion of actual employment is in the informal sector and that a large portion of actual unemployment is "statistically hidden" within registered employment (laid-off workers on waiting lists, for instance). In that sense, there is no normal labour market, and worse still, labour is not regulated at all.

Recent research by local authors confirms the conducted surveys and suggest that actual unemployment is probably closer to 20% than to 40%. Estimates indicating a higher level of unemployment do not appropriately account for differences in registration and a high level of employment in the informal sector. These same factors indicate that the level of poverty is also lower than conventional estimates would suggest.

These figures suggest that the unemployment rate is approximately the same as in Bulgaria (16.9%) and Croatia (15.1%); considerably lower than in Macedonia (30.5%); considerably higher than in Romania (7.7%); and somewhat higher than in Serbia and Montenegro (12.6%).

These data should of course be taken with caution. The real

problem lies not in so much in their accuracy as in the large portion of the population that is at great, constant, and real risk of dropping below the poverty line. In fact, none of these numbers offer any ground for optimism. This is illustrated by the fact that a large portion of the workforce and population in both entities:

- are just above the poverty line, coping through various unsustainable survival strategies;
- have insecure jobs or work in the informal sector without any job security;
- work in very localised labour markets with little development stability;
- have little chance to increase their income;
- are very vulnerable with regards to local turbulences and contraction trends such as those that might be caused by privatisation, loss of local markets, a decrease in payments through direct transfers from the international community or through a loss of confidence on the part of investors.¹⁴

These workers and the populations that depend on them are thus at high risk of losing their jobs, of diminishing incomes, and of a collapse of their survival strategies. Around 50% of the population in both entities are below the poverty line or close to sliding into poverty at any moment.¹⁵

1.3. The risk of a sudden increase in poverty in BiH creates what we will conditionally refer to as a "virtual" social and economic situation in BiH. The living standards in BiH, and even the level of consumption, do not correspond to its actual economic potential or to the level of its GDP. This could result in a sudden deterioration of the economic and social situation.

¹³ Other estimates are often mentioned and should be noted in this context. An independent study estimates actual unemployment in BiH at 837,000 persons, of whom 598,000 in the FBiH and 239,000 in RS. When viewed against the estimate of the able population actually residing in the BiH entities, these estimates put the unemployment rate for BiH at 41.8%, with an unemployment rate of 43% in FBiH and 40% in the RS. (UNDP Early Warning System in BiH, Baseline Report, June 2000, p. 27 of the Bosnian-language version). In a somewhat more realistic estimate, an unemployment estimate that also takes into account employment in the informal economy is 22.2% for BiH (23.3% in the RS; 21.6% in FBiH). See UNDP, Human Development Report for BiH, 2002, p. 37 of Bosnian-language version.

¹⁴ See BSAL/IBHI, Qualitative Study 1, "Status nezaposlenosti i tržišta rada : potencijal za razvoj politika djelovanja u BiH" ŠUnemployment and Labour Market Status: The Potential for Development of Policies for Action in BiH, DFID Project Report "Development of Labour and Social Policies," Sarajevo, October 2002.

¹⁵ Bearing in mind the LSMS differences, the study estimated that around 50% of the BiH population were below the general poverty line or at direct risk of poverty. BSAL/IBHI, Qualitative Study 1, ibidem.

More specifically, there are unregistered, informal sections of the economy that also employ people and produce goods. The informal sector has a paradoxical role: it acts both as an invisible cushion for social problems, allowing a large number of people to earn a living, and as a generator of poverty because taxes and contributions are not paid for jobs in this sector, which diminishes not just the public budget in general, but especially the social insurance funds (pensions, health care, social welfare, etc.).

In addition to the informal sector, there are also other "grey" inflows of money into the country that are extremely unstable and help maintain "virtual" consumption. These are:

1.3.1. Transfers by BiH citizens from abroad (refugees or those who have acquired permanent legal status in foreign countries). It is impossible to estimate the size of this inflow, except that it is substantial and economically relevant.

1.3.2. The indirect cash inflow based on the recurring expenses of the international community and international staff in international organisations in BiH is also considerable. In 2000, these expenses (cash inflow) were estimated at around DM 2.5bn per year, which was over DM 60 per month per inhabitant of BiH.¹⁶

1.4. An important element increasing the risk of poverty at this moment is the fact that BiH has to reduce public expenditure. Public expenditure in BiH, which also funds the sectors that are critical for poverty reduction and human development (education, health sector, social welfare, etc.), amounted to 64% of GDP in the year 2000, which is considerably higher than in other countries in the region (43.6%).¹⁷ Due to its more complex institutional structure, public expenditure in the FBiH is significantly higher than in RS. In the period 1996-2000, public expenditure in BiH was \$ 9.2bn. If it had been at the level of the regional average during that period, \$ 1.58bn would have been saved and available for public investment.¹⁸

Public expenditure in BiH is inefficient and guided by wrong priorities. The necessary reduction in public expenditure can be achieved without negative consequences for poverty reduction if the main sectors of expenditure are reformed (education, health sector, social welfare, etc.) and its priorities radically adjusted.

2. Poverty and its special aspects

2.1. Research conducted by the World Bank also tried to establish, on the basis of the Living Standards Measurement Survey, those dimensions of poverty that are not related to income or material goods.

It has been estimated that 27% of adult inhabitants are "educationally poor"; 16% affected by "health poverty"; 11% live in houses or apartments below the poverty standard; 22% of the working-age population are poor in terms of employment; and 29% are "legally poor", living in houses without adequate property or occupancy rights. Since poverty has different dimensions affecting different people, many are poor in at least one dimension. "72% of adults in BiH are poor in some aspect of life: material consumption, education, health care, employment, housing, or property rights."¹⁹

In view of the chapters that follow and the importance of a poverty analysis in sectoral terms for both the MDG and human development, we will here review the most important issues.

2.2. Poverty and good governance

The following causalities are generally applicable to poverty and good governance:

- poor governance leads to poverty;
- poverty considerably restricts and complicates attempts to establish good governance.

¹⁶ Ljarko Papić (ed.), "International Support Policies to South-East European Countries – Lessons (Not) Learned in BiH," Muller/Open Society Fund BiH, Sarajevo 2001, p. 22 of the Bosnian-language version

¹⁷ See WB, "BiH: From Aid Dependency to Fiscal Self-Reliance", October 2002, p.17 of the Bosnian-language version.

¹⁸ See ESI "Western Balkans 2004 – Assistance, cohesion and the boundaries of Europe", Berlin/Brussels/Sarajevo, 3 November 2002.

¹⁹ Especially interesting in this regard is the WB Report No. 25343 (BiH Poverty Assessment), which was prepared in a working version for further consultation.

BiH is currently displaying aspects of poor governance and poverty that are uncommon for a country aspiring to become a member of the European community of nations:

- Corruption is the most visible feature of poor governance in BiH and leads to poverty. Corruption as a result of a lack of transparency in public administration is one of the causes of poverty because it makes “the poor even poorer, and the rich even richer”;²⁰ reduces or makes impossible the use of public services by the poor;²¹ deters potential investors; and adversely affects economic growth rates.
- An expensive, unwieldy, and inefficient administration is an important factor of resistance to development adjustments that could, in the medium to long term, reduce the problem of poverty. The short-term consequences are at least two-fold: the poor are forced to accept and pay for poor-quality public services (low living standards and quality of life), and no funds are available for social care for the most vulnerable because the logic of any bureaucracy is to first take care of itself.

2.3. Human rights and poverty: rights-based development approach to poverty reduction

In the immediate post-war period it was reasonable to insist most on respect for certain fundamental rights, from the right to life to the right to vote, in order to allow not only for the return of refugees and displaced persons, but also for a democratisation of society, above all by establishing democratically elected authorities. Little attention was paid to the fact that, in addition to civil and political rights, there are also some fundamental economic, social, and cultural rights that are no less important for the process of democratisation or return. If such rights – even though they fall into the category of economic, social, and cultural rights – are not exercised, return and democratisation will remain impossible or incomplete.

Unfortunately, the lack of respect for the right to work is not a problem affecting only the category of returnees, but – quite to the contrary – a large number of socially vulnerable categories such as the unemployed, war veterans, persons with disabilities, pensioners, educators, health workers, and a number of those who, even if exercising their right to work, cannot make a living due to low salaries. Without wanting to deny the importance of political and civil rights in the recovery of BiH, such fundamental human rights and freedoms will not be respected without economic progress and a

corresponding increase in the respect for the economic rights of each individual – something that is impossible without economic growth, the creation of new jobs, an increase in the employment rate and living standards.

2.4.1. The impact of gender differences on poverty

2.4.4.1. Some assessments of poverty in BiH suggest that gender is “at the heart of the problem of poverty in BiH.” Women head 25% of all households in BiH, and 16% of the poor population live in such households.²²

There are several factors of gender inequality that exacerbate the differences between men and women in terms of poverty in BiH.

The first factor is the difference in access to resources and the market, because women aged 16-64 make up only 37.2% of the workforce in BiH.²³ In addition to economic conditions, reasons also lie in social conditions, one of the reasons being that traditionally men are the owners of private property, despite the fact that women have equal rights under the law to inherit and share property (and the transfer of ownership from one spouse to both spouses is free of charge).²⁴ every second man considers himself the head of household (48.39%), while women are in this role three times less often (14.8%). Men do not consider their spouses head of households (only in 0.53% of cases), while women see their spouses in that role in 40.75% of cases.²⁵ The legal illiteracy of women, i.e. the lack of knowledge about the legal framework protecting human and therefore women’s rights, is a major obstacle, especially for rural women. By virtue of not possessing property, women are automatically excluded from loans since real property is always required as a collateral.²⁶ Employment programmes for populations affected by poverty

²⁰ BiH: Diagnostic Survey of Corruption, Svjetska banka na zahtjev vlasti BiH, p. 6 (60% respondents chose this answer).

²¹ Transparency International BiH: Studija percepcije korupcije [“Survey of Perception of Corruption”], June 2002, p. 80.

²² According to some surveys, a special feature of female-headed households in BiH is that there is no role reversal or role identification with men: instead, those women are mostly widows (83%), about to retire (20%), or retired (60%). Only 1.6% of households where men are alive and healthy are headed by a female.

²³ Estimates suggest that among the poorest, only 30% of able men are employed, and only 10% of able women. With women from well-off households, the level of employment is only 25% lower than that of men.

²⁴ CEDAW, 2003, Article 15 ŠEquality before the law.

²⁵ LSMS, p. 8 of the Bosnian-language version.

offer women the possibility of self-employment in fields where there is very little or no demand in the market (handiwork, agriculture or animal husbandry attached to the household).²⁷ A key indicator for a successful reduction of poverty will be improved conditions in the labour market for women, especially an increase in the female share of the labour market.

Speaking of the basic values of international relations in the 21st century, in its Millennium Declaration the UN General Assembly stated, among other things, that equality implies that it would do its utmost for men, women, and children to be freed from the inhumane conditions of extreme poverty to which over one billion of world's inhabitants are consigned; that it was committed to the exercise of every person's right to development and freeing the entire human race from want.

A second factor is the lack of access to information on resources and professional training. This reduces the access of women to information on loans, changes in the market, and the spread of informal support networks.

A third factor is age because elderly women are more affected by poverty than elderly men. Decisive here is the possibility of employment, which with age declines much more dramatically for women than for men. The share of employed women in total employment is 37.2%, with the difference in relation to men increasing when women reach the age of 49, after which their share is reduced by 5% for every additional ten years of age.²⁸ The fact that the average life expectancy of women is higher and their share in the workforce lower, further contributes to an increased risk of sliding below the poverty line compared to men. Women make up 58% of the population over 65, they often live alone, and if they live in the countryside, with no pension or other income, they show the strongest risk of falling below the poverty line.²⁹

2.4.1.2. Poverty risk factors and gender differences

Poverty exacerbates gender inequality between men and women, and the relevant early warning indicators have just been developed and are being monitored in BiH. Four population categories are at greatest risk of falling into poverty: rural populations, displaced persons, educationally poor persons, and women.³⁰

The risk factors for women are to be found both in public and private life. Domestic violence, or violence against women and children, go hand in hand with poverty. According to some assessments, gender violence happens more often to poor women in BiH.³¹ The inability to enjoy certain rights is one of the risk

factors of falling into poverty. It has been more difficult for female-headed displaced and refugee families to exercise the right to return of property.³² Lack of access to health care is also closely related to poverty.

Education is most strongly related to poverty and constitutes the most important risk factor. Women aged 18-35 who have finished only primary school will thus be outside the labour market twice as often (42.9%) as men (20.4%) with the same qualifications.

2.4.1.3. Coping mechanisms

Past research into this issue has indicated that the differences are greatest with regards to the ways in which men and women cope when affected by poverty. Men more often fall into depression when they are unemployed, while women in those situations are prepared to sacrifice their careers and their physical and mental health to accept any jobs to provide some income. In these situations, men lose their traditional roles of bread-winners for the family, while women, most often accustomed to the role of a housewife, also assume the new role of bread-winner. Faced with the choice between taking care of children at home and paid baby-sitting, poor families will select the financially easier option where women stay at home,³³ which reduces their possibility to advance their careers and their economic independence. Most of the coping mechanisms used by families in poverty, such as cultivating vegetables in gardens, preparing winter reserves, or including members of several generations in the household, are a female responsibility.

²⁶ Banks do not have any gender-segregated beneficiary statistics, but USAID Business Finance has shown that, in spite of the intention to achieve equal access to their loans and an almost balanced number of micro-credit beneficiaries, when it comes to larger loans, 250 portfolios of micro-credit organisations employ 10,576 people, of whom 68% men and 32% women; out of a total of 194 SME portfolios, 258 owners are men and 50 women.

²⁷ The international community, for example, provided this support through grants or loans, cows in locations where milk and dairy products could not be sold; or created self-employment in handiwork in places where those products could not be sold because all households engaged in handiwork, etc. and perpetuated the stereotypes of male and female jobs and always linked programmes for women to their reproductive role.

²⁸ FZS, 2002, RZS estimate, February 2003.

²⁹ PRSP, p. 19.

³⁰ World Bank, Poverty Assessment in BiH, 2003, p. ii.

³¹ World Bank, Poverty Assessment in BiH, 2003, Chapter I, para 40.

³² UNHCR and UNHCHR, "Daunting Prospects, Minority Women: Obstacles to Their Return and Integration," Sarajevo 2000.

³³ PRSP, p. 19.

2.5. Environment and poverty

An active policy of environmental protection has a major impact on poverty reduction.

The implementation of the proposed priority measures for air quality (see chapter VII) would result in projects of potential importance for poverty reduction, for example improving heat protection in existing facilities in order to reduce heating costs and air pollution.

The continuous supply of drinking water for smaller and suburban settlements, as well as cities (Tuzla); the more economic use of water; its protection in terms of quality and quantity; and protection from flood waters would also reduce poverty. The implementation of projects to collect and filter fluid waste from cities and to use the water potential (e.g. through the use of geothermal waters for heating or the use of water for the production of food such as fish, for medical treatment and tourism) would together and individually contribute considerably to improving the quality of life in BiH.

Land and soil, and notably arable land, are key resources, enabling as well as limiting, for food production and especially for rural development. The cataloguing of soil contamination and erosion are part of a necessary and ongoing concern and should be integral parts of any land and soil policy. The forest areas of BiH are unique in location, types, and utility. The revitalisation of the wood processing industry and its further sustainable development must be coordinated and is among the most important priorities in employment generation and poverty reduction in BiH.

The importance of a programme of intensified de-mining in the whole of BiH should not be underestimated. The cumulative effects of de-mining on the planned exploitation of natural resources (land, forest) and the sustainable return of refugees and displaced persons are considerable and should be taken into account.

2.6. Health care and poverty

Poverty has a strong adverse effect on the health of the population. An extremely difficult socio-economic situation, constant population shifts, unemployment, changed conditions of living in communities and families all lead to increased poverty and contribute to bad habits resulting in an even worse health status of the population.

The main problems in the health sector resulting from poverty are the following:

- A high percentage of the population without insurance (22%);
- Different health insurance baselines and rates for mandatory insurance;
- An uneven territorial distribution of health facilities and professionals resulting in the uneven accessibility of health care in urban and rural areas;
- Great differences in the consumption per insuree between economically weaker and stronger cantons/regions;
- Differences between individual population categories (returnees, pensioners, persons with special needs); even within these categories the gap is sometimes deepened by religious, political or other beliefs.

Poverty also increases health problems of the population, in particular:

- Increased use of drugs, medicines, and other narcotics contributes to an increased number of mental and behavioural disorders and a rise in the suicide rate and addictive diseases (domestic violence, etc.);
- Unhygienic housing conditions and especially the lack of adequate housing (affecting above all refugees and displaced persons); the consumption of uncertified food and food of unknown origin; and the inadequate removal of waste substances are factors of increased risk for the occurrence and spread of many contagious diseases that still occupy an important place in the pathology of the population;
- The decline in the birth rate is a direct result of poverty because insecurity and uncertainty in a society contribute to the reluctance on the part of many young people to plan a family.

2.7. Poverty and education

Poverty can pose an important obstacle to achieving full access by all children to primary education, even though primary education is, for the time being, most resistant to poverty-related difficulties.

World Bank research has established that the poor population has, on average, one and a half year less education than the rich group. Urban populations go to school for an average of two years longer than rural populations.

Poverty strongly affects pre-school education. While only 4.3% of all children attend some pre-school institution, the corresponding number is 1.1% for children from poor families (even though they can be subsidised) compared to 5.6% from rich families.

The data on primary school indicate that this level of education is the least subject to inequality based on gender, regional background (rural/urban), or household income. Poverty produces the least differences at the primary school level; still, every fourth head of household is among the poor.

Apart from educational performance, poverty is the most important reason why 31.5% of primary school graduates do not move on to secondary school. Only 57% of students from poor families move on to secondary school, while 77% of students who are not poor will continue with their education.³⁴

The difference between the poor and the rich is even more drastic in higher education. Only 9.3% of poor students attend university, while the percentage for rich students is three times higher (27.3%).

There is a strong correlation between the educational background of a head of household and the likelihood for the household to find itself in poverty: the lower the level of education, the higher the rate of poverty, and vice versa. The percentage of poor households is lowest (2%) in cases where the head of household has a higher education degree. A household whose head has a university degree is fourteen times less likely to be poor.

Of the total number of the poor in BiH, most have finished primary school (47%) and secondary vocational school (32%), while a total of 10% of the poor have finished grammar school, two-year post-secondary school or university. The remaining 12% are heads of household without any education.

3 Poverty reduction policies in BiH

3.1. The issue of poverty reduction in BiH can, in principle, be conceptualised in two basic ways: *reactively* – as a fight *against* poverty, or *proactively* – as a fight *for* a prosperous society and sustainable development. The former approach currently prevails in BiH, with all of its inherent constraints. The proactive approach, by contrast, would correctly place the issue of good governance at the centre of attention. It is only through a series of specific economic policies that the preconditions for poverty reduction could be created, first among them an accelerated recovery and increased growth of the real economy and production. This is not the place to analyse such policies, which are elaborated in the BiH Development Strategy/PRSP.

Given the economic realities of BiH and the risk of increased poverty, the only possible solution is a reform of all sectors focusing on poverty reduction. In other words, a radical change of approach is needed. Poverty reduction cannot be a matter for the government only (state, entity, canton, municipality) but must involve the entire society in an integrated policy of government, local communities, and CSOs. In that sense, it is critical to launch change at all levels in society.

3.2. As already mentioned, public expenditure in BiH is excessive given its current GDP. Because of this, public expenditure:

- is a constraint on GDP growth because funds available to be invested in development are smaller than possible or necessary;
- directs a portion of international financial support towards public budgets and administrative expenditure instead of economic development.

The infrastructure of the public sector was developed before the war under conditions of double the current GDP; therefore, the real problem lies in the low GDP level, i.e. low production, especially in the industrial sector. Given the need to encourage a transition from the informal to the formal economy, public expenditure must be reduced.

3.3. Public expenditure should be reduced through:

- a restructuring of public expenditure;
- a reform of certain parts of the public expenditure sector.

BiH is a “weak state” not only in the sense of inefficient organisation, but above all in the modern sense: regardless of the level of state organisation, it is not an effective public service for citizens or an efficient distributor of public goods for its citizens. The public consumption system established in the statist fashion, under a dominant heritage of socialist, bureaucratic practice, is too expensive and detached from citizens’ needs. Through reform and a restructuring of public expenditure, more can be achieved for BiH citizens with less public consumption.

3.4. Restructuring excessive public expenditure means to identify priority areas for a significant reduction within the shortest possible. The following are such areas:

- administration costs at all levels of government (related to public administration reform) and public expenditure sectors;

³⁴ *ibidem*, p. 85.

- defence expenditure;
- police expenditure;
- costs in the social security system, created by unjust and uneconomically broad entitlements, notably in the field of protection of disabled war veterans, which has a 6% share of GDP³⁵ – higher than the share of education or social welfare. The entitlements defined in the laws on protection of disabled war veterans are distributed in a way that makes them unjust even within that population. Broad entitlements for persons with very low levels of disability (who work or are able to work) are made at the cost of appropriate material assistance for persons with complete disability;
- costs of unrealistically broad entitlements set out in the legislation on social welfare.

The priority of reducing these public expenditure costs requires accelerated amendments to the relevant legislation.

3.5. The reduction of public expenditure in other sectors should be conducted through radical sectoral reforms. These are sectors that have a direct or indirect impact on development, and sectors where income can and should be increased outside the state budgets. In these sectors, reform does not necessarily mean a reduction of income but a change in the source of income, with a reduction in budget expenditure:

- education, especially secondary and university education, given the need for education to correspond to the demands of the labour market;
- scientific and technological innovation;
- health sector, strengthening additional private insurance;
- pension system, through focusing on its original function of providing specific old-age insurance, and the development of options for additional, private pension insurance.

3.6. Special attention must be paid to the social welfare reform given the extent of social problems in the country. The reform should proceed in the following directions:

- Streamlining of the entitlements granted under the law and of the mechanisms of the provision of social welfare, including the mode of payment of permanent social assistance, child allowances and allowances paid to civil victims of the war at the entity level.
- A more important portion of social welfare reform should focus on the local community (the municipality) and the development of a mixed social welfare system involving social work centres, CSOs, the private sector, as well as other public institutions. The experience of a DFID pilot project of social welfare reform in four municipalities – Banja Luka, Gornji Vakuf/Uskoplje, Zenica, and Trebinje, covering 15% of the total population of BiH,

indicate that social welfare reforms in local communities, designed and implemented in full cooperation with local actors and authorities, are not only feasible but in fact more easily implemented than commonly believed. The importance of local actors is especially great in creating a network of social welfare stakeholders that will help in mobilising additional resources for social welfare outside public expenditure; involving local actors will also help in creating a new quality of social work that is focused on services and clients.³⁶

- Social welfare reform should lead to a reduction in the number of clients and their reintegration into the regular labour force.
- Social welfare reform must be followed by reforms in the entire social sector, especially in the fields of labour and employment and pension and disability insurance.
- It is necessary to provide assistance to the most vulnerable category of the population and to ensure the equal treatment of all beneficiaries of material assistance who are in real need (i.e. not to base assistance exclusively on membership in a certain category or on acquired rights, as is the case now).
- It is important to advance the efficiency of the social welfare system through organisational changes, starting from the relevant ministries at the entity and cantonal levels, with a special emphasis on the establishment of norms, standards, and simplified procedures for the operation of social work centres according to internationally recognised standards.
- Reforms of the social welfare system have already started in a number of municipalities and towns in BiH and it is very important to use the existing experience in the development of social policies.

The main directions of a reform of the social welfare system at the local level have been defined in a full partnership with local social welfare actors, also providing suggestions for the direction of reform at the entity level.

The recommendation for reforms at the local/municipal level are as follows:

- *promotion of a client-oriented approach in community-based planning;*

³⁵ See WB, "BiH: From Aid Dependency to Fiscal Self-Reliance", ibidem.

³⁶ The experiences from the pilot project "Podrška socijalnom sektoru u BiH" [Support to the Social Sector in BiH], funded by the Finnish government and implemented by UNDP/IBHI in the municipalities of Travnik, Prijedor, Jajce, Kozarska/Bosanska Dubica are also very important. For more details, see "Tranzicija socijalne zaštite u BiH" [Transition of Social Protection], SSSP Finland – BiH/IBHI, Sarajevo, February 2002, and Project Bulletins No. 1-7, (www.ibhibih.org).

Chapter III

POVERTY REDUCTION

- provision of support and services according to needs;
- promotion of universal communication of services and support;
- promotion of the development of institutions and partnerships;
- promotion of consistent planning among and between the levels at which social welfare is provided;
- promotion of the principles of quality, responsibility, transparency, and efficiency;
- creation of stimulating legal and financial conditions; raising of public awareness.

In the meantime, there is a pressing need to make progress at the entity level based on an analysis that should be undertaken to support the requests developed at the municipal level, in particular for:

- more transparent, simpler laws with a facilitating rather than prescriptive spirit;
- more transparent, predictable, and longer-term budgeting;
- realistic budgets passed on time;
- a more consultative and less directive approach in communication between cantons and municipalities;
- within a framework of standards and guidelines, an increased scope for local solutions in social protection, recognising the positive effects of subsidiarity;
- audit process more focused on outputs, impacts, and problem areas for social protection policy and implementation;
- agreement to operationally justified budget transfers;
- a framework that addresses inequalities of income and the burden of social protection between municipalities, and therefore inequalities in the provision of social protection;
- guidance on defining the poverty line for policy and operational reasons; and
- guidance on relationships between transfer payments based on rights rather than income levels, and poverty alleviation payments (See BSAL/IBHI, "Consolidated Municipal Level Review and Analysis Report", DFID project "Reforming the Systems and Structures of Social Policy, RSSSP", Sarajevo, October 2002).

3.7. Reforms in these public sectors must focus on cost-effectiveness as their basic principle, which requires the development of management capacities in education, health care, and social welfare.

Other principles of reform must be:

- streamlining public expenditure;
- efficiency and fairness (within strict budgetary limits);
- transparency and combating corruption.

3.8. The development of the labour market and its institutions is important for social welfare reforms. It is especially important to reform employment bureaus in order for them to become active players in the labour market by providing retraining of workers based on the demands of the market, by supporting increased labour mobility, and by maintaining information systems on the labour market situation, etc.

3.8.1. The basic employment-related problem in BiH is the existence of "parallel" employment in the informal sector, i.e. the need for a transition of the informal sector to the formal sector. Tackling this problem will yield major results within a short period of time.

We do not recommend that steps should be taken to eradicate employment in the informal sector. Instead, we recommend a series of positive measures in both entities that will encourage employers to register their workers and hire them with full employment rights.

This means implementing positive actions to support the spontaneous transition of work and employment from the informal to the formal sector. This should be seen in policy terms as another integrated aspect of policy development for the overall transition of the BiH economy into a modern market economy, balancing flexibility with limited regulation to enforce basic standards of employment, products, and services. Such transition must be consistent with the development of EU-compatible legislation while not impeding the development of internal competitiveness.

Measures that could support this process, with variation in the entities, are the following:

- Provision of incentives for companies to register, such as:
 - access to subsidised credit;
 - training grants;
 - assistance with marketing.
- Provision of incentives for companies to register employees, such as:
 - making the value of available loans depend on the number of registered employees;
 - making the value of training grants depend on the number of employees;
 - creating incentives for employees to work as registered employees, e.g. by ensuring that entitlements to social insurance benefits depending on the contributions are in fact paid.

- *legislation and operational procedures to reduce disincentives for registration by rationalising and reducing social insurance contributions and income and local taxes;*³⁰
- *improvement and streamlining of the inspection regimes to which enterprises are subjected, in order to diminish the negative impact of inspections that result from registration of enterprises;*
- *normalisation of informal and unrecorded production within formal sector enterprises;*
- *assistance with debt management of fundamentally viable formal sector enterprises;*
- *consideration of an increased use of CSOs as formal sector employers. In the EU, CSOs have an increasingly important role in providing formal, but often flexible or part-time employment opportunities.*

See BSAL/IBHI, "Qualitative Study 1: Employment and Labour Market Status and Potential for Policy Development in BiH", DFID project report "Development of Labour and Social Policies," Sarajevo, October 2002.

Where will I be

CHAPTER IV GOOD GOVERNANCE³⁷

1 MDGs and the general ■ governance situation in BiH

1.1. Context and structure of public administration in BiH

The Dayton Peace Agreement established BiH as a sovereign state with a decentralised administrative structure. The state of BiH, consists of two constituent entities, the Federation of BiH (FBiH) and Republika Srpska (RS). The already multilayered, complex, and complicated administrative structure received an addition in March 2000 with the declaration of Brčko District as an autonomous unit. The administrative structure of BiH is shown in the table below, which also indicates the gender distribution of the top executive officials at all levels.³⁸

Table 1.1.: Administrative structure of BiH

Administrative levels	Jurisdiction									
	State		F BiH		RS		Brčko		Total	
	M	W	M	W	M	W	M	W	M	W
Central	1								1	0
Entity			1		1				2	0
Cantonal			9	1					9	1
Municipal			80	4	61	2	1		143	5
District							1		1	0
Total	1	0	90	5	62	2	2	0	156	6

Power is concentrated at the intermediate levels (in the entities and, in the case of FBiH, in cantons). The entities are characterised by a high degree of political, administrative, and fiscal autonomy. The internal administrative structure of the entities is rather different and uneven: the FBiH is extremely decentralised, with an intermediate administrative level formed by ten cantons which have a significant degree of fiscal autonomy, and a lower level of 84 municipalities,

in 2015?

whereas RS is centralised, with fiscal power concentrated at the entity level, no intermediate level, and 63 municipalities. An integral part of the current institutional set-up in BiH is the Office of the High Representative (OHR), which has the final authority in making all important decisions in BiH. Special interim arrangements of supervision by the OHR are in force in Brčko District.

In the formal sense, decentralisation in BiH is extremely pronounced (especially in the Federation). However, the principle of subsidiarity,³⁹ which gives full meaning to the idea of decentralisation, is not consistently applied. Thus, conflicts at higher levels are over the issue of the allocation of competencies to the state and the entities – issues that are important for the normal functioning of the state – while the main contentious issue at lower levels concerns the actual transfer of powers and responsibilities to municipal administrations, since only such a transfer would enable them to become a genuine service for citizens and an agent of local development in accordance with the concept of local self-rule.

The current political system in the country is parliamentary democracy. The 2002 general elections were for the first time carried out by a local election commission.

1.2. Good Governance and Public Administration Reform

Two-thirds of respondents from a UNDP governance survey, including 1000 civil servants, 500 citizens, and 500 from the business community expressed unhappiness with public

³⁷ Through a combination and simplification of a number of available definitions, for the purpose of this paper good governance shall refer to user-oriented, efficient, transparent, and participatory governance of public affairs in the best public interest, at all levels from the state to the local level.

³⁸ Taken from World Bank, "Bosnia and Herzegovina: From Aid Dependency to Fiscal Self-Reliance (A Public Expenditure and Institutional Review)," October 2002, www.worldbank.org.ba, p. 2.

³⁹ The principle of subsidiarity requires each responsibility to be where it can be used in the most appropriate way, decisions to be taken where they are closest to the citizens, higher entities not to take over functions that lower entities can perform satisfactorily, and the like.

administrative service – favourable answers amounted to just 23 per cent.⁴⁰ The fundamental change in public administration must be a transformation from a bureaucratic and largely inefficient administrative procedure to service delivery for the public. An efficient administration enhances citizens' relationship with government, improves the political, legal and socio-economic environment as a whole.

As an early recognition of the extent of this problem, at the Peace Implementation Council Meeting in Brussels at the end of March 2003, BiH authorities together with the international community pledged the Public Administration Reform (PAR) at the heart of their policies. Following this meeting, the Intergovernmental Task Force (IGTF), comprising of the main domestic actors in the field of Public Administration, has been established with other national institutions as well as international organisations serving as advisory members to the group.

IGTF has been set up in order to oversee and coordinate the implementation of the PAR pledges targets agreed between the BiH authorities and the international community. Its main objectives, as outlined in the introduction to the PAR pledges targets, are threefold:

- To accelerate and strengthen, where necessary, the ongoing efforts to reform the public administration,
- To consult with civil society, trade unions, and the business community on needed reforms as well as to conduct comprehensive functional reviews at all levels of Governments and
- To elaborate and adopt an action plan by the autumn of 2004.

The PAR pledges represent a comprehensive strategy for the reform of the public administration in BiH. However, the challenge lies in its implementation as it requires a political and operational coordination amongst BiH governments and international donors as it would not be an easy process.

1.3. Situation analysis and basic problems in public administration in BiH

The process of administrative transition in BiH has its special features and difficulties. The decentralised administrative structure of BiH was not introduced primarily as a means for the efficient and user-oriented provision of services, as is the case in most other countries, but above all as a means to protect ethnic interests and to create a basis for post-war political stability. The key principles of good governance (effectiveness and efficiency, transparency and accountability, and participation) have thus remained

neglected; only now do the high costs of neglecting these critical aspects emerge.

The key problems of the transition of the public administration system in BiH are the following:

- constant internal political contests in search of the right answer to the wrong question, i.e. should the role of central authorities be strengthened or should the decentralised structure be preserved;
- the lack of a unified local political will to embark on a comprehensive, system-based, and
- well-conceived project of transition of public administration. In practice we are dealing
- with a series of piecemeal, isolated initiatives and projects that are not harmonised and
- sometimes even contradictory, and almost entirely based on the assistance of donors and
- their priorities;
- underdeveloped local professional capacities to design and implement a programme of public administration reform;
- inherited and as yet unchanged bureaucratic patterns of behaviour of administration at all levels (user-friendliness is not the primary focus in the functioning of the administration);
- a lack of a tradition of cooperation between the public and private sector;
- an as yet insufficiently developed or influential third, non-governmental sector, which
- therefore is not perceived as a potential partner by either the public or private sector.

Against this background, this section will assess the application of the three basic principles of good governance: transparency, efficiency, and participation.

1.3.1. Transparency

Since corruption is a feature of non-transparent systems, the perceived level of corruption in BiH can be taken as a synthetic indicator of the unfavourable situation with regards to transparency. According to the World Bank survey⁴¹ conducted at the request of the BiH governments, almost 100% respondents from the three surveyed groups (citizens, civil servants, and business executives) refer to the

⁴⁰ UNDP (April 2003), *Good Governance Survey – Bosnia and Herzegovina. Perceptions of public administration practices and service delivery, as expressed by citizens, business representatives and civil servants*, Governance Reform Programme,

⁴¹ "BiH: Diagnostic Survey of Corruption," WB at the request of the BiH authorities, p. 12.

presence of corruption in BiH. Over one half of them (60% of surveyed citizens, 54% of civil servants, and 52% of entrepreneurs) believe that corruption is widespread.⁴² The perception of corruption as widespread is almost identical in the three surveyed groups. This suggests that the introduction of the concept of good governance in BiH (based on a partnership of public administration, the private sector, and civil society) is very much threatened by a lack of confidence in the public sector.

Some qualitative assessments can also be made as a result of a series of field surveys.⁴³ These focused on the situation in the application of the principle of good governance at the local level, in the public administration that citizens see as the closest to them and the most accountable. In summary, the surveys indicate the following:

- unclear and non-transparent procedures and responsibilities, especially from the citizens' perspective;
- a lack of internal procedure and instructions within the administration itself;
- a lack of work standards and a transparent system of remuneration;
- insufficiently transparent public procurement, especially in the domain of public services;
- non-transparent budgets;
- an underdeveloped system of independent auditing;
- the lack of a code of good governance, i.e. a set of principles, values, and rules of behaviour for civil servants.

The situation is no better at higher levels of administration in BiH. In fact, the situation there is even worse in several respects.

The possibilities offered by new information and communication technologies in ensuring more transparent operations and decision-making by the administration have still not been seriously taken into account or used.

1.3.2. Efficiency

Direct indicators of the situation in terms of effectiveness and efficiency of public administration in BiH, notably in providing various services for citizens, do not exist due to the general neglect of these principles. In the rare local surveys of the situation of administration in BiH that focus on the local level (conducted in over 20 municipalities),⁴⁴ a common weakness of all the surveyed local administrations was noted: the lack of any, and especially regular, surveys of citizens' satisfaction or dissatisfaction with the work of the various segments of public administration, especially administrative and public services. We can assume with a high degree of certainty that this

typically bureaucratic situation is also characteristic for all other municipalities in BiH. No positive examples have been registered at higher levels either.

Since a solid, quantitative output indicator of the (in)efficiency of public administration in BiH does not exist, the (in)efficiency situation can be qualitatively described as follows:

- the design and operation of systems of administration is bureaucratic and not user-oriented;
- procedures are excessively complicated and time-consuming;
- instead of having papers and information (e.g. various approvals and confirmation slips) handled for them, citizens have to collect them;
- a low development level of information systems and the application of information technology in the work of administration generally (no serious efforts have been made to promote e-governance);
- no developed system of human resources management; insufficient professional qualifications of staff; professional standards and criteria come second to political criteria;
- time limits set out in the law for processing cases of legal and physical persons are often not met, especially in the domain of urban planning services;
- there is no record showing that any administration, at any level of BiH, has received a certificate confirming that it has met the quality standard ISO 9001:2000, which largely guarantees the application of the principles of good governance.⁴⁵

If it is not possible to quantify the problem of inefficiency of public administration at the exit point (towards the citizens), it is possible to see at the entry point how much the public sector costs BiH since the overall cost of the public sector are an integral part of any assessment of its efficiency. As already mentioned, the public sector in BiH is very expensive, significantly more expensive than in other transitional countries, which strongly suggests that it is inefficient.

In addition, to illustrate the situation regarding the efficiency of the public sector in providing a positive business environment,

⁴² "Early Warning System BiH," a periodical publication of the UNDP, continuously tracks transparency and other important indicators of the population's attitude towards the government.

⁴³ These are mostly surveys conducted for the purposes of the Open Society Fund of BiH ("Preliminary Diagnosis of Local Governments in BiH", EDA Banja Luka, April 2001).

⁴⁴ Same source.

⁴⁵ The preparation for certification is underway in four municipal administrations in BiH. These could also be positive examples of achieving good governance in BiH.

comparisons with other countries in two administrative services can be used: business registration and obtaining required urban planning approvals and permits.⁴⁶

The average time needed to register a business in the FBiH in 2000 was almost 100 days and in RS around 70 days, while for example in Slovenia this time is 30 days and in Romania 5 days.⁴⁷

The average time needed to review an infrastructure project in a particular location and to issue an urban planning approval and construction permit in BiH was around 90 days in 2000, despite the fact that the time limits set out in the law are considerably shorter (between 30 and 60 days). By comparison, the average time for the same types of administrative services in some other countries in transition are significantly shorter (in Poland, Ireland, and the Czech Republic around 30 days; in Hungary and Latvia around 5 days; and in Lithuania even less than 5 days).⁴⁸

1.3.3. Participation

A cross-comparison of the three selected criteria of good governance suggests that the situation with regards to participation is the worst. As a rule, decisions are taken at all levels of public administration in BiH without serious opportunities for the private sector and citizens to actively participate. Participation ends the very moment the people's representatives are elected. Even forms of participation prescribed by the law (e.g. public hearings or referenda on major issues) are used only formally and occasionally (in the case of public hearings) or almost never (referenda).

Rudimentary forms of participation by the private sector have been established only since 2000 with the tri-partite economic and social councils at the entity level, consisting of representatives of government, trade unions and employers. Their mandate extends to a very limited number of issues, and their activities were initiated almost always by governments.

The situation is not much better at the local level. The institution of the neighbourhood community, a part of the tradition of citizens' participation at the local level, is formally being maintained but in reality neglected and under-utilised. Even the increasing number of local CSOs in BiH cannot fill this gap.

A direct consequence of the perception of widespread corruption is a low level of public confidence in government. According to the rare surveys,⁴⁹ only a very small portion of the public is convinced that honesty reigns in BiH. Around 40% of respondents perceive governments as dishonest and have almost no

confidence in them. Cantonal governments are trusted the least, municipal governments the most.⁵⁰

The reasons for the very critical situation with regards to participation do not lie only with the public sector but also with the private sector (a low level of self-organisation) and citizens (a prevailing lack of interest and insufficient capacity to actively participate in affairs of public interest).

The transition of the system of Chambers of Commerce, which if the previous regime had the role of exclusive representatives of the interests of employers (primarily socially- and state-owned firms), is proceeding very slowly and has met with a high level of distrust on the part of the growing private sector. The private sector, on the other hand, is still not showing a capacity for self-organisation through associations that would be difficult to ignore thanks to their size and influence. Instead of being concentrated in only a few truly powerful associations, the potential strength of the private sector is dispersed across a number of smaller, quantitatively and qualitatively insufficiently influential associations that are not demonstrating the necessary level of mutual cooperation.

As for citizens, the general point can be made that they are passive and content to accept a pure observer's role in social development.

In addition to the above-mentioned level of public distrust in government, voter turnout can also serve as a synthetic indicator for the set of issues related to participation.

Table 1: Voter turnout for elections in BiH (2000-2002)

Level	2000 local elections	2000 general elections	2002 general elections	Ratio 2000/2002
BiH	66	64.4	53.94	-10.46
FBiH	65	67.8	55.48	-12.32
RS	71	64	51.30	-12.7

⁴⁶ FIAS, BiH, Administrativne barijere investiranja [Administrative Barriers to Investment], FIAS/IFC/WB, March 2001.

⁴⁷ Same, p. 64.

⁴⁸ Same, p. 97.

⁴⁹ See World Bank, "From Aid Dependency to Fiscal Self-Reliance," p. 15.

⁵⁰ For more details see the UNDP "Early Warning System Annual Report, BiH 2002," Sarajevo, 2003.

In the 2002 elections, the total number of registered voters included 46% men and 54% women. Only 46% of registered female voters actually voted in the elections, while 58% of registered male voters voted, which suggests a decrease in interest and probably the possibility to vote among women.

Voter turnout has decreased considerably (by over 10%) over a period of only two years. This could mean:

- that the voters' ethnic "propellant" is losing its power;
- that over this period nothing serious has been done to raise the level of participation by citizens in public affairs;
- that the distrust of citizens in public administration (especially in politicians) contributes to civic passivity.

2 Recommendations and alternative policies

2.1. Concepts and experiences of public administration reform in transition countries

An overview of the most important achievements of public administration reform in transition countries⁵¹ yields a mixed picture. There is no universal solution or model, even in the case of countries that are similar.

The democratisation and restructuring of political and administrative systems started in the late 1980s and early 1990s. In addition to external stimuli, an important role was played by internal motives, of which two are the most important: the need to carry out a devolution from central authorities which had become "bottlenecks", and the need for future key actors and partners – the private sector and emerging civil society – to get involved in responses to new challenges as early as possible.⁵² The changes in the system of public administration, perceived as one of the key factors in the successful implementation of economic reform policies, were concentrated around several basic issues: the establishment of a modern, user-oriented administration; changes in the relations between central, regional, and local levels; restructuring of government agencies; and combating corruption. However, changes in the system of public administration have not yielded the expected results either with regards to their scope or the speed with which they were introduced. The situation is similar with financial and legal institutions.

After more than ten years of accumulated experiences, successes, and errors, some of the most important lessons learned are the following:

- Formal changes in legislation are only a precondition but not the essence of reform – they are not an end but a beginning. Without professional standards, legislative changes remain hollow;
- If there is too much insistence on the top-down approach, the danger arises of achieving only a formal rather than actual decentralisation or devolution;
- Unless the reform project is transparent and commands broad consensus and participation by actors outside the public sector, the reform process will depend too much on political changes and can be delayed or even suspended by a change of the parties in power;
- External professional and financial assistance to reform is needed and welcome, but local ownership and local leadership in the reform process are essential (Slovenia);
- The reform of any segment of governance, and thus of public administration as well, cannot be carried out as an isolated process – it should from the very beginning be situated in the context of more comprehensive and attractive development programmes and strategies (see Croatia's "Strategy for the 21st Century");
- The most difficult part of reform is overcoming bureaucratic patterns of behaviour and creating a new administration culture, partner-like and user-oriented.

