

MATERIAL STATUS OF RESPONDENTS

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Analysis of the material status of respondents in our research can roughly be divided into two key parts: our primary interest was the subjective experience of the respondents, but objective indicators have also been taken into account.

PROLOGUE: WESTERN BALKANS, ZONE OF POVERTY

War and devastation that have marked the last decade of the twentieth century in former SFR Yugoslavia have dramatically set back the economic status of almost all countries in the region. According to statistical data, only Slovenia has managed to attain and surpass the economic status it had in 1990, at the time when the dissolution of second Yugoslavia began. Croatia, Bosnia-Herzegovina and Serbia are still way below this level. This is corroborated by the low level of the gross domestic product (GDP). Based on the competitive list published by the Central Intelligence Agency (CIA) within its publication "The World Fact book" (www.cia.gov/cia/publications/factbook/) Croatia is in the best position and with a GDP of 10,600 US\$ occupies the 77th place of the list. Bosnia-Herzegovina is 109th with 6,100 US\$ per capita, while Serbia holds the poor 167th place with 2,200 US\$.

Low domestic product is accompanied by high unemployment rate (19,3% in Croatia, 34,5% in Serbia and 40% in Bosnia-Herzegovina) and devastated infrastructure. Significant improvement is impossible without influx of fresh capital, but foreign actors are still reluctant to invest, given that appropriate conditions have not yet been created. Of the three states encompassed by our research, the economic situation is the best in Croatia, which has largely been confirmed by a positive opinion of the European Commission regarding Croatia's application for membership in the European Union.

One of the most direct and visible consequences of the drastic reduction of economic activities in the three countries is the decline of living standard of the population and increase of poverty. Very few existing quantitative data, due to various methodologies used in their collection, are not mutually comparable. Therefore we shall give a brief overview of each country respectively.

Bosnia and Herzegovina. Key finding from the research conducted in 2001²⁸ was that there has been no extreme poverty or starvation, but almost one-fifth of the population nevertheless had a consumption level below general poverty line and have therefore been classified as poor. Several groups have been identified who are at more than an average risk of poverty. Firstly, children in RS are particularly disadvantaged. Over 50% children under five in Republika Srpska live in poor families. Secondly, **displaced persons and refugees are far more at risk of poverty than other groups. It is interesting that returnees face a high risk of poverty in Republika Srpska, but that their risk of poverty still remains way below the average in the Federation BIH.** The third group at higher risk of poverty than the average are unemployed and the discouraged workers. The risk faced by the unemployed is at least double than that of the employed. Lastly, persons living in households whose breadwinner has eight or less years of school are almost three times more at risk of poverty.

Croatia. There is very little quantitative data about the extent of poverty in Croatia. Even the "National report on the implementation of the UN Millennium Declaration Goals", published by the Government of Croatia, states that the only relevant source is the World Bank study on poverty in Croatia from 1998²⁹ according to which about 10% of the population lives in absolute poverty. This study points out the poorly educated, unemployed and the elderly as groups in which a particular risk of poverty was registered. Refugees, internally displaced and returnees have not been included in this study, but based on the UNHCR provided information, the authors assume that the poverty level among these groups would be **about 3 times higher than among local population.**³⁰

Serbia. According to data presented within the "Poverty Reduction Strategy Paper"³¹, there are about 10 to 20 percentage of the population affected by poverty (depending on where we draw the poverty line). The categories of population said to be most at risk of poverty are: the unemployed, elderly above 65, inhabitants of rural areas of Southeast and West Serbia and it is assumed – due to lack of precise data, like in Croatia – that particularly vulnerable categories consist of Roma, as well as displaced persons and refugees. It is assumed that the percentage of the poor among the displaced is 30%, while among refugees it is as high as 40%.

²⁸ Data on poverty in Bosnia-Herzegovina was taken from the report "Welfare in Bosnia and Herzegovina 2001: Measuring and findings" prepared by the National Statistics Agency (BHAS), Bureau of Statistics RS (RSIS), Bureau of Statistics FBiH (FIS) and the World Bank (WB)

²⁹ World Bank (2000).

³⁰ Ibid, str. 21.

³¹ Government of the Republic of Serbia (2003).

