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**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
Final Report**

**DRAFT
FINAL REPORT
for
DUG MEMBER COMMENTS
and
STAKEHOLDER DISCUSSION**

A BACKGROUND FOR POLICY DEVELOPMENT

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The Report itself was authored by Dr Heather Laurie and Dr 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
BiHDS	BiH Medium Term Development Strategy
DFID	Department for International Development
DUG	Data Users Group
FBiH	The Federation of Bosnia and Herzegovina
FOS	The Federal Office of Statistics
HBS	Household Budget Survey
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>)
LFS	Labour Force Survey
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)
NSM	New Sample Member
OSM	Old Sample Member
RS	The Republika Srpska
RSIS	The Republika Srpska Institute for Statistics
SI	Statistical Institution
WB	World Bank

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Executive Summary

The Household Survey Panel Series (known as the “Living in BiH” survey) has conducted interviews with around 3000 household in BiH over the last three years, 2001 - 2003.

The resulting panel data set provides the first longitudinal data for BiH and is a unique data source for monitoring change over time across a range of areas important for policy development, and especially in relation to the BiH Development Strategy (BiHDS) or PRSP.

Over the three years of the survey, the main findings suggest that there has been an overall improvement in living conditions and the labour market situation in BiH:

- unemployment has fallen over the period;
- employment rates for the working age population have risen; and
- mean household income levels for BiH have increased, mainly due to increases in income from employment sources.

People’s housing situation also seems to have shown signs of improvement, with fewer people living in temporary types of accommodation and moving to more permanent situations. Access to new technologies such as the internet and mobile telephones has grown rapidly over the past few years, providing opportunities for personal and business development.

Despite these improvements areas of concern for social policy remain:

- A significant proportion of households still do not have access to basic facilities essential for public health such as indoor running water and sewerage.
- Education levels remain low for the majority of the population, while those with higher qualifications do significantly better in terms of employment, income and standard of living than those with lower levels of qualifications.
- A significant proportion of households are in poverty over the three year period with relatively few managing to make the transition out of poverty.

Making and monitoring progress in these areas will be key to the implementation of the BiHDS.

While general standards of living and the labour market situation have improved in BiH, there is some evidence that the F BiH has, on the whole, fared better over the past few years than the RS.

Income levels have remained fairly static in the RS while they have improved in the FBiH, despite the fact that both entities have seen an increase in employment and a decrease in unemployment. This suggests some evidence of a growing gap in living standards and opportunities between the entities. Without further years of panel data, it cannot be said whether this trend will continue or not. Nonetheless, it does raise a number of policy implications which will need to be considered over the coming years.

Living in BiH

Panel Study Final Report

DRAFT FOR STAKEHOLDER DISCUSSION AND POLICY DEVELOPMENT

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 in particular following the acceptance of the BiHDS. 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;
- provides an established methodology of monitoring progress towards social and economic goals as embodied in the BiHDS; and
- supports the Statistical Institutions (SIs) responsible for statistical analysis, monitoring 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 Living Standards Measurement Survey (LSMS) and which will be continued through the:

- Household Budget Survey (HBS);
- Labour Force Survey (LFS); and
- potentially by further rounds of this panel survey

BiH is experiencing rapid change, following recovery from the war, in accelerating transition to a market economy and in the acceptance of a pro poor basis for medium term planning. 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;
- as the labour market is restructured; and
- the BiHDS is brought into implementation

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. It is also deliberately largely descriptive, and 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. It provides a unique data resource for further analysis, as well as a platform for policy monitoring, especially in the context of the BiHDS and the need to further pro poor initiatives to further EU accession developments and more generally in the development of evidence based policy.

The report covers seven main themes. These are:

- Demographic and social situation in BiH;
- Housing, migration and geographical mobility;
- Employment and unemployment;
- Income;
- Poverty dynamics;
- 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 demonstration 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 report represents; and
- strong pointers for empirically and evidence based policy development.

The emphasis of analysis and data tabulation is deliberately based, at this stage, upon the entity level - this is because of the constitutional vesting of responsibility for social policy making at entity level. The data - publicly available are also amenable to state level analysis.

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 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 & Associates Ltd. (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 draft is subject to comments and contributions from the members of all three DUGs, after which a more generally available version will be published.

This report is based on panel data from Waves (years) 1, 2 and 3 of the “Living in BiH” panel survey. The panel survey sample is made up of over 3000 households drawn from the LSMS conducted by the World Bank in co-operation with the SIs in 2001. Approximately half the households interviewed on the LSMS were selected and carried forward into the panel survey. These households were re-interviewed for second time in 2002 and again in September 2003. We now have a panel of three years of interviews where the same individuals are re-interviewed at consecutive time points. (See Appendix A for a full description of the panel design, sample selection and fieldwork procedures.)

Wave 3 response outcomes

The panel survey has enjoyed high response rates throughout the three years of data collection with the wave 3 response rates being slightly higher than those achieved at wave 2. At wave 3, 1650 households in the FBiH and 1300 households in the RS were issued for interview. Since there may be new households created from split-off movers it is possible for the number of households to increase during fieldwork. A similar number of new households were formed in each entity; 62 in the FBiH and 63 in the RS. This means that 3073 households were identified during fieldwork. Of these, 3003 were eligible for interview, 70 households having either moved out of BiH, institutionalised or deceased (34 in the RS and 36 in the FBiH).

As Table 1.1 shows, interviews were achieved in 96% of eligible households, an extremely high response rate by international standards for a survey of this type.

Table 1.1 Wave 3 Response outcomes for eligible households by entity

	Entity		
	RS %	FBiH %	Total BiH %
Interviewed household	98.3 (1305)	93.9 (1573)	95.8 (2878)
Untraced mover	0.8 (11)	1.0 (16)	0.9 (27)
Non-interviewed	0.8 (11)	5.2 (87)	3.3 (98)
Total N	1327	1676	3003

In total, 8712 individuals (including children) were enumerated within the sample households (4796 in the FBiH and 3916 in the RS). Within in the 3003 eligible households, 7781 individuals aged 15 or over were eligible for interview with 7346 (94.4%) being successfully interviewed. Within co-operating households (where there was at least one interview) the interview rate was higher (98.8%).

Table 1.2 Wave 3 Response outcomes for eligible individuals by entity

	Entity		
	RS %	FBiH %	Total BiH %
Interviewed	97.6 (3388)	90.2 (3958)	93.5 (7346)
Non-interviewed	2.4 (82)	9.8 (429)	6.5 (511)
Total N	3470	4387	7857

A very important measure in longitudinal surveys is the annual individual re-interview rate. This is because a high attrition rate, where large numbers of respondents drop out of the survey over time, can call into question the quality of the data collected. In BiH the individual re-interview rates have been high for the survey. The individual re-interview rate is the proportion of people who gave an interview at time t-1 who also give an interview at t. Of those who gave a full interview at wave 2, 6653 also gave a full interview at wave 3. This represents a re-interview rate of 97.9% - which is extremely high by international standards. When we look at those respondents who have been interviewed at all three years of the survey there are 6409 cases which are available for longitudinal analysis, 2881 in the RS and 3528 in the FBiH. This represents 82.8% of the responding wave 1 sample, a retention rate which is again high compared to many other panels around the world¹.

This report, for comment and discussion, tabulates analysis of wave 3 LiBiH Panel data, using the longitudinal weights generated at wave 2 of the panel survey to take account of non-response and attrition. Given the high re-interview response rates at wave 3 of the panel (of some 96 percent); the interpretation of the wave 3 findings and results is not affected. Some of the numbers of cases in the tables may vary slightly when the wave 3 weights are applied, but differences are very small. .

The LiBiH wave 3 data bases for the state and the two entities, including weights for differential response and attrition between waves 2 and 3, are available on and can be downloaded from the SI websites.

¹ Note that all results presented throughout this report are weighted to account for sample selection probabilities at wave 2. The numbers reported in the tables which follow are therefore the weighted sample numbers. The tables report cases with valid responses only.

2. Demographic and social situation in BiH

Key Findings

- *At all three years of the survey, 2001 - 2003, the distributions of age, sex and marital status are similar.*
- *Those living in the RS are more likely than those living in the FBiH to be self-employed, be doing seasonal work, have fixed term contracts or to be working in a family business.*
- *Aggregate levels of unemployment in BiH have decreased over the three years by some three percent, a change which seems to be mainly due to an increase in self-employment and a slight reduction in the percentage describing themselves as a 'housewife'. This suggests more women with families may be starting to enter the labour force.*
- *Around 25% of people in BiH have no educational qualifications and only 3% have university level qualifications.*
- *5% of respondents in the RS and 7% of those in FBiH had gained a qualification between 2002 and 2003. These were primarily younger people and students.*
- *The trend over the three years suggests an increase in home ownership and, to a lesser extent, rented accommodation. The percentage of people in temporary accommodation has decreased and tenancy right holders have virtually disappeared over this period.*
- *Households in the RS are more likely than those in FBiH to have two or more people in employment in the household.*
- *30% of households in BiH had no-one in paid employment at the time of the survey in 2003.*
- *Households in FBiH are generally better off in terms of mean household income from all sources. This seems to be mainly due to higher levels of income from employment in FBiH.*

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

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 all waves.

Table 2.1 Key demographic variables Waves 1 to 3 (all interviewed adults including new entrants at Waves 2 and 3)

		Entity								
		RS %			FBiH %			Total BiH %		
		W1	W2	W3	W1	W2	W3	W1	W2	W3
Sex	Male	49.9	50.3	49.2	47.2	47.2	47.0	48.4	48.6	48.0
	Female	50.1	49.7	50.8	52.8	52.8	53.0	51.6	51.4	52.0
Age	15 - 24	18.2	18.3	17.6	19.8	19.7	19.7	19.1	19.1	18.7
	25 - 34	15.4	15.4	15.8	16.4	16.1	16.0	16.0	15.8	15.9
	35 - 44	16.6	15.8	15.3	18.8	17.8	17.8	17.8	16.9	16.6
	45 - 54	18.5	18.3	18.9	16.3	16.5	16.5	17.3	17.3	17.6
	55 - 64	14.1	14.2	13.7	13.4	13.2	13.4	13.7	13.7	13.5
	65 and over	17.1	18.1	18.7	15.5	16.6	16.7	16.2	17.3	17.6
Marital Status	Single	30.2	28.2	27.8	30.1	27.8	27.3	30.1	28.0	27.5
	Married	57.4	58.4	57.9	57.3	58.7	58.6	57.4	58.5	58.3
	Widow/er	10.6	11.4	12.3	11.2	11.6	11.6	10.9	11.5	11.9
	Divorced/separated	1.8	2.0	1.9	1.4	1.9	2.3	1.6	1.9	2.1
Employment status*	Employee	26.5	25.1	25.9	22.9	23.9	24.6	24.5	24.4	25.2
	Self-employed	4.7	7.1	7.0	2.4	3.6	4.3	3.4	5.2	5.6
	Fixed term/seasonal worker	1.8	2.1	1.8	1.3	1.5	1.6	1.5	1.8	1.7
	In family business	2.5	3.4	2.4	0.8	1.6	1.6	1.6	2.4	2.0
	Housewife	18.4	18.2	17.5	23.7	20.9	20.6	21.4	19.7	19.2
	Student	8.2	8.4	8.3	10.1	9.7	10.8	9.3	9.1	9.7
	Pensioner	14.6	13.0	15.8	17.0	17.4	17.3	15.9	15.4	17.3
	Unemployed	19.8	18.2	17.6	19.4	17.3	16.6	19.6	17.7	16.6
	Military service	0.2	0.1	0.2	0.3	0.3	0.2	0.3	0.2	0.2
	Unable to work	3.3	4.3	3.5	2.1	3.4	2.5	2.7	3.8	2.5

Note that employment status is the subjective report by the individual i.e. what 'best' describes their current status. Includes all sample members.

When we look at current employment status, those in the RS report consistently higher levels of self-employment, fixed term contract or seasonal work and also working in the family business at all three years (2001 to 2003) than those living in FBiH. However, the trend suggests that levels of self-employment are increasing in the FBiH, with 4.3% being self-employed at wave 3 compared to 2.4% at wave 1. This does not appear to be due to any decrease in the percentage of employees but to moves into self-employment from other non-employed categories. Both entities have a decreasing proportion of respondents reporting themselves as a 'housewife' and the trend suggests that the level

of unemployment has also decreased over the three years by around 3%. This not accounted for by those 'unable to work' as this remains fairly similar over the three years showing no clear trend. Both entities maintain similar percentages of students and pensioners across the three years.

Table 2.2 gives the level of qualifications held by those interviewed at each of the three waves. Overall, the highest level of qualification remains fairly stable over the period. In the FBiH the trend suggests a slight decrease in the proportion with no qualifications at all or primary level only and a slight increase in the percentage with secondary, junior college or university level qualifications. At wave 1, 48.5% of respondents in FBiH had secondary level or higher qualifications and at wave 3 just over half 51.2% had secondary level or higher, an increase of 2.7%. Most of this trend seems to be due to an increase in the percentage with secondary level qualifications, rather than junior college or university level qualifications. In the RS, 4.9% of respondents had gained a qualification of some kind in the last year and in the FBiH 6.7% had done so. Most of those gaining qualifications were students and those aged 15 to 24 years, presumably through completing or partially completing educational courses they were doing over the period.

Table 2.2 Highest educational qualification (all interviewed)

	Entity								
	RS %			FBiH %			Total BiH %		
	W1	W2	W3	W1	W2	W3	W1	W2	W3
No qualifications	23.8	22.9	26.1	26.1	25.3	23.0	25.1	24.3	24.4
Primary school certificate	27.7	27.8	26.0	25.4	25.1	25.8	26.4	26.3	25.9
Secondary school certificate	43.0	43.5	42.2	42.3	43.2	44.6	42.6	43.3	43.5
Junior College	3.0	3.1	2.9	2.9	2.9	3.0	2.9	3.0	2.9
Undergraduate diploma/higher degree	2.6	2.7	2.8	3.3	3.5	3.6	3.0	3.1	3.3
Total N	3501	3501	3069	4635	4637	3722	8136	8138	6791

Table 2.3 shows the legal status of dwellings at each of the three years of the survey. The overall trend suggests quite a marked increase in ownership or co-ownership of property over this period. At wave 1, 70.1% of households owned their dwelling but by wave 3, 81.1% were owners, an increase of over 10%. The levels of home ownership in the RS are consistently lower over the three years than in the FBiH but the increase in ownership is greater in the RS than the FBiH over the three years. In the RS, home ownership has increased by 15.3% compared to the FBiH which had an increase of 7.7%.

Temporary accommodation was the second largest type of tenancy arrangement in both entities at waves 1 and 2 but over the three years the trend is downwards. By wave 3 the percentage in temporary accommodation for BiH as a whole had fallen to 4.9% from 13.8% at wave 1 and 8.1% at wave 2. This trend can be seen in both entities with 7.2% of households being in temporary accommodation at wave 3 in the RS and 3.1% in the FBiH. The RS has had a greater percentage fall

in temporary accommodation, down 8.9% over the three years with the FBiH levels falling by 6.5%. In contrast, the trend in the rented sector seems to have seen an increase over the three years with 4.4% being in rented accommodation at wave 3 compared to just 1.9% at wave 1. The increases in home ownership and in rented accommodation may signal a gradual shift towards households having more permanent housing arrangements as the level of temporary accommodation decreases. By wave 3 just 1.5% of households were in illegal occupation of a property or in emergency accommodation of some kind. The proportion of tenancy right holders has almost completely disappeared over the three year period as the right to buy policy has encouraged these households to purchase the dwelling.

Table 2.3 Legal status of dwelling, Waves 1 to 3.

	Entity								
	RS %			FBiH %			Total BiH %		
	W1	W2	W3	W1	W2	W3	W1	W2	W3
Owned/ co-owned outright	62.1	69.6	77.4	76.4	79.9	84.1	70.1	75.2	81.1
Under privatisation	2.4	2.5	1.9	4.0	1.8	1.0	3.3	2.2	1.4
Tenancy right holder	7.8	1.8	0.7	1.2	1.1	0.5	4.1	1.5	0.6
Rented	2.5	6.1	5.9	1.5	2.6	3.1	1.9	4.2	4.4
Temporary accommodation	19.1	11.6	7.2	9.6	5.2	3.1	13.8	8.1	4.9
Free from family/friends	3.4	5.0	4.9	5.2	7.4	6.2	4.4	6.3	5.6
Illegal occupation	0.9	1.6	0.6	1.0	1.3	0.6	1.0	1.4	0.6
Emergency lodging/refugee centre	1.1	0.8	0.9	0.6	0.4	0.9	0.8	0.6	0.9
Other	0.7	0.8	0.6	0.4	0.3	0.4	0.9	0.5	0.5
Total N	1318	1299	1153	1681	1580	1439	2999	2879	2592

For BiH as a whole the mean number of people, including children under 16, living in a household at wave 3 was 3.29, only slightly smaller than the mean at wave 2 of 3.33 people. 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 waves 2 and 3.

Table 2.4 Household size - Number of people, adults and children aged under 15 in enumerated households Waves 2 and 3

	Entity					
	RS %		FBiH %		Total BiH %	
	W2	W3	W2	W3	W2	W3
<i>Number people</i>						
One	15.1	16.7	14.2	14.0	14.6	15.1
Two	20.4	19.9	22.3	23.4	21.5	21.9
Three	19.9	20.9	17.6	17.1	18.6	18.8
Four	22.8	21.3	24.4	24.2	23.7	22.9
Five	12.7	12.4	11.4	11.3	11.9	11.7
Six or more	8.9	8.9	10.1	10.0	9.7	9.6
Mean (Std. Dev)	3.31 (1.678)	3.24 (1.667)	3.34 (1.693)	3.33 (1.712)	3.33 (1.686)	3.29 (1.693)
Total N	1335	1109	1715	1439	3050	2548

<i>Number aged 15 or over</i>						
One	15.8	17.5	15.5	15.3	15.6	16.3
Two	29.9	29.7	36.9	37.0	33.8	33.8
Three	24.8	24.3	20.9	20.7	22.6	22.3
Four	19.3	18.8	17.7	18.2	18.4	18.5
Five	7.8	7.7	5.9	6.0	6.7	6.7
Six or more	2.3	2.0	3.0	2.7	2.8	2.5
Mean (Std. Dev)	2.82 (1.314)	2.76 (1.285)	2.73 (1.340)	2.73 (1.329)	2.77 (1.329)	2.74 (1.310)
Total N	1334	1109	1715	1439	3049	2547
<i>Number aged under 15</i>						
None	70.0	70.5	63.2	63.7	66.2	66.7
One	15.0	14.7	17.5	17.2	16.4	16.1
Two	11.2	11.3	15.2	14.9	13.4	13.3
Three or more	3.7	3.6	4.2	4.2	3.9	4.0
Mean (Std. Dev)	0.49 (0.853)	0.48 (0.853)	0.61 (0.916)	0.60 (0.905)	0.58 (0.891)	0.55 (0.884)
Total N	1335	1109	1715	1439	3050	2548

Table 2.5 shows the number of persons employed in households at wave 3 by entity. In terms of numbers within each household who were in paid employment at wave 3 for BiH as a whole, there is little difference from wave 2 in the proportion of households where there is no-one in employment. The pattern is not the same in each entity however with the RS showing a slight increase in the proportion of households with no-one in employment and the FBiH a decrease. As at wave 2, the RS were more likely than the FBiH to have two or more people in the household in employment; 23.1% in the RS compared to 17.8% in FBiH.

Where the head of household was aged under 65 years, under a third of households (30.8%) had no-one in paid employment, a decrease from wave 2 where 33.6% of households had no-one in paid employment. The decrease in the proportion of households with no-one in employment over the two years is smaller in the RS than in the FBiH; 1.5% in the RS compared to 4.8% in FBiH. Again, working age households in RS were more likely than those in the FBiH to have two or more working people in the household; 28.6% in the RS and 13.2% in the FBiH.

Table 2.5: Numbers of employed in household.

<i>Number people employed</i>	Entity					
	RS %		FBiH %		Total BiH %	
	W2	W3	W2	W3	W2	W3
None	40.5	42.2	47.5	45.6	44.5	44.1
One	37.1	34.7	35.5	36.5	36.2	35.7
Two	18.3	18.7	14.4	15.3	16.1	16.8
Three or more	4.1	4.4	2.6	2.5	3.2	3.4
Mean (Std. Dev)	0.87 (0.882)	0.86 (0.894)	0.72 (0.813)	0.75 (0.818)	0.79 (0.847)	0.80 (0.854)
Total N	1335	1166	1714	1440	3049	2606

Number people employed (hoh under 65)						
None	28.8	27.0	37.3	33.5	33.6	30.8
One	42.8	41.7	42.0	43.3	42.3	42.7
Two	23.1	25.1	17.3	19.7	19.8	22.0
Three or more	5.3	6.1	3.4	3.5	4.2	4.6
Mean (Std. Dev)	1.06 (0.887)	1.11 (0.900)	0.87 (0.828)	0.93 (0.829)	0.95 (0.859)	1.01 (0.864)
Total N	969	733	1286	1015	2256	1748

The mean household income from employment and non-employment sources is given in Table 2.6 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 525 KM per month. Households with income from employment are better off than those without employment income in both entities. In both entities, we see an increase in the mean income from employment and a decrease in income from non-employment sources. The overall effect on total mean income from all sources is not large, however, as the increase in income from employment is balanced out by the fall in non-employment income.

