

Part II.



Displaced persons

Displaced persons in the Balkan context

The 1990s were some of the most dramatic years in the recent history of the Balkans. The countries in the region witnessed the collapse of the Yugoslav Federation, which led to population movements and human suffering unprecedented in the post World War II period. Armed conflicts in Slovenia, Croatia, Bosnia and Herzegovina, and Kosovo, (and the near conflagration in Macedonia in 2001) involved hundreds of thousands of soldiers and produced millions of refugees and internally displaced persons. The conflicts in Bosnia and Herzegovina and Kosovo (and the Macedonian developments of 2001) generated military interventions by the North Atlantic Treaty Organization (NATO), and the Kosovo developments produced a major UN presence.

These events convinced the European Union to deepen and accelerate its integrative processes with the countries of the Western Balkans. The European Commission (EC) extended invitations to begin accession negotiations to Croatia and Macedonia in 2005; the other countries (plus Albania) are covered by the Stabilization and Association Process that was put in place following the Kosovo developments in 1999. All of these countries have declared EU accession to be their overarching foreign policy goal; they would in this respect follow Bulgaria and Romania, whose accession is expected during 2007 or 2008. While integration with the EU imposes many obligations on candidate countries, responsibilities in the area of social inclusion (*vis-à-vis* the victims of ethnic cleansing and ethnic minorities more broadly) are among the most important.

Where do the displaced come from?

Refugees and internally displaced persons are among the most tragic victims of the vio-

lent dissolution of former Yugoslavia. In order to understand the issue of displaced and the challenges they currently face, an overview of the Federation's dissolution is necessary.⁷²

Slovenia was the first constituent republic to secede from the Socialist Federal Republic of Yugoslavia (SFRY), after a relatively limited conflict with the Yugoslav army in 1991. The Slovenian parliament's declaration of independence in June 1991 elicited a military response from the Yugoslav People's Army, which was resisted successfully by Slovenian forces. The short duration of hostilities (only 10 days) meant that casualties on both sides were small.

Parallel developments were occurring in neighbouring Croatia, where in March 1991 the so-called Serb Autonomous Region of Krajina announced its secession from Croatia. The Yugoslav People's Army entered Krajina on 28 April 1991 under the pretext of protecting the Serbian majority from Croatian nationalists. This precipitated Croatia's formal declaration of independence in June 1991, led to five years of hostilities in Krajina and Slavonia, mostly between the Croatian army and Serbian paramilitaries. The thousands of Croats (and others) who fled the Serb-controlled areas of Croatia during 1991-1995 were followed by the displacement of some 200,000 people (mostly Serbs) when the Croatian army in 1995 re-established control over the areas of Krajina and Slavonia that had been taken by Serbian paramilitary forces. Only some 70,600 have since returned (Maksimovic, 2004; Nincic and Vekic, 1995).

In March 1992 the parliament in Bosnia and Herzegovina voted in favour of independence from Yugoslavia. Following the example of Krajina, six municipalities in northeastern Bosnia declared their independence from Bosnia

Refugees and internally displaced persons are among the most tragic victims of the violent dissolution of former Yugoslavia

⁷² The dissolution of former Yugoslavia was a complex process involving multiple interests and stakeholders. All those involved had (and often still have) their own rationale for, and interpretation of, what happened, why and where responsibility rests. All this makes a consensual narrative of the recent history extremely difficult. This brief study sketches the roots of the problems faced by displaced populations, but does not attempt to be comprehensive or to provide more than a general introduction to the issue. No attribution of blame of any sort is intended.

*Radical Albanian
and Serbian
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reinforced
one another,
weakening
voices of
moderation
in both
communities*

and Herzegovina in early 1992, establishing so-called 'Bosnian Krajina'. This parastate subsequently expanded to 22 municipalities with a population of approximately 1 million with the administrative centre in Banja Luka. After Bosnia and Herzegovina's declaration of independence in April 1992, Bosnian Krajina was transformed into Republika Srpska, which declared its desire to join with Serbia proper (Malcolm, 1994; Woodward 1995). Although JNA, the Yugoslav army, officially never participated in the conflict in Bosnia, some of the units transformed into the army of Bosnian Serbs and led by General Ratko Mladic, invaded Bosnia and Herzegovina and began the siege of Sarajevo that lasted for three-and-a-half years, claiming at least 10,000 lives. The war in Bosnia – perhaps the most dramatic and brutal military operation in Europe since World War II – lasted until the signing of the Dayton Agreement in 1995 (Bougarel, 1996). The agreement put an end to the violence but at a high long-term cost – splitting a previously truly multi-ethnic territory into three ethnically defined entities, which is a major factor contributing to prolonged displacement (Dimitrijevic and Kovács, 2004).

According to the 1991 census, the population of Bosnia and Herzegovina had been 4.4 million. According to 1999 data, the conflicts in Bosnia and Herzegovina produced more than 2.2 million displaced (both IDPs and refugees), as well as some 250,000 casualties and another 350,000 wounded. By December 2002, some 946,000 (43 per cent) of these displaced had returned, both from locations in Bosnia and Herzegovina, from other Yugoslav successor states, and from further abroad. Although refugee returns have continued since then, it seems that close to a million Bosnians retain some form of displaced status.

Kosovo has been the second major source of displaced people in the Balkans. In light of its multiethnic status (with Albanians being the largest single ethnic group), Kosovo in 1968 acquired a regional parliament and constitution, and the Albanian language received official and equal status up to the level of university education. Constitutional reforms introduced in the Socialist Federal Republic of Yugoslavia in 1974 made Kosovo an autonomous region within the Republic of Serbia, recognizing the specificity of the ethnic composition of the area, where the consistent majority of the population was Albanian. After Tito's death in 1980, centrifugal forces began to intensify across Yugoslavia, and Kosovo was no exception. In Kosovo—a territory

with great emotional and symbolic meaning in Serbian history—these initially took the form of demands by the Albanian community that Kosovo be declared a constituent republic within Yugoslavia (i.e., enjoying the same status as the Republic of Serbia). These demands fed growth of Serbian nationalism, whose leaders by the late 1980s were increasingly manipulating the historical symbolism of Kosovo for nationalist mobilization.

In 1989, Milosevic cancelled the province's autonomous status within Serbia without the consent of the Federation, and over the course of the 1990s increasingly relied on the security forces to maintain Serbian rule in Kosovo. Albanian political leaders within Kosovo responded by declaring an independent republic. During most of the 1990s, 'independence' in Kosovo meant engagement in parallel political, social, economic and cultural activities by the Albanian community, in opposition to state structures that were generally staffed by Serbs loyal to Belgrade. The civil conflict that took place in neighbouring Albania in 1997 changed this, by providing radical resistance leaders with small arms and other weapons. This helped strengthen the position of the Kosovo Liberation Army (KLA) within the Albanian community, and weakened the position of moderate political leaders associated with President Ibrahim Rugova. These trends culminated with the KLA's legitimization by the international community as the leader of the Albanian delegation during the Rambouillet negotiations on Kosovo's future in 1998. Radical Albanian and Serbian nationalisms therefore mutually reinforced one another, weakening voices of moderation in both communities and making prospects for a viable political settlement ever more remote. Armed resistance against Serbian rule further consolidated Milosevic's regime, and provided additional arguments to persecute independence movements in Kosovo. In early 1999, following the failure of the Rambouillet negotiations, Serbian military and para-military forces intensified their operations in the province. The intensified violence proved unacceptable to much of the international community and NATO launched air raids against Serbia. After the start of the air strikes, the Serbs, feeling legitimized by what they perceived as an international aggression, dramatically intensified the persecution of Albanians and hundreds of thousands of Albanians were forced to flee Kosovo by military and security forces

loyal to Milosevic, becoming refugees in Macedonia and Albania proper. In the face of a threatened NATO invasion, Milosevic's troops were pulled out of the province and Kosovo became a UN protectorate.

The Milosevic era ended with the presidential elections in Yugoslavia in 2000. This change boosted democratic reforms and allowed the 'European agenda' to take hold across the region: today all the countries of the Western Balkans (including Serbia and Montenegro) aspire to full membership in the European Union; invitations to begin membership negotiations were in fact extended to Croatia and Macedonia in 2005. Preparations for EU accession in turn can play a critical role in building the capacity needed in state and NGO sectors for the more effective social efforts that are needed to reverse the consequences of vulnerability and displacement that were both produced by and preceded the Yugoslav wars of secession.

On the other hand, the withdrawal of Serbian forces from Kosovo led to waves of reverse ethnic cleansing, directed primarily at Serbs, but also at other ethnic groups (e.g., Roma and other non-Albanian minorities) who were perceived as having collaborated with Belgrade. Representatives of the international community have since 1999 attempted to protect ethnic minorities from these waves, within the context of gradually transferring power to local institutions that would respect international and European standards concerning the protection of minority rights. Matters have been further complicated by uncertainties about when and whether this process will culminate in international recognition of Kosovo's statehood, and by the fact that in portions of northeastern Kosovo (where most of the province's remaining Serbian communities are located) local leaders express their loyalty to Belgrade and sometimes refuse to cooperate with UNMIK (Dimitrijevic and Kovács, 2004).

This decade of violence in the Western Balkans displaced millions of people in a region that does not possess the institutional and organizational infrastructure to accommodate such displacement. The conflicts in Croatia and Bosnia and Herzegovina sent some 530,000 refugees to Serbia. During 1999-2000, they were joined by another 200,000 - 250,000 internally displaced persons from Kosovo; 50,000 more fled to Montenegro. Some 70,600 moved back to Croatia (primarily from Serbia and from Bosnia and Herzegovina). In

Bosnia and Herzegovina alone some 1 million people are classified as 'returnees' – part of them former internally displaced, part former refugees (Milicevic, 2003).

The current 'mapping of displaced peoples' in the region looks like the following:

■ **Bosnia and Herzegovina:** Of the 2.2 million individuals who were displaced by the war during the early 1990s, more than 1 million have since 'returned'. However, most of these displaced persons have not returned to their pre-war communities and residences. Many 'returnees' in Bosnia and Herzegovina therefore continue to feel like IDPs (Bougarel, 1996; Woodward, 1995). While such individuals can legitimately be regarded as victims of displacement and vulnerability, they are not covered by this study.

■ **Serbia:** According to recent UNHCR data, currently there are 106,700 registered refugees in Serbia, of which 28,285 are from Bosnia and Herzegovina and 78,415 from Croatia. Most of the others have returned to their place of origins or integrated acquiring Serbian citizenship. Out of those still registered, 6,090 are still living in collective accommodation (3,179 in recognized collective centres, 1,083 in unrecognized collective centres, 1,675 in specialized institutions and 154 in student dormitories). The remaining 207,293 registered IDPs from Kosovo cannot change their status (unless they decide to return to Kosovo), at least until the issue of the Kosovo status is settled. However, these figures may underestimate the true dimensions of displacement, since some displaced persons have not undergone registration because of a lack of documents or other reasons. Unfortunately, most of these individuals (particularly Roma) are likely to be vulnerable. In total, some 700,000 - 800,000 displaced persons came or returned to Serbia during the 1990s, of which some 350,000 were from Croatia, 200,000 from Bosnia and Herzegovina, and 230,000 from Kosovo. Although not all of these can still be considered vulnerable, there are no exact estimates of how many of them changed their status from beneficiaries of (declining) humanitarian relief to beneficiaries of (scarce) social assistance, either in their country of origin (through the return process), or in the country of asylum (by opting for a new citizenship).

The decade of violence in the Western Balkans displaced millions of people in a region that does not possess the institutional and organizational infrastructure to accommodate such displacement

■ **Montenegro:** There are 8,329 registered refugees in Montenegro (6,090 from Bosnia and Herzegovina, and 2,239 from Croatia). Of these, 546 live in collective accommodations. Out of the 17,864 IDPs registered in Montenegro, 1,251 live in collective accommodations. Other estimates suggest that the displaced number some 50,000 - 70,000 – mostly from Kosovo, of which by the end of 2004 some 18,000 were Roma (Jaksic, 2002).

Vulnerability of the displaced

In addition to the physical hardships of displacement *per se*, further difficulties are associated with the status of displaced persons who, in the Western Balkans, reflect the specifics of nation-building projects in the region. The distinction between refugees and IDPs depends on whether the displaced person has crossed an internationally recognized state border.⁷³ Until the beginning of the 1990s, internally displaced persons were defined negatively: they were people who had fled their homes, but were not refugees, as they remained within their 'home' country (Phuong, 2004). The many changes of borders, statehood, and legal status seen in the Western Balkans during the 1990s – changes which, in all likelihood, have not yet run their course – combined with the displacement of thousands of Roma (some of whom do not have identity documents) underscore the importance of devising a more comprehensive definition of internally displaced persons. An important step was taken in 1992 when the UN Secretary-General proposed a new working definition (UN Doc. E/CN.4/1992, 23, para 7); this definition was revised in 1998. The Guiding Principles on Internal Displacement now define internally displaced persons as: "persons or groups of persons who have been forced or obliged to flee or to leave their homes or places of habitual residence, in particular as a result of or

in order to avoid the effects of armed conflict, situations of generalized violence, violations of human rights or natural or human-made disasters, and who have not crossed an internationally recognized state border" (UN Doc. E/CN.4/1998/53/Add.2). Thus, Serbs who have been displaced from Croatia and settled in Serbia have the status of refugees, while Serbs who have been displaced from Kosovo and settled in Serbia do not (but are instead considered IDPs). The IDP category includes also citizens of Bosnia and Herzegovina, who moved to the entity in which their ethnic group is in the majority and which does not correspond to the entity in which their town of origin is located.

The difference is not a matter of semantics: refugees enjoy a specific set of rights under the 1951 Refugee Convention and can avail themselves of protection from the international community, such as UNHCR, UNDP, and UNICEF. IDPs, on the other hand, continue to be protected by the national laws of their State as well as by international human rights and humanitarian law; displacement does not change their status under international law. It is therefore first and foremost their national government which bears the responsibility to protect and assist its IDPs.⁷⁴ As national authorities might be unable or unwilling to do so, the international community has a right to offer its services, with various agencies and organizations coordinating their responses through the collaborative approach.⁷⁵

In the Western Balkans, thousands of families have been victims of multiple displacements: during 1992-1996, thousands of Serbian and Roma refugees from Croatia and Bosnia were resettled by the Milosevic government in Kosovo, in order to dilute the numerical preponderance of the Albanian community. Many of these 'settlers' had to flee Kosovo when the NATO bombing ended and Kosovar Albanians returned from their displacement. Because many had to leave Kosovo in haste, they did

The status of displaced persons in the Western Balkans reflects the specifics of nation-building projects in the region

⁷³ Compare Article 1 of the 1951 Convention Relating to the Status of Refugees (according to which a refugee is a person who "owing to a well-founded fear of being persecuted [...] is outside the country of his nationality, and is unable to or, owing to such fear, is unwilling to avail himself of the protection of that country...") to UN Doc E/CN.4/1998/53/Add.2, Introduction, paragraph 2,

⁷⁴ The mandate of the representative of the Secretary-General on the human rights of internally displaced persons is limited to: (1) engaging in coordinated advocacy in favour of the protection and respect of the human rights of IDPs, (2) continuing and enhancing dialogues with governments as well as non-governmental organizations and other actors, (3) strengthening the international response to internal displacement, and (4) mainstreaming the human rights of IDPs into all relevant parts of the UN system (Commission Resolution 2004/55).

⁷⁵ www.reliefweb.int/idd.

not always bring with them identification or other official documents proving their 'refugee' status. Some were therefore reclassified as IDPs and lost some of the protection they had previously enjoyed.⁷⁶

From a vulnerability perspective, the differences between refugees and IDPs seem less important than their similarities. This is why this part of the report deals with issues of 'displaced persons' as a joint group. Only in some specific areas (such as poverty analysis) are refugees and IDPs analyzed separately.

