

EWELINA TARGOSZ

MARIA CURIE-SKŁODOWSKA UNIVERSITY IN LUBLIN
POLITICAL SCIENCE FACULTY
HUMAN RIGHTS DEPARTMENT
E-MAIL: EWELINA.TARGOSZ@GMAIL.COM

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Social Inclusion in the Western Balkan's Labour Market and its Effect on the Europeanisation Process

ABSTRACT

In 2012, *The Economist* published the article entitled “Balkan Economies Mostly Miserable” which discussed the condition of the economies of the Western Balkan countries. The authors stated that the Balkan economies suffered much from recession in the period 2008–2009. Importantly, the authors also mentioned a difficult situation in the labour market in the region, notably the biggest country of the region, Serbia. Consequently, the most vulnerable groups, like women or people with disabilities and certain age groups may find it difficult to gain adequate employment. In the post-conflict societies such as the Western Balkan states, governed by the ethnic elites, which have established control over the national institutions and national capital, spreading the distributive justice principle across the poorer, excluded groups of these societies. Structure of ethnocracies prevents these groups from obtaining employment in the national labour markets in the region. These groups, with special emphasis on the national ethnic minorities, females and disabled people, often face discrimination, mostly due to the lack of appropriate legal regulations, but also as a result of social misinformation and the informality culture. Moreover, employees struggle with violations of their rights. The EU has spent a significant amount of funds in order to improve the situation of these groups and has carried out many projects dedicated to the most vulnerable groups on the labour market. The aim of this article is to examine the implantation of the distributive justice principle in the labour markets throughout the Western Balkan countries as well as to examine effects of the EU policies undertaken in order to improve situation of vulnerable groups. The paper was presented at the conference “The European Union and the Western Balkans – Between Lessons Learned and Innovative Ways Forward” on 17th June, 2015.

KEYWORDS

disadvantaged groups, EU Enlargement, labour market, social inclusion, Western Balkans

Introduction

The Western Balkans, which suffer from high numbers of unemployed people and a significant outflow of nationals, mostly to the Schengen countries, still lacks an appropriate social policy, which would be addressed not only to educated people, or the ones being able to find employment, but especially to those who without state assistance could not enter into the local labour markets. Although all the Western Balkan States have improved their situation in the local labour markets, by decreasing the unemployment numbers (for instance, Due to this fact, data on the unemployment rate are not complex, which makes more difficult to evaluate effectiveness of the inclusion policy in particular states).

The main purpose of this article is to analyse the national authorities' policies undertaken in order to include these groups in the Balkan's workforce. whether the international assistance with special interest in the EU with its instruments has contributed to improvement of the labour markets' policies in the Western Balkan states.

This paper is divided into two sections. The first one describes economic situation of the Western Balkans within last few years and situation of particular excluded groups Section 2 is focused on the EU' perspective on the social inclusion in the Western Balkans, including the EU financial assistance as well as the European Commission's assessment of the local labour market policies' regarding their prospective accession to the EU.

The article uses the desk-research method. Moreover, the article's ambition is to review current developments of the institutional activities from both legal and political perspectives from the field of social inclusion in the region of the Western Balkans. Owing to that fact, the article attempts to draw some general state of art in the local labour markets from the region. Therefore, states which are more advanced at their Accession path, such as Montenegro, Serbia or FYROM, act much more as a focus of the review, rather some non-candidate states such as Kosovo.

Although, in the article the situation of some groups has not been discussed, such as ethnic minorities, the LGBT persons, who also face discrimination and suffer from social exclusion, the author decided to focus on peo-

ple with disabilities and women. Nevertheless, further research could be extended to other fragile groups.¹

Defining Social Inclusion and Social Justice in the Scope of Political Philosophy

The social exclusion definition provided by the “European Social Fund and Social Inclusion” document is:

[...] lack or denial of certain resources, rights, goods or services, as well as the incapacity to take part into the normal relations and activities at hand to most people within the society, no matter if these belong to the economic, social, cultural or political domain. Exclusion affects both people's quality of life, and the society's equity and cohesion as a whole.²

As equal rights of all citizens are a back bound of the liberal democracy, it seems important to take into account a role of the social justice issues in the Europeanisation process of the Western Balkan region. Liberalists discussed a lot share of labour forces, capital and institutions in the society, both from pragmatic and normative perspective. John Locke described the private ownership ruled in accordance with the state of nature principles.³ Development of the capitalism had increased social inequalities and caused a huge criticism, especially by Marxism. The Marxist approach stressed that the inequalities were consequences of unjust share of capital. According to Marxism, the majority take control over the capital, the labour forces etc., taking for granted the rest of society. Important element of the doctrine covered issue of an exploitation, based on race, ethnic background, or gender.⁴ Due to this criticism, especially addressed to the social Darwinism and giving to economic freedoms a status of absolute and unlimited rights (which will be discussed in further part of the section). John Rawls made a significant contribution to the Liberalist conception to the moral philosophy of justice. One of the most important concerns regarding his concept of the

¹ Acknowledgement: The author wants to express her highest appreciation to Velibor Jakovleski from the Graduate Institute of Geneva, who had provided important remarks on the theoretical approach to first draft of the article, as well as to two anonymous reviewers for their insightful suggestions.

