



**Temporary compensation beneficiaries from Kosovo and Metohija  
Research findings with recommendations**

**September 2009**

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## Introduction

Together with the United Nations Development Programme (UNDP) and with the support of the European Union, Group 484 has conducted a research aimed at better inclusion of internally displaced persons (IDPs) in the Serbian labour market. The main segment of the project was related to effects of realisation of rights to temporary compensation of people who had been employed in the territory of Kosovo and Metohija in 1999, in public and socially-owned companies. In compliance with the conclusion of the Serbian Government from 2003, these individuals are entitled to temporary monetary compensation in the amount of minimum wages according to the collective contract (slightly below the equivalent of 100 Euro).

The objective of the project was to conduct a research on the scope and effects of the temporary compensation and use the obtained information to define measures for the reform of this form of state budget givings. In order to obtain a realistic picture of the position of IDPs on the labour market and their socio-economic status, Group 484 has conducted a survey with the temporary compensation beneficiaries, with the support of the Ministry for Kosovo and Metohija and the National Employment Service (NES).

This research would not be possible without the assistance of NES, since they submitted the questionnaires to their 24 branches in central Serbia and Kosovo, where at that moment beneficiaries received this kind of allowance every month. In the period from February to May 2009, 7,521 temporary compensation beneficiaries filled out the questionnaire.

In order to examine the effects of this monetary programme and their importance for IDPs, Group 484 also organised three focus groups with IDPs in Belgrade, Kraljevo and Niš. The focus group meetings lasted for an hour and half on average and were facilitated by Group 484 representatives based on a previously prepared guidebook. The focus groups discussions with the temporary compensation beneficiaries were related to their inclusion in Serbian society, socio-economic status before and after displacement, their problems and possible solutions. Their observations and suggestions have been incorporated in the text of this publication. At the same time, Group 484, within two UNDP projects dealing with problems of IDPs<sup>1</sup>, held three round tables (in Kraljevo, Vranje and Kragujevac) with representatives of state institutions and local self-governments where they formulated recommendations for greater inclusion of IDPs in legal labour market. During the project realisation, Group 484 had a series of meetings and continuous communication with representatives of NES, Ministry for KiM and Pension and Disability Fund. Employees from these institutions, with their attitudes, available documents and proposed solutions gave valuable contribution to the creation of this publication.

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<sup>1</sup> Project *Support to the Improvement of IDP Living Conditions in Serbia* and *Regional Project of Support to IDP Associations in Serbia*, implemented by the UNDP Serbia

## **1. Information on temporary compensation payment**

**Having in mind all the obtained information, Group 484 believes that the temporary compensation for individuals from the territory of Kosovo and Metohija is a hybrid legal and economic measure with the pronounced social element. It is definitely not a measure that instigates active employment policy – it is not related to the unemployed but to formally employed and therefore it is not clear why it is implemented by NES. It is particularly worrying that the temporary compensation beneficiaries, compared to other Serbian citizens, are not allowed to work through author’s contracts or work contracts. Furthermore, the money that citizens put into the fund for insurance in case of unemployment is being spent for this measure.**

The internally displaced persons who were employed in the territory of Kosovo and Metohija in 1999 in state-owned and public institutions and companies, have the right to the temporary allowance, pursuant to the Conclusion of the Republic of Serbia of July 17, 2003 on acceptance of the information regarding the status of certain organs, organisations and services from the region of AP KM (5 No: 02-4586/2003-001) The amount of the allowance is in line with the minimum wages according to the collective contract, and in case the person lives in Kosovo, it is increased by 30%. This temporary allowance can be acquired by all those who worked in a state organisation or company in the territory of Kosovo and Metohija until June 9, 1999 the latest and presently do not have salaries, have not been employed since, have not met retirement conditions, have not exercised the right to monetary compensation during unemployment and do not have income on grounds of work and property. The temporary allowance can also be acquired by a close relative of a kidnapped or missing person who was employed under the above mentioned circumstances (child, parent, spouse, or legal guardian).

The National Employment Service, apart from the activities foreseen by the Law on Employment and Insurance in Case of Unemployment, in compliance with the Conclusion of the Serbian Government, does the activities related to payment of the temporary compensation. It is additional responsibility of NES, which requires engagement of 35 employees.<sup>2</sup>

According to the National Employment Service data, specified in the Government document, there are 21,492 beneficiaries of this allowance, out of which 9,899 are displaced people and 11,593 beneficiaries are in the territory of KiM.

This number should be supplemented by those who worked in budgetary institutions and are not employed. They receive the allowances through their employers, i.e. the Ministry of Education, Ministry of Health, Ministry of Interior, or some other ministry, through the budget of the Republic of Serbia. For example, in a separate record kept by the Ministry of Education, there are 1,389 teachers, displaced from KiM, who are also entitled to the allowance.<sup>3</sup> This monetary compensation is not paid through NES, but

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<sup>2</sup> Source NES

<sup>3</sup> Conclusion of the Serbian Government 05 No: 120-335/2007.

through the budget of the ministries. The Group 484 survey with the temporary compensation beneficiaries focused only on the beneficiaries that received the compensation through NES.

