Sida

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Documenting Poverty in the Balkans

How Different Approaches Shape our Understanding of the Poor

Foreword

This study is a summary of five reports, commissioned by Sida to describe and discuss what is known and what is not about the situation of poor groups of people in Southeastern Europe. They concern Albania, Bosnia and Herzegovina, Kosovo, Macedonia and Serbia & Montenegro. Together with other assessments they are intended to give us a basis for discussion regarding future forms of development cooperation particularly in the social sector. The reports have also been written to provide input to country strategy processes and for programming development assistance in other spheres.

The method used in these reports has been to examine the information that key documents in development cooperation provide concerning poor women and men, youth and children living in Southeastern Europe, and to determine what gaps there are on the subject. To gain a complementary understanding, a series of in-depth interviews have also been carried out with poor women and men in Macedonia and Bosnia and Herzegovina. These interviews help us to explore how different approaches shape our understanding of the multidimensionality of poverty. The intention has been both to summarise current information and to question its nature.

The Division for South Eastern Europe is happy to present the final report, which has been carried out by a team of two consultants from Opto International AB.

The views of the report are those of the authors and do not necessarily reflect the views of Sida.

Stockholm in April 2005

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Cover: Zana sells vegetables in an open-air market in Banja Luka in Bosnia and Herzegovina. She is divorced and struggling to support her two children and pay their education.

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Content

1. Introduction

In poverty assessments the poor are often documented via aggregated figures that compare them with the general population. The emphasis is on what the poor lack, focusing primarily on employment and education, but also on health and living conditions. Discussions often include an assessment of social transfers, and whether or not they reach the poorest. We believe, however, that in the context of poverty alleviation it is equally necessary to gain information about the resources the poor do command, and the strategies they use to gain a livelihood. Since poverty is context-bound, it is necessary to view resources and strategies from the specific view of particular social groups arising universally from the human life-cycle, different economic bases and different cultures. These groups are based on gender, age groups, ethnic groups, and rural/urban location: differently situated people are affected differently by poverty, and thus have different perspectives, possibilities, and practices. Only when we know not only what different categories of the poor lack, but also what they have, and what they do, will it be possible to design or development interventions that can efficiently support them as they work their way out of poverty.

The series of poverty studies in the Balkans that this report summarizes and discusses, then, have been undertaken with two intentions. The first is to summarize the currently available information in a manner useful to practitioners as they discuss and evaluate future forms of development cooperation in the social sphere. The second aim is to question the nature of, and production of such information; and here our intent is to initiate a dialogue concerning how poverty is conceptualized and documented in the key documents examined in the studies, to point out deficiencies in data, and to suggest alternative, more productive ways of obtaining the information needed to identify potential support for poverty alleviation.

We depart from the view of poverty as a multidimensional phenomenon affecting people in a diversity of aspects. A lack of access to employment is frequently an important component of poverty, as is a lack of education, good health and salubrious living conditions. However, poverty also often goes hand in hand with wider deprivation; such as a lack of voice in local and national government, as well as a lack of physical security, of productive assets, of access to natural resources and the ability to resist shocks and crises. Manifestations and experiences of poverty differ depending on gender, age, ethnicity and geographic/ spatial loca-

tion, and on access to basic services and markets. Poverty is very context-bound, derived from quite specific political, economic, environmental and socio-cultural conditions, which often include war, armed conflicts and natural catastrophes.[1] Despite this by now generally accepted definition, the analyses of poverty here examined are for the major part disappointingly uni-dimensional, failing to provide a complex portrait of the poor population or the causes of poverty.

In this series of poverty assessments we have further deepened the concept of poverty, regarding it as interlinked with culture and livelihoods. We believe it is useful to include information regarding people's access to assets, their household organization and the decision-making processes within households, survival strategies and strategies for economic expansion, access to the informal sector, and the ability to withstand shocks and crises. Consequently we do not view the poor as victims, lacking a series of attributes; rather we view them as very diverse agents who actively deploy the resources that they command to best serve their interests.

The method used in this series of assessments has also been twofold. First, we have conducted desk studies of key documents in programming development assistance in five countries/ regions: Macedonia, Albania, Kosovo, Bosnia and Herzegovina (BiH) and Serbia and Montenegro (SAM). In order to make an assessment of the current state of knowledge, we examine the content of these documents, focusing on what is presently known about poverty and poor groups in the region, and what is not known. A short account of how poverty is defined in each document is given, comparing the definitions. The studies specifically look 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 each country study, the approach and content of documents are described in brief. The overall knowledge that they contain concerning the current poverty situation is briefly identified, and the focus is on the information that they hold concerning the specific groups and categories analysed. We do not review the recommendations provided by the selected agencies, but rather the background information that they make available to the reader. The gaps in knowledge are then identified, as is the knowledge that would be useful in making decisions on upcoming support strategies. For each study two matrixes are provided which schematically identify the nature of the documents and the themes which they do, or do not examine. Below we summarize the information contained in the complete reports, which are available in separate documents.

As a complement to the information gathered through these desk studies, two field assessments consisting of interviews with the poor were carried out, one in Macedonia and the other in BiH. The purpose of these ventures into the field is to capture the views of the poor on poverty, the 'voices of the poor,' so to speak. In this way we hoped to gain an understanding of the concerns of the poor themselves, and to provide complementary ways of portraying/ analyzing their situation. We ask whether the issues that absorb them 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?

1 See Perspectives on Poverty, Sida, 2002.

2. The Documents

The documents chosen for analysis in the country desk studies are key documents used in programming development assistance:

- World Bank Poverty Assessment – the most recent
- UNDP Human Development Report – the most recent available
- UNICEF – a document chosen from those produced in the local office
- Poverty Reduction Strategy Paper (PRSP)
- EU European Commission's Country Strategy Paper and Multi-annual Indicative Program, or similar
- Sida Country Strategy

These documents have individual characteristics which stem from their purposes, and those of the organizations that produce them. World Bank (WB) poverty assessments are usually complete data analyses based on Living Standards Measurement Surveys (LSMS) carried out specifically for the assessments, or failing this, depend on Household Surveys carried out by the Statistical Bureau of the country in question. These assessments tend to be important as data sources for several of the other documents examined, particularly for the PRSPs; indeed, the poverty assessments are not infrequently undertaken to serve as a basis and source of data for the construction of the national PRSPs, as is particularly apparent in the case of SAM, where the WB assessment is highly pedagogical and informative as to how figures may be read and analyzed, and what conclusions can and cannot be drawn from them. The WB documents are those which most consistently break down aggregate figures into the social categories which we are looking for in this study; but they do this to different degrees. The assessments follow a set pattern, and are limited in focus to employment, education, health and social transfers. Although they recognize the fact that poverty is multidimensional and may name a lack of representation and of security as aspects of poverty, they do not analyze these issues. A lack of income (read employment) is generally correlated with a lack of education, or of skills that are marketable on a labour market. A lack of employment income is seen to lead to poverty, which in turn often leads to ill health when public health services are inadequate, or out of economic reach. Social transfers are discussed in terms of whether or not they are pro-poor; do the poor benefit from social expenditures, and are they targeted at the poorest of the poor?

Thus the World Bank assessments are limited in scope and see the poor as 'lacking' – in jobs, education, health. There is no emphasis on their existing resources, livelihood strategies, or limitations in the deployment these. Yet despite their narrow focus, the World Bank assessments are usually the most useful documents in that they do define poverty, provide statistics, and disaggregate data to some degree.

The UNDP Human Development Reports do not focus on poverty as such, but on economic and social development. They calculate different development indexes, the most central of which is the Human Development Index (HDI) and they compare countries within a region. Thus, they are primarily concerned with aggregate figures and with the general population, not with the poor *per se*; they rank countries against each other based on numerical aggregates. However, the documents sometimes focus on and discuss 'vulnerable' categories of people, as in the case of the Kosovo report. In such discussions the term 'vulnerable' is not specifically defined; 'vulnerable' people appear to be those belonging to categories that are likely to be discriminated or poor – women, subsistence farmers, unemployed youth, minorities such as the Roma. The term is thus rather inconclusive and is used abstractly, less precisely than the usage in World Bank documents, where 'the vulnerable' denote a percentage of the population that subsist just above the poverty line, and may fall into poverty due to a an economic shock or crisis. The UNDP usage is not related to poverty as such but rather to particular social groups.

