

## LSEE Research Network Conference on “Post-crisis recovery in Southeast Europe and beyond: policy challenges for social and economic inclusion” 27-28 March 2014

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Over the last two decades the countries of South East Europe (SEE) have been undergoing lengthy structural reforms as a consequence of the combined processes of economic transition, social change, post-conflict reconstruction, state-building and preparations for accession to the EU. Moreover, these countries are located within a region that over the last twenty years has suffered from political instability, multiple economic crises, growing social polarization, ethnic fragmentation and increasing spatial inequalities, all of which has been exacerbated by the ongoing economic crisis that began at the end of the last decade. Despite their importance, the study of issues of social and economic inclusion and cohesion has not developed sufficiently in the Western Balkans in comparison with Western Europe or the Central East European countries. In most of these countries the consequences of growing social problems have been underestimated and social issues have generally remained in the shadow of other priorities on the policy agenda. However, increased poverty and inequality carries the risks of increased political instability, which might in turn have an adverse impact on investment and growth. This should be a concern for all EU countries whether or not they have contiguous borders with the region.

In order to address these and other related issues, the **LSEE Research Network on Social Cohesion** held its Second Research Network Conference at LSE in March 2014 on the theme of “Post-crisis Recovery in Southeast Europe and Beyond: policy challenges for social and economic inclusion”. Over 60 participants enjoyed lively discussions on the 44 papers presented on themes ranging from Poverty and Inequality, to Employment, Education, Social Housing, Social Protection and Roma Inclusion. The Conference was supported by the Regional Cooperation Council, the Erste Foundation, DG Enlargement and the Regional Research Promotion Programme based at the University of Fribourg, opening up the Research Network to collaboration with other collaborative research initiatives.

The conference benefitted from three keynote lectures from leading experts on economic and social inclusion in South East Europe given by Nand Shani from the Regional Cooperation Council, Milica Uvalić from the University of Perugia, and Barbara Rambousek from EBRD. Participants came from all countries in the region, other European countries and the USA. The lecture by Nand Shani focused on the recently published *SEE 2020 Strategy* that has been coordinated by the RCC with inputs from all the governments of the region. Action plans are currently being developed to support the achievements of ambitious targets for growth, employment and health care services (among other aims) set out in the Strategy. The lecture by Milica Uvalić on provided a review and critique of the *SEE 2020 Strategy*. She asked the key policy question: where will the new sources of growth and employment to support economic and social inclusion come from? In her answer to this question she focused on the need for a growth-oriented industrial policy in the region to support the improved performance of the regions' economies and generate employment, growth and productivity. She argued that regional cooperation would be an important element of such an industrial policy focusing on the development of trans-national industrial networks and regional clusters. Barbara Rambousek's lecture addressed the topic of "Economic inclusion as part of EBRD's transition methodology". She argued that economic growth requires inclusive economic institutions and equality of economic opportunity and that to achieve this, policy needs to focus on three groups in particular: women, young labour market entrants, and populations in economically less advantaged regions. The lecture emphasized the existence of "inclusion gaps" and policies to overcome them, including greater competition, increased private ownership, transfer of skills and better functioning institutions among others. EBRD policy towards economic inclusion focuses its attention on addressing these issues and on ensuring that all projects pass the test of transition impact and its effect on inclusion.

The conference ended with an Open Forum on the potential for future development of research cooperation in the Western Balkans, addressed by the conference sponsors and by the coordinators of the newly established Working Groups on Labour Markets, Education Systems and Social Protection. With the launch of the Working Groups on these specific themes, the LSEE Research Network aims to further develop its collaborative research activities over the coming year.

