Opinion of the Economic and Social Committee on ‘Development of human resources in the Western Balkans’

(2001/C 193/20)

At its plenary session on 12 and 13 July 2000, the Committee decided, in accordance with Rule 23(3) of the Rules of Procedure, to draw up an opinion on ‘Development of human resources in the Western Balkans’.

The Section for External Relations, responsible for preparing the Committee’s work on the subject, adopted its opinion on 11 April 2001. The rapporteur was Mr Sklavounos.

At its 381st plenary session on 25 and 26 April 2001 (meeting of 25 April), the Economic and Social Committee adopted the following opinion by 59 votes in favour to one vote against, with four abstentions.

1. The need and the scope of the opinion

1.1. The need and the scope of the opinion are the following:

1.1.1. The importance of the Balkans for European integration.

1.1.2. The importance of human and social capital for economic development in the area and for sustainable enlargement towards the south.

1.1.3. The importance of the Balkans for integration of the Mediterranean basin into European ‘structures’.

1.2. The scope of the opinion is to highlight the importance of these forms of capital and to provide a range of proposals necessary to formulate a holistic approach towards the development of the human and social capital in the Western Balkans.

1.3. There is an undisputed need for clear, effective and decisive European Foreign Policy in general and towards the Balkans in particular.

The ‘costs’ of war and instability in the Western Balkans will be unbearable for the process of European integration. Thus peace and stability in the Western Balkans is not a regional problem, it is a European problem.

There is also a need for a strong and decisive re-invigoration of the Stability Pact to enable it to meet the expectations of broader European society and of the social partners on the one hand, the goals set up by the world community in reference to the Stability Pact as well as the needs of the local societies on the other.

There is a need for organised, well-structured and programmed involvement of European civil society in the development of human and social capital, the participatory culture and structures of social dialogue in the Western Balkans.

2. The importance of human and social capital for growth in the region

2.1. The World Bank report under the title ‘The road to stability and prosperity in Southeastern Europe: A regional strategy paper, 15 March, 2000’ gives a very high importance to human and social capital development as a necessary factor and/or prerequisite for sustainable development in the area. Two chapters (5 and 6) are related if not devoted to the development of social and human capital.

2.2. Higher education for leadership development, for human capital development, for social change.

2.2.1. The development of elites with multicultural education and horizons, the education of the younger generation on a similar basis are considered as investments in social capital and vital to a peaceful sustainable future.

2.2.2. A well-trained human capital is considered as the essential factor for the economic development of the area, combating poverty and environmental degradation.

2.2.3. But at the moment, on the one hand we face deterioration of the educational system, lack of opportunities for well-educated and skilled people and on the other hand we face a massive brain drain from the area. At the same time the urgent need for ‘modernising’ the educational system is recognised by all sides.
3. The problem

3.1. The massive and continuous destruction of human resources, human and social capital, as well as a brain drain, and emigration result in an urgent need for an effective holistic approach for their re-assembly, reconstruction, development as a critical, decisive factor for the economic reconstruction of the area.

3.2. Irrespective of causative factors of the problems and of degrees of differences between countries in the area, the aftermath of the transition and the last Balkan war finds the Western Balkans in the following situation:

3.2.1. Destruction or fatal depreciation of the infrastructure necessary for the sustainability of human and social capital. Crisis of legitimacy of the institutional framework, public administration and authority, law and order systems.

3.2.2. Social fragmentation: break down of social bonds, fragmentation, segregation on a clan basis, religious affiliation, politically partisan ‘machines’, politically and clan-related regional identities.

3.2.3. Antisocial exclusive defensive group solidarity. Regressing to family loyalty as the only stable loyalty when loyalties beyond the family boundaries are increasingly changing and fluid.

3.2.4. Distrust towards foreigners in general as well as those who do not belong to the family.

3.2.5. Difficulties in cooperating among each other and mistrust towards collective bodies and institutions including from trade union and political parties.

3.3. In a few words, we face destruction, or serious weakness of all embracing social-bonds, value system, values structures.

3.4. The conflicts between the different nationalities and the wars, provided a cover up and a defensive exclusive national solidarity obscuring the existing dissatisfaction and fragmentation within the ethnic groups, political disintegration and underdevelopment.

3.5. An accurate description and a sound understanding of the current reality on human and social capital has to take into consideration the substantially different but parallel historically tragic experiences of Albania and Former Yugoslavia, in the post World War II era.

3.6. The Albanian goal (under Hotza) of establishing an Albania identity and a communist consciousness among the different clans, ethnic groups, religious affiliations of Albania, did not work.

