"Building Capacity to Promote Social Integration and Social Inclusion in the Western Balkans"

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Building Capacity to Promote Social Integration and Social Inclusion in the Western Balkans[1]

1. SOCIAL INTEGRATION AND SOCIAL INCLUSION IN THE WESTERN BALKANS: AN INTRODUCTION

1.1 The 'Western Balkans' is a geo-political construction, referring to those parts of South East Europe which are not yet member states of the European Union. It includes the successor states and territories of former Yugoslavia (Bosnia-Herzegovina, Croatia, the Former Yugoslav Republic of Macedonia, Montenegro, Serbia, and Kosovo Under United Nations Security Council Resolution 1244), minus Slovenia (which joined the EU in May 2004), plus Albania. Post-communist transition processes have been cut across by wars and conflicts since 1991, and the reconfiguration of various states, mini-states and territories marked by a complex and unfinished process of state building. Political, economic, social, cultural and institutional arrangements have been reconfigured and resemble unstable hybrid assemblages rather more than the familiar ideal types of orthodox political economy. There is a transnationalisation of the political space, through a reconfiguration and mutual assimilation of domestic-international relations and of donor and state power. Kosovo remains a *de jure* protectorate, notwithstanding its contested declaration of independence on 17 February 2008; Bosnia-Herzegovina is a *de facto* protectorate, with ethnicized sub-state entities more powerful than the still weak and contested central state structure, and Macedonia has a decentralized power sharing constitution brokered by sections of the international community. The whole region is marked by the strong presence of the International Financial Institutions (returning in some cases as a result of the economic crisis), the UN agencies, and the European Union, with accession to the EU an overarching political goal for the whole region[2].

1.2 The former Socialist Federal Republic of Yugoslavia was marked, after 1945, by rapid industrialisation and significant progress in human development in terms of mass literacy and universal access to education and health care. From the late 1950s, the experiment of workers' self-management went alongside a recognition of the need for professionally trained social workers responding to social problems and engaged in local social planning. From 1974 onwards, the country was highly decentralised with the constituent republics, but also the army, representing separate bases of power. Elements of a pre-socialist Bismarckian legacy were also incorporated in terms of well-developed social insurance systems albeit within a continued dual social structure favouring urban industrial workers over those reliant on agriculture. Over time, inequalities grew between the more developed northern republics, particularly Slovenia and Croatia, and the underdeveloped southern parts. The wars of the Yugoslav succession, beginning with the short conflict in Slovenia in 1991, spreading to Croatia from 1991 to 1995 and, most catastrophically, Bosnia-Herzegovina from 1992 to 1995, as well as the conflict in Kosovo and Serbia in 1999, and the instability in Macedonia in 2001, had dire consequences in terms of death and destruction as well as economic, political and social disintegration. Albania emerged in 1990 from a communist legacy of centralized planning, the elimination of private property, and international isolation. The early years of transition were marked by poverty, mass unemployment, and social unrest. The collapse of pyramid savings schemes in early 1997, estimated to affect about one third of all Albanian families, brought the country to the brink of civil war.

1.3 Throughout the 1990s, wars and harsh transition eroded welfare legacies and had dramatic consequences in terms of economic and social indicators. Growth returned to parts of the region as early as 1996, but, thus far, only Albania and Croatia have *per capita* GDP which is significantly higher than that found in 1990. Growth rates were impressive between 2000 and 2007 throughout the region, but did not really succeed in producing significant reductions in high levels of poverty and unemployment. In addition, the consumption-led nature of the growth tended to fuel inequalities within and between countries in the region. Under World Bank influence, poverty has tended to be defined in terms of absolute, consumption basket, minima, with reductions in headline poverty rates in this period in Albania and Serbia but stagnation elsewhere[3]. Using a regional PPP $5 a day line, but excluding Croatia from the study, the latest World Bank figures show a reduction in poverty from 35.2% of the population of the region in 2006, to 29.7% in 2008. Behind this figure, however, lies the story of a very vulnerable middle class with around 70% of the population living on less than PPP $10 a day in 2008, unchanged from 2002[4]. Unemployment has remained high although registered unemployment is higher than

