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BOSNIA AND HERZEGOVINA

**LABOUR AND SOCIAL POLICY IN BOSNIA AND HERZEGOVINA:
THE DEVELOPMENT OF POLICIES AND MEASURES FOR SOCIAL MITIGATION**

Contract Number CNTR 00 1368A

Living in BiH

Panel Study first Draft WAVE 2 Report

For discussion by the

DATA USER GROUPS

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The Report itself was authored by Dr Heather Laurie and Jon Burton from the Institute for Social and Economic Research of the University of Essex.

Overall supervision and guidance was provided by the two Data User Groups (DUGs) of FBiH and RS. The DUGs monitored the work process and guided the emphasis of the report. Institutional and individual composition of the DUGs membership is listed in Appendix B.

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The responsibility for the report and its conclusions lies with the team leaders.

List of Acronyms

BHAS	Agency for Statistics of Bosnia and Herzegovina
BiH	Bosnia and Herzegovina
DFID	Department for International Development
DUG	Data Users Group
FBiH	The Federation of Bosnia and Herzegovina
FOS	The Federal Office of Statistics
HSPS	Household Survey Panel Series
IBHI	Independent Bureau for Humanitarian Issues
ILO	International Labour Organisation
ISCO	International Standard Classification of Occupations
ISER	Institute of Social and Economic Research
KM	Convertible Mark (<i>Konvertibilna Marka</i>)
LSMS	Living Standards Measurement Survey
NACE	Nomenclature générale des Activités économiques dans les Communautés Européenes (General Industrial Classification of Economic Activities within the European Communities)
RS	The Republika Srpska
RSIS	The Republika Srpska Institute for Statistics
SI	Statistical Institution
WB	World Bank

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LABOUR AND SOCIAL POLICY IN BOSNIA AND HERZEGOVINA: THE DEVELOPMENT OF POLICIES AND MEASURES FOR SOCIAL MITIGATION

Living in BiH

Panel Study first Draft WAVE 2 Report

1. Introduction

This action oriented study addresses the fundamental issue of facilitating the appropriate development of social policy in BiH. Policy making authorities in each entity within BiH face a series of problematic choices in terms of social policy. The quantitative and qualitative data and analysis essential for social policy are relatively weak. Yet circumstances are complex and pressures to formulate effective and sustainable policy are growing. This report therefore contributes to a framework that:

- informs and supports the policy making process throughout, and strengthens the social policy making function at entity level; and
- supports the statistical institutions responsible for statistical analysis and reporting to enable informed policy making.

It does this by presenting BiH household panel data - resulting from repeat interviews of a sample of households - that are part of a household survey series which was initiated by the LSMS and which will be continued through the:

- Household Budget Survey (HBS) using a new sample of 2000 Households, conducted four times over one year using a new sample; and
- Labour Force Survey (LFS).

BiH is experiencing rapid change, following recovery from the war, and in accelerating transition to a market economy. The implications of these developments for social policy can only be properly understood if the impacts on individuals, families and households of macro changes within the economy are tracked over time. This requires an analysis of the *dynamics* of events such as moves between jobs, geographic mobility, changing household composition, income shifts, changes in health status, and how these interact.

This has been done by following the changing behaviour and fortunes of households, families, and their members across time. The appropriate methodology for this is a household panel study - upon which this report is based - "Living in BiH".

The Household Survey Panel Series (HSPS - "Living in BiH") allows annual measurement of change and will permit the aggregation of data for individuals across time to derive estimates of the impact of changes in a manner that cross sectional data cannot allow.

In the context of BiH, the ability to track over time such transitions whilst:

- privatisation and economic restructuring are furthered; and
- as the labour market is restructured;

will be critical for the formulation of social policy overall and of subsidiary measures to mitigate some of the potentially damaging effects of privatisation and restructuring upon the welfare of individuals and families.

Thus the panel survey is complementary, in supporting policy development, to the cross-sectional household survey series.

The report provides a broad picture of the coverage of the survey “Living in BiH”, and the potential for policy analysis using panel data.

It deliberately does not report every measure included in the panel survey but rather is intended to give the reader an understanding of the coverage and potential of the data for analysis. While it is largely descriptive, it is of interest to policy makers, researchers as well as a more general audience and the international community.

The BiH panel survey is the first of its kind in any Balkan country so provides a unique data resource for further analysis. This project will support a range of further analysis of this rich data set in a number of ways that will contribute further to policy development.

The report covers seven main themes. These are:

- Demographic and social situation in BiH;
- Housing, migration and geographical mobility;
- Employment and unemployment;
- Income;
- Education, qualifications and training;
- Health; and
- Values, opinions and quality of life.

The analysis demonstrates the difference between cross-sectional and panel data. Cross-sectional trend data generally show little change in the aggregate percentages year on year. The impression is that there is overall stability or gradual change. Panel data, where the same individuals are tracked over time, typically find much more movement going on as individuals within the overall distribution move between states. For example, people:

- entering and leaving employment;
- people and families entering and leaving poverty; and
- people and families with changing health status as employment and income status change.

The report therefore presents concrete results of policy significance, but is also a vehicle for showing the different types of analysis that are possible with longitudinal data. Again, it provides pointers - in the particular social policy context of BiH - to further research that can be built upon the platform that this first report represents.

The emphasis of analysis and data tabulation is, at this stage, upon entity level - this is because of the constitutional vesting of responsibility for social policy making at entity level.

The panel survey and the supporting project is funded by the UK Department for International Development (DFID). The fieldwork and data processing are carried out by the Statistical Institutions (SIs) (The Agency for Statistics of BiH (BHAS); the Federal Institute of Statistics (FOS) and the Republika Srpska Institute of Statistics (RSIS) within BiH in partnership with Birks Sinclair, the Independent Bureau for Humanitarian Issues (IBHI) and the Institute of Social and Economic Research (ISER). The partnerships implementing the project extend to the data using ministries of both entities and the state level Cabinet of Ministers in terms of policy development.

Throughout its development and implementation this work has been guided by the two entity level Data User Groups (DUGs - see Appendix B) and latterly by the state level BiH DUG.

This report is based on panel data from Waves (years) 1 and 2 of the Living in BiH panel survey. A third year (Wave 3) of interviewing is being undertaken, with households visited for interview from September 2003.

The panel survey sample is made up of over 3,000 households drawn from the Living Standards Measurement Survey (LSMS) conducted by the World Bank in co-operation with the SIs in 2002. Approximately half the households interviewed on the LSMS were selected and carried forward into the panel survey. These households were re-interviewed in 2003 and will be interviewed for a third time in September 2004. (See Appendix A for a full description of the panel design, sample selection and fieldwork procedures.)

Wave 2 response outcomes

At Wave 2, 3007 households were issued for interview, 1681 for the Federation of Bosnia and Herzegovina (FBiH) and 1326 for the Republika Srpska (RS). As the panel survey design allows for new households to be created as individuals from the original households move away to form their own household, 3086 households were identified during fieldwork. Of these, 3050 were potentially eligible for interview. That is 36 households had either moved out of BiH or were deceased.

Table 1.1 below gives the household outcomes for each entity for eligible households and as can be seen the response rates at Wave 2 were high. By international standards, the expected response rates at wave 2 of a panel survey would be in the region of 88%, so the BiH panel has performed extremely well compared to other national panels.

Table 1.1 Wave 2 response outcomes for eligible households by entity

	Entity		Total BiH %
	RS %	FBiH %	
Interviewed household	95.7 (1298)	93.1 (1577)	94.3 (2875)
Untraced mover	1.1 (15)	2.0 (34)	1.6 (49)
Non-interviewed	3.2 (43)	4.9 (83)	4.1 (126)
	100	100	100
Total N	1356	1694	3050

In total, 9,708 individuals including children under 15 were enumerated within the sample households. Within the 3,050 interviewed households, 8060 individuals aged 15 or over were eligible for interview with 7527 (93.4%) being successfully interviewed in total, 209 of whom were new entrants to the survey at Wave 2. The household response rate for responding households was therefore high. Table 1.2 below gives the response outcomes for all eligible individuals in both responding and non-responding households by entity.

Table 1.2 Wave 2 response outcomes for all eligible individuals by entity.

	Entity		Total BiH %
	RS %	FBiH %	
Interviewed	81.4 (4233)	76.0 (4078)	78.4 (7527)
Non-interviewed	18.6 (788)	24.0 (1288)	21.6 (2072)
Total N	4233	5366	9599

2. Demographic and social situation in BiH

This section gives some descriptive tables across a variety of key demographic and social variables for Waves 1 and 2. A more detailed examination of specific areas is contained in the sections which follow.

Note that all results presented throughout this report are weighted to account for sample selection probabilities and non-response at Wave 2. (See Appendix A for details of the weighting procedure). The numbers reported in the tables are therefore the weighted sample numbers. The tables report cases with valid responses only.

Table 2.1 shows the distribution across a number of key demographic variables for the interviewed sample. The year on year trends within each entity are fairly stable with both entities having similar distributions of age, sex and current marital status at both waves.

On current employment status, those in the RS report higher levels of self-employment, fixed term contract or seasonal work and also working in the family business at Wave 2. Both entities have fewer reporting themselves as a 'housewife' at Wave 2 and both entities maintain similar percentages of students and pensioners at both years. Unemployment is lower at Wave 2 for both entities which is not accounted for by the 'unable to work' as this remains fairly similar over the two years. As would be expected, the distribution of ethnicity within each entity is markedly different but this apart, the pattern overall is one of similarity in the distributions between Wave 1 and Wave 2.

Table 2.1 Wave 1 and Wave 2 key demographic variables (all interviewed adults including new entrants at Wave 2)

	Entity				Total BiH %	
	RS %		FBiH %			
	W1	W2	W1	W2	W1	W2
<i>Sex</i>						
Male	49.9	50.3	47.2	47.2	48.4	48.6
Female	50.1	49.7	52.8	52.8	51.6	51.4
<i>Age</i>						
15 - 24	18.2	18.3	19.8	19.7	19.1	19.1
25 - 34	15.4	15.4	16.4	16.1	16.0	15.8
35 - 44	16.6	15.8	18.8	17.8	17.8	16.9
45 - 54	18.5	18.3	16.3	16.5	17.3	17.3
55 - 64	14.1	14.2	13.4	13.2	13.7	13.7
65 and over	17.1	18.1	15.5	16.6	16.2	17.3
<i>Marital Status</i>						
Single	30.2	28.2	30.1	27.8	30.1	28.0
Married	57.4	58.4	57.3	58.7	57.4	58.5
Widow/er	10.6	11.4	11.2	11.6	10.9	11.5
Divorced/separated	1.8	2.0	1.4	1.9	1.6	1.9
<i>Employment status*</i>						
Employee	26.5	25.1	22.9	23.9	24.5	24.4
Self-employed	4.7	7.1	2.4	3.6	3.4	5.2
Fixed term/seasonal worker	1.8	2.1	1.3	1.5	1.5	1.8
In family business	2.5	3.4	0.8	1.6	1.6	2.4
Housewife	18.4	18.2	23.7	20.9	21.4	19.7
Student	8.2	8.4	10.1	9.7	9.3	9.1
Pensioner	14.6	13.0	17.0	17.4	15.9	15.4
Unemployed	19.8	18.2	19.4	17.3	19.6	17.7

Military service	0.2	0.1	0.3	0.3	0.3	0.2
Unable to work	3.3	4.3	2.1	3.4	2.7	3.8
Ethnicity**						
Bosniac	--	5.6	--	68.2	--	40.1
Serb	--	92.9	--	3.3	--	43.5
Croat	--	0.5	--	25.9	--	14.5
Other/not given	--	1.0	--	2.6	--	1.9
Total N		3650		4487		8137

* Note that employment status is the subjective report by the individual i.e. what 'best' describes their current status.

** Ethnicity not asked at Wave 1

Table 2.2 gives the level of qualifications held by those interviewed at Waves 1 and Wave 2. One quarter of respondents had no qualifications at all and just over two thirds had school level qualifications. Only around 6% had junior college or university level qualifications. As would be expected, the distributions are very similar at each year.

Table 2.2 Highest educational qualification (all interviewed)

	Entity				Total BiH %	
	RS %		FBiH %			
	W1	W2	W1	W2	W1	W2
No qualifications	23.8	22.9	26.1	25.3	25.1	24.3
Primary school certificate	27.7	27.8	25.4	25.1	26.4	26.3
Secondary school certificate	43.0	43.5	42.3	43.2	42.6	43.3
Junior College	3.0	3.1	2.9	2.9	2.9	3.0
Undergraduate diploma/higher degree	2.6	2.7	3.3	3.5	3.0	3.1
Total N	3501	3501	4635	4637	8136	8138

At Wave 2 three quarters of the households interviewed (75.2%) owned the accommodation they were living in but those in FBiH (79.9%) were more likely to do so than those in the RS (69.6%). In both entities we also see an increase in the percentage owning their property. Temporary accommodation was the second largest type of tenancy arrangement in both entities but was more common in the RS than in the FBiH. Both entities had around 1% of households in the sample in illegal occupation of a property. Table 2.3 gives the distribution by entity of the legal status of the dwelling at each year.

Table 2.3 Legal status of dwelling at Wave 2.

	Entity				Total BiH %	
	RS %		FBiH %			
	W1	W2	W1	W2	W1	W2
Owned/ co-owned outright	62.1	69.6	76.4	79.9	70.1	75.2
Under privatisation	2.4	2.5	4.0	1.8	3.3	2.2
Tenancy right holder	7.8	1.8	1.2	1.1	4.1	1.5
Rented	2.5	6.1	1.5	2.6	1.9	4.2
Temporary accommodation	19.1	11.6	9.6	5.2	13.8	8.1
Free from family/friends	3.4	5.0	5.2	7.4	4.4	6.3
Illegal occupation	0.9	1.6	1.0	1.3	1.0	1.4
Emergency lodging/refugee centre	1.1	0.8	0.6	0.4	0.8	0.6

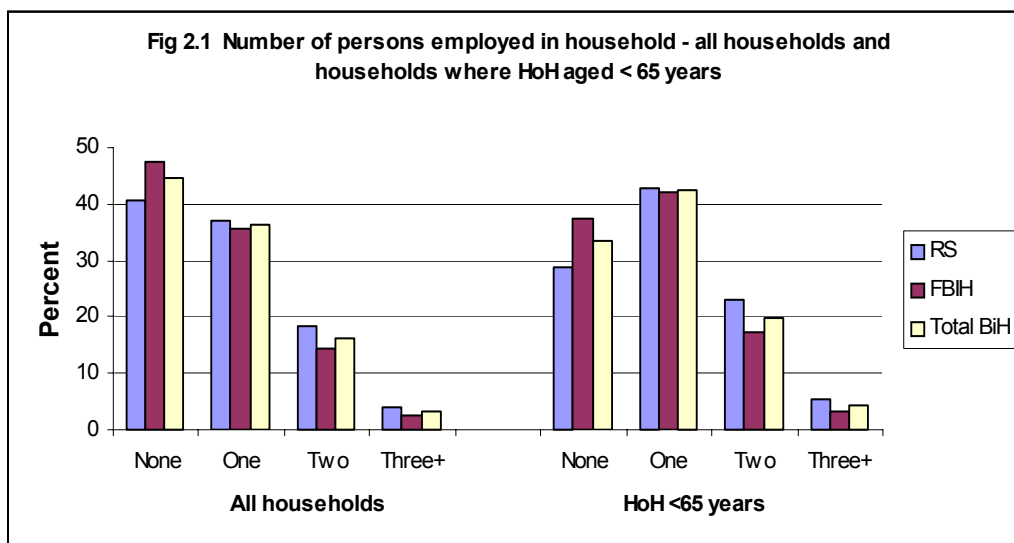
Other	0.7	0.8	0.4	0.3	0.9	0.5
Total N	1318	1299	1681	1580	2999	2879

For BiH as a whole the mean number of people living in a household was 3.33 people and 2.77 adults aged 15 or over. The mean household size is similar in both entities and the distribution of household size does not differ markedly. Table 2.4 gives the number of people, adults and children per household at Wave 2.

Table 2.4 Household size - Number of people, adults and children aged under 15 in enumerated households Wave 2.

	Entity		Total BiH %
	RS %	FBiH %	
<i>Number people</i>			
One	15.1	14.2	14.6
Two	20.4	22.3	21.5
Three	19.9	17.6	18.6
Four	22.8	24.4	23.7
Five	12.7	11.4	11.9
Six or more	8.9	10.1	9.7
Mean (Std. Dev)	3.31 (1.678)	3.34 (1.693)	3.33 (1.686)
Total N	1335	1715	3050
<i>Number aged 15 or over</i>			
One	15.8	15.5	15.6
Two	29.9	36.9	33.8
Three	24.8	20.9	22.6
Four	19.3	17.7	18.4
Five	7.8	5.9	6.7
Six or more	2.3	3.0	2.8
Mean (Std. Dev)	2.82 (1.314)	2.73 (1.340)	2.77 (1.329)
Total N	1334	1715	3049
<i>Number aged under 15</i>			
None	70.0	63.2	66.2
One	15.0	17.5	16.4
Two	11.2	15.2	13.4
Three or more	3.7	4.2	3.9
Mean (Std. Dev)	0.49 (0.853)	0.61 (0.916)	0.58 (0.891)
Total N	1335	1715	3050

In terms of the numbers within each household who were in employment, 44.5% of households had no-one in paid employment, with FBiH (47.5%) having a higher percentage with no employment than the RS (40.5%). The RS were also more likely than the FBiH to have two or more employed people within the household. A significant proportion of households in each entity therefore rely on non-employment sources of income. Where the Head of Household was aged under 65 years, 33.6% of households had no-one in employment and 42% had one person in employment. Again, households in the RS were more likely to have two or more people employed.



The mean household income from employment and non-employment sources is given in Table 2.5 below. On average, household income from employment and non-employment sources is higher in the FBiH than in the RS with the BiH mean household income from all sources being 596 KM per month. Households with income from employment are better off than those without employment income in both entities.

Households in both entities receive income or income in kind from support from gifts, services in kind, remittances from abroad, charities and humanitarian organisations but the numbers receiving income from these sources is relatively small. Income from employment and non-employment sources therefore remain the main sources of income for most households. Remittances coming from a family member abroad, while no doubt significant for some households, are received by around one fifth of households in the sample. The distribution of income is looked at in detail in section 5.