2.1.2. The example of Slovenia

Slovenia is one of the examples from which BiH could directly learn.⁵³ In Slovenia, a drastic reduction in public expenditure created a broad awareness that administrative reform was an absolute necessity and a key precondition for a successful process of change. Enhanced responsibilities and targets were mandated for public administration at the same time as its budgetary basis was reduced, which further

⁵¹ See OSI/LGI, "Mastering Decentralisation and Public Administration Reforms in Central and Eastern Europe," Budapest 2002.

⁵² See Kuotsai Tom Liou: "Development Experiences in Economic-Transition Countries: Background and Issues", International Journal of Economic Development, 2 (1), 2000, p. 1-11.

⁵³ See Marjan Brezovšek: "Transition in Public Administration: Slovenian Experience", Report from the Conference "EU Enlargement of the East: Public Administration in Eastern Europe and European Standards", Warsaw, November 22-24, 1999.

highlighted the inevitability of reform. Entrepreneurs and the public at large added to strong pressure for a systemic restructuring adjusted to the new circumstances and demands. A reform project attractive to everyone was launched with the main objective to transform the Slovenian public sector into a modern and efficient service capable of meeting the challenges of the twenty-first century and the requirements of accession to the European Union. A key assumption in its very design was that the transparency of the reform process and the participation, from the very beginning, of the private and civil sectors are decisive for the success of reform. It also provided for clearly defined local ownership over the process. While these are not the only reasons for the increasingly advanced status of Slovenia among countries in transition, they are nonetheless important and directly relevant for the reform process in BiH.

2.2. Recommendations for the development of good governance in BiH

BiH is at a critical juncture with regard to a whole set of questions related to good governance. Two points are fundamental for its further development:

- the assumption of ownership and leadership over the development of good governance by local actors;
- the integration of the current partial and ad-hoc projects into an integrated and system-based strategy for the development of good governance in BiH.

The question of the development of good governance in BiH should neither be articulated nor addressed in a reactive or reductive manner – as only a question of combating corruption, organised crime, and the like. Quite to the contrary, the question should be posed in a proactive manner, as a question of the genuine creation of good governance in BiH, an endeavour to introduce the principles and mechanisms of a user-oriented, effective and efficient, transparent and accountable administration at all levels in BiH in an approach that balances top-down and bottom-up methodologies.

The development of good governance in BiH should follow the logic of the process of change management. The most important features of change management are incorporated in the following recommendations:

- Replace false dilemmas, especially in the political sphere (centralisation or decentralisation), with an awareness of the urgent necessity of administrative change and of strengthening interactions between the public, private, and civil sectors;

- Create an awareness of the urgent necessity of administrative change through a rapid and considerable reduction in public expenditure, especially administration expenditure, and the simultaneous promotion of a series of new responsibilities and tasks assigned to the administration;
- Establish clear local ownership, accountability, and leadership in the reform process towards good governance at all levels in BiH;
- Ensure a partnership with the private sector and civil society in designing and implementing changes from the beginning;
- Ensure and direct significant investment in the creation of local professional resources to introduce the principles and mechanisms of good governance at all levels;
- Create and widely promote a common vision of good governance in BiH through direct communication with citizens and the private sector; create and promote a code of good governance; ensure a broad consensus on change;
- Create and introduce management indicators for good governance at all levels in BiH, according to the benchmarking model, where indicators would represent the management operationalisation of the key principles of good governance and allow for comparisons, learning from good examples, taking corrective action, and the like;
- Achieve quick visible results in introducing the principles and mechanisms of good governance.

Promising areas for easily achieved first results may be:

- Results in fighting corruption at the state and entity levels;
- “Best practices” of good governance at the local level, where concrete partnerships between key actors (local administration, private sector, and civic initiatives) can be established easily and quickly; promote best practices that demonstrate that it is very well possible to establish good governance in BiH;
- Encourage and support the introduction of quality standards under the applicable ISO standard series in administrative organisations at all levels;
- Promote and gradually introduce the concept of e-governance;
- Create a culture of good governance at all levels; consolidate the successes achieved; ensure their prompt dissemination.

Where will I be

in 2015?

CHAPTER V

CIVIL SOCIETY, DEMOCRACY, AND HUMAN RIGHTS

1 Civil society

The definition of civil society is inherently fuzzy. The term is often used simply to refer to non-governmental organisations (NGOs). However, the concept is much broader and encompasses civic initiatives that may not have formally registered their activities and/or organisations as NGOs. Civil society refers to an arena in which formal and informal groups and associations exist. Thus, the term CSO is used here to refer not only to NGOs but also to informal citizens' groups and associations. BiH has yet to experience the emergence of vibrant citizens' groups. This chapter therefore mainly focuses on NGOs as they have been rapidly increasing in number over the last several years and hold a key for successful cooperation between civil society and government towards achieving the MDGs.

1.1. Civil society empowerment and democratic governance in the BiH context

Seven years after the Dayton, the development landscape has been increasingly colored by democratic governance agendas. Full-fledged democracy is of high relevance to multidimensional socio-economic issues as well as BiH foreign policy as it is a prerequisite for a EU candidacy on good standing. A widening gap between rich and poor, neglecting rural areas, growing unemployment rates and vulnerable groups cutting across ethnic, socio-economic, gender and geographic lines could combine to be a major hindrance to achieve sustainable human development and human rights. Socio-economic tinderboxes have to be addressed in a democratic fashion before it becomes too late. In order for such multidimensional development to be realized, inclusive consultation process in the whole decision-making cycle is needed.

One of the entry points for democratic governance is the empowerment of CSOs. A civil society that is well-informed, well-networked, and competent vis-à-vis the policy process is a prerequisite for

sound democratisation from within. As an intermediary between citizens and governments, civil society puts concerns and needs of real people on the agenda by drawing attention from those who are affected and those who are responsible. CSOs highlight facts and reveal a reality that otherwise would never be known to the public. They have been a catalyst for marginalized voices to be heard by government authorities and inter-governmental organisations. CSOs are also a potential mobilizing force to deepen dialogues across the two entities.

1.1.1. Non-governmental organisations in BiH

Throughout the post-war era, donors have poured millions of dollars into CSOs, both international and national. The scale of this financial support by far exceeded the amount provided to other post-conflict countries during that period.

Support concentrated mostly on the physical reconstruction and humanitarian affairs, which has set the tone for civil society in the country. The number of CSOs increased, including those without long-term mandates and operational sustainability.⁵⁴ Geographic distribution has been asymmetric, while competition tends to be premised upon a "zero-sum" mentality that acts as a disincentive for networking. Against such backgrounds, collaboration with the international agencies tends to be fragmented and exchange of information remains to be far from sufficient.

In BiH, the activities of CSOs have been fragmented. Haphazard instances of collaboration in pursuit of common vision stand in stark contrast to conflicts among CSOs and with governments stemming from diametrically opposed political, public or even personal interests. Since human beings are political by nature, no organisation can be entirely free of politics, and CSOs are no exception. When the sum of financial resources available to CSOs is limited, especially in relation to needs, competition for an appropriate share gets

⁵⁴ Since NGOs are registered on the basis of different laws and at different levels (entity, canton, municipalities) in FBiH and the RS, no accurate statistics exist on the number of NGOs in the modern sense (excluding the type of citizens' associations inherited from the former, socialist system that have fallen inactive). However, a fair estimate would put the number of NGOs in BiH today at 1,500-2,000 NGOs.

intense. Such competition took place not only in pursuit of operational excellence, but sometimes also in opportunistic response to changing priorities, needs, and trends set by donors.

Some international CSOs, with their operational know-how, have collaborated with newly established local CSOs. International CSOs have gained much financial support, hence made it possible to marshal more competent human resources and expand their activities than local CSOs can do. It has been pointed out that such international dominance constrained the development of local CSOs. On the other hand, some international CSOs have transferred their operational knowledge to local ones and sometimes, infused a spirit of advocacy and critical thinking into communities.

It should be underlined that local organizations have more hands-on knowledge of community situations and local networks with their readiness to identify needs and priorities. Some international CSOs have been working strenuously to make operational links with local CSOs through joint implementation partnerships and monitoring. Such marriages of international and local CSOs have been a pattern in which comparative advantages of both mutually enhanced their activities. At the same time, however, some local ones are being tapped as “partners” for implementation by the international groups to give an impression that their activities are community-rooted, while substantive involvement of such local organizations are not fully pursued⁵⁵.

Prompted by post-war exigencies and a corresponding flow of international assistance, most of the newly-established local CSOs have operated under a relatively short-term vision and without being able to establish strategic plans for self-sustainability, which adds to their vulnerability and dependence on external funding sources.

1.2. Challenges and obstacles

Against this background, the challenges and obstacles that BiH CSOs must address can be grouped as follows:

- lack of an enabling environment; donor-driven, asymmetrical flow of information;
- lack of capacity in substantive issues and policy analysis;
- lack of local financial resources;
- lack of opportunities for participation in decision-making processes (from policy formulation to implementation and monitoring).

These challenges imply that the MDG process (planning, implementation, monitoring and evaluation) needs to incorporate capacity development of CSOs on substantive issues and advocacy,

as well as opportunities for public debates with BiH government counterparts on MDGs.

The main question for the local CSO sector concerns its transition from being donor-driven and -financed to an authentic, sustainable CSO sector based on local resources and directed towards real community needs. One aspect of that process is the fact that the CSO sector, despite all its current limitations, is becoming an important economic and social factor in BiH. A genuine “third sector” has yet to be explored for the provision of employment opportunities and delivery services.

1.2.1. Lack of stimulating environment

- Financial constraints

In the years to come, financial inputs from the international community will be significantly reduced, including those supporting the CSO sector.

It remains to be seen whether local CSOs, most of which are small, can survive by upgrading their capacities through networking and operational alliance-building among themselves and/or with international CSOs. In the same vein, donors and funding agencies should be encouraged to appraise projects and identify implementation partners based on careful assessment and the commitment of CSOs to target beneficiaries.

It is encouraging that the private sector in BiH (e.g. pharmaceutical, medical, and mine companies) has started to provide financial assistance to CSOs. Such a philanthropic activity should be encouraged with tax breaks and visibility. BiH governments should vigorously promote philanthropy through the adoption of user-oriented legal and tax codes and make philanthropic endeavours public with a view to increasing the transparency and visibility of the private sector.

- Legal framework

In December 2001, the BiH Parliament passed the *State Law on Association and Foundation* to encourage more CSOs to register and become operational in the country through the provision of a coherent legal framework. The law was drafted pursuant to Article 11 of the European Convention for the Protection of Human Rights and Fundamental Freedoms. While the passage of the law is encouraging, its implementation process has not been easy from the CSO viewpoint. The legal and taxation systems for CSOs remain unclear and complicated. In RS, the new Law on CSOs has also

⁵⁵ For more details, “Like the wind: Some perspectives on changes to the non-governmental sector in BiH.” By Michael Young, *Perspectives on the NGO Sector in BiH* (ICVA, 2002) p. 17.

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been adopted and a similar law for FBiH is being prepared.

- Political support

The local political environment can also be a determinant of the extent to which CSOs can fulfil their activities and goals. Many local governments regard CSOs as a hindrance to their performance of public duties rather than as constructive partners.

On a positive note, education-related CSOs have in some cases managed to gain political support from local governments. For instance, CSOs, with the support of UNESCO, have been actively spearheading pilot curricula and extra-curricular training courses. These include psycho-social programmes that enable children traumatised by war to learn about peace-building and cooperation through such creative means as arts, music, and stories. DFID and the Finnish government, in cooperation with UNDP, have achieved significant results under a project for social welfare reform implemented in eight pilot municipalities. The pilot allowed local CSOs to assume an entirely new role as part of a local community welfare mix and to become active players in the local community. This has also helped to initiate the process of transition of CSOs to local sources of financing.

1.2.2. Capacity-building

The capacity of CSOs has yet to be developed, notably in the following areas:

- substantive skills for situation assessments, policy analyses, and
- recommendations for effective advocacy; and
- operational and managerial know-how.

One crucial question is, how can we monitor actual impact? Holding a series of workshops is one thing and to make an actual impact is another. It is easy to count the number of workshops and training sessions as indicators and benchmarks, but measuring the enhanced capacities of participants is a real challenge. The lesson learned here is that capacity development has to be part of integrated, comprehensive support to CSOs and local communities and based on partnership rather than isolated training.

1.3. CSO role in gender-sensitive approach to poverty reduction

The non-governmental sector has a key role to play in initiating a gender-sensitive approach to poverty reduction. Poverty reduction in this context means empowering the poor and allowing them to enjoy their human rights that are essentially about two principles: equality and non-discrimination.

Programmes of support for underprivileged women and men

have been implemented by CSOs which has made it possible to reach the remotest and poorest categories of the population. Some have been successful in insisting on building the capacities of women and men for professional progress in entrepreneurship, in addition to providing financial support. These include La Benevolencija (Sarajevo), Forma F (Posušje/Mostar), Sinergija (Banja Luka), TALDi (Tuzla), ALDi (Goražde), BALD-I (Banja Luka), Žene za Žene (Sarajevo), STAR Network (Sarajevo), BIH-EM – Ekonomska mreža žena BiH.

Many CSO networks have been developed precisely with a focus on gender problems. Examples include:

- BH Women's Initiative Foundation (BHWI Foundation) emerged from an initial donation of \$ 5 million by the U.S. government in 1996. From this initiative, which in the beginning was led by UNHCR in conjunction with several international umbrella organisations and with financial assistance from Japan, Germany, and the European Commission, it has grown into a young non-governmental, non-political, non-profit foundation supporting joint activities of women CSOs and women's groups to empower women through social, economic, and education programmes. The aim is to encourage the participation of women in the transformation of the BiH society and to achieve an equal role in public and private life. Since 1996, it has implemented projects in cooperation with over 650 local women's CSOs and other organisations dealing with women's issues.⁵⁶

- Reference Group Tuzla is a regional CSO network that has been especially successful with its campaign "Let's protect women and children from violence". Four CSOs have taken part in this campaign, but also a health centre, medical emergency service, social work centres, a psychiatric clinic, cantonal and municipal courts, and the cantonal Ministry of Interior.

- Bosanskohercegovačka ekonomska mreža žena (BH-EM – BH Women's Economic Network) consists of five regional reference groups gathering women from the CSO sector, unemployed women, and women employed in the public and private sectors, with the aim of strengthening the economic role and power of women in BiH. Their activities related to participation in the drafting of the Poverty Reduction Strategy Paper of BiH (PRSP) have been particularly important.

- The RING coalition has gathered, since 1999, CSOs from thro-

⁵⁶ For more on the women's movement in BiH, see the chapter on Gender in this report.

ughout BiH that participate in combating human trafficking and in developing solutions and their own capacity to cope with human trafficking, and offer training, protection, and assistance.

2. Democracy and human rights

2.1. The internal element of democracy, which is the will of the people, is part of social reality rather than a form of state organisation. The creation of the will of the people is a social process that depends on a number of social conditions. The means that, on the one hand, ensure the creation of the will of the people, and on the other the exercise of that same will through state organisation, are, to put it most briefly, democratic rights and freedoms. Here, we will speak of fundamental human rights and freedoms as one of the pillars of any democratic regime.

2.2. Even seven years after the cessation of armed conflict, there are only traces of this democratic model in BiH. This situation is to some extent justified by the fact that its state and legal structure was determined by an international peace agreement. In and of itself, this implies that a number of politically sensitive issues were avoided in the Dayton Peace Agreement since the priority objective of the architects of this agreement was to stop the war. Instead of serving as catalysts of democratic change, the mechanisms for the introduction of democracy and human rights as postulates of BiH's post-war development as foreseen under the Dayton Peace Agreement have, unfortunately, become an end in themselves; instead of growing weaker and phasing out over time, they have grown stronger and become a surrogate for real democratic change. A short review of the state and legal organisation of BiH, defined in Annex IV of the Dayton peace agreement (BiH Constitution), will serve to illustrate this point.

2.3. In the absence of a well-organised system of law and government, a democratic state or standardised protection of fundamental human rights cannot exist either. It is more than obvious that the territory of BiH no longer contains only two (entity) legal systems, but thirteen, given the division of the FBiH into cantons. This does not only imply a variety of regulations from one canton or one entity to another, but also a certain legal insecurity. The only player that, at least judging by events to date, has the powers to take concrete actions in the entire territory of BiH is the High Representative, whose competencies are not clearly defined. Speaking in formal legal terms, the

legislative bodies at the entity level have defined powers under the Constitution of BiH and their own constitutions, which – as practice has shown in a number of cases – exist mostly on paper. This is not to suggest that the entity legislative authorities are fully capable of performing their function since, with the current level of corruption in society, they are not, or that they represent an embodiment of the democratically expressed will of the people; voter abstention at the October 2002 elections points to the fact that 46 per cent or over one million citizens with the right to vote⁵⁷ were not offered a political option to place their confidence in. Thus, a situation has been created in the legislative bodies of the entities and BiH where democratic decision-making is being simulated, in the sense that, whenever legislative bodies pass regulations, it can never be claimed with certainty that these will actually become effective. Practice has shown that the verification of the proposals of those regulations by the High Representative is not and does not have to be a guarantee that they will take root. It has happened in practice (and is likely happen again in the future) that, although they have to receive a prior approval by the OHR, proposed regulations are often derogated by regulations of the OHR itself or even fully annulled and replaced by those imposed by the High Representative.⁵⁸ Having said that, we do not want to deny the fact that a whole series of regulations useful for the legal systems of BiH and the entities have been passed by the OHR (e.g. the regulations related to the introduction of common licence plates, common travel documents, or the State Border Service). What we want to point out is the existence of parallel legislative powers and the absence of the basic postulate necessary for the development of democracy in a society: the will of the people.

The same parallel power of local authorities and bodies or representatives of the international community also exists in other segments of government and the political, legal, and social life BiH, starting from the executive government (where ministerial appointments in governments are approved by the High Representative); the judiciary (where reform is being implemented by the High Judicial and Prosecutorial Councils of BiH and of both entities under the patronage of the Independent Judicial Commission and the OHR, headed by internationals); through the institutions dealing with the protection of human rights (the parallel existence of the BiH Ombudsman, who is an international, and the entity

⁵⁷ Election Commission data, www.izbori.ba.

⁵⁸ E.g., when it comes to legislative power, in 2002 the High Representative passed regulations in 97 cases amending the existing, amending or revoking the applicable, or passing new regulations, while the Federation parliament used its legislative power in only 49 cases; cf. www.ohr.int and www.fbihvlada.gov.ba.

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ombudsmen, who are nationals elected by entity parliaments, and the existence of the BiH Human Rights Chamber as a body consisting of internationals and nationals); to the Constitutional Court of BiH (which, in addition to six national judges, also has three international judges). While the strong international presence in all important segments of society has resulted in many positive steps forward, this presence should also have led to the establishment of new, basic democratic mechanisms and improvements in existing ones. Rather than being a mere support instrument for the creation of a democratic state (from which BiH is still far removed), the international presence has become the main mechanism to attain this goal.

2.4. Democratisation process in post-war BiH

Indirect or representative democracy, as a reality of developed legal and political systems, served as a model for BiH's post-war development; it was, we are afraid, marginalised at the very beginning, and then completely circumvented. This is best illustrated by the fact that today, after less than a full seven years since the cessation of armed conflict, the national parties⁵⁹ are still in power in BiH – the same parties whose leadership may not have started the armed conflict but at least failed to do anything to prevent it. However, it seems logical that if the Dayton Agreement created the basis for a model of indirect democracy, the current situation with the return to power of national parties is actually the result of democratic elections. The lethargy reflected in the low voter turnout has quite certainly caused this in part.

The institution of revocation should be a support mechanism of democratisation with regards to elections. In BiH, reality suggests that it is not at all a mechanism in the hands of voters or an element of party discipline of political parties, but has, quite to the contrary, mutated into an institution whereby the High Representative removes unsuitable politicians. This is not to say that such removals have not been justified or appropriate in many cases; it simply further underlines the dominant role of the High Representative.

A conclusion that necessarily follows from these observations is that BiH is far from being a democratic state, above all due to the fact that neither the objective nor the subjective conditions have been created for local political players to achieve democratisation with their own forces, but also due to the parallelism of power of the international community.

2.5. Human rights situation⁶⁰

Under the provisions contained in the BiH Constitution, Article 2, BiH as well as both of its entities undertook to apply “the highest level of the internationally recognised fundamental human rights and freedoms”, taking as a parameter the international standards contained above all in the 1950 European Convention on the Protection of Fundamental Human Rights and Freedoms, which is to be directly applied in the entire territory of BiH as a legally binding act superseding internal regulations. In this somewhat unusual way of implementing an international legal document, BiH, although not a Council of Europe member then,⁶¹ undertook to apply the provisions of the European Convention. In addition to the implementation of these international legal documents, the most important part of the Dayton Peace Agreement for our purpose is certainly Annex VI, which is fully devoted to the protection of human rights and is officially entitled “Agreement on Human Rights”. It stresses (Article 1) the mandatory nature of the application of international standards in the field of protection of human rights contained in the European Convention, as well as a list of fundamental human rights whose respect should be especially insisted on; it constitutes the Human Rights Commission (Article 2), consisting of two operational components: the Ombudsman institution and the Human Rights Chamber; and foresees (Article 13) the obligation of the signatories to encourage the work of non-governmental and international organisations for the protection and promotion of human rights. Under Article 13, para 2, the supervision over the implementation of the above commitment is entrusted to the OSCE Human Rights Commission, the UN High Commissioner, and “other non-governmental and regional missions or organisations”.

2.5.1. Also important from our perspective is Annex VII of the Dayton peace accords which regulates the status and rights of refugees and displaced persons and the process of their repatriation. Article 1 of this Annex includes a provision on the right of all refugees and displaced persons to freely return to their homes, to be allowed to repossess their property, and to receive compensation for all property that cannot be returned.

⁵⁹ The SDS thus won 36.8% of votes in the RS People's Assembly, and the SDA and HDZ 33.3% and 17.5% respectively in the FBiH parliament.

⁶⁰ For more details on the development of protection of fundamental human rights and freedoms in BiH in the wake of the armed conflict, see chapter XIII of “International Support Policies to South-East European Countries” and Ljiljana Mijović, “Ljudska prava u BiH” [Human Rights in BiH]; www.soros.org.ba.

⁶¹ BiH became a full member of the Council of Europe in April 2002.

The return process is still the most vulnerable aspect of the protection of fundamental human rights. In addition to objective difficulties (e.g. the lack of funds to accelerate the return of refugees and displaced persons), a major obstacle is the unwillingness of both the government authorities and individuals to understand and accept the necessity of this process. However, this is not always the case because there exists “unofficial” resistance to the return of refugees and displaced persons even in communities where there is no official resistance. But even without such resistance, job opportunities are rare, for which the local authorities are at least partly to blame. It is a well-known fact that the war-devastated economies of both entities have been unable to resolve the employment problem, not only through creating new jobs but also through reviving jobs that existed before – a condition that is partially due to policy failure.

The gender aspect of return has been very much neglected. UNHCR has assessed three specific obstacles to return that have an impact on families headed by women – single mothers, single women, extremely vulnerable women, as well as women without husbands, widows (civilian and military) and abandoned women, victims of sexual violence or torture, and severely traumatised women. These obstacles are the absence of a family or of support by the community, an expressed fear for personal safety, and the presence of traumas.⁶² UNHCR has no gender specific data on return, although their collection is planned, which makes it impossible to detect potential gender differences in the return process.

Ownership issues are also coloured by gender problems. More women than men face problems when it comes to exercising the right to ownership, especially after a divorce or death of the spouse, or his disappearance during the war. Private ownership titles and occupancy rights are usually to the husband’s name, or the name of the father-in-law. Implementation of ownership rights is additionally slowed down by long court proceedings, and the access to pre-war property is an impediment for the return of families headed by women.

Statistics on the pace of return vary, depending on the source. This is not surprising because not all refugees or displaced persons have moved as refugees or been relocated to the same territory, nor have all such persons been registered with the same authorities. Thus, according to the UNHCR return statistics,⁶³ in the period 1 January 1996 to 31 March 2003, the total number of returns is 515,435, and the number of minority returns is 401,785.

2.5.2. Missing persons are perhaps the most tragic aspect of the problem of human rights given that, according to official ICRC records, over 20,000 persons are still considered missing, and that the past exhumations of mass graves and identifications have not reduced this number by more than 500 persons.

2.5.3. First reports on human trafficking in BiH emerged in 1998 and were submitted by CSOs and the International Police Task Force (IPTF). The International Organisation for Migration (IOM) collected these data and helped women victims of trafficking to return to their countries of domicile. By the end of 2001, the number of women beneficiaries of this assistance was 440. Of these, 370 were returned home.⁶⁴ These women worked as prostitutes in BiH on the basis of earlier promises of employment. CSOs estimate that, for instance in the vicinity of Tuzla, 90% of night bar workers had come from abroad. Local street prostitution also exists. Unfortunately, closing down night bars does not mean that the trafficking chain has been broken, but only that it is moving to different locations or private houses. An estimated 70% of all income of nightclubs comes from foreign clients because for them prices are attractive and because they spend more in night bars than the local population.⁶⁵

2.5.4. The conclusion that imposes itself is that the Dayton Peace Agreement has not fully determined or defined mechanisms that would make possible a legally clear protection of fundamental human rights. Unfortunately, this kind of agreement could not have achieved this because it was, above all, a peace agreement whose main goal was to stop the conflict and to create a basis for the recovery and for further progress of the newly-created BiH. Unfortunately, the agreement failed to evolve following a series of logical steps after it was signed, which would have started with the legal regulation of particular problems that would have restricted opportunities for manipulation, especially by government officials.

2.6. Policies in the field of democracy and human rights

2.6.1. A comprehensive, fully developed policy for the democratisation of BiH and the establishment of a system ensuring respect for fundamental human rights has never existed. No body, starting from the Venice Commission and the Steering Board of the Peace Implementation Council, through the OSCE, to the OHR as well as the local authorities, has ever had a comprehensive and

⁶² UNHCR & UNOHCHR 2000, UNHCR 2001, p 23.

⁶³ Statistics provided in the annex to this chapter.

⁶⁴ Most of the women were from Ukraine, Belarus, FR Yugoslavia, Kazakhstan and Hungary, and every tenth of them was aged 13-18. The UN registered 260 night bars in the country that were suspected of being involved in prostitution, while NGOs put this estimate at 900, with 4 to 25 women in each club.

⁶⁵ UNOHCHR, UNICEF & OSCE-ODIHR 2002, pp. 63-65.

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detailed policy – in fact, not even a vision of a programme or plan – of democratisation and the protection of fundamental human rights. Since this kind of policy, programme or plan has never existed, it has never been raised who should be accountable for the evident failures of the international community or the local authorities in the field of democratisation of the post-war society and in the field of respect for human rights.

2.6.2. We believe that a post-war society such as that of BiH must have common and targeted policies in all segments of social and political life – from the economy, through law, science, culture, art, to a whole series of issues of importance for society and the state. Without the precise definition of such policies, isolated activities in combating corruption, reforming the judiciary, or reducing the bureaucratic apparatus are of little consequence. What BiH – and thus its entities as well – needs most is actually a detailed design of all related activities that includes clearly assigned responsibilities for potential failures and focal points for implementation.

2.6.3. Positive steps have been made with regard to the freedom of opinion. Unfortunately, it is a fact that the media, as a form of expression of opinion, often abuse this freedom in pursuit of sensationalist stories. The work of the Communications Regulatory Agency (CRA), as well as that of the Press Council of BiH, a newly-established self-regulatory body monitoring the print media, has certainly contributed to the progress made in this field. Positive steps can also be noted with regards to the freedom of association, given the fact that the Law on Non-Governmental Organisations has been adopted at the level of BiH, significantly liberalising the establishment and operations of CSOs; this certainly can and must contribute to the further democratisation of the country. Unfortunately, all of these processes could have advanced much faster had there been a common policy by all relevant players. In this case, funds and energy would quite certainly not have been dispersed and time would not have been wasted on many uncoordinated activities by a whole series of actors.

2.7. Mechanisms for the protection of fundamental human rights and freedoms

2.7.1. The entity judicial systems have kept the organisational setup they had before the war. Some fields relevant to the judiciary have undergone changes (the field of criminal justice, for instance, where new regulations have been adopted at the level of BiH⁶⁶), but the overall situation does not look much different. A problem whose existence has been completely denied, first by international

players, and then, implicitly, by local players as well, is the fact that BiH today has a very confused mix of legal principles and rules in the field of fundamental human rights. The situation is further complicated by the fact that the implementation of sixteen international documents on the protection of fundamental human rights is entrusted to bodies whose work and powers are confusing even for professionals in this field, let alone an ordinary person as a potential user of those regulations or an applicant before those bodies. A step forward in this regard is the ongoing establishment of the Court of BiH, which in certain aspects would have powers in the territories of both entities, although its powers under the Law on the Court of BiH are for the time being rather confusing and fluid.

The main flaws noted in the work of local authorities in the field of protection of fundamental human rights are lack of speed on the part of courts, both in general operations and decision-making, and the inability to enforce decisions even once they have become legally effective and final. The entity judicial authorities explain this by referring to the difficult material situation of the judiciary, an insufficient number of judges given the number of cases, and similar factors. However, the ongoing reform of the judicial system foresees a drastic reduction in the number of judges, which will, quite certainly, increase the number of cases per judge. A logical conclusion here is that, unless the inert behaviour of the courts finally changes, the level of efficiency of the courts will be even lower.

2.7.2. The Human Rights Chamber

Annex VI of the Dayton Peace Agreement envisages the establishment of a Human Rights Commission consisting of two components: the Human Rights Chamber and the Ombudsman institution. Both of these are bodies with certain judicial functions, although from the formal legal perspective they are not part of the judicial system. The entity authorities are obliged to respect decisions of the Human Rights Chamber. In addition to the entity authorities, these decisions are also sent to the High Representative, the Council of Europe Secretary-General, and the OSCE, with whom the task of the implementation of Chamber decisions rests.

Since its constitution in March 1996 and inclusive of the year 2000, the Chamber received 6,675 individual submissions.

The majority of issues discussed by the Chamber had to do with protection of property and housing rights and abuses of the Law on Abandoned Property, mostly in situations where the legal

⁶⁶ In January 2003, the High Representative promulgated the BiH Law on Criminal Procedure and the BiH Criminal Code.

remedies of the internal legal system had been exhausted or evidently ineffective. Several cases before the Chamber were related to unlawful arrests, abuses of powers by police and other authorities, endangering the right to fair trial, and a considerably smaller number of cases regarding the right to freedom of religion and other issues.

Decisions of the Human Rights Chamber are final and binding, although, formally and legally speaking, the Chamber is not a local institution and does not fall under internal (entity and cantonal) legal norms regarding the judicial system. The binding nature of Chamber decisions rests on the political pressure by, and authority of, the High Representative, which by any means is not a legal but a political mechanism.

2.7.3. The Ombudsman

The Ombudsman is an institution that, operationally speaking, is the second component of the Human Rights Commission established under Annex VI of the Dayton Peace Agreement. This person's mandate was envisaged to last five years (it has been extended in the meantime) and he or she cannot be a BiH national.⁶⁷ The jurisdiction of this institution is close to that of the Human Rights Chamber, with a considerably different procedure of examining allegations and issuing decisions. In brief, the Ombudsman receives individual or group submissions, examines allegations, and if the conclusion is made that fundamental human rights have been endangered, he or she produces general and special reports that are binding for the signatories. The Ombudsman can also refer individual cases to the Chamber for decision.

All the observations made regarding the work of the Human Rights Chamber apply - although perhaps not in the same measure - to the work of the institution of the BiH Ombudsman. To some extent related to this institution are the entity ombudsman institutions. They carry the label of local institutions but still do not have any real influence on the protection of fundamental human rights, even though the entities have passed laws on their work.

2.7.4. The Constitutional Court of BiH and entity constitutional courts

The Constitutional Court of BiH, its membership, powers, and procedures are regulated under the Dayton Peace Agreement, Annex IV, Article 6, where it is stipulated that the Court will function as an institution consisting of nine members. Four members are elected by the FBiH House of Representatives and two members by the People's Assembly of RS on the basis of

recommendations by the entity High Judicial and Prosecutorial Councils, while the other three members, who cannot be nationals of BiH or any neighbouring country, are selected by the President of the European Human Rights Court upon consultations with the Presidency of BiH. The practice of international judges not only participating in the work of the Court but actually making decisions was taken over as a logical consequence of the structure of other judicial bodies, even though the Constitutional Court of BiH is said to be part of the local judicial system.

The decision of the Constitutional Court that has certainly attracted most attention in the past period is the decision on the constituent peoples of BiH and the mandatory harmonisation of the entity constitutions.⁶⁸ The highest legislative authorities have implemented this decision on amendments to the RS and FBiH constitutions only under very strong pressure by the High Representative. The objective of these amendments was to create a genuine "citizen of BiH". Instead, the October 2002 elections resulted in the social reality of an "ethnic key", which has introduced the category of ethnic rather than professional qualification for all relevant political, economic, and social positions occupied by individuals. On the other hand, this has undoubtedly contributed to establishing the constitutional bases of ethnic equality in the whole of BiH, and as such, of human rights. The fact that this was enshrined in the entity constitutions only six years after the Dayton Agreement itself is indicative of the local and international protagonists in the fight for human rights in BiH.

The entity constitutional courts, whose work is regulated under the entity constitutions, are part of the entity judicial systems. Their primary function is the protection of constitutionality and legality, and only partly and in the context of that primary function the protection of fundamental human rights and freedoms. A special feature in the context of the protection of fundamental human rights is their power to evaluate, upon request by individuals or groups of individuals, the constitutionality or legality of legal acts of a lower level than the Constitution which the applicant claims in a certain way endanger the provisions on fundamental human rights and freedoms. Most cases that have been discussed before the Constitutional Court of RS in connection with this problem area were related to housing relations, the right to work and resulting rights, and the issue of official use of language and alphabet.

⁶⁷ See Annex VI of the Dayton Peace Agreement, Section B, Article I.4, para. 1, 2, and 3.

⁶⁸ Decision of the Constitutional Court of BiH, No. 5/98.

2.8. Major problems in the field of human rights and freedoms⁶⁹

The return of all refugees and displaced persons is essentially much more complicated than what the norms envisage. The very act of return is not what deters those who are considering return; rather, it is the sort of life they would live after return that impels many to reject the very idea of return. Even once they have repossessed their pre-war property, returnees most often do not have any means of subsistence, and no one can guarantee their fundamental economic rights – the right to work and all the related rights such as the right to health and social insurance. The real problem therefore is sustainable return.

A question that certainly requires special attention concerns the ability to exercise some other, less important, human rights, in the first place those falling under the category of economic rights, notably the right to work. The disregard for this right does not affect only returnees but relates to a large number of socially vulnerable categories such as the unemployed, war veterans, the disabled, or persons with special needs, among others.

In addition to the unemployed, a category whose rights are largely violated (or rather not respected) are certainly women and children. With regards to the rights of the child, instances of violence against children in BiH – or more specifically the disrespect of fundamental rights of the child such as the right to education in the case of Roma children – are striking. One study pointed to violence against children as a sociological phenomenon that has been on the rise after the war, and to refugee and Roma children as particularly vulnerable sub-categories.⁷⁰ When it comes to Roma children, it is important to note the permanent – even systemic – violations of the right to education given the fact that the Roma population in BiH lives in complete segregation and that international regulations on the protection of minorities are absolutely not being applied to them.

The issue of gender equality is quite certainly another field where violations of fundamental human rights occur. This is caused both by the traditionally accepted inferior position of women and their very low level of participation in certain segments of the society, i.e. in public and political life. A series of activities carried out by CSOs in the post-war period seems to have had its culmination in a provision contained in the OSCE election rules stipulating mandatory participation by women in political life (and specifically on candidates' lists) at a level of 33.3 %. The 2002 elections, which were for the first time organised without international participation, have led to a situation where female participation in political life is down compared to the 2000 elections. Only 35% of the candidates in the October 2002

elections were female; out of 35 candidates for the BiH Presidency, only two were women, and only one of them won 0.5 % of votes; the Parliamentary Assembly has a female share of 14.3 %. Such data gain in importance when considering that women make up over one half of the population of BiH.

3 Recommendations and alternative policies

It is evident from this description that the situation in BiH is unsatisfactory in terms of the democratisation of the society and the establishment of a system of protection of fundamental human rights and freedoms.

The defeatism with regards to the future fate of BiH can be dispelled only by raising the population's economic standard. This is quite certainly the strongest motivational factor for democratisation and a larger number of returns as the main indicator of the establishment of personal safety for each individual, and respect for their rights and freedoms.

3.1. Steps in that direction can be taken above all through changes in local government bodies. The establishment of expert governments, selected based on the criteria of professional knowledge instead of political merits, would be a first step towards economic reconstruction and the introduction of legal certainty and rule of law as fundamental principles of democratic society. This would considerably contribute to economic reconstruction and the establishment of legal certainty and rule of law as fundamental principles of a democratic society. An important aspect here is the professionalisation of the civil service at all levels of authority.

3.2. A next step towards achieving progress would consist in bringing specific international support and foreign investment, focused on the revitalisation of economic potentials to BiH, a precondition for which is completion of the privatisation process. This step is based on the assumption that a system of political and

⁶⁹ For more on this, see Helsinški komitet za ljudska prava u BiH; "Izveštaj o stanju ljudskih prava u Bosni i Hercegovini" [Helsinki Committee for Human Rights in BiH, "Report on Human Rights Situation in BiH"] (analysis for the period January-December 2002), No. 27/12/2002.

⁷⁰ See 'Sa one strane tišine', Izveštaj o istraživanju na temu nasilja nad djecom u BiH ["Beyond Silence: A Study of Violence against Children in BiH"], Save the Children, Sarajevo, 2002.

material responsibility for actions by all the relevant authorities, above all local authorities, is put in place.

3.3. By becoming a member of the Council of Europe, BiH has acquired the passive entitlement to appear before the European Human Rights Court. We hope that this too will be a stimulus for the establishment of a stronger system of protection of fundamental human rights and freedoms in BiH. Recommendations in the field of full gender equality are especially important. More specifically, it is necessary:

- To support women's human rights as part of human rights, through the legal education of women, especially in rural places and border regions in BiH;
- To strengthen the capacities of the judicial authorities in the application of international, regional, state-level, and entity legal documents;
- To implement a gender-sensitive approach in the reform of public administration;
- Within the context of the right to return and the clearly expressed fear on the part of single mothers, to facilitate collective returns of these families;
- To coordinate the support and initiatives by government and other relevant actors in combating human trafficking;
- To provide a strengthening of the capacities of local organisations to implement and take over activities that are currently initiated and carried out by international organisations;
- To encourage and support projects facilitating the enjoyment of human rights and directly supporting minority or vulnerable population groups.

CHAPTER VI

GENDER EQUALITY AND EMPOWERMENT OF WOMEN⁷¹

1 General situation

1.1. Context

1.1.1. The struggle for women's rights in the past century

The beginnings of Bosnian women's awareness of their role in society date back to 1919 and the feminist, non-party Society for Education of the Woman and Protection of Her Rights,⁷² and culminated in 1942 when two million women established the Antifascist Women's Front (AFŽ).⁷³ After a period of calm, the struggle for women's rights in the former SFRY continued in the late 1970s. In the 1970s, the women in the then SFRY had rights that were envied by women from Western countries: they had the same rights to engage in almost all professions, salaries equal to those of men, one year of maternity leave, legalised abortion since 1952, and amicable divorce. The culmination of success was the conference "DRUG-CA-Pitanje žene: novi pristup", held in Belgrade in 1978, where women from the whole of the former SFRY and countries of Western Europe took part. This conference was meant as criticism addressed to the socialist leadership for its failure to eradicate patriarchal relations.⁷⁴

Since the first multi-party elections in 1989, women in countries in transition have been marginalised despite the fact that democracy without women – who make up fifty percent of the population – as without any of its other integral parts, cannot be true democracy.

1.1.2. The war and the destabilised relations of men and women

The roles of men and women were destabilised at the beginning of the war in BiH, when militant extremism entered daily life. Men assumed the roles of fighters, protectors with complete power and control in public and political life. Any role in public life was thus

taken away from women, and they were thrust back a century into the boundaries of the reproductive universe of the house, household, and family.

Ethnic and religious segregation contributed to a situation where ethnic awareness became more important for women than their equality in society. Thus, similarly to what happened with AFŽ in the 1950s – when the struggle for women's rights gave way to the "more important" class struggle – in the wartime and post-war period in BiH the struggle for the preservation of ethnic identity prevailed over the struggle for women's equality.

The war has affected women's and girls' reproductive and sexual health, because war, here as in other war situations in world history, contributes to an increase in sexual violence: rape, STDs, including AIDS/HIV, and unwanted pregnancy. Violence against women, however, has in the case of BiH and Rwanda for the first time in history been recognised as a crime against humanity (under the Statute of the international war crimes tribunals established for BiH and Rwanda).

Furthermore, the war also rendered inaccessible even basic social services such as health institutions, on which women completely depend for their own health.

However, despite all of its negative impacts, the war was a catalyst for female peacemakers, for women who – notwithstanding the war-restricted scope and the constant threat of violence, injury, and death – found the strength and the ideas to organise themselves.

⁷¹ This chapter is dedicated to general information on the situation of men and women in BiH, the policies and institutional frameworks dealing with gender equality, while gender issues and specific topics are analysed in more detail in the sections devoted to these topics in other chapters.

⁷² After the model of the same society established in Belgrade (Božinović N. et al.).

⁷³ After the end of World War II, AFŽ worked to overcome the consequences of the war. In 1959, it merged with the Union of Women's Associations. In 1961, it became the "Conference for women's social activities", but due to its broader focus on class struggle, the struggle of women against the patriarchy was submerged and lost its focus. Cockburn 2001, p.148.

⁷⁴ Cockburn 2001, p. 149.

1.1.3. Promotion of gender equality in post-war BiH

The CSOs founded by women or dealing directly or indirectly with gender equality have been the most active in the post-war period. They have made huge steps in the identification of needs, solutions, and resources for the implementation of activities to improve the status of women and empower them. Their activities have created a basis for a potential continuation of the women's movement, perhaps precisely from the point where it left off in 1978.⁷⁵

International organisations have supported the activities of women in their self-organisation, helping them meet their needs, but also in relation to strategic change and the legal framework.⁷⁶

With the requisite political will and budgetary allocations, government institutions have established exemplary structures to promote and monitor the status of gender equality at all levels, from neighbourhood communities in Travnik municipality to the Office of the Chairman of the BiH Council of Ministers; from the Committee for the Promotion of the Status of Women in the Prijedor municipal assembly to the Gender Committee of the BiH parliament.

One of the most retrograde tendencies in countries undergoing the transformation into a market economy is a considerable increase in gender inequality in political, economic, and social life. Paradoxically, the introduction of democracy in these countries has not raised the level of women's participation in decision-making processes but has instead further excluded them from public life.⁷⁷

Ethnic and other tendencies in countries in transition have irrevocably changed the meaning of critical debate in a way that is not beneficial for women. Maintaining their ethnic or religious identity is for some women more crucial than their ability to win equality in the world.⁷⁸ Encouraging feminism in BiH is not well-accepted due to the many male-focused, conservative, and retrograde tendencies in evidence in all countries in transition, especially in those parts of BiH where nationalists are in power.⁷⁹

The women's movement in BiH and its expansion are further impeded by the semantic confusion regarding feminism that has to do with different views of "men, autonomy, and sexuality", because the term "feminism" is everywhere identified with "hatred of men".⁸⁰ In addition, there are different views on the necessary level of female autonomy, limits of sexual freedom, and sexual preference. Equally confusing is the way in which the issues of feminism are easily appropriated by or linked to specific political

factions. One can thus rarely hear women from parties of an ethnic orientation say that they are feminists because this term invites associations with a left-wing political orientation.

1.2. Men and women in figures

In demographic terms, men and women are generally equal in BiH. The estimate is that there are slightly more women than men in the overall population, while men have a larger share in the population aged 7 to 24. Men also account for a larger share of liveborn, but also stillborn, babies, whereas women – as in other countries – have a higher life expectancy than men. However, the greatest disproportion between men and women is evident in the female share in the labour market. In BiH, this share is only 34% – the lowest in all countries of South East Europe (SEE).