By the year 2007, the allowance was 4,600 dinars. In January 2007, the Government of Serbia enacted "Conclusion on acceptance of the information on the realisation of right to salary compensation, as well as temporary allowance to individuals from the territory of AP KM" - 05 No: 120-335/2007. The Conclusion of the Serbian Government (05 No: 120-335/2007 of January 11, 2007) foresees that the temporary compensation, paid through NES, will be calculated and paid from February 2007, in the amount of 8,520 dinars (the minimum salary for the period June-December 2006), increased by 30% for the beneficiaries living in the territory of KiM (around 11,100 dinars). However, the Conclusion of the Serbian Government (05 No: 120-335/2007-008 of April 26, 2007) foresees that the payment of the temporary compensation in its increased amount, for individuals living out of KiM, is conditioned by the establishment of a uniform database for all IDPs. The database has not yet been established but people still receive the increased compensation.

## **2. Effects of temporary compensation**

According to the NES data, the Government of the Republic of Serbia allocates 325 million dinars gross a month from the budget for the temporary compensation. At the annual level, it is more than 40 million Euros. The money is most often provided from regular funds secured for social contributions that should be intended for monetary compensations in case of unemployment. In accordance with Information regarding the Status of Certain Organs, organisations and Services from the Region of KiM, it is foreseen that the temporary compensation is paid by the National Employment Service, from the budget of the Republic of Serbia. However, ever since it started with the payment, NES has been providing the funds only from the funds collected from contributions for insurance in case of unemployment.<sup>4</sup>

The funds that the state uses for assisting IDPs and those living in KiM are large. However, the effects of such an expensive measure are questioned. The beneficiaries receive around 100 Euro a month, which is the amount not sufficient for covering basic needs.

**Although they are not employed, the beneficiaries of the temporary allowance are formally recorded as employed, given the fact that this period is added to their overall years of service. However, in contrast to other employed people, they do not have the right to accept part-time jobs, to work under contracts on author's rights. In such cases, since pension contributions are paid for that kind of employment, their temporary allowance is terminated and thus they are practically stimulated not to apply for jobs and are pushed towards *grey economy*.**

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<sup>4</sup> Source: NES

Furthermore, in the realisation of certain rights through NES, some other problems emerge, such as inability of the temporary compensation beneficiaries to initiate small and medium-sized enterprises, lack of necessary documentation for registering the activity, etc. NES emphasises that by the regulations in the field of finances in Serbia it is not possible for individuals, beneficiaries of the compensations paid from the state budget, to use the budget funds on two different grounds.<sup>5</sup>

At the Ministry for Kosovo and Metohija, we were told that upon their interventions, people were sent back to reclaim their temporary compensations if they were temporary employed and on that grounds lost their right to the temporary compensation (and have lost their temporary employment as well). According to the positions of the working groups of the Serbian Government (71 No: 00-60-157 of July 20, 2004) it is foreseen that “the individuals who have worked on temporary basis are entitled to the temporary compensation, starting from the first month after the temporary employment has been terminated”. This provision is, according to NES, directly opposite to the previously proclaimed positions of this body and the Coordination Centre (the state body, active before the Ministry for KiM) that the main precondition for gaining the right to temporary compensation is that IDPs, after June 9, 1999, have not had a day of employment. Such completely opposite positions have produced a lot of confusion during the verification of data in the PIO Fund, since it reveals that a large number of people have been employed since 1999. Individuals, who were employed on temporary basis or did occasional jobs, were returned to the payment list by NES. However, if individuals worked for a long period, regardless of their labour status, they were not returned to the payment list. On the contrary, NES required reimbursement of the funds from these individuals.<sup>6</sup>

There has been much misuse in the process of paying the temporary allowance and many people have been receiving it ungroundedly. According to NES representatives, in the territory of the Ranilug municipality there are 600 people who are receiving it without any grounds, opposite to the rules established by the Working Group of the Serbian Government and without the knowledge of responsible bodies. These individuals have been paid the temporary compensation after the established deadline and based on forged documents. As a result, a criminal procedure has been initiated against the management of Ranilug NES branch, as well as against all the individuals who have received the temporary compensation illegally, without documentation or with forged documentation.<sup>7</sup>

However, NES is facing complaints filed by former temporary compensation beneficiaries before regular courts. From 2007 till March 2009 there were 81 lawsuits initiated against NES. The lawsuit procedures are being held before the Municipal Court in Prokuplje (40 complaints with 65 plaintiffs), Leposavić (35 complaints), Kosovska Mitrovica (2 complaints) and before the Municipal Court Gnjilane with the relocated department in Vranje (4 complaints). The subject of the complaints is realisation of the right to temporary compensation, continuation of payment of the compensation and payment of difference in the amount of compensation.

