



# **ESPN Thematic Report on work-life balance measures for persons of working age with dependent relatives**

## **Serbia**

**2016**

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**European Social Policy Network (ESPN)**

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with dependent relatives**

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## Summary/Highlights

The concept of long-term care in Serbia is still influenced by the tradition of social norms, which regard care of a family member as a family's moral obligation. In such an environment, policy makers do not take into consideration the needs of carers in terms of a work-life balance, focusing almost exclusively on the needs of dependants. Eligibility conditions for claiming available benefits are very strict and refer to medical conditions that affect the ability of the dependant to perform basic daily activities without the assistance of others. Thus the system does not properly address the needs either of carers or of dependants who are unable to perform instrumental activities (cooking, house cleaning, shopping, etc.) yet also require daily assistance.

In the last 10 years, the government has adopted a number of normative and strategic documents aimed at improving the status of dependants. In 2007, it adopted a Strategy for Improvement of the Status of Persons with Disabilities in Serbia 2007–2015,<sup>1</sup> a comprehensive document which covered all aspects related to the rights and living conditions of dependent persons. Other important legislative acts which regulate the rights and benefits of dependent persons and their families are: the Labour Law (2014), Law on Social Protection (2011) and Law on Support of Families with Children (2009).

The right to paid leave is based on a policy that covers social protection of families with children, and its objective is not to support carers' inclusion in the labour market, but to provide the necessary support for a dependent child during his/her early years. This right is limited only to the parent of a dependent child, who can take paid leave until the child is 5 years old. The right to choose to work part time is granted to employed carers of persons who have impairments that restrict their mobility. Approval of unpaid leave is solely a matter for the employer, who can approve unpaid leave for any employee, irrespective of the reasons for the leave.

Carers' cash benefits are regulated under two acts: the Law on Pensions and Disability and the Social Protection Law. Funding is secured accordingly: either from the Pension and Disability Fund (PIO Fund) or from the republic budget earmarked for the Ministry of Labour, Employment, Veteran and Social Policy (MoLEVSP). There is a significant discrepancy in the levels of cash benefits, being related to dependants' employment status and to disability grades. In November 2015, the majority (70%) of dependants were receiving EUR 126.50 benefit from the PIO Fund, while half of the beneficiaries who under the MoLEVSP were receiving the lowest cash benefit of EUR 82.80, and the other half the highest benefit of EUR 223.40 (November 2015). There is no rational reason for such large discrepancies, but the values are determined by the regulations. The total number of beneficiaries in receipt of carer's cash benefits in November 2015 was 105,248. The adequacy of cash benefits is low for the majority of beneficiaries: in November 2015, 85% of cash benefits disbursed were lower than the official minimum wage. Dependants are also entitled to a number of tax reliefs and subsidies for utility bills, transportation costs and telecommunication services.

In-kind services are provided at the local level in two forms: (a) at-home assistance; (b) assistance of a personal companion for children and adults. In 2012, day-care services were organised in 84% of local communities: the main type of service was assistance for the elderly population. For children with disability who attend regular school a teaching assistant is engaged in the school setting. These services have proved to be of great support for dependent persons and their families, with a positive impact on carers' employability. The main shortcomings are: the supply of services falls short of demand there is discrepancy in geographical distribution; and sustainability is uncertain, since the funding depends on donors and local budgets.

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<sup>1</sup> RS Official Gazette 1/2007.

There are no official records on the number of eligible beneficiaries, and so it is not possible to evaluate the adequacy of coverage and take-up. Available data show that the coverage of dependent children is more adequate than the coverage of older population groups. The effectiveness of all measures on the work-life balance of working people depends to great extent on the age of the dependent person. If an unemployed carer is the parent of a dependent child, then his/her employability is reduced, unless constant care of the child is provided by other family members and supporting services provided in kind. Care of an elderly dependant has broader support from day-care services, and elderly people might also be entitled to a pension, which can be used to pay for the additional care.