## Conference Panel Sessions

### Session A1 – POVERTY

Chair: Vassilis Monastiriotis (LSE)

The session hosted three papers dealing with issues of inequality, social exclusion and workfare. The papers followed an interesting trend, taking us from aggregate econometric analysis to the intermediate level of quantitative analysis of individual-level data, and then further to the qualitative analysis of individual histories – in disciplinary terms, from economics, to social policy and from there to (economic) anthropology. The paper “Relative wages and wage inequality in Croatia during boom and bust” presented by Dora Tuđa (co-authored with Ivo Bićanić) examined the evolution of wage inequalities in Croatia before and during the crisis, showing that the effect of the crisis (in 2009-2010) was temporary and that the overall trend of wage inequalities is only weakly related to key labour market aggregates (wages, unemployment). Drawing on these results, the discussion that followed focused on the relevance of wage-based measures of inequality for the measurement of economic precariousness and exclusion, especially in a context of extensive labour market informality and non-salaried employment. The second paper “Poverty and social exclusion in Macedonia, Serbia and Croatia: trends and policy responses” by Maja Gerovska Mitev, further addressed this point. Examining some more targeted measures of poverty and social exclusion in Macedonia, Serbia and Croatia the paper showed that high levels of poverty and – especially – material deprivation are preserved by the weak targeting and effectiveness of the social assistance frameworks in all three countries. This raised, of course, issues of policy but also issues of measurement and evidence-base that were taken-up in the discussion that followed. The last paper, by Alexandra Szoke, looked more closely into the actual experiences of social and economic exclusion and the related policy challenges, reporting on fieldwork research with two rural communities in Hungary. Examining people’s experiences of local work programmes and the meaning that ‘idle’ people place on different types of ‘work’ and on the link between ‘work’ and ‘citizenship’, the paper offered a valuable angle on the issue of how and when employment policies and social inclusion interventions may contribute, not so much to labour market (re)integration and ‘activation’, but more so to *social* integration, inclusion and citizenship more generally. This offered useful pointers that were taken up in the discussion that followed, linking also backwards to issues raised by the earlier presentations.

## Session A2 - EDUCATION

Chair: Will Bartlett (LSE)

Two papers were presented in this session. In “Preventing drop-outs: the effect of school experience on pupils’ decision to drop out of school” by Nikica Mojsoska-Balzevski and Maja Ristovska presented the results of a survey on vocational school students in three secondary schools in Macedonia that had been carried out in 2012. The survey asked a question about how happy the students were with their school experience and the authors used a probit model to investigate the determinants of “happiness”. Since dropping out is more likely to occur when pupils are unhappy with their school experience this enabled an indirect insight into the causes of dropout in schools in Macedonia. The authors distinguished between external “pull factors”, such as the influence of the pupil’s family and need for a student to find employment, internal “push factors” such as poor performance in school, and “falling out” factors such as apathy about learning. The analysis showed that female pupils are more likely to be unhappy at school than male students, and more likely to be unhappy if their choice of school is dictated by their family, and if they choose a schools without future job prospects in mind. It also showed that students are less happy if they fail to learn much from their courses, if teaching methods are poor, if teachers do not know their subjects well. Given these findings it seems that both external pull factors and internal (to the school) push factors are important causes of unhappiness at school and hence potentially of dropping out of school. Policies such as better school and career guidance and counselling combined with improved quality of teachers and teaching might therefore be seen as appropriate measures to reduce dropout.

The second paper on “Education exclusion and teacher training initiatives in Albania” by Elena Shomos examined how shortcomings in teacher training initiatives in Albania affect education exclusion. The paper focuses on a major teacher training program in Albania: the Center for Democratic Citizenship Education (CDCE) in Korca set up in the 1990s by University of Washington professor Theodore Kotsonis, with the goal of creating a network of local teacher trainers to teach and promote democratic citizenship skills and values in the post-communist era. The qualitative research results revealed systemic problems in teacher training including an informal payments system from students to teachers to receive a passing grade, as well as difficulties in placing qualified, trained educators in appropriate work positions.