Unlike the challenges facing Roma (analyzed in Part One), displaced persons were not necessarily vulnerable before their displacement. Most had property, homes, work, and at least middle-class social status. Displacement brings a double blow: in addition to becoming refugees or IDPs, the displaced have lost their middle-class status and find themselves among the most excluded, surviving at the bottom of society. Refugees and IDPs can also differ in their attitudes towards displacement, which can influence their survival strategies. While refugees may more easily give up on the belief that they will return to their native places, IDPs are more likely to cling to the hope that someday they will return to their native land, which may push them towards more short-term survival strategies at their site of displacement.

The younger generations of the displaced pose special problems, particularly in terms of being prone to exclusion from education. This raises the spectre of a possible 'Palestinian syndrome' in the Balkans, in which a generation of children is born and raised in collective accommodations, with all the attendant consequences for life opportunities, political attitudes and behaviour. In the case of the displaced in the Balkans, the first children born in collective accommodations are now starting school.⁷⁷

IDPs from Kosovo, most of whom fled after the 1999 campaign, are another special case. As Kosovo has moved towards *de facto* independence, the province's Serb and Roma communities feel unwelcome and insecure. Most Serbs or Roma who have returned gen-

erally live in Serb enclaves in hotels that serve as collective accommodations. Although IDPs have the right to work, in practice this right is not exercisable because of unemployment rates that are close to 50 per cent. This makes IDPs unwelcome competitors on the labour market, particularly in smaller towns where inflows of IDPs can significantly affect the number of inhabitants. When household incomes are at stake, 'ethnic solidarity' often falls by the wayside. Many of the displaced who have returned to Kosovo have done so because they received safe jobs in public institutions such as schools, hospitals, universities or local administration. Double salaries—paid once out of the Serbian budget and again (in euros) by UNMIK—have provided additional incentives to return. Since the Serbian government has already obliged many of these returnees to renounce UNMIK subsidies, as part of efforts to strengthen Belgrade's claims over parts of Kosovo populated by Serbs, it remains to be seen whether these returnees will stay in Kosovo in the long term.

Roma IDPs are also a special case. In response to hostility from local communities, displaced Roma often seek shelter with other Roma, living with relatives or friends in some of the poorest parts of the Balkans. The construction of temporary accommodations (*bidonvillas*) next to the dilapidated homes of their hosts is not uncommon. However, because outsiders do not notice these additions to the Roma ghetto (which was 'always there'), they can easily fall outside of the scope of efforts to address the problems of the displaced (Jaksic, 2002). This provisional, generally unregistered residential status compounds the problems of inadequate access to social services that are associated with improper identity documents. These problems are too often faced even by those Roma who are not displaced.

The numbers of returnees (1 million) in Bosnia and Herzegovina suggest that problems of displacement are finding better solutions there. But these 'peaceful' population movements contain many unnatural elements that create serious psychological tensions for those involved. For example, these returns have often

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⁷⁶ Women's Commission for Refugee Women and Children (WCRWC), 2001.

⁷⁷ UNICEF's Project Officer, Svetlana Marojevic, sums it up well: "Adolescent refugees and IDPs are especially affected by wars and displacement and remain the most neglected group. They need to feel useful and included and to get some qualifications. They are in need of psychosocial support and interventions, educational encouragement, counselling and clubs where they can talk about their animosity and how they can work through it to help in the process of building civil society".

Table 2-1
Displaced persons sample – origin, status and current residence (households)

Internally displaced persons					
Coming from:	Status	Households currently residing in:			
		Bosnia and Herzegovina	Croatia	Serbia	Montenegro
Within the district/country – rural	IDP	31	30	8	
Within the district/country – urban	IDP	41	27	7	
Other entity (for Bosnia and Herzegovina – i.e., Serbian Republic for people in the Federation, and vice-versa)	IDP	267			
Kosovo	IDP			250	83
Total IDPs:	744	339	57	265	83
Refugees					
Bosnia and Herzegovina	Refugee		92	43	61
Croatia	Refugee	39		69	40
Kosovo	Refugee	9	6		
Montenegro	Refugee	3	1		
Serbia	Refugee	1	30		
Macedonia	Refugee			1	
Slovenia	Refugee			1	
Other	Refugee			16	
Refused/ Don't Know/ Missing	Refugee	7	11	8	20
Total refugees:	458	59	140	138	121

The human security and human rights-based approaches can provide the conceptual framework needed to address the multi-dimensional problems of displacement and vulnerability

been facilitated by the informal 'trading' of houses and property among the three ethnic groups (Serbs, Croats, Bosniaks). This property could easily be seen as belonging to the victims of ethnic cleansing (or their heirs); and the organizations engaged in this trade could be seen as trafficking in war booty. For these and other reasons, many 'returnees' in Bosnia and Herzegovina continue to feel like IDPs (Bougarel, 1996; Woodward, 1996).

The Yugoslav wars of secession therefore generated multidimensional problems of displacement and vulnerability, the response to which requires appropriately conceived measures. The human security and human rights-based approaches can provide the conceptual framework needed to address this vulnerability, especially if applied within a consistent regional framework. Since these problems of displacement go beyond national borders, such a regional focus is a precondition for ad-

ressing vulnerability. Countries of origin and countries of current residence need to work together to resolve these issues of vulnerability and displacement. Not only does the welfare of their citizens require such an approach: so do their EU accession prospects.

The populations under study in this report

The complexity of these issues cannot be addressed sufficiently in one report. This report focuses on defining the challenges, providing quantitative estimates of the magnitude of the vulnerability problems facing the displaced in Southeast Europe, and galvanising the search for policy solutions.⁷⁸ Such a debate is necessary now more than ever, when the final status of Kosovo is being negotiated, and the Union of Serbia and Montenegro (the final successor to Tito's Yugoslavia) heads for *de facto* if not *de jure* dissolution.

⁷⁸ The existing information and data gaps on displaced populations are widely recognized. As the latest *Internal Displacement* report states, "for most countries, not even the scope of the displacement crisis is known with any level of accuracy, let alone more specific information on IDPs' living conditions and needs" (IDMC, 2006).

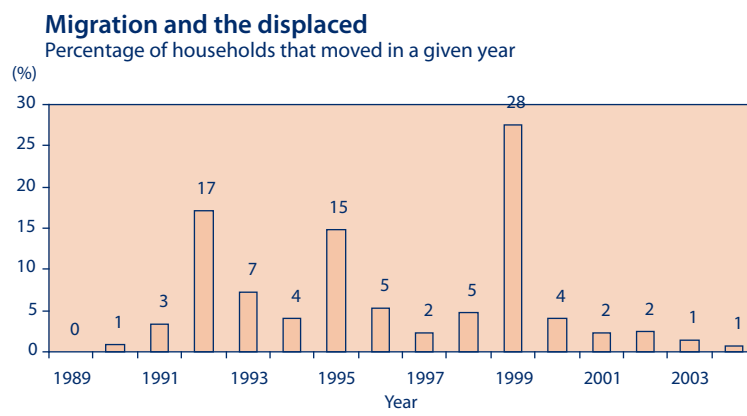
The data used in this part of the report derive from the 'displaced persons' component of the 'vulnerable groups' survey.⁷⁹ The 'displaced persons' sample was based on official registries and data on displaced populations, based on which the sampling clusters were determined through random sampling. Due to financial constraints, IDPs and refugees were not sampled separately in individual countries. The two sub-groups were instead identified by dividing the merged regional 'displaced' sample on the basis of the country of residence and country of origin.⁸⁰ Displaced households whose country of origin matched their country of residence⁸¹ were classified as IDPs; households whose country of origin did not match were classified as refugees (see Table 2-1). However, such a split is probably not advisable at the national level, unless additional research is first conducted. Likewise, this report generally refrains from detailed analyses of the different sub-groups; the focus is instead on vulnerability associated with displacement.

As can be seen from Figure 2-1, most of the households surveyed moved in 1999 (the year of the Kosovo crisis) and between 1992 and 1996 (the years of the war in Croatia and Bosnia and Herzegovina). The largest share of refugees and IDPs listed 'safety/were forced to move' as the main reason for their displacement. However, 19 per cent of IDPs in Croatia moved for economic reasons, while 20 per cent of IDPs living in Serbia, 14 per cent of IDPs living in Bosnia and Herzegovina, and 17 per cent of IDPs living in Montenegro moved for political reasons. In contrast, 9 per

cent of refugees living in Croatia, 22 per cent of refugees living in Bosnia and Herzegovina, 23 per cent of refugees living in Serbia, and 10 per cent of refugees living in Montenegro moved for political reasons.

The displaced households sample does have several limitations and therefore leaves room for future research in this area. The sample cannot be divided into the displaced who seek to return to territories for which they were previously displaced by war or conflict versus displaced returnees who are returning to their 'native soil' (i.e., to their former places of residence in territories that are under the control of their titular nationalities) but their houses, jobs, wealth and relational/social capital have been destroyed. Vulnerability may be very different for these different types of 'returnees' and national policies are likely to be much more attuned to the needs of the second group than the first.

FIGURE 2 – 1



⁷⁹ For a detailed description of the methodology and distribution of the sampling clusters, see the Methodological Annex.

⁸⁰ Based on answers to the question 'From where did your household move here?', among all those displaced who responded that they did not live in the current location 15 years ago (i.e. in 1989).

⁸¹ With Serbia, Kosovo, and Montenegro treated as a unitary single state.

Poverty

Summary

Poverty is the most important and common dimension of vulnerability. This chapter examines both levels of poverty and its correlation with major variables for the displaced. Applying the human security perspective, the chapter outlines the levels of risks individuals and households are facing, and describes the determinants of their vulnerability to poverty. Such household characteristics as education levels, locational effects, gender, or employment status that can make a household particularly vulnerable to poverty are investigated. Household welfare is estimated by household consumption expenditures; these are considered a better indicator of welfare than income as they permit a direct assessment of a household's ability to meet its basic needs while avoiding the often erratic and/or non-monetized nature of incomes (Coudouel, Hentschel, and Wodon, 2001). For purposes of regional comparability, a threshold of PPP \$4.30 a day in equivalized expenditures is taken as the absolute poverty line, and where appropriate PPP \$2.15 is taken as the threshold for 'extreme' poverty.⁸² However expenditures alone do not capture all aspects of welfare: households may be risk averse and prone to saving. As such, in the discussion that follows expenditure data are complemented with the relevant income data where advisable.

The survey data show poverty rates among the displaced to be higher than those of majority respondents, with one in five displaced persons living in poverty (compared with fewer than one in seven for majority respondents). The displaced in Serbia are particularly vulnerable, with two fifths of internally displaced

persons living in poverty and more than one in six living in extreme poverty. Displaced households tend to fall into deeper poverty, with poor displaced households falling short of escaping poverty by \$1.60 a day compared with the \$1.20 required by the poor majority. This poverty affects the expenditure patterns of the displaced, forcing them to spend less on food and such consumer durables as refrigerators and ovens.

A number of factors are shown to affect this poverty. Poverty rates among the displaced are almost double in capital areas. This reflects the smaller number of opportunities in capitals for the displaced who usually end up in refugee centres while in rural areas they benefit more from state support and extended family networks. Although the number of children in a household also appears to be correlated with poverty, this may be due to the fact that the number of children is related to other factor(s), such as the education of the household head. The education and skill-level of employment of the household head has been shown to be the principal factor affecting welfare: displaced households with a well-educated household head in skilled employment can be expected to increase household expenditures by 174 per cent. However, it is also clear that controlling for the effects of location, education and employment, the displaced remain disadvantaged vis-à-vis majority households. This highlights the potential importance of such factors as employment discrimination, which has been documented, for example, in the concluding observations of human rights treaty bodies.⁸³

Poverty rates among the displaced are almost double in capital areas

⁸² The poverty and extreme poverty thresholds (PPP \$4.30 and PPP \$2.15 per day expenditures) are based on thresholds used by the World Bank (2005). However, an equivalized, rather than per-capita measure of expenditures is taken here. Equivalized expenditures are based on the OECD equivalence scale, which takes into account economies of scale when calculating expenditures per capita.

⁸³ See <http://www.ohchr.org/english/issues/idp/visits.htm>. In its concluding observations, the Human Rights Committee also expresses concerns "about the lack of full protection of the rights of internally displaced persons in Serbia and Montenegro, particularly with regard to access to social services in their places of actual residence, including education facilities for their children, and access to personal documents. It expresses its concern with regard to high levels of unemployment and lack of adequate housing, as well as with regard to the full enjoyment of political rights". (CCPR/CO/81/SEMO).

Table 2-2
Distribution of households and household members by poverty status (%)

	Share of households		Share of household members	
	Non-poor	Poor	Non-poor	Poor
Majority	89	11	86	14
Displaced	84	16	81	19

Poverty status

Poverty rates

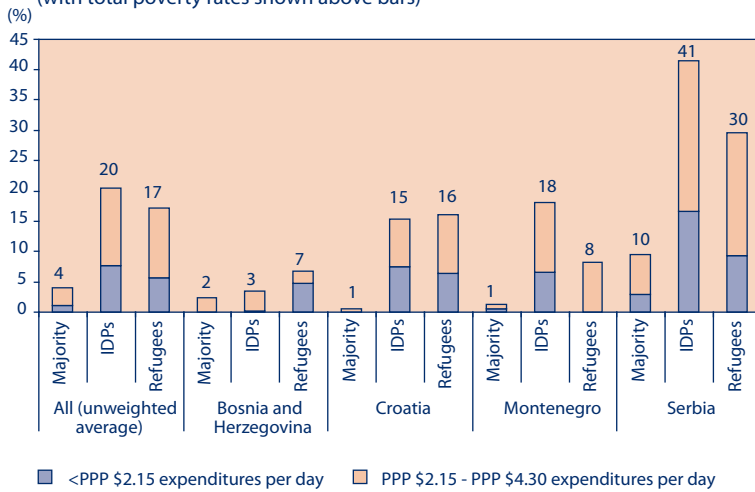
As the data in Table 2-2 show, although not nearly as high as that of Roma, poverty rates among displaced households and their members are still substantially higher than those for majority households.⁸⁴

Poverty rates among the displaced vary substantially in the region. Displaced households in Serbia face the highest risk of poverty, followed by those in Montenegro, Croatia, and Bosnia and Herzegovina (see Figure 2-2). However, poverty rates, particularly extreme-poverty rates (individuals in households with expenditures less than PPP \$2.15 a day) are dramatically higher for the displaced than for majority households all across the region. In addition, the 311 self-identified Roma in the displaced sample (7 per cent of the sample) are believed to be doubly vulnerable, being both displaced and Roma. The poverty rate shows a vast gap between this sub-group and the rest of the displaced group. While 49 per cent of self-identified displaced Roma fall below the PPP \$4.30 poverty line, only 17 per cent of self-identified displaced non-Roma face poverty.

FIGURE 2 – 2

Poverty rates for the displaced

Percentage of refugees and IDPs living in households with daily equivalized expenditures below PPP \$2.15 or PPP \$4.30 (with total poverty rates shown above bars)

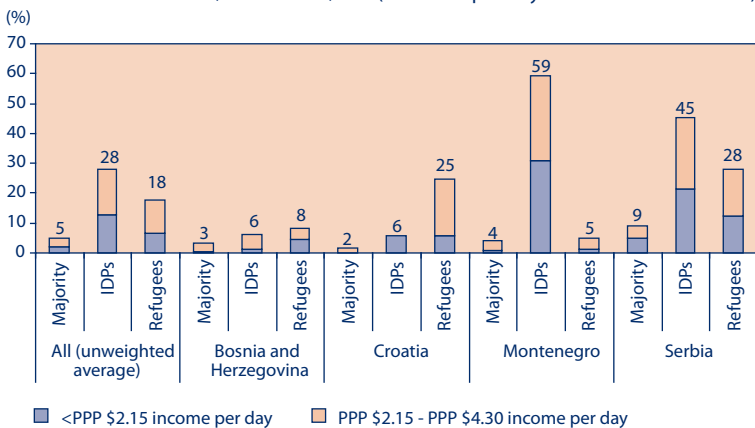


The data shown in Figure 2-2 indicate that IDPs are generally more vulnerable to poverty than refugees. This is particularly the case in Serbia and Montenegro – the state that faces the highest poverty rates for displaced persons. The dire situation of IDPs (even compared to refugees) is reflected in their income generation opportunities in the societies in which they now reside. On the other hand, IDPs tend to rely much more on irregular and informal incomes, which are more likely to go unreported. High levels of employment insecurity may reduce willingness to disclose incomes, which can drive a wedge between reported expenditures and incomes. As the contrast in the data shown in Figure 2-2 and Figure 2-3 shows, differences between income- and expenditure-based estimates are much more pronounced for IDPs than for other groups.⁸⁵

FIGURE 2 – 3

Poverty rates for the displaced

Percentage of refugees and IDPs living in households with daily equivalized incomes below PPP \$2.15 or PPP \$4.30 (with total poverty rates shown above bars)



⁸⁴ Calculated using the daily PPP \$4.30 equivalized expenditures poverty threshold. Total expenditures are based on responses to the question: “How much did your household spend last month in total?”

