

# Policy recommendations

This chapter focuses on the policy implications of the preceding chapters and links them to the broader conceptual and policy frameworks in Southeast Europe vis-à-vis the Roma, the displaced and other vulnerable groups. These policy recommendations are not meant to be a comprehensive 'catechism on issues of vulnerability'. The regional analysis presented here does not lend itself to country-specific recommendations; these are the domain of the national vulnerability reports.<sup>105</sup> The recommendations of this chapter, as with the rest of this report, focus on more general framework issues that can contextualize policy at the national level.

## General principles of intervention

Policies intended to decrease vulnerability during the last 15 years in Southeast Europe have too often suffered from the absence of two critical components: a comprehensive human-centred conceptual framework, and clear, measurable objectives. Policies have too often focused on treating symptoms rather than causes, and have been developed on a case-by-case basis (often in response to humanitarian disasters) without a clear conceptual underpinning. Policies tend to be group-oriented, contributing to the fragmentation of local communities. In the countries of the Western Balkans, where millions of people experienced the horrors of ethnic cleansing, policy approaches that emphasize ethnicity are unlikely to be sustainable.

The analysis presented here points to large similarities – as well as important differences – in the extent, determinants, and types of vulnerability between Roma and displaced peoples in Southeast Europe. Some of these determinants are group-related, others are (income) status related. Careful combinations of different policies (group-centred and status-centred) are needed to decrease overall vulnerability levels. These policies

need to be fitted to different national contexts, reflecting various levels of overlap between different groups and differences from country to country. But policies should also reflect certain general principles, as well as the specifics of different vulnerable groups. This section deals with these general principles/conceptual foundations that should underpin successful approaches to vulnerability. These building blocs are subsequently elaborated in group-specific policies reflecting the particular challenges Roma and vulnerable groups are facing.

## **Non-discrimination and equality before the law**

Non-discrimination should be a foundation of inclusive policy frameworks. Legal frameworks for non-discriminatory policies exist in all Southeast European countries, and are undergoing further development, particularly as the *acquis communautaire* is transposed into national legislation during EU accession processes. At present, however, these frameworks are not fully developed, and capacity gaps in state institutions (particularly the courts) and civil society limit their implementation. Also, not all aspects of anti-discrimination policies are universally accepted. The concepts of positive discrimination (or affirmative action) and indirect discrimination (where discrimination is held to occur even if the intent to discriminate is absent), are not always supported by majority populations. So do propositions concerning the desirability of state intervention to prevent discriminatory practices in private contracting. However, under human rights law, the State has an obligation to ensure that no one under its jurisdiction is discriminated against, regardless of whether the act of discrimination is committed by State or private actors. This is why both the State and private sector should be involved in consultations towards an anti-discrimination strategy (Kälin, 2006).

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<sup>105</sup> Albania, Serbia and Montenegro have already elaborated such reports using the UNDP vulnerable groups survey data. In other countries (Macedonia and Croatia) such reports are being drafted. All the reports are available at <http://vulnerability.undp.sk>.

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Still, the belief that legal and policy frameworks should ensure fair treatment *regardless of ethnicity*, in order to encourage *equality of opportunities* (as opposed to equality of outcomes) seems widely held in Southeast Europe. This can be channelled into support for social policies focusing on vulnerability (as opposed to ethnic) criteria. One concrete – and important – precondition for non-discriminatory policy regimes is proper anti-discrimination legislation. Not all countries of the region have adopted them – and those that have need to improve enforcement. Fragmentary anti-discrimination references in various specific pieces of legislation do not constitute a comprehensive anti-discriminatory framework. Efforts to design and implement anti-discrimination laws across the region should be strongly encouraged and supported by donors.

Positive discrimination is more likely to be accepted, and its possible abuses attenuated, if it is accompanied by ‘equality before the law’ as a second non-discrimination principle. Equality before the law means that support for vulnerable groups should not lead to double standards with different legal regimes applying to different ethnic (or other vulnerable) groups. These problems are illustrated by the issue of the large debts for housing, electricity and communal services accumulated by many Roma households, which have acquired explosive political dimensions in many Southeast European countries. Tensions around these issues are too often resolved either by local utility companies writing off these debts—thereby provoking angry claims of ‘preferential treatment for Roma’ from nearby majority communities—or by cutting Roma households or communities off from electricity, heating or water grids.

Debts cannot be simply written off on the grounds that households are desperately poor. Bankruptcy reform (to protect the rights of both delinquent household debtors and their creditors),<sup>106</sup> and the introduction of transparent debt swapping schemes and household solidarity debts funds, can fill in the missing pieces of the institutional puzzle. Such funds can be capitalized by households and NGOs, and can be integrated with projects for community support, microlending schemes and the like. Rather than seeing

areas of vulnerability and insecurity as short-term problems to be solved by special initiatives, they should be understood as outcomes of inadequate policy reform, in which the full benefits of anti-discrimination laws and market-friendly social policy mechanisms have not yet been fully captured.

### **Recognition of joint interest**

Recognition of joint interest in mutually acceptable solutions to problems of vulnerable groups is an obvious precondition to finding these solutions. This recognition must form the basis of any dialogue, in order to gain the support of the broadest set of constituencies and avoid the perception that solutions are being imposed from above or in response to the demands of one group or another. Majorities and minorities alike could start by recognizing that diversity can be an asset for any society. Two inter-related issues are crucial here: positive discrimination, and social policy targeting according to criteria of vulnerability and not ethnicity.

The deep exclusion from formal labour markets, educational and other mainstream institutions experienced by Roma (and, to a lesser extent, the displaced) suggest that some amount of positive discrimination is needed to redress the legacies of discrimination and intolerance. But as the growing concerns of at least some majority communities concerning the allegedly ‘privileged’ status of Roma suggest (see Box 20), the introduction of positive discrimination in Southeast Europe could be fraught with difficulties. Growing numbers of vulnerable individuals among majority communities already believe that their governments are implementing poverty reduction strategies for Roma, but not for them. Roma-targeted assistance therefore risks a backlash that could make such measures self-defeating, or worse.

If possible, measures that would further fragment societies along ethnic lines should be avoided. Instead, it is vulnerability—along the dimensions set forth in this report—that should be targeted, rather than ethnicity. Roma and the displaced should receive state support first and foremost not because of their ethnic or legal status, but because they are victims of social exclusion,<sup>107</sup> and

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<sup>106</sup> Personal bankruptcy recommendations for vulnerable groups have been developed as part of UNDP research on barriers to Roma employment in the Czech Republic (see <http://undp.org/europeandcis>).

<sup>107</sup> “Most Roma are vulnerable, but not all vulnerable are Roma”.

because EU integration and national legislation requires that anti-discrimination laws and social policy address their plight. Since vulnerability in many Southeast European countries is shared across ethnic groups, majority and minority communities have a common interest in addressing it.

As painful as these issues are in the Roma/majority context, they can be even more painful in the context of displaced persons, who often face legacies of ethnic cleansing and victor/vanquished dynamics. In some countries, the wounds of previous conflicts make the vulnerability of the displaced even more acute than the vulnerability of the Roma. Rebuilding fractured communities is a long and painful process, and can only be done when joint interests in living together are recognized.

