

Reasons for, and the profile and development of, poverty in Serbia

Abstract

Nowadays in Serbia there are many poor people living on the edge of existence, without the conditions for a decent life. When the word 'poor' is mentioned, we already know that people are not able to fulfil their everyday needs due to their low incomes. According to some research studies, almost one-half of the population is considered to be poor, of which number a small part are considered to be extremely poor. Poverty in Serbia has become more noticeable since the 1990s. Wars, sanctions, criminal growth and the wide decrease in both moral and social values have had their results in the very low living standards of many citizens. In the economy, the dominant factor was state property, which enabled people close to the power centre to gain profit, while the private sector only started to expand later. According to recent data, in our country about one million people – 700 000 adults and 300 000 children – live in poverty, and the number of those considered to be underprivileged has been rapidly increasing year-on-year.

Keywords: poverty, Serbia, incomes, transition, war, refugees and displaced people, education, unemployment, pensioners, children, Roma, people with disabilities, women, poverty reduction strategies, corruption, organised crime, middle class

What is poverty?

Poverty can be described in different ways, but the most common definition is that it is a deficit in the financial means needed for everyday life, either in a family or in social life.

The United Nations gives a definition according to which the under-privileged are those people unable to live a comfortable and dignified life, common to the societies in which they live. Poverty is constantly being changed, measured and calculated according to changes in social life; thus, there is deprivation, or absolute poverty, as well as relative poverty and new poverty. A person without any money even for basic social necessities is considered to be absolutely poor. This kind of poverty is beyond the so-called critical point of poverty. Relative poverty occurs when one's life is below the poverty line but is not considered to be critically so. New poverty is caused by transition and refers to people who have been downgraded and made jobless and social losers as a result of social changes in the state.

Every state makes a strategy for poverty reduction through the relevant Ministry in charge, thus also defining incapability for employment; poor living conditions; inadequate social security; and no rights as regards the environment or natural resources, etc.

Poverty in Serbia – causes

The tragic periods of turmoil of the 1990s created by the fissures in ex-Yugoslavia, together with wide-ranging war combat, the introduction of United Nations sanctions and a tsunami of refugees brought a total fall in living standards. Many families in Serbia had already been struck by poverty. The war brought about a drastic fall in the state budget resources which was reflected in declining standards.

This period is remembered across the world for the political turmoil, the toppling of regimes, the transition period and, therefore, the changes this brought in social and individual lives.

As far as our state is concerned, the period from 1989-1991 was a time of typical change in socialist society, with many characteristics of this former period being abolished. The multi-party system developed but, in an economic sense, it bore instability as a result of the many turbulences within the system. Nevertheless, that period did not have the characteristics of a transition; this appeared only after 2000. Gross domestic product fell, while the poverty rate increased. In current prices, GDP per capita was \$4 099 and in 2000 it had fallen to \$1 161. This was followed by the well-known period of hyper-inflation. Due to the war economy, it was impossible to sustain the same level of inflation and living standard as previously.

Furthermore, a large number of refugees was arriving annually and this also had its impact on the stability of the economy. It has been calculated that the influx was about 750 000 refugees, although the number even nowadays is not a negligible one (it still stands at about 480 000).

Serbia has been significantly impoverished throughout all these years, but it is still not the poorest country in the Balkans. Romania and Bulgaria are EU members and have not been involved in wars and sanctions, but they are not in a dramatically better position than Serbia. Bosnia and Herzegovina and Albania are still behind us but, perhaps, in a rather similar situation.

In respect of poverty lines, some 10 % of citizens in Serbia live in poverty but a further 10 % are living on incomes only just above that line. Survey results from 2003 also show that every tenth citizen in Serbia is poor.

One of the most striking considerations of poverty are shown in an inability to consume food sufficiently, which is a factor in mental concentration at work. The fact of being poor changes the psycho-physical state of people who are affected by poverty, as all their perspectives and chances to develop are put in jeopardy.