The main recommendations refer to improvements in evidence-based decision making, by establishing data records and monitoring the effectiveness of policy measures applied. Policy makers should address the problems that carers encounter in balancing their work and their caring responsibility, and special attention should be paid to gender issues, since more women than men leave the labour market to care for family members. Promotion of flexible work arrangements should enhance the opportunities for the employment of carers. The current practice of dividing beneficiaries between the PIO Fund and MoLEVSP should probably be reviewed, in order to eliminate discrimination. Protection of the most vulnerable groups has to be one of the priorities; this could be achieved by increasing cash payments for other types of financial assistance, namely child benefits and Financial Social Assistance (FSA) benefit.

## **1 Description of main features of work-life balance measures for working-age people with dependent relatives**

### **1.1 Overall description of long-term care regime**

Serbia does not have a clearly defined and comprehensive concept of long-term care; the issue is instead addressed by a number of unrelated legal acts. Traditionally, support for dependent family members has been provided by the family, as social norms regard care of a dependent older family member as a moral obligation on the part of the family. One study (Social Inclusion and Poverty Reduction Unit, 2014) shows that 78% of the elderly rely on family members for the necessary care, 13% receive assistance from relatives or friends, and only a small fraction (2.3%) receive support from a private provider or from a state provider (0.7%). Commonly, women undertake the role of carer for family members. According to Davalos (2015), 39% of women selected “family illness” as a factor contributing to downward labour mobility; only 8% of men chose this factor. The National Strategy on Gender Equality, 2016–2020 suggests something similar: the data presented show that of all the employed persons who left the labour market in 2014 to care for a family member, 63% were women.

Long-term care for dependent persons is mainly provided by the social protection and the healthcare sectors. The state administers and funds two types of long-term care assistance: (1) institutional accommodation and palliative care; and (2) financial benefits for persons who need assistance in everyday living.

Institutional care is provided: (a) for persons with permanent physical and/or mental disabilities – many of them have been in an institution since early childhood; and (b) for elderly persons who are in need of personal assistance – accommodation is provided in “homes for the elderly”. In 2012, there were 62 institutions; the majority (69%) were provided accommodation for the elderly. In the past 10 years, state policy has aimed at reducing the number of children in institutional care and at placing them either in their own family or in the care of a foster family. From 2006, Centres of Social Work have to request an approval from the MoLEVSP for the placement of every child (under 3 years of age) in institutional care; they are also obliged to monitor and re-evaluate the need for the prolonged placement of all children put into institutional care.

Local governments are responsible for the provision of home-care services, which provide 1–4 hours of assistance per day, usually five days per week (Table 1). Funding is secured from local budgets and from donations. Underdeveloped municipalities can apply for the funding of day-care services from the MoLEVSP funds. Around 85% of local communities (122) offer home care to older residents, with a coverage of 15,563 beneficiaries. In some communities, beneficiaries participate in the cost of home-care services (usually at a modest level, on average around EUR 10). Since the capacity to meet actual demand is inadequate, priority is given to elderly people who live alone and have no close relatives to assist them. Data from 2012 show that services for home care for adult persons with disabilities and for dependent children are less in evidence – only in 14% and 26% of local communities, respectively – and are available to only a small fraction of dependent persons (Table 1).



**Table 1: Distribution of local home care services, 2012**

Type of services	No. of local communities	No. of beneficiaries	Total expenditure in EUR
Home-care assistance (HCA), elderly	122	15,563	9,165,888
HCA, adults with disabilities	20	441	28,957
HCA, children	37	611	1,062,241

Source: SIPRU (2013).

Palliative care is in the initial phase of development, within the mandate of the healthcare sector. By 2012, only a third (13) of secondary healthcare institutions had established palliative care units, with a total of 140 beds. Just a few of the largest cities (Belgrade, Novi Sad, Niš) provide home palliative care, but for elderly patients only.

## 1.2 Description of carers' leaves

The duration and the eligibility conditions of carer's leave are regulated by the Labour Law.<sup>2</sup> This Law gives the right to paid leave – but only to one of the employed parents of a child who needs special care – until the child is 5 years old. There are no other solutions for paid leave, apart from sick leave to care for a family member (up to four months) (see Table 2). The eligibility conditions and procedures are regulated by the Regulation on Conditions, Procedures and Processes for Realisation of the Right to Leave from Work, by Reason of special Care for a Child.<sup>3</sup> Approval is handled by two bodies: (1) an appointed commission, which engages medical and other professionals to evaluate the degree of a child's disability; and (2) a local administrative body, the Secretariat for Social Protection, which is delegated by the MoLEVSP to control and approve the examination procedures and to administer the payments.