### **Welfare-to-work programmes and labour market reform**

The importance of increasing employment for Roma and displaced workers in Southeast Europe raises questions about the effectiveness of active labour market policies and programmes for vulnerable groups. Such policies seek to reduce unemployment by addressing skill and spatial mismatches, and improving information, on the labour market. In addition to reducing poverty, active labour market policies can support the adoption of more pro-active labour market postures by vulnerable workers and help alter passive, defeatist mindsets that can come with long-term unemployment and social marginalization. Moreover, when employment subsidies are smaller than the unemployment benefits that would otherwise be paid, active labour market policies can be cost-effective social policy instruments, even in the short term.

‘Welfare to work’ measures—under which unemployed workers engage in publicly-funded employment in lieu of receiving cash payments, sometimes in partnership with private employers—are close to the spirit of active labour market policies. Not all countries in Southeast Europe (or their employment support activities) are well prepared in this regard, however. Most labour offices continue to function primarily as unemployment registration bodies, rather than as brokers who link job seekers with private-sector employment opportunities. Unfortunately, the high rates of unemployment of-

### **Box 20: Backlash against positive discrimination: ATAKA in Bulgaria**

In Bulgaria’s 2005 parliamentary elections, ATAKA, an openly anti-Roma party, received 8.93 per cent of the votes, which translated into 21 seats in the parliament out of 240. The party’s success reflected a general decline of sympathy vis-à-vis Roma among other voters. The mean values of a ‘sympathy scale’ (where 10 means strong sympathy and 1 means strong antipathy—see below) declined from 4.1 in 1994 to 2.9 in 2004 (the year preceding the elections) and 3.5 in 2005 (right after the elections). While many aspects of this scale remained constant over time, tolerance by non-Roma respondents of their children studying in classes where the majority of children are Roma declined sharply. (This may have more to do with justified concerns about the quality of education in Roma-dominated schools than with intolerance vis-à-vis Roma *per se*). These data also show a near tripling of support for the argument that ‘Roma are privileged in Bulgaria’. That is, despite compelling evidence of Roma poverty and social exclusion in Bulgaria, the growing public perception that Roma are ‘privileged’ boosted support for ATAKA. (It is difficult to imagine the successful introduction of policies based on positive discrimination in such circumstances.)

“Yes” responses to questions of: “Would you accept...”						
	1994	1997	2000	2003	2004	2005
... living in the same town/village with Roma?	57%	51%	54%	55%	59%	63%
... working together with Roma?	49%	41%	38%	40%	41%	47%
... living in the same neighbourhood with Roma?	38%	32%	27%	28%	33%	37%
...your children attending classes in which there are a few Roma children?	65%	62%	65%	66%	66%	65%
...your children attending a class in which half the children are Roma?	22%	12%	11%	12%	12%	12%
...your children attending a class in which the majority of children are Roma?	13%	7%	5%	5%	3%	5%
Do you think that “Roma are privileged in Bulgaria?” – completely agree or rather agree	23%	25%	32%	31%	65%	-

Data from regular surveys conducted by GALLUP for the Ivan Hadjiyski Institute of Social Values and Structures, based on identical sampling methodology and questionnaires over the years.

What are the roots of such misperceptions? Is it the plethora of Roma projects – many of which have been something less than robustly successful? Is it the increasingly visible cleavage between the rich ‘Roma aristocracy’ and their perennially impoverished Roma constituencies? Is it the ‘writing off’ of Roma household electricity debts – a practice not applicable to the non-Roma poor? Perceptions of increasing poverty among non-Roma vulnerable households?

The best answer to these questions is perhaps ‘all of the above’. It may be that Bulgarian voters were not rejecting policies that seek to reduce vulnerability *per se*, but rather the ineffectiveness of such policies to date. Support for social inclusion may still be there, if measurable, sustainable results can be delivered.

ten prevalent in the areas where Roma and displaced households are concentrated can make this principle quite difficult to realize in the short run—particularly in countries with weak state capacity for effective social policies.

Recent World Bank research indicates that active labour market policies are more effective when the economy, and demand for labour, is growing (Betcherman, Olivas and Dar, 2004). The experience in Bulgaria reveals positive net impacts from all active labour market programmes tested, with the largest impact achieved from supporting self-employment, from wage subsidies, and from training and retraining (Ministry of Labour and Social Policy, Bulgaria, 2005). Although the impact of temporary employment initiatives is often small, when combined with training programmes, temporary employment schemes can provide significant benefits to the long-term unemployed, helping to improve qualifications and employability within practical skills-building projects. Active labour market policy beneficiaries with primary education (or less) seem to benefit more than other groups – and Roma clearly would fit into this group.

Reform of employment protection legislation likewise has implications for active labour market policies and their ability to address labour market vulnerability. Employment protection legislation seems to have the reverse of the intended effect in many Southeast European countries, by discouraging companies from hiring workers whom they may not be able to dismiss subsequently. Recent research (World Bank, 2005d) suggests that strong employment protection legislation limits job creation in Southeast Europe (Croatia is a good example of the impact of strong employment protection legislation on vulnerable groups). While the impact of this ‘protection’ on vulnerable groups has not yet been thoroughly investigated, their high unemployment rates and generally weak labour market positions strongly suggest that the interests of workers from vulnerable communities are poorly served by such measures. Simply put, they have fewer jobs to be protected, and are less likely to get a new one (Rutkowski, 2003). (There may also be many other benefits to labour market deregulation: one study suggests that greater labour market flexibility is associated with larger FDI inflows, particularly

in transition economies (Javorcik and Spatareanu, 2004).

Recent research (World Bank, 2005d) focusing on changes in the length and scope of fixed-term (as opposed to permanent) contracts suggests that young workers, and those employed in the informal sector, are the chief beneficiaries of reforms in this area. These changes can reduce youth unemployment rates by allowing wages and employment protection standards to fall below national minimum levels for a defined period, in order to provide new labour market entrants with needed experience, skills and training. After such apprenticeships, younger workers can more easily find regular employment. The same applies to allowing flexible working hours, which helps accommodate changes in labour market demand without increasing unemployment, and can be especially important for women and working parents. Their high unemployment rates and extensive engagement in the informal sector suggest that Roma and displaced workers would stand to benefit from labour market reforms in these areas as well.

When it comes to addressing labour market insecurity for Roma and displaced workers, it is clear that no silver bullet exists, and various instruments must be used in various combinations depending on the specific national (and even local) context. Still, growing numbers of countries in Southeast Europe (as well as EU member states) are experimenting with labour market deregulation, welfare-to-work programmes, and other reforms to increase the effectiveness of active labour market policies. The labour market vulnerability experienced by Roma and displaced workers suggests that these policy reforms could be used with great effect in addressing the needs of these (and other vulnerable) groups. The guiding principles behind such policy reforms should be sustainability, an appropriate human development focus, engaging the private sector as partners, and ensuring better coordination between the various government agencies involved in benefits provision and other forms of social protection. The development of better data on poverty and social exclusion, disaggregated by ethnicity, displacement status, gender, region, and other dimensions of vulnerability, is also extremely important in this respect.