LFS unemployment, in the context of significant grey economies. There are particularly high levels of unemployment amongst young people, older people and women, and high rates of long-term unemployment throughout the region. The region is marked, with some exceptions, by a rather dramatic demographic ageing. When this is combined with high unemployment, low activity rates and low rates of contributions as a result of the grey economy and the number of workers registered as receiving only minimum wages, there has been a significant erosion of contributory insurance-based welfare systems. Evidence is emerging which points to increasing inequalities in access to health care, and an increased use of out-of-pocket payments. The main drivers of exclusion are: disability; age (exclusion of the young and the old); gender; ethnicity (national minorities and Roma); spatial exclusion (affecting those in remote, rural, declining, peripheral and/or war affected areas); unemployment; and low educational levels. Importantly, studies of GDP *per capita* or of consumption poverty tend to show lower rates of regional disparities than studies of social exclusion, human development or quality of life.

1.4 The global economic and financial crisis, which some thought might by-pass the region, is now a major threat to economic progress, human development and even security and stability. The region's economies have contracted substantially with falling production, increased fiscal deficits, and significant impacts on unemployment. Almost inevitably, although evidence is still largely lacking, there are negative impacts on poverty and social exclusion as well[5]. In societies where there is little trust in institutions, strong memories of hyper-inflation and banking collapses which wiped out savings, and continued concerns about parallel power structures, 'crony capitalism' and unfair privatization, the region's untested 'crisis management' capacity is under threat. Structural weaknesses in labour markets flexibilized through reforms, are already leading to major job losses in some industrial sectors, falling real wages, and an increase in vulnerable employment. A further problem is posed by spill-over effects from neighbouring and EU countries, with a significant decline in guest worker remittances which have, until now, played a significant poverty alleviation role. World Bank figures suggest an extra 800,000 poor (about 4.4% of the region's population) by the end of 2010 compared to previous growth scenarios. There is a fear that some 'new losers' may even crowd out groups of the poor who are traditionally seen as 'undeserving'. Informed commentators have written of a "new 'decoupling' of the region from the developed economies"[6], compounded by a debt refinancing squeeze, harsh IMF conditionalities in terms of cutting public expenditures, and even a fall in levels of bilateral development assistance. Thus far, social protection has not been a major component of anti-recession measures, beyond a rather simplistic and problematic restatement of the importance of 'targeting' support to the most vulnerable.

1.5 This text will focus on the broad questions regarding developing and building capacity from the *aide memoire* and draft agenda, noting the following in terms of the wider relevance of this particular sub-regional case study:
(1) the region consists of post-conflict middle and lower-middle income countries with legacies of high human development and well developed social protection systems;
(2) reform challenges in the context of transition also include managing a shift from state monopoly of social policy and provision to an emerging welfare mix of state and non-state actors;
(3) social policy is also being re-scaled in terms of new configurations between national level actors and actors and scales above and below the national level.

1.6 The text draws on my own work over a decade and a half as researcher, advocate and consultant working with a number of agencies in the region, including UNDP, UNICEF, DFID, and the European Commission, to try to ensure that reforms are rooted in local realities, and progressive in terms of a broad rights-based and social justice agenda. In the context of a rather healthy scepticism regarding the role of international organisations in social policy in the region, which my own work has also contributed to, it is important to consider 'capacity building' as a rather complex and contested concept and not as a panacea. In addition, capacity issues are important throughout the policy cycle and not just to be added on as an after-thought. A dominant view, to quote a colleague with whom I shared the topic, is that 'capacity building' is often "a camouflage for waffle and vacuity" in situations where international agencies are at a loss to know what else to do, and one author has gone so far as to link 'capacity building' with 'safety netting' and 'subcontracting' as a key component of neo-liberal interventions in the region[7]. My aim here is not to bracket off these critiques but, rather, to try to rescue

'capacity building' through a discussion of on the ground examples, in order to begin to pose questions about the contours of a paradigm shift in terms of promoting social integration and social inclusion in the region.