3.7. The iron rule, overly centralised elitist bureaucratic one-party system and the titanic effort to uproot the Albanian past were doomed to failure with ruinous long-lasting effects.

3.8. The different but parallel goal of Tito was to establish a Yugoslav identity and a socialist consciousness among the different south-slaw nationalities, non-slav minorities, other minorities through a weak decentralised federation.

3.9. The collapse of communism, the two poles system of world organisation, the Yalta arrangements, among other different factors, for the Albania and the Yugoslavia, contributed to a quick collapse of the Albania regime and a slow but tragic disintegration of the Yugoslav federation.

3.10. The present party systems, with most of their cadres springing from the same sources of the past regimes, without real open transparent democratic participatory traditions and experience, without transparent funding, without a real membership and locally democratically elected on a bottom-up basis, they constitute rather mechanisms of social control, mechanisms struggling to re-establish a socially accepted and legitimised order, than parties as understood in the Western democratic and parliamentary traditions.

3.11. One main dimension of ‘the problem’ is the difficulty of donor countries, world institutions and NGOs to grasp what the World Bank lately recognised:

‘More important, we must de-emphasize policies and emphasize institutions. Institutions in the sense in which Douglas North interpreted them: ideas, ideologies, prejudices, rules of behaviour, not organisations or other physical entities. To transform this kind of institutions, the culture must be changed.

This involves much more than simply privatising state-owned enterprises or passing laws. It involves changing the attitudes of public officials, even the attitude of the private sector.

We realize that the Government can not just create and legitimise new institutions and behavioural norms and parachute them from the top to the public through laws and policy actions. Civil society should feel the need for change. Therefore we have to be in a position to help both the public and the government — both sides of this transformation(1).’

4. Municipal system

The municipal system is weak and ineffective (especially in Albania) because it functioned as a lower level appointed administrators and/or party appointed functionaries, rather than elected local leadership responsible for the management of local wealth and accountable to the local people. During the conflict periods, the ethnic and religious barriers paralysed the municipal system and ethnic ‘machalas’ enclaves within the villages or ethnic villages complicated the evolution of the municipal system.

5. Public administration and public sector management

5.1. The culture of the one-party system and the party controlled administration and public sector in Albania, and the same culture but working on federal and ethnic basis in Yugoslavia, led to the ineffectiveness of the past and the weakness of the present.

5.2. The years of the conflict, of wars, of embargoes, of a semi-official black market, to cover state and public needs, has multiplied and deepened the crises in the public administration and the public sector.

6. The general social disintegration

6.1. The breakdown of the political system, the value system in Albania, the soul searching in FYROM, Croatia, Serbia, Montenegro, Bosnia Herzegovina, over the slow-tragic break down of Yugoslavia’s federalism, socialism, the civil war and the embargo, the dramatic economic crisis, have effects on the judicial system, the law and the order functioning.

6.2. The transition experiences, the pyramids in Albania, the non-transparent privatisation processes in FYROM and Croatia, the black market in Serbia and Montenegro, have culminated in a general social climate of distrust of the citizens among themselves and of the citizens towards the authorities.

6.3. A crisis of legitimacy on all levels in all spheres of authority has been established and is getting deeper due to the sustainability of corruption.

6.4. The breakdown of the social security systems and the inability of the state to pay even pensions and basic salaries has been enforcing the vicious circle of anomie and invigorating the black market, the grey economy, the penetrations of organised crime in society. For example the unemployed outnumber the employed in FYROM and the massive lay-offs are not accompanied with any consideration of training or a hope for a future job.

7. Living standards

7.1. A deterioration of living standards in all countries in the area has been the hard reality for at least the last decade. Real wages decline with registered unemployment for example reaching 36% in FYROM and 30% in Yugoslavia, 55% in Bosnia Herzegovina in 1998.

7.2. In Bulgaria poverty ‘headcount’ increased seven times between 1995 and 1997, while in Romania it increased five times in the period 1989-1998.

7.3. Displacement of populations. About 3 million people have been displaced only due to the war involving Serbia, Herzegovina, Croatia, excluding the Kosovo crisis.

7.3.1. Serbian sources indicate that 1 million refugees are at present in Serbia and at minimum cost of a dollar per day they constitute on strictly economic basis a devastating cost for the economy of the country.

7.3.2. 13% of the Montenegrin population are refugees.

7.3.3. The system of social security and healthcare as well as of social support broke down increasing social dissatisfaction, disaffection, and disintegration. The deterioration of the environment, governmental and social inability to use effective measures of environmental protection are all contributing to the escalation of the problem and the dangers for social health. The situation of minorities, especially of the Roma people, has been worsening due to the last war.