In addition to their overviews of human development in a country, several UNDP reports have reviewed the situation in different regions or municipalities, using census figures to pinpoint areas where the poor are located, and others which are better off. This is the case in the assessment for the FYR Macedonia, where the UNDP report is the only document analyzed that brought up the issue of ethnicity by showing that the areas where Albanians dominate the population figures are considerably poorer than those where Macedonians are in the majority. The BiH report, in turn, can also be lauded for its clear explanation of how little dependable information actually exists concerning the economic status of the country, due to the lack of a census, the existence of a large grey economy, and incomplete information about remittances – a situation in which BiH is not alone.

UNICEF's documents tend to very considerably. In two countries we were able to obtain participatory assessments, one on working children in Kosovo, and another on poor children in Serbia and Montenegro. Otherwise the documents chosen were assessments of the situation of children and youth (FYR Macedonia) or poverty in general (Albania), and in the case of BiH, a report from ongoing projects. The UNICEF documents are usually focused specifically on the situation of children and youth, and therefore give limited information about other groups. Also, they tend not to focus specifically on poor children and youth, but regard young people from a wider perspective.

The PRSPs vary widely in scope and usefulness. As they are generally based on WB poverty assessments, they generally repeat WB data. Some, however, such as the BiH PRSP, attempt to integrate information from a wide range of papers and reports. As a rule the PRSPs are as useful as the reports they are based on. The information on poverty is provided in a background chapter; and the main emphasis of the documents as a whole is not on poverty, but on the medium-term strategies intended to increase employment and economic activity.

Documents from the EU seldom contain information about the social groups we discuss in this assessment. Sometimes they contain tidbits of information on women, youth, or the rural/urban divide, but there is seldom an indication of the source of the material. These documents focus heavily on economic and legal infrastructure and state institutions; on restructuring, reform, and capacity-building within institutions and on support for civil society and the independent media. The underlying assumption appears to be that the construction of the framework for a modern capitalist state will lead to economic prosperity, thereby alleviating poverty. The documents thus centre on other information than that concerning poor groups in the country.

Sida's country strategy papers provide large overviews of the country and its problems, the programs which Sida has sponsored so far, and guidelines for future support. There is usually limited information on the poor. One exception is the country strategy for BiH, which contains a number of appendices in which more information is available.

These six documents can be divided into strategy documents – the PRSPs, EC documents and Sida strategies – which provide little, or only derivative information on poverty, and assessments, from the WB, UNDP and UNICEF, which do provide primary data about the poor. Of these, the WB documents consistently take the lead in defining who the 'poor' are, through LSMS studies which establish the price of a minimum basket of goods needed for survival, and then calculate, on the basis of a sample, what proportion of the population cannot afford these goods (the 'poor'), and what proportion cannot afford even the necessary food inputs in the basket (the 'extremely poor'). Further analysis finds these sectors of the population to be relatively less employed, educated, and with less access to health services than the population at large. Additionally their households may tend to be structured in particular ways (large families with many children in BiH and among Kosovo Albanians, for example, and small elderly families in Serbia and among Kosovo Serbs). They may be concentrated in certain places, more frequently in rural areas than in urban, and sometimes (as in the case of SAM) in very specific rural areas. The World Bank, then, produces a definition of poverty and its attendant circumstances which the UNDP and UNICEF do not challenge but incorporate into their work, which tends build on, or to complement the existing information.

In the participatory poverty appraisals that we have conducted as a part of this assessment we have tried to focus on issues not covered by these key documents. We have tried to understand poverty from the point of view of the poor, and to recognize what they see as their major problems. Do their concerns coincide with those discussed in the key documents? It has also been important for us to consider the assets that the poor do control, and how they chose to manage them. How does the information gained from such a point of departure balance, and speak to that which is gleaned from the documents produced by multilateral and bilateral donors?

Below, we will present brief summaries of the information harvested from the series of desk studies of key documents. First, a general description of poverty is given, followed with the information available about specific groups.

3. The Countries

FYR Macedonia

The most up-to date information about poverty in FYR Macedonia comes from the UNDP's Human Development Report (2004). In terms of employment, it indicates that employment rates do not keep up with economic (GDP) growth rates, suggesting that there is 'jobless growth'. About one third of the population lives below the poverty line, which here is set at 70% of the median wage. Food costs make up an average of 40 percent of household expenditures. However, if one analyses poverty from the perspective of household expenditures (not income) only about one fifth of the sample have expenditures below seventy percent of the median, a discrepancy that indicates the strength of the informal sector in the economy. There are considerable economic disparities between different municipalities and regions, and the employment rate is also distributed unevenly throughout the country.

There is no official data or assessment of the situation of women, and conditions vary between ethnic groups. In the Gender Development Index (GDI) calculated for Macedonia, it appears that there is relative equality between men and women, but a closer examination reveals differences in both income and life expectancy. Women live longer than men by five years, but throughout their lifetimes they earn about half as much as men. Women are discriminated against in the labour market, earning less than men throughout; 15 percent less in the public sector (where wages are higher) and 40 percent less in private sector. This is against the law, but the law is not enforced. The socialist heritage regarding the labour market also impedes the hiring of women because they mandate generous maternity leave and other benefits that make women more expensive to hire than men. Thus women are least likely to find jobs and most likely to have low-paying jobs. Notwithstanding, women make up nearly one-fifth of the members of the Macedonian parliament.

While enrolment in primary school is nearly universal, one child in ten drops out before finishing the compulsory eight years, and most of these are girls. Many who drop out leave school between the fourth and the fifth year, possibly due to cultural factors; girls are about eleven years old at this time, and may be taken out of school to prepare them for marriage. Roma and Albanian women lag behind Macedonians in education, and women behind men. Most school leavers belong to the Roma or Albanian ethnic groups. In high school and college, male and female ratios are fairly even, and slightly more women attend tertiary education.

Children and youth are relatively more likely to be poor than the general population as most poor families have multiple members. Such families often have low educational status, and are described as socially more isolated with a higher mortality rate. Rural children are a group cited as being one of those most at risk when it comes to low educational achievement.

The vast majority of the unemployed in Macedonia are young; only a quarter of the unemployed have been laid off from previous jobs Young people are particularly affected by unemployment because of the organization of the labour market, where new workers are kept out of job openings by older workers, who are able to affect the hiring process through labour associations.

In the World Bank poverty assessment dated 1999, pensions are reported as being very important in reducing poverty – pensioners avoid falling into poverty because of their access to this steady income. However, pensions are based on past income, which is higher for men, and for urban employees, while agricultural pensions are the lowest, lower even than minimal pensions. Pensioners often also help their children economically; and may therefore be living in poverty although their pensions are sufficient to live fairly well. Although pensions are a great cost to the government, they are said, in 1999, to significantly reduce poverty, which would be twice as high without them. By 2004, however, the UNDP Human Development Report maintains that pensioners are highly affected by poverty, so one can assume that there has been deterioration in pensioners' situation.

Ethnic minorities are noted as being less likely to be able to take full advantage of educational opportunities, to live in the underserved rural areas (except for Roma, who live in towns and cities) and to be unemployed or employed in the informal sector. They are underrepresented in the national statistics, and less likely to benefit from government programs (such as credits for business development). Ethnic based disparities with regard to gender are evident in the fact that as many Macedonian girls as boys participate in primary and secondary schooling, but the rates for Albanian, Roma and Turkish girls are much lower than their male counterparts when it comes to secondary education. Roma and Albanian students are in general much less likely to go on to secondary schools than Macedonians. It can be difficult for children in mountainous rural areas (Albanians) to attend school in the winter, and they may have to travel considerably to receive schooling in their native tongue, increasing costs and general difficulties for the poor.