2. EFFECTIVE SOCIAL INCLUSION POLICIES: IMPEDIMENTS AND DRIVERS OF CHANGE

2.1 Without wanting to push this too far, one impediment is that social inclusion and social integration are rather unfamiliar concepts, difficult to translate into the languages of the region, and, hence, are perceived by policy makers more as vague commitments and ideals than as operationalizeable practices. This is slowly changing as the process of accession to the European Union becomes increasingly important (see box below relating to Croatia's Joint Inclusion Memorandum), producing a 'reflexive space' in which existing policy agendas can be stretched and reconfigured. However, as Noémi Lendvai and I have noted, in this reconfiguration, certain policy meanings "are rejected outright, some hit institutional barriers, and others are picked up as a political discourse"[8].

2.2 At a more macro level, the specific combinations of wars, authoritarian nationalisms and ethnicized nation state building has left a legacy of discriminatory definitions of citizenship, legal discrimination in terms of entitlements to social services and benefits, and *de facto* discrimination by front-line professionals and bureaucrats. Formal anti-discrimination laws are now in place in much of the region as a result of the EU accession process, but much remains to be done to translate these into practices on the ground. In addition, the social fabric in terms of social capital has been eroded in much of the region with large-scale forced migration so that in some war-affected areas, there is competition for scarce resources between those who remained during the wars, those who returned at different times, and those who have been displaced from elsewhere. This suggests that inclusive local social planning, discussed below, may be needed over and above stand alone programmes for discriminated and vulnerable groups.

2.3 Economic and political agendas still dominate over social policy concerns which tend to be framed in terms of a drain on scarce resources rather than an investment for the future. Social policy has also tended to be 'captured' in much of the region by groups with a powerful political voice, notably war veterans and those disabled in the wars and, to an extent, pensioners. In addition, new or reworked demographic renewal policies have also been advanced throughout the region but, behind a broad pro-natality discourse is, often, a deliberate bias towards the fertility of a dominant ethnic group. Behind a general if vague commitment to social rights, then, social policy making in the region is rather more interest-based than needs-based. Within an economistic understanding of social policy, the costs of health, education, social protection and housing are the main issues for public discussion, with an emphasis on marketized solutions rather than on access to key services by poorer and excluded populations.

2.4 Front-line or street level professionals face enormous pressures in a context where their own needs in terms of salaries, conditions, opportunities for promotion, and training are often not met. Increasingly, in administering a highly discretionary and fragmented system, they are forced to choose between 'deserving' and so-called 'undeserving' sections of the population so that their practices themselves are in danger of promoting social exclusion and new forms of stigmatization and disciplinarity of the supposedly undeserving poor. Within the region, there has been a move towards insisting that the poor who are capable of work engage in some public works and in Macedonia, as a quite deliberate experiment by the World Bank, conditional cash transfers are being introduced tied to school attendance, school performance, and child health visits[9].

2.5 Non-governmental organizations within civil society, which have grown apace in the last twenty years, often as a result of a largely donor-driven agenda, whilst potentially a strong force for progressive change, remain weak, fragmented, projectized and dependent on funds from the state and/or international donors. These groups are, themselves, often led by professionals and have been slow to incorporate the voice of service users and excluded groups. Category-based groups advocating around gender, nationality, disability, and so on, have emerged but more articulate members often dominate at the expense of the less articulate. Whilst within the European Union, networks of service users and excluded groups have been a force for change, this has yet to impact in the Western Balkans and, as noted below, very few civil society groups have real access to policy making processes.

2.6 A 'drivers of change' approach which advocates close examination of local contexts in terms of what drives change and how change is occurring has not been systematically applied by development agencies in the region[10]. Moving beyond technicist approaches would allow for a more sophisticated analysis of the role of agents, institutions, structures and discourses. In this sense, EU accession is important but far from a sufficient explanation of changes in terms of more focus on social inclusion. Since it is marked by rather soft conditionalities, the importance of Europeanisation lies more in the emergence of a policy space which can be picked up by in-country actors. As noted below, this perspective suggests that change is slow and incremental and rarely fits into the projectized timelines of international developmental agencies.