Table 2.5 Mean household usual monthly income from employment and non-employment sources - Wave 2

	Entity		Total BiH
	RS	FBiH	
Source of income	KM	KM	KM
Employment**	479.72 (449.20) 691	660.96 (528.37) 886	581.50 (503.18) 1577
Non-employment***	355.90 (593.24) 700	458.04 (563.73) 932	414.24 (578.60) 1631
Gifts, services in kind from within BiH	45.75 (68.51) 198	101.28 (183.44) 290	78.76 (150.38) 487
Remittances from abroad	74.59 (102.94) 256	89.00 (144.60) 279	82.11 (126.50) 535
Gifts, services in kind from charities, humanitarian organisations	19.37 (38.65) 33	33.18 (54.82) 37	26.73 (48.12) 70

Total employment and non-employment	522.96 (598.45) <i>1110</i>	671.72 (668.70) <i>1507</i>	608.61 (643.93) <i>2617</i>
Total all sources	503.11 (590.32) <i>1211</i>	666.61 (689.01) <i>1601</i>	596.21 (653.29) <i>2813</i>

* The means reported are for households where at least one member has >0 amount reported for a given source of income. The number in (brackets) is the standard deviation and the N is given in *italics*.

* * Employment income includes income from main plus any other jobs.

*** Non-employment income includes payments received from veterans benefit, survivors pension, old age pension, disability pension, Civil Victims of War program, permanence allowance, temporary allowance, carers allowance, child benefits.

3. Housing, migration and geographical mobility

Table 3.1 gives details of housing conditions and access to facilities in the RS and FBiH at Wave 2. Around 15% of households reported living in inappropriate or devastated conditions, with a higher proportion of RS households reporting inappropriate conditions than in the FBiH. In total just under 59% of households in BiH had running water but 17.4% of RS households relied on getting water from a standpipe or well. Only three quarters of households in the RS had sewerage from either the public system or a septic tank with the remainder having no sewerage or a latrine only. In the FBiH 12.1% of households had no sewerage. Access to a telephone was higher for households in the FBiH (78.9%) than the RS (62.6%) even though having a mobile phone was slightly more likely for households in the RS. Very few households in BiH have access to the internet (3.3%).

Table 3.1 Housing conditions and access to facilities - Wave 2 by entity

	Entity		Total BiH % W2
	RS %	FBiH %	
	W2	W2	
Housing condition			
Very good	20.9	29.8	25.9
Appropriate for living	54.9	54.6	54.7
Inappropriate for living	15.0	8.7	11.5
Partly devastated	2.6	3.2	2.9
Major devastation	1.6	1.0	1.2
Under construction	5.0	2.6	3.7
Water source			
Running water in unit	82.6	91.0	87.3
Standpipe or well	17.4	9.0	12.7
Sewerage			
Public sewer/septic tank	75.8	87.9	82.6
No sewerage/latrine	24.2	12.1	17.4
Access to telephone			
Own phone	58.7	72.5	66.4
Shared phone	3.8	6.1	5.1
Public phone	0.1	0.3	0.2
No phone	37.4	21.0	28.2
Has mobile phone			
Yes	18.3	16.0	17.0
No	81.7	84.0	83.0
Has internet access			
Yes	2.3	4.1	3.3
No	97.7	95.9	96.7
Has car or van			
Yes	38.2	34.9	36.4
No	61.8	65.1	63.6
Total N	1348	1707	3055

Note: If living in same property as at Wave 1 these questions were not asked at Wave 2. If in same property, Wave 1 response reported.

Over one third of households had a car or van with the mean weekly travel costs for households in the RS being 28 KM compared to 29 KM in the FBiH. Reported weekly food expenditure was slightly higher in the FBiH with households in the RS spending on average 47 KM per week on food

compared to 55 KM per week in the FBiH. For those living in rented accommodation the average monthly rent was 147 KM but this tended to be higher in the RS. The overall picture is that housing, travel and food costs are fairly similar for households in both entities even though incomes in the RS tend to be on average lower than those in the FBiH.

Table 3.2 Mean monthly rent, weekly travel expenses and weekly food expenditure - Wave 2.

	Entity		Total BiH KM
	RS	FBiH	
	KM	KM	
Mean monthly rent*	153.94 101	135.98 60	147.25 161
Mean weekly travel costs	27.80 937	28.80 1187	28.36 2124
Mean weekly food expenditure	47.12 1278	55.67 1533	51.78 2811

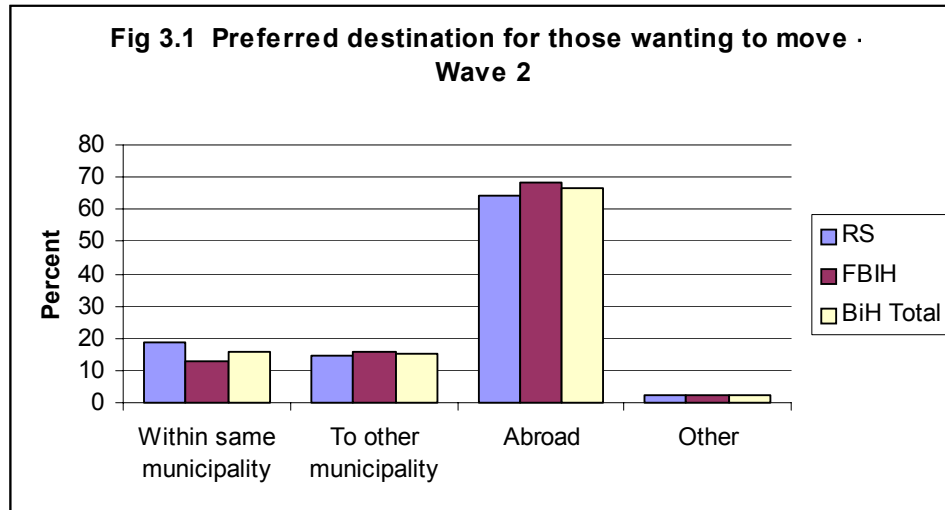
* Excludes those living in rent free accommodation

In total 8.3% of households had moved address between Wave 1 and Wave 2. Those in the RS (10.4%) were more likely to have moved than those in the FBiH (6.6%). Table 3.3 shows some of the characteristics of those who had moved. Women in both entities were more likely to have moved house than men as were the legally married. The majority of movers in both entities had described themselves as displaced persons at Wave 1 suggesting that this category of people have a more insecure housing situation and more likely to be in temporary accommodation.

Table 3.3 Characteristics of movers and non-movers between Wave 1 and Wave 2

	RS %		FBiH %	
	Not moved	Moved	Not moved	Moved
Male	49.2	44.1	47.3	41.2
Female	50.8	55.9	52.7	58.8
Single	25.4	23.9	26.5	21.1
Legally married	58.9	61.1	59.5	59.0
Living together	2.0	2.3	0.8	5.1
Widow/er	11.7	9.5	11.2	12.5
Divorced or separated	2.0	3.2	2.0	2.3
Permanent residence throughout war	47.0	8.9	66.6	25.7
Permanent residence-displaced person returnee	8.4	2.0	13.5	3.7
Permanent residence-refugee returnee	5.5	0.8	3.5	1.5
Temporary residence-displaced person	28.9	64.6	12.6	52.2
Temporary residence-refugee-displaced person	1.6	1.2	1.9	8.8
Temporary residence-refugee	6.7	19.1	0.8	--
Temporary residence – other	1.9	3.3	1.0	8.1
Total N	1681	246	1934	136

When asked whether they wanted to stay in their present accommodation or would prefer to move 31.4% of respondents said they would prefer to move. In the RS sample 33.4% of people wanted to move compared to 29.8% within the FBiH. Of those wanting to move the majority (66.5%) said they wanted to move abroad. Fig 3.1 shows the preferred destination for those wanting to move by entity.



All respondents were then asked if they *expected* to move in the coming year. In total, 11.4% expected to move in the current year, 16.4% in the RS and 7.1% in the FBiH. In contrast to the preferred destination being abroad for the majority of those wanting to move, the main expected destination for those expecting to move was within the same municipality. Only 15.8% of those expecting to move in the coming year thought they would move abroad (Fig 3.2).

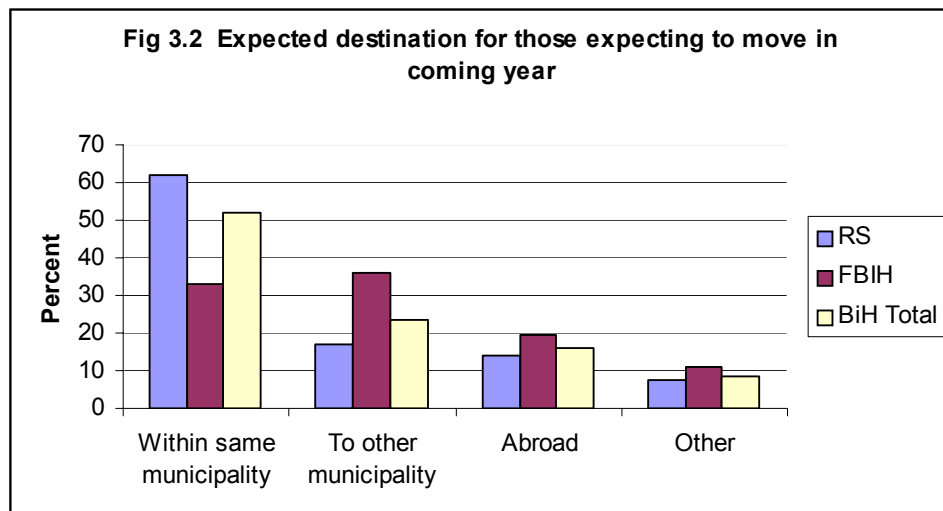


Table 3.4 below is a cross-wave matrix of changes in housing tenure between Waves 1 and 2 for households where at least one individual from Wave 1 was present at Wave 2. The diagonal

highlighted in bold shows the cases where the reported housing tenure was the same at both waves. The cases on the off-diagonal reported a change in housing tenure status, changes which are likely to be due to moving address in many cases. Note that the numbers of cases in the off-diagonal cells are small so should be interpreted with caution. The categories have not been collapsed as the differences are of substantive interest.

In the RS we can see that 95.7% of cases were in accommodation that was owned outright at both years and 37.9% were in accommodation under privatisation at both years. Of those who were under privatisation at Wave 1, 57.1% had shifted to the owned outright category at Wave 2, 6.9% to the tenancy right holder category and 3.4% into rented accommodation. A similar proportion in the FBiH (94.4%) were owned outright at both years. Those in rented accommodation were the next most stable group in the RS with 73.3% being in rented accommodation at both years. In the FBiH the percentage was 50% in rented accommodation at both years.

It is interesting to note that in both entities, half of those who were in temporary accommodation at Wave 1 were still in temporary accommodation at Wave 2, suggesting that for a significant proportion of households 'temporary' may be a relatively long term status. In the RS no cases reported being in illegal occupation at both waves while in the FBiH only 14.3% were in illegal occupation at both years. Some however did move into illegal occupation between Wave 1 and 2, particularly in the FBiH where those in temporary, free or emergency accommodation at Wave 1 shifted into the illegal occupation category at Wave 2.

Table 3.4 Housing tenure at Waves 1 and 2

Wave 2 Housing Tenure	Wave 1 Housing Tenure							
	%	%	%	%	%	%	%	%
RS	Own outright	Under Privatisation	Tenancy right holder	Rented	Temporary Accom.	Uses free of charge	Illegal occupation.	Emergency Accom.
Own outright	95.7	51.7	58.5	13.3	14.9	38.6	9.1	38.1
Under privatisation	0.1	37.9	18.1	--	1.2	--	--	--
Tenancy right holder	0.6	6.9	12.8	3.3	0.4	2.3	--	4.8
Rented	--	3.4	2.1	73.3	14.9	6.8	18.2	4.8
Temporary accommodation	0.5	--	6.4	3.3	48.8	15.9	54.5	33.3
Uses free of charge	2.3	--	1.1	6.7	7.9	34.1	9.1	9.5
Illegal occupation	--	--	--	--	8.3	--	--	--
Emergency accommodation	0.8		1.1	--	3.7	2.3	9.1	9.5
<i>Total N</i>	785	29	94	30	242	44	11	21
FBiH								
Own outright	94.4	67.2	55.0	31.8	16.4	35.0	14.3	23.1
Under privatisation	0.7	19.7	5.0	4.5	3.7	1.3	--	--
Tenancy right holder	0.7	4.9	20.0	--	1.5	--	--	7.7
Rented	0.2	3.3	--	50.0	11.2	7.5	14.3	7.7
Temporary accommodation	0.2	1.6	15.0	--	47.8	2.5	28.6	23.1
Uses free of charge	3.7	--	5.0	9.1	5.2	50.0	21.4	23.1
Illegal occupation	--	--	--	--	11.2	1.3	14.3	7.7
Emergency accommodation	--	3.3	--	4.5	3.0	2.5	7.1	7.7
<i>Total N</i>	1204	61	20	22	134	80	14	13

4. Employment and unemployment

Table 4.1 gives the characteristics of the total interviewed sample at Wave 2 according to whether they were in paid employment or not in paid employment. In the RS 57.6% of those interviewed reported they were not in paid employment while in the FBiH 68% were not in paid employment. In both entities women were more likely than men to be not in paid employment even though women in the RS were more likely than women in the FBiH to be in paid employment. In the RS 32.4% of women were in paid employment compared to 18.4% of women in the FBiH. In the RS men were more likely to be in paid employment (52.5%) than not in paid employment (47.5%) but in the FBiH the opposite is the case. In the FBiH 52.5% of men were not in paid employment while 47.5% were in employment.

In both entities younger people were less likely to be in paid employment than older age groups, something which is likely to be due to still being in full-time education but also to relatively high levels of unemployment for younger people. The proportion of those in paid employment increases through the age ranges until a noticeable drop in the 55 - 64 age range as people start to move into retirement. In the over 65 years age group the majority of respondents were not in paid employment as you would expect. However in the RS 18.8% of older people reported being in paid employment compared to only 4.6% in the FBiH.

Education level is clearly associated with employment. The majority of respondents have a highest education level below junior college or university level. Only 7.5% of those in the RS have higher level education and in the FBiH 9.1% have junior college or university level education. Those with no education are most likely to be not in paid employment followed by those with only primary level education. In the RS 63.8% of those with primary education were not in paid employment compared to 79.4% in the FBiH.

Table 4.1 Characteristics of total interviewed sample by whether in paid employment at Wave 2

	Entity					
	RS row %			FBiH row %		
	Not in employment	In employment	Total N=100%	Not in employment	In employment	Total N=100%
All	57.6	42.4	3655	68.0	32.0	4511
Sex						
Male	47.5	52.5	1823	52.5	47.5	2113
Female	67.6	32.4	1832	81.6	18.4	2396
Age band						
15-24	79.3	20.7	668	83.8	16.2	891
25-34	44.3	55.7	562	57.6	42.4	727
35-44	33.0	67.0	576	44.8	55.2	803
45-54	38.6	61.4	671	47.1	52.9	747
55-64	65.4	34.6	518	79.8	20.2	598
65 and over	81.2	18.8	661	95.4	4.6	747
Marital status						
Single	65.8	34.2	1008	74.3	25.7	1257
Legally married	51.1	48.9	2107	60.6	39.4	2636
Living together	39.7	60.3	58	74.1	25.9	27
Widow/er	74.8	25.2	413	92.3	7.7	522
Divorced /separated	44.9	55.1	69	48.6	51.4	70
Ethnicity						

Bosniac	75.9	24.1	203	66.3	33.7	3058
Serb	56.4	43.6	3390	81.0	19.0	147
Croat	57.1	42.9	21	70.4	29.6	1163
Other	57.9	42.1	38	65.3	34.7	118
Highest education level						
None	83.3	16.7	455	93.7	6.3	428
Primary	63.8	36.2	1343	79.4	20.6	1594
Gymnasium	50.7	49.3	71	74.7	25.3	162
Other school level*	33.0	67.0	14	53.6	46.4	28
Secondary technical	49.1	50.9	385	55.8	44.2	595
Vocational	48.0	52.0	1109	54.8	45.2	1293
Junior college	35.1	64.9	111	50.7	49.3	148
University	40.0	60.0	165	56.3	43.7	261
Total N	2103	1550	3653	3064	1445	4509

* Other school level includes religious school, art school and school for teachers. Note the cell sizes are very small for this category so should be interpreted with caution.

Table 4.2 gives the distribution of whether in current employment at Waves 1 and 2 using the ILO definition of unemployment. This table includes those of working age only (15 - 65 years). The ILO definition of unemployment is not currently in paid employment, has looked for a job in the last four weeks and is available to start work in the next two weeks if a job were offered.

According to this definition, the proportion of those unemployed in BiH has increased from 8.5% at Wave 1 to 12% at Wave 2, with similar levels of increase at the aggregate level in both entities. In both entities the explanation for this appears to be a shift from the 'not in employment' category to 'unemployment' as the proportion who are employed remains fairly stable over the two year period at just over 50% in the RS and around 40% in the FBiH. So at the aggregate level the picture is one of more people actively looking for paid employment and being ready to start work immediately if they were offered a job.

Table 4.2 Cross-sectional employment status (ILO definition unemployment) at Waves 1 and 2 by entity for working age respondents (15-65 years)

	Entity					
	RS %		FBiH %		Total BiH %	
	W1	W2	W1	W2	W1	W2
Unemployed	9.2	13.6	8.0	10.7	8.5	12.0
Employed	50.1	50.9	39.6	40.9	44.3	45.4
Not in employment	40.7	35.6	52.4	48.4	47.1	42.6
Total N	2668	2798	3274	3435	5942	6233

If we look at a cross-wave matrix of employment status for individuals within the sample we can see the proportions of individuals who have shifted between categories. Table 4.3 shows the Wave 1 employment status using the ILO definition of unemployment by the Wave 2 employment status for individuals aged 15-65 who were interviewed at both waves.

Table 4.3 Cross-wave employment status (ILO definition unemployment) waves 1 and 2 by entity for working age respondents (15-65 years)

Wave 2 employment status	Employment status at Wave 1		
	Unemployed %	Employed %	Not in employment %
RS			
Unemployed	37.7	7.2	17.2
Employed	37.3	83.1	18.0
Not in employment	25.0	9.6	64.9
Total N	244	1338	1084
FBiH			
Unemployed	31.0	5.6	12.4
Employed	32.6	81.6	14.7
Not in employment	36.4	12.8	73.0
Total N	261	1297	1716
All BiH			
Unemployed	34.2	6.4	14.2
Employed	35.0	82.4	16.0
Not in employment	30.8	11.2	69.8
Total N	506	2636	2802

The percentages highlighted in bold on the diagonal show the respondents who were in the same category at each of Waves 1 and 2. For BiH as a whole, those in paid employment at Wave 1 were the most stable group with 82.4% being in paid employment at both years. Those not in paid employment at Wave 1 were the next most stable group with 69.8% being in the same category at Wave 2. Unemployment was the least stable group with only 34.2% being unemployed at both years. There is therefore considerable movement both into and out of the unemployed category. For all in BiH, 6.4% who had been employed at Wave 1 were unemployed at Wave 2 and 14.2% of those not in employment at Wave 1 were unemployed at Wave 2. However, 35% of those who were unemployed at Wave 1 were in employment by Wave 2 with a further 30.8% moving into the 'not in employment' category. So there are indications that the unemployed either find a job and become employed or redefine themselves as not employed as they stop searching for work and become unavailable for work.