### **Involving the private sector**

When facing challenges of high unemployment and poverty rates, governments often succumb to the temptation of increasing public spending for social assistance and public works programmes. These may be justifiable as short-term emergency measures, particularly in circumscribed post-conflict regions where the area-based development paradigm may be usefully applied (e.g., in South Serbia). In the longer run, however, it is the market and the private sector, not governments, that must create jobs for Roma, displaced and other vulnerable workers. Governments' role is primarily in helping vulnerable workers to improve their employability, rather than in providing direct employment opportunities. Public works can be useful in this respect – but rather as an opportunity to improve skills, and less so as direct employment provision.

This means that private employers must be at the heart of any long-term sustainable strategy to reduce unemployment for Roma and displaced workers.<sup>108</sup> Growing numbers of companies increasingly understand that consigning millions of Roma and displaced households to the socio-economic margins is bad for business. While unemployment rates are quite high in some parts of South-east Europe (e.g., Kosovo, Macedonia), in others (e.g., Romania) they are well below European averages, and labour shortages are sharpening. With training in the right skills, Roma workers could increasingly fill these gaps. Likewise, since the skills of the displaced generally do not differ dramatically from national profiles, displaced workers could make an important contribution to many companies' business plans. Companies that take the trouble to recruit workers from these communities and adopt employee diversity programmes to keep those workers who have been recruited can realize gains that are well in excess of the costs incurred. Social policy incentives—particularly within the welfare-to-work framework—to defray the risks private employers take in pursuing these measures could be critically important.

Involving the private sector also means the appropriate application of business criteria to social programmes and projects targeting vulnerability. Competition between social

service providers and local implementing partners should be promoted, whenever possible. Measurable quantitative deliverables should be defined and applied when determining development priorities and policies, on the basis of cost/benefit analysis.

### **Self-employment and access to microfinance**

Self-employment can play an important role in moving vulnerable workers from passive dependency to active income generation. As with labour market deregulation, reforms to improve business environments must wrestle with a number of trade-offs. Improvements in the business environment may have mixed consequences for Roma and displaced workers, particularly if job creation rates lag behind overall economic growth, or if the benefits of employment growth are concentrated at the top of the labour market. In order to ensure that benefits from improvements in the business climate do reach vulnerable households, measures to improve access to credit and capital necessary for small business start-ups are important.

As discussed, microlending can be particularly important in this regard. For that purpose, however, several rules should be followed. First of all, loans should be clearly distinguished from grants. Many vulnerable communities receive social assistance in the form of cash transfers that do not need to be paid back. When community development projects are implemented in parallel with microlending, the distinction between grants and loans is blurred, and incentives to borrow (and repay) are weakened. (Why should individuals borrow when they can obtain a risk-free grant?) In order to avoid misleading beneficiaries, the 'rules of the game' should be clear, which means clearly distinguishing subsidized from non-subsidized elements, and being sure that beneficiaries understand the risks associated with various forms of financial assistance.

When grant schemes are involved, they should envision a clear time horizon for a gradual transition to loans. This is central to prospects for long-term microfinance project sustainability, and often for financial-system deepening in rural or low-income urban areas.

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<sup>108</sup> For more on this, see UNDP/Ernst&Young, 2005b.

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Soft loans should be avoided. Financial markets do not work when creditors' leverage over debtors is excessively weak. In the context of microcredits for Roma and the displaced, this comes down to answering the following question: *what to do in the event of default?* Answers should start with an emphasis on formalizing the informal property rights that vulnerable groups often enjoy vis-à-vis their dwellings—but rights that are too often not reflected in law, due to exclusion from formal legal systems.<sup>109</sup> They should include the introduction or strengthening of personal bankruptcy mechanisms that would protect the interests of both vulnerable debtors (Roma, the displaced) and creditors (bank or microfinance institutions) in a transparent, regularized manner. Where possible, microcredits can also be distributed to groups of vulnerable individuals; creditors can rely on reputational factors and peer pressure to ensure repayment.

The positive externalities of employing Roma or displaced workers who would otherwise not have a job should be also reflected when assessing a project's viability. Aligning project finance with market principles is critically important in microfinance. However, this should not preclude the use of subsidies in microfinance projects, in order to ensure that what is socially desirable is also profitable for implementing partners. In the case of projects targeting vulnerable communities, these subsidies should allow implementing agencies to internalize at least some of the positive externalities associated with their activities. These include helping to reverse the consolidation of perpetually vulnerable and dependent underclasses. In addition to donors (working in the project management framework), these subsidies can come from government agencies under welfare-to-work and public-private partnership schemes.

Finally, a dose of realism regarding microfinance is necessary. The survey data show that microfinance is effective only if applied in combination with other approaches and policies. It is not equally applicable to the most marginalized and excluded. The im-

pact on the most vulnerable can be indirect – through improved local economic opportunities using microfinance to support members of the community who are not at the very bottom.

### **Evidence-based policies**

UNDP has invested heavily in improved data capacity for evidence-based social policy making. The survey on Roma in five Central European countries conducted in 2002 and the *Avoiding the Dependency Trap* report based on these survey data was a breakthrough in this regard. The “Vulnerable Groups in Southeast Europe” data collection project was the logical next step, expanding this work both territorially (to the rest of Southeast Europe) and beyond the Roma (to displaced persons).

While data collection should be a priority and responsibility of national statistical agencies and governments, they face some problems. Some are constitutional in nature – many countries' data protection legislation limits the official collection of data by ethnicity, thereby complicating the task of measuring the ethnic dimension of vulnerability. Also, given the variety of criteria for defining vulnerability (in addition to ethnicity), the number of surveys and related costs could be prohibitively high.

On the other hand, policies that are not based on reliable data can be even more expensive. In the absence of such data, priorities are difficult to determine—particularly when choices need to be made at the local level. Cost/benefit analysis of different policy options, progress monitoring, impact assessment—all this is impossible. Data that are disaggregated by relevant vulnerability criteria must be collected, in order to make possible in-depth monitoring of the standard MDG frameworks and social inclusion indicators, particularly within the framework of the joint inclusion memoranda that the European Commission has concluded (or is now negotiating) with the countries of Southeast Europe. Only then vulnerability analysis will facilitate targeted area-based interventions.

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<sup>109</sup> In addition to missing identity papers, this exclusion takes the form of the absence of Roma landholdings in cadastral registries, or the failure of local land use and zoning systems to officially recognize Roma dwellings as properties. For displaced households, the ‘provisional’ nature of their legal status can act as an additional constraint on their ability to collateralize their dwellings and other property.

Possible ways to overcome existing barriers in vulnerability data collection, in terms of capacity, legislation, and political commitment, include the following:<sup>110</sup>

- The capacity of statistical institutions needs to be strengthened, in order to meet the needs for improved MDG and social inclusion indicators disaggregated by sex, age, ethnicity, and to make possible sub-national target setting and MDG monitoring.
- The use of vulnerability statistics for formulating, monitoring and evaluating MDG-related policies should be encouraged. Awareness of the importance of evidence-based-policy making should be cultivated.
- Existing instruments (like labour force and household budget surveys) should be extended to provide better coverage of vulnerable groups. People from these groups should be involved in the process of data collection, processing and analysis to ensure broader ownership of the data and reduce the possibility of mistrust.
- For vulnerable groups that are difficult to capture in household budget and labour force surveys (such as people with disabilities or living with HIV/AIDS), specialized thematic surveys (e.g., in education, health) seem best able to provide the data needed. In order to ensure that the various statistical instruments are used in a complementary manner, better coordination between organizations involved in data collection is needed. Open access to primary data by all researchers and other interested parties is particularly important in this respect.
- When legal obstacles exist, legal frameworks need to be modified, in order to ensure a better balance between the need to identify vulnerability on the one hand and to protect privacy (associated with individual data) on the other.

