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Pensions, Health Care and Long-term Care

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1 Executive Summary

The global crisis has continued to adversely affect the Serbian economy. 2011 saw declined GDP growth, a decreased employment rate (currently at 45.5%) along with increased unemployment (24.4%). These trends triggered a decrease in average net salaries and pensions as well as an increase in the poverty rate. Due to all these developments, significant positive changes in the economy are not expected in 2012.

Legal changes in the public pension system were introduced at the end of 2010. In essence, they concern the extension of contributory periods for a full pension, an increase in the minimum retirement age, as well as changes in eligibility criteria for privileged categories and in pensions' indexation. Additionally, insurees serving in the military have been included in the public system of pension insurance, as of the beginning of 2012. For pension payments in 2012, only 48.55% of the necessary funds will be collected by the Republic Fund of Old-Age and Disability Insurance and the rest will be paid from budgetary resources.

The private pension system is still underdeveloped. This is shown by the low numbers of beneficiaries and the share of net assets of private pension funds in the national GDP. However, even in 2011, the net assets as well as the number of beneficiaries were increasing. Declared objectives of pension reforms were in compliance with the OMC objectives. However, practical steps have frequently had opposite effects (regarding adequacy of pensions, financial sustainability of the system, etc.).

Reforms in health were neglected in 2011. Some of the more important developments were the finalisation of the introduction of capitation in primary health care, along with starting activities aimed at the introduction of diagnosis-related groups in the secondary and tertiary health care by 2015.

There are still a lot of challenges regarding access, quality and financial sustainability that need to be tackled. However, a lot of efforts have been made, especially regarding the extension of coverage for vulnerable groups in respect of health protection and health insurance.

Some changes in the social system, mainly those affecting social welfare, but also health care as well as old-age and disability insurance, impacted on the long-term care. They comprised of the legal introduction of sociomedical facilities, which at the moment represent the only option of connecting social welfare and health care systems. Also, a set of social welfare benefits has been changed to a certain extent and an allowance for elderly in need of care support was reintroduced in the pension system. Amendments to the health legislation enabled the introduction of home treatment and services of medical and palliative care for elderly in local communities. Many supportive activities for families taking care of elderly were organised on the local level.

Employment rates of older workers show the huge problems they are facing in their efforts to find jobs. One of the state programmes includes the release of employers from paying social insurance contributions for employing older workers. Moreover, the pension system combines work and pension income without any deductions. Various different measures to promote active ageing have been introduced. However, not all of them have shown significant achievements in practice.

2 Current Status, Reforms and the Political and Scientific Discourse during the previous Year (2011 until February 2012)

2.1 Overarching developments

The global financial crisis has revealed weaknesses and the long-term unsustainability of the Serbian economic and social systems. The period of dynamic economic growth (2001-2008) with an average rate of 5.4% was interrupted in late 2008. In 2009, GDP declined by 3%, and in 2010, a slight economic recovery was recorded, as well as a GDP growth of 1.2% (Ministarstvo finansija, 2010). In mid 2011, economic activity entered stagnation and real GDP growth is expected to be around 2% at the end of 2011. In 2012, a GDP growth of 1.5% is projected.[1] Unfavourable developments in the economies of the Euro zone, with which the national economy is closely linked, could easily introduce a new recession into the Serbian economy.

Labour market trends deteriorated: there has been a further decline in employment and growth in unemployment. In April 2011, the employment rate was 45.5% - it was significantly lower for women (38.8%) than for men (52.2%). In November 2011, a further decline of 0.2% in overall employment was recorded (45.3%), with slight increase in employment of men (52.5%) contrary to a decrease in employment of women (37.9%). High unemployment is still the biggest structural problem in Serbia. The unemployment rate in April and November 2011 was 22.9% and 24.4% respectively.[2] The registered unemployment rate of persons actively looking for jobs in October 2011 amounted to 29.6% (Ministarstvo finansija, 2011). Due to the unfavourable economic situation, significant changes in the labour market are not expected in 2012.

The average net salary in 2011 (January-October) amounted to RSD 37,364 (EUR 340)[3] and was lower compared to the same period of the previous year (by 0.5%). At the same time, the average pension amounted to RSD 21,189 (EUR 193) which was 4.6% lower compared to the same period in 2010 (Ministarstvo finansija, 2011). The poverty rate in 2011 increased to 10%, which means that 700,000 people lived under the poverty line, established as EUR 80 per month.[4]

The current deficit in 2011 is about EUR 2.5 billion or about 7.5% of GDP, which is almost at the same level as it was during the previous year. Inflow of capital from abroad enabled its financing, but the situation might be different in 2012, due to obligations based on credit repayment. There are estimates that more than EUR 7 billion will be needed in 2012 in order to service the public debt and interests abroad. By the end of 2011, public debt had approached the legal limit of 45% of GDP. In 2012, the planned fiscal deficit is 4.25% of GDP (FREN, 2011).

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[1] The Ministry of Finance – Updated projection of macro-economic trends, http://www.mfin.gov.rs. Based on the latest estimates of the World Bank, GDP growth in 2013 is expected to be 4% (WB, Global Economic Prospects, January 2012, Uncertainties and Vulnerabilities, http://econ.worldbank.org).

[2] Calculated as a participation in the structure of working-age population (15-64 years of age). The unemployment rate that represents a share of unemployed in the total number of active inhabitants (employed and unemployed) is lower and was 22.2% and 23.7% in April and November respectively (Republički zavod za statistiku, 2011).

[3] For the purpose of simpler calculation and in order to avoid every day fluctuations of exchange rate, this report approximates the value of EUR 1 to RSD 110.

[4] Data of the Ministry of Labour and Social Policy.

Short-term measures in order to mitigate the negative effects of the crisis were partially successful in maintaining fiscal stability. Control of expenditures in the national budget, changes in the distribution of funds, as well as freezing of pensions and salaries in the public sector (2009-2010) led to a deficit reduction. A stand-by arrangement of the IMF provided financial support to Serbia in the value of EUR 2.87 billion for 2009 and 2010. In August 2011, the government concluded a precautionary arrangement with the IMF, which provides for an increase in the fiscal deficit and total expenditures, due to a growth of expenditures for pensions and salaries. Having in mind the problems triggered by the economic crisis and specificities of the growth of the national economy in the previous decade, a development concept, *Serbia 2020,* was prepared, which is in compliance with the strategy *Europe 2020*.

Serbia 2020 emphasises the seriousness of the "demographic problem" and provides for the reduction of relative poverty from 17.7% in 2009 to 14% by 2020. To achieve the projected targets in the field of social inclusion, improvement of the adequacy of the amount of social assistance, better targeting and development of programmes for full access to education, labour market, health and social services (active inclusion) are recommended.[5]

On its way towards the EU, Serbia did not experience success in December 2011, when the European Council did not accept the recommendation of the Commission on giving candidate status to Serbia. This decision was thought to have a serious impact on political developments and economic trends in the country, as well as on elections in 2012. However, Serbia has finally become a candidate country on 1 March 2012.

2.2 Pensions

2.2.1 The system's characteristics and reforms

The Serbian pension system was reformed based on a new *Law on Old-Age and Disability Insurance* in 2003, its amendments in 2005, and the latest changes at the end of 2010.[6]

Pension reforms were structured around implementing the World Bank's multi-pillar system. The solution of parametric changes in the compulsory insurance (1st pillar) and the introduction of a 3rd pillar (voluntary private) were accepted, while the introduction of the 2nd pillar was delayed due to the high transition costs, the underdevelopment of capital markets, and the deficit in the compulsory insurance fund.

Parametric reforms within the public, mandatory PAYG system included raising the retirement age, changing the calculation formula and indexation of pensions, and more stringent conditions for the granting of disability pensions and for early retirement, as well as the elimination of some benefits. Changes in the 2005 legislation were aimed at reducing public spending and achieving macro-economic stability. The retirement age was raised by a further two years, but the implementation took place gradually (every six months) until 2011. These changes also included pension indexation, by the transition from the so-called Swiss formula to indexation based on the cost of living (but not earnings), provided that the average pension may not be less than 60% of the average salary by the end of 2008.

In late 2010, the changes in the pension system, which had been discussed with the IMF in 2009, were adopted. Proposed changes, adopted by the government in June 2010, were met with harsh reactions from trade unions. Protests had also been announced for not having

[5] During the public debate about *Serbia 2020,* many shortages regarding unrealistic development projections, exaggerated and unfounded optimism as well as lack of capacities for meeting objectives were highlighted.

[6] *The Law on Old-Age and Disability Insurance*, "Official Gazette of RS" numbers 34/03, 85/05, 5/09, 107/09 and 101/10.

consulted the Economic and Social Council. After negotiations with the unions, and pressure from the IMF, the National Parliament adopted amendments to the *Law on Old-Age and Disability Insurance* on 29 December 2010. The essence of changes concerns the conditions for retirement on the basis of the "full qualifying period" and minimum age, privileged qualifying periods and indexation of pensions.

Financing. The system of mandatory pension insurance in Serbia is based on the pay-as-you-go (PAYG) principle.[7] The contribution rate for compulsory pension insurance amounts to 22%[8] and is equally divided between employers and employees (each 11%). Collecting funds falls under the scope of the tax administration, which distributes them to the pension funds. In 2010, in order to reduce the effects of contribution evasion, the government decided to refund missing contributions in the period from 1 January 2004 to 31 December 2009. The funds will be paid to the Fund of Old-Age and Disability Insurance, for the purpose of covering employment periods for which employers did not pay contributions for their employees.

According to the financial plan[9] of the Fund for 2012, the revenues will be 13% higher than the budget rebalance in 2011. An important increase in funds is a result of including military insurees to the Republic Fund of Old-Age and Disability Insurance, as of 1 January 2012.[10] In 2012, out of total revenues of the Fund, contributions for social insurance are planned to amount 48.55% of total funds. The rest of the funds are budgetary transfers.

Pensions are the state's biggest expenditure, despite the reforms, which aimed at the financial stabilisation of the insurance funds. In the *Revised Memorandum on the Budget*, the government envisages a reduction of social assistance and transfers to households from 17.6% of GDP in 2011 to 16.8% in 2012, and 15.9% in 2013. The *Law on the Budget for 2012,* adopted by the National Parliament[11], envisages revenues of RSD 750 billion (EUR 6.81 billion), expenditure of RSD 890 billion (EUR 8.09 billion), and deficit of RSD 140 billion (EUR 1.27 billion). The major parts of the budgetary funds (41.8%) are expenditures for social protection. Their largest proportion is for the expenditures of the Republic Fund of Old-Age and Disability Insurance. According to the estimations of the World Bank, Serbia can expect a drop in the level of pension spending as percentage of GDP from 12.7% in 2010 to 11.8% by 2015 and 10.7% in 2020 (World Bank, 2009).

Eligibility conditions. The *Law on Old-Age and Disability Insurance* provides for the rights to old-age, disability and survivor pensions, as well as the rights to compensation for personal damage, allowance for care and support, and funeral grants (Vuković, 2009: 90). The right to an old-age pension can be exercised at the age of 65 for men and 60 for women with at least 15 years of coverage. Contributors aged 58 with a qualifying period equivalent to 40 years (men) and 38 years (women) also have the right to old-age pension. Finally, contributors irrespective of their age can realise this right with 45 years of coverage (Article 19).

Based on changes to the law in 2010, the eligibility conditions for a pension regarding the "qualifying period" for women were modified. The minimum retirement age was increased

[7] According to the *Law on the Military of Serbia*, which was enacted on 1 January 2008, about 55,000 military pensioners (eligible based on the Law on the Military of Yugoslavia) will become members of the Republic Fund of Old-Age and Disability Insurance.

[8] The *Law on Contributions for Compulsory Social Insurance* ("Official Gazette of RS"numbers 84/04, 61/06, 5/09) defines the following rates: for old-age and disability insurance 22%, for health insurance 12.3% and for unemployment insurance 1.5%. Therefore, the total burden for salaries is 35.8%.

[9] Based on a proposal for a financial plan adopted by the Managing Board of the Republic Fund of Old-Age and Disability Insurance ("Voice of the Insured", 15 December 2011).

[10] It was estimated that 5% of total revenues of the Fund will be needed in order to finance pensions of military pensioners.

[11] *The Law on the Budget of the Republic of Serbia for 2012,* http://www.parlament.gov.rs.

from 53 to 58 years, and the required contribution period from 35 to 38 years. Based on the adopted law, the change of the contribution period will be implemented gradually between 2013 and 2021, so that it will be increased by four months a year. The minimum retirement age will be increased from 2013 to 2016 by four months a year and from 2017 to 2023 by six months a year. Regarding men, there were no changes in the minimum contribution period, so that it remains 40 years, while the changes in the retirement age will be implemented as in the case of women.

The second part of introduced changes relates to the accumulation of pension rights based on privileged qualifying periods. For the privileged categories,[12] the new law provides for an increase of the minimum retirement age from 53 to 55, to be gradually implemented in the period between 2011 and 2016. The retirement age for some privileged professionals can still be reduced to 50 years if they exceed the statutory contributory period. Every additional year counts for six months of early retirement.

In 2010, the minimum retirement age for beneficiaries of survivor pensions (i.e. widows, widowers) was also changed. Survivor pension can now be drawn by a widow of the deceased insuree if at the time of his death she was 53, and a widower if at the time of death of the deceased insuree, he was 58. Children are entitled to a survivor pension until the age of 15, or 26 provided that they are in full-time education. The amount of survivor pension ranges from 70% for one member to 100% for four or more members of the family of the deceased insuree.

Coverage of military insurees is calculated in the same way as for persons with privileged qualifying periods. However, for the calculation of their pension amount, salaries from 1996 will be taken into account (and not from 1970 as for other insurees). The consolidation of the funds was aimed at the creation of a unique system of old-age and disability insurance in Serbia.