The patterns in each entity are similar even though a higher percentage are unemployed at both years in the RS than in the FBiH. The employment category is also more stable in the RS than in the FBiH. In the FBiH the 'not in employment' category was more stable than in the RS and the FBiH had a higher percentage of respondents moving into the 'not in employment' category from both unemployment and employment than in the RS.

Table 4.4 gives the distribution of occupations and industries at Wave 2. Occupations were coded to ISCO and industry to NACE classifications. The main difference between entities is the proportion of those in agricultural occupations, with 26.8% being employed in agriculture in the RS compared to 10% in the FBiH. The FBiH also had a higher percentage in professional occupations such as government officials, scientists and other technical and professional occupations. In the FBiH 19.8% were in professional occupations compared to 15.1% in the RS.

Agriculture was the main industry sector in RS (28.6%) followed by manufacturing (21.5%). In the FBiH manufacturing was a major sector (16.8%) with a more even distribution across agriculture, construction and the wholesale and retail trade sectors.

In combination, the public sector including public administration, education, health and social services and other community services was a major sector with 17.5% of those in the RS working in these sectors and 21.3% in the FBiH.

Table 4.4 Occupational and industry distribution by entity - Wave 2 respondents in paid employment

	Entity		Total BiH %
	RS %	FBiH %	
Occupation (ISCO)			
Legislative official/government	1.3	2.0	1.6
Scientists and researchers	4.7	8.3	6.4
Technical and other professional	8.7	10.3	9.5
Clerical	5.6	4.7	5.2
Service and sales	13.3	16.9	15.0
Agriculture	26.8	10.0	18.7
Non-industrial skilled	22.8	28.8	25.7
Machine and vehicle operators	6.6	7.9	7.2
Other unskilled	9.2	8.8	9.0
Military	1.0	2.3	1.6
Total N	1546	1440	2986
Industry (NACE)			
Agriculture	28.6	12.2	20.7
Fishing	0.2	--	0.1
Mining	0.5	6.3	3.3
Manufacturing	21.5	16.8	19.2
Electricity, gas, water	1.6	3.5	2.5
Construction	8.1	12.6	10.3
Wholesale and retail trade	8.0	10.9	9.4
Hotels and restaurants	3.8	4.4	4.1
Transport, storage and communications	5.3	6.6	5.9
Financial services	1.6	1.8	1.7
Real estate	0.9	1.2	1.0
Public administration and defence	6.2	4.8	5.5
Education	3.1	5.5	4.2
Health and social work	3.3	3.5	3.4
Other community services	4.9	8.5	6.7
Private households with employed persons	1.8	0.4	1.1
Extra-territorial organisations	0.5	0.9	0.7
Total N	1537	1425	2962

In addition to the ISCO and NACE coding of current occupation and industry, respondents were also asked to describe their current employment status. Table 4.5 shows the distribution of employment status for those in current employment at Wave 2. The level of self-employment is fairly high in both entities with around one quarter being in one of the self-employed categories in the FBiH and over one third in the RS. On this definition working as an employee in the public sector is the main status in both entities, followed by being employed in the private sector. In the RS over 10% of those in employment are working unpaid supporting a family member's business, farm or enterprise.

Table 4.5 Current employment status - Wave 2

	Entity		Total BiH %
	RS %	FBiH %	
Owner/co-owner of enterprise which employs workers	2.8	2.3	2.5
Owner/co-owner of enterprise which doesn't employ workers	1.7	2.5	2.1
Owner/co-owner of small business	1.3	1.9	1.6
Farmer on own farm	15.3	4.9	10.3
Entrepreneur in free profession	2.2	2.1	2.2
Work for employer in private sector	22.0	33.4	27.5
Work in public enterprise	40.4	43.5	41.9
Unpaid supporting family member	10.9	4.6	7.8
Work for international organisation	0.5	0.8	0.6
Other activity	2.9	4.1	3.4
Total N	1561	1459	3020

Table 4.6 shows the cross-wave matrix of occupational groups for those interviewed at both years and in paid employment at both years of the survey. As there is liable to be some coding variability cross-wave the ISCO occupational categories have been collapsed for this table to minimise potential coding error as follows:

1. Professional - includes legislative and government officials, scientists and researchers (inc. teachers and doctors), technical and other professional
2. Clerical and service and sales
3. Agriculture
4. Skilled non-industrial and machine and vehicle operators
5. Other - includes other unskilled and military

The highlighted percentages on the diagonal show those who were classified as being in the same occupational group at both years.

Table 4.6 Wave 2 occupational group by Wave 1 occupational group - interviewed respondents in paid employment at both waves (ISCO categories collapsed)

W1 Occupation (ISCO)	Wave 2 Occupation (ISCO)				
	Professional	Clerical/ Sales	Agriculture	Skilled/ Machine ops	Other
RS	%	%	%	%	%
Professional	64.5	12.8	--	6.4	8.1
Clerical/sales	18.0	74.9	3.1	7.0	27.0
Agriculture	2.0	2.4	83.7	4.7	8.1
Skilled/ machine ops	14.5	7.1	13.2	81.3	40.6
Other	1.0	2.8	--	0.6	16.2
Total N	200	211	258	343	74
FBiH					
Professional	66.9	8.4	2.0	6.0	12.5
Clerical/sales	19.2	68.7	7.8	7.5	37.5
Agriculture	1.6	1.9	62.8	2.8	--
Skilled/ machine ops	11.2	18.7	19.6	82.9	17.5
Other	1.1	2.3	7.8	0.8	32.5
Total N	260	214	51	385	40

In The RS agriculture was the most stable category with 83.7% of those working in agriculture at Wave 2 also being in the same occupational group at Wave 1. In the FBiH the skilled non-industrial and machine operatives group was the most stable with 82.9% being in the same occupational group at Wave 2.

In contrast to the RS, there was considerable movement out of agricultural occupations in the FBiH as over one third of those in non-agricultural occupations at Wave 2 had been in agriculture at Wave 1.

In both entities, the professional occupations which one might expect to be fairly stable over time, show quite a degree of movement into the other categories. While some of this may be due to coding variability between waves, it is unlikely that all of this is caused by such coding error. The data suggest that professional occupations may not be as secure or stable over time as could be expected. The least stable category is the 'other/military' category, something that would be expected given that this is a catch-all group for occupations that could not be coded accurately elsewhere in the frame.

When we look at the usual hours worked per week in BiH, the mean weekly hours worked was relatively high. In the RS the mean was 44 hours per week and in the FBiH 44.75 hours per week. Those who worked either more than 42 hours per week or less than 40 hours per week were asked why they worked more or less hours. Table 4.7 gives the reasons people gave for working more or less hours. The main reason for working more than 42 hours per week was that the regular office hours were longer than that, something which was more likely in the FBiH than in the RS. In contrast, there is some indication that people would like to work more hours where they were working under 40 hours per week as 7.9% said they could not find a full-time job. Very few said they did not want to work longer hours.

Table 4.7 Reason working more than 42 hours per week or less than 40 hours per week - Wave 2

	Entity		Total BiH %
	RS %	FBiH %	
More than 42 hours per week			
Regular office hours are more than 42 hours per week	35.7	55.5	46.9
Overtime	32.9	17.8	24.4
Less than 40 hours per week			
Regular office hours are less than 40 hours per week	6.5	10.7	8.9
Illness	10.0	2.2	5.6
Cannot find full-time job	6.8	8.8	7.9
Lack of education, training	0.4	0.5	0.5
Do not want to work longer hours	0.4	1.7	1.1
Other	7.2	2.7	4.7
Total N	459	589	1048

Those in paid employment at wave 2 were asked if they received benefits as part of their employment including a salary or part of one, health insurance or pension insurance. For BiH as a whole, 83.3% received a salary or part of one, 58.2% had health insurance as part of their employment and 54.3% had some form of pension insurance from their current job.

Table 4.8 shows the benefits received by entity together with the number of benefits being received by respondents. Overall, those in the FBiH fared better than those in the RS as they were more likely to have any of the benefits listed and were also more likely than those in the RS to have more than one benefit from their current job. In the RS 22.5% had none of the listed benefits in their current job compared to 6.5% of workers in the FBiH.

Table 4.8 Benefits received in current job - Wave 2

	Entity		Total BiH %
	RS %	FBiH %	
Receives salary or part of one			
Yes	74.9	92.4	83.3
No	25.1	7.6	16.7
Receives health insurance			
Yes	46.1	71.3	58.2
No	53.9	28.7	41.8
Receives pension insurance			
Yes	43.4	66.2	54.3
No	56.6	33.8	45.7
Number of benefits received			
None	22.5	6.5	14.8
One	32.3	22.0	27.4
Two	3.0	6.4	4.7
Three	42.2	65.0	53.1
Total N	1525	1412	2937

A multi-variate model using logistic regression to predict the likelihood of being in employment at Wave 2 for those of working age is given in Table 4.9. This model controlled for a number of independent variables including sex, age, age squared, marital status, qualifications, health status, whether disabled, residential status, whether moved in the last year, whether had training in the last year, chronic diseases and being a smoker.

For BiH as a whole the model predicts that men were more likely than women to be in employment. There was also a positive relationship with age but a negative relationship with age-squared, suggesting that as people age, the likelihood of being in employment decreases. Being any marital status other than single was positively related to being in employment as was education. Having any form of education increases the likelihood of being in employment and having a university level qualification is most significant compared to having no qualifications at all.

In this model having done some training in the past year is also positively related to being in employment compared to those who took no training although it should be noted that a proportion of these cases will have done training provided by an employer.

Being a smoker is also positively related to being in employment but this is likely to be a spurious effect due to the fact that men are both more likely to be in employment and are more likely to be smokers.

The likelihood of being of in employment was reduced for the disabled compared to those who were able bodied. Those who were permanent residents who had to move during the war or were temporary residents were also less likely to be in employment compared to permanent residents who did not move during the war.

The variables in this model which were not statistically significant were ethnicity, whether moved house in the last year and whether the respondent had a chronic disease.

Table 4.9 Logistic regression results predicting being in employment at Wave 2

	BiH		RS		FBiH	
	B	S.E.	B	S.E.	B	S.E.
Male	1.341**	0.70	1.059**	.102	1.607**	.099
Age	.273**	0.19	.249**	.026	.317**	.028
Age-squared	-.003**	.000	-.003**	.000	-.003**	.000
Bosnian	-.101	.237	-.195	.494	.062	.289
Serb	.396	.237	.083	.427	-.780	.423
Croat	-.282	.248	-.139	.784	-.144	.297
Married	.420**	.096	.436*	.139	.335 ⁺	.135
Cohabiting	.733*	.281	1.077*	.341	-.111	.541
Widow/er	.544*	.182	1.007**	.263	-.078	.280
Divorced	.694*	.243	.377	.329	1.079*	.360
Primary education	.412**	.112	.371 ⁺	.157	.447*	.165
Secondary education	1.109**	.110	.979**	.159	1.221**	.159
College education	1.990**	.242	2.066**	.393	2.025**	.319
University education	3.195**	.291	2.851**	.450	3.514**	.385
Disabled	-.495*	.156	-.251	.229	-.629*	.218
Health excellent	.777**	.125	.917**	.181	.659**	.177
Health very good	.727**	.124	.930**	.184	.574*	.173
Health fair	.516**	.102	.685**	.147	.380 ⁺	.147
Displaced resident	-.673**	.131	-1.164**	.253	-.396 ⁺	.168
Temporary resident	-.252*	.091	-.277 ⁺	.112	-.234	.163
Moved in last year	-.131	.141	.000	.176	-.353	.244
Did training in last year	.481 ⁺	.245	.376	.352	.526	.350
Has chronic disease	.066	.057	.013	.087	.100	.077
Smoker	.003**	.000	.003**	.001	.003**	.001
Constant	-8.267	.438	-7.481	.665	-9.238	.619
R ²	.392		.341		.442	
Total N	6066		2711		3355	

** Sig .001

* Sig .01

+ Sig .05

When we run the same model separately for each entity, the broad picture remains the same as for BiH as a whole. However, there are some differences for each entity.

In the RS, being divorced compared to being single is no longer statistically significant nor is being disabled for reducing the likelihood of being in employment. Having done training in the last year is also no longer significant in the RS. While ethnicity remains statistically insignificant there is a positive relationship for those who are Serbian and a negative sign for Bosniacs and Croats, something which you might expect given the population distribution of ethnicity in the RS.

In the FBiH, being a widow/er or cohabiting are no longer statistically significant in predicting being in employment. Having done training in the last year is also no longer significant in the FBiH nor is being a temporary resident for reducing the likelihood of being in employment. Ethnicity remains statistically insignificant but there is a positive relationship for those who are Bosniac, and a negative sign for Serbs and Croats which again could be expected given the population distribution of ethnic groups in the FBiH.

The second model shown in Table 4.10 predicts the likelihood of moving into employment between Waves 1 and 2. The dependent variable was coded '1' if not in employment, either unemployed or out of the workforce, at Wave 1 and in employment at Wave 2. These are the cases that moved from non-employment to employment between waves. All other cases were coded '0' on the dependent variable. In this model the characteristics of respondents at Wave 1 are used as the independent variables predicting a move into employment by Wave 2. As the Wave 1 questionnaire did not contain questions on ethnicity, general health, disability, training and smoking, these variables are not included in this model. All other variables are included as in the previous model at Table 4.9.

Table 4.10 Logistic regression results predicting moving into employment between Wave 1 and 2 (respondents interviewed at both waves)

	BiH		RS		FBiH	
	B	S.E.	B	S.E.	B	S.E.
Male	.344**	.091	-.246	.134	.886**	.130
Age	.072*	.024	.018	.035	.143**	.034
Age-squared	-.001*	.000	.000	.000	-.002**	.000
Married	-.270 ⁺	.126	-.014	.192	-.574*	.170
Cohabiting	-.398	.448	.091	.464	-4.667	5.394
Widow/er	-.432	.301	.321	.368	-1.736*	.662
Divorced	-.706	.426	-1.175	.774	-.438	.525
Primary education	-.146	.151	-.393	.218	.098	.218
Secondary education	-.311 ⁺	.148	-.495 ⁺	.218	-.248	.212
College education	-.944*	.368	-.805	.499	-1.154 ⁺	.555
University education	-.951*	.335	-1.023 ⁺	.505	-1.009 ⁺	.456
Displaced resident	-.275	.188	.156	.262	-.612 ⁺	.277
Temporary resident	.189	.117	.267	.153	.275	.201
Mover between W1 / 2	-.197	.200	-.155	.249	-.349	.344
Has chronic disease	0.57	.128	.034	.184	.100	.183
Constant	-3.041	.404	-1.669	.575	-4.633	.583
R ²	.019		.018		.070	
Total N	5804		2619		3185	

** Sig .001

* Sig .01

+ Sig .05

For BiH as a whole, men were more likely than women to have moved into employment from non-employment between Waves 1 and 2. There was also a positive relationship with age but a negative relationship to age-squared, suggesting that older respondents were less likely to move into employment than younger respondents. Married respondents were less likely to move into employment than single respondents, probably due the married women being primarily located in the home. Those respondents with any qualifications above primary school level were less likely to move into employment than those with no qualifications at all. While this may seem counter-intuitive it can be interpreted as being the result of the higher probability of being employed at Wave 1 for those who have any qualifications at all. So those with any qualifications at all were less likely to be in unemployment at Wave 1 so could not move into employment as they were already in employment.

When we run the same model separately for each entity we find that in the RS the only variables which remain statistically significant is the negative relationship with having a secondary education or university level education compared to no qualifications at all. Once again this is likely to be due to the fact that those with secondary or university level education were more likely to be employed at

Wave 1. While being male is not statistically significant in this model it is interesting to note that being male has a negative sign in the RS. So men in the RS are less likely to have moved into employment from unemployment or being out of employment than women in the RS, something which is the opposite for BiH as a whole.

The model for the FBiH shows that men are more likely than women in the FBiH to move into employment. As for BiH as a whole, there is a positive relationship with age but a negative relationship with age-squared, suggesting older people are less likely than younger people to move into employment in the FBiH. Being married or a widow/er compared to being single reduce the likelihood of moving into employment, probably due to domestic responsibilities for women and the fact that women are less likely in any case to be employed. Having a college or university level education remain statistically significant in reducing the likelihood of moving into employment as for BiH as a whole. In the FBiH being a resident displaced during the war reduced the likelihood of moving into employment.

5. Income

The mean monthly household income from all sources reported in the survey including employment income, non-employment income, gifts or remittances, was 596 KM for BiH as a whole, 503 KM in the RS and 666 KM in the FBiH. (See Table 2.6 in section 2 for the means for each source by entity). If we divide the monthly household income distribution into deciles and quartiles we can see the proportion of households in each tenth and each quarter of the income distribution.

Table 5.1 shows the proportion of households in each decile and quartile by entity. The proportion of households in the lowest two deciles of the income distribution is higher in the RS than in the FBiH. At the other end of the income distribution a higher proportion of FBiH households are found in the top two deciles than in the RS. In the RS 32.4% of households were in the lowest quarter of the income distribution compared to 19.5% in the FBiH. In contrast, 20% of RS households were in the highest quarter of the income distribution compared to 28.8% of households in the FBiH. Overall, household income in the FBiH is higher than in the RS but the RS also has a relatively high proportion of the poorest households in BiH.

Table 5.1 Monthly household income decile and quartile by entity - Wave 2

Monthly household income	Entity	
	RS %	FBiH %
Lowest decile	17.6	5.1
2	10.1	9.2
3	10.0	10.2
4	8.8	10.5
5	10.8	10.1
6	7.8	10.6
7	11.2	11.3
8	8.2	9.6
9	8.2	10.7
Highest decile	7.3	12.7
Lowest quartile	32.4	19.5
2	24.9	25.7
3	22.7	26.0
Highest quartile	20.0	28.8
N households	1212	1602

As the main source of income for households is from employment, the number of persons employed in a household has a significant effect on total household income. In Table 5.2 household income quartiles are shown by the number of persons employed in the household. Households with no-one employed, including those with no-one of working age, are more likely to be in the lowest quartile compared to those with at least one person employed. Households with two or more people employed in the household are more likely to be in the highest income quartile than other households. These 'work rich' households are therefore significantly better off than other households in both entities even though the distribution across quartiles differs in each entity.

In the RS, 53.6% of households with no-one in employment are in the lowest quartile while 43.1% of those with two or more people in employment are in the highest quartile. In the FBiH 36.2% of households with no-one in employment are in the lowest quartile while 65.4% of those with two or more in employment are in the highest quartile. The effect of having no-one employed in the household in terms of being in the lowest quartile is not as marked in the FBiH as in the RS. In the

FBiH just over one third of these non-employed households were in the poorest group compared to over half in the RS.