The poverty profile in Serbia

Do we ever wonder which people are the poorest? Who are the most poverty stricken – and why? Is it only the difficult social situation which is to blame or is it also our own responsibility?

According to the statistics, the most likely people to experience poverty are those without even primary school, or people with a very low level of education in general; the percentage of people with a faculty education who are poor is a very small one.

Logically, unemployed people are those who are most likely to be faced with poverty (about 59 % more likely than the average population). Unemployed people

suffer daily the hardship of an unemployed life. About one million people in Serbia has been registered as unemployed; a result of the transition process as well as the numerous privatisations that have made a lot of people redundant. Most worrying of all is that young people, after finishing their education, have small chances of employment and, out of the total number of jobless people, they form the largest group.

Analysing the age of poor people, the greatest number of the poor are the elderly, i.e. people above the age of 65. They make up one-quarter of the total number of the poor; suffering the most are people without pensions, then pensioners with very low incomes which are insufficient for basic needs.

However, it is children who are the most poverty stricken group.

From the total number of children in Serbia (about two million), almost one-third live in some form of poverty: about 600 000 boys and girls are raised in harsh conditions. The number of poor children living in Serbia is much higher than in the official statistics. The criteria determining the number of poor people are significantly different from the real situation, as the figures determined by the World Bank are not sufficient to live a normal life. According to these figures, every person in Serbia spending less than 172 dinars is regarded as poor. These data are considered relative but the reality is much worse: results from the Institute of the Social Medicine of a study of the poor are more reliable. Poverty has many other aspects apart from financial ones. Many children are raised without anyone's help. They have no medical insurance, live in poor hygienic conditions, have no social life and no proper place for living, and go without clean bed sheets, regular meals, clothing or shoes. Furthermore, most of them suffer famine. A complete negligence of under-privileged children leads them to be unable to find their position in a normal life when they grow up; thus, they become worthless and discredited people without any chance of development. What can be expected in the future of a country with so many hungry and thirsty children? Life in poverty reflects on their mental state as such a traumatic period has a lasting impact on them.

Research studies show that the most noticeable incidence of poverty occurs in large families in which poverty is passed down from one generation to the next. The most badly hit children are aged between 7 and 14, although children aged 15-18 do not live much better.

People in peril

Refugees and people who have been displaced by some force of circumstance are a particularly imperilled group of people. Having been forced to leave their homes, many have been housed in refugee camps (it is thought that 9 000 refugees are housed there). The number of refugees has decreased according to official statistics, but their number is still extremely worrying, especially those who have not yet established a roof over their heads. One small group of people have returned to Bosnia and Herzegovina as well as to Croatia, but it is a very small percentage. Concerning our citizens from Kosovo and Metohia, some noticeable level of return is almost impossible, due to security factors, and most of them are living in poverty.

Roma people are very a endangered and discriminated against group, living in extremely hard conditions. It is estimated that there are more than 300 000 Roma in Serbia. Socially speaking, the Roma population is extremely endangered; only a small number

finish any schooling and, for the most part, they do not participate in social life. Their life span is shorter than the average as they live in unhealthy and risky conditions.

The rights of people with disabilities are well-known but, in practice, these people are very discriminated against; they find jobs only with great difficulty or, when they do find them, they do not have equal status as other employees in the organisation. Particularly endangered are children with mental disabilities, as they need much greater care. However, the most significant number of people with disabilities come from extremely poor families.

Due to traditional beliefs about life, women in Serbia still lag behind men financially. Women earn 15 % less than men on average; there are few in managerial positions; and, mostly, they are not able to be independent in terms of decision-making. The highest percentage of poor women is evident in single mothers and housewives, as well as those who are living in rural areas. Factors demonstrating the unfavourable economic status of women include, among others: a higher unemployment rate; longer waiting times to find employment; and less ownership of personal property.