### **Policies specifically targeting Roma**

The general principles outlined above should be translated into group-sensitive policies, programming, and projects, which in turn should often be conducted within an area-based development framework. This section outlines the Roma-specific elements that should complement the general framework of policies targeted at decreasing vulnerability.<sup>111</sup>

#### **Reducing dependency**

Roma are particularly vulnerable to dependency traps. With limited development opportunities and few successful role models from their own communities, Roma can easily reduce their professional aspirations to the point where survival on social welfare is an acceptable option. Reliance on welfare payments can exacerbate problems of vulnerability by weakening incentives to improve labour market competitiveness. The failure to leave social safety nets today can reduce the likelihood of breaking this dependency cycle in the future. But because Roma participation in the formal economy is often limited, relatively large numbers of Roma do not pay the social security taxes needed to fund these benefits. This 'asymmetrical' participation in social welfare systems (active regarding benefits, limited regarding contributions) can further promote exclusion and ethnic intolerance. Once they are stuck in dependency, aspirations can fall further, making escapes from poverty and dependency even more improbable. Discrimination by majority communities may be an important determinant of Roma vulnerability, but it is certainly not the only one.

In order to break this 'culture of dependency', social welfare systems should seek to avoid weakening work incentives by reflecting the principle of 'positive net benefits for positive net efforts'. Social assistance should therefore be conditional on attempts by beneficiaries to leave the social safety net-

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<sup>110</sup> The recommendations resulted from the first Experts' Group meeting entitled 'Measuring vulnerability: Problems and possible approaches to ethnically sensitive statistics', that was organized as part of the Decade of Roma Inclusion on 27-28 July 2004. The group, which consisted of representatives from national statistical offices, governments and Roma groups, discussed how to improve such data collection instruments as the census, household budget and labour force surveys, in order to collect ethnically disaggregated data.

<sup>111</sup> These recommendations can be found in the concept paper prepared for a conference on Roma inclusion organized by UNDP and the Friedrich Ebert Foundation in Brussels in November 2005, which can be downloaded from <http://europeandcis.undp.org>.

work, and improve labour market competitiveness, in a reasonable period of time. Likewise, social welfare should not be perceived as an unconditional entitlement that is paid irrespective of income earned in the informal sector. Engaging private employers and welfare-to-work schemes can make it easier to ‘escape the dependency trap’.

### **Long-term focus on education**

The survey data show that broader education and employment opportunities can reduce poverty, and vice versa. Building on this link must be at the core of breaking the vicious cycles of poverty and exclusion. Ambitious initiatives in education, in terms of desegregation, more resources, and reform of educational curricula, administration and finance are needed for this.

As discussed in Chapter 1.3, the conflicts in the Balkans and related dislocation of transition in Southeast Europe have been accompanied by dramatic declines in education levels for Roma, who report large reductions in educational attainment and literacy rates for individuals 25 years of age or younger. Policies and projects to address these gaps should therefore focus on improving access to elementary education for Roma children. The reinvigoration of pre-school preparatory classes (‘zero classes’), combined with additional support for learning the languages of majority communities, should be a priority for central and municipal governments. Appropriate incentives for families to participate in such schemes, such as linking parental eligibility for social benefits to their children’s school attendance, should be designed and implemented.

The survey data also suggest that, while adequate education and skills are key to improved access to employment, they are not sufficient to bridge the employment and income gaps Roma are facing. Improving employment opportunities for Roma requires combining initiatives to improve their educational status (like the Roma Education Fund) with anti-discrimination measures addressed to majority communities, employers and others. Companies in particular need to become more involved, both to help create the positive role models needed to reduce workplace stereotypes and discrimination, and to raise expectations in Roma communities.

The survey data indicate that the high poverty rates among Roma (and, to a lesser extent, the displaced) in Southeast Europe

disproportionately affect education levels. In light of the importance of education for employment and incomes, cycles of poverty among Roma and the displaced can only be broken if access to quality education improves for those living in extreme poverty. The introduction of grants to cover out-of-pocket educational expenses (e.g., for the purchase of suitable clothing, books, computers)—which would be conditional on school attendance by the students in question—seems particularly important in this respect. The resources of the Roma Education Fund could be effectively deployed in this area, but there is no substitute for better alignment of government social and education policies with the needs of vulnerable communities.

The introduction and expansion of weekly boarding schools, as a form of educational assistance for poor families, should also be considered. In addition to promoting educational inclusion for Roma children, these schools could increase aspiration levels and support health education, particularly regarding nutrition. Boarding schools are not without problems: the ‘export’ of bright children to boarding schools can weaken community ties, and the educational and socialization benefits they deliver are often weaker than those of regular schools. But if these schools function according to participatory and inclusive principles, they can offer superior educational alternatives.

Role models are part of escaping from poverty and vulnerability. Children often lack positive examples showing how and why education pays off. There is a strong correlation between educational levels of household heads, household status, and the educational achievements of household members.

### **Redefinition of existing structures for inclusion**

The redefinition (not substitution) of national and sub-national structures for inclusion, employment promotion and social support are key to sustainable development that decreases dependency. This emerges as a key lesson from the sluggish implementation of the Decade of Roma Inclusion. Three years after the Decade was initiated and year and a half after it was officially launched, real progress is still to come. Too many government structures and NGOs charged with addressing Roma development issues are still unable

*Policies and projects should focus on improving access to elementary education for Roma children*

*Employment promotion and social support are key to sustainable development that decreases dependency*

to reflect the needs of Roma communities. Political will needs to be matched with the national and sub-national institutional capacities needed to map Roma development challenges into the administrative structures in which they work. For a community to feel the benefit of, say, pre-accession funds, proper projects should be defined, and included into the relevant development strategies at national and local levels.

The successful operationalization of the Decade of Roma Inclusion is still to come. When the Decade was formally launched at the beginning of 2005, national action plans (NAPs) had already been adopted in each participating country, so that implementation could begin thereafter. Unfortunately, those plans were not translated into operational programmes and projects that could reach the community level. The expected outcomes of the Decade (articulated in its objectives and the NAPs) were not linked to all outputs, activities and the necessary inputs. The absence of explicit activities and inputs made costing impossible. Without financial information, Decade-related initiatives cannot be included in budget planning. Last but not least, the Decade's general targets were not accompanied by the specific indicators needed to monitor the progress (or its absence) of the Decade implementation.

These problems reflect inadequate capacity to translate general political commitments into pragmatic action, to identify needs and allocate resources, to monitor progress, and to modify initial project design when necessary. But they also reflect the fact that the Decade is still insufficiently results-oriented. Interim evaluations of the Decade in the countries involved, that would complement the NAPs with progress indicators and align them with national development priorities, would therefore seem extremely important.