The Roma are mentioned by far the most in terms of ethnicity, and their poverty and 'outsider' status vis-à-vis the larger society is noted. They are at risk in many respects; they live in poor quarters with poor sanitation; parents are often uneducated (did not finish primary school) and unemployed, and seldom encourage their children to finish school. Many street children are Roma, and Roma children often become parents themselves at an early age. Roma, in particular, can be made to feel as 'guests' at schools because they attend irregularly, and thus do not feel welcome.

Rural/urban differences appear in relation to access to employment, the level of wages, and levels and possibilities of education. The 1999 World Bank study notes that social assistance is more important in rural areas, and that social benefits in the form of cash transfers are effectively targeted to meet the needs of the rural and urban poor, as compared to unemployment insurance and child subsidies, which are of less benefit to the poorest.

Poverty is described as being most widespread in rural areas, and in larger households with several unemployed adult members, or with a low level of education. Two thirds of the poor households live in rural areas – in the Interim PRSP, the larger part of Macedonia is described as rural, with 40 percent of the population living in rural settlements. Almost two thirds of the countryside is experiencing depopulation, and permanent structural changes in agriculture, lack of off/farm employment, low quality infrastructure, low level of education, and an undeveloped entrepreneurial spirit are mentioned as factors pushing people to migrate. Rural poverty is heightened by the 'very significant concentration' of poor elderly households that cannot take advantage of the opportunities that do exist, and generate only small incomes from their activities. The rural – urban contrast is also visible in questions of water and sanitation. While urban standards of sanitation are good, except in some peripheral communities, only percent of rural households have some form of latrine, and a third of them lack a piped water supply. The problem is particularly acute among the Roma. Schools are also often in bad repair in rural areas.

The documents on Macedonia are those most lacking in information about the poor of all the countries studied. Most surprising was the lack of information about or comparison of the life conditions of the two main ethnic groups in the country; only the UNDP report touched upon the greater poverty to be found in dominantly Albanian municipalities. There was no examination of the reasons for the rifts between Macedonians and Albanians, or the causes of the previous civil war. Ethnic groups are compared only in terms of access to education and services, not in terms of access to employment or access to resources, household provisioning systems, family structures, participation and voice in government, and so on. Indeed, it is only the Roma that are identified as 'ethnic' at all; Macedonians and Albanians are seldom differentiated in the documents.

Information concerning the situation of women is inadequate, we see that they are at a disadvantage compared to men in education and in employment, but we do not see how this plays out between different ethnic groups and in different locations, nor how it is related to power and family structures. Information about children and youth is sketchy; we old find that numerous children increase tendencies towards poverty, and youth are handicapped in the labour market. The information on pensioners is contradictory. What we learn most about, perhaps, is the situation in the countryside as compared to urban areas, but here, too, information is rudimentary, focusing on infrastructure such as education and sanitation, and the effectiveness of social transfers. The ethnic makeup of rural areas is not discussed, nor are different types of rural provisioning systems.

Bosnia and Herzegovina

According to the 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. No extreme poverty was found, however, and inequality in material well-being is quite moderate. 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, and thus half the population is poor or at risk of poverty. Precarious earning sources due to single-earner households, health risks, violation of human rights, dis-

crimination, 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' according to the report. Vulnerability makes many of the statistically non-poor perceive themselves as poor.

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 just over a quarter of the poor. Usually the head of poor households 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. 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 (about 6 of 10), and the education offered (with secondary education highly focused on outdated vocational schools).

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.

Women account for nearly 60 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. Women returnees are also at a particular disadvantage in reclaiming property rights, unless backed up by a male relative. 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. 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; over half the poor live in families with children. Children (and youth) under age 18 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 62 percent of the young people in the country would leave if given an opportunity.

An estimated twelve percent of the population (fifteen percent in the RS) is currently over the age of 65. Pensioners are noted as generally not falling below the poverty line, since pensions fall 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 one quarter of the poor over the age of 60 have no pensions. Thus pensioners 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, and 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, 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 internally displaced people (IDPs) 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; they constitute 45 percent of the extremely poor in the FBiH, and 21 percent in the RS. In general, returnees are the older, less skilled refugees who have had problems adapting to their host countries. Those in the FBiH are Bosniak and Croat, and in the RS they are exclusively Serb. Returnees' economic, civil, and social rights are frequently violated; and therefore these groups, particularly the minority returnees, suffer a lack of basic security. 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.

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 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. Urban unemployment is higher in the FBiH than in the RS because it has a larger urban population, and several formerly industrial cities, including Zenica, Tuzla and parts of Mostar. Almost everywhere, minority groups are more vulnerable in regard to financial status.

The Roma population in BiH is almost completely marginalized, and has by far the lowest levels of education in the country. Unemployment is close to 100 percent, and 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.

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.

BiH is one of the most documented countries of the region, and the reports examined contain considerable data. Still, information is limited regarding particular categories of poor people, and there is no analysis of the interaction between variables, for example to discuss different rates of employment or other income among Bosniak, Croat, Roma and Serb women and men. While there is substantial information on gender, data is aggregated regarding age and ethnicity. There is information on particular poor 'post-war' social groups, what might be called transitional groups – refugees, IDPs, and returnees, but this is not broken down according to ethnicity, age or present location. There is a general scarcity of data in some areas, notably regarding youth, rural/urban poverty, and the nature of poverty in particular ethnic groups. Why do more Serbs tend to be poor than Croats?

The documents for BiH make some reference to issues of security (particularly regarding minority populations and returnees) and to empowerment, which is positive, but we also need discussions of how these issues relate to the different social categories and other aspects of the life of the poor, such as their participation in the informal sector and grey economy, access to natural resources, decision-making within the domestic sphere, and livelihood strategies. Information regarding the politics of the family and the economic consequences 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 the likelihood of poverty, and how poverty, in turn, affects them.

Kosovo

Based on data collected in a Household Budget Survey (HBS) conducted in 2002, the World Bank found that about 36 percent of the population of Kosovo lived below the poverty line, then defined as USD $1.65 per person, per day. Many of these households were not significantly below the poverty line, however; estimates indicate that the consumption of most of the poor lay about ten percent below. Extreme poverty stood at

fifteen percent of the population, and was correlated with landlessness, a lack of formal education, having many children, or being disabled. A high correlation between extreme poverty and female-headed households was found, as well as among non-Albanian and non-Serb groups, especially the Roma, Muslim Slav and Gorani. Extreme poverty was highest in the Ferizaji, Mitrovica and Peji areas, and more pronounced in secondary cities than in either rural areas or the capital.

Gaps in income and other development indicators are widening among Kosovo's 30 municipalities, and the 'brain drain' from rural to urban areas is increasing, according to the UNDP's analysis of municipalities' levels of development. There are substantial gaps between development levels in different municipalities and between ethnic groups.

Women in Kosovo, particularly those in rural areas, are noted in these documents as being hindered by traditions from achieving political and economic freedoms, although the role of women has been generally strengthened since the 1970's. Women are at a disadvantage in employment and education; and the Gender Development Index for Kosovo shows that there are large gaps in opportunities for women. Women earn an average of four times less than men, are less likely to be in the labour force, and are likely to hold lower-paying positions when they are employed. Only about a third of the women are employed, compared with three quarters of the men (in rural areas, only 25 percent of the women work in the formal labour force). Of the women who do work, 85 percent are employed in the service sector, eight percent in industry, and six percent in agriculture. Only six percent of the SMEs are owned by women.

