

# An Analysis of Key Documents and Interviews with the Poor





# Content

Summary.....	3
1. Analysis of Contents of Key Documents .....	8
1.1 Bosnia and Herzegovina Poverty Assessment, World Bank.....	8
1.2 UNDP Human Development Report .....	11
1.3 UNICEF Mid-Term Review .....	14
1.4 The Poverty Reduction Strategy Paper.....	16
1.5 Documents from the European Union.....	19
1.6 Sida Country Strategy for Development Cooperation.....	21
2. Key Documents: Gaps in Knowledge .....	23
3. Face to Face: Voices of the Poor .....	26
3.1 Women Speak.....	27
3.2 Men Speak.....	36
4. Livelihoods of the Poor – A Discussion.....	45
The House .....	45
A Job of One’s Own.....	46
Assets, Networks and Local Knowledge .....	47
Government and its Institutions .....	48
Associations .....	49
Human Rights and Security.....	49
Poverty and Social Categories; Women and Men, Age Groups, Ethnicity, Location .....	51
Appendix A – Part 1: Overview of the Methodology of Selected Documents on Bosnia and Herzegovina.....	53
Part 2: Discussion Matrix for Selected Documents and Topics on Bosnia and Herzegovina .....	55
Appendix B – List of Documents Studied, Bosnia and Herzegovina....	56
Appendix C – Terms of Reference: Country studies on poverty in key documents for programming development cooperation in South Eastern Europe .....	57

Cover: Outside Tuzla in Bosnia and Herzegovina refugees are assisted in a Sida-funded project to grow fruits, berries and vegetables in order to earn their living.

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# Summary

It is now generally accepted that poverty is a multidimensional phenomenon: not simply a lack of income, but also related to other aspects of social life such as a lack of education and good health, poor living conditions, a lack of government support or voice in local and national government, physical insecurity, and limited access to productive assets. Because poverty is context-specific, and derived from quite specific political, economic, environmental and socio-cultural conditions<sup>1</sup>, it is necessary to examine it from the perspective of particular social groups that are based on key criteria: gender, age groups, ethnic groups, rural/ urban location, and social class. Although poverty is thus many-sided, in practice the majority of poverty assessments do not carry out very complex analyses, and tend to focus on only a few variables. They are frequently carried out in survey form and figures tend to be aggregated, making the widely varying social and economic situations faced by poor people largely invisible. They tend to focus on what the poor lack in terms of employment, education and health, rather than on the resources that they do have, and how they manage these resources. Thus little information is forthcoming about how differently situated people understand poverty, how they view the surrounding community, and how they mobilize the assets at their command. Yet as experiences of poverty and coping strategies vary according to people's social situation, knowledge of these can contribute to improved design of development interventions and support.

In this study we question the nature and adequacy of data on poverty with the aim of initiating an exchange of ideas concerning how the poor are conceptualized and portrayed in key documents. We also suggest alternative, additional ways of analyzing poverty and obtaining the information needed to identify potential support needs. The methods we use are twofold. First, we have conducted desk studies of documents considered to be key instruments used in programming development assistance in BiH, in order to assess the current state of knowledge and its deficiencies. We look specifically at how poverty is described in terms of the different social groups and categories of people noted above, and the intersections between these groups or categories, in an effort to provide information useful to those who make decisions about support in the social sector. Secondly, we carried out a weeklong series of in-depth interviews with poor people in the country with the goal of gaining an

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<sup>1</sup> See *Perspectives on Poverty*, Sida, 2002.

understanding of their concerns, and finding complementary ways of portraying and thinking about poverty.<sup>2</sup> We ask whether the issues that absorb our interviewees are reflected in the country documents, and in what ways analyses coincide and differ? How might such appraisals illuminate the multidimensionality of poverty in a particular time and place, and how can they contribute to the operational information needed to form a basis for making decisions on support?

According to the most recent World Bank poverty assessment, poverty affects nearly every fifth citizen of BiH, and the poor are distributed fairly evenly between the two entities, the Federation (FBiH) and the Republika Srpska (RS), although the RS, with its smaller population, has a higher incidence of poverty. In addition, roughly another one third of the population live very close to the poverty line. No extreme poverty was found, however, and inequality in material well-being is quite moderate. Precarious earning sources due to single-earner households, health risks, violation of human rights, discrimination, corruption, limited geographical mobility, limited access to formal safety nets, reliance on personalized informal arrangements, and a worn out stock of household assets as well as limited access to credit all undermine economic security and make people more likely to be poor, and this insecurity makes many of the statistically non-poor perceive themselves as poor.

Women in BiH lag behind men in access to the job market; their share in employment is the lowest of any transition economy. They receive lower wages than men for the same work, have less chances of promotion, are the first to be fired in times of restructuring and reform, and have a harder time than men finding new employment. This is a result of the lack of jobs in general, but also the current lack of day-care facilities, which used to be linked to workplaces (factories, industries) that are now defunct. Women are hindered from finding jobs due to traditional attitudes towards maternity leave, sick leave on account of children, their more limited availability for re-education and training, the perception that men do their jobs with more commitment, and the general belief that it is easier for a family when the wife is unemployed, than the husband, who is considered to be the main provider. Domestic violence is reported to be on the rise, and the orientation towards stricter religious traditions also puts pressure on women, both from the society and within the family. Trafficking is a new and very serious problem as well, with BiH both a destination and a transit country.

The young generation is noted as being one of the categories most at risk for poverty; 56 percent of the poor live in families with children. Children (and youth) under age eighteen are thus one of the poorer groups, making up one third of the poor, and children under five years of age are the most at risk, due to the lack of preschool education and low health insurance coverage, especially in rural areas. Children without parental care or in the care of institutions are the worst off, as the welfare system is not strong enough to provide for them. Orphans, children of unknown parentage, and those abandoned by their parents or taken into state care numbered nearly 3,000 in the FBiH alone in the year 2000.

Unemployment is the major problem affecting youth, in addition to housing problems. Many seek to emigrate as a way of assuring their futures, and between January 1996 and the end of March, 2001, 92,000 young people left BiH. UNDP-sponsored research indicates that over sixty per cent of the young people in the country would leave if given an opportunity.

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<sup>2</sup> Please see Annex C, Terms of Reference, for the complete description of the study.

Pensioners are noted as generally not falling below the poverty line, since pension income falls above the poverty line. Over 80 percent of the elderly receive pensions, veterans' rights or welfare, but the levels of pensions and assistance is low. Pensioners are clustered just above the poverty line, and at least a quarter of the poor over the age of 60 have no pensions. Thus the elderly are at a high risk for poverty. Other aspects of old-age poverty are the facts that most peoples' pre-war savings were wiped out by bank failures, and that half of the homes in BiH were damaged or destroyed during the war, thus there is a high dependence on pensions and benefits..

Several poor groups in BiH did not exist, or were considerably smaller prior to the war. Demobilized soldiers are one such group, and often have few skills. There are also many new households without breadwinners, or they may contain disabled members or war invalids. There are large groups of refugees, returnees and displaced people who have lost property and social networks, and who have difficulty accessing employment or welfare, as well as their former property. There are over half a million displaced people in the country; about half in each entity; they constitute one fifth of the extremely poor in the RS and two fifths in the FBiH. In general, returnees are the older, less skilled refugees who have had problems adapting to their host countries. Those who can work are rarely able to return to their former jobs as existing employment legislation favours demobilized soldiers, disabled veterans, and the families of fallen soldiers. Civilian victims of the war as well as returnees are ignored in the legislation.

Regarding ethnicity and poverty, differences between the two entities are cited frequently, with the RS, with a predominantly Serb population, generally worse off in every respect in comparison to the Federation (FBiH) which is composed primarily by Bosniaks and Croats. In Croatian-majority areas, 6 percent of the population are poor based on household income (not consumption), while between 22 and 25 percent is the figure for Bosniak-dominated areas. In Serb-majority areas, between 40 and 43 percent of the population fall below the poverty line, based on income. Thus different areas of the country are increasingly developing differing standards of living. Additionally, most of the pre-war migrants from former Yugoslavia came from areas in the FBiH, from Western Herzegovina and North Western Bosnia – and therefore transfers from abroad in the form of pensions and remittances are higher in these areas, which are also associated with particular ethnic groups. The Roma population in BiH is almost completely marginalized, and has by far the lowest levels of education in the country. Language is a frequent problem for children who do attend school because their native tongue is the Roma language. Almost everywhere, minority groups are more likely to be poor than the general population.

Most of the poor live in rural areas, or the mixed urban-rural areas which make up a considerable part of the country. Rural people have less access to health care, and transport makes up a substantial expense for them regarding both health care and education; and thus lower levels of education tend to be replicated in rural areas. Living conditions are also generally worse in rural areas. Many rural communities have been broken up or destroyed by the war, and some agricultural land has been mined and is unusable. The lack of a comprehensive agricultural policy deters people from investing, while off-farm employment opportunities are minimal.

While the Living Standards Measurement Survey (LSMS) carried

out by the World Bank has provided a base of information that is reflected in several of the documents such as the UNDP report and the PRSP, none of the documents describe social groups in more than a rudimentary way. Generally aggregated numbers are used to describe different social categories, and groups are usually described in terms of what they lack – employment, education, particular social services, security (refugees and returnees). Most disaggregated information is available in the categories of gender and age, but as these are never related to ethnicity or location, the portrayal of poor groups remains incomplete. We learn little about the life conditions for poor women of different ethnicities, for example, or of the problems poor children and youth face in the cities versus the countryside – all we learn is that children in large families are likely to be poor, and that youth are likely to be unemployed and have skills that are irrelevant for the job market.

Additionally, there is little mention of power relationships or of social classes, and as a consequence we have little indication of the reasons for poverty, or of how it is replicated. This lack can be seen directly in the matrix on non-economic aspects of poverty that we have constructed for the documents, where it can be noted that in the BiH documents there are large shortcomings in discussions of local and national political representation and empowerment, as well as household decision-making, survival strategies, strategies for economic expansion and access to assets and the informal sector. There are thus many connections that remain unmade, limiting our understanding of the life conditions of the poor – we learn little of their concerns or how they go about trying to improve their situations, knowledge which is useful in determining how they might be best supported.

In order to complement the documents and thereby deepen our understanding of poverty in BiH we carried out a weeklong series of interviews with the poor in January, 2005. The intention was to reflect the perspectives of the poor on their situation, to examine their access to assets and to the informal market, to gain an understanding of how they manage their resources, and to hear about their major concerns. In many respects the interviews highlight the limitations in the existing documents and suggest a number of improvements in the analysis of poverty in relation to the key social categories.

In the interviews the poor focused on issues that were only treated sporadically and superficially in the documents. Housing was one such issue; all the families viewed ownership of their housing as essential and if they did not own their homes, their efforts were directed towards that end. The home was not only a place to live, but also the main asset they owned, and homes (and accompanying land or gardens) served as a basis for a number of entrepreneurial activities. Firewood to heat homes was sometimes acquired in forests, and thus access to public land (and sometimes, pasture) was an important correlate of the need to own a home.

It became clear through the interviews that we know little about how the poor experience entrepreneurship and access to the informal sector. These families were primarily surviving through entrepreneurial activities or by working for other small entrepreneurs. The issue of the enforcement of oral contracts was of substantial importance to the poor, as they had to take any work that appeared and had no way to enforce payment for their services. Access to financing for entrepreneurial undertakings was also an issue in this context, as was the need for access to communication, in order to maintain and expand informal networks that could be of assistance in identifying potential sources of assets, benefits, or work opportunities.

Relationships with political parties, civic organizations or government agencies were very limited among these families. Reasons for this included the negative reception they received when contacting ‘authorities,’ feelings that politicians are corrupt and only seeking to line their own pockets, the apparent lack of civic organizations in these areas, and the lack of time to participate in civic or social activities. The working poor were often working all the time, selling in markets, doing odd jobs or searching for them. There is no ‘free time’ from poverty and its anxieties.

It is interesting to note that several of the issues discussed in poverty assessments seldom appeared in the interviews. The dearth of formal job opportunities was lamented by nearly everyone, but few mentioned their lack of education as a limitation to getting a job, although they did their best to educate their children. Health issues did not come up often in the conversations either, nor did feelings of a lack of physical security. Social transfers seemed nearly nonexistent for these families, who were very critical of the social services and their reception when contacting them; the only ones receiving aid were the very poor with small children (minimal child subsidies), and the destitute who received aid with housing. More assistance to the poor appears to come from family and neighbors, and ‘good people’ in the community who are better situated and help others who are in need.

The interviews thus reveal particular concerns that do not appear in the documents, and limited interest in some that do. They also expose power hierarchies, almost never present in documents, which shape peoples’ strategies and possibilities. By looking at what the poor have and do, we gain a better chance of seeing what they need. Information about peoples’ access to resources and information, and strategies regarding their management, provides an improved understanding of the dynamics of poverty, and how it plays out in various social groupings – an understanding that is essential to devising appropriate systems of support.

# 1. Analysis of Contents of Key Documents

## **1.1 Bosnia and Herzegovina Poverty Assessment, World Bank**

The *Bosnia and Herzegovina Poverty Assessment, Volume 1, Main Report*, is dated November 21, 2003. The complete report is composed of two volumes, with the first volume concentrating on the results of the assessment, while the second volume enters into an in-depth analysis of the 2001 Living Standards Measurement Survey (LSMS) on which the report is based, and includes more statistical explanations and calculations. The first volume will be discussed here.

The Poverty Assessment provides some basic information about the poverty situation in the country and is intended to serve as a tool for government and donors in programming development assistance. It is also intended to serve as a source of information for the ongoing preparation of the country's Poverty Reduction Strategy Paper (PRSP). An ambitious Living Standards Measurement Survey (5,400 households) was carried out for the first time in BiH in 2001, and provides some of the first up-to-date statistical data on poverty in the country. The results of the survey contradict earlier (1998 UNDP *Human Development Report*) information that indicated that two thirds of the BiH population are poor, and gives rise to new recommendations concerning how poverty alleviation should best be carried out. A poverty perspective is mainstreamed in the report. Participatory processes are used only inasmuch as the LSMS involved in-depth survey techniques; but in general report uses a more holistic approach to the question of poverty than earlier assessments. The main report is divided into two parts, the first of which discusses how poverty is measured, the question of vulnerability and the characteristics of the poor, while the second part discusses poverty and public policies, including structural reform, health, education, targeting and social safety nets, and goes on to make recommendations for change.

The extreme poverty line for BiH was determined by choosing a minimum food basket to obtain a food poverty line. To this was added an amount which would allow for essential non-food consumption, resulting in a general, or absolute poverty line of 2,198 KM per person per year. Thus defined as a lack of adequate consumption, poverty affects 19.5 percent of the population; nearly every fifth citizen, and the poor are distributed fairly evenly between the two entities, the Federation (FBiH) and the Republika Srpska (RS), although the RS, with its smaller population, has a higher incidence of poverty. However, no extreme poverty (where people live at or below the minimum food basket level) was found,

and inequality in material well-being is quite moderate by international standards.

Specific characteristics of poor families are identified in the study. The poor tend to be families with children. Two thirds of poor households include someone who is working, usually a single breadwinner, although jobless households make up a high proportion (28 percent) of the poor. Usually the head of the household has only primary education or less. The number of employed women is particularly low among poor households. Poverty is concentrated to particular communities which are affected by economic dislocation and social cleavages, and often these communities include a high concentration of internally displaced persons (IDPs) and refugees. The report distinguishes between two groups of poor; a minority that are poor due to a combination of causes and factors that push households into poverty, and those that are poor due to a single factor, but otherwise share many characteristics with non-poor households – the group most likely to benefit from economic growth and employment generation.

Roughly 30 percent of the population live very close to the poverty line, and risk falling into poverty due to any unforeseen shock or crisis. Pensioners are one large such group, as the average pension lies just above the cut off point. People are particularly vulnerable as regards health, because the health insurance system currently leaves considerable numbers unprotected, especially in the RS. Precarious earning sources due to single-earner households, health risks, violation of human rights, discrimination, corruption, limited geographical mobility, limited access to formal safety nets, reliance on personalized informal arrangements, and a worn out stock of household assets as well as limited access to credit all undermine economic security and make people vulnerable, indicating that the fight against poverty needs to be multi-dimensional and to include a broad spectrum of policies to cope with vulnerability-related issues, particularly as structural reforms are likely to cause increased unemployment. Vulnerability makes many of the statistically non-poor perceive themselves as poor.

A lack of opportunities, a lack of security, and powerlessness are determined to be the main cause poverty. Economic growth has not resulted in much more employment since 1998, and there is a mismatch in the labour market; few jobs are offered, and too few people exist with the kinds of skills that are in demand. Jobs are limited due to a highly localized, constricted and fragmented labour market, the poor business environment and low levels of private sector investment. The supply of skills is limited by the relatively low number of students continuing to the secondary level (59 percent), and the education offered (with secondary education highly focused on outdated vocational schools). The provision of both education and health care is dominated by the public sector and is inefficient because the entities control both the financing and the provision of health and education, resulting in a variety of systems with differing efficiency and standards, little possibility for the use of economies of scale.

Non- economic factors such as physical security and power are discussed. Security is an issue for the poor, with an increase in the incidence of crime, accidents, and disease. Insecurity undermines confidence and makes people resort to short-term planning. Economic security is also a problem in the fields of property rights (housing), corruption, and the failure of public safety nets. Powerlessness and lack of voice are cited as making it difficult for the poor to break out of the circle of poverty. The

connections between institutions and people, poor people and government, and poor people and civil society are unsatisfactory, with the poor consequently excluded from the organizations that make decisions and allocate the resources that affect their lives.