The Republic Fund of Old-Age and Disability Insurance with its 2.64 million insurees and 1.63 million pension beneficiaries will gain an additional 37,000 of insurees and 47,000 pension beneficiaries with the inclusion of military insurees. The Fund will also take over a part of the obligations regarding the debt to 18,000 military pensioners which occurred in the period 2004-2007. The debt amounted to RSD 3 billion (EUR 27 million) but increased to RSD 12 billion (EUR 109 million). The reason is that the military pensions were not calculated and indexed in that period pursuant to valid regulations. Based on an agreement made with the Ministry of Finance, unpaid obligations towards military insurees were transformed into public debt. The public debt will be paid from the budget, as are all other public debts, and the funds will be distributed by the Republic Fund of Old-Age and Disability Insurance (Republički fond za penzijsko i invalidsko osiguranje, 2012).

Calculation and indexation of pensions. Since 2003, pensions in Serbia have been calculated pursuant to the so-called “German Point Formula”, i.e. the ratio of a person’s wage to the average wage in Serbia in each year of his/her life represents a personal coefficient. The sum of those coefficients is divided by the number of years, months and days taken into account for the calculation, and the personal coefficient obtained in this way is multiplied by the total years of coverage, i.e. the personal point.

Finally, the personal point is multiplied by the general point, which is the same for the whole of Serbia. The final figure obtained in this way is the pension amount. In April 2003, the value of the general point amounted to RSD 218.30; in 2010 it was RSD 605 (about EUR 6). The above mentioned formula was designed with a view to providing a direct relation between the pension

[12] Insurees entitled to privileged years of service are officials performing specific duties in the Department of the Interiors, intelligence agency, Ministry of Foreign Affairs, Tax Administration, as well as military insurees.

amount and paid contributions during the whole period of employment, thus encouraging individuals to stay in employment for as long as possible.

The indexation of pensions was the most controversial topic in the process of legal changes in 2010. In the end, it was accepted to increase pensions by 2% in December (first adjustment after two years). In April 2011, the adjustment was supposed to be made according to the changes in consumer prices in the previous three months, and in October 2011 and April 2012 according to the changes in the cost of living and GDP growth. After October 2012, the adjustment is planned to occur twice a year (on 1 April and on 1 October) and will be based on the changes in consumer prices and GDP growth. Changes to the *Law on the Budget System* envisage the implementation of the agreed indexation by 2015 or as long as the share of pensions in GDP reaches 10% of it.

Table 1: Pension beneficiaries (November 2011)

Old-age pensions		*Disability pensions*		*Survivor pensions*		*Total*		
Number	Average pension	Number	Average pension	Number	Average pension	Number	Average pension	% of net earnings*
Employed								
727,788	27,202	315,229	21,763	313,621	17,534	1,356,638	23,703	62
Self-employed								
29,146	26,797	17,043	22,909	15,195	16,808	61,384	23,243	61
Farmers								
179,978	9,656	13,645	10,084	25,493	6,858	219,116	9,357	24

** Average net earnings in November 2011 amounted to RSD 38,363 (EUR 348).*
Source: Republički fond za penzijsko i invalidsko osiguranje, 2011.

A guaranteed level of income in old age is realised according to legal regulations on minimum pension payment for old-age and disability pensions (without survivor pensions). The changes at the end of 2010 provided for extraordinary adjustment of the minimum pension on 1 January 2011, by 1% compared to the minimum pension paid in 2010. It is determined that the minimum pension cannot be below 27% of the average salary in the preceding year (without taxes and contributions from the previous year). For retired farmers, the minimum (old-age and disability) pension was determined at RSD 9,000 (EUR 90) on 1 January 2011, and is adjusted as provided by the law.

Voluntary pension funds. Voluntary insurance, which is underdeveloped in Serbia, is realised via private pension funds. Since 2006, the National Bank of Serbia has issued nine working licences to management companies. At the end of the third quarter of 2011 there were six management companies, three custodian banks and four intermediary banks. (Narodna banka Srbije, 2011a).

In the third quarter of 2011, net assets of voluntary pension funds experienced an increase of 4.7% compared to the same period of the previous year. Two funds are in the group of “big” players and two other funds are in the group of “medium” players, so that they jointly hold almost 97% of the market, with the biggest fund having a share in net assets of about 42%. The majority of the funds of private pension funds is in national currency (72.6% of total assets), while the remaining funds are in EUR (27.4% of total assets).

In 2011 (Q3) there were 173,920 beneficiaries[13] in the accumulation phase (period of paying funds) with a total of 232,013 membership contracts.[14] The highest increase in the number of beneficiaries was in the period 2008-2010 (about 10,000 new beneficiaries). A similar trend was also seen in 2011, when the number of beneficiaries increased by 2,000, 3,000 and about 2,000 in the first, second and third quarter respectively (Narodna banka Srbije, 2011a: 14). The majority of beneficiaries are men (59.5%), but women represent about 50% of new members. The average age of beneficiaries is 44, and the majority of them are between 30 and 50 (61%). The number of those eligible for withdrawing funds is similar to the previous year – about 20%.

The *Law on Voluntary Pension Funds and Pension Plans* changed the minimum age for withdrawing accrued funds by raising it from 53 to 58 years. The amount of accrued funds that can be withdrawn as a lump sum is limited to 30% of funds in the account. The government also offers the possibility to use the fund assets as a guarantee when buying individually owned residential property.

2.2.2 Debates and political discourse

Serbia does not have a special strategy on pension system reforms, but the aims of changes are represented within the *Poverty Reduction Strategy Paper* (2003), the *National Strategy on Ageing* (2006-2015), the *National Strategy of Sustainable Development* (2008-2017) and other documents.[15]

Basics of the government's policy are contained in the amendments to the 2010 *Law on Old-Age and Disability Insurance*, and documents governing the budget policy - *Revised Memorandum on the Budget and Economic and Fiscal Policy for 2011 with Projections for 2012 and 2013* and the *Law on the Budget of the Republic of Serbia for 2012*. Pensions are also an integral part of two documents regarding the Serbian obligations on its way to becoming a member of the European Union - *Answers to the European Commission's Questionnaire* and the *First National Report on Social Inclusion and Poverty Reduction in the Republic of Serbia*. Assessment of conditions and the reform effects is also found in a series of press releases, newsletters, and studies of the relevant government institutions, government advisory bodies, scientific research organisations and experts.

The study *Post-Crisis Model of Economic Growth and Development of Serbia 2011-2020* as a medium-term objective of pension reforms predicts the reduction of the share of pension expenditures in GDP (from 12.5% to 10%), increasing redistribution from richer to poorer[16] pensioners, and the introduction of social pensions. Discussions about social pensions are

[13] The number of beneficiaries is the number of persons who are members of voluntary pension fund(s). This number is smaller compared to the number of membership contracts, since a significant number of beneficiaries has more than one membership contract in the same fund or in different funds.

[14] The number of membership contracts is the sum of the number of individual membership contracts and the number of members of all pension plans.

[15] For a more detailed approach, see Vuković, D. Perišić, N. *Annual National Report 2010 – Pensions, Health and Long-term Care, Republic of Serbia,* available on: http://www.socialprotection.eu/files_db/910/asisp_2010_Serbia.pdf.

[16] The differences in pension amounts are huge. In November 2011, the amounts in the category of previously employed pensioners ranged from RSD 12,220 (about EUR 122) to RSD 111,914 (about EUR 1,119) and in the category of previous farmers from RSD 5,000 (EUR 50) to RSD 9,608 (EUR 96), which is received by 80% of pensioners belonging to this category. Farmer pensioners were in an unfavourable situtation also because of the public debt of 1990, which was repaid to them successively from 2006 to 16 December 2011, amounting to a total of RSD 30,000 (EUR 300) per person on average.

becoming especially important when considering the problem of insufficient pension coverage of elderly people.[17]

The government estimates that the biggest challenges for security in old age are high unemployment, problems in collecting contributions, bankruptcy and liquidation of companies, an inadequate structure and the underdeveloped economy (Vlada Republike Srbije, 2011a: 245). In the long run, problems in the pension system will also be caused by demographic effects and a growing number of elderly people There are no summarised medium and long-term forecasts on the main pension parameters.

Changes envisaged in the *Law on Old-Age and Disability Insurance* of 2010 were subjected to many harsh discussions and debates during enactment of the law. In 2012, only some provisions will come into force. However, there are no debates about these provision, and only the media publish any information. In the negotiations with the IMF and during the process of adopting the budget for 2012, there were voices raising concern about the huge expenditures for pensions, however, the proposed amount needed to cover the deficit in the pension fund was adopted anyway. It seems that pension reforms are not a favourable topic in the year of elections. The previous hot topics have been replaced by a focus on the discrimination against elderly people, activities on the labour market and problems in financing pensions.

The Republic Fund of Old-Age and Disability Insurance prepared a “Letter of Intent” (Republički fond za penzijsko i invalidsko osiguranje, 2011) and addressed it to the government, competent ministries, unions, employers and pensioners’ associations. Having in mind the objectives of restructuring the fund, the letter gives proposals for changes in the activities of the fund and capitalisation of its assets. The financial problems are reflected in the fact that in the mid 1990s, donations from the budget aimed at paying pensions were 15% of total expenditures, and that this amount has increased to 48% in the recent years. The working group which prepared this document also saw significant changes in the role of the fund in that it represents only a “rapid water heater” because the majority of the work is done by other state bodies, instead by the Fund as it was the case in the past (e.g. the tax administration is in charge of contribution payments). According to the proposal of measures aimed at solving the problem of high deficit in the pension fund, the following steps should be taken: introduce strict fiscal discipline, i.e. obligatory payment of contributions; transfer the obligations of financing and paying health care of pensioners from the fund to the state budget, and introduce the right to allowance for care and support and compensation for personal damage into the social welfare system. The document lists short-term and long-term measures. It estimates that their introduction would decrease budgetary subsidies to 30% of the expenditures of the fund in the short term.

The public was occupied by the issue of qualifying for the so-called “national pensions”, which are not regulated by the Law on Old-Age and Disability Insurance, but by a government’s decree and are financed through the state budget.[18] The right to this pension can be exercised by “distinguished artists for their cultural contribution”, subject to fulfilment of certain criteria. A special commission proposes potential beneficiaries to the Ministry of Culture and the final decision is made by the government. Over time, the term “national pension” was replaced by the term “special acknowledgment,” without substantial changes in the procedure. It is paid as a fixed amount of RSD 50,000 (EUR 455) on top of the amount of already payable pension in the public system. By 2011, there were 360 beneficiaries, the right is personal (cannot be passed

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[17] 77% of persons aged 65 and only 47% of those aged 85 or over are covered by the pension insurance.

[18] *Decree on Granting Special Acknowledgments to Artists for Top Contribution to the Culture in the Republic of Serbia*, “Official Gazette of RS” number 7/09.

on) and is paid until death. The subject of debates is not only the beneficiaries but also the very existence of special privileges for certain pensioners with already high incomes.

2.2.3 Impact of EU social policies on the national level

It is difficult to assess the immediate impact of the EU social policy on pension reforms, bearing in mind that Serbia is not a member of the Union. The situation has changed somewhat in recent years, as a result of certain progress towards European integration. Ratings of the Commission on the progress[19] and efforts directed towards making necessary preparations in certain areas (political and economic) had a positive effect on the harmonisation of regulations and practices in employment policy and social assistance. .

Answers to the European Commission's Questionnaire contain a special section on pensions (the description of the current situation, problems in funding, incentives for greater participation of older workers in the labour market, coverage of compulsory social insurance, transparency of the system and assessment of future challenges).

The *First National Report on Social Inclusion and Poverty Reduction*[20] gives an overview of the situation for the period 2008-2010, with priorities for the next period. The production of the report, according to the Deputy Prime Minister for European Integration Affairs, Bozidar Djelic, aims to harmonise the reform measures with the goals of the *Europe 2020 Strategy.* The European Movement in Serbia published a *Guide through the Europe 2020 Strategy,* without any references to pension policy, except for brief comments on poverty risk in elderly people.

An active ageing policy, greater participation of elderly people in the labour market and life-long learning are considered within separate programmes and reports. *The National Employment Strategy* for the period 2011-2020 starts from the aims of the *Europe 2020 Strategy,* defines the challenges of demographic ageing and need to develop programmes for employing vulnerable groups in the labour market. The programme envisages special measures aimed at increasing employment levels of older workers who lost their jobs during the privatisation of state owned companies. Also, a need to develop an adequate system of adult education that would enable them to acquire new qualifications, promotion of active ageing policy and concept of life-long learning and motivating elderly people to continue to work in accordance with their physical and mental competencies are highlighted. Employers are encouraged to employ and keep on older workers. It is also envisaged to prevent discrimination in the case of employment of older workers, especially women.

2.2.4 Impact assessment

The global financial and economic crisis resulted in the aggravation of the labour market situation in Serbia and increasing poverty in 2011. The risk of staying without a job is, according to the Labour Force Survey (Republički zavod za statistiku, 2011), the most prominent in this population. In particular, first-time job seekers and older workers lose their

[19] The EU Integration Office performs professional, administrative and operational activities for the needs of the Serbian government. Coordination, monitoring and reporting on the process of accession and joining the EU, as well as a series of other tasks are within its jurisdiction ("Official Gazette of RS" numbers 126/07, 117/08, 42/10 and 48/10, see http://www.seio.gov.rs).

[20] A Team for Social Inclusion and Poverty Reduction was formed within the EU Integration Office. The team prepared the major part of the report relating to the cooperation with the relevant institutions, organisations and experts.

jobs faster. In the period from April 2008 to 2011, the employment rate of persons aged 55-64 decreased by 5.6 percentage points and their unemployment was doubled (7.3% to 14.6%).[21]

Table 2: Labour market indicators for population aged 55-64 (in %)

Age 55-64	April 2008	October 2008	April 2009	October 2009	April 2010	October 2010	April 2011	November 2011
Activity rate	40.3	41.0	39.8	38.9	36.9	37.7	37.2	36.5
Employment rate	37.4	37.9	35.9	35.0	32.6	33.1	31.8	31.0
Unemployment rate	7.3	7.6	9.9	10.0	11.6	12.2	14.6	15.1
Non-activity rate	59.7	59.0	60.2	61.1	63.1	62.3	63.8	63.5

Source: Republički zavod za statistiku, 2011

A set of incentives for employers, such as their exemption from the obligation to pay contributions for social insurance and tax exemptions,[22] have had little impact on the employment of older and retired people. It is estimated that in the future there will be no significant positive developments in the field of employment of these individuals and that, in spite of new development strategies,[23] employment of people over 65 years will remain at the level of 6%. Based on employment status, the majority of people 65+ is self-employed (61.4%), 32.4% are contributing family members and 6.2% are employed (April 2011). Such a situation is interpreted primarily as the result of downsizing the agricultural sector (where the majority of elderly people work), and changes in the direction of raising the retirement age. There are no legal obstacles for persons eligible for old-age pension[24] (but not disability and survivor pensions) to continue working, but this right is underused.