8. Education and youth

8.1. Public allocations to education remain low in all countries. Fiscal allocations as shares of GDP have decreased during the past years. As all countries have experienced significant declines in GDP throughout the transition, the education resource envelope available for each student has declined significantly. In several countries institutional capacity in the education sector has been weakened with dilapidated infrastructure, poorly paid, trained and motivated teachers, outdated education materials, curricula and teaching styles. All the above were intensified in ethnically mixed communities where the difficulties to formulate and apply multicultural educational programmes were significant.
8.2. In virtually all the SEE countries, the needs for furniture, equipment and learning materials are daunting. Even more important are capacities to manage and operate the education systems.

9. Crime and corruption

Corruption as factor contributing to anomie, social economic, political underdevelopment in the Balkans in general and in western Balkan in particular is considered very high. Among a total of 99 countries, Transparency International Corruption Perceptions Index, ranked FYROM 63 (along with Romania) Croatia 74, Albania 84.

9.1. The continuity of conflict and insecurity, of extreme poverty, is feeding corruption and organised crime and is also fed by it. The trafficking of women and children as it has been well highlighted in the last meeting of the MP Network for South Eastern Europe (February 26 and 27, 2001, Skopje, FYROM). Its high profits are feeding corruption.

9.2. This corruption and organised crime are factors for further social, economic, political and moral disintegration in the area. The existence of foreign troops in the area is considered as a factor contributing to trafficking of women, to prostitution and thus to corruption.

9.3 Corruption is fed by and feeding crime. Trafficking of children and women, selling of poor children’s organs, child labour and child prostitution are thriving in the area, as an outcome of corruption and a factor in its sustainability.

10. The other side of the coin

10.1. The history of the Balkans in general and the western Balkan in particular, it is not a history of continuing conflict, hate and blood. As several historians, sociologists have documented there exist historical periods and experiences of coexistence and symbiosis, of close and varied contact.

10.2. Among the relevant publications is ‘the classic study of Serb — Albanian osmosis’ described by Milan Sufflay in his book Srbic Arbnasi (1925).

10.3. In Montenegro and Northern Albania also for centuries we observe strong links between Albanian and Montenegrin Clans, intermarriages and war alliances. Montenegrin clans can be considered off-shoots of Albanian families and vice versa.

10.4. Also in Kosovo history, social conflicts have not evolved only on the lines of ethnic differences but on the basis of land ownership as well, with poor Muslim and Christian Albanian and Serb populations opposing Albanian landlords. Also during the Hotza period progressive Kosovars were more in trouble in Albania than Serbia proving the political dividing lines equally strong some periods.

11. There is historical scientific proof and social memory which can be used for a new beginning of peace and cooperation

Thus the area has enough natural resources, great cultural and historical heritage geopolitical importance and a flourishing, economically and culturally, diaspora in northern Europe in Australia, in Canada and the US so that in general terms the integration of the area in the EU structures and the EU itself will be a great advantage for Europe.

12. Existing actions, plans and strategies

There exists a very rich and profound work on strategies for the Balkans, actions, plans, strategies.

12.1. The Stability Pact remains an all embracing ‘mechanism' and plan for the area, including an interest for the development of social and human capital. Surely the world community, the average European citizen, the Western Balkans citizens place a lot of expectations on the Stability Pact. The creation of the Stability Pact is an achievement in itself. But if the Stability Pact fails to achieve its goals then the loss will have long term catastrophic effects. With the changes in the Former Republic of Yugoslavia we hope there will be no reason for delaying a decisive transformation of the Stability Pact into a coherent development pact.

12.2. There is an excessive and even confusing number of NGOs, institutions, world and UN organisations, European and American organisations, agencies, dealing with the Balkans in general and western Balkans in particular, in Bosnia, in Kosovo, in Albania.

12.3. Besides the ESC’s reports and opinions as documents of high quality we can include:

12.4. The CEPS plan for the Balkans (Centre for European Policy studies 2000A.804 Michael Emerson, Daniel Gros Editors).


12.7. A very concrete Greek action reconstruction plan is ready to be implemented in the area.

13. Important common denominators among the proposed plans of the different institutions, indicate common ground for action

13.1. With the political will expressed from every stakeholder for peace and stability in the area.

13.2. With the existence of hundreds of organisations, specialists, already involved and financed to work in and for the area.

13.3. With the commitment of the EU the IFIs (International Financial Institutions), the countries in the area and the world community are expecting results.

13.4. With the changes in Yugoslavia the obstacles for a new start in the regional approach, a new revitalised and effective strategies for the western Balkans and a new approach towards the south enlargement are naturally on the EU agenda.