The report primarily discusses the poor in aggregate, but some information about different categories is forthcoming. The situation of women is particularly noted. Women rank below men in education as a whole, though to a large extent this is due to the fact that older women have less education; before the war women were basically even with men in terms of education. However, today women lag behind in access to the job market. Female participation in the work force is lower in BiH than in any other transition economy. This is a result of the lack of jobs in general, but also the current lack of day-care facilities, which used to be linked to workplaces (factories, industries) now defunct. Very few pre-school facilities are available today, which is also particularly negative for poor children, who thus may begin school at a disadvantage. Women suffer more from poverty in that families with several children have a higher poverty rate; because salaries are low one breadwinner is not enough to support a family. Increasing the number of women in the work force would thus be an effective way to reduce poverty. A recent rise in the incidence of domestic violence in the country is noted, putting women at risk. Women returnees are also at a particular disadvantage in reclaiming property rights, unless backed up by a male relative. Interestingly, female-headed households are not a large portion of the poor. It is suggested that they are considered to be 'deserving poor,' and can gain increased access to charity and social benefits.

The aged are not much discussed in the assessment, but it is noted that they do not make up a large part of the poor population, but are at a high risk for poverty. Youth have great problems in finding jobs; but may continue to live at home and depend on their parents, and thus not appear in the poverty statistics. There is mention of the fact that drug use and delinquency is rising as a result of unemployment and frustration. Children (and youth) under age 18 are one of the poorer groups, making up one third of the poor.

The rural/urban divide is not thoroughly discussed but it is reported that most of the poor live in rural areas, or the mixed urban-rural areas which make up a considerable part of the country. Rural people have less access to health care, and transport makes up a substantial expense for them regarding both health care and education, so lower levels of education tend to be replicated in rural areas. Living conditions are also generally worse in rural areas. Although we learn that certain communities are foci of poverty, we are not informed whether rural communities are over-represented among them.

Ethnicity and poverty is difficult to pinpoint in the assessment. Differences between the two entities are cited frequently, with the RS, with a predominantly Serb population, generally worse off in every respect in comparison to the Federation (FBiH) which is composed primarily by Bosniaks and Croats. It is mentioned that Croat dominated cantons in Western Herzegovina spend more on education, over double the sums spent in parts of the RS. It is noted that the Roma population is too small to be included in the LSMS in any statistically relevant way, but that they are severely affected by poverty, not only in the economic sense, but also in their deprivation of education, health, security, and representation. Refugees and displaced persons of all ethnicities have a high poverty rate, with a third of them falling below the poverty line.

The strength of this document lies in the new data which it brings to the discussion of poverty in BiH, and in the recommendations that it makes in for future policies. It is able to deflate important myths, one of which is that two thirds of the BiH population is poor. There are interesting and valuable discussions of vulnerability and some discussion of the coping strategies that people use to avoid falling into poverty, and the limitations of these strategies. There are discussions of mental health, access to health services in the public and private sectors, the need for educational reform and reform of the social welfare sector that are very pertinent. Valuable, too, is the discussion of some non-income aspects of poverty – security and powerlessness – that are lacking in many assessments.

The main weakness of the assessment from a poverty perspective is that it despite its strengths, it discusses the poor in aggregate form. For example, we read about women – not urban women or rural women, Bosniaks or Serbs, although these categories of women have different life conditions. There is little general information about youth as such, or the aged. More importantly, although security and powerlessness are discussed, we do not see how these affect rural areas versus urban areas, or different categories of people. Other aspects of poverty are neglected, such as the way rights and access to resources are deployed within the family. Thus, although this assessment makes important advances and presents a more holistic picture of poverty than is the general rule in assessments, there are substantial shortcomings.

## **1.2 UNDP Human Development Report**

The UNDP *Human Development Report, Bosnia and Herzegovina, 2002* is an overview of the human development situation in BiH, for the use of the international community in planning their cooperation with the country. It measures the country's Human Development Index (HDI) for the first time, and analyzes its implications for the future of the country. It includes a thorough discussion of the measurement methodology, describing the difficulties that exist in coming to a clear understanding of the situation in BiH due to the lack of dependable statistics on the population and on employment. The document makes a strong case for the need of a national census to facilitate planning. It also calculates the Gender Development Index (GDI), which indicates that there are substantial disparities between genders in the country.

The report is divided into three parts. The first outlines economic challenges and human development, including the constitution, the economy including GDP and public finances, corruption, foreign direct investment, privatization, employment, education, and youth. The second part of the report discuss poverty and human security, focusing on poverty, vulnerable groups, public health and social security, as well as reform in the areas of social welfare, health care, and pension funds. There is also a section on refugees, displaced people and returnees, and on gender equality. The final part of the report draws conclusions and discusses the ways in which the HDI was calculated and the sources used.

There are no participatory processes used in this document; rather the description emerges from national statistics and from the Living Standards Measurement Survey (LSMS) conducted by the World Bank, UNDP, DFID, and the entity statistics offices in 2001. The LSMS is used as a counterpoint to the HDI, filling in the gaps in knowledge and providing ways to reassess the official figures and come to more valid conclusions. Since it is based on household surveys and includes in-kind consumption as well as cash income, and part time and seasonal work as

well as steady employment, the LSMS is considered to provide more accurate data than the official national figures. The UNDP's Early Warning System reports are also used as a source in the section on poverty.

The document discusses development in general, not just poverty, and points out that the economy of BiH is seriously behind most other transition countries, and far from sustainability. The HDI for BiH is 7.18, very close to the world average of 7.16, making the country one of those of middle human development, but it rates far lower than the Economic Union (EU) average, and almost last (excepting Moldova) of the countries in the South East European Stability Pact. The census figures used in the calculations date from before the war, however, and that the current population is substantially smaller, perhaps as much as ten to fifteen percent less. Additionally, many people are employed in the country's 'grey' economy – consisting of unregistered firms, registered firms with unregistered employees, or registered employees earning more than their employers declare, as well as companies that earn more than they declare, and do not appear in employment figures. Although salaries in grey companies tend to be low, more people are working, and there is more economic activity in the country than the HDI would suggest – perhaps as much as 20 percent more. Data gathered in the LSMS supports this theory. However, it is noted that most of this grey economic activity is generally not in production, but in the service sector, and contributes nothing in the way of taxes for much-needed schools, health care, pensions and poverty alleviation in the form of welfare benefits. Its workers are unprotected as they do not receive health benefits or pensions. The report notes that the traditional concept of employment has lost much of its meaning as regards economic security, and that the grey economy is seriously detrimental to the country in the long run, although in the short term it does alleviate joblessness and thereby mitigates poverty.

The report goes on to discuss unemployment, education and health and how these factors are related to poverty and to the trends that are evident in BiH today. A poverty perspective is mainstreamed through the document, as income represents a substantial part of the HDI calculation, and education, a lack of which is also an important factor in poverty, makes up another part of the HDI formula. Groups and categories are discussed from the perspective of gender, age, refugees, displaced, disabled, and to a more limited degree, ethnicity and the urban – rural nexus.

Several groups are discussed in this document, but in terms of vulnerability rather than poverty. Women are discussed at length. The BiH Gender Development Index (GDI) is a bit lower than the HDI, which here, too, puts the country at the bottom of rankings for the region. The main problem that lowers BiH's rating is the inequality in income between the sexes. Transition has taken a high toll on women, who bear the brunt of reform and redundancy. It is more difficult for them to find new jobs due to traditional attitudes towards maternity leave, sick leave on account of children, their more limited availability for re-education and training, the perception that men do their jobs with more commitment, and the general belief that it is easier for a family when the wife is unemployed, than the husband, who is considered to be the main provider. There is also mounting evidence that domestic violence is becoming a serious problem as a result of the socio-economic situation of the country. Finally, there is a sizeable increase in single-parent households (mostly women) as a result of war deaths and because the refugee population has a large number of single mothers whose male relatives were either killed or are missing. Over 25,000 children are missing a parent, usually the father.

Children are a new vulnerable group. There are orphans, children of unknown parentage, and those abandoned by their parents or taken into state care: nearly 3,000 in the FBiH alone in the year 2000. Neglect, truancy, juvenile delinquency, and drug abuse, addiction and juvenile prostitution grow with increases in poverty. BiH youth are seeking to leave the country; according to official statistics, 92,000 young people left BiH after the war, between January 1996 and the end of March, 2001, and UNDP-sponsored research indicates that 62 per cent of the young people in the country would leave if given an opportunity. The report stresses the plight of youth, saying that they must be engaged and allowed to participate in the life of the nation if BiH is to progress; participation should not be only economic, but also of a political nature.

The elderly are an increasingly vulnerable group; one which is growing due to the declining birth rate, longer life spans, and emigration by the young. An estimated twelve percent of the population (15 percent in the RS) is currently over the age of 65. Women make up 58 percent of the elderly. There is little reliable data about the elderly; some research suggests that more of them live in villages, and that the very old are mostly women and frequently alone. Almost two thirds of the elderly in rural areas and one quarter in the urban areas are illiterate, and most are women. More than 80 percent of the elderly receive pensions, and some have veterans' rights or receive welfare. However the level of pensions and assistance is low, both due to pension reform and to the lack of funding. Other aspects of old-age poverty are the facts that most peoples' pre-war savings were wiped out by bank failures, and that half of the homes in BiH were damaged or destroyed during the war. Thus, there is an excessive dependence on pensions as a source of income in old age, while the pension funds that exist are fragmented, with incompetent management.

There are several vulnerable groups in BiH today that did not exist, or were considerably smaller prior to the war. Demobilized soldiers are one vulnerable group, and often have few skills. Additionally, there are many new households without breadwinners, and they may contain disabled members or war invalids. There are large groups of refugee returnees and displaced people, who have lost property and social networks, and who have difficulty accessing employment or welfare, as well as their former property. Returnees' economic, civil, and social rights are frequently violated; and thus these groups, particularly the minority returnees, suffer a lack of basic security. In general, returnees are the older, less skilled refugees who have had problems adapting to their host countries. There are 555,700 displaced people in the country; about half of them in each entity. Those in the FBiH are Bosniak and Croat, and in the RS they are exclusively Serb. Obstacles to return and repossession are the difficulties in repairing a home while supporting one's family in the process, and such efforts can lead families deeper into poverty. Those who can work are rarely able to return to their former jobs as existing employment legislation favours demobilized soldiers, disabled veterans, and the families of fallen soldiers. Civilian victims of the war as well as returnees are ignored in the legislation. Returning to agriculture may be an alternative for some, but requires inputs and investments that few can afford, and it is to be remembered that agriculture served as an additional income, not as the primary income, of most families involved in agriculture before the war.

Urban versus rural poverty is discussed in that urban unemployment is higher in the FBiH than in the RS because it has a larger urban popu-

lation, and several formerly industrial cities, including Zenica, Tuzla and parts of Mostar. The RS is more rural; and more people live in rural areas, putting stress on the access to land and demand on local markets. Additionally, most of the pre-war migrants from former Yugoslavia came from areas in the FBiH, from Western Herzegovina and North Western Bosnia, and thus transfers from abroad in the form of pensions and remittances are higher in these areas, which are also associated with particular ethnic groups.

This report is valuable for its calculation of the HDI for BiH, enabling the comparison of the country with others in the region. It provides a thoughtful interpretation of various kinds of data in an attempt to give a nuanced picture of the problems, and the achievements of the country. The political situation is sharply criticized, and recommendations are given regarding how the reform of various sectors (education, health, social welfare, pension system) might best be carried out. Historical information (pre-war and wartime) is provided to help interpret findings. The discussion of vulnerable groups and of gender is quite ambitious.

There are limitations, however. The report focuses on development rather than on poverty, discussing vulnerability, not poverty. The rural – urban discussion is not examined to any great extent; we do not gain an understanding of how poverty affects urban and rural populations differently, or of how it varies in the two entities. Women are discussed in aggregate, and from their status as public actors in the workplace and in politics. Vulnerable social groups such as children, the aged, and war-affected (refugees, displaced, disabled, widows) are discussed, but in aggregated form and not in relation to ethnicity, gender, or location. Although ethnic groups often appear, the Roma are largely overlooked, as the emphasis is on the constitutive people of the country. Roma appear in reports as underprivileged in every way, but we learn next to nothing about their location, economic activities, or age and gender relationships. Thus although the report is useful in that it does point out trends, separate out groups, and does give information about conditions in the different entities, there are important gaps.

### **1.3 UNICEF Mid-Term Review**

It has been difficult to find an appropriate UNICEF document for analysis. The 1998 *Situation Analysis of Women and Children*, produced soon after the end of the war, was determined to be outdated. Since then, the BiH UNICEF office has not produced a country assessment on its own; rather it produces reports on activities and programs, and contributes to the *Common Country Assessment* used by UN organizations in the country. Thus, we have chosen to analyze the most recent full report posted on the BiH UNICEF website, which is the organization's *Mid-Term Review* from October, 2000.

The purpose of this review was to assess progress in the different ongoing UNICEF programmes in the country, and to lay the foundations for the next Country Programme (2002-2004). Poverty or poor people are not addressed as such, but several of the initiatives discussed reach poor or needy people. The review discusses the aims, activities, achievements, constraints, future direction, and sustainability of the ongoing initiatives in the different sectors in which UNICEF is active in BiH. Each program or activity participated in contributing to the report, and to a countrywide meeting that was held to discuss future strategy in conjunction with the review. Poverty is not defined or mainstreamed in the document, nor are trends described. Data is not used other than the

data on program activities themselves, and these are supplied by the organization. The poor groups that the initiatives deal with are institutionalized children, and displaced children. Children and youth tend to be subsumed into one group in this report, but at times youth are mentioned specifically, particularly in relation to the AIDS/HIV initiative, media projects, and mine awareness projects. They are seen to have a potentially important role in communicating with younger children.

The sectors in which UNICEF in BiH is active, and their different programs are 1) Advocacy, social mobilization and information, 2) Children in need of special protection measures, 3) Education and 4) Health. Programs include supporting government and non-government institutions in preparing Convention on the Rights of the Child (CRC) reports, supporting children's media programs and child participation in CRC activities through training and community-based activities. Psycho-social support for war traumatized children is another area of focus, as are school psychology and counselling services, community mental health and counselling services, and psycho-social care in hospitals (playrooms). Children without parental care, children with disabilities (special classrooms) and adolescents at risk are targeted by other programs. UNICEF is active in policy development in primary education and early childhood care and development (ECCD), the dissemination of active learning methodologies, and in supporting the most needy primary schools and pupils. They are very active in a mine awareness programme. In the health care sector they have an essential drug program, an immunization program, breastfeeding promotion, programs for schoolchildren on the prevention of HIV and sexually transmitted diseases, and several activities that promote mother and child care, including a well-received program running schools for pregnant women.

As noted, there is no specific discussion of poverty or categories of the poor in this document. However, poor children are targeted by some of the initiatives, and it is evident how UNICEF's programs are affected by BiH's general lack of resources, and some of the characteristics of the education and health systems that are discussed in the World Bank and UNDP documents. The review notes the overwhelming need that was found as UNICEF strove to supply good quality shoes, clothes, and school materials to children without parental care who are living in foster families, children's homes and collective centres. In assessing the project for classrooms for the disabled, it notes that many children with disabilities are not attending school, and that many such children are unknown to authorities because of decentralization, the lack of databases and disruption of war.

Themes that are repeated as limitations to UNICEF projects are the occasional lack of venues and meeting places, of time and resources on the part of counterparts – teachers are sometimes unwilling to take on the extra work that program participation and the development of new materials and routines demand. Teachers' career development is not planned, there appears to be little capacity-building for teachers, and few teaching networks are in place. Teachers are pressed by the demands of the present curriculum, by time constraints, and they are badly paid. It appears that there is more resistance to change in some of the educational initiatives than in health initiatives, which are better-received.

The strength of this document is the quick overview that it provides of the UNICEF activities in the country, and the fact that one can understand the achievements and limitations that are indicated in terms of what one has learned from reading other agencies' (WB and UNDP)

more general reports. All of the initiatives contribute towards eradicating poverty in one way or another; for example, active learning in schools is likely to keep more pupils in the school system, which will leave them better prepared for future employment. Health initiatives will also contribute to better school and employment outcomes, and save public funds in the health sector. It is somewhat surprising, perhaps, that UNICEF does not target the poor more specifically; perhaps they try to target some of the poorer municipalities or cantons of the country by placing their interventions in such communities, but if so, it does not come across in this report.

#### **1.4 The Poverty Reduction Strategy Paper**

*Bosnia and Herzegovina: Poverty Reduction Strategy Paper – Mid-Term Development Strategy* from April, 2004 is the country's development plan through 2007. It is an ambitious document, prepared in consultation with a large number of stakeholders and development partners, and is intended to be a frame of reference for reform in the country. Initiated in April 2002, the preparation spanned eighteen months was constructed through a participatory process, but not necessarily with the participation of the poor; there is no indication that they participated other than through NGO representatives. It should also be noted that the PRSP was written to be congruent with the aims of EU accession, and is in harmony with the EU mandates for reform; thus reform of state institutions and the economy are the main concern of the document.

The document deals relatively little with poverty, and concerns reform. Poverty will be reduced as reform is achieved, the country's resources are used in an efficient way, a business-friendly environment is created, investment occurs, jobs are generated and the economy becomes more competitive. After an introductory overview of poverty in the country the document describes macroeconomic goals, fiscal reforms, the structural reforms to be undertaken to spur private sector growth, including privatization, financial sector strengthening, reforms in the labour market, fighting corruption, export promotion, public sector reform, and strengthening of the statistics system in the country. It then goes on to discuss sectoral priorities in social welfare, education, health care, agriculture, forestry, water management and the environment, energy, transportation, and telecom. Industrial priorities are discussed. Indicators and the risks inherent in the ambitions plan are analyzed. The document ends with an extensive work plan indicating measures to be taken, including a timeline for the initiation and conclusion of the various steps in the reform process.

The goals of the development strategy are to create the conditions for sustainable and balanced economic development, to reduce poverty and accelerate EU integration. Priorities to attain these goals are achieving a consensus in the society regarding the implementation of the coming reform program, maintaining macroeconomic stability, implementing fiscal reform, achieving faster growth in export-oriented economic sectors, implementing public administration reform, establishing an adequate system of social assistance, and implementing sector reforms in education, the electric power market, the postal and telecommunications market, and gaining increased support for agricultural production. The conclusion of a Stabilization and Association agreement with the EU is another top priority, as is achieving full membership of the World Trade Organization (WTO).

