



# Assessment

## The Situation of Internally Displaced Persons in Serbia and Montenegro

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The Food Economy Group

Submitted to the International Committee of the Red Cross

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of Internally Displaced Persons  
in Serbia and Montenegro***



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## **List of Acronyms**

CAP	Cash Assistance Programme
CC	Collective centre
CfR	Commissariat for Refugees (Serbia)
CSW	Centre for Social Welfare (Serbia)
DRC	Danish Refugee Council
ECOSEC	Economic Security Unit (ICRC)
GDP	Gross Domestic Product
HEA	Household Economy Analysis
HHE	Household Economy
ISSP	Institute for Strategic Study and Prognoses (Montenegro)
ICRC	International Committee of the Red Cross
IDP	Internally displaced person
LSMS	Living Standard Measurement Survey
MCDP	Montenegrin Commissariat for Displaced Persons
MHMR	Ministry of Human and Minority Rights
MOLSW	Ministry of Labour and Social Welfare (Montenegro)
MOP	Materijalno Obezbedjenje Porodice, or Family Financial Protection
MOLESP	Ministry of Labour, Employment and Social Policy (Serbia)
MSSL	Minimum Social Security Level
NAM I	IDP Needs Assessment in Serbia and Montenegro
NAM II	Vulnerability Assessment of Internally Displaced Persons in Serbia and Montenegro
NATO	North Atlantic Treaty Organization
NGO	Nongovernmental Organisation
NRC	Norwegian Refugee Council
PL	Poverty Level
PRSP	Poverty Reduction Strategy Paper
RAE	Roma, Ashkaelia, and Egyptians
SerMont	Serbia and Montenegro
UNDP	United Nations Development Programme
UNHCHR	United Nations High Commissioner for Human Rights
UNHCR	United Nations High Commissioner for Refugees
UNOCHA	United Nations Office for the Coordination of Humanitarian Affairs
VT	Vocational Training
WFP	World Food Programme

## **Executive Summary**

This assessment of vulnerability within the population of internally displaced persons (IDPs) from Kosovo living in Serbia and Montenegro was commissioned by the International Committee of the Red Cross as part of an evaluation of its transitional activities implemented between 2001 and 2004. The assessment is also intended to help in the planning and formulation of an Advocacy Campaign to address the remaining needs of internally displaced persons in Serbia and Montenegro.

The assessment was based on household interviews conducted with IDPs and local residents in Belgrade, Bujanovac, Kragujevac, Kraljevo, Nis, and Novi Sad in Serbia, and Podgorica and Berane in Montenegro. A modified version of the Household Economy Analysis (HEA) methodology was used. In addition, interviews with stakeholders and consultation of secondary data helped to inform the analysis.

Among the main findings:

- 1) Previous needs and vulnerability assessments done with the IDP population were helpful in defining the quality of vulnerability and poverty within the target group, but cannot be confirmed to have been accurate in their estimations of the numbers of people living below the Minimum Social Security Level (MSSL) or between the MSSL and the Poverty Level.
- 2) To make accurate projections about the number of IDPs living below these benchmarks, it is necessary to triangulate information obtained through household economy analysis with survey information about the distribution of income and expenses within the IDP population. This information is lacking, as the Survey of Living Standard in Serbia (2003), upon which the Poverty Reduction Strategy Paper is based, did not consider the IDP or refugee populations. Data from Montenegro (also 2003) suggests that 60% of Roma IDPs and 48% of non-Roma IDPs are living below the Poverty Level. This means that 54% (8,945 people) of the displaced population is currently living in poverty. If the rates of poverty are the same for Serbia, then the total number of IDPs living in poverty would be 103,318. These figures need to be confirmed by a comprehensive survey in Serbia.
- 3) Despite some improvement in macroeconomic indicators, it seems that conditions for the poorest of the displaced and local populations have gotten worse. This is influenced by the high unemployment rate and slow progress of the process of privatisation of state-owned companies. For the displaced, additional factors include erosion of assets, inability to access and sell off property in Kosovo, difficulties in accessing social services (caused for many by lack of documentation), closure of collective centres and scaling back of humanitarian assistance.
- 4) The National Strategies for Dealing with the Problems of Refugees and IDPs in both Serbia and Montenegro do not give adequate attention to the integration needs of displaced persons who are unable to return to their areas of origin. While measures planned to facilitate return to Kosovo and compensation for property are welcome, this durable solution is given priority over local integration despite the fact that at least in the short to medium term – pending a political settlement on Kosovo and establishment of conditions of

security in IDPs' areas of origin – integration is the only possible solution for most IDPs.

- 5) IDPs in both Serbia and Montenegro are effectively unable to exercise their rights as citizens, which worsens their vulnerability. They are disproportionately represented on the lists of social welfare (MOP) assistance as compared to local residents. In Montenegro, IDPs are not eligible for any regular form of government assistance and are effectively excluded from the formal labour market. Many IDPs lack residency, and have difficulty obtaining secure access to housing. These issues which needs to be addressed urgently by government.
- 6) There is some evidence that IDPs are more vulnerable than refugees. This is due in part to the fact that refugees (primarily from Bosnia Herzegovina and Croatia) have been living in Serbia and Montenegro for longer than the IDPs, are better educated than IDPs, and are able to secure their rights through obtaining citizenship. However, further research into the comparative vulnerability of refugees and IDPs is needed.
- 7) The closure of collective centres has resulted in a displacement of poverty such that IDPs living in private accommodation may actually have less income available for basic expenses than those living in subsidized centres. This represents a significantly changed situation than that reported by the Vulnerability Assessment of Internally Displaced Persons in Serbia and Montenegro (NAM II) report.
- 8) Since 2003, there have been some shifts in the distribution of municipalities within each of the three major Livelihood Zones (see Map 1 at the end of this report), based on deterioration in some areas and modest improvement in others.
- 9) Detailed analysis of the resource flow dynamics of households in each of the three major wealth groups defined reveals that very few households actually live below the MSSL level. However, given the living conditions of the poorest of the poor, they should still be considered to be extremely vulnerable and in need of social welfare support. This is particularly the case with Roma IDPs, although the poorest non-Roma are also at risk.
- 10) Poor IDPs are almost completely dependent upon the 'grey economy' (i.e. unregulated, unreliable, and uninsured employment). Rural-based (mostly non-Roma) IDPs derive significant income from farm production, whereas urban-based Roma IDPs support themselves largely through recycling and consumption of discarded items.
- 11) Based on the assessment, and discussions with ICRC field monitors, it is clear that further integration of HEA methodology into the monitoring procedures of ICRC transitional projects would enhance the quality of the data collected and of the analysis available for informing ICRC's programming.

## **Recommendations**

- 1) The vulnerability of IDPs is now more of a structural issue than a humanitarian one, and should be addressed by Government with support from the international community. Measures to be taken include:

- Guaranteeing IDPs their citizenship and residency rights
  - Assisting IDPs to obtain the necessary documentation, by enabling them to apply for documentation in their areas of temporary residence rather than their municipalities of origin or municipalities 'in exile'
  - Including eligible IDPs fully into social welfare programs, including MOP support, the child allowance scheme, pension support, and unemployment assistance
- 2) A comprehensive census and survey of household income and expenses, using the methodology used by the Survey of Living Standard of the Population should be conducted in Serbia. Special efforts should be made to register Roma IDPs, and to collect data related to their living conditions. The international community should provide support to the Commissariat for Refugees (the government body with de facto responsibility for IDPs), or to an independent body with sufficient capacity, to conduct this exercise.
  - 3) In Montenegro, the surtax (€2.5/day) that employers must pay to hire refugee and IDP workers should be repealed. Montenegro should also make available some resources (with donor support) to meet the needs of the most destitute IDPs.
  - 4) Assistance to IDPs should be integrated with assistance to destitute refugees and local residents in order to meet the general needs of the poorest segments of society and to minimize jealousy and tension between groups.
  - 5) Durable solutions to IDPs' housing problems should be found, through construction of low-cost housing and granting of residency to IDPs throughout Serbia and Montenegro.
  - 6) Roma local and IDP populations face particularly severe social exclusion and discrimination by the general public, government, and international organisations. Roma living conditions are by far the worst of any population group in Serbia and Montenegro when measured by any indicator (including income, housing conditions, health, and education). Working to help the plight of the Roma requires a strategic approach, coordination between government, the international community, and members of the Roma community. Collaboration with the Decade of Roma campaign and other initiatives aimed at promoting Roma rights and welfare are essential. Strategies to help the Roma must be conducted on terms acceptable to local communities and should not merely aim for assimilation with the majority population or adoption of majority values and priorities.
  - 7) ICRC programming and monitoring should incorporate HEA at the local level. It should be used as a means of evaluating programme impact.
  - 8) Database Managers should be assigned within each field office to integrate data collected by Field Monitors into the databases, and to manage data analysis for use in improving programming.



## **1. Objectives**

Since 1999, the International Committee of the Red Cross (ICRC) has been providing livelihood support to internally displaced persons (IDPs) who fled from Kosovo to Serbia proper and Montenegro.<sup>1</sup> In 2004, four programmes form the core of ICRC's support: Vocational Training, Microfinance, Grant Support to Stimulate Productive Activity, and a Cash Assistance Programme (2004 only). All of the projects were phased out in 2004.

This type of transitional support to conflict-affected persons, implemented through its Economic Security (EcoSec) unit, represents a new departure for ICRC. An evaluation of the programmes was launched in March-April 2005. The overall evaluation has three broad objectives:

1. to examine the effectiveness of the programmes;
2. to determine the suitability for replicating them in other places where ICRC is providing assistance to conflict-affected and displaced persons, and
3. to form the foundation of a mobilization strategy whereby ICRC might be able to stimulate donor interest and support for addressing the continuing needs of the displaced populations on a more long-term, developmental basis.

The programmes were phased out because, five years after displacement, continuation was inconsistent with the ICRC mandate of providing assistance to civilians during or in the immediate aftermath of armed conflict. It is clear that the response required for these needs falls directly under Government responsibility, i.e. application of the law in Serbia, and amendment of the law to recognize the status of IDPs in Montenegro. The organization recognizes that significant levels of vulnerability continue to persist within the IDP community.

Each of the programmes was evaluated by a single consultant. In addition, a fifth consultant (the author of this report) was commissioned to conduct a household economy (HHE) analysis (also referred to in this document as HEA – household economy assessment). The specific goals of this piece of the overall evaluation were:

1. Using HEA methods, to provide information about the general conditions of vulnerability that remain within the IDP population.
2. To examine the degree to which conditions in Serbia and Montenegro have changed both since initial displacement in 1999-2000 and since 2003, when ICRC conducted two needs and vulnerability assessments (see Sections 1.2 and 2.3 below).
3. To update the map of livelihood zones compiled in 2003.
4. On the basis of the findings of the HHE Assessment and review of secondary data on vulnerability in Serbia and Montenegro, provide recommendations for the formulation of an Advocacy Campaign to be undertaken by ICRC.

Because the consultant's work necessarily involved review of ICRC's monitoring of its programmes, additional recommendations are also made on the role that HHE

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<sup>1</sup> The international status of Kosovo is ambiguous. UN Security Council Resolution 1244 de facto established Kosovo as a UN protectorate. However, pending the resolution of its final status, it remains part of the Union of Serbia and Montenegro.

monitoring should play in the event that these programmes are replicated in other countries.

## **1.1 Background**

Beginning in 1999, an estimated 230,000 people fled from Kosovo into Serbia and Montenegro to escape the NATO bombardment (March 24 to June 11, 1999) and subsequent attacks against ethnic minorities by the majority population. ICRC provided emergency support to IDPs from 1999 to December 2003 in the form of food and hygiene parcels and other non-food essential items. As a transitional strategy to move away from providing emergency relief to IDPs, ICRC launched four livelihood support programmes between 2001 and 2004.

### *Displacement to Serbia*

The United Nations High Commissioner for Refugees estimates that there are currently 208,135 IDPs living in Serbia.<sup>2</sup> According to the Serbian Commissariat for Refugees (the government body with oversight for IDPs)<sup>3</sup> approximately 60,000 IDPs are estimated to be non-Serbs (mostly Roma, but also including 5000 Albanians and as many as thirty-one other ethnicities).<sup>4</sup>

Initially, IDPs remained in southern and central Serbia, close to the border with Kosovo, in anticipation of a quick return. In the six years since they were displaced, and as prospects for return have dimmed, however, many IDPs have moved northwards towards central Serbia and Belgrade where they perceive economic opportunities to be greater.

### *Displacement to Montenegro*

According to UNHCR, based on a census of IDPs undertaken in September and October 2004, there are 18,019 IDPs living in Montenegro. 26% of the IDP population is estimated to be Roma. The total number of IDPs is significantly reduced from a 2003 figure of 28,493 (see explanation below).

Most IDPs in Montenegro originate from Metohija, the area of Kosovo closest to the Montenegrin border. Metohija is the poorest part of Kosovo, where many people who were later displaced made their living from agriculture. They settled first in northern Montenegro towns closest to the border, including Berane and Plav.

**Table 1.1. Population Figures, Serbia and Montenegro**

	Total Population	Refugees*	IDPs*
Serbia	10,145,900	266,339	208,135
Montenegro	680,000	8,474	18,019
Total	10,825,900	274,813	226,154

\*Source: UNHCR 28 Feb. 2005.

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<sup>2</sup> UNHCR figures. Feb 28, 2005

<sup>3</sup> According to the IDP Working Group, the Ministry of Human and Minority Rights (MHMR) is “responsible for monitoring specific issues for refugees and IDPs and ensuring that the interests of national minorities, especially Roma, are adequately addressed.” However, the Ministry is mostly concerned with ensuring adherence to international law and agreements, and has not been significantly involved in IDP issues (IDP Working Group, 2004, p. 7).

<sup>4</sup> Commissariat for Refugees data Feb. 05. The CfR also estimate in February 2005 that the number of IDPs still living in Serbia to be 207,000. All population figures are subject to verification as no survey of the IDP population has been done recently.

The numbers of both refugees and IDPs in Serbia and Montenegro have reduced somewhat since 2003. This is attributed by government officials, local Red Cross officials, ICRC staff, UNHCR staff, and IDP testimonies, to the following factors:

- Some refugees have opted for Serbian or Montenegrin citizenship.<sup>5</sup>
- A small number of Kosovo IDPs in Serbia have ‘deregistered’ in Serbia and successfully registered as residents (this was made legally possible in 2002). In 2004 CfR estimated that number to be 0.2% of the total number of IDPs registered in Serbia (540 persons if the total initial IDP number was 270,000).
- Some IDPs in Montenegro have moved to Serbia, or ‘registered’ themselves in Serbia in order to receive social welfare benefits and to enjoy the marginally greater level of rights available to them there, even if they physically remain in Montenegro.
- A small number of IDPs have received residency in Montenegro (if they were born in Montenegro, were ‘fast-tracked’ for residency because they possess desired skills, or owned property in Montenegro when they were displaced).
- Less than 2% of IDPs have returned from Serbia and Montenegro to Kosovo.<sup>6</sup>

## **1.2 Previous Vulnerability Assessments of IDPs in Serbia and Montenegro**

Targeting for ICRC’s transitional programmes was initially not based solely on vulnerability as a primary indicator, but also took into account evidence of resources, skills, and motivation to be employed to maximize the impact of the project input.

In 2003, two reports were commissioned by ICRC to investigate the level of prevailing vulnerability within the IDP population. The first report, “IDP Needs Assessment in Serbia and Montenegro” (May 2003, hereafter referred to as NAM I) was compiled in collaboration with the Ministry of Labour, Employment and Social Policy (MOLESP) of the Republic of Serbia, Ministry of Labour and Social Welfare (MOLSW) of the Republic of Montenegro, UNHCR, Red Cross of Serbia and Red Cross of Montenegro. It contained an overview of the economic condition in Serbia and Montenegro, as well as a preliminary household analysis of the incomes, expenditures and consumption patterns of 70 IDP households, selected from amongst the 54,000 IDPs being assisted by ICRC programmes.

In July 2003, a Vulnerability Assessment of Internally Displaced Persons in Serbia and Montenegro (hereafter referred to as NAM II) was issued. This document, based on a household economy analysis of 564 households in 70 municipalities conducted over four months, contained more detailed information about household income and consumption patterns. Based on the findings from the sample size, NAM II gave figures of the estimated number of the most vulnerable IDPs (defined as falling below the Minimum Social Security Level, see explanation in Section 3.4), those who were poor (defined as those living between the MSSL level and the official Poverty Levels for Serbia and Montenegro), and those above the poverty line. Official government figures were used to define each of these benchmarks. In 2003, based on the findings

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<sup>5</sup> Since 1996, UNHCR estimates that 44,400 refugees from Bosnia and Herzegovina, and from Croatia, have chosen to integrate locally and seek naturalization in Serbia and Montenegro.