Women trail men in education, particularly in the Kosovan Albanian group. Only just over half of the Kosovan Albanians girls aged fifteen to eighteen were enrolled in secondary school, as compared to nearly three-quarter of the Kosovan Albanian boys. The average rates for Kosovan Serbs are 80 percent, with a slight gender bias in favour of the girls. For 'other ethnic groups' the rate is 55 percent on average, but less than 40 percent for the girls. The private cost of education (fees, tuition, books, equipment, transport and clothing) is given as the main reason for non-enrolment, with work being another factor. Safety was also named as an important barrier to enrolment, as was access, especially in rural areas. Support for women's education is low or lacking in many non-Serb families and women's participation in public life is not widely championed; and such realities also discourage women from voicing concerns and seeking a better standard of living. During the 1990's, however, when Kosovo in practice was a divided society with an official structure and a parallel Kosovan Albanian social structure, women played an important role in the latter. Although Kosovo has a relatively high rating in the Gender Empowerment Measure (GEM) due to the thirty percent of parliamentary seats now allocated to women by law, this representation is not translating into improvements for women, who are largely missing from the leadership of political parties at the central and local levels.

There are large differences between the women living in rural areas, where traditions live on, as opposed to in towns and cities where more women are educated and participate in employment. Extreme poverty among female heads of households is slightly higher than among other households, but considerably higher in rural areas. Female-headed households are generally more likely to receive intra-household transfers of funds (remittances) than are male-headed households.

UNICEF estimates that up to 35 of 1,000 children in Kosovo die

before their fifth birthday, which is the highest rate of infant mortality in Europe. Child labour in Kosovo is discussed by the UNICEF document. Girls' work most often takes place in the house, while boys work selling and trading in public places. Boys start to work at an earlier age than girls and work longer hours, but girls are less frequently paid for their work and are less likely to be attending school. Also, a significant number of girls are involved in harsher labour, such as late night work, or work on the streets. Kosovan Albanian and Kosovan Serb children reported being involved in about the same activities, while Roma children were more likely to be involved in less visible but more risky and harder work, such as collection, or harsh physical work. The income from Roma children was also less likely to be supplemental income, but necessary for the survival of the family. They are also more likely to lose contact with schools, while Kosovan Serb children's work was unlikely to have any impact on school attendance, and the Kosovan Albanian children fell between these two extremes.

Youth under the age of 25 make up 52 percent of the population, but many have bleak prospects for employment. Unemployment among those between15 and 24 years is very high – at 63 percent – while figures are even higher for the 15 to 18 cohort. More young women are unemployed than young men. As about a third of the population is presently under age 14, a job crisis appears to be in the offing for future generations. Youth are hampered by the educational system, which is of questionable quality and does not prepare them adequately for the job market. Secondary schooling and job training are especially inadequate in rural areas.

According to the World Bank assessment, internally displaced persons (IDPs) and returnees in Kosovo were more than twice as likely as the rest of the population to be extremely poor, due to a lack of access to land and poor employment opportunities. Disabled persons are also significantly more often extremely poor, especially if they are Kosovan Serbs and/or living in urban areas.

The World Bank assessment identifies characteristics of 'typical' extremely poor Kosovan Albanian and Kosovan Serb households based on the results of the LSMS study. The typical extremely poor Kosovan Albanian household has seven members and a high dependency ratio, with several children and at least one elderly person, resides in a rural area, and was displaced during the conflict but has now returned to its original location. The household head is about fifty years old, with little education, and works in agriculture but has less than one hectare of land and no machinery. The typical Kosovan Serb households in extreme poverty are also rural, with a low level of education and agricultural occupations, but tend to be small, headed by an elderly person, and without children. They are concentrated in the North and Southeast regions.

The RAE (Roma/Ashkali and Egyptian) group is described as the most marginalized in Kosovo, with 78 percent living under the general poverty line, and 58 percent unemployed. Unemployment especially affects women and youth. Those who do work generally hold low-profile and low paying jobs. In addition to low educational levels, the RAE also have few economic resources, six of ten households own neither land nor livestock. Their access to phones, computers, sewage and other basic services is usually the lowest.

There are some discrepancies in the reports regarding the location of extremely poor families. According to the UNDP's 2004 Human Development Report, general poverty is slightly more widespread in

rural areas, but three times more extremely poor people live in rural areas than in urban areas. Income levels are three times higher in Pristina than in Novo Brdo, a contiguous municipality that is primarily agricultural. Subsistence farmers make up a large segment of Kosovo's labour force, but live a marginal existence relatively disconnected from the modern economy. Eighty percent of farms are between one half and two hectares in size, limiting access to credit, and land titles are often uncertain. Remittances from abroad make up an important part of the income of the rural Kosovan Albanian households. Secondary school enrolment levels are ten percent lower in rural areas than in urban, and rural Kosovars live about three years less and earn about 25 percent less than urban dwellers.

The World Bank (2001) assessment, however, reports that there are slightly more extremely poor households in urban areas than in rural, and in these urban households the head of household has a higher level of education and has been out of work and not looked for a job for over a year. It is noted that rural households might be able to consume from farm production, thereby avoiding extreme poverty, and that the effect of the conflict on urban economic activities and labour markets may have hit some households very hard. Also, IDPs and returnees are most likely to live in urban centres, where they have poor living conditions and limits on consumption.

The main information to be gleaned regarding different groups of the poor in these documents has to do with gender and with the characteristics of extremely poor households. The situation of women receives substantial attention, but there is no deeper analysis regarding the basis for discrimination against women or their standing in the domestic sphere. The differences between Kosovo Albanian and Kosovo Serb women are not discussed beyond educational levels. Age groups receive scant attention (although Kosovo has a large young population) and there is very limited mention of pensioners. Most of the information forthcoming concerns the differences in the structure of poor households in the two main ethnicities, and rural poverty – there is much less information on urban poverty. This emphasis is interestingly the reverse of the information from BiH, where ethnicity and rural poor received scant attention.

On the whole, the documents from Kosovo appear simplistic compared to the complex experience of poverty. As a multidimensional phenomenon, poverty is related to most aspects of life, not only to income and access to health, education, and welfare stipends which are the focus of the WB assessments. The UNDP report brings up the issue of representation and participation in a focus on decentralization – but these are not correlated with poverty in the analysis, and have to do with Kosovo as a whole. There is limited discussion of the survival strategies that the large groups of poor or near-poor do use to get by, of their access to assets and resources of various kinds, the structure of families, use of migration, remittances, entrepreneurial activities of various kinds. The poor are continuously presented in terms of what they lack.

Albania

Albania is one of the poorest countries in Europe. Measured in relative terms, roughly one third of all Albanians are poor, and half of these live in extreme poverty. In absolute terms, nearly half the population lives on less than USD $2.00 per person per day, and over 17 percent subsist on less that USD $1.00 a day. One of three families have low quality housing, there are serious problems with potable water, sewage and

roads (especially rural roads). Illiteracy has increased since the economic transformation began, with only 88 percent of the population over the age of 15 currently literate. Over one third of the poor have only primary education, and one fifth of them have only elementary education. Most poor families also experience acute social problems.

Albanian society is composed of a rapidly-growing urban-based elite and a largely stagnant and poor rural population, with a growing commercial and business-oriented middle class standing between these two sectors. While urban society becomes more European, rural society is returning to a traditional way of life that is patriarchal, based on ancient codes of honour and blood-feuding. With this, regional allegiances are also beginning to resurface.

City dwellers now represent 42 percent of the population, compared to only 36 percent in 1989. Whole villages have been virtually abandoned, while urban population has grown haphazardly, creating 'melting-pots' of mini-cultures and professions from all over Albania that are different from the rest of the urban population. The inhabitants sometimes find themselves worse off than they were in their place of origin. The Albanian state was unprepared for the phenomenon, so such areas lack infrastructure and services, and the lack of schools is particularly crucial, contributing to rising illiteracy. Local authorities often feel they do not receive the national support they need to deal with the new problems, and they also lack the financial support that they need.

Remittances from abroad alone make up close to fifty percent of the average monthly household income of the country, but are much more likely to be received by non-poor families than by the poor. The sheer amount of remittances is an indication of the extent of migration from Albania; one fifth of the population has left since 1990, with Greece and Italy the major destinations.