The information concerning the poverty profile of the country is

placed in a background section in the beginning of the document. Poverty is described as a state when the basic preconditions for a dignified life are lacking, such as the lack of the income needed for a viable existence, and there is hunger and malnutrition, poor health, lack of access to education and other services, increased mortality, inadequate housing, isolation, discrimination and lack of representation. This definition is a holistic one, rather than a numerical one. The information that is used to prepare the BiH poverty profile comes primarily from the LSMS, but also from UNDP Early Warning Reports, and the UNDP Human Development Report from 2002 as well as other documents. The various sources of data are not always criticized and integrated with each other, which sometimes produces unclear or contradictory descriptions of poverty and the different groups of poor.

In line with the World Bank 2003 assessment, 19.5 percent of the population is described as living below the general poverty line (25 percent in the RS and 16 percent in the FBiH). Poverty is lowest (14 percent) in urban areas, higher in rural areas, and highest (near 24 percent) in mixed urban/rural areas. The vulnerability of a further 30 percent of the population is discussed. The PRSP declares that poverty is thus widespread and serious, and that the UNDP *Early Warning* reports indicate a rising trend in the numbers of poor. Insecurity and powerlessness are discussed as aspects of poverty, and it is noted that the current levels of poverty are affected by the extensive international aid, which will decrease in the future, most likely increasing the numbers of poor. Structural reforms are likely to increase unemployment and therewith poverty, so measures must be taken to support the unemployed in the near term.

The PRSP specifically discusses certain categories of the poor. The young generation is noted as being one of the categories most at risk; 56 percent of the poor live in families with children. Poverty is worst for families with children where no one is employed, and is very difficult for displaced families where no one is employed. Children under five years of age are the most at risk, due to the lack of preschool education and low health insurance coverage, especially in rural areas. Children without parental care or in the care of institutions are the worst off, as the welfare system is not strong enough to provide for them. Unemployment is the major problem affecting youth. Combined with housing problems, political manipulations and lasting economic crisis, young people turn to drugs or alcohol or seek to emigrate as a way of assuring their futures. The loss of young people through emigration is seen to be of great detriment to the country.

Refugees and the displaced are considered to be more vulnerable to poverty than those who were not forced to move. Displaced people constitute 45 percent of the extremely poor in the FBiH, and 21 percent in the RS. As donor assistance is cut back, these people face further difficulty because there is no organized system to take over the financing of their needs.

Pensioners are noted as generally not falling below the poverty line, since pensions fall above the poverty line. However, it is noted that pensioners are clustered just above the line, and that there are at least 25 percent of the poor over the age of 60 who have no pensions. There is also a discussion of the difficulties caused by the increasing ratio of pensioners to the working population.

Poverty takes the same toll among women as men, according to studies, but the impact is different. While men often fall into depression when they cannot support their families, women are more inventive and ready to accept all kinds of jobs, but are prone to stress and tend to sacrifice

their own health. Women share in employment is the lowest in all of South Eastern Europe; they receive lower wages than men for the same work, have less chances of promotion, are the first to be fired in times of restructuring and reform, and have a harder time than men finding new employment. There are almost no childcare institutions. Women account for 58 percent of the population over 65 years, often live alone, and may not have a pension, especially in rural areas. Those who do have a pension tend to have a lower pension, having had a lower-paying job. Poor women have a particularly difficult time expressing their opinions and needs. Single mothers, elderly women, women refugees, Roma women, victims of violence, uneducated and unemployed women, and women in rural areas have particular difficulties. Women in returnee households are in the worst position, due to their minority status and their often complete isolation from the community to which they have returned. As there are different categories of vulnerable women in BiH, various needs must be addressed in assistance programs.

More poor live in rural or mixed areas than urban areas. About half of the rural population relies on agriculture to survive. Many rural communities have been broken up or destroyed by the war, and some agricultural land has been mined and is unusable. In the RS, poverty is significantly higher in rural areas. Living standards are worse and access to services such as health and education more costly in rural areas, due to transportation costs, and quality is lower. The lack of a comprehensive agricultural policy deters people from investing, while off-farm employment opportunities are minimal. Due to rural difficulties, many displaced people in the cities hesitate to return to their rural origins.

There are indications that there is a correlation between the ethnic structure of some parts of the country and levels of household income. In Croatian-majority areas, 6 percent of the population are poor based on household income, while between 22 and 25 percent is the figure for Bosniak-dominated areas. In Serb-majority areas, between 40 and 43 percent of the population fall below the poverty line, based on income. Thus different areas of the country are increasingly developing differing standards of living. Almost everywhere, minorities are more vulnerable in regard to financial status. The Roma population is an ethnic group which is almost completely marginalized. They have by far the lowest levels of education in the country, and unemployment is close to 100 percent. More than 90 percent have no health insurance. Language is a frequent problem for children who do attend school (only about one third of school-aged Roma children in Sarajevo, far less elsewhere) because their native tongue is the Roma language.

One of the strengths of this document is the attempt to do justice and integrate the information in a variety of donor-written documents such as the LSMS of the World Bank, the different publications of the UNDP, and other more research-oriented articles from the World Bank and others. However, the variety of sources at times (such as in the case of information on the aged) results in a contradictory picture. Attempts are made to discuss non-income aspects of poverty, such as security, discrimination, lack of empowerment, and these are useful although rudimentary. Otherwise, the strengths and weaknesses of the PRSP are those of the studies that it depends on, mainly those of the World Bank and the UNDP.

The in-depth examination of the administration and economy of the country, and the recommendations for bringing them into shape for future EU accession are other strengths, but have little to do with the

immediate needs of the poor. The weakness of the PRSP is, as with other documents, an aggregation of the poor, and a lack of a through, coherent discussion of the different categories. There is no discussion of political representation, or of the household strategies, values, or cultural factors that could minimize, or do contribute to poverty

### **1.5 Documents from the European Union**

The documents from the EU that are examined here are the *Bosnia and Herzegovina Country Strategy Paper 2002-2006*, and the *CARDS Assistance to Bosnia and Herzegovina: Multi-annual Indicative Programme 2005-6*. The country strategy paper provides a strategic framework within which assistance from the EU will be provided between 2000 and 2006. It indicates The EU's objectives in cooperation and the fields of priority, and is based on an assessment of BiH's policy agenda and socio-economic situation. BiH's progress in the association process is described; it is a full participant in the Stabilization and Association process (SAp) but has a different situation due to its weak state structure, a product of the General Framework Agreement for Peace (GFAP) signed in Dayton, which brought the 1992-95 civil war to an end. Because the peace agreement gave most power to the two entities, parallel structures have developed in the country; and these have to be integrated or harmonized if BiH is to function as a reliable partner for the rest of the countries in the EU. The documents repeatedly indicate the need for strengthening at the state level, both in terms of organizational powers and revenue-generation, and stress that this is a question of political will – the entities may voluntarily turn over power to the state, but the state can not remove powers from the entities. Thus BiH must be allowed a flexible framework, and to proceed at its own pace.

The documents outline and briefly discuss the various areas in which BiH needs to make progress in order to be able to first sign a Stabilization and Association Agreement (SAA), and then eventually proceed to full membership of the EU. A poverty perspective is not used in either of the papers, nor are participative processes. Trends are not described; but it is indicated that the political will to move towards a more integrated state seems to be greater now than earlier; and that economic growth (employment) is likely to decrease in the short term as donor funding withdraws and the privatization of state industries continues.

The Country Strategy Paper provides an overview of the political, economic and social situation in the country, discussing the political features of the country, and EU objectives in the SA process. It points out that membership is a main motivation for reform, that bilateral relationships within the Balkan region are also important for future stability, and that each country must move forward at its own pace. Assistance will concentrate on support for reforms and institution-building. BiH is described as having some way to go before being in a position to conclude an SA agreement, and the steps it must undertake are explained. Past and ongoing cooperation is reviewed, as well as the programmes of other donors. The CARDS document is a further specification of the EU assistance strategy. The specific objectives of assistance are to consolidate the state of BiH as a democratic country with rule of law and good governance, support the functioning of state institutions that will be reliable counterparts for the international community, support economic reform and the transition to a market economy, support the development of an environmental framework in BiH, and to facilitate and encourage the cooperation between BiH and other countries in the region.

The strategy paper notes that reliable figures on poverty in BiH do not exist, but appears to use information from the FBiH and RS Statistical Offices. Poverty is not defined, but the indicator of relative poverty is described as 50 percent of the average net wage. It is stated that unofficial data suggests that between 45-55 percent of the population live in poverty, with 15-22 percent subsisting on an income of between 10 and 45 euro a month. Regional differences in living standards are increasing, with Croat-dominated areas better off, while the RS has the lowest living standards. The average net monthly salary in the FBiH is 436 KM, and in the RS, 309 KM. Official unemployment, excluding wait-listed workers, is estimated at about 40 percent. Data from limited surveys show that poverty rates among the unemployed are three to five times higher than among the employed, and that displaced persons and demobilized soldiers are most likely to be unemployed. There are 415,000 registered pensioners and disabled persons who receive pensions that lie below the indicator of relative poverty. It is noted that the unemployment situation may worsen as privatization continues, and that the current rigidities in the labour market and high taxation on labour discourage job creation.

These documents work with aggregated figures, and do not generally discuss categories of poor. Regarding gender, the CARDS document notes that more women are needed in the judiciary and in the police, and that support will be directed towards stopping trafficking in the country and protecting women victims of trafficking. Youth is mentioned by inference in the CARDS contributions to education reform, which will work towards aligning educational choices more with the needs of the labour market. Poverty and ethnicity is not discussed, other than in the note that the RS (Serb-dominated) is worse off economically than the FBiH. Roma are not discussed. Rural and urban areas are not differentiated.

There is, however, repeated mention of vulnerable categories such as returnees (especially to minority areas) and displaced people, as well as demobilized soldiers. The return of refugees and the displaced is mentioned as being encouraged as something which will lead towards greater political stability, and eliminate the 'ethnically cleansed' areas; but it is noted that security for all returnees is not yet guaranteed, and that the return of property (especially housing) must be expedited in both entities.

The documents are valuable for the overview that they give of the EU process in BiH, and the reforms that need to be completed before the country will be able to become a member of the community. One quickly receives a complete overview of the institutional difficulties confronting the country. The documents are very focused on institutions, however; even the economy is discussed in terms of institutional encouragement or discouragement to much-needed foreign investment: progress in the financial sector, insecurity in property rights and the rule of law, disincentives in the taxation system. Poverty thus appears as a consequence of institutional problems, which with a functioning and transparent financial sector, public administration, tax system, judicial system, police and borders, and with well balanced public expenditures and streamlined, efficient health and education sectors will cease to be a problem. While one can only agree that institutional reform has great power to diminish poverty by increasing incentives and security, and diminishing waste and corruption, the lack of examination of the economic and political processes occurring at local and family level make these documents less useful, and may well channel development aid towards the macro-level, overlooking opportunities in local communities.

## 1.6 Sida Country Strategy for Development Cooperation

The *Country Strategy for Swedish Development Co-operation with Bosnia and Herzegovina, January 2003 – December 2005* is a 19-page document based on three reports that are available as Annexes, and include a *Results Analysis*, a *Country Analysis*, a *Conflict Analysis*, *Literature*, and a *List of Donors*. The document outlines the extent, direction and aims of co-operation until the end of 2005.

The document contains a brief overview of the economic and political situation in Bosnia and Herzegovina (BiH), the lessons learned from previous cooperation efforts, and a presentation of future co-operation sectors. There is a very strong emphasis throughout on the need to integrate Swedish efforts with those of other multilateral and bilateral donors (whose foci of support are outlined) and, in particular, those of the EU CARDS programme, which supports institutional and economic reform in the Stabilization and Association process (SAp). In order to maximize the effect of Swedish efforts in this direction, Sweden will focus on a limited number of sectors and designate priorities within them. Thus, the strategy identifies particular needs in the country and ways in which Swedish support can be most effective. It also notes that the PRSP which was being prepared at the time of writing should be congruent with the goals of EU accession.

The document briefly discusses the socio-economic situation of the country, its political framework, the out-migration of youth, and previous Swedish co-operation. It examines preconditions for Swedish support, regional co-operation and convergence towards EU integration, aid dependence and potential economic and political risks. The objectives of Swedish cooperation are peace and stability and the transition to a market economy, goals which will be achieved through harmonization with European structures via the SA process. The document outlines the aims and objectives of Swedish development cooperation, which are to focus on rapprochement towards European structures, the use of a regional perspective, a long-term and flexible approach, the creation of conditions that favour the sustainable return of refugees and displaced persons, the fostering of gender equality and an environmental perspective, the use of the Swedish resource base where it has a comparative advantage, and the generation of lasting ties between Swedish players, including the Swedish business sector, and local counterparts. It discussed projects which have been undertaken, lessons learned, and plans for future cooperation.

There is very limited discussion of poor categories of people in this document. Figures are aggregated throughout, and refer to the country as a whole or to one of the two political entities. The main problem is described as the unequal distribution of resources; for while returning refugees, the displaced and vulnerable groups such as the Roma live in what can be described as absolute poverty, there is also a growing middle class, in part bolstered by the black and grey economies. Remittances are a main source of income. There is a marked difference in levels of prosperity of rural and urban areas.

In the country strategy itself, gender is mentioned in terms of domestic violence and trafficking, age in terms of child abuse and trafficking, youth in terms of their desire to emigrate. Pensioners are not mentioned. The disparity between rural and urban incomes is mentioned, and ethnic groups are discussed in terms of the political situation.

The Annexes to the country strategy are more in-depth analyses and contain more information. Poverty levels in the country as a whole are

discussed, with statistics from the UNDP (2002). One quarter of the population in the country had an income below 300KM a month in the end of 2001, and 38 percent of the population of the FBiH and 50 percent of the RS could not afford the standard consumer basket for four. 21.3 percent of the population of FBiH and 29.6 percent of the RS were considered to live in extreme poverty (one USD per day). However, while the Living Standards Measurement Survey (LSMS) presented a somewhat different scene, where no one lives in absolute poverty, but 19.1 percent do live below a general poverty line, it is noted that the LSMS figures for absolute poverty are not relevant in the European context, because they focus on nutritional values and do not consider the needs of people living in a cold climate. There is very limited social assistance due to limited economic capacity, and such programs are limited to pensions, and to support war veterans and soldiers' widows. Most assistance comes via remittances.

Poverty statistics are discussed in terms of ethnicity, based on data from the World Bank. Croats are the least likely to fall into poverty, and the Serb population in the RS are at the greatest risk. The RS is poorer than the Federation, and within the Federation, the Croat-inhabited cantons and Sarajevo canton have the lowest poverty rates.

Women's situation has been affected negatively because of the war and the following transition. The economic situation makes it difficult for women to earn a living, while the number of households supported by a sole female breadwinner has increased. Domestic violence is on the rise, and the orientation towards stricter religious traditions also puts pressure on women, both from the society and within the family. Trafficking is a new and very serious problem as well, with BiH both a destination and a transit country.

There is a balance between strengths and weaknesses in this document. Taken alone, the country strategy is sketchy and focuses more on political issues than on the economic. There is very little mention of poverty or people, but substantial discussion of Sida's projects in the country and lessons learned, as well as of plans for future cooperation. These limitations are weighed up by the inclusion of the annexes, however; where the reader finds a far more detailed discussion of political and economic factors, much of it based on the UNDP documents, as well as an in-depth discussion of the difficulties of cooperation in the area and the relative success of different initiatives. The complementarities of the overview strategy and the in-depth annexes appear to be a fruitful way of structuring the document as a whole.

## 2. Key Documents: Gaps in Knowledge

One can discern certain positive processes in the poverty evaluations being undertaken in BiH. One such process is the more nuanced evaluation of poverty through the LSMS that was funded by various donors, and another is the gradual inclusion of more non-economic poverty indicators. The assessment documents are of a higher quality than those examined for FYR Macedonia. The LSMS data has provided valuable input into the assessment of peoples' concrete situation in BiH, and one clearly notes how the data is used by the UNDP and the PRSP documents, the former of which further develops the analysis. For some, the LSMS type of analysis – including in-kind consumption, not only cash income – can be provocative, as it seems to substantially lower poverty figures, and the PRSP has included other sources in its evaluation of poverty in BiH. The concept of vulnerability refines and balances the LSMS study; however, indicating that although not as many people as previously are thought to be poor, about half the population is in concrete danger of falling into poverty due to inadequate or missing support systems.

It must be noted that despite improved data, none of these documents focus in more than a rudimentary way on categories of people. The LSMS data discusses poverty and access to resources in aggregate, and focuses on employment, education, health and social benefits. Information on gender differences and age (pensioners, different categories of the employed and unemployed) is disaggregated for certain topics. Yet there is no ambition to examine particular categories of poor people and to examine the interaction between variables.

Regarding the categories that we are examining in this report, we find most of the disaggregated information in the categories of gender and age. Women are indicated to have lost ground in education during the war, and to be at a disadvantage on the labor market due to a lack of jobs, day care, and the traditional view of males as the primary breadwinner. Women returnees suffer a lack of security. Elderly women in rural areas are most likely to be poor. There is no discussion of rural versus urban women, or women of different ethnic groups, although in terms of education the low achievements of Roma women are noted. Age is mentioned in several respects; pensioners are generally able to stay above the poverty line, children are at a risk for poverty because larger families tend to be poor, and youth are at a large disadvantage in the labor market and seek to emigrate. There is no discussion of rural versus urban children and youth, or the problems associated with different eth-

nic identities, other than, again, in the case of the Roma, whose children are considerably more at risk.

Ethnicity is ambiguously treated in these documents. While they frequently indicate differences in poverty levels between FBiH and the RS, these cannot be equated with ethnic groups as such. While the BiH documents recognize the economic differences in the political divisions which are due to ethnic conflict, they fail to confront how ethnicity *per se* mediates in individuals' and groups' access to rights and resources. The discussion lies at the political (geographical entity) level, not at the individual level. The Sida Annexes, however, do mention that Serbs in the RS are most likely to fall into poverty, and Croats in the FBiH least likely. Croat-dominated cantons and Sarajevo canton are the best off, and RS municipalities the worst off. The PRSP similarly notes that there are some correlations between ethnic structure and household income, with the Croat areas substantially better off than Serb-dominated areas. There is no discussion of possible reasons for this, although one may be migration and subsequent remittances.