3. STRENGTHENING CAPACITIES?: THE ROLE OF INTERNATIONAL DEVELOPMENT ORGANISATIONS

3.1 It is impossible to summarize here a vast body of work which focuses on the role of international actors in the making of social policy in the Western Balkans. What is clear is that there is a wide range of international actors influencing policy choices, not just the World Bank, the UN agencies, and the EU. This has been likened to a 'crowded playground'[11] in which diverse actors 'scramble for influence'[12], so that there are still co-ordination and coherence deficits when international organizations' actions are compared to the 2005 Paris Declaration on Aid Effectiveness. There is still, amongst key development partners, considerable duplication of effort, overlapping of mandates, and a proliferation of approaches. In this region as elsewhere, much international development assistance is delivered through sub-contracted consultants who are recruited, formally at least, through competitive tendering and who operate on time-limited contracts to a specified terms of reference. This type of implementation modality is not well suited to promoting change, not least because of the limited time-scales involved and the often limited understanding of local contexts by international consultants earning significantly more than their local counterparts and partners.

3.2 There has been a shift, over time, in the nature of development support, away from stand alone pilot projects which have often generated false positives through high levels of effort and funding concentrated in small geographical areas, towards more coherent programmes of longer duration and, in recent years, towards strategic support for social inclusion as part of overall national development strategies and plans. Albania, a One UN pilot country, has recently begun work on a major social inclusion programme to support the country in the EU accession process. In any case, delivery through sub-contracted consultants is a very hit and miss process, not least since consultancy companies tend to be rather inflexible in their work and to over-emphasize well-written (or well laid out) and comprehensive (or over long) analytical papers rather than a real engagement in change processes. Sometimes complex support programmes have found it hard to sequence consultancy inputs and to ensure the absorption of reform messages and, at other times, consultants have written strategies which resemble more 'cut and paste' exercises than real learning, and which prove impossible to implement.

3.3 A notable exception has been social policy reform in Serbia since the fall of Milošević in 1999. Although costly pilot projects were introduced and a kind of parallel internationally-led reform programme was implemented, there was strong domestic leadership from the new Minister of Social Affairs and later from a technical unit in the Office of the Deputy Prime Minister. They initiated participatory reform groups led by Serbian researchers and an important role in the reforms was played by those from Serbia and the wider region who had built careers in international organizations and who, in a sense, were familiar with both worlds. Quite early on, a plan for a Social Innovation Fund (see box below) was able to channel donor resources into a flexible structure which managed to avoid many of the pitfalls of other externally driven stand alone funds.

3.4 One of the real problems has been that capacity building efforts have often been reduced to training seminars and study visits, packaged within project support, rather than being long-term exercises in learning and doing. Often, the number of persons trained in a particular approach or method is used as an indicator of project success, without taking into account the impact on the wider system, the need for mentoring over a longer period of time, and so on. Latterly, European Union support has begun to tie broad social inclusion objectives with pre-accession assistance funds but this is still not well developed even in candidate countries, in part because of the relatively low priority given to social policy within the accession process, and in part because of problems of

co-ordination and joined up thinking within the European Commission itself. Another problem has been when international organizations have pinned all their hopes on a individual 'change agent', perhaps at the level of Deputy Minister or created a new unit to drive the reforms forward. Such 'quick fix' solutions often backfire, in part because of a lack of attention to the more structural drivers and impediments for change, in part because only a truly inclusive process can drive policy change forward, and rather banally because individuals charged with being reform champions often produce resentment amongst their colleagues.

4. REFORMING GOVERNANCE AND BUDGETING: THE MISSING LINKS?

4.1 The more successful initiatives to strengthen inclusive and integrative social policies in the Western Balkans have been those which have emphasized the importance of governance, horizontal and vertical co-ordination, and the budgetary planning process. Early attempts to strengthen governance tended to be rather artificial, however, as parallel governance structures were created to seek to 'learn lessons' and 'scale up' innovative donor-led projects. In Bosnia and Herzegovina, for example, ministerial representatives were often recruited, in an individual capacity, to participate in informal, *ad hoc*, governance structures where "they paid lip service to the implementation of project goals, while continuing their everyday work in the government"[13]. Later central government bodies were created to drive strategy, heavily dependent on donor agencies for their survival. At the same time, local and central state budgets were rarely considered carefully enough so that projects simply created new funding sources. In addition, a proliferation of strategic documents (on Roma, on older people, on children, on people with disabilities, and so on) emerged, often containing overlapping or contradictory objectives, with unclear goals and objectives, few clear indicators, little attention to effective monitoring and, crucially, no clear budgetary implications.