<sup>6</sup> IDP Working Group, 2004, p. 3. According to the Serbia Commissariat for Refugees, only 1000 Serb IDPs have returned to Kosovo as of Feb. 2005.

of these two reports, EcoSec decided to reorient the programmes to more directly target the most vulnerable IDPs.

Both NAM reports were extremely influential in determining ICRC's targeting criteria and their estimates of the numbers of IDPs who were vulnerable were widely cited. However, as will be discussed in Section 2.3 below, there is reason to question the validity of NAM II's estimates.

## **2. Methodology**

This analysis of vulnerability within the IDP populations of Serbia and Montenegro used a modified version of Household Economy Analysis (HEA). HEA considers the income, expenditures and consumption patterns of households to develop profiles of relative economic viability or vulnerability. Seasonal differences in these practices are considered, as are coping strategies employed by different groups to withstand periods of scarcity (in this case, seasonal changes were particularly important) or other disruptions in availability of basic resources.

The main modifications made to the HEA methodology for the purposes of assessing livelihoods of IDPs in Serbia and Montenegro were the following:<sup>7</sup>

- Government-formulated criteria were used to define three basic wealth groups into which the poor fall. Normally, definition of wealth groups would be done by IDPs themselves. However, since NAM II used the government benchmarks to define wealth groups, for consistency the same definitions were used as general parameters (although, as will be seen, these criteria were refined to include informal sector and non-cash sources of income, and were also supplemented by households' self-assessment of their level of wealth relative to other IDPs and local residents).
- Information is generally obtained for HEA by first defining the wealth groups within a particular livelihood zone, then holding focus-group discussions with members of a particular wealth group about general household conditions. Since the criteria defining wealth groups did not necessarily correspond to people's own determinations of their wealth standing but rather were externally imposed, and because many IDPs live in isolation from each other, it was not possible to assemble such focus groups. Thus, data was gathered for the most part through one-on-one interviews with individual households (usually with most of the family members present and participating). In a few cases more than one household was interviewed at the same time. However, in most interviews, households were also asked to rank themselves in relation to other IDPs living in the area. The results of this self-ranking exercise were used in the data analysis to develop a more refined picture of the three wealth groups than that suggested by the MSSL and PL benchmarks.
- While HEA often focuses more specifically on food economy analysis as a tool for determining food aid needs, the focus in this case was on the overall economic health or vulnerability of the household. Thus, less emphasis is

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<sup>7</sup> For the basis of this study, Household Economy Analysis procedures used by the Food Economy Group, and outlined in Seaman, Clarke, Boudreau and Holt, *The Household Economy Approach: A Resource Manual for Practitioners*, 2000 and *Household Food Economy Analysis: An Introduction*, Food Economy Group, 2000 are referred to.

placed on examining whether or not households are meeting all of their minimum dietary requirements. Instead, it was assumed that because they are surviving, IDPs in Serbia and Montenegro are able to maintain diets that are at least of a basic caloric quantity, though it is expected that the quality of their consumption is – particularly in the case of the poorest – substandard.

Household Economy Analysis can be used to determine the numbers of people in need within a country. However, in the present exercise, given the sampling limitations of using this modified version of HEA, it was not possible to make such projections. The form of HEA used in this assessment is best suited for identifying the sources of income (including cash and non-cash sources), and for determining how people make decisions about maximizing or saving their income and conserving their expenditures or consumption, and thus balancing their household budget. Only with supplementary data, such as information on the distribution of wealth within a society (or in small communities where self-ranking is done to rank residents own perceptions of how many people fall into a particular zone), or with greater coverage of the IDP population, is it possible to use HEA to determine the numbers of people living above or below an economic benchmark such as the Poverty Level.

## **2.1 Fieldwork**

The analysis in this report is based on fieldwork carried out in March and April 2004. Field visits were made to Belgrade, Bujanovac, Kragujevac, Kraljevo, Nis, and Novi Sad in Serbia, and Podgorica and Berane in Montenegro. A total of 35 households were interviewed using a semi-structured format. Interviews with IDPs tended to take 1½ to 2 hours and focused on sources of income, main household expenditures, patterns of consumption, and seasonal coping strategies.<sup>8</sup> Participating households included IDP beneficiaries of ICRC's four programmes, IDP non-beneficiaries, and local vulnerable residents. Respondents included Roma and non-Roma (mostly Serb) households, and those living in official and unofficial collective centres, paying rent in private accommodation, living in private accommodation that they did not own, as well as people living in accommodation that they owned. Participating households were in most cases identified by local ICRC field staff, although in some cases households were chosen randomly through visits to collective centres. Local vulnerable residents were contacted at municipal soup kitchens run by the Local Red Cross Societies, and in a few cases at collective centres where they were living together with IDPs.

In each place visited, discussions were also held with key informants, including ICRC Field Office staff (in all locations) staff of Local Red Cross Chapters, Centres for Social Welfare, municipal authorities, UNHCR offices, and soup kitchen staff (key informants varied from one place to another). In Belgrade, meetings were also held with the Republican Statistical Office, UNHCR, and the Poverty Reduction Strategy Implementation Team in the Office of the Deputy Prime Minister.<sup>9</sup>

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<sup>8</sup> For a list of indicators about which information was solicited, see Annex 1.

<sup>9</sup> For a full list of key informants contacted, see Annex 4. Individual household interviews were conducted anonymously to promote more free exchange of information.

## **2.2 Secondary sources of Data:<sup>10</sup>**

In addition to primary research, a wide range of secondary sources of data was also consulted in this analysis. While a full listing of references is available at the end of this report, key documents used to place IDP vulnerability within the context of the macro-economic climate and to compare with the living conditions of local residents, the following documents were particularly useful:

1. ICRC Field Monitor Reports and Databases, particularly of the Cash Assistance Programme's beneficiary list
2. Documents from the Institute of Strategic Studies and Prognoses (ISSP) on economic conditions in Montenegro, including especially the 2003 Household Survey of Roma, Ashkaelia and Egyptians, Refugees and Internally Displaced Persons
3. Survey on the Living Standard of the Population, published by the Ministry of Labour, Employment and Social Policy of the Republic of Serbia
4. Poverty Reduction Strategy Papers (PRSPs) for both Serbia and Montenegro

## **2.3 NAM II Findings**

The authors of NAM II extrapolated from the findings of their household interviews general statistics of the overall number of IDPs in each of the wealth categories in Serbia and Montenegro.

*On the basis of the findings, it is estimated that approximately 23,100 persons are the most vulnerable among the displaced persons (below the MSSL). The group includes about 6,000 IDPs from Montenegro and 17,100 from Serbia. The withdrawal of the ICRC food parcels will result in an additional 7-8% of the people currently above the MSSL falling below it. This percentage represents the three most vulnerable groups (Roma, collective centres and IDPs with host families). This will be approximately 12,000 in Serbia and 1,500 in Montenegro bringing the total to 36,600 of those below MSSL.<sup>11</sup>*

The study went on to state that based on its findings, "88.6% of the IDPs in Serbia live below the Poverty Line with 8.6% below the MSSL. In Montenegro, 90% of the IDPs live below the Poverty Line with 21% below the MSSL."<sup>12</sup> Given that the percentage of the local population living below the poverty line is estimated at 10%,<sup>13</sup> NAM II's statement of the extent of poverty is alarming, to say the least.

Due to the limited sample size and the selective way in which households were selected to be surveyed in the NAM II study, it is not clear that these statistics accurately reflected the overall wealth breakdown of the IDP population in 2003. Households that were included in the survey were not randomly selected, but were selected by local Red Cross Society staff, ICRC staff, and other key informants who had experience working with vulnerable IDPs. This is consistent with HEA recommended methodology when it is to be used to develop profiles of wealth groups,

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<sup>10</sup> For a full list of documents consulted, see List of References (Annex 3) at the end of this report.

<sup>11</sup> NAM II, p. 7-8.

<sup>12</sup> NAM II, p. 42.

<sup>13</sup> Poverty Reduction Strategy Paper for Serbia (2003).

but is not a reliable way of extrapolating vulnerability figures for the displaced population at large. The sample size also included only those IDPs who were officially registered. It is known that there are significant numbers of IDPs (particularly Roma) who are not registered, although little is known about whether their level of vulnerability differs significantly from that of other IDPs.

Other surveys from Serbia and Montenegro using larger sample sizes and random selection of interviewees suggest much lower percentages of IDPs living beneath the poverty level than those indicated by the NAM II report.

### **2.3.1 NAM II describes the general conditions of vulnerability**

Despite its questionable estimation of the *magnitude* of vulnerability (i.e. the numbers of people in below the Poverty Line and Minimum Social Security Level), NAM II did prove useful in describing the basic *quality* of that vulnerability. In addition, the recommendations it set forward were extremely valuable.

According to ICRC Delegation and Field Office staff interviewed for the present report, the vulnerability profiles, at both the household and livelihood zone level, were very helpful in providing a basis for defining selection criteria for livelihood support programmes, and for providing much more detailed information on the challenges facing the beneficiary population than had previously been available.

Further refinement of the NAM II criteria helped to define the groups even more specifically and to better target ICRC livelihood support activities, particularly the Cash Assistance Programme (CAP) which was aimed at supporting the most vulnerable.

Among the many valuable recommendations made by the NAM II report, two have been followed up:

1. Previously, property owned in Kosovo had been considered when estimating IDPs' needs, even though most owners were not able to realize any income from that property due to lack of access, destruction or occupation of the property, and lack of a functioning property claims settlement process. This information is no longer calculated into the overall household income of IDPs applying for support, as was recommended in the report.
2. The procedures for defining the Minimum Social Security Level (MSSL), which was previously calculated on a municipality by municipality basis, were revised in September 2004; MSSL is now based on the average Republican salary in Serbia. The previous system put poor municipalities at a disadvantage. The net result has been that more people should have access to family financial protection (MOP) assistance, although the benefit does not appear to have been shared proportionately with IDPs.<sup>14</sup>

One of the recommendations from NAM II, that a re-registration of IDPs be conducted, has not been done. In 2005, the evaluator could find no organization willing to take the lead in organizing or funding such an exercise, although several organizations, including UNHCR, definitely see the need for such work to be done.

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<sup>14</sup> In both Serbia and Montenegro, assistance to the poorest families is known as MOP (Materijalno Obezbedjenje Porodice, or Family Financial Protection). This benefit is only available to IDPs in Serbia, though.

## **2.4 How Many IDPs are Vulnerable?**

The Poverty Reduction Strategy Paper (PRSP) for Serbia states that approximately 120,000 or 25% of the combined refugee and IDP population lives below the poverty level, a level two times higher than that of the local population. The source of data pertaining to the IDP population seems to be a WFP study of 2001, while data on the local population is drawn from the 2002 Survey of Living Standard for Serbia which collected survey data from over 6000 households. The PRSP states that IDPs have a poverty risk of 1.5 times the rate of the local population (whereas refugees have a poverty risk 2 times higher than that of the local population).<sup>15</sup> The IDP and refugee poverty risk levels do not include poverty risks of Roma or of those who were living in collective centres in 2002 (both of which are generally considered to be highly vulnerable groups), and thus are almost certainly low.

In Montenegro, refugee, IDP and Roma, Ashkaelia and Egyptian (RAE) minorities were considered separately in preparation for the PRSP (no such figures are available for Serbia). Including them in the calculations the number of IDPs below the poverty level still gives quite a different picture than that quoted in NAM II.

The 2003 Household Survey of Roma, Ashkaelia and Egyptians, Refugees and Internally Displaced Persons conducted by the Institute for Strategic Studies and Prognoses (ISSP) in Montenegro of 838 households (including approximately 260 RAE households) concluded that the poverty rate among (settled and displaced) RAE was up to 60%, for refugees was up to 48%, and for (non-Roma) IDPs was up to 46%.<sup>16</sup> Again, these figures contrast significantly from the NAM II findings.

If one were to assume that the poverty rates among IDPs (both Roma and non-Roma) are the same for both Serbia and Montenegro, then it might be possible to extrapolate the number of IDPs living in Serbia under the Poverty Level. Table 2.4 shows the numbers of IDPs living under the Poverty Level according to this calculation.

**Table 2.4. Extrapolation of Vulnerability Figures for all IDPs, Based on Data from Montenegro**

	<b>% under Poverty Level</b>	<b>Serbia</b>	<b>Montenegro</b>
Roma	60% of IDP Romas	32,469	2,811
Non-Roma	46% of IDP non-Romas	70,849	6,134
<b>Total</b>	<b>54% of total IDP population</b>	<b>103,318</b>	<b>8,945</b>

According to this hypothetical calculation, the total number of IDPs living below the poverty line would be 112,263, or 54% of the combined Roma and non-Roma IDP population. This calculation should not be taken as indicative; further research on the condition of IDPs living in Serbia is urgently needed to settle the question of how many of the displaced are living in poverty. A comprehensive census and survey of household income and expenses, using the methodology used by the Survey of Living Standard of the Population should be conducted in Serbia. Special efforts should be made to register Roma IDPs, and to collect data related to their living conditions.

There is no source of data, including the PRSPs for Serbia and Montenegro, which address the number of people living under the MSSL level. Thus, there is no more

<sup>15</sup> PRSP, p. 12.

<sup>16</sup> In this survey, Roma data collectors were trained and utilized for gathering information.



reliable source of data with a larger sample size and random sampling procedures that can compare with NAM II's findings that 36,000 people live under the minimum social security level. However, the findings of the 2005 HHE analysis, which considers not only official but also unofficial (untaxed, 'grey economy', irregular, and non-cash) income suggests that very few households actually have an income below the MSSL level, even if their official income does not rise above this threshold (see Section 3.4).

### **3. Profile of Poverty**

Since the end of the NATO air strikes and the electoral defeat of President Slobodan Milosevic in 2000, Serbia and Montenegro have experienced modest economic improvement at the macro level. The Gross Domestic Product (GDP) has significantly decreased from US\$60.9 billion in 1999 to \$15.7 billion in 2002, however it increased again to 19.2 billion in 2003.<sup>17</sup> Inflation dropped from 18% to 11.2 % between 2002 and 2003.

However, beneath these promising macro-economic trends lies a much more disturbing picture of life for the poorest of the poor. Unemployment has risen from 28% in 2002 to 34.5% in 2003.<sup>18</sup> In 2005, as many as 130,000 jobs are expected to be lost as a result of the restructuring or privatization of eight public companies, which could cause a 21% increase in the unemployment rate this year alone.<sup>19</sup>

For both IDPs and local poor residents, factors contributing to the decline include:

- The slow pace of privatization of government-own companies, which has led to increasing unemployment, creating greater competition for jobs. According to the Novi Sad Red Cross Society, for instance, in 1991, 120,000 people were employed in the city out of a total population of 260,000. Today, with a population of 300,000, only 45,000 are employed. In Kragujevac, 15,000 workers currently receiving standby salaries from the Zastava automobile factory will stop receiving compensation. The Centre for Social Welfare (CSW) expects that at least 5000 of these workers will need social support by the end of 2006.

General unemployment has enhanced competition for jobs and driven daily wage labour rates down. In 2004, the Montenegrin administration ruled that employers who hire refugee and IDP workers must pay a €2.5/day surtax (a measure intended to encourage local workers to register themselves in the formal sector rather than support themselves in the grey economy). This has effectively closed the door to the formal sector for refugees and IDPs. The IDP Working Group recommends that the authorities of the Republic of Montenegro consider amending the Decree on Employment of Non-resident Physical Persons and the Law on Employment, within which the surtax is legislated.<sup>20</sup>

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<sup>17</sup> World Bank: 2005.

<sup>18</sup> CIA Facts: 2003 and 2005.

<sup>19</sup> Southeast European Times, 17/1/05.

<sup>20</sup> Members of the IDP Working Group include joint chairs UNHCR and UNOCHA, UNDP, the Office of the UN High Commissioner for Human Rights, ICRC, the Norwegian Refugee Council, Danish Refugee Council, and Group 484.