A discussion regarding poverty in urban versus rural areas is also missing other than the UNDP's note that urban unemployment is higher in the FBiH which has some cities that used to be highly industrial, and because the RS is more rural. This is a contrast to the documents on Macedonia, which although lacking in information on rural conditions, contained more than those on BiH. Documents note that poverty is more prevalent in rural areas than urban, and most widespread in mixed areas, but this is not related to ethnicity or past history, and specific areas are not indicated.

The appearance of some of the non-economic factors in poverty, such as lack of security and empowerment, bring up several questions. It is interesting and important that these non-economic aspects of poverty are appearing in analyses like those of the World Bank and the UNDP, in addition to factors such as education, health services and social benefits. But the analysis is general, posing questions regarding their quantification and application. It would be useful to know, for example, in what ways poor men, women, youth and children from urban and rural areas are being empowered, as well as where they most lack representation or security. The UNDP and the PRSP both include some discussions of less conventional non-economic factors of poverty, particularly on the lack of security for returnees belonging to ethnic minorities, but documents must be able to go beyond the realization that these factors matter, and move towards being able to explain how they are concretely manifested in different social groups. Also, we need discussions of how factors such as security and powerlessness relate to other issues in the life of the poor, such as participation in the informal sector and grey economy, access to natural resources, decision-making within the domestic sphere, and possible economic survival strategies. Information regarding the politics of the family and the consequences for poverty of the division of power and resources within families, in urban and rural environments, and among different ethnic groups is absent in all documents; thus we learn little as to how family and gender configurations affect poverty, and how poverty, in turn, affects them.

It is unfortunate that vital strategy papers such as those from the EU are so macro-oriented. When one examines the PRSP for BiH, it appears that EU documents have a substantial effect on a country's programming of poverty-reducing activities, serving as a paradigm for the construction of the PRSP in that it is focused on structural reform and capacity build-

ing in different administrative entities, and constructing a transparent and functional legal framework for future economic growth. Such work is very important. Yet a stronger focus on poverty reduction *per se* in EU documents (and a more holistic view of poverty in World Bank documents) would likely result in PRSPs that view poverty not only as something that can be structured away, or outgrown, at the macro-level, but as a phenomenon requiring a more multifaceted approach.

In the interest of constructing a holistic picture of the non-economic variable affecting poverty, we have created a matrix of variables that impinge on peoples' economic well-being (see Pilot Study on FYR Macedonia). They include living conditions, household decision-making, household survival strategies and strategies for economic expansion, access to the informal sector and to natural resources, national and local representation as well as empowerment, and a household's means of reacting to shocks and crises. These are all factors which we believe should be taken into consideration in a holistic poverty analysis, as well as access to employment, education and health. We have rated the different documents regarding their attention to these categories in order to provide an overview of their content and to better indicate what terms of analysis are missing in the documents and the extent to which their absence limits knowledge. The ranking scale ranges from 0 to 3, with 0 indicating no coverage, 1 indicating a brief mention, 2 indicating several mentions or slight discussion, and 3 indicating a more reasoned discussion. We have also included a matrix which gives an overview of the aims and structure of the documents. (See Annex A, Parts 1 and 2).

To conclude, although the documents from BiH are an improvement on those from the FYR Macedonia, they are still lacking much of the fundamental information concerning the nature and structure of poverty. Improvements are found in the discussions of gender and age, and to a degree in the information about returnees and the displaced. Primarily this improvement appears to be due to the better data collection, the somewhat more holistic view of poverty of the LSMS that is used as the main source of data, and the different assessments' ambitious attempts to interpret and make use of the variety of sources available regarding poverty and development in BiH.

# 3. Face to Face: Voices of the Poor

This report contains the voices of poor families in Bosnia and Herzegovina. It is based on a series of in-depth interviews with poor people undertaken during the last week of January, 2005. With the aid of an interpreter, sixteen families were interviewed around the country, in both the Federation and the Republika Srpska. A focus group discussion was also conducted with eight women microfinance clients in a central Bosnian town.<sup>3</sup> Most interviews were held in people's homes; but some were carried out near workplaces. We were always well-received, and people did not object to having their voices recorded.

The limited time frame and scope of this series of interviews indicates that it can only be regarded as a rudimentary participatory assessment. The sample is small. It cannot be 'representative' in any statistical sense. It focuses mainly on poor women, and on some of the categories of poor representative of the country (and, indeed, the region) – refugees, the internally displaced, and returnees. However, many of the concerns voiced by families were repeated over and over by others, indicating their importance as primary concerns, needs, and strategies of poor people in this particular time and place.

In the following, seven 'voices' of the sixteen interviewees will be presented, selected for their representativeness and illustrative power. First, there are four women:

- Zana, 52, divorced with two children, a former office worker from Banja Luka, where she has stayed
- Maja, 45, widowed with two children, a housewife originally from Kalinovik, living in Sarajevo since 1986, before the war
- Nerma, 58, single, an internally displaced person from Kalinovik, now living in a suburb of Sarajevo
- Amra – c:a 25, three children, separated from her husband, living in Novi Travnik

These will be followed by three male 'voices':

- Pedrag, 48, married with two children, refugees from Croatia living in a peri-urban area of Banja Luka
- Jusuf, 45, married with two children, a returnee living in the countryside outside Mrkonjic Grad (RS)

<sup>3</sup> We would like to thank two microfinance organizations in Bosnia and Herzegovina, Mikra and Mikrofin, for their assistance in setting up interviews.

- Samir and Hasan, two brothers in their twenties, born, raised and living in Novi Travnik

Some explanation of these ‘voices’ is in order. First of all, they are translated voices, and thereby subject to the alterations and omissions present in even the most skilled translation. Secondly, they are edited voices – for the purpose of presentation, the transcribed conversations have been shortened, and put into a more ‘reader-friendly’ order than the convoluted twists, turns, and regressions of conversational speech. Otherwise, they are the words and expressions of the individuals.

These voices will be followed by some conclusions that draw out the elements of the interviews and point to general themes. In them, we will refer to some of the elements of a multidimensional poverty analysis, and comment on the extent to which they appear in these interviews. At this point, comments and information taken from all the interviews and from the focus group, not presented here for reasons of space, will be incorporated.<sup>4</sup>

### 3.1 Women Speak

#### Zana

Zana is one of the better-off of the interviewees, and is in her early fifties. She sells vegetables in a covered open-air market in Banja Luka. There is no electricity in the stall, so there is no lighting or heating, and on this snowy January afternoon Zana was bundled up in several layers of heavy clothing. I spoke with her in a café near the market, while a neighbour of hers minded her stall. She was very serious, her face almost expressionless as she spoke, and she never smiled during our conversation. She chose her words carefully.

“I live with my son and daughter. My son is 25 and my daughter 24. He is a student and hasn’t graduated as yet, but I expect him to graduate, and my daughter graduated from the university one month ago. She is still jobless, but I hope that she will find something. Currently my son is helping me out in the marketplace now and then, so the two of us work there.

The market provides my only income. My kids contribute to some extent; my daughter graduated from the Music Academy, she studied the violin. So she’s a professional musician, and she can earn some money, and my son is also educated in that respect, so he can also earn money with music. He has a lower education, not a university education; but they can both contribute. And my daughter earns more than he does. But you know, the overall economic situation is such that people really can’t pay for music lessons now. So it’s not much, but every now and then they make their contribution to the income. They both give lessons, and they perform from time to time.

I am from Banja Luka. I was born here. My mother lives in the same house as we do, but we have separate households. She has her own income, and lives in a separate part of the house. So I live

<sup>4</sup> These remaining interviews were conducted with Sanin, a Roma market vendor and Lejla, a Roma market vendor, both living with their respective families in Visoko; Eva, living in Ilijas with her husband and two daughters, making a living by selling the milk produced by two cows; a family displaced from Srebrenica living in Vlakovo; Sandra, unemployed, separated from her husband, living with her two children in a Sarajevo suburb; a returnee couple with seven sons living in Sipovo who are in the process of starting up a family micro-business; an older couple living in a settlement near Mrkonjic Grad, subsisting on the sale of milk from two cows and some agriculture; Sonja and her husband and teenage son, living in Sarajevo on her disability pension and her husband’s occasional wage labor; and Tomaz, a taxi driver who lives in Sarajevo with his wife and two teenage daughters.

with my two children. I am divorced, and I got divorced before the war. I am struggling and fighting to provide financial support and educate my kids properly. Materially and financially, I don't depend on anybody. And on the other hand, I am the only child. I have no brothers and sisters.

The last four years, I am focused on the market and that is the only job I have now. All my income comes from what I sell here. But before the war, I used to work at Chayavatz – it is a company, a big company producing electrical parts for cars – but when the war broke out, or to be more specific, in 1993, they reduced the production at the company and sent us on layoff. But every now and then when there was some production they would call us back and we would work for a while; and then again, we would be without any work, on layoff. During these layoff periods I started working at the market. It went on and on until four years ago, and now I am still on layoff, but they haven't invited workers back for the last four years, so I am focused only on the market now.

I was an administrative clerk. I consider it an advantage to have a fulltime job, and earlier it was easier for me. It is better to have a steady income, to get a salary every month, even if it is lower, even if it is not that high, and even if I didn't earn as much money there, as I do here. Because sometimes working in the market you earn more, but you never know, it is a tricky and a risky job, and when I started working in the market it was much better, and you know, the social and economic situation in the country is, in my opinion, getting worse because more and more people are becoming jobless. People have less and less money to spend here in the market. So my work in the market and the money I earn here is quite uncertain. Our turnover is a reflection of what is going on with other people. I am afraid that there is no way out. At least at the moment I can't see the way out – or at least the situation won't be resolved very soon. On the other hand, if something is done with the economic situation here, and people start getting their jobs, then they will have their salaries on time and regularly, and their purchasing power will be higher, and then my turnover will be higher.

I have a garden around the house – the house is located more or less in the center of the city, but nonetheless, I have a garden and I usually grow vegetables, and I use it to the maximum. And I grow all kinds of vegetables, parsley, carrots, spinach and so on, and most of the products I use for the household, but there is some surplus and I sell it in the marketplace. But I also sell other goods which I buy wholesale and resell. So it is sort of a combination.

I am usually the first one to come to the market and the last one to leave, both in wintertime and summer time, the only difference is that in summer I can stay longer because the day is longer. I start at about 4 or 5 in the morning. I am a driver and have my own car. So first I go to the new market, another marketplace, to buy goods. Then I come over here with my own products and those that I bought, unload my vehicle and my stuff, prepare the stand for sale, and that is how my working day starts. And I usually leave last. I like to be as efficient as possible, and use my stand in the market to the maximum. That is the only way in which you can earn some extra income. Every customer counts. I work every day, either at the market, or at home. Usually I am in the market,

but you know, I need to plant my garden, the garden requires some work. And during the season I stay at home for a couple of days and during that period my son replaces me at the market – but I work every day.

I can't tell you anything about local organizations, because I haven't joined any, and I'm not in contact with them. Probably organizations and associations exist here – but I am quite busy, I spend my time here in the market, so I'm not in contact with them. I don't think there are any organizations in this market, either.

I think I am a sort of strong and brave person. I know what a good life looks like, because before the war, I worked in a company, I had my own office. I had no other additional jobs because there was no need for it. I had my own car before the war, I drove my own car, and everything functioned well at that time, everything worked. And when the situation changed, I thought about what to do. Since I'm quite healthy, and thank God I'm still healthy, the market was a solution. And I appreciate any kind of job, when people are not cheating, or doing bad things. I'm sort of adaptable. I can adjust to any change in conditions and circumstances. I wondered whether other people would accept me, as someone who works at a marketplace – but personally I am not ashamed of doing any kind of work. So I started.

I think if you want to work hard, you can do anything, really, if you try and work at it, where there is will, there is success and hope. I was trying to do anything, especially during the war. My family is from Banja Luka, and I am from Banja Luka, that means I'm a city child. I was afraid of animals, my parents didn't have any animals, any cattle; but during the war I started raising goats. At one point I had six goats. I started selling vegetables from my own garden, and in addition I sold milk. I had seen goats, but I had never had anything to do with goats in any way, and at that time I started even milking goats. No one ever milked a goat in my family, but you can do things if you want to do them, and I was not afraid to do that, or ashamed to do that. It would have been better if I could have avoided such experiences, but I couldn't.

What is most important is to trust yourself, and then there will be no problems. I could have done things the other way, when the war broke out. Like many other people did. They simply left the country. There were opportunities for me to take the line of least resort and just pack and leave the country. But at that time I had old parents to take care of. And my father died during the war, in 1993. So I stayed with my mother. Yet in spite of that, I could have left the country. But I trusted myself, and I thought: I am able and capable to face the situation and to overcome it. And I proved it to be true. I succeeded and I consider myself successful because I provided adequate schooling for my children, and I managed to raise them. One of them has university education, and the other one is about to graduate.”

### **Maja**

Maja is about 45 years old and is widowed, with two teenage daughters, the younger of whom has diabetes. Until the end of October 2004 she worked full-time as a cleaning lady, but she is currently only working one day per week. She received us in her aunt's tiny two-room house

in a labyrinth of streets high on a hill above Sarajevo. Since she was evicted from her apartment in town several years ago, she has lived with her aunt. We sat on a slip-covered sofa next to the iron wood-burning stove which heated the room, and on which Maja prepared us coffee. There was also an old easy chair and a small table with two chairs, and a bureau with ornaments and a small television in the room, and rugs covered the floor. Maja's eyes filled with tears several times during our conversation, although she fought to contain them.

"I have two daughters. The older one is 18, and is in the third year of high school. The younger one is still at elementary school, in the eighth grade. She's 14, and is ill, she has to get insulin shots regularly. Fortunately the health insurance now covers the insulin, it was so expensive before the war, then we had to pay for it.

I am from Kalinovik, near Foca, in eastern Bosnia. I came to Sarajevo in 1986. My husband died here from an illness during the war, and on my husband's side, I have no family whatsoever. They were all killed. My oldest daughter spent a night next to her grandmother, who was dead. She went through the camps, and survived that; was wounded, and survived that. I have two brothers in Sarajevo. One is employed in the police force, he is a plumber there. The other one is working in Vogosa, outside Sarajevo, where he is janitor with the municipality.

Since the war, I have nothing. We used to have everything. In Kalinovik my family had houses and land, they had apartments. But there is nothing now. Everything was burnt down. I didn't come to Sarajevo because of the war, I got married. My husband was also from Kalinovik, but he worked here in a tire factory here, and he had a good salary. We rented an apartment but we could pay for it, and we lived nicely. When my youngest daughter was one and a half years old, the war broke out. Her father died when she was almost three, in 1993.

After the war I lived in a small apartment, in an attic. It was downtown, near the centre, and it was somebody else's apartment. I was just a tenant. I didn't have to pay anything. The owner was in Sweden. But then he claimed his apartment back. He didn't return; he just wanted his apartment back. And now some other people moved in who are paying rent. When I was about to be evicted I approached everyone, with no results. And if it wasn't for my aunt, I would be in the street with my children. In the Municipality Centre, there was a man – I was talking to him, I was crying, and he was laughing. He almost kicked me out. I approached a social worker – and I have a piece of paper stating that I am a social case – and nothing, no results, afterwards. That is where everything stops. No one cares in this country... they are simply laughing at you, you are fed up, and they are laughing. I don't know if anybody cares about us. I don't hear about anyone who cares. I have no response. I have no information whatsoever about whom to approach. During the war there were relief organizations, like Merhamet and Caritas, but now, nobody. When we try to approach aid organizations in this country, the funds never end up where they are most needed. They are either stolen or lost on the way to the right people.

Now I work four days a month, once a week, cleaning. I am seeking another job, but there are no offers. I look for work via

word of mouth, by contacting people, asking, I contact friends, ask if they have heard of anything – and that's it. I am contacting people I met before. I know a guy now working in the OHR (Office of the High Representative). I'm always asking. And people say they will call me if there is something. Other than cleaning, I could cook. I could wash. Some people sell in the market, but I don't know even where to start, I don't think about that. I used to be home with my children. I always spent my time between my home and the doctors, seeking doctors' advice about my daughter. And I'm not healthy myself. I have troubles with my thyroid gland, and am constantly using medications.

I have many sleepless nights. I think about finances. The only ones I can turn to are my brothers. During the days I make meals, wash the dishes, that's all that I do. Usually nothing. I spend the whole day at home. I've heard about taking courses, but once you finish them, nothing happens. I have not gone to any, but I have heard about them. It's just a dead end. I just don't want to waste time by doing something that will not have any results. One gets jobs through contacts, and recommendations. Only the friends that I worked with before know about opportunities for getting a new job. Other friends that I have are as poor as I am, and so are the women in those courses.

What I need the most is work. The number of things I need – it's a long story! But work is most important. I managed to buy a small apartment, 30 square meters, about three years ago. It's in Vogosa, outside Sarajevo, it's an old apartment that was damaged in the war. I started to fix it up, little by little, with the money I was earning. Here, let me show you the contract, it's registered now as mine. It has one room, a kitchen and a toilet. I fixed the windows and the doors, and I would like to fix the rest of it, but I had to stop, because I didn't have enough money.

My aunt is employed in a kiosk in the city. This is her house. She took me in when I was evicted. I've been living here with my aunt for such a long time, because I lack funds to finish it. No one helps us who stayed here during the war. I need to do the bathroom, the kitchen. My brothers are helping me fix things, and we managed to buy flooring. But it's so slow. And the apartment is in an old building, so I have to change all the piping, and the electrical system – now the wires are all disconnected. I'd say my situation is pretty tricky. Even when I worked fulltime, I couldn't set aside any money from my salary. It's just for survival, to live from day to day and cover expenses. My brothers help me with repairing the apartment, but they have families, too.

I can't think about the future. I'm waiting for my children to grow up. On the other hand, I think that when they finish school, what then, there are no job opportunities for them. I've been in different situations. I was jobless for a while, I had a hard time, it was really tough. But then I got a job, and the situation improved. A job is the best solution. There is no other solution.”