⁷⁵ For more details on the women's movement and NGO activities, see below para 1.1. 911.

⁷⁶ For more on this support, see the chapter on international cooperation in this report.

⁷⁷ UNDP, Human Development Report for Europe and CIS 1999 Transition.

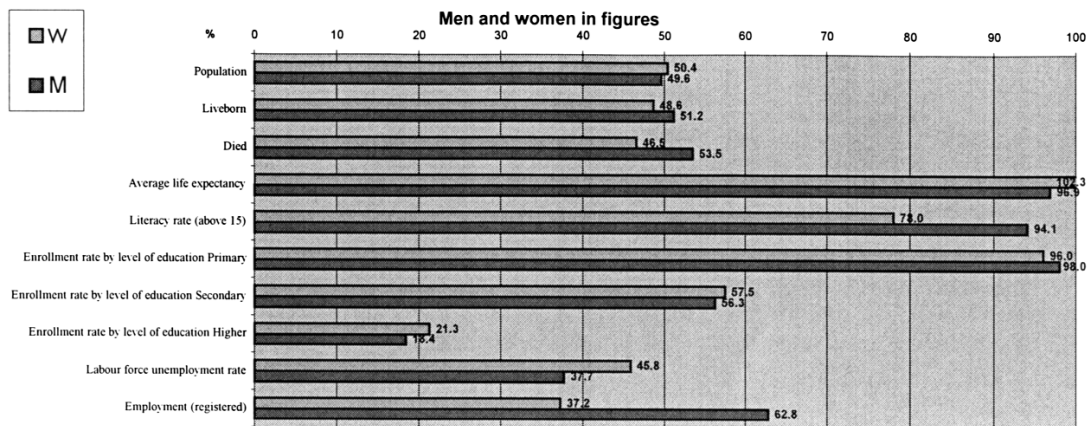
⁷⁸ Cynthia Cockburn, Meliha Hubić and Rada Stajkić-Domuz, "Živjeti zajedno ili živjeti odvojeno," ["To Live Together or to Live Separately"] Medica, Zenica 2001.

⁷⁹ "Nacionalizam, seksizam i ksenofobija se međusobno ukrštaju i podržavaju ... (pa je stoga) Jako teško biti feministkinja" u BiH. ["Nationalism, Sexism, and Xenophobia Intersect and Reinforce Each Other (and therefore) It is Very Difficult to Be A Feminist"] Cockburn 2001, p. 154.

⁸⁰ Cockburn 2001, p. 154-159.

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Figure 1 Men and women in figures⁸¹

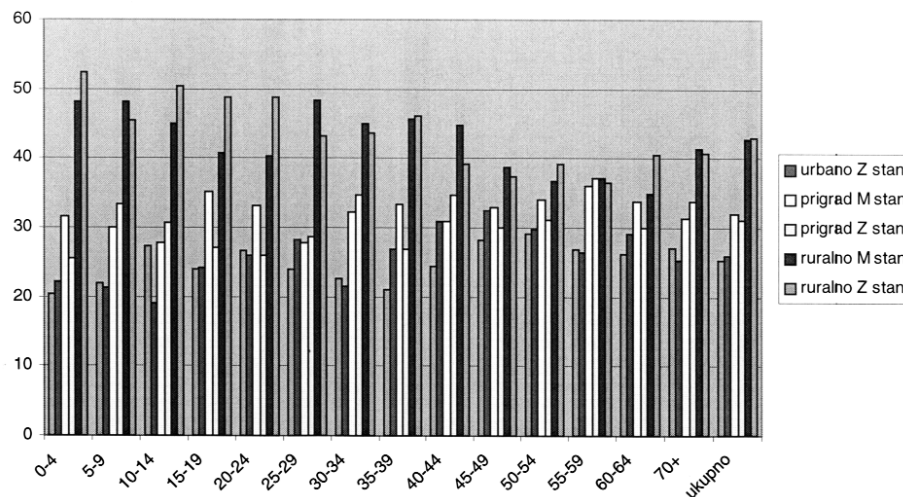


1.3. Gender equality in BiH today

Owing to the efforts of the non-governmental sector in resolving women's problems, and over the last five years also to the will of the authorities to strategically address gender issues through

mainstreaming and funding, gender equality and equity are already known as criteria for the quality of living standards in BiH. Obstacles to the promotion of gender equality most often result from two excuses: BiH is in a difficult economic situation, hence poverty should be addressed first; and gender issues are a women's problem and only women should deal with them. The following overview of specific problems in the promotion of gender equality and empowerment of women in BiH will show why

Figure 2 Population share by age group, gender, and stratum (LSMS)



these two prejudices are unfounded. For in BiH, as in many other countries, the demographic gender equality is not reflected in the share of women and men in the spheres of private, public, and political life.

1.4. Education

The Millennium Goal of gender equality and empowerment of women has as its sub-goal the elimination of gender inequality in primary and secondary education preferably by 2005, and at all levels of education by 2015. Gender differences in access to education are not reflected in the indicators showing the enrolment rates or the numbers of female or male students attending classes or graduating. However, there are indications of special forms of inequality observed in small communities,⁸² whose occurrence is underappreciated due to the prevalence of positive examples of equal access to education by men and women.

The indicators of the enrolment rate, number of persons attending classes, and of those who graduate do not show significant gender differences in BiH. The population enrolment rate by level of education for primary education is 98% for men, 96% for women; for secondary education it is 56.3% for men and 57.5% for women. In higher education, the difference is even in favour of women: 21.3% for women and 18.4% for men.⁸³

Gender differences are observed in “male” and “female” subjects from secondary school onwards, especially in higher education. This trend contributes to the low level of participation by women in some fields of work.⁸⁴

1.4.1. Gender mainstreaming in education and employment

An individual’s choice of the type of education has a direct impact on his or her opportunities for employment and subsequent advancement in the given profession. Thus, the greater share of women in some professions is proportionate to the rate of their enrolment in courses in the relevant fields.

These differences are more pronounced in higher education, as figure 3 shows.⁸⁴

The choice of “male” and “female” subjects results in a difference in the share of men and women in some professions. As an example for BiH, the following table offers a comparison of the

share of women in the labour force in some professions and the number of female students enrolled in the corresponding or similar type of studies.

Table 2: Comparison of share in employment and the number of enrolled female students at FBiH faculties

Activity/education sector	Share in employment	Number of enrolled female students
Mining	9%	22%
Construction	16.4%	22%
Forestry	23%	30%
Storage and communications/transport faculty	26%	19%
Textile industry/art academy	65%	62%
Health and social work/average for medical school, dentistry, and special education studies	64%	68%

1.5. Gender gap in employment and unemployment

The share of women in the labour market in BiH is the lowest among the countries of Central and Eastern Europe, and is especially low for poor households. The division into “male” and “female” jobs is

⁸¹ FZS 2002 i RZS 2002 No. 3, Maida Fetahagić “Neki podaci o BiH 2000 [Some Data on BiH 2000]”.

⁸² For instance, the Central Bosnia Canton Education Inspectorate has observed an occasional drop in the enrolment rate of female population in grade 5 of primary school in the local communities Mehrići and Han Bila, Travnik municipality.

⁸³ Maida Fetahagić, “Neki podaci o BiH 2000”, see Education chapter.

⁸⁴ A much larger number of men (80% and over) enrol in transport, physical education, mining and geology, electrical engineering, criminal justice, and mechanical engineering studies. On the other hand, women more often enrol in pedagogy and dentistry studies (80% and over), as well as dramatic arts, music, special education, pharmacology, and higher medical education (70% and over). FZS 2002; RS Education Statistics, No.10, Year VIII “Graduating Students by Form of Study and Gender in 2001.”

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still being used, and men value their work more than that of women, believing that women are not able to do certain jobs.⁸⁵

The share of women in the labour force in BiH is 37.2%.⁸⁶ The smallest number of employed women is in the age group over 50, an age group where women are in fact more numerous than men. The 37% share is extremely low given that women make up 60% of the able-bodied population in BiH.⁸⁷

The gender variation in education is also reflected in variations across business sectors in FBiH. The share of women in employment by sectors shows large variations across the sectors of mining (9%); construction (16.4%); recycling (17%); public administration and defence (20%); agriculture, hunting, and procurement (22%); forestry (23%); fishing industry (26%); storage and communications (26%); other public and social sectors (33%); processing industry (36%); and transport and real estate sector (37%). Men have a much smaller share in employment in sectors such as clothing industry, fur finishing and dying (29%); textile production (35%); and health and social care (36%).⁸⁸

1.5.1. Gender gap in highly-paid jobs

There is clear evidence of the “glass ceiling” phenomenon in BiH. Women in BiH are very rarely promoted above a certain level in the hierarchy. Although these trends are changing when it comes to the executive and legislative authorities, there are still highly-paid jobs in BiH that no woman has ever been appointed to, such as High Representative (OHR); chairman of the Presidency of BiH; prime minister of the Council of Ministers of BiH; director of the Privatisation Agency of BiH; director of the Communications Regulatory Agency (CRA); governor of the National Bank; or president of some of the most successful international banks in BiH (e.g. Raiffeisen, Volksbank, Ziraat).

However, although few in number, the examples of the women who became the first female speaker of the FBiH parliament after the war, the RS President, or Director of FTV are encouraging and serve as a model for young women.⁸⁹ The boards of directors appointed by the Federation government have a total of 275 members, 68 of whom (25%) are women. Of twenty-three persons that have been appointed by the Federation government as directors of enterprises, four are women. According to the available data (there are not data from four cantons), the boards of governors appointed by canton governments have a total of 1,486 members, 522 of whom (35%) are women. In the 368 educational institutions at the cantonal level, 71 principals are women (19%); in the 124 cantonal health organisations, 36 directors are women (29 %).⁹⁰ The only exceptions are the highly-paid judicial jobs and a high level of participation by women

there (e.g 57% in the FBiH judiciary).

Although there is no data available on gender differences in the average annual net salary, women often do the worst-paid jobs (e.g. cleaning staff), while men more often do highly-paid jobs (e.g. supervisors). In some studies the non-governmental sector has come across data suggesting that every fifth woman does a job that is below the level of her qualifications.⁹¹

1.5.2. Measures to balance family and professional life

The new labour legislation for the first time stipulates the possibility for a mother or father (if the mother works full-time) to work half-time for up to three years, after a child has turned one, if the child needs increased care. The possibility is also stipulated for the father of a child to use maternity leave if the mother cannot use the right for valid reasons. If this is stipulated in a collective contract or the rules of procedure, the right to a leave of absence up to the point when the child turns three is also given as a possibility for one of the parents, including the father. Men very rarely use these opportunities of sharing family obligations,⁹² which is also the case in developed countries where such conditions have existed for much longer than in BiH.⁹³

An additional pressure in terms of lack of time for the family is created by employers in the private sector who violate these rights. By failing to register their male and female employees, they circumvent the obligations prescribed by the labour legislation.⁹⁴ Although this happens much more rarely, employers in the public administration

⁸⁵ 84% of women believe their current jobs could be done by men, while only 54% of men believe their current jobs could be done by women; correspondingly, as many as 46% of men believe that women cannot possibly do their jobs, while only 16% of women believe men could not do their jobs. Gender Barometer Statistical Working Group, draft Gender Barometer, BiH 2002-2003.

⁸⁶ FZS 2002 and RZS estimate, February 2003. The share is considerably lower in FBiH, namely 34%.

⁸⁷ CEDAW 2003, Article 11 – Employment.

⁸⁸ Data on students enrolled in FBiH. What follows is an analysis of students who have graduated in FBiH and RS, after which the existing FBiH analysis will be redundant.

⁸⁹ Mediha Filipović, Biljana Plavšić, and Marija Topić-Crnoja.

⁹⁰ CEDAW, Article 7 (Participation of women in political and public life).

⁹¹ Ibid.

⁹² Ibid.

⁹³ In Finland, only 1.6% of men used the leave instead of the mother in 2000, STAKES.

⁹⁴ CEDAW, Article 11 (Employment).

also tend to shorten the maternity leave guaranteed under the law in return for some work benefits.⁹⁵ The lack of pre-school institutions is a problem that makes child care inaccessible and too expensive for many parents. This particularly affects parents in rural areas.

Positive examples from Nordic countries include policies of employers paying half of the costs for assistance at home. A result of this policy is that 81% of female directors of public companies in Sweden were mothers in 2000, while this figure for the same category in Germany was only 31%.⁹⁶

1.6. Domestic violence

1.6.1. Statistics on violence in BiH

Domestic violence includes violence against women, children, sexual abuse, trafficking of women, prostitution, and economic violence. Traditionally, domestic violence is considered a disgrace for the family that should not become public⁹⁷ and thus remains suppressed in the private sphere for two reasons: shame in the community and fear of the perpetrator.

Domestic violence is a topic that CSOs found in the dark corners of family life and brought to light.⁹⁸ The post-war data that indicated a terrifying increase in violence and suggested that this was a reaction to the trauma of war were actually not available before, and follow-up surveys encouraged even persons who were victims of domestic violence over many years to speak up. A survey by Medica Zenica⁹⁹ has shown that every third respondent knows a woman whose partner has threatened her with violence (73% of them know more than one such woman); more than half of the female respondents know a woman who has been beaten by her partner; and 57% know a woman who was beaten by her partner over a long period of time. Every fifth woman has been in a situation where her partner threatened her with violence; 23% stated that they were beaten; and 24% that they had been harassed over a long period of time. Confronted with all the three forms of violence, around 60% of women have not approached any institutions for help. Similar studies in other parts of BiH show similar results.¹⁰⁰

The problem of personal safety is equally important for men and women and each tenth man as well as each tenth woman believes that crime is on the rise in their community. They, however, do not assess the prevention of crime by the police equally. Every second man is satisfied with the intervention by the police after a call, but

only every fourth woman feels the same.¹⁰¹

The data collected and publicised by CSOs are more comprehensive than the data on reported criminal acts because no mechanisms exist for monitoring violence that would collect and merge the data from all relevant government institutions (the police, social and health institutions).

1.6.2. Activities to prevent domestic violence

An example of good practice in combating violence against women and children is the Reference Group Tuzla, which gathers CSOs, the police, health and social institutions, and the judiciary of the canton and the local authorities. Major progress has been achieved with the establishment of two safe houses for women and children victims of violence in FBiH.¹⁰² Great support for victims of domestic violence is also provided by hotline services, which are probably one of the first ways to seek help for many victims. The non-governmental sector has recently also started working with perpetrators of violence in order to prevent a repetition of their violent behaviour.

A comprehensive survey of domestic violence for the whole of BiH does not exist yet, but the Gender Centres of FBiH and RS, in cooperation with the CSO sector, have started conducting such a survey. According to the findings of a survey with a sample of 1,600 respondents from the Herzegovina-Neretva Canton, a total of 48.8% of the respondents have experienced violence, of whom 24.8% in the family, 16% in the work place, and the rest in other places.

⁹⁵ For instance, that the female employee will be given a permanent work contract if she promises to return after a two-month maternity leave, or that her salary quotient will be increased, etc.

⁹⁶ Screening Gender, EBU, 2000.

⁹⁷ Bakšić-Mufrić, p. 14.

⁹⁸ MEDICA-Zenica, ☐ene ☐enama-Sarajevo, Vive ☐ene-Tuzla, Prijateljice-Tuzla, Biser-Sarajevo and Travnik, ☐ena BiH-Mostar, ☐ene sa Une-Sanski Most, Udru^žene ☐ene-Banja Luka, and Vidra-Banja Luka were among the first.

⁹⁹ Medica, "Ne-☐ivjeti sa nasiljem" ["Not to Live with Violence"], May 1999.

¹⁰⁰ IRC, Gora^žde, Udru^žene ☐ene, Banja Luka, Helsinki parlament građana, Banja Luka.

¹⁰¹ UNDP, Early Warning System, July-September 2002.

¹⁰² They are run by the Embassy of Local Initiative and ☐ena BiH-Mostar. CEDAW 2003, 4.1 (Violence against Women).

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1.7. Representation of men and women in political life in BiH

All spheres of politics are still dominated by men, who hold almost all the leading positions in the political structures and higher political and executive positions at the central, entity, cantonal, and local levels. Political processes are still masculine in style: men are concerned with the interests of other men, male bonding is a factor in political action, and aggressive and combative behaviour is the *modus operandi*.

1.7.1. The Election Law and results

The 2002 general elections were held under the same regulations as the 2000 elections (a set quota, open lists). According to data from the BiH Election Commission, the share of women on the candidates' lists for the Federation House of Representatives was 34.78% and for the RS People's Assembly 35.47%. The election results show positive changes in the voters' decisions to support female candidates compared to previous years.

The number of women in legislative bodies has increased at all levels of government in BiH – from the cantonal assemblies to the state parliament. The female share in the cantonal assemblies is 21.9%; in the FBiH House of Representatives 21.4%; in the RS People's Assembly 16.9%; and in the BiH House of Representatives 14.3%.¹⁰³ This level of representation is still below that of the 1980s, where the share in the People's Assembly of BiH was 24.1% and in the local authorities 17.3%.¹⁰⁴

Out of a total of 39 ambassadorial posts in the Ministry of Foreign Affairs, women have been appointed to nine, or 23%. Out of a total of seven posts of general consuls, two, or 29%, are held by women. Out of a total of 261 holders of other diplomatic and consular posts, 82, or 31%, are women. Out of the 25 members of the four delegations of the Parliamentary Assembly of BiH, four, or 16%, are women. Of the four of them, two, or 50%, are heads of delegations.¹⁰⁵

Global gender advocacy

The Vienna Declaration, the Convention on Elimination of All Forms of Discrimination against Women (CEDAW), and the Beijing Action Platform adopted by 171 countries, call for:

- d) - *Equal access to basic social services*
- e) - *Equal opportunities for participation in economic and social decision-making processes*
- f) - *Equal rewards for the same job*

- g) - *Equal protection before the law*
- h) - *Elimination of gender discrimination and violence against women*
- i) - *Equal rights of men and women in public and private life*

1.8. Gender statistics

1.8.1. The institutional framework

At the request of the Gender Centres of FBiH and RS, the three statistics institutions in BiH (two entity and one central) have appointed focal points for gender issues. The gender statistical working group established at the level of BiH in 2002 includes representatives of its founders – the Gender Centres of FBiH and the RS – as well as the Federation Institute of Statistics (FZS), the RS Republic Institute of Statistics (RZS), and the BiH Statistics Agency. The work of this group has resulted in a new obligation for the FZS and RZS by 2003 to disaggregate all published statistics by gender in those cases where such data are already disaggregated, and to draft a plan to do so where data have not been disaggregated. A second important result is the launch of the production of a qualitative survey – the Gender Barometer – in 2002, whose objective is to identify the opinions that men and women have of themselves and of one another and their roles and relations, as well as to provide a baseline to monitor changes at two-year intervals.

1.8.2. Statistical publications

The statistical publications in BiH do not have data fully disaggregated by gender: at the FZS some do not exist at all (e.g. average net salaries); some are partly disaggregated by number of women (e.g. women's share in employment); while some are fully disaggregated by gender (e.g. data on male/female pupils and male/female students or demographic data); while at the RZS, such data are disaggregated by gender when it comes to demography, education, employment by level of professional education, and the property sector. However, the statistical institutes of both entities have already set about publishing modest statistical data on men and

¹⁰³ The mandatory quota has increased the number of women in legislative bodies at all levels of government, e.g. in 1996 only 5% of women were elected to the FBiH House of Representatives, and in 2000 17.1 %.

¹⁰⁴ UNDP, 2001, p.80.

¹⁰⁵ CEDAW 2003, Article 7 (Participation of women in political and public life).

women, which with the support of the Gender Centres will be separately examined and developed in 2003.

1.9. The women's movement in BiH

The CSOs dealing with women's practical needs and advocating the empowerment of women in all spheres of life started working either during the war or immediately after it ended. In the beginning, they thus responded to the two-fold crisis of deprivation and trauma. The non-governmental sector was the first to identify problems that women are facing and to respond to their practical needs. From psychosocial support, health counselling and services, launch of self-employment, youth counselling, advocacy for women's rights as human rights, CSOs – headed by brave and capable women – formed the basis of the women's movement in BiH. Until the war, the women's movement in BiH was dominated by university graduates, who fought its battles – however important or necessary they may have been – much more in cities, in politics and at academic conferences than in the countryside or in factory halls. During and after the war, priorities shifted from strategic interests to practical needs, and the movement came down to the grassroots level.

The exact number of organisations dealing with women's issues has not been updated since 1998, but it is believed that back then only every fifth organisation, at the most, did not deal with women's issues and needs.

The projects of these CSOs are no longer focused only on humanitarian work and psychosocial support but also deal with the unfavourable economic position of women, especially with regards to the employment of women through the manual production of handiwork accompanied by organised sale or service projects (hairdresser's shops, tailor's shops, etc.). Some are also responsible for distribution of micro-credits; training in different skills for the purpose of employment; provision of legal counselling and advocacy; activities for the prevention of domestic violence (hotlines, shelters, fight against trafficking of women); increased participation of women in the political system; while most of them, through these activities, also work to build confidence and reduce conflict.¹⁰⁶

In addition to lack of funding, the two main weaknesses of the CSO sector are insufficiently strengthened organisational structures and the lack of cooperation and linkages among the CSOs themselves.¹⁰⁷

2. Policy analysis

2.1. Institutions for the promotion of gender equality in BiH

2.1.1. The executive branch

In 2000, the BiH Ministry for European Integration established a Gender Unit with a view to strengthening its gender mainstreaming mechanisms as part of the Gender Task Force (GTF) of the Stability Pact for South East Europe. After the structural change at the central level, due to which the ministry no longer exists under this name, the future of the Gender Unit has not yet been determined. The person representing BiH at the GTF of the Stability Pact is, however, still in that position, but now in the office of the prime minister of BiH.¹⁰⁸

The BiH Ministry of Human Rights and Refugees – more specifically the Human Rights Department – is the most active leader in gender mainstreaming at the level of BiH. The Department is responsible for the application of all the international and European legal documents concerning human rights, and thus women's rights, in BiH.¹⁰⁹

The first institution for gender equality established in BiH was the Gender Centre of the Federation of BiH. It started working in 2000 and, after the model of similar institutions in European countries, was attached to the Ministry of Social Welfare, Displaced Persons, and Refugees of FBiH. After less than a year, this institution became independent as a special body of the Government of FBiH, a service of the Government of FBiH accountable to the prime minister of FBiH. The FBiH Gender Centre today has developed a network of gender mainstreaming from the level of the neighbourhood community, through municipalities and cantons, to BiH ministries. It has had an excellent cooperation with the RS Gender Centre, established in early 2002, as well as the non-governmental sector, statistical institutions, trade unions, student

¹⁰⁶ An extensive website with links to women's NGOs has been prepared by MEDICA, Zenica. <http://www.medica.org.ba/nvovod.htm>

¹⁰⁷ Cockburn, p. 126.

¹⁰⁸ Bakir Sadović, Youth and Gender Equality Officer.

¹⁰⁹ The activities of the ministry are described below in the section on policy analysis.

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organisations, the media, and the international community. The RS Gender Centre also has the status of a service of the Government of RS and is accountable to the prime minister of RS. Over less than a year it has established good cooperation with the CSO sector, trade unions, RS entrepreneurs, municipalities, and the media.

The FBiH and RS Gender Centres have developed a gender mainstreaming network as part of the executive governments that includes focal points for gender issues nominated by their ministers and mayors. Thus, at the level of BiH, the six ministries have 12 focal points for gender issues, as well as the Gender Unit at the Ministry for European Integration. At the entity level, there are sixty focal points for gender issues in the ministries of both entities. At the level of cantons in FBiH, Gender Commissions have been established in eight of the ten cantons.

In three pilot municipalities - Livno, Prijedor, and Travnik – Gender Committees have been operating for three years now. Two neighbourhood communities in Travnik have introduced quotas for the participation of women in the work of communities, and are planning to share their experiences with neighbouring local communities. The FBiH Gender Centre is planning to extend the gender mainstreaming structure to an additional eight municipalities in 2003, and the RS Gender Centre to an additional four municipalities.

2.1.2. The legislative branch

In the legislative branch of government, committees dealing with gender equality and improvement of the status of women exist in the House of Representatives of the Parliament of BiH, the Federation House of Representatives, and the RS People's Assembly. After the entity model, similar committees have been established in all cantonal assemblies in FBiH and municipal assemblies in the RS.

2.1.3. The judicial branch

The judicial branch of government does not have any bodies with a mandate of gender equality and equity. However, gender equity and equality are guaranteed in the selection of judges and prosecutors under the Statute of the High Judicial Council of BiH, in the article requiring that in cases where selection should be made between candidates of equal qualifications and values, advantage should be given to the candidate of the gender that is underrepresented at that moment.

2.2. Political and legislative framework

2.2.1. Global frameworks

The "Fourth World Conference on Women: Actions for Equality, Development, and Peace", held in 1995 and informally known as the Beijing Conference, constitutes a global turning point in the struggle for equality and equity. The Beijing Declaration and Action Plan were adopted by 171 countries, including BiH. The shadow report was prepared by a group of CSOs, led by IHRLG, in 1999 and this is the first comprehensive document on women's rights in BiH in the spheres of labour relations, the economy, violence against women, health and reproductive rights, public life, and education. A BiH delegation also attended the Beijing +5 Conference in New York in 2000, where the achievements of the five years after the Fourth Conference were discussed. The Ministry of Human Rights and Refugees has undertaken to prepare, in cooperation with the Gender Centres of FBiH and RS, a national gender action plan by the end of 2003.

The Ministry of Human Rights and Refugees, in cooperation with the Gender Centres of FBiH and RS, is also preparing the initial report on the application of the Convention on Elimination of All Forms of Discrimination against Women (CEDAW). The report is being drafted and is expected to be presented to the BiH parliament in 2003. The focal points for gender issues from state-level, FBiH, and RS ministries as well as the CSO sector, are taking part in the drafting of the report. The work proceeds in five working groups, with over thirty members from all over BiH and the participation of both women and men (30%). The main findings of the report suggest that the application of CEDAW in BiH requires continued investment through the development of government institutions for the implementation and monitoring of CEDAW at all levels in BiH, as well as a strengthening of CSO capacities. However, the application of CEDAW in BiH does not lag behind much compared to other countries in transition – it is even more advanced in some respects, especially with regards to the institutional structure for gender mainstreaming in BiH.

2.2.2. BiH instruments

2.2.2.1. The constitutional and legal framework¹¹⁰

The constitutional provisions of the state of BiH and its entities and cantons include basic provisions for ensuring human rights and fundamental freedoms and the protection of personal freedoms,

¹¹⁰ CEDAW 2003.

human integrity, dignity, and other rights and freedoms. Item 4, Article II of the Constitution of BiH, which is fully devoted to human rights, includes a provision prohibiting discrimination with regards to the recognition, enjoyment, and protection of human rights. "The enjoyment of the rights and freedoms provided for in this Article or in the international agreements listed in Annex I to this Constitution shall be secured to all persons in BiH without discrimination on any ground such as sex, race, color, language, religion, political or other opinion, national or social origin, association with a national minority, property, birth or other status."

In accordance with the human rights concept, the recognition, enjoyment, and protection of human rights are universal and belong to all regardless of differences. The Constitution of BiH affirms the equality of men and women through the provision prohibiting discrimination, but also does this in a direct manner through international human rights instruments. According to Article II Item 2, "The rights and freedoms set forth in the European Convention for the Protection of Human Rights and Fundamental Freedoms and its Protocols shall apply directly in BiH. These shall have priority over all other law." These articles should be interpreted in accordance with Item 6 of the same article, which stipulates, "BiH, and all courts, agencies, governmental organs, and instrumentalities operated by or within the Entities, shall apply and conform to the human rights and fundamental freedoms referred to in paragraph 2 above."¹¹¹ The human rights and freedoms contained in the Constitution of BiH are applicable in both entities, which have the obligation to ensure the highest possible standard of human rights.

LAW ON GENDER EQUALITY IN BIH

Article 1 says that "this Law regulates, promotes, and protects gender equality and guarantees an equal opportunity to all citizens, in both the public and private sphere of society, and prevents direct and indirect discrimination; this Law particularly seeks to improve the position of women."

Article 2, Para 2, states that "full gender equality is guaranteed in all spheres of society, especially in the fields of education, economy, employment and labour, social and health care, sport, culture, public life and media, irrespective of marital or family state." Para 1 stipulates the existence of gender equality, and Article 2, para 3 prohibits discrimination on grounds of sex or sexual orientation. Discrimination is defined as:

"any discrimination, exclusion or restriction or advantage based on gender making difficult or denying to individuals the recognition, enjoyment or exercise of human rights and freedoms under equal conditions in all spheres of society. Discrimination can be direct or indirect. Direct discrimination exists when a person has been treated, is being treated, or may be treated compared to a different person, in the same or similar situation, on grounds of gender. Indirect

discrimination, on grounds of gender, exists when an apparently neutral legal norm, requirement, or practice, equal for all, places in a disadvantageous position a person of one sex compared to persons of the other sex. As prohibited gender-based discrimination shall not be considered a norm, requirement, or practice that can be objectively justified with the achievement of a lawful goal, proportionate to the necessary and justified measures taken."

In accordance with Para 4 of this Article, special measures are allowed for the promotion of gender equality and elimination of existing inequality. The additional definitions of discrimination on grounds of gender in Article 4 are the following:

"Gender-based violence: any act inflicting physical, mental, sexual, or economic damage, or suffering, as well as the threats of such acts that seriously hamper persons to enjoy their rights and freedoms according to the principle of gender equality, in the public or private sphere of life, including human trafficking for forced labour, and restriction or arbitrary deprivation of freedom of persons subject to these acts;

Harassment: any situation where undesired sex-related behaviour occurs whose aim and result is to inflict damage to the dignity of the person or create a intimidating, hostile, degrading, threatening, or similar situation;

Sexual harassment: any behaviour that, with words, actions, or psychological acts of a sexual nature has the aim and whose result is to inflict damage to the dignity of the person or create a intimidating, hostile, degrading, threatening, or similar situation, and is motivated by belonging to a different sex, or different sexual orientation, and that for the damaged person constitutes undesired physical, verbal, suggestive, or other behaviour."

The Annex listing the additional human rights treaties to be applied in BiH includes the Convention on Elimination of All Forms of Discrimination against Women. The preamble of this convention, among other things, recalls the United Nations Charter which reaffirms the belief in fundamental human rights, the dignity and value of one's personality, and in the equality of men and women; the universal declaration confirming the inadmissibility of discrimination and proclaiming that all people are born free and equal in their dignity and rights, and that the freedoms and rights listed there belong to all, with no difference, including gender difference; the international covenants (which are also an integral part of the constitution) on the rights of man whose obligation is to ensure equality of men and women in all economic, social, cultural, civil, and political rights; the resolutions, declarations, and recommendations adopted by the United Nations and specialised organisations promoting equality of men and women; that a comprehensive development of countries requires participation of women; and expresses the belief that the traditional

¹¹¹ Ibid.

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roles of men and women in society need to be changed with a view to achieving full equality. In terms of Article 1 of this convention, discrimination against women means any discrimination, exclusion or inclusion by gender whose consequence or purpose is to threaten or prevent the recognition, enjoyment, or exercise of women's human rights and fundamental freedoms in the political, economic, social, cultural, civil, or any other field, irrespective of their marital status, on the basis of equality of men and women.

2.2.2.2. The Law on Gender Equality of BiH

The responsible Ministry of Human Rights and Refugees of BiH and the Ministry of European Integration, in cooperation with the Gender Centre, drafted the law. Public debates were also organised and led to the inclusion of CSO representatives in the working group drafting the law.

The Draft Gender Law of BiH was adopted on 5 March 2003 by the BiH parliament. The law was adopted at the state level, and all the other state-level or entity laws and regulations will have to be harmonised with the provisions of this law no later than within one year. The Gender Centres of FBiH and RS, the Ministry of Human Rights and Refugees of BiH and the concerned CSOs will be involved in this process.

Prominently, the UN Gender Group (UNGG), consisting of UNDP, OHCHR, UNICEF, ILO and UNFPA, has embarked on a UN Gender Project, financed by UNDP, for the implementation of the Law on Gender Equality. The Group is going to facilitate substantive participations of Gender Centres of both entities, a state-level Gender Agency and wide-segment of civil society organizations (NGOs, universities and the media). The UNGG project is premised upon consultative and participatory approach to empower BiH governments to tackle a wide spectrum of gender issues, ranging from socio-economic to legal aspects.

3 Recommendations and alternative policies

3.1. Poverty

The Poverty Reduction Strategy Paper is an excellent opportunity to break the cycle of female exclusion. The lack of formal ownership over property by women, which restricts their access to loans, can be corrected by a social rather than physical guarantee: for instance, a group of community members bears the responsibility for the

person who is receiving a loan. Loans can always be accompanied by professional training. Loans, as well as professional training, should focus on market demand. Employment programmes should have criteria developed under which they will be distributed evenly by gender and age. Poverty reduction policies or development strategies should include clearly defined steps to increase the participation of women in the labour market.

3.2. Education

The reform of the education system from the perspective of gender equality and the empowerment of women must not stop at the shining example of Women Studies Sarajevo, but these concerns should be part of each element of reform, from the legal framework and curricula to the improvement of quality of teaching. Gender mainstreaming in education should be a factor that will improve the quality of education, especially with regards to the relations between teachers and pupils or students at all levels (kindergarten, primary school, secondary school). Sexual harassment must not be allowed in classrooms just as it is not allowed in the work place or private life.

3.3. Domestic violence

Domestic violence is directly linked to the problem of poverty and the education level of the population in BiH. Poverty reduction and a generational improvement in the education of the population can, thus, be considered as directly linked to the decrease in the number of incidents of domestic violence as well. Mechanisms for monitoring domestic violence should be developed so that reports by the police, social work centres, and health care institutions will be collected in one place. The examples of positive action by all government structures and the non-governmental sector (Reference Group Tuzla) should be extended to other regions or cantons in BiH.

3.4. Employment

Provision of pre-school services should be part of normal conditions offered by employers. Education should be more clearly focused on the actual demands of the labour market in order to avoid a surplus of "well-educated" women who, however, are unable to find

employment. Support for the Gender Centres of FBiH and RS in their efforts and strategies to increase the number of women in highly-paid and "male" jobs is necessary. A quota must exist for the membership of boards of governors of public companies (e.g. at least 40% persons of one gender).

3.5. Political life

The participation of women in public and political life can only be a model and encouragement for young women to become independent and assume new roles in political and social life. Men should not be circumvented in this process, and the example of gender mainstreaming in the Gender Centres should be taken as a positive approach, where men participate in more than 30% of all activities and outcomes. The Gender Centres should be strengthened and their approach to all sectors of work facilitated.

3.6. Gender statistics

The institutions collecting and publishing data should publish all data disaggregated by gender, especially those regarding employment and unemployment. Data disaggregated by gender should be collected and presented for the total number, men, and women, and not only for the total number and women.

3.7. Women's movement in BiH

The women's movement in BiH should be supported in its current activities, especially through network organisations such as the Bosnian Women's Initiative. The women's movement in BiH should strengthen its links with pre-war women activists and organise events to mark the 25th anniversary of the first women conference in the former SFRY.

3.8. Right to sexual orientation

Man and women who chose partners of the same sex should have the same rights as heterosexual couples, and shall enjoy sexual freedom without fear of stigmatisation and aggressive assaults. Their right to sexual orientation should also be

recognized by governments and international community and not just by certain NGOs.

3.9. Gender balanced language

Both colloquially and formally used language by governmental and non-governmental organizations, private sector institutions and media in particular should become gender balanced by relying more on the existing neutral terms (e.g. ombudsperson, spokespersons, etc.)

CHAPTER VII ENVIRONMENT

1 MDGs and the general environment situation in BiH

1.1. General problems in the field of environmental policy and legislation, capacities, public participation in decision-making on environmental issues, delineation of the responsibilities and obligations of institutions, monitoring, economic incentives

From the findings of surveys we can conclude that BiH faces serious environmental problems. In particular, we note insufficiently developed capacities and numerous socio-economic and institutional problems:

- Lack of environmental policy and legislation, especially at the state level;
- Insufficiently developed capacities, which are divided between the entities and cantons;
- Lack of public participation in the decision-making process regarding politics and the environment;
- Unclear delineated responsibilities and obligations of the different institutions that deal with the problems of water, forests, the environment, health, agriculture, etc.;
- Lack of monitoring and equipment;
- Lack of co-operation between the entities as well as between other concerned parties (the Council of Ministers, non-governmental organisations, citizens, and the like);
- Lack of economic incentives (charges, fees, «polluter pays» principle);
- Insufficient level of training and lack of expertise; poor management; lack of staff, funds, and appropriate training;
- Insufficient level of interest in environmental problems, as well as a lack of general information in the public sphere.

BiH's accession to and integration in global processes and institutions must be a goal that leads to positive changes in the country's environment. In addition to resolving economic, legislative, and political problems, BiH should achieve environmental self-sustainability.

1.2. The situation of environmental legislation in BiH, Dayton Agreement and legal framework for the efficient management and protection of the environment and in RS and FBiH, regulations

Environmental policy in BiH is very poorly developed. There are a number of reasons for this. In general, developing legislation is a very slow process because of the parliament's obligation to adopt a significant number of new laws. This has postponed the development of an environmental regulatory framework. In addition, environmental legislation has not been a priority, and there is a general lack of experts to draft an environmental law. The most relevant problems in BiH's environmental sector today are the lack of environmental legislation (especially by-laws) and the insufficient development of those institutions involved in the protection of the environment.

1.3. CSOs dealing with environmental issues – general information

CSOs have always had an important role to play in the resolution of environmental problems. A fair estimate is that around 10% of all CSOs in BiH deal with the problem of the environment. The general position is that CSOs are not sufficiently developed: their management structure is very weak, and most of them do not have the basic resources for working effectively. Most CSOs operate on the basis of spontaneous gathering of members for some symbolic actions, without permanent engagement or development plans.

With a view to developing and strengthening CSOs, REC BiH and other international organisations (USAID, EC, German and Dutch governments) have provided financial assistance through local and co-operative grants. A visible lack of communication exists within the non-governmental sector, as well as between CSOs and government bodies. In order to rectify this situation, some CSOs have launched a campaign to establish a forum. The campaign has thus far not yielded any positive results. There are also efforts to establish and run an electronic CSO network in BiH.

1.4. Environmental situation by issue areas

1.4.1. Air: pollution, responsibilities and obligations, international conventions

Despite low levels of industrialisation and urbanisation, the level of pollutant emissions into the atmosphere in BiH is very high. A 1998 study on human development in BiH found that BiH made up 32% of the total air pollution in the former Yugoslavia.

The causes of air pollution in BiH include: thermoelectric plants and other industrial sources; the quality of fuels used (low caloric value, significant sulphur content, high level of ash); the poor maintenance of power plants and industrial facilities; outdated and inappropriate technology; past environmental damage; the lack of knowledge regarding environmental management and the economic use of energy.

Moreover, current privatisation processes are being implemented without taking into account environmental issues. Answers to the following questions should be precisely defined:

- Who is responsible for past damage to the environment?
- Will new owners become responsible for this damage with the purchase of a facility, or will it remain a state responsibility?
- Will the owners of facilities that are not operational and that do not meet environmental regulations have to invest enormous funds in technologies to meet these regulations?

1.4.2. Water: pollution, infrastructure

Regarding surface and ground water pollution, BiH is considered to be the most polluted republic of former Yugoslavia. River water throughout the country is of poor quality because of waste water and sewage facilities. In urban zones, 70% of households are connected to sewage systems, which are often inefficient and have no facilities for treating waste water. This problem was recognised just prior to the war and led to the development of a 20-year plan to improve water supply and waste water release points throughout the country. This plan, however, has not been implemented.

Due to the armed conflicts in BiH, the country's water infrastructure is heavily damaged. Even before the war-related devastation occurred, water supply and sewage was not regulated. Therefore, although

the rehabilitation of the water supply sector is estimated to have been restored up to 90 % of the pre-war level, it still falls short of international standards. The quality of drinking water in general is dubious, and in some cases clearly unacceptable. In urban areas, and even in major cities, sewage systems remain incomplete.

1.4.3. Soil: industrial pollution, de-mining, etc.

Over the past few decades, soil in BiH has been exposed to a variety of elements that led to its pollution, degradation, and sometimes total destruction. One element is an increase in the acidity of soil which damages vegetation. This often occurs in the vicinity of thermopower plants (Tuzla, Kakanj, Ugljevik, Gacko), and in regions with developed industry. This is particularly the case with the chemical industry, where high levels of SO₂, CO₂, and NO_x and other gas emissions lead to "acid rain" that increases the acidity of the soil. In addition, the presence of heavy metals in the soil is growing and approaching a critical level in the vicinity of big industrial and mining centres and thermo-power plants. Soil in BiH is also subject to constant water erosion. Due to the surface exploitation of various raw materials (coal, steel, aluminium, clay, and the like), "technogenous deserts" have been created.

In addition to the above challenges, it is extremely important to note that around 4.17% of the overall surface of BiH is made up of mine fields, estimated to number around 10,000. Apart from the extreme and constant danger to the lives of people, the presence of such a large number of mines makes the exploitation of forests and other large land areas impossible.

1.4.4. Bio-diversity: general situation, causes of problems

From the viewpoint of biological and ecological diversity, BiH is one of the most interesting regions in Europe. Bio-diversity is an invaluable national asset and heritage. The level of habitat diversity and geo-diversity in BiH is also very high. Unfortunately, not enough attention has been paid to this natural, historical, and cultural heritage. Currently only 3% of the territory of the country is under any degree of «protection».

Problems and causes include:

- Intensive degradation of all elements of natural, historical, and cultural heritage;
- No institutional framework for the sustainable management of natural, historical, and cultural heritage at all levels;
- Lack of professional and academic institutions for the establishment of databases required to develop ecologically

and economically acceptable models for managing natural heritage;

- Insufficient implementation of existing legislation, as well as problems in developing a monitoring system;
- Inadequate policy to finance the protection of natural, historical and cultural heritage, and a lack of a market economy in this sector;
- Insufficient level of co-operation between inter-governmental bodies, institutions and some sectors, and poor co-operation with the CSO sector;
- Lack of information in general, and a very poor level of awareness in the public sphere and governmental sector regarding the importance of natural, historical, and cultural heritage;
- Too few areas under appropriate protection regimes;
- Lack of data on the sensitivity of some areas, thus no way to categorise the level of threat to natural resources and rate their current condition;
- Insufficient level of participation in international environmental trends;
- Lack of participation in international treaties related to the sustainable management of bio-diversity, such as the Convention on Protection of European Wild Species and Natural Habitats (Bern Convention); EC Habitats Directive 92/43/EEC; Bio-diversity Convention; CITES Convention; Ramsar Convention;
- Lack of standards and strategies for the sustainable use of natural resources;
- Lack of participation in international environmental projects such as Natura 2000: Coherent European Ecological Network for Special Protection Zones; European Ecological Network (EECONET).

1.4.5. Waste: general situation, problem of appropriate waste disposal

When it comes to waste management, BiH considerably lags behind developed countries, as well as most other countries in transition. The problem of waste management was not addressed adequately even in the pre-war period. War-related devastation has further deteriorated the situation.

The problems regarding waste management have their origins, among other things, in the past attitude towards waste and how to manage it; the lack of vertical and horizontal managerial and professional harmonisation and organisation; the lack of legal regulations and economic measures that are sensitive to the geological and hydrological importance of the BiH region; and the population migration caused by the war. Waste dumps are not adequately located nor technically equipped, and are often full. Waste disposal is inadequately organised (waste is not

sorted; there is no recycling, nor is there technology for waste recycling). Industrial waste is in most cases disposed of together with communal waste, and in BiH there is no industrial waste dump foreseen in the law.

The only possibility for most industries is to export some types of waste (old paint, varnish, solvents) in accordance with the acts of the Basel Convention. However, this mode of disposal has yet to take root. For example, for those types of communal waste that are successfully collected and recycled in the EU, there is no regulated collection in BiH because a database on the production, movement, treatment, and disposal of useful waste does not exist. Moreover, packaging waste will have to be radically reduced in the near future due to the passage of a new EU directive on packaging (CD 94/62 EC, 1994).