## Session B1 - INEQUALITY

Chair: Vesna Bojicic-Dzelilovic (LSE)

This session included three presentations: “Identity versus cohesion: minority language broadcasting in South East Europe” by Sally Broughton Micova; “How to destroy and economy and community without really trying: microcredit in Bosnia” by Milford Bateman and Dean Sinković; and “The distribution of adjustment costs of the crisis in Romania” by Irina Ion. The first presentation focused on the trade off between the right to broadcasting in a minority language and the reality determined by the supply and demand for this service in the countries of South East Europe. In some cases minority groups are too small a group to make broadcasting in their language commercially viable. On the other hand, the legacy of former Yugoslavia where there were lots of media in different languages provided by state owned companies persists. Some minorities - namely Roma and Vlah - suffer from inequality because there is no kin state to produce a programme in their languages. During the discussion, the point was made that the focus should not be on the question of how widespread is broadcasting in minority languages, but rather the programme content and consequently, the implications of this in terms of inclusion of minorities in their home state.

The focus of the second presentation was on economic and social consequences of the microcredit model implemented in Bosnia- Herzegovina after the end of 1992-1995 war. Empirical evidence from Bosnia-Herzegovina was used to critique microcredit as a job creation and poverty reduction tool. The discussion focused on the merit of microcredit as part of the broader approach to assisting economic development in developing countries supported by the international financial institutions. The key point was about ideological underpinnings of the international assistance to developing countries and the argument was made that financial liberalisation spurred the ‘microcredit industry’ in the developing world, given the high interest rates accompanying this type of financial service. In debating the merits of microcredit as a development tool, there was some discussion about whether the local power structure influences the outcomes of microcredit, using the example of Hungary.

The third presentation focused on patterns of inequality in transition countries, with a particular emphasis on the impact of the 2008 global financial crisis. Using several measures of income and social inequality, the argument was made that the impact was most severe for the active population, public sector workers and the poor (particularly

families with children and retired population). During the discussion, it was commented that the Romanian experience resonated with that in other countries in South East Europe and that the origins of worsening inequality were structural. The point was made that the fact that Romania was worst affected by the crisis among the EU member states is also symptomatic of this. Another observation was that the Romanian government's response, tailored to policies in other member states, arguably made the effects of the crisis worse, causing anger among the population that was reflected in public opinion.

## **Session B2 – EMPLOYMENT**

**Chair: Mihail Arandarenko**

The first paper on “Determinants of non-standard employment and paths to informality in Serbia: ‘coping’ versus ‘sorting’” by Vassilis Monastiriotis and Angelo Martelli shed light on the determinants of non-standard employment (including informality and atypical employment) in Serbia, using individual-level data from the Serbian Labour Force Survey for the years 2008-2011. The two key questions are 1) what is the relative contribution of various individual characteristics (gender, education, etc) on the likelihood of having an informal job, and 2) how are individuals sorted into informal jobs. To answer these questions, a hierarchical probit model is used, testing two alternative two-stage selection paths. In the first path, the individual is first selected away from formal employment and, subject to this, their characteristics determine effective ‘choice’ between unemployment and informality (‘coping’). In the second path, selection into employment (formal or informal; versus unemployment) is followed by a subsequent ‘choice’ (on informality) made by the prospective employer (‘sorting’). If the first path is dominant, informality is essentially a labour supply problem, related to employability and labour quality. If the second path is typical, then informality becomes a demand-side issue, concerning the availability of quality (formal) jobs. The authors’ preliminary investigation suggests that processes of selection are indeed important; but that these differ between different types of non-standard employment – with informality being more likely a job-quality issue while other non-standard (but formal) forms of employment (temping, part-timing), being more related to employability issues. In the discussion that followed the presentation it was stressed that these findings seem to confirm the prevailing intuition about the nature of informal employment in Serbia.

The second paper on “The NEET population in Croatia: characteristics and dynamics” by Danijel Nestić and Iva Tomić estimates the size and provides the profiling of the NEET population (not in employment, education, training, disability and retirement) of working age (15-64) in Croatia. In addition, the paper assesses employment chances of the NEET population depending on their characteristics. Key information is taken from the Household Budget Survey (HBS) in 2008 and 2011. It is found that the share of the NEETs among the working-age population increased from 14 to 20 percent in the observed period, mainly because of the increase of unemployment. Around 60 percent of NEETs are women. Compared to the employed, NEETs are less educated and more often live in rural area and in households with more children. A Probit regression model is applied to estimate the job prospects of the NEET population. The results show that males and prime-age NEETs with good social relations, proxied by the number of working adults in the household, have the best chances for finding a job. However, the probability of employment decreases with the income of the NEETs’ households. The discussion focused on technical questions related to data sources as well as on the potential explanations. It was explained that the combination of data on labour market status and incomes is the main advantage of the Household Budget Survey over the Labour Force Survey.