⁸⁵ Total incomes are based on the sum of responses to the question “What sum was made by each of these kinds of income in the past month (including wages, benefits, remittances, informal earnings, etc.)?”

Poverty depth

There are also differences between and within groups in terms of poverty depth. While poor displaced households are, on average, living on PPP \$1.60 a day less than the PPP \$4.30 poverty line, poor majority households fall short of escaping poverty by just PPP \$1.20 a day. Dividing the data into five quintiles based on equivalized household expenditures⁸⁶ shows that, while the distribution of displaced households across quintiles is broadly comparable to that of majority households, subtle differences are apparent (see Figure 2-4). In particular, 28 per cent of displaced households (compared to 25 per cent of majority households) fall into the bottom two expenditure quintiles, while 27 per cent of majority households (compared to 23 per cent of the displaced) fall into the top quintile. This suggests a moderately higher concentration of displaced relative to majority households in the middle or low expenditure groups, which in turn is responsible for the higher poverty rates shown in Figure 2-2.

Implications of poverty

Expenditure patterns

Differences between majority and displaced households in expenditure patterns, purchases and possession of certain household items are proxies for their social exclusion. While 28 per cent of majority households responded that they had purchased a consumer durable item in the past 12 months, just 15 per cent of displaced persons reported having made such a purchase. Given the similarity of expenditure patterns outlined in Figure 2-4, this difference can be attributed to the uncertain and unsettled status of the displaced.

The data in Table 2-3 show that displaced households have lower expenditures than majority households, both in total and on most items. Average monthly equivalized household expenditures of displaced households are 82 per cent of those of majority households. Given the similarity

of other household characteristics, these data perhaps most appropriately show the levels of deprivation experienced by displaced households. The real differences between majority and displaced households can be seen in the structure of household expenditures (see Table A1 in the Annex).⁸⁷ In the case of purchases of small household appliances, such as radios or CD players, the difference is even

Table 2-3
Differences in average monthly household expenditures

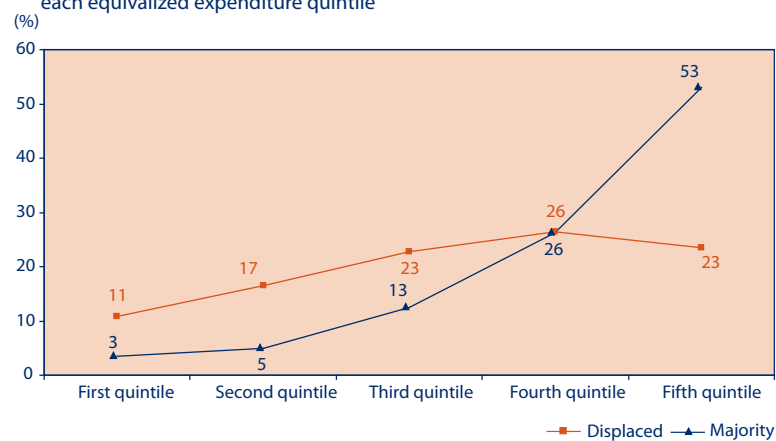
	Majority (euros)	Displaced (euros)	Displaced (% of majority expenditures)
Food	338.4	266.9	78.9
Durable goods	70.0	48.4	69.1
Clothes	100.4	61.5	61.3
Housing and utilities	140.0	110.9	79.2
Alcohol and tobacco	48.2	41.2	85.5
Medicine	31.9	34.1	106.9
Transport	58.1	40.3	69.4
Household goods	46.1	38.5	83.5
Education*	8.6	18.1	210.5
Health care*	11.6	12.3	106.0
Entertainment	40.3	17.3	42.9
Total	893.6	689.5	77.2

* Derived from reported annual household expenditures

FIGURE 2 – 4

Distribution of expenditures by group

Percentage of displaced and majority household members falling within each equivalized expenditure quintile



⁸⁶ Households were ranked by equivalized household expenditures. The first 20 per cent of the households (those at the bottom of the distribution) fall into the first quintile, the second 20 per cent – into the second, and so on. Hence the first quintile constitutes the poorest one fifth of the sample; the fifth quintile constitutes the most affluent.

⁸⁷ Here and elsewhere in the report, the regional averages for the three groups surveyed are given by the unweighted averages, unless otherwise stated.

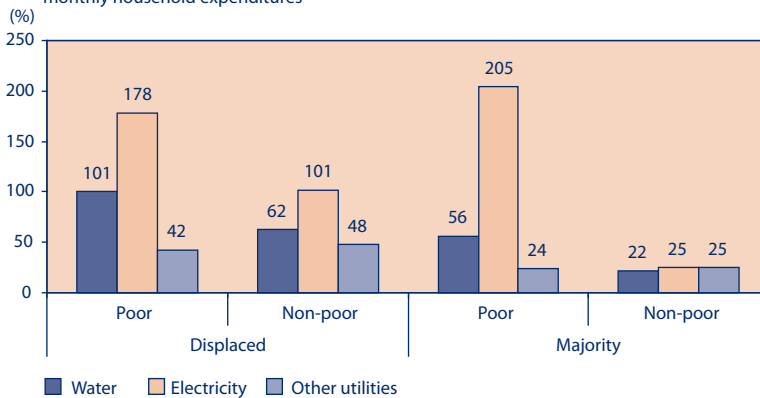
Box 13: National MDG targets, vulnerable groups and poverty among the displaced

As this chapter shows, poverty disproportionately affects the displaced. The national MDG report for **Croatia** calls for halving relative poverty between 2001 and 2015. This corresponds to a reduction in the share of people at risk of poverty in Croatia from 18.2 per cent in 2002 to 9.1 per cent in 2015. This corresponds to annual average declines of 0.70 percentage points, relative to the 16.7 per cent level recorded in 2004. Moving at this rate, the displaced surveyed would reach the national target only in 2091. If the national target were to be achieved by 2015 for the displaced, the pace of poverty alleviation would need to be almost eight times higher than for the national average.

FIGURE 2 – 5

Outstanding debt

Outstanding household bills for water, electricity and other utilities as a percentage of monthly household expenditures



The young are disproportionately represented in poorer households

higher (only 8 per cent of displaced and 14 per cent of majority households have purchased these). This may reflect the more temporary nature of the housing arrangements for displaced person households. (Data on durable goods purchases by households for each group are shown in Table A2 in the Annex.)

The profile of equalized household expenditures (in euros) reveals interesting disparities between groups. As Table 2-3 shows, displaced persons are closer to majorities' expenditure patterns but still their expenditures on food are lower than the majorities' – 79 per cent. A big shortfall in their case is also in the 'durable goods' category (69 per cent of the level of majorities), which can be explained by their unresolved housing status.

Household indebtedness

As the data in Figure 2-5 show, irrespective of poverty level, displaced households appear to be more indebted than majority households with the exception of debts for electricity.⁸⁸ However, the magnitude of indebtedness is much lower than for Roma households. One possible explanation is that displaced households have higher incomes than Roma households do (equalized household income of 132 euros versus 67 euros respectively). This simply means that, unlike Roma households, the displaced can still meet most of their utility payments and avoid accumulating large outstanding electricity, water or housing bills.

Correlates of poverty

Locational effects

The location of a household in an urban – rather than rural – area has been shown to have a significant positive relationship with the equivalent expenditures of that household (Revenga, Ringold and Tracy, 2002). Dividing households into capital, urban, and rural localities allow these locational effects to be clearly seen from the data (see Figure 2-6).

The data in Figure 2-6 show that, in contrast to majority households, poverty rates for displaced households appear to be highest in capital areas. This pattern probably outlines the unsettled status of displaced populations, and the fact that they end up living in refugee centres in capitals whereas those living in rural and urban (but not capital) areas most likely rely on extended family networks.⁸⁹ In rural areas displaced households appear even less poor than the majority. This could be explained by the access to state and charity support for displaced people providing some basic survival minimum – not available for the majority population in rural areas.

Number of children

The number of children in a household has an important effect on individual wel-

⁸⁸ Respondents were asked if they have outstanding payments for water, electricity, or other housing utilities. If they did, they were asked to assess roughly the amounts due for each category.

⁸⁹ No allowance has been made to account for the possible higher cost of living in urban areas, which might understate poverty in urban areas.

fare and has been shown to have a strong negative relationship with equalized expenditures in some countries in the region (Reventa, Ringold and Tracy, 2002). The demographics of households within each expenditure quintile indicate that the young are disproportionately represented in poorer households (see Figure A1 in the Annex). This outlines the higher risk of poverty for children in larger households, even though the poverty risks associated with larger household size could be offset by potential economies of scale. This suggests that use of unified equivalence scales (like the OECD equivalence scale) for both vulnerable and non-vulnerable households may not be appropriate, and that the weight given to children should be increased.

The data in Figure 2-7 show a strong positive relationship between the number of children and poverty rates for both majority and displaced households. As would be expected, poverty rates for displaced households are in general higher than those for majority households. However, displaced households with 2 – 3 children have poverty rates that are closer to rates for majority households. This suggests that these households are able to implement some coping strategy – such as the inclusion of children in income-generating activities – while not suffering from the same financial burdens as larger families.

Education and skills

The survey data clearly illustrate the benefits of education in escaping household poverty. As shown in Figure 2-8, displaced and majority households whose heads have no education have a 40 and 19 per cent chance of living in poverty, respectively, while households whose heads have attained tertiary education have just a 5 or 1 per cent chance, respectively.

As shown in Figure 2-8, the biggest gaps between majority and displaced households in terms of poverty rates arise when the household head does not have a formal education. This suggests the concentration of displaced workers into middle-to-low-income employment requiring just elementary or primary education. As such, the displaced with no education whatsoever may be lacking marketable skills; while displaced workers with secondary and higher education may have skills that are poorly

FIGURE 2 – 6

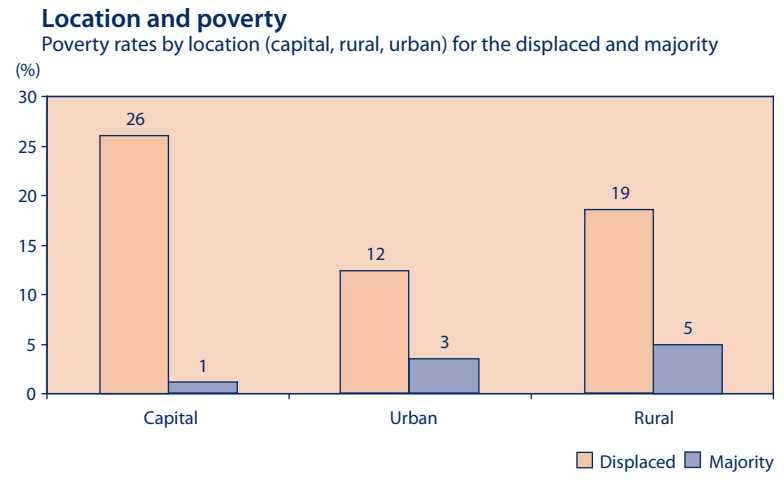


FIGURE 2 – 7

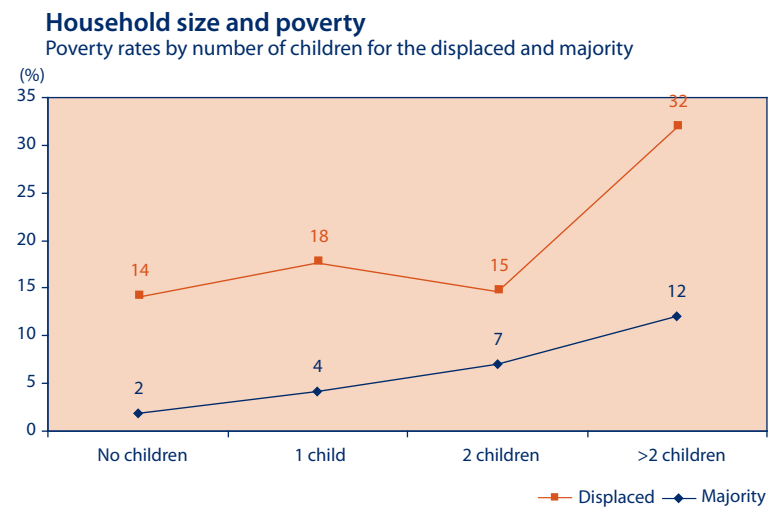
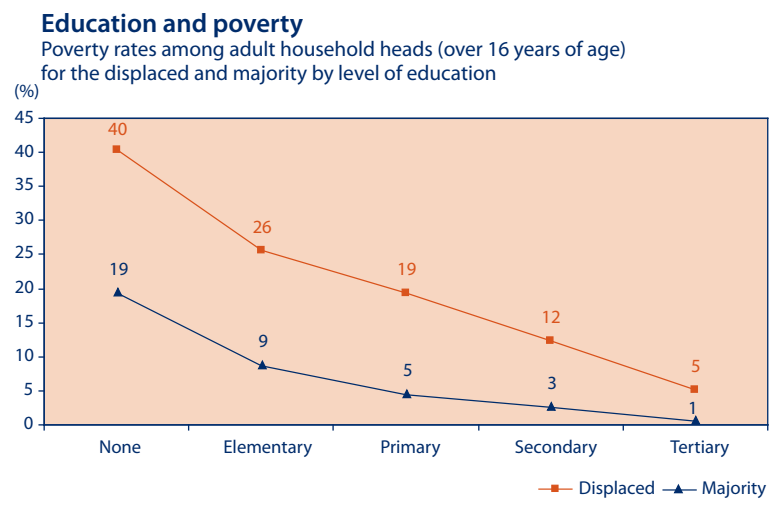
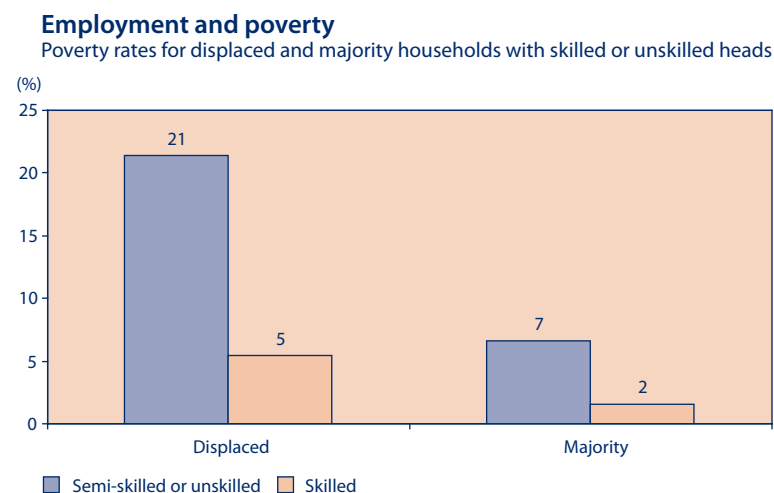


FIGURE 2 – 8



aligned with available employment opportunities.