### **Nerma**

Nerma is in her late fifties, and received us in her home; a rough two-story brick house on a hillside of the suburbs of Sarajevo. The building has no stucco and is unpainted. She was wearing a long loose skirt, a

men's suit jacket, and a patterned headscarf, and she led us into a large room containing a sofa and table, an electric stove, sink, and two wooden cupboards, and a wood burning stove which heated the room. She spoke cordially, but was somewhat reserved.

"I'm from the municipality of Kalinovik. Many people from that area escaped to other parts because of the war. I have papers, I have my ID so if you need proof of where I am from, I can show them to you. It's about 80 km away from here, in the part of the country that we call northern Herzegovina. It's about 100 km. to my house. I used to have a house, but it was burnt down. We had two houses, both of them were in the countryside, in the village, and we had two barns where we kept animals. We had more than 100 acres of farmable land. I lived there with my parents, my parents didn't work, and I didn't work at that time. We owned land. It was my parents' land, and we mostly lived by raising cattle. I'm living alone now. My parents died, and I had a brother who died as well, in 1997, here at city hospital. I think he was psychologically very ill, his heart just broke. It stopped working. So I'm on my own.

We had to leave Kalinovik because of the fighting. People were arrested and taken into the camps, houses were being burned, and we were shelled. First we moved from the municipality of Kalinovik to a village close to Konjic; from Konjic we were transferred to Hadzici, and we lived there for four years. When the roads were open, we moved to Sarajevo, in 1996. We had serious troubles during the war. I'm just fine now, since we managed to come over to this house. Because it was difficult to get over to this house. We were surrounded everywhere. And now I'm trying to fix it a little bit. It was built before the war, but during the war there were people living in it. It's our house, I don't pay any rent. We lived in Kalinovik but started building this house before the war. We had enough money from raising cattle. We bought a piece of land here that was 300 square meters, and we built the house on that.

I realize, living here, that it is a hard life as well, because most of the people in the cities were working in companies, which are not working any longer. Former employees are in the street, not working now. It is difficult in the city when there is no land to farm, and then there are no companies to work in.

We haven't given up our land. We are legal owners of the land, and I registered with the municipality of Kalinovik as a returnee. We expressed our wish to return to our homeland. I have another brother, he is married, and has his own family. And I am also talking about my neighbors, who also expressed a wish to return to that place. But all the houses there are ruined, so there are no preconditions there for our return. All the houses are destroyed. You can only find ruins there.

It is very difficult to build a house from scratch – from ash. As far as I know, there are no organizations helping us to return, all I have done is register to return, and I have no more information as yet. I have already registered three times, and the last time was one month ago. What we usually get as refugees or displaced persons is that refugee card, and I have three of them now. So the last time I reported that I am a displaced person, and they confirmed that they have my registration, or application for return, that is

all. It's up to the municipality authorities. They tell us to register again, then re-register, and that is what we are doing.

I'm on my own here. I am struggling. I am doing my best. I plant some vegetables around, do something from time to time, and earn something from time to time. Sometimes I'm doing knitting to sell, it is handicraft, and I keep a goat – so I have enough milk for myself, and I have some vegetables. That's how I provide for myself. I know how to knit very well. There are people who are willing to buy that. I sell it myself, sometimes in the market, or wherever I can sell it – sometimes it is here at home, somebody comes, or sometimes I go to the market. I find a way to get wool – I buy it. It comes from the countryside. I get in touch with people, ask, and get it.

I keep the goat behind the house. I have hay. During summer I usually gather hay where I can find it. There are places along the railroad tracks, and it is state land. Nobody prohibits us from gathering it. So I manage to gather hay during summer, keep it during winter, and use it. I am just trying to be as successful here as I was in the country, living from my own work, what I can and know how to do.

I have whatever God gives me, I feel well. I am healthy, thank God, I can work. I have this house, no one can move me out of this house. I haven't worked, I never applied for a pension. But we have a big piece of land in Kalinovik, and if we are able to return, we can support ourselves from that. But I don't know what will happen. The best solution for all of us would be to be able to return to places where we lived before, and where we want to return. But it is difficult now. There are families that lost everybody, and there is nobody to return to those places.

And in my opinion it would be good to have single police, joint police, and joint army, who treat all the people the same way, and then people would feel safer to return to their places of origin. I would like to see all people living together. And that we are given the same opportunities, people treated in the same way – and in that way, all of us would be happier, and everything would progress. It's a hard life here, it's tough living here, and on the other hand there are many people with property, with land, which is now wasteland, nobody is farming it any longer, and living here, they are forced to work in the market selling something, they are forced to do that, but otherwise, all of us would like to go back to our land and farm it.

I don't feel safe, still. I think only if we have one police and one army protecting us, it would be safe to go back there. People are not united. But I have been there. I visited the place, just for a day. There is no place to go, when you go there, you can just stand in the street and just look around. I went there to pick some fruits and nuts. They grow well there. Let me offer you some. I brought nuts. These are from the village where I live. Do you want me to crack them for you? (Sra. Nerma cracks walnuts between two pieces of firewood.) They are different, they are from the place where I was born. It's a special feeling to pick your own crop, your own fruit.

It's an extreme change in our lives. I have close relatives here, and my former neighbors. We are in touch often, we call each other and visit each other. Last year I went to visit my place with

my relatives, and we picked nuts together. Lots of my neighbors went through concentration camps, many of them died there, and many survived, but they are quite weak, now, to work. They suffered a lot. So some of them are employed, some of them not. The children go to school, and their parents support them, they try to make some money to support their children. But those who finish school – it's tough for them. It's difficult to get a job here. They grew up in the city – the conditions in the city are tough. I think that if someone can guarantee safety, they would return. Not all of them, but some would return. Now they don't have either land or a company job. I don't see anything better in the future here, better conditions or better income. We need villages and the city. The city cannot survive without the villages. You have everything in the village. But in the city, if you are employed, you have regular income, to live on, if you're not employed, you have nothing.

I live alone. And I feel lonely. But what I usually do is keep myself busy. When you keep yourself busy, you don't have time to think about loneliness. I just try to accommodate, according to conditions. I watch t.v. when I visit people, and I have a little radio here. I visit my neighbors, we exchange information sometimes by visiting each other, sometimes over the phone. And if there is some breaking news, something happening worldwide, we are informing each other. I like to go out. I like to see my neighbors. Sometimes we agree about what to buy, how to buy, where to buy, we make some arrangements between us, so I visit my neighbors. I go to the marketplace, see people there. I know people who are working there.

I'm not in contact with any organizations or associations. Not with any government agencies, either. I have the refugee card, but it's not good for anything, I get nothing for that ID or DP card. I have three now, I just carry them around with me. That's all I have. I have a whole pile of papers which I needed for everything, to get other documents; for instance to we had to renew our IDs, and I needed so many papers just to prove that I am originally from the municipality of Kalinovik – that's how it works with those refugee cards, I'm just carrying them.

For a good life one needs standing peace in the country, but when I say peace, I mean peace. That it's peaceful everywhere – that people are equally treated everywhere. When there is peace, then everyone has the opportunity to work. And people can achieve a lot, in a country where there is peace. It is basic for the future. There is nothing better that we can achieve.”

### **Amra**

Our interview with Amra could not be recorded, or carried out completely. Her situation and state of mind did not allow it. Our meeting took place in Novi Travnik, a city that was built in part to accommodate the workers of three large factories in the city. After the war, only a small fraction of the workers are employed.

Amra is a young woman who currently lives in a room of about 20 square meters on the bottom floor of a building in a street of identical four-floor apartment buildings. She greeted us in her doorway with a child of about 18 months in her arms; he was bundled up in many layers of clothing. When we entered the room, we were confronted with a sofa facing the door, and a high pile of clothing and blankets to the left of the

sofa, beside which an older woman sat slumped in a chair, with a little child of perhaps five years sitting on a little chair beside her. On the sofa was another child of about three years, who cried until his mother took hold of him. All three children were also dressed in several layers of clothing, and it was cold in the room, too cold to take off our coats. Amra was dressed in jeans and a heavy sweater.

She immediately said that she was afraid that her three children, three boys, would be taken away from her. She didn't know what she would do then. The older boy is afraid when people come, afraid that he will be taken away. Whenever she goes out with him and walks in the direction of the social assistance office, he wets his pants with fright.

Before she found her present home, Amra and her children were sleeping on the terrace of a house 'owned by some Serbs.' She is afraid that this room, in which has only been for a short time, is only a temporary shelter; that she won't be able to stay there. Until a week ago it lacked electricity; but some neighbors helped to pull in a line which was paid for by the welfare authorities, and very small heater is working. Amra said that she is afraid for her children, afraid that they might freeze. There is a tap of cold running water in the room, and a drain. There is no bathroom or toilet, no wood-burning stove, or place to cook or store food. She says that they eat what the neighbors bring, and whatever she can buy.

The day before we met, Amra had slipped on the ice on the steps outside the building, fallen, and broken her hand. It was set in a smudged white plaster cast. She held onto her kids just the same. Her injury did not seem to concern her, she did not say anything about her hand until I asked her, and then just mentioned in passing what had happened. She sat hunched over and her conversation was not reasoned; it all centered on her fear of having her children taken away, and she said that she would kill herself if this happened. Amra is married, but separated from her husband. 'I cannot live with him any more,' she said, but did not explain why. Her family had been against the marriage. She is a Muslim and her husband is a Croat. 'But I fell in love with him, and I married him.' She said that they were now separated because of the 'interference of other people' in her marriage, and that her husband was living in the cellar of a house in another part of town (the Croat part of town). Since her marriage, her family has not spoken to her. She has 5 brothers and 3 sisters, none of whom visit or help her. Her mother turns her face away when they meet in the street. 'I know I married him, and they have given up on me.' The woman sitting by the window is her mother-in-law. She does not live there, but comes to see Amra, and watches over the children when she goes out to try to find some work or food.

Amra said that the welfare office authorities do not help her, and that she does not know, but thinks that it might be due to the fact that she has a mixed marriage. She has approached them, but says they have not helped her. She now has the temporary shelter – and electricity was installed three days ago. However, she has three small children without a bathroom, or a place to prepare warm meals. Sometimes she makes some tea on top of the heater. With a wood stove she would have both good source of heat and a way of cooking, but there is none in the room, which appears to be a room once used by the cleaners who maintained the building.

The children, three boys, seemed to be in pretty good physical shape, from what we could see of them under the layers. They were completely silent, stared at us, did not smile – worst was the older boy, who did not

say a word or have any expression, just stared at us. The baby was quiet and smiled a little, and the three-year-old was a little bit curious, but very restrained for a child his age.

### 3.2 Men Speak

#### **Pedrag**

Pedrag and his family live in a suburb of Banja Luka, located on a large plain on which lots have been marked off, and where a variety of houses are in different stages of construction. His is a one-story house built of red block bricks, as yet without stucco. In the front yard, in front of the house, a small, brightly painted kiosk is placed, advertising key copies and knife sharpening. He has had a series of small loan from a micro-finance organization, which he has used to as working capital for the kiosk.

In 1995 Pedrag and his family – wife and two children, a boy of 25 and a girl of 18 – came to Banja Luka as refugees from Riejka, in Croatia. He is originally from Banja Luka, but his wife was born in Riejka, as were his children. His daughter is currently in high school, and his son has graduated from a vocational school and works with a friend doing odd jobs as an auto mechanic.

“We both used to work. We were employed in Riejka, and had an apartment. Now we are here. I was employed in a company in the wood industry, but it went bankrupt and was closed down. That was one of the reasons why we decided to come back here. Initially, when we arrived here, we had nothing. We lived with my cousin until last year, and we were sort of tenants at their place. Then we bought a piece of land, and the loans we took a micro-loan that helped a lot, and I started building this house. Then I got ill, and we stopped building. So it is legally not settled, I don’t have title deed on all the land we bought, because we were not able to pay out all the money to the guy who sold it to us. We started building bit by bit, supported by the loans we used to improve sales in our kiosk, and supported by our own work. We started selling engine oils. First we put the loan into our work, and then what we earned, we invested in constructing the house. Then I started having problems with my back.”

Draguljub’s wife says,

‘When we were about to start building this house, he was sort of desperate. He said, “We don’t have any money even to start it.” Then we bought a lot, we bought a place to build it. Then he was desperate, and said, “we can’t start.” Then we started. Then he hurt his back, and he was saying, “How can we proceed? I’m ill now, and we don’t have money.” Then I started pushing a little bit. ‘Go on!’ I said, and now we have it. Now he is saying again that we can’t go any further. When we were tenants and we were about to buy the lot to build the house, we took a loan and we were able to pay an installment of 300 KM<sup>5</sup> a month. And I was thinking about it, and I told him, it is better that we invest that money in building the house. And when we have our own place, we will not pay a tenancy rent. So that is how we started.’

There is a piece of land that we work, it belongs to the owner

<sup>5</sup> KM refers to the national currency, the convertible mark. One Euro equals 1,95 KM.

of this plot that we built on, and he allowed us to use it. So we can grow things there, and we have our own pigs. What we grow is for the household, and any surplus we have, my wife gives to the neighbors because they don't have it. So we give it away. What can you do?

We used to have a kiosk in the marketplace. But it was too expensive to continue there because of the high rents they imposed. We had to pay approximately 1,000 KM a month to have the kiosk at the marketplace and run our own business. So we were just forced to give up our place and move the kiosk. But other people are also paying between 800 and 1000 for having a marketplace, and there are some extra charges, that is, besides the different taxes. It is very hard to live from one's own work, there, and most of them gave up. Those who stayed are mostly living off loans. And they are taking more than one loan, I know people who told me they took one micro-loan, and then they took other loans to be able to repay the previous loan and to have some extra money. So mostly they are highly indebted.

We'll see. We'll find a way to survive. Initially, and for the time being, we will try to live from the business in this kiosk. But the problem is that turnover is not that big because generally the purchasing power of the population is quite low. We make keys, sharpen knives, everything in the kiosk. Small, petty sales, little by little, engine oils, what we can sell in the kiosk. What we have in mind now is this, and then we'll see how it is going, but we don't think we will stop with this, we'll continue. My son works, too, on and off... but the biggest worker is my wife. When we were active in the marketplace, I used to transport the goods, and my wife and son worked in the market. Business was better, and it was cheaper at that time to have a kiosk in the marketplace, at that time we paid 200 KM for the kiosk in the marketplace.

We are to blame, we users, for the rise in prices at the market. The kiosks and stands are offered on sale and we have to bid for them. And you want to be the best bidder, and get the best place on the marketplace. So if I bid one thousand, and another user hears how much I bid, then he wants to bid more. That's part of the mentality, part of his wish to have a better place. So we became competitors among each other, and we increased prices ourselves. The initial price stated in the offer was 450 KM. And there were a couple of us who agreed to pay 450 or 451, just to increase the starting price a little bit. Then we heard that there were people who immediately offered 1,000. And in that case you're immediately a loser – you either get a place that is not strategic in the market, or you are completely out. We paid the rent to a company, a limited liability company. It was due every month on the fifth of the month. I think the company has been privatized and is owned by three men, but I'm not sure, who knows?

It is quite difficult to reach public officials. Contacts work there, if you have contacts you can approach them. So the whole situation is reduced to whether you have good contacts, at the government structures or not. As far as the government goes, promises are one thing, and reality is another thing. Their thing is to make promises. And they are promising, promising, offering programs. Sometimes you notice some progress, then it goes down again,

then we have new elections, vote for other people, and that is how it works. There are ways we can make our voices heard, but we don't feel like going around and asking for things. We would like to focus on our own small business and do what we can. There are associations, but we haven't been active in them so far.

If you want to achieve your goal through individuals who are officials, or through associations, you have to be very persistent. If you want to approach the mayor of the city for instance, you have to go there a hundred times. And I can do that, I can be persistent and go a hundred times, but then, on the other hand, you have to neglect your everyday duties, your duties and everything else. And at the end of working hours, you are fed up, really. We are disappointed. But we can't do much about it.

The business environment here is quite specific. And what you find normally in western countries and works there, doesn't work here. We as a people are specific. Our government here – no one asks them to do much work. They ought to work hard on starting up factories, we people are here to work. People will work. We are hard workers, and we are willing to work. But they are not doing their part of the job, like starting up factories.”

### **Jusuf**

Jusuf and his family are Muslim returnees, and have returned to Jusuf's grandparents' home, now located in the RS. They live quite high up on a mountain, and because it was snowing heavily and road there was impassable, Jusuf came down to the main road and met us for a coffee in a restaurant there.

“In general the situation in the municipality is difficult. We can say that almost all of the people living here, all ethnic groups, had to move from the municipality at one time or another. In 1992, The Croats and the Muslims moved out, and then in 1995, the Serbs had to leave. Everything – all the assets, property, was ripped off. Everything was robbed. There were several companies operating here, but all the machinery and equipment was moved out. So when the war was finished, no factory was operational. Livestock has been destroyed, buildings, private houses, everything was in ruins.

The first Serbs came back in April, May, 1996, after the Dayton agreement was signed, then the Serbs returned. The Bosniaks started returning in August 1998, and I am a pioneer among them, I was among the first to return. Till recently, we were the only Bosniaks, but now there are three families. What remained from my house was only a garage. But during the first year, I was covered by a CRS<sup>6</sup> program, and they donated by repairing my house. They covered the house and made one room, kitchen and bathroom livable, they put it in working condition.

The main reason why people are not returning is the scarcity of jobs. Some manage to live by doing odd jobs, but in general the situation with job hunting is very difficult, as in the Federation. There used to be 35 Bosniak families living here, and none of them managed to sell any of the property they own here, but despite not selling property, they are not returning. There is a primary school that had 24 classes in total, and each class that

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<sup>6</sup> Catholic Relief Services

about 30 students. Now there are about 100 pupils. It is a primary school, that is, from the first to the eighth grade.

I'm married, my wife is here, and I have a daughter and a son. My daughter finished high school, she lives with us, and my son is still in high school, he goes to school in Mrkonjic Grad. I had no problems at all as a returnee, people accepted me, I have friends here. We socialize. I would like you to visit me up where my house is, but it is in a lonely place, I feel lonely up there.