- There has been a significant reduction in the amount of humanitarian assistance available, as many NGOs have scaled back or withdrawn altogether from assistance to IDPs
- What assets IDPs had when they were first displaced have been eroded, and little progress has been made in enabling those with property in Kosovo to sell or receive compensation for it.
- Collective centres are in the process of being closed down without addressing the long-term accommodation needs of IDPs. According to CfR data in February 2005, 122 official collective centres are still open in Serbia, out of which the State plans to close down 52 by the end of the 2005. While some alternative rent-free or subsidized housing is being constructed for refugees and local residents, IDPs have not benefited as much from these efforts. New house construction is not being carried out on a scale large enough to accommodate all who must vacate the collective centres. There is some indication that CfR and UNHCR are considering offering this option also to IDPs currently living in those official collective centres that will close in 2005. However it is unclear how many will benefit from this, or whether a budget is already available at CfR and UNHCR level for this.
- Social services available to IDPs, refugees, and local poor residents have not improved.
- Many forms of social support (such as employment compensation for those who worked in the public service sector in Kosovo) are offered only at a significantly reduced rate.
- IDPs continue to face difficulties in qualifying for many forms of social support (particularly MOP support and child allowances) due to a lack of documentation.

The poorest part of Serbia is the southeast, where high unemployment has driven younger adults out of the rural areas and into the cities of Nis and Belgrade, as well as into the grey market economy (subsisting on daily wages, petty trade, and other unregulated and irregular forms of income generation). However, according to the PRSP, this part of the country has also experienced the largest increase in the living standard, which suggests the flexibility of the informal sector in absorbing new workers even if at extremely low rates of pay.

In Montenegro, the north is significantly poorer than the central and southern parts of the country, and it is in the north that most IDPs from Kosovo have settled. This rugged, mountainous area provides few income generation opportunities during the six months of winter conditions, and many households must send members to the coastal areas for several months a year to find daily labour to support the family.

### **3.1 Status of IDPs in Serbia and Montenegro**

In Serbia and Montenegro, IDPs face difficulties in exercising their full rights as citizens. In Serbia, in the absence of a government body with a specific mandate for protecting and assisting IDPs, the Commissariat for Refugees has taken on some of these responsibilities. As Multanen, writing for Group 484 in a strategy paper on 'Refugees and IDPs in Poverty Reduction Strategy Paper – Ensuring Their Proper Inclusion,' points out, however,

*Authorities have legal obligations to provide assistance to the poor and to work towards the realization of the human rights for all. This is guaranteed by the Charter on Human and Minority Rights and Fundamental Freedoms, Article 38 of which specifically guarantees assistance and protection of the displaced.*<sup>21</sup>

National Strategies for Dealing with the Problems of Refugees and IDPs have been ratified in both Serbia (May 2002) and Montenegro (March 2005). The total cost of implementing the projects contained in the strategies is estimated at €480 million<sup>22</sup> and €100 million, respectively. In Serbia, donations towards implementation of the policy have been slow in coming. In Montenegro, a donors' conference is expected to be held in the spring of 2005. Neither strategy takes on the important issues of housing, employment, regularization of status, and access to health insurance for IDPs.

In Serbia the Implementation Programme for the National Strategy focuses only on refugees. The Strategy itself focuses primarily on return to Kosovo as the preferred solution for IDPs, and gives little attention to integration issues. Similarly in Montenegro, although mention is made of finding durable solutions for the internally displaced, the most emphasis is placed on facilitating return to Kosovo or onward movement to Serbia or elsewhere.

The overall implication for IDPs and refugees is that many are unable to access their "fundamental human rights and services, such as personal documentation, property rights, access to health care, social welfare, etc." This leads to a multi-dimensional kind of poverty, consisting of both income poverty and lack of access to services and equal treatment under the law.<sup>23</sup>

### **3.2 Special Concerns for IDPs in Montenegro**

In Montenegro, a drive for independence from Serbia supported by a large segment of the population has resulted in the development of a parallel government structure, with separate policies concerning refugees and IDPs, separate development policies, and separate assistance budgets. All economic transactions in Montenegro are conducted in Euro rather than Dinar. A referendum on independence is scheduled for 2006.

IDPs are considered by the Montenegrin government to be residents of Serbia and thus are not granted permanent residence unless they were born in Montenegro or owned property prior to being displaced from Kosovo. Montenegro gives priority to Republican citizenship over State citizenship.<sup>24</sup> Montenegrin citizenship can only be granted after ten years of permanent residency, and thus is obviously not an option for IDPs, although many refugees from Bosnia and Croatia have been able to obtain citizenship. However, as pointed out in the IDP Working Group's Analysis of the Situation of Internally Displaced Persons from Kosovo in Serbia and Montenegro: Law and Practice, 'IDPs are citizens of Serbia and of Serbia and Montenegro as set

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<sup>21</sup> Multanen/Group 484, 2003, Refugees and IDPs in Poverty Reduction Strategy Paper – Ensuring their Proper Inclusion, p. 2.

<sup>22</sup> Of this amount, US\$460 million is expected to be resourced through external funds.

<sup>23</sup> Multanen/Group 484, 2003, p. 2.

<sup>24</sup> IDP Working Group, 2004. Analysis of the Situation of Internally Displaced Persons from Kosovo in Serbia and Montenegro: Law and Practice, p. 16. This document is frequently referred to as the 'Gap Analysis'.

out in Article 8 of the Constitutional Charter of the State Union of Serbia and Montenegro.<sup>25</sup>

IDPs and refugees in Montenegro are only given *temporary* residency cards through the Montenegrin Commissariat for Displaced People (MCDP). Therefore it is practically impossible for IDPs to meet the requirements for citizenship.

Because they are considered to be residents of Serbia, protection and assistance of IDPs are considered to be Serbia's responsibility. Serbia, however, considering Montenegro to be part of its union and thus IDP needs to fall within the mandate of the Montenegrin administration, does not provide assistance to IDPs living in Montenegro. Lacking resident status, IDPs in Montenegro cannot register property or trade activity. They cannot receive unemployment assistance and there is no regular programme to assist the most vulnerable (including single mothers, the destitute elderly, the disabled, orphans, etc.).

Montenegro does, however, provide free primary health care and primary and secondary education to IDPs. UNHCR provides some assistance on a case-by-case basis to IDPs who require specialist medical treatment in Serbia (in most cases the assistance covers transport to Serbia only, as treatment is assumed to be available for free there). The Commissariat for Displaced Persons provides one-time assistance to respond to the most urgent cases, but is seriously under-resourced and thus is not in a position to provide long-term care to any of the displaced even if the political will was there to provide support.

The 2000 Decree on Non-Recognition of Federal Decisions passed by the Montenegrin Parliament stipulates that Montenegro shall not recognize legislation passed by the federal state that has not been approved by "lawful and legal representatives of Montenegro."<sup>26</sup> Thus, Montenegro recognizes neither the Law on Protection of Rights and Freedoms for National Minorities nor the Roma National Strategy.

### **3.3 Documentation Difficulties**

Although IDPs in Serbia are legally entitled to the same rights and services as other citizens, in practice many displaced people are not able to access this social protection because they lack documentation proving their status as IDPs, their basic identity, or their levels of employment. In many cases this is due to the logistical and financial difficulty in obtaining or replacing documentation from municipal offices in exile, which were moved from Kosovo to southern Serbia after 2000. In addition, the heavy bureaucratic process and an apparent unwillingness on the part of some municipalities to help facilitate IDPs efforts to obtain documentation, thwarts efforts by IDPs to regularize their status. As noted by the IDP Working Group (2004), "a citizen without basic identity documents is a marginalized citizen, incapable of exercising rights and fulfilling duties, benefiting from services and participating in society politically, economically and socially."<sup>27</sup>

To give an example of the bureaucratic maze that IDPs must navigate to apply for basic services, Figure 3.3 shows the many types of documentation that are required in

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<sup>25</sup> IDP Working Group. 2004, p.7.

<sup>26</sup> 2000 Decree on Non-Recognition of Federal Decisions, quoted in IDP Working Group, 2004, p. 12.

<sup>27</sup> IDP Working Group, 2004, p. 31.

order to be considered for Family Financial (MOP) Support. Note that some documents are not required if they are not applicable to a family's circumstances.

**Figure 3.3.1 Documentation Needed to Apply for MOP Support**

1. <u>ID card</u>	9. <u>Marriage certificate</u> – issued by dislocated Registry Office (if applicable)
2. <u>IDP registration card</u>	10. <u>Divorce ruling</u> – issued by court where the procedure was initiated (if applicable).
3. <u>Witness's declaration of shared household</u> – issued by the municipal administration in the temporary place of residence	11. Certificate issued by the <u>internal revenue service</u> (tax administration) in temporary place of residence.
4. <u>Proof of citizenship</u>	12. Certificate issued by <u>land survey authority</u> (cadastre) in temporary place of residence
5. <u>Salary certificate ('working booklet')</u> - issued by dislocated employer company/ institution or <u>Unemployment certificate</u> - issued by the Bureau for Employment in temporary place of residence	13. Certificate confirming <u>schooling</u> for children over 15
6. <u>Pension certificate or certificate confirming that the person does not receive pension</u> - issued by dislocated Pension Insurance Office (dislocated PIO)	14. Certificate confirming a <u>person unfit for work</u> issued in temporary place of residence or by dislocated PIO (if applicable)
7. <u>Birth certificate</u> – issued by dislocated Registry Office	15. Court document certifying that the <u>applicant cannot rely on family support</u> (if applicable)
8. <u>Death certificate</u> – issued by dislocated Registry Office (if pensioner or other family member has died)	16. <u>Document showing inheritance or lack of inheritance</u>
<i>Source: ICRC Nis CAP Field Officer</i>	17. <u>Bank account statements</u>

A disproportionate number of those without documentation are Roma, and many Roma were not registered even before they were displaced. The Norwegian Refugee Council estimates that 30-35% of Roma have never been registered.<sup>28</sup> There is at present no legal mechanism for the chronically unregistered to become registered.<sup>29</sup> Those attempting to register have to perform a very time-consuming and complicated procedure of "subsequent registration". Specialised organizations such as PRAXIS say that these cases are in fact very rarely solved successfully.

With exceedingly high levels of illiteracy, and never having perceived documentation to bring benefits (and more commonly to be a way of restricting their activities), Roma are largely excluded from eligibility for social services. Lack of documentation effectively renders Roma stateless.

Those who have tried to gather the necessary documentation have had particular difficulty in obtaining working booklets (personal employment records) if their former employer is no longer in business, has moved, or if records have been lost or destroyed. In some cases, they have been able to obtain the booklet, but the document indicates that they are continuing to receive a salary even if they are not, thus rendering them ineligible for employment or assistance in Serbia.

Residency and property rights are granted at the municipal level. Some municipalities do extend residency rights (e.g. Kragujevac and Kraljevo), while others do not (e.g. Novi Sad) on the grounds that they want to encourage eventual return to Kosovo. Often registration of residency in the municipality of exile requires de-registration in

<sup>28</sup> IDP Working Group 2004, p. 35.

<sup>29</sup> Ibid, p. 36.

the municipality of origin. For those receiving stand-by salaries from their former employers, this loss of benefit discourages them from seeking to establish new residency in Serbia, where there are few jobs and where social security payments offer less support than even the meagre stand-by salary that they are receiving. In other cases, where IDPs actually do want to de-register from Kosovo in order to establish residency in Serbia,

*IDPs have reported cases where Kosovo police officers 'in exile' have refused to grant a de-registration documents (sic) for a transfer of an IDP's permanent address from Kosovo to a location elsewhere in Serbia. IDPs are generally allowed to register with police authorities in their current places of living only for temporary residence. For the registration, a proof of tenancy rights (statement of the owner of premises/landlord, notarized at courts) is required...the bureaucratic processes governing the change of residence are complicated, for example in that some municipalities require proof of de-registration in one location before allowing the registration in a new location, which can be insurmountable for many IDPs.<sup>30</sup>*

In some municipalities, IDPs have been given small cash grants to help them finance their trips to the original residence municipality offices 'in exile.' The Norwegian Refugee Council started a project (now run by Praxis, a local NGO), and Swiss Development Cooperation has a similar project, to help people locate their documents. One-third of those who have requested help from NRC/ Praxis have been successful in getting their documentation. The NRC has also recommended that IDPs should be allowed to submit their requests for documentation in the municipalities of their temporary residence, rather than their original residence municipality offices 'in exile.' However, this has not been taken up by the Republican Government.<sup>31</sup>

### **3.4 Eligibility for state support**

In Montenegro, IDPs are not eligible to receive MOP assistance. For this reason, ICRC's Cash Assistance Programme in Montenegro did not carry with it the potential for government to assume eventual responsibility for assisting the most vulnerable IDPs (although the Government of Montenegro did cover 50% of the CAP programme costs), while in Serbia where IDPs are eligible to receive MOP benefits, the principle of transferring the caseload to the government's social welfare system was instrumental in the project design.

Since the passage of a new September 2004, MOP benefits in Serbia have been based on an estimation of the Minimum Social Security Level (MSSL), which is calculated as a percentage (which varies according to family size) of the average Republican salary. Prior to that time (and including when the NAM II study was conducted), the MSSL was calculated as a percentage of the average salary at municipal level. This put poor municipalities at a disadvantage. The new criteria are generally seen as a positive move since the MSSL, and thus the MOP eligibility criteria, has effectively been raised in poor communities. This was confirmed by Centres for Social Welfare in several municipalities visited, who confirmed that more people now qualify for MOP support under the new criteria. In Novi Sad, for instance, approximately 1200 people were receiving MOP benefits (it is not known how many of these were IDPs).

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<sup>30</sup> Multanen/Group 484, 2003, pp. 7-8.

<sup>31</sup> Multanen/Group 484, 2003, p. 7

In March 2005, there were approximately 1800 beneficiaries, out of which 44 were IDPs).<sup>32</sup> However, the Novi Sad municipality now has no way of knowing what its own average municipal income is, or how many of its residents are below the poverty line. There is no data available on the distribution of incomes within the municipality level, though city officials estimate that approximately 10,000 people are living between the poverty level and the MSSL cut-off level.

Table 3.4 below shows the current MSSL levels for Serbia and Montenegro.

**Table 3.4. Minimum Social Security Level**

Montenegro*	Serbia**		Family size
Euro	Dinar	Euro	
47	3436	42.95	1 person family
59	4700	58.75	2 person family
70	6012	75.15	3 person family
82	6441	80.51	4 person family
94	6870	85.88	5+ family

\* Source: Memorandum of Understanding between the Ministry of Labour and Social Welfare of the Republic of Montenegro, Commissariat for Displaced Person, Red Cross of Montenegro, and ICRC regarding the Cash Assistance Programme for Internally Displaced Persons in Montenegro in 2003

\*\* Source: Ministry of Labour, Employment and Social Policy, Republic of Serbia, Feb. 2005. Note that this level is changed slightly each month to reflect changes in the mean Republican salary level.

In addition to the income levels stated above, a set of other criteria are used for judging an applicant's eligibility for MOP support:

- The applicant must also not have more than two hectares of poor quality or 200 m<sup>2</sup> of good quality farmland.
- He/she must not have rejected an employment or course training offer.
- He/she must be registered as an unemployed or pensioned person.
- There must be no children over the age of 18 living in the household, and must not have any able-bodied relatives (as Serbian and Montenegrin law obliges these members of the family to provide for their parents or disabled relatives). If there are able-bodied members of the family, an estimation of their potential contribution to the household if they were to find employment is calculated into the overall household income. Those who have able-bodied relatives but cannot rely on them for support must submit documentation indicating that this support is not possible (see documentation list above).
- If the family has more people capable than incapable of working, then they will generally only qualify get nine months of support.

A crucial element in determining eligibility for MOP support is a home visit by staff of the Centres for Social Welfare. The CSW workers are given a 'discretionary right' to evaluate the living conditions of the applicant and to accept or reject the application based on their subjective determination of whether the family is truly needy. According to rejected applicants and ICRC Field Officers, households have been

<sup>32</sup> The 44 IDPs who are now receiving MOP support were among the 254 beneficiaries of the ICRC Cash Assistance Programme in Novi Sad. Source: EcoSec Vojvodina Region Briefing Notes, 2001-2004, Feb. 2004, p. 9.

rejected if they have a vehicle (even if old and hardly functional with minimal resale value), if they live in a house that appears to be more expensively furnished than they should be capable of maintaining, and if their personal appearance suggests that they are not destitute. Many households were also reportedly rejected on the basis that, although they were unemployed, they were physically "able to work". CSWs used the discretionary right to estimate the monthly income these persons could generate should they work as daily labourers, but do not take into account whether or not options for daily labour exist in the locality. The new social law does limit the possibility for CSWs to use this 'capacity to work' as a criteria to reject MOP applicants. However, critics charge that the evaluators' determinations still unfairly disqualify some people who should be included.

