

Winner of the 2009 Human Development Award for Excellence in Innovation in Measurement

Bosnia and Herzegovina (2007): *Social Inclusion in Bosnia and Herzegovina*



The focus of this report is on the conceptual link between social inclusion and human development as it affects Bosnia and Herzegovina (BiH) in terms of the BiH European Union accession process. In order to measure human development and social inclusion, the NHDR report team introduces three new indicators:

1. General Social Exclusion Index (HSEI)
2. Extreme Social Exclusion Index (HSEI-1)
3. Long-term Social Exclusion Index (HSEI-2)

In addition to these indicators, the team incorporated Laeken indicators, which are based on common European statistical indicators on poverty and social exclusion.

In this report, socially excluded individuals are defined as those who are left out of the mainstream and denied access to social economic and political rights. This analysis is done with specific reference to a post-conflict environment with factors unique to the BiH experience. The indicators were implemented regionally as well as according to rural/urban populations.

Human Development Approach: The BiH report analyzes social exclusion from a human development perspective, noting that underlying factors of social exclusion are multiple and interrelated. The report concludes that creating conditions and consensus on social inclusion policies is a pre-requisite to strengthening inclusion in the country. The analysis is people centered.

Data and Policy Analysis: The report constructs three social exclusion indices--General social exclusion index (HSEI), Extreme social exclusion index (HSEI-1) and Long term social exclusion index (HSEI-2), using data from specialized research conducted for that purpose. These comparisons of different population groups are made using appropriate indicators for the BiH context.

HSEI relies on five dimensions: living standards measured by long-term unemployment and percent of population below the poverty line, health measured by percent of the population without health insurance, education measured by percent of the population aged more than 15 years who did not complete primary education, participation in society measured by percent of eligible voters who did not vote and percent of the population not participating in activities of social organization. The last dimension is access to services measured by proportion of dwellings without a telephone.

HSEI-1 relies on the first three dimensions of HSEI but measured somewhat differently. Living standards is measured by population without any kind of monetary income and without telephone in HSEI-1 and by employed persons with benefits below their qualification and employed in 'grey economy (informal sector). Health in HSEI-1 is measured the same way but in HSEI-2 by persons employed with benefits on minimal salary and education by employed persons without possibility for additional education. The indicators used to measure the different dimensions of social exclusion are very relevant for the BiH country specific context—that is transition socialism to capitalism.

Aversion to social exclusion is set at three, which is a reasonable penalty for social exclusion. Calculation of the index follows the HPI methodology, meaning that areas of higher deprivations are penalized more. However, it should also be noted that there were some concerns voiced among the internal review team regarding the aggregation procedure. The indices are subject to the same limitations for which the HPI is criticized—the measure cannot be associated directly to any group.

The report also presents the Laeken indicators, which is a set of common European statistical indicators on poverty and social exclusion, established at the European Council in 2001, at Laeken, Belgium.

Policy Recommendations: The findings of the research are translated into concrete policy recommendations and are summarized in the conclusion of the report.

Policy Impact: Bosnia and Herzegovina Country Office can provide additional information on how policy recommendations have been taken up by the government and have contributed to the national Social Inclusion Strategy.