14. Preconditions for successful strategies for the development of human and social capital

Human and social capital in order to develop require an appropriate climate, supportive of a psychology of hope and security, an encouragement to participate, and some guarantees of fair play, in business, in local and national policies and in the judicial system and processes.

There are necessary measures from the world community, from the EU, the signatories of the stability pact, the Governments of the Region towards this such as:

Commitment from the signatories of the stability pact for concrete timetables for each ‘table’ of the stability pact, in relation to certain priorities for example guaranteed borders:

— Reduction of expenditure on defence.
— Commitment on a Concrete Regional Plan and a programme for its implementation including planning, coordinating, funding, functions.

Identification of Transnational priority projects and establishing the responsible Project Authority for each priority project.

Proceeding for a Balkan Free trade area.

Euro-isation of the Balkan currencies.

Establishing Regional Policy instruments on the level of the EU or for example:

— a South Eastern TEN Desk
— a South Eastern ISPA Desk
— a Phare South Eastern Desk.
— a South Eastern municipal and urban development Desk.

Establishing Regional Policy instruments within each of the south-eastern governments as well as regional — sectoral functions on a Balkan basis.

14.1. Towards a positive Domino and new state responsibilities in the area

14.1.1. The responsibilities in each and every state in order to promote human and social capital development as goals setting have been repeated in each and every document for the area. Governments one after another are losing credibility, unable to establish social bonds or all-embracing inclusive solidarity, because these social ‘elements’ are not provided by governmental decrees and ministerial orders.

14.1.1.1. Commitment to community causes, to state and regional causes cannot emerge if we do not reach a critical, breaking point of the presently prevailing vicious circle with a decisive positive domino emergence and mechanisms of a sustainable peace, security, and regional cooperation and intensive development.

14.1.2. In each and every Presidency has to be placed as a priority an evaluation of the progress of the Stability Pact.

14.1.2.1. Commitment of the world community for peace and stability in the area.

14.1.2.2. Commitment from the main signatories of the ‘stability pact’ for a drastic emergency programme of maximizing coordination, and effectiveness of the engagement in the area, of reducing the ‘bodies’, institutions and organisations, involved to the minimum necessary and utilising the cost reduction for the benefit of the beneficiaries.

14.1.2.3. Announcing the transformation of the regional approach to a regional programme and committing the EU to the highest possible degree of streamlining and coordinating its engagement.
14.1.2.4. Harmonizing the enlargement process with the stability and association processes for the area.

14.1.3. These kinds of commitment will work as a catalyst for the societies and the governments in the area.

14.1.3.1. On this basis the area governments can be asked, encouraged, to proceed to regional and state initiatives.

14.1.3.2. On this basis the regional and the world business community will respond positively to an invitation to participate, the brain drain will stop, the expatriated Balkans will be encouraged to come back and the Balkan of the Diaspora to get involved in the reconstruction of the area.

14.3. Promotion of local involvement and empowerment: through world and EU programmes

14.3.1. Among the prerequisites for the development of the social and human capital in the western Balkans is the optimisation of the involvement of the local societies, in the world and EU social and economic reconstruction programmes, the establishment of micro-credit and micro-financing systems to support the local economy and the family-based SMEs to face youth unemployment. The up-to-now expense of small-scale micro-finance in the Balkans and the world experience of this type of programmes is positive and hopeful.

14.3.2. It is becoming an urgent need to examine if the activities of the already great number of organisations, institutions, trade unions, NGOs, churches, are well coordinated in order to avoid counter-productive effects. There are very serious observations in this direction.

14.3.3. From the highest possible level to the lowest it will be useful if there is communicated to the people that they are not faced with competition among savours but without a hope for survival. There is a need for the media to explain a clear political vision of the future and to show it can be achieved.

14.3.4. A cost-benefit assessment has to demanded and annual reports by all organisations using UN money, IFI funding.

14.3.5. A call for cooperation, for coordination for reduction of operation costs to the benefit of the beneficiaries has to emerge from UN or the local Governments and the UN.

14.3.6. A recruitment of local people to operate programmes and actions, a replacement of the greatest number of foreigners by local people in Bosnia Kosovo-Albania and the effort to avoid the mistakes of the past affecting the reconstruction of Serbia.

14.3.7. Closer cooperation is needed between international financial institutions and local social partners and civil society.

14.3.8. Clear co-operation between organised civil society, organisations and social partners and for the development of independent local media which are supportive of human rights, participatory culture and equal opportunities.