**MATERIAL STATUS OF RESPONDENTS –
SUBJECTIVE INDICATORS**

Subjective indicators of material status of respondents in our research were the perception of personal financial situation before the war and today, as well as their current feeling of need for humanitarian assistance.

Table 1: *Perception of the material situation before the war – all respondents*

	Returnees	Refugees	Local population	Total
Extremely poor	1.5%	1.6%	0.4%	1.2%
Poor	4.3%	5.8%	4.8%	4.9%
Average	42.5%	41.5%	44.0%	42.6%
Good	37.8%	36.9%	38.1%	37.6%
Very good	14.0%	14.2%	12.6%	13.6%

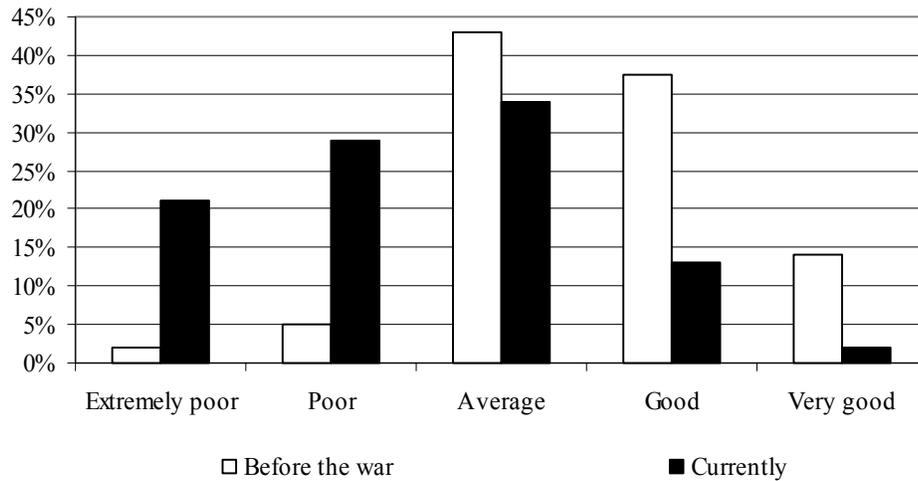
The table clearly shows that there are no significant differences between members of different with regard to assessing their financial status before the war ($\chi^2=5.508$, $p=0.72$).

Table 2: *Perception of current material situation – all respondents*

	Returnees	Refugees	Local population	Total
Extremely poor	23.4%	26.9%	11.4%	20.9%
Poor	30.7%	29.1%	28.5%	29.5%
Average	31.4%	33.3%	39.1%	34.4%
Good	12.5%	9.8%	18.1%	13.3%
Very good	2.0%	1.0%	2.8%	1.9%

There is an evident significant difference between returnees and refugees on one side and local population on the other ($\chi^2=51.991$, $p=0.00$). Over 50% of refugees and returnees perceive their current material situation as extremely poor or poor (compared to 6-7% before the war and exile). What all groups have in common is the feeling that their material situation has dramatically worsened compared to the period before the wars in former Yugoslavia (image 1).

Graph 1: Perception of material situation



Interesting conclusions are drawn by analysing the situation in countries/entities:

Table 3: Perception of current material situation – Federation BiH

	Returnees	Refugees	Local population	Total
Extremely poor	27.47%	31.78%	5.71%	23.32%
Poor	31.32%	24.81%	33.33%	29.81%
Average	29.12%	31.78%	39.05%	32.45%
Good	10.44%	10.08%	20.00%	12.74%
Very good	1.65%	1.55%	1.90%	1.68%

Table 4: Perception of current material situation – Republika Srpska

	Returnees	Refugees	Local population	Total
Extremely poor	26.23%	13.48%	12.28%	19.03%
Poor	27.05%	38.20%	14.04%	27.99%
Average	37.70%	39.33%	66.67%	44.40%
Good	9.02%	8.99%	7.02%	8.58%
Very good	26.23%	13.48%	12.28%	19.03%

MATERIAL STATUS OF RESPONDENTS

It is evident that almost twice as many returnees than refugees in Republika Srpska perceive their material situation as very poor. This finding corresponds to official data from 2001, mentioned at the beginning of this paper, according to which returnees to Republika Srpska belong to groups at highest risk of poverty. Apparently their status has not changed very much in the past 3 years.

