DECENTRALIZATION OF SOCIAL CARE SERVICES IN SERBIA

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Economic, demographic and social context

Serbia is an upper middle-income country with per capita GDP of EUR 4,700 (10,200 PPS)1 in 20142. The average available monthly budget per household approximately amounted to EUR 4903 and average net wage to EUR 360 in the first quarter of 2015.

January 2015 the country population was estimated at 7.1 million. Demographic situation has been characterised by pronounced population ageing and depopulation.

Living standard is low and poverty is widespread. The absolute consumption poverty rate denotes that in 2014 8.9% of the total population has not been able to meet basic needs.4 The 2014 at-risk-of-poverty rate of 25.6% and the severe material deprivation rate of 26.4% indicate even more pervasive vulnerability5. Child poverty and vulnerability rates are considerably higher than averge and various surveys have documented extreme vulnerability of Roma in substandard settlements6 and persons with severe disability.

Unfavorable labor market situation in Serbia is illustrated by the table below.

Table 1: Basic labour market indicators (15–64), IV quarter 2015

	Total	Male	Females
Activity rate	63.7	72.0	55.4
Employment rate	51.9	58.9	44.9
Unemployment rate	18.5	18.1	19.0

Source: Labor Force Survey, Statistical Office of the Republic of Serbia

Social protection system

In Serbia, social protection is provided through social insurance and various cash and in-kind benefits within the system of social, child and veteran protection. Over the past years, the expenditures on social protection amounted to approximately 25% of the GDP. Almost half of total expenditure is spent on pensions.

[1] Artificial common currency, called the Purchasing Power Standard (PPS) equalizes the purchasing power of different national currencies.

[2] Eurostat *Main GDP aggregates per capit*a (dataset nama_10_pc)
[3] http://pod2.stat.gov.rs/ObjavljenePublikacije/G2015/pdfE/G20151154.pdf
[4] Mijatović, B. (2015) *Absolute Poverty in Serbia 2014*, CLDS.

[5] http://webrzs.stat.gov.rs/WebSite/repository/documents/00/01/71/56/PD10_083_srb_2014.pdf
[6] http://www.unicef.org/serbia/MICS5-English-KeyFindings-10Jul2014.pdf

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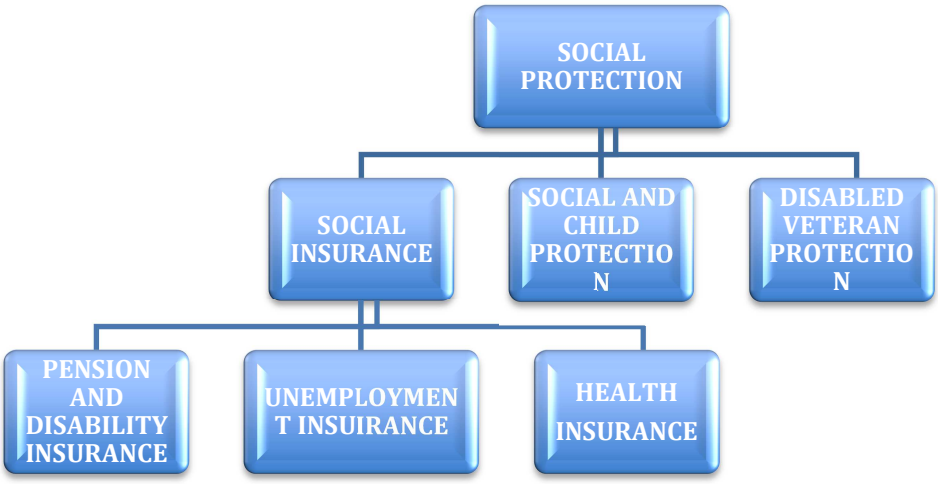
Graph 1: Social protection system in Serbia



Non-contributory cash benefits under the social and child protection include financial social assistance, child allowance and birth grant, maternity and parental leave benefits and attendance allowance. These benefits are within the mandate of the central government. Local centres for social work (CSW) and the relevant local government departments administer all cash benefits. Expenditure for these purposes amounts to approximately 1.8% of the GDP. Local governments (LG) award one-off cash assistance, as well as other means-tested cash benefits to the poor in their communities. In addition many LG allocate local birth grants.

In-kind benefits under the social and child protection include five types of social care services: assessment and planning services, day-care community-based services, services for independent living, counselling, therapy and social education services, as well as accommodation and shelter services. The beneficiaries are referred to social care services by local centres for social work. Overall (consolidated) public expenditure for social care service was approximately 0.28% GDP in 2013, predominantly for 20,000 beneficiaries of residential and foster care services (0.15% GDP).

Some local governments in addition distribute in-kind assistance in commodities (food, clothing, text books), subsidize utility bills, cover transportation cost for school children and/or provide free meals in Soup kitchens.

3. Mandates for social care services

Social care services in Serbia are in the mandate of the national and local governments. Through laws and bylaws national government regulate the social care services, establish minimum standards and control mechanism for all services.

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In the area of service provision the mandate of the national level includes residential, foster care services, shelters for victims of trafficking and supported housing for persons with disabilities (PWD) in less developed LG. CSW activities relating to assessment and planning services are also funded from the national budget7. Public expenditure for these purposes amounts up to 0.22% of GDP.

The community-based non-institutional services are mostly in the mandate of the local level (see Graph 2). LG also finance CSW's facilities and salaries of additional professionals attending to the entitlements and services funded by municipalities and cities.