### ***Aligning the Decade of Roma Inclusion with the area-based development paradigm***

The Decade of Roma Inclusion has created an inter-governmental framework, within which specific actions and commitments can be designed and implemented. In many countries, however, the Decade's substantive content is not yet fully defined, particularly at the local level. Area-based development can be of assistance here, in a number of respects. Many of the development chal-

lenges facing Roma are seen most clearly at the local level. This reflects both the concentration of Roma communities in certain geographic areas, and the fact that responsibility for delivery of the most necessary services – particularly education, employment facilitation and health care – is at least partly decentralized. As such, their quality dramatically varies depending on locality, ethnic structures, local poverty rates and the like. School desegregation means more than just issuing regulations in the national capital—it also means implementing them in schools in concrete locations. Similarly, increasing employment opportunities requires dialogue between local labour offices and local businesses, local-level facilitation of new start-ups, and local microfinance activities. Moreover, area-based programming can promote the local-level integration of Roma and other communities. By contrast, narrow group- (rather than area-) defined interventions may further isolate Roma from the social mainstream.

The Decade of Roma Inclusion national action plans and feasibility studies therefore need to be implemented via area-based and community development programmes that address the needs of these communities, including both their Roma and non-Roma constituencies. These programmes should be expressed in terms of clear targets, budgets, and monitorable indicators. Otherwise, these plans will remain hollow declarations that are likely to increase frustration among both Roma and majority communities. Such area-based approaches could be closely linked to regional development planning, and through this to the relevant pre-accession and EU funding instruments. In many respects, area-based approaches may be the only realistic vehicle for targeted use of EU funds to address Roma development needs.

### ***Genuine representation of Roma and reliable partnerships at the local level***

Genuine representation of Roma communities as counterparts in useful dialogue with governments is a precondition for their productive involvement in the design and implementation of Roma-targeted policies. 'Nothing for Roma without Roma' has already become a standard requirement. Unless genuine representation of Roma communities is achieved, this powerful message may be little more than tokenism that camouflages exclusionary approaches to policy formulation.

*Projects should be defined, and included into the relevant development strategies at national and local levels*

*Area-based programming can promote the local-level integration of Roma and other communities*

### Box 21: Feasibility study on the national action plan in Romania

Romania has the largest Roma community in Southeast Europe. It has also been holding the Presidency of the Decade of Roma Inclusion during 2005-2006. For these reasons the drafting of Romania's National Action Plan (NAP) was particularly important. UNDP's Country Office in Bucharest therefore supported the National Agency for Roma in developing a feasibility study for the Decade in Romania. The feasibility study sought to: (1) clarify the relationship between the NAP and other related initiatives (national and international); (2) facilitate inter-ministerial coordination concerning NAP implementation; and (3) define realistic results indicators, based on available statistical data. This last point was particularly important in terms of increasing the monitoring capacity of the government institutions charged with NAP implementation.

The NAP in its initial format was essentially a list of declarations, rather than a set of objectives with activities that could be budgeted, monitored and distributed among relevant agencies and partners. The first step in drafting the feasibility study was therefore defining a new structure for the NAP, to address the gaps apparent in the initial draft. The objectives under the four main NAP components (education, health, employment and housing) were therefore analyzed according to:

- Outcomes
- Targets
- Key actions
- (revised) Indicators
- Timeframe
- Responsible bodies (administrative bodies and organizations carrying out activities)
- Estimated costs involved
- Implementing and monitoring arrangements

All objectives, outcomes and targets were restructured, and clear indicators for results and monitoring instruments for each outcome and target were specified. This made possible the provision of realistic estimates of the timeframe, resource requirements, and other elements of a decent business plan.

The final outcome was not so much a better document, but rather a better understanding among the key players involved in the Decade implementation, in terms of specific objectives, numbers and indicators. This was definitely a lesson worth replicating in other countries of the Decade.

Representatives of Roma communities and government agencies are indeed engaged in dialogue. But this dialogue too often takes the form of parallel monologues in which expression does not necessarily lead

to communication, or the finding of a common language or joint interest. The Decade of Roma Inclusion, which was nominally initiated by the governments of the participating countries, occurred thanks to the pressure and persistence of outside actors. The dialogue conducted within the Framework of the Decade has too often been limited to mutual recriminations.

These problems are sometimes exacerbated by the weak legitimacy of national and local Roma elites. Efforts to facilitate the formation of Roma elites during the 1990s often had a top-down character. These new leaders made Roma issues more visible internationally; the European Roma Forum, with which the Council of Europe concluded a partnership agreement in December 2004, is perhaps the best-known success story in this area. However, at least some of the challenges of complementing this political presence with legitimacy vis-à-vis the constituencies the international Roma organizations claim to represent, remain unresolved.<sup>112</sup> While these 'boosted elites' may be better than no elites at all, the tasks of ensuring their accountability to their constituencies remain before us. Research shows that many Roma do not trust Roma NGOs or Roma political parties; cooperation among Roma NGOs is too often absent when it would be useful (Boscoboinik and Giordano, 2005).<sup>113</sup>

Area-based development projects must be implemented locally. Reliable partners – organizations that can deliver – are needed for that purpose. Donors and international organizations can play a key role in identifying and supporting such partners. In many respects, the credibility of donors engaged in such projects is also at stake. Their inability to focus on project and policy impact erodes trust in donor assistance, and undermines support for Roma projects among Roma and majority communities. Projects that inadvertently enrich certain Roma families or intermediaries without generating meaningful long-term development results are, regrettably, not rarities. At the same time, the successful design and implementation of policies and projects

<sup>112</sup> The Forum, as its official site states, "[is, at heart, a body of community leaders and policy experts who shall be elected by Roma and Traveller institutions across Europe]" [emphasis added]. The sequence of tenses is important – the Forum has been recognized by the Council of Europe as an international counterpart, even if its legitimization by Roma communities remains incomplete. Appropriate electoral procedures (concerning, for example, the determination of electoral lists) and other representational mechanisms have still to be decided.

<sup>113</sup> UNDP's Regional Human Development Report *Avoiding the Dependency Trap* also found that Roma respondents' trust in Roma NGOs was even lower than their trust in the state administration.

to reduce Roma vulnerability requires Roma participation. The programming frameworks employed by many donors too often do not lend themselves to this participation. The programme infrastructure for absorbing pre-accession EU funding does not permit regranting, for example. The logic of ‘big projects implemented by big organizations’ crowds out the smaller community-level organizations that can realize community-level outcomes. There should be real possibilities for local beneficiaries to participate in project development.

While the capacities of Roma NGOs need to be strengthened, traditional ‘capacity development’ projects are not always sufficient. Learning by doing should be encouraged, for example via involving Roma in internship programmes and international organizations. A core of young Roma meeting minimal education and skill requirements should be identified for this purpose. This long-term endeavour should be started now, with targeted work in schools with Roma children and in communities with their parents. Cooperation with Roma civil society, particularly community-level organizations, can also ensure Roma organizations’ involvement in that process.

The time frames for many Roma projects need to be lengthened, in order to train local Roma NGOs to the point where they can continue the project ‘on their own’. Longer (4–5 year) project cycles and support from municipalities are therefore crucial to increasing the sustainability of project results. Project design should be flexible enough to reflect the needs of direct beneficiaries. Implementing partners should have vested interests in the project’s sustainability, in order to continue project activities after the project officially ends. This is much more likely to be the case for local partners than for international or commercial consultancies.