Evaluations of the role of the pension system in the prevention of poverty of the elderly are based on data about the participation of average pensions in average net earnings, exchange rates and indicators for poor elderly people.[25] In November 2011, the average pension of insured employees amounted to 62% of the average net salary. A similar proportion was noted with retired self-employed (61%), while farmers obtained on average only 24% of the average salary in Serbia. The lowest pension levels are for the survivor pensions, at only 50% of the amount of old-age pensions, which particularly affects women who are predominant in the total number of survivor pensioners. Poverty index in farmer pensioners and survivor pensioners is 12% and 8.1%, respectively. Contrary to that, only 6% of old-age and disability pensioners realized the rights to minimum pensions (Vlada Republike Srbije, 2011a).

[21] Both elderly and children are exposed more to poverty in Serbia. In 2009, risk at poverty rate in children was 22.1%, meaning it was higher for 24.9% compared to the general population. Poor elderly represented 18.2% in 2009 (Vlada Republike Srbije, 2011a).

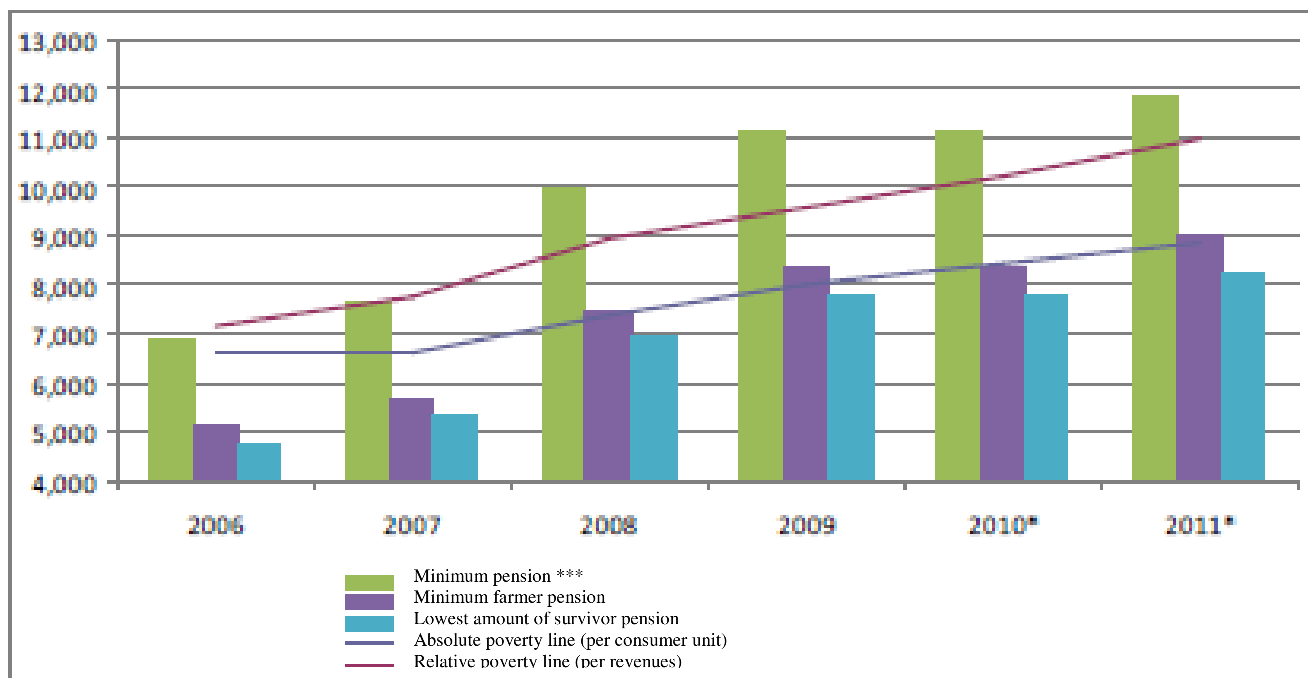
[22] *The Law on Contributions for Mandatory Social Insurance,* Article 45.

[23] The study *Post-Crisis Model of Economic Growth and Development of Serbia 2011-2020* envisages a rate of GDP growth of 5.8% per year, the creation of more than 400,000 jobs within the following decade, an employment rate increase from 40.5% (in 2010) to 49.9% (in 2020), and an unemployment rate decrease to 10.3% by 2020.

[24] A beneficiary of old-age pension who is employed in the territory of Serbia for a minimum of one year, i.e. performs independent activities based on which he/she is insured, has the right to accrual of additional pension and payment of it after the cessation of the employment. If a pension beneficiary is employed abroad, his/her pension payments will be ceased during that employment, except in case an international agreement offers other provisions (Article 121 of the Law on Old-Age and Disability Insurance of the Republic of Serbia).

[25] For a more detailed approach, see Vuković, D. Perišić, N. *Annual National Report 2010 – Pensions, Health and Long-term Care, Republic of Serbia,* available on: http://www.socialprotection.eu/files_db/910/asisp_2010_Serbia.pdf.

The replacement rate, as an important element of the pension system design, shows that in Serbia an insuree with a full qualifying period can have benefits amounting to 72% of previous earnings (2010). It is expected that over the next five years, there will be a reduction by three to eight percentage points, depending on the GDP growth and real wages trends. Figure 1: Minimum pension and poverty line



* *The evaluation does not include in-kind revenues*
** *Old-age and disability pension from the insurance of employees and self-employed.*
Source: Vlada Republike Srbije, 2011b.

2.2.5 Critical assessment of reforms, discussions and research carried out

The strategic objectives of pension reforms in Serbia are defined as "provision of stable and sufficiently high pensions for all, improvement of the equity of the pension system and extension of the options for choice by pension insurees" (Vlada Republike Srbije, 2003). Declaratory determinations are supported by the OMC objectives, but the practices have often opposite effects. Parametric changes in 2010 were aimed at tightening the conditions for early retirement, but the applied solutions for indexation are in conflict with efforts to ensure the adequacy of income in old age. Despite the relatively favourable ratio of pensions and wages, adjustment to the cost of living and GDP growth will be reflected in the decline of pension amounts.

Social pensions represented an option in the first years of reforms (2001-2003), but they were not introduced, even though a significant number of elderly people are without constant cash income.[26]

The Pensioners Party is a part of the coalition in office, but it has not proved to be a true representative of the interests of its members. The pension system is not transparent enough and media promotion and activities of the ministries are not appropriate. The content of reforms is mainly spoken about when everything has already been completed.[27] The homepage of the

[26] According to some estimates, 400,000 elderly people aged 65+ do not receive pensions because they were not employed or do not fulfil the minimum conditions in order to be eligible for pensions (Amity, 2007).

[27] A contrary opinion was presented by the Government in the *Answers to the European Commission's Questionnaire* (question number 166 in Chapter 19).

pension fund provides only basic information. The fund also publishes the magazine *Voice of the Insured*, discussing the topics of importance for the system of compulsory insurance. Information on voluntary insurance are written in technical and unintelligible language, and there is a lack of confidence in the safety of savings. Almost no one talks about life-long learning, whilst the positive results of the *University of the Third Age*[28] are almost forgotten due to lack of funds.

Transition changes in the previous decade (after the first reforms in 2001) have pointed to the inadequacy of institutional changes and problems in the creation of a sustainable system. An increase in pension expenditures and deficit in the pension fund resulted in the growth of budgetary transfers, contrary to the declared policy of revenue consolidation. The restructuring of the insurance funds by creating a single fund (in order to decrease expenditures) has caused increased administrative workload and decreased efficiency of work. Collecting contributions based on mandatory insurance has been transferred to the Ministry of Finance (tax administration), but in practice, there is widespread contribution evasion. There were some proposals for banks through which employers pay salaries for their employees to take certain obligations, but this was not accepted. At the same time, the initiative of the Republic Fund of Old-Age and Disability Insurance (Letter of Intent) has been directed towards strengthening financial discipline, but it has also proposed to transfer back to the fund the activities of contribution collecting.

The economic crisis, problems in the national economy, the demographic situation and negative trends on the labour market are determinants of long-term changes within the Serbian pension system. It is not realistic to expect substantial changes in the short run in 2012, bearing in mind the upcoming elections and politicians' efforts to be accepted by a potentially huge number of voters – the pensioners.

2.3 Health Care

2.3.1 The system's characteristics and reforms

Organisation of the public health system. The major part of the health system in Serbia is under state responsibility. It is organised by a network of 344 public health institutions (Institut za javno zdravlje, 2011), operating on primary, secondary and tertiary levels of care.[29] From an administrative and functional perspective, the responsibilities for providing health services are divided between local and national levels. However, not all financial aspects of decentralisation in health, although initiated back in 2005, have been resolved.

Municipalities are responsible for financing the construction, maintenance and equipment of health facilities at the primary level, and, thus, they de facto create health services which will consequently be of differing quality and scale. However, funding of salaries, medical supplies, and medicines is under the jurisdiction of the Republic Health Insurance Fund and/or the Ministry of Health. In addition, the rules for the financing of primary health care are regulated at the national level, as well as the criteria and standards of service provision and the number of employees.

Based on the latest available data, the number of employees in the public health system of Serbia amounts to 113,866 employees (Institut za javno zdravlje, 2011), which is slightly less

[28] University of the Third Age represented the realisation of an idea of continuous learning through organising various learning courses for pensioners.

[29] For a more detailed approach to the organisation of the levels of health care, see Vuković, D. Perišić, N. *Annual National Report 2011 – Pensions, Health and Long-term Care, Republic of Serbia,* available on: http://www.socialprotection.eu/files_db/1173/asisp_ANR11_Serbia.pdf.

compared to the previous years. Employees of the public health sector make for about 5% of total employment in Serbia, i.e. almost a quarter of employees in the entire public sector (Fond za razvoj ekonomske nauke, 2010).

Organisation of the private health system. Despite the dominant position of the public health care sector, there are also private health institutions, with steadily increasing numbers estimated at about 5,370 (Republički zavod za statistiku, 2010).[30] According to data of the Private Medical Chamber, the number of private health institutions amounts to 8,500, out of which 4,500 are engaged in medical services, and the rest in dental and pharmaceutical services (Privatna lekarska komora, 2012).

The latest officially available data on the number of employees in the private health care sector refer to the year 2007 and are insufficient to gain an insight into ongoing developments. Available data state 612 employees (Institut za ekonomska i socijalna istraživanja, 2009), but this does not include employees of dental surgeries and pharmacies, which surely employ the largest number of people in the private health care sector. In contrast to this data, the Private Medical Chamber states the figure of 10,000 employed medical doctors in private practices (Privatna lekarska komora, 2012).

With the exception of pharmacies and dental surgeries, which represent the highest percentage of private health care facilities, a significant segment of health care activities is performed at the level of highly profitable specialised health care services. Gradually, services of private health care have been expanding into the primary health sector.

Public-private mix. Public and private health sectors exist in parallel and independent of each other, despite the proclaimed reform aims in respect of "increasing the participation of the private, profit and non-profit sector in rendering health care financed by the Republic Fund of Health Insurance" (Ministarstvo zdravlja, 2003: 25). Almost one decade after the proclamation, apart from papers, there have not been any developments.

The legal introduction of the possibility of sub-contracting services, for which the Republic Fund of Health Insurance would pay to private physicians, has not affected the change in the public-private mix, since this model has not been used in practice.[31] The practice has shown that the so-called temporary engagement in the private sector of physicians employed in the public sector is not a realistic solution for legal connection of the public and private health sectors in Serbia.

Based on estimations of the Private Medical Chamber, more than 50% of the population use services of the private health care sector, 50% of which are diagnostic and specialist, 65% gynaecologic, and 80% laboratory and dental health services (Privatna lekarska komora, 2012).

Financing and management. In the composition of total GDP, health care expenditures come immediately after pension expenditures, amounting to 5.4% in 2010 - this being a decline of 0.2 percentage points compared to 2009 and 0.3 percentage points compared to 2008 (Vlada Republike Srbije, 2011b).

The public health care system is financed mainly from health insurance contributions (at a rate of 12.3%), which represent the largest source of incomes of the Republic Health Insurance Fund (70%). The largest proportion of its expenses are the salaries of employees in the public

[30] Problems regarding a realistic determination of the number of private health care facilities refer, among other things, to the application of the laws regulating private entrepreneurs within the private health care sector. Moreover, the Republic Statistical Office publishes aggregate data for activities classified as "health and social work", making a further breakdown of data impossible.

[31] Reasons for that are partially a result of "overlapping public and private health sectors, widespread corruption and inability of the state to introduce control systems" (Vuković, 2010: 215).

system; the second largest share are the costs for medicines and medical devices (Republički fond za zdravstveno osiguranje, 2012). The structure of revenues and expenditures in the last four years has been almost identical: generally, only 3% of the revenues of the fund is used for preventive activities, 33% is directed towards primary, and 63% towards secondary and tertiary health care.

Co-payments of patients constitute a very modest source of health care financing, due to the low (almost symbolic) amounts, as well as a wide range of persons exempted from co-payment (elderly over 65 years, children, pregnant women, persons with disabilities, unemployed and recipients of social welfare benefits).

The so-called out-of-pocket payments are made mainly, but not exclusively, for those medicines which are not on the positive list. These expenditures amount to about 25% of total expenditures on health care (WHO, 2010), which ranks Serbia high compared to many other European countries. Even worse, data from the National Health Account in Serbia suggest that more than 35% of costs of health care are financed by households (Ministarstvo zdravlja, 2010). Thus, private expenditure for private health care services significantly increases household expenses.