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<sup>5</sup> *Ibid.*

<sup>6</sup> Source: NES

<sup>7</sup> *Ibid.*

By the absolute decree of the court in Gnjilane, relocated in Vranje, NES is obliged to pay 300,000 dinars to a person, on grounds of unpaid temporary allowance. NES estimates that the state will have to pay some 200 million dinars to claimants, the former beneficiaries of the temporary allowance.

Around a thousand beneficiaries of the right to temporary compensation, living in the territory of Montenegro, receive the compensation through the NES branch in Prijepolje. After the payment lists have been checked, in cooperation with PIO Fund of Montenegro, it is established that a number of beneficiaries is employed on temporary basis and their compensation has been terminated. A large number of people do seasonal and occasional jobs, etc. NES emphasises that some temporary compensation beneficiaries, living in the territory of Montenegro, have obtained citizenship of that country. Since they have become citizens of another country, the reason for further payment of the compensation is questioned by NES.

The working group that was responsible for coordinating all the issues related the temporary allowance and other forms of compensations for the people from Kosovo has not gathered for a long time. Upon the initiative of the State Secretary at the Ministry for Kosovo and Metohija, Mr Oliver Ivanović, an informal meeting of the working group was held by the end of September 2008 where the problems regarding the payment of the temporary allowance were discussed. It was agreed that all the necessary coordination related to this issue would be undertaken by the Ministry for Kosovo and Metohija, which would offer relevant solutions. The working group has not gathered ever since. NES representatives believe that the problem of temporary compensation cannot be solved by the Conclusion of the Serbian Government, but by a by-law that would clearly define competences and essence of such an important compensation.

The role of the Pension and Disability Insurance Fund (PIO) in the payment of the temporary compensation is the control of insurants, in order to ensure that insurants have not retired or got employed in the meantime. They also emphasise that, although the temporary allowance provides a certain sense of security, considering that it adds years of service to the beneficiary's working records, it actually lowers their pension basis, making them potential social cases in the old age. According to the NES data, 42.8% of beneficiaries of the temporary compensation are over 50.<sup>8</sup>

### **3. Current progress related to temporary compensation**

- Established cooperation of all relevant actors in the field of temporary compensation. Unfortunately, it still lacks its institutional form.
- Reached consensus of all included stakeholders that this measure is expensive and ineffective, and that it puts IDPs in a passive position or push them towards working in grey economy;
- Reached consensus of all included stakeholders that there are misuses of the right to temporary compensation and that they have to be stopped.

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<sup>8</sup> NES, *Review of the temporary compensation beneficiaries from KiM by age and gender*, 2008.

Aiming at promoting active employment measures, representatives of UNDP , within a broader programme dealing with the problems of IDPs, and Group 484 held three round tables during November and December 2008 (in Kraljevo, Vranje and Kragujevac) where they also formulated recommendations for greater inclusion of IDPs in legal labour market. IDPs, beneficiaries of the temporary compensation, registered in NES, are entitled to access non-financial employment measures of NES in all municipalities (i.e. learning foreign languages, computer course), but not to financial ones, such as self-employment programmes.

The biggest formal obstacle to greater engagement of IDPs in the labour market is the fact that the beneficiaries are treated as employed and thus cannot use active employment measures. In order to apply for the self-employment programme, for example, the beneficiary must first cancel his/her work booklet and thus they stay without the compensation. Certainly, this discourages IDPs to start looking for jobs and thus legalise their informal employment.

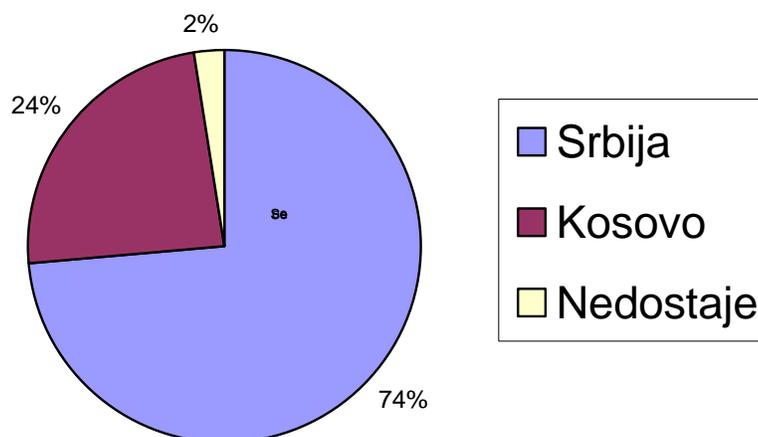
The main idea derived from these round tables is the creation of a climate where IDPs with the temporary compensation would be interested, with certain stimulations-subventions, in taking risk of appearing independently on the labour market or of legalising their jobs from the zone of grey economy, so that they can permanently abandon this passive measure.