The effect of the numbers in employment on increasing total household income is also greater in the FBiH than in the RS, probably as a result of higher wage rates in the FBiH.

Table 5.2 Monthly household income quartile by numbers employed within the household by entity - Wave 2

	Number persons employed		
	None	One	Two or more
	%	%	%
RS			
Lowest quartile	53.6	27.2	5.9
2	23.3	32.4	16.3
3	15.3	22.8	34.6
Highest quartile	7.8	17.6	43.1
N households	472	448	289
FBiH			
Lowest quartile	36.2	6.5	3.1
2	30.5	28.0	8.5
3	20.5	34.3	23.0
Highest quartile	12.8	31.2	65.4
N households	732	586	283

The composition of the household in terms of whether it was a female headed household or a male headed household also had an effect on household income, with female headed households being on the whole poorer than those headed by a male. In total 24.1% of interviewed households had a female head. Table 5.3 shows monthly household income quartiles by the gender of the household head.

For BiH as a whole 39.4% of female headed households were in the lowest income quartile compared to 20.4% of male headed households. Female headed households in the RS were more likely to be in the poorest group than with male headed households in the RS or female headed households in the FBiH. In the RS over half the female headed households were in the poorest group compared to under one third in the FBiH. In the RS, 12.4% of female headed households were in the highest quartile compared to 22.1% of male headed households. In the FBiH the difference between male and female headed households in the highest quartile is not as marked with 25.2% of female headed households being in the richest group compared to 30.2% of male headed households.

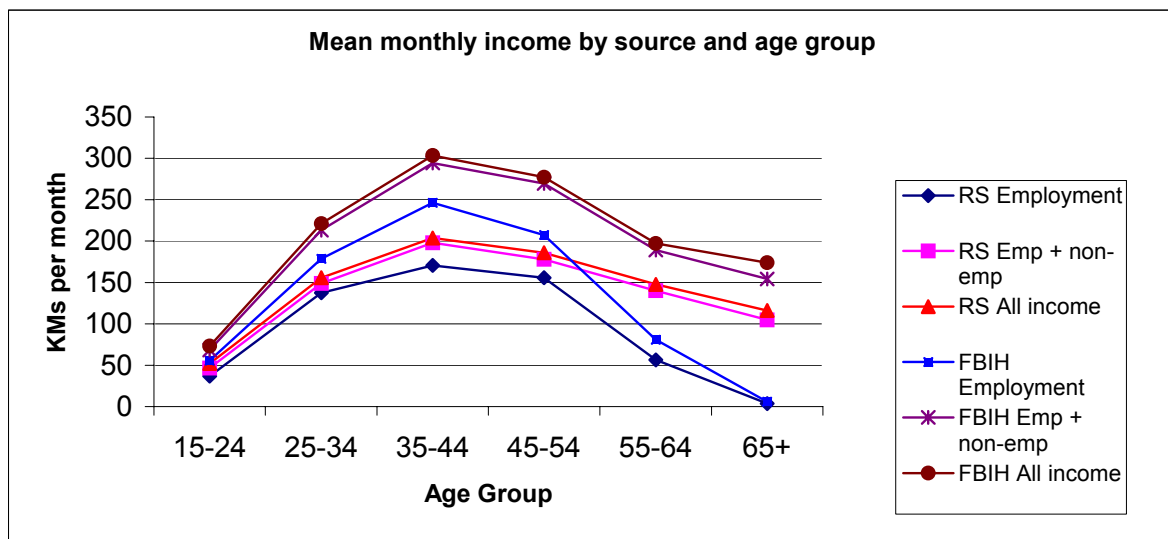
Table 5.3 Monthly household income quartile by whether male or female headed household - Wave 2

	Gender of household head	
	Male head	Female head
	%	%
All BiH		
Lowest quartile	20.4	39.4
2	26.5	21.9
3	26.6	18.5
Highest quartile	26.6	20.3
N households	2123	691
RS		
Lowest quartile	26.8	52.3

2	26.7	18.4
3	24.3	16.9
Highest quartile	22.1	12.4
N households	946	266
FBiH		
Lowest quartile	15.2	31.3
2	26.3	24.0
3	28.4	19.5
Highest quartile	30.2	25.2
N households	1177	425

These differences in income between male and female headed households are likely to be due, at least in part, the differences in employment rates between men and women. They are also likely to be associated with age, where female headed households may be more likely to be widows living on a limited income from social benefits, pensions and other non-employment sources than male headed households.

Figure 5.1 below gives the mean individual monthly income by source of income and age group by entity.

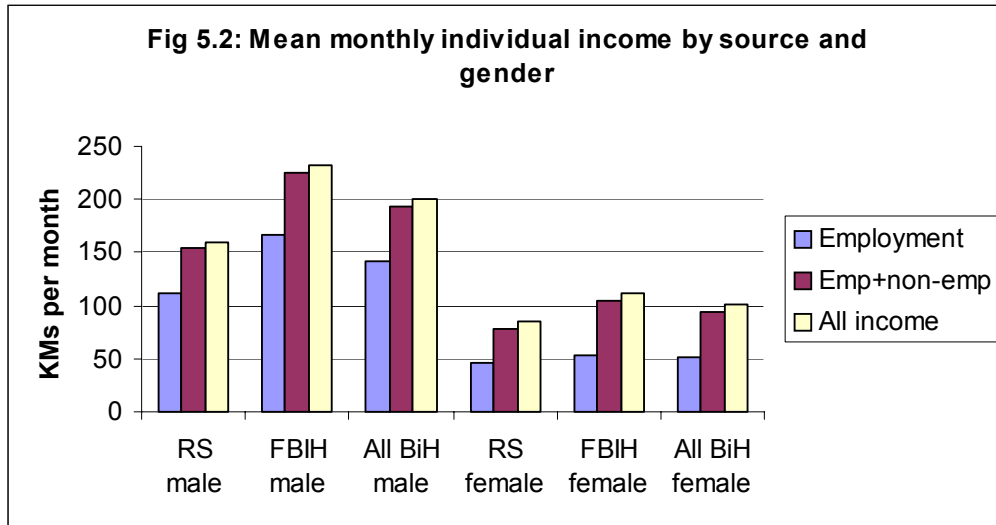


(Note that the base N for means includes cases with a zero value)

Individuals in both entities have the same pattern across the age range with the mean income being low for the youngest age group, increasing through the middle years to peak in the 35 - 44 age group and then falling as people age and enter retirement. Despite the similarity in the overall pattern of individual income across age groups in each entity, the mean individual income is consistently lower for those in the RS than in the FBiH, something which holds across income sources and age groups.

Figure 5.2 shows the mean monthly individual income for men and women by entity. Women's incomes are significantly lower than men's incomes from all sources. Women in the RS had a mean monthly income from employment of 47 KM per month compared to 112 KM for men in the RS. Similarly, women in the FBiH had a mean monthly income from employment of 53 KM per month compared to 167 KM for men in the FBiH. While these differences are likely to reflect differences in hours worked with women possibly working fewer hours than men, it also suggests that there may be

an element of gender segregation within the labour market with women being primarily located in less well paid jobs than men.



The level of qualifications held by respondents is clearly associated with income levels (Fig 5.3). As the level of education increases, the mean monthly income for those respondents increases. Those with no education or primary level education only are significantly worse off than those with higher level qualifications.



Reducing child poverty is a key policy objective. Table 5.4 gives the percentage of households with at least one dependent child aged under 15 by whether they had any employment income at each of Waves 1 and 2. At Wave 1, in BiH as a whole 26.2% of households with dependent children had no income from employment. In the RS 19.9 % of households with dependent children had no

employment income while in the FBiH this was 30.4% of households. At Wave 2, the RS had 24.5% and the FBiH 25.7% of households with dependent children having no income from employment. As employment income forms the largest element of most household income in BiH, children in these households are likely to be living in relatively poor conditions compared to children living in a household which has some employment income.

Table 5.4 Households with dependent children aged under 15 years by whether any income from employment - by entity Waves 1 and 2

	Entity				Total BiH %	
	RS %		FBiH %			
	W1	W2	W1	W2	W1	W2
Has employment income	80.1	15.5	69.6	74.3	73.8	74.8
No employment income	19.9	24.5	30.4	25.7	26.2	25.2
N	428	400	658	630	1086	1030

If we look at movements between categories from Wave 1 to Wave 2 (Table 5.5) we see that in the RS 60.8% of households with dependent children had no employment income at both waves. In the FBiH, 59% of households with dependent children had no employment income at both waves. This suggests these households are likely to have been consistently poorer over the two year period than other households.

The table also shows that in the RS 39.2% of households with dependent children and no employment income at Wave 1 had shifted into the category with employment income by Wave 2. In the FBiH, 41% of households with dependent children and no employment income at Wave 1 had some employment income by Wave 2. On the other hand, 17% of RS households with dependent children and employment income at Wave 1 had no employment income at Wave 2. In the FBiH, 11.5% had shifted into having no employment income.

Table 5.5 Households with dependent children by whether have any employment income - Waves 1 and 2 by entity

Wave 2	Wave 1	
	Has employment income %	No employment income %
RS		
Has employment income	83.0	39.2
No employment income	17.0	60.8
N	305	74
FBiH		
Has employment income	88.5	41.0
No employment income	11.5	59.0
N	417	188

As well as factual information on income, respondents at Wave 2 were also asked a series of subjective questions about their financial situation and expectations. Respondents were first asked how well they thought they were managing financially. They were then asked whether they thought they were better off financially than one year ago, worse off or about the same as one year ago. Finally they were asked whether they thought their financial situation would be better a year from now, worse or about the same in one year's time (see Table 5.6).

For BiH as a whole only 2.6% of respondents thought they were living comfortably with a further 19.4% saying they were 'doing alright'. The remaining 78% responded that they were just about getting by, finding it quite difficult or finding it very difficult. Overall, 39.3% of respondents said they were finding it quite difficult or very difficult to manage financially. In the FBiH 35% of respondents said they were finding it quite difficult or very difficult to manage financially and in the RS 44.5% gave one of these responses.

Table 5.6 Subjective financial situation, whether better or worse off financially than last year, expectation for coming year - Wave 2

	Entity		Total BiH %
	RS %	FBiH %	
Living comfortably	1.9	3.1	2.6
Doing alright	14.8	23.1	19.4
Just about getting by	38.9	38.7	38.8
Finding it quite difficult	21.9	20.8	21.3
Finding it very difficult	22.6	14.2	18.0
Better off than last year	6.1	6.4	6.2
Worse off than last year	44.0	29.7	36.1
About the same	50.0	63.9	57.7
Expect will be better off next year	26.2	23.4	24.7
Expect will be worse off next year	31.2	22.7	26.5
Expect will be the same	42.7	53.8	48.8
N	3651	4484	8135

The majority of respondents thought that their financial situation was about the same as one year previously. In the RS 44% of respondents thought they were worse off than a year before compared to 29.7% in the FBiH. In both entities around 6% of respondents thought their financial situation had improved and they were better off than in the previous year.

When we look at the responses for expectations about one year ahead, respondents were relatively evenly split between optimism and pessimism about the future. Around one quarter of respondents thought they would be better off in a year's time, a further quarter thought they would be worse off financially with the remaining half saying they thought they would be about the same. Respondents in the RS were more inclined to be pessimistic about the future than those in the FBiH with 31.2% of RS respondents saying they would be worse off compared to 22.7% in the FBiH.

6. Education, qualifications and training

In section 2, we saw that one quarter of respondents in BiH had no educational qualifications at all and just over two thirds had school level qualifications. Only around 6% had junior college or university level qualifications. Mean income levels were also associated with the level of educational qualifications held as we saw in section 5. Whether people continue to improve their educational qualifications or take any form of training after leaving school or university is an issue which has potential impacts on employment and labour market policies. The hypothesis is that as people improve their education or skill levels, this will, in the longer term translate into better outcomes in terms of employment opportunities. As the panel has only two years of data, these longer-term effects cannot be seen in the data as yet. In addition, the number of respondents gaining qualifications or taking any form of training is relatively small over a one year period. Once further years of panel data are available, the potential for research in this area will increase as more training events are observed over time.

The main types of qualifications gained in the last year were school level qualifications. In the RS 38.3% of respondents had gained primary level qualifications, 39.5% secondary school level, 4.9% junior college and 4.9% a university level qualification. An additional 12.3% had gained some other type of qualification. In the FBiH, 27.4% of respondents had gained primary level qualifications, 50.7% secondary school level, 1.4% junior college and 6.2% a university level qualification. An additional 14.4% had gained some other type of qualification.

Table 6.1 gives the distribution of respondents gaining a qualification since September 2001 by sex, age group, ethnicity and current employment status at Wave 2. As could be expected those in the age group 15 - 24 were most likely to have gained qualifications in the last year, presumably through completing their schooling, college or university or some formal stage of their educational career. Around half of those gaining qualifications in the last year were students, with the next largest group being the unemployed followed by those currently employed by an employer. In the RS 23.5% of those gaining a qualification were unemployed and in the FBiH, 29.9% were unemployed. This may reflect a situation where those who had recently gained a qualification or completed their education were still in the process of searching for a job at the time of the survey. In both entities around 17% of those employed by an employer had gained an educational qualification in the last year. Again, a proportion of these are likely to be newly recruited employees who had recently completed their education as well as existing employees gaining qualifications in some other way.

Table 6.1 Whether gained any qualifications since September 2001 by demographic characteristics and employment status - Wave 2

	RS %		FBiH %	
	Yes	No	Yes	No
All (row %)	2.2	97.8	3.2	96.8
Sex				
Male	54.3	49.7	50.7	46.8
Female	45.7	50.3	49.3	53.2
Age band				
15-24	80.2	16.9	82.1	19.6
25-34	8.6	15.6	8.3	16.1
35-44	8.6	15.8	4.1	17.9
45-54	1.2	18.7	3.4	16.6
55-64	1.2	14.5	--	13.3
65 and over	--	18.5	2.1	16.6
Ethnicity				
Bosniac	3.7	5.6	72.1	68.0

Serb	92.7	92.8	--	3.4
Croat	--	0.6	25.2	26.0
Other	3.7	1.0	2.7	2.6
Employment status				
Employed by employer	17.3	25.3	17.7	24.2
Student	50.6	7.5	41.5	8.6
Unemployed	23.5	18.0	29.9	16.9
Other activity*	8.6	49.0	10.9	50.3
Total N	81	3570	147	4349

*'Other activity' includes Carrying out independent activity, Seasonal/temporary worker, Supporting member in family enterprise, Housewife, Pensioner, Military service, Incapable.

While the numbers are too small to make any definitive statements there is some suggestion in the data that students may have difficulty finding employment once they have completed their studies. If we look at those who gained a qualification in the last year and exclude any cases who define themselves as still being a student at Wave 2, we can look at the employment destination of the remaining cases (20 cases in the RS and 30 cases in the FBiH). In the RS, 65% of these cases who were students at Wave 1 and had gained a qualification in the last year at Wave 2 were unemployed at Wave 2. In the FBiH, 93% who were students at Wave 1 and had gained a qualification in the last year at Wave 2 were unemployed at Wave 2. Further years of data are required to gain precise estimates and these percentages should be treated with caution due to the low numbers.

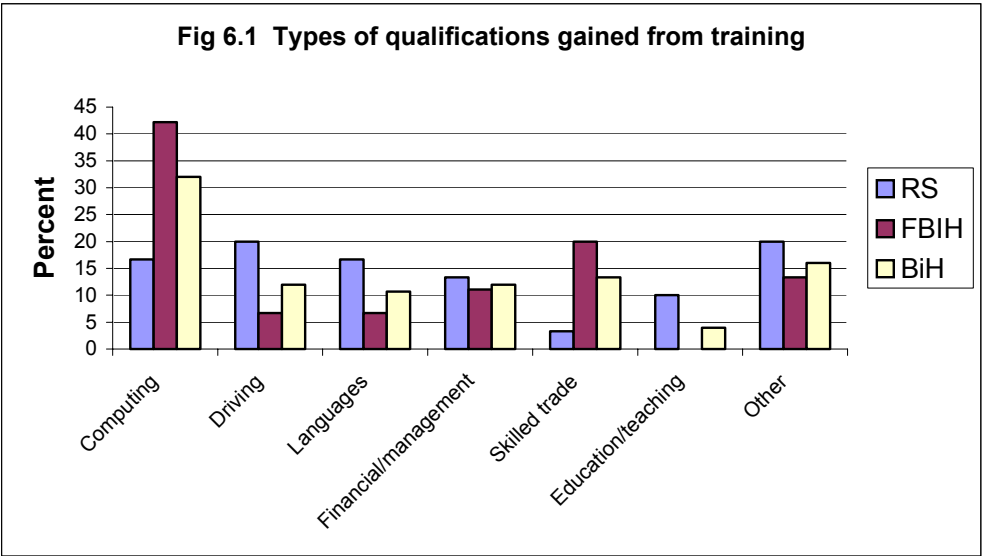
In addition to formal education, respondents were also asked about any other training they had done in the last year since September 2001. Once again the numbers doing any training in the last year are very low with only 1.6% (n=128) having done any training. Table 6.2 shows who provided training and whether any qualifications were gained from the training. Under one third of training was provided by an employer with the remainder being arranged by individuals in some other way. In total, 63.3% of respondents doing training gained a qualification from the training even though this was more likely where the training had been done off site or arranged by the individual themselves than for on-the-job training. Of those gaining a qualification from training, 74% did their training off site, either arranged by their employer or by themselves.

Table 6.2 Who provided training and whether qualification gained from training in last year by entity - Wave 2

	RS %	FBiH %	Total BiH %
Who provided training			
On site by company employee	12.3	23.9	18.8
On site by outside company	5.3	2.8	3.9
Off site arranged by employer	17.5	5.6	10.9
Off site arranged personally	33.3	31.0	32.0
Other	31.6	36.6	34.3
Any qualifications gained			
Yes	57.9	67.6	63.3
No	42.1	32.4	36.7
N	57	71	128

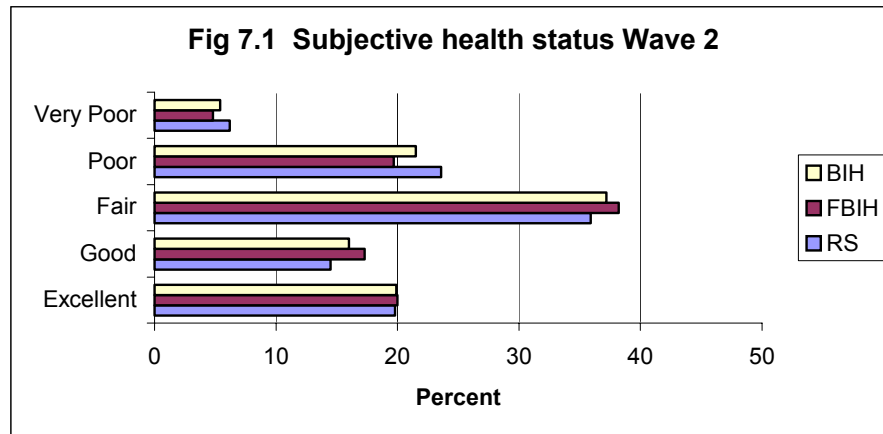
The main types of qualifications gained from training for those who got a qualification of some kind are given in figure 6.1 below. Training associated with using or programming computers was most common in the FBiH (42.2%) followed by training for a skilled trade (20%) and finance or

management (11.1%). In the RS driving related qualifications (HGV licences etc) were most common with languages and computing qualifications being the next largest categories (16.7%).