4.2 The appropriate scale for social policies, often confused with the panacea of decentralization, has been seen increasingly as a key issue, with capacity building directed to the need to distinguish between administrative, fiscal and political decentralization. Within the region which, apart from Albania, inherited the same social welfare structures for socialist Yugoslavia, every possible combination of these three kinds of decentralisation can be found, from Croatia with an extreme kind of centralisation, and a welfare parallelism in terms of the budgets of the richer cities, to Bosnia-Herzegovina where municipalities finance social protection activities according to their own capacities and priorities. Albania is an example of a wider trend in which responsibilities for social protection have been decentralised but where funding has not been maintained to ensure common standards throughout the country, resulting in increased inequalities in access. Often decentralization as a part of public administration reform has not seen social inclusion as a priority, in part because other services are of more importance fiscally.

4.3 Scale is also an issue in terms of a need to move from residential to community-based social services as, invariably, these different services are run by different levels of government. In practice, despite a broad agreement on policy objectives, working on aligning legislation, procedures, institutions, budgets, standards and skills-sets, has proved extremely difficult[14]. In part, this is because different projects concentrate on different elements of this and, often, there is a lack of understanding of the whole system, although UNICEF and others are engaged in more work on this[15]. Similar problems have emerged in terms of the diversification of service providers, with the funding of non-state actors, notably the emerging sector of local NGOs, being inconsistent, tending to accentuate inequalities between richer and poorer parts of a country, often short-term, and with too little attention to planning, prioritisation and to standards. The unevenness is felt, also, in terms of which kinds of projects are funded and, often, in terms of levels of funding for similar kinds of project depending on who the donor is (central, local government, international). Crucially, state structures, whilst emerging as a major funder of NGOs, have been slower to build meaningful partnerships with providers of needed services. Paradoxically, tendencies have been for the state either to maintain a monopoly of services, resulting in inflexibility and a lack of choice for service users, or to devolve responsibility completely, resulting in an uneven patchwork of services, not responding to real needs, or a re-emphasis on humanitarian and charitable impulses rather than a commitment to basic public goods and services.

4.4 The Europeanisation of social inclusion in the region is beginning to have an impact, not least because of the emphasis on "good governance, transparency and the involvement of stakeholders in the design, implementation

and monitoring of policy" as an overarching EU social inclusion objective[16], also applied to candidate and, increasingly, to prospective candidate countries. The emphasis on policy co-ordination, on mainstreaming social inclusion policies into all policies, and on horizontal and vertical co-ordination, is being, slowly, translated into programmatic and strategic support. The JIM process in Croatia, and particularly the follow-up process, is beginning to challenge a situation in which responsibility for social inclusion is lodged in a marginalised part of a marginalised Ministry and the importance of linkages between the Ministry of Health and Social Welfare, the Ministry of Employment, and the Ministry of Education, is becoming clearer. Of course, there are still inevitable Ministerial turf wars and the danger of social issues being delegated to lower level staff, or their being no continuity in Ministerial representation. The involvement of local and regional government, and of other stakeholders has not been so well developed, thus far. There is, also, within the region, the emergence of a concern with the social dimension and impacts of other policies, notably energy pricing and industrial restructurings. As yet, however, social impact analysis is not routinely applied in a meaningful way.

4.5 Increasingly, Ministries of Finance are being recognised as crucial in terms of social integration and social inclusion programmes, with a great deal of work being undertaken on Public Finance Management and, more recently, on child- and gender-responsive budgeting. These interventions seek to link more explicitly budgeting decisions and social outcomes, at all levels of governance. Thus far, however, more has been done in terms of awareness raising of assessing budgetary impacts rather than in changing allocations or, even, in terms of strengthening the social dimension of budget negotiations and developing the capacity of budget users. The policy response to the ongoing economic and financial crisis in the region has highlighted, again, the lack of crisis preparedness, of emergency planning, or even of policy modelling, forecasting, and scenario building, with social ministries seemingly not involved in major decisions regarding policies to mitigate the crisis. Perhaps even more worryingly, there has been a real disconnect in terms of thinking about social protection, of countries in transition from shifts in both the developed and, perhaps even more importantly, the developing world, not least in terms of the importance of the state and of basic public goods and services.

