

Overall social welfare system in Bosnia and Herzegovina

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The State of Bosnia and Herzegovina (BiH), has limited central power, as defined by the 1995 Dayton Peace Agreement. Majority of government functions are delegated to two entities: the Republika Srpska (RS) and the Federation of Bosnia and Herzegovina (FBiH). Third administrative unit, Brcko District, is under international administration as of March 2000. The Federation of Bosnia and Herzegovina is additionally divided in 10 cantons, as regional units of government and 79 municipalities. Republika Srpska consists of 62 municipalities, with no regional level of division¹.

The combined effects of the 1992-95 war, the transition to a market economy and the global financial crisis have resulted in increase of the number of socially vulnerable people. Introduction of new categories such as 'war invalids' and 'war orphaned children' placed additional burden to the budgeted social protection spending, with payments to war veterans constituting a considerably large proportion of cash social protection benefits. High levels of unemployment, poverty and social exclusion on one side and insufficient domestically-generated wealth for financing the social sector on the other, with significantly reduced donor assistance, resulted in a wide range of social protection rights not being realized due to lack of funding.

Bosnia and Herzegovina, according to the Constitution, does not have explicit competency for social policy, rather such competency was given to the entities.

The right on social protection as basic human rights is guaranteed by the Constitution of the FBiH. According to the FBiH constitution, both the FBiH Government and the Cantons are responsible for implementation of social policy and provision of social protection services. Social protection in the FBiH is regulated by the following laws: Framework Law on Social Protection, Protection of Civilian War Victims and Protection of Families with Children and the Family Law. These Laws, among other, regulate social protection of citizens and their families; establishment and functioning of social protection institutions; protection of families with children; financing and other issues important for the realization of rights to social protection in the FBiH.

Social services in FBiH are administered through 72 municipal Centres for Social Work (CSW). Institutions, established by the NGO sector and individual local communities, provide care for children without parental care, while 11 day-care centers provide services for people with intellectual disability.

Social protection in RS is regulated by the Law on Social Protection, Law on Child Protection and the Family Law. With no regional division, the responsibilities and funding are distributed from the entity level directly to municipalities. Social protection programs are funded from the central RS budget, funds are transferred to the municipalities with the amount depending on the level of development of individual municipalities. For this purpose, municipalities are divided into five groups, from least to the most developed. As per the Law on Social Protection, municipalities

¹ Agency for Statistics of Bosnia and Herzegovina http://bhas.ba/?option=com_content&view=article&id=52&Itemid=80&lang=ba

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may, as per their own decision, define extended rights to address the specific needs of beneficiaries living on their respective territories, in addition to the rights that can be realized on equal terms on the entire territory of Republika Srpska.

Social services in RS are administered through 47 CSWs and 14 departments for social welfare in municipalities without CSWs. In addition, seven institutions established and funded by the RS Government provide services to specific groups of children and adults in need.

Relevant indicators

Table 1: Unemployment rate (average % of labour force), based on LFS data

| | 2013 | 2014 | 2015 |
|--------|------|------|------|
| Total | 27.5 | 27.5 | 27.7 |
| Male | 26.5 | 25.2 | 25.8 |
| Female | 29.0 | 31.2 | 30.7 |

Table 2: Children beneficiaries of social assistance, Federation of Bosnia and Herzegovina²

| | 2012 | 2013 | 2014 |
|--------|-------|-------|-------|
| Total | 34838 | 35330 | 36092 |
| Male | 17701 | 17984 | 17974 |
| Female | 17137 | 17346 | 18118 |

Table 3: Children beneficiaries of social assistance, Republika Srpska³

| | 2012 | 2013 | 2014 |
|--------|--------|-------|-------|
| Total | 110921 | 74910 | 61995 |
| Male | 57879 | 37867 | 31532 |
| Female | 53042 | 37043 | 30463 |

Table 4: Number of beneficiaries of the rights under the Law on Social Protection, Republika Srpska⁴

| | 2013 | 2014 | 2015 |
|----------|-------|-------|-------|
| Total | 45457 | 49147 | 41410 |
| Basic | 7531 | 6253 | 6256 |
| Extended | 52988 | 55400 | 47666 |

² Institute for Statistics of FB&H, *Social welfare in federation of Bosnia and Herzegovina*, http://www.fzs.ba/god_bilteni/SB-215-Socialna.pdf

³ Republika Srpska Institute of Statistics, *Statistical Yearbook 2015, CHAPTER 29 - Social welfare*, http://www.rzs.rs.ba/static/uploads/bilteni/godisnjak/2015/29soc_2015.pdf

⁴ Government of the Republic of Srpska, Ministry of Health and Social Welfare, *Bulletin Social, Family and Child Protection* <http://www.vladars.net/sr-SP-Cyrl/Vlada/Ministarstva/MZSZ/Documents/Bilten%20socialne%20zastite%202014.pdf>

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Mandates in the area of social welfare services

Responsibility for legislation, planning and implementation of social protection policies is held at various devolved levels in Bosnia's complex system of multi-level governance: at entity level, at cantonal level in the case of FBiH, at district level in the case of Brcko District and at municipal level.

The State of Bosnia and Herzegovina:

The role of the state is limited to determining basic principles for coordination of activities, harmonization of the plans at entity level and to reporting on implementation of the international human rights instruments.

