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

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

Chisinau, 13-16 March 2007
AGEING IN BIH – MAIN CHARACTERISTICS:

• BiH population Aged significantly in past 3 decades

• Mean age of the BiH population in 1961, was 25.00 (Albania 25.78) - the youngest in SEE

• In 2002 mean age 37.52 (Albania 29.06) - now among the oldest in the SEE

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

<table>
<thead>
<tr>
<th>Countries</th>
<th>1961</th>
<th>1991</th>
<th>2002</th>
</tr>
</thead>
<tbody>
<tr>
<td>Albania</td>
<td>25.78</td>
<td>27.51</td>
<td>29.06</td>
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<td>Bosnia and Herzegovina</td>
<td>25.00</td>
<td>32.54</td>
<td>37.53</td>
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<td>Bulgaria</td>
<td>32.58</td>
<td>37.34</td>
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<td>Greece</td>
<td>32.12</td>
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<td>Hungary</td>
<td>34.03</td>
<td>37.45</td>
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<td>26.43</td>
<td>31.80</td>
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<td>Moldova</td>
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<td>Romania</td>
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<td>37.71</td>
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<td>Serbia and Montenegro</td>
<td>30.34</td>
<td>35.05</td>
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<td>Slovenia</td>
<td>32.12</td>
<td>35.90</td>
<td>39.32</td>
</tr>
</tbody>
</table>

MAIN CAUSE OF AGEING
- LARGE SCALE MIGRATIONS

• 1990s Forced migration
  – ½ population moved 1991-1995

• Economically induced migration
  – Poverty, unemployment, housing
  – Emigration of young people - estimated 120,000 between 1996-2001
  \footnote{www.osce.org.ba}
MIGRATION EFFECTS AND THE ELDERLY

- Breakdown of family structure

- Elderly without family care, traditionally dominant pattern
  - homes for elderly doubled (full capacity)
  - IDP camps

- Outreach home care program ended in 2000
  (35,000 elderly beneficiaries)
MAJOR CONCERNS FOR THE ELDERLY IN BIH

• Perception of being old
• Social and health welfare
• Pension system
• Social exclusion - Poverty
THE CURRENT SITUATION IN BIH SP AND HEALTH SYSTEM AFFECTING ELDERLY

1. No state level law that regulates social protection (SP) programs

2. 680,000 poor people, 324,071 registered beneficiaries of social benefits (no data on age groups)¹

3. SP and spending for SP - lack of targeting user groups

4. Entitlement to social transfers status driven

Sources: BIH PRSP/MTDS Revised document, Statistical Annex 2006;
THE CURRENT SITUATION IN B&H SOCIAL PROTECTION AND HEALTH SYSTEM

7. SP system in BIH is highly disparate regulated on entity, cantonal levels

8. Cantonal laws regulate SP according to their needs and capabilities

8. SP cash spending dependent on where people live

9. Municipalities do not provide equal benefits

10. No data base on health conditions of the elderly
PENSION SYSTEM

• Age, family and disability pensions. Total number of elderly pensioners unknown.

• Age threshold increased from 55/60 to 65 for both women and men with early retirement option.

• Burdened by large informal economy (app. 30% contribution in GDP, 43% inactive labor force). Long-term consequences.

• 1.3:1 ratio of employees to pensioners Vs. 4:1.

Source: BiH LFS 2006, BIH Statistics system
ELDERLY- SOCIAL EXCLUSION AND POVERTY

• Older people marginalized, multiple SE (poverty, access to SP, discrimination)

• Issues concerning the elderly not in the primary focus of CSOs

• 1/5 elderly frequently or very frequently view every activity as a burden (NHDR 2006)

• Financial poverty main driver of social exclusion of elderly
SOCIAL EXCLUSION AND POVERTY

• At risk of poverty 23.7% elderly (Leaken indicators 2006)

• Absence of social transfers would double poverty

• Pensions largest effect on poverty reduction (Leaken indicators at poverty risk 2% vs. 23.7-38.5%)

• Elderly women more affected by poverty (58% of population above 65 women)

Source: NHDR - BIH 2006 Social Inclusion
Main goals of BIH MTDS (PRSP) 2004-2007:

1. Create conditions for sustainable and balanced economic development at all administrative units (RS, FBiH)
2. Reduce poverty by 20%
3. Accelerate EU integrations

Revised MTDS (2006) recognized the need to reform SP system, rather than changes

The reforms envision reforms of pension, health and SP systems, as well as a targeted approach to the elderly.
In 2006 started the process of transformation of the EPPU to BIH Directorate for Economic Planning (DEP), a core body within Council of Ministers.

Main activities:
- Coordination and monitoring of implementation of MTDS BIH
- Development of strategy for the period 2008-2013 that will serve as a basis for NDP
- The first BiH Social Inclusion Strategy