Payment of paid leave for the care of a dependent child is regulated by the Law on Financial Support for Families with Children.<sup>4</sup> The payment is calculated as an average of the last 12 months' wages; for carers employed for less than a year, a calculated wage for the "missing months" amounts to 50% of the national average wage in the month prior to the leave being approved. Payment is received in full if the carer has been employed for six months or more; carers who were employed for 3–6 months prior to the leave are entitled to 60%; and those employed for three months or less are entitled to 30%. Funding of these payments comes from the republic budget and is administered by the MoLEVSP, through the local administration offices.

Employed carers of a family member who is diagnosed with cerebral palsy, *-plegia* types of diseases (quadriplegia, paraplegia, etc.), paralysis caused by poliomyelitis, muscular dystrophy or other severe impairments can, on request, work part time, but not less than 20 hours per week.

An unemployed carer who has been caring for 15 years or more for a child with severe impairments<sup>5</sup> is entitled to receive "special cash compensation", which is set at the level of the lowest pension available (from employment) at the time a person reach retirement age.

<sup>2</sup> RS Official Gazette, 32/2013, 75/2014.

<sup>3</sup> RS Official Gazette, 1/2002.

<sup>4</sup> RS Official Gazette, 107/2009.

<sup>5</sup> Social Protection Law, RS Official Gazette 24/2011.

The right to take unpaid leave is regulated by internal employment contracts, since the employer has the sole authority to approve unpaid leave for each and every employee under the agreed conditions. During the approved period of unpaid leave, the employer is obliged to cover only healthcare insurance contributions – not other social care contributions; consequently the employee cannot claim on unemployment or pension insurance for that period.

**Table 2: Overview of carer's leave and related regulations in Serbia**

Type of carer's leave	Right	Eligibility	Payment	Normative
Care of a child with special needs	Leave until child is 5 years old; optional part-time work	Confirmation by the appointed bodies	Calculated on the average of 12 months' wages	Labour Law, Law on Financial Support for Families with Children
Unpaid leave	No limitation on duration	None	No payment	Internal company acts

### 1.3 Description of carers' cash benefits

Cash benefits are approved for dependent persons, and their purpose is to provide funds for the engagement of "another person" (the expression used for carers) for the provision of necessary assistance. The cash benefit is paid to the dependent person or to the parent or guardian of that person. The dependent person may exercise his or rights under two normative statutes, depending on his/her employment status (Table 3):

- A. The Pension and Invalidation Law<sup>6</sup> regulates cash benefits for dependent persons who are employed or retired from employment; the right is entitled "Compensation for assistance and care by another person". The benefit is administered by the Pension and Invalidation Fund (PIO Fund) and is funded from the Fund's budget (from the compulsory contributions for disability and retirement). Until June 1992, dependent children with an employed parent were also covered by this Law. In November 2015, 74,000 dependants received this benefit, 92% of them pensioners.<sup>7</sup>

The eligibility conditions basically refer to dependent persons who are unable to perform basic daily activities (feeding, washing, dressing, etc.); blind persons and persons who undergo dialysis are also eligible. The cash benefit is indexed according to the same conditions as pensions.

- B. The Social Protection Law regulates the right to cash benefits for dependent children, young people and unemployed dependent persons; the right is entitled "Supplement for assistance and care by another person". The benefits are administered by the MoLEVSP and are funded from the republic's budget. At the end of 2011, around 40% of these beneficiaries were over 65 years of age.<sup>8</sup> In November 2015, 30,281 dependants were entitled to these benefits. There are two types of dependant's cash benefits, depending on the level of disability:

- (1) The basic cash benefit – the eligibility conditions are the same as for beneficiaries of the PIO Fund and include physical and/or mental impairment that affects the person's ability to carry out everyday activities; severe sight and hearing impairments are also included as eligible criteria.

<sup>6</sup> RS Official Gazette, 75/2014.

<sup>7</sup> PIO Fund, Monthly Bulletin, November, 2015.

<sup>8</sup> Ibid.

- (2) The increased basic cash benefit (2.7 times the basic benefit in 2015) – the eligibility conditions refer to 100% physical disability of one organ (condition) or to multiple physical and mental impairments, with a disability level of 70% or more.