Entities – Federation of Bosnia and Herzegovina and Republika Srpska:

The two entities are responsible for developing policies in the area of social protection, child and family protection and protection of people with disabilities; for services and protection of the victims of war and war veterans; for return of refugees and internally displaced people. Monitoring function is performed by independent institutions: Child Ombudsman – monitors the implementation of the international child rights instruments and harmonization of the legislation with international standards and norms; Council for Demographic Policy in RS – proposes measures of population policy and monitors the implementation; Council for Children in RS – promotes improvements in child rights protection and monitors the implementation of the measures intended toward improving child and family protection in RS.

Cantons (in the Federation of Bosnia and Herzegovina):

Responsibility in the area of social protection in the FBiH is further divided to 10 cantons with 30 ministries. Cantonal authorities can regulate in more detail the activities of social protection. Their primary role is financing and provision of social protection rights and harmonizing the cantonal laws with the federal Law on Social Protection, Protection of Civilian War Victims and Protection of Families with Children. Furthermore, the Cantons adopt additional legislation for this Law to be implemented. The F BiH Law is not applicable unless the Cantons pass additional legislation which, among other, should regulate the following: amount of financial and other support; procedure for the acquisition of right prescribed by this Law; method and procedure for identifying and assessing capabilities, categories and keeping record on children with physical or mental disability.

Municipalities:

Realization of all rights related to social protection is taking place at local level, mainly through activities of the Centers for Social Work, or units for social protection within municipal administration in municipalities in RS with no CSWs. Work of the CSWs is funded from municipal budget, meaning that there are significant differences in available funds and human resources, depending on the financial capacity of municipalities. Additional variations in availability and quality of services is present in FBiH as a result of different obligations and responsibilities given to the municipalities in the cantonal legislation.

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Issues of service development, gaps and obstacles for further decentralization

Functioning of the social welfare system in BiH is fragmented, rather than decentralized. High level of autonomy and independence of the two entities has led to the existence of two parallel legal frameworks for social protection in the country. This fragmentation is further extended to the canton level in FBiH, with large discrepancies between cantons, based on the cantonal legislation regulating this subject, and even more on the financial capacity of different cantons. Finally, these discrepancies are even larger at municipal level, where other factors, like geographical position of municipalities and distance from the entity capital plays important role in the capacities of municipalities to provide access to quality social protection services. More than forty new municipalities were created after the war, reflecting changes in ethnic composition. Some pre-war municipalities lost territory or were divided. Many new municipalities, especially in the RS, are small, rural, have minimal infrastructure, and struggle with human resources.

The principle of monotype municipality imposes the same responsibilities and same legal status to all local government units, irrespective of the variations in individual circumstances among them. Inevitable outcome of such an arrangement is excessive unevenness in the extent to which the municipalities have implemented their responsibilities, given the lack of resources and diversity in the fiscal capacity. The functioning of local government remains framed by a multitude of different legislations and overlapping responsibilities. This situation is particularly complex in the FBiH, where different cantonal legislations create considerable variations in the status of different municipalities.

Lack of resources and capacity for providing social services of sufficient quality – Centers for Social Work are main provider of social services, present in majority of municipalities. However, due to insufficient staff, lack of resources and expertise, they can not perform their duties properly. Lack of resources and capacity is noticeable in other levels and institutions, affecting the planning, funding and monitoring functions at local, cantonal, entity and central level. At the municipal level, public financial management (PFM) performance varies greatly

across municipalities, requiring intensive customized capacity building⁵. Higher-governments' monitoring and oversight roles are constrained by lack of service performance standards and weak monitoring and evaluation capacity.

Poor targeting of social benefits – as stated in the World Bank 2009 Policy Brief⁶, the social benefits in BiH were not very successful in reducing poverty rate. With 27% of benefits that went to people in the richest quintile, while those in the poorest quintile received less than 15% of benefits, the veteran-related were the most regressive type of benefits. Means-tested benefits were slightly better targeted, with poorest quintile receiving 26% to 48% of

⁵ World Bank, 2009, From Stability to Performance: Local Governance and Service Delivery in Bosnia and Herzegovina

⁶ World Bank, 2009, Social Transfers in Bosnia and Herzegovina: Moving Towards a More Sustainable and Better Targeted Safety Net
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benefits. As a result of inadequate targeting, the effectiveness of financial benefits was insignificant. The poverty rate

in the country was reduced by only 6% as a result of social transfers. The new Law on Social Protection, adopted in 2012, should improve the situation with the benefits targeting. However, a comprehensive analysis of the current situation is not yet available.

Lessons learnt or good practices

Bottom-up approach is a good way to introduce changes as the basis for evidence-based advocacy and policy making in the area of social protection and inclusion. Implementation and testing models and concepts locally crucial for overcoming the otherwise common reaction of actors to dismiss efforts to promote new mechanisms for social protection and inclusion as being based on 'foreign' concepts and not being relevant in the respective national contexts.

Introducing changes systematically, simultaneously at all levels of governance. Adopting legislation and policies, along with provision of funds and capacity building for implementation of changes is crucial for successful reform of the social protection system. Concerted efforts of all parties for institutionalization of mechanisms and services is critical driver for sustainability of changes.

Empowering right-holders and building their capacities to claim their rights. The specific situation in Bosnia and Herzegovina, with large number of people in need and limited resources for providing social assistance, leaves a number of potential users of social services without support they need. Such a situation stresses the role of the people who's right have not been respected and protected. Awareness raising of people on their rights, building their capacities and empowering them for claiming these rights, can place additional pressure on the institutions and individuals responsible for satisfying these rights. This is a long process but is necessary for achieving better coverage and quality of social services.

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