5. TOWARDS INCLUSIVE AND PARTICIPATORY PLANNING PROCESSES?

5.1 As noted above, former Yugoslavia had a strong planning tradition at local, republic and federal levels, which included social planning within deconcentrated Centres for Social Work and involving self-managed interest communities. Whilst some of this participatory practice was tokenistic, much of it highly politicised, and far from inclusive of all social groups, it is fair to say that the transition period brought both a retreat from planning and a rather 'top down' decision-making environment. International development agencies brought a renewed interest in local social planning insisting on the involvement of a range of stakeholders often through consultations regarding municipal social plans within pilot projects. Many of these exercises were rather superficial, consisting of no more than a couple of rather stylised 'participatory stakeholder workshops' with no real impact on budget and programme decisions. At other times, grant aid introduced a rather competitive environment at the expense of realistic prioritisation, and introduced a certain parallelism in provision.

5.2 Some of the best examples of local social planning, as in the Croatian city of Split, appear to have derived from grassroots initiatives or from longer-term collaboration, in this case, through the WHO Healthy Cities initiative, rather than one off project support. Through careful discussion and decisions about priorities, Split issues an annual tender for projects tackling social exclusion, and pays attention to supporting implementers and to participatory monitoring and evaluation. Even so, some of the larger NGOs still remain uncertain about the co-existence of an advocacy, capacity building, and service providing role and, in the absence of clear budget lines and procedures for sub-contracting, remain reliant on quite short-term funding. Whilst work is ongoing on quality standards throughout the region, there is little involvement of service users in drawing these up nor in the process of monitoring and evaluation, In what remain professionally-dominated services, there has still been too little attention to meaningful complaints and appeals procedures, much less to support for less articulate or more stigmatised groups in terms of finding their voice within the system.

5.3 In terms of national level, there has been more work done on general development planning than specifically on issues of social integration and social inclusion. When social inclusion strategies have been developed, they

have often been 'cut and paste' exercises of a high level of generality, or have contained different strategies for different groups of the population. Often, such strategies have been donor-driven and, therefore, with little practical resonance and inadequate follow-up. The JIM process in Croatia has begun to model a more open participatory process, in contrast to a situation where, previously, strategic documents tended to be fashioned behind closed doors. Initially, this consisted of little more than a series of consultative meetings to which a range of stakeholders, including trades unions, NGOs, and organisations speaking for excluded groups, were invited. Over time, however, the Government of Croatia has been encouraged to actively seek out the views of stakeholders in a more transparent process, and to include comments by non-governmental agencies, in reports. Nevertheless, little support has been provided to improve the capacity of such groups to undertake advocacy activities; there has been too few opportunities to ensure more detailed feedback on different parts of the JIM commitments; and the Government of Croatia is under no obligation to respond to NGOs' comments.

5.4 More generally, participation has not been fully inclusive with many groups either not having a voice, being marginalised in the processes, or being spoken for by others. The vexed question of power relations and the extent to which participatory processes actually impact on policy choices is extremely important. Excluded groups can too easily be ignored in these processes or, paradoxically, have their interests brought to the fore by international agencies which can create mistrust and, indeed, unintended negative consequences. In a sense, it is less more toolkits and capacity building which is needed here, empowering mainly a new group of 'participation specialists' but, rather more a change in the nature of policy making processes and a return to politics over and above technocratic solutions.

6. STRENGTHENING ANALYTICAL CAPACITY FOR EVIDENCE-BASED POLICY MAKING

6.1 Support for evidence-based policy making has been a recent mantra in all social policy support programmes in the region, as elsewhere, in recent years. Part of this has involved intensive support to national bureaus of statistics, in order to improve basic social statistics and surveys, notably Household Budget Surveys and Living Standards Measurement Surveys. Lately, the need to align statistics in line with Eurostat methodology has come to the fore, not least in terms of the standardised Social Inclusion Living Conditions (SILC) framework. Part of the problem has been that statistics have focused more on absolute poverty than on relative poverty, have not really followed paths into and out of poverty, and have rarely measured non-material deprivation. Perhaps even more importantly, the World Bank, acting as a transnational expertised institution, has tended to train statisticians and researchers in the Bank's methodologies rather than in a range of methods and in European social statistics. Future work on SILC, tied to the EU Laeken indicators on social inclusion, will render the LSMS redundant, showing again the importance of improved co-ordination between international organsiations on statistical capacity building. In any case, surveys are not good at tracking hard to reach and excluded groups so that more work is needed on ensuring booster samples and or on micro and qualitative studies.