² European Commission, *The European Social Fund and Social Inclusion*, p. 1, [online] http://ec.europa.eu/employment_social/esf/docs/sf_social_inclusion_en.pdf [accessed: 24.01.2016].

³ S. Freeman, *Rawls*, London 2007, p. 58.

⁴ P. Worsley, *Marx and Marxism. Revised Edition*, London 1982, pp. 102–107.

social justice and equality was a question who could be considered as equals. Rawls stated that considering people equals required two conditions to be fulfilled: individuals should be reasonable (namely, they should act in accordance with fair rules) and rational (that means they act the way that is consistent with a rational conception of good). These two qualities can qualify individuals as equals. It was stressed that among basic rights two are the most important: freedom of conscience and freedom of association, as they both are critical in the process of the moral self-formation.⁵

Main goal of a government in democratic state is to provide its all citizens with the most possible range of freedoms. Aiming at limitation of citizen's freedoms or striving to control them was considered by Rawls as a violation of public power and a refusal of the social justice principle. While the first principle discussed the basic rights issue, the second raised the importance of economic and social freedoms. Unlike the Libertarianists, Rawls opposed to boundlessness of personal and property rights. Furthermore, it was stressed by Rawls, that all restrictions must be imposed in order to achieve a common good. According to Rawls, even the basic rights are not absolute, when endanger right of another person. Social and economic rights discussed in the second principle, developed society is governed in accordance with just distribution of wealth and income.⁶ Nevertheless, Rawls' principles concerned only those participating in the labour force. Thus, as often people with disabilities remain outside the labour market, the Rawls' distributive justice principle does not apply to them.

Therefore, social inclusion, as the opposite term for social exclusion definition mentioned above, is relevant to the distributive justice principle. It is caused by the fact that excluded part of society is unable to enjoy its freedoms.

Apart from aforementioned theories, Oren Yiftachel created a theory on power and goods concentration in states which suffer from ethnic divisions. The theory stated that in the post-conflict states social order is based on the monopoly of one ethnic group, which not only imposes its own vision of politics, history and social relations, but also maintains control over the economic goods in the state. Thus, the ethnic background plays a crucial role when it comes to eligibility to participate in social progress or being considered as equals before the law. This situation occurs due to the fact that the economy in such states is owned by particular ethnic elites and the

⁵ S. Freeman, *op. cit.*, pp. 50–54.

⁶ *Ibidem*, pp. 86–87.

capital is highly influenced by globalisation.⁷ In fact, this situation deprives the less advantaged part of society of enjoying right to equal opportunities, especially in terms of social policy.

Economic Situation in the Western Balkans

The issue of just distribution of labour forces in the Balkan states is strictly related both to labour force distribution and current economic trends. Since the communist regimes in the Western Balkans collapsed in 80's and 90's, the region has been undergoing economic and political transition. GDP increased in 2000's by 30%, as stated in the report of the International Monetary Fund, released in 2015. According to the report, regional growth was estimated approximately at more than 5 percent in the period 2000–2008. The GDP per capita has arisen as well. In spite of these numbers, the growth is not as fast as it can be expected, especially in comparison to the new members of the European Union. According to the IMF's argumentation, this situation seems to be a result of a reluctance of the Western Balkan states to adopt the necessary institutional reforms. The report emphasised this reluctance can be observed especially in terms of reduction of state-owned companies and improvement of governing practices. Moreover, it should be stressed that even if necessary regulation were introduced, there is a little will expressed by political elites to execute them. Thus, this reluctance cause a limited progress in the social policies area.

Table 1: Annual GDP growth (%)

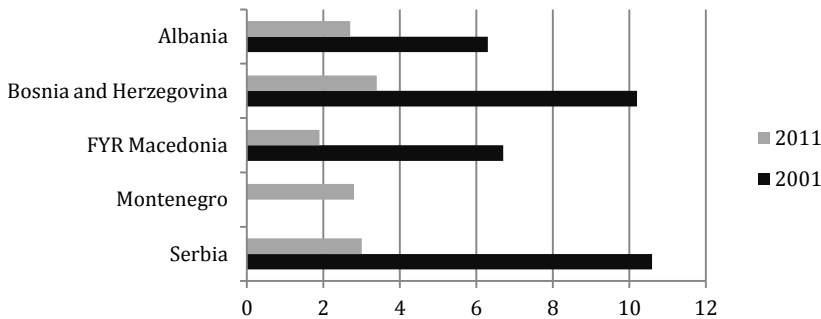
Year	Albania	Bosnia and Herzegovina	FYR Macedonia	Montenegro	Serbia
1991	-2.6	N/A	-6.2	N/A	N/A
2001	7	4.4	-3.1	1.1	5
2005	5.5	5	4.7	4.2	0.6
2010	3.7	0.7	3.4	2.5	0.6

Source: World Bank database, [online] <http://data.worldbank.org/indicator> [accessed: 22.04.2018].