Anyone who qualified for the cash benefits as a dependent child under the PIO Fund prior to 1992 is entitled to a top-up payment, calculated as the difference between the PIO Fund benefits and the benefit determined by this Law. In November 2015, 19,476 dependent persons were entitled to the increased benefit. All the listed benefits are indexed twice annually, according to the consumer price index.

**Table 3: Number of recipients of carer's benefits and cash amounts, November 2015**

Type of carer's benefit	Number of beneficiaries	Cash benefit in EUR	Percentage of the minimum wage <sup>9</sup>
Beneficiaries from the PIO Fund	74,000	126.50	74.7
Beneficiaries of MoLEVSP*			
Basic benefits	16,067	82.80	48.9
Increased basic benefit	15,214	223.40	1.32
Total	105,281		

\*Beneficiaries registered at PIO Fund prior to June 1992, are not included.

Source: Data from the PIO Fund, <http://www.pio.rs/lat/novcane-naknade.html> and from the MoLEVSP <http://www.minrzs.gov.rs/cir/dokumenti/briga-o-porodici/socijalni-profil-opstina>

Other cash benefits that hinge on the status of the dependent person are:

- Child benefits for children who receive dependant's cash benefit are increased by 30%; meanwhile the eligibility threshold for the household is reduced by 20%.
- The eligibility conditions for Financial Social Assistance (FSA) allow the status of "person incapable of work"; hence the household might be eligible for increased FSA benefit (20%) if all family members are incapable of work.
- The Law on Social Protection regulates compensation for the education-related expenses of children who attend the "special schools for children with mental disorders and sight and hearing impairments".<sup>10</sup> Under the Law on Elementary Education,<sup>11</sup> if it is considered to be in the best interests of a child and if the parents agree, a child can be referred to a special school,<sup>12</sup> instead of a regular one. If the location of such a school is not near the child's home, accommodation and living expenses may be covered by the local administration (eligibility for compensation is means tested).

Apart from these direct payments, there are several indirect financial subsidies for dependent persons and their households, which are regulated by national and local statute.

Disabled persons are exempt from co-payment for healthcare services.

VAT relief is applied for the procurement of medical and surgical appliances, orthopaedic devices, wheelchairs and similar goods.

<sup>10</sup> Children whose IQ is less than 70, and who can be educated to perform simple tasks, defined in "Decision of Categorisation of Children with Development Difficulties". RS Official Gazette 16/86.

<sup>11</sup> RS Official Gazette, 39/2013.

<sup>12</sup> There are 46 special schools (16 in Belgrade); there are 168 municipalities in Serbia.

Vehicle tax exemption, at each registration, is available to the following persons:

- Owner of the vehicle who has 80% physical impairment or 60% impairment of the lower limbs.
- Parent of a child with multiple impairments.

Custom duty tax relief<sup>13</sup> is available for the following goods:

- Orthopaedic and other types of devices for persons with physical impairments.
- Vehicles adapted for use by disabled persons and vehicles that will be registered by the parent of a disabled child.

Affected persons and carers are subsidised for in-country transport fares,<sup>14</sup> which include:

- Subsidies for six return trips for the disabled person: 75% reduction in the cost of road, rail and river transportation; 50% reduction on air tickets.
- Subsidies for the accompanying carer: free tickets for road, rail and river transportation; 50% reduction on air tickets.

Households that receive dependant's benefits are entitled to apply for subsidies on electricity bills. Some telecommunication companies also have special tariffs for disabled persons.

At the local level, the local administration can provide subsidies for families with dependent persons. One example is the city of Belgrade, which covers 50% of utility bills, provided the bills are paid on time. It also covers bus fares within the city. Such households are also exempt from paying construction taxes for construction, reconstruction or adaptation of their homes. Similar compensation is also available in other municipalities in Serbia.