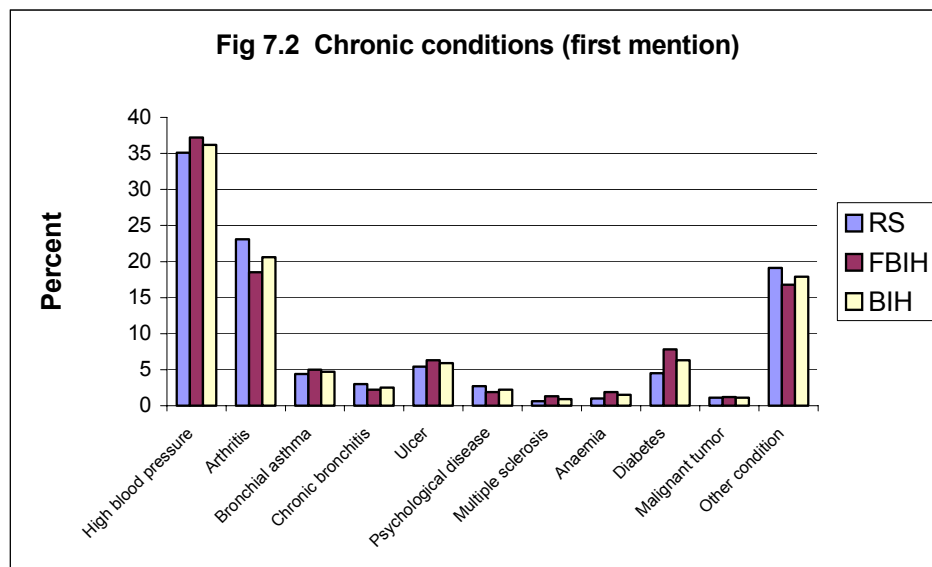


7. Health

For BiH as a whole 35.9% of respondents described their own health compared to others of their own age as good or excellent, 37.2% described their health as fair, 16% as good and 19.9% as poor (Fig 7.1).



For the population as a whole, 29% reported having some kind of chronic condition or illness, something that was virtually the same in each entity. Respondents were able to mention up to three conditions with 15.3% of respondents mentioning one condition, 8.2% two conditions and 5.4% three conditions. The most commonly reported chronic condition was high blood pressure followed by arthritis.



The majority of respondents (77.4%) had some form of health insurance, even though those in the FBIH were more likely to have this (85.2%) than those in the RS (67.9%).

The mean number of visits to a GP in the past year was 3.09 visits for BiH as a whole, 2.66 visits in the RS and 3.44 visits in the FBIH. The mean number of visits to a dentist in the last year was 0.82

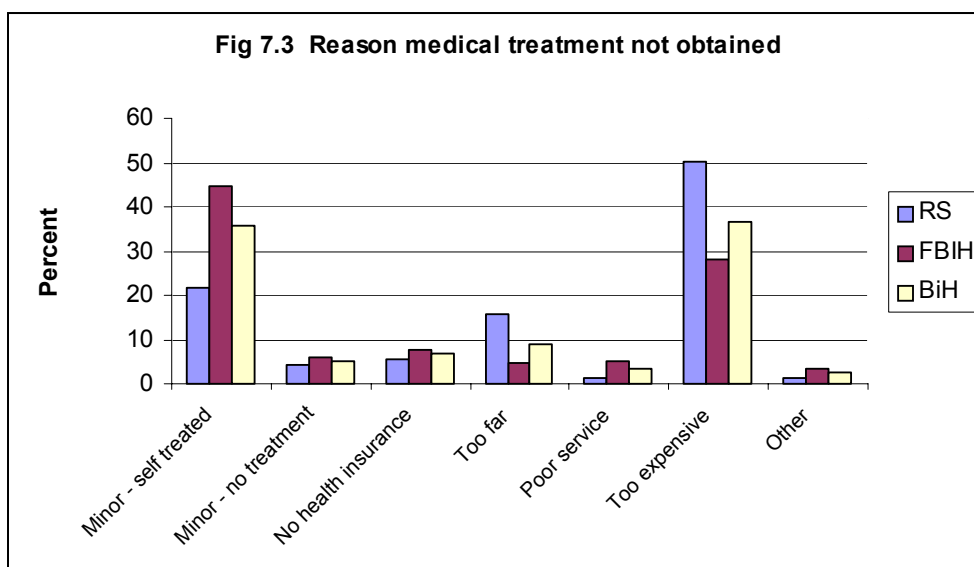
visits, 0.67 visits in the RS and 0.94 in the FBiH. These mean numbers visits may not be evenly distributed across the population as there may be some individuals who visit the doctor or dentist more often and some individuals who do not go at all.

The mean amount spent on medical treatment for those who used any in the last year since 1 September 2002 is shown in Table 7.1 below. As might be expected the highest mean cost for those using the service was for hospital visits followed by other doctor and GP visits.

Table 7.1 Mean amount spent on medical services in past year by entity - Wave 2 (respondents using medical services only)

Mean amount KM spent	Entity		BiH
	RS	FBiH	
GP visits	117.52 (1301)	96.48 (1725)	105.45 (3053)
Gynaecologist	56 (280)	59.19 (367)	57.82 (647)
Dentist	60.16 (899)	104.73 (1232)	85.92 (2131)
Other doctor	175 (451)	115 (662)	139.30 (1113)
Private nurse	58.30 (26)	92.37 (35)	77.76 (61)
Physical therapist	96.46 (59)	65.33 (153)	73.96 (212)
Non-prescription drugs	56.87 (1412)	68.44 (2040)	63.71 (3452)
Hospital visits	308.44 (212)	191.83 (268)	243.37 (480)

The extent to which respondents took medical advice is likely to be affected by both cost and availability. Respondents were asked whether they had needed medical treatment in the past twelve months but did not obtain them. In the FBiH 17.2% of respondents said they had needed medical treatment that they did not get and thin the RS 13.8%. The main reasons they did not obtain medical treatment are shown in Fig 7.3 below. While just over one third were minor disorders that respondents treated on their own, 36.8% of respondents said they did not get treatment because it was too expensive, 50.1% in the RS and 28.2% in the FBiH. In addition, 5.4% of respondents in the RS and 7.6% in the FBiH gave lack of medical insurance as the reason. Proximity was also an issue in the RS as 15.8% of respondents said it was too far to go to get medical treatment.



In total 7.8% of respondents considered themselves to be disabled. Men were more likely than women to report being disabled. In the RS, 9.2% of men were disabled compared to 6.6% of women. In the FBiH 10.1% of men were disabled compared to 5.6% of women.

The propensity to report being disabled increased with age with the those aged 65 and over being most likely to be disabled. In the RS 18.3% of the over 65s were disabled and in the FBiH 15.4%. Table 7.2 shows the type of disability for men and women in each entity.

Table 7.2 Description of disability by gender - Wave 2 (those reporting being disabled)

Description of disability	Entity			
	RS %		FBiH %	
	Men	Women	Men	Women
Hearing impairment	15.4	7.4	6.3	8.3
Profoundly deaf	0.6	0.8	1.0	3.0
Visually impaired	10.1	15.6	10.1	6.1
Blind	0.6	1.6	1.0	--
Mobility impaired	26.6	34.4	16.8	40.9
Housebound	7.1	10.7	7.2	6.8
Learning difficulties	0.6	4.1	--	0.8
War wounded	20.7	2.5	32.7	0.8
Other	18.3	23.0	25.0	33.3
N	169	122	208	132

Men were more likely to be war wounded than women in both entities while women were more likely than men to report mobility impairment.

Those who reported being disabled were less likely to be either in employment or unemployed as defined by the ILO definition and more likely to be not in paid employment than able bodied respondents. Figure 7.4 shows the distribution by entity of current employment for those of working age 15 - 65 years. In the RS 42.6% of the disabled were in employment compared to 51.3% of the able bodied and 45.1% were not in employment compared to 34.9% of the able bodied. In the FBiH

37.6% of the disabled were in employment compared to 41.3% of the able bodied and 53.7% were not in employment compared to 47.8% of the able bodied.

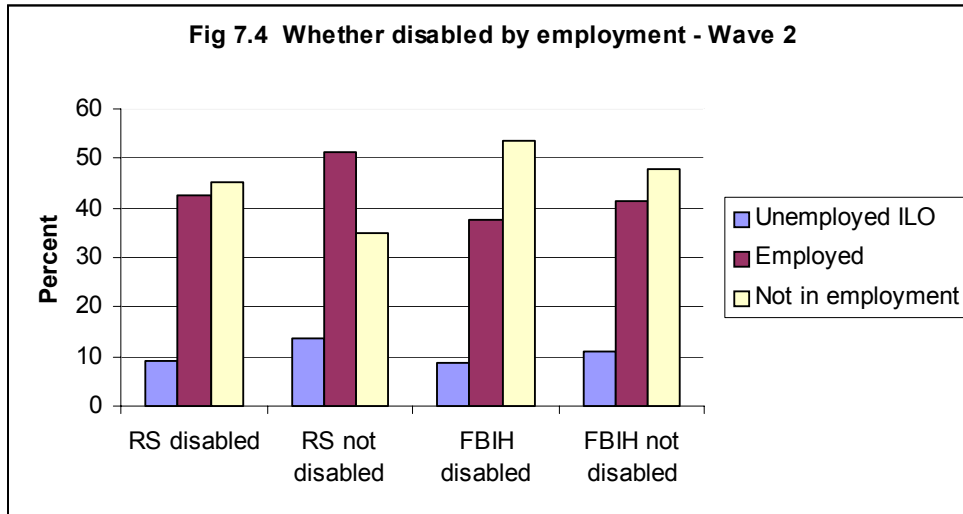
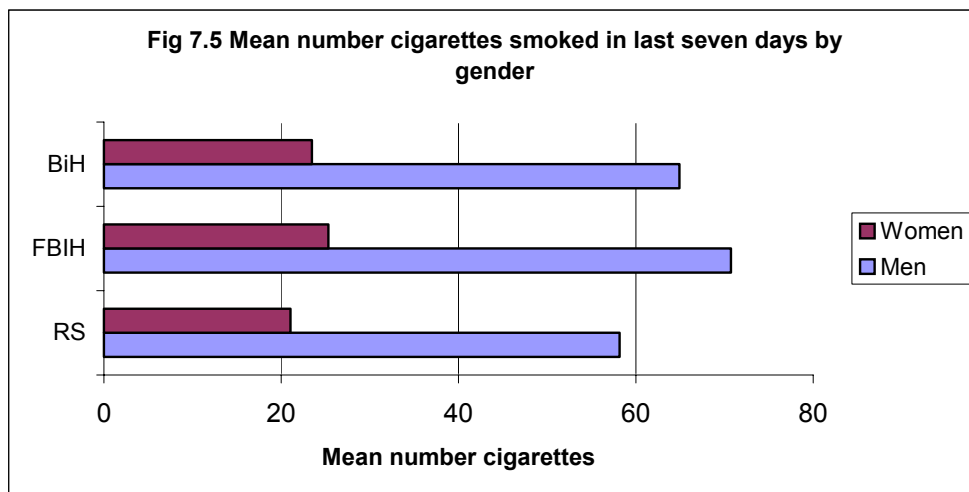


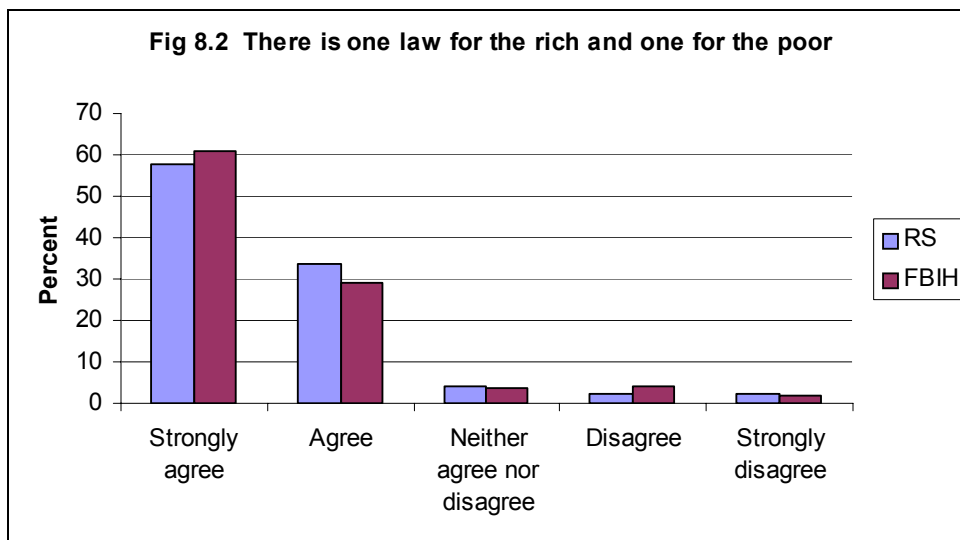
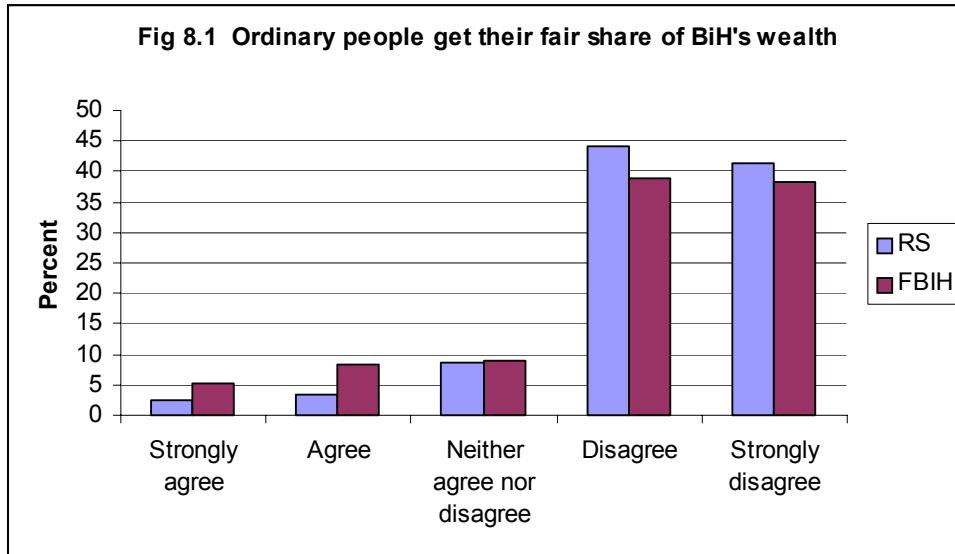
Figure 7.5 shows the mean number of cigarettes smoked in the last seven days by gender. Just under half the population of BiH had smoked a cigarette in the last seven days (43.9%), 41.1% in the RS and 46.1% in the FBiH. Men were more likely to be smokers than women. In total, 53.6% of men smoked compared to 33.7% of women. In the RS 50.6% of men smoked compared to 30.8% of women. In the FBiH 56.1% of men smoked compared to 35.9% of women. On average, those who smoked were also fairly heavy smokers with the mean number of cigarettes smoked in the last seven days being 127 (average of 18 per day) in the RS and 142 (21 per day) in the FBiH. Men were, on average, heavier smokers than women in both entities. In the RS men smoked on average 58 cigarettes in the past seven days compared with 21 for women. In the FBiH men smoked on average 71 cigarettes in the past seven days compared to 25 for women.



8. Values, opinions and quality of life

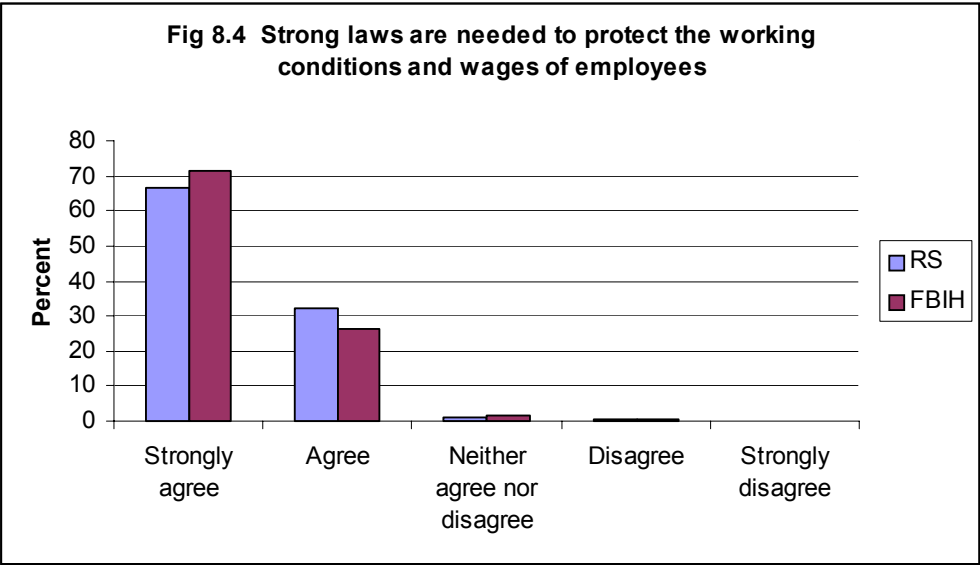
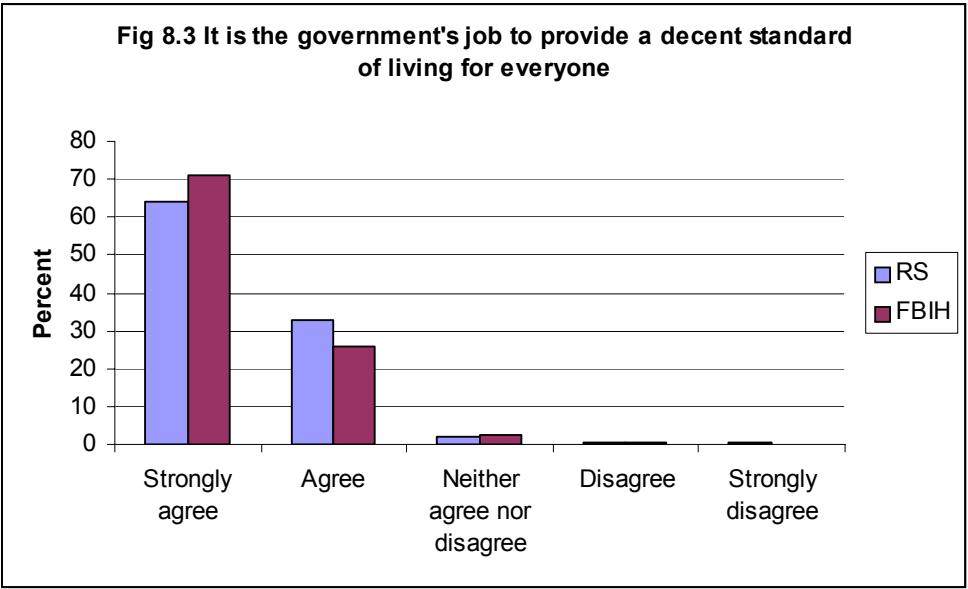
In addition to factual information about employment, income, health and education, respondents were asked a series of questions asking for their opinions and satisfaction with various aspects of their life. Using a five point scale from 'strongly agree' through to 'strongly disagree', respondents were asked how strongly they agreed or disagreed with a set of statements about government and society.