FIGURE 2 – 9



Employment

As shown in Figure 2-9, for both majority and displaced households, skilled employment of the household head appears to significantly reduce the share of households living in poverty.

The data show that although poverty rates for displaced households with a head in unskilled employment are far higher than poverty rates for equivalent majority households, the gap in poverty rates does not exist between displaced or majority households with heads engaged in skilled employment. This strongly suggests that lack of access to skilled employment is a major cause of the high poverty rates among the displaced.

As would be expected from the trend observed in the *Education* section above, the data in Figure 2-10 show that a far higher proportion of displaced workers are con-

centrated in low- or semi-skilled positions (26 per cent), in contrast to workers from majority households (9 per cent).

Determinants of poverty

In the *Correlates of poverty* section it was shown that, in addition to group status (displaced versus majority), a number of other factors affect poverty rates. It is therefore reasonable to ask about the extent to which higher poverty rates among the displaced can be understood in terms of these objective factors, as opposed to other factors associated with displacement such as discrimination or problems adapting to a new environment. In addition, the factors discussed above – locational effects, numbers of children, education levels, employment status – are all closely related. It is therefore necessary to ask whether these factors each have independent effects on poverty levels and if so, how large these effects might be.

To clarify this issue, the natural log of equivalized (PPP \$) household expenditures was regressed against the factors mentioned above (locational effects, numbers of children, education levels, employment status).⁹⁰ The results of the analysis – shown in full in Table A17 in the Annex – show that only the capital-displaced interaction term and Croatian dummy variable failed to show a significant relationship with expenditures. A reduced form model excluding insignificant terms showed that 47 per cent of the variance in log expenditures can be explained with reference to just two principal factors: the household's location (the country of residence and location in urban, rural, or capital areas) and the status of the household head (in terms of education and employment).

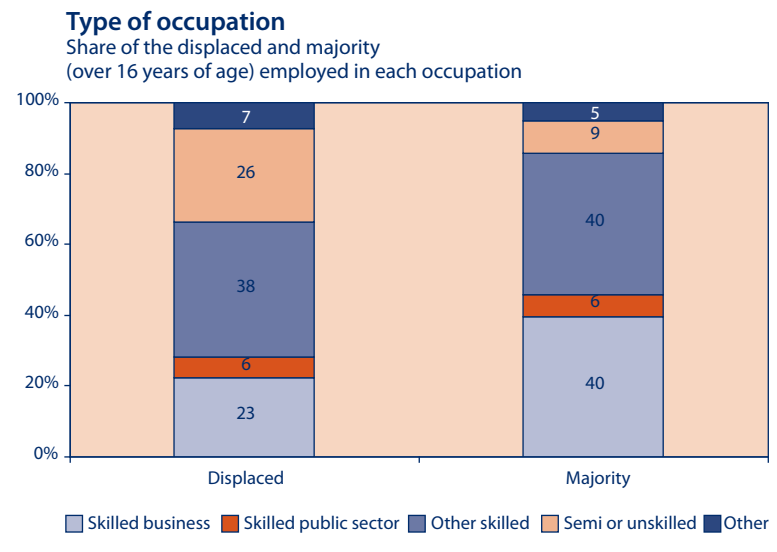
⁹⁰ This model uses simple linear ordinary least squares (OLS) method. The following variables were included in the analysis: Displaced (1 = Displaced, 0 = Majority), country of residence (coded with individual country variables using Bosnia and Herzegovina – the country with the lowest poverty rates for the displaced – as a baseline), locality (coded using separate dummy variables for 'Capital' and 'Rural' localities and using an urban locality as a baseline), the number of children in a household (ordinal variable with five categories: 1, 2, 3, 4, or ≥5), education of the household head (1 = primary or above, 0 = elementary or below), and skill level of the household heads' employment (1 = skilled, 0 = unskilled). A capital*displaced interaction term was also included in the analysis to capture the differing effect of a capital location on expenditures of the displaced. Simple descriptives for continuous and ordinal variables in the analysis and the frequencies for the dummy variables are included in Table A16 in the Annex. The pooling of majority and displaced samples was deemed permissible on the basis of a Chow test (see Chow, 1960) performed on the residual sums of squares of separate regressions conducted separately for the majority and displaced samples (F=0.19). Details of these analyses are in the text.

As predicted, displacement, the number of children in a household, living in a rural area or outside of Bosnia and Herzegovina⁹¹—these all had negative effects on household expenditures. Similarly, in line with the analysis presented above, the presence of a well-educated household head, or of a household head with skilled employment, was shown to have individual and positive effects on household expenditures. Overall, residing in a capital area was shown to have a positive effect on expenditures, but the interaction between residing in a capital and displacement was not statistically significant. The finding of no relationship for the interaction between the capital and displaced variables and expenditures suggests that the unusually high poverty rates among the displaced in capital areas (discussed in the *Correlates of poverty* section) are due to other factors such as the education and skill levels of household heads.⁹²

The results show that education and employment opportunities can play a major role in lifting displaced households out of poverty. Predicted expenditures for displaced households located in urban areas with an average number of children and well-educated heads in skilled employment are 180 per cent higher (PPP \$435 per month) than those with a poorly educated head, and even 107 per cent higher than majority households with a poorly educated household head employed in unskilled labour. (Issues concerning education and skill levels of displaced workers are discussed in the following chapter.)

However, the results also indicate that lower welfare levels among the displaced cannot be explained by education and employment status alone. For majority households located in urban areas with an average number of children and a well-educated head in skilled employment, the predicted average monthly expenditures would be PPP \$587 – 134 per cent more than that of displaced households with analogous locational, family size, skill and education level profiles. This suggests that factors other than education

FIGURE 2 – 10



and skill level – such as unequal opportunities – are at least partially responsible for the welfare gap between the two groups outlined in the *Poverty status* section above. Studies such as those investigating the attitudes of majority communities vis-à-vis Roma (see World Bank, 2005) should also be carried out vis-à-vis the displaced, in order to identify and respond to obstacles to overcoming barriers to their integration.

Barriers to opportunities among displaced households are shown by separate regressions for displaced and majority samples,⁹³ which show that displaced expenditure levels in displaced households are more dependent on the level of education of the household head than in majority households. An urban displaced household with an average number of children with a highly educated head (irrespective of the type of employment) predicted expenditures would be 207 per cent higher than those of analogous households with a poorly educated head. For majority households, the predicted expenditures associated with a well-educated household head is somewhat lower (168 per cent). As the analysis in the *Education and Employment* chapter (Chapter 2.3) shows, these impressive increas-

Lack of access to skilled employment is a major cause of the high poverty rates among the displaced

⁹¹ With the exception of Croatia.

⁹² It seems likely that the relationship between capital areas and poverty in displaced households can be understood with reference to country of origin. Seventy-four per cent of the displaced living in capital areas live in Serbia or Montenegro (compared to 46 per cent of the displaced living outside capital areas). These territories are associated with relatively high poverty rates (see Figure 2-3).

⁹³ These models use a simple linear ordinary least square (OLS) method. With the exception of the group-membership variable, all other variables are the same as in the previous model. Simple summary statistics and frequencies for all variables are included in Table A18 in the Annex.

Box 14: Area-based development in Southern Serbia

Area-based development programmes usually address multi-sectoral development challenges that require local-level cooperation between various actors who are often estranged from one another. Southern Serbia is exactly such an area (International Crisis Group, 2003). After the dissolution of former Yugoslavia – and particularly following the military conflicts in neighbouring Kosovo (in 1999) and Macedonia (in 2001) – many local communities were divided and ethnic tensions were high. In such circumstances, development activities targeting one social or ethnic group, and eschewing a holistic approach to the region, could contribute to further hostilities and even violence.

UNDP and its partners responded to these threats by designing and implementing a series of area-based development programmes in Southern Serbia, starting in 2001.⁹⁴ The main local partners in these initiatives, which delivered some \$27 million in programming during 2002 - 2007, are municipalities and local NGOs. In addition to UNDP monies, funds were provided by the EU's European Agency for Reconstruction, the Swedish International Development Agency, and the Governments of Austria and Norway, as well as by the Government of Serbia.

The focus of these activities evolved over time. Initial objectives emphasized peace building and reconciliation, as well as support for local economic development, and rapid employment activities targeting the unemployed, minorities and ex-combatants. Subsequent phases focused on better local governance and cooperation among South Serbian municipalities. The impact of these programmes is perhaps best seen in the fact that the dire forecasts about tensions and conflicts in Southern Serbia did not materialize. Indeed, relations within the 400 communities/municipalities participating in these programmes often improved. Following the March 2004 events in Kosovo (when Serbs in the territory were targets of a renewed wave of ethnic cleansing), protests and unrest broke out in Belgrade and Nis – but not in Southern Serbia.

UNDP's experience with area-based development in Southern Serbia suggest several important conclusions. First, area-based development programming can indeed provide the right format for preventing conflict and ameliorating the consequences of displacement and vulnerability in the Western Balkans. The programmes introduced under the UNDP umbrella contributed to local-level social cohesion that reinforced multiple identities and community (rather than ethnic) affiliations. Post-conflict reconciliation measures are now giving way to local-level sustainable development as the major programming priority in this area. This change is intended to bring communities in Southern Serbia farther from conflict and closer to the "European standards" to which the government in Belgrade aspires. Establishing a regional development agency to support all the municipalities covered by this project is the next envisaged milestone in this regard.

es in displaced household incomes are from a much lower base. Similarly, although the engagement of displaced household heads in skilled (rather than unskilled) employment can lead to an expected 70 per cent increase in expenditures (compared with a 66 per cent increase for majority households), the expenditures in displaced households with a head

engaged in such employment remains far lower than those of majority households (38 per cent and 23 per cent lower for households with educated or uneducated household heads, respectively). In other words, irrespective of the type of employment in which displaced household heads are engaged, they earn lower incomes than majority household heads in otherwise analogous situations. (Barriers to employment and incomes among the displaced are discussed in the following *Education and employment* chapter.)

Conclusions from Chapter 2.2

This chapter emphasizes the importance of the unresolved legal status of displaced persons, and of its links to poverty and exclusion. It suggests that, while Roma need priority attention in terms of poverty reduction efforts, it is not just Roma who need such attention. Refugees and internally displaced persons are also vulnerable groups who face greater-than-average risks of poverty and social exclusion. Data also support the findings of other research that, within the 'displaced group' IDPs are often in much more difficult positions than refugees, and as such deserve particular policy attention.

Such factors as group status, country of residence, age, education level, and skill level of employment, significantly affect a household's vulnerability to poverty. Although displaced persons have lower poverty rates than Roma, the analysis also shows that in terms of the above mentioned factors, displaced households are vulnerable to poverty, i.e. they have a high risk of falling into poverty in the future given their household characteristics and their unsettled status. Also, the magnitude of the decline in status experienced by the displaced (most of whom were not vulnerable prior to the conflict) suggests that subjective perceptions of poverty and vulnerability may be particularly acute.

It should be kept in mind that some of the IDPs are Roma. On the other hand, the issue of the adaptation capabilities of the Roma IDPs as compared to those of the other IDPs should be considered.

⁹⁴ These were the South Serbia Municipal Improvement and Recovery Programme, and the companion Rapid Employment Programme, during 2001 – 2003; and the Municipal Improvement and Recovery Programme I and II during 2003 - 2007.

Education and employment

Summary

Unemployment is a major determinant of vulnerability, and employment can provide the income needed to escape poverty. This chapter looks at both the frequency and the quality of employment of displaced persons in the region, with a particular focus on the educational determinants of employment.

The survey data show that education is not the problem for the displaced that it is for Roma, as differences in education levels between displaced and majority respondents are generally insignificant. However, while education per se is not a major problem for displaced persons, levels of education do affect employment opportunities. Important gender differences do appear in terms of tertiary education, with displaced women much less likely to continue their education after secondary school. Literacy rates are similar, as are enrolment rates at the secondary level, but enrolment rates in primary schools are a little lower for the displaced.

While unemployment rates are consistently higher for displaced than majority workers, in contrast to Roma, subjective unemployment rates are lower for the displaced in some West Balkan countries. This may reflect a greater reluctance to accept the stigma that can come with declaring oneself to be unemployed. The displaced are mainly employed in low-skilled manual jobs, and they are more likely to work in the informal sector to a greater extent than are members of majority communities. Income levels for the displaced are lower than for majority households but, unlike Roma, the displaced derive almost all of their income from labour (rather than social benefits, begging, or other forms of income generation).

Self employment and access to credit: more majority households try to start a business than do displaced, but the differences are not great. As with Roma and the poor in general, the displaced find it hard to get bank credit, although there was little difference in the average value of loans between displaced and majority households. Displaced households are more likely to borrow from friends,

relatives and NGOs and are less likely to be members of credit cooperatives or credit unions than majority households. Collateral is a major constraint and, whereas nearly all majority households live in housing that belongs to them or their family members, fewer than half of displaced households do. The displaced are also less likely to own land. A large share of displaced households borrows for home improvements and this may help explain banks' reluctance to lend.

Age: youth unemployment is slightly higher among displaced than majority households, though rates are very high in both communities.

Gender: unemployment rates for women are higher than for men across the region, and the gap between the rates are higher for displaced than for majority communities. And whereas employment rates for displaced men exceed the Lisbon employment rate targets (70 per cent overall), those for majority and especially displaced women fall short.

Location: unemployment rates among the displaced are higher than among majority communities in both urban and rural areas, with rates for both groups higher in rural areas than in towns and cities. Unemployment is also influenced by the extent to which the displaced live in mixed communities; unemployment rates are higher in segregated communities.

Despite having education levels similar to those of majority households, the displaced do not have the same employment opportunities. As might be expected, unemployment falls in both communities at higher levels of education, although the labour market advantages for displaced persons with higher education are smaller than for majority workers. In addition, improvements in education for the displaced do not lead to commensurate increases in wages.

Education status

The survey data indicate that education is the area in which the profiles of displaced and majority respondents coincide most

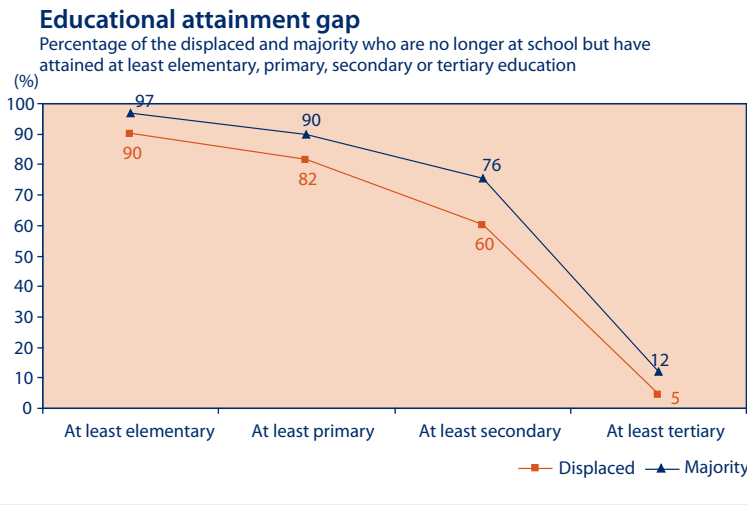
Displaced women are much less likely to continue their education after secondary school

The displaced are mainly employed in low-skilled manual jobs, and they are more likely to work in the informal sector

closely (see Figure 2-11). This suggests that weak education backgrounds do not pose the major problem for displaced persons that they pose for Roma.

(see Table 2-4), which (with the exception of Bosnia and Herzegovina) fall below national literacy rates.