⁷ O. Yieftachel, *'Ethnocracy': the Politics of Judaising Israel/Palestine*, "Constellations: International Journal of Critical and Democratic Theory" 1998, Vol. 6, No. 3, pp. 364–368.

The table above presents the annual GDP in the Western Balkans. Between 2005 and 2010 Montenegro achieved the most stable GDP growth (in comparison, Serbia noted a significant growth in 2001 (5%), but then it decreased to 0.6% in 2005).

Figure 1: The Official Development Assistance received by the Balkan states (%)



Source: World Bank database, [online] <http://data.worldbank.org/indicator> [accessed: 22.04.2018].

The graph indicates the foreign aid provided to particular states in the Western Balkans region. According to it, in 2001 Bosnia and Herzegovina was the biggest receiver of the foreign aid. However, it should be stressed that six years before the armed conflict had come to an end, and type of assistance provided was different. A decade later, in 2011, assistance for Bosnia and Serbia estimated at similar level (10.6% for Serbia and 10.2% for Bosnia). Montenegro received the smallest part of the assistance (despite the fact that in 2011 FYROM was granted with smaller funds accounted for 1.9%), as Montenegro had not obtained aid in the comparable period in the past decade.

As stated in the report *The Western Balkans 15 Years of Economic Transition*, released by the International Monetary Fund, there is a significant lack of adoption of necessary reforms the Western Balkans, which is common for both Balkan states less and more advanced in the Accession process, such as Montenegro and FYR Macedonia. The IMF attributed the reform gap to the institutional, infrastructural and economic change.⁸

Authors also stressed, that in case of lower and middle income states, it is much more important to introduce necessary changes in domestic insti-

⁸ International Monetary Fund, *The Western Balkans 15 Years of Economic Transition Regional Economic Issues Special Report*, pp. 19, 28, [online] https://www.imf.org/external/pubs/ft/reo/2015/eur/eng/pdf/erei_sr_030915.pdf [accessed: 22.01.2016].

tutions, than it takes place in relation to higher developed states (as they rather should pay more attention to innovation and entrepreneurial policies). Therefore, the IMF identified a set of necessary reforms for particular states. In terms of the labour market reform, the report indicated an urgent need to introduce adequate amendments in three of the six countries taken into consideration: in Bosnia and Herzegovina, FYR Macedonia and Montenegro. All recommended reforms in the field of employment policies concerned pay and productivity issues. Additionally, the authors of the report emphasised that FYROM needed to increase the quality of management in Macedonian institutions.⁹

Unemployment among the Disadvantaged Groups

The overall unemployment rate in the state, in comparison to the unemployment rate in 1990, estimated at 35.6% in 1995 and from 29% in 2013.¹⁰ As stated in the State Statistical Office of the former Yugoslav Republic of Macedonia, the numbers remain still high. In 2014 approximately 13% of women in the former Yugoslav Republic of Macedonia (FYR Macedonia or FYROM) remained unemployed and approximately 54.7% declared to be inactive at the labour market. On the other hand, approximately 19.1% of men gained no employment and other 30.7% remains inactive. This tendency shows that majority of female citizens in the FYROM is excluded from the labour forces, as stated in the Labour Force Survey, 2014. Furthermore, according to the document, approximately 21% of the employment structure refers to an informal employment.¹¹

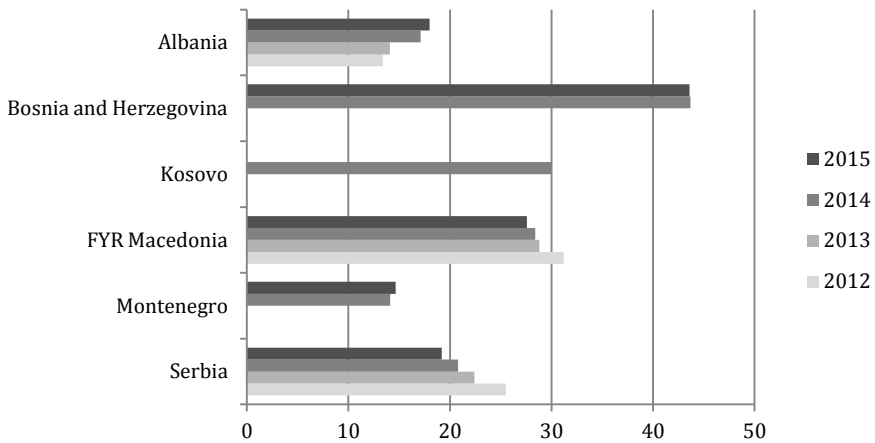
According to the database of the Trading Economics, most Balkan countries suffer from high unemployment rates. For instance, in 2015 in Bosnia and Herzegovina unemployment was estimated at 43.6%. Another state with a similar unemployment level reached in 2014 was the Republic of Kosovo (43%). Other states in the region account for 27.6% (in 2015, Macedonia); 18% (in 2015, Albania) or 19.2% (in 2015, Serbia). Despite the fact that unemployment in the Western Balkans has decreased by a dozen percentage points within a period of three years, a high number of people remain without employment. The situation in particular states is presented in the graph below:

⁹ Ibidem, pp. 26–31.

¹⁰ M. Bashevska. *Macedonia: Tax Haven – and Workers' Hell*, [online] <http://www.criticatac.ro/lefteast/macedonia-tax-haven-workers-hell/> [accessed: 24.01.2016].

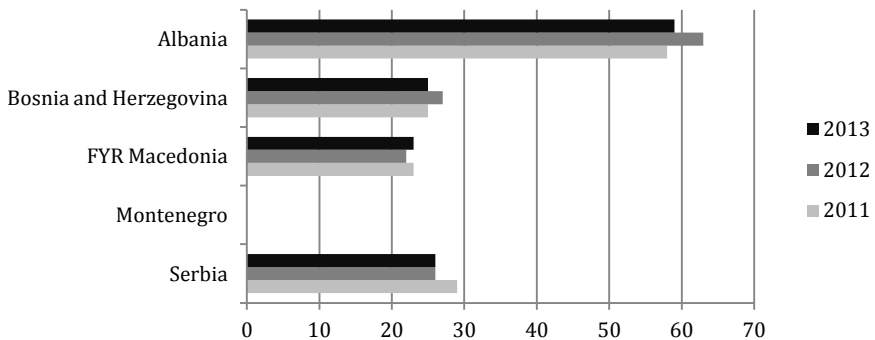
¹¹ State Statistical Office of the Republic of Macedonia, *Statistical Review: Population and Social Statistics. Labour Force Survey 2014*, pp. 21, 26, 98, [online] <http://www.stat.gov.mk/Publikacii/2.4.15.04.pdf> [accessed: 24.01.2016].

Figure 2: Unemployment rate in the Western Balkans states, in the period 2012–2015



Source: Trading Economics database, [online] <http://www.tradingeconomics.com> [accessed: 22.04.2018].

Figure 3: Employment among Excluded Groups



Source: World Bank database, [online] <http://data.worldbank.org/indicator> [accessed: 22.04.2018].

The chart no. 3 shows the percentage share of vulnerable groups' members in the labour market in particular Balkan states. Despite the lack of information on employment of the excluded groups' members in Montenegro, the data reveal that some states (such as Bosnia and Herzegovina) suffer from lower employment among vulnerable groups, but on the other hand, Albania shows progress in the case, reaching 63% in 2012.¹² This might be

¹² Trading Economics database, [online] <http://www.tradingeconomics.com> [accessed: 22.04.2018].

a result of intensified efforts made by the Albanian authorities in order to push European integration forward. The report prepared by the IMF can confirm these efforts, as in the case of Albania no labour market reforms were suggested. In the case of Serbia, despite the fact that no reforms in the labour market were recommended, it was stressed that labour taxing appeared to be relatively high.¹³

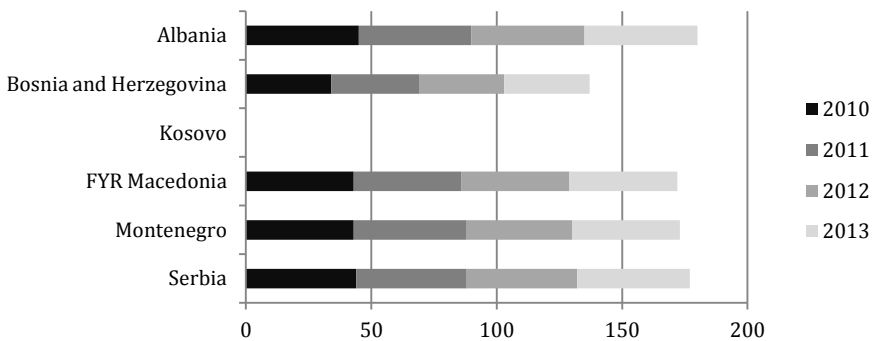
Women Participation in the Local Labour Markets

The Western Balkan states struggle with low rates of women participating in their labour markets. In Macedonia the unemployment rate among females decreased to 28.6 in 2014 from 29% in 2013.¹⁴

The share of females who are part of labour force in particular states is relatively low. For instance, according to the World Bank database, the lowest percentage of working females exists in Bosnia and Herzegovina (34% as of 2013). On the other hand, in Albania the smallest number of women is unemployed (55%). In the rest of states the number of females remaining out of national labour markets remains similar: 44% in Serbia and 43% in Macedonia and Montenegro. However, the statistics did not include the number of female employees in the Republic of Kosovo.