Those families that are accepted for MOP support receive a payment that is equal to the difference between their current estimated income and the MSSL level appropriate to their family size (up to a maximum family size of five). For instance, a pensioner who receives €50 per month and lives with two family members in Montenegro will receive a MOP support payment of €20 each month to bring the family income to the MSSL level of €70.

Some staff at Centres for Social Welfare visited said that it is much more difficult to follow up IDP applications for MOP support than those of local residents because IDPs move their residences frequently, making home visits more time consuming and expensive. Because they cannot afford to hire additional staff or to pay incentives to staff to conduct these visits, many cases that were referred from ICRC's Cash Assistance Programme were not fully followed through, and were rejected on the basis of other criteria than the home visit.<sup>33</sup>

In Belgrade, one of the municipal Centres for Social Welfare attributed the low rate of MOP adoptions (4 out of 107 referrals) to the difficulties that CAP beneficiaries had in providing documents, their tendency to change their places of residence often,<sup>34</sup> and also, he claimed, to the fact that people had more money now since pension payment amounts were recently increased and thus were not eligible. However, the local Red Cross Society representative said that he thought that the CSW had demonstrated a lack of flexibility on the part of the screeners. Where some people's income had increased only a marginal amount above the MSSL level, and the danger of falling below that level proved to be great, CSW screeners were not able to be flexible by extending the benefit to them. In addition, because the screeners considered only the incomes of the applicants for MOP support, and not the expenses, a family with an income slightly above the cut-off point was denied assistance even if they had extraordinary household costs that left them an expendable income below the MSSL level. In that particular municipality, only 22 IDPs were given any regular assistance (MOP support, assistance to the elderly, handicapped, orphans, etc.) out of a total IDP population of approximately 8000.

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<sup>33</sup> Under the terms of the Cash Assistance Programme, those accepted for cash assistance under the ICRC-administered programme would be eligible to be screened for MOP assistance. In practice most of those who qualified for CAP assistance were discouraged from applying or were rejected for inclusion in the MOP programme run by the government, in many cases due to documentation difficulties, determinations that the applicants had too much income.

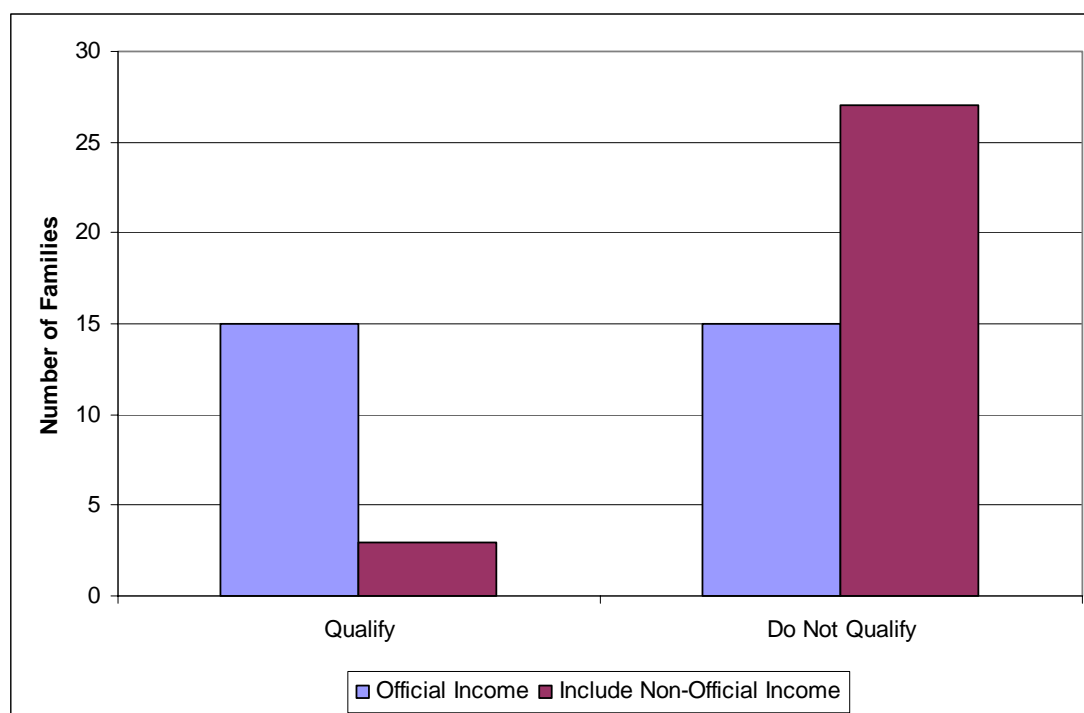
<sup>34</sup> One of the reasons that Roma and non-Roma change their place of residence so often is that they cannot afford to pay rent, and so are evicted.



Staff of the Centres for Social Welfare agree that the MOP programme is unable to meet the needs of all of those in poverty, even among local residents. Some also expressed concern that if a large number of IDPs were to be given support suddenly, without a corresponding increase in service coverage to local residents, tensions between the two groups would likely increase.

The use of the MSSL level in the NAM II report as a criterion for determining whether a family fell into the poorest wealth group was justified in that it helped to target beneficiaries for the Cash Assistance Programme that might eventually be accepted into the Serbian MOP system. However, as Chart 3.4 shows, as a benchmark for distinguishing the poorest of the poor from the middle poor, it is misleading, since consideration of non-official sources of income and of expenditures shows that even the poorest households have a higher income level than that indicated by MSSL. Indeed, it is clear that it is practically impossible for a household to live at or below the MSSL level.

**Chart 3.4 Number of Household Incomes Below MSSL Level, Considering Official and Non-Official Income**



Source: 2005 Household Economy Analysis, sample size = 30.

### 3.5 Using the Poverty Line as a Determinant of Wealth Groups

The NAM II report used the Poverty Lines for Serbia and Montenegro, as defined by the World Bank, as benchmarks for defining the respective thresholds between the middle poor and the 'wealthy' poor. The Poverty Lines are defined in the Poverty Reduction Strategy Papers for Serbia and Montenegro as:

- Serbia: 4489 dinars per consumer unit (adjusted for adults and children), = 72 US\$/month (€6.11)<sup>35</sup>, i.e. 2.4 US\$/day (€1.87/day)
- Montenegro: €16.2 per consumer unit (€3.87/day).<sup>36</sup>

<sup>35</sup> At 80 Dinar = 1 Euro.

Estimates of the Poverty Levels for different family types are given in Table 3.5. Note that the term “consumer unit” adjusts income for families with children depending on their age.

It is significant to note that while the Poverty Level for Montenegro is roughly two times higher than for Serbia, the IDP household incomes reported in the current Household Economy Assessment did not differ significantly between Serbia and Montenegro. Thus, according to official statistics, the official rate of poverty in Montenegro should be significantly higher than in Serbia even though the incomes in each republic are the same.

**Table 3.5. Poverty Levels in Serbia and Montenegro, by Consumer Unit**

Mont. MSSL (€)	Mont. PL (€)	Serbia MSSL Dinar €		Serbia PL Dinar €		Family size
47	116.20	3436	42.95	4489	56.11	1 person family
59	210.32	4700	58.75	8125.09	101.56	2 adult family
70	354.41	6012	75.15	13691.45	171.14	3 person family (2 adults, 1 child < 6)
82	441.56	6441	80.51	17058.2	213.23	4 person family (2 adults, 1 child < 6, 1 child btwn 6 & 15)
94	469.45	6870	85.88	18135.56	226.69	5 person family (2 adults, 2 children < 6, 1 child btwn 6 & 15)

## 4. Living Conditions of IDPs

In this section, the living conditions of internally displaced persons are considered first from a general perspective. Comparisons with refugee vulnerability are made, the importance of social networks in providing economic security is highlighted. Housing conditions are examined in some detail. Finally, livelihood zones and wealth groups are defined, and coping strategies used by each group are given.

### 4.1 IDP vs. Refugee Vulnerability

Generally speaking, most organizations (including UNHCR) working with refugees and IDPs agree that IDPs are poorer than refugees. This can be attributed to the following reasons:

- Refugees have been living in Serbia and Montenegro since 1992 and have thus had longer to integrate.
- Refugees from Bosnia and Croatia tend to have higher levels of education than IDPs from Kosovo.
- Refugees from Bosnia and Croatia had more property when they were displaced. Some have been able to sell their property in their areas of origin for a fair price, and with that money have been able to purchase a new home. Very few IDPs from Kosovo, however, have been able to sell their property, and those who have sold have only been able to do so for the lowest possible price.

<sup>36</sup> Formula for consumer unit: (Engels) 1+ .81 (Adults – 1) + .24\* (children age 0-6) + .75 \* (Children age 7-18). Source: PRSP Serbia.

- Although assistance to refugees from UNHCR and other agencies has declined in recent years, IDPs have suffered a much more dramatic withdrawal of support from international agencies, particularly since 2003.

The Poverty Reduction Strategy Paper for Montenegro does not detect significant differences between the income levels of non-Roma IDPs and refugees. However, while 44.5% of refugees are estimated to spend more than 60% of their income on food expenditures, 52.4% of IDPs spend this amount. Moreover, with regard to housing, while 28.5% of refugees fall below the poverty standards (which requires a minimum of piped drinking water or a bathroom inside the house or flat), that figure rises to 39.9% among non-Roma IDP populations and 74.7% among the RAE population.<sup>37</sup>

## **4.2 Social Capital Promotes IDP Resilience**

Among all wealth groups, those with established social networks (family, friends and neighbours) have a much easier time supporting themselves. Strategies for using social networks ranged from extended families that had members living in collective centres as well as rural areas (thereby benefiting from both humanitarian assistance and farm income), borrowing small amounts of food or money from neighbours, and using relatives living in market towns to purchase supplies needed for trades and crafts.

The HHE analysis, like the evaluation of the ICRC grants project, that in many cases, grants facilitated the integration of IDPs into local society. Having a trade that could be marketed not only within the IDP community, but in the local community as well, helped to build stronger relations between IDPs and locals. At the same time, the grant holder was able to provide an important service to the community. This was also true of the micro-credit and to a perhaps less visible extent the vocational training programmes (since employment generally takes longer to secure following vocational training).

## **4.3 Types of accommodation**

Internally displaced persons in Serbia and Montenegro live in a variety of different housing arrangements. These arrangements cannot necessarily be used as clues as to the level of vulnerability that a particular household is facing, as will be demonstrated later on in the analysis of household incomes and expenses. However, one's housing arrangements do prescribe the kinds of options, resources (both financial and social), and coping mechanisms that are available to them.

### **4.3.1 Collective centres**

Collective centres are typically large buildings or barracks owned by the government and run as shelters for IDPs (often together with refugees and poor local residents). Residents of these 'official' collective centres do not pay rent or utility bills, and in Serbia (but not Montenegro) are eligible to receive 1-3 meals per day. Collective centre residents are not eligible for any extra regular assistance from the Commissariat for Refugees (or, in Montenegro, the Commissariat for Displaced

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<sup>37</sup> ISSP. Household Survey of Roma, Ashkaelia and Egyptians, Refugees and IDPs in Montenegro, pp. 79-80.

Persons), though they may occasionally receive one-off assistance of fuel wood, hygiene items or foodstuffs.

While the number of collective centres was previously quite high (13,100 people lived in collective centres in 2003)<sup>38</sup>, efforts have been increased in recent years to close the centres down, often in order to recoup the buildings for other uses. About half of all collective centres in Serbia have been closed. 122 are still open in Serbia proper, and there is a plan to close another 52 centres in 2005. In Montenegro, only three collective centres remain open. Residents of some collective centres reported that uncertainty about when the centres will be closed has made them reluctant to invest in their own farm or business activities, since they fear that they may have to move to another location.

In both Serbia and Montenegro, the closure of collective centres has in many cases consisted merely of the government withdrawing from the role of service provider. People continue to live in these 'unofficial collective centres,' which are often barracks on the grounds of defunct factories originally constructed for workers. Since the factories are not functional, they are not obliged to pay rent, and in some cases they receive electricity and water supply for free as well. (Reports were collected in both Serbia and Montenegro of municipalities intervening to keep electricity service to these centres even though officially the government does not accept responsibility for providing these services.) However, those who live in unofficial collective centres are not able to register their residence, which can serve as an obstacle to accessing public services.<sup>39</sup>

UNHCR has expressed interest in helping IDPs in both Serbia and Montenegro to obtain access to long-term housing. It reports that the government is reluctant to consider the needs of IDPs, but is willing to have UNHCR get involved in helping refugees and IDPs to move out of collective centres. UNHCR is concerned that the conditions of those refugees and IDPs who have already had to move out of collective centres are precarious. The organisation is considering providing assistance to former collective centre residents, which would include both refugees and IDPs. However, such plans are still being reviewed by UNHCR headquarters in Geneva, and the scale and timeframe have not been worked out, so it is anticipated that it will take some time before these activities can be implemented.

While some collective centre residents are certainly among the poorest of the poor, residence in a collective centre does not automatically mean that one is destitute. Some collective centre residents are among the middle group of poor (see below) because they are relieved of the burden of having to pay rent and utilities. In addition, because they are more visible, they are often recipients of assistance that others living in private accommodation are not able to take advantage of.

It also appears to be the case that some IDP associations in collective centres are able to get preferred treatment from the government by virtue of the fact that they are actively maintaining ties to Kosovo, helping Serbs in Kosovo to remain on their land, or are pursuing the issue of property restitution in the Kosovo Courts. One collective centre visited appears to be receiving free electricity and to have secure claim to continue living in an unrecognized collective centre because of its work in Kosovo.

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<sup>38</sup> NAM II, p. 12.

<sup>39</sup> Multanen 2003, p 6.

### **4.3.2 Konik camp**

The only camp for IDPs is Konik, situated on the outskirts of Podgorica, the capital of Montenegro. The camp is inhabited entirely by Roma, and is split between two locations: approximately 1300 residents live in Konik I and 400 live in Konik II. Conditions in these camps are extremely poor, with overcrowded, unhygienic dwellings. No land is available outside the camp for kitchen gardens or keeping livestock, so Roma residents are not able to produce food to supplement their incomes or diets. UNHCR has been collaborating with the German NGO, HELP, to construct multi-storey apartment buildings to accommodate selected Roma from Konik. However, even as these residents are moving out of the barrack-style housing, additional Roma IDPs are moving into the camp from the surrounding area, so the population of the camp is expected to remain steady. The allocation of flats to some people and not others has sparked complaint on the part of camp residents.

Assistance providers have had a difficult time working in Konik. Periodic disorder, difficulty in targeting beneficiaries, and failure to realize sustainable improvements in living standards have all been reported. Those who work in the camp suggest that a solution would be to separate the camp up into smaller settlements so as to provide better, more personalized services to IDPs, and to relieve the overcrowded conditions.

Although Konik is located within a local Roma community, there are tensions between camp and local residents. Local residents are said to have better reputations as being hard workers, and often are given preference in hiring decisions, even receiving jobs to work inside the camp. This has created resentment within the camp.

ICRC was providing cash assistance to 140 vulnerable Roma families living in Konik. UNHCR reports that this assistance was particularly appreciated, as it was the only reliable source of income for most people. Since it ended, UNHCR says that it has received increased numbers of requests for ad hoc assistance.

