REFRAMING SOCIAL POLICY:
actors, dimensions and reforms

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Foreword

Like elsewhere in the region of Southeast Europe, the support for future member-ship in the EU among the population of Macedonia is very high, about 80–90%. The citizens' aspirations are focusing a lot on the economic and social prospects for themselves and their children. This aspiration is mainly based on the huge dif-ference in economic living conditions between Southeast Europe and the "old EU-member-states" and at the same time the extreme difference between rich and poor in SEE. The Gini-Index of Macedonia for example - based on the Human devel-opment report of the UN in 2006 - is with an indicator of 39 the worst in Europe (but Portugal as an EU-member state being close to it). Huge parts of the popula-tion hope that this situation could be overcome with the entry of their country into the EU, so that at least the most serious forms of social exclusion would be erased.

But the region and its citizens cannot wait for the day of EU integration to get their problems solved, nor will Brussels be able to do so. A well-balanced *social policy* has to be in place and efficient long time before this anticipated date and the re-sponsibility lies to a huge extent in the hands of policy makers in the region. Even if their reach of action might be restricted, they have to search for best possible solutions to find a balance between economic reform and social cohesion in their respective country. Doing so, they should also involve relevant social actors in a serious dialogue about economic reform strategies and include their input as much as possible. Academic consultation will help all concerned actors in finding best solutions. Theory as well as best practice and lessons learned from other countries do contribute to the dialogue process.

The present publication is covering the issue of *social policy* from different angles, on different levels – from Europe as a whole to Southeast Europe and further on to case studies from the region of SEE. It also covers various approaches to *social policy,* discussing concepts and implementation practice, by national and interna-tional actors. Thus, the publication is delivering an extensive insight in theory and practice of *social policy* and should serve academics as well as practitioners from governments, political parties, trade unions, employers' organization and also in-ternational organizations as a basis for further discussion, dialogue, design and im-plementation of *social policy*.

Political foundations like the Friedrich-Ebert-Stiftung as part of international de-velopment cooperation programs play a specific role, as their major goals - to pro-mote democratic transition, social inclusion, civil society and good governance - contribute towards the establishment of a framework for stability and inclusive policies – reminding the political forces about their "responsibility to protect" - also in a socio-economic sense. The international work of Friedrich-Ebert-Stiftung is rooted in the conviction and experience that the development of democratic structures and dialogue between different national interest groups as well as inter-national dialogue leads to stability and peace.

I welcome the initiative of the *Institute of Social Work and Social Policy* of the Faculty of Philosophy of the *University of SS. Cyril and Methodius* to have assembled this scientific work to a comprehensive publication and to have discussed these issues during our joint conference.

Stefan Dehnert, FES-Skopje

Introduction

The articles in this Publication "REFRAMING SOCIAL POLICY: actors, dimensions and reforms**"** are result of the Conference on the topic "Contemporary Challenges in Theory and Practice of Social Work and Social Policy", organized by the Institute for Social Work and Social Policy within the Faculty of Philosophy. The Conference, organized on the occasion of the 50th Anniversary of the Education in Social Work and Social Policy in Macedonia, was an exceptional opportunity to openly, critically and productively debate on the link between theory and practice, traditions and reforms, trends and challenges in social policies, both at local and at national level, but also at the regional and international level. The papers were presented at the Conference in two thematic sessions – social work and social policy. The articles included in this Publication are only those presented and submitted in the context of the thematic sessions on social policy.

According to their content, the papers in this Publication belong to five inter-related subject matters. The first subject matter is a collection of papers that gives a *comparative analysis* of the beginnings, trends, approaches and perspectives of social *policy in Europe.* The authors of these papers, in their original manner, on the whole explain how important are the time and space in which social policy has been developed and implemented, and how the triad of social sciences – social policy - social work in Europe has pointed out common routes but also different results (Horth); how the use of the methodological approach - fuzzy set ideal type analysis, given through example of OECD countries, has more powerful means of analysing different models of welfare state in contrast to the traditional statistic approaches (Hudson); to what extent the increased influence of the international actors, trans-national processes and different inter-mediators has effectively depolarized social policy, or how much they have contributed to the internationalisation of political struggles and mobilisations, while giving at the same time rather detailed description of such situations in South Eastern Europe (Stubs/Lendvai); as well as the heritage and changes in the social policies in post-Yugoslav countries (Puljiz).

The second group of articles present an analysis of *the social policy in Macedonia,* through understanding its general systemic characteristics. In this way, an overview was made of the one-party social policy specifics in Macedonia until 1990s (Ruzin); a review of the reform processes and challenges in the social policy in Macedonia after 1990s (Gerovska-Mitev); as well as an analysis of the interdependence between the socio-economic development and social security (Pejkovski).

The papers in the subsequent three thematic parts also coincide with the titles of the panels at the Conference at which these texts were presented. The third thematic block is analysing the principle of *activation in social policy*. In this group the authors give an exceptional contribution in understanding the models of acti-

vation, and conceptual characteristic of activation measures implemented by different international actors and different political ideologies (Vukovik/Perisik); the practice and efficiency of activation measures on the labour market implemented in Macedonia by UNDP (Dimovska/Medok); as well as an extensive theoretical presentation regarding the range of active measures directed toward the transition from social benefits to employment. (Bornarova).

The fourth group of texts analyses another important principle in social policy – the *social inclusion.* The authors of these articles present, through theoretical and applicative examples, current strategies on social inclusion, by giving and overview of the experiences in Slovenia (Novak); the situation of homeless people in Europe and the programs and services for their grater inclusion (Dan); social inclusion of minority groups, especially in the context of societies in transition (Jashari); as well as principles for good creation of social inclusion policies for persons with handicap (Shavreski).

The last topic dwells upon the problem of *governance in social policies.* The texts in this field analyse governmental and non-governmental actors in the process of creating, administering and lobbying in social policies, first of all, by analysing the usefulness of multi-level governance concept in the social policies in Albania (Tahiraj); as well as by analysing trade unions as social partners in Macedonia, and the situation and challenges in contemporary syndicalism in Europe (Hristova).

We believe that the articles presented in this Publication will contribute towards affirmation of current trends, reforms, and challenges in social policy, both in Macedonia and in the other countries of South Eastern Europe, and wider. We hope that through the critical overview on the national, regional and wider European experiences in social policies, this Publication will serve as a relevant reference to universities, public administrations, non-governmental actors, trade unions and all of the remaining who are interested in the practices of welfare states in the "old" and "new" Europe.

<div align="right">Maja Gerovska Mitev</div>

I part

SOCIAL POLICY IN EUROPE: TRENDS AND PERSPECTIVES

DIFFERENT ORIGINS, COMMON PATHS? FIFTY YEARS OF SOCIAL SCIENCE, SOCIAL POLICY AND SOCIAL POLITICS IN EUROPE

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Plenary Address at the International Conference on Social Work and Social Policy at the Faculty of Social Science, University of Ss. Cyril and Methodius, Skopje, Republic of Macedonia, September 29th 2007

> "The conquest of the illusion of inevitability is not confined to dramatic political revolutions. It has been part of the whole transformation that we call modernization and industrialization, one that has been going on ever since the rise of commercial cities in the later phase of European feudalism. There was an earlier burst in a different form that began before the pre-Socratics and petered out about the time of Alexander the Great."
>
> **Barrington Moore Jr. (1978): Injustice – The Social Bases of Obedience and Revolt. New York: M E Sharp p. 462**

Introduction

Today, and yesterday, we celebrate the teaching of social policy and social work in Skopje. Thus, the topic I have chosen for my intervention here today is "fifty years of social science, social policy and social politics in Europe" starting with "common paths, different origins?" Space and Time are not taken for granted, nonetheless a matter of course. The question mark is there to remind us to be cautious and realistic also on a birthday or two. Of course, the topic will also to some extent include social work.

This is an anniversary, 50 years ago was the founding moment of social education in Skopje, at that time the capital of one of the constituent republics of the Federation of Yugoslavia. Only slightly older than this School, I will take the opportunity

to talk about things that are dear to me: the time and space we live in and work on – do – social organisation in this part of the world, in Europe. Fifty years of "Doing social science and social policy, doing social work and social politics". At the outset, it is important to emphasis that I am a Northerner – a North European Viking sociologist once specializing in social policy and comparative welfare state development – looking forward, towards the future, at the East-West divide of the second half of the 20th century and its implications today, at a Southern European location. Are there common paths, or is the "legacy of the past" – different origins – a power still to be reckoned with? Maybe both deliciously blurred?

Living in Sweden and Scandinavia also means that you belong to the periphery of Europe (Boje & Olsson Hort 1993). Euro-scepticism has been the dominant mood of thinking since my country of origin joined the Union in 1995. In terms of social policy, however, the welfare states of Scandinavia are in no sense peripheral although they are welfare states of the Periphery. These few words may serve as an initial introductory note.

Europe 1957-2007

Geography matters, so let me start from the end of the title, with Europe, or Eurasia. So does Time – and timing. Matters (Flora 1999; Therborn 1996 as well as – in Swedish – chapter 1 in SOU 1997:153). Fifty years ago saw the start of the European Economic Community, and this year the EU celebrated its fiftieth anniversary in a united but indebted Berlin where signs of the old Wall are almost extinct. Today, in governing and intellectual circles in the Centre of Europe, the mood can be characterized as upbeat, or a certain type of hubris (Anderson 2007). Also on the periphery there are those who describe the present as a turning point. From newcomers close to my part of the world I have seen reports such as "2006 and 2007 have been turning points in Estonia history. Economically booming, forward looking Estonia represents a success story among the former Soviet countries. At the same time, Estonia has been struggling with its Soviet past…" Such hubris was much earlier or twenty-thirty years ago, ascribed to Scandinavia ("Swedocentrism", for instance) at a time when its welfare state had reached its zenith (Olsson 1990; also Hajighasemi 2004 and Kangas & Palme 2005). Hence, for many of us from this part of the world, I think it is easier to dwell on this phenomenon at a certain temporal as well as spatial distance. 2007 has been a great year in Europe and to Europe, no doubt, but a bubble is in the air (or, on the stock exchange), and in the midst of complacency and self-praise, there is also a great deal of self-deception.

Fifty years ago, the peoples of Europe had just started to rebuild their continent after the devastation of World War II, the Coal and Steel Union of the early 1950s became the EEC, and in the East bilateral Comecon or CMEA was its equivalent in name although Soviet planning – or agriculture – never was subordinated to some

Brussels like Gosplan. In the mid 1950s, there were the NATO-countries to the West, and the Warsaw pact countries to the East competing in peaceful but at times frightening warfare, the Cold War. The Berlin wall went straight through Germany; on the one hand there was the Federal Republic or West Germany, on the other there was German Democratic Republic or East Germany. To the north the Barent and Baltic Seas had invisible water boundaries on the latter stretching from Vyborg North-west of Leningrad to Rostock on its Southern shores. In the north of Europe both Finland and Sweden were non-aligned states ("neutrals"), intertwined in their various destinies, not least their rapprochement with Evil Big Neighbour, while Norway and Denmark were members of the North Atlantic Treaty Organization, as well as part of the Family of Nations in the Far North, or Scandinavia.

After the border between East and West Germany, to the South came the borders between Germany and Czechoslovakia, between (neutral) Austria and Czechoslovakia, Hungary and, (again neutral, after 1948) Yugoslavia. Right through the Adriatic Sea there was another less visible but nevertheless divisive border between East and West, between Italy on the one hand and on the other hand Albania and Yugoslavia. Yet further to the South there was the Yugoslav border with Greece, a member state of NATO. I have heard, and yesterday it was confirmed that here in Skopje, are the archives of the insurrectionary Greece Communist Party. Thus, it is no coincidence that for some the borders of Macedonia are still controversial despite that FYROM since a decade is at least formally accepted as a European Nation-state.

In any case, Yugoslavia was different from the rest of the Eastern crowd (Magas 1992). Since the break with Moscow and Stalin, the Yugoslavia of Tito had been a non-aligned state in some respect closer to the new and emerging de-colonial Third World than to the non-aligned but western-leaning North European states such as Finland, Sweden and, neighbouring Austria. Yugoslavia was definitely a European nation-state, though (semi-)totalitarian in the emerging global welfare state language of Harold Wilensky et all (Wilensky 1975; also Wilensky 2002 and Hort 2005a & b), but also a Mediterranean country with borders not only to Austria but also to Albania, Bulgaria, Greece, Hungary and Rumania with Italy on the other side of the Adriatic, and Libya not too far way.

Despite that the geological landmass remains the same; the division of Europe is now History. Empires as well as Nation-states have come and gone. Since 1991-92 the Federation of Yugoslavia does not exist anymore despite forceful ambitions for a decade to save the name if not all of its land. Balkanization was (is?) another name for this fragmentation. Likewise, the Soviet Union has disappeared from the map and with it the Warsaw pact as well as CMEA. Instead, an enlarged Europe and its Union seem to have overcome the old East-West divide. Behind the scene other relationships are probably of greater significance, and a much more or at least as important NATO Eastern enlargement has occurred, and continues to do so. For

instance, Macedonia follows this pattern and is close to NATO membership in advance of any membership in the EU. On surface, the European Union stretches from the Atlantic to the Black Sea. But here in Skopje we are probably all well aware of that there are exceptions to this pattern. Of all the new nation-states in this part of the Europe, only Greece and Bulgaria are full members of the Union. You could add Slovenia and Romania if you are meticulous. Macedonia, or FYROM, nowadays belongs to those countries that are at the negotiation table, together with Croatia, while Albania, Bosnia-Herzegovina, Kosovo, Montenegro, and Serbia still are hang-around, far from prospects. Turkey is somewhere in between, formally at the table but actually in limbo since Merkel and Sarkozy joined forces. I have not mentioned Moldavia, Ukraine, Belarus, Georgia or Armenia. Putin´s Russia is of course the name of the game, and – the United States of America, maybe also China, India and Indonesia, not to speak of Israel and Venezuela. Or Cuba and other on and off listed failed, rough, pirate states. To invoke the Washington consensus in a European context is, thus, not taken completely out of the blue.

Social Politics

So far I have been talking real politics and geopolitics, power but not social politics. Implicating the European Union, though, you also allude to its social dimension, its Method of Open Coordination, and its social protocol (Jacobsson 2004). Maybe even a more or less universal European Social Model for all and everybody in contrast to a residual American welfare model in which welfare is synonymous with the poor and antipoverty programs – a reconstructed Fourth way instead of the deconstructed Third-First (Hanssen, Hort & Kuhnle 2007). In a broader European perspective, you can also refer to the Social charter of the European Council and the citizenship rights associated with this corpus. In Europe, there has for a long time, longer than a fifty years period, been something close to "social politics", or mass/class politics at the national level though circumscribed on the supra-national.

However, as far as I have understood, in the English language, social politics is a rather recent English or American invention visible for instance in the title of a social science journal from the 1990s published by an American University Press and edited by an American scholar living in the Far North of Europe. This journal is an example of an ambition from the academic world to reach out to an audience at least partly outside the boundaries of the Ivory Tower. Gender and social policy has been at the forefront of this journal. Feminist politics is on its way to become more or less mainstreamed social mass politics.

When the poor as well as the working class movement reached the public agenda during the 19th century in Europe, the poverty issue became part and parcel of the "worker question"; la Question Social in French, or Arbeiterfrage in German. On the periphery of the Far North, poverty going public also meant a normative stance

close to the anti-drinking Sobriety movement, at the time in the North an internationalist popular bottom-up mass movement of considerable strength. At the new Centre, Sozialpolitics in Wilhelmine Germany – the Second Reich (Greater Prussia) – was a new top-down blend of science and politics before the establishment of parliamentary democracy when Bismarckian workers or social insurance schemes were built up in that country as well as in others. Germany became a model for most of Europe, and in its aftermath social scientists started to talk about policy diffusion or policy learning (Kuhnle & Hort 2005).

Today, I would argue, social politics is also a reaction to the kind of policy learning we have been witnessing in the aftermath of the dissolution of the so called socialist states and the emergence of a true or westernized, occidental, labour market in Central and Eastern Europe. Learning under the auspices and leadership of international organizations such as the World Bank and OECD, social safety nets have eroded as the buyers of labour power have got the upper hand, and no new, strong trade unions have appeared. And there have been few signs of major inroads for unemployment insurance schemes although the ILO has done its best to promote the virtues of such provisions. Added to this, we have seen the emergence of other markets where people sell whatever they may be able to sell to those who are prepared to pay a penny or two. Some people and perhaps even more important institutions call this the informal economy in contrast to the more official or at least slightly regulated labour market. Others – in particular female social activists and feminist researchers – call this informality the new domestic slavery, human trafficking etc. Social politics is a contested terrain. While several nation-states in East and South-east Asia has taken serious steps towards welfare state institution building, the directions of the transformation of the old Central and East European social safety net states are much more ambiguous (Aidukaite 2007 & 2004; Kuhnle, Hatland & Hort 2001), Hort & Kuhnle 2000).

Social Policy and Social Work

Social Policy and Social Work are frequently used in the program of this meeting where they are interchangeable as in many other contexts. To me it is important to point out the specificity of these concepts and to properly locate these concepts. They belong to the policy world, and to the world of social practice. In some countries they are wider than elsewhere (Olsson Hort & McMurphy 1996). They are probably indispensable in making the world safer for people. Through social policy solutions are presented to social dilemmas – private problems going public – with the intention to make human beings more humane and less dehumanised, less cruel. This is one way of making the difference between human beings and other species clear and visible, a civilisation process, if you like. However, good intentions are not enough.

Social problems appear when somebody defines an issue as a public and social one, and is successful in creating support for this or that claim. Victims, or close friends and relatives to victims of AIDS define HIV as a social problem and demand intervention from the public, most often from the state but in a case such as this one maybe also the pharmaceutical industry, the market. Certainly there have been occasions when an issue has been defined through a spontaneous initiative by a charismatic personality, a messianic leader, but most often this happens through the formation and resource mobilization of many people through social associations and movements. Issues are, thus, formed by social relationships, not by one-way communication. The European labour movement is a classical example of this type of popular social mass movement that reached out far beyond the individual agitator, the subjugated worker, and her or his families and friends (Olofsson 1988).

In the Far North of Europe, this movement together with other movements some of them mentioned above – teetotallers and women as well as farmers and Christian revivalists – succeeded in transforming the old local authorities of Monarchical State, parishes under the auspices of the Lutheran State Church in which also free, landowning peasants were involved, into secular municipalities and county councils responsible for social welfare at the local level. Gradually, poor relief was transformed into social services in kind and cash, education and health in particular, in which teachers and social workers became street-level bureaucrats under the auspices of elected political representatives of emerging mass parties. When the welfare state started to crumble in the 1990s, many municipalities defended and developed these institutions more or less on their own and became "islands of welfare" (Hort 2006; also Hajighasemi 2004). Maybe it is no coincidence that the average Swedish municipality is so close to the world average of the prospective Nobel Laureate Common Pool Resource (CPR) units of Elinor Ostrom (1990; also Rothstein 1998). This is also where local and central government do not evenminded go hand in hand, nevertheless try to make compromises with and encourage the self-organization of recently settled commoners – immigrants – on the outskirts of the big cities (Hort 2007; also Caudwell 2006).

To counteract too much popular involvement, there are, of course, also examples of policy solutions from above, reactions to prevent the transfer or dilution of power from the Almighty to the commoners. Old institutions sometimes try to rejuvenate themselves through interventions in new areas that may threaten the legitimacy of their traditional causes. Clientelism is one such method (Papakostas 2001). To some people, Europe is a Christian continent. The shifting relationship over time and in space between the more or less ruling (mostly Catholic) Church and the Poor is a case in point. It is in this environment that the various Christian revivalist movements have grown to other examples of popular social mass movements, and where also certain forms of social work practice have thrived. Furthermore, the friendly societies or mutual ties, in many countries the origins of social insurance, grew in these neighbourhoods.

The birth and growth of Modern Social Work as a local practice and its relationship to Social Policy as a more or less academic discipline – teaching and research – is another case in point. In the tracks of European Integration, a European Social Policy discourse has been born and revitalized comparative research and teaching at the institutions of higher learning. Nowadays, there is an immense literature on this subject alone (for instance Kvist & Saari 2007). This brings me more generally to the social sciences.

Social Science

The social sciences saw the light of day at the dawn of the 19th century as a true offspring of the Enlightenment when the Kingdom of God became a realm of blood sweat and tears, of women and men. The workshops of the world created a secular world, or at least a semi-secular. Out of the old faculties – theology, medicine, law and philosophy – originated new cultural and social sciences: history, geography, economics, political science, sociology, statistics, anthropology, etc., you name it. They strived to become professional disciplines of academia aimed at solutions to the complexity of social life and the human organization of society. However, with the exception of in particular history and its next-door neighbours, the liberal arts, social sciences tried to follow the example of the natural sciences. In order to gain legitimacy, they emphasized the instrumentality of science, in their case the external policy connection. Nevertheless, there was also a link to the reflexivity of philosophy and the humanities, the internal necessity of self-criticisms and self-reflection. In the end, in most countries the social sciences became part and parcel of a field much closer to the power field of politics, and trapped in between the universality of science – "truth" – and the domesticity of politics, the nation-state ("good"). This is still an issue on the public agenda (Burawoy 2007).

The maturation of the social sciences is a more than century long history closely linked to the advancement of popular involvement in the social organization of human communities, in Europe and North America, later on also in parts of the "Third World", India and parts of Latin America being "best practices". Hopefully, this is still underway, and not in regress. Changes and transformations of this process are not always easy to decipher from the Periphery. To continue, we have to make a retrograde movement, go beyond 1957. From the end of the 19th century, in particular French and German social thought provided the necessary input to the emergence of strong disciplines at North American universities. In the East, in Russia the "western" road to social science was abruptly halted in 1917, for instance, Potrim Sorokin left St. Petersburg for Harvard, and this pattern continued in the wider East after 1945 although there were local variations across Central and Eastern Europe (Poland, for instance). In the East, the thought of Holy Grand Fathers – Marx and Engels – was canonized and stupefied in church-hierarchical

manners for more than half a century. After World War II, North American social science had reached a high point visible for instance in the importance of the universal social thought-system associated with the name of Talcott Parsons, and the social technologies advanced by empirical social researchers (in many cases émigrés from Central Europe recruited to the war against Nazism and Fascism) (Flora 1999; Wallerstein 1996; Himmelstrand 1984; Mills 1959).

Western Europe followed suit, again with local variation, and reinforced the ongoing process although initially the structure of input was reversed. In particular the social sciences of the smaller countries became strongly influenced by North American social science. Empirical social research in most European countries, survey research in particular, developed along the lines taken in North America, and many European social scientists spent a year or two in the US. So was the case in the Scandinavian countries as well as in most other countries in Western Europe. Social science was taught in universities and other institutions of higher learning across Western Europe with an eye to the most advanced theories and methodologies formed afar from the battlefield of Europe. Nevertheless, the rethinking of truth, good and evil that occurred in US social science at the end of the First Cold War, opened up for a return of critical and reflexive thinking also in Western Europe. In particular the larger nations, France and Germany as starters, fostered a set of intellectuals that challenged received wisdom with an impact also on the other side of the Atlantic. On the periphery, there were also some noteworthy breakthroughs.

Different Origins

Thus, from the early and mid 1950s a specific development of social sciences was underway in Western Europe. They became "modernized" – universalised and diversified – along the lines of a new dominant, or Hegemony as some would have it, as the earlier continental cultural dominant, Prussia, the victor behind the Second and Third Reich, in 1947 had been abolished. But Americanisation and Westernisation have never been fully compatible, and across Western Europe the diversity simultaneously both increased and decreased during the post-war decades. Early on, the Council of Europe tried to encompass the entire continent, and managed to write a Social Charter. In contrast, in 1957, the Treaty of Rome signed by six countries inspired another seven, including Switzerland, to form yet another trade zone (EFTA) a few years later. With the end of the First Cold War, obstacles to European integration folded and though they were many, in the end a Single Market was on its way in the 1980s. Thereby, also voices for a Social Europe made their way to the public. Thus, the Social Politics of Western Europe put a stamp on the emerging Union when in 1991 Mrs Thatcher and her Ukania managed to opt out from the Social Dimension.

Yesterday and today we celebrate the 50ᵗʰ anniversary of the Faculty of Social Work of the University of St. Cyril and Methods here in Skopje, in the same year as the European Union celebrate its 50ᵗʰ anniversary. The Faculty was founded by a Yugoslavian State that throughout the post-war period itself was caught in between East and West. Nevertheless, Tito´s Yugoslavia tried to break out of the encircle-ment policy of West and East, and early on showed an ambition to create new friends on his/its own terms. The Neutrals of Western Europe were one such friendship, and an exchange started also in the field of social policy, social work and the social sciences. At the start of the Schools that began in Yugoslavia in the early 1950s there was an exchange with Northern Europe. From a Scandinavian perspective, in focus were of course the capitals and universities of the North: Beo-grad, Zagreb and Ljubljana. How many Scandinavians who made their way to Skopje during the early post-war decades, is still open to inquiry. In any case, the Social Science Faculty of this University survived the disasters of Nature and Mankind, an earthquake (1963) as well as the dissolution of a Nation-state almost thirty years later. It has continued to train people in the ambiguous twin services of bureaucracy and humanity. It is still here, with us today well alive with an eye or two to excavate the future.

Common Paths

For fifty years this republic has remained outside an ever larger Union of nation-states in Europe. With the dissolution of Yugoslavia, the peoples and nation-state of Macedonia entered a new and difficult path. So far, Macedonia has avoided the spectre of ethnic cleansing (Mann 2005). Most likely, it is a path towards Europe, and the European Union. Step by step, the former Yugoslavian republics have en-tered the House that the Union and its Peoples are building. Slovenia belonged to the early entrants, and as of January this year also part of Euroland, first among the Central European members of 2004 and ahead of Poland, Hungary and the Czech republic; a true "turning point"? (Stanojevic 2007). To most Union insiders and observers, Croatia is a most likely member-state while the fates of Albania, Bosnia-Herzegovina, Kosovo, Macedonia, Montenegro and Serbia are wide-open. The Ot-toman-Russian shadow is hanging over Balkan although both Romania and Bul-garia succeeded to pass the door early this year, to my mind a most promising event. Also for those of us involved in social policy, social work, social science and social politics.

From the late 1990s I was part of a Norwegian "peace" initiative aimed at univer-sity cooperation in the social sciences between the former Yugoslav republics. Thereby I had the opportunity to preach the virtues of welfare state institution building and discuss the vices – welfare, state, institutions, and building – of the same project. In Northern Europe, not only on academic and elite levels but also among all those who have (had) a special relationship to this part of Southern Europe, there is a genuine interest in the fate of the new Balkan, though at times

perhaps too partisan. In Konjic, between Sarajevo and Mostar, an international so-cial science summer school was supported by this Norwegian initiative – actually still going strong – and later on a number of seminars were held with participants from this part of the world as well as from the Far North of Europe (Kuhle and Sokolovic 2003 including Lindvall in this volume). The ambition was to overcome wartime hostilities far from the military battlefields, and to improve cooperation on the academic level within the former Federation and between European scholars irrespective of civic or ethnic nationalities. In Bergen, Norway, as well as on the campus of the Inter-University at Dubrovnik students and scholars met to discuss the contemporary challenges of social policy and social work (Kuhnle 2005). To my mind, this was a fruitful program, though not without its impediments. Elderly colleagues from Zagreb and Beograd brought up under Djilas, Kardelj and Tito had an easier time to talk to each other than younger ones from the same cities and uni-versities with a wartime intellectual formation. The Ivory towers were not unaf-fected by imprisonment, civil wars and ethnic nationalisms.

The universities of South Slavic Europe has continued and most likely will con-tinue to do academic cooperation both between the various new nation-states and republics – all of them with the exception of Montenegro and the territory of Kos-ovo are represented by academics at this Conference here today – and within the larger Union. Students and scholars come and go between the countries in and around the union when the necessary economic resources are available through various Erasmus, Linnaeus and Socrates programs, also those from the social sci-ences. For instance, Scandinavian social policy has continued to puzzle those ac-tive in building a welfare society and state, likewise, the role of social movements and the strength of the trade union movement of the Far North (Kjellberg 2007). In this part of the world, one Swedish university and its School of Social work have been particularly active in this field of higher education. These are promising signs, but it is still too early to proclaim victory for the civilizing process. Still, human societies are cruel, violent, societies, and this is a fact that social policy, social work and the social sciences has to acknowledge and take into account. For in-stance, that Kurdistan at present – and maybe "forever" – is part of the European or West Eurasian border zone to Iraq and Iran, part of Mesopotamia.

To End

Demography also matters. Apart from ethnic nationalism, there is also civic na-tionalism (Nairn 1999). Europe is not yet united, far from that. An over-burdened Constitution that was rejected by voters in France and the Netherlands have been renamed and may even be adopted in the years to come but most likely without giving birth to an even larger and more participatory Union community. Top-down is the order of the day. Nevertheless, the smoke coming from Berlin, Paris, London and Brussels gives no clear signal. Whether there will be a Union that stretches from the Atlantic to Ural is an open question most likely waiting for an answer far

into the future. At present, Russia is a world apart while Turkey is kept at bay. The Old Wall was erected but new ones have seen the light of day. The Balkan frontiers to the Southwest are constantly moving around Kosovo. A kind of no man's land under NATO but outside the Union is emerging from Belarus to Moldova. Magnates and migrants from all over try to get into Festung Europe with new and tougher challenges also for social workers as well as for social policy makers not to mention social scientists. The grip of the Global-regional Eurasian Market looks firm and solid. Thus, the conquest of the illusion of inevitability is an endangered species.

However, there are also signs of Hope, of spontaneous as well as organized resistance and a bottom-up democratic and popular revival. The Union is also a political project. Within its Centre as well as on the Peripheries attempts at connections and constellations between the two types of polar opposites are prepared and at times slowly moving forward overcoming inertia. To some extent, migrant workers and their families are protected by the national trade unions and in some cases also by the employers not least through the partnerships developed during corporatist rule. Trans-national as well as national human rights activists are constantly pressing the governments through media lobbying and surprise actions. Faith activists join forces with distant fellow-believers, feminists with anti-traffickers and sex- and slave worker organizers, etc. etc. From a social policy perspective, there are obvious differences as well as similarities between the historical Abolitionist and present-day the Anti-Death Penalty movements. The European Parliament is almost unconditionally powerless but on and off highly visible and able to make the Eurasian Imagined Community and Communities sacred. Moreover, on the bright side, young and highly educated people from within or outside the Union are rapidly moving from one place to the other, from one university to another not subjugated to the power of the day and interacting with freewheeling critics, intellectuals and social scientists. If such movements will coalesce into something grander and greater is a tall order to tell. Hence, social justice and social policy is in the air, whether anybody can carry the issue to the centre of power remains to be seen. The social gaps between Northwest and Southeast Europe have increased with the enlargement of the Union (beyond North American levels), and will continue to do so if and when the present candidate countries will enter it. Whether or not a Social Europe will see the light of day during the present era of globalization should, thus, be scrutinized in the best possible ways, cautiously and realistic. Fifty years after the re-founding of "Europe" in Rome and the inception of social education in Alexandrian Skopje there are urgent tasks to be carried out, and a future to make for all those interested in the organization of social justice and human societies.

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THE CHALLENGES OF CLASSIFYING WELFARE STATE TYPES: CAPTURING THE PRODUCTIVE AND PROTECTIVE DIMENSIONS OF SOCIAL POLICY

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1. Introduction: the Dependent Variable Problem

A growing number of comparative studies in social policy have addressed questions surrounding the reliability and validity of macro-quantitative approaches, indicating an increased awareness of what has been called the 'Dependent Variable Problem' of comparative welfare research. As Kühner (2007) has shown, this is more than a minor technical or methodological problem for the most commonly used social expenditure-based measures of 'welfare state change' often produce conflicting answers to key research questions about the nature of recent processes of welfare state change. Although there has been much progress in attempts to resolve weaknesses in key macro-level measures of welfare state effort, the 'Dependent Variable Problem is still at the heart of important methodological debates in comparative welfare state research (see e.g. Castles 2004; Clasen and Siegel, 2007). One important outcome of these intellectual discussions in recent years is the understanding that single-epistemology approaches are less preferable than combinations of large-n quantitative and qualitative case study designs. Even within the quantitatively-informed literature, scholars have increasingly stressed the importance to account for the multidimensionality of the concept of 'welfare state change' – in other words: single-indicator research (and we should add: single-domain research) is prone to providing simplistic and – in the worst case – misleading assessments of welfare reform trajectories across mature welfare states.

Simultaneously, and for related reasons, the long running debate on the question of how we might accurately and meaningfully classify the diverse welfare states found across the high income countries of the OECD has become increasingly characterised by dissensus (see Abrahamson, 1999; Arts and Gelissen, 2002). For the most part scholars have agreed (albeit often implicitly) that the focus on social rights, social stratification and the welfare mix in Esping-Andersen's *Three World of Welfare Capitalism* makes sense. Increasingly – however – scholars have argued

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that a wider conception of decommodification or stratification is needed. For instance, it has been argued that the widespread adoption of 'workfare' type policies represents a form of 'administrative recommodification' in which the state uses social policy interventions to enhance economic competitiveness and support the market (Holden 2003). Evans and Cerny (2003) – amongst others – suggest the welfare state has been replaced by a 'competition state', with traditional social insurance type protections being gradually dismantled in favour of stricter and less generous workfare type policies. On a similar note, others have argued that the emergence of a post-industrial, knowledge economy has led (or: will lead) states to place an increasing emphasis on social and human investment, through training activities as part of ALMPs or, more generally, by placing a greater emphasis on education policy (Room, 2002). Writing more broadly still, Castells and Himanen (2002) have argued that some welfare states have adapted their structures in light of the emerging informational society. Yet, they argue that the nature of this change is far from unidirectional and they suggest that two of the leading candidates for the status of 'informational society' – the USA and Finland – are following quite different pathways in reforming their welfare states to account for this change. All of this suggests that researchers interested in classifying welfare types have to account for the productive *and* protective elements of welfare – a one dimensional focus on the protective intent of welfare states will fail to provide insights on any of the above debates.

The 'Dependent Variable Problem' matters here because the classification of welfare types depends on the particular data used to measure particular protective or productive elements of social policies. Interestingly, there is also a growing methodological debate within the literature as researchers have proposed different statistical techniques to calculate membership of certain welfare types based on multiple dimensions. As we will show in this paper, the decisions for or against any one of these techniques is not a moot point. We will highlight the findings of three different techniques to compute productive-protective welfare ideal types: additive indices using z-scored data, cluster analysis and fuzzy-set ideal type analysis. In doing so, we argue that the recently developed fuzzy-set ideal type analysis has a lot to offer in comparison with the more traditional statistical techniques and – indeed – offers the most valid results.

2. Classifying Welfare States: a Problem of Measures or Methods?

The modern literature on welfare state types has been fundamentally shaped by Esping-Andersen. His classic *Three Worlds of Welfare Capitalism* (Esping-Andersen, 1990) examined social rights, social stratification and the welfare mix in order to reduce the diversity of actual welfare states found in economically advanced capitalist nations into a smaller number of ideal types. Via extensive analysis of data and, especially, through the development of an innovative decommodification index that drew on administrative data about social security systems as a

proxy for the strength of social rights, Esping-Andersen identified a trichotomy of ideal types which he labelled as the liberal, corporatist and social democratic welfare regimes. Despite (or, perhaps, because of) Esping-Andersen's prominence within this debate, his work has been strongly challenged by many scholars. Scruggs and Allen (2006) as well as Scruggs (2007) have maybe provided the most direct *methodological critique* of Esping-Andersen's calculation procedure to date. In particular, they argue that the use of standard deviations from the mean to calculate his decommodification index may create "unjustified discontinuities in scoring" (Scruggs and Allen 2006: 58) as countries with closely related scores just below or just above one standard deviation score very differently with this method (whereby, for instance, a country making people wait 10 days before making a claim for unemployment benefit would score 1 point out of 3 for this feature but a country a waiting time of 9 days would score 2 out of 3). As a consequence Scruggs and Allen (2006) as well as Scruggs (2007) favour approaches utilizing standardized Z-scores for each composite for the computation of overall welfare generosity scores. Generally speaking, Z-scores measure how far original values deviate from the respective mean; a positive Z-score indicates that the observation is greater than the mean, while negative scores indicate a figure below the mean. The calculation of Z-scores is a formidable tool for the compilation of indices that combine data from a range of different measures because they *standardise* scores in a common format so that data can then be added or averaged to compute a single overall additive index. Aside from Scruggs and Allen's (2006) use of the approach to capture a measure of the protective intent of welfare, Room (2000) deploys Z-scores in developing a prototype 'human investment regimes' index that captures their productive intent. Both sets of researchers use Z-scores to compile a cumulative index that allows them to then rank nations on the basis of their protective and productive intent respectively.

While useful for ranking nations, index measures can prove more problematic in terms of classifying them, though this did not appear to be an issue that troubled Esping-Andersen greatly. A more sophisticated alternative comes through cluster analysis. So, for instance, Powell and Barrientos (2004) utilize cluster analysis to examine the memberships of welfare regimes on the basis of data similar to Esping-Andersen's and with new components such as the welfare mix and (with a nod to the issue of productive intent) active labour market policy (ALMP) spending added in for good measure. Indeed, Powell and Barrientos (2004: 91) seem very confident about the virtues of cluster analysis compared to other available techniques when they state that 'cluster analysis has proved the most effective and widely used technique to identify welfare regimes'. Essentially, cluster analysis is a statistical tool to uncover structures in any given data set. It is an exploratory tool that groups cases (or: countries) in such a way that the degree of (statistical) association between two objects is maximal if they belong to the same group and minimal otherwise. Hierarchical cluster analysis uses a stepwise procedure in which cases are combined into clusters, which are then combined further into sub-

clusters – thereby, the actual number of clusters is determined solely by the data itself. Rather dissimilarly, the so-called K-means clustering uses a similar basic principle but allows (read: necessitates) the fixing of the number of cluster centres by the user. Crucially, both of these techniques still rely on the initial calculation of Z-scores for each employed indicator.

What all of these techniques have in common is that they rely on mean averages that can mask important elements of cross-national diversity. As a consequence, they are particularly prone to outlier effects: i.e. if a country is exceptionally strong or weak in one dimension then this can have an undesirable impact on its classification; this is – naturally - particularly a problem for the calculation of additive indices - where a country that is average in both its productive and protective features could be ranked in the same place as a qualitatively very different country that is very strong in its productive features but very weak in its protective features – but the problem can hamper cluster and factor analysis too. Moreover, while useful for identifying statistical patterns in the data, the approaches find it difficult to identify or, indeed, pay due regard to, important conceptual issues signified by the data. The recently developed fuzzy set ideal type analysis (see Kvist, 2006; Vis, 2007) can overcome these issues.

3. Fuzzy Set Ideal Type Analysis

Fuzzy set ideal type analysis has its origins in fuzzy set social science (see: Ragin, 2000). Its starting point is that cases (here: welfare states) are best understood as distinct and differing configurations of multiple, conceptually rooted, dimensions. Given this, the first practical step for those undertaking fuzzy set ideal type analysis is to specify the key conceptual dimensions that are the focus of analysis and then proceed by viewing each of these dimensions as a 'set' in which the cases can have varying degrees of membership. So, for instance, if a study is concerned with the generosity of welfare states and their redistributive intent, then these two concepts form the basis of two distinct sets and empirical analysis proceeds by establishing whether individual countries are members of both, one or none of these sets. Sets are 'fuzzy' because in the real world 'crisp' boundaries are rare occurrences: rather than falling into a simple dichotomy of 'generous' and 'not generous' types, welfare states have varying levels of generosity that fall between these two categories Fuzzy set analysis reflects this by analysing cases on the basis of their graded, partial memberships of sets.

The operationalisation of fuzzy set analysis proceeds by assigning each case a score between 0 (fully out) and 1 (fully in) for each set being examined. However, rather than simply rescaling raw data via arithmetic computation, fuzzy set analysis demands that researchers reconsider their data from a conceptual viewpoint. So, for instance, as Kvist (2006: 174) notes, if an unemployment benefit replaces 100% of previous income it seems evident that this ought to be regarded as a full member of

the 'generous welfare' set. Yet, such a system does not exist anywhere in the world and, based on substantive knowledge of cases, a researcher might suggest that, in practice, any unemployment benefit system replacing 90% or more of previous income can be viewed as a full member of the 'generous welfare' set and that variation above this cut off point means little for the analysis of sets. In short, fuzzy set analysis demands that researchers consider how raw data relates to verbal descriptors of their concepts and to specify qualitative breakpoints at the top (fully in) and bottom (fully out) of their sets (see Kvist, 2006; Ragin, 2000). Ragin (2000) outlines numerous techniques for specifying the values between these two breakpoints; here we will follow the most straightforward model, using the fs/QCA software to compute a continuous scale of values between these two breakpoints (see Ragin et al, 2006). When raw data is recalibrated – 'fuzzified' – in such a manner, we are left with a series of scores for each fuzzy set that can be interpreted in qualitative terms. In between the floor and ceiling scores of 1 (fully in the set) and 0 (fully out the set), 0.5 represents the crucial cross-over point where a case begins to move from being more out of the set to being more in the set, 0.67 means 'more or less in' the set and 0.33 'more or less out' the set (see Ragin et al, 2006 for a fuller list).

However, for fuzzy set ideal type analysis, the scores for each fuzzy set tell us little: what matters more than the variations between nations in the values of these individual dimensions is how these *multiple* dimensions are differently configured across our sample of nations. Fuzzy set ideal type analysis uses fuzzy logic to explore these differing configurations in our nations. Accordingly, two key principles of logic are utilised to analyse combinations of sets: logical NOT (the negation principle, indicated by the symbol ~) and logical AND (the intersection or minimum principle, indicated by the symbol •). Together, these two principles can be used to calculate all logically possible combinations ('property spaces') of the multiple fuzzy sets being analysed: indeed, the number of possible property spaces is simply 2^k, where k = the number of fuzzy sets under consideration.

Building on an illustration used above, if we were aiming to capture the generosity (G) and redistributive intent (R) of welfare states, then with just two fuzzy sets we would have only four property spaces: generous and redistributive; generous and not redistributive; not generous and redistributive; and not generous and not redistributive. More importantly, with the property spaces identified, the logical NOT and AND operators can also be used to assign each case to a single property space on the basis of their combined fuzzy set scores (or, in rare cases, to multiple property spaces when it is exactly half in a number of sets because it is exactly at the cross-over score of 0.5). The logical AND (or minimum principle) dictates that the computation proceeds by using the lowest of the scores for each of the sets being combined: so, for instance, if Country A scores 0.8 in G but just 0.4 in R it receives a combined score of 0.4: if Country A is not redistributive, it cannot be a member of the generous and redistributive property space (G•R), no matter how generous it

might be. The logical NOT (or negation principle) simply inverts scores for a given set (1-*n*): Country A's score of 0.4 for G becomes 0.6 for ~G: if Country A is not a member of the fuzzy set G then, logically, it *is* a member of the set NOT G. The negation principle is important when calculating the scores for property spaces where the absence of a dimension (in this case: not generous) is present: Country A's score for the property space ~G•R becomes 0.6 on this basis.

Fuzzy set ideal type analysis offers us a number of advantages over techniques that rely on the computation of statistical means. Firstly, and most importantly, it does not allow for compensation effects to mask the real extent of diversity. If a welfare state is 'weak' in one area, it cannot 'make up' for this by being 'very strong' in another area. Each dimension matters and cannot be overlooked because another dimension is especially strong or weak. Secondly, and on a similar note, the approach allows for the simultaneous analysis and measurement of multiple dimensions and, crucially, handles these dimensions in a manner that emphasises, rather than ameliorates, difference: fuzzy logic allows us to classify nations on the basis of multiple, even conflicting, components. Finally, by forcing us to think about the links between the values of quantitative data and qualitative descriptors of key concepts, fuzzy set analysis offers a bridge between quantitative and qualitative approaches. In particular, by recognising that not all variation matters, fuzzy set analysis avoids the distorting effects of extreme values that can thwart some quantitative comparative analyses of welfare states.

4. An Example: Productive and Protective Welfare Types

The potential of fuzzy set ideal type analysis in practice is perhaps best illustrated by means of an example. Here we draw on work we have recently undertaken that classifies and explores welfare states on the basis of their protective and productive dimensions (see Hudson and Kühner, 2007 for a broader discussion of the findings). The argument that, in light of the emergence of a globalised knowledge economy, welfare states have become more concerned with strategies for investing in human capital has become commonplace (see e.g. Room, 2002). Yet, despite this, most attempts to classify welfare states into ideal types takes Esping-Andersen's (1990) lead by emphasising the protective intent of social security programmes. In order to address this weakness, we used fuzzy set ideal type analysis to classify welfare states on the basis of four key components: two reflecting the key protective dimensions found in employment and income protection programmes; and two reflecting productive dimensions found in education and active labour market programmes (ALMPs). Table 1 provides an overview of the indicators used to capture these dimensions and details of the boundaries of the fuzzy sets; more detail on the rationale for these indicators and cut off points can be found in Hudson and Kühner (2007).

The four conceptually rooted dimensions give us four fuzzy sets that logically combine to give us a total of sixteen property spaces. Four of these we label 'pure' ideal types. Countries which score high on each of the four fuzzy sets – education investment, training investment, income protection and employment protection – manage to combine both productive and protective elements successfully. This constitutes our *productive-protective ideal type*. Countries that score high on both productive sets (education and training investment), but do not make it into the protective set are *purely productive ideal types*. Equally, *purely protective ideal types* score high on income and employment protection but perform less well in education and training investment. *Weak ideal types* score low on both protective and productive fuzzy sets.

Table 1: Productive – Protective Indicators				
Dimension	**Indicator**	**Fully In**	**Fully Out**	**Data Sources**
Education	Public education spending as a share of total public social and education spending	25%	15%	*OECD Education at a Glance; OECD Social Expenditure Database*
ALMP	Training component of ALMP budgets as a share of the total ALMP budget	20%	80%	*OECD Social Expenditure Database*
Income Protection	Net replacement rate of benefits (including social assistance payments) for a single, long-term unemployed worker without any children at average production worker wage	20%	90%	*OECD Tax and Benefit Models*
Employment Protection	OECD Employment Protection Legislation Index (version 1)	0.5	3.0	*OECD Employment Outlook*

We also identify several hybrid types; these are also relevant for our analysis. *Weak productive-protective types* each score high only on one of the respective productive and protective fuzzy set variables – i.e. these cases show high education investment paired with either high income or high employment protection or high training investment with either high income or employment protection. Those countries that score high on both productive sets and also on one of the two protective fuzzy sets are labelled *productive-plus types*. If a country only scores high on one of the productive and none of the protective countries, we labelled it *weak productive*. Equally, those countries with high scores on both protective and one additional productive fuzzy set are labelled *protective-plus types*. *Weak protective types* score high on only one of the two protective fuzzy set variables.

Table 2 outlines the fuzzy set ideal type memberships of the different productive-protective property spaces introduced above for the year 2003 for the maximum number of countries for which data was available (for time series see Hudson and Kühner, 2007). In total, we were able to include 23 countries: the 18 nations of Esping-Andersen's (1990) *Three Worlds of Welfare* plus the three Southern European nations Greece, Portugal and Spain plus Korea and the Czech Republic. Several countries in our sample are members of one of the four 'pure' ideal types according to our analysis. Finland is at the cross-over point for the productive-protective ideal type, which is interesting since it matches Castells and Himanens' (2002) thesis of the Finnish model being closest to what they call an 'informational welfare state' – i.e. managing to combine both productive and protective elements simultaneously. Further support for their thesis comes from the USA – which they regard as an unbalanced informational welfare state focusing only on the human capital dimension - being placed strongly within our pure productive set, where it is joined by New Zealand. Significantly, the USA's fuzzy set membership score for this set is the highest across all the countries and all the pure types in our sample, stressing the strong balance of its welfare state toward productive features. Both Belgium and Germany are members of the pure protective set, while Australia (along with the UK, which is at the cross-over point) is placed within the weak set according to our data.

Table 2: Fuzzy set ideal type country memberships and fuzzy scores (2003)

Productive-protective:

Finland 0.5

Productive plus:

Denmark 0.63
Norway 0.54

Protective plus:

Sweden 0.60
Netherlands 0.58
Austria 0.57
Finland 0.5

Productive :

USA 0.74
N Zealand 0.58

Weak productive-protective:

Greece 0.70
Ireland 0.64
Switzerland 0.63
Italy 0.58
Korea 0.53

Protective:

Belgium 0.64
Germany 0.53

Weak productive:

Canada 0.64

Weak protective:

Spain 0.76
France 0.58
Czech Rep 0.56 Japan 0.54
Portugal 0.52
UK 0.5

Weak:

Australia 0.56
UK 0.5

Note: italicised countries are at the cross-over point (i.e. they score exactly 0.5)

A look at the countries placed within our hybrid types yields some interesting additional findings. Denmark, Norway and Sweden all are very close to qualifying for membership in the productive-protective ideal-type. The former two countries are members of the productive-plus fuzzy set, while Sweden is a member of the protective-plus set, with Finland joining it at the cross-over point. Our analysis thus suggests that all four Scandinavian countries are – at least – very close to combining productive and protective elements in their respective welfare states. This is an important finding, for it is at odds with Holliday's (2000) argument that protective and productive features are mutually exclusive and the basis of different welfare state types. Indeed, our findings present an additional challenge to Holliday (2000) as, contrary to his suggestion that a focus on productive welfare forms the basis of an East Asian model; neither of the two included East-Asian countries actually qualifies as a purely productive ideal-type. Rather, our data suggests that Korea is merely a member of the weak-productive-protective hybrid type alongside countries like Greece, Ireland, Switzerland and Italy. Japan is characterised by our data as a weak-protective hybrid alongside countries like Spain, France, Czech Republic and Portugal.