## **4. Research results**

### **4.1. Basic demographic data**

Out of the total number of subjects (7,521), 71.3% beneficiaries of the temporary compensation live in central Serbia, and 26.3% in Kosovo; 70.7% say that they have the status of IDP, and 25% that they do not have that status. The IDP status, in case individuals live in central Serbia, was the preconditions for receiving temporary compensation, but during its payment it is not checked whether the person has lost that status in the meantime.

## Subjects in KiM - central Serbia



The majority of IDPs have come to central Serbia from the following Kosovo municipalities: Prizren 9.9%, Peć 9.7%, Priština 9.6%, Gnjilane 7.1% and Uroševac 6.6%. By municipalities in Serbia, the biggest number of IDPs is settled in Kraljevo 10.6, Smederevo 7.5% and Kruševac 5.6%, Mladenovac 3.7% and Belgrade municipality of Čukarica 3.5%.

According to the age structure and based on the NES data, the majority of beneficiaries of temporary compensation are between the age of 46 and 50 - 19.9%, followed by those from 41 to 45 - 18.3%<sup>9</sup> Age structure is similar among Group 484 subjects. The majority of them are aged 40 to 49 – 39.4%, 50-59 - 32.1%, 30-39 – 22.5%, 60 to 69 - 5.04% and 20 - 29 - 0.86%. Four subjects (0.05%) are over 70 years of age.

According to marital status, most subjects are married 76.1%, 13.4% are single, 2.4% are in common law relationship, 3% are divorced and 3% are widowed.

Among Group 484 subjects, there are considerably more men than women. 60% of the subjects are male and 38.2% are female (1.8% of the subjects did not provide any answer). The data also correspond with the NES statistics, where 36.9% of women are beneficiaries of the temporary compensation. This points to the conclusion, which can also be found in the Analysis based on IDP living standards survey<sup>10</sup> that there is a considerable gender inequality on the labour market of IDPs and that the inequality was also present prior to their displacement.

<sup>9</sup> Employed aged between 40 and 50 are perceived as very useful workers with huge experience, but regarding possibilities for new employment, their age is not an advantage.

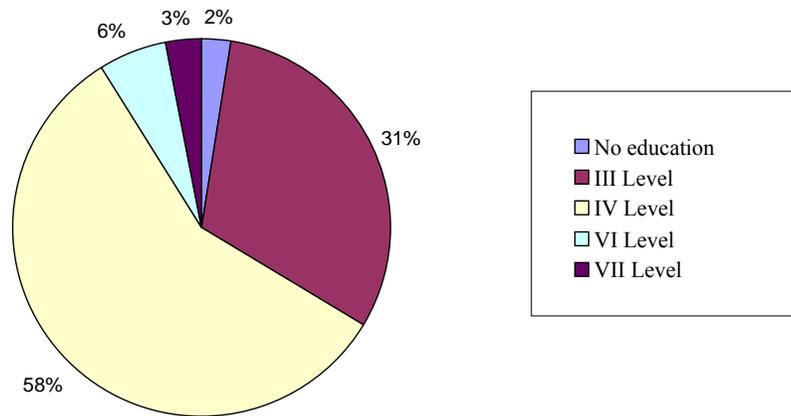
<sup>10</sup> Marija Babović, Slobodan Cvejić, *Social and Economic Status of IDPs in Serbia- Analysis based on the IDP Living Standards Survey*, UNHCR and UNDP, 2008.

## 4.2. Capacities of temporary compensation beneficiaries

A part of questions in the questionnaire was related to the capabilities of beneficiaries to deal with their problems, and these capacities were related to: education, housing status, medical condition, working ability of household members and the network of social contacts the subjects lean on, primarily while looking for job.

According to the educational structure, the majority of people have completed four years of secondary school (SSS) 44.4%, three years of SSS 24.2%, elementary school 20.9%, two years of college 4.6%, and 2.3% have completed college. There is 1.9% of the subjects without elementary school education.

**Educational structure**



Regarding the housing status, 31.9% of the subjects say that they live in a house or flat owned by someone from their family, 21.2% live in a house or flat that they own; 17.2% rent an entire flat or house, while 9.7% rent a part of a flat or house. Out of the total number of subjects, 6.3% live in collective accommodation, and 1.8% say that they have illegally moved into a house or flat. In Serbia, vulnerable groups which are forced to live in rented accommodation fall into the category of especially vulnerable groups, primarily due to high accommodation costs. However, IDPs in private rented accommodation are not very often sufficiently visible when it comes to institutional interventions. Percentage of IDPs who rent a part or entire house or flat is considerably higher than among local population (by 3%), and renting costs are 7,395 dinars on average.<sup>11</sup>

The majority of subjects live in four-member households – 25.6%, followed by five-member – 21.4%, and three-member households -12.7%. Some households have many members. There are 12.5% of six-member households, 6.1% of seven-member households. Out of the total number of subjects, 1.2 % live in nine-member households and 0.8% in ten-member households. Three subjects say that their households have 20

<sup>11</sup> *Ibid.*

members. As a rule, poverty is increased with the number of household members, especially when the majority of them are children.