Table 2.6 Mean household usual monthly income from employment and non-employment sources - Waves 2 and 3

Source of income	Entity					
	RS (KM)		FBiH (KM)		Total BiH (KM)	
	W2	W3	W2	W3	W2	W3
Employment*	479.72 (449.20) <i>691</i>	513.61 (419.04) <i>546</i>	660.96 (528.37) <i>886</i>	744.39 (637.98) <i>787</i>	581.50 (503.18) <i>1577</i>	649.89 (570.04) <i>1332</i>
Non-employment**	219.53 (321.75) <i>670</i>	173.17 (178.23) <i>569</i>	326.19 (307.73) <i>929</i>	249.29 (175.24) <i>796</i>	281.52 (319.09) <i>1599</i>	217.55 (180.38) <i>1365</i>
Gifts, services in kind from within BiH	45.75 (68.51) <i>198</i>	48.98 (64.84) <i>176</i>	101.28 (183.44) <i>290</i>	61.86 (91.95) <i>267</i>	78.76 (150.38) <i>487</i>	56.74 (82.41) <i>442</i>
Remittances from abroad	74.59 (102.94) <i>256</i>	78.61 (103.44) <i>190</i>	89.00 (144.60) <i>279</i>	121.44 (200.32) <i>245</i>	82.11 (126.50) <i>535</i>	102.75 (166.38) <i>435</i>
Gifts, services in kind from charities, humanitarian organisations	19.37 (38.65) <i>33</i>	15.48 (15.95) <i>9</i>	33.18 (54.82) <i>37</i>	55.33 (178.22) <i>20</i>	26.73 (48.12) <i>70</i>	42.52 (147.05) <i>29</i>
Total employment and non-employment	435.58 (467.89) <i>1060</i>	416.27 (398.38) <i>910</i>	591.82 (538.36) <i>1497</i>	596.18 (578.99) <i>1315</i>	527.04 (516.00) <i>2557</i>	522.60 (520.34) <i>2225</i>
Total all sources	423.84 (452.04) <i>1211</i>	409.73 (394.75) <i>982</i>	590.86 (549.56) <i>1601</i>	608.97 (583.70) <i>1365</i>	518.94 (516.44) <i>2813</i>	525.60 (522.41) <i>2347</i>

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.

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 sections 5 and 6.

3. Housing, migration and geographical mobility

Key Findings

- *65% of households in BiH reported having one or more problems with their current housing conditions.*
- *14% of households in BiH do not have running water in their accommodation and 18% percent have no sewerage.*
- *The percentage of households with access to the internet doubled between 2002 and 2003 and mobile phone ownership also doubled over this period.*
- *Mean housing costs per month increased in the FBiH between 2002 - 2003 but remained the same in the RS.*
- *Some suggestion that as mean incomes rise in the FBiH the cost of living is also rising, with expenditure on food and essential items increasing in the FBiH between 2001 - 2003.*
- *A non-monetary hardship scale suggests that households in the RS are generally worse off than those in the FBiH.*
- *The one third of households who have four or more problems with the condition of their accommodation have the lowest mean incomes and score worst on the hardship scale so suffer from multiple sources of deprivation.*
- *8% of people in BiH moved house between 2002 and 2003. Of those who said in 2002 that they expected to move in the coming year, only half had done so by the time of the interview in 2003.*
- *Changes in housing tenure between 2001 and 2003 suggest that households in BiH are moving towards more permanent types of tenure status as the levels of temporary and illegal occupations fall.*

This section looks at housing conditions, access to facilities, some non-monetary hardship indicators, changes in housing tenure and geographical mobility over the years of the survey.

Table 3.1 gives details of housing conditions and access to facilities in the RS and FBiH at waves 2 and 3. Overall, housing conditions, access to water and sewerage seem similar at both years. Around 15% of households reported living in inappropriate or devastated conditions at both years, with a higher proportion of RS households reporting inappropriate conditions than in the FBiH. In total 85% of households in BiH had running water but 16.1% of RS households and 13% of FBiH households relied on getting water from a standpipe or well. Under three quarters of households in the RS had sewerage from either the public system or a septic tank at wave 3 with the remainder having no sewerage or a latrine only. In the FBiH 12% of households had no sewerage at each year.

Access to a telephone was higher for households in the FBiH (78.3%) than the RS (58.4%). Having a mobile phone increased markedly over the one year between interviews in both entities even though the increase was larger in the FBiH than in the RS. At wave 2 just 16% of households in the FBiH reported having a mobile phone compared to 42.1% at wave 3, more than doubling the number of households with mobiles. Similarly in the RS, 34.4% had a mobile phone at wave 3 compared to 18.3% at wave 2.

The penetration of the internet also increased over the period with 7.5% of households having access to the internet from home at wave 3 compared to 3.3% at wave 2. This trend can be seen in both entities even though more households in the FBiH (9.3%) have access to the internet than in the RS (5.3%).

The rate of increase in these relatively new technologies is rapid, doubling the proportion of households with internet access over the one year period between interviews. While you would expect this increase to continue over the next few years, there may be a point where the potential market for these new technologies is saturated. In the UK for example, the penetration of access to the internet from home has now reached around 40% of households from a base of only 4% in the mid 1990's. So the data suggest that BiH has started the process of catching-up with other countries in Europe in this regard.

Levels of car ownership have remained fairly stable, even though the proportion of households in FBiH who have access to a car or van increased to just under 40% across the period 2002-2003.

Table 3.1 Housing conditions and access to facilities - Waves 2 and 3 by entity

	RS %		FBiH %		Total BiH %	
	W2	W3	W2	W3	W2	W3
Housing condition						
Very good	20.9	20.6	29.8	28.2	25.9	24.8
Appropriate for living	54.9	54.3	54.6	57.5	54.7	56.1
Inappropriate for living	15.0	15.8	8.7	7.4	11.5	11.1
Partly devastated	2.6	2.5	3.2	3.0	2.9	2.8
Major devastation	1.6	1.8	1.0	1.1	1.2	1.4
Under construction	5.0	4.9	2.6	2.8	3.7	3.7
Water source						
Running water in unit	82.6	83.9	91.0	87.0	87.3	85.6
Standpipe or well	17.4	16.1	9.0	13.0	12.7	14.4
Sewerage						
Public sewer/septic tank	75.8	73.5	87.9	88.0	82.6	81.7
No sewerage/latrine	24.2	26.6	12.1	12.0	17.4	18.3
Access to telephone						
Own phone	58.7	55.0	72.5	72.7	66.4	64.8
Shared phone	3.8	3.4	6.1	5.6	5.1	4.6
Public phone	0.1	n/a	0.3	n/a	0.2	n/a
No phone	37.4	41.6	21.0	21.7	28.2	30.6
Has mobile phone						
Yes	18.3	34.4	16.0	42.1	17.0	38.7
No	81.7	65.6	84.0	57.9	83.0	61.3
Has internet access						
Yes	2.3	5.3	4.1	9.3	3.3	7.5
No	97.7	94.7	95.9	90.7	96.7	92.5
Has car or van						
Yes	38.2	37.6	34.9	39.2	36.4	38.5
No	61.8	62.4	65.1	60.8	63.6	61.5
Total N	1348	1153	1707	1439	3055	2592

Note: If living in same property as the previous year, these questions were not asked. If in same property, the previous wave response reported.

Housing costs remained stable across the two waves even though the pattern at wave 2, where rents were higher in the RS than in the FBiH, had reversed by wave 3. On average, rents seem to have increased in the FBiH, whilst they have not in the RS (Table 3.2). For BiH as a whole, the average monthly rent was 161 KM but in the RS was 156 KM per month compared to 168 KM in FBiH.

The mean weekly travel costs for households fell slightly in both entities.

Reported weekly food expenditure remained slightly higher in the FBiH than in the RS and the mean expenditure fell slightly in the RS but rose a little in the FBiH. This may be due to higher mean income levels for households in the FBiH which enables higher levels of expenditure on food but may also be caused by differences in the cost of living and staple food items between the two entities. On average, households in the RS were spending 41 KM per week on food compared to 61 KM per week in the FBiH.

The overall picture is that housing, travel and food costs are fairly similar for households in both entities even though there is some suggestion that the cost of living for basic items such as food and rent may be increasing at a faster rate in the FBiH than in the RS. Further data from the coming years would be needed to see if this trend continues. One scenario may be a growing gap between mean household income levels and the cost of living within each entity, something which may make mobility within BiH more difficult for some types of people or households in the longer term.

These types of regional and state differences have policy implications for the basic infrastructure of the state and the development of policies for employment, housing, transport and health and education services.

Table 3.2 Mean monthly rent, weekly travel expenses and weekly food expenditure - Waves 2 and 3

	Entity					
	RS		FBiH		Total BiH	
	KM		KM		KM	
	W2	W3	W2	W3	W2	W3
Mean monthly rent*	153.94	155.99	135.98	167.84	147.25	161.26
	<i>101</i>	<i>70</i>	<i>60</i>	<i>56</i>	<i>161</i>	<i>126</i>
Mean weekly travel costs	27.80	25.39	28.80	26.37	28.36	25.96
	<i>937</i>	<i>803</i>	<i>1187</i>	<i>1136</i>	<i>2124</i>	<i>1939</i>
Mean weekly food expenditure	47.12	41.14	55.67	60.81	51.78	52.05
	<i>1278</i>	<i>1129</i>	<i>1533</i>	<i>1404</i>	<i>2811</i>	<i>2533</i>

* Excludes those living in rent free accommodation

Hardship scale

Table 3.3 shows the results of a non-monetary hardship scale. The question was asked “*If you wanted to, could you afford to...*” and then six activities including:

- a) *Have friends or family for a drink or meal at least once a month*
- b) *Pay for a weeks annual holiday away from home*
- c) *Replace worn out furniture*
- d) *Buy new, rather than second hand clothes*
- e) *Eat meat, chicken or fish at least every second day*
- f) *Keep your house adequately warm*

The responses were summed to give a scale ranging from zero (can afford to do none of the activities) to six (can afford to do all of the activities). The proportion of households that could afford to do none of the activities in the RS was twice that of the FBiH, whilst the proportion in the FBiH who could afford to do five or six of the activities was twice that of the RS. The proportions who could afford between one and four of the activities was similar in both entities. The mean number of activities which could be afforded in the FBiH was 3.0, compared to 2.4 in the RS.

Table 3.3 Hardship scale

	RS %	FBiH %	Total BiH %
Can afford to do:			
None	22.5	11.2	16.2
1-2	28.2	28.9	28.6
3-4	37.8	37.8	37.8
5-6	11.5	22.1	17.4
<i>N households</i>	<i>1152</i>	<i>1438</i>	<i>2590</i>

Whether or not households can afford to do these activities depends on household income and other characteristics of the household. When we look at housing tenure, except for those living rent free, households in the FBiH are able, on average, to afford to have or do more of the activities than households in the RS (Table 3.4). Those who own all or part of their house are able to afford to do more of these activities than those who rent, something which applies in both entities. Households in temporary accommodation in the RS are most likely to be unable to afford any of the activities and least likely to be able to afford 5-6 of these.

Table 3.4 Hardship scale by housing tenure and entity

	Housing Tenure							
	Own		Rent		Temporary occupant		Rent-free	
	RS %	FBiH %	RS %	FBiH %	RS %	FBiH %	RS %	FBiH %
None	21.2	9.6	21.9	15.4	41.0	15.6	14.3	22.7
1-2	27.2	27.9	37.0	36.5	31.3	24.4	28.6	34.1
3-4	39.1	39.8	27.4	21.2	25.3	28.9	48.2	30.7
5-6	12.5	22.7	13.7	26.9	2.4	31.1	8.9	12.5
Mean	2.51	3.09	2.26	2.73	1.43	3.20	2.60	2.25
N	<i>914</i>	<i>1223</i>	<i>73</i>	<i>52</i>	<i>83</i>	<i>45</i>	<i>56</i>	<i>88</i>

The numbers employed in the household is also associated with the ability to afford to do these activities (Table 3.5). As the number of persons employed in the household increases, so does the proportion able to afford three or more of the listed activities while the proportion of households who cannot afford to do any of these falls. Despite this relationship holding for both entities, households in the RS are still less well-off in terms of this scale than households in the FBiH, regardless of the number employed. In households where three or more people are in employment, over 30% of those in the RS could afford two or fewer activities compared to just 5% of households with three or more people in employment in the FBiH.

Table 3.5 Hardship scale by number of employed persons in household and entity

	Number of employed people in household							
	None		One		Two		Three or more	
	RS %	FBiH %	RS %	FBiH %	RS %	FBiH %	RS %	FBiH %
None	29.3	18.9	20.1	6.3	11.5	2.3	20.4	0.0
1-2	33.7	42.4	28.6	21.7	19.7	9.0	10.2	5.4
3-4	32.2	28.5	36.8	46.3	50.5	42.1	46.9	56.8
5-6	4.8	10.1	14.4	25.7	18.3	46.6	22.4	37.8
Mean	1.89	2.20	2.53	3.38	3.17	4.24	3.21	4.32
N	481	655	402	525	218	221	49	37

As could be expected, households with lower incomes scored worst on the hardship scale. Table 3.6 shows the hardship scale by income quartile and entity. Households in the lowest quartile of income for the whole of BiH were less likely to be able to afford to have or do any of the activities asked about.

In the lowest quartile of income just over a third (34.5%) of RS households and under a quarter (24.8%) of FBiH households could afford none of the activities. In the highest income quartile very few households could afford none (4.3% in the RS and 1.3% in the FBiH). Within each quartile those in the FBiH seem more affluent and able to do more - on average - than those in the RS.

Table 3.6 Hardship scale by income quartile and entity

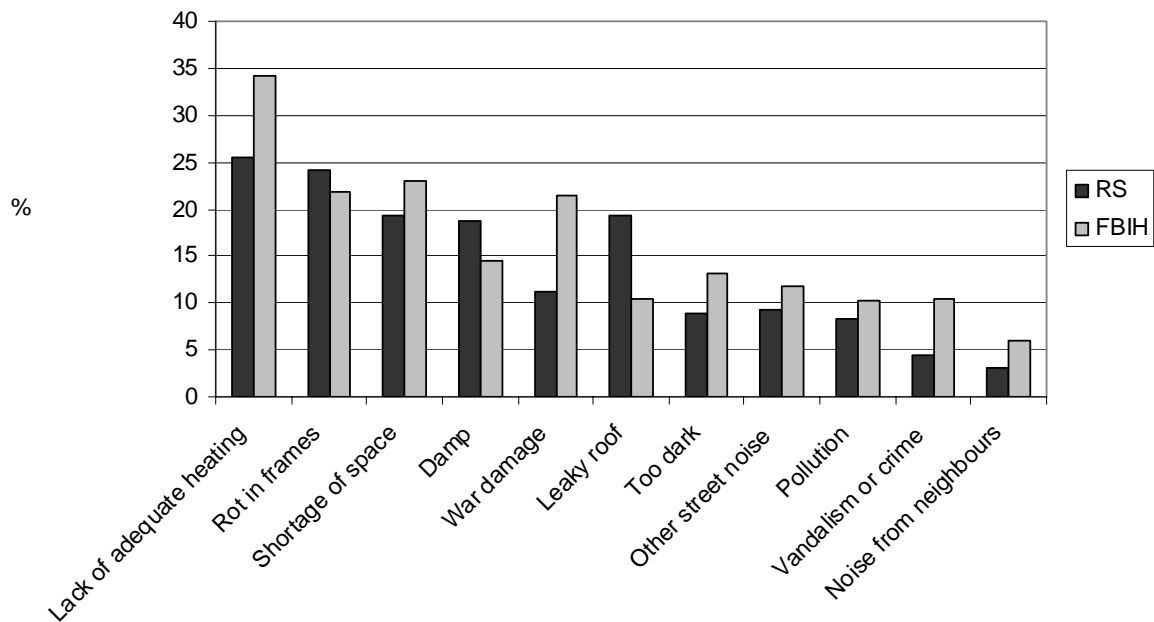
	Income quartile							
	Lowest		Second		Third		Highest	
	RS %	FBiH %	RS %	FBiH %	RS %	FBiH %	RS %	FBiH %
None	34.5	24.8	23.6	16.2	15.5	10.3	4.3	1.3
1-2	29.3	41.0	37.0	39.1	27.0	30.8	14.1	13.2
3-4	30.8	20.7	34.2	34.0	44.2	37.5	48.9	49.1
5-6	5.4	13.5	5.3	10.6	13.3	20.9	32.6	36.3
Mean	1.82	2.09	2.05	2.35	2.75	2.97	3.77	3.97
N	406	222	284	376	278	373	184	468

Respondents were also asked whether they had any difficulties keeping up with housing payments over the past twelve months. Nearly all said that they had not had any difficulties: 95.8% in the RS and 94.6% in the FBiH. Of those who had found it difficult over the past year, under half had to borrow money (44.9% in the RS and 48.1% in the FBiH). Most of those who were finding it difficult had to cut back on other household spending in order to make payments (91.8% in the RS and 94.9% in the FBiH).

Housing conditions

The survey asked about housing conditions and whether the household had any problems with the accommodation (Fig 3.1). The most common problem with accommodation was lack of adequate heating facilities, this was the highest reported problem in both entities but it was particularly common in the FBIH. Shortage of space, war damage, too dark, noise and vandalism or crime were also more common in the FBIH than in the RS. Households in the RS were more likely than those in the FBIH to mention rot in window frames or doors, damp and leaky roof.

Figure 3.1 Proportion of households with problems with their accommodation



A scale of housing conditions was computed ranging from zero, where no problems were reported, up to eleven where there was a problem in each of the areas asked about (Table 3.7). Just over a third of all households (34.9%) reported none of the problems whilst less than one percent (0.6%) reported seven or more problems. The mean number of problems reported across BiH was 1.66. Households in the FBIH reported slightly more problems, on average, than the RS with 1.77 per household compared to 1.52.

Table 3.7 Housing conditions scale

	RS %	FBiH %	Total BiH %
Number of problems:			
None	41.3	29.7	34.9
1	19.1	21.0	20.2
2	13.7	22.8	18.8
3	10.7	10.5	10.6
4+	15.1	15.9	15.5
Mean number	1.52	1.77	1.66
<i>N</i>	1166	1440	2606

Those in rented or temporary accommodation appear to have more problems, on average, with their accommodation than those who own their house (Table 3.8). In all tenure groups, those in the FBiH report having more problems with their accommodation than those in the RS.

However, as we saw in Figure 3.1 above, the type of problems experienced by households in the RS are more likely to be with the basic structure of the accommodation in terms of leaking roofs, rotting doors and windows and damp, rather than other aspects of either the house itself or problems with the immediate surrounding neighbourhood.

Table 3.8 Accommodation problems by housing tenure and entity

	Housing Tenure							
	Own		Rent		Temporary occupant		Rent-free	
	RS %	FBiH %	RS %	FBiH %	RS %	FBiH %	RS %	FBiH %
None	44.8	31.3	27.6	19.2	16.9	20.5	41.1	18.0
1	19.4	21.2	18.4	23.1	19.3	18.2	23.2	22.5
2	12.8	23.3	21.1	26.9	15.7	13.6	14.3	24.7
3	10.3	10.7	9.2	5.8	14.5	9.1	8.9	12.4
4+	12.7	13.6	23.7	25.0	33.7	38.6	12.5	22.5
Mean	1.36	1.66	2.10	2.35	2.74	2.86	1.50	2.23
N	913	1225	76	52	83	44	56	89

Table 3.9 looks at the relationship between having problems with the accommodation and the hardship scale, that is the ability to afford to do the activities mentioned earlier. As might be expected, there is a clear association between the two with those who are able to afford more of the activities in the hardship scale being less likely to have problems with their accommodation. Of those who could afford none of the activities in the hardship scale, 27.5% in the RS and 37.3% in the FBiH had four or more problems with their accommodation.

In contrast, of those who could afford five or six of the activities in the hardship scale, just 3% of households in the RS and 9.1% in the FBiH reported having four or more problems with their accommodation. This relationship holds for both entities even though households in the RS who can

afford to do five or six of the activities are more likely than those in the same situation in the FBiH to have no problems with their accommodation (62.4% compared to 43.7%). Whilst just over three-fifths of those in the RS who can afford five or six of the activities have no problems with their accommodation, only one-fifth (18.2%) of those who can afford none of the activities can say the same about their house. And in the FBiH only 14.3% of those who can afford none of the activities also report having no problems with their accommodation. This suggests that there are a proportion of households in BiH who are less able to afford to do various activities that might be considered part of normal daily living and who also suffer from poor housing conditions. As the households who score badly on the hardship scale also tend to have lower household incomes (Table 3.6) this suggests there are some households suffering from multiple sources of deprivation.

Table 3.9 Problems with accommodation and hardship scale

Accommodation problems	Hardship scale							
	Afford none		One to two		Three to four		Five to six	
	RS %	FBiH %	RS %	FBiH %	RS %	FBiH %	RS %	FBiH %
No problems	18.2	14.3	34.6	20.3	52.0	33.0	62.4	43.7
One	17.4	19.9	16.0	21.7	20.9	21.8	26.3	19.5
Two	16.7	19.3	17.9	27.3	12.0	22.8	5.3	19.5
Three	20.2	9.3	12.7	12.6	6.2	10.6	3.0	8.2
Four or more	27.5	37.3	18.8	18.1	9.0	11.7	3.0	9.1
<i>n</i>	258	161	324	414	435	545	133	318

Geographic mobility

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 3.10 shows some of the characteristics of those who had moved. The characteristics of movers between waves 2 and 3 are similar to movers between waves 1 and 2. Women in both entities were more likely to have moved house than men as were the legally married.