FIGURE 2 – 11

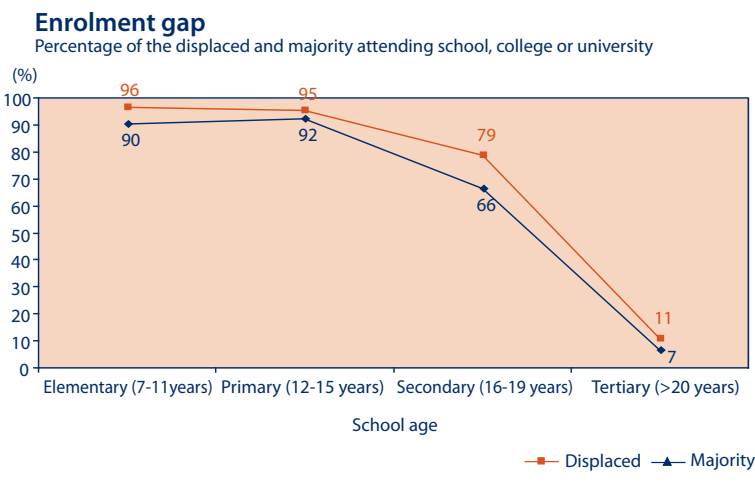


However, there is a small gap in education status between majority and displaced household members. As with the Roma, lower attainment rates among the displaced reflect their lower enrolment rates, particularly at the secondary level (see Figures 2-12 and 2-13).

Demographic differences

Although the above suggests that the education status of displaced and majority communities is broadly comparable, at least at the elementary and primary levels, it is clear that important pockets of vulnerability are present among the displaced. In particular it is important to distinguish between the displaced whose schooling was disrupted by displacement, versus those who either completed school before they were displaced or have begun/renewed education since the displacement. As shown in Chapter 2.1 (see Figure 2-1), the two largest waves of displacement followed shortly after the Croatian and Bosnian conflicts in 1991, and the armed resistance movement in Kosovo which took hold after 1997. The data show that for displaced persons of secondary-school or prime university age (16-21 years), there were major drops in education levels, particularly for those at the older end of this range and who may have been less able to pick up their education in another environment following displacement (see Figure 2-14). These differences in education status can be explained by the turbulent and uncertain circumstances in which displaced children often find themselves (see Box 19). This underscores the importance of policies to ensure improved educational support for those whose education has been disrupted by displacement.

FIGURE 2 – 12



Lower enrolments among the displaced are reflected in the number of years they spend in education. While the majority spends an average of 10 years and nine months in education, displaced persons spend just nine years.

Lower enrolment and attainment rates among the displaced, along with problems (for some respondents) associated with learning new languages, are reflected in the lower literacy rates among this group

The survey data also suggest that displaced women are particularly vulnerable. Not only is the gap in attainment larger in the case of displaced women than displaced men (see Figure 2-15)—it increases with the level of education. The data indicate that displaced men are 15 per cent less likely to obtain secondary education than men from majority communities, while displaced women are 27 per cent less likely to obtain secondary education than displaced men. Overcoming the lower education status of the displaced requires interventions sensitive to the vulnerable state of displaced women.

Employment status

Despite broad comparability in the education status attained among displaced and majority communities (see Figure 2-11),

there are major differences in the employment opportunities available to the two groups.

Unemployment rates in Southeast Europe

As in the *Employment* chapter on Roma, unemployment rates can be assessed based on both subjective reports of working status and objective measures based on responses to the question of whether the respondents earned any income in the previous month, and if so, how. As before, given the problems associated with using a subjective active job search criterion (see, for instance, Micklewright and Nagy, 2002) the condition of actively seeking employment – included in the ILO definition of unemployment – was not considered in calculating unemployment rates.

The data show that unemployment rates and subjective perceptions of unemployment are far higher among displaced than among majority respondents, and in most cases more than twice as high (see Figure 2-16).⁹⁵ In contrast to majority respondents, whose subjective perceptions of unemployment and reported unemployment rates are fairly close, relatively high proportions of the displaced perceive themselves as being unemployed when they are in fact involved in some form of income generation. This most likely reflects the fact that employment for the displaced is concentrated in the informal sector, involving irregular or poorly paid work. Although such activities may generate income, they may not be regarded as ‘employment’.

Differences in types of employment and sources of income

The data in Figure 2-17 show that, in comparison with workers from majority communities, displaced workers are overrepresented in sectors dominated by manual labour and low-skill work – such as trade and construction – and underrepresented in public sector employment in such areas as public utilities, health care, education and science. This is most probably caused by both an aversion to lower-skilled employment among the ma-

FIGURE 2 – 13

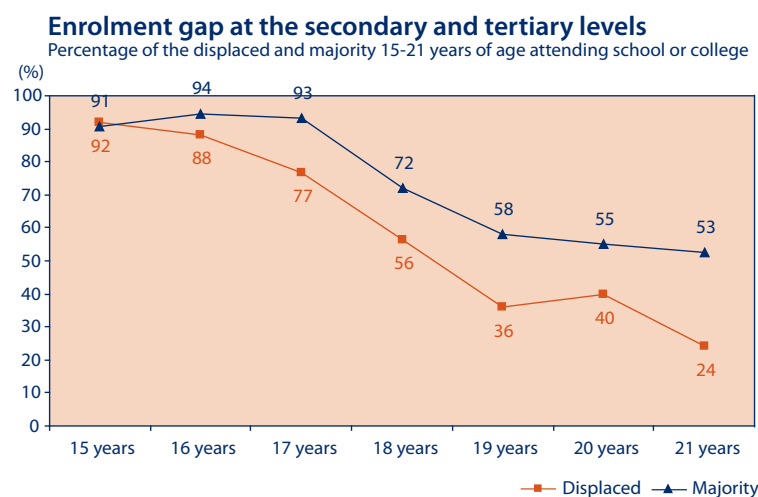


FIGURE 2 – 14

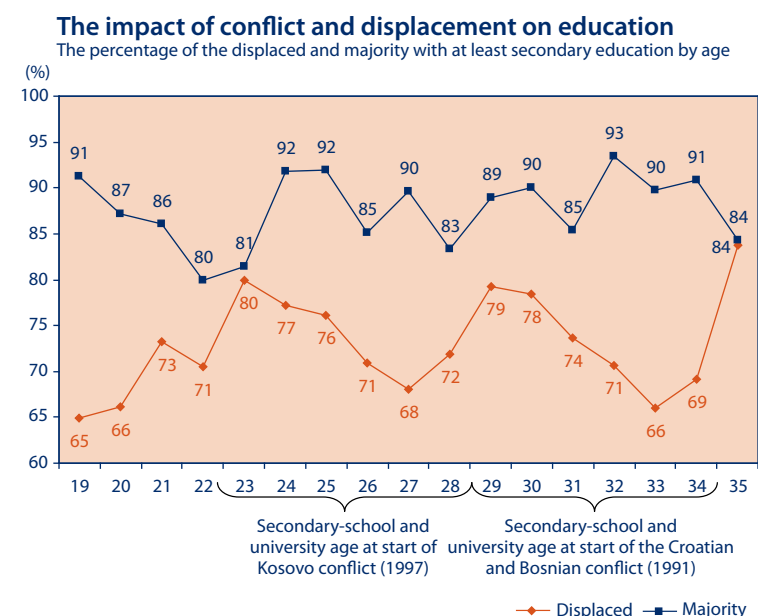


Table 2-4

Adult literacy gap			
Percentage of displaced and majority respondents over 15 years of age who read and write and national adult (over 15 years) literacy rates.			
	Displaced	Majority	National averages (2003) ⁹⁶
Bosnia and Herzegovina	95.0%	97.8%	94.5%
Croatia	93.0%	98.6%	96.1%
Serbia	94.2%	98.9%	
Montenegro	95.6%	99.5%	96.4% ⁹⁷

⁹⁵ It should be emphasized again that the majority populations used as the basis of comparison are those living in proximity to the displaced sites selected for the survey, as opposed to the overall average for the country as a whole. In this way, we can compare groups that are similarly vulnerable due to their isolation in deprived areas.

⁹⁶ Source: UNESCO Institute for Statistics, 2005: <http://www.uis.unesco.org/>.

⁹⁷ Data for Serbia and Montenegro are combined.

Box 15: National MDG targets, vulnerable groups and primary education for displaced children

The survey data suggest that, while literacy is not a major problem for displaced households, the situation with enrolment rates is more troubling. This point is also made by the national MDG reports from the Western Balkans.

The MDG report for **Montenegro** calls for increasing net primary enrolment rates to 99 per cent by 2015, from 97.6 per cent in 2005 (which corresponds to 0.14 annual percentage-point increases). Moving at this pace, the displaced would reach the national target only in 2090. Meeting this target by 2015 would require that the pace of enrolment rate increases for the displaced would have to be almost eight times faster than the national rate of increase.

The MDG report for **Serbia** calls for achieving universal (100 per cent) net primary enrolment by 2015, from 97.9 per cent in 2002 (which corresponds to 0.16 annual percentage-point increases). Moving at this pace, the displaced would reach the national target only in 2097. Meeting this target by 2015 would require that the pace of enrolment rate increases for the displaced would have to be almost nine times faster than the national rate of increase.

majority, combined with a lack of public-sector opportunities for the displaced due to their largely ‘provisional’ and ‘unresolved’ status.

The ‘provisional’ status of the displaced seems to affect their ability to obtain skilled employment: just 15 per cent of displaced workers are in skilled employment, compared with 31 per cent of workers from majority communities. Differences in levels and types of unemployment among the displaced have a major impact on their incomes. Average monthly incomes from wages among majority households (363 euros) are nearly double those of displaced households (191 euros).

Moreover, it does not appear that this wage gap is fully offset by either social benefits or such coping strategies as subsistence farming. The average income derived from unemployment benefits among displaced households was only 5.49 euros. Although the percentage of displaced respondents with access to agricultural land (18 per cent) is similar to the share of majority respondents (17 per cent), the average monthly net income derived from agricultural production is only 1.42 euros, compared with 4.76 euros among majority respondents. This may reflect the fact that 35 per cent of the displaced pay some form of rent on this land (compared with 13 per cent of majority respondents).

Perhaps because of their lower income levels, the displaced are disproportionately involved in informal-sector activities, which are often associated with poor job quality and weak social protection (ILO, 2002). As the data in Figure 2-18 show, employment in such activities for displaced workers (for which income was not reported for tax and social purposes) was high (and higher than for workers from majority communities) in all countries of the region, with the exception of Croatia.

FIGURE 2 – 15

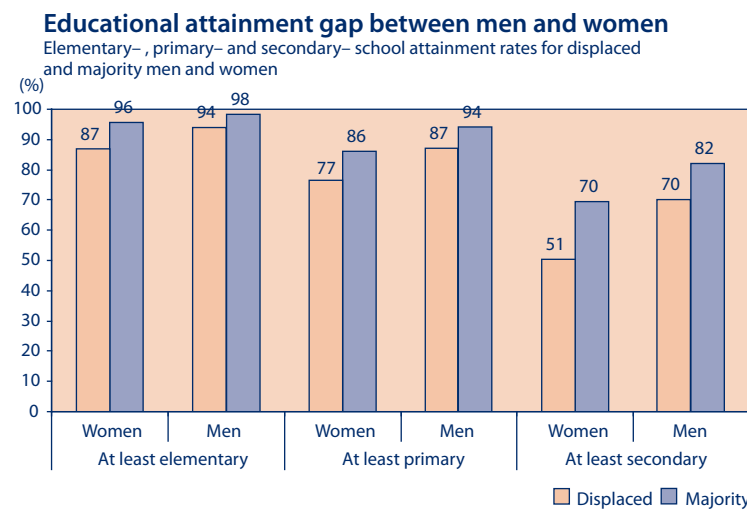
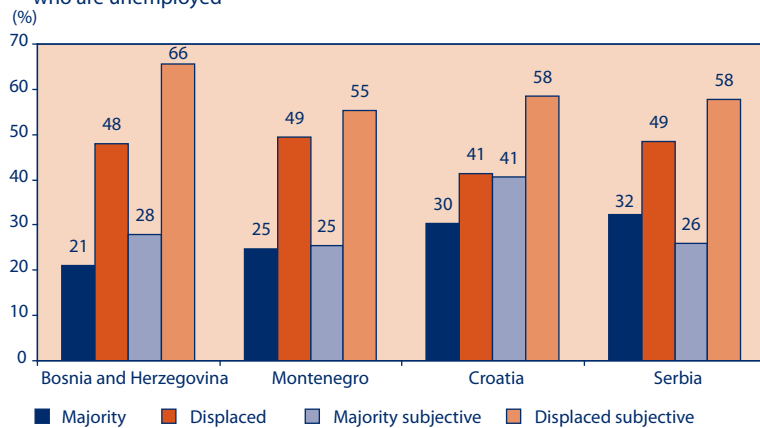


FIGURE 2 – 16

Unemployment rates and subjective perceptions of unemployment

Percentage of the displaced and majority between 15 and 55 years of age who are unemployed



Self-employment and access to credit

As mentioned in the *Employment* chapter on Roma, promoting the development of small- and medium-sized enterprises (SMEs) is a central aim of the Central European Initiative involving Bosnia and Herzegovina, Croatia, and Serbia and Montenegro (along with 12 other European states) (UNECE, 2001). However, the level of activity among the displaced in such activities is relatively low. The data show that, while attempts have been made to establish businesses in 17 per cent of majority households, this was the case in less than 9 per cent of displaced

households.⁹⁸ As with Roma, relatively poor access to capital in general and bank credit in particular is a serious barrier to self-employment and entrepreneurial activities among the displaced. Thirty per cent of the majority households surveyed said they had used some type of credit, compared to 19 per cent of displaced households. The average loan size among the displaced was around 2,629 euros, compared to 3,344 euros among majority borrowers.

The data in Figure 2-19 show that, like Roma, displaced households are far less likely to use banks or credit unions/cooperatives, and more likely to use friends, relatives, and NGOs, as a source of credit than are majority borrowers. They are less engaged in credit cooperatives or credit unions, which further limits their access to microfinance services. The inability to provide collateral appears to be a central barrier to obtaining credit from banks or credit cooperatives. Private ownership of property or land is an important source of collateral. While 88 per cent of majority households live in properties that belong to them or to family members, just 40 per cent of the displaced are in such a position. Similarly, 36 per cent of majority households own the land on which the property is located, compared to just 22 per cent of displaced households.

Displaced households' poor access to formal sources of credit underscores the importance of microfinance programmes that focus on facilitating lending to vulnerable groups such as the displaced. The projects in Bosnia and Herzegovina (described in Box 16) can be used as an example for future programmes in the region.