*...I have two school children and very little money is left for living... (IDP woman from KiM, Smederevo)*

Regarding underage children in households, 24.6% of the subjects have two underage children, 18.8% have one and 11.3% have three. There are 2.8% of households with four underage children and 0.8% with five children. There are 0.8% of the households with six children. Three households have 10 children each and one subject say that he lives with 13 underage children in the household. 41.1% of the questionnaires lack answers to this question.

When their medical condition is concerned, it is worrying that as much as 37% of the subjects say they are suffering from some grave or chronic disease; 56% say that they do not have serious health problems.

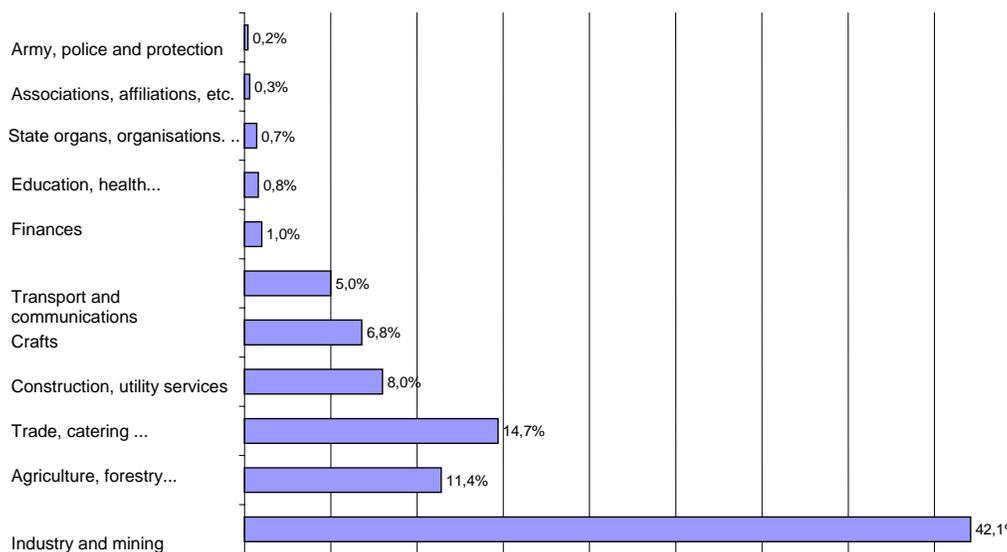
*...me and my wife are disabled, I cannot see on my right eye, we are ill and we don't work... (IDPs from KiM, Smederevo)*

Regarding the number of able-bodied household members, the majority of subjects say that there are two in the households – 24.2%, followed by four – 24.2%, three – 16.4% and 12.1% of the subjects say that there are five able-bodied members in their households.

### **4.3. Characteristics of temporary compensation beneficiaries and survival strategy**

The majority of temporary compensation beneficiaries used to work in the production sector which is now experiencing great crisis in Serbia. By industry branches, most of them were employed in industry and mining 42.1%, agriculture, forestry, fishing and water management 11.4%, trade, catering and tourism 14.7%, construction and utility services 8.0%, crafts 6,8%, transport and communications 5.0%, finances 1%, education, health, culture and social care 0.8%, state organs and organisations and political parties 0.7%, associations and affiliations 0.3%, police, army and protection 0.2%.

### Industry branches

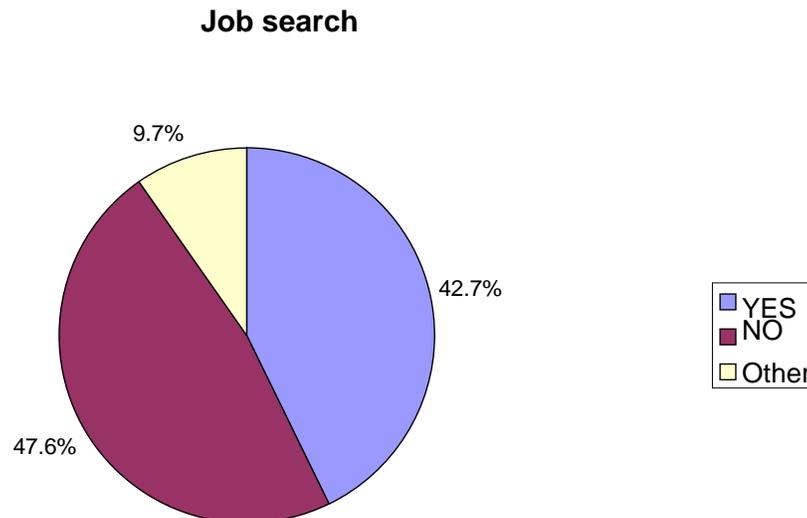


Regarding the years of services among the temporary compensation beneficiaries, the average is between 15 and 30 years (6.6% of the subjects have 20 years of service, 5.1% have 15 years of service and 4.5% have 30 years of service). 0.3% of the subjects have 40 years of service.