14.2. Establishing regional financial instruments

14.2.1. The implementation of policy, of a regional policy, of a project, requires financial resources, financial programming, management.

14.2.2. The formation of Regional Project Authorities, regional financial instruments, regional policy instruments supporting a Regional Plan will optimise synergies. Complementarities will have multiplier effects not only on planning and financing, but also on providing the foundation for Public Private Partnerships and the effective engagement of International Financial Institutions.

14.2.3. This kind of measure will build the positive domino effects. They will help the formation of a positive social psychology in the local societies, and business communities. They will minimise the risks for corruption as the projects will be on a pan-Balkan scale and sequentially on pan-Balkan and EU scrutiny.

14.2.4. This kind of measure (Regional project Authorities, Regional Financial Instruments, Regional Planning and Implementation) will require and encourage the formation of regional institution building, for example in research and development on environmental protection and sustainability, water management, forest and river protection, university cooperation on Regional Social Dialogue, banking, reforming public administration promoting information society, facing urban problems and cooperating in sectoral economic strategies, tourism, agriculture ...

14.2.5. On such a concrete basis it will be possible to revitalise the social interest. The involvement of the citizens in a new spirit of collective action, in new participatory culture and civil society building. NGOs may contribute to the achievement of the above aim. The great positive experience and the utilisation of best practices, as well as the avoidance of any shortcomings, will allow South Eastern Europe to optimise the usefulness of NGOs in the development of civil society and democracy.
14.3.9. Movement for the re-generation and empowerment of municipalities should be encouraged with the help and support of the relevant European organisations.

14.4. Need to improve Coordination and effectiveness of the reconstruction efforts, actors, actions

14.4.1. It has been well documented that close cooperation and coordination is necessary. The joint EU World Bank office in Brussels is not enough to solve the problem of coordination.

14.4.1.1. Overlapping responsibilities occur in every sector and level of engagement in the Balkans.

14.4.2. In the private sector we are facing at least three groups are involved.

14.4.2.1. One: advising governments on how to implement the stability Pact investment package.

14.4.2.2. One: established in the framework of Transatlantic business dialogue.

14.4.2.3. One: working within the south-eastern European cooperation Initiative.

14.4.3. It is observed that in the EU level we face a complicated multilevel and poly-polar policy formulation and implementation for the Balkans.

14.4.3.1. The European Commission as external economic affairs, as external political affairs, enlargement, development assistance, economic and financial affairs.

14.4.3.2. The Council of Ministers.

14.4.3.3. The EU intergovernmental level.

14.4.3.4. Besides the above you have the functioning of reconstruction task forces, in Kosovo and the old ones in Bosnia.

14.4.4. On the US side.

14.4.4.1 From the US side also we are facing with a multiplicity of centres and actors formulating and implementing policy.

14.4.4.2. The National Security Council with its special regional office for south-eastern European affairs. The National economic council, the economic affairs bureau, the European affairs bureau.

14.4.4.3. The state Department is using a number of coordinators. A coordinator for the stability pact implementation, a coordinator for south Eastern European Assistance, a coordinator for south-eastern cooperative initiatives, a special Adviser for Kosovo.

14.4.4.4. The US Agency for International Development.

14.4.4.5. The commerce department.

14.4.5. Besides the EU and US the presence of the World Bank, the International Monetary fund, the European Bank of Research and Development in the Balkans are engaged also hundreds of NGOs, most of them (also financed from state budgets) pursuing their own goals and serving their own causes.

15. Recommendations for regional initiatives

15.1. Initiatives combating social exclusion and re-establishing all-embracing social and regional solidarity, and identity.

15.2. Overcoming sectarian exclusive solidarity is a difficult task, but it can be overcome with a well-organised effort to align socio-economic and interest group across borders (ethnic, cultural, religion, regional state) on the basis of decisively important (for them) issues. For example:

15.3. On the basis of Adriatic and Ionian sea initiative.

15.3.1. Cooperation of the environmental sea-protection organisations. Encouragement for such cooperation from EU programmes, Regional programmes, state programmes.

15.3.2. Sectoral cooperation: For example tourist industry — Hotel Owners.

15.3.3. Cities and Ports of Adriatic Cooperation.

15.4. Cooperation to build the infrastructure of social dialogue. Credible employers and employees' organisations.

15.4.1. Cooperation on establishing a regions' committee.

15.4.2. Encouraging regional associations of professions, academics and universities.
15.4.3. Regional research cooperation especially on issues or sustainable development.