#### **1.4 Description of carers' benefits in-kind**

Benefits in kind are provided and funded mainly by the local administration. The main objective of these services is to provide assistance and support to dependent persons, in order to enable them to remain within the home setting; support also includes education and the development of skills necessary for independent living. There are no services that directly address the needs of carers; however, the provision of day-care services does have an important impact on the opportunities for carers to engage in the labour market. Generally, services can be divided into two categories: (1) services provided outside the home, in day-care group settings; and (2) personal services adapted to the needs of the dependent person. The objectives of day-care services in group settings are to support development of the physio-social skills of beneficiaries, in order to enable them to live independently. Personal services provide assistance for everyday chores and also provide tailored support to: (a) children engaged in education, until the completion of secondary education; (b) adults who are either employed or engaged in non-profitable sector activities (sport, humanitarian organisations, etc.). In the last couple of years, some municipalities have introduced the services of personal companions to assist children in their education. Their duties are to accompany children on the way to school and to provide, if needed, support during school classes. The availability of these services has a direct influence on the opportunity for carers to enter the labour market, unless the dependent person requires constant care and attendance.

Since the beginning of 2000, these types of services have been developed with extensive support from international donors. Consequently their sustainability is questionable, since they depend on the municipality's annual budget and on the

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<sup>13</sup> Custom Law, RS Official Gazette, 111/12, 29/15.

<sup>14</sup> Law on Subsidies for In-country Transportation of Persons with Disabilities, RS Official Gazette 101/05.

continuation of donor funding (underdeveloped municipalities can apply for funding from the MoLEVSP budget). In 2012, around 50% of local communities provided services for children, although the overall coverage was rather modest, with 2,519 beneficiaries; of those, 20% were covered by the Centre for Children with Disability in Belgrade (Table 4). As estimates from the MoLEVSP show that around 13,000 children are entitled to dependant's cash benefits,<sup>15</sup> it is evident that the coverage by day-care services is inadequate. The least-developed services are "day care for the elderly outside the home", and they have the fewest beneficiaries.

**Table 4: Distribution of local home/day-care services, in 2012**

Type of service	No. of local communities	No. of beneficiaries	Total expenditure in EUR
Day-care setting (DCS), children and youth with developmental disabilities	71	2,519	5,514,509
DCS, elderly	12	1,022	344,526

Source: SIPRU (2013).

A well-developed network of associations representing persons with certain physical or mental impairments and civil society organisations provides counselling and support for carers and their families; the umbrella organisation is the National Organisation of Disabled Persons. MoLEVSP has an earmarked Fund for the Protection and Improvement of the Status of Persons with Disabilities; in 2013 the Fund's outlays were EUR 2.8 million;<sup>16</sup> the resources cover operational expenses for 22 national and 11 regional associations, which support 512 local branches. They are also used for funding day-care services and for financial subsidies to private companies that provide job training and education to help persons with disabilities get into work. In 2009, the Law on the Basic Elements of the Education System introduced inclusive education for all children; however, this concept is still facing difficulties in the implementation process, and some children are still referred to the special schools. In Serbia there are 46 "special schools for children with disabilities" (sight and hearing impairments and other disorders) which provide pre-school, elementary and 1–2 years of secondary education, teaching the basic skills and offering less-demanding qualifications. School programmes for special schools differ from the teaching programmes for regular education; consequently, the children who attend special schools cannot continue regular education without going through the process of examination. In the school year 2012/13, there were 5,716 students in elementary education in special schools, and 2,048 students in secondary education; thus 7,764 young adults will not acquire the necessary knowledge and skills to enter the labour market. Special schools employ a psychologist and social worker; however, they do not have a mandate to organise and provide counselling for the carers of dependent children.

## 2 Analysis of the effectiveness of work-life balance measures for working-age people with dependent relatives

### 2.1 Assessment of individual measures

Our view is that, aside from the normative statutes on carer's leave and on related cash benefits, a number of other factors have a significant impact on the employment options of carers and on the well-being of families with dependent members. Of great importance are the general public perception of, and attitudes to, disability issues and the potential of disabled persons to live independently. These social norms change

<sup>15</sup> Assessed from <http://www.novosti.rs/vesti/naslovna/drustvo/aktuelno.290.html:456959-Invalidna-deca-bez-obecane-pomoci>

<sup>16</sup> MoLEVSP, <http://www.minrzs.gov.rs/cir/o-ministarstvu/budzet>

slowly, and could be altered if society creates an environment in which persons with disability are able to develop their potential and live independently.