5. Fuzzy Set Ideal Type Analysis v Traditional Approaches

Although there is more to be said about the classifications we identify above (see Hudson and Kühner, 2007 for a more detailed discussion), we believe that, through the use of fuzzy set ideal type analysis, we have identified a robust set of groupings that stand up well to more detailed case based scrutiny. For example: the placing of the Scandinavian nations reflects recent reform processes designed to reorient welfare towards a 'knowledge economy' (see Benner, 2003); the USA's position emphasises the strength of its welfare state's productive intent rather, than is the case in most classifications, being merely presented as a welfare laggard (cf. Castells and Himanen, 2002); the East-Asian nations are more accurately classified, as Esping-Andersen (1997) suspected, as weak hybrids rather than unique productively focussed types. While, ultimately, it is only detailed reference back to the detail of national level cases that can confirm the extent of our classification's utility, we can succinctly demonstrate the value of a fuzzy set ideal type analysis over more traditional statistical approaches by using the same raw (i.e. unfuzzified) data to compute alternative models via cluster analysis or standardised Z-scores.

Table 3 presents standardised Z-scores for each of our four dimensions along with an overall index calculated as an average of each of the standardised indicators, with nations listed according to their 'rank' in the overall 'productive-protective' index. As we noted earlier, cumulative indices of this sort are commonplace in comparative research. However, the severe limitations of this approach become apparent almost immediately in this instance.

Firstly, and most importantly, the rankings that emerge mean very little in conceptual terms. So, for instance, Korea is ranked second in this 'productive-protective' index, but a closer inspection of its scores for each individual component shows that its 'strong' performance is almost entirely determined by the education indictor: its welfare state is heavily driven by education spending (indeed, it is arguably the world leader here), but its ALMP and employment protection scores are little better than average and its income protection score is significantly below average. In other words, we have a classic case here of the cumulative score for a case being skewed by strong performance in a single dimension. In terms of the productive and protective dimensions of welfare, Korea is a hugely *unbalanced* case; in fuzzy set ideal type analysis, knowing this is crucial in terms of classifying it, but with a cumulative index, this important imbalance is masked by the averaging process. On a similar note, Finland ranks well below Korea on this 'productive-protective' index for the simple reason that its individual component scores are all distinctly average. Crucially, however, it is one of only two countries (the other is Norway) to deliver average or above average scores for every component: if our goal is to determine whether welfare states are *balanced* in their treatment of productive and protective dimensions then Finland's delivery of consistently average scores across all components is, again, conceptually crucial but cannot be captured in a cumulative index.

The second major problem, therefore, flows from the first. If our goal, as is so often the case, is to classify nations into different groupings on the basis of a constructed measure of welfare state effort, then there is always a difficult question as to where the boundaries between the groups might be drawn. In Table 3, we have somewhat arbitrarily chosen a dividing point of one third above or below 0 as the cut off point for our groupings, but there is no conceptual basis for such a division. Moreover, because the final scores cannot tell us anything about the balance between productive and protective intent, the groupings do not work well as classifications when compared to our fuzzy set groupings.

Table 3: Standardised Z-Scores Based 'Productive-Protective Index' (part 1)

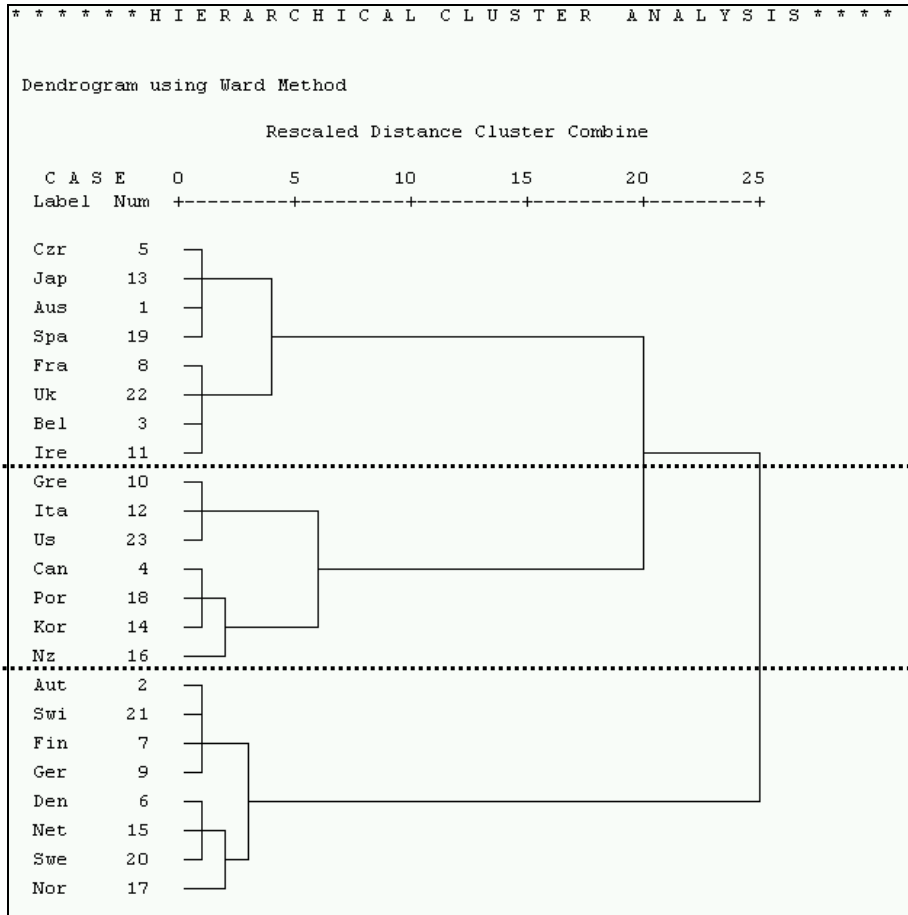|	Education		ALMP	
	Raw	Z-Score	Raw	Z-Score
Norway	22.20	0.44	80.77	1.88
Korea	37.00	3.50	48.45	0.11
Netherlands	19.18	-0.19	69.46	1.26
Denmark	22.95	0.59	63.61	0.94
Sweden	18.99	-0.23	67.29	1.14
New Zealand	27.28	1.49	54.52	0.44
Portugal	19.80	-0.06	47.47	0.06
Finland	20.08	0.00	49.96	0.19
Austria	16.88	-0.66	56.46	0.55
Germany	14.21	-1.21	48.10	0.09
France	16.89	-0.66	36.59	-0.54
Switzerland	17.92	-0.45	58.00	0.63
Belgium	18.62	-0.30	24.15	-1.22
Ireland	21.64	0.32	33.88	-0.68
Spain	17.44	-0.55	26.25	-1.10
Greece	15.74	-0.90	61.80	0.84
USA	25.44	1.11	64.24	0.97
UK	19.23	-0.17	31.52	-0.81
Canada	21.39	0.27	37.69	-0.48
Italy	15.45	-0.96	54.56	0.45
Czech Rep	17.55	-0.52	14.41	-1.75
Australia	19.42	-0.14	22.37	-1.31
Japan	16.52	-0.74	15.77	-1.67

Table 3: Standardised Z-Scores Based 'Productive-Protective Index' (part 2)

	Employment Protection		Income Protection		Average
	Raw	Z-Score	Raw	Z-Score	(Z-Score)
Norway	2.56	0.84	43.00	0.31	**0.86**
Korea	2.03	0.17	17.00	-1.08	**0.68**
Netherlands	2.12	0.29	59.00	1.16	**0.63**
Denmark	1.42	-0.58	61.00	1.27	**0.55**
Sweden	2.24	0.44	52.00	0.79	**0.53**
New Zealand	1.47	-0.52	37.00	-0.01	**0.35**
Portugal	3.46	1.94	24.00	-0.70	**0.31**
Finland	2.02	0.16	50.00	0.68	**0.26**
Austria	1.94	0.06	51.00	0.73	**0.17**
Germany	2.21	0.40	61.00	1.27	**0.14**
France	3.05	1.44	41.00	0.20	**0.11**
Switzerland	1.14	-0.93	55.00	0.95	**0.05**
Belgium	2.18	0.36	54.00	0.89	**-0.07**
Ireland	1.11	-0.96	52.00	0.79	**-0.13**
Spain	3.05	1.44	26.00	-0.60	**-0.20**
Greece	2.83	1.17	0.00	-1.98	**-0.22**
USA	0.21	-2.09	7.00	-1.61	**-0.40**
UK	0.75	-1.42	45.00	0.41	**-0.50**
Canada	0.78	-1.37	23.00	-0.76	**-0.58**
Italy	1.95	0.07	0.00	-1.98	**-0.61**
Czech Rep	1.90	0.02	33.00	-0.22	**-0.62**
Australia	1.19	-0.87	32.00	-0.28	**-0.65**
Japan	1.84	-0.06	33.00	-0.22	**-0.67**

These weaknesses, of course, would not be apparent if we were to devise an index that aimed to capture only *either* the productive *or* protective intent of welfare, but this is our main point: welfare states have multiple dimensions and good classifications ought to be able to reflect this. Given the problems cumulative indices face in producing classifications derived from multiple-dimensions, many researchers, as we noted earlier, have highlighted the potential of cluster analysis. While undoubtedly more sophisticated as a technique, it is far from the magic bullet that some have suggested. Fig 1 presents the results of a cluster analysis of our raw data; following Powell and Barrientos (2004), we utilised a hierarchical cluster analysis using the Ward method. The analysis produced three groupings indicated by the dashed horizontal lines on the dendogram in Fig 1.

While the approach is preferable to a straightforward index insofar as it gives a clear mathematically rooted indication of how our different countries might be grouped together, the validity of these groupings can be swiftly challenged by pointing to the placement of the USA alongside Italy and Greece. Utilising cluster analysis, these three nations are strongly grouped together (forming what is deemed to be a sub-set of the second cluster). It does so largely on the basis of their very weak income protection scores (see Table 3), overlooking the hugely important conceptual significance of its other scores. In particular, cluster analysis deems the similarity of their scores in this one component to be so overwhelmingly important that: (i) the USA's very strong emphasis on education and Greece and Italy's very weak emphasis on education is irrelevant; and, (ii) that, equally, the strong employment protection found in Greece and Italy (arguably the key feature of their frameworks) and the USA's very weak employment protection does not matter either. In our fuzzy set ideal type analysis these variations are key: the USA, for instance, is fully in the education set and fully out of the employment set, while Italy and Greece are clearly out of the former and clearly in the latter. Consequently, fuzzy set ideal type analysis identifies a hugely important *conceptually rooted* difference between the USA and Greece/Italy and so places them in very different ideal types. In stark contrast to fuzzy set analysis, cluster analysis pays no attention to the conceptual significance of variations in the data. It looks for patterns that may, or may not, mean something more than there are some similar numbers in the cases it groups together. While it is more sophisticated than a simple standardised index, we should not lose sight of the fact that cluster analysis itself is driven by Z-score based averaging processes that cannot account for the importance of conceptual – rather than mathematical – patterns within the data.

Fig1 – Productive Protective Groupings Based on Cluster Analysis

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* * * * * * H I E R A R C H I C A L   C L U S T E R   A N A L Y S I S * * * *


Dendrogram using Ward Method

                    Rescaled Distance Cluster Combine

  C A S E    0         5        10        15        20        25
  Label  Num  +---------+---------+---------+---------+---------+