I don't have my parents any longer, my parents died. My father died before the war, in 1990, and my mother died in 2000. My roots are here, my ancestors, my grandparents come from this area. It's family land. I finished high school, economic high school, so I worked in trade business for 11 years before the war. And after the war, since I had the land that I inherited from my parents and grandparents, I decided to go for agriculture. I managed to build stables and barns, and now I have cows. I sell milk. What I have is not a farm; it's not a developed farm. I have some cows, but I can't rely only on income that I get from selling milk. It's not a problem to sell the milk, there is a milk processing industry here, Meggle, and I sell to them. If I had more cows I could sell more milk. I have the preconditions to organize my business and my life properly. But I need more funds. What I did was first to take a micro-loan and buy a cow – but I couldn't afford to buy anything more than an old cow – that was what I could afford. So I bought one cow at a time. Now I have calves and some of them I keep for reproduction, and some of them I slaughter. But expenses are also high – you are always somewhere on the verge, it is just enough for mere subsistence.

Living costs are higher than business costs, I have a son, he's still at school, and I have to finance his education – and you know, life is expensive. There were some soft loans, more favorable loans, but ordinary people didn't have access to such loans. More or less one could say that the municipal officials distributed such loans among themselves. And another problem in getting a loan is to find a proper guarantor for the loan. You can't find many people who are not indebted, who don't already have loans. Since I am quite skilled in construction – the stables I have I built myself, and they are really excellent – so during the summer usually there are some jobs so then I go off and on, and I make some money out of that. There is a lot of work at home, so my wife works at home.

The reception one gets in the municipality is o.k., they're kind, they receive us. But usually everything ends in their office – we have a nice conversation and discussion, we present our problems, and then it remains there. The fact that there are no Bosniaks or Croats working at the municipality – that is the answer to your question.

There are not really any associations to help the citizens, the only organization I'm aware of is a woman's organization, and they get together very often. And I have a neighbor, she's a Bosniak, an elderly lady, and she's a house friend, so she visits us often, and she told me about that organization where women are involved and are very active. On the other hand there are some sports organizations or clubs like hunters, or fishermen, where we exchange information. And now we are about to create an organi-

zation of agricultural producers, and we already had initial meeting, now we are looking for premises, because without premises, we are not able to register that association, so it has not been registered yet. We plan to include all the agricultural producers from the municipality of Mrkonjic in that association, so we are looking for some kind of office premises in Mrkonjic Grad. It was initiated spontaneously during our talks, on the other hand I have a friend who is an economist and his wife works at the municipality and is in charge of the agricultural sector, and we raised this issue with her and thought it would be a good idea. So there was some initiative coming from my side, and coming from other sides, and we thought it would be a good idea. We had our inaugural assembly, and at that assembly we passed and adopted the agenda, we call in program of activities. We covered all the sectors in the agricultural industry, like farming, fruit growing, and raising cattle.

We are looking forward to some progress now. You know, we recently had elections, so the authorities and people working in the municipality changed. The previous mayor was not so cooperative, and this one is more cooperative, so we think that we will be able to resolve this with him. He has already promised that he will help us out with this idea, and that he will try to allocate some funds in the municipal budget for this purpose.

I just want to illustrate the spirit of the people here. It's still strong and alive. When we came here, nobody had anything; we lacked everything. And there used to be a tradition in this area to have bullfights. But we couldn't afford to buy a bull, it's a big investment, nobody had a bull at that time. People were thinking about what we could do to improve the atmosphere, and entertain ourselves. So we began to buy roosters, and organized rooster fights, because a rooster only cost between 10 and 15 KM. In that way we got back our spirits and tried to prove that we are still alive.

Good health, and secondly, work – your own job – are the ingredients of a good life. If you are healthy, that makes you most happy – that you can live out of your own work. I want to tell you that it was really hard switch from the previous life to the current one – because the first time that I received humanitarian aid – we are not used to that – I was crying more than when I lost my mother and father.

Maybe I was too brave when I decided to return here, because when I returned, many people didn't even think of it. Some of my friends – the ones who own this restaurant – invited me to visit them here as a guest. At the time I lived in Travnik, and I came over to see them. That evening we drank a bit more than usual, and talked, and I was sort of tipsy and didn't want to drive back to Travnik. They invited me to stay overnight here. But I didn't want to. I went to my own place, and spent the night in my car under an apple tree. The next day I called my wife in Travnik, and told them that I wasn't going to return. And in two days, they all joined me here.

I was an officer, a military officer, and I did my service in the BiH army, and everybody here knows that. But I was an honest officer. I was in the BiH army, but I tried to do my best. And people here know that, so they haven't caused me any problems. I would

like you to come and see my house. I hope you have an opportunity. I don't have proper furniture in my house, but what I have is mine. Bosnian people like to work, but there are no opportunities, and that is a major problem. If there were jobs, everything could be solved here. Sometimes we ourselves are a little bit confused, we ourselves don't know how we manage to go on, how we manage to survive”

### **Ferid's Family**

We had an appointment to meet Ferid, who is a pensioner, but when we arrived he was out, and we were welcomed by his wife, two sons, and their wives. Ferid's part in the conversation was represented by an often-referred-to pension stub, for 154 KM, which lay on the coffee table. We all sat on a couch and chairs in the small kitchen, around the low table, and Ferid's wife served Bosnian coffee. A little boy of five years sat with us, a baby slept in a cradle. A wood-burning stove kept the kitchen warm. Ferid's two sons, Samir and Hasan, both in their twenties, did the talking, and the words below are a mix of their two voices.

“We all live together in this apartment, this is my mother – my father is out – the two of us are brothers, this is my brothers' child, and the other one is also my brother's child. This is my sister-in-law. The pregnant lady is my wife. We are three families living in the apartment of 64 square meters, there are eight of us living here, and she's expecting, so we'll have another baby here soon. There are two kids, and one on the way.

We have always lived here. We have to live together because nobody works. The whole income we have is our father's pension. Here is the amount we receive, it's 154 KM. And eight of us have to live on that. My brother and I are both unemployed, we are registered with the employment bureau, but there are no jobs. It's difficult. During summers there are some seasonal jobs, and we have to accept whatever people offer us. And my mother does handicrafts (crocheting and knitting) and tries to sell that. If someone calls us and asks us to help out, we are happy to help and earn some money. If they call us to chop wood for fuel, we do that. There are days when there is something to do, sometimes there is nothing. During the summer we work in the fields, mostly; helping people out as extra hands. There is not much choice. Yesterday, for instance, I managed to earn 5 KM. Two people called me to clean the snow from their garages, and I did it, and they gave me 5 KM. So that is the kind of work we do.

We can say that we are living in a city, and that we are city children, but when you are in difficult situation, you are forced to do anything, to do farming, to do any work in the countryside. There is a lady who brings us milk for the children, and during the summer we compensate her by doing services for her, like stacking hay and working in the fields. Every day we look for some work to do, today I had some wood to chop, so I did that. And my older brother is going around looking for some scrap iron and selling that, old newspapers, anything, we are not ashamed of doing any kind of job. We are usually out by 7.30 or 8, if we find something we do that, if not, we return home without anything. And we are in a position where we don't ask for a particular wage – we can't bargain for the price. Sometimes it happens to us that we were forced to chop ten cubic meters of wood for 20 KM. Ten cubic me-

ters for 20 KM – we don't have any other choice. The children are crying, they want... it would be better for us if there was no winter at all, then we would be able to find and work more and survive.

It happened, and it happens, that people don't pay. We make a deal with them and then we finish our part of the job and then they say goodbye. Or sometimes they tell us 'we'll pay you in ten, fifteen days,' then you keep on going to them asking for your money and sometimes they never pay. Everything happens. Things are happening, really bad things are happening, and there is nothing happening in this town, nothing that contributes to a better life.

Our father had a fulltime job and a nice salary, so we were afraid of nothing. Now it is a catastrophe. There used to be a huge factory called Bratstvo here, and it was really a conglomerate, employing 15,000 people. Now business is very bad there, they employ some 1,000 employees approximately, but they are not doing much now.

That's Tito's picture up on the wall. My father said 'I had the best life during his time, when he was alive, we had everything.' And our father doesn't allow his picture to be taken down. Then we could afford everything – what we now have in the house was bought before the war, during his period. Now we have a new generation of politicians, and we can not afford anything.

I was eleven and my brother was 14 when the war broke out. The conflict here was not between BiH army, Bosniaks and Serbs, but between Bosniaks and HVO, Bosniaks and Croats. There was a sniper shooting close by. And in this very building, some five to six members of families were killed by snipers. I almost got killed, but I was carrying a sack of flour so a sniper bullet stopped in the flour and didn't go through my head. A shell hit this building, and all the glass and windows were broken. I was injured at that time and I tried to claim some rights and get some support as a civilian victim of war, but they said, 'Come on, you didn't apply on time and you're not eligible any longer.' I didn't do it on time, and immediately you're out.

We tried to approach the authorities, and we did not get anything, we had no success. They don't even provide for little kids. This is what I get monthly for kids – 13 KM each, that is what I get. And that is just enough to buy one pack of diapers, and that's it. It's from the Center for Social Work. You have to be the poorest of the poor to get this amount, even. If you have any property, even an old car, you don't even get this. And now my wife needs milk, the kids need milk, and the third baby is on the way, so it is very expensive.

It is very difficult to set aside some money. We work all year round and try to save some money for winter. It is very difficult to set aside. And winter is the worst season for us, because you can't make any money during the winter; that is the worst period. During the winter, this pension is the only income we have, and we try to survive on that. And during the five-month season we try to work really hard, to earn some money for winter. To get wood for the heating, the two of us go into the forest and chop wood, but we have no transportation, so sometimes we pay some guy 50 KM to transport wood. Sometimes we make a bargain and somebody transports wood for us, and in compensation we do some work for

that guy. Sometimes you just don't have a choice. And sometimes it's just mere exploitation – if I want to work to return that transport service, then they tell me that their per diem is 10 KM, so I have to work for 5 days to compensate for the 50 KM they charge. We have to work a lot to survive, especially with us having kids. If the kids fall ill, then I have to pay for a prescription for medicine, and one prescription costs 15 KM.

Things will only get worse in the future. We can't complain that prices are high, prices are low, for example you need one KM or two KM to buy two kilos of fruit, so it is not expensive; but it is difficult for us to earn one KM. Prices are not that high. We used to do some seasonal work, and the deal was that we would work for 600 KM. then, when the guy was about to pay us, he never did. At the time my brother's wife was in labor delivering the baby, and he only gave us 50 KM for support, he still owes us the money. We were working for a company making construction materials, like big bricks, and later we were offered compensation in bricks, but I need food for the child – he doesn't eat bricks. The price of those bricks in the marketplace is half a KM each, and he offered to compensate us at the rate of 1 KM for each brick, so we couldn't even sell them later. It doesn't pay to ask him at all, he's trying to cheat us, instead of earning 600 KM, it means that the two of us would be earning 300 KM. He told us that he was charging 1 KM in the market, but we were loading trucks and checked with people that bought those bricks from him, and the buyers told us that he was charging half a mark for each. So it just doesn't pay. Even if you get some job you never know if they will pay you on time.

In July I traveled as far as Kupres to chop wood, I worked for ten days there, they didn't pay much, but I earned 130 KM. Kupres is far away from here, but somebody contacted me and asked if I wanted to do that, and I said of course... I can survive during the summer, it's easier, I go to the forest, pick mushrooms, we pick raspberries, blueberries, whatever we can find in the forest to sell. There is a guy who knows who goes to the forest, and he buys from us and resells. For berries he pays 1 KM per kilo, for mushrooms, 2 KM per kilo. My mother is home to take care of the kids, and all of us go out to the forest to pick stuff. Or sometimes my brother's wife and mine go to do some cleaning, if someone asks them to do that. Sometimes all four of us are out doing something, sometimes not. It's so irregular. Our father has the most regular income in the family, sometimes we have to count on him. And sometimes he works, too. But he's quite ill now, has diabetes and is asthmatic; he can't stand to sit inside for a long time. He has to buy medications every month, and he needs insulin shots, but there is always something left from his pension every month.

Profiteers and thieves will continue to do well in the future, and as long as national parties are in power, we will not have anything. There was a possibility to develop an apartment up there in the attic, and the arrangement was such that you had to pay some money to get some square meters up there, and you repaired it yourself. And at that time we were happy because we were working with the construction material company, so we could have put those bricks to some use by constructing that, but then they told us that we have to pay 5,000 KM for the space. We complained because some people got that space for free, but then they said those

people were in the army, or they had worked in a company, and so they were more qualified to get it than we were. The difficulties and the situation here are such that if someone offered me an opportunity to leave the country I would accept immediately, take my family, and just leave it, without regret. We've been waiting, we've been working hard, and still you get nothing. I would like to go to some country where work is appreciated. It happens that I go out at seven o'clock, come back at 12 o'clock, and earn only 10 KM for the whole day.

In an emergency we turn to Beka, our neighbor downstairs. She trusts us, we trust her. She helps us and we try to help her, with carrying wood, and some stuff. There are people who have more money, and I can borrow from them, but I am reluctant to do that because you never know when you're going to be able to repay that money, or how to repay that money. My wife's mother has a pension because her husband was killed during the war, but it is difficult to turn to her because she is surviving on that one pension. I can say that around 75 percent of the people here, or 50 – 50, are in similar situation. There are strong ties between our families, but we don't have anyone who is doing well, anyone who is well off to support us. It's the people with jobs that are doing well.

We would like to have a business, but we have no conditions to start up any business right now, because we would need at least 5,000 KM to start it. Currently we don't have enough to provide food for ourselves, let alone some small business. What we earn we spend for food, none of us smoke, there is no luxury here. My father is our only guarantor, there is no one else to support us, we get 154 KM a month.

We have imagination, and in our dreams we are thinking of having a car, having a bigger apartment, but reality is completely different, in reality you can't make much. So what remains to us for the time being is just to sit here and share our difficulties, and hope for the better, sometimes in the future with God's help. “

# 4. Livelihoods of the Poor – A Discussion

As we spoke the individuals and families included in this assessment, we noted how nearly all of them (with the exception of youth, such as Samir and Hasan) divided their experiences into two distinct time periods – before the war, and after the war. The war marks a watershed in their existence, after which life changed dramatically, and they found themselves doing things, living in a way that they previously could not have imagined. As they fight to make new lives for themselves and their families, they build on old knowledge when possible, and on the assets that remain to them, and try to reshape their lives in the pattern they used to know.

These conversations with some of the poor in Bosnia provide us with knowledge of quite a different nature than that obtained in the key documents examined previously. While the documents show us who the poor tend to be, the interviews tell us about their lives, struggles, and concerns. They give us a more fine-grained knowledge that speaks to both limitations and possibilities, to ambitions as well as frustrations. They bring up a series of issues that are not well-reflected in the documents, to anxieties that consume much of the energy of the poor, but occupy little space in poverty assessments.

## **The House**

Having a house or apartment of one's own is pointed out as of fundamental importance by all families. It is the secure haven from which they approach the world. Some of them who have a house, such as Zana, can use it as an asset – Zana plants vegetables in city garden, and has divided it to accommodate her mother. Nerma is content that 'no one can move me out of this house.' Pedrag's wife pushed him to start building their house despite their lack of funds. Maja managed to buy a war-ruined apartment on her small salary, and anxiously struggles to put it in working order. Families like those of Amra, and of Samira, another woman separated from her husband and caring for her two children, and of Nedim, a displaced family from Srebrenica, are in desperate straits, shuffled from unsuitable dwelling to dwelling by public authorities, always unsure of how long they can stay, and dependent for survival on the charity of friends, neighbors, and, as Nedim's wife expressed it, 'good people.'

The need for funds for rebuilding or repairs is a strong concern among interviewees. Jusuf is the only one of the interviewees who received any financial aid to repair his grandparents' ruined house. Several complained of the lack of aid other than for returnees. For example,

families living in Sarajevo, who stayed in the city during the war, are unable to find funding to repair damaged housing and are forced to spend meager funds on renting accommodations or to live on in houses with damaged installations – Nadia, a physically handicapped woman living on a disability pension, was forced to visit her sister across town simply to take a bath because her bathroom was damaged. Women are often the driving force behind the efforts to gain suitable housing. Lejla, A Roma woman, fruitlessly visited municipal authorities in search of funding to repair her home, as did Nadia.

It should be noted here, also, that heating the house in the winter is a big problem. This fieldwork took place in January, and few of the houses or apartments that we visited could be described as warm. We noticed how most women of the house laid an extra log in the wood-burning stove as we arrived; guests should not be cold. Electric heating is out of the question for these families, no one had it, except for Pedrag, who turned on an extra electric heater on our arrival, and Amra with her minimal heater. Winter life is generally lived in one room, around the iron stove. While heating with firewood is now possible because of the relatively nearby existence of forests and lax restrictions on their use, in the long run it poses an environmental problem.

Land can provide a similar security as the house, for example for Jusuf, who decided to return to his ancestors' land, and other families in his area who had formerly lived and worked in Jajce, a regional town, but decided after the war to move to 'family land' in the countryside. In part, such decisions are an affirmation of identity in the face of personal loss, but they are also survival strategies – with hard work the country can provide food that the city cannot. Seasonal work is available, animals can be kept, vegetables and fruit cultivated, firewood accumulated for winter. It is a poor living, but in some measure more independent and secure than that of the city.

### **A Job of One's Own**

'There are no jobs,' people complain. What everyone is looking for, of course, is a permanent employment, a regular salary, to be able to feel that you can *'live out of your own work'* as Jusuf expressed it. Many of the people interviewed here are middle-aged, and make stark comparisons of their situation before and after the war. From relatively comfortable situations, they have come to feel most dire need. The blame is generally placed squarely on the government and on politicians. Pedrag, Jusuf, Samir and Hasan point out that politicians do not live up to their responsibilities, do not do their job, part of which is creating job opportunities. Women are less likely to blame government for the lack of work, and more commonly refer to hard times, and the lack of operational companies.