The third paper in this session on “The Croatian labour market: existing problems and possible solutions” by Predrag Bejaković and Viktor Gotovac was dedicated to the description of existing problems on the labour market in Croatia and suggestion for possible solutions. Section 1 explains the general economic situation. An absence of GDP growth in the last few years has had an adverse effect on wages and employment. Section 2 provides information on labour market trends. Croatia has a relatively high participation and employment of men in the age group between 25 and 49 years, but a very low participation and employment rate of men between 50 and 64 years and youth, while these rates are even lower for women. Section 3 deals with policy responses to the crisis, while Section 4 deals with the issue of employment protection versus flexibility. Labour flexibility in Croatia is unfavourable, reflecting a high value of a composite index of employment protection legislation (EPL) developed by OECD. Section 5 deals with the mismatch between labour market needs and educational output, while Section 6 is dedicated to the need of better co-operation between employment institutions and welfare system. The final section deals with the issues of the further economic development of Croatia with attention towards priorities in employment policy and

improvements in social policy. The discussion focused on the issues of labour legislation reform and the role of social partners in that process.

## Session C1 - GENDER

Chair: Ivana Prica

The session contained papers on the effect of violence against women in Serbia, low female labour force participation in Albania and Serbia, and discrimination against women in promotion within companies in Serbia. The presentations were followed by a lively discussion of the issues raised.

Katarina Jirsa presented a paper on “Competitiveness of women victims of domestic violence on labour market” based on qualitative research on the employability of women who were subject to domestic violence in Northern Serbia and who subsequently left their partners. All women in the research were skilled workers without a steady income, no or minimal child-support from the father, and financed their children’s education by themselves. They were twice as likely to be unemployed compared to the rest of population, had marginal social status, limited access to resources and an increased risk of poverty. It was also found that awareness among employees about the issue and their willingness to help was higher than that of the appropriate state bodies. The audience commented that a code of conduct in the case of violence against women should be developed.

Sonja Avlijaš presented her research on “Political economy of low female labour- force participation”. Her argument is that countries in the Western Balkans have an exceptionally low rate of female labour force participation (FLFP) compared to other transition economies. She finds that one of the reasons could be that SEE lost out on low wage industries, which traditionally have higher participation of women. She also finds a low inclusion of women in service sectors in countries with a low level of women’s participation. Also, the length of maternity leave seems to have an opposite effect on women’s participation in the labour force. The audience questioned whether women are pushed out, or whether they are just waiting for a better job opportunity. It was also recommended that improved career guidance should be provided for women to assist their return to the labour market.

Esmeralda Shehaj presented a paper written with Nick Adnett “Modelling the drivers of female labour force participation: The case of Albania”. They used data from the Living Standards Measurement Survey and the Probit technique to analyse the causes of low



female labour force participation (FLFP). Their results are varying and sometimes striking: remittance receipts, educational attainment, size of the household, household male employment rate, a higher dependency ratio and being head of the household positively influences FLFP; household business ownership also has a positive effect, while household wealth has a negative effect on FLFP; other things being equal, women who felt they have more “rights” were less likely to be economically active.

Vesna Janković presented a paper with Jelena Stanković, Marija Anđelković and Danijela Stošić, on “The glass ceiling phenomenon in transition economies – the case of South East Serbia” based on a survey of working women and their likelihood to have a management position. They found that while women were no less educated than men they were far less likely to hold a management position, especially in higher management positions.