There is no practice of collecting and sorting hazardous waste that arrives at dumps mixed with communal waste. Nor has a system been defined to manage the waste collected in that way pending its final destruction or recycling. A major problem in this regard is clinical/medical waste. According to data of the World Health Organisation, this is estimated to be 850 tons from humanitarian assistance and 14 tons of hospital waste generated daily in FBiH, while in the RS there are around 550 tons from humanitarian assistance and 7.5 tons/day of hospital waste. There is no waste market in BiH, no registered collectors, nor appropriate facilities for treating hazardous waste.

A common system of cross-border waste traffic does not yet exist, although the Basel Convention for control of cross-border traffic of hazardous waste went into effect on 18 December 2000.

There can be no plan to harmonise regulations with EU legislation because such regulations do not exist in the state of BiH. Neither are there appropriate acts providing for the management and supervision of the creation, storage, collection, transportation, and treatment of industrial and special waste. One step towards improving this situation is the document entitled «The BiH Strategy of Solid Waste», which provides basic guidelines and objectives in the field of waste and a hierarchy of potential modes of waste management.

Attaining EU standards with regards to an integrated waste management regime will require a relatively large investment and cannot be implemented all at once in BiH. The European Commission and the World Bank have launched an initiative to improve waste management, develop a state environmental monitoring system, and a framework of harmonised environmental legislation.

1.4.6. Forests: general data, situation

Forests cover more than half of the surface area of BiH (55.6%). Of this, around 20% is privately owned. The war significantly damaged the quality of forests. The nature and effects of this damage vary considerably in different areas, and a proper forest inventory needs to be made. The main causes of damage include uncontrolled logging; the absence of sustainable forest management practices; unchecked fires; and direct damage from military activities. It has been calculated that 15-20% of forests remain mined or otherwise inaccessible; in some areas shrapnel and bullets in trunks reduce the quality of trees and increase the costs of their logging.

2 Policy analysis

2.1. Organisation system and overview of the distribution of responsibilities among the ministries of Environment of BiH

Different ministries at the state level share the same problems, but no ministry is responsible for the harmonisation of joint efforts. Appropriate co-operation between ministries is also missing.

The Ministry of Foreign Affairs is responsible for negotiating many environmental treaties applicable to BiH. The Ministry of Foreign Trade and Economic Relations implements environmental programmes related to treaties. The Ministry of European Integration has overseen environmental projects within the Stability Pact, and under the latest changes in the Council of Ministers (early 2003), this ministry has been transformed into a unit/directorate. The Ministry of Civil Affairs and Communications is responsible for formulating environmental legislation at the state level. This division among the ministries in the Council of Ministers is a road to failure.¹¹²

Gradually, relevant institutions of environmental protection are being established that could acquire the role of high-level government authorities in charge of environmental policy implementation. They include the Steering Board for Sustainable Development and Environment and the proposed environmental agency.

The FBiH and RS have different systems of organising their ministries. The main responsibility for the water sector in both entities belongs to the Ministry of Agriculture, Water Management, and Forestry.

This ministry is responsible for water strategy and policy; issuance of approvals and permits; setting standards and regulations; and monitoring the harmonisation of laws and regulations through inspections and approvals. The FBiH Ministry of Urban Planning and Environment and the RS Ministry of Urban Planning, Housing and Utility, Construction, and the Environment have responsibilities to regulate and protect the waterways and the environment.

The FBiH is administratively divided into ten cantons. In all ten cantons, the bodies responsible for the environment are the following: the ministries of construction, urban planning and environment, which operate in the field of urban planning and environment in cantons; and the ministries of agriculture, water management, and forestry, which also deal with administrative affairs such as issuing water management approvals and permission that fall under the jurisdiction of cantons under the Law on Waters.

The problems of environmental regulation and planning, like many others facing BiH, are clearly aggravated by divisions in the internal structure of the government and overlapping responsibilities between different departments and levels of the government. Despite this, or perhaps because of it, the human resources for the assessment of environmental impact are severely lacking.

2.2. Institutional development in BiH

There are other activities underway to cope with these problems, such as the establishment of a working group to address environmental issues at the state level. This initiative was launched in September 2001 by the Ministry of European Integration and ministries of environment of both entities, and adopted by the Council of Ministers in the summer of 2002.

Ever since joining the Global Environmental Fund (GEF) in October 2001, BiH needed to establish a body to co-ordinate and manage GEF programmes and implement international environmental treaties in BiH. Discussions about establishing such an administrative and organisational structure in BiH occurred on several occasions in 2002. It was decided that the focal point for GEF in BiH would be the Ministry of Foreign Trade and Economic Relations. The next step was the establishment of the National Board for GEF and Operational Focal Points for ozone, water protection, climate change, and bio-diversity in early 2003.

¹¹²Stuart Thompson, 2001: "The Need for Functional Integration in Environmental Protection", OHR Legal Department.

2.3. Development of environmental legislation in BiH

The Framework Agreement for Peace places environmental management "in the hands" of the two entities (Article III Paragraph 3a). The legal framework for efficient environmental management and protection is based on the constitutional right of citizens to a healthy environment and on international principles in this field.

Existing environmental legislation in the FBiH and RS is mostly based on the laws of the former Yugoslavia. Environmental protection is regulated under the Law on Space Management that covers all components of the environment. Since its adoption in 1974, the law has come to be applied to the problems of urban and spatial planning, the environment, and construction. The FBiH currently follows framework laws on the environment and on the protection of nature, both of which are based on laws adopted in Slovenia and Croatia.

2.3.1. Newly harmonised environmental laws for RS and FBiH

A new set of environmental laws was adopted in the RS in the autumn of 2002, and the FBiH is expected to adopt the same set (harmonised) in early 2003. This set of law includes:

- Framework Law on the Environment;
- Law on the Protection of Waters;
- Law on Waste;
- Law on the Protection of Nature;
- Law on Air Protection.

Many new regulations related to natural resource management and environmental management have also been adopted. The FBiH and RS currently have more than 70 laws in this field. Unfortunately, these laws are not co-ordinated in many segments.

The environment is undoubtedly of common interest to all BiH authorities and levels of government. Good regulations are the basis for implementing strategic plans, i.e. for appropriate reconstruction, transition, and the sustainable development of the whole country. Therefore, there needs to be a link between the authorities and bodies of legislation of the two entities. The first step in this direction was made in July 1998, when a memorandum of understanding was signed by the two entities, with the assistance and support of the international community. The memorandum had to do with the development of harmonised environmental legislation at the state level (see below). However, no environmental policy or framework environmental law exists at the state level as yet.

With the existence of two different sets of laws and different instruments for organising environmental protection, and without joint work on environmental legislation in BiH, the implementation of international standards and regulations will be considerably weakened.

2.3.2. Development of the National Environmental Action Plan (NEAP) for BiH

From March 2001-December 2002, the World Bank (WB) supported the development of the National Environmental Action Plan (NEAP) for BiH. The role of the NEAP is to identify problems in the field of the environment and to set a list of priorities. The NEAP is a document of great importance for BiH and should be adopted by the administrative bodies of both entities and Brčko District in early 2003.

2.4. The Memorandum of Understanding is one of the most significant agreements concluded so far between the two entities. The result of this agreement is the establishment of a joint Environmental Steering Committee (ESC). Its tasks are the following: the harmonisation of environmental legislation and standards; monitoring; developing information systems and contingency plans; spatial planning; and maintaining relations with the international community.

2.5. The war years and the resolution of citizens' urgent problems after the war have placed BiH even further behind general developments in environmental legislation in the world. Major progress has been achieved in signing agreements in the last two to three years. Since it has an significant impact on economic development, trade, and human health, the issue of the environment occupies a leading position in international politics. BiH is not a signatory of numerous important multilateral agreements related to the protection of environment and waters (at least 21, in addition to many more protocols). Even when it comes to the participation in major regional initiatives, such as the Danube Basin Agreement or the Mediterranean Action Plan, BiH is more or less an observer. One of the major reasons for this is the inadequate functioning of the Council of Ministers, as well as the extremely complex procedure of treaty ratification.

Environmental agreements are probably not considered to be so important given the country's efforts to resolve many internal problems. It is true that conventions require considerable human and financial resources on the part of the signatories, but they also require significant financial support and technical assistance from outside the country in order to help countries to implement and monitor international procedures and standards.

3 Recommendations and alternative policies

3.1. It is crucial that we establish an environmental agency at the state level, a monitoring system, a comprehensive data-base, and exchange of information.

An agency or similar institution dealing with environmental issues does not exist at the state level. Certain international donors have expressed an interest in supporting the establishment of such a body, but no concrete activities have been undertaken so far.

In BiH, there is no comprehensive environmental monitoring system that could collect all environmental information exists in BiH. Data collection is not co-ordinated between institutions. There is no centralised/common database, nor a mechanism of information exchange between institutions collecting data and the relevant ministries. Currently, the Ministries of Environment (MoE) with their directorates and institutes, such as the Meteorological Institute, Statistics Institute, Agronomy and Soil Institute, and Construction Institute, are responsible for data collection.

3.2. The lack of an appropriate structure at the state level means that BiH is not able to sign international treaties. An urgent need exists for assistance in the systematic preparation of the ratification of the above-listed conventions, as well as others. An important step in the ratification of these and future conventions and treaties is the adoption of the Law on the Procedure of Conclusion and Implementation of International Treaties. The Parliamentary Assembly of BiH adopted this law on 18 October 2000. The law was published in the Official Gazette of BiH No. 29/00 and came into force on 8 December 2000.

3.3. Priorities and recommendations

3.3.1. Air

The draft NEAP stresses the need for the Parliament of BiH to adopt Agenda 21. The next step should be the preparation and adoption of a national action plan by the Council of Ministers. On the basis of this national action plan, the governments of both entities could develop implementation programmes for the sustainable development of both entities.

International co-operation must be an integral part for the constitution of BiH. BiH must adopt those United Nations conventions where the former Yugoslavia was not a signatory. Each of these conventions has its implementation programmes and very often support programmes for countries of Central and Eastern Europe in the process of transition. It is necessary to adopt the EU rules "New approach", as well as those contained in the EU "White Book", especially chapter 8 (Environment).

As has been said, a new set of laws should be adopted in both entities by the spring of 2003. More attention should be paid to decrees than to laws. How the laws will be implemented will depend on how strict the emission standards are. The management of the environment without emission controls, or without strict emission standards, will not yield any positive results. Only realistic standards (ambient and emission) can yield good results.

Priority measures are the following:

- Preparation of draft decrees of the Law on Air Quality;
- Development of studies for the implementation of the Law on Air Quality;
- Preparation of a programme for reducing gas emissions in line with the Geneva Convention on Cross-Border Air Pollution and the Framework Convention on Climate Change;
- Inclusion in international programmes;
- Establishment of state-level/entity environmental agencies;
- Establishment of air monitoring system;
- Implementation of indicators of sustainable development in BiH practice;
- Education on the efficient use of resources;
- Organisation of seminars on environmental impact assessment, air quality management, and the implementation of an environmental management system (EMS).

3.3.2. Water, priority list

Basic goals for the long-term include:

- Provision of sufficient quantities of quality water for water supply and other purposes;
- Protection of water resources and preservation of the quality of surface and ground waters;
- Protection from the detrimental effects of water, such as soil erosion;
- Economic use of water.

In order to achieve this, the following activities are a priority:

- Modernise the water sector in accordance with EU directives. The suggestion is to develop water management bases by basin areas, as basic territorial units, and to adopt baseline documents for water use and management;
- Harmonise legal regulations and legal structures within some entity water regimes;
- Strengthen the level of activity carried out by the state of BiH in the water sector;
- Develop in detail and introduce a new legal/institutional structure whereby water resource management will be localised;
- Improve conditions for investment and mobilise private capital;
- Organise an appropriate monitoring system.

3.3.3. Soil, priority list

- Develop a common strategy (policy) regarding soil protection at the state level;
- Provide general and specific soil legislation at the entity level while reserving certain authorities/responsibilities for the state level, with clearly defined hierarchies and relations of responsibility;
- Provide instruments and standards for the protection of agricultural land;
- Establish mechanisms to regulate a market in landed property, which requires: a good information system; a reliable legal system; capable and certified experts for land transactions; common real estate fees and taxes;
- The land policy should be unified and pursued at the state level through an agency or institute, with regional offices that would deal, on the ground, with problems characteristic for each natural region;
- Develop a harmonised Law on Soil (use and cultivation), on the basis of a harmonised soil protection policy;
- Make an inventory of the status of soil in BiH, with an eye towards strategic planning;
- Identify the degree of contamination of soil that is used for the production of healthy food (institutional strengthening control of soil contamination);
- Identify the status of current land erosion and implement protective measures;
- Evaluate and categorise land with a view to sustainable management and use in agriculture and forestry;
- Establish soil monitoring within the framework of European integration;
- Establish a common soil information system;
- Raise the awareness of the population of the importance of soil for sustainable development and future generations;
- As a matter of priority, conduct mine clearance of Category 1 areas and continue clearing existing mine fields.

3.3.4. Bio-diversity, priority list

- Prepare the scientific bases for signing and ratifying international treaties and documents related to sustainable development and the protection of bio-diversity and geo-diversity;
- Develop a programme and standards for the sustainable use of biological resources;
- Develop an educational programme emphasising the importance of a sustainable environment to building democracy and for better co-operation and understanding between the entities and different ethnic groups in BiH;
- Develop an information system for sustainable management and monitoring;
- Develop strategies and a national action plan (NAP) for the protection and sustainable management of bio-diversity, geo-diversity, and diversity of landscapes in the country;
- Develop strategies and a national programme for protection from genetically modified organisms (GMO) and invasive species;
- Develop a programme for the protection of 15-20% of the territory of the country in line with IUCN.

3.3.5. Waste, priority list

- Introduce and adopt a waste management strategy;
- Adopt waste management legislation;
- Rehabilitate a number of existing dumps;
- Remove illegal dumps;
- Organise education programmes at all levels;
- Establish a waste market;
- Establish an integrated information system;
- Establish an efficient waste management system;
- Establish an agency for hazardous waste management;
- Apply economic measures;
- Introduce environment-friendly technologies;

- Construct landfills;
- Introduce ecological incinerating facilities.

3.3.6. Forests: priority list

- Adopt a law on forests at the entity and state levels;
- Create a dynamic forest de-mining plan;
- Precisely identify species, especially those most threatened, and create proposals for their protection;
- Protect forests from all types of degradation;
- Develop a long-term plan for sustainable forest management;
- Develop a long-term forestation plan for protection of land from erosion;
- Collect data on the level of air, water, and soil pollution and its impact on forests;
- Improve work of inspections;
- Start monitoring forests;
- Create a proposal for scientific surveys in forests, especially for protection against pests, fire and weather;
- Start activities to develop a LEAP in all administrative units.

3.4. Gender and the environment

3.4.1. Gender-specific implications of environmental issues result not only from the impact that the environment has on the safety of people, or the provision of food and necessities of life. They also result from the gendered division of work in the resolution of environmental problems, as well as from the different ways in which men and women react to changes in the environment.

Awareness of the gendered divisions of work in the agricultural sector, fishing industry, and the informal sector – households and communities – can help us detect environmental hazards specific to women or men. For instance, women depend on public resources such as firewood and plants, and their obligation to provide water for the household in rural places makes them subject to greater stress when those resources are running out or become more remote.

3.4.2. Environmental change also has far-reaching consequences for the health of men and women. Environmental change often increases the obligations of women, who are traditionally in charge of the care for the sick and elderly people. It also impacts women because they have a more difficult time accessing health care, may face reduced food status, and may be required to juggle

several roles at the same time.

3.4.3. The role that gender plays in global efforts to protect the environment is important in adapting measures where gender-related initiatives are the clearest and where advocates of gender issues can best contribute to the development of gender-sensitive policies. Participation in international negotiations and interventions is of strategic importance for women, if they want international initiatives to include the initiatives that concern them as well. Examples of successful organisation and influence on sustainable development initiatives include the lobbying for gender-sensitive policies at the United Nations Conference on Environment and Development (UNCED), as well as at the preparatory meetings for the World Summit on Sustainable Development (WSSD). For instance, the Women, Environment, and Development Organisation (WEDO) played an important role in the preparatory meetings for the WSSD. The WEDO has also been a crucial component in strengthening women's capacities to participate in the protection of the environment at the global level, for which it has developed a resource kit.

After discussing environmental problems, participants of the HDR/MDG consultations together with members of civil society arrived at the following conclusions and recommendations:

1. *Equit is necessary to separate the issues of urbanisation from the issues of the environment at the Entity Ministries (and further)*
2. *Request that the state remain the owner of drinking water resources*
3. *Natural Resource Concessions should not be given to foreign concerns but rather to domestic companies*
4. *The allocation of resources should be harmonised – invest into raising the quality of the environment*
5. *Public participation should be increased*
6. *Government Ecological Funds should be available to CSOs as well*
7. *The exchange of information should be improved*
8. *It is imperative to introduce internet/web pages for public debate (for MoE and others)*
9. *Require monitoring of investments/advice*
10. *Data on "environmental" projects should be compiled*
11. *Coalitions of CSOs are stronger than individual CSOs, so they should be encouraged*

(Recommendations of civil society / Round table on the topic of "environment" as a part of HDR/MDG consultations with civil society / March 2003).

CHAPTER VIII HEALTH

1 MDGs and the general health situation in BiH

1.1. The health of the population of BiH

Health is one of the crucial foundations that determine the quality of life for all segments of any society: poor health and illness reduce the quality of life for individuals and burden families, which in turn leads to the loss of work productivity and indirect and direct losses for the society and state as a whole.

The changed pathology of the population caused by the war, and compounded by the poverty that has followed in the post-war period, affects the health of the population. The main causes of the poor health of the BiH population include alcohol and drug consumption, smoking, unhealthy eating habits, inadequate control of foodstuffs, epidemics, unequal access to health care, and insufficient funds to cover the needs in the health sectors.

Birth rate

The birth rate declined from 10.5‰ in 2000, to 9.9‰ in 2001. This downward trend in the birth rate is the result of overall social and economic insecurity.

General mortality

The post-war period in BiH has seen a slight decrease in the mortality rate, and it is still at a medium low level. Compared to 2000, when the general mortality rate was 8.1‰, in 2001 it was somewhat lower at 8.0‰.

Life expectancy

According to the last official data, from 1989, life expectancy was 69.2 years for men and 74 years for women. According to UNICEF data from 1997, the average life expectancy was 73.¹¹³ The reason for this is that the data on mortality (dying) and morbidity (rate of diseases) are not standardised, so that more precise figures cannot be given.

1.1.1. General situation and trends

Leading causes of death (mortality)

The leading cause of death in 2001 were diseases of the circulatory system, making up 54.1% of the total mortality (FBiH). Such a high percentage of the total mortality points to the scale and significance of these diseases, as well as the urgent need for preventive measures and the promotion of healthier lifestyles. Malign neoplasms were the cause of death with 18.1% of all of those who died; this marks an increase compared to 1999 (16.5%). Injuries and poisoning rank fourth with 3.6%; diseases of the digestive tract fifth, with 2.9%; and all other diseases make up 15.6% of the causes of death.

Diseased population (morbidity)

Chronic mass non-contagious diseases rank first among diseases in morbidity: diseases of the respiratory system have a share of 35.7% in the total morbidity, and diseases of the circulatory system have 9.9%. Third are diseases of the digestive system with a share of 5.9%, followed by diseases of the genitourinary system with 5.8%, and diseases of the bones/muscles and connective tissue with 5.3%.

The rate of diseases is monitored according to the Law on Prescribed Records in the Health Sector and the programme of statistical surveys in the health sector. The sources of data are public sector reports (out-patient clinics and polyclinics), while the private sector is currently not submitting any data on its work. This is why it is not possible to make a realistic estimate of the incidence of chronic non-contagious diseases.

Mental health

Migration, unemployment, changing conditions within families, a rise in violence, and other risk factors have led to an increase of almost all mental and behavioural disorders, with frequent suicides. The suicide rate was 3.8/100,000 for 2000, and 3.2/100,000 for 2001. As for how the suicide rate breaks down according to age group, the most affected segment is the active population of 25-64, with a share of 71.8 % in 2001 (64% in 2000).

¹¹³ UNICEF "Women and Children Situation Analysis 1997," Sarajevo 1998.

Of all the demographic variables in epidemiological surveys, gender appears most significant as a risk factor for all forms of mental disorder. On average, depression disorders and most neuroses affect women two to three times more than men. Eating disorders are eight to ten times more frequent with women. Men are more frequently affected by developmental disorders such as autism and attention deficit, as well as by alcoholism and behavioural disorders. For all disorders, including those that are more frequent with either men or women, gender difference appears among the risk factors or clinical aspects.

If we look at the neuropsychological profile regarding repetition or frequency of risk, or the severity of symptoms or disability, we see that gender difference is an important factor in prescribing treatment and other necessary services. The social impact of mental disorders is additionally disproportionate for women during pregnancy, while lactating, and when raising children. Other important factors of reproductive and mental health include reproductive symptoms (for instance, while reproductive problems like vaginal secretion can be caused by stress rather than external factors, they are as a rule treated as a physiological problem and not a psychological problem); violence and mental health (one of the most debilitating and long-lasting forms of post-traumatic stress disorder results from violence against women and children); reproductive surgery and mental health (women who undergo surgeries such as mastectomy or hysterectomy, as well as other gynaecological interventions, can get mental disorders); HIV/AIDS and mental health (mental health problems may occur with persons with HIV due to the stigma and discrimination associated with this disease as well as the direct and indirect influence of HIV and secondary infectious diseases on the brain).

Generally speaking, women are the primary users of mental disorder treatment and services, but there is little data on epidemiological and clinical findings of gender difference applied to the policies of the public health sector and service institutions. The lack of institutions and adequate care for persons in need of mental protection is often an obstacle to the return of refugees with such needs.

1.1.2. Contagious diseases and immunisation

Owing to their nature, contagious diseases are of special importance for the community and require the implementation of special supervision measures, having an important share in the population pathology. A difficult socio-economic situation; an insecure supply of hygienic drinking water; the inadequate disposal of waste substances; and poor housing conditions all contribute to an increase in the risk of occurrence and spread of many contagious diseases.

The general morbidity rate of contagious and parasitic diseases in FBiH in 2001 was 2415.46/ 100,000, in decline compared to 2000 when it was 2694.58/ 100,000. The total number of reported contagious and parasitic diseases in 2001 was 55,733 cases (in 2000 – 61,642 cases). In 2001, 54 persons died from contagious diseases and the mortality rate was 2.34/100,000 (in 2000, 65 persons died).

Officially speaking, the epidemiological situation in 2001 was more favourable compared to the preceding two years, with fewer contagious disease epidemics registered, 31, compared to 39 in 2000.

Lung tuberculosis still has a high incidence rate in BiH compared to more developed countries. In 2000, it was 65.6/ 100,000. In 2001, BiH agreed to join the programme of tuberculosis surveillance in Europe – Euro-TB. National strategies have been developed.

Immunisation is one of the most important interventions to protect the health of the population. Vaccination records show 80.74% to 95.06% of the population are covered by basic vaccination, and 74.73% to 92.69% by revaccination. Over the past few years there has been a steady decline in the number of cases of tuberculosis meningitis and milliar TBC, measles, and parotitis. Over this same period, no cases of poliomyelitis, diphtheria, or neonatal tetanus were registered.

Some serious problems have been identified, such as an inadequate registration and information system. Such a system is clearly required for the timely planning, implementation, and assessment of national immunisation activities. Moreover, significant and constant population migration contribute to flawed registration data, and thus lead to a low rate of vaccination coverage with Roma children, refugees, and displaced persons.

Table 1: Percentage of immunized children in 2001

Vaccine	RS	FBiH
BSG	96.2	95.5
DI-TE-PER	95.3	91.7
POLIO	90.6	92.3
MRP	88.6	91.7

Source: ZZJZ FBiH, ZZZRS

1.1.3. Health situation of vulnerable populations

Children and youth

The health of children cannot be separated from the health of women. Important features of the physical and mental health of an infant are developed in early phases under the direct influence of the mother as the primary care-giver. This influence originates long before the birth itself, and is followed by prenatal and postnatal care, as well as by care given in the family. The social and physical environment also plays a decisive role in this regard. This is especially true under current economic conditions.

Children up to five years of age make up around 8.5% of the population, and birth rates are showing a declining trend overall, with important differences between cantons and regions. The infant mortality rate is considered low, although again there are significant differences between cantons.

The infant mortality rate exhibits a declining trend in the post-war period. In 2001, it was 8.5 per 1,000 live-born (in 2000, 11.2 per 1,000 live-born). The leading causes of death in infants are those that occur during the prenatal period (asphyxia of the new-born; respiratory distress syndrome; disorders linked to shorter pregnancy and low body weight, etc.). The next most frequent causes are congenital malformations, deformations, and chromosome aberrations. These are followed by diseases of the circulatory system.

The perinatal mortality rate (a sum of stillborn children and children dying up to 6 days after birth) was 10.2% in 2001, and 11% in 2000. Despite a low infant mortality rate, the percentage of children dying within the first 6 days is high at a level of 60.7 %, and the *early neonatal mortality rate* is thus 5.5‰. *Mortinatality* (stillborn) is 4.7‰ for 2001, and together with the early neonatal mortality rate (5.5‰) results in a *perinatal mortality rate* of 10.2%. *The mortality rate of children below 5* in 2001 was 10.3% (in 2000 – 13%).

Surveys conducted in 2000 (MICS 2000) showed that the share of children born with the weight of 2,500 grams or less is 4% in FBiH and 2.1% in the RS. This is similar to rates in other countries in transition.

Immunisation coverage (Table 1) is rather high, but has not yet reached the recommended levels.

According to an iodine deficit survey in BiH that included children aged 7-14, a mild to moderate level of *iodine deficit* was observed in the FBiH, at a rate of 27.06%.

The health of adolescents is affected by their behaviour and habits. Topping the list of unhealthy or adverse activities are smoking, alcohol consumption and the consumption of psychoactive substances, unsafe sex, and unplanned pregnancy.

According to the UNDP/IBHI youth survey of 2000, 45.3% of young people smoke tobacco regularly, 21% of the respondents consume alcohol, and 17% soft drugs (marijuana).

According to MICS-2000, among adolescent girls ages 15-19, 69.6% of those respondents who live with a man do not use contraception.

A prominent problem in the health sector is the protection and treatment of mentally underdeveloped persons. Effort will be required to abolish the categorisation of children with special needs and insist on their placement within families or communities, and not in closed institutions.

It is also very important to identify the number of children with malformations (data on this is not currently available), and to network mental health centres.

Special emphasis is placed on preventing the birth of mentally underdeveloped persons, with the following suggestions:

- 1. Gynaecological monitoring is necessary, ensuring that the mother and child are taken care of and monitored until it is concluded that the child born does not have any mental health problems.*
- 2. It is necessary to establish and support the work of a genetics institute as one possibility of preventive measures (use the networks of institutions that engage in genetic research and possess the equipment and expertise, e.g. the DNA centre in Tuzla).*
- 3. It is necessary to conduct a survey on how many cases of mental underdevelopment were caused by poorly managed delivery (no analyses or reports on the course of the delivery exist), and insist on sanctions and to stop doctors' negligence.*

The Society for Support to Mentally Underdeveloped Persons Banja Luka; Oaza- Association for Support to Persons with Mental Retardation of Sarajevo Canton; and the Tuzla Association of Mothers of Handicapped Children are non-governmental organisations intensively working to support and advocate for this category of population.

Civil society recommendations – the health round table within HDR/MDG consultations with civil society, March 2003.

Women

According to the latest population estimates, women make up over 51% of the population, of whom 25% are of reproductive age.

There are a number of behavioural and other trends in common for women of reproductive age in BiH. These include declining general and specific fertility rates, because intentional abortion is used as a method of family planning; inadequate sexual and reproductive behaviour; an increase in early sexual activities among adolescents; and a growing rate of unwanted pregnancy. Finally, an increase in the number of cases of rape, abuse, and prostitution has led to an increase in sexually transmitted diseases (STDs).

Existing data on reproduction exhibit major discrepancies: regions with high birth rates and larger numbers of frequent pregnancies at the same time show an increase in the perinatal mortality rates, early births, low birth weight, and inadequate prenatal and perinatal health care.

A special problem for the health care of women is the uneven availability of health care services in urban and rural areas. This results in a low level of health care education, an insufficient availability of gynaecological services for adolescents, and a low level of health care promotion and awareness among women. In short, this prevents a multidisciplinary, integrated approach to women's health problems from being developed.

As mentioned above, *the total fertility rate* (total number of life-born children per woman) is on the rise; in 2001 it was 1.4 compared to 1.3 in 2000.¹¹⁴

In 2001, only one case of *maternal death* was registered in FBiH, which points to the poor quality of these data.

The leading cause of death among women in 2001 were diseases of the circulatory system; malign neoplasms, etc. Among malign neoplasms, breast cancer is the most frequent, with a rate of 22/100.00 (structure index 13.6%), and cervix cancer, with a rate of 5.5/100,000 (structure index 3.4%), is the seventh most frequent cause of death from malign neoplasms.

Professionally assisted delivery accounts for 99% of all registered births. Complete data on the exact number of abortions or the share of women using contraception do not exist. To remedy this situation, a new data form has been introduced as part of regular health statistics reporting practice. This will ideally allow for an assessment of reproductive health and the health of women in general.

The five leading diseases in 2001 among women over age 15 were

period disorders; trichomoniasis; candidiasis; menopausal and pre-menopausal disorders; and bladder inflammation.

According to surveys (MICS 2000), modern contraceptive methods are not widely practiced.

Elderly persons

According to estimates from the entity statistics institutes, elderly persons make up 10% of the total population of BiH. According to international parameters, the BiH population falls into the category of "old population." This is the result of the decline in the birth rate and the population natural growth rate, combined with the fact that large numbers of young people continue to leave the country.

Elderly persons have special health problems that are mostly related to their age, but are also compounded by the difficult socio-economic situation.

The leading diseases among elderly persons in 2001 were diseases of the circulatory system with a structure index of 26.2%; then those of the respiratory system with 18.3%; and diseases of bones and muscles are the third most frequent, with 9%.

A distinct problem is the provision of health care for elderly returnees, given that the mode of health care provision has not been fully defined between the entities.

Protecting the health of the elderly needs to be advanced through primary health care, including home care programmes as part of overall family medicine, rehabilitation, and medical care for this population group.

Persons with disabilities

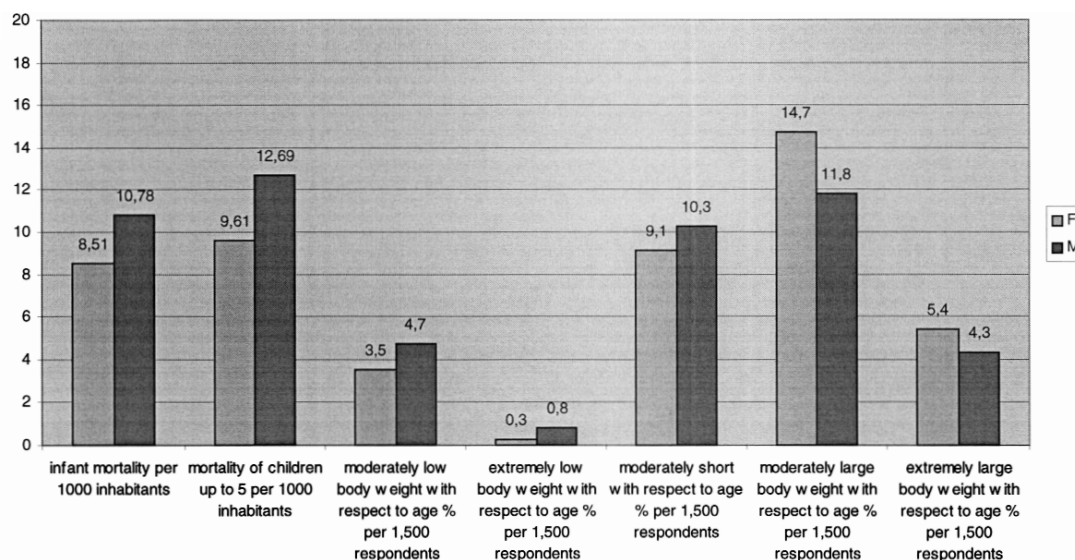
No accurate data exist, but the estimate is that almost 10% of the total population of BiH is made up by persons with disabilities. These persons form a very vulnerable group and require special forms of health care. Unfortunately, this population is often isolated by the poor quality and number of support services, which in turn further affects their already vulnerable psychological condition.

Resolving the problems particular to the disabled requires approaching these issues from several different angles and placing them in an inter-sectoral context. Indeed, this is not only a health

¹¹⁴ ASBiH Statistical Bulletin 2/2003.

Chapter VIII HEALTH

Table 4. Gender-segregated health data (Source: UNICEF 2000, UNDP CCC 2002, FZS 2002, RZS 2002)



sector issue, but also a problem of social welfare, of life-style instruction and work training, as well as developing measures to prevent the causes leading to disability.

1.2. Gender differences in the mortality and chronic and terminal morbidity of men and women

Gender differences in the health sector are not only conditioned by biology, but also by social conditions, i.e. by the gender roles of men and women that lead to deteriorated health condition or mortality. Gender differences in mortality and morbidity rates with regards to chronic and terminal diseases are evident from the FBiH data. They show that men die much more frequently from the following causes: neoplasms (62% for men and 38% for women), diseases of the respiratory system (58% vs. 42%), diseases of the digestive tract (64% vs. 36%), injuries, poisoning and other external causes (74% vs. 26%); and general external causes of morbidity and mortality (79% vs. 21%).¹¹⁵

The largest difference in the percentage of men and women with chronic diseases exists for persons aged 50 to 64, and for those over 70. On average, 62% of men in these age groups – and only 50% of

women - have chronic diseases. Gender differences also exist for conditions of under-nourishment or obesity in children up to five years of age, as shown in the table. Boys of up to five years of age always have a lower body weight and height than girls, while girls are more often moderately heavier for their age than boys.

1.3. Health and the environment

Around 53% of the population have access to the public water supply system, with an undeveloped sanitary protection zone. Hygienically tested water is not available to all people. There are no registries of water supply facilities in the Entities.

There exists no single system of measurement and detection of basic air pollution indicators (SO₂), and air quality testing is not carried out in many towns. Only around 15% of waste water is filtered, while only 40% of solid waste is disposed of in a hygienic fashion. No hygienic disposition of liquid and solid waste has been provided (only around

¹¹⁵ FZS, 2002.

50% of the population is connected to the sewage system).

No land use control is carried out, while the issue of discarding medicines with overdue expiration dates and other toxic substances has not been dealt with, i.e. with legislation.

Supplying sufficient quantities of potable water has become a public health issue. In 2000, out of the water samples tested for microbiological quality, 18.9% proved to be inadequate for human use. The most frequent causes of pollution are coliform and fecal streptococci, the level of which significantly exceeds the prescribed standards. A total of 25.5% samples proved to be unusable in terms of chemical pollution. Chemical pollution means an increased consumption of potassium permanganate, nitrates and organoleptic substances found in silt.

A breakout of enterocolitis and viral hepatitis A epidemics was an unwanted consequence of insufficient water supply quality control.

1.4. Nutrition and lifestyles

Contamination of food items with biological and chemical substances, especially those with potentially cumulative effects, has caused not only serious diseases. It has become a basic public health problem. Many public health laboratory controls, such as the control of microtoxins, hormones, veterinary medicine residues, sulphonamide, antibiotics, chloric pesticides, polychlorinated biphenol etc., are no longer carried out because of war destruction and the appropriation of equipment, a shortage of staff, and the lack of funding. In exercising control of food items, most attention has been paid to microbiological contaminants and, to a much lesser extent, to chemical contaminants. Attempts to trace radioactive elements have only begun recently.

According to data gathered from public health laboratories in 2000, 10.8% of the tested samples were considered inadequate with regards to microbiological parameters. *The most frequently registered causes of microbiological contamination* were high levels of enterobacteria, *Escherichia coli*, coagulase A-positive staphylococci, salmonella. *The most frequent causes of chemical contamination of food items* were useless ingredients, and the use of prohibited additives or excessive quantities of permitted additives (such as synthetic organic colours or preservatives).

Given the current situation of food safety, *food poisoning ranked among the top ten infectious diseases for the period between 1998 and 2000.*

The population has *unhealthy food consumption habits*, consuming too much red meat and fat on the one hand, and too little fruit and vegetables on the other.

Supervision and control (inspection and laboratory) of imported goods and domestic products, and the control reporting system, are poorly organised and insufficient. The regulations maintaining the hygienic quality of food are outdated and not harmonised with international standards.

Based on data from research studies that conclude that 50% of the population ages 15 years and above are smokers, it is estimated that 45% of young people are smokers. The circulation of tobacco and alcohol products is not subject to any controls, despite the existence of clear legal provisions relating to the production and circulation of these products.

1.5. Ionising radiation

The most frequent agents of ionising radiation are X-ray machines, lightning rods with installed radioactive isotopes, fire alarms, and defectoscopes applied in industrial radiography. Decayed and missing sources of ionising radiation represent a major threat to people's health.

In order to reduce the unnecessary exposure of the population to radioactive radiation, all facilities subject to possible radiation exposure should be modernised and protective measures implemented. To this end, the following measures are of the utmost importance: safe storage and disposal of highly radioactive waste, increased control of particular radionuclide intake through food, and the acquisition of more modern laboratory equipment for the supervision of radioactivity in food, water, and soil. A system of staff accrediting and training should also be introduced to ensure the high quality of these preventive and protective measures.

1.6. Depleted uranium

The existence of depleted uranium ammunition in BiH has long been an open secret for the relevant institutions as well as for the BiH public. Besides the locations suspected of being targeted by depleted uranium ammunition during NATO strikes in 1995, other suspected sites which pose a potential threat to the health of people and animals include areas where SFOR troops used to camp,

illegal dumps of pharmaceutical/medical materials and other chemically detrimental substances, and areas where such materials were clandestinely incinerated.

Based on the monitoring of malign disease morbidity, we can conclude that radiation is a particular concern for the health care sector. However, although the malign neoplasm disease rate has been on the increase, we can not state with certainty that the increased mortality has a causal link with ionising radiation. Activities have been taken to establish the credibility of this data.

A United Nations Environment Programme (UNEP) expert team visited BiH in October 2000, and confirmed their previous report regarding the presence of depleted uranium in BiH.

Based on final findings by UNEP experts and other relevant institutions, it was concluded that a *plan of measures and activities for the neutralisation of the detrimental effects of depleted uranium* should be drafted.

a. Health care organisation

In accordance with the BiH Constitution, all responsibilities and competencies with regard to organising health care are located at the Entity level.

In the FBiH, responsibilities have been divided between the Federation and cantonal authorities, such that the health sector is decentralised and the Federation authorities have only a co-ordinating role. Competencies are also decentralised between the municipalities, cantons, and Federation.

Although the RS political structure is divided into regions, health care responsibilities are not divided.

The health care sector in both Entities is organised on three levels: primary, secondary and tertiary health care.

The reform of the health care system began immediately after the war. The Entity Health Ministries, in close collaboration with international institutions, drafted health system reform documents which aimed at increasing the efficiency and rationalisation of health care.

However, despite the commitment to systemic reform and the beginning of reform implementation (such as the transformation of primary health care to family medical teams), the construction of expensive and well-equipped health facilities in major cities continues. This has resulted in a considerable increase in the costs of health protection services as well as a decrease of their utilisation because these facilities are often inaccessible to rural populations.

The unbalanced territorial distribution of health facilities and medical staff, especially doctors, has resulted in the unbalanced provision of health care services. In rural areas, health care services are provided by general practitioners, while in urban areas services are provided by particular specialist clinics.

The various levels of health care provision are not sufficiently linked, and hospital care has been overemphasised to the detriment of primary care development.

There is also a visible lack of specialists, and those that do exist are mostly concentrated in large centres. The practice of planning, development, and education according to actual needs has not been harmonised, which is why there is a certain level of over-production of medical staff and a corresponding increase in unemployment.

The following table displays certain data concerning health care capacities in BiH.

Table 4: Health care capacities in BiH

Indicator	2000	2001
Number of hospitals	39	34
Number of hospital beds	12,221	12,098
Number of psychiatric beds	1,627	1,285
Number of doctors	5,368	5,443
% of doctors in hospitals	45.30%	45.53%
Number of primary care doctors	927	1,449
Number of pharmacists	380	350

* data provided by FBiH and RS Public Health Care Institutes

b. Health care funding

Health care funding is carried out using fringe benefit contributions deducted from employees' salaries, fringe benefits paid by employers, contribution payments by farmers, as well as using government (Entity, canton, municipality) transfers for certain categories or for certain purposes, plus donations (on the decrease as of recently). Compulsory health insurance funds are collected in FBiH and cantonal

health insurance institutes, and in the RS Health Care Fund.

In addition to insurance, patients also contribute to covering health service costs. In terms of financial effects, patient contributions are not that important, since most of the patients (80%) are exempted from contributing. Together with participation in the health care system, patients pay for some health care services directly, e.g. for prescription-free medicines. Citizens also cover the full costs of any health care rendered by private institutions.

In the FBiH, the law sets the upper limits for these fringe benefits (13% of the salary or some other form of income, while 4% is supposed to be paid by the employer). Cantonal assemblies determine who is obliged to pay fringe benefits. The practice of fringe benefit payment varies from region to region, and from one health insurance payer to another. The Federal Employment Bureau, the military, and other employers all fulfil their obligations only partially, while some, like the Pensioners Fund, do not pay them at all.

In the RS, health insurance is centrally organised (a single health insurance fund with municipal branches). Health insurance fringe benefit rates are calculated according to net incomes (employees 15%, pension 13.75%, and farmers' cadastre income 15%). Health service payment based on new contracts has also begun.

In the FBiH, cantonal health insurance institutes are responsible for the collection and distribution of health insurance funds, which is still carried out according to principles inherited from the previous period. New models of concluding contracts are still in their early stages of implementation, and have been applied in only two cantons.

At the Federation level, insurance and fund collection is carried out based on health insurance fringe benefits and the FBiH budget, while a solidarity fund has also been established. The distribution of funds is carried out according to contracts with health institutions, and funds follow the beneficiary.

An agreement on the realisation of health care has been signed between the Entities and between the Entities and the Brcko District. However, this agreement has not been complied with, so that a relatively small number of beneficiaries end up exercising their right to health care as laid out in this agreement. Due to the fact that entity laws are not harmonised with respect to health insurance, the change of residence that occurs when displaced persons return results in the loss of health insurance and difficulties in accessing health institutions.

Calculating the total revenues and expenditures in the health sector is difficult, since no adequate data collection has been undertaken.

Assessments and some analyses have been conducted at the Entities level (the FBiH Health Insurance Institute and the RS Health Care Fund). However, the reliability of this data is questionable, since all sources other than the funds from the compulsory health insurance are based on estimates. This is why the share of health care in GDP is questionable as well.

In 2002, activities were launched to harmonise the methodology of calculating total revenues and expenditures in the health sector at the Entity level. This will be followed by a harmonisation of methodology at the BiH level.

Based on compulsory health insurance figures, a total of KM 589.7 million has been reported in 2001 at the BiH level, meaning that health insurance funds per capita amount to 157.04 KM, while the amount per beneficiary is KM 198.00. According to a rough estimate based on this calculation, the state would have to provide KM 31.85 million of additional funds, or KM 41 per each non-insured person in order to reach a minimal insure level. Due to a lack of specific data on other sources of health care funds, it is possible that this amount may be somewhat smaller.

Table 5: Health insurance funds in 1,000 KM

	2000	2001	Ratio 2001/2000
FBiH	419,140	422,989	100.9
RS	150,202	166,700	110.6
BiH	569,342	589,689	103.5

*Source: FBiH, RS Health Insurance Institutes

c. Health care and civil society

Systemic transition and the creation of new relations in society should provide for new relations in the health care sector as well. Non-governmental organisations, humanitarian organisations, religious communities, and citizens associations play a significant role in terms of health care. Their contribution during the war and in its immediate aftermath was very significant, and was mostly supported through funding provided by international donors. They also play an important role in terms of economic development.