The majority of the subjects, 89.3% of them, have been receiving the compensation since 2003, when it was established by the conclusion of the Serbian Government. The remaining subjects started receiving it in 2004 – 6.3%, in 2005 – 1.6%, in 2006 – 0.9% and in 2007 – 1.6%. As already mentioned, NES have serious remarks on some of these decisions on temporary compensation, since they consider they are based on forged documents. There have been cases when NES have refused to pay the temporary compensation to individuals when it was obvious that the documents were forged. However, by the decision of the relocated courts from Kosovo and Metohija, NES were ordered to restart paying the compensation to these individuals. According to NES, there is a reasonable doubt that there has been corruption established at the institutional level, based on the solidarity of some people from Kosovo and Metohija related to the place of origin.

Some municipalities, i.e. Kraljevo, have received a large number of IDPs from Kosovo and Metohija, which in the situation of high unemployment rate, have increased competition for the remaining vacancies. The focus groups participants say that in the beginning there was strong antagonism of the local population. Now, however, ten years from their displacement, although the economic crisis affects both IDPs and local population, the cases of open hostility between them are scarce. However, some focus group participants say that, with regard to middle-aged IDPs, the priority in employment is always given to young people, followed by those from the local community.

When asked whether they have searched for another jobs, 42.7% of the subjects answer affirmatively and 47.6% negatively. Those who have searched for other jobs, most often did that through personal connections (relatives, friends) 24.4%. Some 12.8% have contacted NES, and 16.4% have waited for NES offer. Only 2% of the subjects say they have read about the vacancies in the NES bulletin and applied.



*....I have a temporary job as assistant to chef and all the time I am anxious of being fired...IDP from Orahovac (in KiM), Kosovska Mitrovica*

The fact is that a large number of temporary compensation beneficiaries have been unemployed for several years. Long-term unemployment considerably reduces the chances for re-employment. Although most of the subjects say that they would give up temporary compensation in case they got permanent jobs, the fact is that the temporary compensation, although in its minimum amount, as a steady source of income, enables people to reject jobs. Some people, as it was mentioned at focus groups, are not ready to accept jobs with a salary of 200 Euro a month, which is an average salary in poor municipalities, when they get around 100 Euro as temporary compensation and free time for additional income in grey economy.<sup>12</sup> The focus group participants emphasise that they are reluctant to accept some offered jobs because they are not secure enough. In other words, if they accept the job and lose it after some time, they will not be able to start receiving the temporary compensation again.

Employers are directly contacted by 8% of the subjects, while 6.1% say that they have applied for vacancies announced in daily newspapers, 4.8% on TV, and 2.3% on the radio. The vacancies announced on Internet were applied for by 1.1% of the subjects. 0.7% of the subjects have sent their CV and cover letters directly to employers, without

<sup>12</sup> In the Toplice region, the average net salary is 21,359 dinars, and in the town of Kuršumljia for example, with the large population of IDPs (6,050), the average net salary is 16,735 dinars. (Republic Statistical Office of Serbia, *Salaries per the employed in RS by regions and municipalities*, March 2009)

any advertisement. The same percentage of subjects has put adverts in newspapers, seeking for jobs.

4% of the subjects have enquired for possibilities for initiating their own businesses, and 0.9% have contacted youth and labour services. However, since a large number of the subjects already have experience in informal forms of employment, it would be reasonable to conclude that this number would be considerably higher if it was not conditioned by the loss of the temporary compensation.

Only 2.5% of the subjects say that they owned a firm or a store prior to displacement. In order to get additional income, some temporary compensation beneficiaries, as they said at the focus groups, tried to organise themselves in the form of craft workshops, in order to use their craftsmen skills. However, they all emphasise that they need institutional support and that they have not received any offer in terms of assistance in grants, favourable loans or training for initiating their own businesses.

1.1% of the subjects have gone through testing or job interviews. Employment fairs have been visited by 1%, and 0.3% of the subjects have sought assistance from nongovernmental organisations.

When asked whether they had done any additional jobs while receiving temporary compensation, the majority, 80.3% said that they had not. Out of the total number of subjects, 2.9% say that they do additional jobs regularly, almost every month, 3% that they do additional jobs often, 5-6 times a year, and 9% say that they do additional jobs 3-4 times a year.