A distinction should also be made regarding the age of the dependent person and the type of disability. If a dependent child or young person is able to engage in education, an enabling and supportive environment is of great importance for the labour activation of the carers. Physical barriers in public spaces are still an unresolved problem, and for that reason people with limited mobility must be accompanied by a carer. A report by the Commissioner for the Protection of Equality (2014) shows that of 4,882 public spaces examined, only 15% were fully accessible for persons with limited mobility, while 68% were totally inaccessible. A lack of resources means that healthcare insurance does not supply motorised wheelchairs; hence less able dependants also need assistance with manually powered wheelchairs. If the dependent person is elderly, supportive healthcare services and day-care services are essential for maintaining a supportive environment that allows carers to leave home and be employed.

Even if the family receive adequate assistance to care for a dependent family member, the question of carer employability is still evident. Most probably the carer will not be able to work overtime or night shifts, and will have to take sick leave more often than other employees. In that sense, given the current environment, with its relatively low employment rate (51.7% in the second quarter of 2015), 17 carers have less chance of getting a job.

### 2.1.1 Carers' leaves

There is only one option for parents to take paid leave, and they receive reimbursement related to their previous earnings. There are no available data on the number of beneficiaries. The MoLEVSP publishes aggregate data on expenditure on parental leave and paid leave.

Paid leave for (one) employed parent has a positive effect in maintaining the work engagement until the child is 5 years old. After that, parents have to make arrangements for childcare; such arrangements are feasible if the impairments allow a child's inclusion in the education system. Otherwise, if the disabilities are severe and the child requires constant care, most probably one of the parents will have to stay inactive.

The gender issue is evident when we look at the role of carers (as mentioned above): in 2013, 6.2% of inactive (working-age) women quoted "care for children or other dependent family member" as a reason for their inactivity, whereas only 0.3% of men selected that answer.<sup>18</sup>

For parents and carers of a dependent person, flexible work arrangements and part-time work might be the best solutions enabling them to remain in, or to enter, the labour market. However, part-time work and other flexible work arrangements have been introduced only recently in law, and employers are not adapting well and do not readily offer this option: in November 2015, the majority (87.8%) of employed persons worked full time (40 hours per week);<sup>19</sup> those that worked part time were mostly self-employed or engaged in temporary work.

The only option for an employed carer to keep his/her job is to negotiate paid or temporary unpaid leave with the employer, who has the authority to approve such arrangements. Such options generally depend on the qualifications of the carer and the current labour market demand for his/her services.

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<sup>18</sup> RSO (2014).

<sup>19</sup> RSO (2015).

Lack of leave options for the majority of carers certainly has a negative effect on the family budget, and discriminates against those families in terms of their chances of earning a decent income.

### 2.1.2 Carers' cash benefits

There are no official data on the number of disabled persons who need long-term care, and consequently it is not possible to assess precisely the adequacy of the coverage and of take-up. Census 2011 data show that 8% of the population (571,000) have some type of health problem which negatively affects their ability to function independently (the data are based on the respondent's subjective evaluation).<sup>20</sup> Of that number, around 71% are over 60; 21% are in the age group 40–59; while among children less than 15 years old, 0.8% (8,100) are considered to be dependants.

The total number of beneficiaries of dependant's cash benefits was 105,281 in November 2015, which is 1.5% of Serbia's population. Of the total number of beneficiaries, 72% are elderly dependants (75,641), while 6.2% (6,485) are children (under 18). The similar age structure is for the beneficiaries who receive benefits from the MoLEVSP; the highest share 40.7% is for the group aged 27–65, followed by 39.7% for 65 years and older beneficiaries (Table 5). By comparing census data and data from the two funding institutions, it is evident that the coverage of children is reasonably adequate, while the coverage of the elderly falls below the needs registered by census data. A study by the Social Inclusion and Poverty Reduction Unit (SIPRU) states that more than 50% of the elderly have no information about the available cash benefits for dependants, while around 30% of them have no knowledge of the available benefits and services for the elderly. The study also states that among those less informed, the majority is within the group of less educated and less well-off.