15.4.4. Regional media cooperation. Newspapers, radio, TV, scientific magazines.

15.5. Regional cooperation of political parties with a common orientation.

15.6. Establishing a structured regular governmental cooperation on regional issues beginning with the environment.

15.7. Establishing cooperation among churches and parishes.

15.8. The grave, increasing needs especially of children, women and the elderly have to be tackled — in coordination at local, regional or national levels and with international cooperation and support.

16. Recommendations promoting sub-national cooperation

16.1. The promotion of sub-national cooperation: as a strategy between sub-national organised entities (such as municipalities cities, regions, cooperatives and so on) in two directions, on the one hand between the Western Balkans — and the Balkans in general, as well as between EU sub-national authorities, and the Balkan ones:

16.1.1. Providing structured dialogue on sub-national level between cities, sustainable cities, child-friendly cities, healthy cities, safe cities and the cities of the Balkans. Promotion of the Principle of the 'Balkan Dimension' on each and every state policy.

17. Recommendations for national responsibilities:

17.1. Establishing clear rules for social inclusion, participation of minorities, independent and democratic administration and justice.

17.1.1. Establishing public funding for the political parties and full transparency in their funds.

17.1.2. Independent commonly accepted governing bodies for state media.

17.1.3. Establishing a clear strategy for: An effective law-abiding, law-enforcing, accountable transparent and democratic state. An effective competitive well-defined public sector.

17.1.4. A national plan to re-organise the municipalities, cities from the lowest level of state bureaucracy to decentralised democratic centres of authority and socio-economic development.

17.2. Within this, security, stability and hope climate, the 'word' and 'action' of NGOs in rebuilding social bonds, establishing a civil society, can be heard and followed.

17.2.1. Within this positive dominos climate a real and not a mockery of civil dialogue can be rooted and effective social involvement and participation re-emerge.

17.3. Emphasis on the micro-economic stability the small and medium business support, emphasis on a really strong independent role for the municipalities in the local development strategy, will allow a slow but secure bottom-up development on social-economic levels on leadership levels. The role of SMEs has to be considered of indisputable importance, not only for the economy but as well as for the social cohesion, social development, employment, reconstruction and re-invigoration of the social bonds and the re-emergence of local endogenous leadership. The support of family SMEs has to be recognised as a particularly crucial factor in re-constructing social cohesion.

17.4. National strategies to re-generate the school and educational systems.

17.4.1. Inter-university cooperation for the introduction of a European dimension in education.

17.4.2. Harmonisation of the curricula to promote mutual recognition and inter-university, inter-entity and trans-European student mobility.

17.4.3. The introduction of modular systems and credit transfer systems.

17.5. National strategies to repatriate expatriated human capital, repatriate and include the Balkans of the diaspora in reconstruction programmes.
17.6. Efforts to re-establish a role of the local university, academic and cultural elites, in reconstructing the value system and value structure of the countries.

18. **Recommendations on the role of the ESC**

18.1. The European Economic and Social Committee is playing among other ways through the Action Plan decisive role in promoting social and civil dialogue in every country and the region as a main instrument in the formation of a positive domino in social reconstruction. An effort for a coordination and a dialogue among the main NGOs in the area could be very useful.

18.2. Social and civil dialogue although it requires a certain level of development of human and social capital in order to function effectively it is also contributing to their sustainable development.

18.3. Regional social and civil dialogue can be used in order to develop:

- Regional interest groups, common action and cooperation;
- Regional elite and leadership socialising, working together, trusting each other.

18.3.1. Regional elite cooperation in order to formulate and support regional development plans, to encourage youth reinvolve and participation in all levels of decision-making.

18.3.2. In cooperation with the Committee of the Regions and the Parliament to promote sub-national loyalties and supra-national loyalties in the Balkans in general and the western Balkans in particular. The latest creation of a southeastern European MP network is an excellent example of a supranational network.

18.3.3. The ESC can proceed with initiatives such as organizing regional cooperation, structural dialogue on the basis of Group I, Group II, Group III categories functioning in the European ESC.

18.3.4. Inviting and encouraging Member State ESCs to provide training, scientific, information support to the ESCs of the Balkan countries.

18.3.5. Providing access to information and data bases.

18.3.6. Providing ESCs’ opinions on certain important issues for example sustainable development, urban affairs.

18.3.7. Organizing conferences in each of the countries to discuss the human and social capital development as the main factor towards good governance and civil society development.

18.3.8. Promoting the idea for the establishment of a southeastern Forum of Social and Economic Committees for a Committee of the Regions, and a league of cities or at least of the capitals.

18.3.9. Encouraging the cooperation of the Balkan universities as the main sources not only of knowledge but of future leadership as well.