The situation in particular states within the period 2010–2013 is shown in the graph below.

Figure 3: Labour force participation rate, female (in % of female population ages from 15)



Source : World Bank database, [online] <http://data.worldbank.org/indicator> [accessed: 22.04.2018].

¹³ International Monetary Fund, *op. cit.*, pp. 30–31.

¹⁴ State Statistical Office of the Republic of Macedonia, *op. cit.*, p. 121.

People with Disabilities

According to the United Nations Development Programme data, in 2013 70% people with disabilities living in Serbia suffered from poverty whereas only 13% were employed. In 2003 the government of the state published the national poverty strategy, estimating that people with disabilities accounted for 10% of the entire population of Serbia.¹⁵ According to the document *Holistic Report 2013 – Monitoring your right: Monitoring rights of people with disabilities in the Republic of Serbia*, published by the Centre for Society Orientation, the violation of the rights of people with disabilities are caused often due to lack of information, appropriate legal provisions or misunderstanding perceived by the society.¹⁶

The report also mentioned other matters, such as limited access to transportation and limited information on job seeking and/or self-employment possibilities. Discrimination referred to the refusal to employ disabled person because of their physical condition. There were also cases when an employer did not agree to provide the necessary technical adjustments to a workplace.¹⁷

Regarding the social inclusion of people with disabilities, no steps were made to improve situation of the group. Institutions responsible for monitoring equality policy, cannot fulfill their mission, as power in Bosnia is highly decentralised, due to the constitutional principle of the balance between particular entities.¹⁸

Discrimination towards Excluded Groups

All Balkan counties' labour markets struggle with discrimination. Discrimination is not always due to a lack of existence of anti-discriminatory provi-

¹⁵ United Nations Development Programme (UNDP), *Opening Opportunities for People with Disabilities*, [online] <http://www.rs.undp.org/content/serbia/en/home/ourwork/povertyreduction/successstories/opening-opportunities-for-people-with-disabilities.html> [accessed: 24.01.2016].

¹⁶ Centre for Society Orientation, *Holistic Report 2013 – Monitoring Your Right: Monitoring Rights of People with Disabilities in the Republic of Serbia*, 2013, p. 7, [online] http://drpi.research.yorku.ca/wp-content/uploads/2015/02/Serbia-Monitoring_report_reduced_eng.pdf [accessed: 24.01.2016].

¹⁷ Ibidem, pp. 48, 44, 45.

¹⁸ European Commission, *Bosnia and Herzegovina Report 2015*, Commission Staff Working Document, SWD (2015) 214 final, 10 November Brussels 2015, pp. 44, 24, 45, [online] http://ec.europa.eu/enlargement/pdf/key_documents/2015/20151110_report_bosnia_and_herzegovina.pdf [accessed: 24.01.2016].

sions or respect for them, but rather the lack of access to appropriate information or not providing adequate measures equalising living conditions of all vulnerable groups. As stated above, most of states in the region did not fulfil their obligations in this matter.¹⁹

Probably the best known example of the discriminatory practices may be the case of *Sejdić and Finci v. Bosnia and Herzegovina*. Despite the fact that this case does not concern labour market affairs, it could shed some light on the nature of discrimination. The Constitution of Bosnia and Herzegovina gave full rights but only to three constituent entities. Namely, Bosnians, Croats and Serbs enjoyed special privileges at the national level. The claim concerned that Jakub Finci had attempted to be elected to the Presidency of Bosnia and Herzegovina and he had been refused by the Central Election Commission owing to his origin, as he had a Jewish background. According to the Human Rights Watch report, the Jewish minority suffers from limited opportunity to apply for public positions in Bosnia and Herzegovina. The European Court of Human Rights, which received the claims, appealed to Bosnia for implementing the Court's decision. Nevertheless, Bosnia's authorities refrained from executing the Court's judgement.²⁰ In terms of the discrimination existing in the labour markets not only in Bosnia, but also in all the Balkan states, when the law allows for discrimination practices or is not duly executed by the state, probably, the societies will not be aware that the rights of excluded groups have to be respected, too.