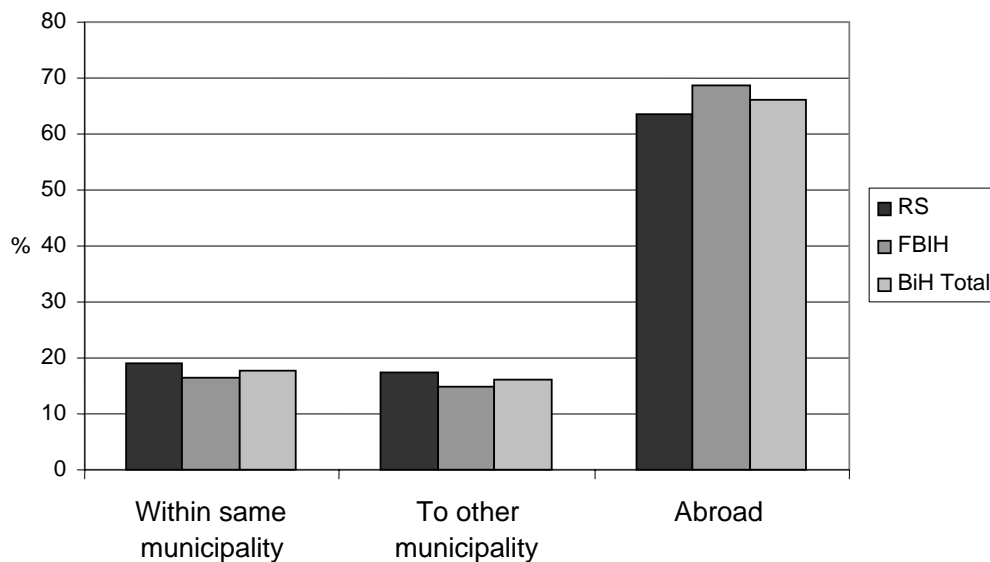
Table 3.10 Characteristics of movers and non-movers between Wave 2 and Wave 3

	RS %		FBiH %	
	Not moved	Moved	Not moved	Moved
Male	49.4	46.9	47.3	38.3
Female	50.6	53.1	52.7	61.7
Single	27.9	27.7	28.0	25.4
Legally married	56.8	58.2	58.2	51.5
Living together	1.1	3.1	0.8	2.4
Widow/er	12.6	9.6	11.3	16.6
Divorced or separated	1.6	1.4	1.7	4.1
<i>n</i>	2803	292	3613	169

When asked whether they wanted to stay in their present neighbourhood or would prefer to move most people said they liked living in their current neighbourhood. Just 17.3 percent of those in the RS and 12.1 percent of those in the FBiH said that they did not like living where they were. In total about three in ten people (30.1%) said that, if they could choose, they would prefer to move somewhere else. This proportion was higher in the RS (34.9%) than the FBiH (26.1%). Of those who wanted to move, two-thirds (66%) would like to move abroad with similar proportions saying they would like to move within the same municipality (17.9%) and another municipality (16.1%) (Figure 3.2).

These preferences do not seem to have changed since wave 2, where similar views were given. Of the one third who want to move, an overseas destination remains the main preference.

Figure 3.2: Preferred destination for those wanting to move - Wave 3.



All respondents were asked whether they expected to move in the coming year and compared to wave 2, fewer expected to move in the coming year. At wave 3, 6.2% of respondents expected to move in the coming year compared to 11.4% at wave 2: 9% in the RS compared to 16.4% at wave 2 and 4% in the FBiH compared to 7.1% at wave 2. Unlike the preferred destination, the main expected destination of any move was within the same municipality. Just under one-fifth (19%) of those expecting to move thought that they were likely to move abroad. This is a slight increase on wave 2 where 15.8% of those expecting to move in the coming year thought they would move abroad. (Fig 3.3)

At wave 2 respondents were asked the same questions on preferences and expectations of moving. This allows us to compare people's expectations with their actual behaviour one year on. Of those who at wave 2 said they preferred to move, 11.9% had moved address by wave 3. This compared

with just 4.5% of those who said that they wanted to stay where they were at wave 2. Respondents were also asked how likely it was they would actually move in the next year. Respondents who, at wave 2, said that they were either very likely or quite likely to move, were in fact more likely to have moved address than those who thought it unlikely (Table 3.11). Even so, over half (54.5%) of those who had said at wave 2 it was very likely that they would move in the coming year had not moved by the time of the wave 3 interview. And of those who said at wave 2 that it was not very likely they would move in the coming year, 12.6% had actually moved by the time of the wave 3 interview.

Figure 3.3: Expected destination for those wanting to move – Wave 3.

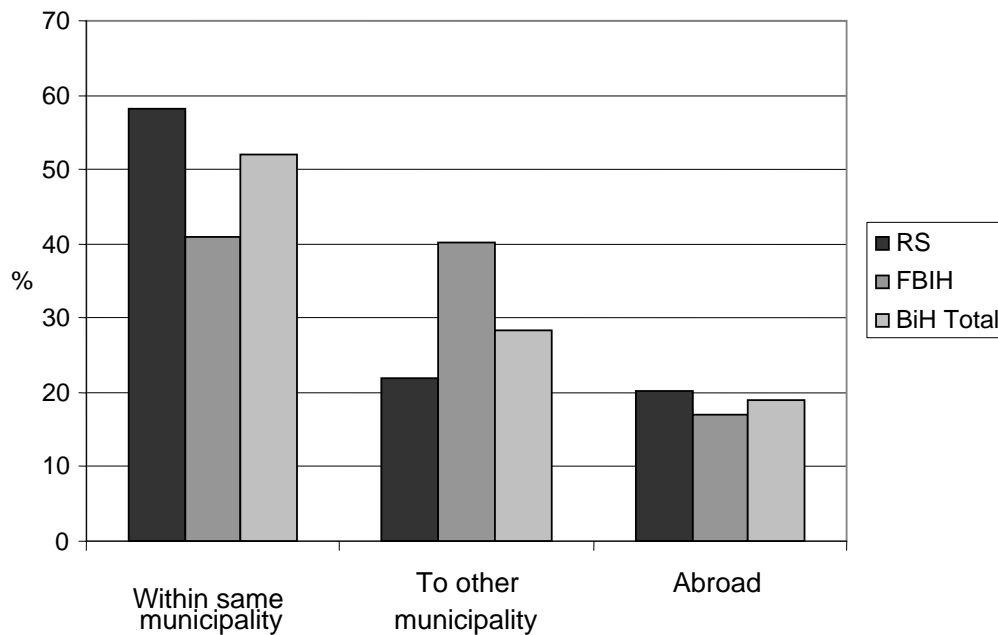


Table 3.11 Expectation of moving and behaviour at wave 3

Likelihood of moving at Wave 2	Moved between waves 2 and 3	Stayed at same place
Very likely	45.5	54.5
Quite likely	27.6	72.4
Not very likely	12.6	87.4
Not likely at all	3.3	96.7
<i>N</i>	448	6228

Changes in housing tenure

Table 3.12 below is a cross-wave matrix of changes in housing tenure between waves 2 and 3 for households where at least one individual from wave 2 was present at wave 3. 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, and 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 97.1% of cases were in accommodation that was owned outright at both years and 35.1% were in accommodation under privatisation at both years. Of those who were under privatisation at wave 2, 60.5% had shifted to the owned outright category at wave 3, none to the tenancy right holder category, under one percent into rented accommodation and 3.5% into temporary accommodation. A similar proportion in the FBiH (96.4%) were owned outright at both years. Those in rented accommodation were the next most stable group in the RS with 59.8% being in rented accommodation at both years. In the FBiH the percentage was 53.4% in rented accommodation at both years.

It is interesting to note that in both entities the proportion who were in temporary accommodation at both waves has fallen sharply. Of those who were in temporary accommodation at wave 1 half were still in temporary accommodation at wave 2, suggesting that for a significant proportion of households 'temporary' may have been a relatively long term status. However between waves 2 and 3, 42.3% of those in temporary accommodation at wave 2 were still in the same status at wave 3 and only one third, 33.6% of FBiH households in this category at wave 2 were still in temporary housing at wave 3.

Table 3.13 shows the changes in housing tenure across the three years of the survey and gives a cross wave matrix from wave 1 to wave 3. The changes over the slightly longer term show some of the features as the year on year changes. Ownership is still the most stable category with 97.5% of RS households and 95% of FBiH households owning their accommodation at both years. The least stable category was tenancy right holder where just 7% of RS households and 2.3% of FBiH households were in that category at both years. The numbers in this category are very small but in both entities the majority had moved into ownership with some in the FBiH moving into temporary accommodation.

Across all tenure types at wave 1, the main move is into ownership by wave 3 followed by moves into rented accommodation. This supports the observation made earlier when looking at the trend in the cross-sectional distributions over the three years, where the percentage of home ownership has increased. As noted earlier, the proportion in tenancy right holder accommodation has fallen sharply with only 7% in the RS and 2.3% in the FBiH of those with this type of tenure at wave 1 still being in this category at wave 3. For most of these cases, they will have taken advantage of the right to buy policy and simply purchased the property.

It is also interesting to note that in the RS, none of those who were in illegal occupation of property at wave 1 were still in illegal occupation at wave 3. In the FBiH just 3.6% were in illegal occupation at both years. Again, the numbers in this category are very small so should be interpreted with care. However, the overall picture suggests that households in both entities have moving to more regular and permanent types of tenure status over the three year period.

Table 3.12 Housing tenure wave 2 by wave 3

<i>Wave 3 Housing Tenure</i>	Wave 2 Housing Tenure							
	<i>%</i>	<i>%</i>	<i>%</i>	<i>%</i>	<i>%</i>	<i>%</i>	<i>%</i>	<i>%</i>
RS	Own outright	Under Privatisation	Tenancy right Holder	Rented	Temp Accom.	Free	Illegal occup.	Emergency Accom.
Own outright	97.1	60.5	47.2	28.9	24.0	41.5	23.1	--
Under privatisation	0.6	35.1	11.3	0.5	1.6	--	--	1.9
Tenancy right holder	0.2	--	26.4	--	--	--	--	--
Rented	0.2	0.9	3.8	59.8	16.7	8.2	10.3	--
Temporary accommodation	0.4	3.5	--	4.9	42.9	10.1	17.9	54.7
Uses free of charge	1.1	--	7.5	4.4	8.7	39.6	5.1	11.3
Illegal occupation	--	--	--	--	0.7	0.6	35.9	--
Emergency accommodation	--	--	--	--	4.8	--	--	32.1
<i>Total N</i>	<i>2466</i>	<i>114</i>	<i>53</i>	<i>204</i>	<i>438</i>	<i>159</i>	<i>39</i>	<i>53</i>
FBiH								
Own outright	96.4	63.7	20.8	24.4	26.2	40.5	15.0	63.6
Under privatisation	0.4	20.9	5.6	2.3	--	--	--	--
Tenancy right holder	0.2	5.5	12.5	--	--	--	--	--
Rented	0.3	--	--	53.4	18.3	4.9	12.5	--
Temporary accommodation	0.1	9.9	27.8	9.9	33.6	2.0	15.0	--
Uses free of charge	2.6	--	--	9.9	12.2	49.0	22.5	27.3
Illegal occupation	--	--	16.7	--	3.1	1.6	5.0	--
Emergency accommodation	--	--	--	--	5.7	2.0	30.0	--
<i>Total N</i>	<i>3675</i>	<i>91</i>	<i>72</i>	<i>131</i>	<i>229</i>	<i>247</i>	<i>40</i>	<i>19</i>

Table 3.13 Housing tenure at Waves 1 and 3

<i>Wave 3 Housing Tenure</i>	<i>Wave 1 Housing Tenure</i>								
	<i>RS</i>	% Own outright	% Under Privatisat- ion	% Tenancy right Holder	% Rented	% Temp Accom.	% Free	% Illegal occup.	% Emergency Accom.
Own outright		97.6	67.6	67.8	49.4	32.9	47.1	33.3	50.0
Under privatisation		--	27.0	16.6	5.6	1.6	--	4.2	--
Tenancy right holder		0.1	1.4	7.0	--	--	--	--	--
Rented		0.4	4.1	5.5	41.6	16.9	8.0	16.7	7.7
Temporary accommodation		0.7	--	1.5	--	30.6	2.3	45.8	23.1
Uses free of charge		0.9	--	--	3.4	9.9	42.5	--	19.2
Illegal occupation		--	--	--	--	1.9	--	--	--
Emergency accommodation		--	--	1.5	--	4.9	--	--	--
<i>Total N</i>		<i>2096</i>	<i>74</i>	<i>199</i>	<i>89</i>	<i>738</i>	<i>87</i>	<i>24</i>	<i>26</i>
FBiH									
Own outright		95.0	72.2	62.8	45.5	32.3	36.1	35.7	--
Under privatisation		0.1	12.2	7.0	3.0	2.6	--	--	--
Tenancy right holder		0.1	4.3	2.3	--	--	2.7	--	--
Rented		0.1	--	--	34.8	21.8	12.6	14.3	--
Temporary accommodation		0.1	7.0	27.9	12.1	28.2	1.6	--	25.9
Uses free of charge		3.6	2.6	--	3.0	6.1	43.2	32.1	55.6
Illegal occupation		0.4	0.9	--	--	1.7	2.2	3.6	--
Emergency accommodation		0.1	--	--	1.5	6.4	1.6	10.7	18.5
<i>Total N</i>		<i>3387</i>	<i>115</i>	<i>43</i>	<i>66</i>	<i>344</i>	<i>183</i>	<i>28</i>	<i>27</i>

4. Employment and unemployment

Key Findings

- *Employment rates for the working age population (15-64 years) increased by almost 5% between 2001 and 2003 and unemployment rates fell by 3%.*
- *35% of people who were unemployed or out of the labour market in 2001 were in paid employment by 2003.*
- *10% of those who were in paid employment in 2001 were unemployed by 2003 and a further 8% had left the labour market altogether.*
- *BiH has seen a decline in agricultural occupations between 2001 - 2003 and an increase in sales and service occupations.*
- *The proportion of those in employment receiving health or pension benefits has increased.*
- *Men in BiH are more likely to be in paid employment than women.*
- *Younger people and those in good health are more likely to be employed. However, in the RS 14% of those aged 65 years or over were still in employment.*
- *People with no educational qualifications are least likely to be in paid employment followed by those with primary school education only.*
- *Those with no educational qualifications and older people are significantly less likely to have moved into employment from unemployment between 2001 - 2003.*
- *Temporary residents have improved their labour market situation over the three year period, particularly in the RS, where they were significantly more likely to have found employment.*

Employment is a key policy area - in general and BiH in particular. This section analyses employment trends and the characteristics of those in the labour market, the unemployed and the inactive over the survey years.

Table 4.1 gives the characteristics of the total interviewed sample, including those aged 65 years or over at wave 3 and the working age population aged 15-64 years, according to whether they were in paid employment or not in paid employment. The 'not in paid employment' category includes all forms of non-employment including housewives, students, the retired, those in military service and those unable to work.

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, 31.6% of women were in paid employment compared 21.8% of women in the FBiH. Similar percentages of men were employed in each entity, 48.8% in the RS and 48.2% in the FBiH. For the working age population the patterns are similar with men being more likely to be in employment than women. In the RS, 57.1% of men were in employment and 37.1% of women. In the FBiH, 54.7% of men were in employment compared to 26.6% of women of working age.

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 14.4% of older people reported being in paid employment compared to only 2.1% in the FBiH. In both entities, the proportion of older people in employment has fallen since wave 2. At wave 2, 18.8% of respondents aged 65 or over in the RS said they were working and 4.6% in the FBiH.

When we look at the working age population, those in the 15-24 years age group and those in the 55-64 age group continue to be less likely to be in employment than those in the 25-54 age group. The fall in employment rates therefore begins sooner than retirement age for many people.

Education level is clearly associated with employment. Those with no education are most likely to be not in paid employment followed by those with only primary level education. In the RS 64.3% of those with primary education were not in paid employment compared to 75.1% in the FBiH. For the working age respondents, similar patterns can be seen with those having secondary level or higher

qualifications being more likely to be in employment than those with primary school or no qualifications.

Table 4.1 Characteristics of total interviewed sample and working age sample (15-64 years) by whether in paid employment Wave 3

		RS row %					FBiH row %				
		Not in employment		In employment		Wave 3 N = 100%	Not in employment		In employment		Wave 3 N = 100%
		All	15-64 years	All	15-64 years		All	15-64 years	All	15-64 years	
Sex											
	Male	48.8	42.9	51.2	57.1	1507	51.8	45.3	48.2	54.7	1738
	Female	68.4	62.9	31.6	37.1	1561	78.2	73.4	21.8	26.6	1976
Age band											
	15-24	74.8	74.9	25.2	25.1	536	79.8	80.0	20.2	20.0	718
	25-34	44.3	43.8	55.7	56.2	483	51.3	51.7	48.7	48.3	597
	35-44	35.9	36.1	64.1	63.9	474	44.2	44.8	55.8	55.2	660
	45-54	40.7	40.7	59.3	59.3	580	44.0	44.3	56.0	55.7	614
	55-64	68.9	69.3	31.1	30.7	418	79.0	78.9	21.0	21.1	505
	65 and over	85.6	n/a	14.4	n/a	577	97.6	n/a	2.4	n/a	621
Marital status											
	Single	61.6	61.2	38.4	38.8	850	70.5	70.5	29.5	29.5	1018
	Legally married	53.7	47.2	46.3	52.8	1748	59.8	52.6	40.2	47.4	2167
	Living together	42.5	38.9	57.5	61.1	40	63.3	60.7	36.7	39.3	30
	Widow/er	77.8	61.8	22.2	38.2	379	89.7	77.9	10.3	22.1	427
	Divorced /separated	54.0	47.7	46.0	52.3	50	43.7	38.1	56.3	61.9	71
Highest education level											
	None	87.7	88.2	12.3	11.8	367	95.7	89.6	4.3	10.4	324
	Primary	64.3	59.6	35.7	40.4	1036	75.1	70.2	24.9	29.8	1196
	Secondary Compulsory	53.2	50.8	46.8	49.2	62	78.9	76.7	21.1	22.3	142
	Other school level*	37.5	44.4	62.5	55.6	8	46.7	38.5	53.3	61.5	15
	Secondary technical	48.2	47.2	51.8	52.8	328	53.0	50.6	47.0	49.4	509
	Vocational	49.6	47.1	50.4	52.9	972	54.0	51.2	46.0	48.8	1113
	Junior college	39.8	34.8	60.2	65.2	103	55.6	45.7	44.4	54.3	142
	University	50.8	50.0	49.2	50.0	193	62.1	59.8	37.9	40.2	272
	Total N	1803	1322	1266	1191	3069	2446	1880	1267	1266	3713

* Other school level includes religious school, art school and normal school. 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 2 and 3 using the respondents' own definition of whether they were unemployed rather than the ILO definition of unemployment used in the Wave 2 Report². The table shows the proportions in each of the three waves who are:

- employed;
- unemployed; and
- not in employment

for those of working age only (15-64 years). Those who are coded as unemployed are those who said that "Unemployed" best describes their activity status. Those who are not in employment are primarily those who said that they were a "housewife" but also includes students, those in military service and those incapable to work. Using this definition of unemployment inevitably produces a different distribution of unemployment to that provided by the ILO definition, where fairly strict criteria are applied. However, we can see the trend in the unemployment rate over the three years using the respondent's self-definition, in many senses this is the most appropriate perspective for BiH analysis.

At wave 2, we saw an increase in the percentage who were defined by the ILO criteria as being unemployed compared to the wave 1 data; 13.6% at wave 2 compared to 9.2% at wave 1 in the RS and 12% at wave 2 compared to 8.5% at wave 1 for FBiH. This was interpreted as being a positive trend as it indicated that more people were actively looking for work and available to start working if any were offered even if they had yet been successful in finding any work. This interpretation of the ILO rates seems to be supported by the data using self-reported unemployment. Using the self-report of unemployment status the trend over the three years is downwards for unemployment, from 22.9% at wave 1 for BiH as a whole to 19.6% at wave 3. As non-employment rates have not risen over the period, this suggests that at least some of those who were actively seeking work were successful in finding employment.

In addition to a downwards trend in unemployment we see a slight fall in the percentage who were not in employment over the three years and an accompanying increase in the percentage who were in employment. This trend can be seen in both entities even though the RS continues to have higher rates of employment than the FBiH. In the RS 44.5% of respondents were in employment at wave 3 compared to 41% at wave 1, an increase of 3.5%. In the FBiH 38% were in employment at wave 3

² A routing error on the wave 3 questionnaire means that the ILO definition of unemployment could not be derived for wave 3 for all respondents. 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.

compared to 32.1% at wave 1, an increase of 5.9%. For BiH as a whole the employment rate has increased to 40.9% at wave 3 from 36.1% at wave 1, an increase of 4.8%. This trend should be seen as a positive development for BiH with the rise in employment rates being due mainly to a decrease in unemployment at the aggregate level as well as a smaller fall in the percentage of non-employed.

Table 4.2 Cross-sectional employment status at Waves 1-3 by entity for working age respondents (15-64 years)

	Entity								
	RS %			FBIH %			BiH %		
	W1	W2	W3	W1	W2	W3	W1	W2	W3
Unemployed	23.4	21.8	20.9	22.5	20.5	18.5	22.9	21.1	19.6
Employed	41.0	43.5	44.5	32.1	36.0	38.0	36.1	36.0	40.9
Not in employment	35.6	34.7	34.6	45.4	43.6	43.4	41.0	43.6	39.5
	2609	2632	2552	3268	3295	3163	5877	5929	5715

As many of the same individuals have been interviewed at each of the three years of the survey, we can look at the longer term movements for individuals between different employment statuses. Table 4.3 shows all respondents interviewed at every year who are aged between 15-64 years at all three years. Again, the employment status is as reported by the respondent.

The percentages highlighted in bold on the diagonal show the respondents who were in the same category at each of waves 1 and 3. For BiH as a whole, those in paid employment at wave 1 were the most stable group with 82.1% still being in paid employment at wave 3. Those not in paid employment at wave 1 were the next most stable group with 76.5% being in the same category at wave 3. Unemployment was the least stable group with 49.3% being unemployed at both wave 1 and wave 3.