The state's position towards these changes ranges from acceptance to distrust. A very small number of non-governmental organisations were supported by budgetary funds in the immediate post-war period.

However, the position of the non-governmental sector in health care has yet to be legally defined. A larger role for the non-governmental sector in health care would provide for new approaches in resolving problems in the health care sector. It could also lead to a greater openness towards the public and offer an opportunity for citizens to learn more about their rights and to have more influence on decision making, so that the community as a whole could become more involved. Close co-operation between health care and social care sectors is very important, and it can be best exercised through the non-governmental sector.

2. POLICY ANALYSIS

2.1. The "Health for All in the 21st Century" policy, adopted by the world community in May 1998, lays out global priorities and ten goals for the first two decades of the twenty-first century. These goals aim to create conditions for people around the world to reach the highest possible level of health care, and to maintain it throughout their lives. Countries, entities within those countries, cities, and communities are requested to adapt these goals to their local circumstances, needs, and priorities.

Although BiH as a country ratified and adopted numerous international obligations applicable to the health care sector, health care responsibility still remains at the level of the Entities. The only significant act adopted so far at the BiH level is the Resolution on the Health Policy for All Citizens of BiH, passed by the BiH House of Peoples in April 2002.

Health care is provided by Entities, but it must be insured and co-ordinated at the state level - a minimum of basic health care rights must be guaranteed to each citizen of BiH regardless of his place of residence in the country.

2.2. Health care reform

2.2.1. Health care reforms began with the adoption of new health care and health insurance laws, proposed by health ministries and passed by Entity parliaments (FBiH Parliament in 1997, amendments in 2001; RS National Assembly in 1999, amendments in 2001). A Strategic Plan for the RS Health System Reform and Reconstruction

(1997-2000) and a Strategic Plan for the FBiH Health Care System Reform (1998) have also been drafted.

The goals of reforms in both Entities include the creation of efficient, financially self-sustainable, and patient-friendly health care systems that would offer quality health care with an emphasis on a re-orientation towards strengthening primary care and public health. Another goal is to organise the pharmaceutical sector in such a way as to ensure optimal access to safe, high quality, and affordable medicine. A division and transfer of responsibilities to the individual, the family, and the local community is also foreseen, - by mobilising all resources and working together they can achieve better results.

However, the process of reform is being carried out at a rather slow pace. There is a general lack of harmonised and co-ordinated action within the sector. For instance, no network of health institutions has yet been defined, especially when it comes to clinics and hospitals. Such a network is of vital importance for reform. The current health information system and system of supervision has not been adjusted and does not provide sufficiently reliable data. There are no data for the private sector at all. Not a single analysis of reform activities has been conducted thus far.

2.2.2. It was noted above that the only document adopted at the BiH level is the Resolution on Health Care Policy for All BiH Citizens. That said, co-operation within the health care sector does exist between Entity health ministries, and between health insurance institutes and funds, but is limited by Entity laws. Such co-operation is adapted to fit already existing administrative systems, and decision-making regarding this co-operation is still left in the hands of health sector management. The only integrative factor at this moment is a series of health sector projects implemented in co-operation with the World Bank according to identical principles in both Entities.

2.2.3. The laws of the Entities and of the Brcko District are those which are effective in the health care sector in BiH. An agreement has been signed on the exercise of health care between the Entities, and between the Entities and the Brcko District. However, this agreement has not been complied with and a very small number of insurers actually manage to exercise their health care rights on this basis because there are no sanctions for non-compliance. The success of these agreements depends wholly on the will of the signatories.

It is necessary to harmonise relevant legislation, balance minimal basic health care and health insurance rights, and provide for equal access to health care for all citizens throughout BiH.

2.2.4. Pursuant to the Law on Health Insurance, all persons are enti-

tled to health insurance, either the compulsory, expanded, or voluntary. Compulsory insurance is the most common form, with the insurance holder determined by the insurer's employment status.

According to the FBiH Insurance Institute and the RS Health Care Fund, around 22% of people in BiH are not insured (397,000 in FBiH and 380,000 in RS). Out of the compulsory health insurance payers, almost 50% fail to fulfil their obligations on a regular, if any, basis. Those who fail most in this regard include the Pensioners' Fund, the military, and the police (health insurance claims in FBiH reached KM 280 million by late 2002).

In order to provide for minimal health care as basic set of rights for all citizens, it is necessary that all health insurance holders meet their obligations on a regular basis, while the remaining funds should be secured through additional taxation of alcohol, tobacco, environment polluters, etc. It is high time to start a debate about additional and private insurance, without prejudice to compulsory health insurance.

2.2.5. The law has created room for private practice, but due to the unspecified legal regulation of private practices there remains a series of unsolved status issues. This has resulted in a large number of abuses, causing dissatisfaction with patients and health workers alike. The reason for introducing private practice was to give greater impetus to the employment of young doctors and other health workers.

However, although private health institutions are usually registered for carrying out one or more medical activities, in practice they render dozens of medical services. Since only one or two doctors can register a private institution, they end up engaging experts from public health institutions to provide additional medical services. Such practices compound the abuse of the legal provisions because they work to the detriment of patients and the public health care sector. The practice shows that public sector health care workers often depend upon work with private health care institutions as a source of additional income.

Another anomaly is that according to the law, both domestic and foreign physical or legal entities may be founders of a polyclinic, general hospital etc., while in line with the same law, hospitals are to be founded in accordance with a health institutions network, which defines the type and capacities of health institutions necessary to provide health care to citizens. Not a single private health institution (except for a few pharmacies) is currently included in the existing network of health institutions.

Legal obligations to report diseases and the flow of patients are not complied with.

2.2.6. The 1996 Ljubljana Charter on health care reform stresses the need for a greater awareness of patients' rights and choices, which all citizens are supposed to enjoy in the framework of health care reform.

By itself, no government can significantly improve the health of its citizens unless the citizens themselves are convinced that this is worth the effort. The good health enjoyed by the populations in advanced societies is much more closely linked with people's habits and factors in their immediate environment than with the activities of health care services themselves (although they too are very important).

Unfortunately, there is rather little involvement of BiH citizens in decision-making processes related to public health care. This is why it is necessary to work on the following in the period to come:

- Strengthening the awareness of health care as a basic human right, and informing patients about their right to have timely and proper information on their status and treatment options;
- Drafting guidelines to inform patients and other citizens about their health care rights;
- Drafting guidelines to inform citizens about the latest advances in medicine;
- Upgrading public communication between patients, citizens, medical staff, and health institutions;
- Providing for broad debate among service beneficiaries and providers prior to adopting or amending particular legal provisions

2.3. Evaluation of international health support policies

In BiH a total of 16 international organisations¹¹⁶ have been implementing projects in three areas of health care: basic health care, mental health care, and health funding reform. Significant steps to include the community in the health care system and to improve preventive measures have also been undertaken.

As in other sectors, health care projects have experienced a significant degree of overlap. Some of the reasons may be found in the lack

¹¹⁶ 1. Primary Health Care Promotion ("Family Medicine" and Public Health), CIDA/Queens University, World Bank, EU PHARE, ICRC, "Hope."
2. Basic hospital services (World Bank).
3. Mental health: SIDA, UNICEF, World Bank, "Hope."
4. Health care organisation and funding: WHO Euro, UNDP, World Bank, EU PHARE, DFID/Know How Fund.

of mutual co-ordination and poorly defined responsibilities in the health care sector.

In the area of primary health care, the World Bank and CIDA/Queens University have established close co-operation in the implementation of family medicine projects throughout BiH. In co-operation with DEZA, the HOPE project is also involved in teaching family medicine, although they use different curricula. This project is, however, still limited to certain cantons.

The problem of project overlap relates equally to projects in the areas of mental health and public health. Unfortunately, there is still not enough information on the distribution of donations throughout BiH.

Given the size of the funds invested through projects and the demands of health system reforms themselves, it is necessary to:

- establish co-ordination with the aim of eliminating overlap and the waste of money,
- conduct an analysis of what has been accomplished so far, and make a comparison with planned reforms,
- establish closer co-operation with local authorities.

2.4. Action programmes for the reduction of infectious diseases

Due to new epidemiological situations emerging in the world, the World Health Organisation has requested that all countries tighten their control of infectious diseases in order to make possible the prompt detection of spreading diseases, the identification of new diseases, and to start timely activities on their prevention and eradication.

It has already been noted that infectious diseases have a significant share in the pathology of the BiH population. The basic causes are:

- the lack of harmonised legislation and application of rules on infectious diseases
- insufficient organisation of infectious disease supervision on all levels
- insufficient laboratory diagnostics and therapy
- poor functioning or lack of inspection agencies
- poor implementation of a multidisciplinary approach to supervision.

The action plans for the reduction of infectious diseases, proposed by the FBiH and RS public health institutes in co-operation with health ministries, require a greater involvement of the broader

community and a multidisciplinary approach in order to achieve the following goals:

Reducing the possibility of transmitting an infectious disease by:

- upgrading the monitoring of infectious disease trends at all levels
- applying infectious disease control and supervision programmes through WHO programmes
- monitoring the organisation, implementation and quality of immunisation programmes.

Eliminating and eradicating EPI infectious diseases by:

- controlling and targeting infectious diseases
- implementing a programme to eliminate morbill, parotitis, rubeola, and especially congenital rubeola (all programmes to be implemented in co-operation with WHO)
- introducing new types of vaccines, VHB for vaccination of new-borns and Hib for children under one year of age.
- Supervising HIV/AIDS and other sexually transmitted diseases.

2.5. HIV/AIDS prevention programme and programme evaluation

Compared to countries in which HIV/AIDS represents one of the top problems faced by their health systems and their population as a whole, BiH has a relatively low HIV/AIDS prevalence rate. This is a significant advantage.

The first case of AIDS in BiH was registered in 1986, and the first HIV-positive person was identified in 1989. Between then and late 2002, the total of registered AIDS-infected persons in BiH has reached 51. Out of these cases, 42 resulted in death, and the others are still alive and being treated under health service supervision.

Persons infected with HIV/AIDS in BiH still cannot receive adequate and high quality medical supervision, diagnostics, or specific treatment by antiviral medicines (HAART therapy). Major medical centres in BiH (Sarajevo, Tuzla, Mostar, Zenica and Banja Luka) treat mostly opportunist infections with HIV/AIDS.

No legislation exists in BiH specifically related to this disease. The only relevant law is a hold-over from the former SFRY and the "Decision on measures to protect the population from the Acquired Immune Deficiency Syndrome".

In addition to other international obligations, BiH has also adopted the 27 June 2000 *UN Declaration of Commitment on HIV/AIDS*, and the 8 June 2002 *South-Eastern Europe Declaration on HIV/AIDS Prevention and Care*.

The BiH Council of Ministers has given the Ministry for Human Rights and Refugees the task of handling technical assistance of UNAIDS, and with co-ordinating all activities regarding the formation of an Advisory Board to fight HIV/AIDS. The Board's basic task is to set forth strategic approaches to be carried out with the active participation and efficient co-ordination of all governmental and non-governmental actors and other institutions involved in the HIV/AIDS prevention and care programme.

The Advisory Board is therefore tasked with proposing a *BiH-level Strategy on the Prevention and Fight against HIV/AIDS* to the competent institutions for adoption.

Reasons for drafting a national *Strategy on the Prevention and Fight against HIV/AIDS* are:

- poor social and economic status,
- inadequate public awareness,
- lack of relevant evaluation as to the size of the problem, including the level of risk behaviour (intravenous drug addicts, prostitutes, homosexuals),
- migration of the population (it is evident from an analysis of the registered HIV/AIDS-infected cases that for that most part they are imported cases, or more precisely, persons who had stayed outside BiH for a longer period of time),
- inadequate HIV/AIDS supervision system,
- HIV/AIDS-related stigma and silence,
- lack of HIV/AIDS-related legislation.

2.6. Family planning and STD awareness

In general, there is a certain reluctance in presenting abortion statistics to the public. Such statistics may alarm some parts of the population and raise the issue of imposing a ban on abortions (such a ban has been the subject of debate in some religious communities). Such a ban would be a step backwards for the rights of women in BiH.

The pre-war number of legal abortions was somewhat smaller than the number of registered pregnancies, suggesting that abortion was the most frequently used method of family planning.¹¹⁷ In addition to the undoubtedly negative effects and high risk to women's health, this method is also the most expensive one. In 2001, the Canton Sarajevo Women and Maternity Protection Institute performed 1,201 legal abortions. This figure, however, does not represent the total number of abortions in the canton, given that this procedure has been (illegally) carried out in private clinics as well.

2.6.2. In BiH abortion is legal, and pursuant to the Law on the Abortion Conditions, abortion is carried out at the request of the pregnant woman. For juveniles and pregnant women deprived of legal capacities, the request for an abortion must be submitted by a guardian.

The number of illegal abortions is unknown. Entity Criminal Codes stipulate that illegal abortion is a criminal act (a breach of abortion rules), carrying a punishment of between three months and three years of imprisonment. In the event of grave bodily injury, serious health violation, or the death of the pregnant woman, illegal abortion may be punished by between six months and five years of imprisonment.

In 1990, the number of abortions in BiH amounted to 66,625, and almost matched the number of new-borns at 67,278. During the war, the ratio of abortions to births changed to 2.5:1. Currently there is no information on the exact number of abortions in regular health statistics reporting. According to assessments based on research conducted, the current ratio is closer to the 1990 figures, a situation that is still unfavourable. To put this unfavourable judgement in perspective, abortions account for some 30% of maternal mortality.

2.6.3. Gender differences in terms of HIV and other STD threats are significant. For men, their risk lies mostly in their sexual behaviour. Because men are taught from a young age to associate virility with increased sexual activity, young men have more partners than young women. At the same time, men tend to fear HIV or STD contraction less than women, and are less likely to seek medical help. Women are more physically exposed: reproductive organ tissue is easier to break in women, it absorbs substances more easily, and women are more likely to have other STDs that are risk factors for contracting HIV. The risk for women in contracting HIV and other STDs is compounded by the social perception of a woman's role in sexual relations. Women are less likely than men to control the conditions of intercourse as well as the person with whom to have intercourse; women are not always sufficiently empowered to initiate the discussion of contraceptive protection; and for economic reasons, women are more likely than men to offer sexual services for money or food. Indeed, women's economic dependence on men gives men priority in decision making when it

¹¹⁷ In 1985, the number of newborn babies was 72,722, while the number of abortions was 58,973 and the number of miscarriages 445. The number of abortions rose, and in 1988 amounted to 67,769 in relation to 70,711 newborns, while the number of miscarriages was lower at 383. Reports for 1998 show that the number of newborns amounted to 45,007, while the number of miscarriages was 202; there is no information available on the number of abortions. Johnston, 2002.

comes to sexual intercourse, when it comes to the use of protection, and when it comes to using the domestic budget for health services or medicines. A final added risk for women is that those employed in the grey economy, i.e. those who are not properly registered, have less access to health services than men, and are more likely to be victims of rape and human trafficking.

Initiatives to raise youth awareness of family planning methods were launched only in the last few years, both through primary and secondary education and through fighting the stereotypes which render family planning methods a taboo issue. These awareness campaigns are also being carried out in communities and in families through the work of the non-governmental sector. Young people are especially active in implementing projects aimed at raising the awareness and level of young people's information on the issues of sexuality, STD protection, and family planning methods.¹¹⁸ The AIDS programme index has not been developed and is not being monitored in BiH.

2.7. Action plan for safe motherhood and reproductive health care

Protecting the health of adult women, and women in general, requires a series of measures. These include general measures, such as expanded education, women's emancipation, and the exercise of fundamental human rights; and specific measures, such as educational and preventive measures aimed at creating a more advanced health culture for women, humanising gender relations, and changing family planning practices by promoting the use of contraception and at the same time stressing the negative health effects of abortion for women's health. Other specific measures include enhanced pregnancy and puerperium supervision and control according to minimal and optimal programmes, and expert delivery assistance.

The mortality rate of child-bearing women is one of the indicators for the degree to which motherhood is safe and healthy. In pre-war BiH, this rate was 10.7‰. In the post-war period no figures for child-bearing female mortality have been made public, but an estimate is that the number has been rising.

The most frequent health problems related to the nutrition of pregnant women in BiH are a low percentage of breast-feeding, excessive weight and obesity, a high level of fat intake, insufficient fruit and vegetable intake, and iron shortage. Generally, there is no continued or systematic monitoring of population nutrition habits and diet intake, nor has there been any relevant research

conducted in the post-war period that would give us more information about the actual situation.

Teenage pregnancy is not a rare phenomenon, and is usually a consequence of the poor level of young people's information on reproductive health care practices.

Reproductive health protection and practices programmes should be created, in which family medicine teams will carry out operational activities in population policy planning in BiH. To that end, it is necessary to do the following:

- Draft a single integrated plan for the improvement of women's health by promoting reproductive health ideas and practices in primary protection centres and hospitals;
- Implement a public health nursing plan in areas with significant population dispersion;
- Prepare a proposal to draft a curriculum that includes sexual and reproductive health education;
- Draft a law on the protection of motherhood in accordance with existing EU legislation;
- Establish a comprehensive programme for early detection of cervical cancer, with selective screening of risk groups and a strategy to educate the general population about risky practices;
- Provide mammogram examinations for all women with suspicious symptoms;
- Establish a comprehensive programme for early detection of breast cancer with women from risk groups, based on available detection criteria;
- Include Hepatitis B and AIDS screening in pregnancy protection protocols.

3 Recommendations and alternative policies

3.1. Define and adopt strategic health care policy and a commitment to reform

Health care is not only a problem of the health sector. Above all, guaranteeing health care is an obligation of the state. The health reforms begun by the Entities must be co-ordinated at the state level. These reforms include the division and transfer of health care responsibilities to individuals, families, and local

¹¹⁸ Young people against AIDS -Sarajevo, IRC-Banja Luka, Bihac, Brcko and Mostar.

communities. Co-ordination must be based on a twofold process: structural and organisational reforms, and management and funding reforms. One must provide for multi-sector co-operation in the supervision and improvement of those conditions which play a determinant role in the physical, economic, social, cultural and gender health of the population. It is only through joint action and by mobilising all resources that health improvement goals can be reached. (Drafting a National Environment and Health Action Plan – NEHAP).

3.2 Affirm and strengthen public health through promotional and preventive activities

The basic direction of health care reform is to strengthen public health. The most important public health functions are:

- Promoting the general health of the population
- Controlling infectious diseases, and regulating health and the environment
- Providing services for specific population groups

In order to successfully carry out these functions, special preventive programmes and target studies need to be prepared, including:

- Action programmes to reduce infectious diseases
- HIV/AIDS prevention programmes and the evaluation of such programmes
- A national prevention strategy and nation-wide evaluation of HIV/AIDS prevention programmes
- An action plan for safe motherhood and the protection of reproductive health.

3.3. Strengthen the Primary Health Care (PHC) network through the implementation of Family Medicine Teams and Community Rehabilitation Centres

In accordance with reform commitments, plans to concentrate on family medicine teams are gradually being implemented, with a uniform approach in both Entities. PHC reform should be continued in the immediate future through family medicine teams, as well as strengthening the role of Community

Rehabilitation Centres while at the same time adjusting for an even territorial distribution of primary health care units. An education programme should be developed for future members of family medicine teams.

3.4. Establish the necessary network of health care organisations

The unbalanced territorial distribution of health care institutions has made access to health care difficult for certain population groups. New expensive and well-equipped facilities in larger towns are poorly adapted to the country's economic capacities and have resulted in a significant increase in the cost of health care. At the same time, because these facilities are far from large portions of the population they are not well utilised. It is necessary to organise a network of health care organisations so as to provide for accessibility, to structurally match the population needs, to provide links between particular health care levels, and to provide for capacity utilisation. Of course this is to be carried out in accordance with development capacities.

3.5. Integrate the private sector into the health care system by amending relevant legislation

By amending relevant legislation and by strengthening inspection controls, the private sector should be fully integrated into the health system. The aim here should be a more economic utilisation of all resources, taking into consideration the impact of the development of private sector health care.

3.6. Define the basic amount and content of health care rights guaranteed to each insurance beneficiary

Based on information regarding the altered pathology of the population, and in accordance with available economic and social opportunities, the basic amount and coverage of the insurance beneficiary's health care rights should be defined. Ideally this will provide a minimum of health rights and equality in the use of health care services to each beneficiary, regardless of the part of the country he/she lives in.

3.7. Establish a self-sustainable funding system for health care

Every person with a job is supposed to pay for health insurance and be insured. For those who cannot or are not capable of paying insurance for themselves, it is necessary to determine the insurance policy holder that is obliged to secure funds for those categories (the unemployed, returnees, socially vulnerable etc.). If this is an obligation of the state, then it must be so calculated in state budgets. Not a single person should remain without health insurance, and everyone should be guaranteed a minimal level of health care.

In addition to mandatory insurance, the services funded within the basic package can also be covered by additional and private insurance. Private insurance (private funds) should provide additional means but the introduction of private and additional insurance must not exclude mandatory insurance. Additional resources can be provided by the introduction of new taxes or by re-diverting the existing ones (tobacco, alcohol, oil and other polluters).

3.8. Upgrade the existing health information system

It is necessary to establish a health-statistic information system and a supervision system. Such systems will provide for better and more effective use of collected health information and the indicators necessary for health system monitoring. One should harmonise methodology at the national level, particularly for basic health statistics (mortality, morbidity, epidemiological supervision, etc.).

3.9. Upgrade the pharmaceutical sector

The pharmaceutical sector should be organised in such a way as to provide for optimal access to effective, safe, high quality, and economical medicine, and to prevent their misuse.

3.10. Management

Strengthening managerial skills in the health sector is a reform goal worth singling out. It will lead to more effective planning and management in the health care system as a whole.

CHAPTER IX EDUCATION

1 MDGs and the general education situation in BiH

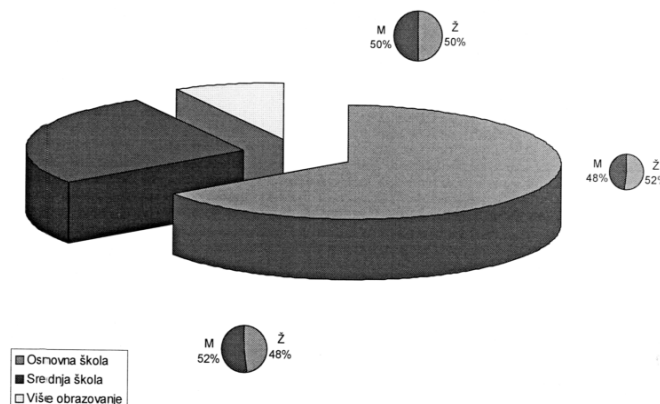
1.1. Characteristics of primary education in BiH

Primary schooling in BiH has been treated as a universal right for each child and each individual. The law provides for an 8-year schooling obligation¹¹⁹. However, although full primary school enrolment was achieved in the late 1990s, things are not as simple as they may appear at first glance:

- The percentage of pupils left outside primary schooling enrolment (currently estimated at 4%) is slightly increasing. This trend was first reported in 1997, with the main reason being poverty;
- Schools are often reluctant to accept minority children and to meet their individual, group, and cultural needs, with some examples of overt hostility, though there is a noticeable decline in the number of such cases.
- Children with certain developmental difficulties, as well as ill and disabled children, have problems accessing regular schooling, either because of the flaws in relevant legislation, or the school's and school staff's reluctance to work with these children, or because school buildings are not properly suited to provide accommodation and schooling for these children;
- The lack of liaising between schools, parents, and local communities prevents schools from undertaking more efficient and successful activities aimed at meeting the needs, interests, and abilities of each individual, his/her family, and society as a whole.

A general disunity and negligence regarding education policy and legislation have, *inter alia*, prevented primary school instruction from becoming truly accessible to all children, regardless of their origin, gender, language, religion or psycho-physical characteristics. Although these children make up no more than a few percent of the total number of school-age children, they should not be neglected in the future.

Review of students by level of education and gender



1.1.1 In the school year 2000/2001, there were around 380,000 primary school pupils who attended 1,781 schools. That same year, more than 20,000 teaching staff were employed in public primary schools, 13,400 in FBiH and around 7,000 in RS. (Table 1 in Annex.)

According to some estimates there are 2,307,000 people currently living in the BiH Federation, out of which 255,000, or 11.0%, are primary school pupils. According to estimates there are 1,491,000 people living in the RS, out of which 119,000, or 8.0%, are primary

¹¹⁹ Since 1958, eight-year primary schooling has been a legal obligation, following the adoption of the General Schooling Law (uniform for the whole of the SFRY). This obligation was based on the assumption that primary education is a universal good of each citizen of the country. Before the law was enacted, Yugoslavia had a high percentage of illiterate people, of which BiH had a significant share. BiH emerged from World War II with 44.9% of its population illiterate; in 1961 this number had been reduced to 34.4%, in 1971 to 23.2%, and in 1981 to 14.4%. The decrease in illiteracy correlates with the increase of enrolment in primary school. It was not possible to follow such a remarkable expansion of the education system with reforms of educational content itself since that would have required innovations in educational and teaching practices.

school pupils. Thus, out of the total number of BiH citizens, around 10% attend primary schools. Currently, there are 11 private educational institutions in the FBiH that are attended by less than 0.5% of the total number of primary and secondary school students. The level of pre-school education is rather undeveloped, so that a much higher percentage (15%) of children attend private pre-school institutions (LSMS). Private secondary schools founded by religious institutions are attended by less than 2% of students, and private universities are attended by less than 1%.

Table 1: Share of primary school students in total population, school year 2000/01

	Population estimate	Number of students	Share of students in total population
FbIH	2,307,000	255,000	11.0%
RS	1,491,000	119,000	7.9%
BiH	3,798,000	374,000	9.8%

Source: FBiH Statistical Yearbook and RS Statistical Bulletin 2002

Note: These statistical reports distinguish between permanent and currently present population; the data above relate to the currently present population.

According to the UNDP¹²⁰, in the school year 2000/2001 there were 601,967 pupils and students in all BiH schools, of whom 391,533 were in primary schools (48.0% girls), 160,173 were in secondary schools (49.5% girls) and 50,261 students attended institutions of college and university education (51.6% female students).

1.1.2 The war and the subsequent destruction of the education system rendered it unprepared for reforms. As a result, most of the characteristics¹²¹ typical for the socialist schools of the former SFRY have not changed at all (such as a collectivist approach in education, the same goals for all students irrespective of their talents, the same educational programme content, a single prescribed textbook, blackboard and chalk as the basic equipment, as well as authoritative discipline and dominant respect for reproducing knowledge). Moreover, the latest war "produced" other characteristics that are clearly unacceptable from the viewpoint of democratisation and other progressive trends in the BiH education system. These other characteristics include the fragmentation of the educational system across Entity and cantonal jurisdictions, national divisions into three separate curricula, segregation of pupils, dualism, and a pronounced discrepancy between educational goals and target, and even

fostering ethnic and religious enmity among students.

1.1.3 The state of BiH does not have appropriate education management mechanisms at its disposal, a situation that enables the fragmentation of the educational system. The situation with two different Entity models of education management, and a visible decentralisation (or fragmentation) of education by cantons in the FBiH, make the creation of a single education policy nearly impossible. This is the case even if only basic goals and targets are at issue, let alone the creation of a single system of educational values. Indeed, the present situation maintains favourable conditions for those who wish to subject the education system to narrow national ideologies and interests¹²².

1.1.4 The institution of the primary school in BiH is still not sufficiently structured, nor organised in such a way as to provide a solid foundation for further education. The primary school system follows a relatively undeveloped pre-school system with less than 10% of potential students enrolled. Evaluating the efficiency, quality, and other values of primary schooling is only possible by measuring the success and position of pupils when they proceed to secondary schools. When adjusting to secondary school study, young people often experience serious difficulties, and regardless of previous success, they confront strict selection criteria for secondary school enrolment. In that context they may see themselves as having achieved less than their previous experience led them to believe. Above all, this shows that there are no established norms and standards for either primary or secondary education, and if any do exist, they are not harmonised with each other. On the other hand, secondary schooling, with its insistence on rote learning rather than knowledge acquisition, does not develop a good basis for further learning and permanent education. Nor does it encourage critical thinking about the world, leaving open the possibility that children become vulnerable to various forms of indoctrination and manipulation into adulthood.

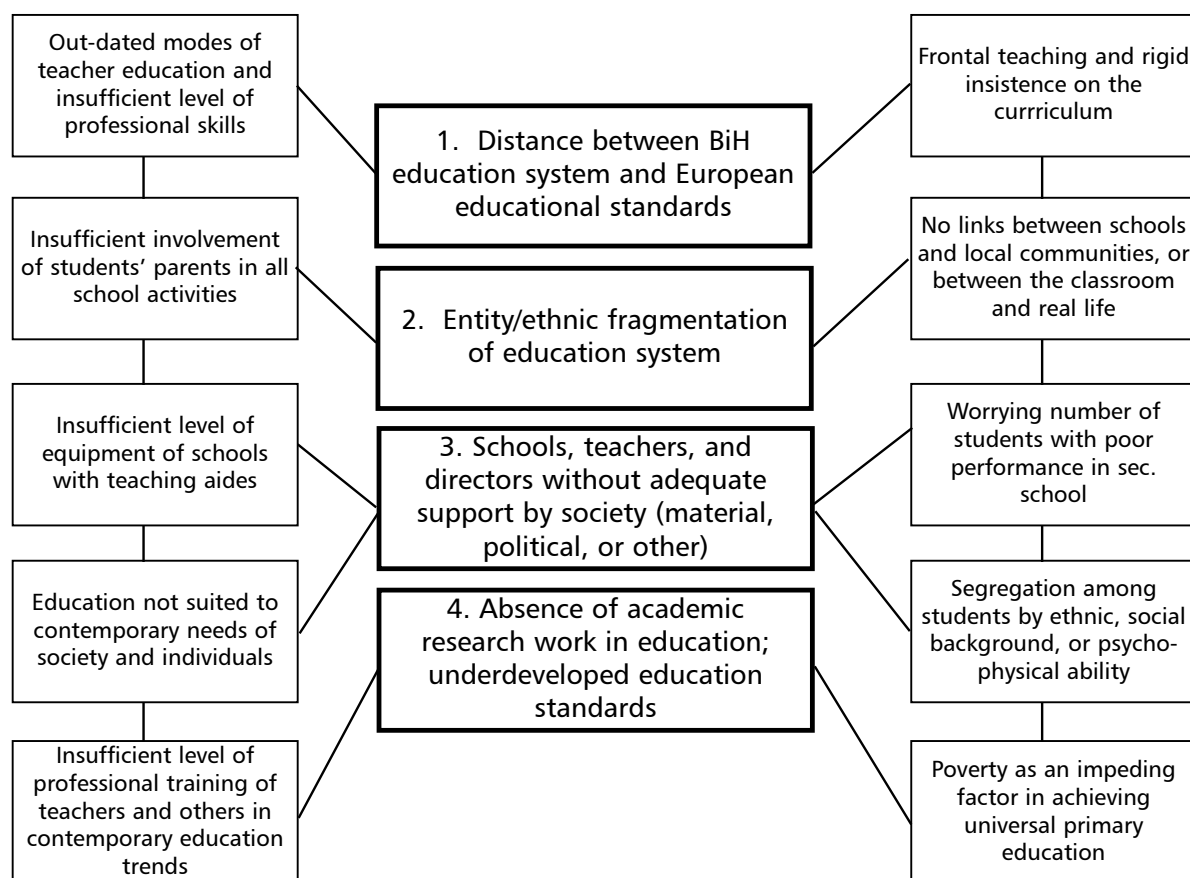
¹²⁰ UNDP/EI, Human Development Report for BiH 2002, Sarajevo 2002, p. 107.

¹²¹ Following the first multiparty elections in BiH in the early 1990s, certain preparations were made for education reform, but any implementation of reforms were prevented by the war. That school year ranked BiH among the developed European countries. In 1990/91, the enrolment of children in primary schooling amounted to almost 100%, while around 90% of primary school graduates continued their education in secondary schools, and 15.2% of secondary school graduates continued their education at college or university institutions. Back then, a total of 7% of GDP was set aside for education. (Data obtained from "Education in the FBiH," 2000.)

¹²² Such examples have been reported in many primary schools, not only during but also after the war, resisting all attempts to make schools non-exclusive and non-monoethnic institutions, e.g. in Usora, Zepce, Stolac, Vares, Drvar etc.

Chapter IX EDUCATION

Diagram of the situation in the education system in BiH at the beginning of the 21st century - qualitative assessment



1.1.5 Primary schools are unprepared to open their doors to marginalized groups of children. Not enough attention has been paid to pupils with difficulties in their development. They are systemically isolated and marginalized by society itself. Such children, if they get any education at all (officially only 0.4% of them go to school, but some estimates double the number of such children), it is in specialised institutions. There are processes underway to have these children integrated into primary schools.

Roma children, poor children, and children of all nationalities find themselves in a similar situation in areas dominated by one national group. With no sensitivity to these issues, and with little preparedness in how to tackle these kinds of problems, the dominant attitude is that everyone should be educated in his/her

"own" culture, in his/her "own" language, in his/her "own" history – a situation that is ripe for conflict to develop. This usually means that minority children are required to learn according to the majority's language, culture, history etc. In the case of those with various developmental or physical challenges, the dominant approach is that such students ought to be surrounded by those with similar developmental difficulties or bodily disabilities.

1.1.6 Because teachers are still insufficiently trained to recognise individual needs of particular pupils, and do not develop the curriculum in a manner as to allow talented children to enjoy a quicker and more comprehensive development, such talented pupils receive no special attention or encouragement. Moreover, the special needs of pupils are still not even recognised, which means

that there is a failure to meet the fundamental requirements of the Convention on the Rights of the Child (1989), World Declaration on Education for All (1990) and Salamanca Action Framework (1994). These specifically insist on education for all children in their immediate environment, in the least restrictive atmosphere, and in conditions that will meet their needs. By acting in a manner contrary to these requirements, the discrimination currently practiced in most areas of BiH effectively denies pupils the opportunity to learn about the culture, history, literature, art and religion of "the others". This is clearly unacceptable given the multicultural structure of BiH.

1.1.7 One important reason for the above-mentioned problems in primary schooling is the insufficient inclusion of parents in all trends and activities of primary schooling. Currently, schools serve only those pupils who can adapt to the present educational system, rather than adapting the system to the needs of pupils. Partnerships with parents and other members of local communities would be a significant step in ensuring that schools overcome this limitation and work to serve all children.

1.1.8 The curriculum and classes are still strictly divided into subjects, making it difficult to integrate teaching content. Unfortunately, the existing teaching curriculum does not include much practical knowledge based on real life requirements. One lamentable result is that primary school graduates, and very often secondary students as well, are not capable of putting together a job application or even filling out a normal application form. There are many such examples of how pupils are unprepared for life outside the classroom. Even when learning a profession, students are mostly "armed" with theoretical knowledge and have little experience or knowledge of how such theory is applicable in practice.

1.1.9 The education of future primary school teachers is still carried out in a traditional fashion, through dry lectures with relatively few practical exercises. Even though some new teaching methods have been introduced, they tend to be formal changes only (such as the transition from the two-year into four-year terms), rather than essential or qualitative. The permanent education and continuous professional training of teachers still lag behind contemporary needs and requirements.¹²³ Despite certain changes and steps forward that were made in the BiH education system, the situation represented in the following chart continues to dominate.

1.2. Universal primary education

Until the war in 1992, pupil enrolment rates ranged between 98% and 99%. Statistics suggest that several years after the war the enrolment of children in primary schools dropped by 4%. One

reason is poverty, i.e. the parents' inability to provide minimal funds (for school kits, clothing and footwear, transportation, snacks etc.) for their children to attend the school on a regular basis. This is a special problem for the children of returnees because of the wide-spread poverty among returnee families.

Table 2: Net enrolment rate of poor and non-poor students

Education	Pre-schoola (0-6)	Primary school (7-14)	Secondary schoolb (15-18)	University (19-23)
Not poor	5.6	93.0	76.4	27.3
Poor	1.1	92.2	57.2	9.3
Total	(4.3)a	92.8	72.6	24.2
Interval reliability	(3.0-5.7)	(91.1-94.5)	(68.3-76.9)	(20.2-28.3)

Source: LSMS 2001

Notes: ^aThese figures have a significant standard error and should be taken with great caution. ^bEnrolment in secondary schools encompasses all types of schools: academic, technical, vocational and others. Some vocational schools last only for three years. The interval reliability is 95%.

Besides poverty, national discrimination also contributes to the falling rate of enrolment. In the years since the war stopped, the education sector in BiH has been shaken by the "discovery" that children of returnees to areas in which they are an ethnic minority have been prevented from attending the nearest school. This has been accompanied by reminders of the past disregard regarding the enrolment of Roma children, as well as children with developmental and physical disabilities. When taken together, this constitutes a powerful obstacle to achieving full enrolment in primary schools. Although certain attempts have been made of late to overcome discrimination of this type and some results achieved, they have been moving slowly and are often the result of the efforts of only individual schools and teacher collectives.

¹²³ Cf. S. Antic (ed.), "Schooling in the World II, European Orientation of Croatian Schooling," HPKZ, Zagreb 1995, pp. 99-114.

1.2.1 As a result of the fragmented and ideologised education system in BiH, some of the principles that have become *sine qua non* of education in most European countries have been pushed to the background. These include a democratisation of education, individualisation in education, flexible curricula, interactive learning, the principle of having all children join regular primary schools, culturally responsive schools, and partnership with parents.¹²⁴ Such principles are not likely to become a reality in our schools any time soon.

1.2.2 The structure of primary education has remained the same as before the war (primary and compulsory eight-year school with two cycles 4 + 4). The decentralisation of the system to the cantonal level has meant that some cantons have had to change, innovate, and adjust their work to their own needs. In that regard, proposals have been made to add one preparatory year to primary schools (one preparatory plus eight regular 1PR+8) or for primary schooling to last for nine years so as to be divided in three cycles 3+3+3, where children would start going to school at the age of six.

A comparative review of the age at which children begin the compulsory schooling in other countries suggests that children in BiH start going to primary schools relatively late (and there are no climatic reasons for such a tendency, as for instance in Nordic countries). Less than 10% of pre-school children have attended some form of pre-school education, and the majority of children begin primary school unprepared to be separated from their family. Moreover, few of them have developed the socio-emotional skills important for regular class work. Bearing in mind that in most European countries children start going to school at the age of six, even in places where they have a very developed pre-schooling system (e.g. Belgium and France)¹²⁵, more and more proposals are being made that the age at which children should begin primary school should be lowered.

1.2.3 The ratio of boys to girls in primary education is mostly equal: both in the Federation and in the RS, the average share of girls in primary schools is 49%, which is close to the natural balance of gender growth. Still, differences to the disadvantage of girls are somewhat more visible in rural areas, and in areas that over decades have had somewhat lower enrolment rates. Data obtained in some municipalities show that already in the first grade of primary schools the enrolment of girls lags behind boys by one or two percent.

A review of statistical data relating to the enrolment and participation of pupils in primary education, including the potential dropout rate in the course of schooling, suggest a few important conclusions:

- there is no reliable information as to the percentage of school-age children that do not enrol in primary schools, but estimates put the figure at 4%.
- pupils who do enrol in primary schools do so with a relatively balanced ratio when it comes to gender representation, except for certain areas and regions where deviations amount to only 1% or 2%.
- Available information suggests that once they enrol in primary schools, children do not leave, so that the dropout rate in the course of schooling (I grade – V grade) is minimal, or is well below the levels reported in the past (e.g. in late 1970s, when the dropout rate of girls in some areas after IV grade was up to 20%).

Table 3: Primary school graduation rates

	Total number of primary school students	G%	Graduated from primary schools	G%
FBiH (end of school year 2000/01)	255,137	48.59	34,864	48.64
RS (start of school year 2000/01)	118,504	48.65	n/a	n/a

Source: FBiH Statistical Yearbook 2002, p.449-451 and Statistical Bulletin No. 44; RS Statistical Bulletin No. 1.

Source: Statistical Yearbook of the BiH Federation, Sarajevo 2002, pp. 449-451 and the Statistical bulletin no. 44 p. Education statistics, primary education, Statistical bulletin no. 1, RS, Banja Luka 2002.

While RS statistics do not allow us to obtain the same type of information about the completed VIII grade of schooling, other data allows us to establish the shares of girls and boys in the total number of primary school pupils at the end of the school year 1999/2000.

¹²⁴ An excellent overview of the most important education goals and tasks has been provided in the UNESCO Commission Report headed by J. Delors in its part called "Learning: the Treasury Within", Educa, Zagreb 1999.

¹²⁵ S. Antic, (ed.), "Schooling in the World I," HPKZ, Zagreb 1993, pp. 73-89, and A.Pasalic Kreso, P"re-school education in Europe – comparative review," Didactic guidelines, No.17, Dec., 1999, Zenica p.12 onwards.

Table 4: Percentage of grade I students who reach grade VI of primary school

		% in grade I reaching grade II	% in grade II reaching grade III	% in grade III reaching grade IV	% in grade IV reaching grade V	% in grade V reaching grade VI
Gender	Male	100	100	99.6	99.6	99.2
	Female	99.2	100	99.6	100	98.8
Entity	FBiH	99.5	100	99.4	99.7	98.6
	RS	100	100	100	100	100
Area	Urban	99.5	100	99.4	100	99
	Rural	99.7	100	99.7	99.7	99.1
Total		99.6	100	99.6	99.8	99

Source: UNICEF. "Household Study of Women and Children in BiH 2000," p.111.

In I-VIII grades, there were 121,197 pupils, 59,017 of whom were girls, or 48.69%; while in grades I-IV the share remains roughly the same, that is 28,107 out of 58,035 girls, or 48.43%; and it even remains unchanged in higher grades V-VIII, where the ratio is 30,910 girls out of 63,162 pupils, or 48.93%.¹²⁶

Differences in gender representation among teachers are much higher and more visible. In the school year 2000/01, there were 13,588 teachers employed in FBiH public primary schools, among whom female teachers made up the majority (8,809 or 65%). In the I-IV grade classroom-based teaching, women make up more than 75%, while the ratio in pre-school institutions is even more pronounced (1,178, or 91% of a total 1,286 employed are women).

1.2.4 When the dropout of pupils from grades I to V is expressed as a percentage, it appears to be minimal. However, this may hide larger discrepancies in dropout rates between boys and girls in certain areas and regions. The average dropout rate of pupils from grades I to V ranges from 1% to 2%, but shown in absolute numbers the actual figure may range between 300 and 400 children per year.

Actually, it is very difficult to obtain reliable information in this regard, since the statistics required for an assessment of the percentage of children enrolled in grade I who reach grade V are not kept in such a manner as to enable monitoring of the dropout rate for a generation of enrolled pupils. Making one's own calculations from the existing data is a thankless effort, given such important factors as the decline of the birth rate, grade-repeating pupils, returnees, etc. Paradoxically, this has led to a situation where there are more pupils in grade V than those enrolled in grade I.

A more reliable and clearer picture of the potential dropout rate of pupils between grades I and V has been offered by a UNICEF survey¹²⁷ in which data were obtained on the basis of a representative sample.

1.2.5 The primary school network in BiH is well-developed since there is one school per 2,420 residents (whether four-grade or eight-grade school), and each school on average can accommodate 210 pupils. Primary school pupils make up 8.7% of the total population of BiH.

According to the available data, the number of pupils in primary schools in BiH is not equally distributed. In 1,040 primary schools in FBiH, there were around 255,000 pupils in the school year 2000/01, or **245 pupils per school on average**, while in 741 schools in the RS there were 119,000 pupils, or **160 pupils per school on average**. Similar differences can also be seen in further analyses. In FBiH a total of 255,137 pupils are divided in 10,238 classes, or **25 pupils per class on average**, with a teacher/pupil ratio at 19. There are 5,391 classes in the RS with 118,504 pupils, or **22 pupils per class on average**, while the teacher/pupil ratio is 17.¹²⁸

¹²⁶ Statistical Yearbook of the BiH Federation, Sarajevo 2002; Statistical bulletin no. 44 of FBiH, Education statistics, primary education, Statistical Bulletin no. 1, RS, Banja Luka 2002.