Discrimination against people with disabilities could be easily observed in the public institutions in the Balkans, as the legal and educational systems, as well as the health care are not adjusted enough to allow this group to fully participate in social life. According to the survey conducted in 2012 among the disabled people of the Republic of Srpska, despite the fact that 70% of them knew about the Law on Vocational Rehabilitation, Training and Employment of Persons with Disabilities, 65% were dissatisfied because they felt that these laws did not protect their rights enough. Moreover, whereas roughly 54% of interviewees were included into the Entity Employment

¹⁹ Solidar, *Promoting Decent Work and Quality Jobs in the Western Balkans. Summary Analysis of the Protection of Social and Labour Right in Serbia, Kosovo and Bosnia & Herzegovina*, "Briefing Paper" 2010, No. 25, p. 12, [online] http://www.solidar.org/IMG/pdf/25_promotingdwqjinwbalkans.pdf [accessed: 29.01.2016].

²⁰ Human Rights Watch, *Second Class Citizens Discrimination against Roma, Jews, and Other National Minorities in Bosnia and Herzegovina*, 2012, pp. 13, 18, 19, [online] https://www.hrw.org/sites/default/files/reports/bosnia0412ForUpload_0_0.pdf [accessed: 29.01.2016].

Agency databases as people with special needs, only 20% were offered a job proposal.²¹

Women in the Balkan countries face inequality through the salary differences between women and men. Although there are provisions promoting equal salary for both genders, women still remain under-paid and under-represented in the labour markets. In Albania, according to the report prepared by the Solidar organisation, gender pay gap still remains a problem, as well as the information and assistance for entrepreneurship opportunities.²² Due to these institutional barriers progress remains limited.

Forms and Types of the Labour Market Policy Instruments

According to a report of the European Training Foundation, one of the most fragile matters of social policies are issues of wages and social benefits. When it comes to wages, there are differences between the levels of salary in private and public sectors. Among the financial conditions which are offered to employees, there exists a tendency to transfer some part of wages into the shadow economy. Moreover, it is popular among employers to suggest workers to register as unemployed to obtain benefits, in order to cut costs of wages. Specifically, in the Western Balkans formal and informal economies co-exist. In time of crisis, particular sectors of economy move to the shadow economy. Employees are often offered agreements, which include both informal and formal economy elements.²³ Therefore, as workers are expected to take part in illegal work practices, they are rather to decide for self-employment. To obtain the aforementioned benefits, there is an obligation to be registered by the public employment services.

Most Western Balkans states link social benefits with the unemployed income levels. Nevertheless, these sums are relatively low. For instance, in Bosnia and Herzegovina only 2.4% of registered unemployed citizens are granted with a unemployment benefit. In the former Yugoslav Republic of

²¹ D. Popović, S. Jovičić, *Government Intervention and Increase on Employment Opportunity for Persons with Disabilities in Republic of Srpska*, [in:] *New Challenges in Changing Labour Markets*, eds. J. Zubović, I. Domazet, Belgrade 2012, pp. 252–253.

²² Solidar, *Supporting Social Investment in the Western Balkans: European Enlargement Monitoring Report*, “Briefing Paper” 2014, No. 68, p. 7, [online] http://www.solidar.org/IMG/pdf/68_solidarbriefing_enl.compressed.pdf [accessed: 30.01.2016].

²³ European Training Foundation, *Activating the Unemployed : Optimising the Activation Policies in the Western Balkans and Turkey*, 2011, pp. 19–23, [online] [http://www.etf.europa.eu/webatt.nsf/0/463ACFA279C80281C125798400494F93/\\$file/Activation%20policies_Western%20Balkans%20&%20Turkey.pdf](http://www.etf.europa.eu/webatt.nsf/0/463ACFA279C80281C125798400494F93/$file/Activation%20policies_Western%20Balkans%20&%20Turkey.pdf) [accessed: 26.01.2016].

Macedonia the number of people who obtain financial support is estimated at 7.6%. The highest number of persons who gained the support occurred in Montenegro, as it accounted for 41.6%. The general period of time which the unemployed can be given the allowance is approximately twelve months. However, because of the fact that the average period of unemployment exceeds the time in which the allowance is being offered, most unemployed people remain out of the social benefits system. In relation to fragile groups, like young people, they are often not able to obtain this type of assistance, as they do not match the previous experience criteria required by the public employment services. In Bosnia and Herzegovina and Albania there is no obligation to be registered in order to benefit from financial support. In Kosovo, Croatia and Montenegro such obligation exists.²⁴

Moreover, as stated in the report, a popular measure among the Western Balkan states to increase the social inclusion indicator is undertaking public works. In many cases, this instrument is the most accessible and the most frequently used one. It is important also because in many cases, there is the only way to employ people from some disadvantaged groups. States from the Western Balkans struggle to improve their social care systems which still remain low-efficient.²⁵

The EU Policy on Social Inclusion and Assistance

The European Commission has developed a policy of active inclusion, aiming at "enabling every citizen, notably the most disadvantaged, to participate fully in society, including having a job."²⁶ The policy includes three main types of assistance: an adequate income, aiming at improving the vulnerable group members to obtain the aid they are eligible for; inclusive labour markets, created in order to assist in the job-seeking process; and access to quality services, which means offering social services and enabling the vulnerable group members to function in a society and taking up employment.²⁷

The European Union has released several documents and strategies diagnosing the social development in the enlargement countries, stressing the importance of social, minority rights and civic freedoms. In 2012 the European Parliament released the Enlargement Report, in which it indicated

²⁴ Ibidem, pp. 5, 10, 12, 21–23.