The *Regulation of Voluntary Health Insurance* of 2008 envisaged that the Republic Health Insurance Fund or insurance companies (provided that they obtain a licence from the National Bank, based on a revision of the Ministry of Health) operate a voluntary health insurance scheme. Currently, ten insurance companies are active in this area. The number of clients is modest, currently standing at 95,739 (Narodna banka Srbije, 2011b), although it can be assumed that the increase in purchasing power could lead to an increase in insurees in the future.

The introduction of the capitation system into the primary health care was recommended by the World Bank. It was piloted during the previoud period and at the end of 2011, final activities were taken for the purpose of completion of this reform concept. So far, there are no estimates of its functioning, except for the coverage of registered insurees with chosen doctors, per age groups (Republički fond za zdravstveno osiguranje, 2012).

Also, a five-year project aimed at changing the funding of secondary and tertiary care by 2015 has been commenced, in order to implement diagnosis-related groups. Some of the reasons for the introduction of this financing model, presented by the Ministry of Health, are providing equality of all hospitals and all patients, basing payments on the best available data, and providing transparency when contracting health care services (Republički fond za zdravstveno osiguranje, 2012).

Eligibility, rights and benefits. In 2011, the *Law on Health Care* and the *Law on Health Insurance* saw amendment[32] regadring the expansion of free health care coverage to two additional categories, namely victims of family violence and trafficking.

The right to health services is exercised by 6,786,333 inhabitants of Serbia (Republički fond za zdravstveno osiguranje, 2011), so that the coverage rate is 93%. The “missing” 7% can be attributed to minority groups (Roma), refugees and internally displaced persons, asylum seekers, etc, but also those employees whose employers do not pay contributions for them.

Significant progress in the health care coverage of the Roma population has been realised through introduction of a special budgetary line of the Ministry of Health(Vlada Republike Srbije, 2011b). 75 Roma health mediators were engaged by home-visiting services (of health care centres), and the process of obtaining health care booklets for Roma has been facilitated.

[32] The amendments to both laws were adopted on 28 July 2011.

However, a research of social inclusion in rural areas, conducted in 2010, shows that "12.6% of the interviewed stated they did not have health insurance" (Vuković, 2011: 173), while 20% of the interviewed stated that due to lack of money they could not buy necessary medicines, 8% could not buy medical appliances, and 17% could not pay for specialist check-ups (Vuković, 2011).

Public health. In 2011, measures of the public health policy referred partially to more specific, medical activities directed towards strategic prevention or control of infectious diseases of significance for public health. They were coordinated with the activities on the European and international level, like: prevention of cervical cancer, resistance to antibiotics, and also the fight against diabetes, HIV[33] and alcoholism.

Moreover, those measures included promoting healthy life styles and a healthy environment, particularly: the importance of hygienically and healthy potable water, washing hands, and control of tobacco consumption. Along with encouraging breastfeeding, they represented a continuation of activities started in the previous years.

Despite these measures, data on obesity and malnutrition, have pointed to inadequacy and insufficiency of the public health policy.[34]

2.3.2 Debates and political discourse

Projections of the Government of the Republic of Serbia from 2010, for the period 2011-2013, predict a slight decrease of health expenditures in the share of GDP or stagnation on the same level compared to the preceding period, i.e. 5.6% in 2011, 5.3% in 2012 and 5.1% in 2013 (Vlada Republike Srbije, 2011b). This means that health care expenditures are not directly affected by the national consolidation programme in nominal terms. The Serbian GDP, however, is comparatively low and the forecasts of its growth in 2012-2013 are modest. A need to distribute existing funds for health in a different way, with a view to achieving better outcomes with the same revenues, is, therefore, seen by the government as of utmost importance.

Discourse on austerity measures in the Serbian health sector was present in the public domain long before the crisis. During the crisis, it became more intensive, but substantial steps have not been taken. The government suggested changing the existing funding arrangements (i.e. introdution of capitation and DRGs), in order to avoid inefficient use of available resources and to incorporate incentives for increasing the volume and quality of health care services.

Changes in the payment methods for health services have been debated from the economic and medical points of view, without the involvement of political parties and the general public. During the whole of 2011, their attention regarding the health sector was mostly occupied by two big affairs, initiated in the Serbian media. They have not been resolved by the courts and relate to alleged corruption and bribery on the occasion of purchasing vaccines against flue virus H1N1 and purchasing and administering cytostatic drugs.

Orientation towards reduction of the number of non-medical workers, number of beds, etc., has had a dual purpose: it is a consequence of austerity programmes, but it is also an unachieved

[33] A study of prevalence estimates for the most-at-risk populations for HIV/AIDS in Serbia assesses the number of sex workers in Serbia to be 3,901 (with potential interval of 1,775 to 6,027), the number of men who have sex with men 55,447 (with potential interval of 20,789 to 90,104), and the number of injecting drug users 30,383 (with potential interval of 12,682 to 48,083) (Comiskey, Dempsey, Snel, 2011).

[34] Obesity was reported to be 18.3% in adults and 15.3% in children. Malnutrition of children below 5 years of age is only 1.6%, but it is 7.7% in children in Roma settlements. At the same time, frequency of smoking (49.1% of the population) and alcohol usage (40.3% of the population consume alcohol from time to time or everyday) of the overall population points to significantly higher risk factors (Vlada Republike Srbije, 2011a).

aim of reforms initiated in 2003. Freezing salaries for employees in the health sector, as a part of the obligations within the package signed with the IMF, is a consequence of the crisis, as is the declared reduction of 10% of salaries in the health sector, as of 2013. Planned decentralisation should also contribute to savings for the state budget.

Programmatic publications. In the *Strategy 2020* of the Democratic Party (DS), the governing party in Serbia, health care is taken into consideration in terms of necessity of reforms in its financing and managing. Along with that, DS's programme envisages the improvement of the quality of health care for all citizens, with a focus on children and vulnerable people. The improvement of the quality of health has also been considered in numerous strategic documents on the national level.[35]

In the *Draft Platform for the Regionalisation and Decentralisation of Serbia* of the United Regions of Serbia (URS) party, whose competence is health in the government, the focus is on the decentralisation of health care (as of all other public policies), which should be a result of the regionalisation of Serbia.

Contrary to the parties in office, the biggest opposition party, the Progressive Party of Serbia (NPS), devotes a whole chapter to health policy in its *White Paper – With Programme Towards Changes*. On the one hand, it seeks revision of fundamental documents adopted during the previous decade and strategies referring to health. On the other hand, NPS is in favour of a health policy that would be based on the main principles and values of international and European documents, and health care is positioned in the framework of quality and accessibility, along with rational usage. The paper envisages the extension of the private health care sector, as well as human resources development through an adequate system of education and continued education of employees in the health care sector.

2.3.3 Impact of EU social policies on the national level

Since Serbia is not a Member State of the European Union, the community's social policies and instruments of their dissemination can be observed within the broader framework of general harmonisation of national policies with the European social values. Bearing in mind their differences, the health care system in Serbia is generally comparable to the health care systems of the EU Member States, in terms of its organisation and costs. At the level of organisation, the health care system in Serbia is comparable with the countries of the Union which are based on the Bismarckian principles. At the level of costs, it is comparable with the new EU Member States.

In the context of the declared orientation of the government and policy makers towards joining the European Union, numerous efforts aimed at reforming the various parts of the health care system are concentrated in the direction of its additional improvement. The first steps in that direction have been made through harmonisation of the Serbian legislative framework with the EU, and the adoption of different strategies, inspired by the development of health care in the EU Member States.

One of the most important events related to the European agenda was the submission of the *Answers to the European Commission's Questionnaire*. The chapter entitled *Social Policy and Employment* contains answers to questions relating to the issues of health care (including long-term care) in terms of its organisation, financing, the share of expenditures in GDP, accessibility and quality of services, etc.

[35] *Better Health for All in the Third Millenium* (publication of the Ministry of Health of 2003), *Strategy of Continuous Improvement of the Quality of Health Care and Safety of Patients* (of 2009), *Strategy of Public Health* (of 2009).

Health aspects of poverty and social exclusion in Serbia are taken into consideration in the *First National Report on Social Inclusion and Poverty Reduction*. It can be concluded that health care, as a factor of social inclusion, has mixed results (see in more detail in 2.3.4), and that Serbia has a lot of space to improve in this area compared to the EU.

The concept and process of the OMC is not visible in the public discourse and in the health care policies, but certain instruments of the OMC (reports and indicators) have been partially implemented. At the same time, the objectives of the OMC in health care are the main objectives towards which the health care reform in Serbia is directed - encouraging accessibility and quality of health care services, as well as the sustainability of the health care system (and health insurance).

2.3.4 Impact assessment

Financial developments. A comparison of the share of GDP of expenditures for the public health care system in Serbia with the health care expenditures in the countries in the region indicates that they are higher, although the results or outcomes of the health care system are only average. Based on that "it can be concluded that there is a cost inefficiency in the health care system" (Fond za razvoj ekonomske nauke, 2010: 167), which should be addressed by appropriate reforms of the system.

In this regard, the recommendations of the World Bank range from reducing the number of beds to decreasing the number of non-medical staff, but also of physicians in health centres, to improving decision-making procedures in terms of the purchase of new technologies and approving prescription drugs (World Bank, 2009).

Challenges regarding access, quality and sustainability. Official estimations published in the *First National Report on Social Inclusion and Poverty Reduction in the Republic of Serbia*, include the issues of accessibility, quality and long-term sustainability of health care.

Indicators referring to the accessibility of health care give evidence in favour of high coverage of the population but also of lack of coverage in vulnerable categories. Progress in indicators of the quality of health care is realised in terms of satisfaction of users, which is high. However, there are inequalities in health outcomes, both in the general population and in vulnerable groups. Finally, long-term sustainability of the health care system points to slightly higher expenditures in % of GDP in Serbia, compared to the EU figures (9.8% compared to 9% GDP on average) (Vlada Republike Srbije, 2011a).

Perceptions of health care system impact and outcomes. At the end of 2010 and beginning of 2011, a research was conducted with a representative sample of 2,316 people (citizens, medical employees and heads of municipal departments dealing with health) on the general situation in the health care system, patients' rights, chosen doctor, prevention, inequalities, accreditation of health care facilities, implementation of information technologies, safety of patients, and the role of local communities.

This research of attitudes has revealed a strong difference between citizens and medical workers regarding their perceptions of the functioning of the health care sector: only 10% of employees was not satisfied with the functioning of the system, compared to 30% of citizens. As especially vulnerable categories, when it comes to health care, citizens see poor, unemployed and disabled people. Medical employees also add HIV patients to those vulnerable categories. One fifth of the population and two fifth of medical employees are of the opinion that vulnerable categories receive good treatment in the health care sector. Regarding decentralization, municipal representatives (65%) have thought that the expansion of local

competencies over health care centers is a good solution, contrary to citizens (31%) and medical workers (28%) (Ipsos Strategic Marketing, 2011).

2.3.5 Critical assessment of reforms, discussions and research carried out

Access to health care. Overall, the reform orientations in the health care system have emphasised affordability, accessibility and equity of health care, which is a legal right of all citizens of Serbia. The implementation of this right and principle in practice is, however, faced with certain obstacles. Therefore, inequalities in access can be defined as financial, social and territorial.

Rights in the health care system continue to be broadly defined, so that one of the first restrictions on access to health care is de facto a large number of users, in relation to the availability of facilities and staff. Underused capacities in some health care facilities exist along with the overload of facilities in some other places. Differences in access to health care are especially present between developed and underdeveloped regions, and urban and rural communities. In communities with smaller numbers of inhabitants (underdeveloped rural areas), there are frequently problems in providing basic health services. Specialist facilities (institutes and clinics) are situated in big cities, the majority of them in the capital, Belgrade. Also, the biggest number of private health care institutions is in Belgrade.

A noticeable downturn in the standard of living and purchasing power was not without consequences for the (re)orientation of the population to the state (and not private) health care system. The impact of the crisis has undoubtedly contributed to the increase in the number of users of the state health system. The consequent occurrence of waiting lists, which have been a significant factor in lowering the overall satisfaction of patients with the work of the public services, surely represents limits in the (timely) access to health care. In addition, the territorial distance to health care facilities and factual impossibility of exercising rights (or even just lack of funds of the vulnerable groups to cover the cost of health care) compromise the principle of accessibility of health care.

Quality of health care. Enhancing the quality of health care is often a highlighted issue of health care reforms, but measuring quality and actual determining indicators is not high enough on the priority list. Moreover, the surveys of health care quality (conducted by the Institute of Public Health of Serbia) include highly quantitative and descriptive data, representing more straightforward information about rendered health care services, failing to provide an analytical assessment of the quality of health care services in Serbia.

It seems that there are significant regional disparities in practice, in terms of quality of provided services. As a rule, better quality of services is provided in major medical centres, especially in bigger cities and at secondary and tertiary levels of care. This is influenced by the lack of obligation of health care institutions (both public and private) to be accredited, i.e. existence of certain equipment and their adequacy, different coverage by an adequate health care staff,[36] the diversity of the demographic structure of the population, and so on.

Financial sustainability of the health care system. The financial sustainability of the health care system is an essential issue and precondition for the development of the quality and accessibility of health care in Serbia. The projections of the system's financial sustainability were made for its mid-term development, based on the contents of the Government's Revised Memorandum on the Budget of 2010. It is threatened by various factors, above all, the

[36] Variations in the number of medical doctors per 100,000 range from 151 (in the region of Srem) to 437 (in the region of Nis). Regarding nurses, variations are between 314 (in the region of Srem) to 657 (in the region of Zajecar) (Vlada Republike Srbije, 2011a). These variations surely point to a disequilibrium in the quality of services.

macroeconomic situation, and the demographic structure of the population. Apart from unfavourable demographic trends, the existing demographic structure and the basic health indicators of the population require rather an increase than a reduction of the health expenditures.