## Session C2 - CHALLENGES

Chair: Aleksandra Nojković

Three papers were presented in this session. The first presentation, “Can expatriates of host-country origin meet the challenges in the Western Balkans? An analysis of Austrian multinationals” by Almina Bešić analysed Austrian multinationals from the financial sector that operate in Bosnia and Herzegovina and Croatia. The paper concentrates on the challenges faced by foreign companies in two former Yugoslav countries. The author finds that companies employ expatriates of the host country origin in order to better meet the challenges in these markets and to exercise control over their subsidiaries. However, companies only follow a rudimentary strategic approach towards this employment, which is unsystematic and infrequent. Their investment strategies only have an influence on the employment in Bosnia and Herzegovina. The results are to some extent consistent with the view of “host country effects”.

The second paper on “Some global challenges for socio-economic growth in South-Eastern Europe: the role of industrial policy” by Slavka Zeković and Miodrag Vujošević examines the effects of so-called “shock therapy” that SEE and other post-socialist countries experienced during transition process, reflected in a subsequent transitory drop in GDP, the standard of living and industrial production. Industrial collapse appears to have been the “Achilles heel” of the SEE economy. The *SEE 2020 Strategy* intends to reverse current trends from a consumption-led model of growth to an export-led and FDI-driven type of growth, based on accelerated technological development, the

growth of competitiveness and the completion of socioeconomic reform. However, there has been no evidence that the FDI type of growth would be more efficient for regional development than that based on regional savings, remittances and resources of domestic investors. The authors emphasize that the forecast dynamic growth of SEE, paralleled by creating one million new jobs, cannot be realised without a strong industrial revival. In this respect, the *SEE 2020 Strategy* may serve as a starting point.

Third paper “Evaluating the Wider Benefits of Cultural Heritage in the Balkans” by Christine Whitehead analyses the performance of the Ljubljana Process II (LP II) whose aims have been to preserve the region’s rich cultural heritage, and in doing so to generate wider benefits, including increased employment, increased visitor numbers to cultural heritage sites, improvements in local infrastructure, enhanced quality of life, encouraging returnees and stimulating community reconciliation. Many dozens of investments have now been carried out in accordance with the principles of LP II, but there is a lack of evidence that investment in the cultural heritage has produced the anticipated dividends. This project is a pilot exercise in developing a methodology to look for such evidence. It aims to provide, to the extent possible, an ex-post evaluation of six completed projects in Serbia and in Bosnia and Herzegovina.

Despite very different topics analysed in presented papers, the comments and discussion that followed dealt with the common challenges faced by all the countries in the region.

## Session D1 - ROMA

Chair: Merita Xhumari

It was a fascinating experience chairing the session on the Social Inclusion of Roma people. The audience listened with interest to the presentations from four different countries using different approaches. The first presentation on “Advanced forms of marginality and emerging mechanisms of exclusion Of Roma communities from Romania” by Sorin Gog provided a general description of social policies in recent years in Romania. The main idea was that interventions to deal with Roma problems have produced new forms of marginalisation of the Roma communities in Romania. The second paper “Policy discourse on Roma education” by Blerjana Bino continued the theme with a discussion about the policy discourse on Roma education in Albania. In her view, education is the starting point for the social inclusion of the Roma who find barriers to their education due to the fact that they are often not formally registered

with the authorities and do not have a permanent residence. The third paper “Short-term constraints and long-term losses” by Katya Ivanova and Diana Popescu presented a comparative analysis on the long-term impact of current social policies in Rumania and Bulgaria. The fourth paper on “Roma community integration in the planning of local economic development in the Republic of Kosovo” by Ajtene Avdullahi and Shpresa Kaciku presented a case study on Roma community integration in seven local communities in Kosovo.

The main issue in the discussions was how to find an appropriate approach for effective social inclusion policies for the Roma people. We are almost at the end of the “Roma Decade”, declared by the United Nations for the period 2005-2015, and almost all countries in SEE have designed the national strategies focused on Roma social inclusion. But after ten years of interventions from the Government and other community stakeholders, and Roma community initiatives supported by the international donors, the situation of Roma people has still not improved very much, and their main problems such as education, employment, health, and housing remain a major challenge for policy interventions in SEE.