As grim as the conditions at Konik are, Roma IDPs see some benefits in living there. They do not pay for rent or utilities, and the camp is located next to a large metal scrap yard and dump, from which they are able to derive some income collecting items for recycling. Scrap metal dealers regularly buy their supplies from camp residents (at the price of €80-90 per ton, which can take a family up to ten days to collect if they have a horse and cart for collecting it – thus, this is an option only for the relatively more wealthy Roma, see Wealth Groups section below). The camp is also close enough to the city for people to find work in the construction business (€15/day), or loading and unloading cargo (€2-3/day)

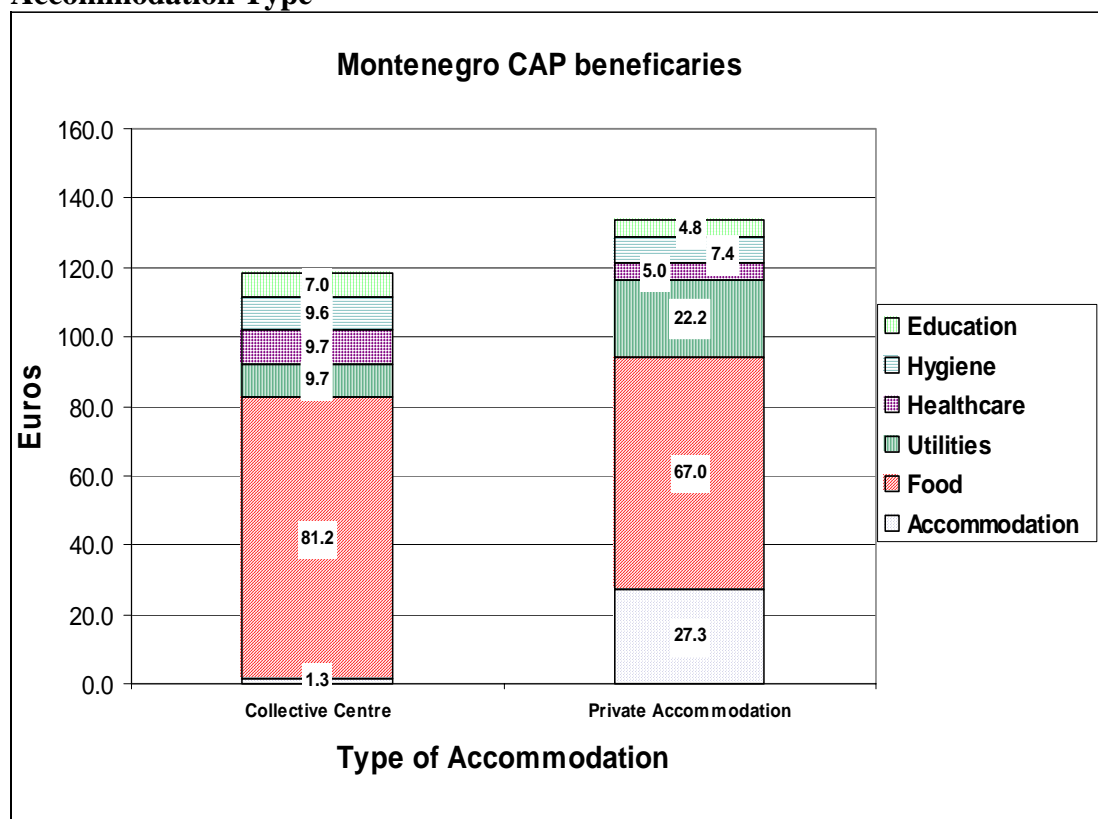
### **4.3.3 Private accommodation (rent-paying)**

As Collective Centres have closed, the numbers of IDPs living in private accommodation and paying rent has increased (though specific figures on the total numbers of IDPs paying rent are not available). Some IDPs living in official collective centres have been informed that soon they will soon also have to pay for rent and/or electricity, e.g. in Bujanovac and Belgrade. Rent fees can range anywhere from €25/month to €200/month, depending on the size, condition, and location of the dwelling. In addition, tenants are expected to pay all utility bills, which can range from €10 to €30 per month. For those living in rented accommodation, the burden on the household budget can be significant, and can restrict the household's ability to purchase essential food and non-food items.

Chart 4.3.3 shows the differentiation between expenses of IDPs living in rented accommodation versus those living in collective centres among beneficiaries of the Cash Assistance Programme in Montenegro. While the income of rent-paying households is higher on aggregate, the amount of money left over to purchase essential items after the rent is paid leaves households with less than what is available to those living in collective centres.

In the HHE analysis, most households were asked how many residences they had had since leaving Kosovo. The average number of residences occupied since displacement was four, and contrary to the impression contained in stereotypes about Roma being more mobile than non-Roma, did not vary significantly between ethnic groups. Most people explained that they had changed their residences so often as a result of being evicted for inability to pay rent or utility bills.

**Chart 4.3.3. Expense Levels of CAP Beneficiaries, Montenegro, by Accommodation Type**



Source: ICRC/EcoSec Montenegro

#### **4.3.4 Free or owned private accommodation**

This category of IDPs includes those who owned second houses in Serbia prior to being displaced from Kosovo (in many cases these houses were under construction and only one room was habitable, which the IDP household is now living in), those who live with relatives, those who have been able to purchase accommodation with the proceeds from the sale of their property in Kosovo, and those who have been given access to a house either for free or in exchange for providing labour to the house owner. In 2003, Group 484 reported that less than 8% of IDPs owned the accommodation that they were living in (as compared to 18% of refugees). While

definitive current statistics are not available on the numbers of IDPs living in owned accommodation, the rates appear to be higher in and around the central Serbian towns of Kragujevac and Kraljevo, and near the southern town of Bujanovac. This is due to the fact that many households had family members who had moved to Kragujevac and Kraljevo during the 1970s and 1980s to work for the large factories there, and to the proximity of Southern Serbian towns to Kosovo.

While the Implementation Plan of the National Strategy for Dealing with the Problems of Refugees and IDPs for Serbia includes provisions for providing affordable housing, loans, and provision of construction materials for refugees, IDPs are largely left out of these provisions.

#### **4.4 Livelihood Zones**

A livelihood zone defines an area in which people derive income from similar resources, benefit (or do not benefit) from a similar level of services, and face the same kinds and levels of expenses. The NAM II report identified three types of livelihood zones defined by three indicators:

- **Job opportunities** – this takes into account regular jobs, casual and seasonal employment
- **Access to grey economy** – embraces all types of employment that are not taxed by the government. This includes petty trade, house cleaning, garbage recycling, working in catering, different kind of casual labour and other non-declared full time jobs.
- **Access to services** – education, health and social benefits.

According to this categorization, **Zone I** was defined as urban municipalities that had more income generating opportunities than other zones. House rents were higher in this area, and social services were more available.

The municipalities of Zone I identified in NAM II are: Belgrade and its surrounding areas, Novi Sad, Subotica, Vrsac, Nis and Podgorica. The status of these towns has not changed in 2005. Two municipalities in Vojvodina region that were previously identified as Zone II have been reclassified as Zone I municipalities as a result of new factory openings and a compensation settlement that gave significant payments to workers of one factory. The municipalities are Apatin and Indjija.

**Zone II** was identified as “smaller towns with fewer opportunities for employment compared to Zone I. In the past, some municipalities had big industrial capacities that collapsed over time and are presently offering limited job opportunities to both IDPs and the local population. The areas are characterized by lower rents compared to Zone I. Access to education and health services are also available, though of more limited scope.”

The municipalities of Zone II identified in NAM II include: Kragujevac, Jagodina, Kraljevo, Zajecar, and Bar. In the 2005 exercise, no new municipalities have been added to the list of Zone II locations.

**Zone III** was identified as having extremely limited employment opportunities. Rents in this zone are the lowest, as is the level of availability of social services. Many residents of Zone III (both IDP and local) regularly travel to Zones I and II for work, to access specialized medical care, and to send their children to post-secondary education.

Zone III municipalities identified in the NAM II assessment include Berane, Mionica, Kovin, Prokuplje, Bujanovac, and Kursumlija. In the 2005 analysis, four municipalities previously identified as Zone II have been reclassified as Zone III as a result of factory closures and consequent increasing levels of unemployment. These municipalities are: Sremska Mitrovica and Kikinda in Vojvodina region, and Niksic and Danilovgrad in Montenegro. ICRC field staff indicated that conditions in some of those communities that had been categorized as Zone III had actually deteriorated further over the last two years as a result of further factory closures creating greater competition for employment, deterioration of social services, and increasing house rents.

It is important to keep in mind that Livelihood Zones are not Vulnerability Zones. Within each zone, it is possible to find extremely vulnerable, poor, and relatively better off IDPs. However, the nature of IDPs vulnerability, and the kinds of coping strategies and income-generating options open to residents may vary from one zone to the other.

Please refer to Map 1 at the end of this report for a current depiction of livelihood zones. Updated information was obtained in most cases from ICRC field staff.

#### **4.5 Wealth Groups**

A wealth group is a group of households that share the same kind of capacities and vulnerabilities within a particular livelihood zone. Members of the same wealth group possess similar types of assets, utilize similar coping mechanisms, and face the same challenges to their overall economic security. Identifying and describing the characteristics of wealth groups is one of the principal objectives of Household Economy Analysis.

In the NAM II report, wealth groups are defined as:

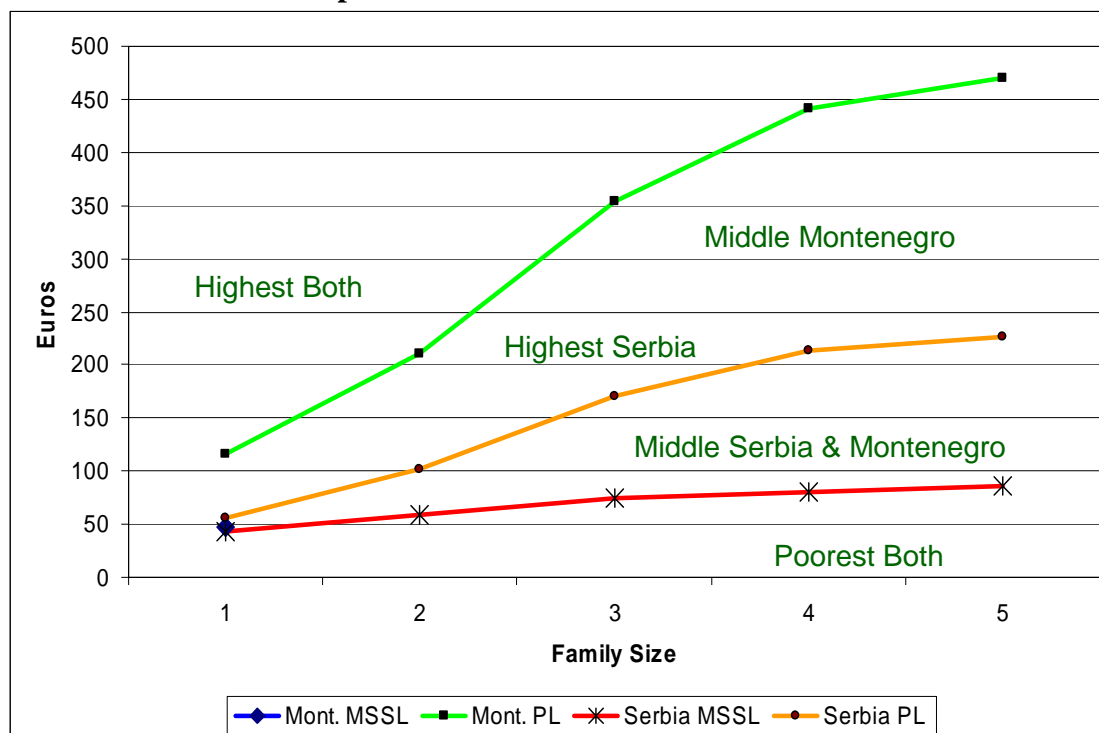
- **Poorest:** those whose incomes fall below the MSSL. This includes those eligible for MOP support, but also includes those who would be rejected due to lack of documentation. The difficulty with using MSSL as a benchmark for defining the poorest of the poor is that it is virtually impossible for a family to survive at that level, so most families find informal means of supplementing their income. Because of this, determinations about whether applicants are eligible to receive assistance are often based on subjective judgments formed during home visits. More detailed analysis of the income and expenditure levels of households who would qualify for MOP if only official sources of income were considered reveals that households' true income is higher than the benchmark indicates. This difference notwithstanding, however, those who fall into the bottom wealth group are still precariously poor and are unable to meet all of their basic needs.
- **Middle:** those whose incomes are above the MSSL but below the Poverty Level as defined in the PRSP. Note that, as shown in Chart 4.5a, the Poverty Level in Montenegro is nearly double that in Serbia, giving the impression that the income and expenditure levels in Montenegro are higher than in Serbia. This was not found to be true among IDPs participating in the HHE exercise.
- **Highest:** those above the Poverty Level. Note that this includes a large number of people who are clustered just above the Poverty Level and are classified by the World Bank and the PRSP as being vulnerable. The PRSPs define the



economically vulnerable population as those who are 50% above the poverty line. The Surveys of Living Standard for both Serbia and Montenegro identified a significant percentage of the population living just above the poverty line.

Thus, using NAM II criteria, wealth groups would be mapped according to the criteria depicted in Chart 4.5a.

**Chart 4.5a Wealth Groups as Defined in NAM II**

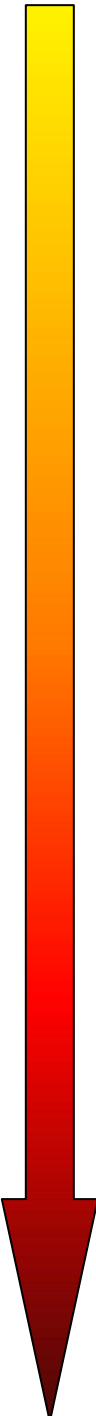


Note: The Montenegro MSSL level is not visible on the graph because it coincides nearly exactly with the Serbia MSSL level, and thus if overlaid by the Serbia line.

While NAM II criteria were useful in defining the broad parameters of ICRC’s target beneficiary population, and served as a basis for placing vulnerability at the centre of targeting considerations, additional fine tuning by ICRC project staff helped to provide a more detailed profile of vulnerability within the impact areas.

Table 4.5b provides an abbreviated profile of the vulnerability standards used by ICRC staff in determining vulnerability and targeting IDPs for appropriate programme interventions:

**Table 4.5b Refined Vulnerability Grades for Targeting ICRC Programmes**



NAM II Ranking	Targeting Grades	Household description
Wealth Group III: Above poverty Level	<b>1. Well off</b>  No assistance	<ul style="list-style-type: none"> <li>• Disposable income &gt; 30,000 D/month for a family of five after rent and non-standard medical expenses</li> <li>• Own or rent spacious housing w/ new furniture and electrical appliances</li> <li>• New car, productive assets such as real estate for rent or a restaurant</li> </ul>
	<b>2. Stable with average standard of living</b>  No assistance	<ul style="list-style-type: none"> <li>• Disposable income exceeds 15,000 D/month (after extraordinary medical expenses).</li> <li>• Applicants have likely sold property in Kosovo, own or rent house, can afford paying for ongoing house construction</li> <li>• Well furnished, many new appliances.</li> <li>• Car 5-10 yrs old</li> <li>• May have tractor, hectare land, livestock to sell.</li> <li>• Steady though modest income, no need for daily labour to cover expenses.</li> </ul>
Wealth Group II: Between MSSL and Poverty Level	<b>3. Basic economic security</b>  Microcredit (no VT or grants)	<ul style="list-style-type: none"> <li>• Disposable income exceeds 8000 D/month</li> <li>• Own or rent basic accommodation</li> <li>• Have old appliances</li> <li>• Older car (10 yrs +)</li> <li>• Productive assets: greenhouse. livestock</li> <li>• One steady salary, some seasonal work</li> </ul>
	<b>4. Minimal regular income, supplemented by seasonal work</b>  Grant, VT, microcredit	<ul style="list-style-type: none"> <li>• Disposable income does not exceed 8000 D/month</li> <li>• Rent or own cheapest accommodation</li> <li>• Some assets but none readily converted into money.<sup>40</sup></li> <li>• Very old car (local)</li> <li>• Old appliances</li> <li>• Trouble paying bills, borrow from others</li> <li>• Few livestock for self-consumption only.</li> <li>• Small pension or child benefits, no regular employment, must do seasonal work.</li> </ul>
Wealth Group I: Below MSSL (EUR 100/month)	<b>5. Poorest of the Poor No assets and no source of income other than seasonal work</b>  CAP, VT, Grants, micro-credit*	<ul style="list-style-type: none"> <li>• Accommodation: the applicant lives in an unofficial collective centre or very poor private housing located in an isolated area. Housing: no more than 2 rooms, no inside toilet or bathroom, 1 room only heated in winter.</li> <li>• Assets: Minimal</li> <li>• Income: The only source of income is seasonal work, less than 1/3 of household members are economically productive. No means of saving money and do not buy anything they can produce on their own.</li> <li>• Many documentation problems. Children not schooled beyond secondary education</li> <li>• Cannot afford investing in anything other than very basic personal hygiene.</li> </ul>

Source: ICRC Belgrade

\* For grade 5, VT , MC and Grant beneficiaries should show entrepreneurial potential.

For the purposes of this study, the criteria for identifying the three wealth groups were further refined. Definitions of the various wealth groups were determined by

<sup>40</sup> When using assets as a vulnerability indicator, the utility and liquidity of the given asset should be taken into account. Additional income or savings provided by the asset may be considered (e.g. owners of a house do not pay rent and may therefore have lower expenditures) but also the extent to which it can be readily converted into cash.

considering the NAM II definition, the refined definitions developed by ICRC staff, and analysis of income and expenditure patterns. In addition, and perhaps most crucially, households were asked to rank themselves in relation to others within the IDP community. In most cases, the respondents' own estimation of their standing relative to other IDPs (or, in the case of locals, in relation to both other local residents and to IDPs) was in agreement with the researcher's determinations.