Even though the health care expenditure as percentage of the Serbian GDP is somewhat higher compared to the EU on average, this data is only relative. The Serbian GDP is disproportionally smaller, so that the actual amounts are comparatively very low.[37]

More than rising health care expenditure, it is important to distribute the existing funds in a different way: unjustifiably low expenditures for prevention create unfavourable long-term consequences, but they are also a result of the health situation in the country. In that context, planning and managing in health care should be improved.

It can be supposed that capitation and diagnosis-related groups can make the system more efficient, but only with an adequate system of control.

2.4 Long-term Care

2.4.1 The system's characteristics and reforms

Long-term care is not a separate part of the system of social protection in Serbia. The major part of the activities of long-term care lies within the competencies of the social welfare system, and then, the health care system. At the end of 2010, certain elements of long-term care were reintroduced into the system of old-age and disability insurance. Long-term care is partially transferred to the sphere of private provision, by engaging private, both profit and non-profit sectors. But, despite all these development, the most important role is still played by the families.

In the **social welfare system**, long-term care is organised in two paths: institutional and non-institutional. Institutional services have been provided in 49 public homes, with a capacity of 9,320 elderly over 65 years (Ministarstvo rada i socijalne politike, 2010). Non-institutional services are provided as a form of supporting the stay at home in those cases where the person is unable to take care of himself/herself, i.e. the family is unable to provide adequate support or does not exist.

Benefits in the social welfare system to which elderly people (and others) have rights are: cash welfare benefits and allowance for support and care by another person. The amount of these two benefits is very modest (EUR 66 per month and EUR 69 per month respectively)[38] and does not enable the provision for basic needs.[39]

Home-based help is organised in 113 municipalities and is the service for elderly people which is expanding the most in Serbia, but at the same time, it is also the most needed. In 2010, elderly people represented 87.4% of beneficiaries of this service, out of a total number of 13,272. At the same time, a further 1,693 of elderly people was on the waiting list for home-based help (Asocijacija centara za socijalni rad, 2011).

[37] For example: in 2008, costs of health care in Serbia amounted to 838 ppp$ per citizen, contrary to 2,887 ppp$ in the EU (Vlada Republike Srbije, 2011a).

[38] Allowance for support and care by another person in increased amount (EUR 227) can be exercised by those with certain, precisely prescribed, medical conditions.

[39] The structure of beneficiaries with the right to cash welfare benefit does not differentiate beneficiaries per age groups. However, the representation of the beneficiaries with the right to support and care by another person shows that elderly people represented 46% of the total number of beneficiaries with regular amounts and 42% of beneficiaries with increased amounts. Elderly are also 52.1% of all beneficiaries of residential services, with a further 511 of them on waiting lists (Asocijacija centara za socijalni rad, 2011).

Accommodation in public institutions is partly financed by the state budget, and partly by the users. The amount to be paid by the user is dependent on his/her income, health situation, family status and ownership over real estate, and is limited to EUR 300 per month. Elderly people without income exercise this right at the expense of the budget in full (i.e. about 20% of beneficiaries of residential services). Day care services in the community are financed from local budgets. On average, just about 2% of municipal budgets are spent on social protection programmes in general. [40]

In the **health care system**, the implementation and provision of palliative care at the primary level is organised through services for home treatment and in health care centres. However, more than 40% of health care centres do not offer services for home treatment and care (Vlada Republike Srbije, 2011b), instead, the activities of these services are performed as part of the general health protection services. The exception is Belgrade, with its Institute for Gerontology and Palliative Care as an institution specialised in home treatment and palliative care. Long-term medical care is also provided in the departments of so-called prolonged treatment and care, at the secondary (general and special hospitals), and the tertiary levels of care (clinics).[41]

The right to allowance for support and care by another person in the **system of old-age and disability insurance scheme** can be realised solely by pension contributors who cannot move or cannot independently move, take food, dress, undress and take care of their hygiene, as well as blind persons (čl. 19, Zakon o izmenama i dopunama Zakona o penzijskom i invalidskom osiguranju, 2010). This right cannot be exercised if a person already exercises it in the social welfare scheme. The allowance amounts to EUR 140 and is received by about 55,000 pensioners in Serbia (Republički fond za penzijsko i invalidsko osiguranje, 2012).
Relocating home care into institutions for the elderly is one of the areas the **private sector** has been showing a constant interest in for years. 46 private homes were established in Serbia in the period from 2004 to 2010, with a total capacity of 1,252 people (Ministarstvo rada i socijalne politike, 2010).[42] Accommodation costs for private homes are borne by beneficiaries. They amount to EUR 1,200 per month.

The role of the **family** in meeting the needs for long-term care in Serbia is faced with some substantial constraints. Engaging family members is often difficult, due to physical barriers, such as territorial distances and modest comfort in apartments/houses. Since as a general rule, female members of the family are carers, it is likely they will be "doubly burdened" - in addition to providing care to old family member(s), they are engaged in taking care of the younger family members.[43] In addition, few families manage to satisfactorily reconcile the need for LTC and professional obligations.

2.4.2 Debates and political discourse

In the *Guidelines for Reporting on National Follow-up to the UNECE Regional Implementation Strategy (RIS) of the Madrid International Plan of Action on Ageing (MIPAA) Regarding the Ageing in the Republic of Serbia,* the Council for Ageing and Old-Age of the Serbian

[40] Expenditures for long-term care within the social welfare system amounted to 0.74% of GDP in 2007, and 0.84% in 2008 (Vlada Republike Srbije, 2011b).

[41] In the health care system, persons over 65 constitute a distinct group towards which special attention is directed, given its increased exposure to risks of disease (Article 13, Law on Health Care, 2005). Apart from that, there are no specifically defined or wider rights of elderly people to health care, compared to other age groups.

[42] The number of private institutions that actually act as care homes for the elderly or the number of beneficiaries cannot be precisely stated.

[43] Because appropriate mechanisms for their care are often not available, and also the timetables of state schools are not compatible with the working hours of parents.

Government some of identified challenges refer directly to long-term care in Serbia, i.e. the existence of numerous problems in providing funds for the implementation of a more organised integration of health and social welfare sectors into a single LTC concept and policy programme. This relates, in particular, to services in local communities directed at demented and disabled people and their families. Some identified challenges are the necessity to empower the families of elderly people along with developing community services (Savet za pitanja starenja i starosti, 2011).

However, the *Memorandum on the Budget with projections until 2013* does not specify the issue of long-term care separately. Moreover, it does not provide disaggregated costs for long-term care within the general projection of expenditures for the health care and social welfare systems, making impossible to achieve insight into the planned trends of these expenditures (Vlada Republike Srbije, 2010).

2.4.3 Impact of EU social policies on the national level

The impact of EU policies in the field of long-term care can be connected to those aspects of social welfare and health care referring to LTC. In health care,[44] as well as in social welfare, the OMC is not directly used in Serbia. (Sub)forms of the OMC that are applied in social welfare relate mostly to the adopted indicators for measuring poverty and social exclusion.

Within the context of the EU agenda, in 2011 the following two publications were issued:

- *Answers to the European Commission's Questionnaire,* in which LTC is considered in terms of its organisation and financing, and the objectives of accessibility, quality and sustainability of long-term care are viewed in the context of health care and social welfare.

- *First National Report on Social Inclusion and Poverty Reduction in Serbia,* which takes into consideration the achievability of OMC objectives in LTC.

The strategic framework dealing with the problem of long-term care is coordinated with existing European experience and guidelines, but a national reform programme does not exist. The link between long-term care and ageing and poverty is present in the existing national documents, but it is often indirect.

2.4.4 Impact assessment

In European comparison, Serbia has a comparatively old population - 17% of its total population are those aged over 65, and the number of persons over 80 represents 3% of the population (Vlada Republike Srbije, 2011b). Based on a variant of a medium fertility, the share of people over 65 will increase to 23.2% in 2050 and the share of people over 80 will rise proportionately (Republički zavod za statistiku, 2011).

The social situation of the elderly is difficult, especially in rural areas. Results of a research into social exclusion show that households of elderly people are in a particularly severe situation, and that a number of elderly people are not covered by health insurance (Cvejić, Babović, Petrović, Bogdanov, Vuković, 2010).

Data on the number and structure of physicians in services for home care and treatment, and their workload, are in accordance with accepted national standards of work. In contrast, the number of nurses and medical technicians is not sufficient, and, consequently, their workload is above prescribed standards.

[44] The impact on health care is presented in the previous part of the asisp Report (see 2.2.3).

Except for drafting certain strategic documents, such a demographic, social and health care picture was not the starting point for an official analysis of potential needs, and also the costs and benefits of organising a long-term care system.[45] Research and evaluations of (un)availability of personnel that would be employed by such a system, quality standards to be met are not available, so that the scope of this problem is not identified in full.
In her analysis of LTC in Serbia, Kolin (2011) explains the inadequacy of statistical data for the evaluation of the needs for a LTC system. She estimates that half of the people above the age of 80 (i.e. about 70,000 people) has a need for LTC services and that one-third or one-quarter of elderly people would benefit from such a system (300,000 to 400,000 people). Kolin's recommended solutions for developing a new approach to LTC refer to „strengthening the role of local communities in protection, care and different types of support for the elderly in their living environment, such as home help, day care facilities and other social services in the community" (Kolin, 2011: 170).

Legal reforms in social welfare as of 31 March 2011[46] built a stepping stone for the creation of integral protection of elderly people, via a provision on the establishment of sociomedical facilities "for those users who, because of their specific social and health status, have the need for social care and constant medical care or supervision" (Article 60, Law on Social Welfare, 2011). So far, their establishment is the only option of connecting the social welfare and health care systems. Simultaneously, the development of community and home-based services for elderly people was encouraged, as well as the development of services for elderly offered by NGOs and the private sector. Legal reforms in health care in 2011 enabled the introduction of home treatment and services of medical and palliative care for elderly people in local communities. Based on this reform, such services will be soon offered in bigger cities like Nis, Kragujevac and Novi Sad.

2.4.5 Critical assessment of reforms, discussions and research carried out

Access to long-term care. Availability of LTC services vary depending on the service in question. The right to health care and health insurance of elderly people is almost universal, but research into social inclusion point to factual unavailability of health services to numerous vulnerable groups, and especially elderly people. Palliative care and developing capacities in this sector have just started and so far only a small number of elderly people have access. Data about insufficient number of employees along with an insufficient number of beds also point to unavailability of these services.

In social welfare, residential capacities are extremely unequally distributed and they are not sufficient: less than 1% of the population of elderly people live in residential institutions. Non-institutional services cover a significantly greater part of the territory, but they are not sufficient. Access to benefits is limited by means-testing, however, strict eligibility criteria result in an extremely small number of poor elderly people to exercise those rights.

Access to private LTC services depends on the financial situation. In the context of above-average exposure to poverty risk of elderly people in Serbia, private options are a huge challenge to the existing concept of solidarity in the society.

Quality of long-term care. Research into the quality of health care services shows above-average satisfaction of elderly people , probably because of their lower expectations from the health care system. There are indications that the quality of non-institutional services is higher

[45] The absence of data results in the necessity to make a significant number of assumptions and many problems regarding long-term care are observed via indirect relations. In that way, it is sometimes hard to give evidence-based information, and numerous aspects of long-term care cannot be precisely seized.
[46] The Law on Social Welfare only marginally relates to the long-term care.

than the quality of institutional care homes. Residential institutions in social welfare are undiversified, which surely brings about a lower quality of institutional LTC.

One of the reform agendas that have not been completed yet, both in health care and social welfare, is the lack of quality standards, inconsistent accreditation of institutions and lack of agreement on licensing service providers. Those problems pose additional questions regarding the private sector in LTC.

Sustainability of long-term care. There are no economic resources devoted to sustainable independence of LTC. The division of this segment of policy into health care and social welfare, as well as the division of sources for their financing, along with private payments for certain services and informal work women are performing in care, make a precise determination of resources devoted to its financing impossible. In the current situation, better coordination of different levels of financing and organisation could potentially result in a more productive use of existing resources.

Sustainability of the system could be built on the right mix of public and private systems, institutional and non-institutional support, monetary benefits and in-kind services, national and local competencies. The most relevant reforms would surely include measures aimed at building capacities of families to take care of the elderly (cash support and training programmes for families, etc.) in their own homes. Developing of home based day services would be an important addition to this (visits of nurses, etc.) and also establishing of more day-care centres. Institutional capacities should be further developed, in terms of reducing capacities but improve the quality of (diversified) services.

2.5 The role of social protection in promoting active ageing

2.5.1 Employment

Elderly people are a huge group of “transition losers” who finds it hard to find jobs. *The National Employment Strategy* (2011-2020), *Action Plan in 2012* and other strategic documents provide stimulating measures for employing vulnerable groups on the labour market. *The Law on Contributions for Obligatory Social Insurance,* (Article 45) mentions that employers[47] who employ persons over the age of 45 are released from paying contributions for 80% of the obligatory social insurance for them, employers who employ persons over the age of 50 are 100% exempt. Employers who employ persons below the age of 30 or disabled people are also released from paying contributions (Articles 45a and 45b).

After the introduction of similar measures, in 2004), an important number of employers benefitted from the mentioned incentives, but the number of those employed based on those incentives has been sharply decreasing since 2008. According to data from the National Employment Service, during 2010 (Nacionalna služba za zapošljavanje, 2011), 2,876 employers were released from paying contributions for obligatory social insurance for 3,794 peope over 45 years of life.

[47] These benefits do not refer to state bodies, public companies, public services and other users of budgetary funds.

Table 3: Employment of older workers based on exemption from paying contributions

	2009	2010
Older than 45 years	570	448
Older than 50 years	1,375	1,302
Total*	4,469	3,794

** Total number of employees based on exemption provided for by the Law on Contributions for mandatory Social Insurance*
Source: Nacionalna služba za zapošljavanje, 2011.

The Law on Old-Age and Disability Insurance provides for the possibility of a return to employment of old-age pensioners. Their employers are obliged to pay salaries to them and contributions for pension insurance (22%), but not for health care and unemployment, because the fund covers those costs. There are no special records of pensioners who returned to work, and there is no data on how much their pension incomes are higher, since they depend on the salary they earn.