According to unofficial data, in Belgrade live almost 280 000 poor people, the majority of whom are pensioners (160 000); recipients of social help (45 000); Roma (19 000); and about 50 000 people who are given subsidies on their utility bill payments. It has been proven that the vast majority of endangered citizens are those without primary school education. According to some statistics, poor families are considered to be those with just one member or otherwise with more than five members. Social help provided by the City of Belgrade is, to the greatest degree, focused on some 12 000 unemployed people as well as 10 000 citizens from a range of different categories. The most difficult situation continues to lie with Roma as they have always been on the margins in this city, while most older people have a difficult life.

Table 1 – Poverty according to region in Serbia

| Region | % poor |
|-------------------|--------|
| South-east Serbia | 23.5 |
| West Serbia | 13.2 |
| East Serbia | 11.4 |
| Šumadija | 9.7 |
| Vojvodina | 7.2 |
| Belgrade | 4.2 |

Strategies in the struggle against poverty

In the attempt to resolve the crises which have led to poverty, the government of Serbia has designed a strategy for the reduction of poverty. The initial basis and the most important points to this plan were designed in line with World Bank and International Monetary Fund guidelines. In our country, the poverty reduction strategy con-

stitutes a medium-term framework with the aim of decreasing the main forms of poverty which threaten to endanger the normal life of under-privileged citizens, and to create better financial conditions which would facilitate better chances to exist for everyone.

Under this strategy, poverty is observed as a complex problem which, together with insufficient financial means for life, carries problems as regards human rights, small chances for employment, medical treatment and social protection.

According to the Plan for the implementation of the poverty strategy, money is to be invested in all those segments that are considered capable of reducing poverty – the economy, medical care, science and the employment sector. The problem of poverty cannot be solved immediately; the state has to deal with this problem strategically and meticulously through its institutions (of which the most important is the Ministry of Labour, Employment and Social Policy).

The Strategy for Poverty Reduction was meant to reduce poverty in Serbia by one-half up to 2010, especially the most noticeable forms that occur in the most jeopardised areas and groups. Today, there remain many extremely jeopardised people living a hand-to-mouth existence, without any relief; much time has yet to pass, it seems, before the number of impoverished people may be reduced to a minimum. This is a very difficult task to accomplish without some help from abroad, via gifts and donations, and enormous endeavours must be undertaken to solve this problem.

Bearing in mind the overall material situation in Serbia, its difficult financial situation and the political turmoil which has struck it repeatedly, considerable time will be needed before some real fruits of this Strategy may appear.

Conclusion

The unpleasant fact is that there are many impoverished people living in Serbia. A total crisis, followed by wars and sanctions in the 1990s through the processes of transition after 2000, has left an enormous impact on the lives of ordinary people. Feelings of uncertainty have overwhelmed a considerable number. It is very difficult to find a job, and those who are in work are frequently not paid on time. It is known that Serbia did not suffer from poverty to such an extent before the disintegration of ex-Yugoslavia. We were a partially-developed country, tending to make considerable progress in industry. However, all the above-mentioned turmoil has completely degraded our economy and brought poverty as a dominant factor in everyday life.

In the period of a decline in the standard of living, all the negative factors causing citizens' poor living conditions may be noticed – the founding of different banks with the aim of cheating the citizens; the legalisation of the underground economy; and the presence of numerous dealers and smugglers. All this has caused enormous economic and social problems.

Gross National Income has decreased by 50 %, unemployment has increased and pensions and salaries have been rapidly devalued. The middle class, as the main core of every country, slowly started to disappear, thus leaving an enormous gap between rich and poor. Meanwhile, gross corruption has become very evident, threatening the further devastation of the country.

Where poverty is considered nowadays in Serbia, the results are clearly highlighted by the very poor statistics. The more alarming factors are concerned with the enormous differences between some regions of the country. The risk of poverty has increased in the south and in south-east Serbia, and there has been a great influx of people into Belgrade. Furthermore, the number of soup kitchen users, as well as social help recipients, has been on the increase as they have been additionally burdened by the global crisis.

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