Variations between the IDP wealth groups may be found according to livelihood zone in which the family lives, particularly where there are urban/rural differences and ethnic differences (primarily Roma vs. non-Roma), but may be broadly defined as falling into the three categories described in detail below.

In these descriptions, the researcher has tried as much as possible to avoid using impressionistic criteria to define wealth groups. Determinations based on whether the family has a cell phone or a television (nearly every family has both of these items), the kind of clothes they wear, condition of furniture in the house, etc. can be misleading as they do not necessarily indicate that the family has access to a regular high level of income and are best avoided.

## **4.6 Profiles of IDPs by Ethnicity**

### **4.6.1 Wealth Group 1: Poorest of the Poor**

Non-Roma: The following criteria are typical of the poorest of the poor non-Roma IDPs.

- Members of this group do not have regular employment or income.
- They tend to support themselves through occasional daily labour and/or farm production.
- Families live in collective centres or pay minimal rent. They may also pay utilities (if they live in private accommodation), but usually do not have indoor water or toilet facilities. They are able to heat only one room.
- They do not receive welfare payments.
- Households may be missing documents and so are likely to be excluded from MOP even though they are eligible.
- These households live in more spread out arrangements than Roma.
- Children tend to go to school no matter how poor the family is. Families tend not to receive any child allowance.
- Many households in this category used to be middle class and have had a dramatic drop in income, which has had a profound psychological impact on them.
- Families in this category are unable to purchase large amounts of essential food at lower prices in summer to save for winter.
- Borrowing from the local community is not considered to be possible because households know they cannot repay such loans. However, they often have large debts for utilities or rent.
- Households hardly ever eat meat (less than once a week, often only once a month).

Roma: Roma communities (both local and IDP) in general are much more vulnerable than non-Roma. Roma tend to live in and around cities in Zones 1 and 2, though they are settled in smaller numbers in Zone 3 municipalities, particularly in Southern Serbia. The poorest Roma IDPs have a household economy that depends a great deal on non-cash inputs. The group is characterized by the following:

- No regular employment or income; most income is in-kind (found items from garbage, donated items; spoiling fruit, vegetables and bread that traders in the market throw away).
- Families support themselves by collecting garbage or begging (these activities can yield up to 300/400 dinar/day. Most hygiene, clothing, and some food supplies are obtained in this way).
- The poorest families do not benefit from selling recycled paper or metal as they do not have a cart to transport these large bulk items.
- Those who do not live in collective centres pay rent and utilities if they can, but also move frequently because they are evicted for non-payment of bills.
- Most are missing documents and so are not eligible to receive MOP, health support or any other kind of assistance from the government even though they would qualify.
- Families in settlements in marginal areas in or near urban areas (near garbage dumps, on grounds of oil refinery, etc.).
- There are no running water or toilet facilities in the house, which is usually extremely run-down, and only one room is heated.
- Families do not borrow from others in the community because they are not able to repay loans. They are also unable to purchase large amounts of food in summer to save for winter.
- Household incomes fluctuate dramatically from summer (higher) to winter (lower); budget is balanced through regulation of consumption.
- Very few children go to school as they are busy helping the parents. Parents also say that they are unable to send children to school because they do not speak Serbian. Parents are also illiterate.

Although the Household Economy Analysis did not look into the issue of local Roma vulnerability in depth, it is clear that many local Roma are as poor as IDP Roma. Generalizations are difficult to make, however, as not all Roma are entirely destitute. Most policy documents make no distinction between local and IDP Roma when discussing their general level of poverty and social exclusion. However, further research into possible differences in vulnerability levels is needed to determine whether this assumption is accurate.

Local Poor: For purposes of comparison, interviews were held with local poor residents in Serbia and Montenegro. These interviews were not as detailed as those held with IDPs, since they were held at soup kitchens or in local shelters. General characteristics of this group includes:

- The local poor population tends to be older (consisting of a large number of retired people) with very limited pensions. Most are unemployed (either retired or having been laid off from their jobs due to privatization of factories).

- This group also includes a high proportion of disabled people, single women, children in single-parent households, and orphans.
- Many of those who receive food from soup kitchens bring the food home to share with their families and to stretch the ration out for three meals instead of one.
- Families tend to be small (consisting of two or three members).
- Families live in accommodation that they own, though the dwellings are often unfinished (construction having been suspended due to lack of funds), with only one room habitable, and lack running water and in some cases electricity.
- Most of the local poor are eligible to receive MOP support, and most do receive it. Some own their own house or live with relatives who own houses.

All groups include high proportion of elderly, disabled, and large families with few able-bodied adults to work, although as noted the proportion of elderly and disabled is higher within the local poor community.

#### **4.6.2 Wealth Group 2: Middle Poor IDPs**

Among the displaced population, the middle poor includes people who have a small regular income (from salary, pension, or self-employment through a trade or craft) and slightly higher level of assets than those in the poorest category. Members of this group were targeted by ICRC as beneficiaries in the grant, vocational training, and/or micro-credit.

Non-Roma: Many non-Roma middle poor IDPs are supported by small pensions or, if they worked in Kosovo in the public service sector, by ‘stand-by’ salaries from their former employers. Most of their income comes from daily labour (in the grey economy). In addition, their living conditions can be broadly characterized in the following way:

- Households pay rent and utilities, or else are living in a collective centre and do not pay rent or utilities,
- Family members tend to have a higher level of education than the poorest.
- Households can rely on their social network (relatives living relatively nearby) to supplement their household food security on an irregular basis.
- In rural areas, families support themselves partially through their own agricultural production. They are able to preserve produce for the winter or to purchase food stocks (bulk quantities of cabbage, potatoes and wheat flour). They may also have few animals (pigs, a cow, a few goats, several chickens or turkeys) that produce for household consumption, but do not have land to graze them on and thus must pay high animal feed costs.
- Many families have elderly members who contribute to the household budget with their pensions. However, they also require medical care or medicines not covered by the government, thus requiring extra expenses. The family is dependent upon this income, and if the elderly person dies they risk slipping into the poorest wealth group.

Roma: Roma IDPs in the middle poor category usually support themselves through occasional daily labour (wages are always less than for non-Roma). They may also

sell recycled paper, bottles or metal (at an average profit of 3000 D/month), which they are able to do because they are likely to have a cart to use to collect these materials (unlike the poorest of the poor). In addition, living conditions conform to the following general criteria:

- Families live in private accommodation with minimal or no rent, or live in collective centres.
- Their income fluctuates dramatically from summer (higher) to winter (lower); budget is balanced by borrowing from within the community during the winter months and paying back in the summer months, with only minimal changes in consumption levels (more fresh vegetables and fruit in summer, for instance, but families are not forced to reduce the number of meals consumed in winter months).
- Families have access to firewood either by collecting it themselves or trading labour or other items for it (i.e. they do not have to purchase it, or only purchase small amounts).
- Many non-food items (clothing, hygiene items, furniture, etc.) are donated from the local community or obtained from the garbage.
- Children are unlikely to go to school – one (usually male) may attend school.
- The family may have a few animals producing for household consumption but no land to graze them on.

#### **4.6.3 Wealth Group 3: ‘Wealthy’ Poor**

The ‘wealthy poor’ IDPs have incomes above the poverty level, but are still vulnerable to deterioration of their income and a slide that would bring them beneath this level. Within the IDP community, the wealthy poor may be sources of credit and assistance for others who have less than they do. However, they must still budget their finances carefully to ensure that they can make ends meet.

Non-Roma: Most non-Roma wealthy poor IDPs have a pension or standby salary that helps to supplement other income. In Serbia, they may have regular employment in the formal sector, but any employment is more likely to be in the informal sector in Montenegro. In addition:

- The family has full documentation, and in Serbia receives child allowance for at least one child (approximately 1200 D/child)<sup>41</sup>
- The family is likely to live in owned property or an official or unofficial collective centre (does not pay utilities or rent). This group includes IDPs who have been selected to live in new flats constructed by UNHCR and other donors (although most of these residents have not been living in the flats for long enough to be able to tell whether they will be able to meet the new costs of utilities and taxes), or else those who can easily afford rent.
- This group was middle class in Kosovo, and has property there that it has been unable to sell or otherwise profit from.

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<sup>41</sup> Several cases were recorded of families with many children who only receive an allowance for one child.

- The household can afford to buy bulk items throughout the year to be able to save money.
- Income does not fluctuate dramatically from one season to the next, particularly if they are not paying for heating; thus, they do not go into debt in the winter, and can afford to lend small amounts of money or give food to their poorer neighbours.

Roma: Roma IDPs who occupy the top wealth group under analysis typically have access to more stable income and to have fewer difficulties with obtaining services since they do not have problems with documentation. In addition:

- Such families have a pension and/or trade that generates regular income.
- Daily labour constitutes significant level of income.
- The family does not have to sell garbage or get household items from garbage or begging.
- They are able to borrow from others in the community, or purchase goods from local traders on credit.
- While the household may go into debt in the winter, they are likely to be able to pay off their debts in the summer months.
- They typically heat only one room of the house, unless in a collective centre with electric heat.
- Children are a little more likely to attend school, though boys are more likely than girls to be enrolled.

#### **4.7 Summary of Wealth Group Analysis**

Table 4.7a provides a summary of basic living conditions of each of the three wealth groups as observed in the current field research period. The table demonstrates that there are significant differences in the living standards by Roma and non-Roma IDPs living in each of the wealth groups.

The table shows that the type of accommodation an IDP family or household lives in has little bearing on their wealth standing, since those who pay rent may have less money for other basic expenses than those living in collective centres or in private accommodation without paying rent. Non-Roma and local residents are much more likely to have no documentation difficulties than Roma, and are more likely than Roma to receive social welfare support if they qualify.

With regard to income, only the non-Roma wealthy poor can rely on formal sector salaried income for support. All other groups depend on the grey economy (daily labour in the construction, agriculture, or service sectors, self-employment from trades, or sale of found items). Recycling and resale of items found in the garbage is exclusively the domain of Roma, but important difference exist in the ability of Roma to make a living from this trade: the poorest of the poor depend on this source for a significant proportion of their food and non-food consumption requirements, and are less able to sell items in large quantities because they do not have access to carts or other vehicles to transport the goods for resale. Only the wealthy poor Roma are able to make a living from selling found paper and metal products in bulk. Begging is a major source of income for the poorest Roma, but the middle and wealthy poor do not

engage in this activity. In one case visited, a household that had received a chainsaw as an ICRC grant reported that they felt that the chainsaw had helped them to reduce the time that they had to spend begging (only the wife in the family had to beg regularly, whereas before they had received the chainsaw the husband also had to beg regularly). They saw this as an important catalyst in restoring their dignity.

Farm production is typically engaged in by the middle and higher wealth group, since the poorest of the poor do not have access to land and lack the capital to invest in seeds, animal feed, and other farm expenses. Those who were engaged in farm work, however, were able to supplement their household food budget, and in many cases their cash budget, with their production. Many of the poorest households interviewed said that they would gladly engage in farm production if they could afford the start-up costs of establishing themselves on the land.

Social capital, measured in terms of resources derived through networks of family and friends, was an important determinant of resilience among the households interviewed. The poorest tended to have fewer social contacts, or to be able to rely on those contacts less for informal credit, small gifts or loans of food, and shared labour. An important exception is the Roma, who tend to have strong social ties to their Roma neighbours, but are unable to benefit materially from these linkages since those living in the settlement are as poor as they are. Roma reported having very few or no social ties to non-Roma. This is also true for the poorest non-Roma and local residents, but in the other wealth groups intra-community sharing becomes an important coping strategy.

In all wealth groups, non-Roma are much more likely to send their children to school than Roma. This reflects a general perception among non-Roma that education can help to improve one's chances to find employment in the future, and in the importance of education to one's general upbringing. Roma have yet to experience an appreciable benefit from sending their children to school. Since they are often excluded from employment opportunities, and since the immediate needs of ensuring the family's survival are more pressing than the long-term prospects, parents usually opt to keep their children out of school. This tendency is reinforced by the fact that schools offer education only in the Serbian language, which many Roma do not speak. Roma children are often targeted for abuse by both fellow students and teachers, and there have been several reports of Roma children being put into separate classes or even separate schools for the mentally disabled because they do not speak Serbian.<sup>42</sup> Education of Roma is a major challenge that requires a comprehensive strategy directed at all socioeconomic levels of society if any appreciable difference is to be seen.

Finally, coping strategies involving reduction of meals, limiting the purchase of non-staple food items (fruit and vegetables in the winter when prices are higher), and consumption of meat only very infrequently, are practiced by all segments of the poorest wealth group. Households that are able to spend more on these items do consume them more frequently.

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<sup>42</sup> European Roma Rights Centre and UNOHCHR, "Memorandum: The Protection of Roma Rights in Serbia and Montenegro," pp. 27-29.



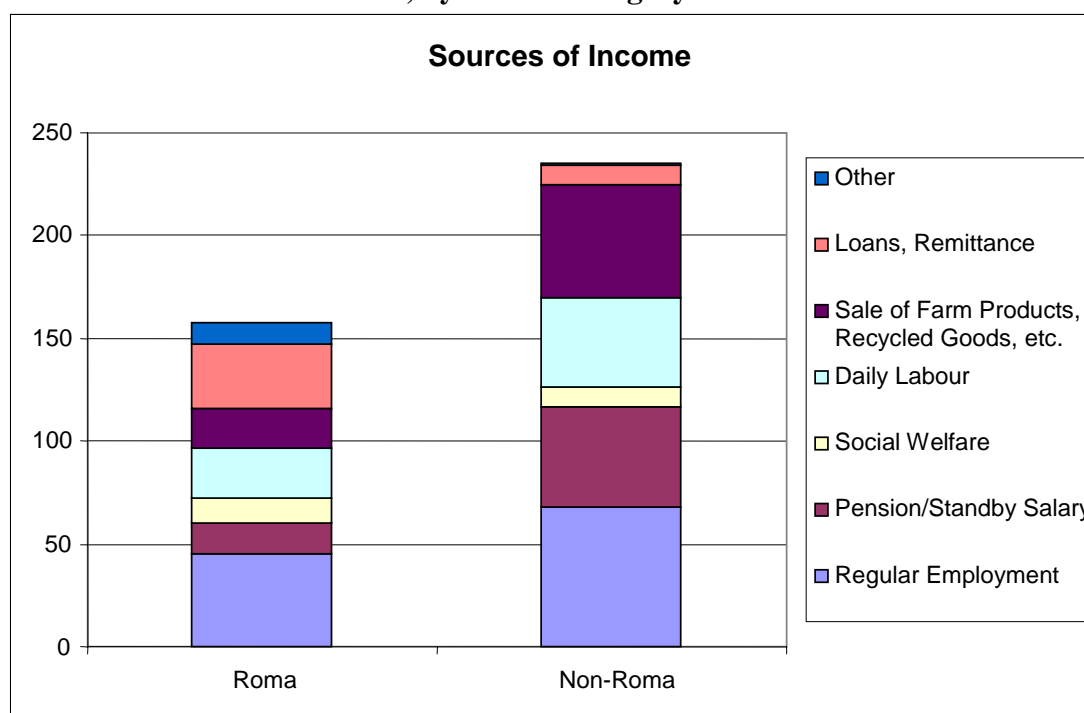
Table 4.7a Living Standards of Wealth Groups

	Accommodation			Social Support			Income					Social Capital		Edu- cation	Food Expense/ Consumption		
	Rent-Paying	Collective Centres	Non-Rent Paying Private	Welfare payments (MOP, Child Allowance)	Pension/Employment Compensation	Humanitarian Assistance	Salaried Employment	Daily Labour	Recycling/ Garbage Collection	Income from begging	Farm Production	Social Network	Access to Community Credit	Children go to School	Can purchase food in bulk for winter	Eat 3 meals/day	Eat meat regularly (at least 1 x week)
Poorest																	
Non-Roma IDP				Very Few													
Roma IDP				Few													
Local																	
Middle Poor																	
Non-Roma IDP																	
Roma IDP																	
'Wealthy Poor'																	
Non-Roma IDP																	
Roma IDP																	

Compiled from 2005 Household Economy Analysis in Serbia and Montenegro, March-April 2005.