In discussion, Lida Kita, from the ETF asked “Which is the best way forward for the social inclusion of the Roma people?” Although the question was not given a clear answer by the speakers, one thing that was emphasized by all of them, was that the success of all the policy interventions carried out for the inclusion of the Roma requires that the Roma community takes an active involvement in them. Following the best cases and sharing the best experiences of the Roma will be an effective way to increase their active participation in the communities where they live. In conclusion, a bottom up approach could be more effective compared with the top-down approach that has been followed up to now.

## **Session D2 – MIGRATION**

**Chair: Milica Uvalić**

The sessions contained three papers. The presentation of the first paper “Anywhere but here: are social exclusion and unemployment pushing young people out of Macedonia?” by Jana Srbijanko, Neda Korunovska and Tanja Maleska provoked a discussion regarding two main issues: the multiple reasons for migration from Macedonia, where unemployment and a low standard of living are not the main or only reasons for leaving the country; and the huge discrepancy between official data on migration of the

Macedonian statistical office and data of the World Bank. The second paper on “Intersections between migration and empowerment of women in post-socialist Bosnia through the women’s lenses” by Sanela Basić focused on the empowerment of Bosnian women that have left the country. The third paper on “The labour market of the others” by Kitti Baracsi presented the situation of Roma migrants in Italy, based on interviews with four different Roma communities in Naples; one of the interesting conclusions was that the existence of an informal economy can contribute to social peace.

## **Session E1 – HEALTH**

**Chair: Nikica Mojsoska-Blazevksi (AUC Skopje)**

Two papers were presented in the session. The first paper was on “The influence of household wealth on gender empowerment in healthcare decision making and pregnancy intentions among Romani women in Serbia and Macedonia” by Kristefer Stojanovski and the second was on “Out-of-pocket expenditures: increasing health inequalities or improving health outcomes?” by Neda Milevska Kosteva and Snezhana Chichevalieva. The first study was carried out through interviews with 410 Romani women aged 15-46 from both Macedonia and Serbia. The findings showed that the wealth of households does not affect pregnancy intentions, whereas it does have an impact on whether women themselves make the healthcare decisions or whether the partner or family does that for them.

The second paper was related to out-of-pocket expenditures, exploring whether they exacerbate health inequality or health outcomes. The study presented some regional comparative data on out-of-pocket expenditures, and compared these regional statistics with European data. The data show that out-of-pocket expenditures as a share of total health expenditures in the region are much higher than in the EU countries (above the “acceptable” level of 15%). Even more so, out-of-pocket expenditures are used not just for those health services that are not covered by the regular health insurance, but also for services that are part of the health insurance package.

## **Session E2 – YOUTH UNEMPLOYMENT**

**Chair: Bernard Casey (University of Warwick and LSE)**

Two papers were presented in this session: “Programmes to tackle youth unemployment in SEE” by Mihail Arandarenko and Aleksandra Nojković (MA-AN) and “Youth unemployment in Romania” by Silvia Christina Maginean and Ramona Orastean

(SCM-RO). The two papers were taken consecutively and a general discussion followed. SCM-RO's paper looked at levels of youth unemployment and trends in recent years in the SEE countries. It showed that the region is not homogenous, and that performance has not been even. Outcomes were affected by the level of informal employment in the individual countries, and a proper understanding requires that one looks at employment rates as much as at unemployment rates and that one also takes into account such factors as school leaving ages. Nevertheless, young people everywhere suffered badly. MA-AN's paper described active labour market programmes for young people in Serbia and Montenegro. In Serbia, there were two main programmes – one offered simple training subsidies, the second made such subsidies conditional upon a commitment to retain the trainee upon completion. Both were directed to people with minimum secondary education and, at one stage, covered as much as one in seven people in the relevant age cohorts – with a visible effect on registered unemployment. The Montenegrin programme was directed at university graduates. At its peak, it covered 60% of the relevant cohort and almost all new graduates.