While this suggests there is a core of long-term unemployed, there is considerable movement both into and out of the unemployed category over the three years.

Table 4.3 Cross-wave employment status waves 1 - 3 by entity for working age respondents (15-64 years)

Wave 3 Employment status	Employment status at Wave 1		
	Unemployed %	Employed %	Not in employment %
RS			
Unemployed	52.0	12.1	11.9
Employed	32.1	80.5	13.5
Not in employment	15.8	7.4	74.7
<i>Total N</i>	588	1028	825
FBIH			
Unemployed	47.1	8.1	13.3

Employed	36.5	83.7	9.0
Not in employment	16.4	8.2	77.7
<i>Total N</i>	690	986	1317
All BiH			
Unemployed	49.3	10.1	12.7
Employed	34.5	82.1	10.7
Not in employment	16.2	7.8	76.5
<i>Total N</i>	1279	2014	2142

For all in BiH, 10.1% of those who had been employed at wave 1 were unemployed at wave 3 and 12.7% of those not in employment at wave 1 were unemployed at wave 3. However, 34.5% of those who were unemployed at wave 1 were in employment by wave 3 with a further 16.2% moving into the ‘not in employment’ category.

Therefore, there are indications that half of the unemployed over this period either:

- found a job and became employed; or
- left the labour market for some other reason.

These reasons may include ill health or looking after the home or family or some respondents may simply have redefined themselves as not employed, possibly because they had become discouraged and stopped searching for work. A not insignificant proportion of respondents had moved from not in employment to being unemployed or in employment. This suggests that over the three year period around one quarter of the non-employed did start to look for work at some point and around half of these were successful in finding work by wave 3.

The patterns in each entity are similar even though higher percentages are unemployed at both points in the RS than in the FBiH. The employment category is more stable in the FBiH than in the RS. In the FBiH the ‘not in employment’ category was also more stable than in the RS and the FBiH had a slightly 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 waves 2 and 3 for those in employment at each year. Occupations were coded to ISCO and industry to NACE classifications. The distributions are similar across the two years with the main difference between entities continuing to be the proportion of those in agricultural occupations, with twice as many being employed in agriculture in the RS (20.7%) compared to the FBiH (11.5%). Despite this, there has been a noticeable fall in the proportion of respondents in agricultural jobs in the RS since wave 2, down by 6.1%. In contrast, the proportion in service and sales occupations has grown by 4.9% in the RS while

remaining stable for the FBiH. So the decline in agricultural occupations in the RS seems to be largely off-set by the growth in the service and sales sector.

Agriculture continued to be the main industry sector in RS (24.2%) despite a fall in the proportion in this sector followed by manufacturing (21.6%). In the FBiH manufacturing was still a major sector at wave 3 (16.1%) with a more even distribution across agriculture, construction and the wholesale and retail trade sectors across the two years.

In combination, the public sector including public administration, education, health and social services and other community services was a major sector at wave 3, with 19.6% of those in the RS working in these sectors and 21.2% in the FBiH.

Table 4.4 Occupation and industry distribution by entity, waves 2 and 3. Those in current employment aged 15-64.

Occupation (ISCO)	Entity					
	RS %		FBiH %		BiH %	
	W2	W3	W2	W3	W2	W3
Legislative official/government	1.3	1.9	2.0	1.6	1.6	1.7
Scientists and researchers	4.7	5.4	8.3	7.5	6.4	6.5
Technical and other professional	8.7	9.0	10.3	10.1	9.5	9.6
Clerical	5.6	5.4	4.7	5.0	5.2	5.2
Service and Sales	13.3	18.2	16.9	16.6	15.0	17.4
Agriculture	26.8	20.7	10.0	11.5	18.7	16.0
Non-industrial skilled	22.8	23.1	28.8	28.9	25.7	26.1
Machine and vehicle operators	6.6	6.0	7.9	9.5	7.2	7.8
Other unskilled	9.2	8.8	8.8	8.3	9.0	8.6
Military	1.0	1.4	2.3	1.0	1.6	1.2
Total N	1546	1177	1440	1252	2986	2429
Industry (NACE)						
Agriculture	28.6	24.2	12.2	11.9	20.7	17.9
Fishing	0.2	0.3	--	0.1	0.1	0.2
Mining	0.5	0.8	6.3	5.8	3.3	3.3
Manufacturing	21.5	21.6	16.8	16.1	19.2	18.8
Electricity, gas, water	1.6	2.3	3.5	3.0	2.5	2.7
Construction	8.1	8.0	12.6	13.1	10.3	10.6
Wholesale and retail trade	8.0	10.1	10.9	12.3	9.4	11.3
Hotels and restaurants	3.8	5.1	4.4	4.7	4.1	4.9
Transport, storage and communications	5.3	4.8	6.6	7.4	5.9	6.1
Financial services	1.6	1.3	1.8	1.3	1.7	1.3
Real estate	0.9	0.8	1.2	1.6	1.0	1.2
Public administration & defence	6.2	6.8	4.8	4.1	5.5	5.4
Education	3.1	4.1	5.5	5.8	4.2	5.0
Health and social work	3.3	4.0	3.5	3.7	3.4	3.8
Other community services	4.9	4.7	8.5	7.6	6.7	6.2
Private households with employed persons	1.8	0.6	0.4	0.9	1.1	0.7
Extra-territorial organisations	0.5	0.4	0.9	0.6	0.7	0.5
Total N	1537	1185	1425	1249	2962	2434

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 each of waves 2 and 3. The level of self-employment is fairly high in both entities even though it is noticeable that the proportion working their own farm in has fallen while working for an employer in the private sector has increased, more so in the RS than in the FBiH. Working as an employee in the public sector continues to be the main status in both entities, followed by being employed in the private sector. Just under one tenth of those in employment are working unpaid supporting a family member’s business, farm or enterprise.

Table 4.5 Current employment status Waves 2 and 3 – respondents in current employment aged 15-64.

	Entity					
	RS %		FBiH %		BiH %	
	W2	W3	W2	W3	W2	W3
Owner/co-owner of enterprise which employs workers	2.8	2.1	2.3	3.3	2.5	2.7
Owner/co-owner of enterprise which doesn’t employ workers	1.7	3.7	2.5	2.4	2.1	3.0
Owner/co-owner of small business	1.3	1.2	1.9	2.2	1.6	1.7
Farmer on own farm	15.3	9.9	4.9	2.7	10.3	6.2
Entrepreneur in free profession	2.2	0.9	2.1	2.7	2.2	1.8
Work for employer in private sector	22.0	26.5	33.4	34.4	27.5	30.6
Work in public enterprise	40.4	42.3	43.5	41.3	41.9	41.8
Unpaid supporting family member	10.9	9.4	4.6	8.1	7.8	8.8
Work for international organisation	0.5	0.4	0.8	0.6	0.6	0.5
Other activity	2.9	3.5	4.1	2.4	3.4	2.9
Total N	1561	1189	1459	1265	3020	2454

Respondents were asked for the usual hours worked per week. When we look at the usual hours worked per week in BiH, the mean weekly hours worked was relatively high. In each entity the mean hours worked was 44 hours per week, no significant change from wave 2. 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 4.6 gives the reasons people gave for working more or less hours at waves 2 and 3.

Table 4.6 Reason for working more than 42 hours per week or less than 40 hours per week – Waves 2 and 3.

	Entity					
	RS%		FBiH%		BiH%	
	W2	W3	W2	W3	W2	W3
More than 42 hours per week						
Regular office hours are more than 42 hours per week	35.7	45.9	55.5	57.3	46.9	53.0
Overtime	32.9	29.1	17.8	13.9	24.4	19.7
Less than 40 hours per week						
Regular office hours are less than 40 hours per week	6.5	3.6	10.7	8.0	8.9	6.3
Illness	10.0	2.4	2.2	2.4	5.6	2.4
Cannot find full-time job	6.8	12.3	8.8	5.8	7.9	8.3
Lack of education, training	0.4	0.9	0.5	0.6	0.5	0.7
Do not want to work longer hours	0.4	1.2	1.7	1.9	1.1	1.6
Other	7.2	4.5	2.7	10.2	4.7	8.0
Total N	459	333	589	539	1048	872

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. However, there is also a marked shift in the distribution for the overtime category. It seems that fewer respondents at wave 3 gave overtime as the reason for long hours (19.7%) compared to wave 2 (24.4%). Whether this reflects a change in work practices or overtime payment policies for some employers is not clear. In contrast, there is some indication that people would like to work more hours where they were working under 40 hours per week as 8.3% said they could not find a full-time job at wave 3. Very few said they did not want to work longer hours.

Those in paid employment were asked if they received benefits as part of their employment including a salary or part of one, health insurance or pension insurance. Table 4.7 shows the benefits received by entity together with the number of benefits being received by respondents. For BiH as a whole, the distributions are similar across the two years even though the proportion receiving health or pension benefits from their employment has increased slightly. This is mostly due to increases in receipt of these types of benefits in the RS rather than the FBiH, possibly suggesting an improvement in employment conditions in the RS for some workers.

Table 4.7 Benefits received in current job - Waves 2 and 3, respondents aged 15-64

	Entity					
	RS%		FBiH%		BiH%	
	W2	W3	W2	W3	W2	W3
Receives salary or part of one						
Yes	74.9	74.1	92.4	90.4	83.3	82.5
No	25.1	25.9	7.6	9.6	16.7	17.5
Receives health insurance						
Yes	46.1	51.2	71.3	70.9	58.2	61.3
No	53.9	48.8	28.7	29.1	41.8	38.7

Receives pension insurance							
	Yes	43.4	48.1	66.2	65.0	54.3	56.8
	No	56.6	51.9	33.8	35.0	45.7	43.2
Number of benefits received							
	None	22.5	24.2	6.5	9.5	14.8	16.7
	One	32.3	25.5	22.0	19.6	27.4	22.5
	Two	3.0	2.9	6.4	6.0	4.7	4.5
	Three	42.2	47.4	65.0	64.9	53.1	56.3
	Total N	1525	1191	1412	1258	2937	2449

Despite this improvement, those in the FBiH continued to fare 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 part this may be due to the higher proportion of self-employed in the RS. Nonetheless, the proportion of respondents receiving all three benefits from their job has increased in the RS while remaining the same in the FBiH across the two years.

All respondents in the sample, regardless of their current employment status, were asked whether they would like to get a new job in the next 12 months. In the RS 42.2% of the sample who were of working age said that they did want to get a new job, compared to just 26.6% in the FBiH. Those who were more likely than not to say that they wanted a new job were those who were on a seasonal or temporary contract (89.1% in RS, 81.4% in FBiH) and the unemployed (83.5% in RS, 62.7% in FBiH). The main reasons people gave for wanting a new job were for a higher salary (43.8% in RS, 40.1% in FBiH) and to work in their field (45.1% in RS, 48.1% in FBiH). However, there was not a great deal of expectation that getting a new job was likely. Just 5.2% in the RS and 5.9% in the FBiH of those who wanted a new job said that they thought it was likely to happen.

Predicting employment

A multi-variate model using logistic regression to predict the likelihood of being in employment at wave 3 for those of working age is given in Table 4.8. 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. Those who were divorced or separated were statistically more likely to be in employment compared to the never married. As at wave 2, level of education was related to the likelihood of being in employment. Having any form of education above primary level increases the likelihood of being in employment

and having a university level qualification is most significant compared to having no qualifications at all.

The likelihood of being of in employment was reduced for the disabled compared to those who were able bodied while those whose health was excellent, very good or fair were more likely than those with poor health to be in employment. 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. However, unlike wave 2, the coefficients for these categories were not statistically significant at wave 3. Being a smoker is also positively related to being in employment but as at wave 2 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.

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, cohabitation was positively related to being in employment while in the FBiH cohabitation had a negative, but not statistically significant, relationship with being in employment. In the FBiH those who were divorced or separated were more likely to be in employment compared to the never married but this was not significant in the RS. Being a temporary resident in the FBiH reduced the chances of being in employment significantly while in the RS this did not affect the chances of being employed. In contrast, being a displaced resident in the RS did reduce the likelihood of being in employment where it was not significant in the FBiH.

Table 4.8 Logistic regression results predicting being in employment at Wave 3

	RS		FBiH		BiH	
	B	S.E.	B	S.E.	B	S.E.
Male	1.004**	.102	1.259**	.097	1.125**	.070
Age	.340**	.027	.397**	.027	.367**	.019
Age-squared	-.004**	.000	-.005**	.000	-.004**	.000
Married	.148	.142	.133	.138	.118	.098
Cohabiting	.929+	.406	-.326	.447	.332	.294
Widow/er	.354	.265	.121	.257	.115	.180
Divorced/separated	.303	.358	.949*	.331	.637*	.239
Primary educ.	-.148	.166	.022	.164	-.045	.115
Secondary educ.	.638**	.159	.676**	.153	.683**	.109
College educ.	1.312**	.301	1.466**	.285	1.386**	.204
University educ.	1.963**	.321	2.468**	.320	2.234**	.224
Disabled	-.785*	.252	-.926**	.218	-.891**	.163
Health excellent	.530*	.195	.777**	.179	.645**	.130
Health very good	.370+	.180	.657**	.171	.513**	.122
Health fair	.572**	.156	.347+	.155	.451**	.109
Displaced resident	-.563*	.204	-.097	.165	-.287+	.127
Temporary resident	-.004	.114	-.563**	.166	-.095	.090
Moved in last year	-.193	.162	-.054	.237	-.076	.132
Has chronic disease	.150	.145	.064	.143	.120	.101

Smoker	.510**	.099	.397**	.092	.425**	.067
Constant	-8.067	.538	-9.573	.526	-8.817	.372
R ²	0.316		0.384		0.345	
	N	2564	3113		5677	

** Sig .001

* Sig .01

+ Sig .05

Predicting moves into employment, waves 1 to 3

As the same individuals have been interviewed at each of the three years of the survey, we can examine the characteristics of those most likely to move into paid employment over the whole period.

The model shown in Table 4.9 predicts the likelihood of moving into employment between waves 1 and 3 for those of working age at both years. 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 3. These are the cases that moved from non-employment to employment over this period. 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 3. As the wave 1 questionnaire did not contain questions on general health, disability, and smoking, these variables are not included in this model. All other variables are included as in the previous model at Table 4.8.

For BiH as a whole, age is positively related to moving into employment while age squared has a negative relationship with moving into employment. As people age they are more likely to move into employment but as they approach the end of their working life they are less likely to move into employment. This relationship with age is statistically significant in the FBiH but not in the RS. This is probably due to the fact that the RS has around 15% of respondents continuing to work beyond 65 years of age. This may also suggest that respondents in the RS start their working life at an earlier age than those in the FBiH, possibly because of differing rates of youngsters remaining in education through their late teens and early twenties.

Men were more likely than women to have moved into employment from non-employment between waves 1 and 3 even though this result is again driven entirely by men in the FBiH. Men in the RS were no more likely to have moved into employment than women over this period. Those who were widowed and, in the FBiH, married, were less likely to move into employment than single respondents. This is probably due the married women being primarily located in the home. Those respondents with any qualifications, and in particular university level qualifications, 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 do have any qualifications at all. So those with any qualifications at all were less likely to be unemployed at wave 1 so could not move into employment as they were already in employment.

Table 4.9 Logistic regression results predicting moving into employment between waves 1 and 3 (respondents aged 15-64 interviewed at both waves)

	RS		FBiH		BiH	
	B	S.E.	B	S.E.	B	S.E.
Male	.015	.142	.716**	.130	.395**	.094
Age	-.002	.038	.122**	.036	.058+	.026
Age-squared	.000	.000	-.002**	.000	-.001**	.000
Married	-.094	.198	-.373+	.176	-.203	.130
Cohabiting	-.084	.515	-4.492	5.697	-.505	.492
Widow/er	-.209	.438	-1.195+	.494	-.756+	.323
Divorced/separated	-.134	.548	.249	.475	.040	.354
Primary educ.	-.615+	.246	-.651*	.221	-.623**	.163
Secondary educ.	-.581+	.241	-.643*	.209	-.548**	.155
College educ.	-.613	.482	-1.119+	.495	-.835+	.342
University educ.	-1.528+	.637	-2.832*	.838	-2.073**	.500
Has chronic disease	.157	.203	-.107	.205	.020	.143
Displaced resident	.848**	.238	.235	.216	.482*	.158
Temporary resident	.517**	.162	-.083	.226	.233	.124
Moved in last year	.156	.237	.064	.340	.148	.193
Constant	-.883	.623	-2.908	.596	-1.889	.427
R ²	0.067		0.099		0.069	
N	2253		2731		4984	

** Sig .001

* Sig .01

+ Sig .05

Those who were displaced residents were more likely to have moved into employment over the period than those who were permanent residents. In this case, this is due to displaced residents in the RS being significantly more likely to have found employment but is not significant in the FBiH. Temporary residents in the RS are also more likely to have moved into employment over this period, with both of these movements suggesting these types of respondents have managed to improve their situation over the three year period. It is interesting to note that these results differ somewhat from those found at wave 2 where only a one year transition could be observed and displaced residents were less likely to have moved into employment than permanent residents. The value of having the longer run of panel data is that the patterns over the longer term can be observed.

5. Income

Key Findings

- *One third of households in the RS and one fifth of households in the F BiH were in the bottom income quartile in 2003.*
- *'Work rich' households where two or more people were in paid employment were significantly better off than other households, especially in the F BiH.*
- *The gender of the household head was associated with income levels, with female headed households being more likely to be in the bottom income quartile than male headed households. Male headed households were more likely than female headed households to be in the upper income quartile.*
- *People in the youngest age group (15-24 years) had low mean incomes, increasing in the middle years to peak in the 35-44 age group and then falling as people age and enter retirement.*
- *Women's incomes from all sources are significantly lower than men's incomes in BiH, possibly reflecting shorter working hours for women with women being located in less well-paying jobs.*
- *As the level of education held increases, so do income levels. Those with no qualifications or primary education only are significantly worse off than those with higher level qualifications.*
- *One quarter of households with dependent children under fifteen in BiH had no income from employment sources.*
- *Education level of the head of household for households with dependent children and whether any employment income were clearly associated. Almost half (44.3%) of households with dependent children where the head of the household had no qualifications had no income from employment.*
- *For BiH as a whole, the percentage of people saying they were living comfortably had increased from 2.6% at wave 2 to 3.7% at wave 3 while the percentage who were 'finding it very difficult' reduced slightly from 18% to 16.6% at wave 3.*

Income is a central indicator of the long term well-being of households in BiH and this section examines income trends over the three year period together with income transitions for individuals within the sample.

Household income

The mean monthly household income from all sources reported in the survey at wave 3 including employment income, non-employment income, gifts or remittances, was 526 KM for BiH as a whole, 410 KM in the RS and 609 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, at each of waves 2 and 3. 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, a difference which has increased slightly over the two years.

Looking at income quartiles, the RS has seen a slight increase in the proportion of households in the lowest income quartile since wave 2. In the RS, 34% of households at wave 3 were in the lowest quarter of the income distribution compared to 32.4% at wave 2. The opposite is seen in the FBiH where there has been a slight fall in the proportion of households in the lowest income quartile, 17.4% at wave 3 compared to 19.5% at wave 2. In the RS, there is a slight increase in the proportion of households in the middle of the income distribution but a fall in the proportion in the upper quartile, from 20% at wave 2 to 16.3% at wave 3.

In contrast, there has been little change in the middle of the income distribution in the FBiH while the proportion in the upper quartile has increased from 28.8% to 31.6%. As we have seen, mean household income in the FBiH is higher than in the RS but the RS also has a relatively high proportion of the poorest households compared to the FBiH, a difference which the data suggest is increasing rather than decreasing over time. The data from the HBS, currently underway, will provide additional information on this trend.

Table 5.1 Monthly household income decile and quartile by entity - Waves 2 and 3

Monthly household income	Entity			
	RS%	W3	W2	W3
Lowest decile	17.6	18.4	5.1	3.6
2	10.1	11.3	9.2	9.0
3	10.0	10.3	10.2	9.8
4	8.8	9.8	10.5	12.8
5	10.8	9.4	10.1	7.8
6	7.8	9.6	10.6	10.4
7	11.2	10.4	11.3	9.7
8	8.2	7.7	9.6	11.7
9	8.2	7.5	10.7	11.9
Highest decile	7.3	5.6	12.7	13.3
Lowest quartile	32.4	34.0	19.5	17.4
2	24.9	25.1	25.7	25.6
3	22.7	24.5	26.0	25.3
Highest quartile	20.0	16.3	28.8	31.6
N households	1212	1035	1602	1365

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 at each of waves 2 and 3.

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, the proportion of households with no-one employed who are in the lowest income quartile has increased, from 53.6% of households at wave 2 to 63.6% at wave 3. In contrast, the proportion of households with two or more people employed in the upper quartile has increased slightly, from 43.1% at wave 2 to 44.3% at wave 3. In the FBiH it is striking that the proportion of households with two or more people in employment who are in the upper quartile has increased from 65.4% at wave 2 to 81% at wave 3. 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 even though over one third of non-employed households in the FBiH are found in the bottom quartile at each year.

The differential effect between entities of the numbers in employment on increasing total household income is likely to be due to higher average wages from employment in the FBiH, rather than

differing employment rates in each entity. As was noted in section 1, a higher proportion of households in the RS have more than one person in employment than in the FBiH.