Documents from the EU note that violence and discrimination against women and children is a serious problem, and that Albania is one of the major countries for trafficking in women. The growing trafficking of children and illegal migrants is a major human rights problem for the country. Albanian society is highly patriarchal, especially rural society, and there is little public debate on gender equality issues. During transition women have been faced with a revival of discrimination and with new experiences such as joblessness. As state enterprises closed, women were among the first to lose their jobs. More women (21 percent) are unemployed than men (16 percent). Old traditions, supported by the stipulations of the traditional moral code of honour, the Kanun, have begun to reappear in the countryside, particularly in the northeast. According to the UNDP's report, the government is still powerless or indifferent to these phenomena.

Two thirds as many women participate in the labour force as men do, and they hold half as many full-time jobs. The rates suggest that many women are only marginal participants in the labour force and are either underemployed in farming activities or are discouraged workers. The share of women working is higher in rural areas, reflecting their unpaid labour on family farms. More men than women work in the informal sector, as well. Women earn significantly less than men with the same qualifications.

Women have problems in making their voices heard in politics and in decision-making processes, and in the higher echelons of public administration. They have little role in government, and little political representation. They make up only six percent of parliament, ten percent of

the government (female participation in parliament has decreased, down from over 20 percent in 1991 to 6 percent) and 24 percent of the directors of public administration divisions. At the national level, about one third of the women from the economically active population are self-employed, employers, or have decision-making positions in the public administration. Otherwise, women's generally low-level jobs mean that they also earn less than men.

The average age in Albania is just under 29 years, and 42 percent of the population is between the ages of 0-19 years. Because large families are more likely to be poor, many children live in poverty. Fourteen percent (almost one in seven) of Albanian children under age five are undernourished. While 90 percent of school-age children attend compulsory education, with little difference between enrolment in rural and urban areas, more children complete their education in urban areas than in rural areas. Both preschool and secondary enrolment has fallen by over a third, partly because of the closure of pre-schools and vocational schools. About one third of the dropouts from compulsory education are due to economic reasons, with another fifth due to the low quality of education.

Young people have great difficulties in obtaining employment because they often lack vocational skills and experience. Unemployment is highest among the group aged 16-34 years, where 60 percent are unemployed. Emigration is high, and the remittances flowing into the country are substantial.

The aged are likely to be among the poor, because the pensions that are paid out are very small – pensioners account for about 20 percent of the poor, and there are twice as many elderly poor in rural areas as in cities.

Only the Roma are pointed out as an ethnic group in these documents, and it is noted that ethnic rights in general are not strong. The majority of the population, 93 percent, is of Albanian nationality; other groups are Greek, Romanian, Montenegrins, Macedonians, and Roma minorities that reside mainly in border areas, with the exception of the Roma, who are spread throughout the country.

Poverty is far more widespread in the remote and rural areas than in urban areas. Four out of five of the poor live in the countryside. The chances of being employed and still poor are about six times higher in the countryside than in urban areas. Of those receiving unemployment payments, about 60 percent are poor.

Poverty levels among farmers are high. Small landholdings, limited livestock, few off-farm activities and lack of cash remittances are the causes of poverty. About half of the poor are self-employed in agriculture, while 20 percent are pensioners, and ten percent are employed in the non-farming sector. Although families with household heads that have emigrated are not likely to be poor, the emigration of young and adult men from rural areas in particular has made it more difficult for those remaining, especially women, who have to plough the land, tend livestock and look after the family. Migration to urban areas, sometimes with the help of money made through emigration, has been a way out of rural poverty, but as rural areas lose population, public services such as health and education begin to suffer, making life worse for those who remain. The situation is particularly difficult for older people, because of the very low level of pensions for the former members of agricultural cooperative.

Since 1990 there has been rapid urbanization in the country. The capital, coast and southern zones receive the majority of the foreign investment, and 80 percent of the public and private enterprises are

located there. Thus development is very uneven in the country. In urban areas, unemployment is a problem, and it is particularly high among women and young people. The situation is worst in some industrial centres where work was concentrated in a few enterprises that are now closed; in some cases these industries employed many women, who are currently jobless. In other cities, primarily men are jobless due to the closing of mines and heavy industries. Health and educational services are very problematic in many urban centres due to the burden of massive population displacement. Living conditions, measured in access to potable water from tap and piped sewage, are poor in both urban and rural areas.

The documents on Albania have a strong preoccupation with the spatial dimensions of poverty, and the consequences of internal migration; much less with the effects of poverty on particular social groups. There is limited information about children, youth and the aged, and very limited information about different ethnic groups. There is somewhat more, but still surprisingly limited information on women.

While these reports recognize that poverty is multidimensional, they have problems working this realization into their texts. The emphasis of the WB document is, again, employment, education, health and social transfers. Lacking here, even in the UNICEF and UNDP studies, is a more nuanced discussion of gender issues, division of power within the household, and the access of different social groups to income-bringing assets, natural resources, representation, empowerment, and security.

Serbia and Montenegro

Although poverty is shallow and inequality moderate by regional standards, one of every ten people in SAM is materially poor (two percent of these are extremely poor in Serbia, none in Montenegro). As Roma (in some areas) and IDPs (in collective centres) are not included in household surveys, and these groups tend to be poor, it is likely that ten percent is a conservative estimate. Poverty threatens many of the currently non-poor, as over 20 percent of the population in Serbia and over 25 percent in Montenegro have a consumption level 'just above' the poverty line, and about a third of the population suffers from some non-economic form of deprivation, such as lack of education, health, adequate housing, social inclusion (employment) or property rights, although few suffer multiple exclusions. On the whole, the social protection system has errors of exclusion, although some smaller programs are well-targeted. The four factors most highly correlated with poverty are low educational attainment, joblessness, the presence of socially disadvantaged members (such as IDPs and Roma), and location in rural areas and depressed regions. Poverty has a strong regional bias, with certain areas much poorer than other, such as the Montenegrin North, and Southeast Serbia.

Unemployment in SAM lies in the range of ten to fifteen percent (in Montenegro it is higher, about 20 percent of the labour force). Nearly a third of the registered unemployed are economically inactive or working in the grey economy, and are registered in order to obtain social benefits such as health coverage or welfare. SAM is different from the countries in the region in that self-employment and micro-enterprise start-ups outside of agriculture are very underdeveloped in Serbia; Montenegro has somewhat higher rates, but still falls below the more dynamic economies. There is also a surprising lack of small and medium enterprises in SAM.

Serbia and Montenegro is characterized by patriarchal structures, and there is a noticeable degree of gender inequality. More women than

men have less than a secondary school education (48 percent women and 35 percent men) and women have a higher unemployment rate, longer periods of waiting for employment, and lower wages. Fewer women have a regular personal income, and working women have on average fifteen percent lower wages than men, due to less education and shorter service spans. They have a harder time finding jobs, and are more at risk for poverty in old age due to lower incomes. More women than men tend to be employed in the service sector, and less in industry. Women are also burdened by increasing labour at home, as care for children and the elderly falls to them as state institutions deteriorate. Low incomes make it important that families make savings, and canning and other forms of food preservation and preparation, as well as sewing and repairing clothes, is additional work that falls to women.

Only about one in ten parliament members in SAM are women, and at the local level, half of all Serb municipalities have one or less women representatives. In ethnically mixed marriages, it is more common for children to take their father's ethnicity and religion than the mother's. If divorced, women predominantly or completely support their children, and may also need to support children born outside marriage. Elderly rural women, single mothers, housewives, Roma women, refugees, the uneducated and unemployed, sick or disabled, and victims of violence are the groups of women most at risk.

Serbia was, in 2002, one of the ten countries with the oldest population in the world. The poverty risk of the elderly (over age 65) was 40-50 percent higher than that of the general population in 2002-3; the elderly made up nearly eighteen percent of the population, but fully one quarter of the poor. In Southeastern Serbia 20 percent of all pensioners are poor, and one in three of pension age has no pension. Two-member elderly households or mixed households where an elderly person is the breadwinner are most at risk for poverty. Farmer pensioners receive particularly low pensions, which are paid out with great delays. The housing conditions of the elderly are often very unfavourable.