The Labour Law prescribes the termination of an employment when pension criteria are met "in case employer and employee do not come to a different conclusion" (Article 175, paragraph 2). This is an important innovation compared to the situation prior to 2003, when the law required obligatory retirement, if one of the eligibility criteria is met (age or coverage). There is no data on the number of persons exercising this right to stay in their job. However, the structure of unemployed shows that older workers lose their jobs more frequently and that only few of them continue to work based on an agreement with the employer.

2.5.2 Participation in society

The policy of active participation of elderly people in the society and prevention of all forms of discrimination are an integral part of numerous strategic documents[48] and activities in the civil sector. In the areas of humanitarian work and volunteering, elderly are present both as users and volunteers. In the majority (2/3) of the local communities in Serbia (167 municipalities) social policy programmes of importance for elderly people have been realised. The Association of Pensioners of Serbia gathers about 32% of the total number of pensioners and is devoted to "social inclusion of elderly people in the society." Members of this association formed the Party of United Pensioners of Serbia, which, in coalition with other smaller parties, makes for a governing majority in Parliament.

In cooperation with social welfare and health institutions and NGOs, the Red Cross of Serbia has been engaged in "improving quality of life and protection of elderly people, alleviating poverty, sensitising the public and the elderly about the problems of discrimination, neglecting and misusing elderly people, promoting active ageing and motivating elderly people to participate in public life. The Red Cross gathers 60,000 volunteers, out of which 20% are elderly and promotes December 5th - International Day of Volunteers."[49] The Red Cross of Serbia is a founding member and coordinator of the network *HumanaS,* gathering 15 humanitarian organisations and associations of citizens dealing with the problems of elderly people.

[48] *The National Strategy on Ageing* (2006), *The Strategy of Sustainable Development* (2009), *Strategy of Adult Education* (2006), *The Law on Combating Discrimination* (2009), *The Law on Adult Education* (work in progress, 2011).
[49] Red Cross of Serbia, http://www.redcross.org.rs.

Long-term volunteers obtain “pocket money” which cannot exceed 30% of the net amount of the minimum monthly wage.[50] Volunteering does not count as a qualifying period for pension purposes.

Programmes of protecting the elderly are aimed at enabling them to stay in their environment as long as possible, improving their motivation for using their physical and mental potential and decreasing the need for residential accommodation. The campaign *Ageing Requires Action* and the manifestation *Olympiad of Sport, Health and Culture of the Third Age* promote the values of active ageing.

2.5.3 Healthy and autonomous living

The period of transformation of the social system resulted in changes of the competencies of the state towards elderly people, but the family is still the primary framework in which support and protection to members at risk is provided. The deficiencies of the public system and the underdeveloped private sector impact on the possibilities of a healthy and autonomous living in old age. Important changes have been made by organising services for elderly people and their families on the local level (day care homes, home-based support and care, palliative care). In practice, however, there are no resources devoted to support families taking care of elderly people who are disabled and demented (Savet za starenje, 2011).

In 2008, the Ministry of Health founded a commission for the promotion of health of elderly people, which elaborated a *National Programme of Health Care for Elderly People* (working version). Manifestations – *Festivals of Health* – are organised in every city in Serbia, with a view to promoting healthy lifestyles for all generations and making some preventive services more accessible. In the public health system, there are no sufficient capacities for specialised services for elderly.

The Ministry of Labour and Social Policy realised a significant number of projects aimed at supporting families of elderly people. In 2010, the Red Cross of Serbia started to realise the programme *Care of Elderly People in Local Communities* in cooperation with the NGO Yanos Public Health from the Netherlands. Within the project *Dialogue of Civil Society Organisations on the Issues of Elderly People in the Western Balkans,* which is realised in Albania, Bosnia & Herzegovina and Serbia, developing self-supporting groups is in the focus of activities. Those groups are directed towards motivating and empowering elderly people to solve problems by themselves. In Serbia, there are 48 self-supporting groups gathering 462 older people in two municipalities. Changes in the system of elderly protection are directed towards strengthening preventive activities and non-institutional services, but also towards solving the problem of inadequate capacities in institutional accommodation. In practice, developing a new approach to solving the problems of elderly people gives positive results in some cities and smaller municipalities.[51]

The active ageing policy in Serbia requires better institutional cooperation and coordination among competent ministries, local communities and the civil sector. The Ministry of Labour and Social Policy has a key role in solving problems in social welfare and providing part of the

[50] *The Law on Volunteering,* “Official Gazette of RS” number 36/2010, Articles 2 and 10, Paragraph 6.

[51] An example of good practice is the city of Kragujevac with rich experience in organising unique services of long-term (health and social) care for elderly people. In 2011, a centre for development of social welfare services started its work there. The centre offers a series of services to young people, children from families at risk, and provides a daycare services for people over 60, as well as home-based help for adults and elderly people. The programmes of the NGO *Viktorija* from Kragujevac offers services supporting families taking care of elderly people (80 beneficiaries), psychosocial support (150 beneficiaries), training for elderly care assistants (30 previously unemployed women) and the formation of self-supporting groups for 200 elderly people.

services to elderly people, and the Ministry of Health is expected to take a leading role in promoting health and development of health care protection of elderly people (Stern, 2011). There are also activities regarding employment of older workers (the Ministry of Economy), life-long learning (the Ministry of Education) and strengthening capacities of municipalities to respond to the needs of elderly people on the local level. The creation of a responsible policy of active ageing requires more detailed research into the demographic changes in Serbia, and the institutionalisation of a system of monitoring progress in the realisation and sensitisation of the public for the problems of elderly people.

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VUKOVIĆ, DANILO, (2010), *Izazovi oblikovanja socijalnog režima u Srbiji,* u: M. Babović (ur), Izazovi nove socijalne politike (193-218) (Book). Beograd: SeConS.

VUKOVIĆ, DRENKA, ARANDARENKO, MIHAIL (ur), (2011), *Socijalne reforme- sadržaj i rezultati* (Book), February 2011. Beograd: Univerzitet u Beogradu – Fakultet političkih nauka. Retrieved from http://www.fpn.bg.ac.rs/2011/04/07/zbornik-socijalne-reforme/ on 18 April 2011.

VUKOVIĆ, DRENKA, PERIŠIĆ, NATALIJA (2011), *Annual National Report 2011 - Pensions, Health and Long-term Care, Republic of Serbia* (Report), May 2011. Retrieved from http://www.socialprotection.eu/files_db/1173/asisp_ANR11_Serbia.pdf on 14 November 2011.

VUKOVIĆ, DRENKA, PERIŠIĆ, NATALIJA (2010), *Annual National Report 2010 - Pensions, Health and Long-term Care, Republic of Serbia* (Report), May 2010. Retrieved from http://www.socialprotection.eu/files_db/910/asisp_2010_Serbia.pdf on 18 December 2010.

VUKOVIĆ, DRENKA (2009), *Socijalna sigurnost* (Book). Beograd: Univerzitet u Beogradu – Fakultet političkih nauka.

WHO – World Health Organization, (2010), *Evaluation of the Organisation and Provision of Primary Care in Serbia – A Survey Based Project in the Regions of Vojvodina, Central Serbia and Belgrade* (Study), Copenhagen: WHO Regional Office for Europe.

WORLD BANK, (2009), *Srbija: kako sa manje uraditi više - suočavanje sa fiskalnom krizom putem povećanja produktivnosti javnog sektora* (Report), Izveštaj br. 48620-YF, 23 May 2009.

3 Abstracts of Relevant Publications on Social Protection

[R] Pensions
- [R1] General trends: demographic and financial forecasts
- [R2] General organisation: pillars, financing, calculation methods or pension formula
- [R3] Retirement age: legal age, early retirement, etc.
- [R4] Older workers activity: active measures on labour market, unemployment benefit policies, etc.
- [R5] Income and income conditions for senior workers and retired people: level of pensions, accumulation of pensions with earnings from work, etc.

[H] Health
- [H1] Health expenditures: financing, macroeconomic impact, forecasting, etc.
- [H2] Public health policies, anti-addiction measures, prevention, etc.
- [H3] Health inequalities and access to health care: public insurance coverage, spatial inequalities, etc.
- [H4] Governance of the health system: institutional reforms, transfer to local authorities, etc.
- [H5] Management of the health system: HMO, payments system (capitation, reimbursement, etc.)
- [H6] Regulation of the pharmaceutical market
- [H7] Handicap

[L] Long-term care

[R] Pensions

[R1, R2] ALTIPARMAKOV, Nikola, *A Macro-financial Analysis of Pension System Reforms in Emerging Europe: The Performance of IRAs and Policy Lessons for Serbia,* International Social Security Review, Volume 64, Issue 2, pages 23–44, April-June 2011.

The article explores the initial macro-financial performance of partial pension system "privatisations"— involving privately-managed individual retirement savings accounts (IRAs) — undertaken in many emerging European countries. Using empirical data for a period of close to a decade, the evidence shows that returns on privately-managed IRAs have been below the implicit rate of return of public pay-as-you-go (PAYG) systems. High operating costs and undeveloped capital markets are identified as major contributing factors to the failure of privately-managed IRAs to meet reform expectations. In light of empirical evidence, Serbia is advised to focus on parametric PAYG reforms and to avoid reforms that involve the partial "privatisation" of the pension system.

[R1, R4, R5] BABOVIĆ, Marija (ur), *Socijalno uključivanje: koncepti, stanje, politike,* Institut za sociološka istraživanja Filozofskog fakulteta u Beogradu, Beograd: 2011.

„Social Inclusion: Concepts, Situation, Policies"

The study shows, in a popular and illustrative way, the most important concepts, conditions, and policies on social inclusion and poverty reduction. The content of this study was previously prepared in the form of an Internet course for the needs of the Social Inclusion and Poverty Reduction Team of the European Integration Office of the Government of the Republic of Serbia. Apart from theoretical considerations and the definition of basic terms, the book provides an overview of indicators for measuring social exclusion, with a detailed description of the situation in Serbia. Social processes and new social risks are associated with the negative effects of transition and constant deterioration of the labour market situation, with an emphasis on the issue of demographic trends in the EU and Serbia. The book gives a detailed analysis of financial poverty, material deprivation, employment, education, health and social care. The conceptual framework and characteristics of the welfare state are the contents of the last part of the study.

[R4, H7] CORBANESE, Valli, *Supporting Strategies to Recover from the Crisis in Croatia, the former Yugoslav Republic of Macedonia and Serbia - Cross-Country Report,* International Labour Organization, Budapest: 2011.

The slowdown of the world production, triggered by the crisis of 2008, transferred to the economies of South Eastern Europe. The recession in Western Europe caused sharp decrease of export and reduction of domestic aggregate demand. Inflow of credits was also reduced as well as foreign direct investments, which deteriorated the situation in countries with large external deficits. In some countries, pre-existing economic and fiscal vulnerabilities limited the space for the introduction of comprehensive anti-crisis packages. In short, the economic crisis threatened to endanger the gains in human development, stability and economic progress recorded by countries in the region over the last ten years.

The ILO's Decent Work Technical Support Team and Country Office for Central and Eastern Europe (DWT/CO-Budapest) researched the impact of the crisis and anti-crisis measures introduced by three countries in South Eastern Europe: Croatia, the FYROM and Serbia. Reports made based on this research would enable users to better understand the country-specific challenges caused by the crisis, as one form of an aid in developing strategies to stimulate labour demand, expand social protection, and strengthen social dialogue and rights at work.

[R4, R5] CVEJIĆ, Slobodan, BABOVIĆ, Marija, Pudar, Gazela, *Studija o humanom razvoju - Srbija 2010 - Izvori i ishodi socijalnog isključivanja,* UNDP Srbija; Beograd: 2011.

„Human Development Study – Serbia 2010 – Sources and Outcomes of Social Exclusion"

A national study on the effects of poverty on human development in Serbia measures achievements on the basis of relevant statistical data and analysis of social exclusion. It was estimated that the values of human development indicators increased to the average of countries in the region, but the situation in the field of social exclusion is bad. Unemployment is high, the poverty rate has been increasing, and certain population groups (children, elderly people, Roma) are especially exposed to the risk of exclusion. This situation is caused by the negative effects of the transition process and inadequate reforms, which have led to economic exclusion and impoverishment of the majority of the Serbian population. The first chapter gives explanations of the concepts of human development and social exclusion, focusing on common goals and the relationship between process and outcomes of inclusion. It is followed by the analysis of exclusion and institutional responses within the reforms since 2000, as well as the presentation of the current situation in the fields of economics, politics and social services. Finally, recommendations are given for the creation of relevant policies, by means of combining funds and institutional development, in order to effectively deal not only with the consequences of social exclusion but also its causes.

[R1, R3, R4, R5] MIHAJLOVIĆ, Srećko, MIHAJLOVIĆ Vojislav, *Stariji radnici - neki na poslu, a neki ni posla ni penzije,* Centar za demokratiju, Beograd: 2011.

„Older Workers – Some of Them Work, and Some of Them Neither Work nor Have Pensions"

The study is the result of the project „Stop Discrimination Against Elderly People and Support Active Forms of Ageing" financed by the EU Programme „Support to Civil Society" for Serbia. Starting from the considerations of the position of older workers in the process of transition, the issues of demographic changes in European countries and in Serbia, the labour market situation and unemployment of older workers, measures to boost employment and the discrimination against the elderly in almost all spheres of the society are particularly analysed. The Serbian pension system is presented within the framework of pension benefits, eligibility criteria, funding difficulties, structure of beneficiaries and pension amounts. General considerations follow the fate of older workers who have lost their jobs and experience difficulties in finding new employment. Sad pictures of everyday life of the unemployed in

Serbia and obvious discrimination against older workers confirm the importance of changing current practical measures to promote active ageing.

[R2] NARODNA BANKA SRBIJE – Sektor dobrovoljnih penzijskih fondova u Srbiji, *Izveštaj za treće tromesečje 2011,* Narodna banka Srbije, Beograd: 2011.