¹²⁷ Household study of women and children in Bosnia and Herzegovina 2000, UNICEF, Bosnia and Herzegovina Statistics Agency, December 2000.

¹²⁸ There are significant intra-cantonal as well as intra-municipal differences between schools: some primary schools have 1,000 or more pupils (in larger urban centres), while other may have only a couple of dozen pupils (Bosansko Grahovo, Herzeg-Bosnia Canton; Trnovo, Sarajevo Canton), 12 pupils (Ravno, Herzegovina-Neretva Canton) or as few as 6 or 8 pupils, such is the case in certain areas in the Una-Sana Canton.

1.2.6 Primary schools are poorly equipped. Almost all schools in the FBiH, and most in the RS as well, were destroyed or heavily damaged during the war. Thanks to prompt intervention through international community assistance and donations, a large number of schools in BiH have been reconstructed and are now ready to provide quality schooling. However, there still exists a considerable number of schools that are not equipped in a satisfactory manner. The challenge is biggest regarding the restoration of school libraries, since books were completely destroyed or removed during the war. Out of 1,040 schools in the FBiH, only 439 (or 42%) have some kind of a school library, while only 150 primary school libraries (or 14%) have more than 5,000 books in stock. Another significant problem is providing enough equipment for natural science classrooms, gyms etc.

According to the most recent data, only 4% of the schools have information science classrooms (classrooms with at least 16 computers); 18% of the schools have up to 9 computers; while 57% of them have less than 5 computers and 275 have only one or no computers at all. Regardless of the number of computers in individual schools, nearly 60% schools do not have an Internet connection.

1.2.7 The number of staff in primary schools is unsatisfactory. Out of 13,461 primary school teachers, 2,567, or 19%, have inadequate qualifications. According to the overview of the Federation Ministry of Education, there is a lack of 792 classroom-based teachers in the FBiH alone (teachers for the first four grades of primary schools), meaning that those positions are currently occupied by unqualified persons.

The pace at which teaching professionals complete the requirements at pedagogical academies and universities suggests that this lack of staff may last for 7 or more years.¹²⁹ We should add that the lack of expertise is more pronounced in remote, rural, and suburban schools, compared to schools located in urban centres. In principle, the further the school is from the urban, political, and cultural centres in BiH, the lower the level of its staff profile.

BiH also lacks enough special educators trained to work with children with special needs, and there is a growing need for almost all teachers to undergo additional training, i.e. to acquire proper training for innovations in education work (such as individualisation in education, interactive learning and teaching, education inclusion, partnership with parents, development of a democratic environment in schools, etc.).

1.2.8 The system of education management in FBiH is decentralised to the cantons, while the RS has kept a centralised system. As mentioned earlier in this chapter, this situation creates conditions that enable the exploitation of education for pursuing divisive and

ideological agendas. Thus decentralisation does not lead to a more flexible and innovative educational system, but on the contrary contributes to its fragmentation and to an insistence on the ethnic characteristics of education (e.g. in the field of the national group of subjects). This has already led to noticeable differences between cantons, a condition which ultimately perpetuates ethnic divisions in education. Currently, there are 13 ministries of education in BiH (10 cantonal, 1 in the RS, 1 in District Brcko, and 1 in the FBiH).

Financing education represents a particular problem, given that the financial capacity of certain cantons does not even allow them to provide teachers with minimal salaries. Strikes are thus common as teachers struggle for a better material status. There is also a noticeable discrepancy in salaries, as well as in overall standards, between the FBiH and the RS.

Available data indicates that Bosnia's is one of the most expensive systems of education. Even though funds allocated for education appear relatively low when rendered in absolute amounts and compared with other countries, expenditures for education are nevertheless significant when you take into account the annual income per capita and bring it into relation with the funds spent on education. For instance, in 1997 GDP per capita in Switzerland was \$ 44,320, while average costs per pupil amounted to \$ 7,000 annually, and the ratio thus established was around 1:6. In 2001, GDP in BiH amounted to KM 2,288 on average (2,570 in the FBiH, and 2,007 in the RS)¹³⁰, while it took between KM 700 and 1,500 per year to provide for the education of one pupil (based on estimates). Such a ratio shows that one resident could barely afford the education of two pupils, while a Swiss could afford to provide for the education of 6 pupils. Clearly, such a ratio, as well as the overall material situation in the country, affects the salaries of teachers and other personnel employed in education, as well as the very standards of education.

Before the war, BiH was allocating a relatively high percentage of its GDP for education (the European average ranges from 5% and 6%). Even in 1991 it amounted to 7%. In 1998 those funds amounted to 5.2%, while in 2002 they reached 6.0%.

1.2.9 School restructuring and management

Of all post-Dayton changes made to the BiH education system, the highest expectations were placed on quality restructuring and changes to school management. Schools were expected to

¹²⁹ Education in the Federation, 2000, pp. 39 and 45.

¹³⁰ UNDP/EI, Human Development Report, 2002.

make quality changes with regards to everything from evening out the teacher/pupil ratio, promoting new methods of teaching and learning, and encouraging creative thinking, to including parents to a larger extent in the school activities, and increasing the responsiveness of schools towards cultural needs of each pupil. Despite these expectations, the curriculum is still rigidly implemented, including a single prescribed textbook for a particular subject, uniform obligations for all pupils, strict numerical evaluation, etc. At the same time, there has been little progress in school management.

Those changes that have taken place in the last 5-6 years have taken place primarily under the influence of CSOs and various projects aimed at a relatively small number of schools and teachers. Their influence could have been much larger if the education authorities had provided them with adequate and timely support. Thus, several good projects (such as Step by Step, Interactive Learning, Save the Children, and Building the Bridges) were only nominally tolerated. It was not until recently, with more specifically defined goals of reform in BiH, that it became clear that these projects were completely in line with the basic directions of further education reform.

Non-governmental organisations have a special role in creating and implementing modern European standards of education and in working with marginalized groups of children. Duga has been implementing the project called "Schooling adapted to children with special needs". In the school year 2002/03, a total of 1,708 children enrolled in 70 classes of grade I in 16 primary schools without specific categorisation. Out of the total number of children, certain difficulties have been found in 231 children, or 13.52%. Through intensified assistance rendered by experts and special pedagogues, enhanced work by teachers, and the IEP (individualised education programme), the majority of these children have overcome the identified impediments and difficulties which manifested themselves as: speech impediments 58%, educational negligence 35%, negligence in upbringing 27%, hyperactivity 15%, epilepsy 4%, and other difficulties 2%. This project is a successful model for the inclusion of all children in regular schools, and could be seen as the embryo of expanded inclusive education in our country. Given the results, reactions by both parents and teachers have been positive. Also, we need a system to accredit those CSO agencies with expertise in the area of education, as well as a system of issuing licenses to trained teachers, who themselves will then be required to provide continued training. The preparation of portfolios and the establishment of supervisory bodies to monitor teachers is also necessary, as is the introduction of a self-evaluation system.

This system would also be supported by the formation of a network of teachers' training centres (which could be of use to all organisations) that would involve local mentors and trainers with relevant expertise. In that way, education will benefit from the work of expert associations and CSOs, and not only rely on ministries.

Recommendations of a civil society round table on the topic of education/ HDR/MDG consultations with civil society, March 2003;

1.3. Success in secondary education is also a significant indicator of the efficiency of primary education (such as the performance of primary school pupils in high school entrance exams; success in grade I of high school; dropout percentage; etc.). Currently, the number of pupils continuing on to high school education cannot be established with any certainty since the relevant data differ considerably. According to the "Human Development Report of BiH 2002", only 56.8% of students of the corresponding age actually enrol in high schools.

According to other sources such as the official statistics in FBiH, it seems that the percentage of students who continue on to high school is higher, up to 92%-95% in urban areas, and sometimes even up to 87% in semi-urban and rural areas. According to an ECSPE report, in 2002 a total of 72.6% primary school pupils attended high schools.

Out of 190 high schools in FBiH, only 37, or 19%, are general education schools (gymnasiums) while all other schools are vocational. Out of the overall number of high school students - 109,900 - a total of 25,700 or 23% attend one of the gymnasiums in FBiH. At 17%, the percentage of gymnasium students in the RS is even smaller than in FBiH. Unfortunately, the educational content taught in primary schools is repeated in high schools, only increased in terms of the quantity of facts and figures that have to be memorised and reproduced.

1.4 Education, employment and qualifications. There are numerous indications of an overproduction of high school staff on the one hand, and poor conditions for a more rapid restructuring of secondary education that would support new occupations and professions on the other. Hence, unemployment is higher than it should be. According to poverty indicators, high quality general education enables quicker and more successful adaptation to changing circumstances and conditions, including more successful retraining.

1.5. All the attempts so far to create a single curriculum acceptable to all children, regardless of where in BiH they live, have failed to produce results proportional to the efforts of local progressive

intellectuals, education workers, and representatives of the international community.

Although a few minor reform attempts have been made and a number of agreements signed since 1991, things are still changing very slowly.

Primary education in FBiH, for instance, advocates the following principles:

- “Ensuring equal rights to all students and equal opportunities for their optimal development regardless of their social origin, or ethnic or religious background;
- Free choice of school, the right to classes in the native language, freedom to choose particular education programmes (remedial and supplementary classes), foreign language classes, religious classes, etc.;
- Education should ensure the harmonious development of the child while respecting his/her individuality, social and cultural identity, and should significantly contribute to the socialisation of his/her personality and his/her embracing of civilisational values;
- Integration/inclusion of students with special needs in regular schools”¹³¹;

Sadly, very few of these principles are carried out in practice. The highest price is being paid by the students themselves, who are exposed to rigid discipline and the memorisation of facts, strict separation of school from social and family life, ethnic division in the name of the national group of subjects and linguistic differences, and an authoritarian approach by teachers inappropriate for the creation of democratic schools.

2 Policy analysis

- For a number of reasons, BiH’s official policy has not been able to sufficiently influence the critical situation facing education and education policy. One of the most important reasons is the fragmentation of the system that took place during the war and in its aftermath, reinforced by certain constitutional provisions that maintain this situation. Another reason lies in the

inertia displayed by the majority of those who are supposed to develop the country’s official education policy, as well as their failure to recognise that missed opportunities in education have far-reaching consequences. A third reason certainly lies in the politically and ideologically-motivated resistance to the harmonisation and unification of the education system.

- All solutions offered to these problems thus far, under conditions of decentralisation in one entity and centralisation in the other entity, have displayed weaknesses over the past 6 years. Education management theory contains a number of examples and types of management, but it seems that in this case an optimal solution for BiH might be a unique model that preserves elements of decentralisation. This would allow the entities, or cantons and regions, to preserve a degree of autonomy in developing education goals and tasks, as well as in drafting their curricula.
- The relevant legislation is rather outdated, both in terms of its model as well as the solutions it offers. Even though amendments have been repeatedly made to the Law on Primary Education, it remains more or less the same in form, structure, and incompleteness as the law that was in force before the war. This is why the debates and adoption of a new law on education should be sped up (a proposal has already been prepared). This new law ought to regulate education legislation in an entirely new fashion, adequate to other democratically established education systems.
- It is necessary to intensify all education reform activities, while trying to more clearly define and adopt the basic principles of the future building of the education system in BiH, in particular emphasising primary schools as the cornerstones of any subsequent education. It is especially important to define the directions of changes in education, and insist on their necessity and implementation.
- The existing education system finds itself at the crossroads of three paths as part of on-going transition processes: the first path is the “old” system, inherited from the former Yugoslavia, but still strong and resistant to change; another is the “new” system, designed in Dayton and established by the peace agreement and the Constitution as an imposed decentralised system that does not guarantee any well-being and does not develop multiculturalism and tolerance; and finally a “third” path, an authentic model that follows the European system and is based on interests and goals that are akin to it. Which of these paths will prevail remains to be seen, but one can at least

¹³¹ Education in the Federation, 2000, p. 22.

hope that the third option will be given the chance to prove its worth. For the time being, most reform-related documents have this latter focus.

3. Recommendations

- Hold full enrolment in primary schools and possibly in secondary schools as well, as an important goal to be achieved by the year 2015. Focus all endeavours on reversing the downward enrolment trend, which, caused by poverty, threatens to increase the number of illiterate people. Consider the possibility to extend compulsory education up to grade III of secondary schools.
- Each child should be provided with high quality primary education and be treated equally regardless of his/her origin, personal characteristics, or the part of the country where he/she attends school. This means maintaining a watchful eye for the genuine fulfilment of the requirements for the full enrolment of children in regular primary and secondary education, regardless of their national, religious, cultural, physical, health and other characteristics. Keep promoting the education of *citizens* rather than the education of members of particular ethnic or religious groups.
- Restructure and develop culturally sensitive and responsive schools that are well-managed and organised, with staff trained to work with children of various levels of ability, coming from various cultures, various linguistic backgrounds, various religions etc. Concentrate all efforts on further developing and promoting quality education in multicultural primary schools. Advocate for a secular character of education, while reaffirming inter-religious education as a necessity of multicultural societies. Work towards terminating the existing dualism between regular and special education, while aiming to fully utilise the material and human resources of schools for inclusive education.
- Establish a more flexible education of teachers so that every teacher can better play an increasing number of roles and complete ever more complex tasks. At the same time, raise awareness with education experts regarding the need of continuous personal and professional training and development, as well as on the need to upgrade existing education practices. Contribute to the development of high quality education curricula and a more comprehensive system of evaluating the work of students and teachers.

- Seek to harmonise the quality of education, its efficiency, and amount of funding set aside for education. Investments in education should be made as economically as possible, which means that courses for outdated professions and occupations should be discontinued.
- Allow permanent training, supplemental and additional training, and retraining for all who wish it, since it will enable them to adjust more easily to the constant advances in technology and to the market requirements for an adequately trained workforce.

Require that relevant legislation adequately follow all innovations in the education sector, providing for and supporting contemporary education policy and practice, as well as removing obstacles to genuine access to education for all children.

CHAPTER X INTERNATIONAL COOPERATION

1 MDGs and the general situation of international support policies in BiH

1.1. Throughout the post-war period, BiH has received massive financial and expert assistance from international sources, as well as direct support for peace implementation through civilian and military components. What took place in BiH was therefore not the typical support for a developing country or a case of simple international cooperation, but rather an international intervention in war and continued support in the post-war phase. Accordingly, the “international factor”, starting from the activities of international organisations to the functioning of specific international institutions established especially for BiH, constitutes an internal factor of the country’s economic, social, and political life.

This international “internal factor”, given the general institutional weakness of BiH as a state, objectively has a huge responsibility towards tax payers and governments in donor countries, directly or through international organisations, as well as towards the citizens of BiH for whose sake they are here in the first place.

This is why sustainability, ownership, and partnership of international and national actors are key notions for the improvement of international support and development of BiH. The dependency syndrome represents a general characteristic of all sectors in the country, while the sustainability of its development and the ownership by local stakeholders are still primarily a goal we all strive to achieve.

1.1.1. The basic features of the country’s institutional, economic, and social reconstruction in the period 1995-2001 clearly show the decisive influence of international support policies. An efficiency assessment of the reconstruction process itself, “7 years after” and comparing the financial investment with the current situation of the country, could hardly be positive. Therefore, a critical evaluation of BiH’s problems, as well as recommendations how to overcome them, must encompass the totality of the country’s internal situation and its national and international components.

The transition to a normal international cooperation between BiH and its international environment (leaving aside the usual diplomatic and inter-state relations and foreign trade) has only just begun. Its progress is not possible without reforms of the existing international support policies and international institutions set up in BiH, as well as a clearly defined short-term goal. The issue here is sustainability and ownership and the transition from international support of the “internal factor” into a normal “external factor”. Naturally, this will require partnership in all segments of social life, in order to achieve a genuine democratisation of the country and its social and economic progress.

1.1.2. A methodological particularity lies in the need for a broader interpretation of the standard category of development assistance in the case of BiH. BiH has not been a recipient of classic development assistance but rather of financial support for reconstruction, which has been larger in size and different in character.

It has been estimated that the total expenditure of the international community comprising humanitarian aid, peace implementation, and economic reconstruction in the period 1992-2000 amounted to US\$ 71-81 billion.¹³² This also includes the operations costs of international bodies in BiH, i.e. not all these funds have been directly “invested” in BiH as the recipient.

In the period 1995-2000, for various aims and from various international sources, the following amounts have been directly “invested” in BiH, according to available estimates:

- \$ 7-8 billion for humanitarian aid in the country;
- \$ 10-12 billion for economic recovery and reconstruction (including \$5.1 billion as part of the World Bank-coordinated Priority Reconstruction Programme);
- \$ 5-6 billion for other forms of assistance (democratisation, civil society development, media, local communities etc.).

Therefore, BiH has been the recipient of a total of \$ 22-24 billion of direct assistance in various forms. This amount does not include a variety of expenses by international organisations or bilateral donors that relate to peace implementation, nor the costs of BiH refugees abroad. This total amount includes all assistance, which are significantly higher than usual development aid.

¹³² See more on the subject in Papic (ed.), “International Support Policies to South-East European Countries – Lessons (Not) Learned in B-H”, *ibidem*.

1.1.3. The development and strengthening of state institutions at all levels – including the streamlining of its administrative structure – and a stable macro-economic environment constitute a precondition for the return to normal development cooperation. An integral part of that process is the BiH Development Strategy (PRSP) that is currently being finalised. The PRSP will provide a standard for sustainable development and international cooperation policies. At the same time, it is hard to detect any clear strategy of international support and its coordinated implementation, especially with regards to the completion of post-Dayton support and the subsequent shift to standard forms of development support and cooperation. In this field, a detailed strategy would be particularly useful.

1.1.4. The promotion of gender equality and of the empowerment of women through institutional mainstreaming and programmatic activities were pursued only by a few international organisations during and immediately after the war and were therefore largely absent from international cooperation. Male dominance was evident in all international organisations, in the main headquarters abroad as well as in their BiH offices,¹³³ and none of them established the practice of conducting gender analyses of programmes or using similar methods of monitoring the participation of men and women in planning and implementation.

In the process of rebuilding BiH, international cooperation has from the very beginning caused much damage by underestimating the potential role of women. Stereotypes of the woman as the “natural peacemaker” or the vulnerable, passive aid beneficiary were readily accepted, while gender, especially with regards to the participation of women in social and economic life, has never really been raised as a crucial issue, which has adversely affected not just the women of BiH but the country as a whole.¹³⁴

International cooperation has from the very beginning been focused on the practical needs of women in the framework of their traditional roles in the household. Exceptions to this rule are institutions and agencies that made isolated efforts to develop a women’s movement. These include above all UNDP, which in 1997-1998 launched gender reference groups in BiH and started the first gender and development trainings; OSCE, which has initiated the process of strengthening the role of women in legislative bodies with the aim of increasing the participation of women in BiH and FBiH parliaments and the RS National Assembly; the BiH Open Society Fund (Soros) which encourages research on, and the empowerment of, marginalised women in BiH society; the IHRIG, which has focused on strengthening strategic thinking in the CSO sector; and the STAR Network of World Learning, which has been promoting women’s economic empowerment and supporting the capacity and sustainability of the “BiH Women’s Network” (BHZEM) with

the aim to improve the socio-economic position of women in BiH. UNHCR has also financed projects to meet women’s practical needs with funds provided by donor governments through the Bosnian initiative for women, which has developed into one of the rare national foundations, the “BiH Women’s Initiative”.¹³⁵

The international community’s support is also directed through bilateral assistance for BiH, notably by the Republic of Finland,¹³⁶ Germany, Switzerland, and Norway. Significantly, the UN Gender Group (UNGG) has embarked on a UN Gender Project for the implementation of the Law on Gender Equality¹³⁷. The Group is going to support substantive participations of Gender Centres of both entities, a state-level Gender Agency and wide-segment of civil society organizations (NGOs, universities and the media). The UNGG facilitates consultative and participatory process to develop “internal” institutional capacity of BiH governments to tackle a wide spectrum of gender issues, ranging from socio-economic to legal aspects.

The Stability Pact for South Eastern Europe, in the framework of its First Working Table, also established a Gender Task Force in 1999. Its interventions are focused on regional networking and exchange of women’s experiences in the regional legislative authorities.¹³⁸

Over the last three years, from 2000 to 2003, a priority of the international community has been to combat human trafficking. Some

¹³³ Cynthia Cockburn, Meliha Hubic and Rada Stajkic-Domuz, “Living Together or Living Apart,” Medica, Zenica, 2001, p. 152.

¹³⁴ Martha Walsh, “Post-conflict Bosnia and Herzegovina: Integrating women’s special situation and gender perspectives in skills training and employment promotion programmes,” ILO 1997.

¹³⁵ The Bosnian Women’s Initiative started in 1996 with a U.S. donation on behalf of Hillary Clinton in the amount of \$5 million, which was soon afterwards supported by governments of other countries as well, such as Japan, Denmark, and Germany, as well as the European Commission and the general UNHCR Fund. See www.bhwifoundation.com.

¹³⁶ Finland has endorsed the BiH authorities’ “Gender Equity and Equality Project in BiH” (GEEP), a long-term intervention for gender mainstreaming in BiH executive authorities that has been underway since 1999 and will last through 2005, with around \$1.5 million. See www.geep.com.ba.

¹³⁷ UNGG consists of UNDP, OHCHR, UNICEF, UNFPA and ILO. For more details on the Law on Gender Equality, please refer to page 69 of this Report.

¹³⁸ A GTF office was established in Sarajevo in 2000, with the aim of opening up channels for information exchange for women politicians in Central and Eastern Europe, but was unfortunately closed down in 2001 and, just like the majority of other GTF activities, moved to the Regional Office in Zagreb, Croatia. The regionalization process, in which the role of BiH is getting lost, is not characteristic of the Stability Pact’s GTF only, since the UNDP Regional Office for Eastern Europe and Central Asia has also, up until a year ago, excluded BiH from all its processes of planning and support to gender equality.

of the best international cooperation has been achieved in this area, which has also received substantial funding. Activities are led by UNHCR, IHRIG, and numerous CSOs gathered in the Ring Network or BHZEM's BATCOM. The fight against human trafficking was made a priority of international cooperation due to the need of Western European countries and some of the countries in the region to cut the chain of human trafficking from Central and Eastern to Western Europe, a chain that included BiH both as a country of final destination and a country of transit. In spite of all the efforts aimed at fighting human trafficking, this programme in BiH does not originate from an initiative of national CSOs, nor has it been identified as a priority by the BiH authorities. In consequence, the programme does not envision the creation of basic conditions for the prevention of human trafficking, such as the legalisation of prostitution or other forms of health and social protection of men and women engaged in this industry.

1.2. Economic transition in BiH and its problems

1.2.1. There are two basic particularities of the transition process in BiH: its slow progress and its complexity. The lack of speed is due not only to the consequences of war and the institutional uncertainties, but also to the fact that the transition in question is a threefold one: from war to peace, through the implementation of the peace accord; from massive international assistance to sustainable development; and from a post-socialist economy and a monopoly system of political power to a market economy, democracy, and civil society.¹³⁹

1.2.2. It is evident from the aforementioned that the basic feature of contemporary BiH is its total dependency on foreign assistance. However, after seven years, the level of foreign assistance has begun to decline drastically, forcing the country to face the very unpleasant reality of its economic situation. Part of that reality relates to the international community. The question that needs to be answered is what has caused the situation in which after seven years of massive foreign assistance, the country is totally dependent on it. In other words, this assistance has not prepared the country for sustainable development. This is all the more remarkable since BiH is a European country with developed local capacities and experience from the pre-war period, a country that had achieved a medium level of development.

Dependency is inevitable in extraordinary situations, as during the war. However, prolonging the dependency solidifies that status as an unofficial but nonetheless real "system". Dependency has begun to produce changes in the social structure, with serious social and

psychological consequences. It creates its own social structure that is prone to self-reproduction. It is possible to distinguish several important processes that are manifestations of social changes caused by economic and political dependency. It is these processes that create the "dependency syndrome", which eventually may result in a real state of dependency and a completely dependent society.

It is obvious that representatives of local authorities do not consider themselves responsible for the situation in the country, especially in the economic and social sectors. They see their political responsibility towards voters mostly as a need to represent their interests – national, or in best case local – towards the international community. It is the international representatives that are considered responsible for the situation in the country, and they are expected to solve all local problems. This line of thinking thus offers a perfect alibi for the poor social and economic situation.

Corruption and organised crime have their sources in weak institutions. The authorities still operate in that environment, and the process of transforming it is still in its beginning. Corruption and dependency are directly related, in BiH as well as elsewhere. Corruption, institutional chaos and lack of rule of law are not exclusively ramifications of war. A massive influx of funds in the form of foreign aid, frequently non-transparent and poorly coordinated, creates conditions for corruption and the organised misuse of financial assistance. Serious research about foreign aid-related corruption has yet to be conducted. There exist numerous indications that abuses were enormous, and that a significant part of assistance was misused. For that reason, transparent state institutions and the rule of law represent at the same time a condition for the termination of corruption and organised crime and a path to the termination of dependency.

A large part of international assistance has correctly been intended for the democratisation of BiH and the development of its civil society. The civil society support policy has been inadequate in many aspects.¹⁴⁰ Most notable in this context is the fact this support method shares many characteristics of the "aid industry" and primarily reaches a rather small elite within the population. Consequently, this "elite" has been professionalised and separated from social reality and problems at the grassroots level. As a result, we now have a "virtual civil society".

This again closes the cycle of dependency. Changes to the real society, the empowerment of the active citizen and the initiatives of

¹³⁹ For more details see "International support policies. . .", *ibidem*, pp. 28-31.

¹⁴⁰ For more details, see M. Ottoway and T. Carothers, eds., "Funding Virtue: Civil Society Aid and Democracy Promotion," Carnegie Endowment for International Peace, Washington, D.C., 2000.

ordinary people, represent the conditions for emerging from dependency. Instead, a civil society elite has been created, together with its virtual characteristics. This phenomenon can be explained, but in order to overcome it, it also needs to be understood. But instead, everyone is puzzled when the "virtual image" collapses in elections, when national parties win more votes than the "virtuality" we all believe in would make us expect.

The dynamics of dependency are clear and visible, and the cycle is closed. Delays in the transition process and the deterioration of the social and economic situation bolsters dependency, which in turn causes stagnation and dilapidation.

1.2.3. The processes of reform and transition in BiH, as already mentioned, have been very slow. The reasons mostly lie in the unwillingness of local politicians and officials to resolutely implement reforms. Another reason is to do with a concept of political authority based on national homogenisation and the political monopoly of national interests. A transition towards a full market economy would by the logic of things alter the very concept of political representation, placing at its centre the citizen as an entrepreneur or consumer.

Some of the reasons can also be found in the inadequate support policies of the "internal international factor", the frequent changes of priorities, and the lack of understanding for the country's particularities.

The level achieved in the implementation of reforms is hard to assess precisely. An evaluation of the country's competitiveness based on the methodology of the World Economic Forum, evaluating and ranking 59 countries, may serve as an indicator, especially for key aspects of reform. Based on 2002 research, BiH is ranked 55th in terms of its "institutional stability"; 56th regarding the "domestic market competition"; 56th with regard to the "freedom of investment by foreign investors in the domestic capital market", etc.¹⁴¹

It is beyond any doubt that BiH is at the bottom of the list of ex-Socialist countries with regard to the transition achieved so far.

1.2.4. Gender aspects of transition

The process of transition has created risks as well as opportunities. However, the risks of unemployment and poverty and the opportunities generated by the development of entrepreneurship, the private sector, and democratic politics are unequally distributed. We know today that gender is an important dimension of that unequal distribution.

The principle of gender equality must be applied in transition policies to allow for the full use of human resources, a key factor of economic growth. Gender equality, therefore, is a priority for the improvement of economic efficiency and development prospects.¹⁴²

Women account for 45.4% of the unemployed in BiH.¹⁴³ According to some assessments, most of them come from the group of low-educated women; non-qualified and qualified workers account for every other unemployed woman, while every fourth unemployed woman has only a secondary education. The inadequate education level of women is one of the biggest obstacles to a more significant participation of women in the labour market.¹⁴⁴ However, the deterioration of women's position in the labour market can also be attributed to discriminatory practices and policies. These are particularly visible in the private sector, and are as such a reflection of *de facto* discrimination in employment.¹⁴⁵ They are difficult to list due to the observed flaws in the application of existing legislation so far. Excuses for these discriminatory practices are that women have more problems working under pressure, that they are less frequently available for overtime work, and that they increase employment costs by using maternity leave and receiving child allowance.¹⁴⁶ These allowances, however, frequently remain a dead letter, which puts women at a twofold disadvantage: employed mothers are less competitive in the labour market, while at the same time they are denied use of social benefits.¹⁴⁷

Self-employment and entrepreneurship have become important methods of overcoming mass dismissals and the general lack of jobs in large former public companies and factories. In all transition countries, there are stories about successful women entrepreneurs who open up new labour markets. However, the number of wo-

¹⁴¹ See "Report on BiH Competitiveness for the Year 2001"; ANUBiH, MIT, Sarajevo 2002.

¹⁴² Ewa Ruminska-Zimny, "Gender, Privatization and Structural Adjustment in Transition Countries: Trends and Issues in the UNECE Region," in Dokmanovic 2002.

¹⁴³ UNDP, CCC Development Indicators 2002. This is out of a monthly average of 420,812 unemployed persons (including workers on waiting lists) in BiH in 2001.

¹⁴⁴ CEDAW 2003.

¹⁴⁵ Ruminsky-Zimny 2002.

¹⁴⁶ The beginning of 2003 was marked by protest rallies of employed mothers in Zenica-Doboj Canton who had not received maternity leave allowances for half a year.

¹⁴⁷ Some estimates show that women make up as much as 58.5% of the private sector workforce, while men account for only 41.5% (Pavlovic 2001, p. 65), whereas women are owners of private companies in only 37% of cases, with men being owners of the remaining 63% (RS Gender Centre, 2002).

Chapter X

INTERNATIONAL COOPERATION

men entrepreneurs is still rather small in relation to the number of their male colleagues.¹⁴⁸ The instability of the tax system and other rules of the private sector, lack of access to credit, weak institutional information networks and entrepreneurship support services, all continue to limit the growth of new companies. Women are also faced with gender-specific obstacles. The majority of networks and contacts, notably chambers of commerce, business associations, and informal groups, are led by men and have a low participation of women. This often excludes them from access to loans,¹⁴⁹ training opportunities, and linkages to business partners and markets. Women also have poorer access to collaterals since privatisation has resulted in a better access to resources by men.¹⁵⁰ Female participation in the privatisation process has been unbalanced: in addition to poor access to information, women were also deprived of opportunities in privatisation by the fact that men are traditionally holders of ownership rights and real estate, and are usually property heirs.¹⁵¹ In many respects, and often based on gender stereotypes. Society creates an unpleasant attitude towards women entrepreneurs that also leads to unequal treatment by local administrations or discrimination in receiving bank loans.¹⁵²

1.3. The BiH economy in regional and international context

It can be said that BiH has paid very little attention to real progress in regional cooperation in SEE, frequently leaving the proclaimed cooperation with the EU at the level of mere political declaration. The lack of real activities has been accompanied by excessive expectations, while regional cooperation has been neglected even in the political sense in favour of the greater European region. BiH has not met the conditions for a more intensive cooperation and eventual accession to the EU, while it took the establishment of the SEE Stability Pact to make BiH realise that it truly belongs to this region.¹⁵³

1.3.1. For BiH, the Stability Pact represented a feasible, conceptually new framework for resolving internal problems – a potential stimulus to the normalisation of the situation in the country.

In addition to all other problems, the BiH economy is completely divided into a FBiH economy and a RS economy. Attempts to achieve higher integration through arbitration have been haphazard, and there is also the issue of their self-sustainability. The fragmentation of economic management (different laws and economic policies) is a reflection of the actual situation with divided markets and economic systems.

It seems that the basic idea of the Stability Pact has not been properly understood, and that the implementation of economic

reconstruction has been constrained within the frameworks and problems of BiH. This has precluded the design of effective solutions by excluding the reconstruction programme from the Stability Pact framework. Such a lack of understanding by the international community of its own ideas is rather surprising since in both cases it is the creator as well as the initiator.

1.3.2. On the other hand, the basic problem is related to the Stability Pact and its experience. The Stability Pact itself has been at a crossroads between the possibility to become a new international framework that would stimulate and enable a true regional integration, or to become yet another channel for the inefficient distribution of donations for the countries of SEE.

For the time being, the Stability Pact is still just a mechanism for the distribution of donations through projects intended for the countries of SEE. In other words, it has been repeating the mistakes already made in BiH. Its most important role has been neglected – to be an instrument to shape the implementation of a coherent, long-term regional reconstruction strategy for development, regional cooperation, and integration. The Stability Pact has no vision or strategy for support to the countries of SEE.

It is important to bear in mind that the original goal of the Stability Pact was to develop cooperation and integration in SEE as a pre-re-

¹⁴⁸ A sample of 5,007 private companies in the Banja Luka region in 2002 established that women owned only 37% of the companies, while men owned 63%. This ratio is even less favourable for women given the well-established practice that men are registered as founders while their spouses are formally appointed as managers or directors of private companies, often because men already participate in some other form of work or do not want to be appointed for political reasons (previous employment, waiting list status, managing board member, member of political bodies etc.). See RS Gender Centre, "Review of the Women Entrepreneurship Situation in Republika Srpska", Banja Luka, February, 2002.

¹⁴⁹ The USAID Business Finance Programme has shown that in 1998, out of 4,918 credit beneficiaries, 71% were men and only 29% women. (Pavlovic, 2001, p. 68).

¹⁵⁰ Ruminsky-Zimny 2002.

¹⁵¹ For instance, regarding the privatisation of apartments, men were traditionally the occupancy right holders (just as they traditionally are the owners of cars or other real property), so that women could not have participated in joint ownership of apartments.

¹⁵² The phenomenon known as "male bias" is caused by gender role stereotypes whereby a woman's place is primarily in the house, and the habit that men are bread-winners and bearers of all out-of-house obligations. Very telling in this context is the example of a woman entrepreneur to whom it was suggested that her husband – who was on a waiting list and without any income – be the credit-card holder, while she would be a secondary user, although the card would be issued based on her personal business success.

¹⁵³ For more details see Ministry for European Integration, "Bosnia and Herzegovina and the Stability Pact", Sarajevo, November 2002.

quisite for accession to the European Union; financial assistance for projects in SEE countries was supposed to directly support new strategies including the development of a free trade zone in the region; abolition of tariffs for imports from the region into the EU; free trade with the EU, EFTA, CEFT, and all candidates for the accession to the European Union; radical banking reforms and a currency board tying the local currency to the Euro/DM; agreement on accession to the European Monetary Union, and at a later stage full transition to the Euro; and other, similar initiatives.¹⁵⁴ The past activities of the Stability Pact have neglected this strategy and have come down to a distribution of financial support to individual projects in SEE. Most of them are standard projects addressing specific problems of particular countries. It is easy to meet the required condition that projects must include two or more countries of the region, since geographic links can easily be established (for instance with regard to infrastructure). Such projects do not lead towards new strategies of regional integration, but, in the best case, merely adapt to the region's geography.

The failure to fully realise the potential offered by the Stability Pact is to a large extent a consequence of misguided implementation of the Stability Pact itself throughout the region.

1.4. Trade relations of BiH

1.4.1. Trade deficit: causes and tendencies

Since the signing of the Dayton Agreement, BiH has had a continuous trade deficit in business operations with foreign countries.

The discrepancy between imports and exports has been enormous,

given that exports currently amount to less than 30% of the country's imports. It is symptomatic that even after seven years economic recovery in BiH, the situation is not getting any better. Despite all the efforts made, the economy of BiH is still uncompetitive and cannot provide for an increase in exports, so that the negative trend is likely to continue in the coming years.

The main reasons for this situation with regard to the trade deficit should be sought in the concept of post-war reconstruction, as well as the order of steps taken in systemic reform. BiH emerged from the war with economic capacities mostly owned by the state sector, and with an undeveloped private sector that was mostly engaged in service activities. In the framework of the moves suggested by the international community, BiH opened its borders to the indiscriminate import of all goods and simultaneously prohibited credits to companies with majority state ownership. The neo-liberal reconstruction and transition concept of BiH, implemented by international financial institutions, was based on a shock therapy and an unwillingness to support anything related to state ownership; this resulted in a situation in which the majority state-owned BiH economy, having just emerged from a war and without any possibility to secure an influx of fresh capital, was swamped with cheap goods from western Europe and neighbouring countries. In such circumstances, BiH companies struggled to keep their share of the local market while exports were very small. Without the protection of domestic goods, without export stimulation, without an influx of fresh capital, and without restructuring (in production, technology, and ownership), the majority of BiH companies have found themselves in a situation where their business operation was weaker than during the war. In

¹⁵⁴ See: CEPS, A System for Post-War South-East Europe, Working document no. 131, Brussels, 3 May 1999.

Table 1

in thousand KM

FOREIGN TRADE	Federation of BiH			Republika Srpska			Bosna and Hercegovina		
	2000	2001	2002	2000	2001	2002	2000	2001	2002
Export of goods	1,430,000	1,644,567	1,524,005	835,000	598,829	565,647	2,265,000	2,255,526	2,099,204
Import of goods	4,852,000	5,382,633	5,730,500	1,730,000	1,697,455	2,164,367	6,582,000	7,331,430	8,168,125
Export/import balance	-3,422,000	-3,738,057	-4,206,495	-895,000	-1,098,626	-1,598,720	-4,317,000	-5,075,904	-6,068,921
Import/export coverage	29.5	30.6	26.6	48.3	35.3	26.1	34.4	30.8	25.7

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addition, the privatisation process was launched as late as 1998, when most of the state-owned economy had already collapsed in the face of foreign competition in the national market, so that privatisation attempts have also failed to bring in fresh capital, new technologies, new products, and new strategic partners.

1.4.2. The inadequate approach to foreign trade policy and the mistaken order of steps taken in the reconstruction and transition processes have brought about a de-industrialisation of BiH. To be fair, BiH's pre-war economy was based primarily on basic industries and the use of natural resources, with developed capacities in the food-, wood-, and metal-processing industries and mechanical engineering. But these industries were until the war and even during the war competitive in domestic and foreign markets; against this background, BiH's present GDP structure is as follows:

Table 2: Sector share of GDP (%)

Sector	2000	2001
Agriculture	12.0	11.9
Industry	25.4	25.3
- processing industry	15.4	15.3
Services	62.7	62.8
Total	100.0	100.0

Source: World Bank: BiH at a Glance, 9/23/02

The growth dynamics per sector are as follows:

Table 3: Annual sector growth rate (%)

Sector	2000	2001
Agriculture	2.0	1.5
Industry	5.0	-8
- processing industry	8.0	-5.0
Services	4.9	7.1
Total	1.8	0.2

Source: World Bank: BiH at a Glance, 9/23/02

The GDP structure per sector best displays the incapability of the BiH economy to join the competition in domestic and foreign markets, while annual growth rates show the direction of economic development. It is important in this context that unsophisticated and low-accumulative services (hospitality, construction, transport),

primarily orientated towards the needs of the local population, dominate the service sector.

A country that in 1990 had a positive trade balance with countries of Western and Eastern Europe (exports US\$ 2.055 billion, imports \$ 1.867 billion)¹⁵⁵, BiH has in the meantime found itself in the situation described above.

1.4.3. It has already been noted that the pre-war structure of the BiH economy was relatively unfavourable given that it was dominated by basic industries (mining, metallurgy, energy). It was highly integrated into the economic space of the former SFRY and in effect served as a source of raw materials and semi-finished products for the processing industries in other republics.¹⁵⁶

The current structure of the BiH economy is the opposite of the pre-war situation, since today the service sector is dominant in the economy. Unfortunately, this is not a consequence of a well-designed transition or an economic restructuring process, but of the factors elaborated above – blind forces and wrong approaches. In consequence, the main characteristic of the BiH economy today is a decaying basic and raw material sector, an undeveloped processing industry poorly adapted to market conditions, with a dominating service sector that is unattractive and yields low profits.

1.4.4. BiH's most important trade relations continue to be with the countries of ex-Yugoslavia. Exports to Slovenia, Croatia, and Serbia and Montenegro constitute 34.5% of the country's overall exports. These three countries also make up 31.4% of imports. This by itself is normal, given the proximity and similarity of markets and the traditionally good relations of some areas of BiH with some of these countries. What is worrying, however, is the structure of exchanged goods, in which exports to the countries of ex-Yugoslavia mostly consist of raw materials and semi-finished products while imports comprise finished products, so that the pre-war situation is basically replicated. Given that countries of the former Yugoslavia have already restructured their economies (Slovenia and Croatia) or that restructuring is underway (Serbia and Montenegro), the question arises as to the real extent and significance of BiH's trade relations with these countries. Even though the prevailing position is that the countries of ex-Yugoslavia are potentially the most important partners for BiH's future trade relations, it is by no means clear whether and to what extent such a position is realistic and whether it might not be wiser for BiH, in the circumstances of globalisation, to turn more towards the development of trade relations at a glo-

¹⁵⁵ Not including trade balance with countries emerging from the break-up of the former Yugoslavia.

¹⁵⁶ Almost 40% of the total basic industry and raw material production in the former SFRY was concentrated in BiH.

bal level, to thoroughly restructure its economy, and to redirect its efforts towards the world market without neglecting the importance of trade relations with its neighbours.

1.4.5. Unfortunately, the export potential of BiH is rather low. Apart from the uncompetitive economy, causes should also be sought in the merciless post-war exhaustion of natural resources, either through their unrestrained exploitation and indiscriminate export (e.g. forest resources that are mostly exported in a non-processed state) or through inadequate protection (e.g. potable water). In the given conditions and without a consistent strategy of natural resources management, BiH's only real export potential is energy¹⁵⁷ and, cynically speaking, its educated young people.

1.5. BiH balance of payments

1.5.1. Throughout the post-war period, BiH has had huge deficits in its balance of payments:

Table 4: Balance of payments

in million US\$

	2000	2001	2002
Exports	1,069	1,032	1,011
Imports	3,106	3,354	3,933
Official grants	36	28	29
Balance of payments	-1,195	-1,503	-2,088
NPB as % of GDP	-26.34%	-31.35	-40.17%
Exchange rate: US\$ 1=	2.1189	2.1856	2.0768

Source for data on balance of payments, exports, imports: CBBiH Bulletin 4/2002.

This situation is primarily a consequence of the incapability of the BiH economy to achieve an increase in exports or at least to provide a substitution of imports. In addition to the factors already discussed, it is also important to note the role of the Currency Board in this context. Although the principle of a fixed exchange rate between a currency and the Euro has certain advantages (above all, the stability of the local currency), this mechanism certainly remains a controversial issue when it comes to the management of the economy and especially foreign trade and monetary flows.

With the normalisation of the macroeconomic balance, the reduction of the trade deficit and foreign debt, and above all with the establishment of a self-sustainable GDP growth rate in the context of the EU accession process, one must conceptually begin also the process of transition towards a Central Bank regime, including widening the spectrum of activities of the Currency Board.

Naturally, it is crucial to meet the previous conditions and normalise the economy in order to normalise the Central Bank regime, and to set a realistic timeframe for this transition. Therefore, such a transition must be accompanied by adequate industrial and foreign trade policies, while redirecting all international and domestic efforts towards accelerated economic development. The BiH PRSP Development Strategy should serve as a basis for that effort.

1.5.2. Given that the non-trade income of BiH has been decreasing, primarily because of the reduced direct aid by the international community, even bigger problems may be expected in the coming period with regards to the balance of payment deficit, given that the balance of payment over the past two years has increasingly become a function of trends in exports and imports.

Money transfers from abroad represent a significant source of income for the subsistence of a part of the population. Income has also been generated by the current expenses of internationals, who have been continuously present in BiH through various international organisations.¹⁵⁸

The Federation foreign currency reserves (FDI) amounted to US\$ 130 million in 2001 and have been estimated at \$ 321 million in 2002. The low FDI level comes as no surprise, and the need for real caution regarding their further rapid growth should be emphasised.

1.5.3. In addition to all the aforementioned, BiH's external debt is high: towards the end of 2001 it reached KM 5.7 billion, representing 54.4% of annual GDP. Foremost among the group of creditors are international financial institutions (IMF, WB, EBRD), which in late 2001 had a share of 54.8% of the total foreign debts. It is also evident from the aforementioned that the indiscriminate

¹⁵⁷ Bosnia and Herzegovina has the greatest hydro-energy potential per capita in Europe.