**Table 5: Number of recipients of carer's benefit from the MoLEVSP, by age group, July 2014**

	> 18	18–26	27–65	65+	All
Basic benefit	3,005	1,268	5,010	7,641	16,924
Increased*	3,488	2,326	15,995	12,814	34,623
Total*	6,493	3,594	21,005	20,455	51,547
Share	12.6%	7.0%	40.7%	39.7%	100%

\*Includes beneficiaries from the PIO Fund for top-up payments.

Source: MoLEVSP, <http://www.minrzs.gov.rs/cir/dokumenti/briga-o-porodici/socijalni-profil-opstina>

Adequacy of the cash benefit for the well-being of the dependant and his/her family is related to the dependant's status, namely under which regulation statute the right is exercised. In November 2015, the monthly cash benefit for beneficiaries of the PIO Fund was EUR 126.50, which was 74.5% of the minimum wage (EUR 169.40); 21 bearing in mind that the majority of dependants have other sources of income (wages or pension), this might be considered adequate to secure their well-being. Still, the SIPRU study states that 72% of the elderly who receive this cash benefit use the money to top up the household budget, while only 22% use some of it to pay for a private carer; 5% use the cash benefit to pay for state-provided home care (1% unknown). The reason for such practice may be found in the fact that the average pension is rather low, at EUR 193.30 (2015 annual average).

The lowest cash benefit is a basic benefit, EUR 82.80, secured under the Social Protection Law. In November 2015, 15.3% of all beneficiaries received this benefit,

<sup>20</sup> RSO, Census Atlas, 2011.

<sup>21</sup> RS Official Gazette 5/2015.

which was about half of the minimum wage (Table 3) and it covered only 29% of the minimum consumer basket cost for that month<sup>22</sup>; meaning that in real terms the value of this benefit is low.

The increased cash benefit of EUR 223.40 is above the value of the minimum wage; 32.4% of beneficiaries received this amount, and 3.3% were minors. These dependants require intensive daily care; however, only a few home-care services are available to them, and for only a few hours per day (not in every local community), meaning that the family has to engage a private carer if its members want to remain employed. Private services for the care of dependent persons are rather expensive – on average around EUR 300 per month (weekends excluded) for six hours of care per day.<sup>23</sup> A part-time job, which requires around six hours' absence from the home, would have to make up the shortfall of EUR 77 (which is feasible, if the carer can find employment with flexible work arrangements).

Taking into account other types of social care financial assistances, the cumulative cash benefits for a single parent household with a dependent child with a severe disability amounted to EUR 331.20 in November 2015, which was close to the average wage.

The adequacy of cash benefits among beneficiaries with the same category of disability is different in relation to the source of funding. The eligibility criteria (based on disability levels) for the basic cash benefit are the same at the MoLEVSP and the PIO Fund; however, the basic MoLEVSP benefit is only 65% of the PIO Fund's benefit.

### **2.1.3 Carers' benefits in-kind**

Day-care services and personal assistance services provide much-needed free time for carers and enable them to enter the labour market. The main issues are the uneven geographical availability of these services, their sustainability and the relatively low coverage of different beneficiary groups. There are no precise data on coverage, since the data on actual need have not been assessed.

Data on take-up of these services show that in-kind services are very well received by beneficiaries, and they very often present the only chance for a dependent person to leave the home. For home-care services, there are waiting lists in almost every community that offers this type of service. A further important impact is the improvement in the well-being of dependent persons and the increase in their capacity to live independently. Consequently, in the long run, these services have a positive effect on the chances of carers to enter the labour market.

## **2.2 Assessment of overall package of measures and interactions between measures**

Social policy on care of dependent persons is rather outdated and fragmented, with some instruments inherited from the last millennium and other adopted later; the overall situation shows little coherence. Policy measures and instruments were adopted without analysis of, or estimates about, the proportions and actual needs of the target population. Current policies do not address the well-being of carers, as traditionally it is assumed that they have a moral obligation to provide care for a dependent child, parent or relative, without any compensation. It is evident that care for a dependent person requires much time and effort, and it is difficult to balance care duties and employment. Traditionally, women have undertaken the role of carer; consequently they either have to perform two duties (if they remain in employment), or else quit work if they cannot make proper arrangements to balance their obligations. Available benefits and services are focused on the dependants, rather than on the carers; consequently measures do not directly affect the opportunity of carers to remain in the labour market or to enter it.