Almost thirteen percent of Serbia's children are poor, and their poverty is relatively deep as compared with other poor groups. One of every ten poor is a child, but more than two thirds of all poor households contain no children. Households with five or more members are most vulnerable to poverty; but poverty is most prevalent in single-person and especially two-member elderly households, and their depth and severity of poverty is higher than the average, particularly in rural areas.

Youth unemployment is a great problem; in 2002, those between ages 15 – 24 had an unemployment rate over three times the national average. Educated young people seek their futures abroad; during the 1990s one quarter of a million young people left the country, and a further eighteen percent planned to leave in the coming period.

There are approximately 360,000 disabled in the Union, and only thirteen percent of them have the opportunity to work; only one third of these in a job adjusted to their needs. Limited employment opportunities as well as low educational attainment lead to a large share of poor within this group.

The refugees (277,601; two thirds from Croatia and one third from BiH) and IDPs (207,693 from Kosovo) registered in Serbia in September 2004 are significantly poorer than the general population (twice or – for IDPs, more – the poverty risk) due to reduced social ties, poor access to information, and difficulties in obtaining housing and employment. They have severe deficiencies in housing, employment, health and educa-

tion. Although SAM is a multiethnic state, conflicts are fuelled by the presence of several hundred thousand refugees and IDPs. Ethnic issues are especially sensitive in southern Serbia, where parts of the ethnic Albanian population have the goal of joining Kosovo. Considerable ethnic minorities are also present in Vojvodina and Sandzak (Hungarians and Slavic Muslims).

Official statistics put the Roma population in SAM at 120,000; but domestic and international estimates indicate that the number is closer to 370,000. While the 2002 census reports 108,000 Roma in Serbia, domestic and international estimates indicate that 300,000 is a more likely number. The Roma are particularly likely to be poor, and have an extremely unfavourable social and economic status; the incidence of poverty among the Roma is nearly six times higher than in the general population. They have very poor living conditions, low educational levels (circa 80 percent are functionally illiterate), poor use of health services, very high unemployment rates, and are excluded from national life. Roma are at the most risk for continuing in a cycle of poverty, and the Roma population is a young one: 55 percent are under the age of 25 – twice the rate of the general population. Consequently many children are living in far substandard conditions. There are many Roma among the refugees and IDPs from Kosovo and Metohija, and in some municipalities of Southern Serbia, they make up a third of the population.

Serbia is the least urbanized of the former socialist countries; somewhat over half of the population is urban. As of 2001, there were 6,156 settlements, of which 45 were classified as towns. A substantial part of the population is thus rural, and rural areas are poorer than urban areas. Although the unemployment rate is slightly lower in rural areas than in the urban population due to higher rural participation in the informal economy, average consumption rates in rural areas are lower, indicating a 21 percent lower standard of living in rural areas. Poverty rates in the countryside are double those of urban areas, making poverty a mainly rural phenomenon, which is also deeper and more severe than in urban areas. Poverty is the most severe in rural southeastern and western Serbia, where a quaarter of the poor live, although the region only contains fourteen percent of the total population.

Employment opportunities outside agriculture are limited, and the young head for urban areas, leading to an ageing of the rural population and further economic slowdown and deepening poverty. About 60 percent of the economically active population is over the age of 60, and one of seven rural households contain no economically active member. Thus the explanations for rural poverty are to be sought in the unfavourable age structure and income-generating ability, lower educational levels, and small size of land holdings.

The relative lack of research on poverty in Serbia and Montenegro is reflected in these documents. The research conducted by the WB is used widely in the PRSP documents, and as a source for the UNDP report and the Sida strategy. There is little information about a number of categories. Children and youth are discussed primarily in terms of education. We learn that youth are emigrating, but there is little attention to the ways in which youth are, or are not, integrated into the economic, political and civic life of the country. Refugees and IDPs are acknowledged to have significantly higher poverty rates than the general population, as are the disabled. The problems they have in integrating into the receiving society is not discussed in any detail, however. While Serbia is one of the 'oldest' countries demographically speaking, and a higher proportion

of the elderly are poor than in the general public, and tend to live in rural areas, there is no analysis regarding the situation of older men vs. older women, or how age and poverty are reflected in different ethnic groups.

Poverty in relation to location is the category on which least information is available. Rural poverty is said to be significant and growing, some areas are endemically poor, and there is a lack of capital and government impetus for the rural sector. We do not learn, however, how poor rural people do make a living, what kinds of assets they own or have access to, how labour is divided in the domestic sphere, what strategies they use to expand their economic income, and how they manage to survive shocks and crises.

Missing, in these reports, also, is information about household decision-making and the division of assets within households, which highly affects women. Such issues can also differ among age groups, ethnic groups, and in rural and urban areas; they may have to do with educational levels and with the empowerment of women.

4. Studies of Poverty and Poor Groups in a Regional Perspective

Based on the study of the key documents it becomes apparent how discussions of poverty take different forms in different countries, although the poor share important features across regions. For example, the documents from Albania primarily focus on the differences between the rural and urban areas of the country; on how the rural hinterlands lack infrastructure and opportunities, while the region around Tirana and Durres, where most of the investment is taking place, is growing quickly and attracting population from the interior of the country – which, in turn, also leads to social problems in these more dynamic areas. Different age groups and ethnic groups hardly emerge in the Albanian discussion, which is preoccupied with the problems cause by internal migration. But Albania is not the only country of the region facing the challenge of integrating uprooted population. Both SAM and BiH have substantial numbers of people on the move – refugees, IDPs, returnees – the victims of conflict. These people are not discussed as a single group with problems similar to those of migrants, however; and they receive limited attention in the documents from BiH and SAM. They are seen in a different political and historical context, although practically their problems and needs may be much like those of migrating Albanians: they need to transfer resources from one place to another and to invest them in new activities and domiciles, and to integrate into local communities – something often made difficult because of legal requirements, limited access to working life and social benefits, and because of various types of discrimination.

As regards women, differences in national discourses are also apparent. Albanians make up a fairly homogenous cultural group in three countries – Albania, Macedonia and Kosovo. There is limited discussion of women in the Macedonian documents; Albanian women are primarily recognized in that they lagged behind in education. In Albanian documents there is more attention to women, they are reported to be behind men in both education and employment, a situation which is worsening with the economic crisis faced by the country, the deterioration of the power of the state, and the return to traditional, highly patriarchal customs. Women are seen as losing in gender equality. The Kosovo documents, however, are those that pay the most attention to the situation of women, both in the UNDP report and the WB assessment. Thus it is apparent that as far as documents go, different countries or regions perceive similar women differently, depending on the political context, and on who is doing the research and writing. Nonetheless it

should be noted that none of the reports discussed the particular characteristics of Albanian families, which have a huge impact on women.

Concerning ethnicity, one also notes differences in manners of description. In documents on Macedonia the centre of attention is unemployment. The poverty and lack of national representation of the substantial Albanian population is largely ignored other than in the UNDP report, which in its focus on decentralization, analyzes recent census information and is able to show how poverty is distributed throughout the country. Albanian documents do not discuss ethnicity at all. Documents from BiH and SAM discuss poverty in different zones of the country (the RS, the FBiH, Southern and Western Serbia, Northern Montenegro) but also tend to avoid mentioning ethnic groups in relation to poverty – an exception is the UNDP report from SAM, which has diversity and multiculturalism as its theme. The documents from Kosovo, on the other hand, describe 'typical' extremely poor Albanian Kosovan and Serb Kosovan families as a way of pointing to particular patterns of poverty. As a rule in these highly 'etnicitized' countries the only ethnic group consistently recognized and pointed out as poor are the Roma.