    Czr     5    ─┐
    Jap    13    ─┤
    Aus     1    ─┤
    Spa    19    ─┤
    Fra     8    ─┤
    Uk     22    ─┤
    Bel     3    ─┤
    Ire    11    ─┘
    Gre    10    ─┐
    Ita    12    ─┤
    Us     23    ─┤
    Can     4    ─┤
    Por    18    ─┤
    Kor    14    ─┤
    Nz     16    ─┘
    Aut     2    ─┐
    Swi    21    ─┤
    Fin     7    ─┤
    Ger     9    ─┤
    Den     6    ─┤
    Net    15    ─┤
    Swe    20    ─┤
    Nor    17    ─┘
```

6. Conclusions

In this brief paper we have tried to outline the virtues of utilising the fuzzy set ideal type analysis approach in comparative social policy analysis. To date, statistical methods rooted in averaging processes have dominated attempts to classify welfare states on the basis of quantitative data. Crucially, while such approaches work well when dealing with a single component of welfare, they struggle to cope with more complex pictures of welfare that highlight multiple, *conceptually distinct*, components of welfare. Fuzzy set ideal type analysis, meanwhile, excels in offering just such an analysis because distinct and conceptually rooted sets are its starting point.

Of course, fuzzy set ideal type analysis is not without problems of its own. Chief amongst these is the issue of how to define qualitative break off points for the up-

per and lower boundaries of fuzzy sets. Yet, those in doubt about this element should note that, on the hand, fuzzy set analysis can proceed on the basis of actual values (i.e. the upper and lower points can be defined by the extremes of the data set rather than by the researcher's substantive knowledge) and, on the other hand, that arbitrary cut off points are necessary for drawing boundaries between groups in Z-score based indices or, even, in cluster analysis (where judgement calls sometimes need to be made about how many clusters are indicated by the results).

Added to this, it is true to say that fuzzy set ideal type analysis is also likely to be limited in terms of the number of variables it can include before the number of property spaces becomes so large that useful analysis becomes impossible. With just four variables in our analysis there were sixteen property spaces; addition of, say, two more indicators to capture the 'caring' dimension of welfare would have given us a potentially bewildering 64 property spaces. While, in practice, this number can be reduced by distinguishing a smaller number of hybrids and ideal types, it remains a constraining factor nonetheless.

These issues aside, fuzzy set ideal type is clearly a powerful tool for the classification of welfare state types and can offer considerable advantages over traditional statistically rooted approaches.

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INTERNATIONAL ACTORS AND THE MAKING OF SOCIAL POLICY IN SOUTH EASTERN EUROPE: FRAMING NEW APPROACHES

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I. INTRODUCTION

Social policy is no longer a matter for domestic actors alone. Whilst there are significant theoretical disagreements about how to study the trans-national dimensions of social policy, and empirical disagreements about the relative weight to assign to international and domestic actors in terms of specific policy domains, no study of the making of social policy is complete without, at least, some recognition of the role of external actors. Questions remain, however, about how far the increased salience of international actors, trans-national processes, various kinds of network-based organisations, and new intermediaries has effectively depoliticised social policy, or how far it has led to a more intense internationalisation of political struggles and mobilisations.

This paper addresses these issues theoretically and empirically, through a review of recent work on trans-national processes and flows, and an overview of the making of social policy in South East Europe[1]. Theoretically, the paper argues that notions of 'social policy' and of the 'external' and 'internal' cannot be held as constants in these debates but must, also, be questioned and seen as socially constructed. Empirically, South East Europe is of considerable interest as an emergent regional space, largely ascribed from outside, in which political and institutional arrangements have been profoundly destabilised, and sub-national, national and regional spaces and their institutionalizations, inter-relationships and re-scalings are heavily contested, not least in terms of the delineation of sovereignty, and the 'clash' between an uneven and unclear European trajectory and a fragmented, projectised, development and reconstruction agenda. Politically, since, in this region, "governance and the subjects and objects of governing are in process of simultaneous and mutual invention or constitution" (Clarke, 2007), the construction, deconstruction

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[1] The inspiration for much of this text comes from our involvement with a group of researchers and practitioners exploring 'Intermediaries and translation in interstitial spaces' and on a book project on 'Social Policy and International Interventinos in South East Europe'. Particular thanks here go to John Clarke, Fred Cocozzelli, Bob Deacon, Reima Ana Maglajlić-Holiček, Ešref Kenan Rašidagić and Siniša Zrinščak for their collaborations, insights, and enthusiasm. Whilst, at times here, we have borrowed significantly from their work, responsibility for what follows is ours alone, of course.

and reconstruction of diverse kinds of solidarities is an ongoing process, itself affecting and affected by, social policy processes and flows, rendering stable notions of 'citizenship' and, indeed, of social policy itself, deeply problematic.

The next section, borrowing heavily from earlier joint work (Lendvai and Stubbs 2006; 2007a; 2007b), introduces the idea of social policies as fluid, complex, multi-actor assemblages rather than as path-dependent regimes and draws on notions of trans-national policy as translation rather than transfer. It outlines elements of an alternative understanding of trans-national social policy largely absent from the mainstream comparative, international and global social policy literature. Section III reframes social policy in South Eastern Europe based, in part at least, on insights derived from a series of linked case studies in a forthcoming book (Deacon and Stubbs (eds.), 2007). It explores, in particular, the limits of a construction of the region as a site of neo-liberal governmentalities, based on partnerships between reconfigured states, new 'service-oriented' NGOs, technocratic professionals, and powerful international actors. It examines the role of consultants, intermediaries and translators reconfiguring and projectising social policy. In conclusion, section IV explores the same themes from a normative perspective in terms of the ways in which depoliticised technocracy may erode a public sphere of open debate and choices, whilst containing the possibilities for a re-politicisation as new spaces are opened up and new coalitions and discourses emerge which resist and challenge these processes.

II. RETHINKING TRANS-NATIONALISM AND SOCIAL POLICY

Clearly, international and trans-national processes pose distinctive challenges to the traditional boundaries and conceptual frameworks of the discipline of social policy. International actors can no longer simply be 'added on' to traditional national studies. Rather, a new vocabulary and epistemology is needed to capture the complexity and liminality of the encounters between actors, sites, discourses, scales and contexts. A wholesale deconstruction of the taken-for-granted conceptual apparatus around 'social policy' and 'welfare regimes' developed in the Global North is needed to allow for "the emergence of a multifaceted perspective that recognizes hybridity, incorporates diverse insights and promotes a truly global understanding of social welfare" (Midgley, 2004; 217). Here, we can do no more than sketch some of the elements of a new conceptual architecture in terms of the importance of a number of concepts: 'assemblages', 'translation', 'intermediaries', and 'space and scale'.

'Assemblages'
Assemblage as a concept, emerging from the work of Deleuze and Guattari (2004), seeks to grasp both the structural and fluid aspects of social phenomena pointing "to complex becoming and multiple determinations", being "sensitive to time and temporality in the emergence and mutation" of phenomena (Venn, 2006; 107). It,

thus, stands in stark contrast to the rigidifying reification of final or stable states (Marcus and Saka, 2006; 106) which haunts the work of classic social theory and mainstream social policy studies. It rejects the Western imperialism of a modernist epistemology in which emerging welfare systems are squeezed into one of a number of ideal typical welfare regimes, whether liberal, conservative corporatist, or social democratic (Esping-Anderson, 1990), and resists the temptation to name new ideal types whether Southern European (Ferrera, 1996) or post-communist (Deacon et al, 1997).

The concept has been deployed in John Clarke's brilliant critique of the objectivism and structuralism of mainstream welfare studies, played out in a 'big picture' obsession with the 'usual suspects' such as "globalization, neo-liberalism, … post-Fordism, or the needs/interests of capital" (Clarke, 2004; 3) which serves to obliterate questions about the contradictory, complex, and uneven processes at the heart of contemporary transformations of the social, and tends to leave out all which does not fit into a linear, unidirectional narrative with a beginning, a middle, and an end always, to paraphrase Jean-Luc Godard, 'in that order'. Theorising in terms of 'welfare assemblages' allows us to consider "how a specific moment is shaped by multiple and potentially contradictory forces, pressures and tendencies" (Clarke, 2004; 25), with outcomes, in terms of new 'welfare settlements', much more shaky, unstable, unfinished, and complex than can ever be captured by 'welfare regime' studies. In Clarke's terms, context and conjunctures matter because "they embody (contested) imaginaries" (Clarke, 2004; 47). In South East Europe, we would argue, multiple and competing meanings of 'social policy', 'transition', 'reconstruction', 'development', to name only the most common, cannot be squeezed into a simplified notion of an emergent welfare regime but, rather, need to be addressed as complex, contradictory and contested, constructed in and through encounters within and between various actors, local, national, trans-national and inter-stitial.

'Translation'
Latour and Callon's work on 'translation' takes the concept way beyond linguistics, in an attempt to emphasise the fluid and dynamic nature of the social world, where meanings are constantly transformed, translated, distorted and modified (Latour, 2005). The notion of translation problematises social policy as 'policy', seeing this as a continuous process of 'displacement', 'dislocation', 'transformation' and 'negotiation' (Callon, 1986). 'Translation' occurs in a complex web of social actors and non-social actants, in actor networks, with everybody and everything enrolled in the network being active members and mediators shaping and transforming claims, artefacts, discourses, and interpretations according to their different projects (Latour, 1987). Hence, while the concept is inseparable from "the building, transforming or disrupting of power relations" (Sakai, 2006, p71-72), translation is "a continuous process through which individuals transform the knowledge, truths and effects of power each time they encounter them" (Herbert-Cheshire; 2003, 456).

Above all, an emphasis on policy as translation questions the realist ontology of an orthodox, and influential, policy transfer literature in which 'policy' exists as a kind of 'package' ready and able to be transplanted or transferred from one setting to another. The policy transfer literature works through binary oppositions: either policy is institutionalised in another place or resisted; it either 'fits' or it does not fit; it is picked up by institutions and actors or it is blocked by veto players and/or at institutional veto points. By reconsidering our understanding of the policy transfer process from the point of view of translation theory we would argue, instead, that the policy transfer process should be seen as one of continuous transformation, negotiation, and enactment and as a politically infused process of dislocation and displacement. Emphasizing processes of formation, transformation and contestation implies that policy transfer is never an automatic or unproblematic, taken-for-granted, process. Rather, it suggests the need to pay attention to the ways in which policies and their schemes, content, technologies and instruments are constantly changing according to sites, meanings and agencies (Lendvai and Stubbs, 2007b).

The trans-nationalism of policy as translation focuses on the attempt to render certain specific policies as universal and to 're-transcribe' (Venn, 2006, p82) existing socio-economic, administrative and cultural practices within its idiom. There is nothing new in the movement of ideas, institutional blueprints, discourses and knowledge claims between and across sites, scales and actors. However, in the last thirty years and, particularly in so-called 'countries in transition' over the last decade and a half, these processes have intensified. Hence, acts of translation are, themselves, crucial in the construction of new welfare assemblages. South East Europe, at the confluence of 'Europeanisation', 'anti-poverty developmentalism' and 'post-war reconstructionism' is being multiply signified so that 'national social policy' frameworks become deconstructed, reconfigured, reframed and re-coupled (Lendvai, 2007). Social policy becomes multiply framed as 'combating poverty', 'meeting the needs of the vulnerable', and as 'social inclusion', with the concept of 'social protection' meaning many different things to different actors in different frames. All manner of diverse and different "scripts for social policy" (Lendvai, 2007) necessarily, therefore, stretch domestic understandings which, in fact, are never as purely domestic as they may first appear.

'Intermediaries'
Translation as a process needs translators, including a growing cadre of transnational and local policy consultants and experts, who do more than merely provide 'technical' knowledge and 'disinterested analysis', but are interested actors in their own right. The importance of these new intermediaries whether termed '*strategic brokers*' (Larner and Craig, 2005), '*boundary spanners*' (Williams, 2002); '*interlocutors*' (Belier and Wilson, 2000), '*border crossers*' (Ferguson and Gupta, 2002), '*transactors*' (Wedel, 2004), or '*cultural brokers*' (Trevillion, 1991) is increasingly recognised, but rarely addressed in the social policy literature.

Intermediaries come in different guises; often as policy experts, advisors, and consultants of various kinds but, increasingly, as non-specialist 'fixers' who, whilst not claiming any sectoral competence, claim to be able to connect, facilitate and smooth the passage between diverse actors in a chain of funding, ideas, and/or projects. Typically, intermediaries are located in 'hybrid' or 'interstitial' spaces: in-between scales, organisations, discursive practices, knowledge systems, and geographies. This liminal space is best characterised in terms of a 'blurring and merging of distinctions' (Czarniawaska and Mazza, 2003). It is produced by, and itself productive of, a fundamental shift in terms of the relationship between individual actors and formal organisations, with organisations now much looser, with many staff on temporary, short-term, and consultancy contracts measured in days; an increasing 'revolving door' in terms of exerts working for different organisations in a short time period; and, above all, in a separation of knowledge-based and bureaucratic-based imperatives.

One strand of this, pointed to in Janine Wedel's studies of Western aid to Eastern Europe (cf. Wedel 2000; 2004), is the importance of multiplex networks (Wedel, 2004; 165), where players know each other, and interact, in a variety of capacities, with multiple identities (which she terms 'transidentities'), and in a variety of roles. Brokers, working in innovative spaces, creating new alliances, new meanings and forging new potentialities, are crucial to these networks. Their 'enablement skills' moves them beyond the formalistic and bureaucratic requirements into a space where 'things get done' because "they have the vision, the networks and practical implementation skills to take things a whole step further" (Larner and Craig, 2005; 416). In creatively engineered spaces, brokers are social entrepreneurs who empower, mentor and facilitate new communication channels, new associations, and generate institutional and situational reflexivities. At the very least, they have skills presenting ideas in the most graphically appealing form. At the same time, they operate in a political context, which unsettles and complicates their seemingly technical skills. Indeed, as Larner and Craig suggest, brokers often become professionalised and skilled in multiple intersected and intertwined institutional and organisational sites, and can become politically embedded and 'governmentalised' in far less progressive, transformatory, counter-hegemonic ways as:

> "... the political context of their work remains fraught, with their
> activities directly linked to the politicisation of local issues, while
> at the same time they are increasingly required to make their po-
> litical claims technical, or turn their contest into collaboration."
> (Larner and Craig, 2005:419)

Considering the key role played by consultants in projects of welfare reform in SEE, the various 'technologies', inscriptions, and non-human actants constitute a crucial element in the way consultants produce and re-produce knowledge, put

forward knowledge claims, allow certain agendas to emerge, while actively silencing others and constructing (both discursively and practically) the subject positions of policy makers, politicians, professionals, 'welfare subjects' and communities. In this sense, 'welfare reforms' are neither simply rationally engineered process, nor are they reducible to discursive structures. Rather, they are complex, multiple and fluid processes in which various kinds of intermediaries play increasingly important roles.

'Space and Scale'

In contrast to realist studies of international actors and social policy, which see scales or, more usually, levels as unambiguous, there is a need to render space and scale contingent, complex and socially and politically constructed (Stubbs, 2005), as an "outcome of the tensions that exist between structural forces and the practices of human agents" (Marston, 2000; 220). Rather than being taken-for-granted, a 'politics of scale' refers, in Brenner's terms, to "the production, reconfiguration or contestation of particular differentiations, orderings and hierarchies *among* geographical scales (Brenner, 2001; 600). In this sense, trans-national policy is no longer about linear transfers from one place to another but, rather, concerned with 'multi-scalar networks' which "link local and trans-local processes, producing and consolidating social constructions of place" (Jones et al, 2004; 104).

Seeking to study the relationship between states, space and scale, Ferguson and Gupta suggest that both 'supranational' and 'grassroots' actors are engaged in similar practices of verticality and encompassment. Hence, they are critical of a perspective which treats the 'global' "as if it were simply a super ordinate scalar level that encompasses nation-states just as nation states were conceptualized to encompass regions, towns, and villages" (Ferguson and Gupta; 990). Hence, to quote Jeremy Gould:

> "a jump in scale is not just about a readjustment of the quantitative index of resolution. Different languages, rhetoric, ideals, justifications and rationalities circulate at different scales, at different levels of an organization, for example." (Gould, 2004; 283).

What is important here is that social policy making is not taking place at different taken-for-granted levels of governance but, rather, that key policy players are transcending each level at any one moment. The policy making process is multi-sited and multi-layered as well as multi-actored conterminously. The 'global is in the local' and the 'local in the global' captures some of this, providing we re-assert a notion of power in terms of 'uneven reach', 'differential intensity' of places and spaces, and the differential ability to 'jump scale' (Moulaert and Jessop, 2006). Essentially, we would assert that certain policy spaces open up, and others close down, in the encounters between international organizations and actors and national governments and that those who are better able to travel between these scales: consultants, INGO experts, think-tankers, policy entrepreneurs, and so on,

are, often, better placed to influence policy. The precise forms this takes will, however, vary from context to context.

In addition, Graham Harrison's concept of the 'sovereign frontier' is relevant here, too, challenging conventional binary understandings of state sovereignty – either states have sovereignty or they do not – in which the domestic space is seen as discrete and bounded and either resistant to, or overwhelmed by, external actors. His work suggests that many states exist in a sovereign frontier in which the domestic-foreign border becomes porous through a "'mutual assimilation' of donor and state power" so that donors or, for our purposes here, trans-national actors, are more accurately conceived as "part of the state itself" (Harrison, 2001; 669), or as a kind of 'extended state'. What Gould terms emerging "new hybrid forms of 'global/local linkages'" (Gould, 2005; 9) result in a blurring of the boundaries between the internal and the external.

Hence, we are arguing here for an understanding of welfare and its transitions and transformations as complex, multiple and fluid processes of knowledge production, meaning-making, and claims-making. Instead of seeing cases as conforming and moving towards different (yet universal) types of 'welfare regimes', cast by separable 'state' and 'non-state' actors of 'institutionalised politics', the alternative perspective presented here privileges a view of welfare reforms as a set of interactive, intensive, and luminal processes. Concepts such as 'assemblages', 'translation', intermediaries' and 'space and scale' offer a critical entrée into the transformations of 'the social', of 'policy', and, above all, of 'social policy' forged in the encounter between South East Europe and diverse trans-national forces and actors. What follows is an, all too brief, attempt to utilise these concepts in the specifics of social policy reform in South East Europe, taking on board the 'three challenges' for 'global social policy studies': to see policy as 'political' less in terms of 'grand narratives' and more in terms of processes; to embrace 'methodological reflexivity' in ways which are sensitive to positionalities and standpoints; and to recognise power relations in terms of the voices which are enabled and the silences which are produced in the reform processes (Lendvai and Stubbs, 2007a).

III. INTERNATIONAL ACTORS AND THE MAKING OF SOCIAL POLICY IN SOUTH-EAST EUROPE

Situating South East Europe
Just as, in the section above, taken for granted notions of 'social policy' and, indeed, of 'international actors' have been questioned, what is meant by South East Europe is, by no means, self-evident either. Regions are political constructs which create 'imagined communities' at levels beyond that of the nation state (cf. Anderson, 1991). This notion of regions as "relatively malleable entities contingent on various social practices" (Benchev, 2006; 5) is important, not least in terms of the complex dynamic between notions of identity, nationhood and above all, the spec-

tre of (Western) Europe and its 'Other'. At its most acute in terms of the frozen notion of 'the Balkans' (Todorova, 1997) and only slightly more nuanced in terms of the EU's construction of 'the Western Balkans', the region tends to be defined in negative terms and, in the 1990s, as essentially conflict-prone and underpinned by deep-rooted historical animosities. The difficulty of constructing an antithesis from within, in terms of 'Balkan is beautiful' (Razsa and Lindstrom, 2004) or, more mildly, South East Europe for itself, is reinforced by the real and imagined uneven geo-politics of accession to the European Union, itself constructed in terms of modernity, as states seek to 'join or rejoin Europe'. Our frame of reference needs to grasp both the heterogeneity of the spaces subsumed within the concept of South East Europe and the historically contingent processes of institution and (nation) state building which may be relevant in terms of welfare reform and in terms of the configurations and forms of international interventions.

The impacts of wars and transition on social policies in South East Europe have been documented elsewhere (cf. Deacon et al, 1997; chapter 7), and cannot be addressed in depth here. Nevertheless, the wars of the Yugoslav succession, beginning with the short conflict in Slovenia in 1991, spreading to Croatia from 1991 to 1995 and Bosnia-Herzegovina from 1992 to 1995 as well as the conflict in Kosovo and Serbia in 1999, and the instability in Macedonia in 2001, saw a complex and changing mix of international humanitarian and security interventions which directly affected processes of social and political change. The concept of 'state-building' is in danger of technicising the complex social and political engineering which is being attempted in parts of the region. The unfinished nature of this, not least in terms of processes within Bosnia-Herzegovina and the status of Kosovo, are also important factors which need to be addressed within a frame which links social policy with other discourses, notably security, refugee return, and democratisation. In a sense, elements of the de-territorialisation and de-institutionalisation of welfare, in terms of diasporas, remittances, cross-border claims and entitlements, 'enclave welfare', forced migration and return, the grey economy, informal welfare, the role of inter-household transfers, and 'parallel power networks' (Solioz, 2005; 80) are all, albeit unevenly, relevant to, but often largely absent from, the study of social policy reform in the region.

Not Just the EU versus the Bank
There is a bewildering array of international actors and their representatives, some of whom wear more than one face, all directly or indirectly shaping the social policy of the region and, to an extent, competing with each other in terms of influence through projects, programmes and policy reform agendas. Indeed, in this context, new intermediaries and brokers emerge with major implications for transparency and ownership. It is still true that the World Bank and the EU are the major international actors influencing welfare reforms. However, in addition to the presence of the World Bank, the EU, and the UN agencies including the UNDP, ILO and UNICEF, the region is marked by a proliferation of actors, some of which are completely new and largely incomparable with any other bodies elsewhere, and all

of which contribute, explicitly or implicitly, to a crowded arena of policy advice, project implementation, and strategic alliance-building in social policy. These include the Stability Pact for South East Europe, in the process of transforming into a Regional Co-operation Council, a vast array of International Non Governmental Organisations including those with a history of work in developing and post-conflict societies, and those which are more based on trans-European kinds of solidarities. Beyond these, a range of specialist 'think tanks' and consultancy companies, along with lone policy entrepreneurs, are involved in the complex sub-contracted chains of funding and ideas which dominate contemporary policy processes.

The competition-cooperation binary between the EU and the World Bank takes many shapes and forms. On the face of it, the two agencies offer very different 'technologies of involvement' and 'technologies of enumeration'. From the point of view of social policy, the World Bank has a strong and often pervasive 'structural adjustment' framework, which addresses key social policy areas, such as pensions, social protection (seen as social assistance and social services), and health. On similar 'core' issues, the EU largely remains silent or plays a coordinating, but not a decisive role in those countries for whom membership remains a long-term goal. Hence, while the EU seems to be using 'soft' technologies such as supporting and monitoring the adoption of the regulatory framework of the *acquis*, the World Bank is relying on 'hard conditionalities' reinforced by loans. Thirdly, of course, the World Bank's insistence on the importance of absolute poverty lines stands in contrast to the emphasis on relative poverty by the EU, with the World Bank often co-opting local experts to produce 'definitive', and selectively editorialised, studies demonstrating that "the legitimacy and credibility of the Bank's expertise is drawn through a circular process between the knowledge it produces and the audiences that legitimise that knowledge" (St. Clair, 2006; 77).

Beyond the surface, there are important similarities between the two agencies. Firstly, often key international actors such as the World Bank and the EU pool from the same social policy 'experts' and rely on the same consultants. Secondly, we see similar practices of enframing in terms of 'data' and 'knowledge' production throughout South Eastern Europe, whereby important studies, reports and databases are developed to be acted upon. In this regard, a careful analysis of key documents produced by the World Bank and the EU show textual similarities. In this sense World Bank discourse is moving from traditional structural adjustment towards more transitional programmes in order to support these countries in their integration to the European Union, at least rhetorically.

The region has been seen by external agencies through the lenses of development and post-war reconstruction, thus bringing to the area a development discourse and practice combined with emergency interventions which further altered so-called 'normal' social policies. This means that the intellectual reference points and therefore the discourse of policy advocates working in the region is more complex than

the clash between the EU and World Bank social policy discourses of universalism as opposed to selectivity, or regarding public versus private social provision. In particular, social policy reforms are cut across by a wider 'democratisation' discourse in which actors in civil society, equated with new or reconstructed non-governmental organisations, are positioned in a variety of seemingly contradictory positions vis à vis the state: as partners; as innovators; as sub-contracted alternative service providers; as critics of state authoritarianism; as policy advocates; and as empowerers of the oppressed and under-privileged. NGOs in the region take a very wide range of forms from the governance oriented and extremely powerful 'meta-NGO', through the one or two person academic NGO, to informal groupings, adding to the complex mix of interested organisations and individual players involved in claims-making, strategic choices and resource maximisation. (cf. Stubbs, 2007a).

We now explore three cases of social policy reform in South East Europe, where, in each case, the role of policy translators and intermediaries operating in the new breed of flexible, hybrid, fluid, and less predictable organisations, networks, temporary coalitions, and informal policy networks has been important, albeit in different ways at different times. In each case, that of Bosnia-Herzegovina, Kosovo and Croatia we sketch some of the actors, agencies and institutions framing social welfare reform, address the unexpected discursive chains or connections which have been made, and explore some of the displacements, silencings and contestations which are associated with the fragmentation and sub-contracting of welfare reform strategies.

Bosnia-Herzegovina: flexible organisations, virtual states and multiple impasses

Tracing social policy making in Bosnia-Herzegovina (BiH) is an immensely difficult process. The state is highly fragmented, essentially composed of two entities and a district, with one entity further divided into cantons or regions. It is a kind of semi-protectorate marked by large-scale but, also, largely unco-ordinated, international agency interventions. Overlapping 'contact zones' exist in which a range of international and domestic actors interact, with a wide range of flexible and parallel power networks operating. In a sense, donor effort on strengthening a kind of virtual central state including the creation of new, flexible, agencies at the central state level, offers a new platform or playground for these networks, and creates a privileged site for 'technocratic' depoliticised interactions between key politicians, civil servants and international actors (cf. Stubbs, 2007b; Maglajlić Holiček and Rašidagić, 2007).

Whilst a number of authors trace policy developments in Bosnia-Herzegovina in terms of the playing out of 'liberal peace' (Pugh, 2001), 'therapeutic governance' (Pupavac, 2001) and the gradual movement from the colonial power of the High Representative to the disciplinary power of the European Union (Chandler 2002,

2003), these are examples of where 'theory determines the evidence', privileging linear essentialism over a nuanced understanding of the multiple, fractured and chaotic nature of policy making. The argument that the World Bank continues to dominate social policy making in BiH represents no more than a kind of literal truth insofar as Bank staff continue to press for 'urgent' reforms (cf. Maglajlić-Holiček and Rašidagić, 2007). The point is that similar pleas, made over a twelve year period, by a series of staffers, consultants, advisors, and associates, have had little impact in terms of policy change, as a series of delayed or unimplemented adjustment/reform packages give way to others. The space left by the absence of macro-level reform has been occupied by micro-level 'pilots', involving partnerships between a range of donors, international and local NGOs, local professionals, consultancy companies, academics, and politicians which operate on the border between the formal and the informal, the public and the private, and which serve to create uneven, contradictory and, above all, unsustainable localised practices and policy inputs. In the end, project resources tend to produce 'false positives', inducing a kind of 'instrumental conformism', through which Deputy Ministers, heads of public agencies, academics, and others, are paid honoraria to reproduce a new consensus on social policy. To quote from a recent study:

> "The state *per se* was never made a part of the whole pilot reform exercise. The donor governments and their local implementing partners, after signing formal agreements with the state authorities, recruited representatives of key government ministries and institutions in an individual capacity, through their participation in informal, *ad hoc*, project bodies. Here they paid lip service to the implementation of project goals, whilst continuing their everyday work in the government. Project activities brought handsome rewards, but did not create obligations for state agencies or these individuals." (Maglajlić-Holiček and Rašidagić, 2007)

Ultimately, then, 'success' was judged less in terms of the implementation of this consensus and more in terms of the ability to organise conferences, produce weighty publications and, above all, run well-managed projects. Recently, a move from 'projects' to 'strategies' has occurred with donor support, particularly from the UK Government's Department for International development (DFID), for the transformation of an initial World Bank driven 'Poverty Reduction Strategy' to resemble, more, an EU development strategy. Again, however, this kind of linear narrative, framed in terms of formal organisations, is deceptive, without reference to the creation of a central governmental unit, attached to the Council of Ministers, whose formal status is now clarified but whose informal power is considerably reduced following the departure of a key local policy entrepreneur. In the end, "the services one receives still largely depend on where one lives" (Maglajlić-Holiček and Rašidagić, 2007) andwelfare users are still, largely, silenced or rendered as objects rather than subjects (cf. Stubbs, 2002; 324).

Kosovo: parallel structures and social engineering in a becoming state

Few sites can have experienced more turbulence and changes in terms of 'who governs' and 'how' than Kosovo in the last twenty years. Following the curtailment of the province's autonomy by Serbia in 1989, the majority Albanian population began building a "state within a state" based on the creation of parallel structures (Clark, 2000). Social welfare for the Albanian community was, at the time, organised by a local non-governmental actor, the Mother Teresa Society. By 1998, in the face of continued pressure, a new military grouping, the KLA emerged, with considerable support from the diaspora community. Following the NATO campaign and the withdrawal of Serbian forces, UN Security Council Resolution 1244 created a protectorate under a UN Interim Administration Mission in Kosovo (UNMIK) and a NATO-led Kosovo Force (KFOR).

Initial post-conflict social welfare programmes in Kosovo grew out of an international mandate for emergency humanitarian relief, an effort organised by international relief agencies such as Catholic Relief Services, Mercy Corps, and CARE International "whose strategic priority was initially emergency response and, subsequently, disengagement" (Cocozzelli, 2007). From late 2000 onwards, an internationally-driven social assistance programme and a World Bank-DFID social protection reform programme gave free rein to a wide range of international consultancy organisations and individual policy entrepreneurs, marginalising local actors including politicians, trades unions, local NGOs, and so on. Later, a new partnership between international donors, consultants and a new group of Kosovan public officials has sought to establish more sustainable social policy systems.

Despite elections in November 2001, and the establishment of Provisional Institutions of Self-Government in February 2002, local political processes still had little direct influence over the content of social policy. This was most clearly demonstrated in terms of a new pensions system drafted by a USAD funded consultant, the regulation governing which was rushed through before the formation of the PISG "apparently in order to ensure a workable scheme free of local political involvement and bargaining" (Cocozzelli, 2007), with only details such as the date of introduction and the benefit rate left for the new Kosovo Assembly to decide.

A major strategic intervention was the Kosovo Social Protection Project, jointly financed by the World Bank and the United Kingdom's Department for International Development (DFID), which ran from July 2001, beyond its initial term, ending in August 2006. Each component and sub-component was subject to competitive tender leading to a project consisting of poorly co-ordinated, poorly sequenced, and differently conceived interventions, an over-emphasis on the one hand on largely irrelevant or highly academic training and study visits or, on the other hand, copies of European laws and regulations with little connection with on-the-ground realities and even less attention to the dynamics of implementation. International oversight focused, narrowly, on adherence to sub-contracting rules

whilst mixed messages were given to an emerging cadre of Kosovan administrators and politicians, in terms of being asked to 'steer' the scheme but, also, being sanctioned for any behaviour which appeared to be over-politicised or self-interested.

Currently, the World Bank, since Kosovo is not a country and does not qualify for loans, is not involved in follow-up work. DFID, through a consultancy company previously involved in BiH, is focused on decentralisation, further technicising reform efforts. Whilst this certainly demonstrates the absence of "policy-making institutions that are representative of the Kosovo public" (Cocozzelli, 2007), it is less that "the province is left to be buffeted by powerful global trends as articulated by international actors such as the World Bank, or donor governments such as the US or the UK" (Cocozzelli, 2007), than the fact that all manner of diverse international-local interactions, divorced from a political sphere, continue to produce a chaotically engineered, yet fundamentally hybrid, social policy.

Croatia: welfare patchworks, change agents, and new Euro-speak

Since Croatian independence, the ground upon which social policy operates and has effects has become much more fragmented and contradictory. Successive waves of reforms, and the presence and influence of different kinds of international actors always, of course, working in implicit or explicit alliance with national forces, have produced a kind of uneven welfare patchwork. Rapidly changing modalities of international assistance have rubbed against the rapidly changing internal political and social landscape of Croatia, as the war and authoritarian nationalism were gradually replaced by democratisation and pursuit of EU membership. At first, a kind of 'welfare parallelism' emerged (Stubbs and Zrinščak, 2007) with 'implicit social policy' dominating over any longer-term planning. Interestingly, the case of pensions reform (Stubbs and Zrinščak, 2006) demonstrates how reforms could be achieved based on the establishment of policy coalitions of internal and external actors, making a supposedly 'technical' case at the height of political uncertainty, with a leading role played by reformers from Chile and World Bank staff seconded into the responsible Ministry.

Following the election of a Social Democratic Party-led coalition government in January 2000, the World Bank, together with the UK Government's DFID and the Government of Japan, worked with the Government on the negotiation of a Technical Assistance Credit, to be followed by a significant World Bank loan, to support the Government in developing a coherent and complete Social Welfare Reform Strategy. Teams of consultants were recruited and began work in April 2002. As perhaps one of the more dramatic examples of the problems of sub-contracting and the role of consultancy companies (cf. de la Porte and Deacon, 2002; Stubbs, 2003), no less than eight consultancy teams or companies were contracted to work on the reforms, all but one based on competitive tendering, covering social assistance; social services; labour and employment; fiscal issues and decentralization; administrative strengthening, IT and database issues; poverty monitoring; as well

as an overall team leader and a local resources team. Over the year of the work of the teams, levels of shared understanding of the task, and, indeed, trust between the teams, between international and local consultants, and between the teams and government, became quite low. In the end, the synthesis report was, in fact, written by the Fiscal and decentralisation team which was more experienced in working on USAID fiscal programmes questions in Central and Eastern Europe than on social welfare reform. The pinning of hopes for reform on an individual 'change agent', in this case an Assistant Minister plucked from academia, can be seen to have had unintended consequences and may, even, have sharpened some resistance to change.

The HDZ-led government, elected in late November 2003, reorganised the structure of government so that social welfare now became part of the health-dominated new Ministry of Health and Social Welfare. The former Assistant Minister was promoted in the new Government to the position of State Secretary although, perversely, his influence weakened, in part because of the political nature of the position, filled according to the interests of a minor coalition partner. Importantly, in the aftermath of deaths in an institution for people with learning difficulties, the new Minister made it very clear that, if there were to be any World Bank loan in this sector, the largest part should be spent on repairs to essential infrastructure in institutional care facilities. In addition, the role of co-ordinating the reforms was given not to the State Secretary but to a leading HDZ MP, a medical doctor, who had established her own NGO providing institutional care for people with disability.

Under some internal criticism for the time spent from initial credit to loan signature, the World Bank put in place a number of new consultants, and supported a number of consultative seminars before, finally, a loan agreement was signed with support from the Swedish Government. The revamped project represents some continuity although, interestingly, it re-introduces the notion of pilots in three counties, all HDZ controlled, notwithstanding the fact that counties have, until now, played a very limited role in social welfare in Croatia. There is some attention to transformation of institutions, to innovation and to the establishment of new reference or referral centres although all remain somewhat vague and subject to diverse interpretations. A third wave of consultants, far removed from the original concepts of the reform, are now engaged to make the project meaningful.

At the same time, the preparation of Croatia's Joint Inclusion Memorandum prior to EU membership, which began in autumn 2005, signalled a more active interest and involvement in social policy by the European Commission. The influence of Europeanisation both in terms of harmonisation of social statistics and in consultation with stakeholders has already become visible, representing changes in 'technologies of involvement' (Haahr, 2004) and in 'technologies of enumeration'. The nature of the EU accession process as meaning-making, institutional transformation

and new social policy governance (Lendvai, 2005; 65) creates new opportunities for intermediaries and consultants, with those who previously worked with the World Bank and/or UNDP now re-positioning themselves in relation to a new discourse.

IV. REPOLITICISING WELFARE?

In conclusion, one more binary opposition needs to be re-thought in order to make sense of the empirical data above. This is the division, so far rendered unproblematic in this text, between political and technocratic processes. Seeing both concepts as more metaphors than as accurate descriptors, also profoundly shaped by the confluence of national and trans-national processes, offers a new way of understanding sites of struggle, the nature of resistance, and the possibility of new alliances for change. We share John Clarke's concern that, too often, studies narrating a "compelling story of a totalizing system, strategy or force" contain "a tagged-on last paragraph about resistance" (Clarke, 2004; 158). His concluding questions, albeit derived much more from a UK-USA-Western European trajectory, seem to us to be highly relevant in terms of beginning the urgent work of locating "the possibilities of refusals, resistances and alternative possibilities within the analysis" (Clarke, 2004; 158).

> "1. What can we add to the substantive and methodological repertoire of people's scepticism about dominant tendencies and strategies? How, so to speak, can we enrich and enlarge the sceptical capacity?" (Clarke, 2004; 158).

In all of the countries and territories discussed above, there is a healthy scepticism amongst professionals, policy makers and informed publics about 'consultants', renamed 'insultants', whose reports gather dust in drawers, and who have introduced a pseudo-language of 'ubleha' (Šaviha-Valha and Milanović-Blank, no date). In part, the task at hand is to raise this scepticism to the level of critical scholarship and action. Whilst this may appear to be too close to the 'audit culture' of technocratic new public management, a call for a register of consultants in which ratings of performance are systematically made (cf. Stubbs, 2003) might offer one way of rendering consultancy more accountable if only, in a sense, to 'weed the apples from the pears' (Gould, 2003). Beyond this, making explicit the difference between political and technocratic approaches would, also, be of use. In addition, the emphasis on 'technologies of participation' at the centre of trans-national processes offers an opportunity for other voices to be heard.

> "2. What can we say about the 'faults, fractures and fissures' of dominant systems and strategies? What are their characteristic contradictions, tensions and forms of instability'" (Clarke, 2004; 158)

This paper has emphasised many of the inherent contradictions in reform processes: the need for explicit and never complete translations; the possibility of allowing divergent voices to be heard; the 'accidental' nature of many of the processes at hand and, above all, the possibility, always, that depoliticised processes will become repoliticised. This can occur through a re-insertion into formal domestic politics; through a new internationalism as, for example, European-wide social movements become involved as active subjects in debates; and through myriad small-scale acts of resistance or sheer recalcitrance. One manifestation of this is the explicit challenging of material inequalities which can be dramatic in trans-national contexts as, for example, a senior career grade civil servant in Kosovo who points out that his salary is 400 Euros per month whilst he signs big contracts with consultancy companies whose consultants are paid up to three times as much per day. Again, as outlined above, part of the task of critical scholarship is to discuss these imbalances in remuneration and to promote both local actors and, crucially, 'localised' knowledge and skills.

> "3. What are the other voices and vocabularies that are in play but marginalized, subordinated or silenced in the present situation? How might we enlarge their capacity to articulate other imaginaries, other solidarities and other possible futures?" (Clarke, 2004; 159).

Elsewhere, one of us has argued that it is welfare users who are most marginalized in these processes (Stubbs, 2002). Nevertheless, 'technologies of participation' do provide a space to ensure users' voices are heard, not in a technocratised, projectised or fetishised way but, rather, through new processes of democratic accountability. Trans-national user and advocacy groups can play an important role here. In addition, networks of political party support (such as the German-based Friedrich Ebert Foundation) can help to build the capacity of Parliamentarians to scrutinise reform processes and to put forward social democratic alternatives.

> "4. What are the emergent possibilities for rearticulating welfare, state and nation – and how can they be enhanced against the dominant and regressive formations?" (Clarke, 2004; 159).

This paper has not discussed the use of nationalistic concepts of ethnicity at the centre of emerging welfare settlements in each of the case study countries and territories. Of course, a trans-national 'human rights' discourse and practice is not, always, best placed to trace and undermine these. However, there are, in each country and territory, forms of localised everyday cosmopolitanism which reject ethnicised labels and which articulate an alternative common-sense. Throughout the region, memories of self-management socialism, whilst mixed, also provide a basis for an alternative conceptualisation of solidarity and for an alternative sense of the political.

Ultimately, acting locally, nationally, regionally and trans-nationally in the "spaces between … contending and overlapping (partial) authorities" (Deacon, 2007; 178) may, indeed, be where a 'social reformist' politics meets theories of complex, contested, welfare assemblages. The struggle for an alternative politics of welfare in South East Europe is difficult to envisage outside of a critical challenge to Northern and Western-based theoretical structures, political practices and policy prescriptions. The need for action research emerging from the encounter between critical ethnography and critical pedagogy, whilst risking being seen as idealistic and/or relativistic, is the kind of praxis which this essay perhaps prefigures.

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SOCIAL POLICY OF POST-YUGOSLAV COUNTRIES:

LEGACY, CONTINUITY AND CHANGES
(Historical Context and Social Policy)

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Introduction

This text deals with social policies of the countries established on the territory of the former Yugoslavia for which the syntagm "Western Balkans" is usually used at present. The analysis will leave out Slovenia, because it does not belong to Western Balkans, as defined in international documents. Moreover, following its independence in 1991, Slovenia, as the most developed of the republics of the former Yugoslavia, has had a rather different (better!) destiny than other post-Yugoslav states. Over the last ten years it developed relatively successfully, and in 2004 became a European Union member.[2] We will neither deal with Kosovo because we do not have sufficient insight into the general situation or social policy there, and because Kosovo still does not have a defined state and legal status, which is a subject of intensive international negotiations.[3]

There appears the question: Why is it advisable to treat the countries established on the territory of the former Yugoslavia separately from other post-socialist countries of South Eastern Europe, such as Romania, Bulgaria, Albania, and Moldova? We believe that in that manner we will avoid the trap of simplified generalization we see in the case of some Western authors. Namely, in their analyses of current situation, but also when analyzing history of social policies, in particular of half a century long socialist era, they do not make a difference between the countries of the former Yugoslavia and other post-socialist countries. They apply to all of them, in our opinion inappropriately; the same analytical schemes and in that manner, neglect the differences.[4]

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[2] With 85% GDP compared to the European Union average, Slovenia is today the most developed country of the former socialist part of Europe.

[3] "Western Balkans" encompasses Albania, as well. We have however left out Albania from our analysis motivated, inter alia, by the fact that in the 20th century Albania followed a different development path than the countries which made up the former Yugoslavia.

[4] A. Pfaller writes about social policies of South East Europe: "Centrally planned socialist economies before the 1990s had not had the need of formal state social protection arrangements since "social welfare" had been integrated into the central process of production and income distribution. All natural resources, including human resources (i.e. labor force of different capabilities) were mobilized by the planning institutions with the aim to contribute to social production" (Pfaller, 2001.:2). A more nuisanced opinion about the former Yugoslav welfare state

To comprehend the current situation, one must be warned of the fact that until the end of SECOND WORLD WAR, the former Yugoslav countries, as dominantly, peasant societies, had suffered on the underdeveloped European periphery. After SECOND WORLD WAR socialism imposed "enforced modernization", i.e. we pursued development without a democratic component. However, one should admit that Socialism, irrespective of its non-democratic nature, brought significant economic and social progress. After a relatively short period of rigid Socialism of the Soviet type, Yugoslav Socialism, following the introduction of first forms of self-management in the early 1950s, develops its specific features, first and foremost increased openness towards the Western world and some elements of market economy. Nevertheless, due to the collapse of international socialism, complex internal situation and ever increasing national disagreements, these specific features did not save Yugoslav socialism from devastation and dissolution of the common states.

Speaking about post-socialist transition of the last 10 years, it has been taking place in the independent states established on the territory of the former Yugoslavia in conditions of war (with the exception of Macedonia and Slovenia) and transition, which left a deep impact on the economy and society, and consequently on social policies of the post-Yugoslav countries.

Today the post-Yugoslav countries we discuss here are economically undeveloped (Croatia has reached a higher development level); they significantly lag behind the European Union average. They are all at a different stage of preparation for integration into the European Union. Croatia takes the lead. It was granted a candidate status and started membership negotiations two years ago. Macedonia was also granted a candidate status and expects the start of accession negotiations. Other countries are in different stages of the EU stabilization and association process.[5]

Since these are small, war-torn countries, they are exposed to a strong pressure of globalization and operation of international, primarily financial institutions such as the World Bank and the IMF.[6] Over the last years, in view of the focus on the policy of European integration, there has been an even stronger influ-

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is presented by Swen E.O Hort: "Despite the famous Tito's division from Stalin, the type of social state appearing here in that period is closer to the East than the West. Communist planning here is less rigid than in Eastern Europe; however Yugoslavia was not a capitalist market economy and the one-party system lasted until the end of a common states. (Hort, 2005.: 17)

[5] The EU policy towards the post-Yugoslav countries is based on two strategies: the first is inclusion of the candidate countries (Croatia and Macedonia) into the EU membership and the other one is preparation of other countries for European integration through the stabilization and association process. According to former, in our opinion rather optimistic assessment, Croatia is expected to become EU member in 2009, Macedonia in 2012-13, and the remaining post-Yugoslav countries, including Albania in 2014. (Raiffeisen Research, RFZB Group, South East Europe in the spotlight, 2005.:3).

[6] An excellent analysis of the influence by international organization on social policies of post-socialist countries, and in particular in some countries established on the territory of the former Yugoslavia, may be found in the book: Deacon B., Hulse M., Stubbs,P., (1997), Global Social Policy, International Organization and Future of Welfare, London, Sage. In their subsequent works Bob Deacon and Paul Stubbs have largely contributed to the understanding of the development of social policies in these countries.

ence of the European Union felt in these countries and therefore one speaks about the process of their gradual "Europeanization".

This text will deal with pre-socialist and socialist legacy and post-socialist transition of these countries. The main focus will be placed on social-economic situation and its impact on social policies strategy.

A. Pre-socialist Legacy

(1) Period until 1918

British historian E.J. Hobsbawn is the author of the syntagm about "the long 19th century", which according to him lasted in Europe from 1789 to 1918 (Hobsbawn, 1966). "The long 19th century" went by while marked with two big revolutions which changed the Western world: Civil (originally French) and Industrial (originally British).[7] "The long 19th century" ended in a triumph of the industrial society in the West, and in the East, in the storm of war, in the dissolution of the three big empires, Russian, Austro-Hungarian and Ottoman and the establishment of a number of nation states including the multi-national Yugoslavia.

In the 19th century, the Yugoslav countries were part of the backward European periphery. Civil and industrial revolutions, that is to say the process of modernization, were late in these countries for several decades compared to the dynamic European mainstream.[8] The societies of that time were burdened with their past dominated by the struggle against the Turks (antemurale christianitatis). For long, they were not really but symbolically modernized, that is to say their modernization was touching upon the surface of society.[9] Peasantry was dominating these societies: it made up about 90 per cent of the entire population. Civil strata were marginally represented.[10] These countries were characterized by a strong popular spirit (politically manifested in the Croatian Peasant Party of Rodic brothers, as well as in Serbian socialism of Svetozar Markovic!). As widely known, populism was characteristic of Eastern and South Eastern Europe, the main feature of which was maintenance of traditional village lifestyles. One may say that part of the governing elites in these countries was frightened of development tendencies in Western European countries, in particular of the growing industrial society, social stratification and class conflict manifested there. In such circumstances, the patriar-

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[7] It is interesting to note that following the Hobsbawn's scheme, some authors speak about "short 20th century", which lasted from 1918 to 1989 i.e. from the end of SECOND WORLD WAR to the fall of socialism, symbolically marked with the fall of the Berlin wall.

[8] For example, the first steam engine appeared in Croatia in 1835 and in Serbia in 1849. The first steam boat entered the port of Zemun in 1831 and the port of Rijeka in 1840. The first railway, the section from Zidani most to Zagreb and Sisak, was built in 1862. All in all, the progress in these areas was about 50 years behind Western Europe.

[9] Hungarian historians Beren and Ranki (1996) consider that in the Balkan countries the state was even not in a position to stir modernization processes as was the case in Austria and Prussia because in these societies there were no pillars they could lean on.

[10] In late 19th century, at the territory of the former state there was no a single city with over 50.000 inhabitants. It is interesting to note that among the largest cities of the 19th century were Subotica (however with majority agricultural population), Sarajevo and Bitola (city of pianos and consuls called at that time), which may be explained with their specific geographical and administrative features (Puljiz. 1977.).

chal order of the old society appeared as more acceptable civilization alternative to urban-industrial turbulences of the West. In other words, the popular spirit considered the Western capitalism and to it inherent individualism bigger evil to be avoided by resorting to traditional forms of social organization, first of all village communities and multi-member household cooperatives.[11]

At that time the Yugoslav countries did not have significant state social institutions. There were only their rudiments which, primarily in the Western and Northern part of the former Yugoslavia, emerged under the influence of the first Austro-Hungarian social laws conceptualized on the basis of Bismarck's social laws of the 1880s. That is how the first associations of mutual help (brotherhood) of miners appeared, as well as fragmented social insurance of civil servants in the state and banking services, the start of health care, educational establishments and alike. It is interesting to note, that Serbia under Obrenovic obliged local communities to form "municipal basket" to keep grain in case of hunger. (Lakicevic, 1987).

Towns were setting up humanitarian organizations to help poor town families, in particular poor children. Humanitarian action was especially developed during FIRST WORLD WAR, when war victims and pauperized population were to be assisted. For example, in Croatia of that time, there were a number of humanitarian organizations established, among which it is worth mentioning the Central Board for the Protection of Children (the so-called Silevic's Board), People's Protection, Croatian Hard Worker and other organizations which continued working after FIRST WORLD WAR.

(2) Period between the two World Wars

Following the unification in 1918, a new Yugoslav state faced a crisis caused by war devastations, especially in eastern parts of the country, as well as difficult situation in Europe. In the 1920s a large number of young people, more from western parts of the country, emigrated to the USA, Australia, France and Belgium. The two social measures marked the efforts of the new Yugoslav state to influence the social situation of citizens, both the poor and those who took part in the war on the winning part.

The first one was the agrarian reform which expropriated land from the owners of large estates and gave it away to the poor and war veterans. This measure is a classical state measure of redistribution of land as a key asset of agrarian society widely known since ancient times.

Secondly, the Law on Social Insurance of Workers (LSIW) was passed in 1922. The Law was relatively progressive for that time, and was based on Bis-

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[11] Ognejslav Utjesanovic Ostrozinski, Varazdin district perfect and a friend of Croatian governor Josip Jelacic, writes in the 1850s: "If pauperization and proletarianism are a nightmare frightening people and if the family order of people destroys that evil in its roots, isn't it that such order deserves all of our respect? What would France, Belgium and Germany give to have an amulet of such magical pentagram that may drive away the abominable monster which dangerously erodes the showingly happy life of industrial countries?" Utjesanovic-Ostrozinski, 1988.:70). One may ask a question whether similar questions appear today in some parts of the societies concerned (Euro-skeptics) in view of the perspective of the integration into the European Union.

marck's principles of social insurance. It introduced social insurance in respect of main social risks for employed workers such as illness, work-related accidents and old age (Similar law was adopted for civil servants, and there were other social laws). For the purpose of implementation of the law, a Central Bureau of Workers' Social Insurance (CBWSI) was established in Zagreb. The law prescribed that workers and employees paid contributions and that representatives of workers and employees took part in the governing organs of social insurance funds. However, owing to unfavourable economic and social situation in the country, a relatively low number of the insured person, the Law had not been implemented until 1937, when workers' trade unions exerted pressure on the Government to ensure its implementation. The first retirement pensions based on that Law were paid at the beginning of SECOND WORLD WAR, but the entire insurance system was destroyed in the war and practically ceased functioning.

One may conclude that in the period between the two wars there was practically no country-wide functioning state system of social insurance. Limited insurance was carried out through private funds set up in companies, banks and state institutions and therefore it was fragmented. Nevertheless we should mention the presence of certain institutions such as employment agencies. There occurred different institutions caring for children, active in big cities. The Law on the Protection of Children and Youth was adopted in 1922. There were 48 homes for the abandoned and children at risk, sheltering 2417 children, on the entire territory of the country. [12]Certain attention was paid to the disabled, and consequently institutions for the blind and deaf, as well workshops for their rehabilitation were established. There were other activities, in particular by humanitarian organizations the aim of which was to protect poor people.[13]

In the period between the two wars it is worthwhile mentioning the social activities of distinguished individuals such as Andrija Štampar, a respectable university professor and health care worker, at one period a Vice-President of the World Health Organization, who developed the concept of social medicine and established the Yugoslav Hygiene Institute and school of people's health in Zagreb. Similarly, the same applies to distinguished individuals in Belgrade and in other bigger cities. These were mainly left-wing intellectuals who warned about the hard position of workers and impoverished peasants living in extremely difficult circumstances, with practically no state support. [14]

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[12] That is how Belgrade social researchers Slobodan Z. Vidakovuc reports in his book about social protection of children in large Yugoslav cities, primarily in Zagreb, Belgrade and Ljubljana. (Vidakovic, 1937).
[13] Vidakovic states that at the beginning of 1930s in Zagreb, the peoples' kitchens distributed in average 220.000 meals, 370.000 meals in children's shelters, and 310.000 meals of milk in the kitchens for milk. (Vidakovic, 1937.: 67)
[14] In his book „How People Live" famous Croatian economist Rudolf Bićanić presents data according to which in the mid 1930s three fourths of Croats did not have a bed and slept on the floor. (Bićanić, 1996.) .One should take into account that Croatia was a more developed part of that country.

In conclusion, we may say that the period between the two wars did not change substantially the traditional system of social protection, which was based on fragmented insurance in enterprises, charitable initiatives of citizens and humanitarian associations, but with small state support. For those living in villages, beyond the reach of any organized social action, the only support in the fight against poverty and social risks, was family and neighbourly solidarity.

B. Socialist Legacy

(1) Period of Administrative Socialism (1945 – 1953)

Social policy in the socialist Yugoslavia, against the background of changes in the political system, should be considered in two development phases.

In the first phase lasting from 1945 to 1953, the Communist Party and its state apparatus took over the entire control of society. A type of government modelled after the Russian one was established. In the beginning of its rule, the social government will try to: (1) strengthen the new order with etatisation and control of basic production means, (2) overcome urgent social problems caused by wars, first and foremost problems of war veterans and victims, and (3) prompt accelerated industrial development of the country to provide for the possibilities for poor population to integrate into a new socialist society.

What were, in effect, the important developments in the Yugoslav society in the initial period of Socialism? The first radical state measures were nationalization of banks, industrial facilities, trade and commerce, and nationalization of part of housing premises. Then the agrarian reform and colonization came, followed by involuntary collectivization of agricultural estates (abandoned after in the early 1950 after disastrous results!). These measures of nationalization and redistribution of basic production means brought about the improvement of the situation of one part of the poor population; participants in the war on the side of the winners were also rewarded, as had been the case after FIRST WORLD WAR. On the other hand, farmers treated as the relict of the previous social system were under strong pressure. Industrialization and development of socialist sector attempted to reduce the farming population and integrate it into a new socialist social structure.[15] On the one hand, private land possession was limited and its increase

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[15] „Therefore all social laws, as well as the laws and measures in other areas, made privileges to the socialist segment of society, whereas the other, non-socialist part was neglected, exposed to pressures, and its early disappearance in the perspective of socialist social development was foreseen. In socialism, therefore, a dual character of society is working" (Puljiz, 2004.: 9).

was prevented, and on the other compulsory elementary education was introduced, first the four-year and then the eight-year education; young people were largely educated for non-agricultural professions, industrial development was pushed for as well as migration of population from villages to towns and into industry. It is beyond doubt that this "forced" modernization produced certain results. However, it was carried out with the application of totalitarian measures and was caused enormous social costs, especially by farmers.

On the social level, the principal attention of the state was focused on war victims, children, young people and the disabled. The state was a social protection provider, operationally managed by the Ministry of Social Protection, whereas certain activities were carried out by local social protection bodies.[16]

In addition to the social protection of certain categories of citizens, the state quickly developed the system of social insurance that covered all employees in state enterprises and institutions. A number of fundamental laws were passed among which the most important one was the Law on Social Insurance of Workers in 1946, amended in 1950 with the Law on Social Insurance of Workers, Civil Servants and Their Families. This Law set the rights and social rights of employees at a rather high level. However, it was not in line with economic performances of the country which due to a blockade by the Soviet bloc countries fell into a rather difficult situation. At that time, enormous allocations were made for investments into heavy industry, infrastructure and defence of the country. All this reflected on social security and standard of citizens.[17]

(2) Period of Self-Management Socialism (1953 - 1990)

The second period of socialism was marked with the introduction of initial forms of self-management, gradual decentralization, and engagement on raising the standard of living of the population, that is to say higher allocations for the so-called social consumption. In the mid 1950s there was a significant shift in state consumption which re-focused from investment into industry and infrastructure on the improvement of the standard of living of