„Report for the Third Quarter of 2011“

In accordance with the obligations to supervise companies managing voluntary pension funds and in order to make their work transparent, the National Bank of Serbia regularly publishes quarterly reports. The goal is to provide stability and market discipline in voluntary pension funds and an opportunity for citizens to obtain adequate information about their choices and extent of risks assumed. The latest report provides an overview of the market participants in the voluntary pension funds and their operations in the third quarter of 2011. It discusses in detail the net assets of the funds, the structure and volume of trading with securities, fees paid to managing companies, number and structure of users, and summarises contributions, disbursements and transfers.

[R1, R2, R3, R4, R5, H3] REPUBLIČKI ZAVOD ZA RAZVOJ, *Izveštaj o razvoju Srbije u 2010*, Ministarstvo finansija Republike Srbije, Beograd: 2011.

„Report about the Serbian Development in 2010”

The Report presents a comprehensive analysis of development results during a decade of transition in Serbia, with special emphasis on the effects of the global recession in 2009 and 2010. The aim of the report was to examine the development position of Serbia in 2010 by applying a comparative analysis of the EU structural indicators, including new indicators of the Strategy Europe 2020. It also provides a basis for monitoring the implementation of the new development Strategy Serbia 2020 in the context of the effects of the global economic crisis. The content of the study is divided into several thematic sections, of which the first part gives a synthetic view of the impact of the economic crisis on economic growth, while the second part presents results of monitoring 60 indicators. Apart from the economic development, the report also analyses demographic, social, environmental and regional development.

[R1, R4] REPUBLIČKI ZAVOD ZA STATISTIKU, *Projekcije radne snage Republike Srbije, 2010- 2050*, Republički zavod za statistiku, Beograd: 2011.

„Projections of Labour Force in the Republic of Serbia, 2010-2050”

The study contains the results of labour force projections until 2050, keeping in mind the changes in the demographic development, and primarily the ageing of the Serbian population, and its effects on the labour force structure. In the first part, the publication presents the projections of total population by age and gender, which are the basis for making labour force projections. The second part is devoted to the study of dynamics of the labour force contingent and economic activity of the population.

The most important characteristics of the projected population trends in Serbia until 2052 is the continuation of the trend of depopulation, based on each of the five variants. The smallest reduction of the population would occur in the case of high fertility variant (323,000) and the greatest changes are expected in the case of low fertility variant (decrease by about 2 million compared to 2002). All variants of projections anticipate a significant growth of elderly people in the total population and a decrease of share of the working-age population. The share of older workers in the population of working age is expected to increase, as well as the proportion of the eldest elderly (those over 80) in the elderly population. All this points to the intensification of the process of the ageing of the Serbian population from 2010 to 2050.

[R1, R2, R3, R5, R7] REPUBLIČKI FOND ZA PENZIJSKO I INVALIDSKO OSIGURANJE, *Glas osiguranika,* RFPIO, Beograd: 2011

„Voice of the Insured"

The magazine is published twice a month and contains basic information of importance to retirees and the general population. The texts are adapted to the audience and monitor the work of state bodies and institutions that make decisions important for elderly people. There is also information of significance for pensioners, such as the dynamics of pension and other benefit payments, information about the programmes of local governments to assist the poor, the statistical review of the average pension and the earnings ratio, etc. The editorial board monitors the work of bodies and institutions at the local level, and, therefore, in some editions of the „Voice of Insured", articles about the work of pensioner organisations, actions on improving services and about life in elderly care homes can be found. Especially valuable are the contributions of experts on demographic changes and reforms of pension systems in European and other countries. For current and future retirees, the FAQ section is of particular importance, since it offers detailed explanations on the implementation of specific rights and eligibility criteria.

[R1, R4, R5, H4] REPUBLIČKI ZAVOD ZA STATISTIKU, *Žene i muškarci u Republici Srbiji,* Republički zavod za statistiku, Beograd: 2011.

„Women and Men in the Republic of Serbia"

The publication provides on overview of basic statistical data disaggregated by gender, in order to monitor the changes in certain areas and policies aimed at eliminating inequalities between women and men. The published data were prepared by the relevant state bodies, scientific research institutions, the Republic Health Insurance Fund, the Republic Fund for Old-age and Disability Insurance, the Ministry of Finance and other sources. The publication provides statistical data shown by gender in the following areas: population, health, education, social welfare, justice, employment, wages, pensions, time usage, decision-making, etc. A similar publication was first published in 2005, but a significant progress in the collection of relevant statistical data and in creating a sustainable framework of gender statistics has been made since.

[R1, R2, R3, R4, R5, H1, H2, H3, H4, H5] STAMBOLIEVA, Marija, DEHNERT, Stefan (Eds.), *Welfare States in Transition - 20 Years after the Yugoslav Welfare Model,* Friedrich Ebert Stiftung - Office Bulgaria, Sofia: 2011.

The book is a result of a regional research project into the social dimension of the transition process in the countries of former Yugoslavia. Changes in political and economic spheres have led to the decomposition of the former social system. The studies have shown that the transition process took place with different intensity and that in almost all countries the expected results have been absent.

The book includes the results of the research into the transition processes in Bosnia and Herzegovina, Croatia, Macedonia, Montenegro, Serbia and Slovenia, with a focus on issues of transformation of welfare systems (pensions, health care, labour market and social inclusion policies), along with political processes that shaped the welfare systems. All case studies follow the same pattern, thus enabling the comparability of the countries. Furthermore, all parts of the welfare system are analysed based on changes in the previous twenty-year period regarding the structure of the systems, their coverage, financing and benefits. All papers give proposals of possible future changes in their concluding remarks.

[R1, R2, R3, R4, R5] STERN, Cara, *Golden Opportunities: Towards an Active Ageing Framework for the Republic of Serbia,* Vlada Republike Srbije - Tim za socijalno uključivanje i smanjenje siromaštva, Beograd: 2011.

The purpose of the paper is to present starting points for the introduction of the concept of active ageing in Serbia as well as the improvement of the institutional framework for its future promotion. Economic participation of older populations in Serbia, life-long learning, volunteering, health and health care are areas of special focus with a view to supporting active inclusion of elderly. Specific directions for the creation of policy measures in those areas are in more detail analysed in the paper.

It also promotes the European Union concept and approach to active ageing and social inclusion and takes into account the manner in which European policies and practices could be adapted to the specific conditions in Serbia. One of the aims is to try to prepare Serbia for the 2012 EU Year for Active Ageing.

[R1, R2, R3, R4, R5, H4, H5] STOJILJKOVIĆ, Jelena, *„Baby boom“ generacije na pragu penzionisanja*, Stanovništvo, Vol. 48. br.2. str. 75-91, 2010.

Baby Boom Generation at the Onset of Retirement

The paper explores the effect of the baby boom generation after the Second World War on retirement in Serbia, as well as the consequences shaping current and future trends, using demographic indicators. A starting point for the explanation of the effect of the baby boom generation on the structure of retirees was the ageing-gender structure of baby boomers. The economic structure of baby boomers is also taken into account. As a method of dimensioning future trends in the number of retirees, an indicator of life expectancy is used along with population projections. When baby boomers retire and exit the working population, this will create a vacuum, because numerically smaller generations will enter the working population, whilst very shortly the rate of the population older than 60 or 65 will increase suddenly, and most of them are likely to acquire the right to a pension.

[R1, R5, H1] VLADA REPUBLIKE SRBIJE - Ministarstvo finansija, *Bilten javnih finansija - oktobar 2011*, Ministarstvo finansija, Beograd: 2011.

„Bulletin of Public Finances – October 2011“

The Bulleting gives a monthly overview of the main trends in public finance during the year. The last issue was published in December 2011 and contains an overview of the situation in the area of macroeconomic and fiscal development and public debt. In the part relating to the salaries and pensions, there is information about their average amounts in the period January-October 2011, total number of pension beneficiaries, their ratio to employees, and share of pensions in earnings. The bulletin also contains information on consolidated budgetary expenditures and structure of incomes and expenses of insurance funds in 2011. It also provides a detailed statistical overview of basic indicators of trends in public finances by years and months in some cases.

[R1, R2, R3, R4, R5, H1; H2; H5, L] VLADA REPUBLIKE SRBIJE, *Prvi nacionalni izveštaj o socijalnom uključivanju i smanjenju siromaštva u Republici Srbiji*, Beograd: 2011.

“The First National Report on Social Inclusion and Poverty Reduction in the Republic of Serbia”

The report was produced during the period of signing the Stabilisation and Association Agreement, and submitting the application and answers to the questionnaire of the European Commission for the EU membership. In the introductory part, it is emphasised that the report represents a form of preparation for the responsibilities that lie ahead and work on the Joint

Inclusion Memorandum (JIM) after acquiring the status of candidate country. The first national report includes: overview of the legal, strategic and institutional framework relevant to the process of social inclusion and poverty reduction, analysis of current conditions in relevant areas, a review of implemented measures, conclusions, challenges and the basic directions of development for the future.

Pension and health care systems are an integral part of the report, and are analysed from the point of description of the current situation - organisation, pillars, calculation and amount of pensions, financing, minimum level of benefits, etc. The report contains relevant statistics, and each section is followed by the conclusions and recommendations to overcome the problem. In the analysis of pension insurance, poverty of survivor pensioners and farmer pensioners is stressed. It is, therefore, recommended to take measures to ensure adequate income in old age. The state of health care was analysed based on a set of indicators on the coverage of the population, the availability and quality of services and factors of exclusion. It is emphasised that the strategic framework for health care is in compliance with the programmes and requirements of the EU, but that there are problems in their implementation. The issue of long-term care is considered in the context of increasing needs and deficiencies of the system, which is divided between health and social welfare.

[R1, R2, R3, R4, R5, H4, H5, L] VLADA REPUBLIKE SRBIJE - SAVET ZA PITANJA STARENJA I STAROSTI, *Izveštaj sa uputstvom na temu postupaka preduzetih na nacionalnom nivou povodom UNECE-ove Strategije regionalnog sprovođenja Madridskog međunarodnog plana akcije u vezi sa starenjem (MIPAA)*, usvojen od strane Kancelarije radne grupe za starenje, Beograd: april 2011.

„Guidelines for Reporting on National Follow-up to the UNECE Regional Implementation Strategy (RIS) of the Madrid International Plan of Action on Ageing (MIPAA)

The Report contains the answers to the question of actions taken at the national level on the occasion of the UNECE Regional Implementation Strategy of the Madrid International Plan of Action on Ageing. According to the guidelines, the report contains a wide range of issues related to ageing in Serbia. Based on the assessments of progress made in the period since 2007, the report details demographic trends, sectoral policies and pension system reforms in Serbia. The report also includes the evaluation of strategic plans and actions to sensitise the public to the problems of the aged and of ageing, the review of legislation and assessment of public policy. The focus is on the problems of discrimination against elderly people, the situation of older workers, as well as measures to promote active ageing. The report also provides answers to questions of adaptability of the education system to the needs of elderly people and development of life-long learning.

[R4] VLADA SRBIJE, *Nacionalni akcioni plan zapošljavanja za 2012. godinu*, Beograd: 13. oktobar, 2011.

„National Action Employment Plan for 2012"

The adopted document presents the implementation of main instruments of the active employment policy in 2012. The action plan defines the objectives and priorities of employment policy and programmes and determines the measures to be implemented, in order to achieve the set of goals and build a substantial increase in employment. Social partners, relevant institutions and stakeholders participated in the production of the plan, in order to provide a comprehensive review and ensure implementation of planned programmes and measures. Starting from a macroeconomic framework, the document provides a detailed breakdown of the labour market and unemployment characteristics. Older workers are among the risk groups on the labour market – a trend of their increased unemployment is observed up

to the level of 31.8% in 2011. One of the planned measures is the promotion of less employable persons (and older workers), via subsidies and tax exemptions.

[H] Health

[H3] BRKIĆ, Dušica, KOCIĆ, Sanja, RADOVANOVIĆ, Snežana, *Obezbeđenost i korišćenje primarne zdravstvene zaštite odraslog stanovništva*, Zdravstvena zaštita, 3/2011, pages 1-6, 2011

“The Provision and Use of Primary Health Care in the Adult Population”

The article presents the results of researching primary health care provision and use in the adult population in the Sumadija district in the period 1999-2008. In the reported period, there were 143 doctors, of which 37.8% were specialists. The number of adults per doctor decreased from 1,807 in 1999 to 1,647 in 2008. This points to the fact that the number of adults per doctor was slightly higher compared to the national standard (established as 1,600 adults per doctor). The average number of visits increased from 2.4 in 1999 to 4.3 in 2008. Finally, the share of first visits was decreased in the observed ten-year period from 29.2% in 1999 to 20.1% in 2008.

[H1, H2, H3] BREDENKAMP, Caryn, MENDOLA, Mariapia, GRAGNOLATI, Michele, *Catastrophic and Impoverishing Effects of Health Expenditures: New Evidence from Western Balkans,* Health Policy and Planning, 2011 Jul; Vol. 26 (4), pp. 349-356.

The authors research the connection between health expenditures and household welfare in the countries of the Western Balkans (and in Serbia among others), all of which have undertaken substantial health care reforms. Based on national statistical data, they conclude that health care expenditure contributes significantly to the impoverishment of households, but with a different intensity in different countries. In Serbia, transportation costs are a significant share of total health care expenditures, but so are informal payments. The article specifically points to vulnerable groups and the challenge of their protection while the reforms are underway.

[H2] COMISKEY, Catherine, DEMPSEY, Orla, SNEL, Anne, *Prevalencija populacija pod povećanim rizikom od HIV-a u Republici Srbiji*, Institut za javno zdravlje Srbije “Dr Milan Jovanović Batut,” Beograd: 2011.

“Prevalence of the Most-at-Risk Populations for HIV in the Republic of Serbia”

The research was published as the result of the project “Improvement of the National System of Monitoring and Evaluation Responses to HIV infection” with a view to evaluating the population under increased risk of HIV infection in Serbia. The reported results should serve as a basis for an adequate monitoring of provided services and valid comparisons of prevalence of HIV infection, risks and other indicators at the local and national levels. Data were collected between March 2010 and June 2011 by means of direct and indirect methods for assessing the prevalence in the population aged 18 to 49. Centralised software data sources were used and empirical research was conducted in several Serbian towns. Based on the prevalence results, the main recommendation of this report is to refine, extend and repeat the Integrated Bio-Behavioural Survey.