18.3.10. Supporting the formulation and the functioning of a forum for the Balkan diaspora.


The President

of the Economic and Social Committee

Göke FRERICHS
1. The importance of human and social capital for growth.

1.1. World accumulated and evaluated experience of best practices, comparative management and governance indicate the critical and decisive importance of human and social capital for economic development.

1.1.1. UN reports, World Bank reports are increasingly resenting its importance arguing for its recognition as priority as well as for the implementation of relative policies.

1.1.2. Policies on building and managing social capital are evolving, supported by the UN programmes. These policies include:
   — developing social capital;
   — bridging social capital;
   — linking social capital.

1.1.3. Research and comparative studies in developed nations, indicate that the primary importance of human and social capital is not limited to developing nations (in order to combat poverty or speed up growth) but it is also important to highly develop nations in order to maintain their competitiveness.

1.1.4. It is well recognised that ‘geographic location, natural resources and even military power are no longer decisive’. Instead, national prosperity depends on how a nation and its citizens organise and manage their economy, the institutions they establish and the types of investments they make, both individually and collectively.

1.1.5. The changes in management philosophy and practice, towards human and social capital intensive competitiveness strategies, indicate: transition from comparative advantages (low cost labour or natural resources) to competitive advantages provided by distinct and effectively competing strategies in production, operations, in marketing, in products and services.

1.2. Productivity rightly understood encompasses both value (prices) that a nation’s products demand in the market place and efficiency with which they are produced.

1.2.1. In simple terms it is obvious that producing more units of products per unit of labour or capital, does not necessarily guarantee higher profits (or wages). Higher profits require stable or rising prices of the products.

‘The central issue in the economic development is how to create the conditions for rapid and sustained productivity growth’.

1.2.2. A nation’s productivity is the sum of the productivity of all its enterprises. Thus it is the outcome of human and social capital accumulation development management.

1.2.3. Productivity as a process locally, socially, collectively, culturally evolving, goes hand in hand with the development and the management of human and social capital. Management comparative studies on world level indicate that:

2. For companies to afford surviving on international antagonism or even to rise to world competitive level they have to build upon productivity, to utilise the productivity of clustered local industries and interrelated enterprises.
They have to be able to utilise accumulated knowledge, experience, expertise, research institutions, availability of well-trained personnel and well-educated staff, an effective and efficient local public administration, quality infrastructure for basic services as communications and so on.

2.1. It has to be well understood that productivity is not and it cannot be a ‘one business show’. It is the outcome of processes, of collective processes in the business locality, environment and region.

2.1.1. The locally accumulated human, social capital, institutional framework, cooperation formal and informal links, the accumulated management experience, diffusion, of the above ‘capitals’ constitutes the tangible and intangible foundation on which productivity evolves and competitiveness is routed and sustained.

2.1.2. Companies competitiveness requires a ‘fertile’, a positive business environment, legal environment, bureaucratic, scientific, academic research, university and banking environment, prevailing business practices and code of business culture.

2.2. The business environment cannot be the outcome of business action. It will be the outcome of the overall process of effective cooperation of the business community, the scientific academic community, the state, the relations between the company/ies and the employee/s. The prevailing culture in the functioning and cooperation of the local elites and leaderships.

APPENDIX II

to the Opinion of the Economic and Social Committee

Key Terms

— Human resources

Usually the term human resources refers to the population size, age categories and labour force.

— Human capital

As human capital is defined per capita:

— education, knowledge;
— experience, expertise, specialisation;
— craftsmanship, creativity;
— ability and willingness to take initiatives;
— willingness and ability to cooperate in the process of meeting personal, group or social needs.

Sometimes, human resources and human capital in development literature are incorporating the two definitions.

— Social capital

As social capital in a given society is defined: the prevailing hierarchy of values and needs. The prevailing work ethic.
The existence of social solidarity and social bonds, social sensitivity, the ability to solve and/or overcome conflict.

To institutionalise cooperation, dialogue between elites and leadership groups.

To give importance, to value, to respect and even to be willing voluntarily to serve the common good, the common interest, the social interest in all their expressions: invisible and immaterial capital is used many times in the above mentioned meaning. In the case of a firm we have a differentiation of the meaning of invisible and immaterial capital... and is ‘capital’ built within the firm and outside of it.

— **Social bond**

Is a clearly sociological term indicating what connects individuals in a society and what constitutes a ‘community’, indicates the binding forces, but those which are not legally obligatory or imposed from above. Sometimes the social bond is also interpreted as a sense of belonging to a particular society.

— **Civil society**

A civil society is defined as such in contrast to a non-civil to an authoritarian one. Thus the constitutive, the decisive characteristic of the one or the other type of society depends upon the processes of the decision-making, the nature of the degree of social inclusion and participation in the decision-making, the effectiveness of the social participation.