Charts 4.7a and 4.7b show the dramatic difference between average income and expense levels of Roma and non-Roma IDPs, respectively. Chart 4.7a shows that pensions and standby salaries compose a much larger portion of non-Roma income. Earnings from Daily labour are also higher for non-Roma, both because non-Roma find work more easily, but also because they tend to be paid 50-100% more per workday than Roma. Roma income includes more non-cash sources (recycled materials, salvaged and donated food and non-food items for consumption or use, identified as 'Other' in the chart), and non-Roma are more involved in farm labour than Roma (although Roma benefit from selling recycled items, an activity that non-Roma do not engage in).

**Chart 4.7a Sources of Income, by Ethnic Category**



In Chart 4.7b, which shows household expenses by ethnic category, non-Roma IDPs clearly spend much more on food and education expenses than Roma IDPs. Analysis of wealth group data shows that Roma spend more money on food as their income increases, and have to rely less on food obtained in kind from leftover market stocks, rubbish bins, and donations to make up the balance of their dietary requirements. Roma expenses for education remain low from one Wealth Group to the next, a reflection of the low priority given to education among Roma families when compared to short term household economic requirements.

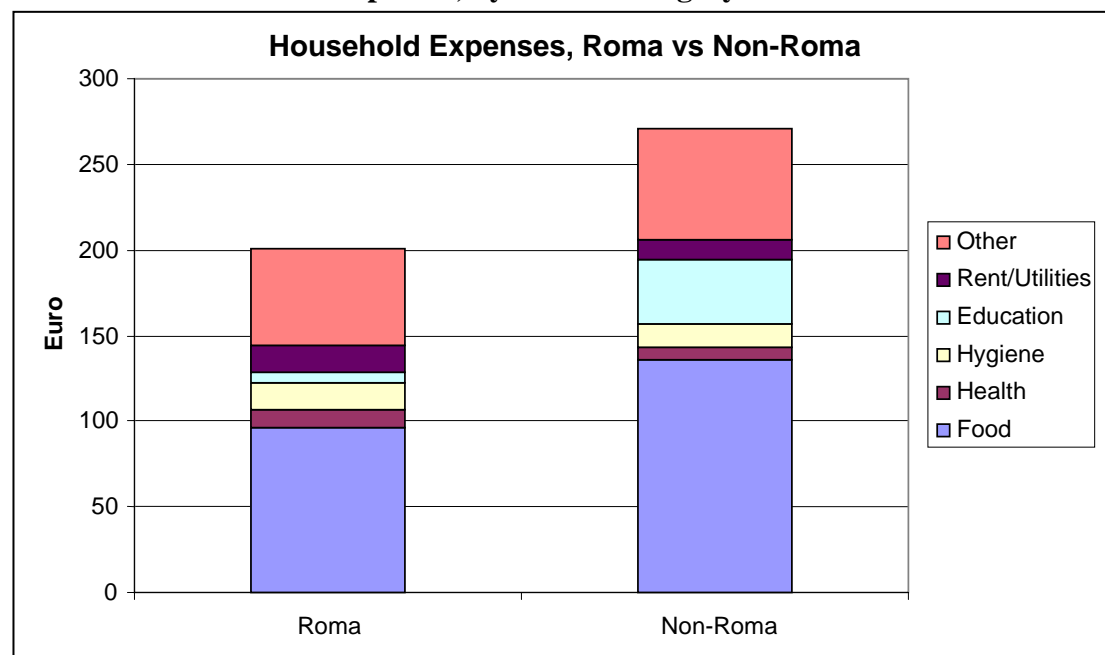
**Chart 4.7b. Household Expenses, by Ethnic Category**

Table 4.7b provides a snapshot of the range of income and expenses of each of the wealth groups. Expenditure levels are derived from the 2005 Household Economy (HHE) Analysis. Note that in the lowest wealth group, official government figures define the maximum income as €86 and €94 in Serbia and Montenegro, respectively. The HHE assessment found that the average household income in this category was €130. The reasons for this discrepancy can be explained by the fact that in the HHE assessment more detailed accounting of unofficial forms of income including non-cash income were considered.<sup>43</sup> In addition, government benchmarks do not adjust for family sizes larger than five (see page 21), whereas the average household size in the HHE sample was 7 in the poorest wealth group (reflecting, in most cases, the large size of Roma families, though in several cases non-Roma also had more than five family members).

**Table 4.7b Income & Expenditure patterns in Serbia in EUR**

Variable	Above Poverty		Middle		Below MSSL	
	Not paying rent	Paying rent	Not paying rent	Paying rent	Not paying rent	Paying rent
Official Definition: Cash income†	>470 Montenegro > 227 Serbia		94-470 Montenegro 86-227 Serbia		<94 Montenegro < 86 Serbia	
HHE findings	493/HH, 102/person avg HH size: 4.6		185/HH, 44/person avg HH size: 5.2		130/HH, 20/person avg HH size: 7	
Rent	0	100-200	0*	25-100	0*	0-25
Utilities	35-50	35-50	0 or 20-40	15-35	0 or 5-15	10-20
Food	50-300	50-300	50-250	50-150	80-120	60-120
Hygiene	15-25	15-25	15	10-15	5	5-10
Health	10-25**	10-25**	10-25**	5-10**	5-10**	5-10**
Education	75-100	75-100	30-60***	50-80	0-60	0-40
Other	>50	>50	30-50	30-50	0-30	0-30

<sup>43</sup> While efforts were made to quantify non-cash income such as firewood, recycled items, and regular gifts used in household consumption, not all non-cash sources could be tracked due to their meager size and the infrequency with which they make a contribution to the household economy.

† According to official government statistics and PRSPs for Serbia and Montenegro. Note that while the rates are dramatically different in Serbia and Montenegro, the HHE analysis did not find significant differences between actual household income levels in Serbia and Montenegro. The author does not agree that these levels are by themselves useful in identifying the actual income of households, or that they necessarily identify wealth groups.

\* Includes those who live in owned houses, those hosted by friends or families, and some of those in collective centres.

\*\* Higher in Montenegro, as only basic medicines are covered. Also higher in households with elderly members (average expense of elderly person €20-25/month)

\*\*\* Households in collective centres tend to be slightly smaller than in private accommodation, and thus fewer children are going to school.

Chart 4.7c shows the different sources and levels of income among the three wealth groups, based on average incomes reported in the HHE.

**Chart 4.7c**

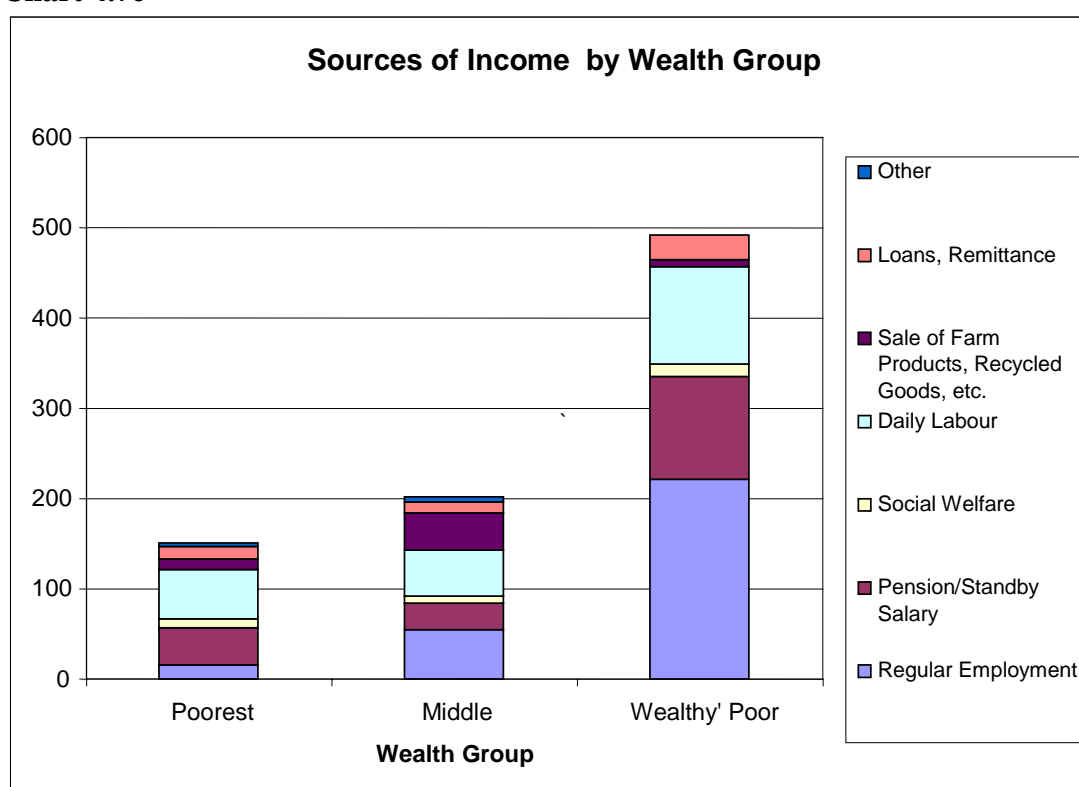
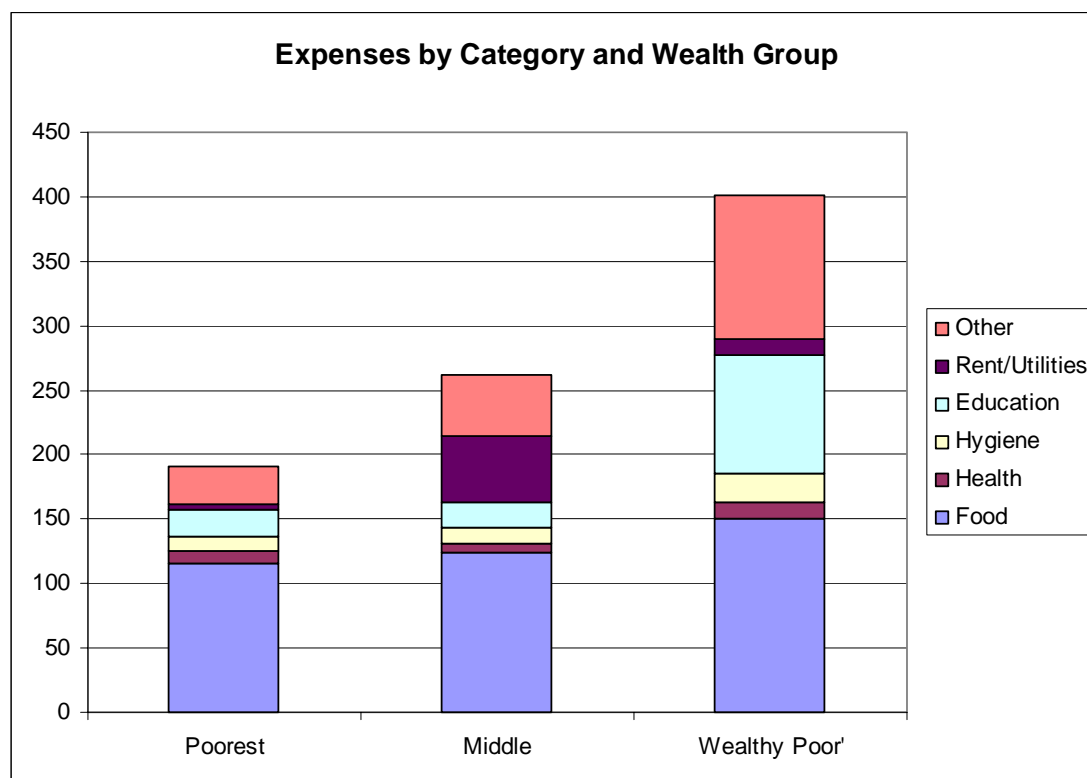


Chart 4.7d shows the different levels of expenditures reported by each of the three groups.

**Chart 4.7d**



In the NAM II report, the category of rent-paying households that fell below the MSSSL was said not to exist. It was assumed that the poorest of the poor all lived in collective centres or had free accommodation from friends and family. However, since collective centres have been closing, and as more people have slid into destitution, some of the poorest of the poor have had to rent accommodation. These dwellings tend to be of extremely poor quality, with indoor mould and mildew, no piped water source, no indoor toilet facilities, and extremely cramped conditions. The burden of paying these rents pulls those whose incomes are just above the MSSSL level into the poorest category, as they are left with enough income to afford only the most basic food and other essential expenses.

### 4.8 Seasonal Coping Strategies

Most households face challenges in getting through the winter months, particularly if they are living in private accommodation and must pay for (or procure) their own fuel for heating. The winter season presents a major challenge to those who depend on income from agriculture, daily labour in the construction or service sectors, and those whose trades depend on customers having adequate income to be able to hire them since they must subsist for five to six months with no significant source of income. For instance, a Roma metalworker reported that although he could work in the winter, his clients did not have enough disposable income to pay for repairs, so his business dropped off significantly during these months. He incurred debts that he was able to repay during the summer when business picked up.

Residents of collective centres and those living in urban areas were less affected by the seasonal changes, particularly if their utility and fuel costs were covered by state support or humanitarian assistance.

The following list of coping strategies were widely reported among local and IDP households questioned during the HHE exercise.

- Borrow money in winter from relatives, friends and neighbours, then repay in summer.
- Buy or collect stocks of fuel wood or coal in summer to save for winter.
- Use heating stove for cooking to save fuel.
- Burn garbage to reduce amount of wood or coal needed (particularly common among Roma).
- Consume only two meals a day in winter (Poorest, and to a lesser extent Middle wealth groups).
- Increase number of family members begging in winter (Roma).
- Buy and consume less fresh fruit and vegetables in winter (all groups).
- Preserve farm produce for winter, either in cold storage or by pickling.
- (For Poor and Middle groups) purchase larger amounts of wheat flour, etc. that will be needed in winter.
- Buy cabbage, potatoes in large amounts (100-250 kg) for season (Middle and 'Wealthy' Poor).
- Delay payment of winter rent and/or utilities until the spring (all groups).
- Migrate to coast or capital city to work in spring/summer (Montenegro).
- Share resources with relatives living in collective centre, benefit from their free assistance (particularly Middle Poor) or combine more than one family in a household to share expenses.
- Sell grant item to cover immediate household expenses (mostly the Poorest).
- Drop out of school to help family (mostly the Poorest, and higher in Roma households).
- Buy on credit from store, repay in summer (Wealth Group 2). Several respondents reported that whereas they used to borrow from local stores, they are unable to continue this practice since traders are now required to account for all of their inventory and to pay tax immediately on items sold. This prevents many traders from offering credit to their customers.
- Depend on pension of elderly parent (particularly Wealth Group 2).
- Steal firewood from neighbour (in one case, Wealth Group 1).

## 5. Programme Implications of Using Household Economy Analysis

ICRC's Assistance Policy Doctrine 49 identifies livelihoods analysis as one of the principal tools for determining needs and project planning. The Operational Guidelines for the Application of the ICRC Assistance Policy to Economic Security Programmes clearly states "The Economic Security Unit applies the Livelihood Approach to all its interventions" (emphasis in the original). It goes on to point out that

*The Livelihood Approach aims at helping people not only to cope with shocks, but also to recover from them. It fits into the global search for self-reliance, and is achieved through the support of capabilities, assets and strategies that people use to make a living.*

The four programmes implemented as part of ICRC SerMont's transitional strategy were based upon this approach, and were broadly successful in promoting economic self-reliance and income generation (further details on the details of these programmes and their effectiveness are available in the other team members' reports).

While it is beyond the scope of the HHE consultant's Terms of Reference to comment on specific implementation aspects of the four individual programmes, the consultant was in a position to assess the role of monitoring within each of the projects, and to make recommendations on potential monitoring requirements for future transitional projects.

Household Economy Analysis can provide important information on the effectiveness of such programmes, by revealing changes in household income, expenditure, and consumption patterns. Such analysis might be a more effective tool for measuring project impact than attempts to isolate the exact amount of profit derived from a particular project input. Other evaluation team members, ICRC field officers, and beneficiaries found it difficult to quantify the impact of a particular project input (for instance, the amount of increased income as a result of breeding piglets, when feed costs had to be considered, some piglets were bartered for other food or non-food items, etc.). The overall impact of the project on a household's standard of living could be better appreciated by using household economy assessment to detect changes in the household's overall economic picture before and after the implementation of the project. A checklist of indicators used in the current HHE assessment, which can be utilized in the monitoring of future income generation programmes, is included as Annex 1.