The majority of respondents in both entities disagreed or strongly disagreed with the statement '*ordinary people get their fair share of BiH's wealth*' (Fig 8.1). The majority also agreed or strongly agreed with the statement '*there is one law for the rich and one for the poor*' (Fig 8.2).



As well as expressing these clear reservations about the extent of social justice within BiH, respondents took a strong view on the role of government and the law to protect the welfare of everyone within BiH. Almost 100% of respondents agreed or strongly agreed with the statement '*it is the government's job to provide a decent standard of living for everyone*' (Fig 8.3) and also with the statement '*strong laws are needed to protect the working conditions and wages of employees*' (Fig 8.4). In the context of a labour market in transition, this final view is revealing, as moving to a market

economy requires deregulation to some extent. However, the people of BiH are clear they also want protection for jobs within the labour market.



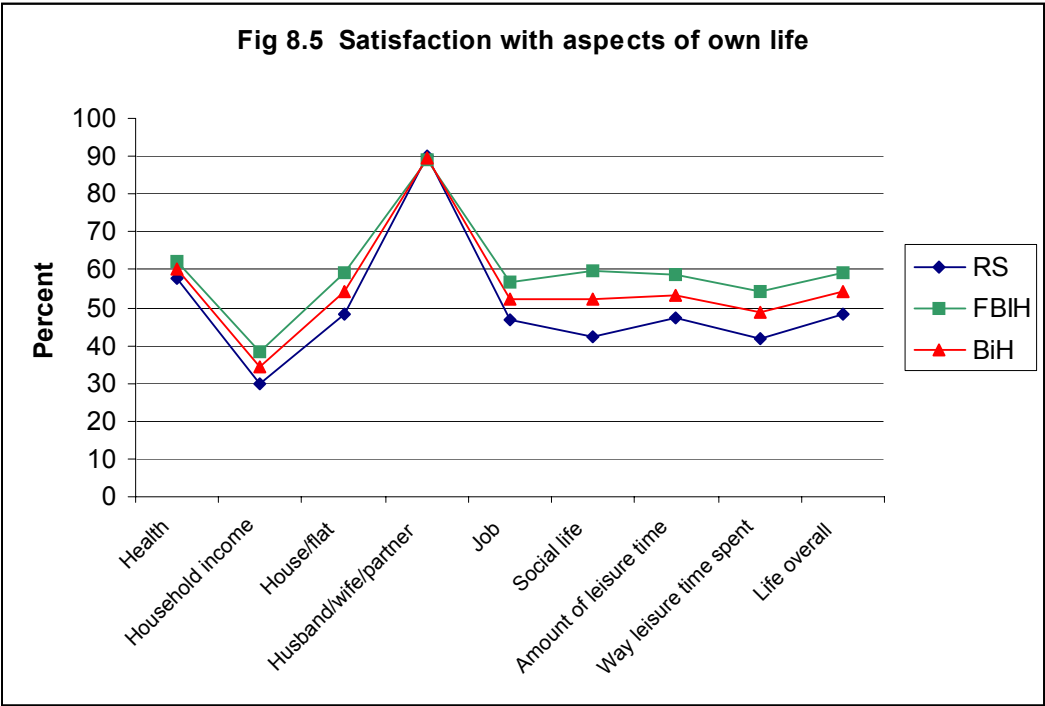
Respondents were also asked to rate local facilities as being, in their view, excellent, very good, fair or poor (Table 8.1). Social services, advice centres and skills training facilities were rated most poorly of all services. Street cleaning and rubbish collection services in the RS were also rated poorly.

Table 8.1 Rating of local facilities - Wave 2

Local facility		Rating (row %)			
		Excellent	Very good	Fair	Poor
Schools	RS	7.6	17.2	59.0	16.3
	FBiH	10.9	15.5	61.2	12.5
	BiH	9.4	16.2	60.2	14.2
Medical/health services	RS	4.1	15.9	52.4	27.6
	FBiH	8.0	12.6	54.5	24.9
	BiH	6.2	14.1	53.6	26.1
Social services	RS	1.1	4.9	24.2	69.8
	FBiH	2.2	3.5	35.6	58.8
	BiH	1.7	4.1	30.3	63.9
Advice centres/facilities	RS	1.5	9.2	33.7	55.6
	FBiH	2.7	3.9	40.6	52.8
	BiH	2.2	5.9	38.0	53.9
Police services	RS	11.6	17.3	58.5	12.6
	FBiH	10.9	12.9	60.6	15.5
	BiH	11.2	14.9	59.6	14.2
Public transport services	RS	6.0	13.1	38.7	42.1
	FBiH	12.3	13.0	53.5	21.1
	BiH	9.5	13.0	46.9	30.6
Shopping facilities	RS	7.2	15.3	49.7	27.7
	FBiH	14.8	16.1	47.2	23.3
	BiH	11.5	16.1	47.2	25.3
Leisure facilities	RS	3.7	10.7	47.0	38.5
	FBiH	9.9	12.2	50.7	27.1
	BiH	7.2	11.5	49.1	32.2
Skills training facilities	RS	2.8	9.6	35.9	51.7
	FBiH	6.7	7.7	44.1	41.5
	BiH	5.1	8.5	40.7	45.7
Street-cleaning services	RS	4.1	8.2	31.2	56.5
	FBiH	10.7	9.6	43.9	35.8
	BiH	8.3	9.1	39.2	43.5
Rubbish collection services	RS	5.9	7.6	31.3	55.2
	FBiH	13.9	11.5	42.4	32.2
	BiH	11.0	10.1	38.4	40.5
Availability of newspapers and mobile coverage	RS	10.1	17.0	53.1	19.8
	FBiH	17.0	13.9	48.3	20.8
	BiH	13.9	15.3	50.4	20.4

Respondents were also asked to say how satisfied they were with different aspects of their own life. These included satisfaction with their health, household income, their house or flat, their husband or partner (if they had one) and their job (if they were in employment), their social life, amount of leisure time, the way they spend their leisure time and their satisfaction with life overall. They were asked to say how satisfied or dissatisfied they were on a scale from 1 to 7 where 1 is not satisfied at all and 7 is completely satisfied. We produced a scale from 0 to 100% in order to calculate the mean levels of satisfaction for each item (Fig 8.5).

On almost all items, those living in the RS were on average less satisfied than those in the FBiH. However, no matter which entity they lived in people were generally very satisfied with their husband/wife or partner with those in the RS having a score of 90% and those in the FBiH 89%. The aspect of life people were least satisfied with was household income with those in the RS scoring 28% and those in the FBiH 38%. Those in the FBiH had the highest satisfaction score for life overall at 60% compared to 50% for people in the RS.



Appendix A

Fieldwork and Technical Report

Department for International Development

BOSNIA AND HERZEGOVINA

**LABOUR AND SOCIAL POLICY IN BOSNIA AND HERZEGOVINA:
THE DEVELOPMENT OF POLICIES AND MEASURES FOR SOCIAL MITIGATION**

Contract Number CNTR 00 1368A

FIELDWORK AND TECHNICAL REPORT

HOUSEHOLD SURVEY PANEL SERIES

WAVE 2

August 2003

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List of Acronyms

BHAS	Agency for Statistics of Bosnia and Herzegovina
BiH	Bosnia and Herzegovina
DFID	Department for International Development
DUG	Data Users Group
EA	Enumeration Area
FBiH	The Federation of Bosnia and Herzegovina
FBSTA	Field Based Survey Technical Advisor
FOS	The Federal Office of Statistics
GND	Group of enumeration areas
HSPS	Household Survey Panel Series
IBHI	Independent Bureau for Humanitarian Issues
ID	Person Number
IDD	Household Identifier
LID	Unique Personal Identifier
LSMS	Living Standards Measurement Survey
NSM	New Sample Member
OSM	Original Sample Member
RSIS	The Republika Srpska Institute for Statistics
SIG	Survey Implementation Group
WB	World Bank

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**LABOUR AND SOCIAL POLICY IN BOSNIA AND HERZEGOVINA:
THE DEVELOPMENT OF POLICIES AND MEASURES FOR SOCIAL MITIGATION
HOUSEHOLD SURVEY PANEL SERIES, WAVE 2**

I. Introduction

In 2001, the World Bank in co-operation with the Republika Srpska Institute for Statistics (RSIS), the Federal Office of Statistics (FOS) and the Agency for Statistics of Bosnia and Herzegovina (BHAS), carried out a Living Standards Measurement Survey (LSMS). The primary aim of the LSMS was to provide reliable data on income, employment, education, health and other key variables necessary for policy formulation within each entity and across BiH as a whole.

The Department for International Development, UK (DFID) contributed funding to the LSMS and is also providing funding for a further two years of data collection for a panel survey, to be known as the Household Survey Panel Series (HSPS). Birks Sinclair & Associates Ltd. are responsible for the management of the HSPS with technical advice and support being provided by the Institute for Social and Economic Research (ISER), University of Essex, UK.

The aim of the panel survey is to provide longitudinal data through re-interviewing approximately half the LSMS respondents for two years following the LSMS, in the autumn of 2002 and again in 2003. The LSMS constitutes wave 1 of the panel survey so there will be three years of panel data available for analysis under current funding plans.

For the purposes of this document we are using the following convention to describe the different rounds of the panel survey:

Wave 1	LSMS conducted in 2001 forms the baseline survey for the panel
Wave 2	Second interview of 50% of LSMS respondents in Autumn/Winter 2002
Wave 3	Third interview with sub-sample respondents in Autumn/Winter 2003

The panel data will allow the analysis of key transitions and events over this period such as labour market or geographical mobility and observe the consequent outcomes for the well-being of individuals and households in the survey.

The panel data will provide information on income and labour market dynamics within FBiH and RS. A key policy area is developing strategies for the reduction of poverty within FBiH and RS. The panel will provide information on the extent to which continuous poverty is experienced by different types of households and individuals over the three year period. And most importantly, the co-variables associated with moves into and out of poverty and the relative risks of poverty for different people can be assessed. As such, the panel aims to provide data, which will inform the policy debates within FBiH and RS at a time of social reform and rapid change.

II. Sampling

II.1 Sampling Frame

The 5,400 households interviewed on LSMS formed the sampling frame for the panel survey. The aim was to achieve interviews with approximately half of these (2,700) at wave 2 (1,500 in FBiH and 1,200 in RS). A response rate of 90% was anticipated (as the sample is based on households that have already co-operated with LSMS) and therefore the selected sample consisted of 3,000 households.

Unlike the LSMS, the HSPS does not have a replacement element to the sample, only the original 3,000 issued addresses. This approach was new to the Supervisors and Interviewers and special training was given on how to keep non-response to a minimum.

II.2 The LSMS Sample

The LSMS sample design process experienced some difficulties which resulted in a sample with a disproportionately high number of households being selected in urban areas.

Work by Peter Lynn from ISER identified the source of this problem by establishing the selection probabilities at each stage of the LSMS sampling process. Essentially, the procedures used for selecting households within municipalities would have been appropriate had municipalities been selected with equal probabilities. But in fact municipalities had been selected with probability proportional to size, and using different overall sampling fractions in each of three strata.

The details are documented in a memo by Peter Lynn dated 25-3-2002. Consequently, household selection probabilities varied considerably across municipalities. The results of this can be seen in Table 1 below.

Table 1: Percentage of households by strata for population estimates and actual LSMS households interviewed

Strata	FBiH		Republika Srpska	
	Population Households (estimated) %	LSMS households interviewed %	Population Households (estimated) %	LSMS households interviewed %
1 Urban	31.3	66.4	27.1	42.5
2 Mixed	22.7	16.0	48.9	35.0
3 Rural	45.9	17.6	23.8	22.5

II.3 Compensating for the LSMS sample imbalance

Having established the selection probability of every LSMS household, it became possible to derive design-based weights that should provide *unbiased* estimates for LSMS. However, the considerable variability in these weights means that the *variance* of estimates (and hence standard errors and confidence intervals) is greatly increased.

For the HSPS, there was an opportunity to reduce the variability in weights by constructing the sub-sample in a way that minimised the variability in overall selection probabilities. The overall selection probability for each household would be the product of two probabilities – the probability of being selected for LSMS, and the probability of being selected for HSPS, conditional upon having been selected for LSMS, i.e.

$$P_{HSPS} = P_{LSMS} \times P_{HSPS|LSMS}.$$

Ideally, then, we would have set the values of $P_{HSPS|LSMS}$ to be inversely proportional to P_{LSMS} . This would have resulted in each HSPS household having the same overall selection probability, P_{HSPS} , so that there would no longer be an increase in the variance of estimates due to variability in selection probabilities. However, this was not possible due to the very considerable variation in P_{LSMS} and the limited flexibility provided by a large overall sampling fraction for HSPS (3,000 out of 5,400).

The best that could be done was to minimise the variability in sampling fractions by retaining *all* the LSMS households in the (mainly rural or mixed urban/rural) municipalities where LSMS household selection probabilities had been lowest and sub-sampling only in the municipalities where LSMS selection probabilities had been much higher.

In 16 of the 25 LSMS municipalities, all households were retained for HSPS. In the other 9 municipalities, households were sub-sampled, with sampling fractions ranging from 83% in Travnik to just 25% in Banja Luka and Tuzla. The number of households sampled for HSPS in each municipality is shown in Table 2.

Table 2: Sub-sampling Fractions for HSPS, by Municipality

Municipality	Number of LSMS households (n_j)	Number of GNDs	Total number of HSPS households (m_j)	Conditional Selection Probability ($P_j(HSPS LSMS)$)	HSPS weight	wave 2
Visoko	156	13	156	1.000	1.000	
Gradačac	144	12	144	1.000	1.000	
Kakanj	144	12	144	1.000	1.000	
Zavidovići	145	12	145	1.000	1.000	
Vogošća	84	7	84	1.000	1.000	
Breza	60	5	60	1.000	1.000	
Posušje	48	4	48	1.000	1.000	
Grude	48	4	48	1.000	1.000	
Novi Grad	156	13	156	1.000	1.000	
Modriča	132	11	132	1.000	1.000	
Srbac	120	10	120	1.000	1.000	
Šamac	108	9	108	1.000	1.000	
Višegrad	84	7	84	1.000	1.000	
Srpska Ilidža	84	7	84	1.000	1.000	
Kneževo	60	5	60	1.000	1.000	
Čajniče	36	3	36	1.000	1.000	
Travnik	192	16	160	0.833	1.200	
Novi Grad	444	37	148	0.333	3.000	
Tuzla	528	44	132	0.250	4.000	
Novo Sarajevo	276	23	138	0.500	2.000	
Prijedor	432	36	144	0.333	3.000	
Banja Luka	936	78	234	0.250	4.000	
Zvornik	252	21	168	0.667	1.500	
Centar	264	22	146	0.553	1.808	
Zenica	469	39	128	0.273	3.664	
Total	5,402	450	3,007			

To select the required number of households within each municipality, *every* group of enumeration districts (GND) was retained from LSMS. The sub-sampling took place *within* the GNDs. Households were sub-sampled using systematic random sampling, with a random start and fixed interval. For example, in Novo Sarajevo, where the sampling fraction was 1 in 2, 6 households were selected out of the 12 LSMS households in each GND by selecting alternate households. In Prijedor, where the fraction was 1 in 3, 4 out of 12 were selected by taking every third LSMS household. And so on.

The total selected sample for the HSPS consists of **3,007 households** (1681 in the FBIH and 1326 in the RS).

The final column of Table 2 shows the HSPS wave 2 conditional design weight. The overall design weight for the HSPS sample will therefore be the product of the LSMS weight for the household and this extra design weight (which will of course tend to increase the size of the smallest LSMS weights).

III. Panel design

III.1 Eligibility for inclusion

The household and household membership definitions are the same standard definitions as used on the LSMS (see Supervisor Instructions, Annex A). While the sample membership status and eligibility for interview are as follows:

- i) All members of households interviewed at wave 1 (LSMS) have been designated as original sample members (OSMs). OSMs include children within households even if they are too young for interview.
- ii) Any new members joining a household containing at least one OSM, are eligible for inclusion and are designated as new sample members (NSMs).
- iii) At each wave, all OSMs and NSMs are eligible for inclusion, apart from those who move out-of-scope (see discussion below).
- iv) All household members aged 15 or over are eligible for interview, including OSMs and NSMs.

III.2 Following rules and the definition of ‘out-of-scope’

The panel design means that sample members who move from their previous wave address at either wave 2 or 3 must be traced and followed to their new address for interview. The LSMS sample was clustered and over the two waves of the panel some de-clustering will occur as people move. In some cases the whole household will move together but in others an individual member may move away from their previous wave household and form a new split-off household of their own.

III.2.1 Following rules

All sample members, OSMs and NSMs, are followed at each wave and an interview attempted. This means that a four person household at Wave 1 could generate three additional households at wave 2 if three members, either OSMs or NSMs, move away to form separate households. This method has the benefit of maintaining the maximum number of respondents within the panel and being relatively straightforward to implement in the field.

III.2.2 Definition of ‘out-of scope’

It is important to maintain movers within the sample to maintain sample sizes and reduce attrition and also for substantive research on patterns of geographical mobility and migration. The rules for determining when a respondent is ‘out-of-scope’ are as follows:

i. Movers out of the country altogether i.e. outside FBiH and RS

This category of mover is clear. Sample members moving to another country outside FBiH and RS will be out-of-scope for that year of the survey and not eligible for interview.

ii. Movers between entities

Respondents moving between entities are followed for interview. The personal details of the respondent are passed between the statistical institutes and a new interviewer assigned in that entity.

iii. Movers into institutions

Although institutional addresses were not included in the original LSMS sample, wave 2 individuals who have subsequently moved into some institutions are followed. The definitions for which institutions are included are found in the Supervisor Instructions.

iv. Movers into the district of Brcko are followed for interview.