Table 5.2 Monthly household income quartile by numbers employed within the household – by entity
Waves 2 and 3

		Number persons employed					
		None %		One %		Two or more %	
		W2	W3	W2	W3	W2	W3
RS							
	Lowest quartile	53.6	63.6	27.2	20.2	5.9	4.3
	2	23.3	25.3	32.4	30.3	16.3	17.6
	3	15.3	9.2	22.8	36.2	34.6	33.7
	Highest quartile	7.8	1.9	17.6	13.2	43.1	44.3
	N households	472	423	448	356	289	255
FBiH							
	Lowest quartile	36.2	34.9	6.5	4.3	3.1	1.6
	2	30.5	40.0	28.0	19.6	8.5	2.4
	3	20.5	16.6	34.3	40.6	23.0	14.9
	Highest quartile	12.8	8.4	31.2	35.5	65.4	81.0
	N households	732	607	586	510	283	248

At wave 2, the composition of the household in terms of whether it was a female headed household or a male headed household had an effect on household income, with female headed households being on the whole poorer than those headed by a male.

At wave 3, the same pattern is evident and the pattern suggests that the increase in the proportion of households in the lowest income quartile and the decrease in the proportion in the highest quartile is largely driven by whether the household has a male or female head. Table 5.3 shows that for BiH as a whole, the proportion of households with a male head in the bottom quartile fell from 20.4% at wave 2 to 18.7% at wave 3. On the other hand, the proportion of female headed households in the bottom quartile increased from 39.4% at wave 2 to 41.7% at wave 3. Similarly, the proportion of male headed households in the highest quartile increased from 26.6% at wave 2 to 28% at wave 3 while the proportion of female headed households in the upper quartile fell from 20.3% to 16.3%.

These differences in income between male and female headed households are likely to be due, at least in part, the differences in employment rates and wages earned 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. In addition, it may be the case that some female headed households with dependent children are unable to work or have limited hours of work or low paid part-time work due to their family commitments.

Table 5.3 Monthly household income quartile by whether male or female headed household – Waves 2 and 3

	Gender of household head			
	Male head		Female head	
	W2	W3	W2	W3
All BiH				
Lowest quartile	20.4	18.7	39.4	41.7
2	26.5	25.6	21.9	23.7
3	26.6	27.7	18.5	18.3
Highest quartile	26.6	28.0	20.3	16.3
N households	2123	1783	691	657
RS				
Lowest quartile	26.8	28.0	52.3	53.0
2	26.7	27.1	18.4	19.5
3	24.3	26.7	16.9	17.3
Highest quartile	22.1	18.3	12.4	10.2
N households	946	787	266	266
FBiH				
Lowest quartile	15.2	11.3	31.3	33.9
2	26.3	24.4	24.0	26.5
3	28.4	28.5	19.5	18.9
Highest quartile	30.2	35.7	25.2	20.7
N households	1177	996	425	392

Income sources

Figure 5.1, below, gives the mean individual monthly income by source of income and age group by entity at wave 3. 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 51 KM per month compared to 111 KM for men in the RS. The gap in the FBiH is even greater with women in the FBiH having a mean monthly income from employment of 63 KM per month compared to 206 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. Average earnings for men in FBiH also seem to have increased significantly over the short term, from a mean of 167 KM per month at wave 2.

Fig 5.1 Mean income by source and age group, Wave 3

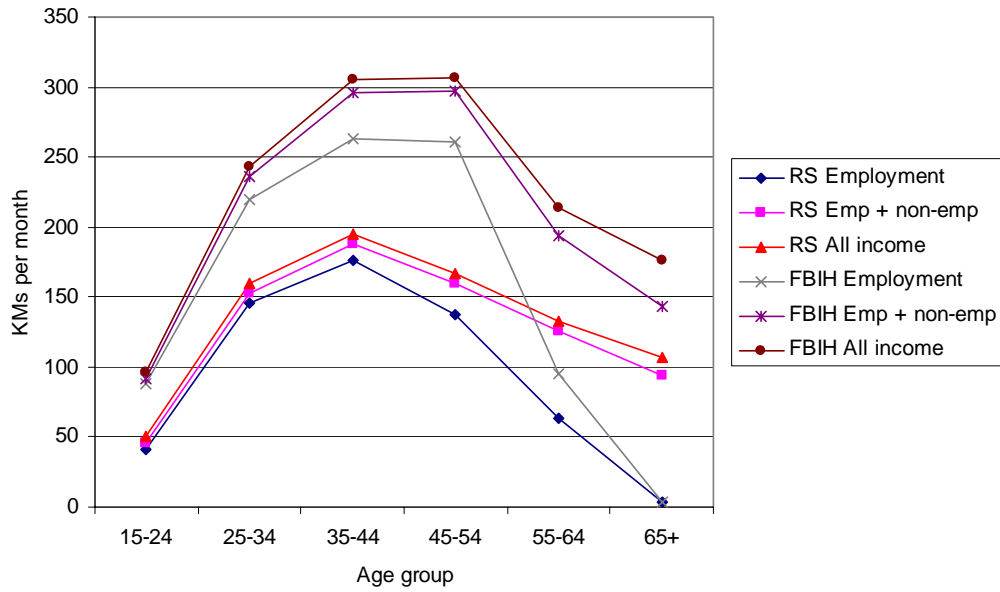
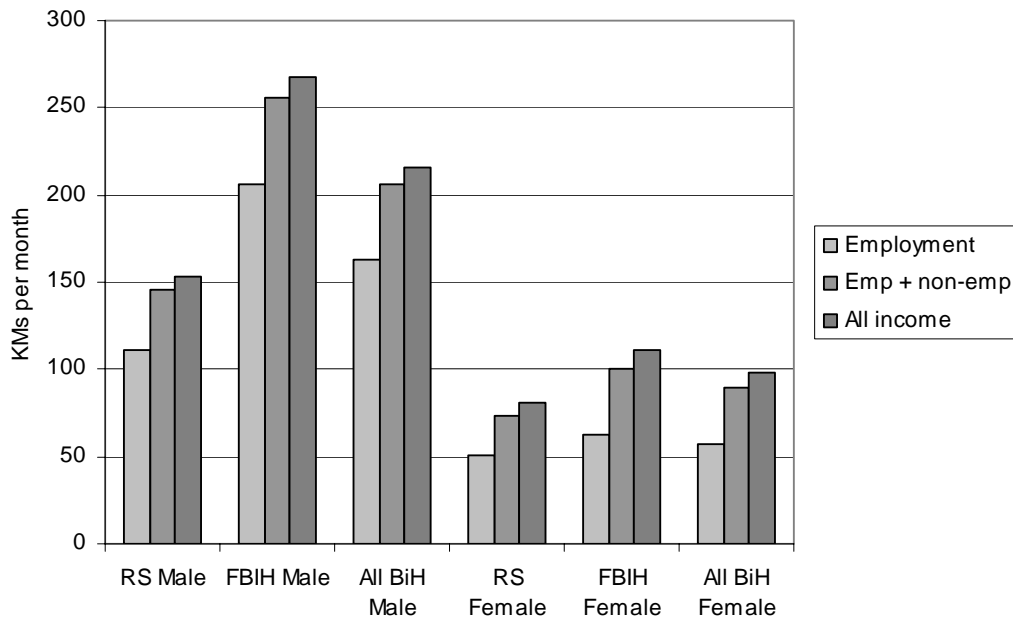
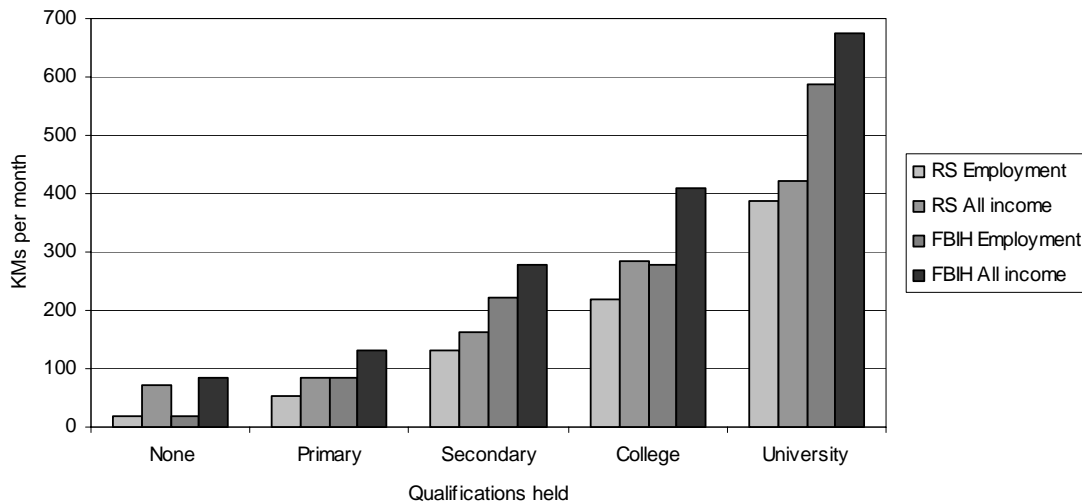


Fig 5.2 Mean monthly individual income by gender, Wave 3



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. The pattern is the same for each entity even though mean income levels differ.

Fig 5.3 Mean monthly income by level of qualifications, Wave 3



Reducing child poverty is a key policy objective within the BiHDS. 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 to 3

	Entity								
	RS %			FBiH %			Total BiH %		
	W1	W2	W3	W1	W2	W3	W1	W2	W3
Has employment income	80.1	75.5	71.8	69.6	74.3	75.0	73.8	74.8	73.7
No employment income	19.9	24.5	28.2	30.4	25.7	25.0	26.2	25.2	26.3
N	428	400	340	658	630	523	1086	1030	863

If we look at movements between categories over the three years from 2001 - 2003 (Table 5.5) we see that in the RS 66.7% of households with dependent children had no employment income at both points. In the FBiH, 54.9% 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 three year period than other households.

The table also shows that in the RS 33.3% of households with dependent children and no employment income at wave 1 had shifted into the category with employment income by wave 3. In the FBiH, 45.1% of households with dependent children and no employment income at wave 1 had some employment income by wave 3. On the other hand, 20.3% of RS households with dependent children and employment income at wave 1 had no employment income at wave 3. In the FBiH, 11.2% had shifted into having no employment income.

Table 5.5 Households with dependent children by whether have any employment income - Waves 1 and 3 by entity

		Wave 1	
Wave 3		Has employment income %	No employment income %
RS	Has employment income	79.7	33.3
	No employment income	20.3	66.7
	N	246	60
FBiH	Has employment income	88.8	45.1
	No employment income	11.2	54.9
	N	329	153

Once again there was a clear relationship between levels of income for households with dependent children and the level of education of the head of the household (Table 5.6). Almost half (44.3%) of households with dependent children where the head of the household had no qualifications had no income from employment. In contrast, just 5.6% of households with dependent children, where the head of household had a university level qualification, had no income from employment. The level of education affects not only individual well-being and position in the labour market but has a wider impact on the well-being of dependent children living in their households.

Table 5.6 Proportion of households with dependent children and no employment income, by level of education of head of household – All BiH

	No diploma	Primary school certificate	Secondary school certificate	Junior college	University
Employment income	55.7	69.1	79.7	75.0	94.4
No employment income	44.3	30.9	20.3	25.0	5.6

As well as factual information on income, respondents 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 5.7).

For BiH as a whole, the percentage of people saying they were living comfortable had increased from 2.6% at wave 2 to 3.7% at wave 3 while the percentage who were 'finding it very difficult' reduced slightly from 18% to 16.6% at wave 3.

Table 5.7 Subjective financial situation, whether better or worse off financially than last year, expectation for coming year - Waves 2 and 3

	Entity					
	RS%		FBiH%		BiH%	
	W2	W3	W2	W3	W2	W3
Living comfortably	1.9	1.8	3.1	5.3	2.6	3.7
Doing alright	14.8	16.6	23.1	26.0	19.4	21.7
Just about getting by	38.9	35.4	38.7	36.5	38.8	36.0
Finding it quite difficult	21.9	24.4	20.8	19.9	21.3	21.9
Finding it very difficult	22.6	21.8	14.2	12.3	18.0	16.6
Better off than last year	6.1	4.3	6.4	6.4	6.2	5.5
Worse off than last year	44.0	44.4	29.7	25.1	36.1	33.8
About the same	50.0	51.3	63.9	68.5	57.7	60.7
Expect will be better off next year	26.2	19.7	23.4	23.3	24.7	21.7
Expect will be worse off next year	31.2	31.5	22.7	19.8	26.5	25.1
Expect will be the same	42.7	48.8	53.8	56.9	48.8	53.2
N	3651	3046	4484	3743	8135	6789

As at wave 2, the majority of respondents thought that their financial situation was about the same as one year previously. In the RS 44.4% of respondents thought they were worse off than a year before compared to 25.1% in the FBiH. In the RS, 4.3% of respondents thought their financial situation had improved and 6.4% thought the same in the FBiH.

When we look at the responses for expectations about one year ahead, respondents were relatively evenly split between optimism and pessimism about the future, even though respondents in the RS were less likely to say that they would be better off next year in the wave 3 survey. For BiH as a whole, one quarter of respondents thought they would be better off in a year's time, a further fifth thought they would be worse off financially with just over 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% of RS respondents at each year saying they would be worse off compared to 22.7% at wave 2 and 19.8% at wave 3 in the FBiH.

We can also look at the extent to which people's expectations of their financial situation in the next year were actually realised by comparing the responses to these questions given at wave 2 with their

wave 3 income levels. Table 5.8 shows individual mean income levels at wave 3 by people's expectations at wave 2.

Table 5.8: Wave 2 expectations and Wave 3 mean income (individual)

Expectations at Wave 2	Entity			
	RS mean income		FBiH mean income	
	W2	W3	W2	W3
Better off	158.61	156.53	225.82	254.24
Worse off	112.47	96.37	179.74	197.16
About the same	154.50	149.14	207.28	225.21

In some respects, people's expectations were fulfilled but in others they were not. In the RS, those who thought they would be better off had around the same mean incomes at wave 3 as at wave 2. Those who predicted they would be worse off seem to have been quite realistic in their prediction, with mean income levels falling by wave 3. And those who thought they would remain about the same did remain around the same with just a slight fall in mean income levels. In the FBiH, mean income levels increased by wave 3 regardless of whether people said they thought they would be better off, worse off or the same in a year's time.

6. Poverty dynamics

Key Findings

- *Using a definition of poverty as two-thirds of median income we can construct a poverty threshold for BiH. At wave 3, 34.7% of households in BiH were in poverty by our definition, 46.4% in the RS and 25.3% in the FBiH.*
- *Household composition has a significant effect on the likelihood of being in poverty with female headed households being more likely to be poor than male headed households.*
- *5.2% of households with dependent children and some employment income were under the poverty threshold, over two-thirds (67.8%) of households with dependent children and no employment income were in poverty.*
- *29.6% of children aged under fifteen in the RS and 17.1% of children in the FBiH were living in poverty at wave 3.*
- *There is a good deal of movement around the poverty threshold with just three-fifths of households were on the same side of the poverty threshold at all three waves.*
- *Over two-fifths (44.3%) of households in BiH never went below the poverty threshold over the three year period; 35.9% in the RS and 50.9% in the FBiH. By contrast, 16.7% of households were always under the threshold; 21.7% in the RS and 12.8% in the FBiH.*
- *Age, employment status, marital status and level of education were all associated with levels of poverty over the three years.*
- *Those with any form of educational qualification, those who were married and those who had moved in the last year were significantly less likely to fall into poverty.*
- *Being married had a positive effect on moving out of poverty compared to those who are never married. Any level of education and in particular a university level qualification in the FBiH significantly improved the likelihood of moving out of poverty.*

One of the strengths of longitudinal panel data is the ability to observe transitions between states over time for individuals and households. A major use of panel data in other countries has been in poverty research where movements into and out of poverty, together with the characteristics of those making these shifts, can be analysed.

It is typically the case that poverty levels, however they are defined, tend to remain fairly stable at the aggregate level over time. That is, the percentage of households or individuals at a given point in time will tend to look similar year on year. A common finding with panel data however, is that there is a good deal of movement into and out of poverty over time for individuals. In other words, many people are not in long term permanent poverty but hover around the poverty line, at some points in time being in poverty and at others just out of poverty. This phenomenon has been termed as ‘churning’ at the bottom of the income distribution.³

There are many debates about what constitutes an appropriate measure of poverty and differing views about how a poverty line should be defined. For the purposes of the analysis reported in this section we use a definition which is often employed for this type of analysis. This defines as being in poverty those households whose income is less than two thirds of the median income for the population. In the tables which follow, we have used the median income for BiH as whole rather than for each entity as this allows us to examine poverty across the whole population and make comparisons between entities using a common baseline.

Poverty threshold

Using the definition of poverty as two-thirds of median income we can construct a poverty indicator for BiH. The median income at wave 3 is 331.67 KM per month, so the poverty threshold is 221.11 KM per month. In total, 34.7% of households in BiH at wave 3 were under this threshold so were in poverty by our definition. There is a marked difference between entities, however. In the RS 46.4% of households live under this threshold, compared to 25.3% in the FBiH.

Household composition has a significant effect on the likelihood of being in poverty. Half of the households with a female head of household are under the poverty threshold compared to 29.3% of those with a male head of household. This difference holds across entities: 63.8% of female-headed households in the RS and 39.8% in the FBiH were below the threshold, compared to 40.9% and 19.8% of male-headed households.

³ See for example Jarvis, S. and Jenkins, S. (1995) ‘*Do the poor stay poor? New evidence about income dynamics from the British Household Panel Survey*’ Occasional paper 95-2, ISER, University of Essex.

The lack of employment income is also significant for levels of poverty in both entities. Whilst just 5.2% of households with dependent children and some employment income were under the poverty threshold, over two-thirds (67.8%) of households with dependent children and no employment income were in poverty. This proportion is worse in the RS (85.4% of households with children and no employment income) than the FBiH (55%). The proportion of households with children in poverty clearly will have a long term impact on the life chances of those children. When we look at all children aged under 15 in each entity, 29.6% of children in the RS and 17.1% of children in the FBiH were living in poverty at wave 3.

Table 6.1 shows the proportion of households under the poverty threshold for each of waves 1 to 3 by entity. At all three years, the RS has a higher proportion of households in poverty than the FBiH. In the RS, the percentage of households in poverty has remained fairly stable over the three years, ranging from between 43.5% at wave 1, rising to 48.1% at wave 2 and falling again to 46.4% by wave 3. In the FBiH the pattern is somewhat different. At wave 1, 33.4% of households were in poverty, and as with the RS we see a rise in poverty levels at wave 2 with 35.2% of households under the threshold. At wave 3 there is a steep decline in the proportion under the threshold, down to 25.3% of households.

Table 6.1 Proportion of households under the poverty threshold, Waves 1 - 3

	Entity					
	RS %			FBiH %		
	W1	W2	W3	W1	W2	W3
In poverty	43.5	48.1	46.4	33.4	35.2	25.3
<i>N</i>	<i>1005</i>	<i>1164</i>	<i>1165</i>	<i>1276</i>	<i>1439</i>	<i>1441</i>

Table 6.2 shows the transitions across the poverty threshold over the three year period⁴. As has been found by other panel surveys, there is a good deal of movement around the poverty threshold. Just three-fifths of households were on the same side of the poverty threshold at all three waves. Over two-fifths (44.3%) of households in BiH never went below the poverty threshold over the three year period; 35.9% in the RS and 50.9% in the FBiH. By contrast, 16.7% of households were always under the threshold; 21.7% in the RS and 12.8% in the FBiH. There were some one-way moves into and out of poverty during the three waves of the survey. Just over one in ten households (10.6%) moved into poverty after wave one whilst 17.5% of households exited poverty after wave one. There were also some households who moved from one side of the threshold to the other and back again: 3.6% of households exited poverty in wave two and re-entered at wave three whilst 7.3% entered poverty at wave 2 and exited at wave three.

Table 6.2 Poverty transitions across all three waves

	Entity	
	RS %	FBiH %
Always in poverty	21.7	12.8
Never in poverty	35.9	50.9
Exit poverty after wave 1	17.0	18.0
Enter poverty after wave 1	15.2	7.0
Enter then exit poverty	5.6	8.7
Exit then re-enter poverty	4.8	2.7
<i>N</i>	1004	1277

Table 6.3 shows the proportion of households and individuals who were under the poverty threshold at each wave (first two rows). It also looks at the characteristics of those who were in poverty at each year. So for example in the RS 36.3% of men were under the poverty threshold at wave 1, compared to 38.4% of women at the same time.

A higher proportion of those aged 55 and over were in poverty at each year of the survey, something which holds across entities even though the levels of poverty are higher in the RS than in the FBiH. Interestingly, home ownership does not necessarily reduce levels of poverty, suggesting that housing wealth does not necessarily reflect income levels.

Employment status is significant across the three years. Even though they are working, those who are self-employed do not have reduced chances of being in poverty but being an employee does reduce the chances of being in poverty. The unemployed, pensioners, those who are unable to work due to ill-health, housewives and in the RS, those who work in a family business are more likely to be in poverty.

Widows, and the divorced or separated were more likely than those in other marital situations to be in poverty at each year, something which is in line with the effects of age and household composition noted earlier.

Finally, those with no qualifications are more likely to be poor than those with higher level qualifications, again highlighting the importance of education for improving living standards and longer term life chances.

⁴ For this analysis any movement above or below the poverty threshold is included. There are therefore many short distance moves where a relatively small increase or decrease in income can move someone either above or below the threshold.

