



# **SUPPORT TO PRO POOR DEVELOPMENT POLICIES AND SOCIAL INCLUSION OF ELDERLY IN BIH**

**AGEING – A CHALLENGE AND AN OPPORTUNITY FOR THE COUNTRIES OF EASTERN  
EUROPE, CAUCASUS AND CENTRAL ASIA  
TRAINING WORKSHOP**

*Chisinau, 13-16 March 2007*

## AGEING IN BIH – MAIN CHARACTERISTICS:



- **BiH population Aged significantly in past 3 decades**
- **Mean age of the BiH population in 1961, was 25.00 (Albania 25.78) - the youngest in SEE**
- **In 2002 mean age 37.52 (Albania 29.06) - now among the oldest in the SEE**

## Mean age of the population - SEE in 1961, 1991, 2002 (ages measures in years)



Countries	1961	1991	2002
Albania	25.78 <sup>1</sup>	27.51	29.06 <sup>5</sup>
Bosnia and Herzegovina	25.00	32.54	37.53
Bulgaria	32.58	37.34	40.55
Croatia	32.02	37.06	39.57
Greece	32.12	38.30	40.29 <sup>5</sup>
Hungary	34.03 <sup>2</sup>	37.45	39.45
Macedonia	26.43	31.80 <sup>4</sup>	34.88
Moldova	27.54	31.94 <sup>4</sup>	34.04
Romania	31.51 <sup>3</sup>	34.71	37.71
Serbia and Montenegro	30.34	35.05	37.37
Slovenia	32.12	35.90	39.32

<sup>1</sup> 1955   <sup>2</sup> 1960   <sup>3</sup> 1962   <sup>4</sup> 1993   <sup>5</sup> 2000

Source: Hristov Emil *The aging of the population in south-eastern Europe*, South-East Europe Review 3/2004

# MAIN CAUSE OF AGEING - LARGE SCALE MIGRATIONS



- **1990s Forced migration**
  - ½ population moved 1991-1995
- **Economically induced migration**
  - Poverty, unemployment, housing
  - Emigration of young people - estimated 120,000 between 1996-2001<sup>1</sup>

<sup>1</sup> [www.osce.org.ba](http://www.osce.org.ba)

## MIGRATION EFFECTS AND THE ELDERLY



- Breakdown of family structure
- Elderly without family care, traditionally dominant pattern
  - homes for elderly doubled (full capacity)
  - IDP camps
- *Outreach* home care program ended in 2000  
(35,000 elderly beneficiaries)

# MAJOR CONCERNS FOR THE ELDERLY IN BIH



- Perception of being old
- Social and health welfare
- Pension system
- Social exclusion - Poverty

# THE CURRENT SITUATION IN BIH SP AND HEALTH SYSTEM AFFECTING ELDERLY



1. **No state level law that regulates social protection (SP) programs**
2. **680,000 poor people, 324,071 registered beneficiaries of social benefits (no data on age groups)<sup>1</sup>**
3. **SP and spending for SP - lack of targeting user groups**
4. **Entitlement to social transfers status driven**

Sources: BIH PRSP/MTDS Revised document, Statistical Annex 2006;

## **THE CURRENT SITUATION IN B&H SOCIAL PROTECTION AND HEALTH SYSTEM**



- 7. SP system in BIH is highly disparate regulated on entity, cantonal levels**
- 8. Cantonal laws regulate SP according to their needs and capabilities**
- 8. SP cash spending dependent on where people live**
- 9. Municipalities do not provide equal benefits**
- 10. No data base on health conditions of the elderly**



## PENSION SYSTEM



- Age, family and disability pensions. Total number of elderly pensioners unknown.
- Age threshold increased from 55/60 to 65 for both women and men with early retirement option.
- Burdened by large informal economy (app. 30% contribution in GDP, 43% inactive labor force). Long-term consequences.
- 1.3:1 ratio of employees to pensioners Vs. 4:1.

## ELDERLY- SOCIAL EXCLUSION AND POVERTY



- Older people marginalized, multiple SE (poverty, access to SP, discrimination)
- Issues concerning the elderly not in the primary focus of CSOs
- 1/5 elderly frequently or very frequently view every activity as a burden (NHDR 2006)
- Financial poverty main driver of social exclusion of elderly

## **SOCIAL EXCLUSION AND POVERTY**



- **At risk of poverty 23.7% elderly (Leaken indicators 2006)**
- **Absence of social transfers would double poverty**
- **Pensions largest effect on poverty reduction (Leaken indicators at poverty risk 2% vs. 23.7-38.5%)**
- **Elderly women more affected by poverty (58% of population above 65 women)**

Source: NHDR - BIH 2006 *Social Inclusion*

# **POLICY PLANNING IN BIH - DEFINING OF THE MTDS (PRSP) AND REVISION THE DOCUMENT**



- **Main goals of BIH MTDS (PRSP) 2004-2007 :**
  1. **Create conditions for sustainable and balanced economic development at all administrative units (RS, FBiH)**
  2. **Reduce poverty by 20%**
  3. **Accelerate EU integrations**
- **Revised MTDS (2006) recognized the need to reform SP system, rather than changes**
- **The reforms envision reforms of pension, health and SP systems, as well as a targeted approach to the elderly.**

## **STRATEGIC APPROACH TO IMPROVEMENT OF SOCIOECONOMIC STATUS OF THE ELDERLY - DEP(EPPU) PLANS**



- **In 2006 started the process of transformation of the EPPU to BIH Directorate for Economic Planning (DEP), a core body within Council of Ministers.**
- **Main activities:**
  - **Coordination and monitoring of implementation of MTDS BIH**
  - **Development of strategy for the period 2008-2013 that will serve as a basis for NDP**
  - **The first BiH Social Inclusion Strategy**