Through the documents a very general portrait of the poor in the Balkans emerges. The poor are likely to live in rural areas, and are concentrated in some rural areas. They are likely to be members of large families (among Albanians, Kosovo Albanians, and in BiH) or to be elderly (Kosovo Serbs and in SAM). They own little land, no machinery, and are likely to have difficulties finding off-farm employment. In the urban environment, the poor tend to be concentrated in smaller cities where industries have closed, or laid off most of their workers. People on the move – refugees, IDPs and returnees, are twice as likely to be poor as the population in general, and make up substantial portions of the population in BiH and SAM. The disabled, mentioned sporadically in the documents, have little access to formal employment and are likely to be poor. Women are not necessarily poorer than men (except sometimes in the case of female-headed households) but they lag behind men in employment (rates of employment, wages, status of jobs) and in education (primarily secondary education), and they are losing ground due to the economic and political crises of the region. Certain ethnic groups of women fare the worst, at least regarding education: Kosovo Albanians, Bosniaks, and the Roma. Women have difficulties in making their point of views heard politically, and sometimes in gaining their rights. Their lack of access to the job market can be decisive as regards poverty where salaries are low, making two breadwinners necessary for the support of a family. Across the region as a whole, children tend to be poor when they are members of large families, but they experience poverty differently than adults. Youth are not necessarily poor despite unemployment, as they may still live with their parents – but their lack of access to income frustrates them and makes them likely to emigrate when possible. Older people in the Balkan countries are quite often poor, as pensions have decreased in buying power with national economic crises, and they have, in many cases, lost savings. We do not know much about the distribution of poverty among ethnic groups, other than that minorities tend to suffer, and that the Roma are consistently the poorest and most disadvantaged throughout the region.

What one concludes after this review of the information culled from over thirty documents is that they merely scratch the surface of what one might know about the lives and circumstances of the poor in the Balkans.

Data on the poor is aggregated in the majority of cases, and a number of the documents do not focus specifically on the poor. There is little interaction between categories; we learn something about the Roma but little about Roma women or Roma youth, for example. The poor remain faceless.

As presented, poverty is not a multifaceted phenomenon, but rather the function of completing an education, finding a job. If one is older, or has many children, is a refugee or lives in a rural area, one is more likely to be poor, and particular criteria combine to produce high likelihoods of experiencing poverty: for example, being an elderly woman in a rural area, or a the member of a minority with little education and a large family. In fact, poverty is much more complex. The documents examined say little about how the poor experience poverty. They are silent on the subject of cultural traditions or habits that may exacerbate poverty or improve economic possibilities. They do not discuss property rights or decision-making within families, household divisions of labour, differing access to assets and information, to public resources, to human rights. They do not bring up the livelihoods of the poor, the informal sector, how limited assets are mobilized, do not discuss strategies for economic expansion, or for surviving sudden economic shocks. There is limited information on the representation and participation of the poor in political or civic life, or of their ability to maintain their security, and that of their households.

It is notable, too, that the issue of power in relation to poverty seldom appears in these documents. It is discussed only in terms of political representation, not in terms of access to resources. As the only socio-economic groups that appear are the poor, the extremely poor, and the general population, the hierarchies and social structures that impinge on the poor are not made clear. Gender relationships are not examined – women appear as the only 'gender', men are by default the norm, and their social position is not discussed at all. Thus there are many connections that are not made, much analysis that is missing.

As can be seen from a quick look at the matrixes we have included in the country studies, these key documents fail to deal with many of the issues having to do with power and access to resources. They tell us little about the concrete concerns of the poor themselves, why they are poor (other than that they lack jobs or education, are ill, or have low or no pensions, etc), or how they actually go about earning a living. Understandably, perhaps, the documents all focus on what the poor lack. They are seen as deficient, as unable to compete in the job market. We believe, however, that attention to the resources that poor people do command, and the ways they try to use them, would provide useful information for development practitioners as they attempt to devise adequate support mechanisms for poverty reduction. Such support could be used to strengthen and broaden economic potentials and survival strategies, as well as increase the ability of the poor to make their concerns known and acted upon.

5. Participatory Assessments – A Focus on Agency

In conversations with the poor, conducted in the course of weeklong field trips, we attempted to speak with poor people situated differently regarding gender, age, ethnicity and location concerning their view of poverty and their economic strategies. We considered them to be active agents, a point of view that becomes very natural as one converses with poor families and learns of the many small-scale activities they carry out in order to survive, and their plans, problems and aspirations. Thus our conversations focused on the issues that we feel are important in a poverty assessment, but which are seldom treated in any detail by the key documents. We looked at the resources people have and what they do, rather than focusing on what they lack. Access to formal employment, a steady job, is a need expressed in almost all of the interviews we conducted, but such employment is recognized as scarce and difficult to obtain, only accessible through 'contacts.' Despite the lack of formal jobs, people are very busy working to assure their survival. They make use of the few assets they have, and try to generate multiple streams of income – cultivating vegetables, keeping animals, producing handicrafts, exchanging work and services with family and neighbours, doing odd jobs, especially in the warm season. It is when options are too few, or disappear, that crises arise.

The information collected in Macedonia and BiH provides different perspectives from which to view the poor. For the first, it speaks to different kinds of poverty and different discourses. The poor in Macedonia report economic deterioration which attacks their sense of a 'normal' life; as the economic situation in the country degenerates. Some can no longer provide for some of the most basic aspects of 'what life should be' – for example, they cannot afford to offer a guest a cup of coffee. In BiH, the poor do not phrase things in this way. There, the discourse is very much about 'before the war' and 'after the war' and the current lack of remunerative work. A 'normal life' is, perhaps, not a useful concept because life has changed so completely with the destruction and losses of the war. Homes, factories, and loved ones are gone, and normalcy is not an option – life must be built anew.

Our conversations with the poor emphasized the importance of assets and access to income-generating opportunities, seldom within the formal economy; they also brought forth the problems arising from informality. It is apparent, considering *living conditions* that owning one's own home is crucial, as paying rent is a large drain on the meagre resources of a poor family. People go to great lengths to own a home; it is a very basic asset.

Access to the *informal sector* is essential, since most of the jobs available to the poor are in this sector. To this end, the poor go to lengths to cultivate and maintain networks information sources and potential employers. But the informal sector is very insecure, providing irregular income at best, and work may be carried out without payment, as contracts are frequently oral and cannot be enforced; nor do the poor have the power to negotiate reasonable wages. Thus they are not infrequently the victims of predatory practices which take advantage of their lack of options, their lack of withholding power.

Household decision-making is important because of the impact it has on women; for if they can control the income, the family is likely to be better-fed. The power structure in families and in the society at large also becomes evident when families break up, as women are left with the responsibility of providing for the children, and have no way to oblige a former spouse to contribute to their provisioning. Such break-ups also highlight *access to assets* and property rights: who remains in the house? Who retains access to cultivated land, who owns domestic animals? *Survival strategies* may involve working heavily 'in season' to save for winter, labour migration, raising vegetable and animals, handicrafts, petty trade, starting a micro-enterprise, maintaining networks, and generally diversifying incomes as much as possible. *Access to assets* is vital in this process of provisioning, access to a home, health, land, tools, a place to keep animals, information, loans, possible employers, a network of supportive family, friends and acquaintances. *Access to natural resources* can also be important, such as firewood that can be acquired in the forests to heat homes in the winter, fodder for animals that can be collected along common lands such as roadsides and railroad tracks, nuts, berries, fruit and mushrooms that are free for the taking in forests.

Entrepreneurship, and the ways in which the poor are entrepreneurial, is a discussion that is missing from key documents, except for the occasional mention of the fact that 'there is little entrepreneurial spirit' in a particular country or region. It is difficult to listen to the poor talk about their lives and not view them as entrepreneurial, however. While they continue to seek formal employment and blame the government for not creating more jobs, they are continuously managing their meagre resources, and looking for new opportunities for work, income generation or *economic expansion* – it is the only way they can survive. Sometimes, they can find resources for a more substantial investment. Nonetheless, some are more entrepreneurial than others, and this fact has much to do with earlier experiences, knowledge, and their overall situations. In order to be entrepreneurial, one must have time, and the ability to take a loss. Often people become involved in ventures that they have had some previous experience or contact with, or which they can manage with household resources and labour.