Table 6.3 Proportions under the poverty threshold

		Entity					
		RS %			FBiH %		
		W1	W2	W3	W1	W2	W3
	In poverty (households)	43.5	48.1	46.4	33.4	35.2	25.3
	In poverty (individuals)	37.7	42.0	39.0	26.7	29.9	19.7
Sex							
	Male	36.3	40.1	37.9	25.1	27.9	18.8
	Female	38.4	43.0	40.8	28.1	29.9	21.1
Age							
	15-24	32.1	37.5	33.2	21.4	26.8	17.4
	25-34	30.2	36.5	32.2	21.7	26.1	15.5
	35-44	36.4	32.4	32.5	21.2	22.4	16.6
	45-54	32.6	38.2	33.9	22.5	25.8	17.4
	55-64	40.4	49.1	46.2	38.6	40.5	26.9
	65+	54.8	60.9	61.0	46.6	43.9	28.9
Housing tenure							
	Own	38.1	43.5	39.8	25.8	29.2	18.4
	Rent	28.3	31.4	25.1	21.2	24.0	18.8
	Temporary occupant	38.2	32.4	38.1	27.1	20.5	28.4
	Rent-free	26.2	43.2	32.0	38.8	34.0	33.0
	Other	67.6	40.4	58.5	34.0	42.6	22.5
Employment status							
	Employee	21.4	19.3	15.5	10.1	11.9	6.2
	Self-employed	29.4	48.9	47.5	13.8	14.0	12.3
	Seasonal/temporary	28.0	33.3	31.6	12.5	35.1	10.0
	Family business	29.5	64.5	48.1	25.0	26.2	18.0
	Housewife	45.8	54.7	52.8	34.0	37.9	23.8
	Student	30.7	31.9	26.8	18.9	25.0	13.6
	Pensioner	49.9	45.8	47.2	43.8	41.9	25.7
	Unemployed	48.2	53.6	51.7	35.4	43.1	36.0
	Incapable	63.2	67.1	59.6	52.2	20.6	25.0
Marital status							
	Single	35.4	37.2	34.9	23.5	24.1	17.3
	Married	36.1	40.7	36.7	26.5	30.0	18.1
	Co-habiting	33.3	35.3	34.1	36.4	50.0	3.2
	Widow/er	52.1	61.0	58.3	42.1	42.2	36.0
	Divorced/separated	33.3	54.8	45.1	45.1	34.9	29.6
Education level							
	None	41.9	54.9	51.5	35.4	37.0	27.2
	Primary school certificate	44.4	47.0	44.2	31.8	31.5	21.2
	Secondary school certificate	31.9	32.7	29.5	21.2	25.2	14.6
	Junior college	21.6	17.0	20.0	14.5	14.3	12.7
	University	5.1	4.8	12.8	4.5	10.7	14.9

We can also model the likelihood of moving into or out of poverty. Table 6.4 shows the results of a logistic regression analysis to model transitions into poverty over the period. Using those who were not in poverty at wave 1 as the baseline, respondents with any form of educational qualification were significantly less likely to fall into poverty compared to those with no qualifications. The higher the level of education, the less likely it was for them to make the transition into poverty.

Marital status was also a significant predictor. Compared to the never married, married respondents were less likely to fall into poverty as were those who were cohabiting, even though the coefficient

for cohabiters is not statistically significant. Widows and widowers in the RS were statistically less likely to fall into poverty than the never married but the reverse is the case in the FBiH where widows and widowers were more likely to fall into poverty. Those who had moved in the past year were less likely to fall into poverty than those who had not moved, possibly suggesting that those who are able to move address are on the whole more affluent.

Table 6.4 Logistic regression modelling transitions into poverty

	BiH		RS		FBiH	
	B	S.E.	B	S.E.	B	S.E.
Male	-.060	.146	-.319	.185	.199	.281
Age	.045	.023	.077+	.031	-.031	.042
Age-squared	.000	.000	-.001	.000	.000	.000
Married	-.568*	.204	-1.239**	.261	.822	.446
Cohabiting	-1.912	1.258	-2.251	1.273	-3.165	9.830
Widow/er	-.478	.273	-1.233**	.369	1.410+	.562
Divorced/separated	-.374	.510	-.986	.593	.520	1.197
Primary educ.	-.578*	.182	-.595*	.232	-.439	.356
Secondary educ.	-1.168**	.187	-1.259**	.239	-.682	.358
College educ.	-1.902**	.509	-2.575**	.743	-.643	.732
University educ.	-1.581**	.406	-3.745*	1.239	.298	.508
Has chronic disease	.254	.147	.170	.183	.096	.291
Displaced resident	-.501	.305	.068	.411	-.548	.502
Temporary resident	.120	.173	-.332	.205	.024	.385
Moved in last year	-1.327*	.425	-1.667**	.515	-.966	.775
Self-employed	.204	.318	.197	.379	.112	.679
Temporary worker	.305	.450	.307	.534	.052	.991
Family enterprise	.698	.369	-.212	.453	1.427	.759
Looking after house	-.225	.220	-.345	.283	.514	.401
Student	.116	.304	.105	.380	.738	.585
Pensioner	-.025	.224	.254	.286	-.047	.437
Unemployed	.027	.213	-.183	.274	.681	.375
Incapable of work	-.142	.443	-.073	.550	-.672	1.343
Constant	-2.459	.582	-1.981	.755	-3.010	1.033
R ²	0.081		0.169		0.041	
N	4126		1714		2412	

NOTE: sample is all those **not in** poverty at wave 1.

** Sig .001

* Sig .01

+ Sig .05

Table 6.5 shows the opposite model and predicts transitions out of poverty. In this case being married had a positive effect on moving out of poverty compared to those who are never married. Any level of education and in particular a university level qualification in the FBiH significantly improved the likelihood of moving out of poverty.

Table 6.5 Logistic regression modelling transitions out of poverty

	BiH		RS		FBiH	
	B	S.E.	B	S.E.	B	S.E.
Male	-.113	.129	.024	.179	-.378	.203
Age	-.028	.021	-.039	.030	-.012	.031
Age-squared	.000	.000	.000	.000	.000	.000
Married	.532*	.176	.498+	.248	.699*	.269
Cohabiting	.685	.496	.007	.683	2.191+	.862
Widow/er	.198	.246	.439	.358	.016	.354
Divorced/separated	-.024	.430	-.511	.812	.034	.541
Primary educ.	.620**	.167	.631+	.258	.778**	.232
Secondary educ.	1.018**	.170	1.139**	.271	1.107**	.231
College educ.	1.847**	.371	2.108**	.529	1.911**	.546
University educ.	2.125*	.691	1.748	1.054	2.849*	.975
Has chronic disease	-.196	.130	-.367	.190	-.079	.187
Displaced resident	-.277	.187	-.140	.299	-.446	.248
Temporary resident	.237	.138	.452+	.177	.314	.246
Moved in last year	.308	.225	-.022	.274	1.218*	.429
Self-employed	.086	.366	-.010	.464	.310	.667
Temporary worker	.214	.509	.056	.623	.826	1.059
Family enterprise	-.006	.483	.553	.551	-1.623	1.283
Looking after house	.238	.209	.529	.297	-.414	.323
Student	.593+	.297	.902+	.414	.227	.447
Pensioner	.202	.206	.477	.295	-.393	.312
Unemployed	-.153	.181	-.124	.243	-.320	.289
Incapable of work	.720+	.332	.703	.496	.449	.480
Constant	-.765	.510	-1.056	.721	-.661	.756
R ²	0.119		0.125		0.170	
N	1969		1022		946	

NOTE: sample is all those in poverty at wave 1.

- ** Sig .001
- * Sig .01
- + Sig .05

7. Health

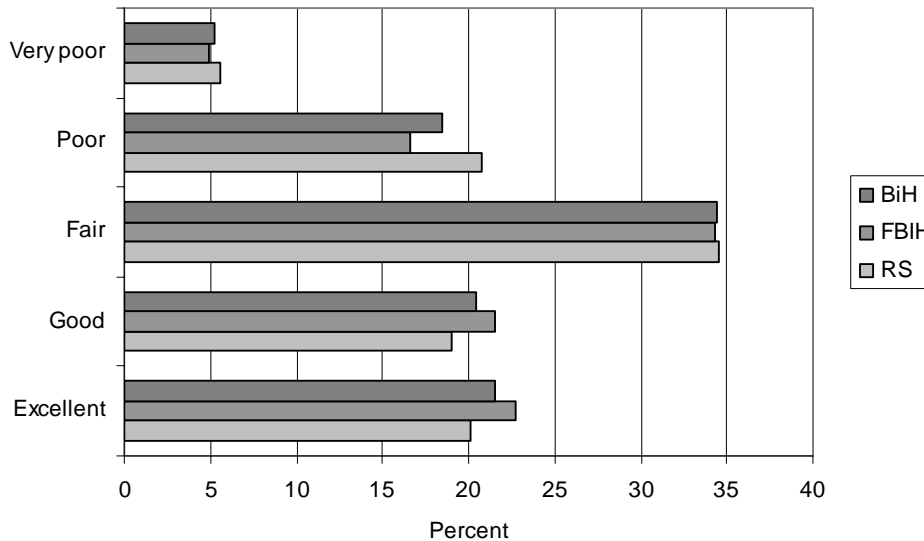
Key Findings

- *35% of respondents described their own health compared to others of their own age as fair, and a further 40% described their health as good or excellent. Just under one fifth said that their health was poor and only 5% said it was very poor.*
- *Half of those whose health was poor at wave 2 reported improved health and 38.8% of those with very poor health reported being in this category at wave 3.*
- *The majority of respondents (79.8%) had some form of health insurance, even though those in the FBiH were more likely to have this than those in the RS. In both entities, the proportion of respondents with health insurance had increased slightly since 2002, by 3.2% in the FBiH and 2.5% in the RS.*
- *In total 6.6% of respondents considered themselves to be disabled. The disabled were less likely to be either in employment or unemployed and more likely to be out of the labour market than able bodied respondents.*
- *One-third of respondents said they had smoked in the last seven days. The proportion is slightly higher in the FBiH (33.4%) than in the RS (30.3%) and men were more likely than women to be smokers.*
- *Around a quarter of those who were smoking at wave 2 had given up by wave 3 while one-eighth of those who were non-smokers at wave 2 had taken up smoking a year later.*
- *Respondents in the RS suffered from higher levels of psychological stress than those in the FBiH.*
- *Women reported higher levels of stress than men, possibly due to a greater willingness for women to admit to such feelings than men.*
- *Levels of psychological stress increased with age.*

Subjective health status and chronic conditions

For BiH as a whole, just under 35% of respondents described their own health compared to others of their own age as fair and a further 40% described their health as good or excellent. Just under one fifth said that their health was poor and only 5% said it was very poor (Fig 7.1).

Fig 7.1 Subjective Health Status Wave 3



When we compare respondent’s report of their health status at wave 3 against what they said at wave 2 (Table 7.1) we see that there is a good deal of movements between the categories for individuals.

Table 7.1 Subjective health status – Wave 2 to Wave 3 changes

		Subjective health status Wave 2				
Wave 3		Excellent	Good	Fair	Poor	Very poor
RS						
Excellent		51.6	27.9	11.8	2.9	1.8
Good		25.7	35.3	19.9	5.6	3.0
Fair		18.4	28.3	51.5	33.4	7.7
Poor		3.6	7.4	15.5	46.4	48.8
Very poor		0.7	1.1	1.3	11.7	38.7
	<i>N</i>	<i>608</i>	<i>445</i>	<i>1113</i>	<i>716</i>	<i>168</i>
FBiH						
Excellent		53.9	30.9	11.2	5.0	3.0
Good		26.5	38.8	19.8	7.8	3.6
Fair		15.6	23.4	52.0	35.3	17.0
Poor		2.6	4.6	15.2	42.5	37.6
Very poor		1.4	2.4	1.9	9.5	38.8
	<i>N</i>	<i>735</i>	<i>658</i>	<i>1424</i>	<i>706</i>	<i>165</i>

Around half of those who said their health was either excellent or fair at wave 2 said the same at wave 3. Only 35% of those with good health at wave 2 in the RS and 38.8% in the FBiH were in the same

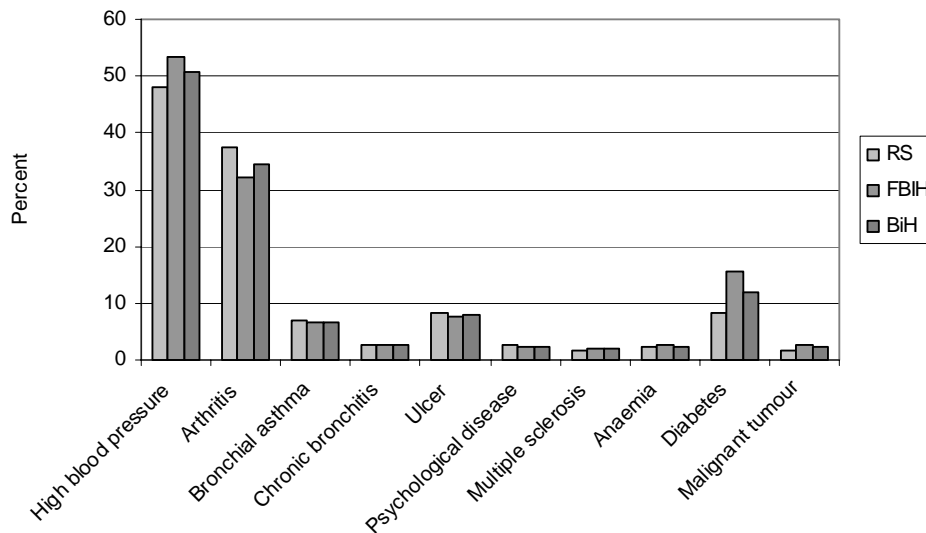
category at both years. Under one third of these respondents in each entity said that their health was excellent at wave 3 while the remainder gave a worse health status at wave 3. More encouraging is the fact that half of those whose health was poor at wave 2 reported improved health and only 38.8% of those with very poor health reported being in this category at wave 3.

In the whole sample, 27.9% reported having some kind of chronic condition or illness. There was a slightly higher proportion in the RS (29.2%) than the FBiH (26.9%). Respondents were able to mention up to three conditions, with 14.4% mentioning one, 8.5% two and 5.1% mentioning three conditions. We can look at the extent to which respondents number of chronic conditions changed between waves 2 and 3 (Table 7.2). In the majority of cases in both entities those with no chronic conditions at wave 2 still had none at wave 3 (87.1% in the RS and 89% in FBiH). As at wave 2, the main chronic conditions mentioned were high blood pressure and arthritis (Fig 7.2).

Table 7.2 Number of chronic conditions – Wave 2 to Wave 3 changes

		Number of chronic conditions Wave 2			
Wave 3		None	One	Two	Three
RS					
None		87.1	38.5	24.6	14.2
One		9.1	35.0	29.9	16.7
Two		2.5	18.0	27.4	30.8
Three		1.3	8.4	18.1	38.3
<i>N</i>		<i>2179</i>	<i>488</i>	<i>281</i>	<i>120</i>
FBiH					
None		89.0	38.7	22.7	16.0
One		7.1	34.4	31.1	24.7
Two		2.8	20.5	28.3	28.6
Three		1.1	6.4	17.9	30.7
<i>N</i>		<i>2728</i>	<i>512</i>	<i>251</i>	<i>231</i>

Figure 7.2. Chronic conditions – Wave 3



Use of health services

The majority of respondents (79.8%) had some form of health insurance, even though those in the FBiH were more likely to have this (88.4%) than those in the RS (69.4%). In both entities, the proportion of respondents with health insurance had increased slightly, by 3.2% in the FBiH and 2.5% in the RS.

The mean number of visits to a GP in the past year was 3.16 visits for BiH as a whole, 2.65 visits in the RS and 3.57 visits in the FBiH. The mean number of visits to a dentist in the last year was 0.66 visits, 0.62 visits in the RS and 0.69 in the FBiH. The mean visits for any type of medical or dental treatment are similar at each year of the survey. 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 2003 is shown in Table 7.3 below. As might be expected the highest mean cost for those using the service was for hospital visits followed by other doctor, private nurse and GP visits.

Table 7.3 Mean amount spent on medical services in past year by entity - Wave 3 (respondents using medical services only)

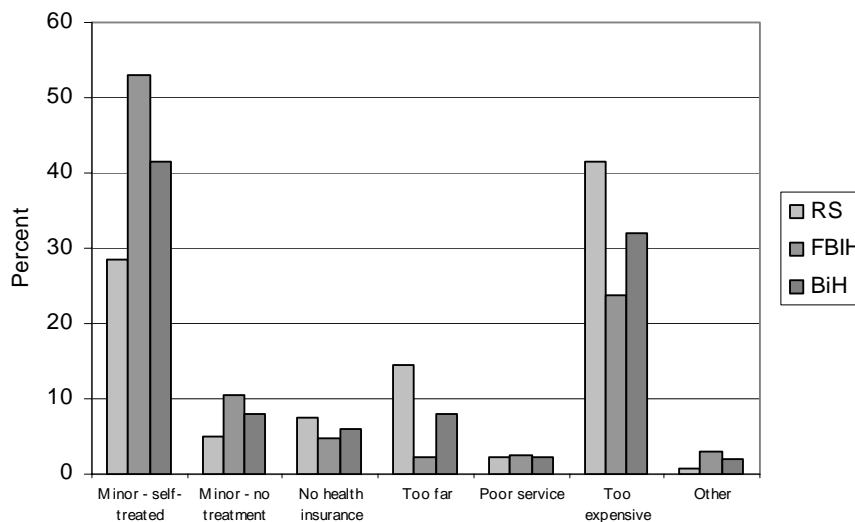
Mean amount KM spent	Entity		
	RS	FBiH	BiH
GP visits	105.32 (1054)	72.63 (1447)	86.41 (2501)
Gynaecologist	62.01	52.17	56.39

	(251)	(334)	(585)
Dentist	76.15	60.87	67.24
	(638)	(892)	(1530)
Other doctor	166.95	110.20	134.27
	(328)	(446)	(774)
Private nurse	144.20	59.28	100.91
	(22)	(23)	(44)
Physical therapist	81.33	95.52	92.19
	(27)	(87)	(114)
Non-prescription drugs	51.11	57.50	54.71
	(1233)	(1593)	(2825)
Hospital visits	366.85	203.38	280.02
	(158)	(179)	(337)

The extent to which respondents took medical advice is likely to be affected by both cost and availability. Respondents were asked if they had needed medical treatment in the last twelve months but did not obtain it. There was not much difference in responses to these questions between the entities. Overall 17.6% of respondents said that they had needed treatment but did not obtain it, 18.2% in the RS and 17.2% in the FBiH.

The main reasons they did not obtain medical treatment are shown in Fig 7.3 below and here there are some variations between the two entities. Over half the respondents in the FBiH said they had a minor disorder that they treated on their own compared to 28.5% of those in the RS. Respondents in the RS were also more likely to say that they did not get treatment because it was too expensive, 41.5% in the RS compared to 23.7% in the FBiH. In addition, 7.5% of respondents in the RS and 4.8% in the FBiH gave lack of medical insurance as the reason. Proximity was also an issue in the RS as 14.5% of respondents said it was too far to go to get medical treatment.

Figure 7.3 Reason medical treatment not obtained Wave 3



Disability

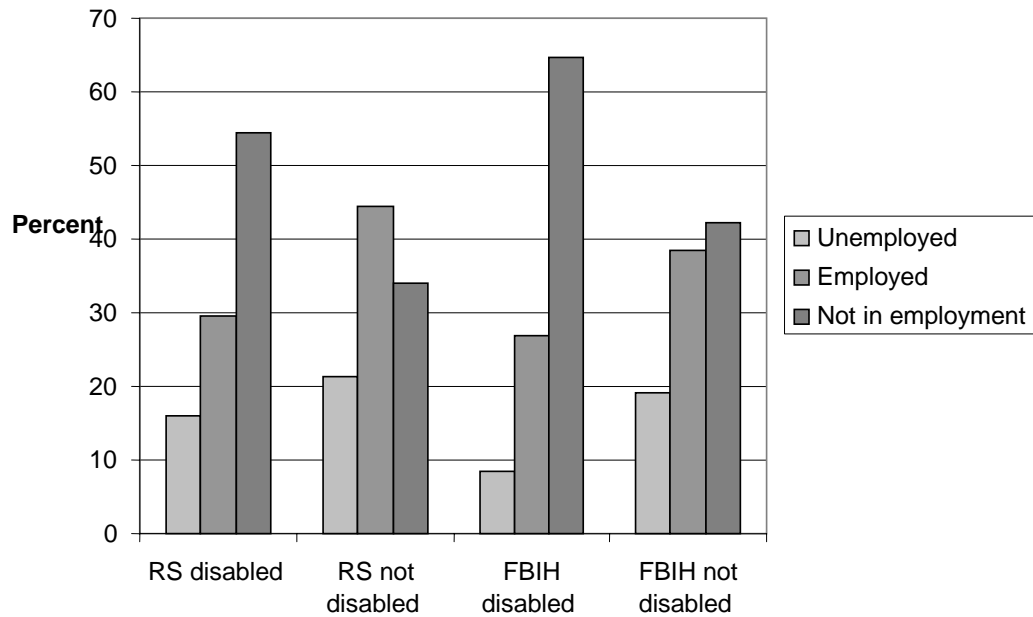
In total 6.6% of respondents considered themselves to be disabled. The proportion was similar across the entities (7.1% in the RS and 6.2% in the FBiH). Men were more likely than women to report being disabled. In the RS 8.1% of men were disabled compared to 6.2% of women. In the FBiH 7.9% of men were disabled, compared to 4.7% of women. The propensity to report being disabled increases with age, with those aged 65 or over being the most likely to be disabled. In the RS 19.6% of those aged over 65 years were disabled and in the FBiH 13.5%. Table 7.4 shows the type of disability for men and women in each entity. Men were more likely to be war wounded than women in both entities while women were more likely than men to report mobility impairment.