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[16] The scope of social protection of children is best shown by the data according to which in 1950 the Ministry of Social Protection in Croatia provided free summer vacation to 50 882 children, free food to 233 600 children, and 44 941 children were accommodated in children institutions. Furthermore, 40 000 children used their right to disability, family pensions or rents, while 256 689 children were given child allowance (Bošnjak, 1973.:7). Allocations for children were rather high which may be supported by the fact that in 1954 funds given away as child allowance made up 25% of the average family budget.

[17] The development difficulties of that time may be supported by the data that the national income per capita was slightly above the pre-war level. About 40% of national income was earned in agriculture, infant mortality rate was 118.4 pro mille, while 1/4 of the population over 10 years old were illiterate. (Šefer, 1974.: 58).

the population. In 1957 the Federal People's Assembly adopted the Resolution on perspective development of general consumption. It foresaw increased expenditures for standard of living in particular for social sectors such as education, culture, health care and social protection because they, as stated in the Resolution, "directly improve the standard of living of workers and of their families". Production of consumer goods was increased and import of foreign goods was enabled. The achieved economic prosperity may be partly attributed to the assistance provided by Western countries but also to the weakened pressure of the Soviet bloc countries.[18]

As a consequence of accelerated industrialization, de-agrarisation and urbanization, the structure of society changed significantly. The percentage of agricultural population dropped from 67.2% in 1948 to 49.6% in 1961 and therefore for the first time in the history of this region farmers were a demographic minority.

First important changes in social policy were undertaken in the early 1950s. After the break-up with the Soviet Union and the introduction of self-management experiment, there appeared the critical re-examination of the overall Soviet socialist legacy and opening towards the West, including in social policy. M. Ružica writes about it: „ The early and mid 1950s were a period of finalizing modern social policy programs in Europe and strong involvement of international organizations (MOR, WHO, UN). Homogenization and integration of social policy programs on the old continent are largely attributable to them. It is exactly in that period that the turning point took place in our country and Yugoslavia was directly included in social policy changes. (Ružica, 1987.:14). What is the nature of these changes? Administrative regulation and state control of social programs is gradually abandoned, and professional, expert approach is affirmed. The doctrine of "social automatism", according to which social problems in socialism will disappear along with economic development and as phrased at that time "building of socialist social relations", was abandoned. The dogma according to which socialist society is a non-conflict one and therefore it has no social problems is abandoned. Social work takes over the concepts of Western countries. For instance, in the child protection sector, in addition to classical children's homes, families are introduced as subjects of social protection. As far as the protection of the disabled is concerned, professional and social rehabilitation starts to be applied. Special protective workshops are opened for the disabled and new methods in treating juvenile delinquents are applied. Advancement of social work had a strong impulse on the intro-

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[18] In the 1950's Yugoslavia was among the first countries in the world by the economic growth rate.

duction of systematic education for social workers. In 1952 in Zagreb a higher technical school for social workers was established; afterwards such schools were opened in other republics. In 1957 it was opened in Skopje While preparing for establishment of the higher technical school for social workers in Zagreb, several experts stayed in western countries where they learned about their accomplishments in social affairs.[19] In late 1950s, first social work centres were opened which, following a recommendation by the Federal People's Assembly, were established countrywide. Social work centres became a fundamental institution of social protection by which Yugoslavia became recognizable in the world.

During the 1950s a number of social laws were adopted and in the early 1960s social system was further decentralized. In short, the fundaments of social security and social protection were laid down in that period. They were different from etatist-bureaucratic system characteristic for other socialist countries under the Soviet influence.

Due to the massive transfer of labour force from agriculture to non-agricultural sectors, agrarian overpopulation was replaced with industrial overpopulation.[20] In the late 1960s, Yugoslavia already faced a serious employment crisis. However, it was mitigated by economic migration abroad, dominantly to the Federal Republic of Germany.[21] If employment abroad was the first large-scale opening of the Yugoslav society towards the West, the massive tourism, which started in the 1960s coinciding with the construction of the Adriatic Highway along the entire coastline, was the second big opening to the world.

Development of tourism and employment abroad influenced the growth of income and of living standard of the population.[22] At the same time, private sector that is to say small entrepreneurs gained more space. In other words, structural changes that took place in the Yugoslav society in the 1960s and 70s, altered the autarkic national economy, weakened its socialist attributes and opened it to the world.

It brought about stratification of society and new social problems. When it comes to social laws, it is worthwhile noting that pension and

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[19] Among them there was a respectable professor of social policy and administration Eugen Pusić, who was the President of the International Center for Social Work (ICSW) in the 1960s and then the advisor to the UN Secretary General. (Ajduković, 2002.).
[20] According to the demographic assessment for the period 1948 – 1971, about 5,5 million people or one fourth of the total population left the agricultural sector. Annual agrarian exodus reached 240.000 persons.
[21] The peak employment abroad was reached in 1971 when 589 000 persons from the former Yugoslavia, the highest number being from Croatia, worked in West European countries (Puljiz, 1977.: 105).
[22] According to one estimation, the remittances sent to the country by migrant workers abroad in 1972 amounted for 7,78% of national income that is to say 12.84% personal consumption of the population.

health care insurance was extended to artisans and farmers for whom special funds were set up. New measures of institutionalization and decentralization in the sphere of social protection were introduced.

The crisis of the world economy which occurred since the mid 1970s largely reflected on the Yugoslav society, as well. Employment of labour force abroad practically ceased, country's external debt grew substantially, unemployment was on the rise, and economic growth rates were on decline. (In the 1980s they became negative!). In such circumstances, social problems multiply and deepen and the state cannot resolve them...

Speaking about the fall of socialism, the Yugoslav example showed that one of the key causes was the fact that socialism was no longer capable of fulfilling the implicit social contract between the governing nomenclature and wide population strata. It meant that on the one hand, the nomenclature got its legitimacy to govern the society, while on the other wide strata were guaranteed by it social security, gradual improvement of the standard of living and access to basic civilization trends (Feher, Arato, 1989.). Due to the changes in the world which took place in the 1970s and 80s (oil shock, globalization, information revolution), as well as due to the inability of socialism to adjust to new circumstances, economic and social crisis deepened. Socialist economy was functioning ever worse; social problems appear on the surface, first of all unemployment, inequality and poverty. In other words, socialism was not capable of accumulating, could not resolve social problems, and lost historical legitimacy of governing a society (Županov, 1995). Before the very end of Yugoslavia, there were reform attempts to adjust political and economic system to new circumstances in the world (Marković's reforms in the late 1980s!). But everything was late since the processes of the disintegration of the Yugoslav state gained unstoppable acceleration. This is naturally a simplified explanation of the destruction of Yugoslav socialism and dissolution of the state union. Concrete circumstances differed from country to country, as was different their subsequent transition from socialist to democratic society and market economy. We consider it necessary, however, to draw attention to a common heritage which influenced subsequent post-socialist development of these countries (path dependency).

C. **Social Development and Social Policy of Post-Yugoslav Countries after the Break-up of the Former Federation**

Yugoslavia dissolved as a federal state in 1991. That year Slovenia, Croatia and Macedonia became independent states. International recognition of Bosnia and Herzegovina followed in 1992. Serbia and Montenegro, after

the state union which lasted for 14 years, established as independent states in 2006 following the referendum in Montenegro. The issue of the former autonomous province of Kosovo, which has been under international administration for several years, remains unresolved.

During the 1990's the countries established on the territory of the former Yugoslavia had different destinies. Their development, as well as the development of their social policies, was faced with discontinuity. Therefore, it is impossible to make conclusions applicable to all of them. We will draw attention to features common to all of them, which were primarily a result of common heritage. We will talk about the consequences of the war and transition on the development of social policy. At the end of this part, we will focus on the situation of social policy of Croatia.

(1) Consequences of War and Transition

Following the proclamation of independent states in the dominant part of the former Yugoslavia the wars which caused enormous human victims and material damage were waged. We do not have full information on human victims of the post-Yugoslav wars, and therefore we will present partial data on Bosnia and Herzegovina and Croatia. According to certain assessments, there were about 100.000 killed in Bosnia and Herzegovina, which has suffered most in the war. There were about 20.000 people killed in Croatia.[23] Due to the war, a large number of people left their homes and places of living and became displaced persona and refugees. According to some estimates, between 1.5 and 2 million people, that is to say almost half of the population, left their homes in Bosnia and Herzegovina. According to the official statistics, there were about 700.000 displaced persons and refugees in Croatia in 1992.[24] As the war was coming to an end and in particular in the post-war period, the number of displaced persons and refugees in Croatia was decreasing.[25] However, there remained many unresolved problems linked to the property and status of the displaced persons, no matter whether they returned to the country or want to exercise their property rights, housing rights, the right to pension and alike. Many question relating

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[23] These data should be taken conditionally, because the assessments of the number of killed persons differ substantially, depending on the source.

[24] In Croatia a difference is made between displaced persons, that is to say those who left their homes but remained in Croatia and refugees who came from other countries or left Croatia to another country. According to the data for 2005, there were 5 thousand displaced persons in Croatia, 3 thousand refugees in asylum countries and 119 thousand refugees in other countries, mainly Serbia and Bosnia and Herzegovina. (UNDP (2006.) *Outside the system: Persons of Social Exclusion in Croatia, United Nations Development Program* Zagreb). It would be useful to compare these data with the data for other post-Yugoslav countries.

[25] Today in Croatia we speak about returnees that is to say those who settled in their old areas and ceased to be displaced persons and refugees. However, they are treated as persons with special status in need of state support. A significant number of Serbs who returned from Serbia and Bosnia and Herzegovina or in other countries are among returnees.

to their integration into economic and social life of the environments and places they returned to or settled for the first time appeared.[26] Generally one may say that war-instigated re-settlements of the population caused enormous economic, social and political problems which impacted the focus of social policies in these countries.[27] The war has substantially changed demographic processes in these countries. A large number of people left them mainly to Western countries, the prevailing category being young people with higher education. Therefore vital demographic indicators worsened and the number of inhabitants in the war affected countries was significantly reduced. Thus today we have negative democratic trends in Croatia, Bosnia and Herzegovina, Serbia and Montenegro, which reflected on the aging of the population and reduced fertility rates which imply demographic regression in the period to come. [28]

In addition to human, war caused enormous material damage. For the sake of illustration, according to the official sources the total war damage in Croatia amounted to 65 billion 331 million DM, which is approximately the amount of the current annual gross domestic product in Croatia. (Družić, 2004.: 58). One estimate of Serbian economists claims that the NATO bombing of Serbia brought about the damage of about 6 billion US dollars, while the assessment of other range between 10 and 15 billion US dollars (Nikolić, 2001.:163). Having in mind the scope of war destruction, the biggest damage was caused on the territory of Bosnia and Herzegovina. The balance of war damage, as well the victims of war in post-Yugoslav countries will certainly be further analyzed and discussed.

Drastic decrease in the economy of the post-Yugoslav countries was not only a result of war. Simultaneously with the war, there occurred the dissolution of the internal Yugoslav economic activity which instigated an utterly unfavourable economic situation in these small countries. A large numbers of enterprises, in particular those depending on the former Yugoslav market, as well as on trade with socialist countries of Eastern Europe or with the Third World countries, simply failed. Furthermore, it must be added that during the war in some countries (such was the case in Croatia!); privatiza-

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[26] Sociologist J. Županov writes about three levels of integration of returnees who returned to their places or those who moved in from other areas. The first level is political integration which implies participation in the political life of the community. The second one is functional integration which includes employment, schooling and social security. The third is social integration which implies development of social relations and tolerance within newly formed social communities. (Županov, 1995.).

[27] Resettlement resulted in ethnically homogenous population in the post-Yugoslav states. Most refugees headed towards kin states or areas in which their ethnicity was dominant.

[28] According to the statistics of the Council of Europe, the total fertility rate (number of children born to one mother during her fertility period) in 2004 in Croatia was 1.35, 1.60 in Serbia and Montenegro, 1.52 in Macedonia and 1.23 in Bosnia and Herzegovina (2002). Let us be reminded that simple reproduction of population is provided for with a total fertility rate of 2.1 (Conseil de l' Europe, 2005.: 78).

tion of a large number of enterprises was carried out. In Croatia socially-owned enterprises were transformed into state-owned to be privatized afterwards. Privatization was carried out according to different models. In some cases company shares were partly given to workers as well as to certain groups of population (for instance to war veterans). However, the main model was sale of enterprises to private owners, either domestic or foreign. The voucher model was not applied, as was the case in certain countries (Slovenia, Czech Republic). Privatization is a long-term process; it has not been completed but is still ongoing today.[29] However, it causes serious frustrations and conflicts in society, first of all workers, state and new owners. Most disputes arise in regard to the status and social issues of former employees. As a rule, new owners, with the aim of cost rationalization, dismissed workers, reduced salaries and as a consequence increased the number of unemployed and impoverished population and aggravated the social situation. It triggered huge dissatisfaction of unemployed and impoverished population which regarded the process of privatization as unjust and plundering and did not give it social legitimacy.

A cumulative decline in gross domestic product (GDP) in the 1990s is a proper indicator for the first insight into the depth of the economic and social crisis in the post-Yugoslav countries. Thus, GDP in Croatia in 1994 dropped by 37% in comparison to 1989, in Macedonia by 28%, in Serbia and Montenegro (state union at that time) by 58%. We do not have data on the GDP drop in Bosnia and Herzegovina, but we may guess that it was the highest in comparison to other post-Yugoslav countries. On the other hand, Slovenia had a GDP drop of 14%.[30] This shows that in economic terms Slovenia overcame the dissolution of the former common state in a substantially less painful manner than other post-Yugoslav countries and that as independent state it relatively successfully adjusted to new circumstances.

Due to high unemployment increase, economic crisis had many other consequences. Let us mention the occurrence of grey economy, which was the source of subsistence for those literally expelled from formal economy.[31] For instance, according to some estimates, in the mid 1990s in Croatia grey economy made up about 30% of gross social product, whereas to-

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[29] 1/3 of economic capacities in Croatia are still owned by the state, including many hotels, energy industry, shipyards and other companies or their parts. They are expected to be sold to private owners in the coming years.

[30] For the sake of comparison, in the same period the gross social product in Albania dropped by 29%, in Bulgaria by 22% and in Romania by 21%. (Pfaller, 2001.: 219). The average cumulative economic drop in GDP in the countries of Central and South East Europe in the 1990s was 22.6%, and in the Commonwealth of Independent States, encompassing the countries of the former Soviet Union without the Baltic countries, the GDP dropped by 50,5%. (Zrinščak, 2003.: 143).

[31] J. Županov thus speaks about re-traditionalization of the economy, which abandons its wider social division of labor and returns to its primary, traditional forms. (Županov, 2001.)

day its share is estimated to be about 10%. In other post-Yugoslav countries the share of grey economy is significantly higher. Thus in Serbia the share of grey economy was estimated to be about 40%. The next important consequence of the 1990s crisis was increase in poverty, social inequalities and exclusion. According to the research of the World Bank published by ILO, the poverty rate in 2003 in Croatia was 16.9%, and in Macedonia 30.2%. (ILO, 2005.: 62).

There are different data about the recent situation of the economy is the post-Yugoslav countries.

We will here use as a source the ILO publication (2005.). According to the purchase power parity (PPP) in 2003, the GDP amount in US dollars in the post-Yugoslav countries was as follows:

- Bosnia and Herzegovina   6.100
- Croatia   10.600
- Macedonia   6.700
- Serbia and Montenegro   7.700 (our estimate).

Over the last several years, GDP indicators changed in view of the fact that all these countries achieved a rather high growth rate, on the average over 4% annually. The realistic assumption is that in the meantime their GDP grew about 20% on the average. These relatively high economic growth rates must be interpreted as a result of economic recovery after the collapse of the economy in the 1990s. One should be reminded that in 2006 Croatia, as the most developed among the countries concerned, reached 50% of the average GDP of the EU countries, and that Macedonia reached 27% of the EU average (Eurostat, 2006.). The remaining two countries may be assessed to be fewer than 30% of the European average. It is interesting to note that Croatia reached its pre-war GDP level per capita only in 2003, while other countries are still under the pre-war level.

(2) Social Policies in Warfare and Transition (Case of Croatia)

The economic collapse substantially disturbed the functioning of welfare states of the post-Yugoslav countries. Decreased national income brought about reduction of social rights and aggravation of social position of the prevailing number of people. Due to the decline in the number of employees, that is to say of ensured persons paying employment charges, social funds were impoverished and in some cases ruined. The state was forced to resolve social problems by allocating funds collected from taxes and other

tolls. That is how social appropriations were fiscalised what disrupted the inherited Bismarck's model of social security based on employment contributions and independent social funds.

During the war the care for socially vulnerable population, war victims, displaced persons and refugees was at the forefront. At that time the emergency welfare state was in operation, focused on resolving social problems caused by war and economic catastrophe.[32] State mechanisms of social protection were significantly weakened, and in some countries simply disappeared. [33] Instead of social rights guaranteed by the state, citizens were manly depending on primary forms of solidarity. At that the main role was played by wider family community, neighbourhood, friendship, as well as other informal types of solidarity which revitalize in emergency situations in a society. [34] In such circumstances, the state resorts to designing institutions and programs aimed at overcoming the social crisis. In Croatia for instance it was the government Office for the Displaced Persons and Refugees, which played a key role in the war and post-war period in resolving the problems of displaced persons and refugees. Furthermore in 1993 the Government adopted a social program the main aim of which was to collect and distribute assistance to the vulnerable population. Some funds were provided by the state, while an important role was played by domestic and international humanitarian organizations, which appeared in large numbers during the war in Croatia. The social program constituted an excellent social protection measure which compensated for the weaknesses of the existing state social institutions. The non-governmental humanitarian sector (NGO) grew in the war and played a significant role in mitigating the social crisis. Since then, NGOs have been permanently installed as actors of social development, after its absence or marginalization during the socialist period. In the beginning, the humanitarian sector was dominated by international organizations. But since they left following the end of war, the national humanitarian non-governmental sector remained, which depends on national, rather poorer sources of funding. [35]

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[32] In similar circumstances during SECOND WORLD WAR in Great Britain they spoke of "Warfare State" which W. Beveridge in his famous reports, transformed into a post-war „Welfare State".

[33] We here point to big delays or cessation of payment of pensions, disability pensions, child allowances, family allowances, social assistance and alike.

[34] Earlier we wrote about the so-called war solidarity in Croatia: „However, in that period in Croatia society there was a strong solidarity of people which was most obviously demonstrated towards the most jeopardized in the war. That solidarity was manifested on three levels: level of primary groups (family, relatives, and friends), so that families sheltered 80% of displaced persons and refugees; the level of different non-governmental, dominantly humanitarian associations (Caritas, Red Cross and other humanitarian organizations), and on the level of the state which helped humanitarian action of civil society. (Puljiz, 2004.: 12).

[35] Many studies and articles were published about the development of non-governmental sector in Croatia. We alert to the most recent research the results of which will be published in the book by G. Bežovana and S. Zrinščaka entitled *Civil Society in Croatia*, CERANEO, 2007. In Croatia there is a Government Office for Asso-

The war and privatization in Croatia (as well as in other countries) produced impoverished social strata which may be called losers. These were war affected persons, displaced persons, unemployed, victims of privatization, retired persons, young people, social assistance beneficiaries, socially excluded. After a period of strong social cohesion during the war, there appeared a new situation in which impoverished population strata expressed their dissatisfaction and frustrations, primarily directed at those who became rich quickly during the war (the so-called tycoons), as well as at the governing political elite who provided conditions for that process. Thus a strong pressure on the state came, which was requested to remedy the arisen social injustice that is to say to carry out new redistribution of national wealth for the benefit of the losing social strata. [36]

Simultaneously there is an imperative to adjust to the world, i.e. to integrate into the world economy and international organizations.[37] Its main actors (employers, international companies, state) request that state consumption, including social allocations, be reduced, that is to say that is be restructured, because it reduced, as argued, the competitiveness of national companies and national economy on the global market. In other words, a "competitive state" is looked for.

In the atmosphere of the two contradictions, on the one hand internal pressure for redistribution and social justice, i.e. state interventionism, and on the other external pressure for a diminished role of the state, reduction of social costs, liberalization of market, and a dominant role of private ownership, Croatia began crucial social reforms in the second half of the 1990s. Several fundamental social laws were reformed, among which the most important one was the law on pension insurances. Under a strong influence of the World Bank, new retirement laws were adopted in 1998 and 1999, respectively. In addition to the alteration of some parameters (retirement age, pension indexation and alike) which rationalize the existing pension system, the reform is also important because it introduces three pillar pension system of which the second and the third one are based on principles of private (compulsory and voluntary) retirement savings.[38]   In other words, the sec-

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ciations and the National Foundation for the Development of Civil Society has been established. The latter elaborated a strategy for the development of civil society. It publishes „Civilno društvo" journal.
[36] It is indicative that poverty surveys in Croatia show a rather high level of the so-called subjective poverty resulting from a feeling of aggravated social status of inhabitants, and often does not mean an objective poverty.
[37] Maja Gerovska points to advantages and disadvantages of the lack of cooperation of the Balkan countries with powerful international organizations such as the World Bank and the IMF. The advantages lie in the fact that due to their financial assistance social problems are resolved more easily but the disadvantage is that this narrows the autonomy of domestic actors in social policy formulation to be adjusted to national conditions. (Gerovska, 2005.:66).
[38] The implementation of the retirement laws in the first phase (rationalization of the existing pension system) started in 1992 and in the second phase (introduction of the second and third pillar of capitalized savings) in 2002. (For more about this see: Puljiz, 2007.).

ond phase in the social development of Croatia was spent on remedying the consequences of war and on creating a new architecture of social rights and social policy adjusted to the changed social circumstances. Reforms are carried out under a significant influence of international financial institutions, primarily of the World Bank.[39]

Social reforms continued in the third period which followed after 2000. That period is featured by stabilization of the situation in society, increased economic growth rates, reinvigoration of tourism, building of infrastructure, end of international isolation, turning towards the EU. There came the reform of health care, continuation of retirement reform and the reform of social protection system (social care). The principal feature of these reforms is transfer of part of responsibility in respect of social security from the state to citizens, that is to say targeting of social help on most vulnerable individuals and communities. Partial privatization in social policy is primarily related to retirement and health care systems and to social services. Such policy resulted in the reduction of state welfare expenditures which over the recent years have fallen from 26 to 24% of GDP. However, one should have in mind that owing to a strong pressure of the two large social groups, pensioners and war veterans,[40] some social costs (for example the so-called debt to pensioners accrued in the first half of the 1990s, compensations to "new pensioners" due to late pension payments, expenditures for war veterans and invalids rights, etc.) were located outside the structure of these state welfare costs. They were covered in other ways, for instance from shares of state-owned property or from other sources. Therefore the presented data about social costs reduction in Croatia must be taken conditionally.

One should have in mind that lately the state expenditures in some smaller systems of social policy, such was family policy which has come to the forefront of political competition on account of its importance for demographic developments, have been on the rise. The points in question are child allowance, maternity leave allowance, and family and child services. On the other hand, ambitious plans for modernization of education have been developed (the slogan being "Society of Education), in which investment is increasing.[41] Furthermore, Croatian social policy confronts with

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[39] P. Stubbs and S. Zrinščak write about international actors as important drivers of change in the reform of social protection in Croatia. (Stubbs, Zrinščak, 2006.).

[40] The first are well organized in unions and in the Croatian Pensioners Party which gets a lot of votes in elections, and consequently may influence establishment and action of the Government. War veterans have a moral capital in the society; they are also numerous and well organized and therefore any government must take care of their rights.

[41] At the start of this school year all elementary school students and well as first grade students in secondary schools were given free textbooks. Furthermore, compulsory secondary education is announced to be introduced

ever expanding new social risks, such as drug addition, delinquency, long-term illness and aging, social exclusion, which follow social stratification, weakening of primary social connections and advanced process of individualization. These are, in effect, far-reaching changes in the structure and process of reproduction of society that require new approaches to social policy.

It may be concluded that future development trend in the Croatian social policy will go towards the decrease in the state and increase in the individual investments in social security, strengthening of fundamental social rights for all citizens and improvement of preventive social intervention (support to families, education, social services and social inclusion). It will be, as we have already hinted, the development from passive to active welfare state. (Puljiz, 2001.). This will all change the former Bismarck's model of welfare state implemented there; it will be added elements of liberal and social-democrat model.

Conclusion

The former Yugoslav countries located on the periphery of the European development mainstream, for long kept traditional forms of social organization characteristic for peasant societies and consequently substantially lagged behind in the processes of modernization. Likewise, social policy as an organized social activity in resolving social problems was overdue.

Socialism brought about "forced modernization" which produced economic and civilization results but the democratic component of social development was pushed behind which stalled progress in the last decades of the 20th century. Social security of citizens, especially of those employed in social economy and state services was considerably advanced. In the second phase of social policy development, there occurred certain elements of Western, first of all European continental model of social policy. The crisis which came in the 1970s endangered the Yugoslav economy, social security systems and federal structure. Simultaneously with the fall of the Soviet type socialism, its Yugoslav, softer variant disintegrated, too.

The dissolution of the state was followed by wars that held back these societies. The war brought about a collapse of social security systems of the pre-war period. During the war the "emergency welfare state" was in operation, the aim of which was to resolve urgent social problems that were occurring. Weakened economy could not finance social system faced with

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starting with the next year. Universities apply the so-called Bologna process, which also requires significant new investments.

growing social problems. Therefore a crucial role was played by international assistance, as well as activities of domestic and foreign humanitarian organizations. Privatization had a significant impact on the social situation. However, its consequences were rather damaging on the social sphere.

After the war all these states embarked on a path of social reforms which implied stabilization of the social system and changes in institutions and instruments of social policy.[42] At present they are all in different development phases based on specific circumstances in all of the mentioned countries. An important role in this process is played by international organizations and documents that oblige them to adjust their social systems and uphold fundamental social rights. All of this impacts the appearance of a new "mixed" model of post-socialist welfare state in South East Europe which stands as all contemporary societies, in effect, before big challenges.

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[42] Here we should remind that stabilization of the overall political situation and definition of the state legal and institutional framework conducive to development is of exceptional importance for the appropriate social (and economic) policy.

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II part

SOCIAL POLICY IN MACEDONIA

SOCIAL POLICY OF RM DURING
ONE-PARTY SYSTEM

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In the opinion of the classics of Communism, Marx, Engels, and Lenin: "Socialist revolution is a social revolution". Following the success of the October Revolution in Russia, 1917, the communist analysts considered the violent changes that occurred after the end of the Second World War in Central and Eastern Europe to be successful revolutions. It is well known that such a dialogic was a result of the leadership of Stalin's "Red Army" and its role in liberating these states from Fascist occupation.

Cold War Period.

Although, according to the teaching of Communist analysts, following successful revolutions "the power is taken on by the historically progressive social classes", their social status was not revolutionary changed. Indeed, the principle of egalitarianism was fully implemented in the society, the employment rate significantly increased, the coverage with social protection of the population expanded, and as a result social security of the population improved. However, due to the absence of free competition, subjugated to the state planned economy, non-existent political pluralism and absence of democracy, the citizens of the Soviet East European Satellites were satisfied neither with their social-economical status nor with their social status.

Even the citizens of the than "Revisionist Yugoslavia" (epithet attribute after Tito's historical "No" to Stalin's leadership and its getting out of Soviet control), lived better and more free than the citizens of the than East European integration - SEV. Therefore, during the 1970s there was one ironic comparison. When the Yugoslav tourists went on a holiday in cheap Varna and Black See, they said to the Bulgarian hosts: "For you we are Americans" as a kind of personification of social supremacy. Similar to this, when Bulgarian tourists went to visit the even poorer Romanian hosts in Bucharest, they used to say: "For you we are Yugoslavs". Such a comparison only depicted the than social hierarchy between the gravity of the standard of living of the states of real socialism and SFRY which, although one party state and with state-contractual economy, but yet closer to the Western

model, managed to make possible better life for its citizens. Does it mean that SFRY, and by this RM, had successful social model? How could it be possible from present perspective to evaluate the model of RM social policy during five decades of one party? Is the basis of Macedonian socialist system solid for development of social policy in present independent RM?

1. **Social Development under the Circumstances of Geo-Political Advantage**

Until 1948, when the relations with the Soviet Union were broken, the poverty of our citizens was not different than the one in the other Communist states. However, after getting out of the Soviet orbit, Marshal Tito accepted different forms of American assistance and credits (Truman's assistance, UNRA) and the state started marking certain social growth.

During the period 1960-1980, there were positive changes in the social structure of the population in SFRY. The number of employed in the administration and non-productive sector reached 60% of the total active population. The average growth of employment accounted for 4,1%, while, the dependant population, compared with the active population was in rise and reached 136 dependant on 100 active, of which 17 retired and 47 pupils and students. Since 1961 onwards, the participation of individual consumption marked an annual increase of 5, 6%. The average housing space per habitant reached 15 square meters, although there was a shortage of housing space in urban environment.

During the subsequent decades, the clever authoritarian Tito was successfully playing over the policy of balance with East and West who were at their prime of the Cold War. Following the death of Stalin, at the outset he improved the relationships with the USSR, in the mid of the fifties, and later promoted the non-aligned foreign policy. In this way, a favorable foundation to "play and equilibrate" both with Moscow and Washington was created. "Whenever he wanted to send some message for assistance to the Americans, as by pure chance he would make some gesture of good will toward the East". He would give permit to some Soviet military ship to be repaired in Split or Rijeka. The Americans reacted immediately. Whenever he wanted to turn the attention of Moscow, he would make some evident pro-American move, a visit of high official to Washington, a visit of an important American military delegation to Belgrade. The Russians also reacted. In this way Tito successfully navigated his multi-national, multi-cultural and complex Yugoslav ship.

Consequently, the geography, which during history has never been in favor of the former Yugoslav nations, for the first time served for the purpose of their social development. This external parameter had a positive impact on the social development in the Federation. However, it is not the only factor for the present social nostalgia for the than times.

2. **Redistributive Model With Elements of Beveridge System**

Macedonian, the same like the Yugoslav model of social policy is based on the

Beveridge principles.

The theoretical grounds of the RM social policy are found in the papers by Professors Mihajlo Stupar, Dusan Lakicevic, Berislav Sefer and other doyens of social thought in former Yugoslavia. The only researcher in the Republic of Macedonia, who to some extent deals with this domain, since he is more focused on Centers for Social Welfare, is Prof. Radomir Petrovski.

The analysts, such as Lakicevic, recognize 6 different stages in the development of the social policy in the period between 1945 and 1972. I believe that this period may be divided in 2 development stages, the one until the middle of the 1970s, which may be called the stage of centralized social policy, and the other following the dissolution of SFRY, which may be called the stage of decentralized social policy.

From the philosophical point of view, emphasis is given to the major principles of the social policy: humanism, solidarity and mutuality in their Marxist articulations, with one broad and general deficiency: the contractual economy did not allow grater dynamism and success of the economic model which, on its part limited the economic fertility of the state and any thought about successful tax policy. In fact, the tax policy in a contractual economy (soft variation of state economy) was paid directly by the enterprises of the associated labor, but due to the low productivity, in particular in underdeveloped republics, there was permanent shortage of resources. Thus, the budget funds in the underdeveloped republics, such as the Republic of Macedonia, were dependent upon the operation of the Fund for Underdeveloped, financed by the richer republics. However, even under such circumstances, one should take into consideration the structural design of the then Yugoslav economy that was stimulating richer republics with monopolistic technological products, while the underdeveloped were brought down to raw material pendant. In a situation of permanent shortage of financial resources, the dormant Yugoslav preserved society resolved its social problems through the principle of re-distribution, frequently mixing the contents of social policy with social help. The Beveridge principle of full coverage of the population, the active and remaining population, equality of the members, management of the social policy by one center, were implemented and adopted according to the conditions of the self-management society.

3. **Functioning Technique**

In order to understand the technique of functioning of "social policy of the self-government society", one has to start with the analysis of the self-government political system established in the 1974 Constitution of SFRY. The most important state ideologist of that time, Edvard Kardelj, defined it as a result of "social and economic and political position of men in the associated labor". In Addition, financing of non-productive activities funded from the budget were effectuated through the so-called "self-management communities of interest – SCIs", within which the "free exchange of labor was exercised in an invisible manner". The SCIs were also funded in the area of health and social protection, pension and disability

insurance, starting at the level of municipality and all the way through republican level. In schematic terms, service providers and beneficiaries were negotiating about the level of their joint compensation. Certainly, contribution and earnings were limited irrespective of the scope of work due to the state control. This had a direct influence on the quality of services in the area of health and other areas of the social policy. This is the first, but not the most important remark. The second thing was that, schematically, one gets an impression that the system is functional, although in practice SCIs were functioning only technically and as institutions for making decisions on transfer of funds in the area of budget financing. Such a character of the SCIs made the social policy a passive component, irrespective of the fact that the than ideologists insisted on the notion "active social policy". The next weakness was the "class character" of the social policy even after the death of Marshal Tito (see Basis and Frameworks of Long-term Social Policy-Annex on Long-term Economic Stabilization Program 1983).

In the than popular document on the long-term social policy, resulting as a reaction to the than economic crisis, the principles of self-management social policy were emphasized: **First,** the associated workers were managing socially owned means of production (this notion increased the irresponsibility of the workers for the production means, since they were neither owned by the state or by some individual but had **collective abstract responsibility).**

Second, the labor results were the fundamental criteria for satisfying individual and common needs. The other principle is the one of mutuality and solidarity, but in their class vocation: mutual assistance among workers when they experience some specific social difficulties. Finally, the workers were the main bearers of the social policy or the so-called "associated labor in the organizations of associated labor, which as, in fact a complicated name for the enterprise". According to the interpretations given at that time, "the major part of the mechanism and social measures are analogue to the measures and mechanisms of the economic policy that should be integrated", i.e. the contractual social policy corresponds to the contractual economy.

4. <u>Conclusions</u>

In the recent survey conducted by IRI, on the question whether living in RM was better before or following the dissolution of SFRY, 71% of the respondents answered positively, and consequently, analysts concluded that "for the first time since the independence of RM, the Yugo-nostalgia started declining". This conclusion leads us to conclude that the citizens of RM felt grater security and welfare until the 1990', than during the past 15 years of independence, despite of theoretically well conceived, and in practice weakly functioning social policy system of the social self-management.

It is understandable:

- Since SFRY, and consequently RM were the biggest losers at the act of ending

the Cold War;

- SFRY was no longer the favourite of the East and West;

- In the previous regime there was greater social justice and equality which prevented creation of social differences and high unemployment rates, gaining extreme wealth. The difficulties of the Macedonian transition emphasized such impression.

- The unsuccessful transitional Macedonian model of privatization also had influence on intensive impoverishment of the population, while the delayed economic growth endangered also the social funds. Under such conditions, any though of modernization of the social policy was doomed to failure beforehand. Nonetheless, RM declared itself for construction of welfare state in a situation of increased poverty, but the process of the Macedonian welfare model is rather slow and will be implemented in the following decade. For the perspectives of this process, RM has good professional cadre, developed social welfare centers, ambitious reform effort in the area of social policy and other areas   imposed by the candidate status to EU.

REFORM PROCESSES AND CHALLENGES
IN THE SOCIAL POLICY IN MACEDONIA

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Introduction

Social policy in Macedonia, starting from the past decade onwards, is characterized by continuing trend of changes, which are primarily resulting from: changed social and demographic structure, low economic growth and capacity, persistently high unemployment rate, as well as increased demand of services for social welfare. Due to these reasons, many changes were made both in the legal legislation and in the ways of financing, administering and delivering services in social policy. These changes were, in particular visible in the employment, social welfare and social insurance policies. Therefore, this article will mostly deal with the changes in the above mentioned policies in Macedonia, by analysing the processes of: activation, pluralisation, social inclusion, decentralisation and deinstitutionalisation. These processes are not specific only to the social policy in Macedonia, but they are also topic of debate and implementation in the other welfare states in Europe. Indeed, as Palier points out, one gets an impression that present changes in Europe can, in general, be illustrated through the reduction of social transfers, privatisation, "neo-liberalisation" and abandonment of social-democratic ideals. The same author is concerned whether these common trends also entail a uniform manner of adaptation of different social policies to the changed social and macro-economic conditions. (Palier, 2006). This text will make an effort to explore such dilemma in the case of Macedonia, by analysing the above mentioned reform processes and uniformity of such adaptation with the "neo-liberal trends".

Activation in Social Policy

The implementation of the principle or policy of activation in the European welfare states became dominant toward the end of the 1990s. Such principle can be first of

all detected in the employment policies, but also in others - such as the social protection and social insurance. However, activation in social policies within European frameworks is to a great extent different than the same approach specific for the United States of America. As Annesley points out (2007), the difference of the European approach (originating from the Scandinavian experiences) is in the re-calibration of the welfare state to offer support, and not punitive measures to those who want to get out of the system of social welfare and enter into the labour market. European activation in social policies is focused more on training, education, as well as on targeting social services towards specific vulnerable groups. Opposite of this, neo-liberal approach to activation includes techniques, such as: limiting social benefits; making social benefits conditional upon productive employment, reducing the level of social benefits as a condition to more actively looking for a job, and other.

By analysing the situation in Macedonia, in particular the conditions, level and duration of cash benefit received as part of the insurance in case of unemployment, as well as the situation with the social (monetary) assistance, the evident conclusion is that activation in Macedonia is following the neo-liberal approach. Namely, the right to use cash benefit in case of unemployment is subject to consistent reduction from 1997 onwards. Before 1997 there was no maximum amount of cash benefit for unemployed, while the minimum was fixed at Euro 50 (at that time, DM 100). The duration of cash benefit in 1997 was fixed at 18 months (for those with 20-25 years of working experience), but was persistently reduced, to reach the maximum of 12 months presently. Until 2004, cash benefit was calculated as an average amount of incomes during the previous 12 months of insurance, while as of 2004 it is calculated as an average amount of income during the previous 24 months of insurance. Finally, the number of cash benefit recipients is in permanent decline from 2001 onwards, although the number of unemployed in the same period was in permanent rise or remained significantly high. To illustrate this, in 2001, 41.375 unemployed were in receipt of cash benefit for unemployment, while in December 2006 the number of recipients was reduced to 30.572 unemployed (or 8.3% of the total number of registered unemployed persons). As a comparison, the unemployment rate in 2001 was 30.5% (according to the method of labour force survey); while in 2006 it increased to 36.3%.

In parallel with such rigid measures for the recipients of cash benefits in case of unemployment, active measures were also implemented including training, qualification and re-training. These measures were not characterised by rigidness in their accessibility, although they can be re-examined in some cases because the most vulnerable social groups – unemployed without any qualifications/education cannot use offered services for training.

Social (monetary) assistance is an additional example for the rigid application of the activation principle in social policies. Namely, if the recipients of social assis-

tance (with some exceptions, such as retired persons, persons that can prove that they are unable to work due to their age, disability or illness, persons actively employed, pupils and students), refuse employment up to five days in a month (in public works), their household directly loses the right to social assistance for the following 24 months. Other rigidities aimed at increasing activation of social assistance recipients can be seen in increased frequency of inspections by the Centers for Social Work to the homes of social welfare beneficiaries, more frequent and timely registration of social assistance recipients in the Employment Agency, the obligation, which if not timely respected, will result in exclusion from the social assistance system, as well as increased number of criteria on which social assistance is dependant upon (for instance, owner of a car is not eligible to be a social assistance recipient). Notwithstanding the importance of targeting as a mechanism for improved and efficient social welfare, still it must be brought in line with the real possibilities but also the needs of the labour market in Macedonia. Presently, its seems that targeting of social welfare in Macedonia does not support neither the exit of the beneficiaries from the social welfare system nor their entrance into the labor market.. Therefore, a question which remains is how many of these activation measures can be justified in relation to the economic and social reality of Macedonia, and to what extent they are based on systematic analysis of the needs and conditions of the socially vulnerable groups in Macedonia.

Pluralisation of Service Provision in Social Protection (Welfare Mix)

The trend of pluralisation in the social protection can be interpreted as an effect resulting from a crisis in a welfare state in Europe, which was more intensively felt during the of 80' of the XX century. Such practices in the countries of Central and Eastern Europe experienced their rise in the mid 90' of the XX century. Public sector – at that time the main social provider, started to limit its scope of services, and at the same time provide legislative possibilities and initiatives for more intensive inclusion of civil and private stakeholders in social protection, as a result of limited (reduced) resources. Welfare mix in Europe is undertaken in different forms, including: public-private partnerships, contracting, quasi-markets, and other.

Pluralisation in provision of social services in Macedonia was for the first time institutionalised with the changes to the Law on Social Welfare in 2004, but they were more extensively treated with the latest changes, presently part of the Proposal Law on Social Welfare and Social Security (whose Draft version was released in June 2007). Although in reality the appearance of private and civil sector in the social welfare delivery in Macedonia started in the middle of 1990s, still this trend is different from that in Western European countries. The reason for such difference was the absence of previous tradition in Macedonia of these stakeholders to act as providers of social protection. This is especially related to the absence of any previous experience of the private sector in social welfare in Macedonia. Civil sector in Macedonia was also not formally institutionalised in the past,

and could be recognised only in informal family and community support, as well as in the social activity of church communities. The non existence of prior experience of these stakeholders in the area of social protection contributed to the feeling of mistrust among social service recipients towards these newly created organizations.

Presently, in Macedonia there are approximately 6.000 registered associations of citizens, while the index of non-governmental organisations (number of non-governmental organisations on 1000 inhabitants) is 2.5. For the purpose of comparison only, in Croatia, for example, this index is 9.5. The sources for funding of non-governmental organizations (NGOs) comes from various sources, including: the central budget, the budget of individual ministries, funds received through lottery and other games of chance, as well as through the Secretariat for European Affairs (in context to the activities related to Euro-integration). However, the major part of the funds of non-governmental organisations is generated from international donors/foundations.

In the context of to non-governmental organisations in the domain of social protection, presently only 23 NGOs are listed into the Register of the Ministry of Labour and Social Policy (MLSP). This Register consists of organisations that fulfilled the criteria for professionalism, competence and quality, and they are the only that can apply for tenders announced by the MLSP. The domains in which the non-governmental organizations are active in the social sector in Macedonia are those in which the state has less developed capacities and forms of assistance, such as daily canters for helping socially vulnerable categories, SOS lines, help to specific categories, such as women, members of different ethnic communities, programs on supporting informal education and other.

Although the practice of contracting between the non-governmental and public sector is in rise, nonetheless, the quality of such cooperation is not yet satisfactory. This is especially evident when national strategies and action plans are developed, where the participation and experience of non-governmental organizations is treated only from its formal character, and not through adoption of their proposed suggestions, comments with regard to specific policies. However, non-governmental sector remains to be an important stakeholder in filling the gaps in the government activities focused forward socially-vulnerable categories, simultaneously characterized by greater efficiency and flexibility of offered services.

The participation of private sector in social protection in Macedonia is more symbolic than the participation of the non-governmental organizations. Speaking about social services, presently there are only four private homes for elderly, accommodating 142 residents. Also, the private provision has emerged in the area of services for children, namely with the opening of four private kindergartens, all of them located in Skopje. A new trend which is evident in terms of private provision in social policy delivery are the newly emerged private agencies for part time em-

ployment. Presently, twenty agencies for part-time employment are registered with the Ministry of Labour and Social Policy, of which the majority (13) are in Skopje, and the remaining in Prilep, Gostivar, Kocani and Kicevo. The emergence of such agencies indicates that the trend of flexible labour market and the prevalence of atypical employment characterised by not fixed working hours, and timely limited labour contracts is in expansion. The fourth area where the private sector is present in the social protection is the private pension companies/funds that are managing the compulsory fully funded pension and disability insurance. Presently, there are only two such pension companies in Macedonia on the market working under equal conditions, which implies that there is no rela competition in choosing one over the other fund. The emergence of private sector in pension insurance, in principle was supposed to improve the possibilities for better and more secure old-age pensions. However, the compulsory private pension pillar is equally risky, both for the individual and for the society, especially due to:

a) High administrative costs charged by pension companies, amounting to 7.9% from the contributions paid by the recipients;

b) Extensive (inadequately projected) flow of transferors from the first (compulsory state fund) to the second (compulsory private fund) pension pillar, that resulted in significant increase in transition costs for this pension reform, which would be again the burden for all tax payers in the state;

c) Insufficiently developed financial instruments on the domestic markets, where the pension fund could make investments, endangering the possibility of higher earnings or increasing pension contribution.

Pluralisation in social policy has to be managed in a manner that will reduce risks for the individuals and contribute to improved quality and quantity of social services. The example in Macedonia shows that a combined model of social protection is not yet sufficiently focused on achieving such goal.

Social Inclusion vs. Social Exclusion

Although social inclusion as a concept is rather new in the academic literature, nonetheless it deals with overcoming many "old" social problems, such as: poverty, homelessness, marginalisation, and others, which were and still are the focus of the welfare states in Europe. However, although social inclusion in Europe is subject to ongoing discussion, there is no universally accepted definition or operationalisation. Analysing the opposite concept – social exclusion, Sucur (2004) concludes that among most of the authors who analyse this problem there is a consensus that social exclusion can be understood as failure in one or more social systems:

- Democratic-legal system, which ensures civilian or civil integration;
- Labour-market system, which promotes economic integration;
- System of social protection, which supports social integration;

- Family system and the system of local community, which ensures inter-personal communication (Sucur, 2000, pp. 2).

However, it seems that the absence of theoretical confirmation, as well as insufficient empirical operationalisation of the problem has been "used" by international organisations that are trying to offer concrete definitions and instruments for analysing and measuring the problem. According to the 2004 Joint Report on Social Inclusion, the European Union summarises that "Social inclusion is a process which ensures that those at risk of poverty and social exclusion gain the opportunities and resources necessary to participate fully in economic, social and cultural life and to enjoy a standard of living and well-being that is considered normal in the society in which they live. It ensures that they have greater participation in decision making which affects their lives and access to their fundamental rights." (pp 8). Social exclusion, on the other hand, is defined by the EU as a "process whereby certain individuals are pushed to the edge of society and prevented from participating fully by virtue of their poverty, or lack of basic competencies and lifelong learning opportunities, or as a result of discrimination. This distances them from job, income and education opportunities as well as social and community networks and activities. They have little access to power and decision-making bodies and thus often feeling powerless and unable to take control over the decisions that affect their day to day lives"(2004, pp 8).

Alike in the Europe, in Macedonia also there is no universally accepted definition of social exclusion according to which the problem is to be analysed. According to Donevska, exclusion can be analysed from different aspects, but the most important are the economic, health, education, ethnic, geographic and cultural aspects (2003, pp16). In spite of the absence of formally accepted definitions of social exclusion, Ministry of Labour and Social Policy, in its program on tackling the problems of socially excluded persons (2004), defines four target groups as specific social categories:

- Drug addicts and members of their family
- Children on the street/street children and their families
- Victims of family violence, and
- Homeless.

According to MLSP, such division of these target groups is aimed at achieving better and more efficient access for persons who previously were lacking organised and systematic access to services of social protection (2004, pp.1). However, according to the Report on Social Protection and Social Inclusion in the Republic of Macedonia (2007), such categorisation indicates a rather arbitrary approach not based on previous extensive (statistical) research regarding the dominance of these groups in the total socially excluded population. Also, such an approach excludes some socially vulnerable categories, such as Roma, rural underprivileged people, and other.

One of the recently proposed changes in the social protection system in Macedonia, which according to the social policy makers is aimed at enhancing the efficiency of the system, but at the same time contributing to better social inclusion of some groups of the society, is the introduction of conditional cash transfers. The idea behind such a program, in general, consists of making cash transfer conditional upon investing in human capital among the younger generation, i.e. sending children to school, taking regular medical check-ups and examinations. In Macedonia, such a program was proposed within the frameworks of the World Bank Project SPIL- Loan on Implementation of Social Protection, financially support with a grant by the Japanese Government, to be implemented in 2008.

Before initiation of this programme in Macedonia, it seems necessary to take into account few factors, such as: the impact of such programs in other countries, an assessment of the needs for its introduction in Macedonia, as well as detailed analysis of overall effects that this policy will have, both upon individuals and on the system of social protection. According to Janvry and Sadulet (2004), these programs are especially popular among politicians and international agencies for development, since they are oriented towards efficiency, but at the same time used also for cash transfers to underprivileged people. The same authors point out that programs related to conditional cash transfer have many times proven to be extremely high and expensive. Rowling and Rubio (2003) point out that even in cases of best experiences, the efficiency of such programs in different national context, and the sustainability of their social effects, are problematic. Finally, Farrington, Harvey and Slater (2005) indicate that the policy of conditional cash transfer is not a panacea and that such programs have to be supplemented with different complementary instruments, while the policy has to continue to work on eliminating social, market and administrative discrimination against underprivileged people if we want them to be more actively included in the development process.

In the case of Macedonia, the question is who will be the target groups of the conditional cash transfers? Whether such condition would give opposite effects, that is, would exclude some specific groups from the possibility to use social assistance due to their inability (due to practical reasons) to fulfil the obligation for regular school attendance and health check-ups? If, for example, we take into consideration Roma in Macedonia as a category highly dependent on social assistance, and at the same time with problematic rates of school attendants and low health care, the question is whether such policy/program would improve their education/health inclusion? A wide range of reasons, among which the absence of basic documents (for example, birth certificates); culture and tradition of early marriage, as well as other specific factors are only some of the problems that might endanger the success of this policy. Contrary to the logics of conditional cash transfers in Macedonia, probably it is worth while to consider introducing such programs as supplementary and not conditional upon social assistance, or be granted more in a form of

free of charge services and not as cash transfers, in order to avoid the risk of excluding the most vulnerable categories of citizens from the social protection system.

Decentralisation

Decentralised provision of social services is primarily a characteristic of the federal states in Europe (Grate Britain, Germany), as well as of the Scandinavian countries, where the local level is the main provider of education, health and social services. On the other hand, decentralisation of social transfers is much more sensitive issue that can lead to grater risks than its benefits for the population. As Ringold points out, without previously defined and strictly allocated financial resources, there is significant risk that allocated funds for social assistance would be used for other purposes. The same author points out that there is a risk that the poorer local communities with significant needs will have most limited funds for social assistance, at the same time resulting in erosion of the previously existing social services and increasing geographical disparity (2007, pp. 37).

In Macedonia, the implementation of the process of decentralisation started first of all as a result of political reasons initiated with the signing of the 2001 Ohrid Agreement[43]. However, in the area of social protection, the process of transfer of responsibilities from central level to local level was initiated only in the domain of protection of elderly persons and children. In particular, this meant transfer of responsibilities at local level for four homes for elderly people and 51 kindergartens. In other domains, all the municipalities were given a possibility to offer social services according to their own development plans and programs, depending on the specific problems that individual municipalities were faced with. Local communities have a possibility to fund those activities from their own financial sources. From 2004 onwards, most of the activities at local level have been related to opening daily centres for work with specific groups at risk, such as street children, persons with special needs, homeless, and victims of family violence, public kitchens, and other.

Fiscal decentralisation of social protection follows the same trend, and presently it includes only financial block transfers to homes for elderly people and kindergartens. Funding of social (monetary) assistance at local level has not been yet subject to decentralisation. Presently, there are no relevant legal solutions or necessary institutional and economic prerequisites for such an initiative. Likewise, the centres for social work working at municipal level are not decentralised but are still operating as deconsecrated units of the central government. Presently, concrete problems

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[43] The Ohrid Agreement, signed on 13.08.1001, contributed to end the ethnic conflict in the country. Based on this Agreement a range of specific constitutional and other legal changes were initiated in the area of decentralization, equitable representation, special parliamentary procedures for protection of non-majority ethnic communities, use of languages, education, flags, thus expressing ethnic and cultural identity, and measure for their implementation.

that exist in the process of grater decentralisation in social protection include: a) absence of legal provisions in the Law on Local Government (Article 22, paragraph 7), which does not stipulate decentralisation of financial transfers; b) absence of authority to carry out second instance procedures at local level; and c) shortage of human resources in most of the centres for social work to deal with both the administration of social transfers and provision of social services.

In 2006, total revenues of local municipalities, compared to 2005, increased for 29%. The revenues of the local government in 2006 amounted to 7% of the total revenue at central level, or approximately 2.5% of gross domestic product. Nonetheless, due to the differences in sources owned by different local communities, regional disparities and gaps would be an additional, if not one of the most important challenge of the decentralisation process.

Deinstitutionalisation

Unlike the reform processes pointed out previously, deinstitutionalisation in Macedonia is perhaps accepted with widest consensus or perhaps the number of challenges it faces is lowest in comparison with other reform processes.

Until recently, the institutionalised type of protection in Macedonia was the most dominant way of providing services. Presently there are 16 institutions (public and private) for accommodation, with total 1645 residential recipients. The quality of institutional protection is generally weak, mainly because of the scarce financial basis, small number of professional personnel, as well as large number of people accommodated in residential facilities. However, due to the deinstitutionalisation trend, many new non-residential services were introduced as a way of reducing the numbers of institutional residents, but also as an aspiration to improve the quality of their life. They are focused on several categories of recipients, including: a) children with special needs – according to the statistics of the social canters in Macedonia there are approximately 1600 registered children with special needs. Since 2001, 18 day-care canters were opened for them, dispersed through the country, presently providing services to 270 recipients; b) drug addicts – two day care canters; c) victims of family violence – 6 day care canters; d) children on the street/street children – 1 day care centre; and e) homeless people – 1 day care centre.