Despite the lack of 'jobs,' however, people are working all the time in order to survive. They practice micro-agriculture or animal breeding, like Zana, Nerma, Pedrag, and Jusuf. They make handicrafts to sell, like Nerma, and Samir and Hasan's mother. They sell in markets, do odd jobs, exchange services. Irregularity and insecurity plague them. As Samir and Hasan point out, they are in no position to bargain for the price of their work, and in no position to hold employers to their word. This is a basic lack of security faced by men, who are more active in the informal sector, but in extension it affects the elderly, the women and the children who depend on them. It is likely that such predatory work contracts are more common in the urban environment, where people are strangers to one another, than in the countryside, where communities

are smaller and social control tends to be greater. Both men and women may also be forced to sell trade goods in the marketplace more cheaply because of their lack of bargaining power in a market where there are more sellers than buyers. Also to be noted in this context is Pedrag's problem with his market kiosk; how the entrepreneurs offering the privatized market stalls could turn the rental fees into a bidding war among the poor vendors, and they, with limited alternatives, had to reduce their meager profits to pay the company or leave the market altogether, as Pedrag's family did.

Poverty assessments often refer to low educational achievement as an element of joblessness. In this brief study, not one person referred to a lack of education as a reason why they were in difficulties. Many of those we interviewed did have secondary education. The education of their children was something that they took for granted, although it was recognized as a sacrifice – the cost of materials, decent clothing, and the one KM that everyone wanted to be able to give their child each day so that they could 'buy a sandwich for lunch, like the other children.' A personal lack of education is not something people seem to recognize as a problem – rather it is the situation of the country, the politicians, the loss of productive factories. Acquiring new knowledge for new times is not something people talked about as an option in their lives. They want their children to learn English, and if possible, to learn to work with computers, but they do not seem to regard these as an option for themselves. Maja, for example, rejected taking courses at NGOs as a waste of time, a dead end, because jobs are acquired through 'connections and recommendations.' Unemployed, she had time to go to such courses; but it is unlikely that other interviewees, working all day, would have time or energy to improve their educational status.

### **Assets, Networks and Local Knowledge**

Two things, assets and information are very important in peoples' processes of finding a way to generate income. As previously noted, land – even a little land – and a house are important assets in such a process. Other important assets are family – hands to work and bring in some income, or to provide periodic financial or other support. Samir and Hasan's mother watches the children when their wives go out to work, and the family functions like a collective, with money brought into the large household shared by all according to priorities. The two brothers can also support each other in work situations, trading work or backing each other up. In other families, as well, young people who were old enough to be married and/or on their own still lived at home and brought in income; Pedrag's son as a free-lance auto mechanic, and Zana's children as musicians. Most interviewees said that they would turn to their families in a crisis, many said that could only turn to their families – usually to brothers, sometimes to parents.

Non-family networks are very important, however, for finding employment, and for access to information and a social life. Maja, for example, calls the friends she used to work with and former employers regularly in order to hear if there are any new possibilities, and she appears to be extremely reliant on this form of job-hunting. She points out, too, the importance of having a diversified network – her friends who are as poor as herself can't give her the leads she needs. Nerma travels with former neighbors to gather fruit in Kalinovik, and hopes that they will be able to return permanently, one day, and as an elderly single woman, she is to a degree dependent on the charity of these people who know her

and help her out. Samir and Hasan rely on people calling them to do odd jobs, even as they actively search for work each day. Having a working telephone is crucial to these families, an expense which cannot be cut without endangering their livelihood, but which is kept in strict control. None have a cell phone except Tomaz, who sometimes receives calls from clients on his cell phone.

Knowledge from a former life is another asset used in income generation. Generally, people appear to hold on to particular strategies and try to develop them. Doing completely new things is seen as very difficult indeed. Zana's amazement and pride at being able to milk goats and sell vegetables in the market is witness to this; and it is interesting to remember that she worked in a factory as an administrative clerk before the war. Maja, who before the war spent her time at home with her children, says she doesn't even think of selling in a market, she wouldn't know where to begin. Now in the city, Nerma uses country strategies for survival, cultivating a few vegetables, keeping a goat (and knowing how and where to acquire hay), knitting for people and keeping a tight contact with family and friends from Kalinovik. Thus previous experiences, perhaps, shape future possibilities as much as educational levels. Doing new things is difficult, and requires a certain amount of self-confidence, which some, like Zana, have been able to acquire in a previous working life.

It is noteworthy that when asked what could make their life better, people tend to think in terms of expanding current strategies, rather than diversifying. Those who have two cows would like to have three; market vendors would like to have more working capital. Former employees search for another, similar job. Microfinance clients borrow for ventures in which they have experience – for knitting sweaters, tailoring, hair-dressing, a tiny kiosk.

Microfinance loans provide opportunities for some. Zana was a microfinance client, as were Pedrag, and Jusuf. Zana used her loan for working capital, as did Pedrag, investing returns in the construction of his house. Jusuf used the loan to increase his number of milk cows, and now had four. For the poorest families, however, even such small loans are out of reach, and they are even hesitant to borrow from friends, unsure of when or how they will be able to return the money.

## **Government and its Institutions**

Relationships and experiences with government institutions can only be described as poor. Many of those we spoke to had approached the social services, and not been able to receive any help. Maja spoke of her experiences with the social services before being evicted from her apartment, of being laughed at, and feeling that no one cares. Nerma spoke of her multiple registrations as an IDP. Amra feels that she may be discriminated because of her interethnic marriage, and fears that the social services may take her children – all she has left – away. Samir and Hasan spoke of the lack of assistance, and the very small sums they receive for their children. Pedrag reported the extreme persistence one must have to achieve anything with authorities – and indicates that one is put in the role of petitioner, rather than citizen. Jusuf noted that not one Bosniak or Croat worked his municipal government, explaining why no action was taken on many complaints. There were additional remarks from other interviewees. 'You go in, you talk, you go out, and it all ends there,' said Lejla, a Roma woman who is seeking some way to repair her ruined house. 'Here you cannot be included, you can only be excluded.' In gen-

eral, people expressed the opinion that contact with the social services involved much effort and often humiliation; and it is the poor who generally have the least time and confidence to be able to persist.

Interviewees also spoke of the impossibilities of approaching ‘authorities’ and even NGOs. They say that they cannot call them up or knock on their office door, but that they need to know someone working in the organization in order to be received. ‘We simply don’t know how to approach them. We cannot approach them.’ And even then, it is likely that part of the aid they might receive will end up in the pocket of the ‘benefactor.’ ‘If they want to help they should give the money directly to us,’ said Sonja, angry at having had to beg for a hip operation that she knew was donated through the Austrian aid agency (she finally received the operation gratis, but only through the intercession of a well-connected neighbor). That aid, both governmental and NGO, does not go to the most needy was pointed out by a number of interviewees.

The government was, by and large repudiated by those we interviewed. Almost no one had anything positive to say, or participated in political activities. Interviewees did not believe that they could be ‘heard,’ or have any influence over government decisions or activities. Jusuf was the only one who discussed the municipality in which he was living, and had been active in talks with municipal officials in a positive sense, to obtain support for the new agricultural producers’ organization. Otherwise, there were general complaints, such as those of Zana, who noted that inspections in the wholesale market were not very good and that she had to be very careful to check quality when buying produce, or Pedrag, who pointed out that politicians do not work very hard, or do their jobs.

### **Associations**

In most cases, associations of a community or private nature do not seem to exist, or to be of interest to those interviewed. No one participated in religious, community or social organizations. Some named Caritas or Merhamet, a Muslim organization, as associations that existed and made life easier for some of the poor. Some, like Zana, said that associations probably existed, but that they had no time for them. Others said they didn’t exist. Jusuf was been active in organizing an agricultural producer’s association, and Tomaz, a taxi driver in Sarajevo, was active in his taxi line’s association<sup>7</sup> – two organizations directly associated with working life. Perhaps such civic life is more the domain of men than women. However, those interviewed tend to approach life and their problems alone, or as families working together; more formally organized cooperation for either practical or social ends, does not seem to be a part of their lives.

### **Human Rights and Security**

Human rights are complex. There is the physical sense of safety, freedom from fear of attack or harassment. There is economic security, the assurance of survival. There is the security of one’s legal rights, one’s integrity, the ability to live a full life, secure from dire poverty. No interviewees complained of a lack of physical security. The displaced family from Srebrenica complained of an unfriendly environment where they were living temporarily, and said that they did not go out much, but they did not feel threatened. Nor did people complain of a fear of break-ins or being robbed or assaulted.

In the informal labor market, however, the poor are often cheated

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<sup>7</sup> The association tried, unsuccessfully, to control the excessive number of taxis operating in the city.

and humiliated and have no recourse, no withholding power with which to negotiate. Due to this and to the general lack of formal and odd jobs, their economic security is in continuous jeopardy. All complain of the irregularity of income, the meagerness of subsistence. Some are directly dependent on the charity of others, such as Nerma, Amra, Nedim's family, displaced from Srebrenica, and Sandra, a woman living alone with her children.

The right to a standard of living adequate for health and well-being was also violated in several of the cases we observed. Amra is an obvious example; being without the most basic infrastructure to care for small children. Sandra is in a similar situation, living through charity in a damp and leaky house. Nedim and his family were moved from place to place without receiving any permanent solution to their situation. Sonja had no functioning bathroom in her home, despite her handicap. Many others – Tomaz, Lejla, Maja, Samir and Hasan – are living in very cramped apartments, either in the excruciatingly slow process of building/repairing a damaged home, or still unable to start the process. Women left alone with children cannot depend on authorities for aid, and are unable to oblige fathers, when working, to contribute to the family. If legal procedures do exist through which they could gain such support, they are too poor to be able to use them.

A right to transparency in procedures, civil and governmental, is consistently violated. Predrag's problems in keeping his marketplace stall, Dina's in obtaining quality of produce attest to this in working life. More obviously, transparency in contacts with government officials is lacking. People do not know why they are unable to obtain social benefits or aid, do not know how their cases are treated, or how decisions are made. They do not have information about the NGOs that exist, or what they do. In such situations not only can private and public agencies abuse their mandates, even those who 'do a good job' can not be recognized for their excellence.

Education can be a huge sacrifice, and sometimes impossible. The family in Sipovo could send their sons to secondary school, but acknowledged that a university education was out of the question. But how will Amra be able to send her children to school? Nedim's oldest daughter was going to school, supported by a private family, but the family did not know how they would be able to send their son, who is due to start school in September.

There were few complaints about inaccessibility of health services among those interviewed; the majority appear to be in fairly good health. Sonja, however, had struggled with authorities in order to have a hip operation, and Samir and Hasan complained about the high costs of medicines when the children were ill. Nedim had recently been in the hospital for a longer period of time after an operation. As a survivor of the camps where his father and older brothers perished, however, he was obviously psychologically unwell; a matter briefly mentioned in a whisper by his sister, who lives with the family. Access to mental health counseling and treatment is an area which is little discussed and where great need is likely to exist in the society at large, as well as specifically among the poor.

In the conditions of need described in these interviews, the right to a full life in which one can make choices and develop one's abilities is, of course, violated. Poverty deprives people of the power to decide over and shape their lives. To a large extent it also robs them of the time and energy necessary to exercise both civic rights and civic responsibilities. It

turns individuals and families inwards, and deprives them of their 'public lives' as members of associations, as voices in local and national government, in short, it robs them of their rights as social beings.

### **Poverty and Social Categories; Women and Men, Age Groups, Ethnicity, Location**

Experiences of poverty are different for men and women. Women tend to say that men are "so nervous" and that it is up to women, to "make coffee, and calm everyone down." "All the problems of Bosnia are resting on the shoulders of women," said one focus group participant, referring to the fact that national economic problems end up, finally, in the household, where it is women who prepare dinner, comfort children, appease spouses, and have to make ends meet. For women with small children and limited networks, loss of a spouse can be disastrous, as for Amra, shunned by her family, and Samira, whose husband left her and started a new family, and now has five new children in addition to two with her. The situation is similar for the family from Srebrenica, where the father of a family of five has become physically and mentally ill after losing his father and brothers, and can no longer contribute to the maintenance of the family. Women who have not participated in work outside the home are ill prepared to face such situations. In general it appears that with divorce or separation, women are left with the responsibility for raising the children, and may or may not receive any financial support from a former husband as there are no mechanisms to enforce such support, or they are too costly for the poor to put into practice. Thus marital rifts affect women more negatively than men, and in some cases it was evident that the poorest women were dependent on the aid of their also-poor neighbors. Men, on the other hand, are faced with the responsibility of supporting their families, but often have very little power over work opportunities or outcomes.

The effects of poverty between women and men, on families, can be complex and disturbing. Mirnesa, a member of the focus group, described one evening when her husband came home after selling CDs in the town square all day, and reported that he had not earned a single mark. "I told him that I didn't believe him, and when he insisted, I started going through his pockets. He resisted, but then he let me, and said, angrily, 'O.k., o.k., then, go ahead and look through my pockets!' I was searching through them when my children came into the room, and so I made it into a game, 'Let's look through all of Daddy's pockets, let's see what he has there...'" Integrity takes a beating in such encounters. "We are killing each other every day, another woman wryly commented. "But it's o.k., we're getting used to it."

When asked how decisions in the family were made, most interviewees explained that the couple, or the family sat down together and reasoned. "We all sit down like we are now," one mother of seven sons explained, "and everyone has the right to give their opinion, and be considered. But in the end the young listen to the elders, and from that moment everyone knows exactly what is expected of them." She also emphasized the fact that harmony within the family was essential, and that a son who "strayed on a wrong path" could easily waste all the income the whole family could manage to earn. Lejla, a Roma woman pointed out, "We have been married for 25 years, and we get along quite well. I know that a man is a man and is the head of the family, and if we have a problem related to our work or the family I listen to him. But he has to listen to me, too. We decide together on how to proceed." The interviews

of this assessment indicated a balance between men and women in family decisions, and women were very active in economic activities as well as in traditional household occupations. But this does not preclude men holding more advantageous positions when families begin to disintegrate, and women caring alone for young children seem particularly vulnerable to isolation and destitution.

Age also impinges on experiences of poverty. Samir and Hasan, in their early teens at the outset of the war, have little memory of a more 'normal' situation – they grew up during conflict, and their lives are formed by the postwar difficulties. The middle-aged interviewees were in their 'best years' when the war broke out, and often lost all the accomplishments of their youth – homes, careers, the comforts of a middle-class life. They struggle to rebuild a livelihood, and although they sometimes feel that their working lives are in effect over, they will not be eligible for pensions for a number of years. Older people, in particular, tend to be nostalgic of the Tito period during which they lived most of their lives; and they, like Ferid and his wife, see their offspring struggle and despair over their futures.

Ethnicity also has an impact on experiences of poverty. These interviews, however, contained too few samples to draw any generalizations in this area. Perhaps one could say that Serb women were more confident and direct in their approach to working life than Muslim women, but this is also a result of pre-war economic activities and contact with working life.

Poverty can be experienced quite differently in urban and rural settings. From these interviews, it appears that rural life to some degree provides more opportunities for income diversification. Animals can be kept and vegetables can be cultivated, seasonal work is available. Sometimes, such activities are also carried out in urban settings – Zana cultivates her urban garden, and Nerma keeps her goat not too far from the center of Sarajevo. There may be more job opportunities in urban areas, but also more competition for them.

Finally, it is apparent from these interviews that the poor go about solving their problems largely on their own, as individuals or as families. There is minimal participation in civic organizations or associations of any kind. The gradual construction of civil society associations, for the promotion of all kinds of activities and agendas, is needed in Bosnian life. The poor and the vulnerable – half of the BiH population – should be incorporated in such organizations, and through them be able to obtain action, and make their voices heard.

To sum up, these conversations with the poor deal with the intertwined economic and social matters of daily life: gaining or conserving assets, managing them. Finding information; and deciding where and when to get cooperate with others, and when to concentrate on one's own activities. They deal with the constant decisions and desperations of life lived on the margins, and reveal the relationships of power that both accommodate and restrict the poor as they try to work their way out of poverty. We come to see these people not in aggregated terms or in terms of what they lack, but as socially situated individuals who are highly active in trying to solve their problems and have particular points of view regarding their situation and how it might be improved. We feel that this knowledge contributes to a more nuanced understanding of poverty in a particular time and place, and see it as an essential ingredient of the information necessary when making informed decisions regarding development interventions or support.