Table 7.4 Description of disability by gender – Waves 2 and 3 (disabled only)

Description of disability	Entity							
	RS %				FBiH %			
	Men		Women		Men		Women	
	W2	W3	W2	W3	W2	W3	W2	W3
Hearing impairment	15.4	15.7	7.4	8.2	6.3	7.1	8.3	8.6
Profoundly deaf	0.6	0.8	0.8	1.0	1.0	--	3.0	--
Visually impaired	10.1	7.9	15.6	12.2	10.1	4.3	6.1	14.0
Blind	0.6	1.6	1.6	--	1.0	--	--	--
Mobility impaired	26.6	26.8	34.4	41.8	16.8	29.1	40.9	41.9
Housebound	7.1	2.4	10.7	7.1	7.2	5.7	6.8	7.5
Learning difficulties	0.6	--	4.1	--	--	0.7	0.8	2.2
War wounded	20.7	26.0	2.5	--	32.7	36.9	0.8	2.2
Other	18.3	18.9	23.0	28.6	25.0	14.9	33.3	23.7
N	169	127	122	98	208	141	132	93

Those who reported being disabled were less likely to be either in employment or unemployed as defined by respondent's description of their current status. In both entities the disabled were more likely to be out of the labour market than able bodied respondents. Figure 7.4 shows the distribution by entity of current employment for those of working age 15 - 64 years. In the RS 29.5% of the disabled were in employment compared to 44.5% of the able bodied and 54.5% were not in employment compared to 34.1% of the able bodied. In the FBiH 26.8% of the disabled were in employment compared to 42.3% of the able bodied while 64.6% were not in employment compared to 42.3% of the able bodied.

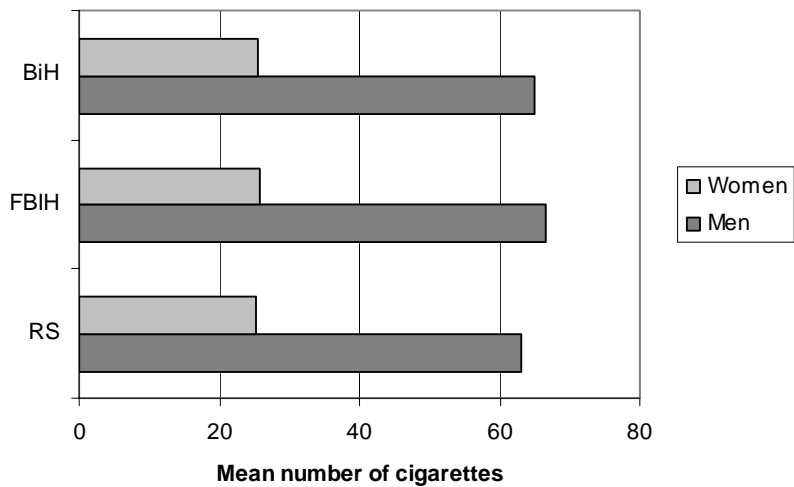
Fig 7.4 Whether disabled by employment, Wave 3



Smoking behaviour

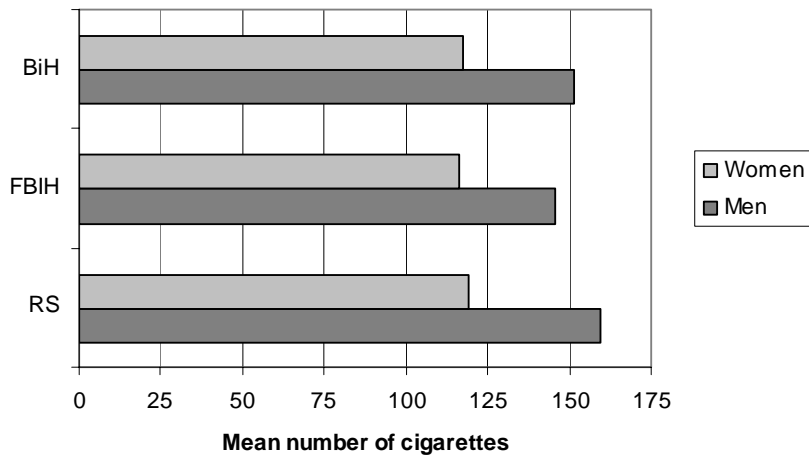
At wave 3, around one-third of respondents said they had smoked in the last seven days. The proportion is slightly higher in the FBiH (33.4%) than in the RS (30.3%) and men were more likely than women to be smokers. In the RS 39.7% of men smoked compared to 21.2% of women. In the FBiH 45.6% of men smoked, compared to 22.3% of women (Fig 7.5).

Figure 7.5 Mean number of cigarettes smoked in the last seven days by gender (all sample)



When we look at those who smoke only, smokers tended, on average, to be heavy smokers with the mean number of cigarettes smoked in the last seven days being 145 (almost 21 per day) in the RS and 135 (19 per day) in the FBiH. Fig 7.6 shows the mean number of cigarettes smoked in the last seven days by gender for smokers only. Men are still heavier smokers, on average, than women smokers but the gap is not as large as for the whole population. Men smoked an average of 151 cigarettes in the last week (almost 22 per day) compared to 118 for women (almost 17 per day).

Figure 7.6 Mean number of cigarettes smoked in the last seven days by gender (smokers only)



As the same individuals have been interviewed at each year of the survey, we can observe changes in smoking behaviour over the two year period. So we can see what proportion of smokers continued smoking, what proportion gave up smoking and what proportion of non-smokers started smoking over that period.

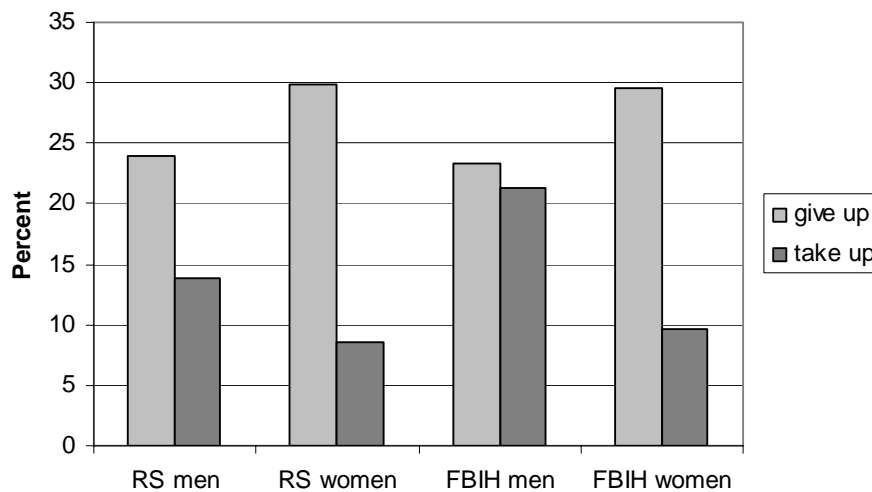
Table 7.5 shows respondents wave 2 smoking status by their wave 3 status. In total, around a quarter of those who were smoking at wave 2 had given up by wave 3 (25.6%). Around one-eighth of those who were non-smokers at wave 2 had taken up smoking a year later (12.6%). The rates of taking up and giving up smoking are similar for both entities even though the rate of taking up smoking is slightly higher in the FBiH (14.1%) than in the RS (10.8%).

Table 7.5 Wave 2 smoking status by wave 3 status

		Wave 2 smoking status			
		RS		FBiH	
Wave 3		Smoker	Non-smoker	Smoker	Non-smoker
	Smoker	74.2	10.8	74.6	14.1
	Non-smoker	25.8	89.2	25.4	85.9
	<i>n</i>	925	2098	1237	2400

Of those men who smoked at wave 2, 23.6% had given up by wave 3. The proportion of women who gave up smoking in between waves 2 and 3 is slightly higher, at 29.6%. Looking at those who were non-smokers at wave 2, men were more likely to have taken up smoking by wave 3: 17.7% of male non-smokers were smoking a year later compared to just 9.2% of female non-smokers. There was almost no difference in the rate of giving up between the RS and the FBiH. However, both men and women in the FBiH were more likely to take-up smoking compared to those in the RS (Fig 7.7).

Fig 7.7 Giving up and taking up smoking between waves 2 and 3 by gender.



The proportion of smokers who gave up between waves 2 and 3 generally increases with age. Around 23 percent of those smokers aged 25-54 gave up compared to 27.8% of those aged 55-64 and 32.7% of those aged 65 or more.

The proportion of people taking up smoking decreases with age, from 18.9% of those non-smokers aged 25-34 to 8.2% of those aged 65 or more. Around one-fifth of smokers who were in employment gave up smoking, compared to around a third of smokers who were a housewife, student, pensioner or unemployed. Around a fifth of non-smokers who were employed or self-employed took up smoking compared to just 7.4% of housewives, 6.6% of students and 10.2% of pensioners. Of the non-employed groups, the unemployed were the most likely to start smoking (16.3%).

Psychological well-being

Respondents at wave 3 were asked a series of questions about their psychological well-being during the last week. These were:

During the last week did you.....
accuse yourself for different things

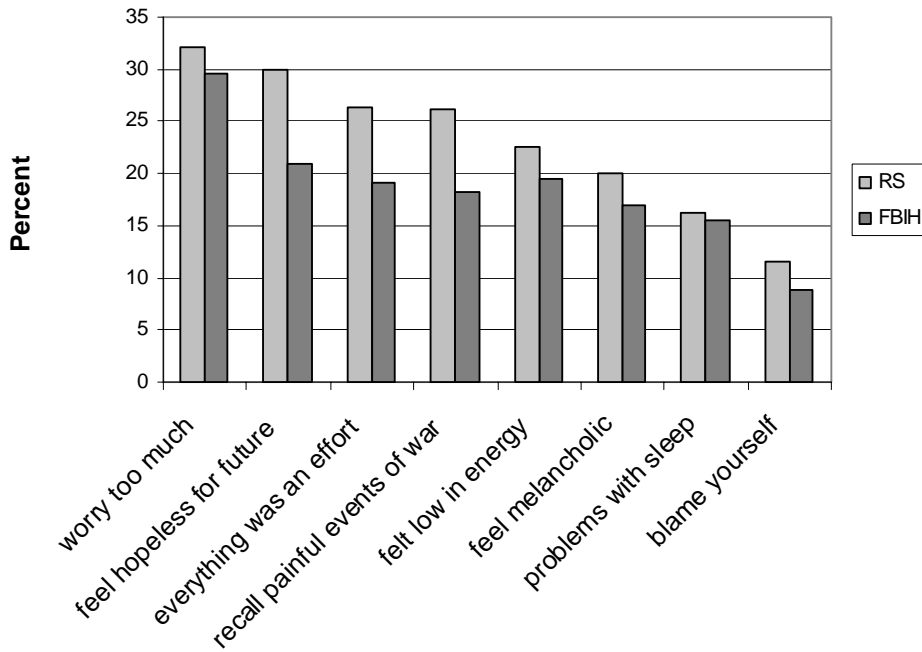
have problems falling asleep or sleeping
feel hopeless in terms of the future
feel melancholic
worried too much about different things
feel that everything was an effort
constantly recall the most painful events you experienced during the war

For each item they had four possible responses: ‘*Not at all*’, ‘*A little*’, ‘*Quite a bit*’ and ‘*Extremely often*’.

Figure 7.8 shows the proportion of respondents who said “quite a bit” or “extremely often” when asked how much they felt these things. On all of the items, those in the RS were more likely than those in the FBiH to say that they felt or experienced these things quite a bit or extremely often. The mean number of items that this response was given was 1.52 in the RS and 1.16 in the FBiH. Respondents in the RS were much more likely than those in the FBiH to say that they often felt hopeless in terms of the future, that everything was an effort and they recalled painful events they had experienced during the war.

Women were more likely than men to say that they felt these emotions quite a bit or very often. The average number of items to which a woman said “quite a bit” or “extremely often” was 1.98 compared to 1.28 for men. The mean score for women was higher in the RS (2.26 for women, 1.40 for men) than in the FBiH (1.76 for women, 1.17 for men). It may be the case that women suffer from more psychological stress than men on average but the difference between men and women may be partly due to a greater willingness for women to admit to such feelings than men.

Figure 7.8 Psychological stress (percentage feeling “quite a bit” or “extremely often”)



The number of items to which a respondent gave these responses also increases with age; from 0.47 for those aged 15-24 up to 2.92 for those aged 65 and above.

Those who are in receipt of veteran’s benefit are more likely to have said that they felt these emotions quite a bit or extremely often. The mean number of questions where this response was given was 2.73 for those in receipt of veteran’s benefit (2.91 in the RS and 2.53 in the FBIH) compared to 1.59 for those who were not in receipt of this benefit (1.78 in the RS, 1.43 in the FBIH).

7. Values, opinions and quality of life

Key Findings

- *The majority of respondents in both entities disagreed that it was alright for people to live together rather than marrying.*
- *The majority of respondents in both entities agreed or strongly agreed that it was better to divorce than continue an unhappy marriage.*
- *Over one third of respondents agreed or strongly agreed that when there are children in the family, parents should stay together even if they don't get along, around one fifth had no view either way while the remaining half disagreed that parents should stay together for the sake of the children.*
- *Respondents tended to say that it was better for children if their parents were married rather than cohabiting.*
- *Almost all respondents in both entities either agreed or strongly agreed that adult children had an obligation to look after their elderly parents.*
- *The majority of respondents had at least one person who they could talk to and at least one person who could help them out in a crisis.*
- *Respondents were most likely to say they shared their private feelings and concerns with their spouse or partner, followed by a parent, child, friend, or brother or sister.*
- *People were most satisfied with their families, husband, wife or partner and least satisfied with their household income.*

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.

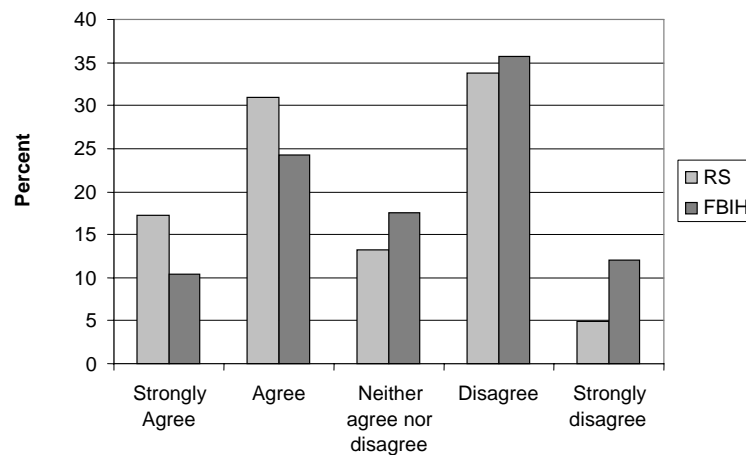
Attitudes to cohabitation, marriage, divorce and family life

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 family life. Figures 8.1 to 8.5 show the responses to these statements.

The majority of respondents in both entities disagreed that it was alright for people to live together rather than marrying. Respondents in the RS were more inclined to agree with cohabitation outside marriage than those in the FBiH and there were some differences by gender. In the RS, 50% of men agreed or strongly agreed with cohabitation outside marriage compared to 46.5% of women in the RS. In the FBiH, 38.5% of men agreed or strongly agreed with the statement compared to 31.6% of women. As might be expected, younger respondents under 45 years of age were more likely to agree with cohabitation than those who were older but again there were some differences by entity. Of those aged under 45 in the RS, over 60% agreed or strongly agreed with cohabitation compared to 27.6% of those aged 65 or more in the RS. In the FBiH, 40% of the under 45’s agreed with cohabitation compared to 27.3% of the 65 and over age group.

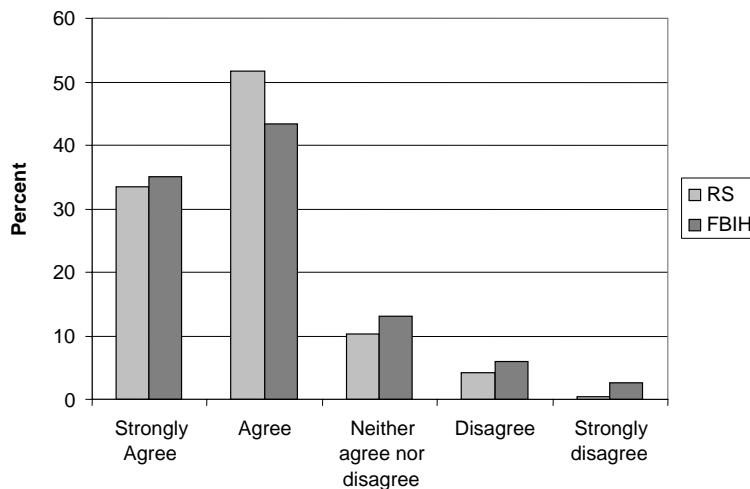
Those with higher levels of education were about twice as likely to agree with cohabitation than those with no qualifications, something which held in both entities. In the RS, 62.7% of those with university level qualifications agreed with cohabitation compared to 27.9% of those with no qualifications. In the FBiH, 55.3% of respondents with university level qualifications agreed with the statement compared to 24.6% of those with no qualifications.

Figure 8.1: It is alright for people to live together even if they have no interest in considering marriage



When asked whether it was better to divorce than continue an unhappy marriage, the majority of respondents in both entities agreed or strongly agreed with this statement and in this case there was little difference by gender. In the RS, 86.7% of men and 83.7% of women agreed or strongly agreed with this statement and in the FBiH, 79.6% of men and 77.2% of women agreed that divorce is better than an unhappy marriage. As with cohabitation, attitudes to divorce were related to both age and level of education. Younger respondents were more likely to agree with divorce than older respondents as were those with university level qualifications.

Figure 8.2: It is better to divorce than continue an unhappy marriage



When children were involved respondents attitudes are somewhat mixed regarding divorce. Over one third of respondents agreed or strongly agreed that when there are children in the family, parents should stay together even if they don't get along, around one fifth had no view either way while the remaining half disagreed that parents should stay together for the sake of the children.

In both entities, there was no difference by gender but there was a strong relationship with age with younger respondents being less likely to agree with the statement than older respondents. The relationship with level of education continues to hold with those with university level qualifications being less likely to agree that parents should stay together when children are involved than those with lower levels of qualifications.

In common with attitudes to divorce when children are involved, respondents tended to say that it was better for children if their parents were married rather than cohabiting. When asked whether they agreed or disagreed with the statement that it makes no difference to children if their parents are married or just living together, over half disagreed or strongly disagreed with this statement. Respondents in the RS were more likely to agree or strongly with the statement (40%) than those in

the FBIH (23%) but there was no gender difference in responses within each entity. Interestingly, the relationship with age where younger respondents are more likely to agree with the statement than older age groups holds in the RS but does not apply in the FBIH. In the FBIH younger and older respondents are equally likely to agree or disagree with the statement. In both entities, the relationship with level of education is once again apparent with those with university level qualifications being more likely to agree that it makes no difference to children whether their parents are married or cohabiting.