Discussion concentrated upon two points. First, there were concerns about how permanent an impact high levels of youth unemployment might have, and whether it was appropriate to concentrate political and fiscal resources to combatting it. Although youth unemployment is clearly highly cyclical, if it is sustained it could threaten commitment to education and could provoke migration – especially of better-qualified young people. In this respect, it can have damaging long-term consequences. It could scar both individuals and, by lowering its skills-base, the economy as a whole. In the long term, it could even affect pension systems and reduce income in old age.

Whether the steps that were taken to counter youth unemployment were effective was the second point of discussion. It was noted that none of the measures pursued in Serbia and Montenegro had been subject to proper evaluation. Because there was no proper comparison group with which those assisted could be compared, it was difficult to say whether participants' labour market chances had been improved. Indeed, high levels of deadweight, and even possible displacement, were suspected. Moreover, even if there had been beneficial effects, these might have been achieved at a very high price. More and better evaluation of outcomes, costs and alternatives is required.

## Session F1 - HOUSING

Chair: Vesna Popovski (LSE)

Social housing in South East Europe suffers from the issue of 'non-policy' towards it. The governments do not address it, since there is hardly any social housing. One has to bear in mind that in the countries of the former Yugoslavia during the socialist period over 50% of housing was privately owned, whereas these days around 95% of housing is privately owned. The existing social housing stock is old and there are major challenges associated with the maintenance of such properties. Social housing was passed over to local governments with scarce financial resources, and so the maintenance of social housing has suffered. As Jovan Pejkovski and Zoran Kostov argued in their paper "Social housing in the countries of South East Europe in the post-crisis period", it is more important to address the maintenance of social housing than the construction of new housing, since there are currently more housing units than family units. However, many housing units in rural areas are empty as a result of the migration of people to urban areas or abroad in search of employment. Social housing in urban areas is of poor quality, since most of the good quality social housing was sold cheaply to their former tenants. The poorest quality stock was not sold, and often that type of stock is in run-down parts of towns and cities. Therefore, people who live there often experience segregation and ghettoisation. Segregation also has an ethnic dimension; the Roma population suffers from it especially. There is also a higher proportion of older people in social housing. The social housing stock also has small housing units, which are often too small for the households who reside in them. Since the social housing stock is limited, the rents are low because the housing is given to the poorest. The rental revenue is not sufficient to even cover the costs of maintenance. Furthermore, there is a problem with multi-family units where some families bought their apartments and some are still owned by the state. This has implications for the question of who is responsible for the maintenance of the communal space in such properties. A major issue with the social housing is that there is hardly any social housing, and what is available is old, small, poorly maintained and in areas which are less desirable to live.

## Session G1 - SOCIAL PROTECTION

Chair: Adam Fagan (Queen Mary College)

Three papers were presented in this session: "The role and influence of social protection in poverty reduction - case of Serbia" by Žarko Šunderić and Biljana Mladenović,

“Toward a sustainable local government administration for successfully implementation of the social protection system in Albania” by Merita Xhumari and “Formal and informal social protection and inequality during the crisis Evidence from BiH” by Nermin Oruč. Each paper presented substantial quantitative and qualitative data on aspects of social protection reforms and domestic poverty reduction strategies in the three countries of the region. They were all focused very clearly on the impact of the crisis and its aftermath, but set in the wider context of policy, legal and institutional reform. A very interesting debate ensued based on a series of questions relating to methodology and underlying normative assumptions. It became evident that different understandings of what constituted social protection and welfare underpinned the three contributions, but that this needed to be more clearly articulated in the individual papers to enable comparative analysis and further research to take place. My suggestion to each author was that they make the ‘puzzle’ of their research much clearer. The rich qualitative and quantitative data mobilized needs to be set in a clearer theoretical and conceptual context in order to maximise the impact on scholarly debates around poverty reduction and social protection.