### **Relationships with majority communities**

Issues of majority community perceptions (inaccurate and otherwise) of Roma are becoming increasingly important. Funding for policies to address vulnerability may be small compared to the scale of the problems, but media ‘attention’ may inflate its significance in popular perceptions. This is particularly the case when projects are not robustly effective or whose impact is disput-

able. In extreme cases (see Box 20), Roma can even be perceived as privileged.

Such dual perceptions of vulnerability issues have become common in the last 15 years: majority and vulnerable communities increasingly view otherwise incontestable facts and events in diametrically opposed ways. Majority communities and Roma too often find themselves in a situation analogous to a husband and wife seeking a divorce: they bombard each other with accusations and grievances. The search for common interest – hard to achieve when policies and projects are designed along ‘ethnic’ lines – seems to have vanished. Whereas the behaviour of Roma communities (and their intermediaries from the ‘development business’) seems at times to reflect the belief that majorities should have a ‘guilt complex’ vis-à-vis the Roma, majority communities perceive Roma poverty and social exclusion as a voluntary choice, which can be described as ‘the absence of responsibilities and having to pay taxes’. Both sides see the other as being wrong; notions of tolerance, common responsibility, and common interest are conspicuously absent.

### **Respect for gender issues and distinct cultures**

As the survey data discussed in this report show, women are often more vulnerable than men, in both Roma and displaced communities. To some extent, this heightened vulnerability reflects traditional gender roles that are often related to cultural factors. Culture, however, evolves. It is therefore important to realize which components of ‘traditional culture’ are compatible with contemporary social standards – particularly regarding women – and which are not. For example, common-law marriages in Roma communities should be legalized, with all attendant rights and responsibilities for both partners. And Roma women who question or refuse to honour traditions of early marriage and childbearing deserve tolerance, if not support, from their communities, as well as from social service providers.

Roma women are particularly prone to lower educational attainment and literacy rates. The size of the pro-male educational attainment gap shows that Roma women are relatively more disadvantaged than women from displaced or majority communities. Since enrolment rates for Roma men and women do not differ markedly, this gap

*Learning by doing should be encouraged, for example via involving Roma in internship programmes and international organizations*

*Majority communities often perceive Roma poverty and social exclusion as a voluntary choice*

*'Improvements' within existing 'provisional' settings should not be seen as sustainable development options for the displaced*

cannot be attributed to access to education *per se*. The greater burden for Roma women (relative to men) of childcare and household chores may affect their educational attainment rates. This suggests that measures to increase gender equality within Roma households—measures emanating from within Roma communities themselves—may be particularly worthy of support.

### **Policies specifically targeting displaced persons**

Displaced communities in Southeast Europe also face some specific challenges that require appropriate policy and programming responses. The section below outlines some major proposals that could contribute to improving the status of these populations. The list is shorter than in the case of Roma, but the magnitude of the challenges these populations face in many respects is comparable.

The regional context is crucial here. The challenges displaced populations face in Southeast Europe may be insignificant from a global perspective. However, given the level of socioeconomic development of these countries, their aspirations for EU membership, and the resources available compared to those for other regions of the world, the issue of displaced populations takes on significant dimensions.

### **The guiding principles on internal displacement**

As the data suggest, the issue of IDPs in the region is of primary concern.<sup>114</sup> This is why a major step towards improving the status of the displaced would entail applying the Guiding Principles on Internal Displacement. Adopted by the UN Economic and Social Council in 1998, the principles are

based upon, reflect and are consistent with international human rights law. The document provides a consistent framework for identifying needs for planning, implementing and monitoring protection activities (Kälin, 2005). Hence implementing the 30 principles in the national contexts is a first step towards improving the status of the displaced in the region.

The Guiding Principles are not binding. They were written by a group of independent experts and have not been negotiated by states. However, since the “principles reflect and are consistent with international law” (OCHA, 2004), their non-binding character does not prevent them from being a powerful tool to press governments for more explicit progress in improving the status of displaced populations. In fact, in many cases the non-binding character of the Guiding Principles has been an advantage (Kälin, 2001). Governments in the region need to be encouraged to abide by the principles by aligning policies and national legislation accordingly. The international community can be particularly instrumental in this regard.

### **Moving from humanitarian assistance and crisis prevention to development<sup>115</sup>**

Although most of the displaced in the Western Balkans are living in temporary accommodations or with ‘host families’ and not in displaced camps *per se*, their situation is often quite dramatic. Displaced households usually lack temporary employment opportunities or access to basic services. Seen from this perspective, ‘improvements’ within existing ‘provisional’ settings should not be seen as sustainable development options.<sup>116</sup> Real improvement can only come from displaced persons being fully integrated into society or enjoying sustainable opportunities upon their return to their places of origin. In either (or both) cases, the focus of the policy

*The displaced represent lost opportunities in the form of untapped human potential, talent and skills*

<sup>114</sup> The particular vulnerability of internally displaced people is highlighted also by UNHCR’s last report on the status of world’s refugees. See UNHCR 2006.

<sup>115</sup> The need of an explicit development focus is a good example of why policies targeting displaced populations – similarly to MDGs targets – should have a clear regional focus reflecting regional specifics. In some countries an excessive development focus may prevent people from addressing issues of humanitarian concern and human rights violations. As the recent report on internal displacement trends published by the Norwegian Refugee Council and International Displacement Monitoring Centre states, “UN country offices often focus on development issues and find it hard to acknowledge and address the more sensitive humanitarian and human rights challenges connected to most IDP situations” (IDMC/NRC 2006).

<sup>116</sup> This is reflecting the spirit of Principle 18 of the Guiding Principles on Internal Displacement. See also Recommendation 4, economic, social and cultural rights in Buscher, Lester and Coelho, 2005.

response to vulnerability needs to shift from humanitarian assistance to development.<sup>117</sup>

The survey data on which this report is based and other sources suggest that addressing vulnerability in the Western Balkans is crucial for these societies' internal cohesion. Issues of displacement are particularly important, in the aftermath of the armed conflicts of the 1990s. Settling the problems of these groups has both humanitarian and symbolic significance; it is a page in the region's history that still is to be closed. As such, more effective approaches to issues of vulnerability, inclusion and reconciliation are closely linked to prospects for the successful attainment of other priorities, such as EU integration and, subsequently, accession. Sustainable solutions to the development challenges facing displaced communities must go beyond the humanitarian and symbolic. Large displaced communities that have lost livelihoods, skills and assets are in fact a double burden for the societies. In addition to the substantial fiscal costs of social assistance to these households, the displaced represent lost opportunities in the form of untapped human potential, talent and skills. This clearly points to the development challenges faced by the displaced.

International efforts that initially focused on the provision of humanitarian or post-conflict assistance in the Western Balkans are increasingly emphasizing the development aspects of reconstruction.<sup>118</sup> UNDP is likewise increasingly involved in poverty alleviation and local economic development projects for displaced communities, in order to complement the humanitarian focus with sustainable development components (see Boxes 14 and 22).