¹⁵⁸ With regard to money transfers from abroad and the influx of foreign currency based on current expenses of internationals in BiH, it is impossible to obtain precise and reliable data. It is interesting to note an estimate made in 2000 that running expenses of internationals amounted to 2.5 billion KM annually. (See; "International Support Policies" ibidem p. 22). In this context, one may refer to this as unregistered foreign currency influx, a "grey" payment balance, which makes the consumption level in the country considerably higher than the one matching the real abilities of its economy.

accumulation of debt, often set as a condition by creditors, has both by its purpose and its amount brought BiH into a classical situation that is experienced by all poor and underdeveloped countries: the total economic and political dependency on international financial institutions.

2 ■ Support for transition in BiH

2.1. Defining new support for transition policy. The problem of transition in BiH is compounded by the fact that this is a transition carried out in post-war circumstances. Attempts to support the transition began with the World Bank Priority Reconstruction Programme (PRP) and have continued ever since, based on the PRP criteria, and including also a series of other activities (monetary sector and the Central Bank, technical assistance, etc.). The transition process in BiH has enjoyed international financial support, which was not the case in other countries at the beginning of their transition. This support for the transition process could be much more efficient, however, and the transition itself quicker and more successful, if support policies were adapted to the specific post-war conditions in BiH and took account of the general experience in transition made elsewhere. Specifically, it is necessary to support a policy that focuses the transition goals on the following:

- Support for economic recovery and restructuring. The existing situation is characterised by a market functioning within the context of an economic structure built under non-market conditions, resulting in a reduction in economic efficiency. This good academic response does not solve the accumulated social problems and poverty, and it is a poor consolation for the unemployed that the market will over time restructure the economy. Hence it is necessary to develop a policy of international development that supports, for instance, SMEs or the restructuring of certain public companies without waiting for their privatisation. Such funds are much more rationally invested than funds "lost" in advance through credits approved for budgets or writing off of debts, when a social explosion is looming.
- Support for technological and research development
- At the very beginning of the transition process, a policy should be developed to prevent the emergence of a grey economy that will not just suppress the informal sector but also stimulate the official economy.
- Criteria and conditions imposed on the local authorities by donors of external support – especially the World Bank and the IMF – should be much more sophisticated and consistent.

- Full support for the development of local capacities should from the very beginning be a basis for the international assistance policies. Partners in the implementation of support projects should be local organisations and non-governmental, governmental, and other public institutions at the local and state levels. They can be made operational swiftly and efficiently, especially in countries like BiH, where there is a tradition of local institutions and developed human resources.

2.3. The countries of SEE see their future within the European Union and in various interim stages of European integration. This certainly is a long process. In the meantime, there is a need and an opportunity for establishing regional links, which could relatively quickly provide for a regional articulation of participation in globalisation, accelerating in all these countries the process of accession to the European Union. The Stability Pact could also stimulate this process if it changes its approach and support for the countries in the region. Such a change should above all include the following:

2.3.1. Establishment of a single economic space in SEE, that is, creation of a regional economic association.

2.3.2. Policies of support for the region in the framework of the Stability Pact should be focused on the process of creating a regional economic association.

2.3.3. While the process of accession to the European Union may have a specific dynamics for particular countries, it should certainly increase their individual potential to meet the European Union criteria. Therefore, arrangements and policies implemented in the framework of regional links should be in line with the concept and criteria of the European Union.¹⁵⁹

2.3.4. It is necessary to develop a regional "globalisation" of civil and democratic initiatives, striving towards a regionalisation of the open society. The similarities of these countries make this not only a realistic option but also relatively easy to implement.

2.3.5. A systematic use of experiences, good and bad, of international support policies in BiH in the development of new SEE Stability Pact policies. This includes above all the development of policies and policy aims in full partnership with national authorities, civil society, and the private sector; the development of complementary support policies for economic and social sectors; a focus on the

¹⁵⁹ In the context of accession to the EU, it is very interesting to consult ESI "Western Balkans 2004 – Assistance, cohesion and the new boundaries of Europe", Berlin/Brussels/Sarajevo, 3. November 2002, as well as "The Road to Thessalonica: Cohesion and the Western Balkans" ESI, Berlin 12 March 2003

fight against poverty; and a specific orientation of policies in all sectors towards sustainability, including policies aiming to prevent dependency on foreign aid.

3 Sustainable policies for BiH's foreign economic relations

3.1. Reduction of the trade deficit and creation of a common economic space in SEE

BiH's current economic condition is characterised by weak economic indicators, the negative restructuring of the economy, and its dependency on foreign aid and the "internal" policies of international organisations. A way out of this vicious circle is to fully articulate domestic policies for industrial development and foreign trade based on the BiH Development Strategy (PRSP). The reasons for BiH's enormous trade deficit have already been discussed in previous sections, which allows us to outline ways for its reduction along two main directions:

3.1.1. First, partially protecting domestic production through tariff and non-tariff barriers (contingents) for the import of foreign goods within the limits set by the WTO.

While the countries of this world use a bewildering array of strategies to protect their domestic production (the best example being the European Union), BiH has been prevented from doing so by the policy of the "internal" international community. A policy to protect domestic production could offer a respite for the national economy and provide the time required to restructure and become competitive. A ban on the export of certain products should also be considered, primarily for raw materials and semi-finished products. A good example is the export of unprocessed lumber: an existing export ban was lifted two years ago, resulting in an enormous increase of non-quality exports at low prices, at the same time jeopardizing the business operations of the lumber industry in BiH. Instead of exporting unprocessed lumber and thus providing cheap raw material for Slovenian, Italian, and German furniture manufacturers, such a measure would significantly boost the position of the BiH wood-processing industry and would probably result in an increase of direct foreign investment in the sector since it would force Western manufacturers to transfer their processing capacities to BiH.

3.1.2. Second, strengthening the competitiveness and export capacities of BiH companies, which in the long run represents the only good policy.

The process of enhancing competitiveness has been very slow due to the lack of an adequate economic environment and the absence of the financial, organisational, and logistical support needed for a successful breakthrough of BiH companies in foreign markets. The BiH diplomatic-consular network has not been put to function in favour of BiH's economic promotion, while the export chamber has only just made its first steps. In addition, the country itself has made very little effort to stimulate exports through various direct or indirect measures or by granting subsidies and various types of privileges for exporting companies or firms with export potential.

3.1.3. BiH should seek its chance to reduce the trade deficit primarily in the markets of SEE, but without neglecting other markets such as the Middle East, the Far East, and the countries of the former USSR, where BiH goods, given lower market value criteria, objectively have less competition and could therefore succeed.

Naturally, the establishment of a single economic space in SEE would be of vital importance for BiH. It would enable it to have a domestic market of 60 rather than 3.8 million people, which would also raise BiH's attractiveness for direct foreign investment.

3.2. Reprogramming of foreign debt service: debt reduction, accumulation of development debt, reinvestment of foreign debt in the social sector

3.2.1. BiH's external debt is high and represents one of the chief obstacles to a more successful development of the country. Its main creditors are international financial institutions, a situation that has put the country in direct political and economic dependency. The underlying reason should primarily be sought in an indiscriminate debt accumulation that aimed only at obtaining funds while failing to take account of the effects of debt and also neglected the self-sustainability of fund utilisation.¹⁶⁰

3.2.2. Most credits BiH received in the post-war period were intended for projects designed by international financial institutions in line with credit arrangements approved for other transition countries rather than according to the real needs of the BiH

¹⁶⁰ Privatisation (the "big" one) was considerably delayed, state companies ruined, unemployment on the rise, as were the social costs of transition. The financial effects of the future privatisation of bankrupt companies will be too small to set off the increased social costs, the balancing of the budget or any development incentives – all this because of a doctrinaire approach to transition and a failure to grasp the specific post-war circumstances of BiH.

economy. The fact is that BiH has not received any loans for the development of, for instance, agriculture or the food-processing industry, or in order to create funds for business start-ups or for social transition. To make things worse, there is an ever-expanding practice of linking credit accumulation to meeting doctrinaire transition criteria, above all regarding privatisation.¹⁶¹

3.2.3. The economic situation, the balance of payment, and BiH's external debt service payments have brought the country in a situation where it can no longer afford to accumulate any new debt merely because it has been offered favourable arrangements. BiH's further debt accumulation should only take place in the direct and exclusive function of its economic development; its effects on the economy and the possibility for repayment should be precisely calculated; and foreign investment must become the primary source of fresh capital inflows.

3.3. Accelerating reforms and mechanisms to mitigate social effects of transition

3.3.1. Economic and social reforms in BiH have proceeded at an unacceptably slow pace, and the order and priorities of implementation are illogical and in good part dictated by international factors. In that process, actors on the domestic political scene have been stripped of their ownership and reduced to executors and implementers instead of being the driving force behind reform and social transformation. Such a situation suits the BiH authorities perfectly since it enables them to hide behind the international community when it comes to the implementation or non-implementation of reforms, while the representatives of the international community have all the power but bear no responsibility for the situation in the country. It goes without saying that BiH cannot afford to remain at the bottom with regards to the transition process; at the same time, it is not clear that an acceleration of reform can ensure BiH's self-sustainability given its complex political, economic, and social situation – especially if reform continues to be based on the present criteria which are doctrinaire and without regard for local specificities, part of a haphazard and inconsistent "shock therapy" programme.

In all this, it is of particular importance to bear in mind the social aspects and costs of transition.

3.3.2. The expansion of the grey economy is primarily a consequence of three factors:

- Complicated and expensive procedures and the significant cost of legal business operations;
- The unwillingness of state authorities to comprehensively tackle the problem, primarily for fear of provoking a social reaction;

- The slowness and inertia of BiH's judiciary in resolving cases from the domain of the economy. It is incomprehensible that BiH is the only country in the region that has no special courts or departments to deal exclusively with economic disputes.

The example of tax reform and labour inspection reform in RS has shown the approaches and policies to be used in the transition from a grey economy to an official one. This primarily includes a strategy that will on the one hand discourage grey labour through the reduction of tax rates and fiscal duties while intensifying the work of competent authorities in the field of market, financial, and labour controls. An attempt must also be made to remove bureaucratic barriers to the business operations of economic subjects. Such an approach can produce the desired results only if it is accompanied by a reform of the judicial system in the domain of economic law and labour law, which would be reflected on the one hand in a specialisation and on the other in a drastic change of procedural laws regulating this matter, primarily with regard to shortening the time needed to reach and enforce a court decision.

4. The economy of accelerated development

4.1. The approach of international institutions – notably the financial institutions – to the economic development of BiH has been based primarily on restrictive economic policies with the basic goal of indiscriminately restricting budget expenditure, curbing inflation, and above all allowing the servicing of foreign debts while neglecting or discounting the need for a dynamic development of the country's economy.¹⁶² The economic system of BiH may have been stabilised through the total exposure of domestic production to foreign competition; the inability to conduct an active monetary policy in the service of development; the promotion of political system reform to the detriment of economic reform; the lack of an

¹⁶¹ From the Priority Reconstruction Programme launched in 1996 and coordinated by the World Bank, and funds collected at donor conferences (\$5.1 billion), only 2.3% out of the \$4 billion of total invested funds had actually been invested in the industrial sector by 1999. The reason for this is that one of the criteria was to provide support for privatised companies only. ICG, "Why will no one invest in Bosnia-Herzegovina", Report No 64, 21 April 1999.

¹⁶² "Although the monetary position of BiH is stable, other key macroeconomic indicators plunged alarmingly in the previous year, while great development opportunities were missed... A short-sighted credit policy focused on using BiH money-hungry consumers to the benefit of foreign investors, and eventually, foreign products." UNDP, "Early Warning System, BiH 2002" p. 35.

economic development strategy; and preventing the State and the entities to encourage the development of particular sectors and branches through the provision of development funds. However, these policies have also rendered some economic sectors and industries uncompetitive and unattractive for investment.

Against the contraction of the economic system, in which only 20% of economic subjects operate successfully and efficiently while others are facing bankruptcy or liquidation, the trends in trade and the balance of payment, as well as the degree of the country's debt accumulation together with ever-increasing problems in the social sphere, BiH is approaching the realistic possibility of an economic and social crisis. Policies based exclusively on the stabilisation of macroeconomic aggregates and the negligence of development aspects are part of that problem. It therefore seems that the choice between a stable economy at a level that is insufficient to cover the basic needs of society and the population, and accelerated economic development, is but a false dilemma. Only an active development policy that sacrifices some of the advantages of a stable system may achieve the economic survival of BiH and launch processes that will lead to sustainability.

CHAPTER XI

MDGs AND MONITORING OF THEIR IMPLEMENTATION

1. Methodological notes

1.1. Regarding the MDG achievement, BiH finds itself in a very specific situation: a country recovering from a war with enormous material and human losses, whose level of economic development in 2002 is only 50% of the level reported in the pre-war period. For that reason, some MDGs have been reformulated and adapted to BiH in the text below; additional MDG targets and indicators are also proposed.

1.2. At the same time, in certain sectors, given the developed infrastructure (education and health care in particular), MDG indicators match or exceed European standards. However, there is no substance or quality standing that would correspond to this picture. This is why, independent of the good indicators, we have developed recommendations to add real content to each concrete indicator. For the same reason, in addition to the 40 MDG universal indicators, we have developed indicators of specific significance for BiH for each MDG goal.

1.3. The most recent census in BiH was conducted before the war (1991), but because of the changes that took place as a consequence of war, it cannot serve as a statistical basis for calculating anything at all. On the other hand, statistical activities in BiH Entities are not sufficiently co-ordinated, so that many data are missing or are not aggregated for the country as a whole. Data provided by international organisations operating in BiH often diverge significantly. Different methods applied by domestic and international statistical monitoring agencies considerably complicate the issue of data reliability. This is why in the following chapter with MDG indicators, we often use several types of data obtained from different sources in order to achieve greater reliability in assessing the situation in a particular segment. It is therefore necessary to begin preparations for and conduct a population census in BiH.

1.4. The insufficient reliability of statistical indicators poses a special problem in attempting to plan the achievement of the MDGs by periods in medium-term phases. With all these restraints, the projections for progress in achieving the MDGs are given for the periods 2000/2001-2007, 2007-2010, and 2010-2015. Thus,

projections of the MDG indicators are given for the years 2007, 2010, and 2015. In methodological terms, it is important to note that 2007 was defined as the year by which the PRSP/BiH Development Strategy should be implemented, which is certainly very important for monitoring the MDG indicators. The other periods for projections of the MDG indicators, i.e. of their implementation, have been defined as medium-term periods.

1.5. It is important to mention that all 8 MDGs and their implementation are important for BiH. The analysis from the above chapters provides arguments in support of the evaluation that the following MDGs are a priority for BiH: poverty and hunger reduction (goal I), improvement of gender equality and empowerment of women (goal III) and development of a global partnership for development (goal VIII). In essence, recommendations for MDG achievement have been provided throughout the previous chapters. Their implementation is a precondition for the following projections.

2. MDGs in BiH for the year 2015 and recommendations for their achievement

Goal I: Eradicate extreme poverty and hunger

In order to achieve this goal, the following measures were defined: Target 1. Halve, by 2015, the proportion of people whose income is less than one dollar a day, and Target 2. Halve, by 2015, the proportion of people who suffer from hunger.

Statistical research (Living Standards Measurement Study/LSMS) has shown that extreme poverty and hunger did not exist in BiH in 2001. The risks of extreme poverty were pointed out in Chapter III.

The goal for 2015 in BiH, the prevention of poverty and hunger, can be reformulated as follows: to reduce general poverty to the EU average in 2015.

Taking the proportion of the population below the general poverty line as a relevant BiH indicator, the implementation schedule for this goal can be projected as follows (target 1). The universal indicators are marked with numbers 1-48. Also given are additional, BiH-specific indicators. In addition to the indicators, the sources for the baseline years are provided.

The projection for 2007 is optimistic. Given the deterioration of business conditions in the BiH market (receivership of a large number of companies, large-scale privatisation, reduction in international assistance, etc.), at least a temporary increase in the proportion of

the population below the general poverty line can be expected in the years to come. On the other hand, at the end of this three-year period it is possible to expect positive effects of the reforms that would make it possible to achieve the indicator in 2007.

In order to achieve this goal, we recommend a macroeconomic policy of accelerated economic development instead of focusing on a stabilisation policy. We also recommend reforms in all sectors, especially with regard to employment and social protection, i.e. protecting vulnerable groups from the negative effects of macro-economic and sectoral reform (see Chapter III).

Situation	Projections		
1. 2001/2002 ¹⁶³	2007	2010	2015
20%	17%	12%	EU countries' average ¹⁶⁴

Indicators for this target and for target 2 can be projected as follows:

Indicator	Source	2001	2007	2010	2015
2. Poverty gap	LSMS, WB BiH Poverty Assessment 2003	4.6%			
3. Share of the poorest fifth in national expenditure	LSMS, WB BiH Poverty Assessment 2003	9.6%			
4. Malnourishment of children below 5 years	UN Statistics Division, UNICEF	4% (2000)			
5. People below daily energy needs (malnourishment)	UN Statistics Division, FAO	200,000 (1998)			

Additional indicators for BiH:

		2001	2007	2010	2015
Gini index/quotient	HDR/MDG Report	0.26	0.25	0.24	0.20
Share of the richest fifth in income	LSMS	35.8%	38%	40%	42%
Unemployment rate	LSMSHDR/MDG Report	16.4% actual	15%	10%	7%
		28.1% immediate	25%	17%	12%
		43.6% broader	37%	25%	18%
Share of informal sector in total employment	LSMS	33.28%			

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MDGs AND MONITORING OF THEIR IMPLEMENTATION

Aspect	Indicator	2001	Projection		
			2007	2010	2015
Transparency	Perception of presence of corruption	almost 100%	around 75%	almost 60%	below 50%
	Perception of how widespread corruption is	around 55%	around 35%	around 30%	around 25%
Efficiency	Share of public expenditure in GDP	63.9%	around 48%	around 45%	below 40%
	Perception of presence of corruption	around 40%	around 35%	around 30%	below 25%
		almost 100%	around 75%	almost 60%	below 50%
Participation	Perception of how widespread corruption is	around 55%	around 35%	around 30%	around 25%

The BiH Development Strategy/PRSP has defined specific reform directions in this regard.

Promoting good governance

This area is critical for poverty reduction, notably for advancing specific factors contributing to poverty reduction such as the creation of a transparent business environment, radical reduction of corruption, reduction and streamlining of public expenditure, etc.

Bearing in mind the recommendations given in Chapter IV and their implementation, specifically those regarding public administration reform and civil servant training in accordance with the document "Public Administration Reform"¹⁶⁵, the following projection of specific indicators for BiH can be given:

Goal II: Achieve universal primary education

BiH is already very close to achieving Target 3. To ensure that, by 2015, children everywhere, boys and girls alike, will be able to complete a full course of primary schooling. This is why the goal of achieving universal primary education by 2015 is very realistic.

In the BiH context, however, poverty and the lack of secondary school education are closely inter-related. As we have seen, around 60% of the poor live in households in which the head of household has only primary school education. The quality of education is also very important and should be included in the MDG targets. Special indicators for education quality should also be developed.

In view of the above, task 3 could be reformulated for BiH to read as follows:

Insure that by 2015 all children, regardless of place of residence or gender, complete a quality primary education and come close to the successful completion of a secondary school education.

The following schedule for the achievement of universal primary and secondary education can be projected:

¹⁶³ Source; UNDP, DFID, WB, LSMS. "Living Standards Measurement Survey in BiH", publication of ASBiH, FZSBiH and RZSRs; WB Report No 25343-BiH in preparation ("BiH Poverty Assessment").

¹⁶⁴ This also presupposes that the methodologies used to calculate the general poverty line are the same as in the EU. The estimates for previous years also take into account the methodology used for the LSMS.

¹⁶⁵ See "Public Administration Reform: Our Programme", the Steering Board of the Peace Implementation Council, Brussels, 28 March 2003, *ibidem*.

6. Situation/primary ¹⁶⁶	Projections		
2000/2001	2007	2010	2015
94-97%	95%	98%	100%

7. Situation/secondary ¹⁶⁷	Projections		
2000/2001	2007	2010	2015
72.6%	75%	79%	85%

The following are MDG projections for indicators 7 and 8 as well as additional indicators for BiH.

Indicator	Source	2001	2007	2010	2015
7. Percentage of students reaching 5th grade	BH Common Country Study Development Indicators, Final Draft, 2002	99.0% 97.9% m98.2% f	99%	99%	100%
8. Literacy rate for age group 15-24 years	BH Common Country Study Development Indicators, Final Draft, 2002	99.6% 99.6% m 99.7% f	99%	99%	100%

Indicator	Source	2001	2007	2010	2015
Higher education enrolment rate	BiH NHDR 2002 estimate	19.8%	25%	30%	35%
	BiH from Aid Dependency to Fiscal Self-Reliance, ECSPE, 2002	24.2%			
	LSMS	23.0%			
Percentage of children attending pre-school	HDR/MDG ReportBiH from Aid Dependency to Fiscal Self-Reliance, ECSPE, 2002	4.3%	12%	25%	25%
GDP percentage for education	NHDR MDG Report	5.2%	6.0%	7.5%	7.5%
	BiH from Aid Dependency to Fiscal Self-Reliance, ECSPE, 2002	6.0%			
Literacy rate for population above 15 years	BiH NHDR 2002, estimate	85.9%	90%	95%	99%
	LSMS	88.9%			

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The following section will provide a detailed projection of the dynamics of gender equality in primary education.

Keeping the same high percentage of universal primary education for 2007 in the above table is a result of the observed tendency of a decrease – albeit small – in school enrolment, which is in the first place a consequences of economic instability and poverty. Halting this tendency and reversing it will constitute an important result.

However, it is more important for BiH to improve the quality of education, in addition to the recommendations given in Chapter IX.

Goal III: Promote gender equality and the empowerment of women

Target 4. Eliminate gender disparity in primary and secondary education, preferably by 2005, and in all other levels of education by no later than 2015. This is realistic, especially when it comes to full gender equality in the entire education system by 2015.

In the BiH context, equal access to education is not a specific

indicator of gender equality. The problem of gender inequality is reflected much more in the lack of access of women to economic resources and political decision-making and a high level of violence against women. This is why a revision of the MDG targets may be suggested for BiH. The following should be added to the already mentioned task 4:

- increased participation of women in the economy (labour force, highly paid and executive positions, etc.);
- increased participation of women in politics and decision-making;
- reduced level of domestic violence against women and other forms of gender-based violence.

With this in mind, we developed indicators that are important for BiH, in addition to the universal indicators 10-12.

Target projections are defined as follows:

¹⁶⁶ Source BiH NHDR 2002

¹⁶⁷ Source "BiH from Aid Dependency to Fiscal Self-Reliance", ECSPE, 2002

¹⁶⁸ Source: LSMS Final Report, 2003

Male/female ratio in %	Situation		Projections		
	2000	2001 ¹⁶⁸	2007	2010	2015
In primary education	98 :96	98.5 : 99.2	98.8 : 99.5	99.1 : 99.5	100 : 100
In secondary education	56.3 :57.5	67.2 : 69.2	73 : 76	78 : 80	80 : 84
In higher education	18.4 : 21.3	18.4 : 29.6	20 : 29	24 : 32	28 : 40

Indicator	Source	2000/2001	2007	2010	2015
10. Literacy ratio for men and women 15-24 years of age	BH Common Country Study Development Indicators, Final Draft, 2002	1,001/99.7 : 99.6/	1,001	1,000	1,000
11. Share of women in paid non-agricultural employment	FZS BiH, RZS RS, March 2001, calculation by MDG team	39.2%	40%	42%	45%
12. percentage of women representatives in the state parliament	CEDAW, Art. 7, participation of women in political and public life	14.3%	16%	20%	25%

Indicator 9: The ratio of males and females at all three educational levels

Therefore, in order to achieve and consolidate gender equality, it is necessary to implement the recommendations for a holistic approach to attaining gender equality in BiH, and the policies to achieve that goal, in chapter VI.

Goal IV: Reduce child mortality

Goal V: Improve maternal health

Goal VI: Combat HIV/AIDS, malaria and other diseases

Targets related to these goals have either been already achieved or can realistically be achieved.

Target 5 refers to reducing by 2/3 the under-five mortality rate and Target 6 reducing by 3/4 the maternal mortality ratio by 2015. One must bear in mind that the current indicators for these targets are very close to European standards, and that they will have to be compared to the average EU indicators as an additional indicator in the final assessment of their achievement in 2015.

Target 7; Stopping HIV/AIDS by 2015 and starting to combat the spread of this disease is feasible in BiH, especially because the problem is less acute than in developed European countries. Independently from that, we suggest an additional indicator, the HIV/AIDS and prevention awareness among youth, and development of the data by 2004.

With regard to Target 8. Starting to eradicate malaria and other main diseases, it should be noted that malaria has already been eliminated in BiH, and that other contagious diseases have long been eliminated. An exception is the recurrence of tuberculosis (consequences of war and poverty), the monitoring of which we included in the specific BiH indicators.

In light of the above, the implementation schedule for these targets is indicated in the following table:

¹⁶⁹ Source BiH Common Country Study, Development Indicators, Final Report, 2002

¹⁷⁰ Source ZZJZ FBiH, Fond ZZRS

¹⁷¹ Mortality statistics to be developed

Additional indicators for BiH:

Indicator	Source	2000/2001	2007	2010	2015
Rate of registered unemployment of women	FZS BiH, RZS RS, March 2001, calculation in HDR/MDG Report	45.8%	44%	42%	40%
Rate of employed women (in overall female population)	BiH HDR 2002, estimate	11.9 %	13%	16%	20%
Rate of economically active women (share of women among employed persons)	BiH HDR 2002, estimate	37.2%	38%	39%	40%
Percentage of women in executive authorities	CEDAW, Art. 7, participation of women in political and public life	2.38%	4%	6%	9%
Literacy ratio for men and women above 15 years of age	BiH HDR 2002, estimate	78.8%	85%	90%	97%
	LSMS	94.1% 82.3 : 96	96.8%	98%	100%

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Indicator	Source	Situation	Projections			
		2001	2007	2010	2015	
13.Mortality of children under 5 per 1,000 ¹⁶⁹		10.3‰	9.3‰	8.0‰	7.0‰	
14. Infant mortality (under one year of age) per thousand	UN Statistics Division, WDI 2002	13-15	7.0	6.5	5.0	
	ZZJZ FBiH,Fond ZZ RS,ZSFBiH	11.2 (2000) 8.5 (2001)				
	ASBiH, Bulletin 2/2003	9.7 (2000)7.6 (2001)8.51f /10.78m				
15. Percentage of children under one year of age immunized against smallpox	UN Statistics Division, UNICEF, ZZJZ FBiH, Fond ZZ RS	83%80.74-95.06%	98%	100%	100%	

Additional indicators for BiH:

Indicator	Source	2000/2001	2007	2010	2015
Percentage of newborns weighing 2,500 gram or less	ZZJZ FBiH, Fond ZZ RS, ZSFBiH	4%	3%	2%	1%
Percentage of breastfeeding children under 6 months	ZZJZ FBiH, Fond ZZ RS, ZSFBiH	2.1%	5%	10%	15%

For target 6 (indicators 16 – 17):

Indicator	Source	Situation	Projections			
		2001	2007	2010	2015	
16. Maternal deaths (per 100,000 live-born children)	UN Statistics Division, BiH Common Country Study Development Indicators, Final Draft, 2002	5.05 ¹⁷⁰ (estimate)15 (1995)	4 ¹⁷¹	3	2.5	
17. Percentage of assisted deliveries	UN Statistics Division	100%	100%	100%	100%	

Additional indicators for BiH:

Indicator	Source	2000/2001	2007	2010	2015
Fertility rate (number of live-born children per woman)	ASBiH, Bulletin 3/2003	1.3 (2000)1.4 (2001)	1.5	1.6	1.7
Birthrate per thousand	ASBiH, Bulletin 3/2003	10.5 (2000)9.9 (2001)	11.5	12.5	13.5
Mortality per thousand	ASBiH, Bulletin 3/2003	8.1 (2000)8.0 (2001)	7.8	7.1	6.5
Natural growth rate per thousand	ASBiH, Bulletin 3/2003	2.4 (2000)1.9 (2001)	3.7	5.4	7.0
Life expectancy in years	BiH NHDR, 2002WDI 2002	73.3 (1995-2000)73 (76f/71m)	73.5	73.8	74.0

For target 7 (indicators 18-20):

		2001	2007	2010	2015
18. HIV prevalence in pregnant women aged 15-24	WHO, ZZJZ FBiH, ZZZ RS	n/a	¹⁷²	n/a	n/a
19. prevalence of contraception	WHOBiH Common Country Study Development Indicators, Final Draft, 2002	49% (2001)47.5% (2000)	55%	60%	65%
20. Number of children with HIV/AIDS	ZZJZ FBiH, Fond ZZ RS, ZSFBiH	n/a	¹⁷³	n/a	n/a
Adults with AIDS, number of new AIDS cases	WDI 2002HDR 2001	513	n/a	n/a	n/a
Prevalence of HIV adults	WDI 2002HDR 2001	0.004	0.004	0.004	0.004

For target 8 (indicators 21-24):

		2001	2007	2010	2015
21. Cases and rate of mortality from malaria	WHO	0	0	0	0
22. Proportion of people in risk zones protected from malaria	WHO	0	0	0	0
23. TBC cases and deaths/100,000	WHO	50 cases4 deaths	403	300	200
24. TBC cases detected and treated under DOTS/100,000	WHO	90	n/a	n/a	n/a

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Additional indicators for BiH:

Indicator	Source	2001	2007	2010	2015
Registered drug addicts	ZZJZ FBiH, ZZZ RS	n/a	¹⁷⁴	n/a	n/a
Viral hepatitis cases	WHO, ZZJZ FBiH, ZZZ RS	n/a	¹⁷⁵	n/a	n/a
Percentage of GDP for health	HDR/MDG Report	5.5% (2000) 4.8% (2001)	7%	7.5%	8%
	BiH from Aid Dependency to Fiscal Self-Reliance, ECSPE, 2002	7.3% (2000)			
Percentage of insured citizens	ZZJZ FBiH, ZZZ RS	78% (2001)	85%	95%	100%
Number of physicians per 1,000 population	ZZJZ FBiH, ZZZ RS	1.3 (2000) 1.5 (2001)	1.5	1.7	1.7
Number of hospital beds per 1,000 population	ZZJZ FBiH, ZZZ RS	3.7 (2000) 3.2 (2001)	3.2	3.2	3.2

For the implementation of Target 5, 1990 is taken as the baseline year and the implementation of the target itself is planned for the period 1990-2015.

Therefore, we should keep in mind that in 1991 the mortality for children under 5 was 14.5‰ and that a considerable reduction has been achieved. We should also keep in mind that the target to reduce child mortality by two thirds is focused on countries where this mortality is significantly higher than in Europe. In 1991, the European average of child mortality under 5 was 9.3‰. Given that it is objectively not possible to eliminate child mortality under 5, the projected reduction in the mortality to 7.0‰ in 2015 for BiH is in accordance with EU standards.

The situation is similar with Target 6. The maternal death rate per 100,000 liveborn for 1995 was estimated at 15 (UN Statistical Division), and the 5.05 estimate for 2001 is given in the UNDP BiH Common Country Study development indicators (2002). Therefore, the projected indicator for 2015 would mean the full implementation of this target. It is equally important to establish regular maternal statistics by 2007.

However, such favourable indicators are accompanied by the lack of an efficient, high quality health care system. This is why reforms based on the recommendations from Chapter VII are necessary.

Goal VII: Ensure environmental sustainability

Target 9 for the achievement of this goal, Integrate the principles of sustainable development into country policies and programmes and reverse the loss of environmental resources, has only begun to be implemented in BiH (see Chapter VIII). Target 10. Halve the part of the population without steady access to potable water, can realistically be achieved, given that a significant percentage of the population already have steady access to potable water. The achievement of Target 11, making significant progress in reducing the proportion of the population in households with non-hygienic conditions, is feasible, especially bearing in mind the essentially good situation in that regard.

Mines are a special problem related to the protection of the environment and sustainable development. This is why we suggest that the reduction of the number of minefields and mine-related accidents be included in the MDG targets. We also suggest that the number of minefields, de-mined infrastructure and mine-related incidents/accidents be included as indicators.

¹⁷² Data to be established

¹⁷³ Data to be established

¹⁷⁴ Data to be established

¹⁷⁵ Data to be established

The implementation of these targets can be projected as follows:

	Situation	Projections		
	2000/2001	2007	2010	2015
Target 9	only at the beginning	fully integrated principles of sustainable development and policy	same	same
Target 10 / indicator 29	53%	58%	62%	67%

The indicators are projected as follows:

Indicator	Source	Situation	Projections		
		2001	2007	2010	2015
25. percentage of forested land	WDI 2002, WRI	44.6%	52%	50%	51%
	HDR/MDG Report	55.6%			
26. % of land protected to maintain biodiversity	WDI 2002, WRI	0.5%	1.5%	3.0%	6.0%
27. GDP by unit of energy consumed (indication of economic efficiency), in US\$	Based on WDI 2002, calculation in HDR/MDG Report	47.5	40	30	25
28. carbon dioxide emission/pc (1,000 kg)	HDR/MDG Report	3.2	3.5	4.0	5.0

For target 11, indicators 30 and 31 are projected as follows:

Indicator	Source	Situation	Projections		
		2001	2007	2010	2015
30. percentage of population with access to hygiene/percentage of households with sewage	HDR/MDG Report	33%	36%	38%	40%
31. percentage of population with access to property	WB BiH Poverty Assessment 2003 (derived assessment by HDR/MDG team)	Around 71%	75%	85%	90%

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Additional indicators for BiH:

Indicator	Source	2001	2007	2010	2015
Power consumption/pc (kwh/pc)	WDI 2002	540	1050	2000	2500
Percentage of de-mined fields	HDR/MDG Report	5%	20%	40%	80%
	HDR/MDG ReportBiH Common Country Study Development Indicators, Final Draft, 2002	6.12%			

In order to achieve the previous goal and meet the targets, it is necessary to develop policy activities along the lines given in chapter VII.

Goal VIII: Develop a global partnership for development

For the achievement of this goal the following targets are defined;
Target 12: Further develop an open, rules-based, predictable, and non discriminative trading and financial system

Target 13: Address the special needs of the least developed countries, including tariff and quota free access for the least developed countries' exports, an enhanced program of debt relief HIPC's and the cancellation of official bilateral debt, and a more generous ODA for countries committed to poverty reduction
Target 14: Address the special needs of landlocked and small island developing states

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

Target 16: In co-operation with developing countries, develop and implement strategies for decent and productive work for youth.

Target 17: In co-operation with pharmaceutical companies, provide access to affordable essential drugs in developing countries.

Target 18; In co-operation with the private sector, make available the benefits of new technologies, especially information and communications.

1.1 Targets 12-18 are of particular importance for BiH.

Recommendations for policies of economic and social reform that will enable BiH to reach these targets are given in more detail in Chapters III, IV and X, while the basic policies are also outlined in the BiH Development Strategy/PRSP.

1.2 The basic synthetic target for BiH society, and a prerequisite for achieving this goal and targets 12 through 18, is to adopt policies

leading towards economic and social sustainability, political democratisation, and the country's emergence from the current state of political, economic, and social dependency.

An important part of that exercise is the development of civil society, democratisation, and human rights (see the recommendations given in Chapter V). Those policies require changes for both domestic and international bodies, changes aimed at partnership and domestic ownership of one's own destiny. In that context and with those preconditions in place, BiH by 2015 will certainly have transitioned from being a recipient of large international support for its post-war reconstruction and recovery to being a recipient of development assistance and an active actor and participant in the global partnership for peace.

The EU accession process and the adoption of European standards in all areas should allow BiH to officially join the EU before 2015. Very important for BiH in this context is the process of stabilisation and association with the EU, more precisely the full implementation of the EU Road Map adopted in 2000 with 18 target conditions which BiH needs to meet in order to embark on the production of a feasibility study and start the negotiations on stabilisation and association. Despite the fact that the Road Map conditions have been met in terms of the laws passed and the EC's confirmation in 2000 that the Road Map had been "largely" fulfilled, the level of their implementation is very low. The feasibility study, work on which started in March 2003, will constitute a contribution in this regard and also in terms of accelerating reforms.

1.3 As has been pointed out, BiH has received sizeable assistance through international support programmes for reconstruction as well as through the development assistance (ODA) that is common for developing countries. Given the approaching end of reconstruction support, international assistance is focused on development aid.

The development assistance since 1996 to date (completed and ongoing projects) from bilateral donors and international organisations was \$ 4,906,510,885.¹⁷⁶ This amount does not refer to financial support for reconstruction programs, nor to humanitarian assistance.

Reviews of the planned development assistance over the next three to five years show that it will decrease considerably in a measure that is very difficult to quantify. It is, however, of great importance to project the share of ODA in GDP. The PRSP/BiH Development Strategy (second consultation document, May 2003) predicts the real GDP (1997 prices, estimates) to grow from KM 9.070bn in 2000 to KM 12.714bn in 2007, which represents an average annual growth rate of around 5%. We took this GDP growth rate as the basis for projections until 2015; the calculation of the GDP in US\$ was made based on the 2000 exchange rate (US\$ 1 = KM 2.189).

Table: GDP and ODA (indicator 34)

	Situation	Projections		
	2000	2007	2010	2015
ODA in US\$ m	699	218	200	180
ODA as % of GDP	16.8	3.8	3.5	3.0

1.4 The estimates of the fluctuations of both the trade deficit and foreign debt are also very important.

We operate on the assumption that by 2007, imports will stagnate while exports will be growing at an annual rate higher than 15%; that in the period 2007-2010, imports will be decreasing by 3% annually and exports growing at an annual rate of 7%; and that in the period 2010-2015, imports will be stagnating and exports growing 7% per year.

Based on this, the following projections can be made:

Table: Exports and imports

	Situation	Projections		
	2002	2007	2010	2015
Exports in KM m	2,099	2,950	3,460	4,400
Imports in KM m	8,168	8,000	7,080	7,000
Import/export %	25.7	36.8	49	63

Thus, the trade deficit would be halved by 2015.

The foreign debt and the related projections for the same period were estimated on the basis of data from the BiH Ministry of Finance and Treasury.

Table: Foreign debt and GDP

	Situation	Projections		
	2001	2007	2010	2015
Trade deficit in KM m	5,702	4,500	4,700	4,900
Foreign debt/GDP in %	54.41	31.5	30	25

It is very difficult to estimate the foreign debt share in the GDP. These estimates are therefore subject to subsequent verification.

2 From international support policies to development assistance

2.1. Proceeding from the fact that the MDGs relating to poverty and gender equality, as well as international development assistance, are a priority and given the objectively poor economic situation, especially in foreign economic relations (trade deficits and foreign debt), we believe that the advancement of development assistance and its efficiency are of critical importance for BiH.

In light of the analysis of weak points and proposed solutions to problems presented in the preceding chapter, we consider crucial that a partnership be developed between local players and international organisations and donors in defining policies and projects in the area of international development assistance. This is a precondition for the transition from reconstruction support to development assistance, and above all a precondition for significantly enhancing the efficiency of development assistance. Given the anticipated decrease in international support informing the above projections, this

¹⁷⁶ See UNDP "Research on Bilateral Donor Assistance to BiH", April 2003.

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becomes decisive for achieving the MDGs.

2.2. There are six basic recommendations that are relevant to a new approach in international support policies and their implementation with a view to transitioning to development assistance.

a) International support for economic development should be integrated with support to social revitalisation, ranging from the social sector (health, social welfare, pension system, unemployment, etc.) to education, in order to assist the recovery of social structures such as local communities, local civic organisations, or families. Social revitalisation means much more than mere institution-building or human rights protection or democratisation: it revitalises and builds up a new social environment as a precondition for successful economic recovery and transition. In the case of BiH, this recommendation relates to the following important needs:

b) The implementation of the Peace Agreement, of programmes for economic recovery and support to sustainable development in BiH, and of the Stability Pact programme should be coordinated.

Current attempts to link the implementation of the Peace Agreement to economic recovery have been reduced to meeting political conditions in order to obtain financial support. This approach has deeply politicised the issue by linking these two basic directions of support to the reconstruction of BiH and, in the final analysis, by utilising a simplified method of providing rewards or punishments to policymakers.

Real and deep ties with the Stability Pact, as already noted, have not been established, nor has regional integration been put in the context of accession to the EU.

c) Direct methods of support to defining and implementing a social policy that will alleviate the forthcoming social explosion that threatens the normalisation process.

Without this effort, poverty will produce new or renew old radical and totalitarian ideologies and jeopardise democratisation and stabilisation, not only in BiH but in the entire region. The development of a sustainable social policy in the region also has a preventive effect since poverty is much more of a "powder keg" than the Balkans in a geographic sense. It is necessary to push (i.e. to induce and support) the BiH authorities to assume responsibility for the social situation instead of simply resorting to continuous requests for foreign assistance. Developing a sustainable social policy will assist them in charting a way out of their dependent status.

d) Support for local communities and local self-government as well as organisations at the community level, civic initiatives, and non-governmental organisations at the grass-root level.

e) Mechanisms need to be established to ensure the accountability of international organisations towards BiH citizens. In this process it is important to bear in mind the particularities of the BiH situation, where international organisations – especially those set up specifically for BiH (OHR et. al.) – constitute an internal political and economic factor. Democratic auditing, monitoring, and evaluation of their activities by civil society would be a good start. The transparency of international organisations and their partnership with local executive and legislative authorities should also be institutionally regulated, thus strengthening the responsibilities of both sides for commonly defined policies, with the ultimate aim of transferring full responsibility to local authorities.

f) International cooperation should encourage the equal participation of men and women in public and private life in BiH. Support for gender equality and the empowerment of women should go beyond the passive framework of the existing principles, missions, and mandates, by conducting analyses of gender issues at all levels of assistance planning, implementation, and evaluation. On that basis, a number of initiatives should be pursued:

- Support, with funding and expertise, efforts by the executive authorities to incorporate and respect the principle of gender equality in the framework of the criteria, principles, and values of international cooperation;
- Support projects that increase income generation opportunities for women by increasing the level of female employment and by creating and facilitating women's access to entrepreneurship;
- Promote gender equality in social protection support programmes (unemployment, health, pension insurance) through a new approach, by responding to an increase of non-typical jobs and the changed needs with regard to providing for one's family;
- Advocate the empowerment of women through a new approach to control and mainstreaming of gender perspectives in macroeconomic and social policies.

It was not possible to provide accurate data for universal indicators 32 and 33 (35 and 36 are not relevant for BiH), and for indicators 37-44.

For targets 16, 17, and 18, the following indicators are projected:

Indicator	Source	Situation	Projections		
		2001	2007	2010	2015
45. Unemployment rate of population age 15-24	HDR 2002	34.8%	30%	23%	12%
46. Percentage of population with regular access to medication	HDR/MDG Report, UN Statistics Division	50% (2000) 80-95% (1997)	60%	80%	95%
47. Phone lines per 1,000 population	WDI 2002, WTDR 2001 Transition Report 2003, EBRD	103 (2000) 111 (2001)	150	200	260
48. Personal computers per 1,000 population	Global project: Politics of Science in FBiH, ANUBIH, 2002	30	40	70	120

Additional indicators for BiH:

Indicator	Source	2001	2007	2010	2015
Total debt/GDP in %	BiH Treasury, calculation in MDG Report	65.5 (2000) 54.4 (2001)	31.5%	30%	25%
Total debt/export	Transition Report 2003, EBRD, CBBiH Bulletin 4/2002, calculation in MDG Report	278%	132%	110%	73%
Total debt income	Transition Report 2003, EBRD, CBBiH Bulletin 4/2002, calculation in MDG Report	292%	250%	230%	200%
Export/GDP	Transition Report 2003, EBRD, CBBiH Bulletin 4/2002, calculation in MDG Report	24%	24%	27%	34%
Tax revenue/GDP	BiH From Aid Dependency to Fiscal Self-Reliance, ECSPE, 2002, ASBiH Bulletin 1/2003, calculation in MDG Report	8.4%	12%	14%	15%
Number of internet users per 100 population	UN Statistics Division	1.01 (2000) 1.11 (2001)	4.0	8.0	15.0
Expenditure for research and development as % of GDP	Global project: Politics of Science in FBiH, ANUBIH, 2002	0.05 (2000)	0.4	0.6	1.0
Number of academic papers published in reference journals per 100,000 population	Global project: Politics of Science in FBiH, ANUBIH, 2002	0.61 (2000)	4.8	7.2	11.9

3. MDG implementation and monitoring institutions and instruments

The nature of MDG requires long-term monitoring strategies and an adequate institutional basis, as well as the broadest civil society involvement possible.