To use the HEA methodology to track fluctuations in household well-being, some baseline assessment must be done prior to the onset of the project (which can be used as a basis for targeting). This can be followed up six months or one year after the implementation of the programme, and changes can be detected by comparing the situation before and after programme implementation. Depending on the type of assistance offered, results may take more or less time to have an impact on the household economy. For instance, while a microfinance loan might yield modest returns in the months immediately after it is disbursed, its ultimate profitability can only be determined once the balance of the loan has been repaid. Similarly, some in-kind grants such as a chainsaw or carpentry tools might yield profits faster than livestock grants, which typically do not start to yield measurable increases to household income until the first or second round of offspring are produced.

## **6. Working with Roma Communities**

This Analysis makes clear that Roma IDPs, like Roma local residents, are the victims of systematic and institutionalized discrimination and exclusion. The result of this is that a majority of Roma are living in conditions of poverty, with inadequate access to employment, adequate and secure housing, healthcare, education, and social assistance. The fact that so many Roma are not able to realize (and in many cases are not made aware of) their basic rights is a protection issue that should be of concern to ICRC, the governments of Serbia and Montenegro, and the international community.

While ICRC's efforts to include Roma in their targeted income-generation programmes is commendable, it will take much more than this to help make a difference to Roma IDP and local resident communities. The solutions are to be found in structural, legal, and society-wide efforts to root out discrimination and to put into place legislation and policies which effectively provide greater opportunity for Roma residents. Such efforts must go beyond equal treatment, and must include some measure of affirmative action to ensure that Roma are able to obtain the documentation that they are lacking, that they obtain access to employment and education opportunities, and that the generations-old patterns of discrimination are reversed.

Programme implementation must also go beyond earmarking of funds or targeting of individual beneficiaries. Agencies that work with Roma should make sure that they develop strong ties within the Roma communities, that they employ Roma field workers and translators (in Romani and Albanian, as many Roma IDPs' first language is Albanian), and that they approach their work with a genuine understanding and appreciation for Roma culture. These measures are essential to breaking down the climate of mistrust that surrounds the Roma and that extends both ways between Roma and would-be service providers (the international community and the State).

Part of understanding Roma communities has to do with appreciating the impact that generations of exclusion have had on people's psyches. The landscape of opportunity is much more limited for Roma than for non-Roma, so it is understandable that Roma do not see training or a grant as a necessary step to employment. Because Roma have so much more difficulty finding employment or marketing their products or skills in non-Roma settings, it may not be realistic to expect the same level of profitability, or results, from projects as from non-Roma within the same timeframe.

Because of their exclusion, Roma society has developed its own form of "grey economy," which is largely intra-community and often relies on exchanges other than cash (including bartering, subsistence production, recycling, selling of found items, and obtaining consumable items from left-over and discarded market goods). Because of this, household economy analysis conducted with Roma should consider not only increases or decreases in cash income, but also improvements in consumption, dignity, and use of time spent in marginal activities. Similarly, project impact should be measured according to these indicators.

Several initiatives are underway to help improve the lot of Roma, not only in Serbia and Montenegro, but throughout Europe. 2005 is the first year in what has been designated the Decade of Roma Inclusion. This campaign, with backing from the World Bank and the Open Society Institute, aims to end the isolation of Roma by promoting Action Plans and legislation in all countries where Roma are living. Serbia



and Montenegro are both taking part in the campaign (for more information, see [www.romadecade.org](http://www.romadecade.org)).

Within Serbia, the inter-agency IDP Working Group has developed a comprehensive series of recommendations for reversing legal and practical discrimination against Roma. One of the principle recommendations is for better integration of the Poverty Reduction Strategy Papers, the National Strategies for Dealing with the Problems of Refugees and IDPs, and the as-yet-unratified Strategy for the Integration and Empowerment of Roma (Serbia) at all levels of implementation. In this regard, the assistance of the new National Council of the Roma National Minority in Serbia will be key. Similar steps need to be taken in Montenegro, where there is now no Roma-specific strategy, and where the Roma are not officially recognized as a national minority.

## **7. Conclusion**

Despite the continuing vulnerability of IDPs in Serbia and Montenegro, it is appropriate that ICRC should be withdrawing from direct provision of assistance to this group. More than five years after displacement has occurred, the roots of IDP vulnerability are now more a factor of structural and administrative roadblocks than anything else. For significant reduction of vulnerability, IDP rights (including minority Roma rights) need to be recognized and protected. This process starts with a harmonization of existing national law with international agreements and obligations, but filters down to the municipal and community levels. There is a pressing need to sensitize all levels of government, and of civil society, about the ways in which IDPs are disadvantaged. In a state with so many developmental challenges, and a sizeable poor population, this is not an easy task. Yet addressing the needs of the displaced cannot and should not wait until the needs of locals have been addressed. IDP needs should be seen as part and parcel of Serbia and Montenegro's overall development challenge, and should be tackled together with these other tasks.

## **Annex 1. Checklist of HHE Indicators**

The following indicators may be used as a general format for gathering household economy information among IDP populations for which transitional support programmes are envisaged. As it is based on the SerMont fieldwork, the list may need to be adapted for application in other areas. In some cases, several questions may need to be asked to elucidate full information about the indicator.

It is best to use a semi-structured interview format for household and focus group interviews. That is, rather than adhering to a strict questionnaire format, questions should be asked in as delicate and unobtrusive a way as possible, and informants should be encouraged to provide supplementary information, provide anecdotes or examples to illustrate their points, and to change the subject if they wish. The interviewer, who has a very clear idea in his/her mind of the kind of information that needs to be obtained, can always steer the conversation back onto the list of indicators at a later stage. No informant should be obliged to answer every question, or to provide information on every indicator if they do not wish to, or if the question makes them uncomfortable.

### **I. Background**

1. Size and composition of household (sex, age, number of members who contribute income).
2. Ethnicity of household.
3. Type of accommodation (collective centre, camp, private rent-paying, non-rent-paying, owned).
4. Number of years since displacement.
5. Number of residences occupied since displacement.
6. Primary occupation prior to displacement.
7. Does the family own any property in the area of origin? Do they know what has happened to the property? Are they able to sell or rent it?
8. Is the household a beneficiary of any ICRC programmes (specify which)? Of any non-ICRC programmes?

### **II. Cash Income**

1. Primary source of income (regular waged employment, self-employment, daily labour, pension, unemployment assistance, etc.) Amount earned from this source.
2. Other sources of income (type and amount earned).
3. Social welfare support (family financial support, child allowance, humanitarian assistance, support from community or religious groups). Does the household have all of the documents necessary to be considered for social welfare support?
4. Gifts or credit from family and friends within the community (note amount and regularity).
5. Remittances from outside the community (note amount and regularity).

### **III. Non-Cash Income**

1. Farm production (type of crop or animal, amount of production per year, amount used for household consumption, amount sold, selling price).
2. Other non-cash income (items collected for recycling, leftover items from the market, salvaged food and non-food items)-
3. Fuel wood procured by the household (rather than purchased).

### **IV. Expenses**

1. Total amount of money spent on food per month (if households are unable to provide this figure, it may be necessary to ask them how much of each staple item they purchase, and then to convert this to cash amounts after the interview).
2. Total monthly expenditures for rent, utility bills (electric, water), heating fuel, health (medical examinations and medicines), hygiene items, education expenses, clothing (usually easiest to calculate on an annual basis), transportation, loan repayments, gifts, farm expenses (calculate on a seasonal basis), other business investment costs, taxes.
3. Non-cash expenses: this includes items bartered or traded, farm products given to neighbours, friends or relatives, labour exchanged for free rent, food, or other income.
4. Is the household in debt? How much? How does it plan to repay the debt?

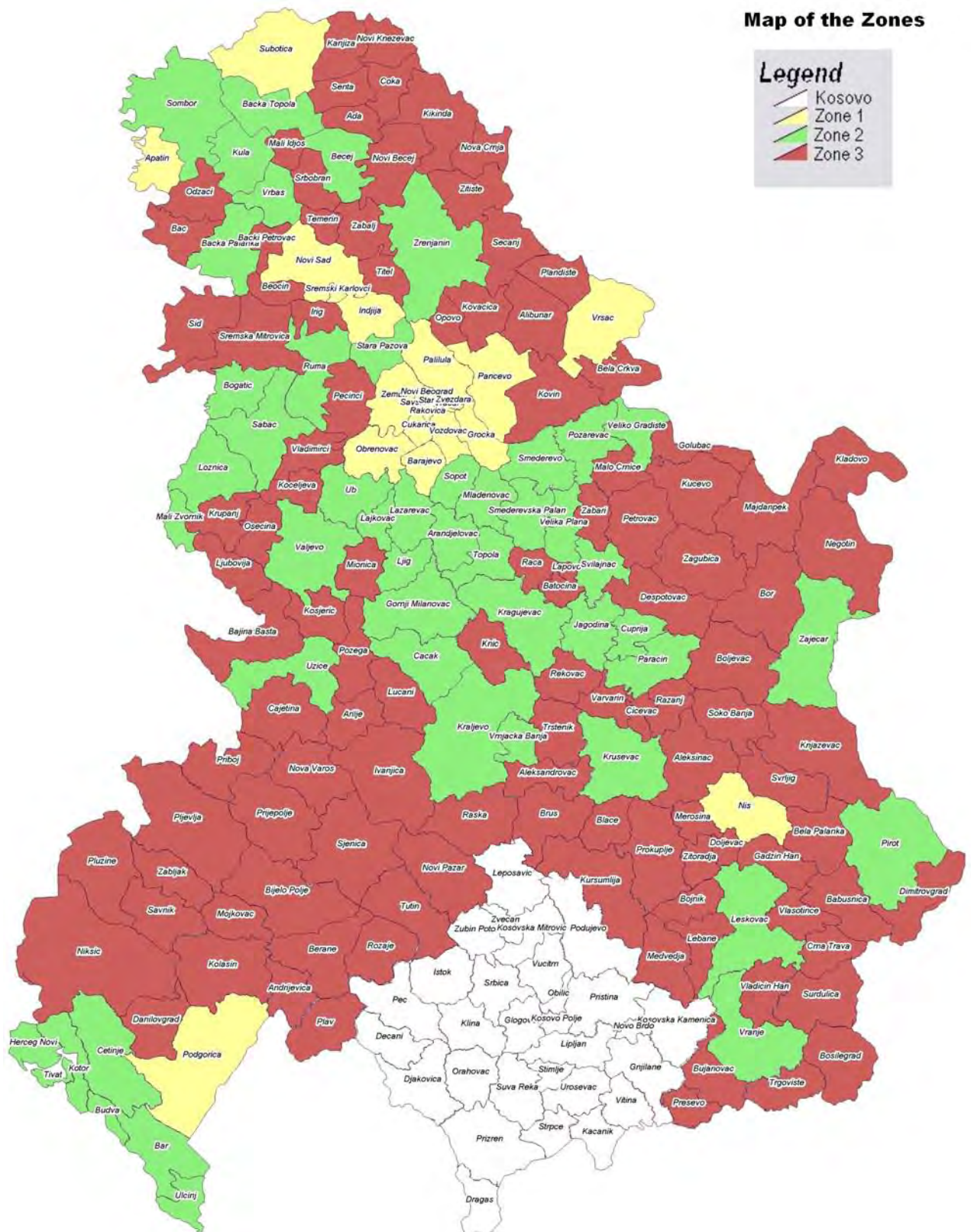
### **V. Consumption**

1. How many meals does the household consume in a day? Does this number fluctuate in the winter or summer months?
2. Which season (winter or summer) is most difficult for the household? Why?
3. What steps does the household take to conserve resources (cash and food) during the difficult season (including possibly purchasing large amounts of staple foods at the onset of the difficult season, preserving food stocks, missing meals, borrowing, withdrawing children from school, refraining from paying rent or utility bills, migrating for seasonal labour, etc.).

### **VI. Other General**

1. Do the household members wish to return to their area of origin? Do they anticipate that such return will be possible in the medium to long term? Why or why not?
2. How do IDPs characterize their relations with local residents (friendly, tense, hostile, etc.)
3. How do IDPs compare themselves to other displaced persons and local residents (better-off, the same, worse-off)? Why?

## Annex 2. Map of Livelihood Zones, Serbia & Montenegro



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**Other sources:**

In addition to the above-mentioned sources, the report benefited from numerous internal ICRC documents, briefing papers, field monitors' reports, and end of mission reports.

## **Annex 4: Persons Interviewed**

### Belgrade

Andra Milojic, Republican Statistical Office

Representatives of IDP Association of the Faros Centre for Care and Assistance to Refugees and IDPs and the Coordination Centre for Kosovo (state-run organization)

Zoran Miroslavljevic, Manager, Social Welfare Centre, Cukarica Municipality (Belgrade)

Zvezdan Bradic, Local Red Cross Society Branch Office Secretary

M.E. Reza, Head of Programme, United Nations High Commission for Refugees

Milos Terzan, Sr. Programme Assistant, United Nations High Commission for Refugees

Aleksandra Jovic, Health and Education, Deputy Prime Minister's PRS Implementation Focal Point

Dejana Razic-Ilic, Project Manager, "Towards More Effective Implementation of Reforms", Office of the Deputy Prime Minister

Claire Meytraud, EcoSec Coordinator, ICRC Belgrade

Jovica Krtinic, Head of Office, ICRC Belgrade

Dragana Rankovic, CAP Manager, ICRC Belgrade

Alan Colja, Grant and Vocational Training Manager, ICRC Belgrade

Slobodan Citakovic, Grants Field Officer, ICRC Belgrade

### Bujanovac

Patrick Vilayleck, Head of Office, ICRC Bujanovac

Nemanja Jovanovic, Grants Field Officer, ICRC Bujanovac

Sami Jusufi, Field Officer, ICRC Bujanovac

### Kragujevac

Dragan Nicetin, CAP and Grants Field Officer, ICRC Kragujevac

Dragan Radojic, Microcredit Field Officer, ICRC Kragujevac

### Kraljevo

Mirjana Misovic, Protection Field Officer, ICRC Kraljevo

Dusan Vukotic, Grants Field Officer, ICRC Kraljevo

### Montenegro

Svetlana Boskovic, Head of Sub-Delegation, ICRC Podgorica

Predrag Radulovic, EcoSec Field Officer, ICRC Montenegro

Sasa Nedovic, ICRC Podgorica Cash Assistance Programme Field Officer

Darka Minic, Community Service Assistant, UNHCR Podgorica

Gordana Popovic, Assistant Programme Officer, UNHCR Podgorica

Jovica Zaric, UNHCR Podgorica

Dragana Radevic, Program Director, Institute for Strategic Studies and Prognoses, Podgorica

Mensud Krpuljevic, Konik Camp Manager, Montenegro Red Cross Society

Sava Arsovic, Social Welfare Centre, Berane

Mensur Adrovic, ex-ICRC Berane Field Officer  
Ivanka Kojic, MCDP humanitarian assistance programme coordinator

Nis

Zoran Vacic, Head of Office, ICRC Nis  
Vojislav Stojanovic, EcoSec Responsible, ICRC Nis  
Predrag Mitic, Grants Field Officer, ICRC Nis  
Valentina Jovanic, CAP Field Officer, ICRC Nis

Novi Sad

Vojkan Gligorijevic, EcoSec Field Officer, ICRC Novi Sad  
Zorana Camber, ICRC-Protection Novi Sad  
Sinjka Somer, Secretary General, Vojvodina Red Cross Society  
Biljana Delic, Director, Centre for Social Welfare, Novi Sad  
Titiana Zurzovan, Centre for Social Welfare, Novi Sad  
Prof. Strahinja Gobeljic, Secretary, Novi Sad Red Cross  
Afim Hajole, President, Roma IDP Association, Novi Sad  
Muharem Halilovic, Head of Secretariat for Health and Social Welfare, Novi Sad City  
Assembly



## **Annex 5: Schedule**

February 28, 2005	Travel to Geneva
March 1- 3	Briefings in Geneva
March 3	Travel to Belgrade
March 3-5	Briefings in Belgrade
March 6	Belgrade
March 7-9	Key Informant and Household Interviews, Novi Sad
March 14-17	Key Informant and Household Interviews, Belgrade
March 21-25	Key Informant and Household Interviews, Montenegro (Podgorica and Berane)
March 26-27	Belgrade
March 28-30	Key Informant and Household Interviews, Nis
March 30-31	Key Informant and Household Interviews, Bujanovac
April 1	Belgrade
April 2	Fly to Tivat, Montenegro
April 3	Debriefing on Initial Findings
April 4-6	Key Informant and Household Interviews, Kragujevac
April 6	Key Informant and Household Interviews, Kraljevo
April 7-9	Belgrade
April 9-16	London (Report Writing)