However, despite the passage of 6-10 years since the conclusion of hostilities, development efforts do not always reach the displaced. To a significant degree, displacement issues in the Balkans continue to be addressed in terms of mitigating humanitarian disaster threats. They are also addressed within national (rather than regional) policy frameworks. In many respects, sustain-

### Box 22: **Protecting the displaced and local economic development in an area-based context**

Defending or restoring the rights of the displaced often requires the rejuvenation of multiethnic communities and local economies in the areas to which the displaced seek to return. When displaced persons began to return to their pre-war homes in Bosnia and Herzegovina in 1996, property rights and repossession issues were at the top of the agenda. The intervening 10 years have shown, however, that property restitution does not recreate multiethnic communities. Nor does it guarantee sustainable economic livelihoods for returnees, or better development prospects for their communities. Ten years after Dayton, creating sustainable economic livelihoods remains the largest obstacle facing the displaced who seek to return. This is certainly one of the main reasons why—even according to optimistic estimates—less than half of Bosnia and Herzegovina's pre-war minority residents have returned to their homes.

UNDP's Srebrenica Regional Recovery Programme (SRRP) attempts to address these issues in communities that were devastated by ethnic cleansing. The SRRP takes an integrated, holistic approach to laying the basis for local economic recoveries and better local governance, and therefore for sustainable returns of displaced persons to the communities of Srebrenica, Bratunac and Milici. The SRRP has five inter-related components: economic development, local government, civil society, gender mainstreaming (female-headed households make up a large share of the returnees) and infrastructure; it places a heavy emphasis on community participation in its implementation.

The programme started in 2002 and is expected to continue until December 2008. It has an overall budget in excess of \$24 million, funded by the governments of the Netherlands, Italy, Denmark, Norway, Canada, United Kingdom and Japan, as well as Republika Srpska (the relevant entity within Bosnia and Herzegovina). Additional support has also come from the UN Foundation, the International Fund for Agricultural Development, as well as UNDP. While it is unlikely to make the world forget the horrors of the Srebrenica massacre, the SRRP is helping to restore community links. The programme's partnership networks include the three municipal governments, the three local centres for social work, utility companies, the Srebrenica Business Centre, the Srebrenica Regional Extension Service for Agriculture, private companies, civil society organizations, local communities, international organizations, schools, outpatient health care centres and all relevant ministries.

able solutions to the problems require human development, human security, human rights and inter-governmental approaches. These challenges are not just sectoral – they are not 'just' about employment, access to education, or identity documents – they are about responding to the determinants of poverty, exclusion and vulnerability. Likewise, the inter-governmental nature of dis-

<sup>117</sup> Combinations of these two options – in terms of repossession of their properties in countries of origin in order to sell them and invest the funds acquired in the country of (re)settlement – seem to be particularly attractive for displaced Serbs, many of whom have been displaced for a decade or more.

<sup>118</sup> One example is the European Agency for Reconstruction (EAR) that is increasingly focusing on supporting economies and local societies. One of the major objectives of new EC-funded programmes managed by the Agency is supporting the development of a market economy while investing further in critical physical infrastructure and environmental actions at the local level. For more details see <http://www.ear.eu.int/sectors/sectors.htm>.

placement, combined with the recasting of the State Union of Serbia and Montenegro following the May 2006 referendum on Montenegro independence, as well as the changing status of Kosovo, underscores the desirability of regional solutions to problems of displacement.

### ***Towards a regional 'Decade of the Displaced'?***

As humanitarian assistance for displaced communities is phased out before appropriately crafted development policies and programmes have yet to come on line, a vacuum in policies vis-à-vis the displaced may emerge. Humanitarian assistance should be followed by comprehensive, sustainable integration programmes, or by targeted development aid that reflects the vulnerability characteristics faced by the displaced. While national governments and NGOs must play a key role in this next phase, the magnitude of the task – particularly in Bosnia and Herzegovina, Serbia, and Kosovo – may well be beyond the capabilities of national actors. Effectively addressing the vulnerability of the displaced in the Western Balkans may therefore require a broader framework of international support.

Efforts to address Roma vulnerability have since 2005 benefited from the Decade of Roma Inclusion. By contrast, efforts to assist the displaced lack an overarching regional political commitment that could mobilize the governments to approach these issues in a systematic manner. A 'Decade of the Displaced', modelled (where appropriate) on the structures and lessons of the Decade of Roma Inclusion, could provide such a framework. Such an inter-governmental framework could provide a forum at which agreements on major priorities could be brokered, push governments to undertake explicit commitments, and ensure coordinated international support for their implementation. In fact, it would build upon the intergovernmental '3 x 3 Initiative' resulting

in a Ministerial Declaration<sup>119</sup> following the Regional Ministerial Conference on Refugee Returns in Sarajevo on 31 January 2005 (Morjane, 2005). As with the Roma Decade, a 'Decade of the Displaced' could facilitate the creation of an overall mutually acceptable framework, into which the national policies would fit.

Such an initiative should target all persons displaced by the conflicts in the Western Balkans. It would match regional visibility and international commitment with focused national action plans needed to better respond to the vulnerability challenges facing displaced communities – challenges that are generally common across the region, but also bear national characteristics that need to be taken into account. A regional strategy to set the principles for addressing the needs of displaced communities could be elaborated, with the active participation of governments, the international community, and representatives of the displaced themselves. Following the pattern of the Decade of Roma Inclusion, the regional principles could be translated into national action plans that could be rooted in (and co-financed from) the regional development priorities of the participating countries. This strategy should complement the Migration, Asylum, Refugees Regional Initiative of the Stability Pact for Southeast Europe.<sup>120</sup> Also following the example of the Decade of Roma Inclusion, countries with national strategies for responding to issues of displacement could update and modernize these strategies, with a view to transforming policy frameworks and attitudes towards regarding the displaced, away from them as a burden for local communities, and towards becoming able to make best use of their 'human capital'.

Of course, such an initiative would face a number of difficulties. Characteristics of displaced communities and the challenges they face differ sharply from country to country. Multiple political challenges are also apparent, as the development challenges faced by the displaced may be closely linked to

*Humanitarian assistance should be followed by comprehensive, sustainable integration programmes*

*A 'Decade of the Displaced' could facilitate the creation of an overall mutually acceptable framework, into which the national policies would fit*

<sup>119</sup> "We, the ministers responsible for refugees and internally displaced persons in Bosnia and Herzegovina, Croatia, and Serbia and Montenegro, met today in Sarajevo to identify our individual and joint activities that should be undertaken in the forthcoming period with the assistance of the international community in order to ensure a just and durable solution to the refugee and IDP situation in our countries; [...] Pursuant to our country programmes, we are committed to solving the remaining population displacement by the end of 2006..." The fact that the issue of displaced populations is still on the table in 2006 is an additional argument in favour of a 'Decade of the Displaced' initiative.

<sup>120</sup> See <http://www.stabilitypact.org/marri/default.asp>.

country-specific ethnic tensions or to Kosovo's unresolved status. Numerous technical issues would also need to be addressed (*Which institutions should compensate the victims of displacement? What role should be played by the local authorities, particularly for internally displaced persons? For which properties should the displaced be compensated? How should the value of these properties be assessed?*). But as serious as these difficulties may be, they are also why an overarching inter-governmental initiative may be the best, most sustainable way to provide international support for national (and bilateral when possible) efforts.