[H2, H3, H7] DINKIĆ, Mirosinka, BRANKOVIĆ, Aleksandra, *Ekonomska analiza uvođenja zdravstvenih medijatora u sistem javnih zdravstvenih ustanova u Srbiji*, Institut ekonomskih nauka, Beograd: 2011.

„Economic Analysis of the Introduction of Health Mediators into the System of Public Health Institutions in Serbia“

The monograph is the result of researching effects of engaging health mediators to improve the health status of the Roma and other indicators of their quality of life. The content of the

monograph is the analysis of laws and policy documents that form the basis for the activities of the Ministry of Health and other state agencies to improve the situation of the Roma, primarily the use of rights from the Law on Health Care and the Law on Health Insurance. Experiences of engaging health mediators for the Roma in Romania, Bulgaria and other neighbouring countries are also presented. The book focuses on the effects of engaging health mediators on improving availability and utilisation of health care services by the Roma in the municipalities that were included in the project. Also, a set of concrete recommendations aimed at improving health and quality of life of the Roma, as well as their social inclusion within communities and society as a whole is given.

[H1] GAJIĆ-STEVANOVIĆ, Milena, DIMITRIJEVIĆ, Snežana, ŽIVKOVIĆ, Slavoljub, TEODOROVIĆ, Nevenka, PERIŠIĆ-RAJNICKE, Darinka, *Troškovi zdravstvene zaštite u Srbiji prema međunarodnoj klasifikaciji bolesti za period 2004-2009*, Stomatološki glasnik Srbije, vol. 58, no. 3, pages 127-138, 2011

"Costs of Health Care in Serbia Based on International Classification of Diseases in the Period from 2004-2009"

The article deals with retrospective and comparative analysis of statistical data of health kept by the Institute of Public Health in Serbia and financial data of the Republic Fund of Health Insurance, for the period 2004-2009. The authors used the methodology of the World Health Organization.

In the reported period from 2004 to 2009, the costs of health care of the Serbian population have tripled. The highest cost for health care was in 2009 (approx. EUR 1.5 billion), while the lowest was in 2004 (approx. EUR 628 million). The structure of costs in 2009 was as follows: treatment of cardiovascular diseases (18.87%), infectious diseases (11.20%), diseases of digestive system (9.26%), nervous system diseases (9.20%) and tumours (8.88%), while the treatment of congenital anomalies had the smallest share (0.33%).

[H3] IDZERDA, Leanne, ADAMS, Orvill, PATRICK, Jonathan, SCHRECKER, Ted, TUGWELL, Peter, *Access to Primary Health Care Services for the Roma Population in Serbia: a Secondary Data Analysis,* BMC International Health and Human Rights, 2011 Aug; Vol. 11, pp. 10.

The overview tries to establish whether the Roma are able to effectively access primary health care services in Serbia and to identify the obstacles they are facing in order to realise their right to health care. In order to assess this, three population groups were examined: he general population, the Roma, and the poorest quintile of the general population (excluding the Roma). Roma children under 5 years with acute respiratory infections were in the focus of the study.

The authors show that Roma children were significantly more exposed to the infection compared to the two reference groups. However, all three groups were equally likely not to receive the correct treatment regime of antibiotics.

Finally and most importantly, the lack of personal documentation is a significant problem. Availability of health services is not an issue that disproportionately affects the Roma; however, the geographical accessibility and affordability are substantive issues that disproportionately affect the Roma. Affordability of services affected the Roma and the poorest quintile and affordability of medications significantly affected all three population groups.

[H4, H5] ŠANTRIĆ-MILIĆEVIĆ, Milena, BJEGOVIĆ-MIKANOVIĆ, Vesna, TERZIĆ-ŠUPIĆ, Zorica, VASIĆ, Vladimir, *Competencies Gap of Management Teams in Primary Health Care,* European Journal of Public Health, 2011 Apr; Vol. 21 (2), pp. 247-253.

The article explores competencies and perceived competency gaps of management teams in the public sector of primary health care. The research was carried out during a two-year period (2007 and 2008) with 14 management teams of primary health care centres in Belgrade. They were questioned before and after training in six competency categories.

The results show that before training, the estimated competency gap was highest in assessing performance (6.29), followed by team building (5.81) and planning and priority setting (5.70). Five months after training, the highest gap remained in assessing performance, but it was considerably reduced to 3.18.

The authors favour the implementation of training, in order to reduce competency gaps of management teams in (primary) health care.

[H4, H5] TEKIĆ, Jasmina, MAJSTOROVIĆ, Vidosav, *Main Criteria for Models of Excellence in Health Care,* Serbian Dental Journal, vol. 58, no. 3, pages 147- 152, 2011

Business excellence models have a long history of development within the past sixty years. Today, the business excellence models can be essentially classified as the world's most famous models/awards for excellence (Japanese, American and European), the most popular national models of excellence (the Australian, British, German, French), as well as models of excellence companies (Siemens, Philips, Toyota). In the world today there are about 120 models of excellence. The best way to improve quality of health care organisations that operate systems of quality management is by application of the concept of total quality (TQM). This approach ensures the improvement of overall performance of health care organisations, primarily the internal organisation including management, resources, processes and human resources, health care services and performance of business results.

The development of a model of business excellence (BE) for dental health care is the main subject of the current study. The aim of this study is to present and analyse the existing criteria for product excellence and, based on that, to define criteria for models of excellence for dental health care in Serbia.

[H1, H2, H3, H5] VLADA REPUBLIKE SRBIJE - Tim za socijalno uključivanje i smanjenje siromaštva, *Kratak pregled 1. nacionalnog izveštaja o socijalnom uključivanju i smanjenju siromaštva u Republici Srbiji - Uloga lokalnih samouprava,* Tim za socijalno uključivanje i smanjenje siromaštva, Beograd: 2012.

„Short Summary of the First National Report on Social Inclusion and Poverty Reduction in the Republic of Serbia – the Role of Local Communities"

This study provides a summary of the First National Report on Social Inclusion and Poverty Reduction in the Republic of Serbia, with an emphasis on the possibilities of achieving social inclusion at the local levels. It takes into account the probability of achieving the objectives of the Open Method of Coordination and it presents in brief the steps made towards their realisation. It presents the examples of good practice performed during the year. The content and style of the study are adapted to potential users, primarily local governments, representatives of sectoral institutions, NGOs and other stakeholders actively involved in solving problems of poverty and social exclusion.

[H2, H3, H4] VLAHOVIĆ, Zoran, RADOJKOVIĆ, Dragica, *Healthcare in Serbia in Transition Period,* The EPMA Journal, Volume 1, no. 4, pages 601-606, December 2010

The main topics of this article are the health care system in former Yugoslavia, the changes in the transition period within the society and the health care system. The factors of the demographic and socioeconomic situation, the usage of the existing capacities within the system, as well as the comparison of the data related to the health care system in Serbia versus

the EU countries are separately analysed. The analysis has pointed to the usual challenges present in the countries in transition as well as the efforts by the government and the Ministry of Health of the Republic of Serbia in the form of numerous national and strategic documents, initiatives and projects, in order to improve and sustain the health care system.

[L] Long-term care

[L] KOLIN, Marija, Ageing and the Welfare Mix Policy in Serbia, in:, August ÖSTERLE (ed.) *Long-term Care in Central and South-Eastern Europe* (pp. 151-174), Peter Lang, Frankfurt am Main: 2011.

The article of Kolin is focused on long-term care in Serbia. Preliminary considerations are given within the wider context of ageing in the society. They refer to social protection of elderly people in the past (during the last two decades) and the vulnerability of their position (above-average exposure to poverty of elderly people in general and especially of elderly people in rural areas, women, single-person households, etc.).

In considering stakeholders in LTC, first a historical view is given, after which follows the explanation of different actors and different levels of jurisdiction in this area of protection, its "dual" nature, etc. The key welfare programmes are analysed through residential care and community care. Both types of care are analysed based on their characteristics, planned measures and aims, as well as actual achievements, obstacles to be overcome and possibilities for better performance. Private sector and civil society activities are presented as one of the most important changes in social policy for elderly people and the role of informal family networks is seen as the most important in LTC in Serbia.

As the main current challenges the following are seen: less than 10% of elderly people benefit from social protection programmes; there is a need to develop specific programmes at the local levels; development of residential homes with small capacities, especially in areas in which they are not available, but also of supporting day care centres and home-based social care.

[L] STANKOVIĆ, Snežana, NIKOLČIĆ, Jasna, *Zdravstvena nega u oblsti neurologije, gerijatrije i palijativnog zbrinjavanja*, Zdravstvena zaštita, 3/2011, pages 63-69, 2011

"Health Care in the Field of Neurology, Geriatrics and Palliative Care"

The aim of the article is to present specificities of neurology, geriatric and palliative care as well as the problems and needs those patients have. It also tackles problems of professionals working in these areas.

Challenges in palliative care especially range from problems regarding therapeutic possibilities and choices of the most adequate way of treating pain to psychosocial problems of the patient and his/her family and finally the prominent need to maintain the remaining quality of life of the patient. The authors argue in favour of educating families and engaging specialist professional teams (consisting of a nurse, doctors of various specialties, psychologist, social worker, physiotherapist, and priest).

4 List of Important Institutions

Centar za liberalno-demokratske studije - Centre of Liberal-Democratic Studies

Contact person: Dr. Boško Mijatović
Address: Kralja Milana 7, 11000 Belgrade, Serbia
Webpage: http://www.clds.rs/

The centre is an independent research institution analysing and publishing proposals for state policies, organising conferences and lectures on some central problems, as a part of its mission to influence the public opinion in Serbia. The basic principles in the creation of the Centre's proposals are: individualism, freedom, values of free market, individual choice and responsibility.
It publishes books and working documents, many of which refer to socio-political issues and reforms.

Institut za javno zdravlje Srbije "Dr Milan Jovanović Batut" - Institute of Public Health of Serbia "Dr Milan Jovanovic Batut"

Address: Dr Subotića 5, 11000 Belgrade, Serbia
Webpage: http://www.batut.org.rs/

The institute is a health care institution performing the tasks of representing the general interest in the area of health care in Serbia. It has the character of a scientific and educational state institution. The work of the Institute is organised within several centres (for the promotion of public health, information and bio-statistics, analysis, planning and organising health care, research in the area of public health, etc). In cooperation with the Ministry of Health and other relevant institutions, the Institute of Public Health has participated in the creation of health policy and the realisation of a number of important projects.
It publishes studies, books, reports and documents relevant to the health system in Serbia.

Ministarstvo rada i socijalne politike Republike Srbije – Ministry of Labour and Social Policy of the Republic of Serbia

Address: Nemanjina 22-24, 11000 Belgrade, Serbia
Webpage: www.minrzs.gov.rs

Pursuant to the laws, the ministry administers the following areas: labour relations and labour rights; population policy; social welfare; old-age and disability insurance; insurance of military contributors; concluding and implementing international agreements on social insurance, etc. Tasks relating to labour, old-age and disability insurance and social welfare are organized within different sectors. Strategic documents and action plans establish the policy of the ministry as an umbrella institution in a significant part of social protection system. The Fund of Old-Age and Disability Insurance has the status of an organization for mandatory insurance and it collects funds for the effectuation of the rights prescribed by the laws.

Ministarstvo zdravlja Republike Srbije – Ministry of Health of the Republic of Serbia

Address: Nemanjina 22-24, 11000 Belgrade, Serbia
Webpage: www.zdravlje.gov.rs

Pursuant to the Law on Ministries, the ministry is competent for the tasks relating to the organization of health services, health insurance and financing, public health and programme activities in the process of health system reforms. The ministry prepares regulations, rule books

and strategic and plan documents. The Republic Fund for Health Insurance collects funds for the effectuation of the rights prescribed by the laws.

Narodna banka Republike Srbije - National Bank of the Republic of Serbia

Address: Nemanjina 17, 11000 Belgrade, Serbia
Webpage: www.nbs.rs

The National bank of Serbia is entrusted with supervising the insurance activities, with issuing the licenses for performing the insurance and re-insurance activities, with mediating and representing in insurance, as well as with performing the activities in direct connection with the insurance activities, etc. Its main principles of work in the area of insurance are to be the transparency in its decision-making as well as orientation towards continuous reforms of the financial sector.

Univerzitet u Beogradu – Fakultet političkih nauka, Odeljenje za socijalnu politiku i socijalni rad – University of Belgrade – Faculty of Political Sciences, Department of Social Policy and Social Work

Contact person: Prof. Dr. Drenka Vukovic (full-time professor)
Address: Jove Ilica 165, 11000 Belgrade, Serbia
Webpage: http://www.fpn.bg.ac.rs/

The Faculty of Political Sciences is an integral part of the University of Belgrade. The Faculty has four departments: the Department of Political Studies, the Department of International Studies, the Department of Journalism and Communications and the Department of Social Policy and Social Work. As a unique educational, scientific and research institution, the only one of its kind in Serbia, the faculty takes a prominent place in the area of educating personnel, creating policy and practice in the social sphere. The curriculum has courses in social security systems and related scientific disciplines in the graduate, masters and PhD courses.
The Department of Social Policy has published many publications – university books, expert brochures, studies and monographs, as results of the realisation of scientific research projects.

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(1) to improve the knowledge and understanding of the situation prevailing in the Member States (and in other participating countries) through analysis, evaluation and close monitoring of policies;
(2) to support the development of statistical tools and methods and common indicators, where appropriate broken down by gender and age group, in the areas covered by the programme;
(3) to support and monitor the implementation of Community law, where applicable, and policy objectives in the Member States, and assess their effectiveness and impact;
(4) to promote networking, mutual learning, identification and dissemination of good practice and innovative approaches at EU level;
(5) to enhance the awareness of the stakeholders and the general public about the EU policies and objectives pursued under each of the policy sections;
(6) to boost the capacity of key EU networks to promote, support and further develop EU policies and objectives, where applicable.

For more information see:
http://ec.europa.eu/social/main.jsp?catId=327&langId=en