In the context of entrepreneurship and creating a living through the cobbling together of many small incomes, we note the importance of seasonality in the lives of the poor. The summer months may have adequate work opportunities, but winter does not, and it is very hard to save enough through the summer to provide for winter. More formal work selling in markets, as well as odd jobs in agriculture or construction, may also be seasonal depending on weather and products. Being available and having access to information is very important as well, and nearly all the families we talked to had telephone lines in their homes, without which it would be difficult be 'available' to potential employers. Telephone bills and electricity bills are the first to be paid. Time is

another important factor: the poor are often so busy making ends meet that they have little time or energy for civic or social life – one reason for the indifference we found to associations and political parties.

Interviewees in both BiH and Macedonia were not very interested in community, civic, religious or social associations. They said they had no time for such activities, and that the transport costs to meetings were high for them. The few who had joined political parties had done so in the hopes of eventually being able to access a job via their membership. There is little sense of 'citizenship' – or of being able to use organizations to improve the local situation, or their own situation. Thus the poor remain voiceless – few organizations seek their contributions in a way in which they are able to give it. At the same time, the poor interviewed were rarely clients of the state; few were able to obtain social transfers from welfare offices. Those who did have contact with social welfare services were very critical of the tiny sums offered and the rude reception they met. Here, also, there is little sense of belonging. 'No one cares about us,' was a frequent conclusion. Thus families turn inwards, preoccupied with individual worries.

In this way, then a consideration of the kinds of assets the poor control and the way they manage them provides information regarding how their work can be supported, improving their means of survival, perhaps allowing them to gradually work themselves out of poverty. Based on the participatory assessments, the people most likely to be poor are those lacking the possibilities of generating sufficient income; the ill, disabled, women living alone with small children to care for and support, large families with several dependents and only sporadic employment. Those without their 'own roof' over their heads – displaced persons, the destitute – feel particularly deprived. 'I am living in somebody else's house…' some accounts began in BiH '…and I don't know how long I will be able to stay there.' The participatory assessments do not take issue with or contradict the conclusions of the key documents. But the information they provide is very different in nature. It is much more multifaceted, multidimensional, focuses on assets as well as deficits, and it comments on the documents, clarifies them, and enriches them with the details and demands of lives lived on the margins of the economy.

In some ways the information gleaned from Macedonia and BiH is similar, and will also be relevant for the other countries of the region. The coping strategies of poor people will resemble one another, in that landscapes and resources are similar. But poverty is contextual, and in other ways the information is quite specific, coming out of cultural traditions, recent historical experience, discourses and state policies that are unique to each country.

6. Conclusions

Recent years have seen advances in theorizing about poverty which have improved our understanding. Documents such as the World Bank's 'Voices of the Poor' series (2000), the OECD's DAC Poverty Reduction Guidelines (2001) and Sida's Perspectives on Poverty (2002) have led poverty to be recognized as a complex phenomenon which affects nearly all aspects of peoples' lives. Poverty is now described as being multifaceted, multidimensional and context bound. It is experienced differently in different times and places, by different groups of people. Thus attention to social groups and their particular experiences are important in programming poverty reduction measures.

Yet the documents which describe poverty lag far behind in operationalizing this knowledge. As we have seen, they tend to stick to a limited number of variables in the analysis of poverty. Some, mainly WB documents, lead the way in defining who the poor are, in pointing out groups, and criteria for analysis, namely employment, education, health and social transfers. Few documents move outside of this scope of analysis in any but a rudimentary way. Thus information about poor groups tends to be simplistic and repetitive in nature, despite our knowledge of the complexity of poverty. A number of vague terms such as 'the vulnerable' 'the most vulnerable' and those 'at risk' or 'at high risk' creep into descriptions of poverty, and are used somewhat differently by different agencies or authors. Deployed in descriptions of poverty they do not designate the actual poor, but the not-yet-poor, or becoming-poor, the likely-to-be-poor, in an effort to grasp a phenomenon as diverse and fleeting as life itself.

Are there better ways of thinking about or describing the poor, ways more useful to those whose job it is to do something about poverty? We believe that listening to the poor themselves is a valuable qualitative complement that should go hand in hand with statistical studies. The WB assessments define the poor as a group, but say little about their needs, unless these are to be seen as limited to employment and the social services the WB discusses. Viewing poverty from the perspectives of the poor, listening to their accounts, draws attention to the assets they do control and on their practices and daily routines, thereby offering more concrete entrances for support strategies. The abstract is made tangible, the poor are given a face, a place, a history. They are recognized as members of distinct social categories with different perspectives and ambitions, and as agents actively engaged in their economic survival.

Observations

Based on our examination of the documents, we can identify three social groups that are consistently described as particularly likely to be poor.

- The Roma are a group much deprived and subject to discrimination whose extreme poverty is mentioned in most assessments from every country
- People on the move – refugees, IDPs, returnees and spontaneous migrants share many of the same problems, and are twice as likely to be poor as the general population
- The disabled are mentioned sporadically in the documents, but when they appear, their limitations regarding the job market and income generation are noted. The armed conflicts of the region have left a high proportion of disabled, some of them psychologically disabled. When the disabled person in the family is a breadwinner, the likelihood is high that the family will suffer poverty.

Based on both the documents and our conversations with the poor, we can also identify a limited number of categories that are more highly affected by poverty. The members of these categories are not necessarily poor, but their deprivation (of jobs, education, and equality) threatens them, makes them likely to fall into poverty. Women are one such category. Women and men usually have similar poverty rates, but women are clearly handicapped in the job market, and are lagging behind men in educational levels. They are subject to discrimination not only because of the traditionally patriarchal values of these societies, but also because of certain legislation which makes employers reluctant to hire them. When women do participate in the job market they tend to earn less than men, especially in the informal sector (which is more likely to hire them), and to have the least-paid, lower-ranking jobs. Our conversations indicated that problems often arise when women do not control household incomes, and that women are quite likely to fall into poverty when families break up and they become the sole support of their children. Increasing the number of working women and defending their right to a fair wage will increase income for families. Social and political empowerment of women will lead to economic improvement.

Youth are another such category. They are noted as being unable to compete for the few jobs available in the labour market, partly due to outdated laws favouring older workers, but also because they lack suitable education. Many do not finish secondary school, and vocational schools are not in step with current national labour needs. In our conversations with the poor we noted how without income, young people cannot become independent from their parents, cannot start new families in a 'decent' manner, cannot develop their lives. Many, often the most qualified, are emigrating. It should be added that Albania and Kosovo have particularly large young populations for the European context.

Rural people are the poorest in all of the countries examined, and there are particularly poor areas in each country. Often the rural population is older, and pensions are small or non-existent. In rural areas there are few off-farm sources of labour, and wage labour tends to be highly seasonal. Poor infrastructure, unstable markets, limited information, fragmented land ownership, few investments, the constant scouting for outside employment by the men, and the feeling of often being neglected by the authorities has developed a lack of confidence about the future and a pronounced process of increased poverty. Additionally,

women and youth in these areas are provided very limited focus in the documents. Nonetheless, rural occupations are likely to be important in coming years, as agriculture and forestry are sectors in which some of the countries (BiH, SAM, Macedonia) are considered to have a competitive advantage. Increased resources to rural development and rural support industry may help keep more of the younger population in the country and on the land where they are needed for future economic growth.

Finally, we advocate for a more participatory approach in the collection of data on poverty, focused on specific social categories of the poor. While the documentation now available directs us towards the poor in general and shows us what they lack, it does not provide us information regarding their perspectives, their social and cultural context, their livelihoods or their needs. It does not provide what we need to know in order to evaluate adequate support strategies. Such data can only be obtained through conversations with the poor, which include an understanding of them as socially situated agents with access to specific assets, who devise certain economic strategies, and have specific needs and ambitions arising out of their social context.

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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