That many of international actors (including, but not limited to, the UN family) deal with issues of displacement is another argument in favour of such an initiative.<sup>121</sup> In practice, however, many of these organizations pursue their own 'sectoral' priorities and resist coordination, making effective collaboration on the ground distressingly difficult. This is unfortunate, since responses to issues of displacement should be based on a clear and consistent business model within a protection framework based on applicable bodies of law – particularly if displaced communities are to make the transition from assistance and dependency to sustainable development. Emergency relief requires a different set of approaches and operational modalities than sustainable local integration efforts. A 'Decade of the Displaced' could provide the forum at which these transition modalities can be negotiated, agreed and coordinated. These include first and foremost a better division of roles and responsibilities between different agencies involved in displaced persons' issues.<sup>122</sup>

### **Political participation of displaced communities and adequate representation**

Although of different nature from the Roma, the problem of adequate representation of the displaced is not less acute. Displaced persons often face difficulties voting in elections.<sup>123</sup> The survey data show that displaced persons are underrepresented and not sufficiently included in local policy-making that affects their interests and status. The displaced often find themselves in the role of 'project beneficiaries' with limited opportunities to influence the design and implementation of the policies that are meant to assist them.

The issue of adequate representation of the displaced may become particularly relevant if a regional initiative (along the lines outlined above) were to be launched. Adequate representation would also help the displaced articulate their interests at the local (community) level, and would reduce the chances of the problems of the displaced being misused in arguments between governments in the region. Stronger local representation would help implement rights-based approaches to development also in the case of displaced communities. With representative bodies in place that are capable of articulating and promoting displaced communities' interests, interaction and cooperation with local-level institutions and populations in host societies would be facilitated. This would reduce rejection (and sometimes stigmatization) of refugees and IDPs and would facilitate their sustainable integration, particularly of young people.

*Adequate representation would help implement rights-based approaches to development in the case of displaced communities*

<sup>121</sup> The overall UN response is coordinated by the Undersecretary-General for Humanitarian Affairs and Emergency Relief Coordinator who heads the Office for the Coordination of Humanitarian Affairs. In 2004, pursuant to a decision of the Secretary-General, the Inter-Agency Internal Displacement Division was established, housed within the Office for Coordination of Humanitarian Affairs (OCHA). The Division consists of international staff seconded by UNDP, UNHCR, WFP, UNICEF, OCHA, OHCHR, IOM, the NGO community and the Representative of the Secretary-General on the human rights of internally displaced persons. The Division works closely with members of the Inter-Agency Standing Committee (IASC) and Senior Network on Internal Displacement. It assists the Emergency Relief Coordinator in discharging his function to coordinate an effective response to the needs of internally displaced people (IDPs) worldwide. For more details see <http://www.reliefweb.int/idp/partners/ian.htm>.

<sup>122</sup> For example, a new role for UNHCR is being discussed with one of the possible options being transforming it into a 'displacement agency'. The Inter-Agency Standing Committee has agreed, as part of the humanitarian reform process that has been ongoing since the summer of 2005, that UNHCR will assume primary responsibility and accountability for the response to internally displaced persons and affected populations in complex emergencies in the areas of 'clusters' of protection, camp management and coordination, and emergency shelter. For further information on the reform process see [www.humanitarianinfo.org/iasc](http://www.humanitarianinfo.org/iasc).

<sup>123</sup> For more details on the political participation and electoral rights of IDPs see IDMC/NRC, 2006.

*Property and real estate swaps should be encouraged – but in ways that transparently recognize displaced households' legitimate ownership rights*

*Donor-funded property compensation funds for displaced persons could be established and managed within the framework of the 'Decade of the Displaced'*

### **Facilitating integration into new communities<sup>124</sup>**

In accordance with the Guiding Principles and under the right to freedom of movement and choice of residence enshrined in human rights law, displaced persons must be protected from forced return to their place of origin, and from compulsory integration into their host country. In cases when integration in host societies is chosen, it should be facilitated by the active engagement of, and support for, local host communities. Integration of the displaced should not be seen as – or permitted to become – an additional burden on these local communities. Area-based projects that help communities integrate the displaced can be a particularly effective, sustainable response to the vulnerability associated with displacement. Such projects could begin by assessing the institutional capacity of municipalities to cope with significant inflows of displaced persons (whether for return, integration or both), in order to identify gaps for external support. Parallel assessments of the 'social capital' of the displaced could be conducted, to identify the appropriate sectoral areas of project support. In some cases this may be agriculture; in other cases displaced households may better fit into services or other sectors.<sup>125</sup> Where possible, inter-municipal collaboration within and across national boundaries to facilitate the integration or return of the displaced should likewise be promoted. Donors should be encouraged to provide priority support for such projects. The guiding principle should be approaching the displaced as an asset (rather than as a burden) for local economies – but an asset that requires appropriate investments in order to generate significant returns.

UNDP's experience with returnee projects points to the importance of working with central and municipal governments to build capacity for managing displacement issues. The 'Sustainable Transfer to Return-related

Authorities' project implemented by UNDP in Bosnia and Herzegovina is a good example of this: it involves local authorities in all aspects of the return and reintegration of the displaced. These include the articulation of return needs, the design of relevant interventions and their funding, implementation and evaluation. National and local partners have been involved in project design and implementation. These partnerships have helped strengthen stakeholder ownership in the project, which bodes well for its success.

### **Property compensation and real estate swaps<sup>126</sup>**

Many displaced households have experienced not just physical displacement (from their homes and communities), but also social displacement, being pushed from the security of middle-class status into socio-economic vulnerability. Once the conflict is over and when international frameworks for addressing displaced persons' problems are put in place, the restitution of property rights should be put on the table. Apart from the direct benefits for the affected populations, restitution of property rights may bring additional momentum to the returns process, encouraging other people and whole communities to follow. The process, however, should be nationally owned and nationally directed. Whenever possible, property and real estate swaps should be encouraged – but in ways that transparently recognize displaced households' legitimate ownership rights, rather than making them both victims and beneficiaries of non-transparent property confiscations.<sup>127</sup> Compensation for lost and destroyed property should be available and negotiable within internationally agreed frameworks. Donor-funded property compensation funds for displaced persons could be established and managed within the framework of the 'Decade of the Displaced'.

<sup>124</sup> Principle 28 of the Guiding Principles on Internal Displacement explicitly addresses the issue of voluntary resettlement in another part of a country.

<sup>125</sup> The issue is also addressed in ECRE's *The Way Forward: An Agenda for Change* (ECRE, 2005). As stated in its background paper, "the displaced should also be afforded a long-term resident status granting them rights similar to those of nationals" (Hudson and Weiler, 2005).

<sup>126</sup> Principle 21 of the Guiding Principles on Internal Displacement explicitly addresses the issue of property and possessions.

<sup>127</sup> As the example of Bosnia and Herzegovina shows, local institutions have to be particularly instrumental in this regard since they are in control of municipal housing stock (Davies, 2004). On the other hand, the example of Kosovo underscores that "without adequate security guarantees, housing and property restitution will not result in return" (NRC, 2005). Other examples from the region (Croatia in particular) suggest that there are risks involved in basing post-conflict property restitution on a pure return rationale (Williams, 2004). On issues of post-conflict property restitution see also Phuong, 2000, Hovey, 2000 and Leckie, 2000.