# Appendix A

## Part 1: Overview of the Methodology of Selected Documents on Bosnia and Herzegovina

	<b>Holistic Vision</b>	<b>Participatory Process in the Report</b>	<b>Voices of the Poor Appear</b>	<b>Definition of Poverty</b>	<b>Sources Cited</b>	<b>Poverty Reproduction and Risks Analyzed</b>	<b>Trends in Poverty Processes Discussed</b>	<b>Identifies Possible Project Interventions</b>	<b>Identifies Local Initiatives</b>
<b>World Bank Poverty Assessment</b>	Yes	Living Standards Measurement Survey (LSMS)	No	Poverty line constructed as part of LSMS report	LSMS Survey	Yes	Yes	Policy Suggestions	No
<b>UNDP Human Development Report</b>	Yes	No	No	Follows World Bank LSMS	WB and UNDP sources	Yes	Yes	Policy Agenda	No
<b>UNICEF Mid-Term Review</b>	No	No	No	No	No	No	No	Yes	Yes (NGOs)
<b>PRSP</b>	No	Nationwide Consultative Process	No	Follows World Bank LSMS	WB, UNDP, others cited	Yes	Yes	Ongoing and Upcoming Action Plan	Yes
<b>European Union Documents</b>	No	No	No	50% of the average net wage	No	No	Yes	EU Harmonization	No
<b>Sida Country Strategy</b>	No	No	No	No	Yes	Yes	Yes	Ongoing Projects	No

<b>WB</b>	Bosnia and Herzegovina Poverty Assessment, Volume 1, Main Report, 2003
<b>UNDP</b>	Human Development Report, Bosnia and Herzegovina, 2002
	Mid-Term Review, Bosnia and Herzegovina, 2000
<b>PRSP</b>	Bosnia and Herzegovina: Poverty Reduction Strategy Paper – Mid-Term Development Strategy. April, 2004
<b>EU</b>	Bosnia and Herzegovina Country Strategy Paper 2002-2006. EU, and CARDS Assistance to Bosnia and Herzegovina: Multi-annual Indicative Programme, 2005-6.
<b>Sida</b>	Strategy for Swedish development co-operation with Bosnia and Herzegovina, January 2003 – December 2005

# Part 2: Discussion Matrix for Selected Documents and Topics on Bosnia and Herzegovina

	Access to Employment	Access to Education	Health	Household Living Conditions	Access to the Informal Sector	Political Representation	Employment	Household decision-making	Local Representation	Access to Assets	Household Survival Strategies	Strategies for Economic Expansion	Access to Natural Resources	Domestic Crises and Shocks	Trends in Poverty Reproduction and Processes	Poverty Reproduction and Risk	Make Policy/Programme Recommendation	
<b>Community / Nation</b>	WB	3	WB	3	WB	3	WB	3	WB	3	WB	3	WB	3	WB	3	WB	3
	UNDP	3	UNDP	3	UNDP	3	UNDP	3	UNDP	3	UNDP	3	UNDP	3	UNDP	3	UNDP	3
	UNICEF	0	UNICEF	0	UNICEF	0	UNICEF	0	UNICEF	0	UNICEF	0	UNICEF	0	UNICEF	0	UNICEF	0
	I-PRSP	3	I-PRSP	3	I-PRSP	3	I-PRSP	3	I-PRSP	3	I-PRSP	3	I-PRSP	3	I-PRSP	3	I-PRSP	3
<b>Gender</b>	EU	1	EU	1	EU	1	EU	1	EU	1	EU	1	EU	1	EU	1	EU	1
	WB	3	WB	3	WB	3	WB	3	WB	3	WB	3	WB	3	WB	3	WB	3
	UNDP	3	UNDP	3	UNDP	3	UNDP	3	UNDP	3	UNDP	3	UNDP	3	UNDP	3	UNDP	3
	UNICEF	0	UNICEF	0	UNICEF	0	UNICEF	0	UNICEF	0	UNICEF	0	UNICEF	0	UNICEF	0	UNICEF	0
<b>Children</b>	I-PRSP	3	I-PRSP	3	I-PRSP	3	I-PRSP	3	I-PRSP	3	I-PRSP	3	I-PRSP	3	I-PRSP	3	I-PRSP	3
	EU	0	EU	0	EU	0	EU	0	EU	0	EU	0	EU	0	EU	0	EU	0
	WB	3	WB	3	WB	3	WB	3	WB	3	WB	3	WB	3	WB	3	WB	3
	UNDP	3	UNDP	3	UNDP	3	UNDP	3	UNDP	3	UNDP	3	UNDP	3	UNDP	3	UNDP	3
<b>Youth</b>	UNICEF	1	UNICEF	3	UNICEF	2	UNICEF	3	UNICEF	1	UNICEF	3	UNICEF	0	UNICEF	0	UNICEF	3
	I-PRSP	3	I-PRSP	3	I-PRSP	3	I-PRSP	3	I-PRSP	3	I-PRSP	3	I-PRSP	3	I-PRSP	3	I-PRSP	3
	EU	1	EU	0	EU	0	EU	0	EU	0	EU	0	EU	0	EU	0	EU	0
	WB	3	WB	3	WB	3	WB	3	WB	3	WB	3	WB	3	WB	3	WB	3
<b>Ageed / Pensioners</b>	UNDP	1	UNDP	0	UNDP	0	UNDP	0	UNDP	0	UNDP	0	UNDP	0	UNDP	0	UNDP	0
	UNICEF	0	UNICEF	0	UNICEF	0	UNICEF	0	UNICEF	0	UNICEF	0	UNICEF	0	UNICEF	0	UNICEF	0
	I-PRSP	0	I-PRSP	0	I-PRSP	0	I-PRSP	0	I-PRSP	0	I-PRSP	0	I-PRSP	0	I-PRSP	0	I-PRSP	0
	EU	0	EU	0	EU	0	EU	0	EU	0	EU	0	EU	0	EU	0	EU	0
<b>Disabled</b>	WB	0	WB	0	WB	0	WB	0	WB	0	WB	0	WB	0	WB	0	WB	0
	UNDP	1	UNDP	2	UNDP	0	UNDP	0	UNDP	1	UNDP	0	UNDP	0	UNDP	0	UNDP	0
	UNICEF	0	UNICEF	3	UNICEF	2	UNICEF	3	UNICEF	0	UNICEF	0	UNICEF	0	UNICEF	0	UNICEF	0
	I-PRSP	0	I-PRSP	0	I-PRSP	0	I-PRSP	0	I-PRSP	0	I-PRSP	0	I-PRSP	0	I-PRSP	0	I-PRSP	0
<b>Refugees/Displaced</b>	WB	2	WB	2	WB	2	WB	2	WB	2	WB	2	WB	2	WB	2	WB	2
	UNDP	3	UNDP	3	UNDP	3	UNDP	3	UNDP	3	UNDP	3	UNDP	3	UNDP	3	UNDP	3
	UNICEF	0	UNICEF	0	UNICEF	0	UNICEF	0	UNICEF	0	UNICEF	0	UNICEF	0	UNICEF	0	UNICEF	0
	I-PRSP	3	I-PRSP	3	I-PRSP	3	I-PRSP	3	I-PRSP	3	I-PRSP	3	I-PRSP	3	I-PRSP	3	I-PRSP	3
<b>Ethnic Affiliation</b>	EU	1	EU	0	EU	0	EU	0	EU	0	EU	0	EU	0	EU	0	EU	0
	WB	3	WB	3	WB	3	WB	3	WB	3	WB	3	WB	3	WB	3	WB	3
	UNDP	3	UNDP	3	UNDP	3	UNDP	3	UNDP	3	UNDP	3	UNDP	3	UNDP	3	UNDP	3
	UNICEF	0	UNICEF	0	UNICEF	0	UNICEF	0	UNICEF	0	UNICEF	0	UNICEF	0	UNICEF	0	UNICEF	0
<b>Rural/Urban</b>	I-PRSP	2	I-PRSP	2	I-PRSP	2	I-PRSP	2	I-PRSP	2	I-PRSP	2	I-PRSP	2	I-PRSP	2	I-PRSP	2
	EU	1	EU	1	EU	1	EU	1	EU	1	EU	1	EU	1	EU	1	EU	1
	WB	3	WB	3	WB	3	WB	3	WB	3	WB	3	WB	3	WB	3	WB	3
	UNDP	3	UNDP	3	UNDP	3	UNDP	3	UNDP	3	UNDP	3	UNDP	3	UNDP	3	UNDP	3
<b>Comparison Between Groups of Poor</b>	UNICEF	0	UNICEF	0	UNICEF	0	UNICEF	0	UNICEF	0	UNICEF	0	UNICEF	0	UNICEF	0	UNICEF	0
	I-PRSP	1	I-PRSP	1	I-PRSP	1	I-PRSP	1	I-PRSP	1	I-PRSP	1	I-PRSP	1	I-PRSP	1	I-PRSP	1
	EU	0	EU	0	EU	0	EU	0	EU	0	EU	0	EU	0	EU	0	EU	0
	WB	1	WB	1	WB	1	WB	1	WB	1	WB	1	WB	1	WB	1	WB	1

**Abbreviations of Documents:**  
 WB: Bosnia and Herzegovina Poverty Assessment, Volume 1, Main Report, 2003  
 UNDP: Human Development Report, Bosnia and Herzegovina, 2002  
 UNICEF: Mid-Term Review, Bosnia and Herzegovina, 2000  
 I-PRSP: Bosnia and Herzegovina Poverty Reduction Strategy Paper – Mid-Term Development Strategy, April, 2004  
 EU: Bosnia and Herzegovina Country Strategy Paper 2005-2006: EU and GEPDS Assistance to Bosnia and Herzegovina: Multi-annual Indicative Programme, 2005-6  
 PRSP: Strategy for Economic Development, Co-Operation with Bosnia and Herzegovina, January 2002 – December 2005

**Ranking Keys:**  
 0: No mention  
 1: Mention  
 2: Brief discussion  
 3: Some analysis

# Appendix B

## List of Documents Studied, Bosnia and Herzegovina

1. *Bosnia and Herzegovina Poverty Assessment, Volume 1, Main Report*. World Bank, 2003
2. *Human Development Report, Bosnia and Herzegovina*. UNDP, 2002
3. *Mid-Term Review, Bosnia and Herzegovina*, UNICEF, 2000
4. *Bosnia and Herzegovina: Poverty Reduction Strategy Paper – Mid-Term Development Strategy*. April, 2004.
5. *Bosnia and Herzegovina Country Strategy Paper 2002-2006*. EU.
6. *CARDS Assistance to Bosnia and Herzegovina: Multi-annual Indicative Programme, 2005-6*.
7. *Country Strategy for Swedish Development Co-operation with Bosnia and Herzegovina, January 2003 – December 2005*, including Annexes.

# Appendix C

## Terms of Reference: Country studies on poverty in key documents for programming development cooperation in South Eastern Europe

### **Background**

Sida has been giving bilateral support to social projects in the countries of South Eastern Europe since the mid-nineties. The support has not been a large one but will be increasing, in line with the goals of the countries concerned and with their PRSP's or equivalent documents. It will also be in line with a poverty reduction perspective, the main goal of Swedish development co-operation being to create pre-conditions for poor people to improve their living conditions. Further, the Letter of Appropriation for 2004 to Sida (regleringsbrevet) states that social projects shall have a priority in these countries.

At this time there is need for an informed discussion about the future direction of the Swedish development co-operation in the region in order to draw a set of guidelines for future work in the social sector.

This discussion and the subsequent guidelines for a broader support are to be based on three different studies, all to be undertaken during the fall of 2004 and the beginning of 2005.

The first study is presently being carried out and is to focus on the social systems in the countries of Bosnia and Herzegovina, Croatia, Macedonia, Serbia and Montenegro, Kosovo<sup>8</sup> and Albania.

The second study is the present one and will focus on what is presently known about poverty and poor groups of women, men, youth and children in the region, and what is *not* yet known or taken into account concerning the present poverty situation. The study is to be based on key documents used in programming development assistance.

The third study is to be an evaluation of the work of the NGO "Kvinna till Kvinna", its support to womens' organisations in the different countries and of what can be discerned through these organisations about the situation of poor women in the region.

This three-legged approach should provide a number of aspects and different angles from which to view the social situation in the countries of South Eastern Europe and to discuss the forms of future cooperation in the social sphere.

### **Purpose of the assignment**

The purpose of the assignment is to give Sida an informed basis for discussion, leading up to a set of guidelines for the future bilateral cooperation in the social sector in the countries of South Eastern Europe.

<sup>8</sup> Kosovo is here to be regarded as a separate system

## Scope of the Assignment and methodology

This particular study is planned to be the second part of a study that started with a pilot study on Macedonia. It is now to be continued with two similar studies on Bosnia and Herzegovina and Kosovo and, in a next phase, possibly also on Serbia and Montenegro and Albania. Its specific purpose is to discuss how poverty, which has been spreading in South Eastern Europe during the 1990s', is represented in certain key documents, commonly used when programming development assistance. The focus will be which groups and categories of people are poor in the region.

The study on Macedonia was a pilot study, where methodology was continuously discussed in order to arrive at the best method to make subsequent studies also of the other four countries, that could easily be compared. Methodological questions will continue to be discussed throughout the assignment in order to take care of issues arising out of difference and variation in the countries and the key documents in question. Such a comparison may give insight into "good practice" and lessons learned, into strengths and weaknesses in the methods used in describing and analysing poverty at this level, and into gaps of knowledge. Should it be found that the picture is much the same after the three first case studies, the continuation on Serbia and Montenegro and Albania assignment should be discussed between Sida and the Consultant. A decision in this regard should be taken at the latest by the middle of November 2004.

The assignment shall be completed by the end of November 2004.

The pilot study of Macedonia was made in two parts:

- A desk study of 6 key documents commonly used in programming development cooperation and
- A series of in-depth interviews to be conducted with poor people in Macedonia in order to investigate complementary ways of how to analyse/ give a picture of the situation of poor people in the country.

The subsequent studies concerning, Bosnia and Herzegovina, Kosovo, and also in a possible later phase, Serbia and Montenegro and Albania, shall follow the same general terms of reference. If in-depth interviews with poor people shall be conducted in another one of these countries will be discussed as an option during the course of the assignment and will, if so decided, entail an amendment to the contract.

1) In the desk study the key documents will be:

- the Interim PRSP – National Strategy for Poverty Reduction in the Republic or a similar document (in the case of Kosovo)
- World Bank: the latest Poverty Assessment or a similar document
- UNDP: the latest Human Development Report
- UNICEF: the latest relevant document(s)
- EU: CARDS Multi-annual Indicative Programme 2002-2006 and 2005-2006
- the current Swedish Country Strategy

Prior to the country study in question these documents are to be agreed with our field offices.<sup>9</sup>

<sup>9</sup> For BiH the documents will be: BiH Medium Term Development Strategy PRSP 2002, , World Bank: Poverty Assessment 2003, UNDP: Human Development Report 2002, UNICEF: the latest relevant document, EU: CARDS Multi-annual Indicative Programme 2002-2006 and 2005-2006, the current Swedish Country Strategy for BiH

In the studies, a short account of how poverty is defined in each document shall be given, comparing the definitions. The study shall specifically look at how poverty is described in terms of different groups and categories of poor people and the intersectionality between these groups or categories:

The variables to be used are:

- poor women and men (gender),
- children, youth and the elderly (age),
- ethnic groups but not only in minority terms (ethnicity) and
- geographical location
- level of poverty (socioeconomic group)

Out of such a scrutiny should emerge how levels of poverty vary between men and women, between different age groups, between socio-economic and ethnic groups as well as information concerning the situation for poor people in different parts of the country. Also, information on difference and variation as well as on hierarchies and relations of power between and within groups may emerge, as well as the positions of different categories of people with regard to control over assets and resources.

The actual knowledge that these documents contain concerning the present poverty situation in one country will be as important to identify as the *gaps* of knowledge. Identifying such gaps may lead to a discussion on what more information is needed for more informed decisions on future support.

The sources of facts and figures contained in the documents should be identified, if possible, and compared between documents as well as similarities and differences.

## 2) Questions to be answered in the studies

Methodology will continuously be discussed between the consultant and Sida during the assignment. As a point of departure, the following questions should be answered:

- The origin and intended use of each document? A brief account.
- Participatory processes in describing poverty or not? A brief account.
- How is poverty defined in the different documents? A comparison.
- Are trends in the poverty situation described, and described dynamically? A comparison between documents.
- Is there a poverty perspective mainstreamed throughout the documents and is this made in terms of groups and categories of poor people? If not, where is it present and where is it not?
- Which are the sources of the facts and indicators of poverty on which the documents rely? Are they possible to identify? Discuss this.
- Do the different documents use sources that differ from one another or approximately the same? Discuss relevance, uniformity and diversity.
- Which groups of poor people are present in the documents?<sup>10</sup> How are they described? Which parameters are used? How visible are they in terms of gender, age, ethnicity and geographical location? Are there any details about more prosperous categories of women and men?

<sup>10</sup> Such as displaced persons, trafficked men, women or children, refugees, different categories of minorities and youth: young women and men

- Is there any interaction between the variables gender, age, ethnicity, geographical location and level of poverty in the texts when describing different groups of poor people?
- Which groups of apparent relevance in this context are missing? A discussion of the importance of these groups in the context of poverty assessments.
- How does description and analysis of poverty compare between the different countries? Cases of good practice, gaps of knowledge. Do the different pictures throw light on one another?

### 3) Practicalities

The Consultant shall review the relevant documentation available at Sida in Stockholm and retrieve missing parts from the internet and other sources.

Methodological questions shall continuously be discussed between Sida and the Consultant during the assignment.

### 4) Expected conclusions

- A brief account of the origin of each particular document, the process that has led up to it and its *raison d'être*.
- An analysis and a problem-oriented discussion of how poverty (in very brief terms) is presented and, more specifically, how poor groups of people are represented in the six key documents used in programming development co-operation.
- An account of the ways poverty is defined especially in terms of poor groups and categories of people, also in relation to more prosperous groups. This should also say something about the visibility of hierarchies and relations of power in the documents, as well as control over assets and resources
- Identification of which groups of poor people are described in the documents and how, and of which groups or categories are not represented.
- Identification of apparent gaps of knowledge in this context, whereby possible need for further information can be pin-pointed.
- A discussion of the sources used in representing poverty in these documents
- A comparison between the different documents in these respects; also between countries. Cases of “good practice”. The extent to which the representation of poverty in one country brings out strengths and weaknesses in representations in other countries.
- Conclusions from the series of interviews with poor people in Macedonia (possibly another country as well), discussing what should be added in a representation of poverty in this region.
- A summary of the five country studies and a discussion on the representation of poverty containing major points within the scope of this terms of reference and major findings.
- Using the Swedish Country Strategies for these countries as a point of departure: Possible areas of cooperation in the social sector emerging out of this analysis.

### 5) Work plan and schedule

The desk study shall be carried out in 30 days in November 2004. The complete study shall be presented in a draft form at the latest by the end of November 2004.

The assignment is to be carried out by two consultants, one to be assigned by the main consultant.

#### 6) Reporting

The report shall be written in English and not exceed 15 pages for each country study, excluding annexes, attachments and the executive summary. A short summary of the five country study should be added to the five separate case studies. The draft report shall be submitted to Sida electronically by 15 December. Within 2 weeks after receiving Sida's comments on the draft report, a final version shall be submitted to Sida, again electronically and in 5 hard copies.

The following enclosures shall be attached to the final report:

- terms of reference
- list of documents studied
- list of persons interviewed





*Halving poverty by 2015 is one of the greatest challenges of our time, requiring cooperation and sustainability. The partner countries are responsible for their own development. Sida provides resources and develops knowledge and expertise, making the world a richer place.*



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