IV. Identifiers

Individual level identifiers have been attached to all members of the wave 1 LSMS households selected for the panel sample. There is a household level identifier (IDD) for the issued household and each member of that household has a person number (ID) within the household. The household level identifier is needed for each wave but does not necessarily need to be related to the previous wave identifier for a given household. Households change in composition over time, making the notion of a core household that endures over time problematic for a panel.

In addition to these wave specific household and person number identifiers, each sample member has a unique personal identifier (LID) attached to them. This identifier is the unique number that each sample member carries with them throughout the life of the panel, even if they move between different households. This is the key linking identifier to be used in analysis when matching together data for the same individual from different waves of the survey and is a critical variable. Further information on identifiers can be found in Annex F.

V. Feed-forward

Details of the address respondents were found at the previous wave together with a listing of household members found in each household at the last wave was fed-forward as the starting point for wave 2 of fieldwork. The feed-forward data also includes key variables required for correctly identifying individual sample members and includes the following:

For each household: Household ID (IDD); Full address details and phone number

For each Original Sample Member: Name; Person number (ID); unique personal identifier (LID); Sex; Date of birth

The sample details are in an Access database and to maintain the confidentiality of respondents, the personal details of names and addresses are held separately from the survey data collected during fieldwork. The IDD, LID and ID are the key linking variables between the two databases i.e. the name and address database and the survey database. Further information on feed forward processes can be found in Annex F.

VI Questionnaire design

Approximately 80% of the questionnaire (Annex B) is based on the LSMS questionnaire, carrying forward core measures that are needed to measure change over time. There are also some additional items that were requested to be included to link with other DFID projects (the Qualitative Studies). The questionnaire was circulated to the Data User Group (DUG) and changes were made as a result of comments received.

VI.1 Pretesting

Pretest briefings were undertaken on 21 June 2002 in Banja Luka, and on 24 June 2002 in Sarajevo. Three interviewers who had previously worked on the LSMS and all members of the SIG attended each briefing. The pretest sample consisted of 30 LSMS households who were not going to be selected for wave 2 (chosen in a non-random way). To test the questions, interviewers completed a Rating Form and a Debriefing Form capturing structured questions on how respondents reacted to the survey (did it seem too long, were they worried about confidentiality etc). The debriefings were held on 1 and 2 July 2002 in Banja Luka and Sarajevo respectively.

In relation to the questionnaire, the pretest went very smoothly with very few recommended changes to the questionnaire and no refusals from respondents. However procedures' regarding movers were not tested as none of the sample members had moved during the year.

The pretest identified an average interview length of 43 minutes (34 cases). There is evidence that over-burdening respondents with very long questionnaires on a panel survey can lead to higher levels of non-response and attrition. The aim was to have an average interview length of 45 minutes. Following the pretest some questions were removed and a few added to keep the overall length about the same.

VI.2 Issues arising from the pretest

Falsifying information: The pre-test found one rogue interviewer had falsified some LSMS interviews. This has not been found with any other interviewers during the panel fieldwork so it is not problematic. This has been verified through the quality control back-checks implemented for the panel (see section VII for details).

Proxy information: In several cases all members of the household were interviewed at the same time, with much of the data taken by proxy rather than through direct interviewing. Therefore, it was emphasised during the Supervisor and Interviewer training that direct interviews must be achieved. A payment scheme to reward interviewers who took direct interviews with all household members was introduced for the main survey.

Consumption module: Prior to the pretest the World Bank made a case for module 11 from the LSMS (consumption) to be included in the questionnaire. Module 11 was given to the pretest interviewers, with time boxes, to test. Interviewers did not react to it very well and 2 out of 25 households refused to complete it. On average it took 34 minutes (22 cases) to complete. Based on its time consuming nature it was decided that it should not be included because of concerns about over-burdening respondents in the vital second wave. This module, possibly shortened, will be re-considered for inclusion at wave 3.

VII. Mainstage Fieldwork Procedures

VII.1 Training Supervisors and Interviewers

Two-thirds of the wave 2 interviewers had worked on the LSMS. There is some evidence from other panel surveys that suggests having the same interviewer return at later waves may improve response as a level of trust and a rapport develops between the respondent and the interviewer.

However, efforts were not made to ensure that the interviewer called back to the same address as for the LSMS. We were not convinced that a good rapport was achieved with the interviewer due to the burdensome nature of the LSMS questionnaire. However at wave 3 this will be attempted.

One week prior to the briefing Supervisors and Interviewers were sent the Questionnaire (Annex B), a Control Form (Annex C), a Movers Form (Annex D) and Interviewer or Supervisor Instructions. Each briefing session was held over two days. Approximately 40 Interviewers and 7 Supervisors attended each briefing (reserve interviewers were also trained).

The briefing schedule was as follows:

10-11 September 2002
12-13 September 2002
14-15 September 2002

All briefing sessions were conducted at the Hotel Italia in Sarajevo. The primary trainers for the sessions were the FBSTA Rachel Smith, SIG members Bogdana Radic and Zeljka Draskovic (RSIS) Edin Sabanovic and Fehrija Mehic (FOS) and Jelena Miovcic (BHAS) and a full-time interpreter.

Training was conducted initially with Supervisors, prior to the arrival of the Interviewers. The focus of this training was survey administration, quality control and financial management. Supervisors and Interviewers were then trained for an additional one and a half days on survey administration, questionnaire administration and field quality control procedures.

All field staff were provided with Instructions which contained the basic information needed for survey administration, but during the training this was heavily supplemented with additional printed materials, forms and examples.

Each session was conducted semi-formally, with opportunities for questions and answers as well as for further explanation and additional examples. The field supervisors were asked to monitor the progress and understanding of their interviewers and to assist with those needing help.

The importance of in-field quality control procedures was stressed throughout the training. Quality control procedures for the Supervisors included: review of all sample materials prior to assignment to each interviewer, strict control over the activities of a small group of interviewers (5 to 6 interviewers per Supervisor), weekly updates and meetings with each interviewer, verification of 10% of the work

of each interviewer via field visits or telephone to selected households, and final accounting for and review of all data from each interviewer prior to data entry. Quality control procedures utilised by the interviewers included: careful use of the sample household location procedures, detailed household member identification and selection for interview procedures.

During each training session, the sample addresses were distributed to each interviewer and discussed with them in detail. Ample time was allowed for a clear understanding of the materials, quantity of work expected from each interviewer and the procedures to be followed in conducting the work. On the second day of training, survey materials were distributed to each interviewer. Prior to leaving the training session each interviewer thus had: an assignment, field administration forms and a supply of survey questionnaires.

In total 22 Supervisors (10 in the RS and 12 in the FBiH) and 101 interviewers (44 in the RS and 57 in the FBiH) worked on Wave 2. Each interviewer was allocated, on average, 30 households. The data collection period was eight weeks in length.

The final end of fieldwork was the end of January 2003, to allow additional time to find all movers and, if necessary, carry out refusal conversion.

VII.2 Fieldwork Progress

Every two weeks Supervisors reported to the Field Office on the progress of each address allocated to their Interviewers. In this way it was known by the Field Offices and the FBSTA how many interviews had been completed and the refusal rates in order to have early warning if there were any problems or potential problems in the field.

VII.3 Quality Control checks by the FBSTA

Random checks were made by the FBSTA and interpreter to ensure the interviewers had called at addresses. These checks were made in Prijedor, Samac, Travnik, Novi Grad Sarajevo and Grude. The checks did not reveal any problems regarding calling at addresses. However, in two cases (out of 25) interviewers had reported taking direct interviews where, in fact, proxy information had been given. Supervisors were told to check carefully for this and to re-emphasise the importance of direct interviewing.

VII.4 Minimising non-response

The major problem for panel surveys is attrition, that is, the loss of respondents who either refuse to take part any further in the survey, are unable to be contacted during fieldwork, or who move and cannot be traced. Attrition in panel surveys is potentially damaging as the sample size for respondents with complete longitudinal records reduces over time and there is a danger of differential attrition introducing bias. The following procedures were undertaken in an attempt to reduce attrition.

VII.5 Tracing Movers

Tracing movers during fieldwork was undertaken. Interviewers were told during the training to try all methods possible to find movers. When households or individuals could not be found by the interviewer or supervisor a Movers Form was completed and sent to the BHAS. From that point the BHAS, in particular Jelena Miovcic, was responsible for finding any households or individuals.

The most effective method for tracing movers was use their name and search for a phone number and address in the telephone directory. If a match was found then the households/individuals were contacted by telephone and date of birth details checked to confirm that the correct households or individuals had been found. This process was easier in FBiH than in the RS because the website of the phone directory (www.imenik.telecom.ba) with the list of fixed and mobile phones subscribers was available as well the addresses in cantons. In cases where households or individuals had moved to an unknown canton, it was possible to search all cantons.

Elections had taken place during the same period that Living in BiH was undertaken. It had been hoped that the polling committee had updated data concerning current address of all voters. Therefore the BHAS made an official request to gain information about movers, however this request was not successful.

Once the address was found it was written onto the Control Form and given to the Supervisor to give to the appropriate (i.e. nearest) Interviewer. Of the 52 forms returned to BHAS, 38% of the new addresses were found and returned to the field. While 56% (29 households) could not be found. The remaining 6% were sent to BHAS but were eventually found by interviewers. By the end of fieldwork only 1.2% of total issued households were finally coded as “untraceable”.

It may have been possible to find further movers if personal ID numbers had been collected. However, in relation to data confidentiality and linkage it was decided not to collect this information.

VII.6 Advance letter

Feedback from the FBiH pretest debriefing was that the Advance letter had been useful. Therefore the main survey one advance letter per household was produced (Annex E). Production of the advance letter was part of the feed forward process and each letter was personally addressed to each sample household. The letter included additional wording to ask it to be left where others in the household could see it.

VII.7 A gift

As a small token of thanks for taking part in the panel a pen was given to each person who was interviewed. The name of the survey was printed on the pen, to give respondents a feeling of “belonging” to the survey.

VII.8 Refusal Conversion

Carrying out a refusal conversion programme had been considered but as a result of very low levels of non-response this was not undertaken.

VII.9 Publicity

Advance publicity was not undertaken. The time consuming nature of the LSMS may have had a negative influence on the likelihood of respondents taking part for Wave 2. Advance warning may have given respondents further time to prepare to refuse to participate in the survey.

VIII. Survey Data Processing

CSPro was the chosen data entry software. This was the software used for the LSMS and considerable skill in programming this software had been acquired by some SIG members. The CSPro program consists of two main features to reduce to number of keying errors and to reduce the editing required following data entry:

Data entry screens that included all skip patterns.

Range checks for each question (allowing three exceptions for inappropriate, don't know and missing codes).

Unlike the LSMS, where data entry was carried out simultaneously in the field, interviewers delivered their completed questionnaires to the Field Office in Banja Luka or Sarajevo for data entry. Ten computer staff were engaged in each Field Office to enter all questionnaires and Control Forms

Two, one day, training events were held on October 3rd and 4th in the Chamber of Commerce in Banja Luka. Training was conducted by Fahrudin Memić, Donald Prohaska, Dario Lozancic and Vladan Sibinovic. A short introduction to the survey was delivered by the FBSTA.

Actual questionnaires returned from the field were entered by the DE operators during training. In this way it was possible to fine-tune the program and identify any problems with data entry personnel.

Data entry was completed by December 2003. A mission from December 8-13 was undertaken by Heather Laurie and Fran Williams (ISER) to identify what level of cleaning was required. A further mission undertaken by Fran Williams from 16-22 March examined what data cleaning had been carried out and what was yet to be completed. Fran Williams has completed substantial cleaning work and a clean version of data was ready by June 2003.

IX Response Rates and weighting

The quality of panel data relies heavily on gaining high re-interview rates. High levels of attrition, especially differential attrition between sub-groups in the sample, can lead to bias and reduce the quality of the data.

The response rates for wave 2 are shown in Tables 3 and 4 below. The level of cases that were unable to be traced is extremely low as are the whole household refusal or non-contact rates.

Table 3: Wave 2 Response outcomes for all eligible households (including new households at wave 2) by entity

	Entity		Total BiH %
	RS %	FBIH %	
Interviewed household	95.7 (1298)	93.1 (1577)	94.3 (2875)
Untraced mover	1.1 (15)	2.0 (34)	1.6 (49)
Non-interviewed	3.2 (43)	4.9 (83)	4.1 (126)
	100	100	100
Total N	1356	1694	3050

Table 4: Wave 2 Response outcomes for all eligible individuals (including new entrants) by entity

	Entity		Total BiH %
	RS %	FBIH %	
Interviewed	81.4 (4233)	76.0 (4078)	78.4 (7527)
Non-interviewed	18.6 (788)	24.0 (1288)	21.6 (2072)
Total N	4233	5366	9599

The individual wave on wave re-interview rate for respondents interviewed at wave 1 and still eligible for interview at wave 2 was 91%, a re-interview rate that is high by international standards. This gives confidence that estimates from the data will be reliable.

Weighting procedure

Following data checking weights were produced for the wave 2 panel data. A weight has been derived that should be used for all longitudinal analysis of wave 2 data (i.e. analysis that requires data from both waves 1 and 2). It is called *b_weight*.

b_weight has been calculated as the product of two components, *sel_wt* and *nrwt* (i.e. *b_weight* = *sel_wt* x *nrwt*).

sel_wt is a weight to correct for the variation in selection probabilities. This accounts for BOTH the variation between municipalities in selection probabilities for the LSMS AND the variation between municipalities in the sub-sampling fractions for the panel.

nrwt is a weight to correct for differences between subgroups in response rates at wave 2, conditional upon response to wave 1. The subgroups were identified by fitting a segmentation model to predict response/non-response based on a set of 25 potential predictor variables. 28 subgroups (weighting classes) were identified, with individual-level response rates ranging from 56.9% to 100.0%.

The non-response analysis was based upon the 9325 persons who were not new entrants at wave 2 and were not known to be dead at wave 2. Of these, 8558 were respondents at wave 2 (91.8%). Thus, 8558 persons have a non-zero value of *b_weight*. For non-respondents and wave 2 new entrants, *b_weight* takes the value 0.

Further weights to be used for wave 2 cross-sectional analysis (i.e. when you want to include the wave 2 new entrants and only require data from wave 2) are being developed. Note: There are only 205 respondent new entrants at wave 2, so basing cross-sectional analysis on the other wave 2 respondents using *b_weight* should provide good estimates in the meanwhile.

X Documentation

Further documentation for the survey including survey questionnaires, interviewer instructions, coding frames for open-ended items and a cross-wave table of variable names for the wave 1 and wave 2 data are available for users from:

www.birks-sinclair.com (English version) www.ibhibih.org (local version)

Appendix B

Institutional Composition and Terms of Reference of the Data User Groups (DUGs)

Appendix B

Institutional and Individual Composition of the RS Data User Group

The Republika Srpska Institute for Statistics (RSIS), Director, Slavko Šobot
Representative of the RS Ministry of Health and Social Protection, Ljuban Krnjajić
RS Ministry of Education, Assistant Minister for High Education, Ranko Pejić
Public Fund for Child Protection RS, Director, Božidar Stojanović
RS Ministry for Veteran Issues, Victims of War and Labour, Assistant Minister, Rajko Kličković
RS Ministry of Health and Social Protection, Assistant Minister for Health Sector, Stevan Jović
RS Employment Bureau, Headquarters – Pale, Director, Milorad Janković
RS Employment Bureau, Head of the Banja Luka Branch, Milena Mandić
Agency for Statistics of BiH (BHAS), Chair of the Executive Board, Slavka Popović

Institutional and Individual Composition of the FBiH Data User Group

Federal Employment Bureau, Director, Hasan Musemić
Employment Bureau, Mostar, Director, Petar Golemac
Federal Ministry of Labour and Social Policy - Sector for Labour and Employment, Assistant Minister, Džana Kadribegović
Federal Ministry of Labour and Social Policy - Sector for Social and Child Protection, Assistant Minister, Asim Zečević
Federal Ministry of Education, Science, Culture and Sports, Assistant Minister, Severin Montana
Agency for Statistics of BiH (BHAS), Chair of the Executive Board, Slavka Popović
The Federal Office of Statistics (FOS), Director, Derviš Đurđević
FBiH Ministry of Health, Assistant Minister, Zlata Kundurović

Observers

Council of Ministers BiH, Ministry of Foreign Trade and Economic Relations, BiH Coordinator for PRSP, Zlatko Hurtić
Department for International Development, Social Policy Programme Officer, Anamaria Golemac-Powell
World Bank, ECCBA, Irina Smirnov
World Bank Social Protection Consultant, Christian Bodewig
Independent Bureau for Humanitarian Issues (IBHI), Director, Žarko Papić
Birks Sinclair & Associates Ltd., Project Director, Stace Birks

Institutional and Individual Composition of the BiH Data User Group

The Republika Srpska Institute for Statistics (RSIS), Director, Slavko Šobot

RS Ministry for Veteran Issues, Victims of War and Labour, Assistant Minister, Rajko Kličković

The Federal Office of Statistics (FOS), Deputy Director, Vedran Milisav

Federal Ministry of Labour and Social Policy - Sector for Labour and Employment, Assistant Minister, Džana Kadribegović

Agency for Statistics of BiH (BHAS), Chair of the Executive Board, Slavka Popović

Council of Ministers BiH, Ministry of Foreign Trade and Economic Relations, BiH Coordinator for PRSP, Zlatko Hurtić

BiH Employment Agency/Bureau, Asim Ibrahimagić

BiH Ministry of Foreign Trade and Economic Relations, Head of Department, Dušanka Duvčić

BiH Ministry for Human Rights and Refugees, Department for Human Rights, Almina Jerković

LABOUR AND SOCIAL POLICY IN BOSNIA AND HERZEGOVINA: THE DEVELOPMENT OF POLICIES AND MEASURES FOR SOCIAL MITIGATION

**In cooperation with World Bank and UNDP supported
Living Standards Measurement Survey**

Responsibilities of the RS and FBiH Data User Groups

Background

A statistically reliable basis for social sector policy making is a priority for the Federation of Bosnia and Herzegovina (FBiH) and the Republic of Srpska (RS). Accordingly, the Agency for Statistics of BiH (ASBiH), the Institute of Statistics of the Republic of Srpska (ISRS) and the Statistics Institute of the Federation of Bosnia and Herzegovina (SIFBiH) are embarking on a series of household surveys supported by the UK Department for International Development (DFID), the World Bank (WB), UNDP and a range of donors.