According to the deinstitutionalisation strategy (2007-2014), the process of transformation of institutions is to last seven years, and to include 3 phases – during which different institutions will be subject to transformation. According to the Strategy, the reform will have 2 directions; 1) assessment of the present network of all types of accommodation, and giving priority to the development of accommodation network comprising of foster families and small homes; and 2) assessment of the type and quality of accommodation services provided in the social protection

system. During this reform, the Ministry of Labour and Social Policy will finance, train and support setting up and effective operation of: preventive services, services for providing temporary accommodation, reintegration services, as well as small family homes.

The non-institutional protection in Macedonia (except the traditional types of non-residential services, such as foster families), still lacks clear and concrete legal framework for certification, accreditation and quality control. The above mentioned deinstitutionalisation strategy gives an emphasise to the need of setting standards an licensing, but fails to regulate who will be in charge of its implementation and supervision. At the same time, there is a need of improved capacity building and human resources for non-institutional protection by which the professional involved in this process will contribute not only in improving the quality of non-residential services, but also in better integrating their recipients in the society at large.

Conclusion

The analysis of the reform processes in Macedonia bring us to a conclusion that previously universally declared welfare state is currently oriented towards: favouring services instead of cash transfers; increased targeting of recipients instead of universal access; making conditional previously universal cash transfers; reducing provision of services by the state on the account of increased private initiative; a trend towards including administration of social protection at local levels, while maintaining centralised system of collection and allocation of fiscal resources; and ultimately reducing the range of state institutional capacities and offering day care services primarily provided by civil and private service providers. Such re-definition of the welfare state in Macedonia confirms the "neo-liberal trend" as presently dominant ideological matrix, which seems attractive mainly due to the savings in social policy, which in a situation of low economic growth, high unemployment rate and strong reliance on the social security system, is seen as the only way out. Currently, there are no debates nor a visible political support that looks upon social policy as a productive factor However, what is most symptomatic and problematic for sustainability of previously discussed reform processes is their adoption without wider social consensus and without substantial empirical evidence. All this makes these reforms distant from their recipients and not adjusted to the current capacities, possibilities and needs.

Reforms in social policy should serve as a ladder for climbing towards better opportunities, and not only for creating a safety net that will cushion the recipients when they fall. Therefore, it is of vital importance that reforms are more oriented towards local capacities and needs, towards inclusion of users when developing social programs, towards improvement of access to social services based not only on rights but also on needs, and finally towards systematic creation of social policy

measures as opposed to the current trend of project oriented, shock therapy, ad-hoc solutions. Only in this way a specific model of social policy can be developed that will represent an individual response to the uniform trend solutions, offering a different, country-tailored approach based on national possibilities and resources.

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SOCIAL SECURITY AND DEVELOPMENT

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Introduction

The direct link between the socio-economic development and social security in the context of systemically shaped rights is the logic behind the interest to broadly discuss these connections and their sustainability. This primarily emanates from the interest in how to articulate this relation in the area of to exercising social rights on a long run, and the changes in the system of social policies and the system of security.

Development is a multi-dimensional endeavour aimed at reaching higher standard of living for all people. It is considered that development is a fundamental human right and need.

The area of social development is important to dwell on because by becoming aware of the needs of the people, their requirements, aspirations and goals, and by putting in place processes for their fulfilment, we define available possibilities, and ways how to achieve growth and development of the society.

The need to systemically shape social security during the phase of implementation of strategic development goals and interests is long-lasting for the whole society so that it can use the benefits of the achieved level of development and maintain stability of the system.

1. System Changes

Like any system, the systems of social protection and social security are also undergoing development stages and reforms that correspond to the achieved level of development in the state. The continuous upgrading and improving of these systems is a result of the permanent balance of different interests expressed within the frameworks of stratified groups of the society. Therefore, social protection is an area that requires continuous adjustment and adaptation, both with regard to the needs of people recipients of social protection and the real possibilities of the

system, as well as with regard to the state to exercise these policies by observing international laws and standards.

Therefore, further improvements of the system of social protection and social security are required for the purpose of improving, redesigning and harmonizing the system in accordance with the achieved level of development, as well as in accordance with the European legislation, and thus developing a system which is compatible to the European standards of relevance to this area.

The Constitution of the Republic of Macedonia sets forth that the Republic takes care about the social protection and social security of citizens in accordance with the principle of social justice. Likewise, it regulates that the Republic guarantees the right to assistance to feeble persons and citizens unfit to work, and provides for special protection of disabled persons, as well as conditions for their inclusion in the social life.

Namely, the Parliament, upon proposal by the Government, adopts laws pursuant to which the Republic, respectively the State establishes the system of social protection and social security of the citizens, and makes possible their functioning, provides conditions and measures for performing social-protective activity and develops forms of self-help. Adequate shaping and regulating of social protection and social security implies consistent implementation of the constitutional provisions in this area.

2. About the Social Security

Social security, first of all is about the services provided by a welfare state in different types and forms, intended to protect citizens. It should be taken into consideration that the social security is not of relevance only and exclusively to the forms of social protection, but also it should be understood in much brooder and complex sense.

Therefore, apart from the forms of social protection, social security also includes protection against socially recognized situations and risks, including poverty, ageing, unemployment, disability, handicap, families with many children, homeless and other. Although in theory these notions are used in different ways, and even as synonyms, it is believed that the social security is more encompassing notion with regard to the range of forms and types of protection, since it also includes forms of solidarity, systemic conditions and possibilities for helping people who need assistance, social protection and social security.

Accordingly, in the Republic of Slovenia, pursuant to their Constitution, social security is an obligation of the state in the area of health care, pensions, disabled and others persons falling in the area covered by the system of social insurance. Also, the state is liable to take care about protection of the family, motherhood, children and youth, and to create necessary conditions, institutions and resources, for persons exposed to social risks: unemployed, individuals and families.

Based on the principles of solidarity, persons that might be exposed to risks due to their social security are provided with more rights.

The Constitution of the Republic of Croatia stipulates that Croatia, as a welfare state, must provide for legal and institutional mechanisms for social security of the citizens. Social security in the Republic of Croatia, in its wider sense, covers: pension and disability insurance, health insurance, insurance in case of unemployment, social welfare, child and motherhood protection, protection of war veterans and defenders in the war for the fatherland, as well as other forms of social protection not included in the contents of the social insurance or guaranteed by law or a recognized as a right in some other manner.

While comparing these two systems, we take into consider that in the Republic of Macedonia the notion of social security covers activities related to protection of citizens who are incapable to work, and without means for sustenance, as well as citizens who are not in a situation to provide sufficient funds, conditions and possibilities for satisfying their essential requirements, based on their labour and on their work, and based on their statutory sustenance, based on their property and property rights or on any other basis, carried out under conditions and in a manner established by law.

At the same time, it implies that social protection in the Republic of Macedonia is a system of measures, activities and policies for preventing and overcoming basic social risks to which a citizen is exposed to during his/her life, for reducing poverty and social exclusion, and enhancing his/her capacity for individual protection. Social risk implies: risks to health (illness, injury and disability); old age and ageing; single parent family; unemployment; lost income for sustenance based on employment and other; poverty and risks to other types of social exclusion.

Based on the rights to social protection and social safety, and pursuant to the conditions established by law, measures are undertaken that makes possible to effectuate: social prevention, non-institutional and institutional protection, and financial support to the recipients of social protection.

Consequently, when analysing development components, we take into consideration social security in its broader meaning, and the manner in which measures falling in this area are incorporated in different systems of the state, as part of the wider socio-economic system, as well as fundamental right of the individual.

Therefore, Republic of Macedonia as a state which, apart from the measures for social protection and social security of citizens established by law, also undertakes measures in the area of tax policy, employment, awarding scholarship, housing, protection of family, health, upbringing and education and in other, pursuant to the law, with the aim of preventing social risk.

This is primarily in reference to the consistency of the systems that individually produce measures, effects, and forms and types of protection, but also to

security for the individual and his/her family. The system for social protection of one unemployed person, for example, provides cash benefit for covering his/her subsistence requirements for himself/herself and for the family, simultaneously activates other incorporated systems relevant to the protection, and in this way both the individual and his/her family are secured.

For example, an unemployed person may exercise his/her right to health protection through the system that maintains evidence on unemployed and the rights that person is entitled to, which means that the person and/or his family has access to the health system. In addition to this, the unemployed person and the members of his family have the right to health care, again through the system of health insurance, paid for by the state. To this effect, the system of child protection (for children of unemployed persons) may also be included here, in accordance with established rights. All this is defined by the process of social safety, i.e. inter-action between two, three or more separate systems aimed at providing fundamental rights to the individual.

Furthermore, the health segment, together with the system of education, on which the individual can relay on to obtain additional education, qualification, training, advanced training and practical engagement, implies systematically organized action with regard to the right to social protection and social safety. It is this that gives security resulting from   services produced by particular systems, and different forms of social safety to the individual.

The social insurance, through benefits or services provided, incomes, i.e. benefits received on different grounds to cover risks, as well as the services provided by the state on different grounds (education, health care, child care, accommodation, food, clothing and other), and in different sectors of the system, is the basis of security as a fundamental human right. This approach is based on the provisions of the 1948 UN Universal Declaration on Human Rights, where, it is stipulated that: "Every person, as a member of the society has the right to social security... ". Consequently, there is a need to give stronger emphasis on the forms and elements of social security that exist and are connected to the development in general and in particular to the social development.

3. Development and Social Development

Contemporary understanding of social processes is defining development as being of main interest in regard to the needs and aspiration of people in the civil society. The interest for development of society, and in particular the social development, as an important part of the democratic basis for regulating social relations, is indivisible and present in all the areas of work and living. The experience and knowledge gained in the process of social development are only confirming its justification, and care of relevant factors in any state to facilitate and stimulate development in the economic and social field.

While there is decade long experience in researches and formulation of development processes, yet a number of issues, including those of fundamental importance for the development, and in particular social development, and its definition, have not yet been fully answered. As, for example, how to explain the development performances which in certain states are excellent and dynamic, while other countries experience delays in the development, poverty, hunger, diseases, or other phenomena leading to conflicts, wars, and other?

How the potentials in one country are used, and whether they achieve optimum performances whit regard to the development that would provide high standard of living to the population, and high level of fulfilment of social needs and requirement by the citizens? Which are the mechanisms that may have a positive impact on stimulating social development and securing social security?

These, and other issues related to the dynamism and development rates, require answers which maybe clarified within the theory of social development, and confirmed, or denied through practice and achieved development during the past periods, i.e. changed depending on the social processes. Looking for answers to these issues, in fact we are trying to find a way how to continuously achieve social development, not as a single act, but as permanent and sustainable process leading towards progress, security and welfare of the state.

Peace, stability and security within each country and among the nations in today's more integrated world are required to achieve development. Development should be effectuated as a personal right, and it is of prime importance for archiving peace and security, both within the nations and among nations. On the other hand, without development neither peace nor security may be achieved and therefore the stability of the society is affected. The globalisation creates grater possibilities for cooperation and exchange of ideas and knowledge, use of the technical progress which contributes to more favourable conditions for growth and development. The use of such advantages and the connection of states on bilateral level and within the multilateral organizations and structures worldwide, offer new possibilities in promoting development processes.

Economic grown and development are important and serve as a basis for social development in all countries. They are jointly dependent and are causally and consequentially connected. That is to say, the efforts for maintaining economic growth improve the basis for social development. On the other hand, just social development is a necessary basis for overall development and an important factor to eradicate poverty and enhance market potentials.

The dependence and causal and consequential connection of the economic and social development is subject to continuous observation, as is the need to plan the social development as a process with strategic base aimed at satisfying ever growing needs of the society.

Likewise, while managing social development, special emphasis is to be given on the processes of planning, organization, coordination, monitoring and control, aimed at presenting the complexity of such phenomena within such complex social system.

In order to broadly understand to what level the social security is connected to the level of development, it is necessary to expand the analytical scope by establishing a model for ongoing measurement of the impact of these jointly dependent and causally and consequentially connected phenomena. All this is outside the interest of this paper, whose aim is to primarily give an emphasis on the interconnection of these phenomena, to indicate the need for and modalities of this connection, as well as the areas for presenting distinct indicators of security and development. This will help to more precisely understand these phenomena within the scope of the systemic analysis of the causal and consequential connections and the development and social elements.

4. Social Development and the System

Social development under modern circumstances is always linked to the social system, understood as global social system, since the type and timescale of social development is dependant, to a great extent, upon the type and dynamism of the social system, and vice versa, the development has an influence on the shaping and promotion of the system. The entire social system incorporates elements, institutions, processes, movements and relations in a society, i.e. the social structure, social order, social security and the order in general.

Social existence of human beings is exercised within the social system. The activities performed by the structures, institutions and the network of social processes, are the dynamic side of the functioning of the system. The elements of this system are in continuous interaction and their mutual influence and established relationships, differences between realities and factors of relevance for the social development, and interests of the participants in the social relations, are transferred.

The social system shapes it own institutional and operational segment which has an influence on shaping the development process in order to resolve conflicts that inevitably exist and emerge in the social system. This system is unavoidably focused on achieving social security as a prerequisite for maintaining its equilibrium. The possibility of understanding internal relations and contradictions existing in the system, and consequently the possibilities of trying to find solutions for their resolution, and for effectuating social security, depend on how successful were the explanations of the systemic phenomena and processes, their connections and interactions.

Rapid development of the information technology, computer technology and the need to construct operational systems for monitoring the state of affairs in the social area, respectively social system, are also based on the need to define principles of social security. The potential power of the information technology is

also easily applicable in the area of social needs, because it helps people to effi-ciently understand the processes, satisfy their needs, make easier their lives and raise the standard of living.

With modern knowledge, the use of information technology, new scientific discoveries and other, food processing process, for example, as the most essential basis for existence, becomes an efficient method for satisfying the ever growing social needs for food, processing of products of relevance for the people, but also for other needs in a society.

Therefore, comprehending the processes of the system, alike the biological processes in the given example helps in developing and promoting social relations, and also the relations in the area of work and livelihood. We are in a situation where the society has not yet created prerequisites to implement all innovations and tech-nical inventions, due to the achieved level of development and the need to create necessary conditions and infrastructure to implement and disseminate new knowl-edge and products. However, it doesn't mean that the process is slowed down, stopped or re-directed. On the contrary, it is an additional motivation to look for new solution that can be implemented, and used in positive way, in order to influ-ence on the future development and social security of the people.

Finalization of the theory, by shaping and modelling the system that will make possible its confirmation, and consequently its implementation in practice, is linked to the ever growing needs of the people, and the implementation of devel-opment processes that will lead to the resolution of these needs. Because of this, the social develop is permanently pursued and linked to a specific social system which corresponds to certain development stages, forms or phases and where the social development is its integral part, with the aim of providing social security for the people. Understanding these parts of the system, their theoretical and methodo-logical measurement and practical recognition and use is a challenge for the social development science.

5. Need to Understand Development and Social Security

Speeding up the economic development in order to overcome problems at social level has been the major goal of the economic policy during the past years. Economic development, especially in developing countries is not an easy and sim-ple process. As a complex phenomenon, the economic development, apart from basic development elements, also contains elements of social development, and the influence that the environment has on its development.

The awareness about the consequences resulting from insufficient devel-opment, and problems it creates worldwide is evident, including the need of their eradication.

In the countries of transition, among which is the Republic of Macedonia, the changes in the economy resulted in diluted measures for social protection and social security. Unemployment is in expansion, while health care, pensions and social insurance are in decline. Also, inequality in revenue generation increased.

Therefore, obtaining satisfactory level of social security is the main goal of any development and macroeconomic policy. The countries with high level of development, low unemployment rate and high standard of living have satisfactory social security.

Since social development covers all areas of the standard of living, and all activities which have an impact or influence on the standard of living, including: living conditions, working conditions and social conditions of all citizens, it is necessary to plan their achievement at the level of macro-system. Besides, it is also necessary to plan at the level of the units of local-self government, respectively municipality, in accordance with the competencies and responsibilities of the local-self government.

The ultimate goal of the development is to improve and increase human wellbeing and quality of life for all people. People should be in the focus when planning development, i.e. the economy should be directed toward more efficient satisfaction of human needs. Just social development is necessary basis for overall development and an important factor for eradication of poverty.

Measuring the impact of achieved development level on the level of social security through indicators, statistics at the level of a state or a system, may mirror the tendencies and trends in the movement of future trends of the phenomenon subject of research. Without pleading to tailor a model for this purpose, as indicated previously, this need is only emphasized, both in terms of establishing analytical apparatus (for which the indicators of the Millennium Goals are only a good starting point), and comparative model for monitoring variables which would represent possible development determinants and levels of social security that are realistically achievable and dependant on the level of achieved development.

Today, factors that give support to and make possible development are mainly known and more or less accessible. However, not everywhere and not in the same scope, quality and combination. It is still necessary to develop basis and conditions that will enable to have and maintained development as a complex phenomenon and multi-dimensional process. Development of human resources through education, information technology, technological knowledge, their expansion and diffusion makes possible further social development. Global social progress that needs to be further considered and made possible requires investments in many areas of human leaving.

6. Development Limitations

The development process is neither simple nor easily achievable. On the contrary, development is faced with different types of development limitations

which may be contradictory and decrease real performances that would have been achieved under given circumstances. Although there are a number of possible solutions for many social and development problem, they are still present, expressed and reproduced. If there are development potentials which are not understood and are more frequently present than the way in which they are understood in the society, in such cases barriers to progress maybe stronger and more emphasized, and therefore to determine the limitation forces of development.

Although there are different types of limitations, they maybe grouped in three types of obstacles to the development, such as: limited perception, outdated approaches and anachronous behaviour.

1) One of the most frequent characteristic of development obstacles in all periods, countries and areas of activities, is the inability of the society to fully perceive and consider its future development. This characteristic is more frequently accompanied by contradictory viewpoints and totally different tendencies in the perceptions of development possibilities, and is expressed as insurmountable obstacle. Many times in history, mankind was faced with believes about the end of progress, and later to discover that, sooner or later, to discover new ways and possibilities for promoting growth and development. Although today the mankind is not so much afraid of the end of the Planet Earth, yet strong perceptional barriers do exist and are expressed with regard to the overpopulation, employment, technology, trade, pollution of human environment, global warming, corruption, inflation, the number of the population, unequal distribution, and other. The eminent author Malts was not the only one with his forecasts to have a pessimistic vision about the end of the development. Similar visions and events, in particular during and after the Second World War were based on pessimistic foundation. However, the efforts undertaken and development achieved confirm that such perceptions should be reviewed and scientifically verified.

The very visible effects in the growth of food production worldwide, use of new sources of energy, transport and other possibilities failed to confirm the ground of Malts' pessimism. Mistakes in the assessments of future performances appear when projections on future development are made on the basis of historical trends, although by changing the circumstances, the possibilities and development environment, are radically changed. When looking at the future, very frequently many obstacles for achieving future progress are observed. But, if we go back in history, and make a research on historical ground, we see the continuity of the social development and progress on the whole.

Therefore, the perception in terms of development must evolve the same like the development process and peoples' need in order to achieve sustainable development and understand development and social security.

2) The most frequent obstacles for social development are not a result of physical barriers, but of outdated approaches in perceiving development possibilities and potentials. Different limitations established during the history of mankind

resulted in development blockages. If we proceed from the historical dimension, it was the crusade wars, wars on maritime routes, invasion of territories, slavery, religious restrictions, imperial wars, world and local wars and other negative events that to a great extent exhausted the resources and limited the possibilities for greater development of people. Both, the isolationistic and imperial policies imposed divisions and barriers on racial basis, as a result of the outdated approaches in understanding the social element in human development. Development of science, techniques and technology were postponed a result of the division among states and failure to share scientific knowledge and discoveries. Even the rudimentary discoveries in medicine, significant for human health, were belated in their implementation due to such outdated approaches and limitations.

It was after the approach toward understanding the development, with the development of transport possibilities, information infrastructures, new communication means, and the states getting together trade relations worldwide was changed that connection at all levels was possible, thus creating possibilities for investments, new jobs, growth and development. This confirms that by overcoming outdated approaches and introducing new ones, we can promote development, shape the material basis of livelihood, as well as the basis of social security.

3) The delay in development may also a result of anachronisms for which there are no valid justifications, but also of certain understandings, beliefs, customs, religious basis that have not been abandoned, and other. Thus, high mortality rates in infants in underprivileged countries are compensated with high natality rates. With the introduction of modern medicine, the mortality rate dropped, but birth rates had remained. It was later in time, when the population was educated, that the attitude towards these processes changed, and we proceeded not from the number of children that survive, but from the possibilities be provided good conditions for normal growth, development, education, security to all children. Traditionalisms are difficult to change and this has an impact on the dynamism of development processes. In history there are many examples of lost opportunities for development. In any case, we have to consider the central role of human being in determining and overcoming self-established limits and anachronous attitude towards the social development.

7. Development Concepts

For a long time the questions of how to achieve material development were dominate in the social theory, which understandable, if we consider that when the level of development is low, the basic goal is to have a process that provides food for the population and satisfies social and other needs.

The rapid economic development, in particular after the Second World War, imposed the belief that development is primarily a matter of money, technology, industrialization and political will. Consequently, the initial understanding of conceptual basis of this phenomenon was less relevant and considered as a whole range of desired results: high income, longer life, low mortality rate, more educa-

tion, health and other. Later, this emphasis changed and was focused on improving living conditions, democracy, social freedoms, legislation, institutions, gender equality, infrastructure, education and training. Nonetheless, the development frameworks for these requirements and development processes do not show great interest or pay more attention.

The second question is about the numerous factors and conditions that have an impact on the development process. In addition to the influence of material and biological processes, social processes also emerged which put into interaction political, economic, cultural, technological and environmental factors. Because of this, it is argued that experts on development should take care not only of atoms, molecules and material energy, but also of different complexities of human life, beliefs, opinions, approaches, values, behaviour, customs, prejudices, rights and social institutions.

The third question is that the timeframes of theory of development cannot be defined only by taking into consideration few days of few centuries in the past. For human development it takes millennia. The basic development principles must be applicable to the development of slavery society and tribal groups, in the way they are applicable to post-modern global village. Development theory must be a theory of human development in space and times.

Fourth, instruments for development of science and technology, capital and infrastructure, social policies and institutions, are so much strong in their action that very often their reasons and sources of development are not properly understood. Because of this, the attention to understanding the development process is focused primarily to money, markets, organisation of the production, and technological innovations. Although it is clear that these instruments play an important role in achieving social development, nonetheless no explanation is given yet what is it that defines the development of these instruments and how their use may influence in achieving grater benefit and maximum results.

8. Social Development and Security and Their Shaping

Which are the fundamental issues in the area of social development theory and the process of its shaping that should be understood? Different viewpoints, discussions and concepts discussed previously cannot be focused only on the goals and policies for promoting development and its results. It must be understood that social development is a process that develops within social the frameworks, focused on achieving higher performances under complicated and complex circumstances and conditions in the society.

It has already been argued that many factors determine the social development process and influence its shaping. These factors should be analyzed from the aspect of social organization for completing this process, and creation of institutions that coordinate the entire social energy, knowledge and material resources for achieving social development.

The economic growth is different from social development and in particular from the understanding of human development on the whole. It is well known that high rates of economic growth may not automatically mean high social development and improvement of standard living of the population. Achieved rates of economic growth are not of concern to the poor classes in society, and therefore only with special measures, strategies and actions in an organized manner, through the system and its institutions, it is possible to have an influence on achieving development effects at wider social level.

Definitely, there is a connection and conditionality between the economic and social development, but there are also differences with regard to real possibilities for diffusion of economic effects at social level and for resolution of all problems in the social area.

Therefore, the theory of social development under modern conditions gives emphasis to human dimension of development, humanization of the economic effects of growth, and puts its focus   on shaping development priorities and strategies that help and stimulate social development on the whole, and provide social security which, as feedback has influence on future development.

The development is a process where human needs are achieved, but it also contains sources and motives for their realization, as well as for satisfying the aspirations for the purpose of achieving the development goals. Therefore, understandings of social development are oriented toward the human dimension and towards discovering and stimulating awareness about the determinants of development and the ways in which the social development goes. It maybe concluded that the same development principles are applicable to social development at many levels and areas of human life, both at individual level and at the level of the organization of the system, the state, and at the international level.

All these forms are separate parts of one and the same development process in which people acquire bigger capacity and express such capacity to make use of the possibilities and future productive activities within the social frameworks, and to achieve social development.

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Development and security are inseparable and mutually connected elements of the system, whose existence to a great extend depends on the influence of these two components. The more certain the development and security are, the bigger effects maybe expected whit regard to working conditions, living conditions and social conditions in one country. And, vice versa, in the absence of social security, negative effects on social development may be predicted, the same like the absence of social development that limits the anchor of policies in maintaining social security of citizens.

Therefore, the policy that should be developed and in this area is balancing with development resources and potentials and with elements on which social security dependant upon regarding social protection and other rights related to social security indicated previously.

Although measurability is often linked to economic notions and components, the social development covers parts of the political, technological and social progress, and is closely linked to the system of the society. In order to make easier the analysis of social development and of broader dimensions of relevance for the people, comparisons are most frequently focused on economic indicators and development, and on those points which have direct interaction and impact on the standard and security of people, which fails to reflect social development on the whole.

The development process goes through several stages, starting from experienced knowledge to consciously managed system. Through this process the society accumulates knowledge and discovers and defines the needs, as well as ways and possibilities for their resolution. Through such processes, awareness is raised regarding the achievements in development, accessible resources, but also obstacles that emerged in the development areas, in particular in the social area.

Social progress is achieved through united efforts and effects created by individuals, social groups and collectivities for the purpose of meeting their requirements, needs, development aspirations and goals which very often may also be heterogeneous. Nonetheless, on the whole, the movement toward better, more humane society, focused on achieving development potential and increasing the quality of working, living and social conditions gives the mark and determines social development and social security.

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III part

ACTIVATION IN SOCIAL POLICY DELIVERY

ACTIVE SOCIAL POLICY

CONTENTS AND REFORM CHALLENGES

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Summary

The activation concepts in social policy are frequently interpreted within the context of the social welfare reform, performed in the United States of America, during the 1990s as well as the programs of active policies on the labour market (the New Deals) introduced in Great Britain at the end of the last decade. Their assumptions, however, date back in the period of the first laws for the poor, when effectuating of their social rights was conditional upon accepting an employment.

At the beginning of the XXI century, numerous European social states, facing transformations in the world of work, family and ageing patterns, identified the need to change their social policies and adapt them pursuant to different economic, political and social circumstances. These changes mostly occur in terms of introduction (or highlighting) of active measures into employment policies, as well as limiting the rights to social help, at least to a certain degree, by performing some work, i.e. participating in various training or pre-qualification programs. They also include benefits for employment, directed towards people with disabilities and families with children. Along with that, the activation principle has been expanded, so as to include the ageing policies and various programs of early retirement and active ageing in general.

Overcoming the passive position of social help recipients, by giving them choices and initiatives in those situations in which it is a realistic option, enables establishing of more direct connection between work, as (economically) the most reliable way of preventing social risks (especially social exclusion) and rights in the social security system.

Depending on various social determinants and factors, the contents and measures of the active social policy programs, as well as their presence in different countries,

show certain national specifics. Pursuant to that, their reach and efficiency also differ.

Key words: active social policy, activation, activation strategy, employment.

Introduction

Characteristics and demands of social and economic development, along with the numerousness and seriousness of social problems it may be in(directly) linked with, have substantially altered the contents of social functions of modern states.

Compared to the period of its origin, the state with welfare responsibilities towards its citizens has fundamentally evolved. At the same time the very "foundations of 'mature' welfare states in 'developed' capitalist states are changing" (Dean, 2006:1), but in the rest of the world, as well.

Up to the 1970s, national welfare states had been developed in conditions of economic growth, relatively low unemployment rates and relatively high wages, as well as stable family nucleus. Typical social risks in this period had been coped with in the social security system, though pension, disability, health and unemployment insurance, as well as social protection and/or help.

Starting from the 1980s and in particular the 1990s, transformations in the labour market, family structure and population in general brought about the appearance of social needs of extremely diverse types. At the same time, it became obvious that these "new" social needs[44] could not be fully met within the traditionally designed social security systems, that is to say through social benefits as passive measures prevailing in the existing policies of institutional overcoming of social problems.[45]

Simultaneously there came certain withdrawal of the state or leaving of more space to private initiatives in all areas of social systems. This was motivated by the changed standpoint about collective responsibility and value concept of the so-called "collective contract" between the state and the individual. On general level, this change is reflected on the increasing importance of paradigms of political

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[44] These are social needs which were broadly speaking generated by transformation and 'transition" into the so-called post-industrial society which brought about certain "new "social risks. They include: low qualification level or outdated qualifications; employment in non-profitable economic sectors; flexible employment forms (in terms of problems linked with the exercise of rights to social benefits in the event of part-time job); job with inappropriate or insecure income; impossibility of reconciling work and family obligations; single parenthood; care for relatives; inadequate coverage with social security system; wrong selection of private social security; new poverty and social exclusion.

[45] "For successive generations social policy was limited to providing social assistance and insurance against several well-defined social risks such as: short-term unemployment, incapability of working and insufficient resources in childhood and during pension. This approach was based on series of presumptions: that different levels in the life of individuals such as childhood, school, work and pension are clearly marked and separated; that the roles of genders in family are well defined, women being housewives and men employed; that there are strong links within the family nucleus; and that those who are working generally have constant full-time jobs.
These presumptions are no longer applicable to the majority of the OECD countries. Lifestyle varies more and people change or combine different activities at a different age. The model of man-worker is ever more overcome. There is a smaller number of children who spent their entire childhood with both biological parents. People separate and families are frequently re-formed. Employments are often stopped, due to unemployment, disability, resumption of education, child rearing and care for the elderly" (OECD, 2005:1)

economy, according to which the objectives of the welfare state are best achieved by providing efficiency of market and according to which social-political state interventions considerably jeopardize the budget. In that context, they are complementary, among other things, with the ethics of personal responsibility, that is to say reliance on one's own capacities and resources.

Partly under the influence of globalization and neo-liberalism in economy, confronted with objective incapacity or difficulties in sovereign management of economic growth factors, numerous states initiated reforms of social functions in the direction of affirmation of individualist principles. The related argumentation is contained in the need for "[...] a new emphasis on the personal responsibilities of individuals, their families and their communities for their own future well-being and upon their obligation to take active steps to secure this" (Rose, 1996:327-328, quoted according to Larsen, 2005:2).

The appreciation of importance and need for personal activity and responsibility, as well as a series of other social-political goals complementary with this postulate[46] (for instance reduction in the level of social transfers, encouragement of social inclusion and others) made the strategy of active social policy acceptable for social systems of different nation states. In that manner, although to a different extent and in a different form, the concept of active social policy became an integral part of the reform agenda of contemporary systems of social security[47]. They "may be understood as a new political paradigm in three senses. Firstly, rights are conditioned and therefore dependant on individual behaviour; secondly, we speak about an approached based on individualism, first and foremost on encouragement of willingness of individuals to get employed; and finally it is aimed at economic participation and autonomy" (Jorgensen, Pascual, 2006:1). In an ideal case, the interwoven perspectives of the individual and the system is reflected in the fact that active social policy measures provide opportunities for diminishing situations of social risks.

Concept of Activation in Social Policy

Multidimensional character of the concept of active social policy is supported by the numerousness of factors of social-political, normative, but also of theoretical nature that impact its practical functions, objectives and measures.

Active social policy is linked with the notion of "active society" which also has multi-faceted definition. It primarily relates to self-reliant individual, what is at the same time "a dominant element in the reshaping of social policy" (Larsen, 2005:82). Although present on different levels, redefinition of rights and obligations and well as the change of roles of individuals, their families, different social groups and society on the whole, is taking place in the direction of clear profiling of new quality of relations. Contrary to the dependence on social benefits and assis-

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[46] They are, however, at times mutually contradictory.
[47] Certainly the principle of activation does not constitute the only dimension of change in modern social policy.

tance of social services in general, the active society is based on the encouragement of activation (i.e. activities or actions) of different social actors, and in particular of individuals.

The very notion of "activation" is interpreted differently, in the following manner: [...] as a group of new discourses and events in social security systems and on the labour market [...] as an action program within political ideology [...] as a concept of new civil ethics [...] and as a new way of governance in society [...]" (Barbier, 2006: 14-15, 17, 27-28).

In essence, measures of activation in modern-day conditions, but also in historical ones, are largely linked to policies on the labour market and to unemployment policies generally[48], from the perspective of promotion of labour ethics. This is an imperative of acceptance of employment and ensuring existence with one's own (profitable) work[49] since "work is, in fact, a condition for autonomy of the individual" (Jorgensen, Pascual, 2006:1). In this connection, in economic conditions not conducive to job creation and in which the demand for (low qualified) labour force is insufficient, the emancipating character of activation may be converted into its opposite.

This may be supported by the fact that traditional activation measures are different in certain aspects from the new ones, but not entirely. First of all, active measure existed earlier. However, an important dimension of difference is manifested in the fact that it is "much more focused on the supply side than on the demand side. Secondly, because of the focus on the supply side, the single individual is at the center of policy initiatives" (Larsen, 2005:83). The point is, first of all, that measures of active policy in current circumstances are directed at those who were earlier employed but for certain (sometimes objective) reasons (such as economic recession) lost their jobs. The new value orientation in social policy, nevertheless, exerts "pressure" on an unemployed individual to get employed, and not on a society to open new jobs such was the case earlier combat discrimination during the so-called "golden" period of welfare state. "The idea of the active society based on workfare initiative builds on the asymmetric relationship of rights and obligations since focus is overwhelmingly on the single individuals to be active and self-reliant and much less on governmental obligations to and structural barriers against inclusions on the labour market on decent terms" (Larsen, 2005: 83).[50]

Principles and measures of active social policy have expanded from the field of policies in regard to labour market and unemployment insurance to other areas of

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[48] Active measures on the labour market are diverse. They include, among others:
- different activities carried out by employment agencies;
- training of the unemployed for work;
- measures targeted at young population (training and employment programs, internship)
- subsidized employment (benefits for employers in private sector; assistance to the unemployed for self-employment; state or non-profit sector job creation);
- measures targeted at persons with disabilities (training programs aimed at advancing employment capacities and creation of "protected" jobs) (OECD, according to Barbier, 2006)
[49] Economic independence creates the possibility of self-determination and individualization.
[50] This does not relate equally to all countries, that is to say in some it is less and in other more expressed.

the social security system. They are first introduced in the pension and active "working" old age "including mechanisms of financing of social security and complex and diversified interaction among tax policies, social security and other benefits and social services" (Barbier, 2004:5). Of no less importance in conditions of present development is the incorporation of the principle of activation into the education and training policies whose aims are complementary with the aims of social policy.

Conceptual Characteristics of Programs of Active Measures

The absence of generally accepted definition of the concept of active policies[51] leads to differences in their interpretation. On practical level, it is manifested in observing a series of problems when trying to operationalise this concept and in some cases in differentiating between active and passive measures.[52] Despite that, the inter-connection and dependence of rights exercised in the social security system through participation on the labour market, what constitutes in the widest possible sense the fundament of active social policy, have their history and reasoning in the evolution of social-political measures.

"Poor" legislation - A characteristic example from the past are the so-called poor laws whose adoption in a number of countries of Europe in the 19th century changed the philosophy of policies for the care of the poor applied hitherto. The Elizabeth Poor Act entered into force in 1834 in England established the difference between the measures aimed at incapable of working (old, sick, handicapped "-justifiable" poverty) and at those capable of working ("unjustifiable" poverty). According to this law, the first category of the poor exercised rights to certain forms of protection. As distinct from them, the capable of working were accommodated in almshouses - lodgings of stigmatizing nature, and were forced to earn for their life on their own.

In the period preceding the adoption of the law, a Commission that elaborated a number of recommendations in relation to the reform of the law on the poor was established. One of the most important ones, the establishment of the principle affording fewer rights for the poor compared to the rights of workers, the so-called principle of "less eligibility" (Pinker, 1974:46) the aim of which was to provide assistance from the state, brings less benefits than the worst employment. The arguments for its introduction was to prevent the need to rely on the state provided social benefits.

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[51] This standpoint may be supported in particular for the EU countries, in which for the time being there is no common definition of activation.

[52] "Careful examination of consumption details discloses the existence of numerous specific measures difficult to classify under the category of spending exclusively for active or exclusively for passive policy. For example, benefits for short-term jobs are included into passive expenditure because employees continue to work less hours, and it is not likely that they would look for another job. Benefits for winter construction allocated to the construction sector are considered active expenditure while benefits for bad weather conditions are defined as passive expenditure" (Barbier, 2006:18).

Active policies in Scandinavia - The modern "predecessor" of the concept of active social policy originated in Sweden and Denmark in the 1970s. In that period in parallel with emerging unemployment, the unions defined the so-called active policies on the labour market the aim of which was to create new jobs in the public sector, to encourage labour force mobility and lead the training policy.

Nevertheless, the example of active policy measures in Denmark commenced in the late 1989's served as a good practice, as "the slogan of 'activation' since then has become fashionable in political discourse" (Barbier, 2004:4). In the first half of 1990's reforms on the labour market were initiated, and the new social vision, which encouraged active workfare policies, was promoted. The first measures were directed at welfare beneficiaries at the age of 18 and 19 years.

The reforms in the Anglo-Saxon world carried out at this same time and primarily motivated by the reduction of budgetary funds for social transfers were also in favour of accepting active initiatives in social policy.

Reform of social benefits in the USA - With the *Personal Responsibility and Work Opportunity Reconciliation Act* (PRWORA)[53] of 1996 the USA has essentially "created the trend of transformation of social benefits policy into labour and employment policy" (Avramovic, 2004:127). The general characteristic of this Act lies in the strong demand for employment of social assistance beneficiaries. Thus one of its innovations was time limitation on the right to financial benefits after which the beneficiary had the obligation to be employed. At the same time the measures for inclusion of under age parents into job training programs were foreseen, and in particular the encouragement of employment of as large number of single parents as possible.

Although the effects of this law cannot be assessed outside the wider social-economic context, in view of the fact that the economic growth ensured, among other things, opening of a large number of new jobs for persons with low qualifications, "popularization of *welfare to workfare strategies* in the US and the wide world usage of English language helped to extend the influence of the workfare concept " (Eransus, 2003:1).

New Deal in Great Britain – At the same time in Great Britain in 1997 *New Deal* foresees the so-called obligatory schemes focusing on young people and long-term unemployment, as well as the so-called voluntary schemes for single parents, persons with disabilities, unemployed over 50 years old and partners of the unemployed. These schemes covered various opportunities such as personal counselling service, support in searching for employment, programs for acquiring working experience and additional qualifications. As in the USA the right to upon unemployment benefits was conditional the participation in some of the planned programs. There are ambivalent opinions about the success of *New Deal* in the United Kingdom. One of the illustrating views is: "A specific success of New Deal, from the

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[53] Personal Responsibility and Work Opportunity Reconciliation Act of 1996.

standpoint of employment and unemployment rates, may be in the worst case questioned and in the best is considered moderate" (Dean, 2006:13).

However, its postulates served as a basis for the implementation of further reforms during 2001 and 2002 which were also motivated by workfare strategy. Eventually, further legislative reforms were proposed with the Green Book, entitled A New Deal for Welfare: Empowering People to Work of 2006. "Reforms have been constituted around the language of responsibility […]. The welfare to work approach is characteristically hybrid. It encompasses, on the one hand, a strong emphasis on the empowerment of beneficiaries; on their preparedness and ownership of action plans, use of capabilities […] On the other hand, the emphasis is on coercion, participation and punishment or reconciliation sanctions" (Dean, 2006:14).

OECD's Active Social Policy Agenda: The efforts of the OECD aimed at introducing active social policies date back in 1964 and are linked with the recommendation on the promotion of active social policies on the labour market. "At that time, the OECD assessed the combination of policies implemented in Sweden positively. It is only after the neo-liberal turn […] in a context of separation of macro-economic and social policies, that the notion of 'active labour market policies' took its present OECD content, i.e. the focusing on structural and supply-side labour market reforms" (Barbier, 2003:5). At the same time, OECD started to advocate the Danish model of social security system reforms, in the context of activation policies and first of all active measures on the labour market.

Today the most important elements of the OECD's social policy agenda consist of the following:

- Investment in families and children […]
- Active social policies to tackle poverty […] and
- Mobilization of all parts of society in delivering social protection (OECD, 2005:2)

Empowerment of family and children is a primary objective of OECD. The importance of different measures to protect families with children lies, among other things, in negative consequences of generational reproduction of poverty and the present risk of social exclusion. At the same time active social policy measures, viewed from the perspective of decreasing poverty, are most directly linked to integration in the labour market. "Active social policy means getting people off benefits and into work instead of keeping people in a state of dependency. Active social policies that work are, for example: good social and employment supports, making work pay, requiring people on benefits to look for work or training, and making the different public agencies work better" (OECD, 2005:2). Finally, to implement these elements, it is indispensable to redefine and divide responsibilities between the state and other actors. The point in question is division of responsibilities among the state, individuals, their families, different groups in a community and

the community etc. in the context of encouraging responsibility of all for social security (and/or wellbeing).

Active social inclusion at the EU level – Activation and related concepts, that is to say aims, have started to play an important role on the political (and social) agenda of the EU after the Essen Summit of 1994. Previously the White Paper on Growth, Competitiveness and Employment of 1993 defined the recommendations to advance active social policies on the European labour markets.

Promoting the objectives of reducing the number of poor and socially excluded persons, the EU activation concept relates to both active measures on the labour market and employment policies and to the so-called social activation. In this context, the Commission advocates active involvement of all members of a society, whose component is the following:

- Encouragement of broadening of activities of employment services

- Providing social assistance and minimum material support to all and

- Access to health care, education, social and other services in the society, training programs, child care, etc., flexible working hours, counselling and support (European Social Network, 2006:3).

Activation "Models"

Accesses to active social policies are rather diversified in reality.[54] One of the reasons comes from the fact that activation measures have been introduced on account of different (political and practical) motivation into different national social security systems. There are numerous factors that determine the level of presence of active measures, as well as the emphasis on a certain segment. Among of the most important ones are:

- nature and characteristics of the economic system and the labour market;

- theoretical, institutional, normative and value postulates of social policy and social security systems; and

- demographic features of the state.[55]

Although theory has not reached an agreement on the position of divergence (vis-à-vis convergence) of active social policies, their positioning may basically be viewed in the context of classification of regimes.[56]

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[54] One of the views is even that:" empirical evidence shows that under this common tendency [activation policy] such different strategies can be discovered that it questions the convenience of using a common term. (Eransus, 2003:1). However, there are opposing views as well.
[55] Each of these factors is multidimensional.
[56] The theory of regimes is one of the contemporary approaches to researching similarities and differences among national social security systems. Its wide acceptance was largely facilitated with the study entitled The Three Worlds of Welfare Capitalism by Gøste Esping-Andersen who classified the 'worlds of welfare' into three social

In this connection, Jacob Torfing distinguished between defensive and offensive activation strategies.

	Workfare Activation	Welfare Activation
Political Aim	Reduction of state spending. End of assistance dependency. Access to employment depends on individual.	Promotion of job creation. Better access to labour market for excluded sectors of population. Increased social participation.
Poverty concept	Individual responsibility Underclass approach (as a growing and structural phenomena)	Social responsibility. Exclusion approach (multidimensional and reduced phenomenon)
Labour market	There must be initiatives for employment while social benefits rights are "discouraged". Encouragement of social beneficiary to quickly return to work: Negative taxes Employment agencies and re-qualification counselling.	Advancement of capacities of excluded sectors of population. Impossibility of integration of all. Aimed at advancement of human capital: Public sector job creation and training resources Counselling mechanisms
Target of the Activation strategy	Only targeted at the most excluded (families with dependent children)	Oriented at overall active population or main priority groups (young, long-term unemployed)
Contents of Strategy	"Work first" Short term strategies based on "carrots and sticks" program	"Improving employability" Training Job experiences Public job creation

Source: Eransus, 2003

The defensive activation strategies are motivated by the need to limit budgetary resources that is to say to reduce state spending; consequently social rights are "narrowed". Therefore their main characteristic is targeting of rights at material (money) social benefits for those who are absolutely poor and are not in a position to provide basic means to support themselves (on the basis of the officially set poverty line – the so-called pauperism). The purpose of active measures is integration

regimes: liberal, corporate and social-democratic. This theory became the basis for research for many analysts later, but was also disputed. It was added other social models such as South European and Eastern European.

of persons on benefits into the labour market. Leadel & Trickey named this strategy *Work First* since priority is to get a job (irrespective of its duration and/or the fact that the generated income does not provide "exit" from the poverty zone etc.) In line with this," putting an end to dependence on benefits and combating fraud (identifying people receiving benefits who are capable of working) become a priority for activation (Eransus, 2003:4) and is in accordance with the workfare model.

The workfare activation strategy is characteristic of the liberal social regime. It puts an emphasis on individualism and individual freedoms which cannot be restricted by state actions. Fundamental regulatory mechanism of positioning an individual in a social hierarchy is the market. Consequently, population is generally stimulated to take part in the labour market since it is considered that the market ensures social justice and equality. Social-political measures are primarily aimed at encouraging employment, this being promotion of individual initiatives for employment, providing information on available jobs, but also short-term investment into programs of re-qualification, additional qualification and training in general. Outside the social-political context, individuals are stimulated to work, among other things with tax policy. A characteristic development trend which has influenced negative social policy is that very often "For individuals, having a conventional job in the market tends to be the normal way of accessing protection (both private and social) from risks, and work tends to systematically replace assistance" (Barbier, 2004:7). Namely, employment as the basis for exercising the right to social insurance is expanded for persons capable of working on social benefits system. At the same time, principles of active social policy have expanded, on similar defensive basis, to persons with disabilities but also to pensioners.

Offensive activation strategies are targeted at fighting unemployment and social exclusion. Contrary to defensive strategies, social expenditures are increasing since they are motivated by improvement of life situation of persons on benefits with the aim of spurring their integration into the labour market. Complementary with this, the active social policy represents also a segment of public investment into new jobs creation. "This is represented by the strategy developed by traditionally social-democratic countries called the welfare model in which, as we have seen, the state plays a decisive role in the activation strategy as an employment-generating agent" (Eransus, 2003:5). Offensive strategies are a factor for the development of society because they are not only the expenditure but a long-term investment.

The welfare activation strategy is characteristic of countries with social-democratic regime. The social-political and general social aim of this regime is promotion of equality for all at the "highest level" (Soede at al. 2004:23), resulting in incitement of universal participation in society. Social benefits in this regime, viewed comparatively, are the highest and consequently social assistance beneficiaries are provided a relatively decent standard of living. At the same time, states of social-democratic regime are featured by a long tradition of technical training programs, as well as targeting of the larger segment of funds within social transfers to active workfare measures. The reason is integration of full employment into social and

economic policy. The market does not have unconditional role, that is to say market mechanisms have been modified with certain state measures. " Activation applies to all citizens in a relatively egalitarian manner and the 'negotiations' between the demands of individuals and those of society appears to be much more balanced" (Barbier, 2004:7). A truly active society gains importance in this model since it takes into account diverse capacities and capabilities of individuals and does not relieve the society/state of the obligation to generate preconditions for social security. Of no less importance for social security of individuals is that it does not only offer employment but an appropriate quality of employment. Laedmal & Trickey therefore named this strategy *enhancing human resources strategy*.

Comparative researches speak in favour of the existence of the third, ideal type of activation which has not been consistently studied. In view of the fact that countries of the third, continental social regime differ among themselves most (compared to the difference among the countries of other models) activation strategies in them are consequently the least homogenous.

First and foremost, since they are generally founded on the exercise of social rights on the basis of employment, that is to say payment of employment fees, benefits in the countries of the continental regime are closely linked to participation on the labour market. However, differences among them are based on the strength of this requirement. "This tendency was to e lesser degree present in the strong Bismarck's welfare regimes such is Germany, but in France – leader of republican tradition – the function of recent programs of social integration was filling the gaps often left by the social security systems based on social insurance payments" (Dean, 2004:191).

One of characteristic examples of activation strategies aimed at social integration are active policies in France introduced in tandem with labour market reforms. Changes of regulations in the area of unemployment insurance commenced in 1992 in France were primarily directed at time limited unemployment benefits and encouragement of the unemployed to accept a job. At the same time, the introduction of minimum social integration benefit (RMI) was supported by both liberal and social-democratic social options; the former have seen in it instrument inspiring employment initiatives; the latter the way to promote rights of excluded and marginalized individuals and groups.

The most important segment of the reform was introduction of negative income tax in 2001[57], along with the right to personal evaluation and support (PAP) to persons looking for a job. Although it was suggested that this program be conditioned

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[57] Namely it became obvious that certain persons employed at low paid jobs are not eligible for RMI and that essentially they are not motivated to get employed. "In effect, a person that in 2000 earned 442 Euro i.e. 0.5 SMIC loses the right to RMI (350 Euro after reduction of housing benefits). Since RMI provides for benefits in kind, especially for children, the advantage of employment is really rather insignificant if any" (Mandin, C. Palier B., 2003:47). Therefore it was proposed that the state subsidized certain benefits (PPE) to persons making low income, in order that they would not deprived compared to RMI beneficiaries.

upon acceptance of employment, following the state intervention in 2000, it was determined that unemployment benefits could not be suspended when a beneficiary was given a job bellow his/her qualifications or when he/she refused to take part in PAP. At the same time, the program of personal evaluation and support is carried out by the Public Employment Agency.

Some of the characteristics of activation policy in France, as well as in other countries of corporate regime, favour offensive and others defensive strategies, respectively. For instance, introduction of social integration benefits is similar to the existing rights in Denmark and Sweden, "although implemented in France less successfully (Barbier, 2003:11). In contrast, reforms moved in the direction of making the state the last and not the first resort for employment. However, as distinct from activation of individuals in the liberal regime, it primarily relates to activation of demand for labour force. Some measures had contradictory effects. Providing social security for social assistance beneficiaries (and to the poor in general) was "jeopardized, if not the opposite, with the concurrent need to protect the rights enjoyed by those employed at the moment, but the primary goal is to create opportunities for employment, to present but not necessarily to guarantee the right to work" (Dean, 2004:191).