## **Session G2 – VOCATIONAL EDUCATION AND TRAINING**

**Chair: Lida Kita**

The research presented by the researchers in the VET for social inclusion session is based on the work and data collection of a project funded by the European Training Foundation (ETF) and implemented by LSE Enterprise in Western Balkan countries, Turkey and Israel throughout 2012-2013 in collaboration with LSEE. The overall objective of this research project has been to improve the impact of vocational education and training (VET) at secondary school level on social inclusion and social cohesion in the countries of South Eastern Europe, Turkey and Israel by deepening the understanding of the main barriers and potential opportunities for building inclusive and equitable VET systems in these countries. This work is concluded with a synthesis of nine country case reports in the region carried out by local research teams based on a participatory action research methodology. This process engaged practitioners, policy makers and other key stakeholders in a reflective process of problem solving through in-depth interviews at national and local level, combined with student and teacher surveys in three upper-secondary level VET schools in each country. In all, 84 in-depth interviews were conducted with key stakeholders and 223 interviews were held in schools and local communities. These, together with 745 teacher questionnaires and

2,862 student questionnaires, form the evidence base for the further analysis by the researchers.

Three papers were presented. The first, by Nina Branković was on "Selection and efficiency of policy instruments for social inclusion in Vocational Education in Croatia and Bosnia and Herzegovina". The paper addresses instruments that regulate social inclusion in vocational education and training in Bosnia and Herzegovina and Croatia, in the context of the importance given to social inclusion in vocational education policies in the European Union. A typology of public policy instruments were presented with highlights put on their advantages and limitations in the economic, social and cultural context of specific countries. The paper explains what policy instruments have been used to support inclusion in Bosnia and Herzegovina and Croatia in last ten years. The main comments and suggestions from participants at the session were focused on the potential for in depth analysis of schools as case studies in order to show differences in inclusion practice at the micro level.

The second paper by Ardiana Gashi was on "Determinants of social exclusion in VET schools: empirical evidence for Kosovo." Using student level data collected in 2012 by the LSEE project the paper empirically examined determinants of social inclusion of VET students. The dependent variable for the social exclusion is the "happiness" measure as reported by students on a scale from 1 to 10. An OLS model was used to assess the impact of independent variables on the incidence and extent of exclusion in three VET schools. Empirical results show that main variables that influence the social inclusion/exclusion are school-related factors (friendliness of students, teachers, the quality of learning with regard to the future work, and bullying experience) rather than personal or family related factors. This is the first empirical study to examine this topic, and the findings obtained do suggest that schools can play a central role for social inclusion. The main comments were to rethink whether the happiness of students can be used as a proxy for social inclusion/exclusion, to use the logarithm of the happiness variable in the analysis, and to use data from all countries covered in the project which would provide a larger dataset and also a greater variability of data.

The third paper by Ana Vjetrov was an "Analysis of the access to vocational education and training in Serbia and its relation to social inclusion." The purpose of the paper is to determine whether there is a gap between the legislation related to inclusion and its actual implementation in vocational secondary schools. The paper analyses access to vocational education and training (VET) in schools in Serbia and its relation to social



inclusion. The main hypotheses of the paper are that social inclusion represents an integrated part of vocational training and is a powerful tool for reducing the share of youth in overall unemployment. The survey presented in the paper was conducted during the end of 2013 in three vocational schools in Pancevo, Serbia implementing the methodology used within the LSEE project. The sample consisted of 324 students and 93 teachers. The results from the survey indicate that family background should be considered as an important factor influencing a student's decision regarding future education. It reveals a strong link between the level of parents' education and the student's selection of a vocational school. Furthermore, the future employment opportunities and gained competencies appeared as the two important factors which determined why the students have chosen secondary vocational education in comparison to grammar schools. The results obtained from the teacher survey indicate that they treat students equally irrespective of gender, ethnicity and religious affiliation. Furthermore, the majority of teachers within the sample perceive the employment of inclusive teaching and learning practices as an important part of the job. However, the awareness of teachers is not enough, especially because some of the findings reveal that students consider vocational schools to be less attractive for vulnerable groups. This should be seen as an important signal to the Government especially if it aims to implement inclusive education in accordance with objectives set by the EU.