Although these microfinance programmes have been largely successful (see Box 16), their long-term sustainability means ensuring that lending is increasingly directed to productive activities. The survey data show that, while similar proportions of displaced and majority households borrow for business purposes (around 6 per cent), a much lower proportion of the displaced borrow to purchase durable goods, which can boost labour market competitiveness and productivity (10 per cent as compared to 18 per cent for majority households). A much higher proportion of displaced households borrow for the less productive purpose of

FIGURE 2 – 17

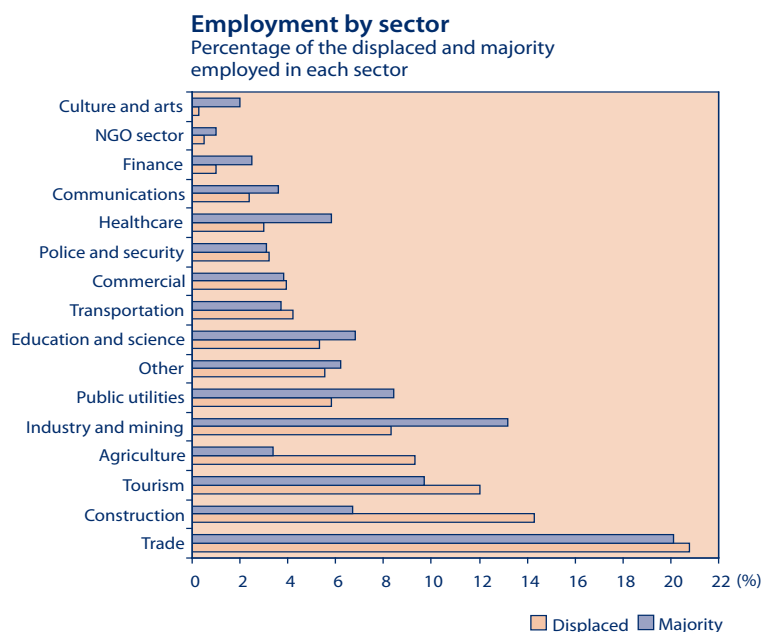


FIGURE 2 – 18

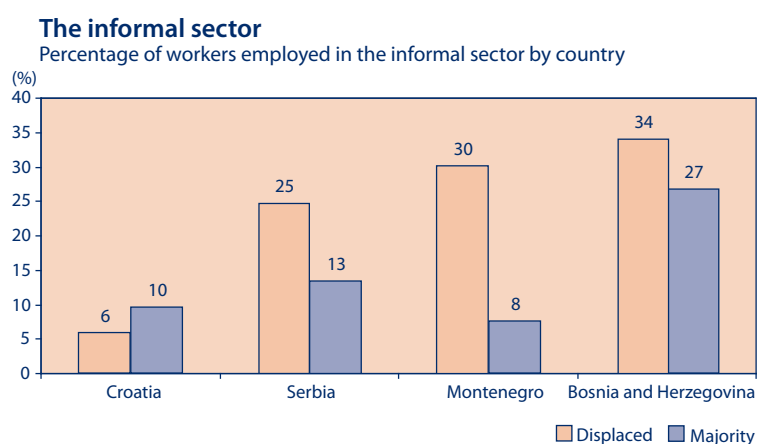
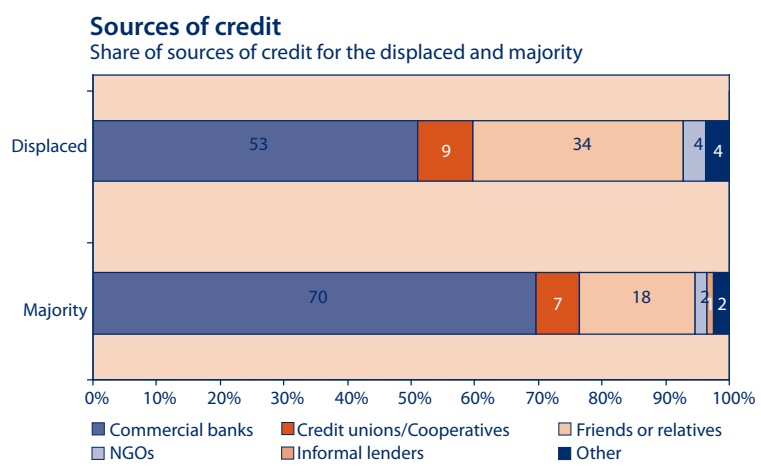


FIGURE 2 – 19



⁹⁸ This is lower even than the proportion of Roma households in Bosnia and Herzegovina, Croatia, and Serbia and Montenegro, in which one or more household members have made efforts to establish their own businesses (13 per cent).

Box 16: The seeds of new business - microfinance programmes in Bosnia and Herzegovina

A number of microfinance initiatives, supported by multilateral agencies (including UNDP) and governments, have been introduced in Bosnia and Herzegovina. These initiatives have generally sought to improve access to credit for communities in depressed areas with large numbers of displaced residents.

The first phase of the \$22 million Local Initiatives Project, financed by the World Bank, UNHCR, UNDP, and a number of donor governments, was implemented during 1996-2000. It provided over 50,000 micro loans to vulnerable and war-affected individuals that would not otherwise have had access to credit. A study of the project's second phase (during 2002-2005) found that improved access to micro credits led to increases in per-capita household income, quality of employment and entrepreneurial activity. The project was also found to increase the proportion of displaced that registered their businesses.

UNDP's Srebrenica¹⁰⁰ Regional Project, begun in 2002, targeted three municipalities – Srebrenica, Bratunac and Milici – that had suffered combinations of serious wartime damage and economic decline. Although the project included elements of support for local governance, infrastructure and housing development, its main focus was on post-conflict economic recovery by helping to improve access to finance through micro-credits for new businesses. An evaluation of the programme concluded that the provision of micro-credits had been highly successful, and had contributed to the restoration of basic commercial services in Srebrenica. By 2005, some 16,000 loans had been contracted and almost \$20 million dispersed. Some \$3 million of this was lent to displaced in the region – mostly to Bosniak returnees, but also to displaced Bosnian Serbs. The loans have had 100 per cent repayment to date; no defaults have been reported.

home improvement (33 per cent, compared to 19 per cent of majority households). This suggests that new micro-finance projects in the region should include business training and other business support components.

Correlates of employment

Age

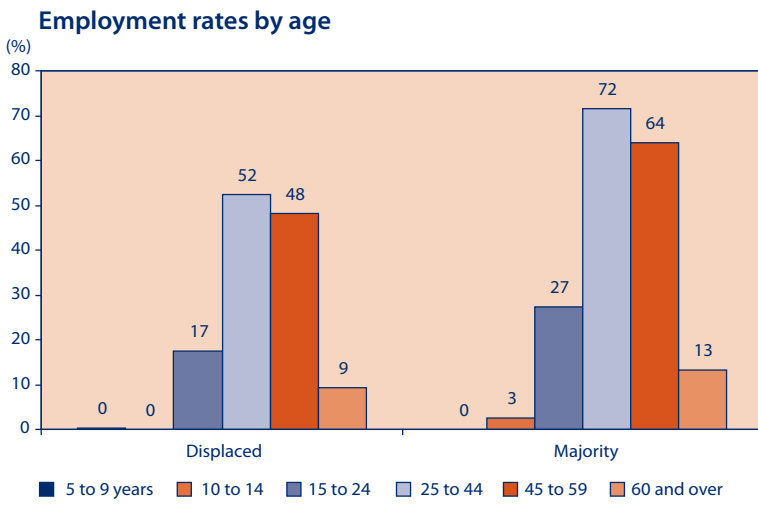
The MDGs identify youth unemployment as a special cause for concern. As can be seen from the data shown in Figures A2 to A4 in the Annex, unemployment rates among young adults are above national averages for both majority and displaced households across the region.⁹⁹ Although (as in majority communities) unemployment rates are lower among displaced persons of 'prime age' (25-44 years old), unemployment rates for this age group remain high – between 32 and 45 per cent across the region – suggesting poor labour market conditions for even prime-age displaced adults.

Gender

Disaggregating unemployment rates by sex highlights the doubly vulnerable position of displaced women. The data show that majority and displaced women across the region have higher unemployment rates than men (see Figure 2-21). As discussed in the *Employment* chapter on Roma, this might be related to the greater probability that women will withdraw from conventional labour market activities to engage in activities such as housework and/or looking after children.

However, as shown in Figure 2-21, the gap in unemployment rates between displaced and majority workers is less pronounced in the case of men than of women. Likewise, the gap between majority and displaced workers in terms of employment rates is larger in the case of displaced women than men (Figure 2-22). Although employment rates among displaced men are low (just three quarters that of the EU Lisbon target of 70 per cent), the employment rates among

FIGURE 2 – 20



⁹⁹ O'Higgins (2003, 2004) provides a description and some discussion of youth unemployment in transition countries as a whole. O'Higgins (2001) discusses in more detail why young people face higher unemployment rates than other age groups.

¹⁰⁰ Srebrenica was the site of the execution of some 8,000 Bosnian Muslims in 1995 (see http://en.wikipedia.org/wiki/Srebrenica_massacre). Recovery and community rehabilitation efforts in this region therefore have particular significance.

displaced women are even lower – less than half the EU Lisbon target of 60 per cent.

Locational effects

The survey data show that unemployment rates are marginally higher in rural areas for both majority and displaced workers (see Figure 2-23). This is due entirely to higher unemployment rates among rural women for both groups, which underscores the labour market vulnerability facing rural displaced women.

Unemployment rates can also be influenced by the degree of ethnic segregation or integration. The survey approached this issue by posing questions about the ethnic mix of the respondents' settlement, village, town, city, or immediate neighbourhood. The data show that unemployment rates are highest among the displaced living in areas predominantly containing the displaced, and lowest among those living in mixed areas (see Figure 2-24). The extent of ethnic mixing does not appear to have a significant impact on the employment prospects of majority workers. This suggests that initiatives to reduce unemployment among displaced persons should focus on increasing their integration into majority communities and on providing living opportunities outside of refugee centres.¹⁰¹

Education

Education clearly affects employment status. But despite achieving education levels that are broadly comparable to those of majority workers, displaced workers do not have the same employment opportunities (see Figure 2-25). Whereas unemployment rates for both displaced and majority workers generally decline with increasing education levels, this relationship for displaced workers is not monotonic. While unemployment rates are higher among well-educated displaced (i.e., with a primary education or above) than well-educated majority workers, for poorly educated workers (i.e., with an elementary education or less) this situation is reversed: unemployment rates are higher among majority than among displaced workers. The relative labour market advantage accruing to those with higher levels of

FIGURE 2 – 21

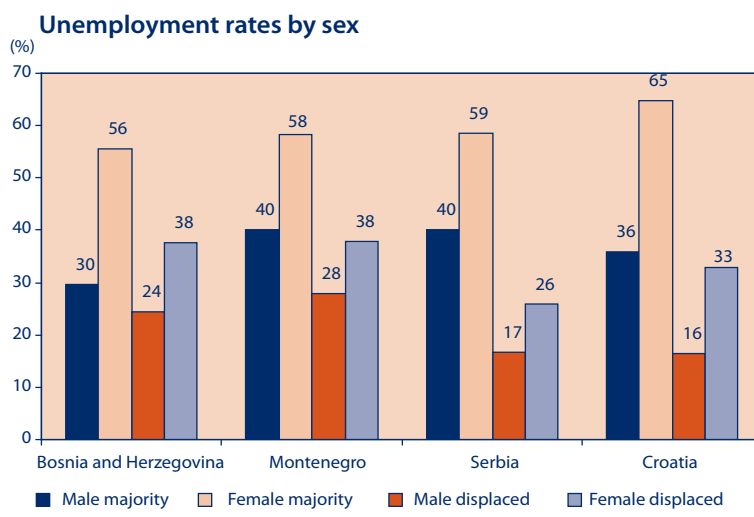


FIGURE 2 – 22

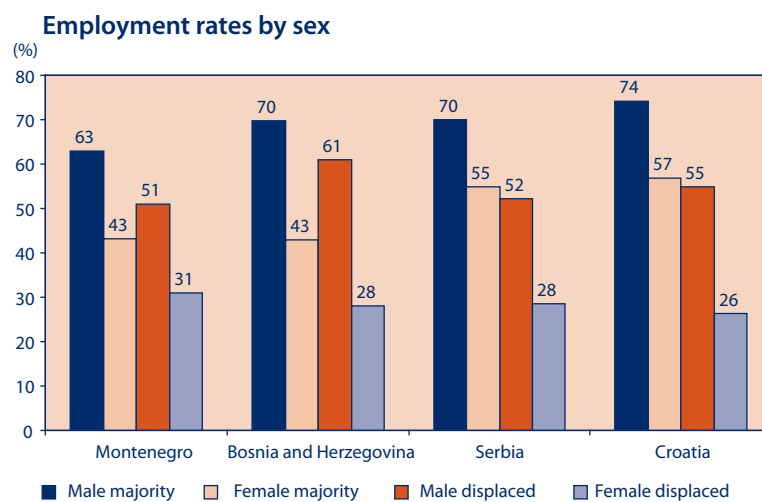
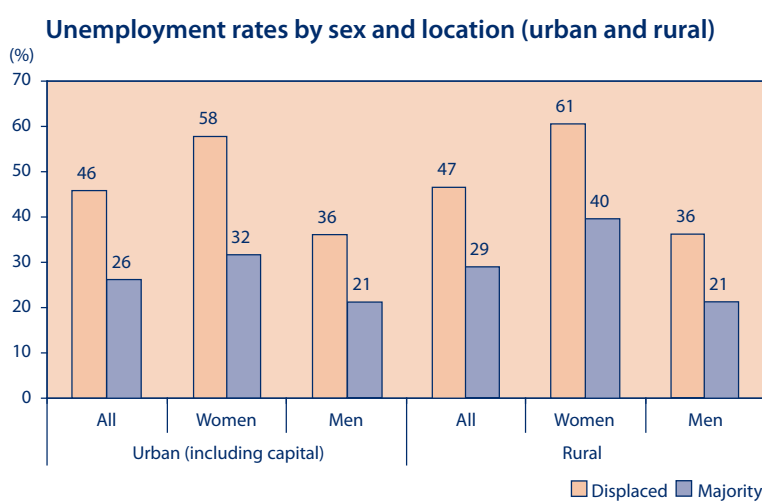


FIGURE 2 – 23



¹⁰¹ Although it might be assumed that mixed neighbourhoods tend to be more urban and that lower unemployment rates among the displaced therefore reflect the tendency for mixed neighbourhoods to also be urban ones – the data does not support this assumption. Fifty-six per cent of urban majority and 62 per cent of urban displaced live in neighbourhoods occupied by the same group compared with just 50 and 61 per cent of rural majority and displaced persons respectively.

FIGURE 2 – 24

Unemployment and ethnicity

Unemployment rates for the displaced and majority by ethnic mix of the neighbourhood

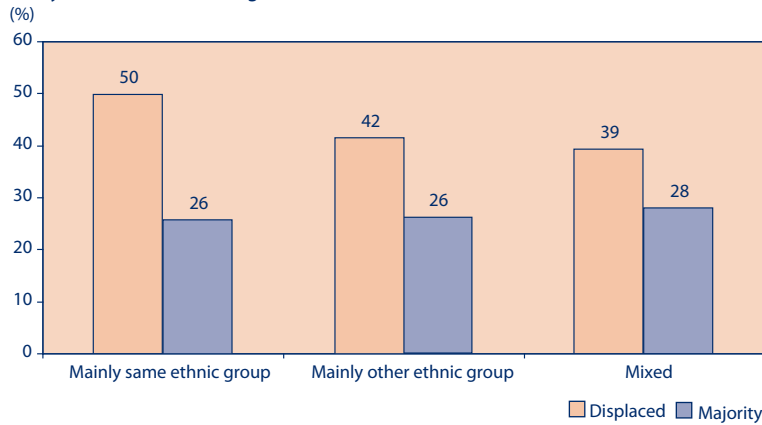


FIGURE 2 – 25

Education and unemployment

Unemployment rates by level of education

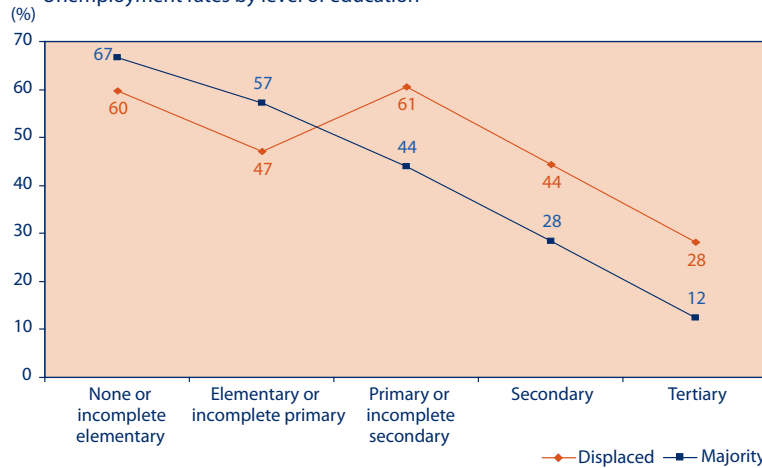
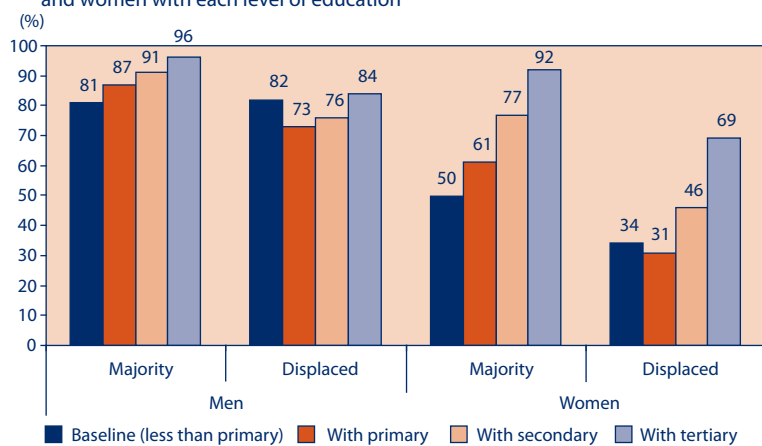


FIGURE 2 – 26

Education and the probability of employment

Expected probabilities of employment for majority and displaced men and women with each level of education



education is therefore less pronounced for displaced than for majority workers. Indeed, the unemployment rate for displaced workers with a primary education (61 per cent) is actually higher than the rates for displaced workers with an elementary education (47 per cent).