Therefore there is no agreement on whether the corporative regime is featured by particular, autonomous active approach or it is a combination of the existing ones.

Conclusion

The Anglo-Saxon countries in which comparatively speaking social transfers are lower are characterized with lower allocations for active social policies. Their defensive activation strategies are partial in nature since they are dominantly targeted at social assistance beneficiaries. The underlying reason comes from the need for further reduction of spending for social benefits and of general budgetary expenditures for social security, that is to say transfers of responsibility for social risks on individual level.

Social-democratic countries, in parallel with the developed passive social policy (comparatively the highest level of social benefits), are featured by the highest spending on active measures, as well as by universal activation policy. In addition to the population capable of working (irrespective of whether they are employed or not), their activation policy principles are targeted at young people, long-term unemployed and old people. When it comes to persons on benefits (or broadly speaking socially excluded), in addition to participation in specifically designed programs for social inclusion, they also take part in programs targeted at the general population.

As regard the spending on active social measures, corporate countries are positioned between Anglo-Saxon and social-democratic ones. In these countries, persons who used to be employed (and afterwards lost their jobs) have essentially dif-

ferent rights from those who were not employed. Activation measures in them do not follow a single, coherent pattern.

A very important correlation of (risks from) poverty (the highest rates in the Anglo-Saxon world, followed by continental and then social-democratic) and social measures indicates to the necessity of ensuring a certain minimum material income (security network) for persons that are poor and/or exposed to poverty risk. In addition to the aspect of income, the poverty concept includes, among other things, dimensions of work, education, housing, as well as accessibility of certain rights and social services. Therefore, passive measures must be accompanied by certain additional measures, that is to say active social policies. The importance of new paradigm of activation is in special correlation with reduction of social exclusion linked with pushing of individuals to a social margin and their social isolation. This results from the fact that different active measures promote opportunities and capacities for employment and full participation in the life of society. Although the most often cause for social exclusion is extreme poverty, the excluded do not have to be only those who are materially vulnerable, but may also be foreigners, migrants, racial, religious and ethnic minorities.

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UNDP SUPPORT TO ACTIVE LABOUR MARKET PRO-GRAMMES IN MACEDONIA –

PROMOTING LABOUR MARKET EFFICIENCY AND SOCIAL INCLUSION

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Abstract

UNDP has invested in creation of job opportunities in Macedonia. This was initially in short-term job creation but, since 2003, actions that generate sustainable jobs have been prominent. UNDP's support to active labour market programmes is primarily aimed at improved labour market efficiency, but promoting social inclusion is also an important objective. Improving the design and performance of existing measures will clearly be important, particularly as a basis for the Government accessing future EU assistance for employment- and unemployment-related actions. Demonstrating that active labour market measures have positive impacts is essential in showing that expenditure is justified. An evaluation system for all active labour market programmes is therefore essential.

Introduction

Social inclusion is a key pillar of the United Nations Development Programme (UNDP) assistance in Macedonia, with support to active labour market measures being the most important element. UNDP has invested much in creation of job opportunities. This was initially in short-term job creation but, since 2003, actions that generate sustainable jobs have been prominent. These include wage-subsidies, internships, preparation of individual employment plans, vocational education and, most recently, support to self-employment. All actions have been in partnership with the Ministry of Labour and Social Policy and the Employment Services Agency.

This paper reviews the linkage between social policy and labour market efficiency in the selection and design of active labour market measures implemented by UNDP in Macedonia. It examines the performance of these active labour market measures to date and sets out the proposed approach in the coming years.

The policy context for active labour market programmes

The Government of Macedonia's policy and strategy for, and planned actions in, employment and unemployment mitigation are set out in a series of linked papers:

Government programme 2006 (*Programme of the Government of the Republic of Macedonia 2006-2010*[58]). In respect of employment and unemployment, this emphasises demand-side measures, principally growth, foreign direct investment, private sector development, promotion of small and medium enterprises, establishment of business support centres, and the business environment changes. In addition, there is a focus on increased labour market flexibility and hence on changes to employment legislation.

Employment Strategy October 2006 (*National Employment Strategy 2006-2010*). This also has a demand-side emphasis, but additionally addresses the informal economy and safety social nets. It includes measures for tackling youth unemployment (through training and internship), long term unemployment (training and work practice), female unemployment (education, entrepreneurship, and childcare facilities), vulnerable groups (older workers, ethnic groups, disabled). There is also coverage of education and training.

National Action Plan for Employment 2006-2008 (November 2006). The NAPE continues the demand-side focus, but also specifies supply-side actions derived from the Employment Strategy, including training and lifelong learning; better childcare to enable parents' re-entry to the labour force; actions aimed at older workers; ways of addressing female unemployment and improving female participation rates; and better job matching.

Operational Plan 2007, December 2006 (*Government Operational Plan for Employment*). This is the action plan for allocation of 2007 budgetary funding for active labour market programmes. It comprises public works (1,000 people, plus 500 people in construction and environmental projects); self-employment (for 500 unemployed from underdeveloped regions and young people less than 28 years' old); support to young people through volunteering under internships (600 people); wages subsidies for return of parents to the labour force, disabled, orphans; and training for 'known' employers (3,000) and through job clubs in languages and IT skills (2,000). This will be succeeded by Operational Plan for 2008 which will allocate 2008 budgetary funds.

IPA4 Operational Programme for Human Resources Development 2007-2013 (August 2007, draft). The Operational Programme provides the basis for accessing and programming assistance under component 4 of the EU's Instrument for Pre-Accession Assistance (IPA). It is a multi-annual indicative programme arranged under 4 priority *axes*, with the principal focus on employment in axis 1 – employment. The main supply side actions in axis 1 are in measure 1.3 (*Tackling the situation in the labour market of young people, women and long-term unemployed*). In

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[58] http://www.vlada.mk/Assets/program%20of%20the%20government%202006-2010.pdf

line with its title, this defines target groups and sets out the objectives as *integrating young people in the labour market*, *reducing and preventing long-term unemployment*, and *increasing women's employment rate*.

The emphasis on active labour market measures (ALMM) in the Operational Plan and the IPA4 Operational Programme is in contrast to the Government's past record in this area. In fact, there has until fairly recently been limited use of ALMM in Macedonia and indeed, between 1996 and 2002, expenditure on ALMM was only 0.05% of GDP, as compared to 0.7% in OECD countries. This has increased since 2002, largely due to funding from donors.

In line with policies set out in these papers, the Government of Macedonia has made significant changes to labour market legislation with the aim of increased flexibility[59]. As a result, previously strict labour market legislation has been significantly relaxed, principally through reduction of severance payments, removal of restrictions on fixed term contracts, reduced sick pay obligations, and liberalisation of overtime.

Social inclusion and UNDP support to Macedonia

The unemployed are amongst the most socially excluded groups in Macedonia**.** Labour market outcomes in Macedonia are well documented[60]: unemployment is extremely high (36% in 2006), with high youth and long-term unemployment. It is highest amongst ethnic minorities (Albanian, Roma and Bosniaks) and for those with only 3-4 years of secondary education (55%). Activity rates[61] are low (55% in 2006, as compared to 65% in the new Member States), as are employment rates (34% in 2005 against 56% in the new Member States) with, in both cases, poorer outcomes for women and ethnic minorities. Rates of job creation, destruction and turnover are low in absolute terms and compared to other transitional countries (1% job creation and destruction rates over the period 2002-2004). It is therefore no surprise that 75% of the respondents to the UNDP Early Warning Survey[62] listed unemployment as *the primary concern*.

Social inclusion[63] is an overarching theme of UN agencies and UNDP in Macedonia and this have a material impact on programmes implemented by UNDP in the coming years. Social policy in Macedonia, and hence the national approach to social inclusion and exclusion, is of course increasingly influenced by the European

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[59] See *Law on labour relations* (2005) and *Law on agencies for temporary employment* (2006).
[60] See for example International Labour Organisation and Council of Europe (2006). <u>Country Review of the employment policy of the former Yugoslav Republic of Macedonia</u>. October (draft).
[61] Share of active population (employed and unemployed) in the total population above the age of 15.
[62] http://www.undp.org.mk/default.asp?where=weblinks&link=95
[63] <u>Social exclusion</u> is a process whereby certain individuals are pushed to the edge of society and prevented from participating fully by virtue of their poverty, or lack of basic competencies and lifelong learning opportunities, or as a result of discrimination. This distances them from job, income and education opportunities as well as social and community networks and activities. They have little access to power and decision-making bodies and thus often feeling powerless and unable to take control over the decisions that affect their day to day lives. <u>Social inclusion</u> is a process which ensures that those at risk of poverty and social exclusion gain the opportunities and resources necessary to participate fully in economic, social and cultural life and to enjoy a standard of living and well-being that is considered normal in the society in which they live. It ensures that they have greater participation in decision making which affects their lives and access to their fundamental rights.

Union. This has a direct impact on the actions that need to be undertaken by Macedonia in employment and other interventions aiming at developing human resources. Overall, and in line with the Commission's strategic objectives, the European Union social policy has two priority areas of action: first, moving towards full employment and, second, combating poverty and extending equal opportunities to everyone in society.

In response, Macedonia, as a candidate country will need to prepare two documents to show how it will respond in these priority areas:

- The *Joint Assessment Paper* (JAP) on employment defines employment and labour market policy priorities. It presents an agreed set of employment and labour market objectives necessary to advance the country's labour market transformation. In addition, it outlines the steps to be taken in implementation of the European Employment Strategy; and

- The *Joint Memorandum on Social Inclusion* (JIM) represents the country's social inclusion approach. It outlines the principal challenges in tackling poverty and social exclusion and presents actions that will translate the EU's objectives into national policies.

While *employment and social inclusion* are dealt with in separate papers, it is apparent that there are interlinks and that labour market policies and, hence, *active labour market programmes, are expected to contribute to social inclusion*. To the extent that active labour market programmes contribute to reduced unemployment and hence to lowering poverty, this is already the case. However, Macedonia's progressive adoption of the EU's social policy objectives makes the link to social inclusion more explicit and means that, together with enhanced labour market efficiency, it becomes a central objective of active labour market policy.

Active labour market programmes and labour market efficiency

The goal of improving labour market efficiency through active labour market programmes involves a number of different elements. These can include combating skills mismatches through vocational education and training; and addressing information gaps and placement mismatches through job information and job matching services. It typically also involves responding to acute youth, female and long-term unemployment. This is typically through a package of measures, which may include wage subsidies, retraining and, in the case of young people, internships. These are referred to as *supply-side measures* since they are designed to influence both the quality and supply price of labour.

There are in addition other active labour market measures which are principally affect the demand for labour and hence their categorisation as *demand-side actions*. These include support to self-employment (which, through support to the formation of small and medium sized enterprises, is expected to lead to increased employment) and public works programmes. The latter are used to create short term jobs in areas experiencing sharp unemployment spikes and thus, while they have eco-

nomic objectives, they also act as social safety nets. This implicitly lends a social policy justification to their implementation. They often also have beneficial spin-offs in that they normally include the rehabilitation of small-scale infrastructure and/or cleaning or repair of common facilities or public spaces.

In addition, composite and multi-component active labour market measures are common. Thus, for example, wage subsidies and retraining may be offered for specific target groups and there are moves in Macedonia to combine public works with retraining, such that participants have obtain a marketable skill as well getting job experience.

There are, however, mixed findings on the performance of active labour market programmes. Few transitional countries have systematic arrangements for their evaluation and hence systematic reporting on performance is difficult (Macedonia does not yet have such arrangements). The evaluations that have been done yield a number of findings, some of which are conflicting and a summary of evaluations are shown in table 1.

Table 1: Active labour market programmes: summary of selected evaluation findings

	World Bank[64]	Bulgaria[65]	World Bank[66]	OECD[67]
Overall	Impacts more positive when there is growth. Expenditures on ALMP: OECD countries 0.75% of GDP, transitional countries around 0.25% of GDP.	Positive net impacts[68] from all programmes tested (in descending order of impact: self-employment, wage subsidies, job associations, training & retraining and temporary employment[69]. Education: participants with primary education or lower benefit more than other groups. Age: those aged <30 and >44 benefited more from temporary employment, self-employment and training. Target group: long-term unemployed benefited much more than short-term unemployed from temporary employment and training	Covers ALMPs in Czech republic, Hungary, Poland & Turkey. All measures evaluated had positive effects for some population subgroups. Women generally benefit more than men in ALMPs. Youth benefit from training and wage subsidies Low skilled and low educated workers benefited from retraining, wage subsidy and self-employment.	Evidence from OECD countries.

[64] Betcherman, G; Olivas, K and Dar, A (2004) Impacts of Active Labour Market Programmes: new evidence from evaluations with particular attention to developing and transitional countries. World Bank, Social Protection Discussion Paper Series 0402, January.

[65] Ministry of Labour and Social Policy, Bulgaria (2005) Evaluation of net impact of active labour market programmes.

[66] Fretwell, David; Benus, Jospeh and O'Leary, Christopher (1999). Evaluating the impact of active labour market programmes: results of cross-country studies in Europe and Asia. Social Protection Discussion Paper Series 9915. Washington DC, June.

[67] Martin, John. P (2001). What works among active labour market policies: evidence from OECD countries' experience. OECD Economic Studies No. 30.

[68] Net impact=gross impact - deadweight loss - substitution effect - displacement effect.

[69] Evaluation conducted in 2005 but refers to performance of ALMPs in 1998.

Employment services	Positive results (except in areas of rising unemployment), especially if there is economic growth. Low unit's costs. Main impacts are on unemployment duration; including for groups which have longer unemployment spells.		Positive effect on finding initial employment but no impact on wages.	Helps all unemployed get jobs, but strongest effects with women and single parents.
Training	Positive employment impacts (especially in transitional countries), and some positive earnings effects.	Low cost per additional job. Training with a guaranteed job at the end works best for those with low education, while training without a job works best for youth. No significant net impacts for those with higher education.	Small positive impact on employment (except in Turkey). Impact durable in Poland and Hungary. Impacts more positive for young people and the middle-aged, and in areas of high unemployment.	Helps female re-entrants and single mothers, but not prime age men and older workers
Retraining workers after mass layoffs	Limited evaluation evidence. Very positive results from support to demobilised soldiers in BiH (significant positive impacts for all sub-groups regardless of age, gender or level of education).	(Job associations). Cost per job high and limited evidence to date. Variant on temporary employment.		

Training for youth	Generally poor performance: participants in training did no better than control groups. But no evaluations of youth training in transition countries.			Appear not to help disadvantaged youth
Wage subsidies	Evaluations from transitional countries uniformly negative (i.e. no net employment of earnings gains), but better results from OECD countries (where subsidies used as a way of screening workers).	Positive net impact across all education, gender and age categories (except the older unemployed).	Poland: positive and lasting impacts, especially when programmes <6months. No lasting impact in Czech Republic and negative impacts in Turkey and Hungary. Works better for those with primary and secondary education.	
Public works	Generally no evidence of increased labour force attachment or increased probably of employment, although evidence of enhanced employment for the poorest groups. Also, evaluations in Slovakia, Slovenia, Ukraine and Macedonia suggest a positive impact on transi-	Lowest overall net impact, but significant positive net impacts for the long-term and older unemployed, those with low education and those living in areas of high unemployment. Cost per participant much	Negative impacts on earnings and employment. Youth employment negatively affected by participation and does not help the long-term unemployed reenter normal jobs.	Help severely disadvantaged labour market groups, but not most adult unemployed.

	tion into employment immediately after the programme ends (but no positive effects if a job hadn't been found within 3 months). But very high unit costs.	higher than other measures.		
Self employment	Take up low and so benefits accrue to a small sub-set of potential beneficiaries. Associated with high rates of business survival.	Attracts mainly the recently unemployed. Strong positive impacts.	Impacts on employment and employment positive, with middle-aged and older workers benefiting more than youth. Slightly greater impact on the long-term unemployed.	

UNDP support to active labour market programmes in Macedonia

As of 2003, UNDP in Macedonia has implemented five active labour market programmes in recent years (see table 2)[70].

Table 2: UNDP-implemented programmes on employment and unemployment

Title	Start date	Finish date	Budget (US$)	Target groups	Implementing partners
Municipal support programme, phase 1 & 2	August 2004	December 2006	$2.7 million	Very long term unemployed, youth unemployed and those with few educational qualifications, with focus on women and minorities.	Local authorities and municipality administration, private and civil sector entities
Employment mediation for highly educated young unemployed	September 2005-	Sept 2007	$1 million	Highly educated unemployed youth without previous employment, and officially registered young unemployed with high school	Local authorities, since they are responsible for local economic development, but also the local businesses since they are the generators of the longer term job opportunities.
Job creation programme (public works and wage subsidies)	September 2005	December 2007	$1.95 million	Long-term unemployed (>2 years) with secondary education or less; young unemployed people (aged 30 and below), disabled and minorities with secondary or higher education,	Municipalities; Ministry of Labour and Social Policy, the National Employment Agency and its regional network of Employment Centers

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[70] The Social Inclusion Practice in the UNDP Country Office in Macedonia is responsible for actions in employment and unemployment.

				who have been actively searching for job for more than 12 months	
Partnerships for employment genera-tion (self-employment)	2005	2007	$ 0.8 million	Unemployed social benefit recipients	Municipalities; National Em-ployment Agency and its regional net-work of Em-ployment Cen-ters
Self Em-ployment	March 2007	December 2007	$1.19 million	500 people – long term un-employed (>5 years), unem-ployment as-sistance bene-ficiaries, <28 years' old.	Employment Services Agency and its regional network of Em-ployment Cen-ters. Agency for Promotion of Entrepreneur-ship

A central element of UNDP support in employment and unemployment mitigation has been in piloting measures with a view to subsequent replication and up scaling. Increasingly this is in collaboration with the principal labour market institutions (the Ministry of Labour and Social Policy and the Employment Services Agency) and, indeed, UNDP's support to self-employment is at the direct request of the Ministry.

In summary, these programmes comprise the following actions:

Municipal support programme, phase 2: combination of the on-the-job training and wage subsidies, implemented in cooperation with local authorities and private sec-tor.

Employment mediation for highly educated young people: young unemployed aged less than 30 were given voluntary internships in private sector companies.

Job creation: use of public works for the creation of unskilled jobs while, at the same time, improving physical and social infrastructure. The target group were reg-istered long-term unemployed with secondary education or lower. A linked wage subsidy programme also targeted those aged 30 and below with secondary or higher education, no working experience and who had been actively searching for job for more than 12 months.

Self-employment: training of potential entrepreneurs in business planning and management. The best business ideas are selected prior to assistance to registering the companies involved. Start-up grants and benefits are provided to enable the entrepreneur to survive in the early stages of the business.

Performance of active labour market measures in Macedonia

As noted, here is no systematic evaluation of active labour market measures by the government or by donors and other international organisations. The assistance implemented by UNDP was, however, recently evaluated[71] with, in summary, the following conclusions and recommendations:

Overall: evaluations (in most cases net impact evaluations) of all employment programmes should be conducted.

Wage subsidies: programmes were not effectively targeted, but nevertheless some participating firms have used the programme to address skill shortages. Focus in future on the training component.

Volunteering. The programme addressed favoured groups and reflects the absence of a careers service (and it would have been better to build this service instead). The programme should be extended to school leavers and other labour market entrants and employers asked to provided 'specific and certifiable' training to interns. Noted that it participants had a substantially better chance of being in employment one year after the programme than those who had not participated. There was, however, concern that some interns were assigned to undemanding work and consequently did not make use of their skills.

Public works. Has successfully created temporary jobs and valuable infrastructure improvements, but, in future, should provide vocational training in conjunction with public works. Concluded that there was no reason '...for continuing with a public works component of labour market policy' and that should be used only when there is also training leading to a qualification. It was further concluded that public works should serve functions of both promoting social inclusion and labour market efficiency.

Self employment. Focus on the sub-groups of the unemployed who show aptitude for self-employment and avoid using this type of action for social objectives. Focus on business proposals with good prospects in order to involve banks in start-up finance.

In response to these findings, the evaluation suggested that the principal use of active labour market measures in Macedonia should be in providing support for disadvantaged groups and in training and institution building (noting that developing the skills of the workforce remained a priority). It recommended that future inter-

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[71] UNDP Macedonia (undated). UNDP Employment Programme: mid-term evaluation.

ventions should have clearer objectives and argued that effective targeting of ALMMs to vulnerable people cannot be effected without much greater input from the Employment Services. Finally, it noted 'a strong case' for measures specifically targeted on identifiable groups, including the handicapped or ethnic minorities, and suggested the assistance to these groups could best take the form of subsidised employment, with the provision of training where appropriate.

As noted, there is no systematic evaluation of the ALMMs implemented under the Operational Plan 2007 and this of course means that currently neither the MoLSP nor the ESA could report on the performance of the measures. There is, however, already some anecdotal evidence obtained from meetings with responsible staff at ESA staff at the local level. This, in summary, is as follows:

Public works. Some participants wish to obtain skills and not just to have a low-skill job under the programme. Some of the tasks under the public works involve skill requirements and hence potential participants are being ruled out by lack of suitable skills.

Self-employment: there is strong demand to participate, with target numbers being achieved by excluding those who do not exactly fit the selection criteria. But the application of these criteria (disadvantaged area, 5 years unemployed, and less than 28 years' old) mean that this target group may not be best suited to self-employment and that the business ideas are not necessarily the strongest. There is some evidence that some of those who do qualify to participate already have enterprises in the grey economy and wish to use the programme to formalise their businesses.

Wage subsidies: applicants for wage subsidies earmarked for encouraging the re-entry of single parents into work have substantially been from those who potential employers are uninterested in hiring. They typically have low education and severe social problems (including patterns of drug abuse).

Conclusions and next steps

Future UNDP support to active labour market programmes will be based on the principle that such measures will improve labour market efficiency, contribute to social inclusion, and enable the government to access additional funding from the EU's Instrument for Pre-Accession Assistance. The application of these three criteria in concert represents a shift in thinking since potential for, and contribution to social inclusion thereby becomes as basis for choice of measure rather than, as in the past, one of the outcomes from the use of active labour market measures.

Improving the design and performance of existing measures will clearly be important. There is certainly scope for improvement through changes to design and implementations of measures which will not only improve the performance of the programmes and their impacts, but will also enable applications for IPA funding for their up scaling and replication. This would be on the basis that they are not only tried-and-tested and have also been modified in response to the lessons of ex-

perience. In addition, new measures will be pilot tested for the same purpose – to develop a suite a proven actions.

Underpinning virtually all active labour market programmes is the need for retraining and prequalification facilities. Arrangements for adult re-training have yet to be finalised (and await ratification of the draft *Law on lifelong learning*). Short term re-training is, however, a central element of improved labour market efficiency and is key to correcting skills mismatches. As such, it will for example be an element in increasing female employment and will be the principal measure for combating long-term unemployment, where deskilling and hence acute skills mismatch is widespread.

Finally, demonstrating that active labour market measures have positive net impacts (or, in the case, of support to self-employment, that new entrepreneurs emerge as a result of the assistance) will obviously be essential in showing that expenditure from domestic sources and by donors is justified. This is a requirement for all active labour market programmes and not just those implemented by UNDP. Methodology and procedures for evaluation are currently being drafted and will initially be applied to UNDP-supported actions. It is, however, the intention that, once piloted in the evaluation of UNDP programmes, they will be used by the MoLSP and the ESA in extending evaluation to all ALMMs in Macedonia.

ACTIVATION AND WELFARE-TO-WORK - PRO-GRAMMES AND STRATEGIES

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1. THE CONCEPT OF WELFARE-TO-WORK VS. WORKFARE IN INTERNATIONAL CONTEXT

Whilst some writers distinguish between the different areas of change from passive to active welfare delivery, for example, "workfare" vs. "active labour market policies" vs. "activation", others do not. Workfare has always been a politically charged term and has fallen into political disrepute internationally and over the last decade it has most frequently been used as a term of abuse by those who oppose policies which they perceive to be eroding rights-based entitlement to assistance. In Europe the word "workfare" is often used by policymakers as a foil, to explain what the new policies are not. Only the political right in the USA still uses the term to describe policies which they advocate.

Broadly speaking, social policies towards employment can be put into four categories:

- *Passive*: the payment of benefits (both insurance and means tested) to unemployed people. The case for unemployment compensation is compelling. But, at the same time, there is evidence that the availability of unemployment compensation carries some significant negative effects including: the prolongation of spells of unemployment, dependency, abuse of the system by people who misrepresent their circumstances and inactivity of recipients in seeking employment. How far unemployment compensation contributes to higher unemployment depends crucially on the effectiveness of the public employment services in combating the abuse of benefits and in ensuring unemployed people remain active in the labour market;
- *Active Labour Market Programmes*: typically comprised of training courses, public works, etc. Unless they are well targeted their real effect is

marginal in getting people back to work particularly in difficult labour market conditions;

- *Welfare-to-Work*: this is characterised by a mix of policy instruments to encourage, assist and provide incentives to people of working age in receipt of benefits (not only those registered as unemployed) to become and to stay employed. Their essential characteristic is the widening of the client groups beyond those registered as unemployed to other welfare recipients (single parents, disabled people, spouses of others claiming benefits). The objectives of welfare-to-work policies therefore embrace a Human Resources Development [HRD] objective and a Labour Market Attachment [LMA] objective which are implemented via a mixture of compulsion, incentives, care and control;

- *Workfare*: making the receipt of welfare conditional on undertaking work. In its usual form it is universal and applied to the lowest level of welfare payments for people of working age. Its defining features are reciprocity (work for welfare) and "last resort" (i.e. used after all other forms of support have failed to move people off long term welfare into employment). Its justification and effects are contested far more strongly, because of its associated compulsion element, than the other policy measures in respect of unemployed people of working age (Joshua L., 2003).

1.1. What Welfare-to-Work Programmes Encompass?

Welfare-to-work programmes vary in terms of the amount of cash assistance they provide, the rules they set, and the services they offer. Different government agencies may operate different parts of the system, and some activities or services may be contracted out to private firms or non-profit organizations. Most welfare programs, however, share certain elements, outlined below:

Time limits. Almost all place limits on the amount of time that families/beneficiaries can receive assistance. Most also have shorter limits on the amount of time that individuals can receive welfare without working or participating in welfare-to-work activities.

Welfare-to-work activities. All welfare programs include activities designed to move recipients into employment. They usually begin with an assessment, followed by one or more of the following options:

- ⇨ **Job search/job placement.** Welfare recipients learn job search skills and are assisted in conducting a job search. Many programs also include some job placement, in which recipients are referred directly to employers.
- ⇨ **Job-readiness.** These activities provide preparation in basic work skills, such as punctuality, appropriate dress, and interacting with supervisors and co-workers.
- ⇨ **Education and training.** While there has been movement away from extensive education and training before entering employment, most programmes provide some opportunities for recipients to attend school or par-

ticipate in training programs to improve their skills and employment prospects.

⇨ **Work programs.** These provide employment opportunities for welfare recipients, either as unpaid work experience or subsidized employment.

⇨ **Support services.** Support services help welfare recipients participate in welfare-to-work activities and make the transition to employment. They generally include child care, medical, and transportation assistance, counselling, and access to work clothes. Some support services, called transitional benefits, may also be available to former recipients who have left welfare for work.

Mandates and sanctions. Almost all welfare programs balance the services they provide with requirements that recipients either work or participate in activities designed to lead to employment. Different type of penalties can be applied to individuals who do not comply with program requirements, ranging from partial grant reductions to ineligibility for assistance.

Financial incentives. Most programmes offer financial incentives to encourage recipients to work and make work pay. These are usually in the form of "earnings disregards", which discount a portion of earned income in calculating welfare benefits, thereby allowing recipients to keep some of their grant when they go to work (Brown A., 1998).

1.2. Welfare-to-Work Programmes with the "Hard to Serve"

Many welfare recipients have significant and/or multiple barriers to employment. These recipients are often called the "hard to serve" or "hard to employ." In principle, welfare-to-work programmes are aimed at this category of welfare recipients. While there is no universal definition, the "hard to serve" generally have one or more of the following characteristics: long-term welfare receipt; little or no work experience; low education levels; substance abuse problems; mental health problems; histories of domestic abuse; criminal records etc.

It is important to recognize that while welfare recipients with these characteristics may be more likely than others to have difficulty finding employment, many will succeed (and others who do not at first seem to have significant barriers may have difficulty getting a job). Therefore, rather than using the characteristics listed above to define who is hard to serve, it makes more sense to allow these recipients to define themselves over time, based on their rate of success in job search or other activities.

1.2.1. Reasons for Concentrating Welfare-to-Work Programmes on the "Hard to Serve"

Some business partnerships may decide not to work with hard-to-serve welfare recipients, focusing instead on those most ready to go to work. However, working with the hard to serve is important for several reasons:

- Programs need to work with those who cannot succeed on their own if they are to make a difference in welfare reform.
- As caseloads decline become national tendency, the hard to serve will make up an increasing percentage of those who remain on welfare.
- Programs have a certain responsibility to try to assist hard-to-serve welfare recipients, who may be most vulnerable to welfare time limits (where such limits exist).
- Because they would have been on welfare longer, programs can realise the largest payoff from working successfully with this group (although a greater up-front investment may also be needed).
- Business partnerships offer unique opportunities to assist this group of welfare recipients. Employers who have a stake in the initiative may be more willing to hire hard-to-employ recipients or help design programs to increase their employability (Brown A., 1998).

1.2.2. Options for Helping the "Hard to Serve"

Many programs find that once they have developed strong relationships with employers, the employers are often willing to consider candidates who might not at first appear qualified. Qualifications requested by employers, such as a high school diploma or no criminal record, are often not necessary to do the job, but are used as screens to reduce risk. Partnerships can lessen the importance of these screens by finding other ways to minimize the risk to employers, for example, by providing job-readiness training or post-placement services.

Some welfare recipients may simply not be able to work immediately; they will need to receive assistance focused exclusively on addressing their barriers to employment. Therefore, it is useful to include in the partnership government and non-profit agencies that can provide mental health services, substance abuse treatment, and other services. Many other recipients, however, can benefit from employment-focused activities such as the following:

- **Part-time employment.** Allow and encourage recipients to combine part-time work with other activities, such as basic education or counselling.
- **Work experience.** Paid or unpaid community service jobs in public or private settings offer recipients an opportunity to gain experience designed to improve employability, particularly basic work skills.
- **Supported work.** Create positions that include close supervision and gradually increasing demands to allow individuals with more significant barriers to ease their way into the world of work.
- **Outsourcing.** Find business partners who are willing to outsource work to a setting where recipients can work with increased support and reduced pressure.
- **Volunteer work.** Volunteering may be an appropriate transitional activity for recipients who are not able to handle the demands of a paid job.

o **Job coaches.** Job coaches accompany employees to the worksite, working one-on-one or with teams. They can help new employees learn job skills and adjust to the work environment and can provide personal and moral support (Brown A., 1998).

1.2.3. Benefits from Welfare-to-Work Programmes to Businesses

There are several potential benefits to businesses that hire welfare recipients or otherwise become involved in a partnership around welfare reform. By understanding the needs of local employers, marketing can be tailored to show how involvement helps meet those needs. The following are some of the ways in which a welfare-to-work effort can benefit businesses:

⇒ **Filling labour needs.** Within the welfare-to-work partnership between the state and the private businesses, registries of businesses that have signed on as interested in hiring welfare recipients are usually set up.

⇒ **Reducing hiring costs.** Job listing, referral, assessment, and pre-screening can save employers time and money in recruiting workers. Unlike staffing agencies, most welfare-to-work programmes do not charge a fee for job placement.

⇒ **Reducing payroll costs.** Subsidies and tax credits can reduce costs for employers: *wage subsidies*, which reimburse employers for a portion of wages paid to the employee; *tax credits*, which credit employers for a percentage of wages or other expenses; *other financial incentives*, such as no-interest loans to enable businesses to expand.

⇒ **Trial periods of employment**, which minimize the risk and liability to the employer by establishing an initial period of employment during which the employee either continues to receive welfare or is paid by a third party.

⇒ **Ensuring that workers are job ready.** Pre-employment activities can reassure employers that new workers have been trained in the basic and soft skills that employers often say are most important.

⇒ **Providing support services.** Stable child care, transportation, and medical assistance, as well as post-employment counselling, can increase employee retention, reliability, and productivity.

⇒ **Providing customized or subsidized training.** Partnerships between the state and private sector provide opportunities for underwriting some of the cost of training new workers for establishing customized training to meet employer needs (Brown A., 1998).

1.3. Transitional jobs programmes

Welfare recipients today are less likely to have finished high school, less likely to have had significant work experience, and more likely to face multiple obstacles to employment such as mental and physical disabilities or problems with drugs and alcohol. Absent a great deal of help, work first is unattainable for many of these disadvantaged individuals, previously characterised as "hard-to-serve". To

provide this help, a variety of approaches: training, education, job search assistance, "job clubs," interviewing workshops, and alike can be employed. But in some cases, the best option may in some ways be the simplest: If a recipient can't find a job, the state should provide one. While this type of solution does not advocate a massive public jobs programme because of the high costs of implementation, publicly funded transitional jobs may offer some recipients the best bridge into private sector employment.

Unlike the workfare programmes within which participants do not enjoy all the benefits of a "real" job, a far more promising model is the "wage-based transitional employment" where participants are in fact "employees". Wage-based programs also instil in participants the expectations of the working world, while at the same time providing a structured environment to smooth the transition to work for individuals unaccustomed to holding down a job. These programs also typically supplement job placements with training, education, or counselling to assist participants in overcoming obstacles to employment.

However, we should emphasise that publicly funded transitional jobs should supplement, not replace, the array of tools already available in moving recipients from welfare to work. Moreover, the evidence indicates that widespread use of public jobs is likely to be unnecessary. Private sector employment remains the paramount goal, and transitional jobs should serve solely as a means to that end. Finishing the job of welfare reform means not only requiring work from all those capable of doing so, but empowering those who face obstacles to employment with the skills and supports to enter the workforce. For some hard-to-employ welfare recipients, a transitional job may be the best option for achieving that goal.

If appropriately and carefully structured, wage-based transition jobs can provide hard-to-serve recipients with the transitional services and experiences that they will need to graduate into the labour market. Although implementation of these programmes is undeniably expensive, transitional jobs programmes also need not - and should not - operate on a large scale to achieve these goals. Transitional jobs should serve as a last resort for those recipients who face the greatest number of barriers and as a consequence have been unable to find private sector jobs (Kim A., 2000).

1.3.1. Benefits of the transitional programmes to participants and businesses

Transitional jobs programmes provide participants with an obvious and direct connection between work and wages. Workfare is an end in itself and not a transition to something better. Under a workfare-type program, recipients aren't working to earn their grants but to prevent losing them. Wage-based transitional work eliminates many of the drawbacks of workfare and provides numerous advantages.

The practice of implementation of this type of transitional job programmes, allows identification of many benefits to employees:

o   Welfare recipients holding wage-based jobs are far better off than they would be on welfare alone.

o   There is a possibility to boost workers' income in combination with an introduction of "earned income disregard," which allows workers to keep a portion of the welfare payments they would otherwise have lost because of earned income from a job.

o   Another financial benefit of wage-based jobs, which is not as immediate but is equally important, is the credit earned toward future social security benefits via payroll taxes paid on wages.

o   Higher incomes often lead to improved socio-economic conditions in the families of the welfare recipients.

o   Making the transition to the labour market that much easier.

o   Learning by doing, employees can acquire "soft skills," such as interpersonal communication skills and the standards of professional behaviour.

o   Moreover, holding down what's considered to be a real job can instil in employees a degree of self-esteem and confidence that would otherwise be lacking, especially in comparison with an unpaid work slot stigmatized as "workfare."

o   When supplemented with education and training, wage-based job programs can also provide participants with the skills not only to find a job but to move up the ladder.

o   And last, but not least, transitional jobs are a valuable passport to the labour market - a job reference (Kim A., 2000).

1.3.2. Benefits to employers

For private employers, transitional jobs programs can potentially serve as an effective workforce development strategy. So long as they are cautiously crafted to prevent displacement of existing workers, transitional work programs could provide employers with a valuable source of labour (Kim A., 2000).

1.3.3. Tips for tailoring successful transitional jobs programmes

Wage-based transitional jobs programs can and should be flexibly designed to balance the needs of participants with those of the community and the local labour market. The most successful efforts, however, include these common elements, all of which future programmes should strive to incorporate:

- *Generous work supports and post-program transitional services.* The welfare recipients for whom transitional jobs are ideal are also those who face the most serious barriers to entering the workforce. As a consequence, wage-based transitional jobs programs should provide participants with all of the tools necessary to overcome those obstacles, including assistance with child care, transportation, and

health insurance, as well as remedial education, substance abuse counselling, and other individualized services to the extent necessary. Many recipients will also need job coaches or other on-the-job mentors to ease the transition into work and provide assistance in moving up the ladder. In addition, to encourage employment and increase income, programmes should not penalize participants for earning income by reducing benefits. Programmes should instead institute either generous earnings disregards (e.g., at least 50 percent) or other supplements. Although the ideal transitional job is temporary (no more than one year), at least a minimum of work supports (such as child care assistance and health insurance) should continue past the initial placement for an appropriate period.

- Flexible, performance-based administration under a public/private model. Wage based jobs programs should be small-scale, community-based efforts tailored to meet local needs, whether public or private. In administering jobs programs, government should avoid creating bureaucracies and instead partner itself with an array of private actors, both for-profit and not-for-profit. Such an arrangement can provide programmes with both the flexibility to meet the changing demands of the local labour market and a larger range of work sites to meet the interests and skills of participants. Moreover, governments should structure jobs programs to reward results and encourage effective, entrepreneurial solutions. Incentives should focus on job retention and advancement as much as on initial placement.

- Safeguards against displacement of existing workers. Transitional workers should not supplant current workers from their jobs, and any wage-based transitional jobs programme should include sufficient safeguards to ensure that displacement does not occur. Unless the economy slackens drastically, however, displacement should not be a major concern for programme designers. First and foremost, the absolute number of potential participants in transitional jobs programs is relatively small. The shrinkage of the rolls is likely to continue, though the pace is slowing, and research shows that the labour market has had and will continue to have little difficulty in absorbing former recipients (Kim A., 2000).

1.4. The most common approaches

The most common strategies used in welfare-to-work programmes across the developed countries include: job training, education, subsidized employment, and efforts to move individuals directly into unsubsidized employment. The different strategies for encouraging employment emphasize several specific objectives: 1) to assist recipients of public assistance in obtaining regular employment (which can be achieved through strategies such as job-search assistance for moving people into the regular labour market as quickly as possible); 2) to assure that recipients participate in some work-related activities as a condition for receiving welfare (stressed by public employment strategies, such as "workfare," in which individuals must work in a public job assignment for a certain number of hours in order to receive a welfare benefit), and 3) to invest in skill development to improve the

chances that an individual or family can become economically self-sufficient (longer-term strategies such as education and training).

However, what makes the applied approaches in the developed countries unique is that probably no single programme uses any one strategy in a pure sense. Instead, many operational variations exist, and mixed models combine strategies. For instance, some programmes combine vocational training with basic skills education, either in the workplace or in instructional centers or classes. Others offer what is called "supported work experience", linking pre-employment preparation with assignment to public jobs that have gradually increasing hours and work responsibility and with ongoing counselling, education, and peer support. In many countries, regions or localities, all of these strategies that will be listed below may be operating at once.

A. Direct employment strategies

Job search assistance, either in a group setting or through one-on-one counselling or coaching, sometimes through "job clubs" with workshops, access to phone banks, and peer support.

Self-directed job search, where individuals search and apply for jobs on their own. Sometimes individuals must submit a log of their job contacts to the welfare agency.

Job development and placement, where programme staff members identify or develop job openings for participants. Counsellors refer individuals to openings, often using computerized job banks. In more intensive models, staff members develop relationships with specific firms, gaining knowledge of potential job openings or commitments to hire through the programme.

B. Job training strategies

Classroom occupational training, by training or educational institutions such as community colleges or vocational schools, community-based organizations, or non-profit or for-profit training centers. Training may include formal postsecondary programs leading to certification or licensing in a particular occupation.

On-the-job training (OJT), with public or private sector employers, who usually receive a subsidy to cover a portion of the wages paid during the training period. The employer subsidy may be drawn from welfare or unemployment payments that otherwise would have been paid to the individual recipient.

C. Subsidised public employment strategies

Work experience, which can include unpaid workfare assignments, where recipients work in exchange for welfare benefits, or short-term unpaid work experience designed as basic exposure to the work environment. Stipends are sometimes provided to the workers.

Community or public service jobs, where individuals receive wages, typically minimum wage or slightly below, for the hours they work.

<u>D. Mixed strategies</u>

Vocational training plus basic skills, either in the workplace or in instructional centres/classes.

Supported work experience, with pre-employment preparation, assignment to public jobs, and gradually increasing hours and work responsibility combined with ongoing counselling, education, and peer support.

The developed countries with experiences in welfare to work programmes differ in the relative emphasis they place on training and education, public jobs, and immediate job entry. Herein, there is an ongoing debate around the question "job placement? Or training?" Currently, the trend is away from long-term training, education and paid community service jobs (as more intensive training strategies have had only modest impacts on employment and earnings) and towards more emphasis on direct job entry and job-search requirements. In principle, 2 strategies are under debate: "labour force attachment" or "human-capital development" approach? The analysis of the effects show that the labour force attachment strategies of immediate job search yield larger overall effects than do strategies that build human capital through long-term education and training (Nightingale S. D., 1997).

Conclusion

As benefits and subsidies are being scaled down by a market and cost dominated system, the state budgets are heavily burdened with the high percentages of the total budgets being set aside to cover social welfare expenditures. The primary objective of the welfare system has long been income maintenance-determining eligibility for assistance and issuing benefits. An important issue in the current discussions about welfare reform has to do with whether, or how, welfare offices can be converted from income maintenance centers to employment centers, or at least how can their contribution to the reduction in the unemployment levels in the countries be enhanced. That is, how can the traditional culture of welfare offices be changed? Guided by these principles, different priorities, then, may influence the decisions the governments make regarding strategies for moving welfare recipients into jobs. There is no one ideal work-welfare program model, given the diversity of the welfare population in terms of family situation, employability skills, and barriers to employment. Administrators and policymakers must weigh the tradeoffs of implementing particular strategies and emphasizing particular objectives in relation to the unique set of political, bureaucratic, economic, and social circumstances that influence welfare policy in their country. Strategic and programme development in this respect should not be a mere responsibility of the governments, but should be done through an open proc-

ess in which all relevant stakeholders (welfare and employment agencies, chambers of commerce, private sector organisations and employers) will play a part.

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IV part

INCLUSIVE SOCIAL POLICY

FROM DETECTING SOCIAL EXCLUSION TO BUILDING SOCIAL INCLUSION STRATEGIES: THE CASE OF SLOVENIA

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Introduction

The major topic of the paper is to show the path Slovenia has undertaken to build its poverty and social exclusion combating strategies as a transition country.

While the eighties, as the last decade under socialism have started to reveal some economic austerity particularly those which have been related to full employment decrease, the early- and mid-nineties added to the political agenda increasing social security and standard of living problems. Thus, the first decade of the sovereignty put a consistent set of political actions on the governmental agenda to reform the unemployment and pension schemes. In the line with this, various experts and social partners took intensive participation and collaboration in building new regulation mechanisms to transcend the widening gap between increasing social expenditure and available resources. Consequently, after the decade of increasing retiring and unemployment rates, these trends have revealed a significant turn-over. They started to decrease.

Conversely, in late nineties statistical data kept showing the poverty rate increase. First step to combat it has been the poverty line renovation as suggested by experts. Late nineties revealed the need for a coherent re-viewing of poverty incidence considering it in a broader perspective of social exclusion concept. The Council of Europe initiative to eradicate poverty and social exclusion in global perspective was endorsed by the Slovene political authorities giving new impetuous to indigenous efforts of building the related co-ordinated action. Various poverty and social exclusion experts including the national statistical office and the *UNDP Report* authors, and various political party and civil society representatives collaborated again joining their interests and efforts in preparing and commenting *the National Poverty and Social Exclusion Combating Programme*. After being endorsed by the Government, the Parliament has adopted it in the year 2000. The concerned programme strategies were implemented through the co-ordinated action in different governmental departments, thus, enabling the common regulation framework to

combat complex issues such as poverty and social exclusion are. The programme strategy implementation was thoroughly monitored and evaluated yearly by related statistical data analyses.

Completing the harmonisation of the Slovenian legislation to the European Union, one forced the political authorities to build a specific set of social inclusion strategies in the year 2003, thus, accomplishing the process which had been put on the political agenda in the late nineties. Precise EU instructions for preparing the related document, meaning *Joint Inclusion Memoranda* (JIM) forced the Government and its departments to consider new modes of social exclusion such as Internet access and gender related exclusions also in Slovenia's setting. Following-up the JIM, in the year 2004, the Government have started the activities to prepare the related national action plan, thus, activating various experts, social partners and civil society.

In regard to the preparation of up-dated political documents such as *the National Poverty and Social Exclusion Combating Programme* and *Joint Inclusion Memoranda*, the Slovenian Government keeps showing the consistent and coherent political interest in building strategies to combat poverty and social exclusion. Although the statistics show a slight decrease of poverty rate in the year 2000, it still is up to coming years to prove whether social inclusion strategy implementation is successful or not. Conversely, the statistics reveals the fact that Slovenia has launched the building of consistent and coherent poverty combating policy years before the adoption of international initiatives. Moreover, the fusion of exogenous social inclusion strategy initiatives and indigenous poverty combating policy as it melted in presented documents can be concluded as an efficient outcome of Slovenia's approaching the EU social standards.

Poverty Research Tradition in Slovenia – From Academic Initiatives to Administrative Implementations

Under socialism, the 'Iron Curtain' was blamed for dividing Europe into the First and Second World. Both the similarities between Eastern Europe's social policy programmes and those in the West and assumptions about convergent development have shown this 'ideological wall' to be porous. At the advent of the transition era, various initiatives indicated that poverty policy in Central-East European countries had to be renewed, and the experience of Western Europe might be seen as models. Any indiscriminate imitation, however, in terms of either poverty-alleviating programmes or methods of adjustment to the poverty standard, would be undesirable. Western poverty approaches may or may not be relevant in Central-East European countries, but the choice of method is in itself a matter of judgement, and the differences must be regarded as an expression of the preferences in these countries (Novak 1996b).

The late nineties brought on the political agenda of some CEE countries objectives of joining the European Community, thus, new social policy options were opened, too. Social exclusion aspect and social inclusion strategies pushed new perspec-

tives in CEE countries to the top of these agendas. Reforming of pension and un-employment schemes, but winding up the one-dimension poverty-combating poli-cies as well launched new political strategies focusing old views and old *modus operandi*.

Although never declared openly and showing it transparently, various euphemisms were applied to cover perception of poverty. Under socialism, it has never been declared as such – in proper wording. Instead of this, various substitute labels such as social and subsistence minima were in operation. Moreover, at the advent of joining the European Union, in Slovenia no official poverty line has been em-ployed to delineate categories that are entitled to poverty benefits from those who are not in such need. Conversely, the term 'poverty threshold' is used for analytical purposes, but in operational frameworks subsistence minima is the instrument still in operation so far.

In Slovenia, first consistent cost of living estimating methodology had been con-structed in the 1960's by Sumi – the economist by profession – for official poverty alleviating policy purposes being substantially renewed in the 1980's. Major prin-ciple of Sumi's social and subsistence minima computing was definition of com-modity basket which consisted of 270 items. Early nineties brought another sub-stantial change to official poverty estimation shifting the major political and ad-ministrative focus from commodity basket to under-covered implementation of Orchansky index. The new method was legally adopted for purposes reducing so-cial benefits from social minima level to subsistence minima level. Since then, state administration dutifully applies the analytical findings – particularly those which have been produced by economists – when building various poverty-alleviating strategies.

Conversely, social class properties of the poor find the minor interest of the state administration, solely. Namely, these characteristics were proved to have more sig-nificant impact on poverty risk and poverty incidence than gender and age. In the line with this, pensioners are considered as far from being the transition losers in Slovenia (Novak 2000; Stropnik, Stanovnik 2003). Further, families with frequent dependent off-spring and single-parent were proved to be less comforted by the economic trends (Novak 1996c). In addition to this, as survey data show poverty incidence is regularly accompanied by poor health and practising of health damage habits (Cernigoj-Sadar, Bresar 1996).

The mid-nineties brought a new issue to the academic researchers' agenda, mean-ing social exclusion. While some analysts were unable to reveal any legal exclu-sion from access to various living resources and social protection programmes (Novak 1997), survey data revealed that various exclusions from living resources in daily life cumulated and over-lapped, thus, building multiple disadvantaged for specific categories such as elderly, poorly educated, living in rural areas, either liv-ing alone or in extended families, farmers, and unemployed (Trbanc 1996).

Although being dis-aggregated by gender, age, acquired education, and employment status, used statistical data on income distribution structure, poverty rates, and poverty incidence on national scale attracts the major government administration interest. Regional disparities and exclusions on ethnic basis are out of such sights. Survey data on the same issue seems to be of minor significance in this perspective. The last valid and relevant level of living survey which could enable detailed insight in social class structure of the poor but of socially deprived as well was conducted in 1994. Since then, the political interest on this issue and related financial support has failed to be recognised.

In the late nineties, Slovenia started to follow the UNDP initiative, launching the *Human Development* reporting (1998, 1999, 2001). Regardless the yearly shifting focus, the experts who worked on the concerned project selected various topics being related with human environment, health and creativity, choice and capacity enlargement, economic growth and social integration, values and norms, and regional development, and human development and unequal opportunities to participate in these processes.

In the line with the above information, the intensive academic interest to poverty risk and poverty incidence was proved to launch the empirical poverty research and survey in mid-eighties, flourishing in the following decade to mid-nineties. Academic analysts participated on the national scale but on the international one as well, thus, bringing to Slovenia new concepts and measures such as those concerning social exclusion.

In late nineties, the state administration and its institutes over-took the initiative in launching poverty and social exclusion analyses by joining academicians and other respected experts, thus, bringing the EU and the UNDP political demands and methodologies on its agenda. The known concepts – poverty and social exclusion – were enriched by commonly agreed methodological rules and articulated expectations.

Step One – Poverty and Social Exclusion Combating Programme and Report

Social Setting at the End of Nineties

From its advent the transition period from planned economy to market economy and from mono-party political system to multi-party political democracy witnessed decrease of many processes as follows:

- the loss of some markets for economic goods and investment, but particularly in the former Yugoslav regions;
- the withdrawal of the Communist party from the top strategic decisions making positions by multi-party elections;
- increasing trends of unemployment rates and increasing number of people living in poverty and hardship;

- wars in the former Yugoslav regions which expelled refugees to Slovenia and elsewhere;
- growing uncertainty which was the result of wars in neighbouring regions.

Some basic statistics show that the year 1993 should be considered as a significant turning point in major processes in Slovenia:

- real domestic growth started to increase from negative values to positive ones;
- registered unemployment rate stabilised at 14 per cent approximately while the Labour Force Survey unemployment rate started to decrease from 9 per cent to 7 percent;
- social transfers in total stabilised at 17 per cents revealing that vast majority of transfers went to recipients of both old age pension and invalidity pension, thus, showing that age cohort structure in Slovenia share the same properties as those in the developed countries.

In late nineties, the Government launched numerous activities to transcend the major social problems in Slovenia such as rapidly increasing unemployment and early retirement. Employment and pension reform were, thus, set on the political agenda being successfully completed by the end of second millennium. In contrast to these projects, renovation of poverty combating policies were still outside the political and administrative interest.

Poverty and Social Exclusion Combating Programme

The exogenous initiatives that had been invented in the frame of international organisations gave the decisive impetuous to winding up the Slovenia's political agenda by forcefully pushing poverty and social exclusion in political debate. Following these international initiatives, the government launched the renovations of its visions on alleviating poverty and social exclusion by including the marginal social groups to central social settings. The following international initiatives were behind the forming of these objectives and strategies:

in 1995 the UN declared the poverty eradicating decade in the period 1996 – 2006;

in 1998 the Council of Europe adopted the human dignity and social exclusion report, addressing the European countries with the appeal to form strategies for transcending poverty and social exclusion;

In 1999 Slovenia's parliament officially adopted the European Social Charter.

In the line with these initiatives, the government and the Parliament recognised the prevention from poverty and social exclusion as one of major objective in social policy, thus, launching the co-ordinated political action to join different governmental departments and their instruments to accompany the holistic action. Already implemented strategies with either direct or indirect relation to poverty and social exclusion were re-considered in common and in holistic perspective, but some new

were formulated in the frame of preparing the poverty and social exclusion combating national strategy as well (National Programme… 2000).

As transparently pointed out, the following common objectives were focused to form the future actions:

focusing those who face poverty and social exclusion by helping them to find the way out of this hardship;

helping those who suffer the risk of poverty and social exclusion by preventing strategies.

To reach these two objectives, the following goals should be implemented:

safe employment should present the major access to social protection;

- the access to properly paid and stabile jobs is significantly effected by proper education and proper occupation which forces the government to implement strategies to decrease the drop-out trends in elementary and secondary schooling;

- access to subsidised and non-profit housing should increase the standard of living of those without such capacity;

- Social benefits should be increased in order to decrease the risk and incidence of poverty of vulnerable social groups (National Programme… 2000: 11-13).

The considered National Programme as prepared by different governmental departments and institutes was discussed on numerous workshops where different social actors participated such as:

- academic experts;
- delegates of various professional organisations and other non-governmental organisations;
- social service providers;
- trade unions;
- different political party delegates, and
- members of various governmental committees.

Notably, the absence of the Chamber of Commerce delegates who suppose to represent the employers was evident.

The National Programme addresses to numerous issues which are relevant for considering the poverty and social exclusion amongst which the international initiatives and policies, and definitions of subjects under consideration build the frame for the analyses of the situation in Slovenia, for formulation the measure proposals, and outlining the instrument of monitoring the programme outcomes.