Table 5: *Perception of current material situation – Croatia*

	Returnees	Refugees	Local population	Total
Extremely poor	18.83%	15.56%	9.87%	15.29%
Poor	32.29%	23.70%	29.61%	29.22%
Average	29.15%	41.48%	31.58%	33.14%
Good	16.59%	17.04%	21.71%	18.24%
Very good	3.14%	2.22%	7.24%	4.12%

The situation in Croatia resembles the one in Republika Srpska. Here returnees are also in a much worse position than refugees.

Table 6: *Perception of current material situation – Serbia*

	Refugees	Local population	Total
Extremely poor	41.10%	16.78%	28.81%
Poor	32.19%	29.53%	30.85%
Average	23.29%	36.24%	29.83%
Good	3.42%	17.45%	10.51%
Very good	4.10%	16.78%	28.81%

The most striking finding related to material status of respondents currently residing in Serbia is that over 73% of refugees assess their current material situation as extremely poor or poor. This number is much higher if compared to the percentage of Serb returnees to Croatia who assess their material situation as poor or extremely poor (59%). As will be seen further below, the improvement of material status is one of important incentives for refugees in Serbia to return to Croatia. It is worth mentioning that such a high percentage of respondents who perceive their material situation as poor is still fairly lower than the one obtained

through the survey on internally displaced persons from Kosovo, which was – according to findings of IAN research team in 2002 - above 89%.³²

Another indicator of the poor material situation of our respondents, particularly refugees and returnees, is the need for humanitarian aid – 53.5% of returnees, 54.6% of refugees and 18% of local population consider themselves in dire need of humanitarian aid. Especially vulnerable are the refugees in BIH Federation, returnees to Republika Srpska and refugees in Serbia where this percentage ranges from 65% (Serbia) up to 75% (Republika Srpska). Respondents would prefer to receive assistance in food and cash. However, even these startling figures become pallid compared to those obtained in the survey on internally displaced persons from Kosovo, who had stated in over 93% of cases that they were in dire need of humanitarian aid.³³

MATERIAL STATUS OF RESPONDENTS – OBJECTIVE INDICATORS

We have chosen the information on the amount of money at the disposal of each family member of the respondent as the key objective indicator of the material status of the respondents. Obtained results mainly correspond to the subjective impression of the respondents.

Table 7: *Income per family member in Euros*

	Returnees	Refugees	Local population	Average
Federation BH	92.79	64.14	124.13	92.42
Republika Srpska	52.03	61.61	76.50	60.36
Croatia	192.52 ³⁴	152.28	192.02	181.65
Serbia		73.23	102.76	88.31
Average	125.60	90.76	134.29	116.83

Given results corroborate the assumption of authors of the studies on poverty in Serbia and Croatia as well as the findings of authors of the study conducted in Bosnia-Herzegovina. Refugees and internally displaced persons have lower income than the local population. Two anomalies in the obtained results

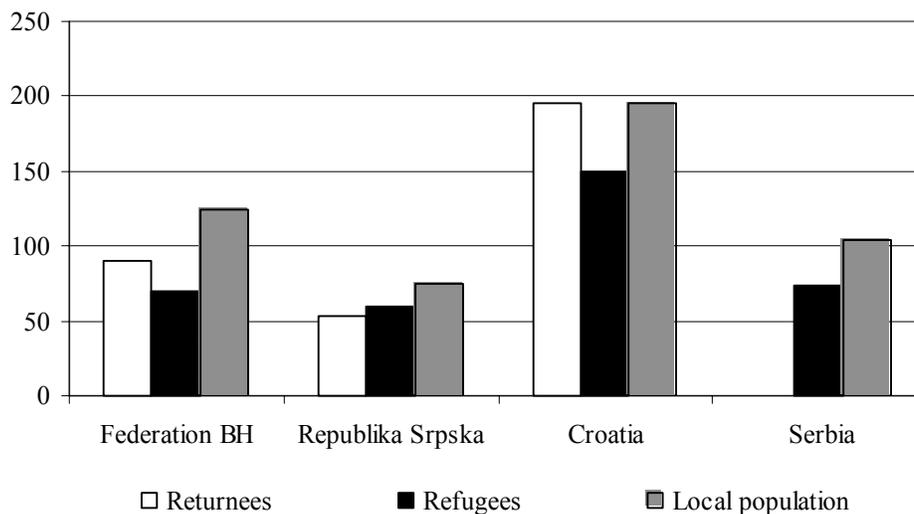
³² Tenjović et al. (2003).