The lack of a relationship between education levels and employment opportunities for the displaced was shown clearly through a simple probit model. The results of the probit analysis show that for majority workers, completing any level of education leads to large and significant increases in the probability of employment for both men and women (see Table A13 in the Annex). However, for the displaced, only the completion of primary education in the case of men or the completion of secondary or tertiary education in the case of women had any impact on the probability of employment. These findings are shown in Figure 2-26, which displays the estimated percentage-point improvement in employment prospects for each increase in the level of education for majority and displaced workers.¹⁰²

This hypothetical simulation indicates that, while the probability of employment generally increases with each level of education, for displaced men and women the impact of education on employment is only felt for workers with secondary or tertiary education, respectively. This suggests that displaced persons must have high (at least secondary) levels of education to ‘prove’ themselves to prospective employers.

Once employment has been secured, education has a differential impact on employment quality and income levels for majority and displaced workers. As shown in Figure 2-27, education substantially increases the numbers of both majority and displaced workers who find skilled employment. However, there are notable differences between displaced and majority workers in this respect. Greater proportions of majority workers are involved in skilled labour than displaced workers, irrespective of education levels. Moreover, while attaining elementary education substantially increases the proportion of majority workers in obtaining skilled employment (from 20 to 57 per cent), it has no effect on prospects for displaced workers, whose chances

¹⁰² The calculation makes use of the statistically significant results from Table A13 in the Annex and uses the employment rates for poorly educated (i.e., without primary education) majority and displaced men and across the region as baselines.

es of finding skilled employment appear to increase substantially only after secondary education is attained.

This suggests that, thanks to their local work experience and networks, workers from majority communities can obtain skilled employment irrespective of their education level. Displaced workers by contrast do not have these connections and local experience. In the face of distrust from majority communities, only the very educated displaced seem able to obtain skilled employment. This is apparent in the fact that education does not lead to wages for displaced workers that are equivalent to those of similarly educated workers from majority communities. The results of a returns-to-education estimation¹⁰³ show that increases in education levels do result in significant wage gains for displaced workers (with the exception of primary education in the case of women). However, these gains are from much lower wage levels than those received by workers from majority communities (see Table A14 in the Annex). Presenting the wages associated with each education level as a percentage of the wages earned by a non-educated worker from the majority community shows that increasing the level of education for displaced men or women does not, with the partial exception of Bosnian women, bring their wages in line with similarly skilled majority workers. Thus, displaced workers too often do not have access to the employment and wages that are commensurate with their level of education (see Figure 2-28).

Conclusions from Chapter 2.3

Data analyzed in this chapter suggest that the educational and literacy status of displaced workers is very close to that of workers from majority communities. For the displaced in the Western Balkans, the concept of 'educational vulnerability' does not make much sense. This means that the barriers to education faced by displaced persons are quite different from the barriers Roma are facing. This underscores the need for specific, group-targeted measures for decreasing vulnerability. For the displaced, this means measures within a comprehensive national strategy

FIGURE 2 – 27

Education and type of employment

Percentage of the displaced and majority (over 15 years of age) with each level of education employed in a skilled profession

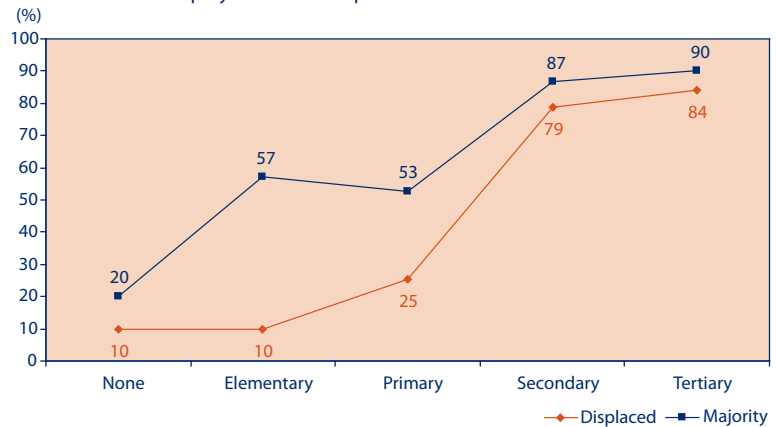
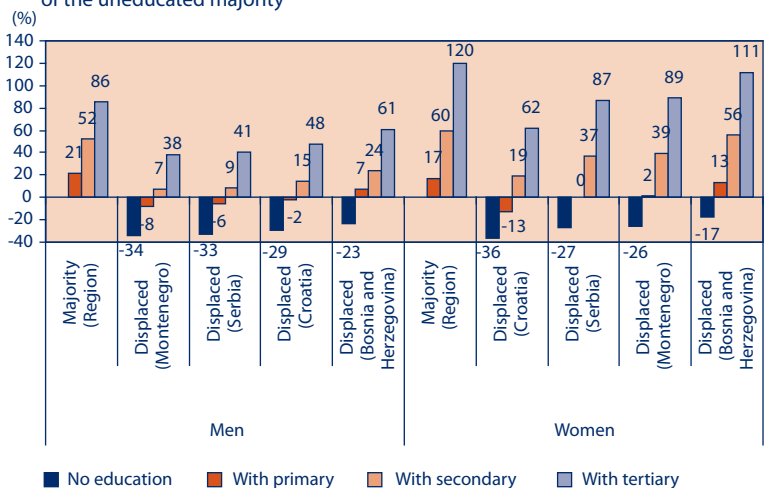


FIGURE 2 – 28

Relative returns to education

The estimated wages of majority and displaced men and women with primary, secondary or tertiary education as a percentage of the average wage of the uneducated majority



Box 17: National MDG targets, vulnerable groups and displaced youth unemployment

In **Bosnia and Herzegovina**, the National MDG report calls for reductions in youth (15-24 year-old) unemployment rates to 12 per cent by 2015. Assuming progress towards this target is calculated from the 34.8 per cent rate estimated in 2001, the youth unemployment rate in Bosnia and Herzegovina would have to decline by 1.63 percentage points annually. At this rate, the displaced would reach this 12 per cent target only in 2036. Achieving the target by 2015 would require annual reductions in the unemployment rate for displaced youths three times larger than the national figure.

for displaced populations, implemented at the level of (and often by) the communities affected.

¹⁰³ A basic Mincerian regression in which the natural log of wages was regressed against age, age-squared and education level. The model was estimated separately for men and women and for each of the groups.

Data show that the subjective perception of unemployment among the displaced is higher than among majority communities – even when the former are involved in some form of income generation. The displaced seem more likely to perceive informal sector economic activities as unreliable and short-term, and are therefore more likely to regard themselves as unemployed.

Unstable employment is associated with low incomes that are substantively lower among displaced than majority households. Moreover, inter-group discrepancies in wages do not seem to be fully offset by either benefits or by coping strategies such as subsistence farming. Displaced workers are overrepresented in sectors dominated by manual, low-skill labour, and are underrepresented in public-sector employment. This is largely consistent with their ‘provisional’ and ‘unresolved’ status. The displaced face also limited opportunities

for self-employment and access to credit. Like Roma, the displaced tend to rely on family and other informal credit sources.

Unemployment rates among young displaced workers are higher than for older adults among both majority and displaced households. Displaced women also have higher unemployment rates than displaced men. Unemployment rates for both displaced and majority households drop with education levels, but unemployment rates are higher among well-educated displaced than well-educated majority workers. This may well be further evidence of the influence of displaced workers’ unresolved status, as jobs requiring higher education are less available in the informal sector. However, for poorly educated workers this situation is reversed: unemployment rates among majority workers are higher than for displaced workers.

Health and security

Summary

In the previous chapters, vulnerability was approached sectorally, in terms of poverty, employment and education. Human security (as an antidote to vulnerability) can also be defined to include health status and nutrition security, community relations, access to social services and threat perception.¹⁰⁴

This chapter analyses housing conditions, threat perceptions, and health and nutrition conditions for displaced as opposed to majority households. The displaced face a very insecure housing situation: most live in accommodations for refugees with sub-standard sanitation infrastructure. These conditions, and the fact that they often have left much behind in the places from which they fled, mean that the displaced possess fewer basic household items, such as furniture or books. Access to information and communication technologies is often inadequate as well.

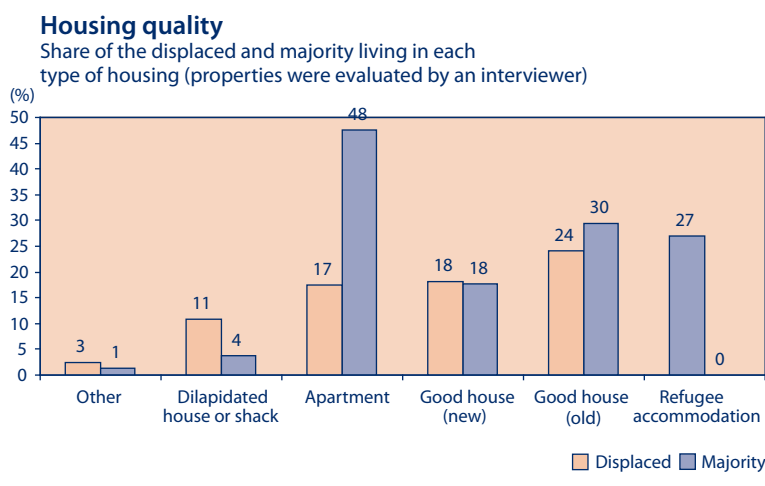
The displaced rate their health status worse compared to one year earlier. Some important gender differences exist in terms of incidence of chronic illnesses: more women are affected by chronic illnesses among both displaced and majority households. The displaced are more likely to suffer from neuroses and disorders related to the psychological trauma of displacement. Large physical distances to health facilities, low incomes, and lack of proper identity documents, are major barriers to access to health services for displaced households. Insufficient vaccination coverage (most often due to inadequate identity documents) is a major determinant of vulnerability, particularly for displaced children. Like Roma, displaced households are much more likely than majority households to go to bed hungry because they cannot afford food. Displaced children are particularly susceptible to nutrition risks.

The most common threat reported by both displaced and majority households is 'lack of sufficient incomes'. However, while large proportions of displaced households view hunger, poor sanitation and inadequate housing as the greatest threats to their households, majority respondents are more concerned with such issues as crime and corruption. When asked who would be the best placed to handle these threats, both groups responded that the family should handle problems of low incomes, hunger and inadequate housing. Poor sanitation and corruption, by contrast, were seen by both groups as requiring the intervention of the police, NGOs or local government.

Housing status

While almost all majority households live either in apartments or houses considered to be in good condition, almost two fifths (38 per cent) of displaced households live in camps and other accommodations specifically for refugees, or in dilapidated houses and shacks (see Figure 2-29).

FIGURE 2 – 29



¹⁰⁴ The survey did not ask questions related to violence, though it is confirmed that violence, including inter-personal violence, is a major health threat that particularly affects women.

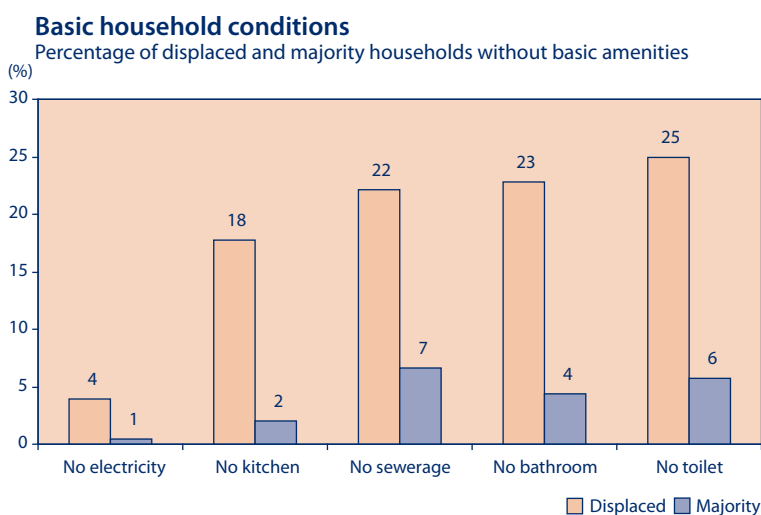
	Majority		Displaced	
	Male	Female	Male	Female
Average score on self-assessment of improvement/deterioration of health in the last year (with '5' representing 'much worse' and '1' meaning 'much better')	3.1	3.2	3.2	3.4
Incidence of chronic illnesses (percentage of those who reported having chronic illness)	16	20	19	23
Average number of days of normal activity lost as a result of illness	13.9	11.2	18.4	17.5

Differences in the housing status of majority and displaced households are also reflected in crowding. While majority households can expect to have an average of three rooms in their homes, displaced households have an average of just two. Similarly, while majority households enjoy

an average of 27 square metres per household member at home, displaced persons have just 17 square metres. Access to basic infrastructure is an additional useful proxy of household vulnerability, and displaced households are extremely vulnerable in this respect. The data show that almost a quarter of all displaced households live without access to an indoor toilet; similar proportions live without access to a bathroom or sewerage for waste disposal in their homes (see Figure 2-30).

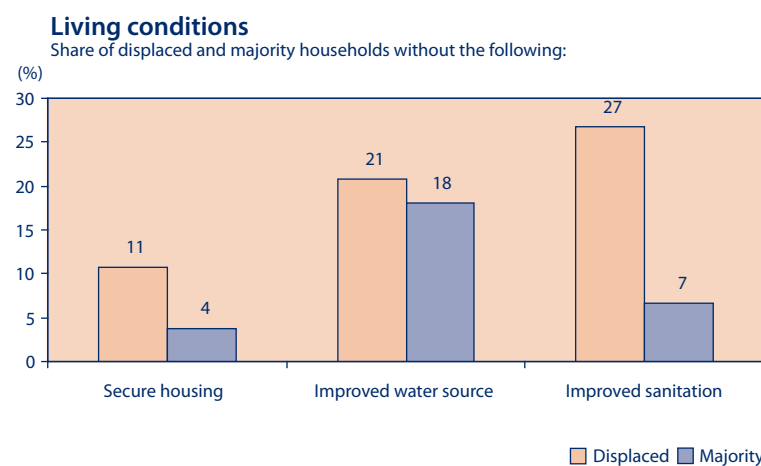
Examining the data according to MDG indicators shows that the proportions of displaced households without access to secure housing (i.e., living in dilapidated houses or shacks), improved water sources (i.e., piped water within the dwelling or garden/yard), or improved sanitation (i.e., toilet or bathroom inside the house), are far higher than the proportions of majority households, and far below MDG targets for countries in the region (see Figure 2-31).

FIGURE 2 – 30



The data show that, relative to majority households, the displaced lack access to such household items as washing machines, ovens, refrigerators, and in many cases even a bed for each member of the household (see Figure 2-32). They also show that displaced households are far more likely to use wood for either heating or cooking than majority households (Figure 2-33). The displaced are less likely to have the use of either central heating or piped gas to heat their homes, or electricity or gas to cook with.