6.2 Whilst there is strong analytical and research capacity on social policy and social inclusion in the region, this is often quite diffused as a result of researchers needing to take on consultancy work for international organisations to boost their own material status. One consequence of this has been the absence of longer-term independence research in which local researchers pose their own questions regarding the dynamics of exclusion rather than taking on those of their international donors. In addition, inter-disciplinary research has not been adequately developed in the region, with the study of policy making itself only just emerging as a sub-discipline within political science. These factors have come together in ways that show that there are real gaps in terms of research, including an holistic understanding of child poverty and exclusion which could be remedied by longer-term support and capacity development.

6.3 There is still only a limited understanding of the importance of a range of input and output indicators and the importance of linking objectives, activities, indicators and, crucially, monitoring and evaluation. The JIM process has meant that Croatia has begun to report against agreed activities but thus far understanding and competence in this field is limited, with the result that strategic commitments are often not followed through. In the context of a growth of advocacy oriented think tanks consisting of researchers and policy advocates, it is noticeable that there has been much less of a focus on social inclusion in this regard than on governance, on

corruption, or on economic policy. In part, there has been a disconnect between work on social protection in the region from work elsewhere in the world, particularly related to ideas of a global social floor which, in terms of minimum income schemes, child benefits, social pensions, and a basket of community-based social services, could translate into a set of policy recommendations in the Western Balkan region.

7. ADVOCACY AND AWARENESS RAISING

7.1 I will not discuss advocacy and awareness raising in any depth here other than to state that it is obviously a crucial part of social integration and social inclusion commitments which is too often neglected but also, paradoxically, in the current context, sometimes reduced to rather minimalistic and compromised public relations messages. Linkages with the business sector, not only in terms of the promotion of social entrepreneurship and corporate social responsibility, but in terms of support for disseminating positive examples of social integration, has perhaps not been as well developed as it could have been in the region. One interesting exception is UNICEF in Croatia which explicitly works with corporate sponsors on long-term campaigns which link specific programme actions, advocacy and awareness raising, and mass publicity through press, radio and tv. Two such recent campaigns have been 'Every Child Deserves a Family', to promote family based and foster care, and 'The First Three Years are the Most Important', raising awareness of the importance of early childhood interventions. Of course, there are dangers here not least in terms of muting the ability to criticise certain business practices and, also, that the agenda is somehow tailored to 'safe' concerns rather than to issues of oppression and exclusion. Nevertheless, in the region, links with business is relatively unexplored in terms of social integration.

7.2 In terms of influencing mass media agendas, and in terms of galvanising targeted publics and policy makers, there is a real need to concentrate on themes which can be understood and digested, such as a regional social floor, and to also build coalitions for change including journalists and advocacy coalitions who seek to influence the public agenda. Again, this is a long term process of trust-building rather more than a technical exercise around a particular project.

8. CONCLUDING THOUGHTS

8.1 Re-reading this short intervention, I would argue that there are a number of key messages which are relevant in terms of a capacity development agenda. One is that there is a real need to address social integration and social inclusion from a transformative perspective rooted in socio-political economic realities, rather than to develop ever more elaborate but also ever more technical tool kits. Systems approaches are needed but, rather than being seen as overwhelming structures which cannot be changed, there is a need to look at spaces and opportunities for progressive change. The second is that there is no quick fix either in terms of a short term intervention or a magical 'new' field of intervention which will transform social relations. Rather long-term relations of trust need to be built whist, at the same time, realising that progressive interventions may also involve conflict and contestation and certainly, an explicit challenge to the status quo. In a sense, the fourth dimension of a recent definition of social protection, the transformative aspect of challenging the power imbalances that create and sustain deprivation is the real capacity development challenge, over and above issues of relief, prevention and even social promotion[17]. Within this, a social integration perspective has to be mainstreamed into all aspects of the social policy arena, so that issues of political will, institutional fit (including policy coherence, governance capacity, practice competence, user voice), and fiscal space and commitment, are addressed from the perspective of those excluded[18].