³³ Ibid.

³⁴ This relatively high amount is due to returnees of Croatian ethnicity, whose income per family member is 272.31 Euros. Income of Serb returnees is 165.09 Euros.

circuitously reveal something about the position of the authorities in Republika Srpska and Republic of Croatia towards returnees of Bosniak and Serbian ethnicity respectively. Speaking in absolute amounts, returnees to Republika Srpska are the poorest group encompassed by this research. There is an evident large difference (over 100 Euros) between incomes of Serb and Croatian returnees to Croatia.

Graph 2: *Income (in Euros) per family member*



Material status of respondents – below the poverty line

As stated above, it is difficult to compare incomes of people living in different countries. This is the reason for calculating the so-called poverty lines, i.e. Daily income per family member that separates the poor from the non-poor. Researchers often use relative measures, most frequently the percentage of average income of all households. Nevertheless, available sources show that in Bosnia-Herzegovina the poverty line has been set at 90 Euros per month per family member. In Croatia it is at 105 Euros and in Serbia about 85 Euros.

Table 8: *Percentage of respondents living below poverty line*

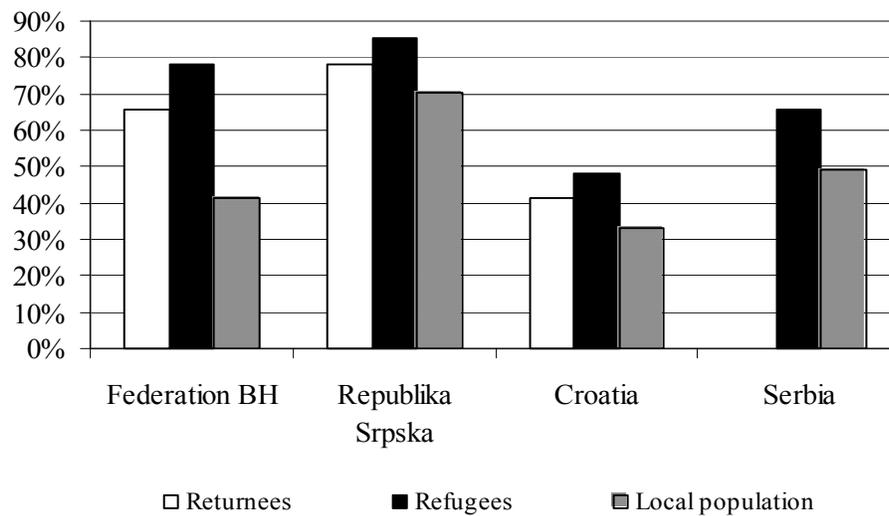
	Returnees	Refugees	Local population	Average
Federation BH	65.5%	78.2%	41.3%	63.0%
Republika Srpska	84.7%	85.4%	70.4%	82.0%
Croatia	54.9%	48.1%	33.1%	46.5%
Serbia		65.9%	49.3%	57.4%
Average	65.5%	67.6%	44.6%	57.3%

Results obtained in this way differ significantly from those stated at the beginning. First reason could be further deterioration of material status among residents of all three countries included in our research compared to the period when quoted studies were produced.

Second reason is probably the specific nature of our sample: formed on the basis of the initial sample of returnees, it was bound to contain older and less educated people, consequently generally poorer than the rest of the population.

Nevertheless, obtained results remain striking. The very fact that 57% of respondents are poor and that this number amounts to the unbelievable 82% in Republika Srpska is an indicator of profound material poverty in our societies. Refugees and returnees are the poorest stratum of these impoverished societies.

Graph 3: *Percentage of respondents below poverty line*



Housing status

Housing status of refugees and returnees is among key information in describing their current material status.