The analysis of the situation in Slovenia focused on issues as follows:

objective and subjective poverty and social exclusion measurements;

Legal footing of domains which are significant for poverty and social exclusion alleviation such as: wage and employment policy, social insurance schemes, other social protection domains, fiscal policy, legal advice and consultation, and the role of non-governmental organisations.

Each domain is described in terms of regulating legislation and projected measures to increase the capacities of those who suffer either risk or incidence of poverty and social exclusion to empower them for transcending the recognised hardship (National Programme… 2000: 17-60.

Proposal for measures which follows the analysis of the situation should be considered as suggestions for formulating, adopting and implementing the strategic national documents and other legal measures.

Due to combat poverty and social exclusion with regard the outlined international initiatives and national activities, the following strategic documents should be prepared to trace the concerned political actions:

- labour market and employment strategies up to 2006 including employment action plan, and disabled training and employment plan for years 2000 and 2001;
- social assistance and social services strategy up to 2005;
- housing strategy, and
- health reform strategy up to 2004.

Planned legal measures focus the following subjects to be addressed:

- drop-outs and education level;
- social assistance and services;
- housing;
- parenthood and family benefits;
- integration of disabled;
- training and employment of disabled;
- legal advice, and
- income taxation (National Programme… 2000: 61-70).

Monitoring instruments were defined departing from the following questions to be answered:

- changes to be noticed in individual domains which are considered by the National Programme;
- whether are the changes identified in accordance with the programme projections;
- the extent of changes, and

- whether identified changes correspond to the projected improvement of the target groups living conditions.
-

Various data sources which were planned to be collected should serve the indicators for domains as follows:

- unequal salary and wage distribution;
- targeting the groups which are excluded from social insurance and related social protection measures;
- gender and age, and ethnic discrimination with regard to employment and job-seeking, but particularly in case of disabled;
- standard of living of families with several dependent children and of single-parent families, and
- unequal access to proper housing, health services, and education.

Selected indicators and the related data should be used to the report preparation and elaboration of findings and conclusions on yearly basis. Social Protection Institute of the Republic of Slovenia was authorised for both for collecting selected data and elaborating the findings and conclusions, and monitoring the forming and implementing the planned strategic documents and legal instruments (National Programme… 2000: 72-73).

Monitoring the Implementation of Poverty and Social Exclusion Combating Programme

Immediately after adopting the Poverty and Social Exclusion Programme by Government in February 2000, Social protection Institute of the Republic of Slovenia launched the respected data collection, elaborating findings in conclusions in extensive reports. Reports were prepared on yearly basis – from year 2000 to year 2003 (Novak, Dremelj, Peternel, Thaler 2000; Novak, Dremelj, Kobal, Thaler 2001; Novak, Dremelj, Kobal, Zakelj 2002; Novak, Dremelj, Kobal, Nagode 2003) following the methodology of the Council of Europe project on Human Dignity and Social Exclusion (Duffy 1998; Novak 1997). Employing the Council of Europe's methodology as having been implemented in the project *Human Dignity and Social Exclusion* (Duffy 1998); each report consists of five major domains as follows: health and access to health, labour market, education, social protection, and housing. Each domain consists of selected data on distribution of resources, included target groups and their major characteristics such as gender, age, and education, and social insurance properties. The vast majority of employed data were statistical data. To be able to re-consider Slovenia's situation in international comparative perspective, since 2001 similar data were collected for the EU countries and the Central European countries – if available – mostly from Eurostat and World Bank data bases.

National data concerning various aspects of poverty and social exclusion discerned a few constant problems with the regard to standard of living of Slovenia's inhabi-

tants persisting relatively constant over time (2000 – 2003). The major issues proved to be as follows:

<u>health</u> – one fifth of children and one quarter of youth experience permanent spinal problems;

<u>unemployment</u> – major property of unemployed concerns low education and old age (over fifty); apart from this, the vast majority of ethnic minority of Roma are excluded from formal labour market mostly due to improper education;

<u>education</u> – drop-outs mostly concerns pupils in vocation secondary schooling showing constant decreasing over time; the average value is approximately 15 per cents which means it is much higher for secondary vocational schools and much lower for high schools;

<u>social protection</u> – poverty rate stabilised at approximately 13 per cents;

<u>housing</u> – this domain failed to be supported by proper data being due to their unavailability (Novak, Dremelj, Peternel, Thaler 2000; Novak, Dremelj, Kobal, Thaler 2001; Novak, Dremelj, Kobal, Zakelj 2002; Novak, Dremelj, Kobal, Nagode 2003).

The years 2002 and 2003 were accompanied by the list of proposed strategies to transcend the documented problems. It is still unknown whether the ministries which are responsible for the concerned programme implementation have noticed the proposals or not.

Report on Implementation of Poverty and Social Exclusion Combating Programme

In 2002, the report on implementation of the Poverty and Social Exclusion Programme was prepared on the basis of collaboration of experts from the Government administration and of some academic experts.

As stated in this report, recent data to prove the processes in consideration were unable to be collected due to their unavailability. Further, the formulated strategies were still at the beginning of the implementation, thus, failing to provide any outcomes to be able to measure exactly. While the available data had been valid mostly for the period prior to the programme implementation (for years 1998, 1999), estimating of implemented measures effects was the sole evaluation method to be applied.

The report focuses on the following topics:

- poverty and unequal income distribution;
- social security expenditure;
- poverty and social exclusion in the EU, thus, presenting the list of social inclusion indicators;

- implemented measures as stated in the National Programme;
- measures still to be prepared;
- evaluation of the programme implementation;
- suggestions to the Government.

While monetary poverty and social insurance, and wage distribution were excessively documented by data, other domains remained poorly supported in this respect. Specific attention was paid to the following issues which are worth mentioning:

- drop-outs at primary and secondary education level;
- active employment policy;
- unemployment benefits;
- wage policy, and
- various social transfers.

Health care, housing, and free legal advising were considered from the legislation perspective, solely.

In additions to reported outcomes, a list of new acts was still in front of the Government and its administration to be prepared such as:

- income tax act;
- disabled training and employment act, and disabled opportunity equalising act;
- execution of judgement act;
- fostering act;
- use of Slovene sign language act;
- housing act;
- long-term nursing insurance act, and
- equal opportunities for women and men act.

The list was completed by the plan to prepare the active employment policy programme, too (Implementing the Social Inclusion Strategy with Report… 2002).

Major conclusions with regard to implemented measures were as follows:

- majority of planned measures (in the National Programme) have been implemented;
- statistical data have not yet shown the implemented measures effects but it is legitimate to expect positive outcomes showing the long-term improving of social position of the most vulnerable groups;
- it was also concluded that social transfers had been focused according to the observed needs of the poor; if not so, the household poverty rate would be 3.3 percentage points higher.

In the line with the above conclusions, the Government was suggested to implement the set of social inclusion strategies to achieve the following goals:

- widening the possibilities for raising the level of education and improving possibilities and incentives for education;
- widening the possibilities for including unemployed persons in active employment policy programmes which improve their employability through new knowledge and training;
- more rapid addressing of the possibilities of education, training, employment and independent living for disabled persons; provision of better possibilities of access to social and non-profit housing and the introduction of a more suitable system of assistance in paying rent (Implementing the Social Inclusion Strategy with Report... 2002: 84-85).

By adopting the report in April 2002, the Government agreed upon monitoring the state of social inclusion on the basis of the annual reports by implementing instruments which will enable direct comparison with the situation in the European Union, meaning by employing the Laeken social inclusion indicators.

At the international workshop in June 2002, the report was discussed by various civil society groups.

Concluding Remarks

Poverty and Social Exclusion Combating Programme (2000) has been formulated due to the Council of Europe initiative on eradicating poverty on global scale while the report on its implementation reveals a substantial impact of the EU ideas on social inclusion strategies, and the Laeken indicators as suggested measuring tools. In the line with this finding, the impact source has been transparently changed, thus, reflecting the intensive work on harmonisation of Slovenia's legislation to the EU rules. Preparation of accessing documents has forced Slovenia to launch regular reporting of harmonisation outcomes to the EU Commission.

Both documents formulation process also show transparently various differences such as follows. The programme formulation underwent an intensive discussion in a wide circle of various academic experts, government administration and civil society (representatives from municipalities, trade unions, NGOs, and media), who were members of the National Committee to Combat poverty and Social Exclusion JIM 2003:41). Conversely, the report preparation had included academic experts and government administration, solely, but the workshop on the report was organised for a wider circle including the civil society and trade unions, and EU experts, also.

Step Two – Harmonising the Slovenia's priorities to the EU Social Inclusion Agenda

<u>Social Inclusion Memorandum</u>

The preamble statement of the Government of Republic of Slovenia transparently reveals that the *Joint Inclusion Memorandum* (2003) was formulated 'with the purpose of preparing the country for full participation in the open method of coordination on social inclusion upon accession, collaborating with the European Commission and Directorate General for Employment and Social Affairs. The Memorandum outlines the principal challenges in the relation to tackling poverty and social exclusion, presents the major policy measures taken by Slovenia in the light of the agreement to start translating the EU's common objectives into national policies and identifies the key policy issues for future monitoring and policy review.' The year 2010 was defined as the poverty eradication dead-line in Europe.

The concerned document follows strict preparation rules aiming at the major issues such as:

- economic back-ground and labour market;
- social situation;
- key challenges;
- policy issues;
- issue on promoting gender equality;
- common statistical tools and indicators, and
- social inclusion support policies through the structural funds.

To prepare the JIM, a special working group was set up with 29 members including research experts, government administration, and various civil society organisations representatives, including the employers. The document formulation was accompanied by social dialogue encouragement which resulted in a number of activities being relevant at national scale.

Regarding the <u>economic back-ground and labour market</u> the following issues were highlighted:

- stabilised economic growth at approximately 3 per cents with decreasing prospects;
- evident regional differences;
- advancement of economic structure;
- decreasing unemployment, but revealing higher rates for women, young and elderly, long-term job seekers, those with low acquired education, disabled, and Roma, and in economically retarded regions;
- a quarter of GDP allocated to social protection transfers.

<u>Social situation</u> shows that Slovenia shares numerous properties of advanced societies such as:

- low fertility rate and longevity which results in ageing of the population;
- shifted death causes, thus, focusing on cardio-vascular diseases;

- increasing significance of life-long education;
- shortage of non-profit and social housing, and
- shifts in poverty rate and income inequality which reveals a dawn-ward turn-over.

Among <u>key challenges and policies for improving the situation</u>, Slovenia identified the following list of priorities:

- developing an inclusive labour market and promoting the employment opportunities by activation policies for all, including also Roma and disabled;
- tackling advantages in education by promoting pre-school education and life-long education, but also challenging high drop-out rate in secondary vocational education;
- making the access to proper housing as the basic social right which should be available to all in such need;
- transcending the regional disparities;
- improving delivery of social services, and
- guaranteeing an adequate income and proper resources for living.

<u>Various relevant bodies were mobilised</u> such as representatives of both of employers and of employees, and the government to sign the social agreement which also aims at:

- improving the employability through education and training in the framework of activation policy;
- minimum wage determination;
- increasing the efficiency, solidarity , and transparency of the public health system – the National Health Strategy is the issue of extensive public debate in the Parliament and in wider frames, and
- proposing new fiscal policy legislation for redistribution of taxation burdens for lower income categories (JIM 2003: 41).

Apart from this, certain strategies were formulated to promote gender equality as a specific objective.

By signing the JIM in December 2003, Slovenia committed herself on both, on participation in the open method of co-ordination and on permanent up-dating and improvement of social inclusion measuring tools. Apart from this, Slovenia's government also committed to launch the preparation of her first *National Action Plan on Poverty and Social Exclusion* in early 2004 for the period 2004 – 2006.

National Action Plan on Poverty and Social Exclusion

In early 2004, the Government launched the preparation of the *National Action Plan on Poverty and Social Exclusion* for the period 2004 – 2006, joining again various experts from both from the research circle and from the government ad-

ministration, without leaving behind civil society and trade union representatives. The NAP preparation is in progress.

Concluding Remarks

Formulation of both of the JIM and the NAP which is still in progress, follows the same organising principle as poverty and social exclusion combating strategy meaning the collaboration of various national experts from the designated area. The JIM methodology actually brought the unified rules of cooping with a list of certain issues and of highlighting specific aspects such as gender equality, and specific vulnerable groups. In the line with this, the government was forced to formulate transparent strategies for transcending the existing disadvantages.

Particularly the JIM – Slovenia, so far, can be considered as a fruitful and fine-balanced product of interweaving of exogenous initiatives and endogenous capacities. In this respect, the JIM – Slovenia, at least, can be viewed as an up-grading product of Slovenia's cooping with poverty and social exclusion in international comparative perspective.

Major Findings

When launching the preparation of the JIM, Slovenia's authorities had access to relatively rich poverty and social exclusion research tradition in academic circles but in governmental institutions as well. While trade unions and some other NGO's were preparing their poverty and social exclusion expertise such as the elderly associations, and children and youth associations, civil society's awareness on the concerned subject was relatively high but their expectations towards government's documents as well. These actors showed substantial willingness in taking their part in the process of preparing and discussing the JIM.

In this respect, the JIM methodology could be understood as a list of strict rules and propositions to formulate the document to be able to be re-considered in international comparative perspective. The JIM demands enabled the tools for fine-tuning of national resources in this sector, meaning that no particular new subject did not need to be invented but primarily new insights were opened and some aspects were highlighted.

Further, Open Method of Co-ordination as a working method could be considered in the above frame as well. It presented additional impetuous to national actors to collaborate again in the JIM preparation.

Summing up, neither the JIM nor OMC presented no totally new experiences to Slovenia in cooping both with poverty and with social exclusion. The concerned subjects could be considered as a common frame where exogenous unifying rules and endogenous capacities met, thus, having the opportunity to produce a document to be able to compete international rules.

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INCLUDING THE EXCLUDED: HOMELESSNESS AND SOCIAL INCLUSION IN EUROPE

An analysis of the new theoretical approaches

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Abstract

Adequate housing access and provision is a fundamental pre-condition in order that every individual to achieve other fundamental rights. Housing exclusion most probably represents the most serious form of social exclusion. Not to have adequate housing and/or access thereto is tantamount to *extreme poverty*, which means persistent lack of means and opportunities, and is a form of *severe social exclusion.* Access to housing is (the) key to *social inclusion*[72].

The current paper is trying to analyse the new theoretical developments in the field of homelessness and how to put in practice these in a form of effective policies and services, in order to promote housing inclusion of this highly vulnerable social group.

The paper starts by analysing the so called "continuum of homeless" from the most vulnerable – the roofless – to the ones living in housing risk/ inadequate housing conditions, also underlying the main causes of homelessness. In conclusions it is suggested that the public concern should switch on from social assistance and basic/ primary direct services for homeless people to a broader view embedded in various social policies – from tenure security to adequate housing, including the quality of neighbourhood.

Short introduction on the housing exclusion and homelessness phenomenon

Adequate housing refers to the basic fact that is a must that every individual has to have a home/ domicile, as well as appropriate quality housing conditions and comfort provided by that particular dwelling (m^2/ person, average number of persons/ room and dwelling, phonic isolation, heating and thermal isolation, access to

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[72] Romanian Government, 2002, *The National Anti-Poverty and Social Inclusion Plan*.

public utilities etc.) and neighbourhood quality (shopping places, parks and green space, street infrastructure an communication facilities, personal security etc.). The dwellings which do not meet some basic conditions mentioned above provide inadequate housing conditions. In extreme cases we can talk about in-human conditions affecting all the spheres of individual's life. The literature in this field describes this situation as being liked by the homelessness phenomenon.

In the last ten years among EU countries there are evidences of significant progress in supporting access to adequate housing and alleviation of situation of homeless/ roofless people. The central and local governments had the willingness or were forced by civil society to tackle this hot issue and developed new programs and new approaches to this social problem. As a consequence also the theoreticians were stimulated to tackle and handle this subject in a more systematic and detailed manner. That leads into developing new dimensions within the analysis of homelessness phenomenon. If ten years ago the theoretical developments around "homeless" described this issue more or less in dualistic way - in terms of "roofless" and "housing exclusion" (inadequate housing conditions), in recent years were defined new analytical dimensions[73], more adequate for supporting a more focalized (new) policies and programs that tackle this social problem. Also, it seems that become more and more important to tackle the causes of homelessness in an integrate manner, both from "individual" and "structural" perspective.

The definitions that underline "individual" causes are blaming the victim – they are without home because of personal failure and non-adaptation to particular social conditions. The definitions that underline "structural" causes are looking behind individual causes, underlining the marginalizing economic, political and social context in particular situations, including here economic and social obstacles (created by the social system) which are obstructing the access of some individuals to the community life (Neale, 1997, apud Edgar, 2004).

But in a policy making world of governmental and non-governmental institutions, definitions do matter – quite very much. The difference between action/ reaction and non-action could be given by a single and simple definition. As now is fully agreed that "*poverty*" or "*social inclusion/ social exclusion*" are a political concepts (or at least have a very strong political connotation) "*homelessness*" is also a political concept. Definitions influence who is considered homeless and who not, so, practically who is receiving support/ services and what kind & amount, and who do not.

So, what is the definition under which we work? Before reviewing the literature in this area it is important to be aware about what Malcolm Williams (2001) underlined: "*The range of symptoms we call homelessness is a manifestation of social complexity and that the emergent properties of that complexity are real*. "

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[73] Bill Edgar, Henk Meert and Joe Doherty, *Third Review of Statistics on Homelessness in Europe. Developing an Operational Definition of Homelessness*, FEANTSA 2004.

Sabine Springer (2004) was trying to make *a proposal for a global definition and classification of homeless*. She underlined that homelessness is a concept which has many possible meanings. Sometimes "homelessness" is used inter-changeably with "houselessness" (used mostly by UN), other times has different meaning. As J. D. Hulchanski develops,

Home is a social, psychological, emotional construct. 'House'–lessness, in contrast, is a much clearer, straightforward term. Whatever other problems some people in society may have, some of which are often included under the term 'homelessness,' the term houselessness presents no such confusion.

In this "sensitive" context Hulchanski suggests that houselessness is a more neutral-adequate term.

Springer (2004) identifies four categories of people lacking a house:

1. „*People sleeping rough, which means in the street, in public places or in any other place not meant for human habitation are those forming the core population of the <homeless>. Those sleeping in shelters provided by welfare or other institutions will be considered as a part of this population*." Edgar et.al. (2004) name this category as "Roofless" while Hulchanski (2004) labels as "Absolute Houselessness".

2. "*Concealed Houselessness*" is the second category. „Under this category fall all people living with family members or friends because they cannot afford any shelter for themselves."

3. "*At Risk of Houselessness*" is the third group which include „*those facing the risk of losing their shelter either by eviction or the expiry of the lease, with no other possibility of shelter in view. Prisoners or people living in other institutions facing their release and having no place to go to are considered as part of this population.*"

4. People living in "substandard housing". As Hulchanski (2004) underline "*being inadequately housed is not the same as being houseless, or at grave risk of houselessness, but it can lead to houselessness.*"

These four categories are further split by S. Springer in two groups. *a)* First group include the first category – that of "roofless" having as argument the different forms of actions that should be developed, based on emergency actions. *b)* The second group consist of the last three categories in which fall people under particular situation that "*must be targeted by actions preventing the worsening of their situation and to eventually stabilize their insecure form of residence*".
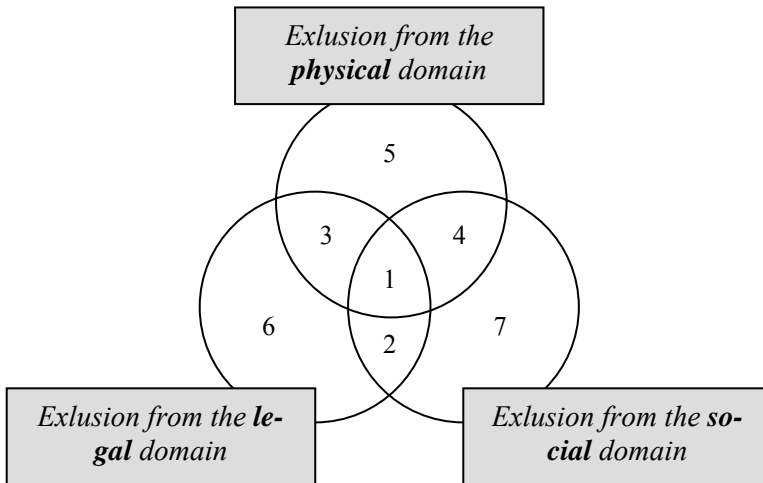
Further developments are provided by Edgar et.al. (2004) which state that it is more productive to talk about a "*continuum of homeless*":

„*Having a home can be understood as:*

- *having an adequate dwelling (or space) over which a person and his/her family can exercise exclusive possession* (physical domain)*;*

- *being able to maintain privacy and enjoy relations* (social domain) *and*

- *having legal title to occupation* (legal domain)*."*

Overlapping these three domains will results in seven categories of persons in difficulty by housing dimension – from "roofless" to people living in inadequate condition according with the standards developed in a particular community/ society (see Figure 1 and Table 1).

Figure 1: *The Domains of Homelessness and Housing Exclusion*

*Exlusion from the **physical** domain*

5

3   4

1

6   2   7

*Exlusion from the **le-gal** domain*

*Exlusion from the **so-cial** domain*

Source: Edgar et. Al, 2004, Figure 1, p. 7.

Based on this scheme Edgar et. al. (2004) developed the so-called ETHOS typology of homelessness used by FEANTSA.

Table 1: Seven theoretical domains of homelessness

		Conceptual Category	Physical Domain	Legal Domain	Social Domain
Homelessness	1	Rooflessness	No dwelling (roof)	No legal title to a space for exclusive possession	No private and safe personal space for social relations
	2	Houselessness	Has a place to live, fit for habitation	No legal title to a space for exclusive possession	No private and safe personal space for social relations
Housing exclusion	3	Insecure and Inadequate housing	Has a place to live (not secure and unfit for habitation)	No security of tenure	Has space for social relations
	4	Inadequate housing and social isolation within a legally occupied dwelling	Inadequate dwelling (unfit for habitation)	Has legal title and/or security of tenure	No private and safe personal space for social relations
	5	Inadequate housing (secure tenure)	Inadequate dwelling (dwelling unfit for habitation)	Has legal title and/or security of tenure	Has space for social relations
	6	Insecure housing (adequate housing)	Has a place to live	No security of tenure	Has space for social relations
	7	Social isolation within a secure and adequate context	Has a place to live	Has legal title and/or security of tenure	No private and safe personal space for social relations

Source: Edgar et.al., 2004, Table 1, p.8.

Based on this matrix we can identify a continuum of homelessness with the most excluded at one edge (roofless, excluded from all three domains) and the less excluded (excluded only from social domain, considered as having a smaller importance in comparison with physical and legal domain).

Even in these circumstances of very detailed typology, the national representatives met in 2004 FEANTSA Conference in Bucharest underlined that there are still a lot of national differences and the seven theoretical domains should be further developed/ divided. The result was a new and comprehensive development of this typology concretized in *13 operational categories* subdivided in *24 living situations* and each category received *a generic definition* (Edgar & Meert, 2006):

Table 2 – ETHOS - European Typology on Homelessness and Housing Exclusion
Proposed revision to the ETHOS categories and definition

			Operational Category		Living Situation		Generic Definition
CONCEPTUAL CATEGORY	ROOFLESS	1	People Living Rough	1.1.	Public space or external space		Living in the street or public spaces, without a shelter that can be defined as a living quarters
		2	People staying in a night shelter	2.1	Night shelter		People with no usual place for residence who make use of overnight shelter, low threshold shelter
	HOUSELESS	3	People in accommodation for the homeless	3.1 3.2 3.3	Homeless hostel Temporary accommodation Transitional supported accommodation		Where the period of stay is intended to be short term
		4	People in Women's Shelter	4.1	Women's shelter accommodation		Women accommodated due to experience of domestic violence and where the period of stay is intended to be short term
		5	People in accommodation for immigrants	5.1 5.2	Temporary accommodation / reception centres (asylum) Migrant workers accommodation		Immigrants in reception or short term accommodation due to their immigrant status

		6	People due to be released from institutions	6.1 6.2 6.3	Penal institutions Medical institutions* Children's institutions/ homes	No housing available prior to release Stay longer than needed due to lack of housing No housing identified (e.g. by 18th birthday)
		7	People receiving support (due to homelessness)	7.1 7.2 7.3 7.4	Residential care for homeless people Supported accommodation Transitional accommodation with support Accommodation with support	Long stay accommodation with care for formerly homeless people (normally more than one year)
	INSECURE	8	People living in insecure accommodation	8.1 8.2 8.3	Temporarily with family/friends No legal (sub)tenancy Illegal occupation of land	Living in conventional housing but not the usual or place of residence due to lack of housing Occupation of dwelling with no legal tenancy; illegal occupation of a dwelling Occupation of land with no legal rights
		9	People living under threat of eviction	9.1 9.2	Legal orders enforced (rented) Re-possession orders (owned)	Where orders for eviction are operated Where mortgagor has legal order to re-possess
		10	People living under threat of violence	10.1	Police recorded incidents	Where police action is taken to ensure place of safety for victims of domestic violence

		11	People living in temporary / non-standard structures	11.1 11.2 11.3	Mobile homes Non-standard building Temporary structure	Not intended as place for usual residence Makeshift shelter, shack or shanty Semi-permanent structure hut or cabin
INADEQUATE		12	People living in unfit housing	12.1	Occupied dwellings unfit for habitation	Defined as unit for habitation by national legislation or building regulation
		13	People living in extreme overcrowding	13.1	Highest national norm of overcrowding	Defined as exceeding national density standard for floorspace or useable rooms

* Includes drug rehabilitation institutions, psychiatric hospitals etc.
Source: Edgar & Meert, 2006, table 6.1, p.52.

Such detailed and explicit definitions help the various agencies to set up different types of support and intervention for people in need of housing. While the roofless and the sheltered ones are in the focus of social assistance direct intervention, the ones living in insecure and inadequate conditions are rather in the focus of medium and long term social policies.

On the other hand, a broader definition, in terms of including also less disadvantaged categories/ social groups (roofless → inadequate continuum) rather characterizes the policies developed by universalistic welfare regimes than liberal ones. The welfare regimes of European countries, even having still significant differences, are using the ETHOS common definition. USA, as an archetypal case of liberal welfare regimes is using a narrow definition for setting up policies and priorities for fighting against homelessness.

Housing and Urban Development (HUD) Definition of Homelessness

Continuums should keep HUD's definition of homelessness in mind as they plan their public places count. According to HUD, a person is considered homeless only when he/she resides in one of the places described below at the time of the count.

An *unsheltered* homeless person resides in:

- In a place not meant for human habitation, such as cars, parks, sidewalks, abandoned buildings (on the street).

A *sheltered* homeless person resides in:

- In an emergency shelter.
- In transitional housing or supportive housing for homeless persons who originally came from the streets or emergency shelters.

(HUD, 2004)

There are advantages and disadvantages of using a broader/ narrow definition. A narrow definition supposes a better focalisation on the most vulnerable groups in acute housing need, while it is possible that other groups in need to be excluded from specific help. A broader definition will be multiple-groups targeted, but will require huge resources, sometimes unavailable.

For example, a study done in Romania, shows that 11% of urban households are living in extreme precarious housing conditions (overcrowding, no assets, no access to public utilities), while only 5% could be considered as "happy housed".

	(over)Crowding	No as-sets	No public utilities	%
Extreme precarious HC	x	x	x	11%
Precarious HC but with big house		x	x	3%
Precarious HC but with access to public utilities	x	x		33%
Qualitative dwelling but without assets		x		12%
Average assets & utilities but crowded	x	o	o	24%
Good level of assets & utilities but crowded	x			11%
Happy housed				5%

Source: Voicu B., 2004.

The Causes of Homelessness

The main causes of homelessness are – as I underlined above – both systemic and individual.

Systemic factors would include as main factors:

a) Economic recession which could lead into

   1) a housing market that does not provide an adequate supply of affordable and safe housing (this could be also a matter of lack of political will to tackle & alleviate this issue),
   2) a changing job market that pushes into poverty risk,

b) A destabilized social & mutual safety net, and

c) Policies that (involuntarily or not) increase the risk of homelessness for people who are vulnerable (including lack of protection and regulations in the eviction cases or prisoners/ ex-offenders who have been discharged).

Individual factors are personal characteristics that put people at risk of becoming homeless, such as mental illness, developmental disabilities, alcohol and substance abuse, or the inability to form social relationships.

In-between these 2 categories is family disorganization (divorce/ brake-up) which in many cases is fuelling homelessness.

Poverty is the most common factor fuelling homelessness. Besides of various policies and services developed in the European countries, in many cases the poor are getting poorer and can't afford to pay the rent and utilities. Combined factors as increasing the number of low income families, housing shortage and increasing of rent/ price for housing lead into increasing the number of homeless or at least people at risk of homelessness. In this context, it seems that the incidence of poverty has increased dramatically for younger families, but also for elderly. But by far, the largest group at risk of poverty it seems to be single families headed by women.

Lack of affordable housing is another factor in most European countries but especially in CEE and SEE countries. After 1990, due to privatization of public housing stock and decrease in new dwellings construction, a huge pressure on the housing market was generated. The result was a huge increasing in prices whit a peak – for example – in Belgrade and Bucharest of 2000 Euro/ m^2. As a homelessness phenomenon is rather specific to urban area than rural area, the increase in renting prices affected the renting power of many people. In the big cities of CEE and SEE the average rental fee for a flat is equal or above to average salary. Also the increase in price for public utilities as compared with the purchasing power of poor people left them without the possibility to cover with, and many of them sold their houses, spent the money in an irresponsible manner and became homeless.

Eviction is also at the root of homelessness in many cases. *Most evictions are the result of rent arrears* or huge arrears for public utilities household consumption. Formerly secure households' tenure is relatively intact unless:

- they get sick
- their children get sick
- their partner leaves them
- social aid doesn't arrive in time
- they lose their job or payment for their contract work is delayed
- there are unexpected expenditures (travel, medication, repairs, etc.)
- child support payments are not made
- they borrow money from a "loan shark" and pledge with the dwelling
- they sold the house for false needs and the spend the money quickly
- the house is retroceding to legal owner and the state doesn't compensate this.

Mental illness and addictions became more and more in the current times a factor generating homelessness.

The number of long-term psychiatric hospital beds has decreased dramatically in the last 30-40 years. As a consequence some individuals who are discharged from psychiatric hospitals have nowhere to go.

People with drugs and alcohol addictions are highly exposed to mental disorder. They leave the house to live in insecure conditions, or sell their properties to get money that are fuelling their disorder.

Programs and Services for Homeless People

For emergency situations we can identify

Drop-ins which are the entry point to the service system for many homeless and socially isolated people (including victims of domestic violence).

Shelters which were originally intended to provide emergency, short-term support but are now called upon to provide other services as well. That means the role of shelters has expanded beyond providing emergency response.

In these cases services like

- Health assistance (extended to mental health)
- Job assistance
- Juridical assistance (in case of abusive eviction) is accompanying these people.

Supportive Housing of various types and levels according with the specific needs of people is another measure. We can mention here rent subsidizing and heating vouchers as examples of supportive housing.

In terms of cost-effectiveness it seems that is preferably to support single homeless people by various types of aids in his/ her home rather in shelter.

Conclusions

A good strategy for fighting against homelessness is to shift the orientation away from emergency responses to homelessness (in street & direct social services) and towards homelessness prevention (housing policy). Such a strategy suppose that the focus should be on

- access to appropriate housing and supports; and
- accountability for money spent and coordination among all levels of government and service providers so that investment in the system can be monitored and evaluated.
- Wide variety of housing programs embedded in a national housing policy – from housing loans to heating vouchers, from tenure security to a safe and attractive neighbourhood.

As it was mentioned in a Toronto report (City of Toronto, 1998):

Focusing on prevention provides a better life and a greater chance for independent living for individuals at risk of becoming homeless. Housing provides stability, personal identity and a sense of belonging, connections to social networks, and a platform on which to stack a variety of community-based health and supportive services.

While prevention and support services should be the core of any intervention system, support social policies for families at risk should be (further) developed. Complementary, housing policies should be set up at national level in order to provide not only a house but adequate housing conditions as a prerequisite for social inclusion and full citizenship.

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INCLUSION OF MINORITY GROUPS AND TRANSITION

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The idea to write this paper was a result of several fundamental reasons:

1. The inclusion in post-industrial society is a fundamental problem of mankind, and to a grater extend shapes the social life of the people.

2. There is a realistic dilemma whether the social inclusion in Macedonia is lagging behind within the whole process of transformation of society, and the establishment of the system of social justice.

3. Two realities of the inclusion.

4. Layering of society where there is one thin layer of rich and middle class, and significantly number of lower layers consisting of unemployed, people with low classification structure, beneficiaries of social help, retired, sick…

5. Is there presently in Macedonia, along with the minority groups - such as Roma, many other unequal who are at risk, possibly rural or ageing people?

Whether inclusion under our circumstances is an illusion?

Nowadays all the countries pay great attention to the social inclusion. This process implies a range of measures by the states, and a continuous process but always insufficiently successful: to eliminate obstacles so that all the people have access to social goods, institutions and infrastructure of the state, local community under equal conditions. Whether in Macedonia, in a situation of society in crisis, attention is paid to this problem? Whether, in a situation when poverty is in rise, we also have rise in inclusion? Those are ongoing dilemmas that affect not only different groups, who in one way or another, suffer social negligence and exclusion, but also an opinion prevails among these social layers that they are left on their own. It is a fact that what has been regulated by laws is not implemented in practice.

Inclusion-Theoretical Model

The problem of inclusion is not local; it is a problem of the civilisation. The African Americans, Burakumins in Japan, Shudra in India, Kurds in Turkey, Roma and

Albanians in former SFRY, are only few examples of discrimination and forms of social exclusion. Today, as a product of inadequate public policies in the area of social inclusion, France has been coping with the anger of African emigrants who, two years ago, kept Paris, the symbol of the Bourgeoisie Revolution and of the free society, in a state of curfew for two months… Bulgaria, a new member of the European Union, has been facing the problem of Roma discrimination for years. A month ago they protested in Sofia. This rally surprised all. Roma are discriminated ethnic group in entire Europe. They are also discriminated here, in Macedonia.

Speaking about inclusion, according to Giddens, there is the dilemma of helplessness, the problem of identity in modern society. It is obvious that an individual is expecting a feeling of helplessness with regard to the diverse and large social universe. It is believed that, contrary to the traditional world, where the individual had a control over many influences that shaped their life, in the post-modern society, many of such controls fall under the external influences. Consequently, the need of social inclusion and its function is essential and unavoidable, similar to the theory of alienation by Marx. According to Marx, the development of production forces produces conditions where the engines and markets are controlling human beings. They are external dominations that change the nature of man. Is it currently the same with the mass society, globalisation and robotisation, as external influences on the individual and his/her social life? (Giddens, A., 2001).

Speaking about the process of inclusion and its importance, John and Connie Lyle O'Brian argue about a process of establishing a membership one with another; that is how they perceive a community with specific needs, which requires social attention. (John and Connie Lyle O'Brian, Wendell Berry, 1985).

Whether this sentence should denote a simple message for thousand stories, such as the one about 72.000 families in Macedonia who are not in a position to pay their electricity bills. This may be the risk for those people exposed poverty, isolation, and for the helplessness. Whether the community, people of the families, neighbourhoods, villages have always to wait someone else to resolve their problems? Or, in parallel with the public policies in the area of enhancing inclusion of groups with specific needs, these communities should organize themselves, and as Manual Kastels said, to create networks of new relationships and coalitions and in that way cope with the challenges of the time.

The problem of inclusion is an integral part of numerous problems with which man and women who live in the post-modern world today are faced with. Sigmund Baumann believes these things to be moral problems of the civilisation (Baumann, S. 2005). The timetable of the needs which societies, governments, through their public services, funds, agencies, relief associations, should offer to their citizens is missing. The list of needs the endangered layers of the society have is long due to the unfavourable conditions in the manner how social wealth is distributed. It is sufficient to mention the inclusive actions that should be articulated and help in crisis situation in the relation of couples, family and sexual relations, fragility of

policies for social welfare, help, ethnic discrimination and suppression of those weaker than us in any respect. But that which is moral at stake, especially under circumstances when there are many prejudices, jokes, and collective resistances for those men and women excluded from our company and society.

Inclusion in EU and USA and Its Relevance

At this point of time, states have been faces with the problem of inclusion of the minority groups. Europe, with its recent enlargement, has a possibility to resolve the problems of inclusion of its retired persons receiving low pensions. Presently, some of them most of the year are staying in Bulgaria, Romania, Spain, countries where their pensions make possible to have access to better quality life, medication, recreation, and even a possibility so make some savings.

Industrial society requires highly qualified and educated workers: managers, technicians, intellectuals and entrepreneurs with high or higher education, Fransis Fukuyama claims that this need was imposed because presently such a society cannot exist without numerous and specialized and educated elite. In the developed world, the social status is, to a great extent, dependant upon the level of education. It could be argued that presently   class differences in the United States of America are mainly due to the differences in education. There are almost no obstacles for a person to get promoted if that person has adequate levels of education. Inequality penetrates into the system as a result of unequal access to education. Lack of education is the safest way to condemn a citizen of second order. Is the inclusion as a process, and the need of inclusion, direct consequence of the above mentioned arguments for social differentiation of the society?

Inclusion in Transition

Nevertheless, the inclusion in our society in the future should be understood in much wider context. The general problem that the Macedonian society has, is the problem of insufficient quality of the education, low pensions, bad social protection of the population and unemployment that affect people with lower level of education. There are also prejudices and discrimination of Roma people.

Changes undergoing within the social milieu, as a result of the influence of external factors, are about the position of the people, their existential needs, and the transformation of social institutions. In the transition era, most of the population experience many of the changes as big burden, confusion, a feeling of negligence, enormous social differences and other. Is the state aware of these existential problems of the population, especially among the marginalized group?

Presently, most of the families have great difficulties with their family budget. Lack of money for food, clothing, housing… Evidently, the state has no adequate inclusion policy with regard to Roma, Pomac and Yuruk population. Do public policies on the Roma Decade, social housing, education programmes have concrete results on the ground – their implementation in practice?

In Macedonia, the problem of social differences is already aggravated, and is present in its most extreme forms. Is the process of inclusion powerless in view of the global process of clear division into one rich society, and great number of poor people? Antony Giddens would even argue that it is the future of mankind in the globalization era. Is this also manifesting and happening in our country in a bad manner?

Likewise, in our country, according to all indicators, the worst is the situation in the prisons. The same applies to former convicted persons and people who should be re-socialized after serving their prison sentence. In France, convicted persons serving their sentence in prison are receiving professional training and their accreditation after they are released. It also includes a range of other measures implemented through public policies in support to the process of re-socialization and integration of convicted in the society, as rather complex process. Empirical data indicate that in this way the average number of recidivists in their country is reduced. Education of adults is also a major problem. Great Britain is supporting many projects on education of elderly population through the culture of active ageing.

Inclusion and Public Policies

For us it is important how the Constitution of the Republic of Macedonia differentiates inclusion as a phenomenon. Does the Constitution give enough space in the laws generating thereto, for the public policies to overcome inequality in the society?

Pursuant to Article 34, the citizens have the right to a social security and social insurance as regulated by law and collective agreement.

Article 35

The Republic takes care of the social protection and social security of the citizens in accordance with the principle of social justice. The Republic guarantees the right to assistance of citizens who are unfit to work.

The Republic provides special protection to disabled persons and conditions for their inclusion and social life.

Everything is as it should be, and therefore we are all protected – this is one reality – the statutory.

Minorities – Groups of Negative Satires

1. Inclusion is a special social phenomenon. It is a network of many social activities of great relevance for all societies and states, for all times and civilisations. The model according to which public policies behave or implement inclusion, its role, is not only a question for the states, governments, but also a moral ethical duty of every individual.

2. Inclusion is a complex network of relationships established on the basis of policies, community, neighbourhood, biological and economic relations and function.

3. For us of primary importance is the question how to illustrate inclusion, in theory and practice, the way it is manifested in our daily life, with its specific forms.

4. How minority groups as social entities respond to the strong influence that external factors have thereto? How they cope with their existential problems and needs?

What Empirical Data Indicate

Most of the national programs on social inclusion in the Republic of Macedonia deal with the problem of improving the life of people, the problem of disability, mental health, children-vagrants. The programs also deal with reduction of barriers for employment –that cover different forms of training the workers with low level of qualification structure. The aim is to improve service environment for these people and to satisfy their needs.

If we analyse some of the Action Plans of the public policies which are trying to reduce inequalities through different state measures, support the system of social equality, we will get some concrete indicators regarding individual ministries. The Ministry of Transport and Communications, for example, is implementing the following inclusion-based programs.

The goals from the National Action Plan for Housing of Roma – Roma Decade 2005-2015, that were achieved during the period 01.11.2006-30.03.2007, within the activities carried out by the Ministry of Transport and Communications, were the following:

- The area of housing is now under the competence of the municipalities, according to the laws, and several municipalities adopted their Action Plans for Roma.

- The Ministry of Transport and Communications is also competent to enact laws that regulate the status of illegal constructions "unauthorised construction" (for this purpose a Law on Illegal Construction is in its drafting stage).

- The second established goal is urbanisation of settlements with dominant Roma population, including Suto Orizari. To this effect, Bitola Municipality and Prilep Municipality submitted request.

- Third goal - Quality of living, respectively facilitated access of Roma population to resolve their problem with housing. The Government of the Republic of Macedonia adopted the Program on Construction and Mainte-

nance of Social Apartment owned by the Republic of Macedonia for 2007. This program foresees construction of social apartments, size ranging from 35 square meters to 45 square meters, for persons with low income. They are to be constructed during the period 2007-2009. "Project for construction of apartments for rental to persons with low income" covering all ethnic communities. To that effect, in 2005 announcements were published in Kocani, Kratovo, Kriva Palanka and Delcevo. Some of the eligible persons who failed to get apartment appealed before the Second Instance Commission, and the appeal procedure is still pending, while in the cities of Resen and Tetovo, 2006 persons are already living in the apartments. In Debar and Gevgelija the announcement was published in March 2006, but announcement was annulled, and the people concern may apply during the next announcements.

It is evident that these public projects had negative impact on the inclusion (in terms of the manner in which social apartments were distributed).

2. Services for Persons Looking for Employment

Data collection through discussion, interviews, and need assessments of unemployed, including data collection in regard to their qualifications, knowledge and abilities, offering counselling services and referral…

3. Active measures for Employment

- Preparing Unemployed and Other Persons for Employment

This measure makes possible for unemployed and other persons to gain new knowledge and improve their present knowledge to the effect that they can find jobs. The Employment Agency participates in this activity with funds that were allocated for on-job training, acquiring initial and advanced qualification with some previously identified employer. Basically, the Agency gives to the unemployed person cash allowance of Denars 4 000 per months, while the employer where this preparation for employment is carried, receives Denars 2 000. The employer has an obligation to establish full time working relation. During the above mentioned period, 88 unemployed Roma persons were included in the Program.

- Counselling in Working Clubs

The aim of the activities carried out in the Working Clubs set up within the Employment Centres is to stimulate initiatives and at the same time improve abilities of people looking for employment.

During the period 01.11.2006-31.03.2007, a total number of 1636 unemployed Roma persons were included in the activities organized in the Working Clubs.

- Professional Orientation

Professional orientation is offered to unemployed persons, pupils, students and employed persons, with the aim of helping them when choosing their occupation and professional development.

During the period 01.11.2006-31.03.2007, a total number of 532 persons were included in these activities.

- Public Work

Public work is carried out on the basis on the Public Work Program on prepared by the organiser. An organiser of public work may be the units of local-self government and respective employers from the public sector.

A total number of 206 unemployed persons were included in the Public Work Program.

- Personal Income Tax Exemptions

This measure is to stimulate an employer to employ workers on part-time basis, provided that the number of workers employed on full-time basis is higher than the number of workers employed on part-time basis.

- Employment of Disabled Persons

The Law on Employment of Disabled Persons provides for special conditions and benefits for employment and work of disabled persons, because these persons have more difficulties in finding jobs.

During the period 01.11.2006-31.03.2007, a total number of 33 persons were included in the program.

With regard to the preventive activities carried out in primary health care, the Health Centres in the Republic of Macedonia offered:

- medical checkups of children and pupils
- Continuous compulsory vaccination of children of pre-school and school age.

Ministry of Education and Science – Directorate for Education Development and Promotion on Languages of Members of Communities is carrying out the following activities in line with the Action and Operational Plans on the Roma Decade-01.11.2006-30.03.2007:

- Awards scholarships to specified number of pupils from I, II, III and IV grade, granted from the MES Fund.
- Provide conditions in the public announcement, to the effects that Roma pupils have bigger and grater access to secondary schools.
- Increases the number of schools offering optional instruction in Roma language.

- Supports the initiative for opening Secondary School in the Suto Orizari Municipality.
- Awards scholarship to students from II, III and IV grade of secondary education, with a mentor support, granted from the RE Fund.

Two Realities

When speaking about the problem of inclusion, there are two realities. We live in such a world. According to Earl Baby, the first reality is called contractual. Things seem to you real since that is what you were told, and keep on telling you. However, there is something called experience-based reality - the way we personally see things. Therefore, the first is the product of what has been said, of what has been written in the Constitution, laws on social protection, public policies on inclusion, while the second one is the social practice - to what extent people experience this in their life, to what extent their future has been improved, and to what extent their access is increase to satisfy their needs. (Earl Baby, 1986).

The inclusion is always in close correlation with the process of social division that is getting bigger. The division produces social differences.[74]

Old People as Minority Group

Another problem, which also is a problem of post-industrial society, which has an impact on our society, is the intensive urbanisation - followed by the phenomenon of abandoning the villages. The inhabitants, predominantly old, retired, farmers and cattle breeders that remained in the villages presently are those social groups that should be supported by the communities in order to resolve their existential problems.

	1948	2005
Unpopulated villages	1	147
Villages with up to 50 inhabitants	20	458

(Source, Statistical Bureau of the Republic of Macedonia, Periodical Reports, 2005)

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[74] It is interesting to consider the following indicators. Research conducted in 2001:
The interpretation of the obtained statistical indicators indicates that there are social differences among the participants, with a tendency to be increased. 67.4% of the respondents argue that such differences do exist, while 287 or 41% believe that they are in rise. Only 5% of the respondents consider that social differences do not exist. These indicators are the best proof that the participants are aware of the social effects in the post-socialist society, manifested with big social mobility, and great division of society, with clear social classes and characteristics.
We compared the social differences, and responses given by the respondents, with the social status of their parents, and observed that there is a direct correlation between the occupation of their parents and the way they reacted to this question. That is to say, most of the children whose parents are workers or unemployed, meaning a population with lower personal income, believe that social differences are increasing, which gives a real picture that this group of the society is losing its social power.

In the abandoned villages there are old people, without any provision of supplies, medicines, telephones, security, and permanently a target of criminal groups or drug addicts.

Conclusion

To operationalise the further debate I think that it is important to rely on the following relations:

1. The inclusion represents a special social phenomenon. It is a network of more social activities with significance for all societies and states, all times and civilisations. The model according to which public policies behave or carry out the inclusion, its role is not only the question of the state, governments, but also morally-ethic task of each individual.

2. The inclusion represents a complex network of relations that are established based on the politics, community, neighbourhood, bio-social and economic relations and functions.

3. How do minority groups react as social wholeness of the strengthened influence of the external factors over them?

4. It is a general impression that there are two realities in life when it comes to the problem of inclusion. We live in that world. One of them is what is spoken about, what is written in the constitution, the laws on social protection, public policies for social inclusion, and the second is the society's practice – how much people feel that in their lives, how much their future is improved, and how much the access to the satisfaction of their needs is increased (Babi Earl, 1986).

That is the condition of the old persons, Romas, and minority groups here and in Europe.

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POLICY AND PRINCIPLES IN DRAFTIG A SYSTEMIC LAW ON DISABLED PERSONS IN THE REPUBLIC OF MACEDONIA

(Draft Platform)

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Human Rights…

Disability, which as a phenomenon accompanies the entire human existence, has passed a long way from the traditional, through the medical standpoint to position itself as a social issue. Within that sector, in the last twenty years (from a global perspective) disabled people have been successfully fighting to reformulate the stereotypes of disability from a social issue into a human rights issue.

So, disability does not lie in the individual (disabled person), but in the society. Disability means disrupted communication between individual's rights and community's responsibility to provide equal opportunities for all its members to participate in social life.

All, irrespective of who they are, enjoy equal human rights that derive from the Universal Declaration on Human Rights. That is the so called first generation of human rights. However, when one thinks about disabled people's rights in the developing countries, the "second generation" of human rights (such as the right to food, housing…) are of special importance to the disabled people coming from the poor strata and must be viewed in close relation to civil and political rights.

Still, the key issue is not if these rights belong to the respective person, but if he or she can really enjoy them.

In order to ensure this parameter to a certain extent in a piece of legislation, it is necessary to follow several leading principles:

1. Equal value and dignity for all human beings;
2. Autonomy and independence of human personality;
3. Non-discrimination;
4. Right to physical, essential and service access;
5. Right to live in one's own community together with one's own family;

6. Right to social integration and full participation in the community;
7. Respect of differences;
8. Equalization of opportunities;
9. Right to participate in community's political life;
10. Right to freedom of association.

Main Guidelines towards Good Policy and Good Legislation…

Regardless of the policy approach to human rights provision to disabled people, one must take into account the saying that "any policy is as good as the impact of its implementation".

Regardless of the difference between the status and the goal of each of the legal documents which regulate this subject matter, the most important elements are the content and the approach to defining the manner of enjoyment of these rights.

Before one discusses the guidelines, one must set the fundamental postulate, axiom, position or barricade from which the disabled people must not make any concessions. "Non passarant" is the position for the disability location. So the disability is not in the disabled person. This person, like all the other people, is just a human with his or her dignity and rights. The disability is in the relation (communication) between the person (with disability) and the community. This twisted relation and wrong communication should be re-established and renewed. It shall be done with positive actions of the organized community – state.

Only then can one establish a good definition of disability and only from this baseline can one make good policy and good legislation.

Our main baselines towards policy and legislation definition may be the following:

1. Disability in mainstreams. The starting policy of all the documents regulating the disability issue should be full inclusion of disabled persons, their potentials and capabilities as integral part of the community's entire human potential.

2. "Nothing for us without us". Not a single policy approach to disability can be comprehensive and deep enough without active participation of disabled people themselves, especially those groups of theirs which are subject to exclusion (disabled women and children, menatlly disabled persons...).

3. Society for all. The inclusion policy must clearly define the inclusive society and disabled persons' role in it.

4. Non-discrimination. Measures must be designed which will not leave legal gaps of toleration of any kind of discrimination on the grounds of disability.

5. Positive discrimination. Good policy has to foresee strong comprehensive state measures which will ensure putting the disabled persons in a more favourable position for the purpose of equalizing the opportunities, but for as long as there is a need for such an action.

6. Inter-discrimination. The measures against disability grounded discrimination, as a most frequent human rights violation, also have to be balanced by good policy with measures against the so called inter-discrimination, equalization of treatment on the basis of disability, and not on the basis of reasons to gain it. The reasons can be relevant solely in creating the preventive role of the state.

7. Human rights issue. Good policy has to emphasize the insufficient enjoyment of human rights by disabled people and reflect the connection between human, political and social rights in their implementation.

8. Analysis from a social aspect. Good policy approach must be clear about the fact which discriminates against the relation between the disabled person and society, and to focus on the barriers which have to be prevented and removed.

9. Poverty and disability. Good policy must understand the cause and effect between poverty and disability. Disabled persons must have their place in poverty reduction strategies and light needs to be shed on their position of both cause and effect of poverty.

10. Two-sided approach. Good policy has to take care of both sides in this phenomenon. At the same time, a balance has to be made between the need for special measures and mechanisms for the disabled people on the one hand and the need for their integration and equalization with other sectors of society. This is far from easy and account should be taken of the fact that even the best intentions of inclusion may end up as an additional reason for further exclusion of disabled people.

11. Meaningful and practical strategies. Policy has to refer to and rely on an original model and strategy which have their basis in the spirit, development and understanding of the community and not in some imported developed countries model.

12. Multiple disability. Good policy has to envisage the fact that disabled people are not a single homogenous group and that some of those people are especially susceptible to marginalization and discrimination (such as disabled women and children, and persons with severe combined disabilities).

13. Accessibility. The policy which undertakes to provide disabled people with participation in social life will have to, from the very beginning, make clear the accessibility provision to all the variety of forms of living and communication. Modern technologies facilitate the practical fulfillment of these actions, but at the same time they open up new issues and forms of meeting this commitment.

14. Identification of champions. Good policy must precisely and unambiguously identify the champions of protection of disabled people's rights and dignity. The state must not be pardoned in that and must not hide behind the negative conflict of competencies of its institutions and bodies.

15. Budget. The budgetary funds available must as well become accessible to involve the disabled persons in the mainstreams of social life. This accessibility should be strategically and programically set up, transparent and accountable.

16. Financial accountability. Good policy must not allow for the coverage of its implementation costs to be left to somebody else or to some other policy and strategy. Foreign donations and development programs have limited impact and duration. Relying on one's own resources is long-term and essentially sustainable.

17. Plan. In addition to being translated into a good strategy, a good policy has to be operationalized into an effective action plan. The plan has to have time lines identified and be clear in terms of positions and responsibility of the stakeholders, and be financially covered.

18. State governed by the rule of law. Irrespective of how well policies are translated into effective legal norms, their implementation will always depend on the power of the state to impose them in the daily living. This element does not depend on disability, but rather as a global issue on which in advance there is high level of consensus of the main political players, it can be used to empower and induce a dimension of humanity in legislation.

19. Monitoring (Watchdog). Organizations of disabled people are the only entities that can be counted on in terms of overseeing the good legislation implementation processes. However, this does not happen automatically. This process should be initiated; expertise and support should be provided. Only then effective transfer of national initiatives to local level will be ensured, and the other way round.

20. Awareness changing. Neither one policy or legislation will have firm grounds unless critical level of public awareness is provided on the society need to involve disabled persons in the community. Any policy and legislation including the entities running the process have to count on this important ally or bitter opponent.

Enough for a start!!!

The rest is only courage and hard work…

V part

GOVERNANCE IN SOCIAL POLICY: NEW ACTORS AND NEW ROLES

INSTITUTIONS, ACTORS AND POLICY IN ALBANIA
Ecce Gubernator! [75]

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Abstract [76]

This paper explores governance in Albania in the light of contemporary ideas of multi-level governance. It examines some governance concerns in the country, particularly as have impacted the development of welfare policy since the end of state socialism. The focus is on the rôles of institutions and actors, domestic and international, in this process. While recent literature has proposed complex, reciprocal and multi-layered policy transfer mechanisms between donor organisations and host countries, it is found that in Albania the flow has been largely linear and unidirectional, and not just during the heat of early transition. Especially, institutions in both government and civil society appear still to be functionally mired in meeting the multiple demands of a variety of donor organisations. Far from the theoretically attractive convergence or isomorphy in institutions, I propose here that we observe an institutional pseudomorphosis, whereby structurally impaired organisations attempt to emulate the functions of donor agencies, while incorporating atrophied versions of civic or democratic values.

"Palinurus, the breeze is kind, the water smooth, and our ship sails steadily on her course. Lie down awhile and take needful rest. I will stand at the helm in your place."

"Tell me not of smooth seas or favoring winds, me who have seen so much of their treachery.

Shall I trust Æneas to the chances of weather and wind?"

…and he continued to grasp the helm and to keep his eyes fixed on the stars. But Somnus waved over him a branch moistened with Lethean dew, and his eyes closed in spite of all his effort. Then Somnus pushed him overboard and he fell;

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[75] Literally – 'Behold the Pilot.' Etymologically, the word *governor* is derived from the Latin *gubernator*.
[76] The author would like to express deep gratitude to pHracKtl for being a useful foil.