Graph 2. Social care services in the LG mandate

Pre-2011 legislative did not allow additional direct transfers from national to local governments for the purpose of financing services in LG's mandate. However, during the last fifteen years these services have been partly financed through extra budgetary Social Innovation Fund, public works and the Budget Fund for PWD Programmes. Part of the funding has been coming from donations as well.
2011 Social Protection Law introduced earmarked transfers with a purpose to provide additional funds for care services in the local mandate. However, the decree regulating the transfers has been adopted only recently (March 2016).

[7] Out of two thousand professionals employed in 140 local centers for social work four fifths are funded from the national budget.

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Issues of service development, gaps and obstacles for further decentralization

According to the data gathered through mapping project8 social care services in the mandate of the local governments are still insufficiently available, unevenly developed and often unsustainable.

In 2015, different social care services in the LG's mandate were provided in 133 out of the 145 local governments. According to the collected data, the total expenditures for these services in 2015 amounted up to RSD 2.6 billion (estimated less than 0.06% GDP).

Among the services in the LG's mandate home care for elderly and day care centers for children with disability (CWD), as day-care community-based services are dominant (Table 2). These two services cover vast majority of the total number of beneficiaries and refer to almost two-thirds of the total expenditures for services in the LG's mandate.

As illustrated by table 2 in many LGs only limited type of services are offered and many services are not available countrywide. Even the coverage of the elderly by home care (1.1% of the population over 65 years of age) is low compared to the more developed European countries9. Services for independent living, shelters and other local accommodation services, as well as counselling, therapy and social education services are available only in bigger cities.

Table 2. Social care services in LG's mandate Serbia, 2015

Type of services	Number of LG	Number of beneficiaries	Total expenditure RSD
Home care for elderly	122	15,663	1,008,102,501
Day care centers for CWD	68	2,203	712,626,894
Children's personal attendants	30	706	160,456,247
Counselling	29	-	30,969,500
Day care centers for AWD	21	716	82,210,043
Home care for CWD	20	262	30,395,963
Support housing PWD	18	67	48,109,628
Personal assistance for AWD	17	160	47,255,093
Shelter, Safe house	15	695	71,633,644

Source: CSP (2016): Mapping social care services within the mandate of local governments in Serbia
Note: Only services provided in more than 10% of total LG are presented in the Table

[8] CSP (2016): *Mapping the social care services within the mandate of local governments in Serbia* (draft)

[9] Matković, G., Stanić, K. (2013): *Socijalna zaštita u starosti: dugotrajna nega i socijalne penzije*, Belgrade, CSP, FEFA i SIPRU.

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The role of civil society organizations (CSO) as providers of care services has grown significantly over the past decade. Thus CSOs provide services for 1/3 of children with disability, beneficiaries of day-care centers. CSO are even dominant providers of personal assistance and daycare center's services for adults with disability (AWD). For other type of services state providers are dominant.

Local governments' budgets accounted for the highest proportion (87%) of the total expenditures for services provided in 2015. The rest of the funds came from different national funds (4%), copayments from beneficiaries (4%) and international donors (5%). Analysis shows that the lowest share of LG' budgets is noted among home care services for children, personal assistance services for AWD and drop in shelters, questioning the sustainability of these services. Many of unsustainable services are provided by CSO sector.

The main constraints for further decentralization of social care services in Serbia include:
Huge differences in the size, professional capacities and level of development of LG and the absence of regional level administration
Social welfare beneficiaries are insufficiently informed and without political power
Local governments do not see their (political) interest in allocating funds for social protection
Insufficiently developed control and M&E mechanisms that could adequately support highly decentralized system

Lessons learnt (good practices)

Lessons learnt include establishment of innovative mechanisms for transitional funding, introduction of earmarked transfers and mapping of services at the local level.

The Social Innovation Fund (SIF) was established in 2003 as the reform mechanisms for the development of alternative social care at the local level and for the inclusion of non-state actors into the service provision. SIF encouraged the partnership of governmental and non-governmental sector and promoted the transfer of good practice. By changing its focus from year to year and from one type of projects to another, Fund also ensured both support and inputs for reforms at the central level. Typical projects financed through the Fund were: home care services, day care centers for children with disability, shelters for victims of violence, etc. During 6 years of its functioning, more than €7 million were spent on financing nearly 300 local projects10 in 100 LGs.

Based on SIF experiences the 2011 Social Protection Law introduced three types of earmarked transfers that LGs can use for financing of services in their mandate. The first type of earmarked transfers is intended for underdeveloped municipalities and cities (below the average according to their level of development). LG will have to co-finance these

[10] During these 6 years the large number of over 1,300 project applications illustrates that many professionals have became involved in the reform processes. (Tadzić (2015): *Doprinos fonda za socijalne inovacije reformi i modernizaciji sistema socijalne zaštite na lokalnom nivou*, master paper)

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services, except if they belong to the group of the least developed municipalities. In 2016 for the first time 122 LG will receive this type of transfers. The second type of earmarked transfers is intended for LGs with residential care institutions in the process of transformation. The third type is envisioned for the development of innovative services and services of a national importance. According to the 2016 government decree the services of a national importance are services supporting the families at risk of unwarranted removal of children as well as home care services for elderly in rural and remote areas.

Finally, mapping of services could be also marked as a good practice in Serbia. The mapping process entailed efforts to scan all existing social care services within the mandate of LG from the aspects of their availability, efficiency and quality. Additional important objective is to obtain necessary data on the overall expenditures and the number of beneficiaries of local services, as well as to highlight the issues of sustainability. The database produced through mapping process should enable LG to compare their performance, but also gives national government important inputs for conceptualization of earmarked transfers and policies that are important for advancing the development of alternative social care services. The first mapping process was carried out in late 2012 and the second one in late 2015 in all 145 LG. It is expected that Institute for Social Protection will embrace this practice and introduce regular evaluation and monitoring of social care services at the local level.

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