FIGURE 2 – 31



Health and nutrition

Halting or reversing the spread of disease and eliminating hunger are central components of the MDGs. The data suggest that displaced households in the Western Balkans are particularly vulnerable to poor health and malnutrition, and illustrate the need for disaggregated health data to monitor their status. The data show that displaced respondents lost an average of 17 days of normal activity as a result of illness, compared to just 12 days for majority respondents. This seems to be related both to the higher incidence of illness among displaced respondents and their less satisfactory access to healthcare. As the data in Table 2-6 show, women in both groups of households report somewhat worse health during the last year than men. Differences in incidence of chronic illnesses are par-

ticularly pronounced. Despite this, women from both majority and displaced communities report fewer working days lost than men. This suggests that women are either more likely to report their illness to be ‘chronic’, are less likely to let illness affect their everyday activities, or are engaged in everyday activities that are less disrupted by illness.

Twenty-two per cent of displaced respondents (compared to 18 per cent of majority respondents) report suffering from some form of chronic illness. This may be due to the lower quality of housing: the incidence of diseases among displaced households associated with dust and other lung irritants that are attributable to poor housing conditions, such as bronchitis or emphysema, is higher than among majority households (14 per cent of the displaced compared to 8 per cent of the majority). The data also support one of the more alarming findings often reported by qualitative research – the frequency of neuroses and psychological trauma.

Just 35 per cent of displaced households have access to a family doctor, compared to 43 per cent for majority households. The data suggest that such limited access to health care for displaced households is caused by their remoteness: 35 and 36 per cent of displaced households reported living more than three kilometres from a primary medical centre or general practitioner respectively, compared to 17 and 24 per cent for majority households. (However, 39 per cent of displaced households reported living within three kilometres of traditional healers, compared to 30 per cent of majority households—see Figure 2-34). These data suggest that, in light of the scarcity of modern medical care in the vicinity of the camps in which they live, displaced households turn more to traditional – largely unregulated – forms of health care.

In addition to their physical isolation, low incomes and inadequate identity documents are also barriers to adequate health care for displaced persons. Thirty-eight per cent of displaced households reported periods during the past 12 months in which they could not afford to purchase medicines prescribed to a member of the household (compared to 20 per cent for majority households). Although throughout the former Yugoslavia displaced per-

FIGURE 2 – 32

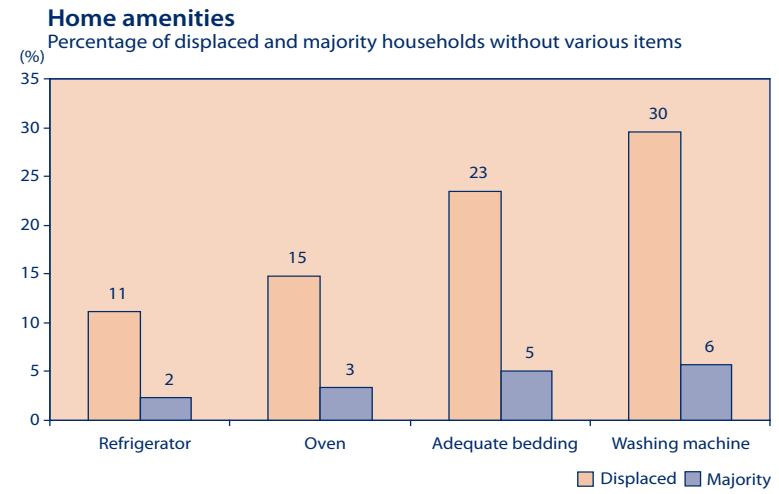


FIGURE 2 – 33

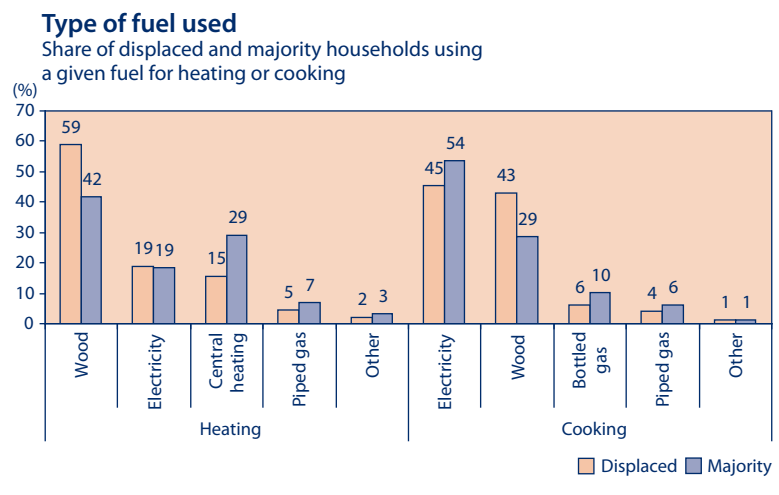
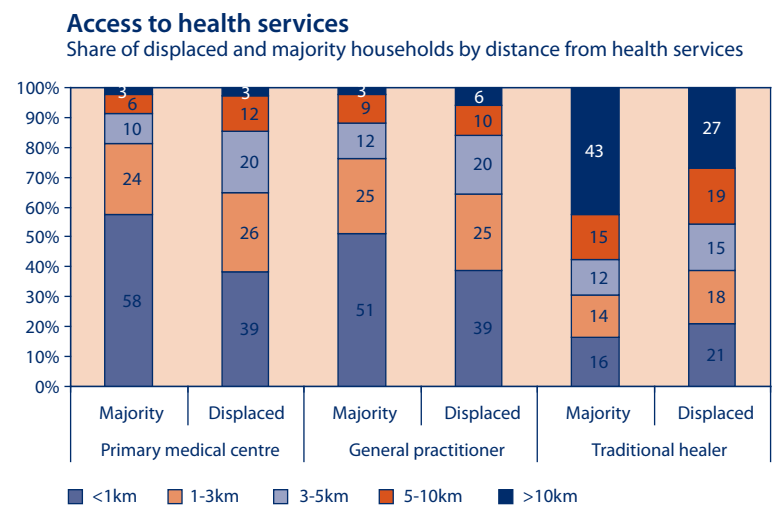


FIGURE 2 – 34



sons were officially given ID cards entitling them to health care, 9 per cent of displaced respondents reported having been denied medical service due to lack of proper docu-

Box 18: National MDG targets, vulnerable groups and displaced households' access to improved sanitation

Improved sanitation is often used to measure countries' progress toward reaching MDG 7. In the case of displaced persons, this indicator reflects the quality of housing and associated infrastructure in the settlements where these households reside.

In **Montenegro**, the national MDG report calls for universal access to improved sanitation by 2015, up from 98.5 per cent in 2005. At the national level, meeting this goal would require annual increases in such access of 0.15 percentage points. But for displaced households, progress at this rate would mean that the target would only be met in 2137. If the government wishes to achieve improved sanitation by 2015 for all displaced households, the pace at which access to improved sanitation is growing would need to be increased by over 12 times.

In **Serbia**, the national MDG report likewise called for achieving full access to improved sanitation by 2015, up from 88.3 per cent in 2000. At the national level, meeting this goal would require annual increases in such access of 0.78 percentage points. But for displaced households, progress at this rate would mean that the target would only be met in 2049. If the government wishes to achieve improved sanitation by 2015 for all displaced households, the pace at which access to improved sanitation is growing would need to be increased by over four times.

Because these indicators reflect living conditions in collective centres, real progress is likely to require more definitive, sustainable solutions to the problems of displacement, such as return to their homes or more complete integration into their new countries and societies.

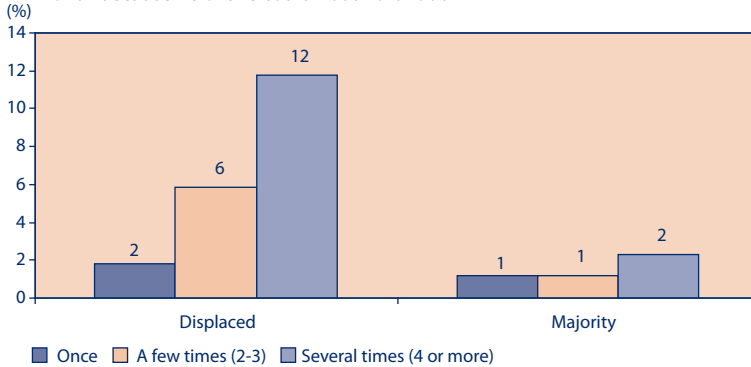
ber of children who are not vaccinated is not large, and caution should be exercised in interpreting these findings, these results point to the unresolved status of displaced persons as a major determinant of their vulnerability.

Health status is directly related to nutrition, which in turn is influenced by expenditures (i.e., poverty). The data show that although the reported differences in nutrition security for Roma households are much more pronounced than for majority and displaced households, the latter still face considerable risks. As much as 12 per cent of displaced households (versus 2 per cent of majority households) reported experiencing four or more cases within a month when they went to bed hungry because they couldn't afford food. Almost one fifth of displaced households face nutrition risk, compared with 4 per cent of majority households (Figure 2-35). For children from displaced households, this figure rises to 27 per cent, compared to just 7 per cent for children from majority households.

FIGURE 2 – 35

Nutrition vulnerability

Percentage of households in which a member went to bed hungry in the past month because he or she could not afford food



ments. (Only 3 per cent of majority respondents reported having had such an experience.) The survey data indicate that 6 per cent of displaced persons' children are not vaccinated against such common diseases as polio, diphtheria, tetanus, and whooping cough, with a lack of medical identity cards (ID) given most frequently (38 per cent) as the reason for this. Although 5 per cent of children under 14 years of age from majority households also do not receive vaccinations, the most common reason given for this is that vaccinations are 'not considered important'. Thus, although the total num-

Political participation and access to information

Political participation is essential for ensuring that the needs of the displaced are met. However, the survey data show that displaced households have much lower social or political engagement than majority households. Just 13 displaced households surveyed (1 per cent of the total sample) reported having at least one household member who is a member of the local municipal council or assembly, compared to 35 majority households (3 per cent of the total sample). Limited access to information, which is an important component of social and political participation, might be a contributing factor. The data show that the displaced are far less likely than the majority to have access to various sources of information in their homes.

Threat perceptions

In light of their higher rates of poverty and unemployment, their poorer housing conditions and health and nutrition status, it is not surprising that the largest threats perceived by displaced households are those of insufficient incomes, inadequate housing, crime, hunger, conflict or physical

insecurity, and sanitation-related diseases (see Figure 2-36). On the other hand, majority communities are more likely to perceive threats in terms of such governance-related issues as corruption and environmental pollution. This reflects majority communities' deeper integration into economic and political processes, as described in the *Political participation and access to information* section above.

When asked who is best placed to manage the response to threats, answers varied according to the threat in question. Across both groups, respondents who reported low incomes, hunger, or inadequate housing to be the greatest threats to their households tended to believe that their family would be best placed to manage these threats. Of those who emphasized corruption or poor sanitation as the greatest threats, the highest proportion of both groups responded that the police, NGOs, or local governments were best placed to tackle them. For those who viewed environmental pollution as the worst threat to their households, the preferred response agent varied across groups. It is indicative that the highest percentage of displaced persons and majority respondents indicated that NGOs would be best placed to respond.

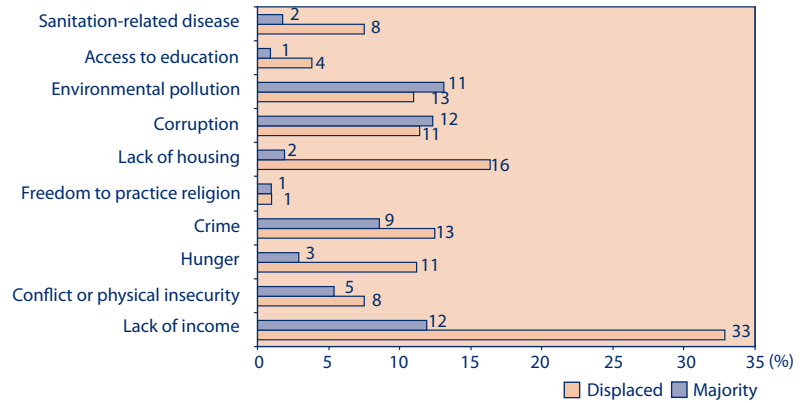
Conclusions from Chapter 2.4

The survey data point to considerably different profiles of household vulnerability and security in the case of displaced versus majority households. While both groups complain about insufficient incomes, displaced households face additional challenges related to their unsettled status, and more frequently emphasize such issues as inadequate housing, the absence of household goods, and nutrition insecurity in their subjective threats assessment. Perhaps surprisingly, displaced persons do not frequently mention such threats as ethnic-related violence or threats to their possessions. These threats may have been associated with the conflict phase, which for most households was over by 2000. By the same token, the absence of on-going conflicts in the Balkans means that less attention is focused on the plight of the displaced and their families. This disinterest does not help attract the broad support needed to improve their situation. Indeed, the biggest threat to displaced persons at present may be the lack of imminent 'televizable' threats that can

FIGURE 2 – 36

Perceived threats

Percentage of the displaced and majority reporting each threat to be the most serious facing their household



Box 19: Displaced children in Serbia – struggling for survival, far from development

Nominally, education in all Southeast European countries is free and available to all. In reality, however, different groups face different problems in exercising their right to education.

Children of displaced families are particularly vulnerable to educational risks. In some cases, collective centres are far from schools, making it difficult for children to attend. A Norwegian Refugee Council report on internally displaced persons found that 20 per cent of displaced children in Serbia do not attend school. Those who attend often do so in classes with over 50 children per classroom.

Language can also be a barrier, particularly for Albanian- or Roma-speaking children. Chronic illnesses, lack of proper clothing, and intolerance from local children can add further difficulties. Most of the displaced Roma children from Kosovo have either never been to school or dropped out before completing the fourth year. Even when children show an interest in school, cultural attitudes to education compound the practical and psychological barriers to school attendance.

Some of the children are in orphanages, others are in foster care, others live with close or distant relatives. Twelve per cent of children in Serbian orphanages are displaced. Life for these children has been described as "only survival, no development". Nutritional risks are also present: to date, school meals have not been part of the education programmes. While such risks are present for the entire population, they can be particularly difficult for displaced children. Border communities and other strategically located municipalities can be hit by large influxes of displaced persons, putting the educational system and other public services under severe stress. For example, in certain areas of Vojvodina and Kraljevo, 42 per cent of the people are refugees and IDPs.

UNICEF plays a leading role in providing education for these children, organizing 'catch up' classes for approximately 30,000 displaced children of primary school age (some 1,000 of whom are Roma) in collective and community centres and in Serbian primary schools. Most of the assistance for children has gone to education for younger children. UNICEF reports that more than 8,000 children in Serbia have lost a parent or been orphaned during the decade of wars. Their lack of prospects makes youth understandably angry and prone to destructive behaviour. If they are left without positive role models and opportunities to constructively craft their future, displaced children are at risk of growing into angry young people who perpetuate cycles of violence and retaliation.

Box based on "Refugee and Internally Displaced Women and Children in Serbia and Montenegro". September 2001. Women's Commission for Refugee Women and Children (WCRWC). New York: WCRWC.

generate attention and precipitate decisive action. International organizations can do much in this respect.

Health status data reported by displaced respondents outline worrying trends. Displaced persons are most heavily affected by neuroses and psychological disorders that are the direct consequence of conflict and resettlement-related trauma. These findings call for special attention like psychiatric counselling, particularly for children. Lack of

appropriate medical identification is another problem detected by the survey. Registration-related barriers are a formal obstacle that can prevent access to primary health care and hospital services. Since these barriers are closely related to questions of the status of displaced households, resolving these 'status issues' should be a matter of international concerted action. Addressing discrepancies between legislation and its implementation should be particular concerns.