8.2 The example of the European Union should not be seen in terms of a colonialist Eurocentrism. If it is an example of good practice at all, and even that is cut across by innumerable contradictions, it is merely in terms of the explicit importance of a regional social policy approach. Regional groupings of countries including the Western Balkans, even in a post-conflict context, share similar traditions, legacies and developmental paths and may be able to develop a degree of co-operation which can resist some of the more negative social impacts of globalisation. Regional groupings can develop new connections between the social and the economic, and between the public and the private, thus avoiding a „race to the welfare bottom"[19]. Operating in a space between national and cross-border policies on the one hand, and a mere subordination to global forces and organisations on the other, new regions are able to construct more appropriate mechanisms of redistribution, for securing

rights and social justice, and for regulating markets, institutions and social structures, involving risk pooling and economies of scale. They are also able to speak with a more coherent and influential voice in international arenas. A regional approach can strengthen learning, through a sharing of best practice and, even, the establishment of regional standards, Even here, without explicit attention to social integration, in a context where different countries will have very different and even antagonistic, concerns, there is a danger of the most important inequities and inequalities not being addressed. Regional social protection is merely another level which can allow for new linkages between the political, the policy, and the technical in which good practice can be learnt. Crucially, at their best, these processes will be driven from within and not be donor-driven.

CROATIA'S JOINT INCLUSION MEMORANDUM (JIM)

The JIM is a joint document by the Government of Croatia and the European Commission which:
1. presents the major policy measures taken to translate the EU's common objectives into national policies;
2. identifies the key policy issues for monitoring and further review; and
3. commits to follow-up processes, in particular implementation.

The JIM was signed in March 2007 after a consultative process lasting 18 months. Subsequently, the Government of Croatia is obliged to produce regular implementation plans and implementation reports which are also the subject of consultative conferences and independent review.

The JIM has produced a number of positive changes in social inclusion policy in Croatia:
1. improved and more meaningful stakeholder communication and increased transparency (through a dedicated JIM web page on the Ministry of Health and Social Welfare site)
2. greater awareness of the need to harmonise social statistics and produce evidence-based policies
3. a leading role played by Croatian social policy experts rather than foreign consultants;
4. a degree of improved communication between respective line Ministries; and
4. a value added in terms of Commission concerns on certain issues, notably discrimination, deinstitutionalization, and inclusive labour markets.

Some of the problems with the JIM has not really addressed include:
1. the lack of active and meaningful participation of those experiencing exclusion;
2. the lack of any clear consensus on areas of fundamental policy disagreement or blockage
3. the absence of any significant initiatives on the ground which can be used as examplars of social integration.

REPUBLIC OF SERBIA SOCIAL INNOVATION FUND (SIF)

To support the first wave of social welfare reforms introduced in 2001 and 2002, a Social Innovation Fund was established, becoming operational in 2003. SIF was envisaged as a transitory mechanism providing competitive funding and management support to reform-oriented social services projects at the local level. In particular it was designed to promote the development of a coherent and sustainable range of community-based, alternative, social services implemented through partnerships between a plurality of service providers, in order to ensure that local level innovations inform central level reforms, and provide opportunities for knowledge transfer. Instead of duplicating existing systems of social protection, the SIF aimed to increase their outreach while also identifying, testing and replicating new, innovative ideas. SIF has been funded from combined state and donor funds, including the Norwegian Government, the European Commission and UNDP. SIF's annual budget was between €1.3m and €1.7m, with the average size of funding for each project increasing over time. SIF promotes partnerships between state providers and non-government organizations. SIF has suceeded in enhancing the role of Civil Society Organisations as service providers, creating an emerging market for their services, and has helped to break down resistance to non-state providers from within state services. SIF has helped in modelling work on standards and on costings of a basket of services. There are now plans for reconceptualising SIF in the light of evidence that patterns of funding tended to be regionally unequal, with less developed areas receiving fewer and smaller size grants on average, and with little coverage in rural areas.

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