²⁵ Ibidem, pp. 21–23.

²⁶ European Commission, *Active Inclusion*, [online] <http://ec.europa.eu/social/main.jsp?catId=1059> [accessed: 24.01.2016].

²⁷ Ibidem.

that European Commission took social inclusion issues for granted. A set of benchmarks was also prepared in collaboration with SOLIDAR, a local NGO, including among them the employment issues.²⁸

In 2014 the Montenegrin government amended the Action Plan for implementing the 2012–2015 strategy for employment. Furthermore, Montenegro introduced social reform, Montenegro also has joined the EU Programme for Employment and Social Innovation. However, the European Commission pointed that “The situation concerning accessibility for persons with reduced mobility remains critical.”²⁹ Moreover, in 2014, as stated in the 2014 Labour Force Survey released by the national statistical office in Montenegro, the unemployment rate was estimated at 18%.³⁰ Albanian authorities, as stated in Albania’s Progress Report 2015, the Albanian government amended new regulation of work security, compatible with the EU acquis. Nevertheless, it was also stressed that the unemployment rate is relatively high and informal employment takes place relatively often.³¹ In regard of the Republic of Kosovo, the European Commission claimed that national authorities made no progress in the area of social policies. Commission called for implementation of the 2014–2020 employment sector strategy and introducing new law on the labour market.³²

Through the Instrument for Pre – Accession Assistance the EU spent 11.5 billion euro in the period 2007–2013. In the period 2011–2013 the assistance was provided to six priority sectors, including Employment and Social Inclusion. For the period 2014–2017 the support for particular states was programmed in the document “Indicative Strategy Paper” which de-

²⁸ Solidar, *Active Inclusion in the Western Balkans: European Enlargement Monitoring Report 2013*, “Briefing Paper” 2011, No. 45, pp. 2–4, [online] http://www.solidar.org/IMG/pdf/59_activeinclusionwb.pdf [accessed: 25.01.2016].

²⁹ European Commission, *Montenegro Report 2015, Commission Staff Working Document*, SWD (2015) 210 final, Brussels 2015, pp. 45, 60, [online] http://ec.europa.eu/enlargement/pdf/key_documents/2015/20151110_report_montenegro.pdf [accessed: 26.01.2016].

³⁰ Montenegrin Economy and Politics Association (MEP), *Statistics: 2014 Labour Force Survey in Montenegro*, 10.04.2015, [online] <http://mep.c-g.me/en/statistics-2014-labour-force-montenegro/> [accessed: 27.01.2016].

³¹ European Commission (EC), *Albania Report 2015. Commission Staff Working Document*, SWD (2015) 213 final, Brussels 2015, p. 47, [online] http://ec.europa.eu/enlargement/pdf/key_documents/2015/20151110_report_albania.pdf [accessed: 27.01.2016].

³² European Commission, *Kosovo Report 2015. Commission Staff Working Document*, SWD (2015) 215 final, Brussels 2015, p. 44, [online] http://ec.europa.eu/enlargement/pdf/key_documents/2015/20151110_report_kosovo.pdf [accessed: 28.01.2016].

scribed the respective allocations in particular fields in each Balkan state.³³ Allocations for social development issues were presented in the table below:

Table 2: Allocations for the Social Sector

Period	Albania	Bosnia and Herzegovina	FYR Macedonia	Kosovo	Montenegro	Serbia
2014–2020	69	38	53.2	94.2	28.1	190

Source: European Commission, Overview – Instrument for Pre-accession Assistance, [online] http://ec.europa.eu/enlargement/instruments/overview/index_en.htm [accessed: 22.04.2018].

As shown in the table, for the ongoing period 2014–2020 the EU has allocated approximately 472.5 million euro for the Western Balkans states. The allocations have been divided into two main subcategories, such as education and social policies. As presented in the table, Serbia was granted the largest part of the EU's financial support. The EU's engagement targets improvement of social policies in the region addressed to such groups as minorities and people with disabilities. Moreover, it is often related to vocational education and support for state institutions operating in the social care system.³⁴

National Inclusion Policies in the Light of the European Commission Progress Reports

The European Commission in its annual progress report in 2015 had noted that Albania improved its social policies, especially in terms of the EU acquis transposition. Moreover, new regulations to the national labour code were introduced. Also, the Albanian Parliament undertook legal actions in order to secure employment of pregnant female workers. In case of the employment policy, the national authorities set up the strategy for years 2014–2020 on jobs and skills, but took no steps for its purpose's realisation.³⁵

³³ European Commission, *Overview – Instrument for Pre-accession Assistance European Neighbourhood Policy and Enlargement Negotiations*, [online] http://ec.europa.eu/enlargement/instruments/overview/index_en.htm [accessed: 28.01.2016].