3.1. We recommend that statistical institutions, in cooperation with the competent ministries in BiH, be charged with regular statistical monitoring and reporting on MDG indicators, as well as on indicators of importance to the BiH Development Strategy/PRSP.

3.2. We recommend that an institution for development monitoring be established at the BiH level. This body should also initiate and draft relevant macro-economic and macro-social analyses and recommendations for policy implementation, articulate general and sectoral strategies, and engage in expert cooperation with policy makers for international support. The institution in question should be independent and comprised of experts. It would be financed by the Council of Ministers, but would actually be managed independently from any government by a Managing Board comprising representatives of governments, civil society, private sector and trade unions, with the participation of experts in particular areas, if necessary.

Institutions of a similar character should be established in FBiH and RS, in the framework of the competent ministries or separately.

The BiH Development Strategy/PRSP, whose preparation proceeded in conjunction with the preparation of this report, should also be the government's "Action Plan" for MDG implementation by 2007. We recommend that the preparations be launched in time for the BiH Long-Term Development Strategy (2007-2015), which would fully ensure the implementation of the MDGs.

3.3. The role of civil society and relevant recommendations are given in Chapter II. We recommend the creation of a special CSO network for monitoring the MDG and PRSP implementation. It should be financed from domestic sources, as a means of civil society "control" and evaluation of the implementation of adopted policies.

3.4. It is necessary to draft a special Action Plan for these activities by a mixed working group comprising representatives of the governments of BiH, RS, and FBiH and of civil society.

CHAPTER XII

THE POSITION OF BOSNIA AND HERZEGOVINA IN HUMAN DEVELOPMENT AND METHODOLOGY FOR THE BiH HDI AND GDI

1 The position of Bosnia and Herzegovina in human development

The estimated Human Development Index for Bosnia and Herzegovina for 2001 is 0.744 and is higher than the estimated Index for 2000, which is 0.718. The reasons for the differences in the estimated values should be sought among the following:

- It is generally believed that the HDI for 2000 was insufficiently realistic.
- The HDI estimate for 2001 is based on the LSMS¹⁷⁷, which was done in the absence of a population census and includes a whole range of complex socio-economic population changes. In this sense, it can be considered as a much more valid basis for the HDI and GDI calculation than the 1991 population census. The LSMS served as the basis for the estimate of the literacy rate for population over 15 and the enrolment rate in primary, secondary and tertiary education, as well as the gender profile of the population.
- The generated GDP/pc in USD is 9% higher than that of 2000.
- The estimated PPP is higher¹⁷⁸ than in 2000. Many discussions have suggested that the influence of the informal economy in BiH should also be assessed and that, taking into account the quotients of Purchasing Power Parity in the countries of Central and Eastern Europe as well as the CIS countries, the quotient of Purchasing Power Parity in Bosnia and Herzegovina is 3.127.
- We should note here that both for 2000 and 2001 the estimate of the total population of Bosnia and Herzegovina made by BiH Agency for Statistics was used, which must be taken with certain reservations (the actual population is assumed to be smaller, which would affect the value of the derived indicators).

The HDI was arrived at on the basis of the above starting points. Its composition suggests that there has been an increase in the literacy rate (88.9%¹⁷⁹), in the enrolment rate at all three education levels (67.1%¹⁸⁰), as well as in GDP/pc in relation to the PPP in USD

of 3.939¹⁸¹. Only the health component has decreased: the average life expectancy at birth is 73 years.¹⁸²

The higher HDI for 2001 cannot be considered as a result of major quality changes in Bosnia and Herzegovina. It is rather due to a constant evaluation of indicators and improvements in the methodology of calculating the Human Development Index than of economic progress.

With an estimated HDI of 0.744, Bosnia and Herzegovina is among the countries with medium human development. Its HDI is higher than the average HDI in the world, which is 0.722.

The position of Bosnia and Herzegovina in the context of human development is given in the following table.

¹⁷⁷ In the absence of any other basis and with certain corrections, the population profile for the purposes of the HDI calculation for 2000 was arrived at on the basis of the population census, which was later reflected in the literacy rate, enrolment rate in all the three education levels, the gender profile.

¹⁷⁸ The 2000 PPP was 2.45.

¹⁷⁹ The literacy rate in 2000 was 85.9%.

¹⁸⁰ In 2000, the combined enrolment rate at all the three education levels was 64.1%.

¹⁸¹ In 2000, GDP/pc PPP USD was 2,875.

¹⁸² Life expectancy at birth in 2000 was 73.3 years.

The HDI for Bosnia and Herzegovina is 3% higher than the world average, 66% higher than the average for the countries with low human development, and 7.7% higher than the average for the countries of medium human development. The BiH Index is 2.7 times higher than that of Sierra Leone, the country with the lowest HDI.

The countries of high human development are 23.4% above Bosnia and Herzegovina, and Norway, the country with the highest HDI, 26.6% above BiH.

The sub-indices in the HDI structure suggest the following:

- the life expectancy index is 14.3% above the world average life expectancy index;
- the education index is 8.9% above the world average education index;
- the GDP/pc index is 14.7% below the world average GDP/pc.

It is worthwhile to point to the position of Bosnia and Herzegovina in the regional context.

Among the eleven countries of Central and Eastern Europe, BiH ranks second to last, before Albania. In this group of countries, six countries rank among countries of high human development, whose HDI is above 0.800 (Slovenia, the Czech Republic, Slovakia, Hungary, Poland, and Croatia).

Among the Stability Pact countries, Bosnia and Herzegovina is ahead of Turkey, Albania and Moldavia. Compared to the CIS countries, Bosnia and Herzegovina is behind Lithuania, Latvia, Russian Federation, Belarus, Armenia, Kazakhstan, and Ukraine.

Table 1. The position of Bosnia and Herzegovina in human development

Country groups by human development	GDP/pc PPP \$	Life Expe- ctancy Index	Education Index	GDP Index	HDI
Countries of high human development	24,973	0.87	0.96	0.92	0.918
Countries of medium human development	4,141	0.70	0.75	0.62	0.691
Countries of low human development	1,251	0.46	0.46	0.42	0.448
Norway	29,918	0.89	0.98	0.95	0.942
Sierra Leone	490	0.23	0.33	0.27	0.275
World average	7,446	0.70	0.75	0.72	0.722
Bosnia and Herzegovina	3,949	0.800	0.817	0.614	0.744

In 2000, Norway was ranked first on the human development scale.

Sierra Leone was ranked the last, 173rd country, in terms of human development for the year 2000.

Source: Human Development Report 2002, UNDP.

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Table 2. Human Development Index of countries of Central and Eastern Europe

Countries of Central and Eastern Europe	GDP/pc PPP \$	Life Expectancy Index	Education Index	GDP Index	HDI
Albania	3.506	0,80	0,80	0,59	0,733
Bulgaria	5.710	0,76	0,90	0,68	0,779
Bosnia and Herzegovina	3.949	0,800	0,817	0,614	0,744
Croatia	8.091	0,81	0,88	0,73	0,809
Czech Republic	13.991	0,83	0,89	0,82	0,849
Slovakia	11.243	0,80	0,91	0,79	0,835
Hungary	12.416	0,77	0,93	0,80	0,835
Macedonia	5.086	0,80	0,86	0,66	0,772
Poland	9.051	0,81	0,94	0,75	0,833
Romania	6.423	0,78	0,88	0,69	0,775
Slovenia	17.367	0,84	0,94	0,86	0,879

Source: HDR 2002, UNDP

Table 3. Human Development Index of CIS countries

Commonwealth of Independent States (CIS) countries	GDP/pc PPP \$	Life Expectancy Index	Education Index	GDP Index	HDI
Armenia	2.559	0,80	0,92	0,54	0,754
Azerbaijan	2.936	0,78	0,88	0,56	0,741
Belarus	7.544	0,73	0,92	0,72	0,788
Estonia	10.066	0,76	0,95	0,77	0,826
Georgia	2.664	0,80	0,89	0,55	0,748
Kazakhstan	5.871	0,66	0,91	0,68	0,750
Kyrgyzstan	2.711	0,71	0,87	0,55	0,712
Latvia	7.045	0,76	0,93	0,71	0,800
Lithuania	7.106	0,78	0,93	0,71	0,808
Moldova	2.109	0,69	0,90	0,51	0,701
Russian Federation	8.377	0,68	0,92	0,74	0,781
Tajikistan	1.152	0,71	0,88	0,41	0,667
Turkmenistan	3.956	0,69	0,92	0,61	0,741
Ukraine	3.816	0,72	0,92	0,61	0,748
Uzbekistan	2.441	0,73	0,91	0,53	0,727

Source: HDR 2002, UNDP

Table 4. Gender Development Index of countries of Central and Eastern Europe

Countries of Central and Eastern Europe	Life Expectancy (years)		Adult Literacy Rate in %		Combined Enrolment Rate at All Three Education Levels %		Estimated Income (PPP US\$)		GDI
	Female	Male	Female	Male	Female	Male	Female	Male	
Albania	76.2	70.4	77.0	92.1	71	71	2,478	4,488	0.729
Bulgaria	74.8	67.7	97.9	99	76	69	4,587	6,898	0.778
B&H	76	71	82.3	96.0	70.75	63.87	2,340	5,667	0.731
Croatia	77.7	69.8	97.3	99.3	69	68	5,845	10,485	0.806
Czech Rep.	78.2	71.5	..	..	70	69	10,354	17,833	0.846
Slovakia	77.2	69.3	..	..	77	74	8,903	13,715	0.833
Hungary	75.6	67.1	99.2	99.5	83	79	9,243	15,893	0.833
Macedonia	75.3	71.0	.	.	70	70	.	.	.
Poland	77.5	69.2	99.7	99.7	86	83	6,936	11,288	0.831
Romania	73.3	66.5	97.3	99.0	70	68	4,751	8,169	0.773
Slovenia	79.1	71.7	99.6	99.7	85	80	13,327	21,642	0.877

.. 99.0% used in the calculation

. no data

Source: HDR 2002, UNDP.

Table 5. Gender Development Index of CIS countries

CIS countries	Life Expectancy (years)		Adult Literacy Rate in %		Combined Enrolment Rate at All Three Education Levels %		Estimated Income (PPP US\$)		GDI
	Female	Male	Female	Male	Female	Male	Female	Male	
Azerbaijan	75.0	68.0	.	.	72	70	.	.	.
Belarus	74.4	62.8	99.4	99.7	79	75	5,978	9,340	0.786
Estonia	76.0	65.1	.	.	89	84	.	.	.
Georgia	77.2	69.0	.	.	71	69	.	..	.
Kazakhstan	70.3	59.1	.	.	81	73	.	.	.
Kyrgyzstan	71.7	63.8	.	.	70	65	.	.	.
Latvia	75.8	64.7	99.8	99.8	83	80	5,992	8,276	0.798
Lithuania	77.2	66.8	99.5	99.7	83	77	5,789	8,582	0.806
Moldova	70.3	62.8	98.3	99.5	75	70	1,680	2,577	0.698
Russian Fed.	72.5	60.1	99.4	99.7	82	75	6,611	10,383	0.780
Tajikistan	70.5	64.7	98.8	99.6	63	72	872	1,434	0.664
Turkmenistan	69.6	62.9	.	.	81	81	.	.	.
Ukraine	73.5	62.7	99.5	99.7	78	77	2,716	5,085	0.744
Uzbekistan	71.9	66.0	98.8	99.6	74	79	1,931	2,958	0.725

. no data

Source: HDR 2002, UNDP.

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Countries of Central and Eastern Europe	GDP/pc PPP \$	GDP/pc \$	PPP quotient
Albania	3,506	1,110	3.158
Bulgaria	5,710	1,470	3.883
B&H	3,949	1,263	3.127
Croatia	8,091	4,343	1.863
Czech Republic	13,991	4,946	2.829
Slovakia	11,243	3,538	3.178
Hungary	12,416	4,551	2.728
Macedonia	5,086	1,778	2.861
Poland	9,051	4,080	2.218
Romania	6,423	1,636	3.926
Slovenia	17,367	9,111	1.906
Serbia and Montenegro no data			
CIS countries			
Armenia	2,559	501	5.11
Azerbaijan	2,936	622	4.72
Belarus	7,544	2,988	2.53
Estonia	10,066	3,647	2.76
Georgia	2,664	596	4.47
Kazakhstan	5,871	1,224	4.80
Kyrgyzstan	2,711	265	10.23
Latvia	7,045	3,037	2.32
Lithuania	7,106	3,053	2.33
Moldova	2,109	305	6.92
Russian Federation	8,377	1,725	4.86
Tajikistan	1,152	162	7.10
Turkmenistan	3,956	845	4.68
Ukraine	3,816	642	5.94
Uzbekistan	2,441	311	7.84

The estimate of the PPP, as well of GDP/pc in US\$, for Bosnia and Herzegovina is for 2001.
Recalculated by MDG team, on the basis of the source: HDR 2002, UNDP.

2. Human Development Index Calculation for BiH for 2001

The calculation of the Human Development Index (HDI) was made according to the adopted UN methodology established in 1990.¹⁸³

For the purpose of the HDI calculation for Bosnia and Herzegovina for 2001, the following data were taken:

- **Average life expectancy at birth for 2001 73 years**
Source: WB: World Development Indicators 2002
- **GDP/pc = 1,263 US\$**
Source: BiH Agency for Statistics, Bulletin No. 1/2003
GDP/pc = 3,949 PPP US\$
The calculation made according to the Purchasing Power Parity quotient of 3.127.

The PPP calculation is not done in BiH as yet. The project under which the calculation should be done officially has been launched at the BiH Agency for Statistics and is expected to be finalized and the calculation applied in two years' time. For the purpose of this calculation, the PPP has been estimated by looking at the PPP quotients in Central and Eastern European countries, as well as the CIS countries.¹⁸⁴ Attached is a table with PPP quotients for these countries, as well as for the Stability Pact countries.

- Literacy data
The adult literacy rate is 88.9%.
Source: LSMS, BiH Agency for Statistics, BiH Federation Institute for Statistics, RS Institute for Statistics.

Literacy data change slower than other variables; the only reliable data are those from the 1991 population census, when the literacy rate for adults above 15 years of age was 85.94%.

However, the massive demographic changes certainly challenge the reliability of indicators based on the population census. For the purpose of this calculation, the LSMS results will be used. According to the LSMS, in 2001 the share of the literate population was 88.9%. On the basis of the survey, the population above 16 years of age who have not completed a single grade of primary school was assessed. The share of this population in the same age group points to an illiteracy rate of 11.1%.

- Education data: enrolment rate in %
 - primary education 98.9%, education age 7-14
 - secondary education 68.3%, education age 15-19
 - higher education 23.0%, education age 19-24
 - combined enrolment rate for all three levels of education : 67.30%

Source: LSMS, BiH Agency for Statistics, BiH Federation Institute for Statistics, RS Institute for Statistics.

We will first calculate the dimension indices, using the given minimum and maximum values of variables according to the adopted methodology.

Life Expectancy Index $I_L = (73 - 25) / (85 - 25) = 0.800$

Adult Literacy Index $I_P = (88.9 - 0) / (100 - 0) = 0.889$

Combined Enrolment Rate Index $I_K = (67.3 - 0) / (100 - 0) = 0.673$

Education Index $I_E = 2/3 (0.889) + 1/3 (0.673) = 0.817$

Index GDP/pc PPP \$ $I_{GDP} = (\log 3,949 - \log 100) / (\log 40,000 - \log 100) = 0.6135$

And according to the calculation formula:

$$HDI = 1/3 (I_L + I_E + I_{GDP})$$

the Human Development Index for Bosnia and Herzegovina for 2001:

$$HDI_{BiH} = 1/3 (0.800 + 0.817 + 0.6135) = 0.774$$

$$HDI_{BiH} = 0.744$$

3. Calculation of Gender Development Index for BiH

For ease of reference in the calculation of the Gender Development Index (GDI), we will introduce the following symbols:

W_f / W_m = ratio of female wages in the non-agricultural sector to male wages in the non-agricultural sector

¹⁸³ For more details, see: HDR 2002, Technical note 1, pp. 239 – 240.

¹⁸⁴ In the 2002 Human Development Report for Bosnia and Herzegovina, the PPP quotient 2.45 was used in the HDI calculation according to the average in the countries in transition of group 1998: the Czech Republic, Estonia, Hungary, Poland and Slovenia; and group 2000: Bulgaria, Latvia, Lithuania, Romania and the Republic of Slovakia), NHDR BiH 2002, p. 105.

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EA_f = female share in the economically active population
 EA_m = male share in the economically active population
 S_f = female share in salaries
 Y = total GDP PPP US\$
 Y_f = estimate of female-generated income PPP US\$
 Y_m = estimate of male-generated income PPP US\$
 N = total population
 N_f = female population
 N_m = male population
 n_f = female share in total population
 n_m = male share in total population

For the purpose of the GDI calculation for Bosnia and Herzegovina, the following indicators were taken for 2001.

1. BiH population 3,798,336 (N)

Source: BiH Agency for Statistics, Bulletin No. 2/2003

2. Population age profile:

female share (n_f) 51.64%
 male share (n_m) 48.36%
 female population (N_f): 1,961,461
 male population (N_m): 1,836,875

Source: LSMS, BiH Agency for Statistics, BiH Federation Institute for Statistics, RS Institute for Statistics.

3. Average life expectancy at birth:

female: 76 years
 men: 71 years

Source: WB: World Development Indicators 2002.

4. Adult literacy rate:

female: 82.3%
 male: 96.0%

Source: LSMS, BiH Agency for Statistics, BiH Federation Institute for Statistics, RS Institute for Statistics.

5. Enrolment rate by level of education and gender (in %):

Level of education	male	female
primary education	98.5	99.2
secondary education	67.2	69.5
higher education	16.9	29.6
combined enrolment rate	63.87	70.75

Female combined total enrolment rate 70.75%
 Female combined total enrolment rate 63.87%

Source: LSMS, BiH Agency for Statistics, BiH Federation Institute for Statistics, RS Institute for Statistics.

6. The following relevant data were used to calculate the female/male GDP:

GDP/pc = 3,949 PPP US\$
 Wage ratio $W_f / W_m = 0.75$.¹⁸⁵

The profile of the economically active female and male populations is based on the statistical employment records by gender.

According to the FBiH Institute for Statistics records, the female share in the total employment in March 2001 was 32.9%, and in the RS 41%.

	Total employment	Female share
FBiH	410,808	135,456
RS	196,535	80,756
Total	607,443	226,212

Source: Bulletin No. 40., Federation Institute for Statistics, Sarajevo 2001, Mesečni statistički pregled 2/2001, RS Institute for Statistics, Banja Luka 2001.

The share of the economically active female population is thus 37.24 %, or according to the adopted symbols:

$EA_f = 0.37$
 $EA_m = 0.63$

Using the selected indicators, we can move on to calculate the Gender Development Index for Bosnia and Herzegovina for 2001.

Calculation of the index of the life expectancy dimension

female $I_{Lf} = (76 - 27.5) / (87.5 - 27.5) = 0.808$
 male $I_{Lm} = (71 - 22.5) / (82.5 - 22.5) = 0.808$

¹⁸⁵ Empirical research for 55 countries has shown slight deviations from this ratio. For more details: S.Anand and A. Sen: "Gender Inequality in Human Development: Theories and Measurement," Occasional Paper 19. HDR, 1995

Life Expectancy Equality Index, IED_L , is calculated according to the equation:

$$IED_L = \{n_f * I_{Lf}^{-1} + (n_m * I_{Lm}^{-1})\}^{-1}$$

where n_f and n_m are the female and male shares in the total population.

$$IED_L = \{0.5164 * (0.808)^{-1} + 0.4836 * (0.808)^{-1}\}^{-1}$$

$$IED_L = 0.808$$

Calculation of education dimension index:

female: $I_{Ef} = 2/3 I_{Lf} + 1/3 I_{Kf}$, where

I_{Lf} Female Literacy Index = $(82.3 - 0) / (100 - 0) = 0.823$

I_{Kf} female combined enrolment rate = $(70.75 - 0) / (100 - 0)$
 $= 0.7075$

$$I_{Ef} = 2/3 * 0.823 + 1/3 * 0.7075$$

$$I_{Ef} = 0.7846$$

male: $I_{Em} = 2/3 I_{Lm} + 1/3 I_{Km}$, where

I_{Lm} Male Literacy Index = $(96.0 - 0) / (100 - 0) = 0.960$

I_{Km} male combined enrolment rate = $(63.8 - 0) / (100 - 0) = 0.638$

$$I_{Em} = 2/3 * 0.960 + 1/3 * 0.638$$

$$I_{Em} = 0.8529$$

Education Equality Index, IED_E , is calculated according to the equation:

$$IED_E = \{n_f * I_{Ef}^{-1} + (n_m * I_{Em}^{-1})\}^{-1}$$

where n_f and n_m are the female and male shares in the total population.

$$IED_E = \{0.5164 * 0.7846^{-1} + (0.4836 * 0.8529^{-1})\}^{-1}$$

$$IED_E = 0.806$$

Calculation of income dimension index (GDP/pc)

a) we will first calculate the total GDP:

$$Y = 3,949 \text{ PPP US\$} * 3,798,336 \text{ population}$$

$$Y = 14,999,628.86 \text{ PPP US\$}$$

b) female share in the generated income

$$S_f = 0.75 * EA_f / [(0.75 * EA_f) + EA_m]$$

$$S_f = 0.75 * 0.37 / [(0.75 * 0.37) + 0.63]$$

$$S_f = 0.306 \quad S_m = 1 - 0.306 = 0.694$$

c) calculation of estimated income per capita

female GDP_f

total female-generated income $Y_f = S_f * Y = 4,589,886.432 \text{ PPP US\$}$, and

$$GDP_f = Y_f / N_f = 2,340 \text{ PPP US\$}$$

male GDP_m

total male-generated income $Y_m = S_m * Y = 10,409,742.43 \text{ PPP US\$}$, and

$$GDP_m = Y_m / N_m = 5,667 \text{ PPP US}$$

d) It is now possible to calculate indices for each GDP/pc
e)

$$I_{GDPf} = (\log 2,340 - \log 100) / (\log 40,000 - \log 100) = 0.5262$$

$$I_{GDpm} = (\log 5,667 - \log 100) / (\log 40,000 - \log 100) = 0.6738$$

f) The Income Equality Index, IED_{GDP} , is calculated according to the equation:

$$IED_{GDP} = \{n_f * I_{GDPf}^{-1} + (n_m * I_{GDpm}^{-1})\}^{-1}$$

where n_f and n_m are the female and male shares in the total population.

$$IED_{GDP} = \{0.5164 * (0.5262)^{-1} + 0.4836 * (0.6738)^{-1}\}^{-1}$$

$$IED_{GDP} = 0.5886$$

Finally, we have all the elements to calculate the Gender Development Index for Bosnia and Herzegovina:

$$GDI = 1/3 (IED_L + IED_E + IED_{GDP})$$

$$GDI = 1/3 (0.800 + 0.806 + 0.588)$$

$$GDI = 0.731$$

The calculated Gender Development Index for Bosnia and Herzegovina for 2001 is 0.731, which is lower than the Human Development Index of 0.744. Thus, there is a significant level of gender inequality in BiH, especially in the dimensions of literacy and economic activities.

Where will I be

in 2015?

ANEX

INDICATORS FOR MONITORING THE MILLENNIUM DEVELOPMENT GOALS

This Annex lists all the global indicators to monitor the implementation of the 8 goals and 18 targets relevant for the MDGs. Some of these indicators are not relevant to BiH since they either have been fully achieved or do not apply to BiH (e.g. developing small island countries). We have listed them here in their entirety because the MDG are a global process and it is important for the BiH authorities and citizens to be informed of the global nature of the process itself, i.e. of all the indicators.

Given the statistical problems in BiH, some of the global indicators are not being monitored in BiH at all or are not being monitored in an appropriate way. The fact that they are referenced here even though the relevant data do not exist is at the same time a recommendation to start monitoring them as well.

At the same time, additional indicators of importance for BiH have also been developed, whose monitoring is equally important for the MDG implementation; we therefore recommend that they be monitored as well. The list of all indicators - global and BiH-specific - grouped by MDGs and targets, is therefore a direct recommendation for equipping the statistical institutions and governments to monitor them. The target projections on the way towards the MDG implementation in 2007, 2010, and 2015, presented in detail here, constitute a specific "Road Map" for the MDG implementation in BiH and require the full involvement of the local authorities and coordinated support by the providers of development assistance in meeting the requirements of this "Road Map".

GOAL I: Eradicate extreme poverty and hunger

Target 1: halve, between 1990 and 2015, the proportion of people living on less than a dollar a day

Indicator	Source	Estimates for BiH (2000/2001)	2007	2010	2015
1. Proportion of people below US\$ 1 per day ¹⁸⁶	LSMS ¹⁸⁷ UNDO EWSMDG Report	19.1% (general) 24.6% extreme) 46% (general) 20.0% (general)	18%	12%	EU average
2. Poverty gap	LSMS	4.6%			
3. Share of the poorest fifth in national expenditure	LSMS	9.6%			

Target 2.

Indicator	Source	Estimates for BiH (2000/2001)	2007	2010	2015
4. Malnourishment of children below 5 years	UN Statistics Division, UNICEF	4% (2000)			
5. People below daily energy needs (malnourishment)	UN Statistics Division, FAO	200,000 (1998)			

¹⁸⁶ For BiH, the methodology of calculating the general poverty line was used.

¹⁸⁷ The full reference is UNDP, DFID, WB LSMS ("The BiH Living Standards Measurement Survey"); a preliminary report was released as a publication of the BiH Agency for Statistics, the FBiH Institute for Statistics, and the RS Institute for Statistics, with whose cooperation the LSMS was conducted.

Additional indicators for BiH:

Indicator	Source	Estimates for BiH (2000/2001)	2007	2010	2015
Gini index/quotient	HDR/MDG Report	0.26	0.25	0.24	0.20
Share of the richest fifth in income	LSMS	35.8%			
Unemployment rate	LSMSHDR/MDG Report	16.4% actual	15%	10%	7%
		28.1% immediate	25%	17%	12%
		43.6% broader	37%	25%	18%
Share of informal sector in total employment	LSMS	33.28%			

Target 3:: To ensure by 2015 that boys and girls everywhere may complete their primary education

Indicator	Source	Estimates for BiH (2000/2001)	2007	2010	2015
6. Net rate of primary school enrolment	BiH HDR 2002	97%	95%	98%	100%
	WB BiH Poverty Assessment 2003	95%			
	BiH od zavisnosti do pomoći do fiskalne samoodrživosti [BiH from Aid Dependency to Fiscal Self-Reliance]	92.8%			
	ECSPE, 2002	94.0%			
	LSMS	98.9%			
7. Percentage of students reaching 5th grade	BH Common Country Study Development Indicators, Final Draft, 2002	99.0%97.9% 98.2%f	99%	99%	100%
8. Literacy rate for age group 15-24 years	BH Common Country Study Development Indicators, Final Draft, 2002	99.6%99.6% 99.7%f	99%	99%	100%

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Additional indicators for BiH:

Indicator	Source	Estimates for BiH (2000/2001)	2007	2010	2015
Secondary school enrolment rate	BiH HDR 2002	56.8%	75%	79%	85%
	BiH from Aid Dependency to Fiscal Self-Reliance, ECSPE, 2002	72.6%			
	LSMS	68.3%			
Higher education enrolment rate	BiH NHDR 2002 estimate	19.8%	25%	30%	35%
	BiH from Aid Dependency to Fiscal Self-Reliance, ECSPE, 2002	24.2%			
	LSMS	23.0%			
Percentage of children attending pre- school	HDR/MDG ReportBiH from Aid Dependency to Fiscal Self-Reliance, ECSPE, 2002	4.3%	12%	25%	25%
GDP percentage for education	NHDR MDG Report	5.2%	6.0%	7.5%	7.5%
	BiH from Aid Dependency to Fiscal Self-Reliance, ECSPE, 2002	6.0%			
Literacy rate for population above 15 years	BiH NHDR 2002, estimate	85.9%	90%	95%	99%
	LSMS	88.9%			

GOAL III: Promote gender equality and empower women

Target 4: To eliminate gender inequalities in primary and secondary education, if possible by 2005, and at all education levels by 2015 at the latest

Indicator	Source	Estimates for BiH (2000/2001)	2007	2010	2015
9. Male/female ratio in primary, secondary and higher education	BiH HDR 2002, estimate for 2000	98 : 96 (primary) 56.3 : 57.5 (secondary) 18.4 : 21.3 (higher)	98.8:99.5 (primary) 73:76 (secondary) 20:29 (higher)	99.1:99.5 (primary) 78:80 (secondary) 24:32 (higher)	100:100 (primary) 80:84 (secondary) 28:40 (higher)
	LSMS	98.5 : 99.2 (primary) 7.2 : 69.2 (secondary) 16.9 : 2.6 (higher)			
10. Literacy ratio for men and women 15- 24 years of age	BH Common Country Study Development Indicators, Final Draft, 2002	1,001/99.7 : 99.6/	1,001	1,000	1,000
11. Share of women in paid non-agricultural employment	FZS BiH, RZS RS, March 2001, calculation in MDG Report	39.2%	40%	42%	45%
12. percentage of women representatives in the state parliament	CEDAW, Art. 7, participation of women in political and public life	14.3%	16%	20%	25%

Additional indicators for BiH:

Indicator	Source	Estimates for BiH (2000/2001)	2007	2010	2015
Rate of registered unemployment of women	FZS BiH, RZS RS, March 2001, calculation in HDR/MDG report	45.8%	44%	42%	40%
Rate of employed women (in overall female population)	BiH HDR 2002, estimate	11.9 %	13%	16%	20%
Rate of economically active women (share of women among employed persons)	BiH HDR 2002, estimate	37.2%	38%	39%	40%
Percentage of women in executive authorities	CEDAW, Art. 7, participation of women in political and public life	2.38%	4%	6%	9%
Literacy ratio for men and women above 15 years of age	BiH NHDR 2002, estimate	78.8%	85%	90%	97%
	LSMS	94.1%82.3 : 96	96.8%	98%	100%

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GOAL IV: Reduce child mortality

Target 5: To reduce by two-thirds the mortality of children under 5, between 1990 and 2015

Indicator	Source	Estimates for BiH (2000/2001)	2007	2010	2015
13. Mortality of children under 5 per 1,000	UN Statistics Division, UNICEF, WHO	18(19m/15f)	9.3	8.0	7.0
	ZZJZ F BiH, Fond ZZ RS, ZSFBiH	13 (2000)10.3 (2001)			
	BH Common Country Study Development Indicators, Final Draft, 2002	11.2 (2000) (9.61f/12.69m)			
14. Infant mortality (under one year of age) per thousand	UN Statistics Division, WDI 2002	13-15	7.0	6.5	5.0
	ZZJZ F BiH, Fond ZZ RS, ZSFBiH	11.2 (2000)8.5 (2001)			
	ASBiH, Bulletin 2/2003	9.7 (2000)7.6 (2001)8.51f /10.78m			
15. Percentage of children under one year of age immunized against smallpox	UN Statistics Division, UNICEF, ZZJZ F BiH, Fond ZZ RS	83% 80.74-95.06%	98%	100%	100%

Additional indicators for BiH:

Indicator	Source	Estimates for BiH (2000/2001)	2007	2010	2015
Percentage of newborns weighing 2,500 gram or less	ZZJZ F BiH, Fond ZZ RS, ZSFBiH	4%	3%	2%	1%
Percentage of breastfeeding children under 6 months	ZZJZ F BiH, Fond ZZ RS, ZSFBiH	2.1%	5%	10%	15%

GOAL V: Improve maternal health**Target 6: To reduce between 1990 and 2015 the mortality rate of child-bearing women**

Indicator	Source	Estimates for BiH (2000/2001)	2007	2010	2015
16. Maternal deaths (per 100,000 live-born children)	UN Statistics Division, BiH Common Country Study Development Indicators, Final Draft, 2002	5.05 ¹⁸⁸ (estimate) 15 (1995)	4 ¹⁸⁹	3	2.5
17. Percentage of assisted deliveries	UN Statistics Division	100%	100%	100%	100%
	ZZJZ FBiH, Fond ZZ RS, ZSFBiH	99%			
	BiH Common Country Study Development Indicators, Final Draft, 2002	99.6%			

Additional indicators for BiH:

Indicator	Source	Estimates for BiH (2000/2001)	2007	2010	2015
Fertility rate (number of live-born children per woman)	ASBiH, Bulletin 3/2003	1.3 (2000) 1.4 (2001)	1.5	1.6	1.7
Birthrate per thousand	ASBiH, Bulletin 3/2003	10.5 (2000) 9.9 (2001)	11.5	12.5	13.5
Mortality per thousand	ASBiH, Bulletin 3/2003	8.1 (2000) 8.0 (2001)	7.8	7.1	6.5
Natural growth rate per thousand	ASBiH, Bulletin 3/2003	2.4 (2000) 1.9 (2001)	3.7	5.4	7.0
Life expectancy in years	BiH NHDR, 2002WDI 2002	73.3 (1995-2000) 73 (76f/71m)	73.5	73.8	74.0

¹⁸⁸ Source ZZJZ FBiH, Fond ZZRS¹⁸⁹ Mortality statistics to be developed

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GOAL VI: Combat spreading of HIV/AIDS, malaria, and other contagious diseases

Target 7: by 2015 halt and begin to reverse HIV/AIDS

Indicator	Source	Estimates for BiH (2000/2001)	2007	2010	2015
18. HIV prevalence in pregnant women aged 15-24	WHO, ZZJZ FBiH, ZZZ RS	n/a	¹⁹⁰	n/a	n/a
19. prevalence of contraception	WHOBiH Common Country Study Development Indicators, Final Draft, 2002	49% (2001) 47.5% (2000)	55%	60%	65%
20. Number of children with HIV/AIDS	ZZJZ FBiH, Fond ZZ RS, ZSFBiH	n/a	¹⁹¹	n/a	n/a
Adults with AIDS, number of new AIDS cases	WDI 2002HDR 2001	513			
Prevalence of adults with HIV	WDI 2002HDR 2001	0.004	0.004	0.004	0.004

Target 8: by 2015 halt and begin to reverse the incidence of malaria and other main contagious diseases

Indicator	Source	Estimates for BiH (2000/2001)	2007	2010	2015
21. Cases and rate of mortality from malaria	WHO	0	0	0	0
22. Proportion of people in risk zones protected from malaria	WHO	0	0	0	0
23. TBC cases and deaths/100,000	WHO	50 cases4 deaths	403	300	200
24. TBC cases detected and treated under DOTS/100,000	WHO	90	n/a	n/a	n/a

Additional indicators for BiH:

Indicator	Source	2001	2007	2010	2015
Registered drug addicts	ZZJZ FBiH, ZZZ RS	n/a	¹⁹²	n/a	n/a
Viral hepatitis cases	WHO, ZZJZ FBiH, ZZZ RS	n/a	¹⁹³	n/a	n/a
Percentage of GDP for health	HDR/MDG Report	5.5.% (2000) 4.8% (2001)	7%	7.5%	8%
	BiH from Aid Dependency to Fiscal Self-Reliance, ECSPE, 2002	7.3% (2000)			
Percentage of insured citizens	ZZJZ FBiH, ZZZ RS	78% (2001)	85%	95%	100%
Number of physicians per 1,000 population	ZZJZ FBiH, ZZZ RS	1.3 (2000)1.5 (2001)	1.5	1.7	1.7
Number of hospital beds per 1,000 population	ZZJZ FBiH, ZZZ RS	3.7 (2000)3.2 (2001)	3.2	3.2	3.2

GOAL VII: Ensure environmental sustainability

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

Indicator	Source	Estimates for BiH (2000/2001)	2007	2010	2015
25. percentage of forested land	WDI 2002, WRI	44.6%	52%	50%	51%
	HDR/MDG Report	55.6%			
26. % of land protected to maintain biodiversity	WDI 2002, WRI	0.5%	1.5%	3.0%	6.0%
27. GDP by unit of energy consumed (indication of economic efficiency), in US\$	Based on WDI 2002, calculation in HDR/MDG Report	47.5	40	30	25
28. carbon dioxide emission/pc (1,000 kg)	HDR/MDG Report	3.2	3.5	4.0	5.0

Target 10: by 2015 reduce by half the proportion of people without permanent access to safe drinking water

Indicator	Source	Estimates for BiH (2000/2001)	2007	2010	2015
29. Percentage of population connected to water supply system	HDR/MDG Report	53%	58%	62%	67%

Target 11: by 2020 achieve significant improvement in the lives of (at least 100 million) slum dwellers

Indicator	Source	Estimates for BiH (2000/2001)	2007	2010	2015
30. percentage of population with access to hygiene/percentage of households with sewage	HDR/MDG Report	33%	36%	38%	40%
31. percentage of population with access to property	WB BiH Poverty Assessment 2003 (derived assessment by HDR/MDG team)	Around 71%	75%	85%	90%

¹⁹⁰ Data to be established

¹⁹¹ Data to be established

¹⁹² Data to be established

¹⁹³ Data to be established

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Additional indicators for BiH:

Indicator	Source	2001	2007	2010	2015
Power consumption/pc (kwh/pc)	WDI 2002	540	1050	2000	2500
Percentage of de-mined fields	HDR/MDG Report	5%	20%	40%	80%
	HDR/MDG ReportBiH Common Country Study Development Indicators, Final Draft, 2002	6.12%			

GOAL VIII: Develop a global partnership for development

Target 12: develop further an open, rule-based, predictable, non-discriminatory trading and financial system

Target 13: related to the special needs of LDC (least developed countries), includes tariffs and free export quotas, ensuring programmes for writing off debts HIPC and ODA for poverty reduction, etc.

Target 14: related to special needs of landlocked and small island developing states

Target 15: deals comprehensively with developing countries' debt problems through measures at national and international level in order to make the debt sustainable in the long-term.

Official development assistance (ODA)

ODA					
32. Net ODA in % of OECD/DAC donor BDP; aim is 0.7% total and 0.15% for developing countries	n/a	n/a	n/a	n/a	n/a
33. Share of ODA in basic social services	BiH Ministry of Foreign trade and Economic Relations, BiH Treasury, OECD	n/a	n/a	n/a	n/a
34. Share of unified ODA (in GDP)	IMF Stand-by arrangement first revision, December 2002	US\$ 699m (2000) or 16.8% of GDP	4.9%	3.8%	3.4%
35. Share of ODA for small island developing states	n/a	n/a	n/a	n/a	n/a
36. Share of ODA for transport for landlocked countries	n/a	n/a	n/a	n/a	n/a
Access to markets					
37. Export share without customs and quotas	BiH Ministry of Foreign trade and Economic Relations				
38. Average tariffs and quotas for agricultural products	BiH Ministry of Foreign trade and Economic Relations				
39. Local and export agricultural subsidies in OECD countries	BiH Ministry of Foreign trade and Economic Relations				
40. Share of ODA intended for support to trading capacities					
Debt sustainability					
41. Share of official bilateral HIPC that has been written off	N/a				
42. Debt servicing in % of goods and services exports	UN Statistics Division			28.7%	
43. Share of ODA intended for debt reduction	BiH Ministry of Foreign trade and Economic Relations, OECD				
44. Number of countries that have honoured HIPC decisions and final points	n/a				

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

45. Unemployment rate of population age 15-24	HDR 2002	34.8%	30%	23%	12%
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Target 17: in cooperation with pharmaceutical companies, provide essential drugs in developing countries

46. Percentage of population with regular access to medication	HDR/MDG Report, UN Statistics Division	50% (2000)80-95% (1997)	60%	80%	95%
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Target 18: in cooperation with the private sector, make available new technologies, especially advantages of information and communication technologies

47. Phone lines per 1,000 population	WDI 2002, WTDR 2001 Transition Report 2003, EBRD	103 (2000)111 (2001)	150	200	260
48. Personal computers per 1,000 population	Global project: Politics of Science in FBiH, ANUBiH, 2002	30	40	70	120

Total debt/GDP in %	BiH Treasury, calculation in HDR/MDG Report	65.5 (2000)54.4 (2001)	31.5%	30%	25%
Total debt per capita	BiH Treasury, calculation in HDR/MDG Report	US\$ 789 (2000)US\$ 687 (2001)			
Share of technology in export	BiH Ministry of Foreign Trade and Economic Relations	n/a			
Total debt/export	Transition Report 2003, EBRD, CBBiH Bulletin 4/2002, calculation in HDR/MDG Report	278%	132%	110%	73%
Total debt income	Transition Report 2003, EBRD, CBBiH Bulletin 4/2002, calculation in HDR/MDG Report	292%	250%	230%	200%
Export/GDP	Transition Report 2003, EBRD, CBBiH Bulletin 4/2002, calculation in HDR/MDG Report	24%	24%	27%	34%
Tax revenue/GDP	BiH From Aid Dependency to Fiscal Self-RelianceČ, ECSPE, 2002, ASBiH Bulletin 1/2003, calculation in HDR/MDG Report	8.4%	12%	14%	15%
Indicators for good governance					
Perception of presence of corruption	HDR/MDG Report	Almost 100%	80%	60%	Below 50%
Perception of corruption as being widespread	HDR/MDG Report	Around 55%	40%	30%	25%
Share of public consumption in GDP	BiH From Aid Dependency to Fiscal Self-Reliance, ECSPE, 2002	63.9%	Around 50%	45%	Below 40%
Percentage of confidence in local government	HDR/MDG Report	Around 40%	30%	30%	Below 25%
Other additional indicators					
Number of internet users per 100 population	UN Statistics Division	1.01 (2000)1.11 (2001)	4.0	8.0	15.0
Expenditure for research and development as % of GDP	Global project: Politics of Science in FBiH, ANUBiH, 2002	0.05 (2000)	0.4	0.6	1.0
Number of academic papers published in reference journals per 100,000 population	Global project: Politics of Science in FBiH, ANUBiH, 2002	0.61 (2000)	4.8	7.2	11.9

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INDICATORS FOR MONITORING THE MILLENNIUM DEVELOPMENT GOALS

Recommendations

With these indicators we can measure and evaluate the achievement of the Millennium Development Goals over time. The indicators are thus a critically important instrument for a country's development policy and allow for the country's comparison internationally.

Because of the extreme importance of the indicators, it is necessary:

- to harmonise statistical surveys with international methodologies and standards;
- to harmonise statistical surveys and monitoring of indicators at all levels, from municipalities, cantons, entities, to the state;
- in line with new methodologies, to extend the concept of national accounts by introducing an assessment of the country's national wealth (natural, man-made, and human resources);¹⁹⁴
- as an indicator of the sustainability of overall development, to introduce an assessment of actual, net adjusted savings. The necessity to monitor this indicator is further illustrated by the fact that many countries that have negative gross domestic savings with regards to GDP also have negative net adjusted savings¹⁹⁵, which points to the untenable character of the current development model of BiH.
- It is also necessary to introduce the monitoring and quantifying of some indicators that could not be obtained for the purposes of this report (e.g. international support/reconstruction assistance efficiency indicators; the share of women in legislative, senior government, and managerial positions; the share of women in professional, expert, and technical positions; etc.).
- Finally, we note the necessity of a population census, because it clarifies a whole series of indicators necessary to monitor the MDGs.

¹⁹⁴ For more details, see World Resources Institute, "World Resources 1996-1997," New York, Oxford University Press 1996.

¹⁹⁵ For more details, see WB: World Development Indicators 2002.

Where will I be

in 2015?

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Where will I be

CHAPTER 1 OPŠTI SAŽETAK

in 2015?