The answer according to which many people have not done additional jobs while receiving the temporary compensation can be doubted, especially if compared with the answers about the extent the temporary compensation participates in the household budget. At the focus groups, able-bodied male beneficiaries said that they regularly did seasonal jobs on constructions or in agriculture, while women said that they occasionally earned money by cleaning houses and flats. All these jobs are informal, belonging to grey economy, and in the situation of the economic crisis, these jobs are becoming even scarcer.

*...there are no other jobs, only physical labour and agriculture. People get jobs through family connections. If you are formally employed, you must give up the compensation...(IDPs from KiM, Kraljevo)*

When asked how they do additional jobs, 16.2% say they “work for themselves”, 8.1% without any contracts, through informal agreement with the employer, and 0.7% by contracts with firms and through youth services. Out of the total number of subjects, 5.3% say that the temporary compensation has been terminated and 4.7% that it has been re-established.

Considering the survival strategy, the temporary compensation obviously is not everything the subjects and their families lean on. The majority of subjects, 34% of

them, say that the temporary compensation makes less than 25% of their household budget, 23.1% say it makes 25 to 50% of their budget; with 11.5% of the subjects, the compensation makes between 51 and 70% of the family budget. Large number of subjects, 21.7%, say that the temporary compensation makes more than 75% of their household budget.

#### **Representation of the temporary compensation in the household budget**

<b>Less than 25%</b>	<b>From 25% to 50%</b>	<b>From 50% to 75%</b>	<b>Over 75%</b>
34.0%	23.1%	11.5%	21.7%

When asked whether some of the family members have other income, 47.8% answered affirmatively and 47.3% negatively. It is a salary for 23.3% of the subjects, pension for 21.1%, occasional jobs for 9.1%, assistance of relatives for 3.3%, social welfare for 4.3%, child allowance for 4.5% and income from property for 0.5% of the subjects. The right to home care is realised by 0.21% of the subjects.

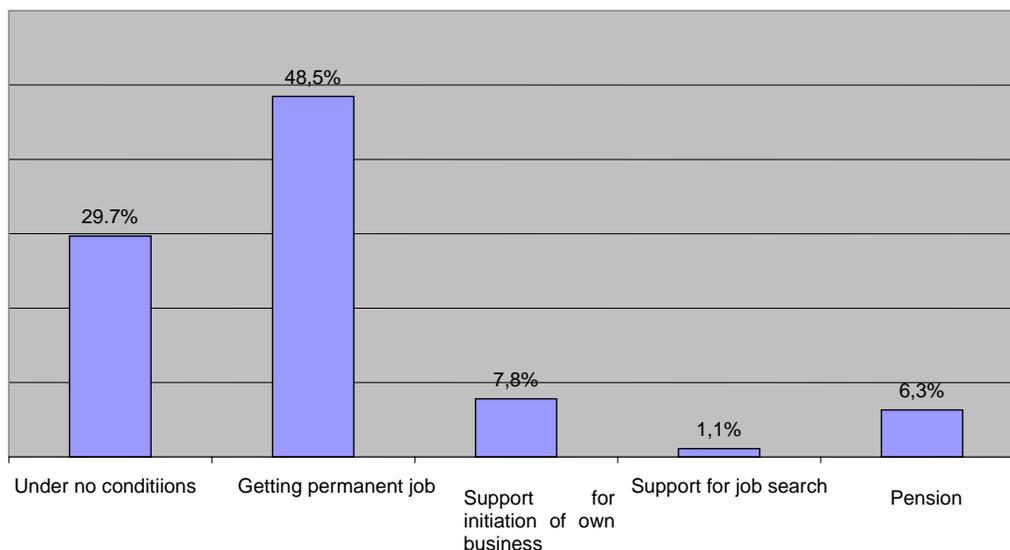
#### **4.4. Expectations from temporary compensation**

The majority of subjects consider the temporary compensation an appropriate (good or quality) form of assistance 62.8%; 22.8% believe that the assistance is not appropriate, mainly due to its small amount. The subjects say that the compensation, although small, provides the sense of security as a regular income, regulates health insurance and years of service.

*...something is better than nothing. At least that goes into our years of service and health care. Related to years of service, the contribution is minimal. When you become eligible for pension, the amount will be 2,000 dinars, and I have 30 years of service...*  
(IDP from KiM, Belgrade)

When asked under which conditions they will give up the right to the temporary compensation, 9.7% said that they would give it up under no conditions, 48.5% if they found permanent job, 7.8% if they received support for initiation of their own business, 1.1% if they entered the programme of support to job search, and 6.3% if they became eligible for pension.