Table 9: *Housing status of respondents*

	Federation BH		Republika Srpska		Croatia		Serbia
	Ret ³⁵	Ref	Ret	Ref	Ret	Ref	Ref
Own flat / house	93.5%	25.0%	84.4%	16.7%	75.3%	41.0%	27.4%
With relatives	3.8%	3.1%	8.2%	3.3%	21.3%	5.2%	5.5%
Tenant	2.2%	22.7%	7.4%	57.8%	9.6%	32.8%	31.5%
Collective accommodation		34.4%		12.2%	2.3%	3.0%	24.7%
Temporary accommodation	0.5%	14.8%		10.0%	0.5%	17.9%	11.0%

Although our sample is not representative for refugee population (mainly due to higher number of respondents from collective centres), some regularities are still perceptible.

Primarily, as expected, incomparably higher percentage of returnees than refugees live in their own flats / houses. Repossession of private property was the strongest incentive for return (more information in the chapter "Return factors").

The highest percentage of returnees live in their own flats/houses in the Federation BH, the lowest in Croatia, which is most likely the consequence of disparate attitude of authorities towards repossession of property for returnees. In Croatia occupancy rights have not yet been restored to pre-war owners and this impacts on the results of our research. On the other hand, it is in Croatia that the highest percentage of refugees who live in their own flats/houses.

Table 10: *Number of moves during exile*

Number of moves	Percentage of respondents
None	23.74%
One	31.30%
Two	22.87%
Three or more	22.09%

³⁵ Ret – returnees; Ref - refugees

The already difficult housing situation of refugees and returnees is further complicated by frequent moves and problems they entail: from additional expenses, to finding new kindergartens or schools for children, to lack of possibility to establish a social network, fully or partly severed due to exile.

Unemployment

The bleak picture of the material status of respondents in our research, be they refugees, returnees or local population, is completed by data on unemployment:

Table 11: *Unemployment rate among respondents under 55 years of age*

	Returnees	Refugees	Local population
Federation BH	56.3%	72.0%	19.6%
Republika Srpska	70.6%	62.5%	43.8%
Croatia	69.2%	46.7%	47.6%
Serbia	N/A	55.9%	37.9%

It is an ungrateful task to compare this data with the data on general unemployment rates in the countries mentioned at the beginning, partly because in Croatia our research was conducted in areas particularly affected by conflict and where the economy has been largely set back.

Nevertheless, the information obtained speak clearly of the difficult situation besetting the inhabitants of the region, returnees and refugees in particular. An exceptionally striking difference was registered in Federation BH, where even today, nine years after the end of war, the unemployment rate among returnees is three times and among refugees (in this case, internally displaced) almost four times higher than among local population. It is worth noting that the unemployment among refugees and local population in Croatia is almost the same. There is however a significant difference in this rate between respondents of Croatian (48.3%) and Serbian (63.5%) ethnicity.

By comparing these results with those of previous research projects conducted by the IAN research team³⁶ we can also conclude that the unemployment rate among refugees residing in Serbia, however high, is still far below the one registered among internally displaced persons from Kosovo, which goes up to 84%.

³⁶ Tenjović et al. (2003)

CONCLUSIONS

It is not an easy task to analyse the material status of respondents in a research such as this. First of all, there is no adequate data for comparison. Official statistics are often not updated or do not include information on refugees and internally displaced people. This situation is paradigmatic of the attitude towards refugees and returnees by authorities of the three states encompassed by this research – they are viewed as an uncomfortable burden the existence of which would rather be denied. Nonetheless, despite difficulties of comparison with official data, obtained results provide an abundance of useful information on the respondents.

Key conclusions to be drawn from the obtained results are the following:

- 1) Most respondents evaluate their current material situation as poor. The feeling of poverty is particularly strong among returnees to Republika Srpska and refugees residing in Serbia.
- 2) Vast majority of respondents view their current material situation as much worse than before the wars in former Yugoslavia.
- 3) Objective indicators of material status correspond to the subjective impression of respondents – most of them live below the poverty line. Particularly vulnerable are returnees and refugees in Republika Srpska. There is a striking difference in income per family member in Croatia between respondents of Croatian and Serbian ethnicity, in favour of the first. Similar difference favouring the majority population was registered in Republika Srpska.
- 4) Unemployment plagues all categories of respondents, but is far more prominent among refugees and returnees than among local population. The difference is particularly striking in the Federation BH.

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