<sup>22</sup> Ministry of Trade, Tourism and Communications, Purchasing power, Consumer basket, November 2015.

<sup>23</sup> Registered Agency for home assistance prices; <http://www.agava.rs/Gerento>



In the past few years, civil society organisations have succeeded in having adopted a number of normative statutes that are related to improvements in the living conditions of dependants. A number of important normative statutes that enable affected persons to live independently were adopted in 2014 and 2015, though the application of defined measures and rights is in its initial phase. A Law on the Use of Sign Language,<sup>24</sup> a Law on the use of Guide Dogs, and Regulations on Technical Standards for Planning and Construction to Allow Accessibility for Persons with Disability, Children and Old Persons were adopted in 2015. These will enable some dependants to be less dependent on other people, and will indirectly benefit their carers by providing them with more free time, which could be used for work. A review of the current labour market regulations governing options for paid leave and flexible work arrangements shows that only a small proportion of carers are covered. For this reason, for the majority of carers the opportunities to balance work and life depend almost entirely on the authority of their employer.

Policies on cash benefits are treated separately for those who are insured through the PIO Fund and for children and the unemployed, as the sources of funding are different. The discrepancy between the levels of cash benefits from the PIO Fund and MoLEVSP is very pronounced and places persons with the same disability status in different positions. Overall, the levels of benefits are inadequate for the majority of beneficiaries and do not take into consideration the special needs of the families concerned.

When observing the effects of the current statutes and practices on the well-being of families, we have to draw a distinction based on the age of the dependent person. In families that care for a dependent person right from the start of his/her life, the chances of a carer having employment are limited. Conversely, the financial status of families that care for an elderly person who is retired and receives a pension is much better, and the chances of a carer staying in work are greater, as the money is available for additional private care. MoLEVSP data on the age structure of beneficiaries show that almost a fifth (19.6%) of them are under 26 (Table 5), which means that the families concerned depend more on the labour market engagement of the carers.

The evidence shows that in-kind benefits provide valuable support for dependent persons and their families. Standards governing the quality of delivery of these services have been adopted and are applied in the selection of offers of delivery at the local level. The Republic Institute for Social Protection has accredited 31 programmes to improve the status of children and persons with disabilities, and it offers training for interested Centres of Social Work and for non-governmental organisations and private sector organisations.

The effects of the positive trends in the area of social care are still not fully realised. For this reason, unresolved social and financial problems influence some families to place a dependent person in a state institution for long-term care. In 2014, 657 children were accommodated in residential institutions for children; establishments housing adults with mental, physical and sensory impairments accommodated 4,160 persons.

### 2.3 Policy recommendations

The following recommendations are related to improvements in decision making by providing necessary data and indicators:

- Create records of all cases of disability categorised within the eligibility criteria (these data are already recorded by the Health Insurance Fund). This will enable evaluation of take-up and effectiveness of the current measures. Presently there are no official statistics on the number of disabled persons; hence policy making lacks basic information.

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<sup>24</sup> RS Official Gazette 38/15.

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- Policy makers should address the problems that carers have in balancing work and care responsibilities. These problems are among the main reasons for carers leaving the labour market. The introduction of necessary assistance measures for carers will not diminish or undermine their natural carer role – as a parent or a child – but will improve the well-being of all family members. Gender issues are of particular concern, as it is overwhelmingly women who are carers; for that reason, the mainstreaming of gender problems in other policy areas (employment, equal pay, education) should contribute to better understanding of the gender equality issues.
  - Promote part-time and other forms of flexible work arrangements, introducing tax incentives for the employment of carers; analyse and possibly revise the regulations that create a differentiation in the cash benefits from the PIO Fund and from MoLEVSP. The government is currently preparing amendments to the Social Protection Law, which defines the nominal values of cash benefits for dependants covered by MoLEVSP. About half of these dependants, though governed by the same eligibility conditions as dependants of the PIO Fund, have lower benefits, while the other half receive much higher benefits. Such solutions create discrimination among dependent persons, and it is imperative to establish fixed criteria that provide the same level of benefits for the same level of dependency (disability), irrespective of the funding source.
  - Analyse the possible impact of increasing related financial assistance for families in need: child benefits and FSA benefit.
  - Promote and support the development and sustainability of day-care services, which also provide new employment for service providers.

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