### Conditions for giving up temporary compensation



If the data are processed as to compare the age of subjects and conditions under which they would give up the compensation, the following results are obtained. According to age structure, the majority of those interested in initiating their own business, 26.3%, were born in the period 1966-1971, and they are in their full strength. As expected, those over the age of 50, 26.1%, say that would never give up the temporary compensation..

	Under no conditions	If they found permanent job	If they entered the programme of support to job search	If they got support for initiation of their own business	Under some other conditions
By 1955	26.1%	15.1%	26.2%	12.9%	51.9%
1956-1960	21.1%	17.8%	19.0%	19.8%	21.6%
1961-1965	19.4%	21.8%	21.4%	20.8%	11.4%
1966-1971	18.7%	24.0%	19.0%	26.3%	7.8%
1971-1989	14.8%	21.2%	14.3%	20.1%	7.4%

### Recommendations

The following conclusions and proposals derive from the conducted analyses and research results with temporary compensation beneficiaries:

- Payment of temporary compensation is big and irrational expense, which is essentially an expensive parallel system of social care. The temporary

condensation cannot ensure independent life to its beneficiaries, neither in Kosovo and Metohija nor in central Serbia and large amounts that are being spent on the temporary compensation should be partly directed to measures for employment of its beneficiaries on the formal labour market. As interpreted by the relevant state bodies, the temporary compensation is temporary assistance, for both those from the territory of KiM and those out of that territory, until they are employed or become eligible for pension

- It is therefore necessary to create separate programmes for the temporary compensation beneficiaries which would remove formal obstacles to accessing active employment measures. The Serbian Government and Ministry of Economy and Regional Development are responsible for the creation of employment programmes. These state institutions establish the programme of active employment policy in the Republic of Serbia and the National Action Plan of Employment
- The possibility for establishing a programme of one-part payment of a certain gross amount of monthly compensation should be considered, for all temporary compensation beneficiaries, for the purpose of self-employment and legalisation of their work in grey economy. Prior to the payment, these individuals would go through the necessary training for the creation of business plans and possible training for conducting business activities. In that way, a part of beneficiaries would be permanently erased from the evidence of temporary compensation beneficiaries
- Information campaign programme should be carried out to motivate IDPs, temporary compensation beneficiaries, to participate in non-financial measures of NES they are entitled to: business plan creation, learning foreign languages, computer courses, employment fairs, additional training, etc. The information campaign should be also related to presentation of all negative aspects of the temporary compensation to beneficiaries;
- The programme of the info campaign should also encourage and motivate IDPs to participate in the measures foreseen for individuals who are searching other job (the employed searching for other job, in separate records of NES). The most important measure of this kind is mediation between the employer and the person looking for other job;
- The needs and resources of the temporary compensation beneficiaries should be examined, so that the measures intended for their employment could be realised in practice. It is necessary to divide the temporary compensation beneficiaries into groups and profile the programmes to be directed to certain categories, and particularly those most vulnerable, i.e. single mothers, people with disability and the seriously ill;

- Those who are not able-bodied and capable of working are especially vulnerable and should become beneficiaries of relevant institutions that offer programmes of support in the field of social care. They should no longer be within the competence of NES, and the termination of the compensation should be planned carefully so that they are not left without any kind of income;
- The payment of the temporary compensation should be regulated by the regulation of the Serbian Government and not by the conclusion of the Serbian Government, which are not available to public and not published in the Official Gazette. The existing solutions are discriminatory to the temporary compensation beneficiaries regarding other citizens of Serbia, since they are not entitled to additional income;
- The working group, which was supposed to coordinate all the issues related to temporary compensation and other forms of compensation for IDPs should start with its activities as soon as possible;
- Local self-government should take more responsibility, above all in terms of finances, and support employment programmes. That includes the establishment or activation of local employment councils and planning budget givings for active employment measures (which would lead to increased quotas for different kinds of active measures), within the developed programmes of active employment measures. Through public works, as a measure in big infrastructural projects, more IDPs could be employed for a certain time period;
- The state, in accordance with the previous positive examples, should introduce tax reliefs for the employers who employ temporary compensation beneficiaries; it is necessary to increase the quotas for subvention programmes for the employers who employ members of vulnerable groups;
- It is necessary to introduce the practice of holding regular meetings of representatives of the Chamber of Commerce and the Employer Union with representatives of IDP associations. At these meetings, possible employers would inform IDP associations about their expectations and plans regarding the trends in the field of employment;
- It is necessary to create programmes of additional training for deficit occupations, in cooperation with the Chamber of Commerce, Employer Union and NES. These programmes should be certified and contribute to real increase in competition of these beneficiaries on the labour market. It is necessary for the programmes to particularly target the temporary compensation beneficiaries, but also to include unemployed individuals from the domicile population;
- Relevant institutions, such as PIO Fund and NES should try to ensure support for buying years of service for those with few years left to pension eligibility, and for connecting years of service for those who have not been paid employment contributions regularly.