but, keeping his hold upon the helm, it came away with Palinurus. Neptune was mindful of his promise, kept the ship on track with neither helm nor pilot, till Æneas, mourning the loss of his faithful steersman, took charge of the ship himself."[77]

Introduction

This paper examines governance issues through the prism of social policy and from a country perspective, that of Albania, with the aim of contributing to national and international debates on these topics. It is based on some of the results of recent research into the founding and development of social policy in Albania during transition. This was focused on the roles of institutions and state and non-state actors (international and domestic NGO's) in forming anti-poverty policies.

It is based on empirical research with over 100 participants, consisting of in-depth interviews and focus groups conducted in the period 2002-05. Additional ethnographic research was also undertaken and data generated employing participant and non-participant observation, area visits and media monitoring. Secondary research on welfare, global social policy and governance across transition and developed countries provided the theoretical framework.

Without wanting to make wild claims for research based on this sample size and set, I hold up my remarks on the basis of moderatum generalisations (Williams, 2003). In other words they represent aspects of a particular situation, which may be seen as instances of a broader set of recognised phenomena, with appropriate qualification. The reader will find the familiar format of context setting, presentation of research findings and concluding remarks.

The paper is broadly composed of three sections. The first is a brief essay into the academic and scholarly background of governance and social policy. The next part presents the specific Albanian context through findings from the research. Finally, there are some concluding remarks.

CONCEPTUAL BACKDROP

Contemporary thinking finds a linear relationship between governance and economic growth (Lindbeck, 2001, Kaufmann et al, 2002). Hence, aside from its intrinsic importance, better systems of governance are considered crucial to sustained development across the world[78]. Perhaps even more than growth, however, translating good governance to post-communist contexts has proven fraught with

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[77] Palinurus, helmsman of the ship on which Æneas and his people fled to after the fall of Troy, had his life traded among the gods for the safe passage of all. Palinurus himself was washed ashore and killed by a local tribe for his clothes, his bones left unburied. Æneas visited him in the Underworld where he promised to give Palinurus proper burial.
[78] Although even if we grant a positive link between institutional strength and economic growth, and that this may factor to the benefit of the poor, there are costs to this development in terms of diverted resources, and 'a long lag-time until
results feedback positively into poverty issues' (Morduch, 1999)

difficulties. No virtuous circle has been found there so far, particularly in South Eastern Europe. Albania, perhaps the most Balkan of the Balkans, is no exception to its neighbours in this regard. By whatever standard of measurement, Albania regularly comes out among the very lowest countries in estimates of quality of institutions and systems of governance (Kraay et al, 2005[79]; Transparency International, 2002).

While it is widely agreed that good governance and good institutions go hand in glove, we perhaps don't really know so much of how to establish either (Morduch, 1999). This is in spite of the fact that we may well recognise and agree on which are good or poor ones. There is a normative element here, but with measurement and indicators being by no means sure either.

Yet, knowing roughly where we are and roughly where we want to be, the issue remains of how to get there. We are perhaps somewhat like the person in the anecdote who, on asking for directions, was answered with 'Well, I wouldn't start from here!' Pertinent, but hardly pragmatic. One can only conjecture on what the next step will be in the 'upstream evolution of explanations of aid failure' (Warrener, 2004:3) that has lead from projects, programmes, policies, to institutions and now politics as prime factors. Perhaps some kind of cultural explanation, or appeal to values.

The argument has been well made that these are the one thing that can't be handed over by INGO's and other actors in the Western project (Sampson, 2005). Such concerns have informed understanding of some of the problems of development - if not simply installation (Sampson, 1998) - of civil society in post-communist countries (Anheier et al, 2000; Fowler, 1997, 1998; Stubbs, 2000). And although it might seem little more than prescriptive to hold that organisations have procedures and purpose, while institutions such as enjoyed in the developed world incorporate or embody values – such could perhaps serve as a definition for civil society, as offered by the western model (Ottoway, 2003)[80] Still, that alone wouldn't completely differentiate them from populist organisations and grass-roots movements that proliferated under socialism (Tahiraj, 2007).

What does distinguish western forms of governance is the dynamism that has evolved from the distributed, multi-mandated and heterogeneous nature of western civil society, especially as represented by the idea of multi-level governance (Bache and Flinders, 2004). Modeled on the world of governmental bodies, supranational and subnational entities and quangos, this idea 'has hardly ever been utilised in studies of the region' (Stubbs, 2005:69).

The role of post-communist civil society in social policy making has been the subject of many scholarly debates. Sampson (1998) vividly engages us in the 'play'

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[79] Kraay's criteria include accountability, political stability, Government effectiveness, regulatory burden, rule of Law and control of corruption.
[80] There are other good ways of drawing the distinction, such as that organisations are products of policy and institutions are products of custom.

of imposing civil society concepts in these countries via the language of projects, while Stubbs has seen it as a form of colonialism (Stubbs, 2000). Global concerns and players have dominated the discourse on actors of social policy and its development in transition. This has promoted a view of major donor organisations as constant, monolithic agents, unresponsive to the fast changing environments they try to operate within. As crucially, their neo-liberal agendas and approaches have led to a fear of the subordination of social policy to the economic policy requirements (Deacon, 1992; Deacon et al, 1992). Yet, to understand their role in social policy one has to investigate the origin and nature of its establishment in country to better trace the real complexities of each situation. A small *tentative* in this regard is presented next.

The Albanian Context: Discussion of Research Findings

Institutions of Government

The establishment of the institutions of Government was a necessarily hasty affair in the Albania of the early 1990's. Organisations were formed and policies effected to respond politically to some of the immediate costs of transition – the 'valley of tears' GDP slump (McAuley, 1991) and an epidemic of unemployment.

The Ministry of Labour was a result of an emergency call to respond politically to what was seen as the cost of transition, from a centrally planned economy, with full employment and universal welfare, to new policies for an aspiring market economy undergoing rapid privatisation and deregulation. The deepening economic crisis, exacerbated by the difficulty of the system in coping with the rapid transformations that were taking place, resulted in increasing social problems. Government gave precedence at that time to economic and industrial reform, but as early as 1992, the need for an institutional response, in the form of architected social policies, became readily apparent.

Initially positions there were filled 'based on political affiliation' or other expediencies, before considerations of competency, consequently leading to a great need for training –

'To be honest, we had no idea what to do. We were given a difficult job, and it was a time of great changes. We were told that we would be trained and so we were! We travelled the world to get training and experience, almost all western Europe as well as America. There was so much money spent on training those days.'[81]

Albania was notorious for changing governments almost every 6 months at the time and there was a 're-branding of MOLSA for each hand-over of power in

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[81] Quotes from interviews and group discussions are presented here in separate paragraphs in italics. Names of the respondents have been removed to respect their right to anonymity.

government*,'* accompanied by frequent wholesale personnel changes[82]. The lack of security occasioned some mirth –

'We are always looking over our shoulder. We are trying to make alliances with militants from both parties so whomever wins can keep us employed' (in a half-joking way).'

and -

'We had better get trained well on the unemployment scheme as we might be the next claimants very soon'

However, respondents recognised that the consequences went beyond the individual. Institutions were also being undermined, – hence the impact was more serious.

'We were losing human capital because they went and worked outside the Government or even left the country. Institutions had no stability; jobs were not secure in the public administration. Even worse, this led to lack of respect for the work and the institution'.

'It is sad to say, but we civil servants hardly saw a vision or felt related in the long term with the institutions'

It is difficult to see how institutions can be vital actors in social policy in such an environment?

I remember a situation when one of our leading specialists was fired - she took the office computer and all documents with her, leaving the office completely empty except for the desk and chair. She then left the country to work abroad…Now, yes, let's talk about how we can develop social policy (sarcastic tone).'

Co-operation in Government

'One hits the nail, the other the horse shoe!' (Albanian expression)

Given this, there is little surprise then to find a lack of co-ordination in Government. Indeed, it was openly offered that inter-ministerial Co-operation has been almost non-existent (Group interview, Tirane 2002). This is something observed recently in another context (World Bank, 2006). Its origins lie a long way back –

'There used to be a policy during the communist Government whereby each Ministry was ordered to send their monthly reports and data to the National Institute of Statistics (INSTAT)...who would then put together all the data and feed it back to the Government. It was a very good policy: notwithstanding the control and manipulation of data, it still provided a framework. Whereas today, tell them (the officials in Ministries) as many times as you like, they don't care to send any-

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[82] Such as the notorious purging of 'Operation Broom.' Of course, we should be mindful of the fact that too much security is not a good thing either.

thing. And it is sad, because they fail to understand that it is for their benefit. I think it's the syndrome of abandonment of everything that is past, of the old regime, coupled with a bit of institutional instability. There is a reason why data are not revealed – and that is fear of failure.'

Respondents felt unable to influence the institutional cooperation.

'So many times we have tried to emphasise the role of coordination in producing reliable data and effective policies, but the answer has been that they can not afford it. I think they will eventually see that they can not afford not to cooperate instead'

'Co-operation? – Not that I know of. The Ministries work with their local offices. The Ministry of Health deals with health issues and the Ministry of Education with education issues, as the names themselves suggested. I suppose Governmental meetings where each Minister reports on their institution could be considered as Co-operation. But can you really see the Minister of Education or his staff spending time getting involved with health policies? They are too preoccupied with issues in their own sector, especially when they don't know for how long they will be there.' (chuckles)

Other Actors – Co-operation and Competition in NGO-space

While the role that NGO's play, or are expected to play, in informing social policy and delivery is well known, the origins of post-communist civil society deserve careful investigation. How NGO-ism differs to that precursor is a moot point. Comparison may illuminate to what degree the communist regime had achieved[83] that 'appeal to a status, identity, legitimacy or community' which marks the 'integrative aspect of social policy' (Boulding, 1967:9). On this basis, the success of social policy could be 'measured by the degree to which individuals are persuaded to make unilateral transfers in the interest of some larger group' (ibid.). If people at that time contributed voluntarily, 'transitional voluntarism' came to Albania with very different mores and motivations.

'We had no idea what NGO's were to be honest, until I started working in the Ministry of Labour, where foreign consultants came to advise us.'

'I was involved in the Government at that time and was among the first to hear about the NGO's - and their money... So, I called my friends and three or four of us got together and registered our organisation. It was a chance to grab some money and I used my knowledge and contacts to get funding for projects. When I was fired from my Government job, I moved into it full-time and I have been there ever since.'

'As long as they have money on education, the mission statement of my NGO is on education. We are flexible (smiling). You have money on agriculture? Then,

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[83] Initially, whether by persuasion or force, and later by habit.

no doubt, we are specialised on agriculture. We have multi-purpose aims and ob-jectives.'

There is no element here of wishing to lay blame at the door of NGO's for what was, after all, merely pragmatism[84]- but like all gold rushes, it was always going to end –

'The external factor explains why many NGO's today are no longer going. They were formed to grab some money in emergency situations and they were di-rected by just one person.'

'The flourishing of the NGO sector in Albania was a combination of many factors, chief among which was the external drive... it came as a blessing for many.'

This era of NGO-ism stands out for the way that the external drive created is-sues markets based around donors' agendas, with the element of competition pre-vailing over the spirit of cooperation. Ultimately, this informed understandings of need - and whole target groups, even if they did not exist, were to be found. One example was the huge number of women organisations that mushroomed all over Albania, due to a focus on gender oriented programs demanded by DO's. Even though gender aimed, they mostly worked with women, only with the rationale that women were among the groups that needed addressing. The status of women was considered a major factor in the development of civil society, irrespective of the relatively high standard of emancipation and gender equality achieved in Albania during communism.

'Just look at the number of women's organisations - all because donors want them. Especially the Dutch - they are unscrupulous in their aim to have women's NGO's at all costs, even creating issues that are irrelevant. And some of those lo-cal NGO's who are in it for the money only will say, yes there is need for this. This is how they create artificial problems that then need addressing.'

This discrepancy between 'real needs' and these 'created needs' was widely noted among respondents in this research, with the latter being considered to have had more influence on projects and policy making and delivery among all institu-tions and organisations of service provision. Linked to the donors' agenda there is a technocratic equivalent to this imposition, which is the blind-faith application of experimental methods to a country, with little or no regard for the specifics of its socio-economic and political context -

One of the things that has been talked about lately was using a numerical computer model to look at alternative scenarios for the region. The model is being tested in Guyana and the people from one of the major DO's are interested to see if that teaches them anything they don't know. One of the comments that came back from one of the people involved in that experiment was that he didn't like the

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[84] It is hardly as if INGO's or western domestic NGO's are immune to such rent-seeking

model. He had hoped that in the short run the model would make people worse, but in the long run should improve their living standards, and according to him the model was wrong. It can't be applied in the Balkans! Now, hang on a minute, still experimenting?'

Respondents acknowledged that little research and development had taken place because reports have been written to satisfy donors instead of aiming to really bring a change in the country. Most NGO's 'have been focused on aid delivery instead of formulating meaningful policies'.

Similar problems to those found in Government, lack of co-ordination and insecurity, were present among the donor community. In 2000, I was invited by the Organisation for the Security and Co-operation in Europe (OSCE) to attend a meeting of the friends of Albania, consisting of diplomatic representatives from most EU embassies present in Albania. At the meeting, participants reported on their activities in regard to development and poverty in Albania. While each of the representatives proudly reported the high achievements they had attained in different areas they had operated in, it was noticeable that achievements reflected isolated work. Even though most of them had operated in Albania over many years, some found it 'very interesting and funny' that, while the Italian and the Dutch governments had operated in the same city like Shkodra, they had never heard of each other's work. At the meeting a joke was circulating about which espionage agency they were working for, since they had operated in such secrecy.

'The first and most common anecdote you hear among donors is that there are no data or studies on poverty in Albania. I think that's a bit of nonsense. Donors themselves have carried out studies, but they have not shared them. Designing a policy, to my mind, is an act of political will on the part of the Government and the donors. Saying that there are no data is just an excuse that the Government uses to justify its lack of policies, and donors use to justify their lack of apprehension.'

The work of donors, co-ordinated or not, had its impact on the system of values and long term principles of people's engagement in civil society. This shows itself in the level of insecurity among NGO's which seem to undermine their commitment. Hence, is long term vision possible?

'We were always under the pressure of the insecurity of long term funding. How could we focus our energies on long term strategies, when we had to spend our time writing proposal after proposal to secure continuity in funding running from one donor to another? Donors want us to be sustainable, but who is sustainable here?

Again, in parallel to respondents from the Government, people here were insecure and felt little connection to the principles their organisations were claiming to promote.

'I will continue to work there because it pays me a salary, but I do not believe in civil society having an impact'.

Respondents felt that donors had been quite inflexible sometimes, and pressure to get funding forced many local organisations to operate in secrecy and avoid coordination. They knew that they had to compete with other non-genuine organisations, and donors' failure to identify which was which had sometimes put their future at risk. As they said, it had been about which was better at marketing rather than based on the quality of the service. At the same time, lack of secure and long-term funding had limited their ability to operate and think strategically beyond the short term. As a result, projects with a short shelf life have predominated. Because until now most of the sector depends wholly on western funding, this had imposed a completely new set of pressures on emerging organisations. Faced with the obligation to justify and qualify their funding they had to produce evidence of results, even in those cases where the projects have been relatively short lived.

'I do ask them, how do they do it in the west? They should know by now that philanthropy is so minimal here. The first case of philanthropy I can recall was early in 1995 when a man from Fier paid the fare for his wife to come to Tirana for a women's meeting. We celebrated that. Now, I like to think that was purely philanthropic and not for other reasons.'

Policy making and actors

The nature of external interventions in Albania has followed a course of development that has been well noted in other countries – from reactive roots, starting with emergency or aid delivery programs, to financial assistance such as credit aid, to technocratic support. Some emergency programs had an unexpectedly long life span[85]; others failed or ran short of money before achieving much of note. Even in major programs there has been a tendency to short-term vision and poor planning, lending great irony to their naming as strategies. Even in regard to the over-arching current strategy, the NSSED, it was observed -

'The World Bank knows they need the resources to develop capacities. They recognise the lack of capacities but they say they don't have money, so other donors should come in and put the money. That is a pretty weak excuse because if the World Bank didn't have the money, they should not have started the strategy first. Otherwise, maybe they should have got the money first, which raises the whole question to what extent other donors are committed to the poverty strategy, in financial terms not just in Washington rhetoric.'

Little regard was given to the Government *per se* as an actor in policy making in the country. As one of the respondents from the third sector remarked *'May I never get to the stage of needing anything from the state, because I would die'.*

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[85] Such as projects at the time of the Kosovo conflict. The spending of resources outlived the refugee crisis by many months, surplus monies being redirected with great haste to ill-thought out projects.

'I cannot see our Government as a Government in the complex sense of policy making as an institution. They are some people driven by their own interests, usually political, instead of the institutional priorities.'

It was widely acknowledged that those involved in policy making in Albania were lacking a common framework – firstly in developing a common understanding of the issues, and secondly in developing concerted actions upon them.

'It took us so many years to educate politicians into saying 'human trafficking' instead of 'white meat' in their public speeches, and they couldn't even tell the difference. Whether they understand it or not, I am not sure.'

From the donors' perspective, the Albanian Government has been seen as weak and lacking in resources and consequently much effort has been made by donors to try and increase its capacities. Particularly, Government's inability to foster more effective cooperation or coordinate interventions has attenuated the effective role of NGO's in the provision and delivery of welfare programs. This has led to a certain fatigue in donors, who have become less pro-active as a result - the attitude being that if the Government was not interested 'why should donors be doing all the work?' Irrespective of this, policy developments are still being driven externally, in spite of the desire among parties to present a counter-truth.

'The fact that one of the major sources of revenue for the Government, comes and says they need to have this strategy, tells the story behind the so-called country ownership. I mean do you see the Albanian Government saying no to them?'

This was felt especially in the new strategy for Growth and Poverty Reduction Strategy[86] launched in Albania as part of the global fight against poverty. Poverty was not a word that one could hear as part of the Albanian political discourse till 2000. Focusing on positive rights that were to attract much of public attention after the 1990s, poverty, even though increasing rapidly, was considered much sensitive and risky to the political agenda, being that of right or left camps. Indeed, there has been little difference in the social approach in any of the party manifestos throughout the last 17 years. Nor has there been much change in the application of policies in practice.

'At the beginning there was reaction from officials - what is this poverty? We cannot have a program on poverty here. That is why a compromise was made in calling it a strategy of socio-economic development. Politicians can't accept poverty and a reason for that is ignorance. Never mind the social in the policy?'

Regardless of any particular policy, the problems discussed above persist, representing as they do certain structural malformities of institutions, their links of cooperation and the way they operate and overlap in the social landscape. The fol-

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[86] The Albanian GPRS (2001) was later renamed as the National Strategy for Socio-Economic Development (NSSED). This re-branding neatly avoids the impolite reference to poverty.

lowing quote, from a representative of a major INGO, reflects to some degree the necessity of a common framework of understanding policy issues.

'The only way to make the policies work would be to have one person as the Prime Minister, and the head of the World Bank and the Head of European Union at the same time to make an efficient Government and an efficient donor community. I think structural issues such as the donor coordination and government stability and efficiency are the key things, and not the endless strategies or programs.'

Analysis of this remark reveals a possible discrepancy, if not a gulf, between what INGO's are trying to promote – decentralisation, deconsolidation or multi-level governance – and the thinking of individuals within them.

Conceptualising Social Policy

In order to gauge the role of actors in policy making, the way social policy has been understood by the Government can't be ignored. This research showed that Government officials and civil servants reflected a very narrow understanding of Social Policy as a discipline or a field of oriented action. Indeed, the idea wasn't countenanced that Social Policy may contribute to wider debates about resource allocation, rights and responsibilities, and as such as a framework for action it was considered a matter best left to the Ministry of Labour. Half of the respondents thought there is no such a thing as Social Policy in Albania, while one third of them considered it a matter for high officials, not civil servants who carry out day-to-day programs. Even at the university level, social policy was being taught as only a single two-term subject in the social work department at the university of Tirana.

However strange it may seem, it was clear that even though they were designing and actually implementing social policy, respondents claimed to be unaware of its existence. Welfare programs in health education were running, yet they weren't considered as related to Social Policy. In a group discussion with four civil servants (2002), about the individual and institutional conceptualisation of Social Policy in Albania during the last decade, Social Policy was considered a political term applying to the work of the Ministry of Labour. Of those who did appreciate social policy as a discipline, when asked about policies in health and education, many did not think these programs amounted to a Social Policy *'like the ones in the west'*

'I don't think we understood the concept of Social Policy at the time.'

hence, its development was undermined –

'What social policy? (Laughing) This Government does not have a social policy. All they do is run some programmes for Social Assistance - the same old ones since 1993.'

'The seim anew'?[87]

The policies introduced by the Ministry of Labour were transitional policies, and were generally perceived as novel and constituting a radical break from the past, reflecting the general immediate post-communist eagerness to throw off that heritage. The feeling that everything even remotely similar to the past was bad was predominant. No attention was paid to exploring the mechanisms of communist welfare programmes and whether there were positive aspects that could have benefited the establishment of the post-communist welfare institutions.

'Since leaving my Government job, I have been researching and have come across a huge literature on social policy. Only now can I see why civil servants, including myself at that time, were accepting as new the social protection platform, when it was in fact merely an updated extension of the welfare policies that the communist government had extensively developed in the past. I now think the mania of ignoring the past was a mistake, and still is. Social policies are what they (the communist regime) had - just with different names'.

The policies and programs sponsored by donor organisations, were gladly received as a refreshed perspective, symbolic of anything new, progressive, western, removed from the backward socialist past that was to be absolutely bunkered. Under this belief, there was a failure to recognise the previous social model and appreciate any positive aspects they may have had.

The changed language and terminology of modern policies camouflaged their aims and objectives, yet there was little difference in essence. Indeed, while the communist regime policies were overloaded described almost euphemistically, referring to 'welfare for our people' or 'we work for a better future for our children', whereas policies during transition were called, rather dolorously, 'targeting unemployment and poverty', the descriptive difference hiding many structural and conceptual similarities. It sets a clear distinction between the ideal of working for the common good and the benefit of all, and that of the stigma associated with those in hardship accompanied by the sense of 'working for others to benefit.' Social Policy was existing in the past, but in moving into the new context, something worthwhile may have been lost in translation.

Concluding Remarks

Based on the narrative presented above, one might find it difficult to be optimistic on the future of the institutions and policy making in Albania. Any policy is at best only ever a sub-optimal solution to a problem - in the context and pressures of transition, with scarce resources, little could be hoped for beyond short-term answers. I have remarked elsewhere that policy making in Albania is still characterised by weakness in innovation as well as implementation (Tahiraj, 2007). How-

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[87] Joyce (1939).

ever, in the words of a respondent – '*let's work with what we have now*', as it is better to light a candle than curse the darkness.

Previous explanations within Global Social Policy debates have tended to view major donor organisations as monolithic entities, with geographical policy transfer seen as linear, entailing the imposition and appropriation of a homogenised set of methodologies and policy conceptions[88]. In this light, Albanian social policies can be seen as expressing the need to satisfy conditional credit aid and the various demands of donors.[89] Similarly, convergence, driven by globalisation, the idea has prevailed that, under similar conditions, in the same environment and with the need to remain competitive and efficient, institutions and policy regimes will need to evolve similar or the same structures. Some justification for this could be derived from the idea of institutional isomorphism (Di Maggio and Powell, 1983). Whereas that theory was proposed to explain institutional change, it could instead be seen here as being used as a rationale for it, and behind much of the work on developing their capacities.

In the light of the ideas of multi-level governance, we might expect to find complex, reciprocal and multi-layered policy transfer mechanisms between donor organisations and host countries. Instead, this research has indicated that in Albania the flow has been largely linear and unidirectional. One would expect this reliance or dependency on external intervention for sure during the heat of transition, but the situation seems to have altered little even into the current development and implementation of the NSSED. The benefits of technical aid seem to have become something of a straightjacket to local understanding and abilities.[90] The findings of this research lead one to think that institutions in both government and civil society appear functionally mired in meeting the multiple demands of a variety of donor organisations – demands that doesn't look like reducing anytime soon as the country aspires to synchronous orbit of the EU[91].

The real truth of the situation in Albania is somewhere between the two positions just related. Far from the theoretically attractive convergence or isomorphy in institutions that would be expected from convergence and technical aid, I want to propose that we observe an institutional 'pseudomorphosis'.[92] In this conception, structurally impaired organisations attempt to emulate the functions of donor agencies, while incorporating atrophied versions of the civic or democratic values that form the basis of the pluralism of multi-level governance.

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[88] Whether neo-liberal, or newly, with a green tinge.
[89] Such as, to maintain small government (IMF, 2006) or the demands of MDG and SAp.
[90] The reliance on donors is immediately apparent in asking where anti-poverty efforts would have been without their technical aid.
[91] Like the moon, presenting only one face to the earth at a time.
[92] Author's coinage, borrowed from 'cultural pseudomorphosis' (Spengler, 1991), whereby a local culture is thwarted in its natural development by an overpowering foreign civilisation. The origin of Spengler's analogy is in mineralogy, where it is the deformation into a false form of a material as a result of the cumulative pressure other geological structures.

This idea cuts across many issues of institutions and explanations for aid failure that were presented earlier. It raises the question, to paraphrase a colleague, of the 'possibility of Social Policy' (Hwang, 2002). First, the impossibility: we are not in a position to consider real historical policy transfer, even in the sense of negative lessons to be learned from the centralism of communism it seems. It has been noted that multi-level governance has many failings as a model when applied to SEE (Stubbs, 2005) and also as a normative prescription for how things should be (Hooghe and Marks, 2004). The idea has much to say for where the country finds itself now and the direction it may want to take, in terms of achieving a more distributed and democratic system of governance - understood as the complexity of institutions, actors and policy and the domain of their interactions. Behold the pilot, indeed.

For Albania, the challenge ahead is that the mistakes of the recent and further past are not lost to it. Particularly, that the experiences of transition may have lessons for democratic consolidation – especially in leaving behind some of the teleology of the old transitional approach, and that a widened, more integrative conception of social policy may be constructed *à la* Boulding (*Boulding, 1967*). Especially to this author, that the country doesn't continue to forego the chance to develop in the push for growth[93], mindful that the more of the latter may not necessarily entail a higher degree of the former (Kaufman and Kray, 2002).

I began the paper somewhat allusively with allegory, but end to tell a similar moral with old-school didacticism

'The forces of the past... create new situations. If the structure and functions of the social services cling too closely to the needs of the age in which they originated, and if the interests which resist change become too powerful, these services will not meet the needs of the new situations. We shall not achieve a better balance between the needs of today and the resources of today by living out the destinies of tradition; by simply attending to the business of the state. Without knowledge of wind and current, without some sense of purpose, men and societies do not keep afloat for long, morally or economically, by baling out the water' (Titmuss, 1976).

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[93] 'There will be wide agreement that a zero rate of growth represents failure… that 2 per cent is better than 1 per cent and 3 per cent better than 2 per cent; but there might be some hesitation as to whether 8 per cent is better than 7 per cent' (Boulding, 1967:7).

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TRADE UNION AS POLITICAL ACTOR

- FACTORS LIMITING ITS ROLE IN THE POLICY

CREATION PROCESS-

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The Trade Union is one of the actors that play an important role in the creation of social policies. By treating Trade Union as part of the civil society, the aim of this analysis is to identify factors that determine its role in the policies creation process, and also indicate the direction of their action. A special subject of interest is the trade union organization in the Republic of Macedonia during the past fifteen years.

TRADE UNION AND CIVIL SOCIETY

In the analysis of development of the political community, one of the typical tendencies is that the political life is much wider dimensioned than the state. Policies are gradually including the *autonomous civil society* which, through numerous, more or less, organized and institutionalized forms, assumes some of the classic state functions: protective, controlling, regulatory. The interests in the society are not protected only through parties, but also through other, autonomous organizations, thus leading to new forms of political organization and to higher level of citizens' participation in the decision-making in policies (professional, employers', women's, consumers', trade unions', environmental and other associations).

Although they are part of the society at large, they enter into policies depending on the circumstances and, appearing *as political actors, they generate power in this process for the purpose of arranging social relationships pursuant to their goals and values*.

In general, this tendency contributes to strengthen citizens' confidence in policies, to balance different types of power in the society (check and balances), to grater accountability and responsibility of the political elite.

Any historical retrospective on the development of the political society will show that the importance of individual actors has been significantly changed, from one to the subsequent development stage. Their ability to mobilize, the nature of their requirements, the manner in which they acted and were organized, changed

depending on the social and economic, historical and cultural conditions, meaning that they showed *ability to adapt*. Being in a situation of continuous competition, they evolved, adapted to the circumstances, trying to become more efficient in presenting their interests than the others. In literature prevails the opinion that new social movements and the so-called protest-based policies gain more and more popularity on the account of trade unions and political parties (See Hejvud 2004, Della Porte, 2003, Riht, 2006).

1. Trade Union is one of the (relatively) New Actors on the Social Scene.

As a mass organization, representing the interests of the workers related to their working post, but also those interests related to their social and economic position in the society, Trade Unions are among the *groups with special interests, those with an insider status*.

Let us remind ourselves that many attempts have been made to classify interest-based groups for the purpose of studying them. The following two classifications, widely accepted in literature, start from different criteria: Special interest-based groups and Promotion-based groups; Insider and Outsider groups.

(1) *The basic criterion for the first division is the scope of interest* the group is striving for. The *special interest-based groups protect the interests of their membership*, and usually it is only one segment of the society. This would, for example, include trade unions, trading or lawyer associations. Contrary to them, *promotion-based groups advocate or protect some wider interests*. For example, they lobby for legalizing abortion, protection of birds, protection of human environment and other. Those are wider, public interests that are not related only to the personal interest of their membership.

The dichotomy promotion-based groups and other special interest-based groups are used more as analytical framework to study the groups, since it is indeed difficult to insist on their complete separation. Very frequently it is not possible to make a distinction between the narrow, egoistic interest and the social, public interest. Probably many people would ask themselves whether the strive of Trade Unions for protection at work is a narrow egoistic interest, especially when we take into consideration that a disabled worker and his family may easily be among the social cases, with all related negative consequences for the society at large.

The basic criterion for the second division is the position that the group has in terms of governance: the insider (internal) groups are in a certain way part of the government, while *outsider* (external) groups are outside of this mechanism. Therefore, the former have regular and normal institutionalized access to the government (usual consultations, they are members of the governmental bodies, they have contacts with political officials). However, it is their insider role, which is an advantage in terms of the possibility to insert influence that may also be their disadvantage. This is because of the suspicion present among the public regarding their honesty and possibility to truly oppose to the government (very frequently the in-

siders are confronted with the government, due to different reasons, and consequently practically become part of the ruling elite).

The outsider groups do not have such access to the institutions of the government. They are either sporadically consulted, or not consulted at all on questions of their concern. In order to accomplish their interest, they chose direct way of action. Nonetheless, this, basically, more difficult position to influence on the policies, makes them more popular among the public, which is inclined to have more confidence in their honesty and sincerely intention.

In view of this second division, the trade unions, without any doubt, belong to the insider groups, with all advantages and disadvantage that such a position in the system entails.

2. *Are Trade Unions Enhancing or Weakening Democracy?*

This perhaps is the key question posed in the political science regarding the trade unions as interest-based groups. Even a base-line   analysis in literature indicates that the opinions are different, very fervently even opposed. We can speak about three dominant standpoints (Hejvood, 2004). It is, in fact, about three different models of representation of interest that we come across in contemporary democratic societies:

- Pluralistic standpoint;
- Corporative standpoint;
- Standpoint of the new political right.

Pluralistic theories consider the trade unions to be the biggest organizations representing social and economic interests in liberal democracies. By treating them as important channels for representing the interests of the most important segments of the population, pluralists believe that *interest-based groups contribute to wider distribution of power in the society and transparency of the political process*. Such a standpoint emanates from the   basis thesis of pluralists that the political power in democratic systems is divided and widely dispersed. All active and legitimate groups may be heard in some of the stages of decision-making process (Robert Dahl), while, certain dynamic balance is established among the groups (Galbrajt), and by this they all remain in the game and exercise influence.

Elitists challenge this standpoint as unrealistic and idealistic. Since society is ruled by few elites, the trade unions, which are mass organizations, in fact do not have any role in the policies. However, the trade union leaderships, have an easy access to government, and thus they themselves become a part of that elite, and in return they secure loyalty of the trade union organization to the ruling elite. In this way, the trade unions are becoming their instruments.

Corporative standpoint

Pursuant to this model of representation of interests, some groups are looking for insider relation in order to influence on the government, and the government gives them such a status. A typical example is the trade unions which, through

threepartism (government, trade unions, and employers) receive *institutionalized access to the government and participate in creating concrete public policies*. Why is the government motivated to make possible such privileged position to one interest-based group? Because through the information that it receives in such a manner, it may balanced its decisions and finally, because it has to rely upon the consent of specific segments in society, if it wants to implement given policy.

The critics of corporativism point out its following weaknesses: it favours only some, most powerful and most numerous interest-based groups; in agreement with the leaders of the interest-based groups, *the government is controlling many segments of the population* (with trade union leaders, for example, it controls the dissatisfaction of the workers); and finally, undermines the process of democratization by adopting decisions that are beyond the democratic control, and the *decision-making process moves away from the formal democratic institutions*.

The new political right has negative attitude toward the trade unions. Starting from the *individualism*, as a basic strong point of neo-liberal economy, it strives for *market economy* that relies on the autonomy of the individual and entrepreneurship, and is against collective bodies that would be involved in this process. The new political right is especially concerned about the *increase of public consumption and clumsiness of the government apparatus*, which links it trade unions activity, concerned only about the interests of its membership (for example, about salaries and benefits of workers, safety at the work place and other). By this, they, most frequently harm the entire economic development of the state. (They believe that the requests for increase of salaries may lead to declining of competitive ability of the economy, and by this negative influence on the economic growth).

3. Pluralistic or Corporative Model: Reasons and Consequences

Many researches are warning that democracies differ among themselves regarding the model of representation of interests. The Scandinavian states should be places in the group of those in which neo-corporativism has achieved the highest level, while in the Anglo-Saxon states there is high degree of pluralism. What are the reasons for the prevalence of one or other model? Some researches make mention of the size of the state, presence on international markets, strong socialist parties, and well structured interest-based associations. During 1930s of the twentieth century, Switzerland and Sweden were among the first to sign different agreements on social peace, while after the Second World War this would be done by the Netherlands, Belgium, Norway, Denmark, Finland. They adopted a centralized process of bargaining at state level between the representatives of workers' and employers' interests in cooperation with the government. Therefore, the cradle of neo-corporativism is in the European states, according to their size, those the smaller, with well organized class and sector associations and economy, which at international level are strongly integrated and consequently easily susceptible. The presence of strong social-democratic parties, stable electorate, adequate cultural

and linguistic unity and neutral foreign policy, are additional factors that create favourable environment. (Schmitter 1992, 436)

This trend is still continuing. During 1970s, in many European states, trade unions and employers were stimulated to bargaining with the aim of creating policy that will help in overcoming economic crisis. Consequently, neo-corporatism emerged there where parties closest to the trade unions were in power (Federal Republic of Germany, for example). That's why it was faced with obstacles there where segmentation of interest-based organizations existed. In states where the pluralistic model was closer to them, the reasons for segmentation were different. Speaking about the trade unions, it might be the ideological divergences (Italy, France), national or linguistic differences (Spain), or differences among professional categories (Great Britain).

Recent researches indicate that neo-corporatism is in crisis in many countries, while, on the other hand, it started to be introduced in some states of Southern Europe, which didn't have where such a tradition.

Both of these models have advantages and disadvantages. While pluralistic structure leads to greater segmentation and contradicted requests, to that extent that it was said to be hyper-pluralism, in the case of neo-corporatism, the emphasis is primarily put on discrimination of the weaker ones. "As Philip Smither concluded, the destiny of corporatism, as a political practice and as a theoretical concept, is variable: on one hand it presents it as a new and promising model, that would create social harmony, while on the other hand, it condemns it as reactionary and of bad reputation, since it suffocates political requests… the neo-corporative agreements conceal anti-discriminatory elements that give advantage to the representatives of the profession rather than the citizens, the administration rather than the ordinary people, state hierarchy rather than the local structure, the forces rather than the weak groups. And finally, it seems that it has no positive influence neither on the economic growth nor on the elimination of inequality." (Della Porta, 2003, pp.116).

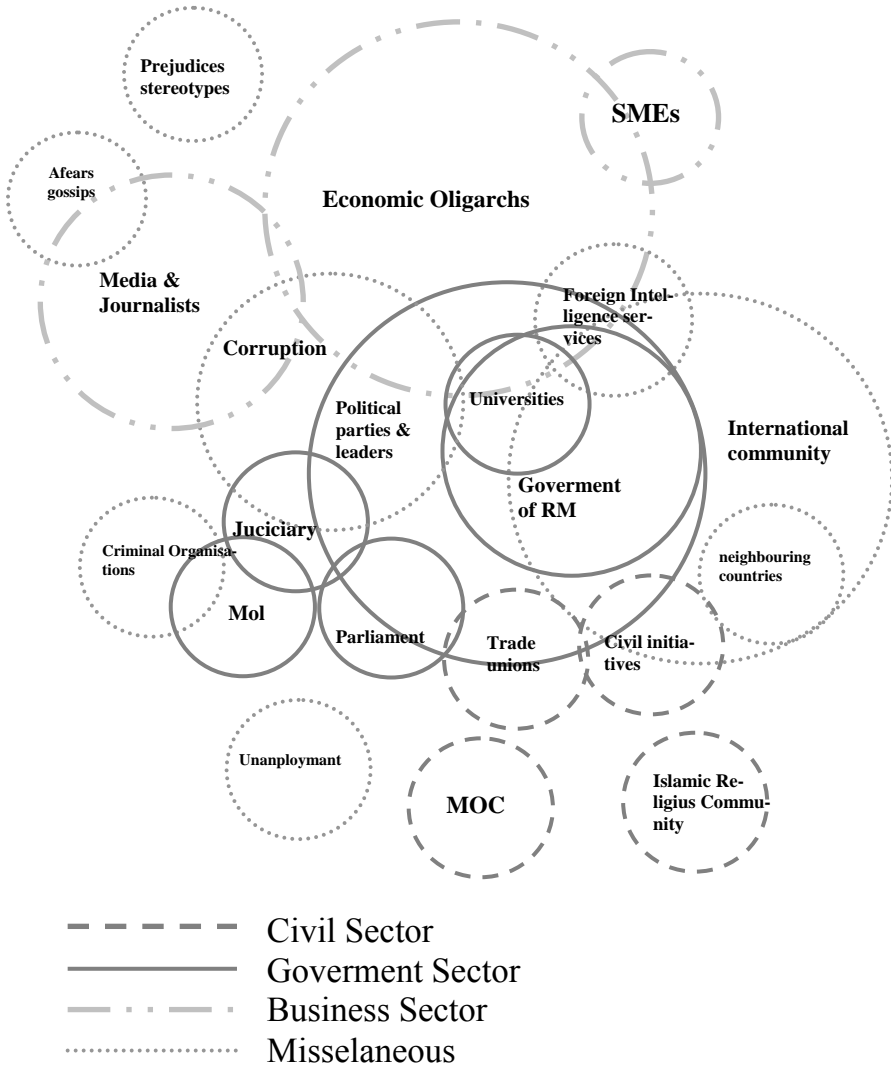## TRADE UNION IN THE REPUBLIC OF MACEDONIA IN POLICIES CREATION

Trade Union as Part of Macedonian Civil Society

In the extensive research on civil society in Macedonia (Civil Society Civicus –Index, MCIC, 2006) two diagrams were made, that are rather indicative for the situation and position of the trade union. The first map is about the social forces, and its aim is to present the distribution of power, especially between the civil sector, state sector and business sector. The size of the circles and their mutual overlapping shows where the power is allocated and among which forces (actors there is overlapping exists in its practicing. From the diagram it is evident that

trade unions are among the less influential actors and that they partially overlap only with the political parties and leaders.
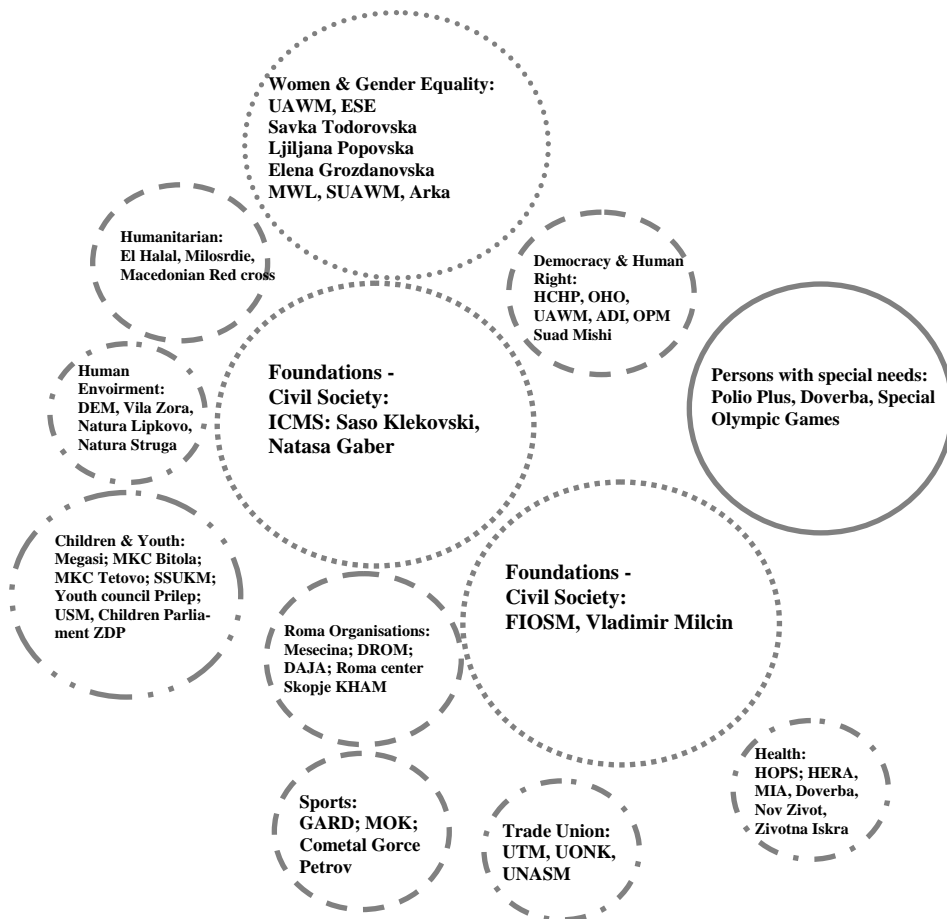
Diagram 1.

Map of Social Forces (NSG, 2004)

On the second Diagram, representing the civil society, the trade union is presented as an actor with peripheral (the) smallest importance in the network of interest-based organization in the Republic of Macedonia. Anyhow, the above mentioned research pays no special attention to the trade union in its further extensive analysis.

Diagram 2.
Map of Civil Society (NSG, 2004)

Women & Gender Equality:
UAWM, ESE
Savka Todorovska
Ljiljana Popovska
Elena Grozdanovska
MWL, SUAWM, Arka

Humanitarian:
El Halal, Milosrdie,
Macedonian Red cross

Democracy & Human
Right:
HCHP, OHO,
UAWM, ADI, OPM
Suad Mishi

Persons with special needs:
Polio Plus, Doverba, Special
Olympic Games

Human
Envoirment:
DEM, Vila Zora,
Natura Lipkovo,
Natura Struga

Foundations -
Civil Society:
ICMS: Saso Klekovski,
Natasa Gaber

Children & Youth:
Megasi; MKC Bitola;
MKC Tetovo; SSUKM;
Youth council Prilep;
USM, Children Parlia-
ment ZDP

Foundations -
Civil Society:
FIOSM, Vladimir Milcin

Roma Organisations:
Mesecina; DROM;
DAJA; Roma center
Skopje KHAM

Health:
HOPS; HERA,
MIA, Doverba,
Nov Zivot,
Zivotna Iskra

Sports:
GARD; MOK;
Cometal Gorce
Petrov

Trade Union:
UTM, UONK,
UNASM

These indications regarding the position and role of the trade union to a great extend overlap with widely spread perception for this interest-based organization during the past fifteen years. The viewpoints and opinions of the citizens presented through the public opinion poll, their treatment in media, as well as expert opinions presented at some speakers' platforms, do not include it in the influential actors on the political scene. On the contrary, it is believed that trade union did very little for promoting and protecting the interests of its membership. Why they are in fact criticized? Critics may be summarized in several points:
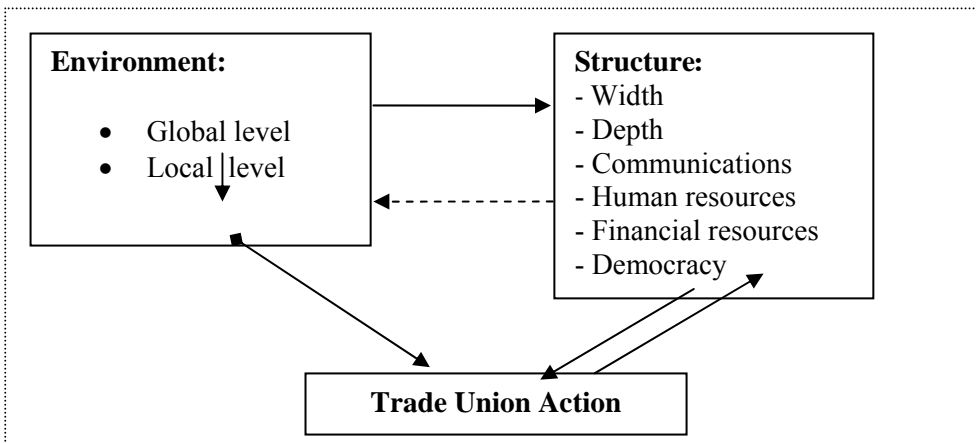
1. Insufficient distance from political government (too big closeness of the leading persons with the government, accusations for transferring money from public enterprise to the account of the trade union).

2. It is too much preoccupied with its self (numerous confrontations between the leaderships of the trade union, and mutual accusations for bad efficiency of the organization).
3. Bad human resources policy.
4. Absence of transparency of its work and spending resources.
5. Separation of the leadership from the membership/workers.

Are the critics exaggerating? The members of the trade unions admit their inability to significantly influence on the policies creation process, but on the other hand they believe that critics are not at all realistic, and that they are also very frequently politically motivated. In short, their comment could come to the following: *We were not very much efficient, but without us the situations would have been worst. On the other hand, objective circumstances were not in our favour.* The absence of systematic research on trade unions in Macedonia to a great extend is limiting our possibilities to evaluate its work during the past period. Further in our analysis we will focus on two aspects: factors that were conditional upon its efficiency, and the ways in which it expressed its influence in the policies creation process.
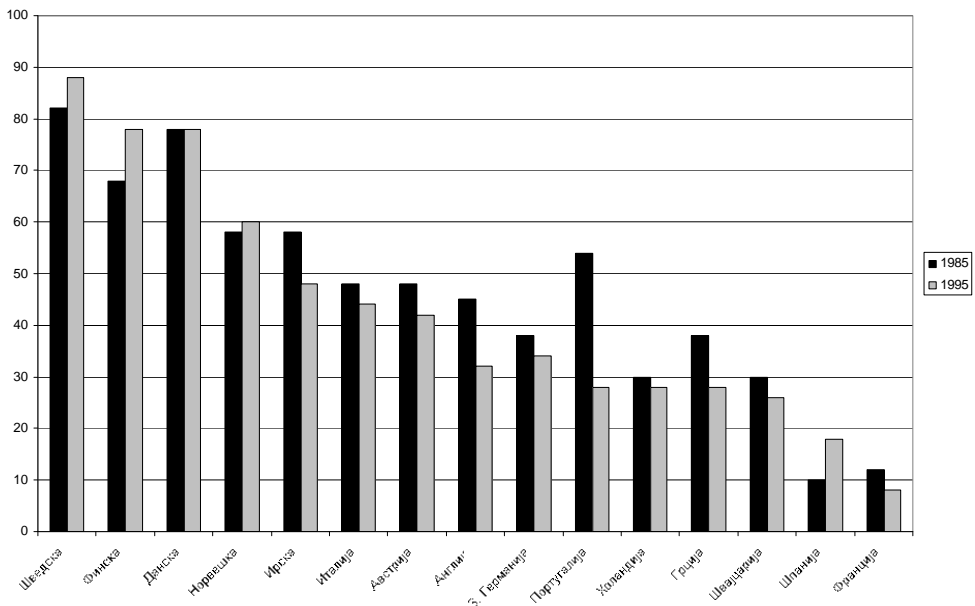
Model of Analysis

In the literature there are many models to research the role of trade union in the society. For the needs of this analysis we depart from the following supposition: the influence of trade union (trade union action) depends on the social context in which it operates (at global and local level), and the structure of the organization (width-membership, organizational network), depth (motivation of membership to participate in the activities, human and financial resources they has at disposal, democracy/transparency of the organization).

Global level: **Challenges of Contemporary Syndicalism**

If we are to present the situation in the contemporary trade union in one sentence, it would be "*These are not good times for the trade unions*". We find arguments to support this thesis in the following findings: decline in trade union membership in many Western democracies, decreasing the interest for becoming a member especially among young population, weakening of three-partism, reduction of capacity for mobilization. In comparison with other collective actors who have influence on the political process, they lost their competitive advantage, showing smaller abilities for adapting to the new social changes.

Trade Union Membership in Western Europe (In percentage)

Sources: Richard Sakwa and Anne Stevens (2006)

The changes that are being discussed are known, and therefore here we will only briefly remind ourselves. Technological development, in particular information technology, destroyed the classic ideas about the organization and factors for production, as well as about the material, social and cultural life of the worker. The changes in the economic structure, and the structure of the labour force, changes of working conditions, and improvement of workers' material status were also their reflected on the social stratification. Processes emerged that were completely opposite to those forecasted by Marx: societies become richer, the working class segmented, and due to the segmentation of its homogeneity, class awareness and solidarity blurred. ***The traditional worker, with his sub-culture as a main resource on***

the basis of which the Trade Union founded its position in the system, no longer exists (*see Markovic 1981, Haralambos, Holborn 2002, and Hejvud 2004)*

Such situation in a way was also reflected on the political infrastructure: party identities become weaker, the so-called catch all parties experienced growth, the principles and values of New political right   gaining importance. The fall of Communism made even stronger these processes, having an influence on the visibility of the political actors on the social scene, and of course, weakening the positions of the political left. The last decade of the twentieth century, and the beginning of the twentieth first century passed as a signal of the *end of ideology and the end of history, with small scent of neo-liberalism.*

The Trade Union movement in the Republic of Macedonia was developing under such (unfavourable) global environment.

Specifics of the Macedonian Transition

Trade unions in the so-called countries in transitions are in a paradoxical situation: as interest-based labour organizations they should have supported, in principle, a process which on the whole means disassembling of workers' state, with all the privileges it brings for the workers. Privatization, as an important skeleton of such transformation, resulted in reducing the rights deriving from labour relations, as well as many other rights in the field of education, health, pension system and other social benefits, which for the ordinary citizens mean leaving the comfortable position of a complete social and economic security, where the risk and uncertainty are almost unknown categories. (The Yugoslav model of self-management socialism also offered other (political) conveniences). And, the trade unions, by definition, everywhere are fighting exactly against such processes. (Hristova, 1995).

Which were the specifics of the Macedonian transition and at the same time are relevant for our analysis? Very briefly, they could be summarized in the following three points:

1. Creation of its own state: in parallel with the economic and political transition, the process of creation of its own state was ongoing under conditions of unfavourable international environment.
2. Continuous tension in inter-ethnic relations, which culminated in an open conflict in 2001.
3. Rather unfavourable social and economic situation: rather high unemployment rate during the entire transitional period accounting for between 35-37% for over 10 years that put the state at the first place in Europe. (In parallel with this, the salaries were low and in most of the companies were not paid for long periods, bankruptcies…)

What is the importance of these specifics?

The first two issues, falling within the area of high policies, were about the **status of the state and the security of Macedonia**. Almost all political resources of the state were directed towards the resolution of these two essential issues for the survival of the state. The international community, which gave to the Republic of Macedonia strong logistical support in consolidating its democracy, was continuously focusing its attention toward them.

The third specific found its reflection on the social stratification of the society: many layers of the population become poor, and on the account of this, a small number of people become rich. Processes completely different than the one Lipset was talking about, when analyzing rich societies, in which the pyramid turned into rhombus thus significantly strengthening the middle layers. In our country, the processes are opposite: the rhombus turned into pyramid with a rather big basis. (Not prepared to accept their position, during the 1990's those at the bottom of the pyramid, massively and strongly expressed their dissatisfaction (numerous strikes, street rallies, demonstrations…). Behind most of them was the trade union. Gradually, that tension subsided, and the improved social and economic condition in the state effectuated the syndrome of **discipline-based character of the crisis**: threatened and disoriented, under permanent pressure that the companies would be closed and there would be layoffs, the employed, renounced their solidarity and collective action, accepting the strategy of sauve qui peut (Hristova L, 1995).

These specifics of the Macedonian transition (and not only those) made democracy in Macedonia rather vulnerable and dependant on the external factor.

All these processes in a certain way were also reflected on the political infrastructure. The political scene in the state was structured around the issues of the status of the state and security, also including here, of course, the inter-ethnic relations. This was especially visible in the case of political parties. Despite of many political parties which identified themselves as extreme political left to extreme political right, (Communists, Socialists, Social-Democrats, Liberals, National, and Demo-Christian Parties), the analysis of the realistic behaviour of relevant political entities indicates that the parties positioned themselves around the center, or to the right of the centre. Such a conclusion is drawn if we follow the privatization processes of social capital, privatization of public sector, reduction of rights to labour relations, reforms in health system, cooperation with trade unions and other. The neo-liberal doctrine has strong influence on their realistic behaviour, which would make some analysts argue that nowhere like in Macedonia the neo-liberal consensus was so strong, and that dissidents almost did not exist.

The traditional issues related to the regulation-deregulation (those from the social and economic area), did not prove to be sufficiently attractive for profiling of the parties. The differences in their behaviour were seen only depending on whether the party was in power or in opposition (which indicated absence of strategy); while in the Albanian political block, this interest was not even recognized. Of course, this situation was strongly influenced by the continuous cooperation

with the World Bank and International Monetary Found, whose strategies were inspired by the neo-liberal doctrine.

Evidently, the circumstances were not favourable for action of the trade unions.

Trade Union Scene in Macedonia: Between Trade Union Monism and Trade Union Pluralism

The Trade Union movement in the Republic of Macedonia is characterized by the efforts to establish the trade union pluralism. At the beginning of the nineties, two trade union headquarters were established: *The Federation of Trade Unions of Macedonia (original: Sojuz na Sindikati na Makedonija – SSM) and the Union of Independent and Autonomous Trade Unions (original: UNASM)*. The first was the successor of the trade union from Socialism (of course, transformed), that inherited widespread organizational network and rather numerous membership. With its 17 branch trade unions, it practically covered all economic and non-economic activities and it was believed that the percentage of workers organized in trade union accounted for approximately 75-80%. UNASM was constituted in 1992 and it united several independent trade union organizations, established in several enterprises in the area of economy in the beginning of the twenties. (The most numerous trade unions were the one of the Farmers, seated in Kocani). Initially, this alternative trade union was accepted with great distrust and animosity by its closest environment. (In the companies and part of the public). It is difficult to give more accurate data, but it was significantly lagging behind the SSM, both in terms of its organization and the size of its membership. Faced with numerous difficulties in its functioning, this trade union headquarters failed to become an influential entity on the social scene in Macedonia. ***In fact, almost during the entire transitional period one trade union headquarters- SSM was functioning in the state*** and the analysis of the trade union action was in fact about it. In 2005 following some numerous confrontations with the headquarters, several branch trade unions (education, financial institutions, and defence) split from the SSM establishing separate trade union headquarters – Confederation of Free Trade Unions of Macedonia (Original: KSS). Both Confederations, that do not cooperate, mutually disputed the legitimacy for negotiations with the Government.

Today, neither of the trade unions is coming out with figures about their membership, saying that that it is practically impossible due to the permanent changes in the economy (insolvency, layoffs, re-establishment of some companies, and reduction in the number of employed in the public sector and other). But one thing is for certain: the main bastion of the trade unions in Macedonia is the public sector. In the private sector, the situation is quite different: in some of the big companies, privatize in the meantime (Alkaloid, Ohis, Cement Plant, and other), the employed are organized in trade union, while in the newly established (as by rule, smaller companies), it is an exception. *With regard to the rights of the workers, among the later, prevails an awareness from the 19[th] century*, would argue some of

our collocutors. However, even in the big companies in the economy we can hardly speak about independence of trade unions in reference to their owners.

All trade unions are faced with serious problems in the area of financing, since their membership is dropping, while the salaries of the employed are small or paid on irregular basis. Concerning the internal democracy, some of the trade union members, on several occasions, of came up before the public with their views that the organization is rather centralized and that lower organizational levels have no chances to participate in policies creation or insert influence on the human resources policy. (The answer given by the other side, was that in fact the question was about the leadership ambitions of individuals who hide themselves behind the in principle questions).

Trade Union and Political Parties

In short, the position of the trade union regarding the political parties during the past period could be reduced to two essential assessments.

The first one is that the trade union, during the whole transition period remained almost at equal *distance from all the political parties*. Such a viewpoint was a result of the assessment that its politisation would also lead to its dissolution. The fractions in the Macedonian political tissue, on the basis of which the political scene was structured, were of such a character that the cooperation of the trade unions with any political party would have made the trade union unacceptable to all other parties. For that reason, trade unions remained neutral during all the elections, leaving to their members to decide by themselves whether they would, or for whom they would cast their vote. (The only exception were the 1994 presidential elections, when they opted for the presidential candidate Kiro Gligorov).

The second assessment would be that the trade union was not able to recognize its natural ally even in one single party, which was already discussed earlier in this paper. *For us, they are all the same, because in our communication we are face with similar problems with all of them.* Some denied this non-politisation of the trade union, believing that behind the official pretence different contents were hidden, but it is a fact that, at formal level, until now not even a single trade union in Macedonia has contested its political neutrality.

Models of Presenting Interest: Corporatism, Pluralism, Elitism, Or?

In the Macedonian case many elements of neo-corporatism can be identified. The establishment of the Economic and Social Council in 1996, with the Agreement signed by the than President of the Government of the Republic of Macedonia, Chamber of Commerce of the Republic of Macedonia and the SSM, probably is the strongest argument in this respect. The Council, through which the dialogue among the social parties became official, should have advisory-consultative function on issues falling within the social and economic area. The obligation of the Government, ministries and other bodies, is to compulsory discuss proposals by the Council and inform its members about their viewpoint (Article 4 of the Agree-

ment). This is probably the most important step toward establishing threepartism in the Republic of Macedonia. However, way back in the past, during the privatization process, the trade union had its representative in the Commission for Privatization of Socially-own Capital that made possible for the trade union to be directly informed and insert its influence on this, for the employed rather important process. The insider role of the trade union is also reflected in the constitutional provision setting forth that the exercise of rights of the employed and their position is regulated by law and collective agreements (Article 32 of the Constitution of the republic of Macedonia). As it is well known, one of the signatories of the collective agreements was exactly the trade union. Such institutional and statutory position of the trade union is a favourable prerequisite for inserting its influence on formulation of policies in the socio-economic area, but since formalized by the government, its influence is significantly smaller. (See Georgievski T., 2000, pp. 35-37 and pp. 56-57). The last move by the current Government of the Prime Minister, Nikola Gruevski, by which the salaries of those employed in the public sector were raised for 30%, is a typical example of this. The trade unions, learning about this news from the media, couldn't do anything else but commend the move of the Government, but also complain about their marginalization (see Daily "Untrinski Vesnik", September 28, 2007). Most probably, this is an additional element to the thesis that the three-partite concept in Macedonia was primarily introduced for the purpose of political legitimacy of the government (Georgievska, 2000, pp. 56),

During the past period, trade unions also used methods of influence typical for the outsider interest-based groups: rallies in front of the governmental institutions, road blockages, tried to animate media, signed petitions (the most important is the 1993 public initiative for collecting 150.000 signatures for scheduling early elections, as an expression of revolt that the current government is doing nothing about the workers). However, this protest-based policy subsided in the course of time, in terms of its scope and its range which, most probably is due to decreased capacity for mobilization, rather than increased efficiency of the organization, implemented through the three-partite bodies.

The critics of the trade union will most probably identify also the elitist manner of behaviour, finding their arguments in the disconnection of the leadership from the membership, lack of transparency in the work of the trade union, informal meetings government-trade union at top level, without including or informing the trade union structures about the course and outcome of the discussions.

In any case, it seems that the trade union, through its role as a social partner, i.e. through its insider position, was the most successful in inserting its influence on the policies falling within the social and economic area. In spite of the critiques with regard to inadequate treatment of the trade union by (all) governments, the trade union representatives confirm that workers' stockholding, the numerous privileges they kept in regard to maternity leave, holidays, food and transportation allowances and other, have been achieved thanks to their involvement in the struc-

tures that make decisions thereto, as well as thanks to the high treatment that collective agreements have in our legal order. (They are a constitutional category).

What Could We Conclude?

How big is the real influence of the trade union on social policies creation? Departing from the widely accepted opinion of insufficient influence, and the marginalized role of this interest-based organization, the analysis points out factors that limited its efficiency.

Findings speak in favour of the thesis that the trade union in Macedonia acted under conditions of relatively unfavourable environment, both at global and at local level. The decline of trade union popularity at global level was also reflected at national level, although, under circumstances of Macedonian transition, the influence of other factors was also evident, in a negative direction. However, speaking at local, mention should also be made about the normative and institutional setting of the organization in the system, in positive direction. The problem is more about the implementation, i.e. respecting the trade union as a social partner. In reference to the factors of the trade union structure, most of them are not positive assumptions regarding the role of the organization in policies creation. If we can justly say that those related to the environment were not depend upon the trade union, the factors related to the trade union organization could be treated as being of subjective nature, i.e. that they might have been influenced by the trade union. The analysis made an effort to identify these factors, and point out the direction of their influence, but not their intensity. How big is the real influence of individual factors, and how they evidently had an impact on the role of this organization, could be questions for some future researches about the trade unions, which are in deficiency in our country.

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