Figure 8.3: When there are children in the family, parents should stay together even if they don't get along

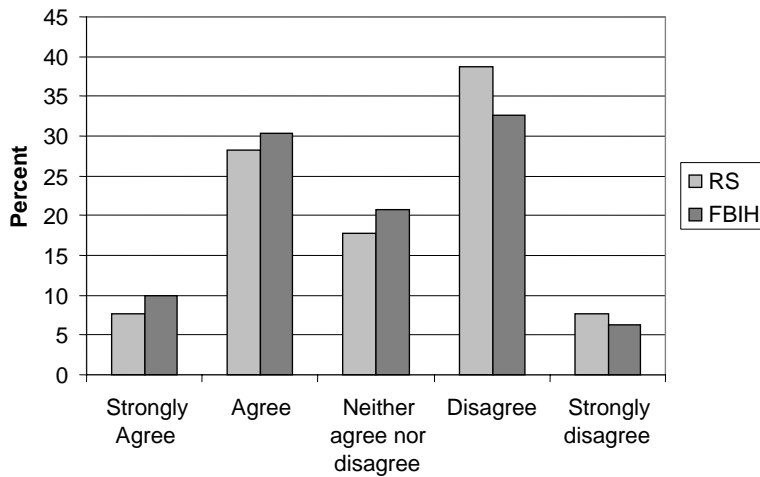
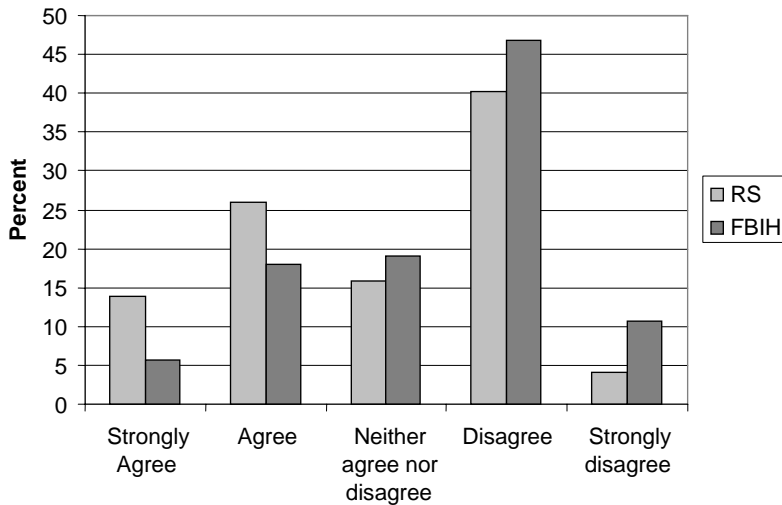


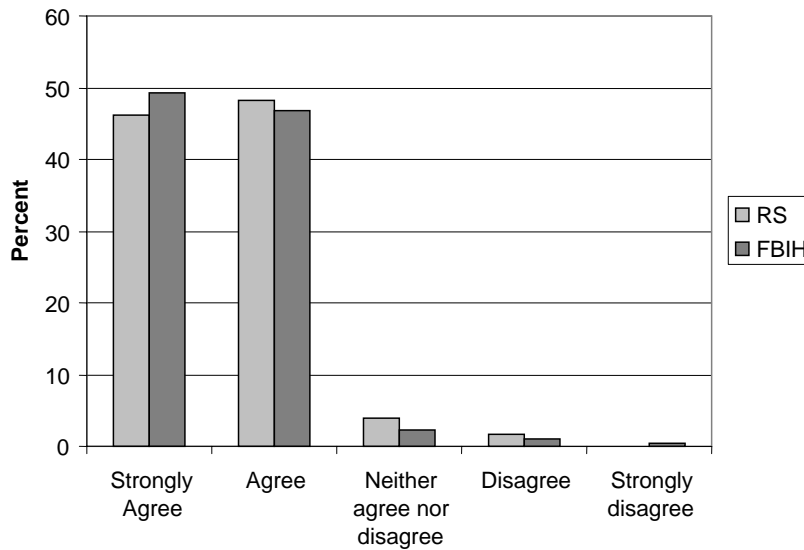
Figure 8.4: It makes no difference to children if their parents are married or just living together



The final item asked about people's feelings of obligation to care for elderly parents. Almost all respondents in both entities either agreed or strongly agreed that adult children had an obligation to look after their elderly parents. In this case there were no differences by gender, age or level of

education, making this an obligation which is clearly seen as a central element of family life in BiH. It is interesting to note that in countries such as the UK where the debate about care for the elderly is focusing on how best to reconcile the obligations of individuals and the state in the provision of care, around one quarter of people disagree that it is children’s responsibility to care for their elderly parents.⁵

Figure 8.5: Adult children have an obligation to look after their elderly parents



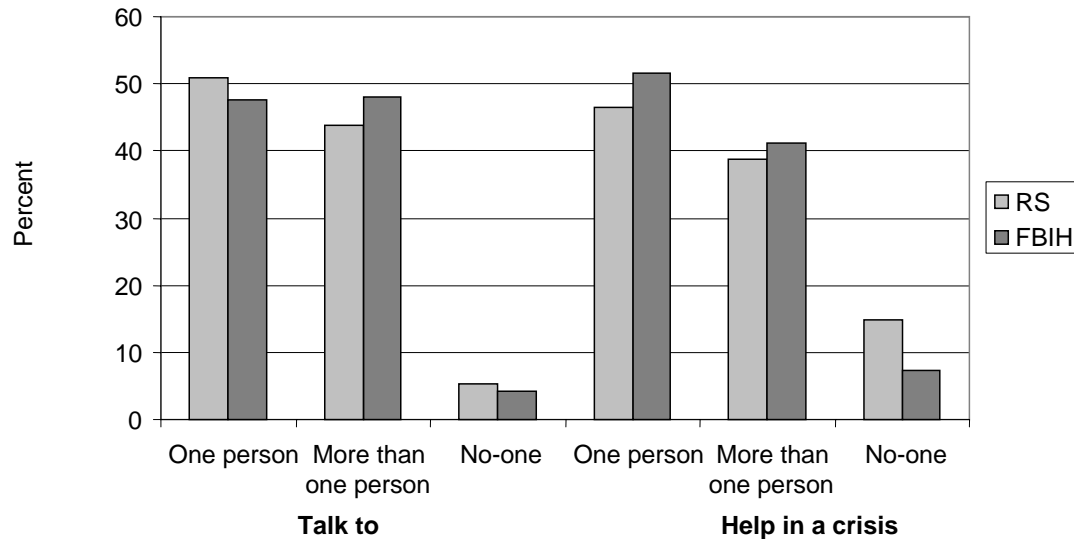
Social support networks

Respondents were asked whether there was anyone they could count on to listen to when they needed to talk. Most people in the sample said that there was. Around half said that there was one person (49.1%) and a slightly smaller proportion said more than one person (46.2%). Just 4.7% said that they had no-one. There was not a great deal of difference between the entities; those in the RS were slightly more likely to say that there was one person or no-one whilst those in the FBiH were slightly more likely to say there was more than one person.

Respondents were also asked whether there was anyone they could really count on to help them out in a crisis. Again, around half (49.2%) said that there was one person; 46.4% in the RS and 51.6% in the FBiH. A similar proportion in each entity said that there was more than one person: 38.8% in the RS and 41.2% in the FBiH. Those in the RS were twice as likely to say that they had no-one than those in the FBiH: 14.8% compared to 7.2%.

⁵ This question was asked in the 2001 round of the British Household Panel Survey where 25% of respondents disagreed or strongly disagreed with the statement.

Fig 8.6 Number of people to talk to and help out in a crisis



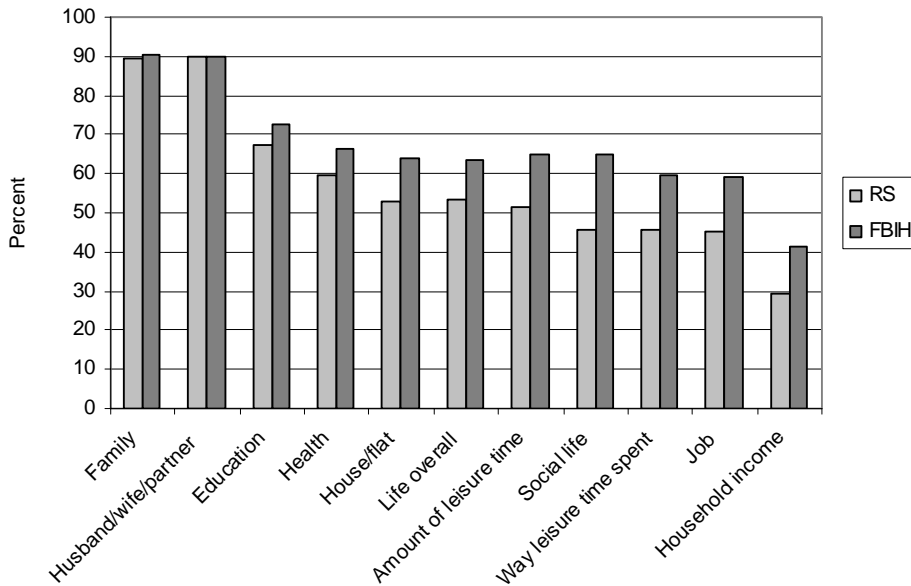
At wave 3, respondents were also asked about who they share their private feelings and concerns with. The person to whom the respondent could best share their private feelings and concerns with was usually their spouse or partner (46.2%). The next most common relationship was with a parent (16.3%), child (13.1%), friend (11.7%), sibling (9.2%) and 3.5% gave some ‘other’ person as the one they could best share their private feelings with. The order was very similar in both entities, the only exception being that friends were very slightly more commonly mentioned than children in the FBiH. In the RS this person was almost as likely to be male (49.3%) as female (50.7%) but in the FBiH the person was more likely to be female (54.6%) than male (45.4%). Most people said that the person they could share their feelings with was someone of the opposite sex: 65.1% of men and 63% of women in the RS and 68.4% of men and 57.5% of women in the FBiH mentioned someone of the opposite sex. Men in the RS were more likely than men in the FBiH to mention a man whilst women in the FBiH were more likely than women in the RS to mention a woman.

Just 3.4% of the sample do not have anyone who they can count on to listen to them when they have a problem or can count upon to help them out in a crisis. The proportion is slightly higher in the RS (4.3%) than the FBiH (2.7%). Of those who do not have any one to share their feelings and concerns, just over half are men (51.3% in the RS, 55.8% in the FBiH). Older respondents are more likely than younger respondents to be in this group; one-fifth of those in the FBiH (20.8%) and three in ten of those in the RS (29.7%) who are in this group are aged 65 or over. Almost one in ten (9.7%) of those who are widowed in the RS do not have anyone to share their feelings or concerns with. In the FBiH it is those who are divorced or separated which are most likely to be in this group.

Satisfaction with life

Respondents were 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. Young people aged under 18 years were also asked how satisfied they were with their family and with their education. Respondents 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 8.7).

Figure 8.7 Satisfaction with aspects of own life



Note: Satisfaction with education and family asked of those aged under 18 years only. Satisfaction with income, housing, husband/wife/partner asked of those aged 18 and over only.

For all aspects apart from the family and their husband, wife or partner, those in the FBiH were generally more satisfied with their life than those in the RS. The aspects of life where the gap in satisfaction was largest, that is the mean score of those in the FBiH was 10 points or more higher than in the RS, was with their social life (+19.12), job (+14.28), way leisure time is spent (+14.11), the amount of leisure time (+13.36), household income (+11.98) and their house or flat (+11.11). The mean score for life overall was 10.4 points higher in the FBiH. Overall, young people aged under 18 years were happy with their family and around 70% in each entity were satisfied with their education. As at wave 2, the aspect of life people were least satisfied with was household income with those in the RS scoring 30% and those in the FBiH 41%, reflecting the lower average incomes 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 3

February 2004

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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**

FIELDWORK AND TECHNICAL REPORT

HOUSEHOLD SURVEY PANEL SERIES

WAVE 3

I. Introduction

In 2001, the World Bank in co-operation with the Republika Srpska Institute of Statistics (RSIS), the Federal Institute of Statistics (FOS) and the Agency for Statistics of BiH (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 provided funding for a further two years of data collection for a panel survey, known as the Household Survey Panel Series (HSPS). Birks Sinclair & Associates Ltd. were responsible for the management of the HSPS with technical advice and support provided by the Institute for Social and Economic Research (ISER), University of Essex, UK. The panel survey provides longitudinal data through re-interviewing approximately half the LSMS respondents for two years following the LSMS, in the autumn of 2002 and 2003. The LSMS constitutes Wave 1 of the panel survey so there are three years of panel data available for analysis. 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 allows 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 provides 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 The Sample

The Wave 3 sample consisted of 2878 households who had been interviewed at Wave 2 and a further 73 households who were interviewed at Wave 1 but were non-contact at Wave 2 were issued. A total of 2951 households (1301 in the RS and 1650 in FBiH) were issued for Wave 3. As at Wave 2, the sample could not be replaced with any other households.

III. Panel design

III.1 Eligibility for inclusion

The household and household membership definitions are the same standard definitions as a Wave 2 (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 2 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

The panel design means that sample members who move from their previous wave address must be traced and followed to their new address for interview. 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. All sample members, OSMs and NSMs, are followed at each wave and an interview attempted. 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.3 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 3 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. When coding entity Brcko is treated as the entity from which the household who moved into Brcko originated.

IV. Identifiers

Individual level identifiers have been attached to all members of the Wave 3 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 3 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 90% of the questionnaire (Annex B) is based on the Wave 2 questionnaire, carrying forward core measures that are needed to measure change over time. The questionnaire was widely circulated and changes were made as a result of comments received.

VI.1 Pretesting

In order to undertake a longitudinal test the Wave 2 pretest sample was used. The Control Forms and Advance letters were generated from an Access database containing details of ten households in Sarajevo and fourteen in Banja Luka.

The pretest was undertaken from March 24-April 4 and resulted in 24 households (51 individuals) successfully interviewed. One mover household was successfully traced and interviewed.

In order to test the questionnaire under the hardest circumstances a briefing was not held. A list of the main questionnaire changes was given to experienced interviewers.

VI.2 Issues arising from the pretest

Interviewers were asked to complete a Debriefing and Rating form. The debriefing form captured opinions on the following three issues:

1. General reaction to being re-interviewed. In some cases there was a wariness of being asked to participate again, some individuals asking “Why Me?” Interviewers did a good job of persuading people to take part, only one household refused and another asked to be removed from the sample next year. Having the same interviewer return to the same households was considered an advantage. Most respondents asked what was the benefit to them of taking part in the survey. This aspect was re-emphasised in the Advance Letter, Respondent Report and training of the Wave 3 interviewers.

2. Length of the questionnaire. The average time of interview was 30 minutes. No problems were mentioned in relation to the timing, though interviewers noted that some respondents, particularly the elderly, tended to wonder off the point and that control was needed to bring them back to the questions in the questionnaire. One interviewer noted that the economic situation of many respondents seems to have got worse from the previous year and it was necessary to listen to respondents “stories” during the interview.

3. Confidentiality. No problems were mentioned in relation to confidentiality. Though interviewers mentioned it might be worth mentioning the new Statistics Law in the Advance letter.

The Rating Form asked for details of specific questions that were unclear. These are described below with a description of the changes made.

- | | |
|-----------|--|
| Module 3 | Q29-31 have been added to capture funds received for education, scholarships etc. |
| Module 4 | Pretest respondents complained that the 6 questions on "Has your health limited you..." and the 16 on "in the last 7 days have you felt depressed" etc were too many. These were reduced by half (Q38-Q48). The LSMS data was examined and those questions where variability between the answers was widest were chosen. |
| Module 5. | The new employment questions (Q42-Q44) worked well and have been kept in the main questionnaire. |
| Module 7 | There were no problems reported with adding the credit questions (Q28-Q36) |

Module 9. SIG recommended that some of Questions 1-12 were relevant only to those aged over 18 so additional skips have been added. Some respondents complained the questionnaire was boring. To try and overcome this new questions were added to end the interview on a lighter note.

VII. Mainstage Fieldwork Procedures

Apart from where new interviewers were taken on, in all but five cases interviewers returned to households they had interviewed at Wave 2. Supervisor 701 returned to three households she interviewed last year. At Wave 2 there were six households who moved across entity (three moving from FBiH to RS and three vice versa) for Wave 3 they were re-issued to the same interviewer who did the interview last year.

VII.1 Training Supervisors and Interviewers

At the end of Wave 2 Supervisors were sent a form to rate the work of the Interviewers under their control. Evaluation was made under a number of headings. All forms were returned and based on this the FBSTA produced a list identifying 11 “weaker” interviewers, all but two of these were replaced for Wave 3. From a total of 126 field staff, 16 were new to the survey at Wave 3 (10 interviewers and 2 supervisors in FBiH and 4 interviewers in RS).

On August 9 Supervisors and Interviewers were sent the Questionnaire, a Control Form (Annex C), a Movers Form (Annex D) and Interviewer or Supervisor Instructions. Four days interviewer and supervisor training was undertaken from 26-29 August. Three one-day sessions were held for experienced staff and an additional half-day for new staff.

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 Vesna Grubiša (RSIS) Zdenko Milinovic and Fehrija Mehic (FOS) and Edin Sabanovic and Jelena Miovcic (BHAS) and a full-time interpreter.

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 importance of in-field quality control procedures was stressed throughout the training. Quality control procedures for the Supervisors included:

1. review of all sample materials prior to assignment to each interviewer
2. strict control over the activities of a small group of interviewers (5 to 6 interviewers per Supervisor)
3. weekly updates and meetings with each interviewer
4. verification of 10% of the work of each interviewer via field visits or telephone to selected households
5. 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. Prior to leaving the training session each interviewer thus had: an assignment, field administration forms and a supply of survey questionnaires.

Each interviewer was allocated, on average, 30 households. The data collection period was twelve weeks in length.

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 of any 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 Grude/Posusje (FBiH). The quality control checks identified that all these households had been interviewed at Waves 1 and 2, but that the interviewer had not yet called for Wave 3. Progress in this area was a little slower than for the other areas but everyone

remembered the survey and had understood it's purpose in re-interviewing the same people to see how things had changed. Ana Abdelbasit undertook further quality control checks in Cajnice and Visegrad over the telephone and no problems were identified.

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 have been taken in an attempt to reduce attrition.

VII.5 Tracing Movers

This wave, interviewers were given the tracking information they had collected at Wave 2. This process has worked extremely well in enabling interviewers to find movers. Further tracing of movers was undertaken by the BHAS, in particular Jelena Miovcic and Edin Sabanovic were responsible for finding any households or individuals. For Wave 3, 32 mover households were sent to BHAS of which 18 were successfully found (56%).

VII.6 Advance letter

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 notepad was given to each person who was interviewed. The name of the survey was printed on the notepad, to give respondents a feeling of "belonging" to the survey.

VII.8 Respondent Report

A two-side respondent report was compiled. The data within the report came largely from the Panel Study Draft Wave 2 Report. Additional findings, regarding smokers, were taken from work undertaken by Edin Sabanovic. The report was produced in Latin and Cyrillic and given to each respondent.

VII.9 Refusal Conversion

In FBiH refusal conversion attempts were made and 70% of these households were successfully converted as shown below.

Area	Number reissued	Number successfully interviewed
Zavidovici	5	5
Visoko	22	15
Novo Sarajevo	7	7
Sarajevo Novi Grad	10	6
Sarajevo Centar	16	9
Total	60	42

VII.10 Editing

Editing Instructions were compiled (Annex G) and sent to Supervisors. For Wave 3 Supervisors were asked to take more time to edit every questionnaire returned by their interviewers. The FB TSA examined the work twelve of the twenty-two Supervisors. All Supervisors made occasional errors with the Control Form so a further 100% check of Control Forms and Module 1 was undertaken by the FB TSA and SIG members.

VIII. Survey Data Processing

As at Wave 2 CSPro was the chosen data entry software. 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).

The Wave 3 data entry program had more checks than at Wave 2 and DE staff were instructed to get all anomalies cleared by SIG fieldwork. The program was extensively tested prior to DE.

Ten computer staff were employed in each Field Office and as all had worked on Wave 2 training was not undertaken.

IX Response Rates

The response rates for Wave 3 are shown in Tables 1 and 2 below. The level of cases that were unable to be traced is extremely low as are the whole household refusal or non-contact rates.

The panel survey has enjoyed high response rates throughout the three years of data collection with the wave 3 response rates being slightly higher than those achieved at wave 2. At wave 3, 1650 households in the FBiH and 1300 households in the RS were issued for interview. Since there may be new households created from split-off movers it is possible for the number of households to increase during fieldwork. A similar number of households were formed in each entity; 62 in the FBiH and 63 in the RS. This means that 3073 households were identified during fieldwork. Of these, 3003 were eligible for interview, 70 households having either moved out of BiH, institutionalised or deceased (34 in the RS and 36 in the FBiH). As Table 1.1 shows, interviews were achieved in 96% of eligible households, an extremely high response rate by international standards for a survey of this type.

Wave 3 Response outcomes for eligible households by entity

	Entity		
	RS %	FBiH %	Total BiH %
Interviewed household	98.3 (1305)	93.9 (1573)	95.8 (2878)
Untraced mover	0.8 (11)	1.0 (16)	0.9 (27)
Non-interviewed	0.8 (11)	5.2 (87)	3.3 (98)
Total N	1327	1676	3003

In total, 8712 individuals (including children) were enumerated within the sample households (4796 in the FBiH and 3916 in the RS). Within in the 3003 eligible households, 7781 individuals aged 15 or over were eligible for interview with 7346 (94.4%) being successfully interviewed. Within co-operating households (where there was at least one interview) the interview rate was higher (98.8%).

Wave 3 Response outcomes for eligible individuals by entity

	Entity		
	RS %	FBiH %	Total BiH %
Interviewed	97.6 (3388)	90.2 (3958)	93.5 (7346)
Non-interviewed	2.4 (82)	9.8 (429)	6.5 (511)
Total N	3470	4387	7857

A very important measure in longitudinal surveys is the annual individual re-interview rate as a high attrition rate, where large numbers of respondents drop out of the survey over time, can call into question the quality of the data collected. In BiH the individual re-interview rates have been high for the survey. The individual re-interview rate is the proportion of people who gave an interview at time

t-1 who also give an interview at t. Of those who gave a full interview at wave 2, 6653 also gave a full interview at wave 3. This represents a re-interview rate of 97.9% - which is extremely high by international standards. When we look at those respondents who have been interviewed at all three years of the survey there are 6409 cases which are available for longitudinal analysis, 2881 in the RS and 3528 in the FBiH. This represents 82.8% of the responding wave 1 sample, a retention rate which is again high compared to many other panels around the world.

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 three waves of the survey 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)

Institutional and Individual Composition of the BiH Data User Group

Agency for Statistics of BiH (BHAS), Chair of the Executive Board, Slavka Popović
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), Assistant Director, Zdenko Milinović
Federal Ministry of Labour and Social Policy - Sector for Labour and Employment, Assistant Minister, Džana Kadribegović
Council of Ministers BiH, Ministry of Foreign Trade and Economic Relations, State Coordinator for the BiH Mid-Term Development Strategy, Zlatko Hurtić
Ministry of Foreign Trade and Economic Relations of BiH - Sector for Economic Development and Entrepreneurship, Sector Head, Dušanka Divčić
BiH Ministry for Human Rights and Refugees – Sector for Human Rights, Almina Jerković
BiH Agency for Labour and Employment

Institutional and Individual Composition of the RS Data User Group

The Republika Srpska Institute for Statistics (RSIS), Director, Slavko Šobot
RS Ministry of Health and Social Protection, Assistant Minister, Pavle Paunić
RS Ministry of Education, Assistant Minister for High Education, Ranko Pejić
Public Fund for Child Protection RS, Director, Božidar Stojanović
RS Ministry of Labour and Veteran and Invalidity Protection, 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 for Education, and Science, Assistant Minister, Severin Montina

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

The Federal Office of Statistics (FOS), Director, Derviš Đurđević

Federal Ministry of Health, Assistant Minister, Zlata Kundurović

Observers

Council of Ministers BiH, Ministry of Foreign Trade and Economic Relations, State Coordinator for the BiH Mid-Term Development Strategy, Zlatko Hurtić

Department for International Development, Social Policy Coordinator, Anamaria Golemac Powell

World Bank, Research Analyst, 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

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 F BiH 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.