Amongst these household surveys are the Living Standards Measurement Survey (LSMS), currently in progress, and the Panel Study - a three year collection of longitudinal household data. In addition a Household Budget Survey is planned, indicatively to begin in early 2002 and which will run for much of the year, and a Labour Force Survey, a two week survey to be executed in early 2003.

Objectives of this Project

The goal of the panel Survey is to strengthen labour and social policies to mitigate the social effects of privatisation, enterprise restructuring, unemployment and social exclusion.

Through the longitudinal panel survey, and the associated enhancement of policy development skills in the entities, this project is designed to:

- improve the framework within which social policy can be made;
- support the statistical institutions responsible for statistical analysis and reporting; and
- strengthen the policy making function at Entity (and within FBiH, Canton) level, with a view to enhanced implementation of social policy at municipal level.

This is being carried out through close cooperation, in the first place, with the development and analysis of the LSMS.

The Data User Groups are a means to:

- establish linkages and cooperation between the LSMS and the Panel Study
- establish a participative approach in the planning and implementation of the Panel Study, with full partnership between all counterparts in BiH with stakeholders fully consulted to ensure the Study meets local aims;
- produce outputs of world class standards, in informational and policy development terms;
- promote the use of data in policy analysis and decision making at State, Entity, Cantonal (in FBiH) and Municipal levels.

Components within the Panel Study

The project builds upon the WB. UNDP DFID and multi-donor supported, WB implemented Living Standards Measurement Survey (LSMS). The LSMS will provide a cross sectional measure of poverty and welfare in RS and FBiH.

The LSMS will also provide the base sample and reference point for the Panel Survey, which will provide longitudinal data to track the outcomes for individuals and families over a three-year period.

The Panel Study project will achieve this by assisting statistical institutions, Ministries and agencies to acquire both qualitative and quantitative information on:

- Trends in unemployment, underemployment and employment;
- Social data on linkages between labour and social policies; and
- The informal sector.

The Panel Study project will also, with its participative methodology, develop with entity level counterparts:

- Strategies for supporting social mitigation through the:
- development of sustainable policy; and
- implementation of practical measures to reduce poverty and social exclusion.

This will be achieved in a partnership between the consultant team (international and local) and BiH, RS and FBiH institutions which will result in:

- Enhanced social policy making skills in data using institutions at entity level;
- Strengthened capacity of Statistical Institutions to collect and compile data which is relevant to policy formulation and development;
- Collection of Longitudinal panel data on employment trends and social policy, resulting in a capacity to develop the analysis and policy implications of this and other data.

LSMS Development

Following development of the sample and questionnaire on a consultative basis, the interviewing of households is now completed. The datasets were entered concurrently with collection and will be checked and output tabulations will be processed when the survey is completed. A list of these base tables is attached.

The next phase is to develop a more detailed analysis of data and the interpretation of this LSMS data for the refinement and interpretation of policy.

Subsequent tasks include the:

- use of the LSMS survey to develop the Panel Study sample for the next two years of interview rounds: and
- the interpretation of data in formulating social policy, participatively, so enhancing data analysis and policy development skills in BiH.

These activities will be linked with other household surveys in BiH, such as the Household Budget Survey, the labour Force Survey and other related surveys and analyses carried out by the WB and other Donors.

The Nature and Purposes of the Data Users Groups

A Data Users' Group (DUG) will be established in each entity.

The DUGs will have a strategic and guidance role.

Initial discussions with a range of Stakeholders (including: DFID; WB; UNDP; ASBiH; ISRS; SIFBiH) have confirmed the need for these DUGs as a vehicle for:

- the promotion of the LSMS, the DFID panel study project and their outputs generally;
- establishing understanding between the respective statistics “providers” and end users and policy makers, entity ministries, and at the Cantonal (in FBiH) and municipal levels;
- the establishment of consistency of data outputs, standards and coherence of approach across user groups;
- preliminary and more refined analysis of LSMS data in the social policy area;
- setting out of the technical transition from the LSMS data set to the longitudinal data set drawn from the Panel Study; and
- consultation on the focus of proposed qualitative studies and ad hoc reports in the social policy area.

The DFID project supporting the Panel Study, “Labour and Social Policy in BiH: the Development of Policies and Measures for Social Mitigation”, will provide the logistical support to the DUGs.

The Responsibilities of the Data User Groups

Each DUG will, in the area of social policy:

- guide, supervise, and participate in data analysis and policy development based upon the household survey data, especially from the LSMS in the first instance and subsequently the Panel Survey;
- make recommendations for policy deriving from the household data sets to the entity governments;
- support the dissemination, to the government and administrative structures, agencies and population of BiH, as appropriate, of:
 - statistical results; and
 - policy implications;

of different surveys/ studies;

- initiate, guide and oversee seminars and workshops, and hold meetings including wider representatives from entities, cantons (in FBiH) and municipalities and other agencies as appropriate to examine statistics or policy issues of particular interest;
- make recommendations about the content and methodology of other planned survey exercises;
- encourage and support enhanced cooperation between statistical institutes and data users and policy makers in order to derive maximum benefit from the Statistical data;
- maintain links with other scientific and action oriented research;
- comment upon the outputs of the analysis of the LSMS;
- comment upon the Panel Study annual qualitative study;
- comment upon the Panel Study annual report;

- establish working groups to support the preparation of special reports on topics of particular interest, including the annual Qualitative Studies to be carried out under this DFID Panel Study project;
- advise on, guide and participate in capacity development activities in statistics and policy development; and
- liaise as appropriate with other statistical and related policy initiatives, such as that carried out by the WB's Poverty Reduction Strategy Group

The DUGs will discuss and approve their own ToRs in the first meeting.

Membership of Data User Groups

A list of prospective members is attached.

Representation on the Project Coordinating Group

A representative of each DUG will be nominated to the Project Coordination Group, in order to represent the DUG at the project management level.

Timing of Meetings and Duration of the Data User Groups

It is anticipated that DUGs will meet quarterly. Their lifespan will be, at a minimum, up to mid-2004, in order that the DUGs contribute to the:

- Analysis of the LSMS and its contribution to the development of policies which will lead to a reduction in poverty and social exclusion;
- Development of the methodology and questionnaire design for the Panel Survey; and
- Analysis of the HBS, Labour Force Survey and other surveys to be carried out in the coming years.

LABOUR AND SOCIAL POLICY IN BOSNIA HERZEGOVINA: THE DEVELOPMENT OF POLICIES AND MEASURES FOR SOCIAL MITIGATION

DRAFT

TERMS OF REFERENCE AND RESPONSIBILITIES

BiH DATA USER GROUP

Background

This Project aims to improve the frameworks within which social policy can be made in BiH, by supporting:

- the Statistical Institutions at Entity and State level responsible for statistical analysis and reporting; and
- strengthening the policy making function at Entity level.

Significant steps have been and are being taken in social policy development, but addressing social policy issues is made particularly difficult in BiH by the:

- relatively small number of skilled and senior people capable of managing social transition; and
- lack of reliable data on social and economic issues relevant to social policy due to the absence in particular of household data sets.

This Project will assist FBiH and RS in addressing the latter task and will enhance institutional capacity to mitigate the former constraint.

Outline of the Project

The Labour and Social Policy Project goal is to:

- strengthen labour and social policies to mitigate the social effects of privatization, enterprise restructuring, unemployment and social exclusion.

The Project purposes are to:

- generate longitudinal panel data on employment trends and on the impact of social policies; and
- strengthen the responsible State and Entity statistical institutions.

In summary, the activities of the Project focus on four Outputs:

Output 1: enhanced social policy making capacity

Outputs include:

- support to a Data Users' Group (DUG) in each Entity, with membership drawn initially from the RSIS and the FOS and social sector ministries and agencies. Working Groups will be established as needed. Each Entity based DUG can commission and issue reports and Qualitative Studies, and establish Entity based ownership of the process;

- a series of Qualitative Studies, to inform Panel design, and to investigate outcomes of the Panel itself;
- a series of ministerial and regional workshops, round table meetings and seminars, to disseminate key findings; and
- an Entity based Annual Report, which would reflect the main findings of the Panel Survey, and summarise key changes affecting the labour market and social welfare.

Output 2: strengthened capacity of State and Entity level statistical institutions.

Provision of advice and guidance on:

- establishment of EU standards in the field of Household Surveys;
- dissemination of the representative BiH data set;
- design and management of studies of longitudinal data on the representative BiH data set; and
- support to training to the FOS and the RSIS in statistical tasks relevant to the HSPS. This support would be provided locally and jointly as far as possible.

Output 3: the development of longitudinal panel data on employment trends and social policy

- contribute to the construction of the LSMS Questionnaire to ensure that:
 - (a) the LSMS Questionnaire was designed in a way which facilitated panel type questions subsequently; and
 - (b) contained key encoding data, e.g. identifiers of household members, to permit longitudinal analysis of results over time;
- assist the FOS and the RSIS to conduct the Panel Household Survey in the 3rd Quarters of 2002 and 2003; each of approximately 1500 households; assist the FOS and the RSIS clean, enter and analyse the data; undertake a first order data analysis; begin the process of longitudinal data analysis; prepare the public release files to be merged by DFID TA to be forwarded to the ASBiH as a public release file; and maintain the Panel data for subsequent years' surveys.

Output 4: promote an improved capacity to analyse longitudinal data locally

It would achieve this by:

- promotion of a small research fund to be executed by local researchers.

The Purposes and Activities of the BiH DUG

The BiH DUG will have two key roles:

- 1) a short term and immediate role within the Panel Study Project as set out in the Project Memorandum, in particular in utilisation of data in the development of policies, with emphasis upon the social policy and social sector; and
- 2) A wider, longer term and strategic role related to:
 - statistics and their collection, specification and utilisation, and
 - support to social policy development, monitoring and evaluation.

In both of these contexts, the focus will be upon:

- the development of statistics in a better way;

- the utilisation of these statistics in a more effective manner; and
- enhancing qualitative and evidence based approaches to social policy development.

The Short Term BiH DUG Roles Within the Project

These short term roles – within the Project context - will focus upon:

- consultations and advice upon project implementation and its direction; and
- the promotion of the DFID Panel Study Project, and Qualitative Studies and their outputs generally.

Thus the BiH DUG will have the purposes of:

- acting as a forum where methodological issues could be raised for resolution at the appropriate level;
- acting as a forum for improvement of data analysis and use;
- a consultative forum to discuss and coordinate capacity development activities; and
- a means of liaison and communication with the Entity DUGs and coordination of statistics institutions (Entity SIs and ASBiH).

Thus, within the Project, the BiH DUG might advise upon:

- support to the DUGs methodologically;
- comment upon State level aspects of the Qualitative Studies and Local Research programme;
- the content of the Annual Report;
- assisting the RSIS and the FOS disseminate Project results at Entity level;
- assisting the ASBiH disseminate the BiH data sets and Qualitative Studies that result from the Project;
- from the technical point of view, the content of the Panel Questionnaire;
- Panel sub-sample selection;
- fieldwork procedures;
- data processing procedures and systems, post-field data cleaning and editing routines;
- sample management and panel maintenance procedures; and
- assistance with coordination, definition of and logistics of training and capacity building.

These roles will naturally evolve into wider activities that will go, in a sustainable way, beyond the framework of the Project.

The BiH DUG Roles Wider than the Project

The wider roles of the BiH DUG are important.

The BiH DUG will potentially have a strategic and guidance role for the statistical and social policy making communities of BiH and the international community. It will in particular facilitate the closer relations and working partnerships between data producers and data users and policy makers at State and Entity level.

Initial discussions with a range of Stakeholders (including: DFID; WB; UNDP; ASBiH; RSIS; FOS) have confirmed the need for a BiH DUG as a vehicle for:

- establishing understanding between the respective statistics “providers” and end users and policy makers, Entity ministries, at the Cantonal (in FBiH) and municipal levels and

institutions at BiH level ensuring the policy relevance of the outputs of the statistical community;

- the establishment of consistency of data outputs, standards and coherence of approach across user groups;
- making strategic plans for the satisfaction of policy makers' data needs in key areas. This would include re-specification of data sets and joint commissioning of specific surveys, approaches to analysis and Qualitative Studies;
- preliminary and more refined analysis of statistical data for social sector purposes;
- supporting the development of samples and standards for analysis of and - in partnership with donors - as local aspects of governance over the Household Budget Survey (HBS), Labour Force Survey (LFS), and other household and other surveys to be carried out in the coming years;
- advocating and contributing to the development of a future census for BiH;
- strengthening the institutional development and technical capacities of the statistical and data using stakeholders, by guiding relevant education and training initiatives for statistics producers and users, with a long term view to enhanced operation at EU levels and standards;
- ensuring a strategic view of statistical development in both entities and at State level, including views of the population census;
- coordinated approaches to donors in terms of seeking funds and guiding their application; and
- coordinated approaches to the development of the PRSP and its implementation, monitoring and evaluation.

The DFID Project supporting the Panel Study, "Labour and Social Policy in BiH: the Development of Policies and Measures", will provide the all the logistical support necessary to the BiH DUG for the duration of the Project just as it services the Entity level DUGs.

The Responsibilities of the BiH DUG

The BiH DUG will:

- guide, supervise, and participate in data analysis and policy development based upon the household survey data, especially from the LSMS in the first instance and subsequently the Panel Survey;
- guide – within overall governance structures the development of the HBS and the LFS – in terms of samples standards and analysis;
- make recommendations for policy deriving from the analysis of the household data sets to the Entity governments and to the State government as appropriate;
- support the dissemination, to the government and administrative structures, agencies and population of BiH, as appropriate, of:
 - results of household and other surveys and other relevant sources of statistics and
 - policy implications of such statistics;
 - different surveys and studies;
- guide the development, overall, of policy friendly statistics in BiH and its entities;
- initiate, guide and oversee seminars and workshops, and hold meetings including wider representatives from entities, cantons (in FBiH) and municipalities and other agencies as appropriate to examine statistics or policy issues of particular interest;
- make recommendations about the content and methodology of other planned survey exercises;
- encourage and support enhanced cooperation between statistical institutions and data users and policy makers in order to derive maximum benefit from the statistical data and analysis;
- maintain links with other scientific and action oriented research;
- comment upon the outputs of the analysis of the LSMS;

- comment upon and contribute to the analysis, focus of and promotion of the Panel Study annual Qualitative Study;
- comment upon the Panel Study Annual Report;
- advise on, guide and participate in education and training and capacity development activities in statistics and related policy development. The BiH DUG will facilitate a practically and task related series of training activities; and
- liaise, as appropriate, with other statistical and related policy initiatives, such as that carried out by the WB's Poverty Reduction Strategy Group and those established for particular purposes and surveys. This would include initiating a coordinated approach to the monitoring and evaluation of the PRSP and similar future initiatives

Approval of the ToRs for the BiH DUG

After consultations at the pre-meeting, these BiH DUG ToRs have been revised and will be discussed again by subsequent meetings until - on a consensus basis, the BiH DUG approves its own ToRs.

Membership of BiH DUG

A list of the membership is attached to these ToRs.

Extra members can be adopted at the suggestion of and by consensus of the members.

Selection and election of BiH DUG Chairperson

At its first meeting, the BiH DUG selected a Chairperson, the Coordinator of the BiH PRSP team. Provision is made for his substitution at an appropriate point.

Timing and frequency of the meetings of the BiH DUG

It is anticipated that the BiH DUG will meet at six monthly intervals, or more frequently if members request.

It is anticipated that the lifespan of BiH DUG will be, at a minimum, up to late 2004, in order that the BiH DUG can contribute to the State level coordination and developmental roles within the DFID Labour and Social Policy Project and to contribute to the outcomes of the Panel Study exercise.

The importance of coordination of data production and utilisation and the focus of the BiH and Entity governments and the international community upon production of appropriate high quality data in BiH suggest a likelihood of a long term future for the BiH DUG.

Appendix C

Summary of Project

**Labour and Social Policy in Bosnia and Herzegovina:
The Development of Policies and Measures for Social Mitigation**

Brief Description of the Project

Background

The UK's Department for International Development (DFID) is supporting a project to address the fundamental issue of the appropriate development of Social Policy in Bosnia and Herzegovina (BiH). The design phase of the project has been completed in partnership with the authorities of BiH, the Federation of Bosnia and Herzegovina (FBiH) and the Republic of Srpska (RS). Birks Sinclair & Associates Ltd. is responsible for managing the implementation phase of the project, which will last for up to four years.

A statistically reliable basis for policy making, particularly in the social sphere, is now a priority for FBiH and RS. Accordingly, the Agency for Statistics of BiH (ASBiH), the Republika Srpska Institute for Statistics (RSIS) and the Federal Office of Statistics (FOS) are embarking on a series of household surveys. The purposes of the DFID project are to:

- support the Household Surveys with a Panel Study to produce longitudinal data over three years, with a base point of the Living Standards Measurement Survey (LSMS) of 2001; and
- enhance the framework within which social policy is made.

DFID will support the Statistical Institutions (SIs) responsible for statistical analysis and reporting, and strengthen the policy making function at Entity and State level.

Objectives

The proposed project objective is to strengthen labour and social policies to mitigate the social effects of privatisation, enterprise restructuring, unemployment and social exclusion.

The purposes of the project are to generate longitudinal Panel Survey data on employment trends and on the impact of social policies for the years of 2001, 2002 and 2003, and to strengthen the responsible State and Entity SIs.

Activities

In the context of BiH, the ability to track transitions over time, as the labour market is restructured and privatisation introduced, will be critical for the formulation of social policy and measures to mitigate some of the potentially damaging effects of privatisation on the welfare of individuals and families.

As a base point in 2001, the LSMS will provide a measure of incomes and welfare for a nationally representative sample of BiH at one time point. The Household Survey Panel Series (HSPS) will provide longitudinal data to track change for individuals and families over a three-year period to 2003.

The project will achieve this by assisting SIs to acquire and analyse both qualitative and quantitative information on:

- trends in unemployment, underemployment and employment;
- social data on linkages between labour and social policies and welfare; and
- strategies for supporting social mitigation through the development and implementation of practical measures to reduce income poverty and social exclusion.

Birks Sinclair in partnership with the Institute of Social and Economic Research (ISER) and the Independent Bureau for Humanitarian Issues (IBHI) will be responsible for supporting the development, dissemination and communication of analytical results deriving from the project.

In addition to assisting the SIs in their data acquisition, the project team will also train and empower the staff at all three SIs, thus enabling them to conduct both qualitative and quantitative research effectively in the future. The project team will also support DUGs in each Entity and at State level, which will interpret Panel data from a policy perspective, and assist refinement of more effective social policy.

Outputs

There are four main outputs from the project, over the four years of its operation:

1. enhanced social policy making capacity;
2. strengthened capacity of State and Entity level SIs;
3. development of longitudinal Panel data on employment trends and social policy; and
4. an improved capacity to analyse longitudinal data within BiH.