³⁴ Ibidem.

³⁵ European Commission, *Albania Report...*, op. cit.

In case of Kosovo, the Commission claimed no significant effort in relation to the social policies. Although, national authorities adopted the 2014–2020 employment sector strategy, but it has not been implanted yet. On the other hand, it was stressed that the unemployment rate had grown from 30% in 2013 to 35.5% one year later. Despite the fact that there were some improvements on job seeking support and services, as well as significant funding growth for that purpose by 224%, the Commission emphasised further actions would be necessary to ensure financial resources for the public service of employment and better distribution of support across the society.³⁶

In FYROM, the state institutions appeared to be the biggest employer, but FYROM still fails to increase inclusion of the vulnerable groups, such as women and the minorities, into the labour market. Despite the fact that 300 people with disabilities were employed in the national public administration, it is not clear, if they gained any preparation training.³⁷

National authorities adopted the action plan for active inclusion. Nevertheless, the budget dedicated to employment policies decreased in 2014. Furthermore, the Ministry of Labour and Social Policy made action in order to limit share of the informal economy in the state. Comparing to the 2015 Progress Report, the Commission noticed some improvement in terms of conducting social reforms, but poverty among excluded groups and the high unemployment rate remained to be significant.³⁸

The state that has achieved the most considerable progress in the last few years in the field of social and employment policies is Montenegro. As the only state in the Western Balkan region, achieved a progress in the social inclusion matters in 2015. Also, the 2015 action plan was amended in order to implement the 2012–2015 national strategy for employment and human resource development. The Montenegrin government undertook actions to harmonise its social policies in the state as well and improved legal restrictions for discrimination people with disabilities and provisions

³⁶ European Commission, *Kosovo Report...*, op. cit., pp. 44–45.

³⁷ European Commission, *The Former Yugoslav Republic of Macedonia Report 2014*, Commission Staff Working Document, COM(2014)700 final, Brussels 8.10.2014, p. 36, [online] http://ec.europa.eu/enlargement/pdf/key_documents/2014/20141008-the-former-yugoslav-republic-of-macedonia-progress-report_en.pdf [accessed: 28.01.2016].

³⁸ European Commission, *The Former Yugoslav Republic of Macedonia Report 2015*, Commission Staff Working Document, SWD (2015) 212 final, Brussels 10.11.2015, p. 47, [online] http://ec.europa.eu/enlargement/pdf/key_documents/2015/20151110_report_the_former_yugoslav_republic_of_macedonia.pdf [accessed: 28.01.2016].

of the gender equality.³⁹ Thus, it seems that Montenegro might be described as a leader in the field of social inclusion, although the Commission emphasised further actions are needed to achieve tighter convergence with EU standards.

Bosnia – Herzegovina, as stressed by the EC, did not harmonised provisions in none of three entities, although the State-level Action Plan for Children 2015–2018 was amended, the inclusion policy still needs to be unified in whole Bosnia. The state also suffers from increasing unemployment rate and little capacity to support youth at the labour market.

Conclusions

In conclusion, although all the Western Balkan states have implemented or are going to introduce appropriate regulations into their national law on the excluded groups' rights in the labour market, most of them find it difficult to turn these provisions into reality. Ensuring distribution of social justice across the disadvantaged groups in the Western Balkans still remains a challenge. Despite the fact that the EU has contributed significantly to strengthening states' capacities to govern social inclusion, primarily through requesting adequate regulations to be introduced as well as through its financial instruments. it happens due to aforementioned factors, both economic and social. But also there is an institutional gap of described situation. Institutions lack capacities to fulfill their mission more efficiently.

Especially with regard to the national systems of assistance to all vulnerable group members, states of the region failed to provide adequate support. Moreover, states suffer from some gaps in their systems of social inclusion. Even in the case of the leader in the social inclusion in the region – Montenegro, further steps shall be. It seems that the progress will remain limited for the next several years, or will even get worse, depending on the economic situation in the region. The assistance provided by the EU will be essential for that process, both in its normative role as well as through its financial instruments.

Measures undertaken by governments in the region are still limited and exert an average impact on the situation of vulnerable social groups. This tendency could be explained by the fact that the process of the Europeanisation of the Western Balkans has not been completed so far. All states in the region must carry on the convergence and coherence with the EU standards on social policies.

³⁹ European Commission, *Montenegro Report 2015...*, op. cit., pp. 45, 59.

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