Civil society is a society in which:

— the state functions and policies are freely, decisively, influenced-determined and evaluated by the organised social interest groups, the organised society itself;

— the social interests groups, independently from the state freely and democratically are involved in defining, redefining and serving common interests, public interests, or group interests, are serving the human rights or the rights of particular groups, and the development of a democratic participatory culture and social structures.

— **Civil society development**

The development of civil society is not measured by the growing number of NGOs competing (on public expense) to increase their patronage and the dependent excluded social categories they serve.

Is measured by the nature, the role, the functioning of the civil society organisations.

A civil society is developing to the degree that: the civil society organisations are serving the empowerment of society and the average citizen, organisationally institutionally, to participate critically and effectively in solving social problems, in influencing the government in decision-making, in developing social inclusion, democratic participatory, culture and structures. Civil society does not develop with the existence of a strong NGOs’ movement aiming to substitute the state in providing social care or to substitute society by providing philanthropy.

(1) In September 1999, the ESC has provided an opinion on the role and the contribution of civil society organizations to the building of Europe (OJ C 329, 17.11.1999).
APPENDIX III

to the Opinion of the Economic and Social Committee

Statistic and information material

Table 1: EU Assistance to Balkan Countries 1991-1999\(^{(1)}\) (millions of dollars)\(^{(2)}\)

<table>
<thead>
<tr>
<th>Country</th>
<th>EU</th>
<th>European Investment Bank</th>
<th>EU Members</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Albania</td>
<td>842</td>
<td>47</td>
<td>733</td>
<td>1 622</td>
</tr>
<tr>
<td>Bosnia</td>
<td>2 124</td>
<td>0</td>
<td>523</td>
<td>2 647</td>
</tr>
<tr>
<td>Bulgaria</td>
<td>1 525</td>
<td>778</td>
<td>774</td>
<td>3 077</td>
</tr>
<tr>
<td>Croatia</td>
<td>365</td>
<td>0</td>
<td>1 201</td>
<td>1 566</td>
</tr>
<tr>
<td>Macedonia</td>
<td>416</td>
<td>62</td>
<td>183</td>
<td>661</td>
</tr>
<tr>
<td>Romania</td>
<td>1 867</td>
<td>1 169</td>
<td>3 161</td>
<td>6 197</td>
</tr>
<tr>
<td>Total</td>
<td>7 139</td>
<td>2 056</td>
<td>6 575(^{(3)})</td>
<td>15 770</td>
</tr>
</tbody>
</table>

\(^{(1)}\) Includes assistance for economic programs, democracy, institution-building, humanitarian aid, balance-of-payments support, and infrastructure.
\(^{(2)}\) Converted from euro figures at euro 1 000 = $ 1.03.

Table 2: US Assistance Funding for Balkan Countries: Economic Restructuring, Institution-Building, and Social Development Programmes, Fiscal Year 1991-1999\(^{(1)}\) (millions of dollars)

<table>
<thead>
<tr>
<th>Country</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Albania</td>
<td>217</td>
</tr>
<tr>
<td>Bosnia</td>
<td>958</td>
</tr>
<tr>
<td>Bulgaria</td>
<td>296</td>
</tr>
<tr>
<td>Croatia</td>
<td>99</td>
</tr>
<tr>
<td>Macedonia</td>
<td>109</td>
</tr>
<tr>
<td>Romania</td>
<td>278</td>
</tr>
<tr>
<td>Total</td>
<td>1 957</td>
</tr>
</tbody>
</table>

\(^{(1)}\) US assistance provided through SEED Act funding. Does not include substantial humanitarian assistance provided under other programmes.
Source: US State Department.
Table 3: Breakdown of US Aid Commitments to Kosovo, November 1999/December 2000 *(1)*

(millions of dollars)

<table>
<thead>
<tr>
<th>Programme</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economic Reforms</td>
<td>6</td>
</tr>
<tr>
<td>Agriculture</td>
<td>4</td>
</tr>
<tr>
<td>Human Services Infrastructure</td>
<td>10</td>
</tr>
<tr>
<td>Criminal Courts</td>
<td>2</td>
</tr>
<tr>
<td>Administration of Justice</td>
<td>5</td>
</tr>
<tr>
<td>International Police</td>
<td>48</td>
</tr>
<tr>
<td>Police Training</td>
<td>20</td>
</tr>
<tr>
<td>KPC</td>
<td>15</td>
</tr>
<tr>
<td>Demining</td>
<td>4</td>
</tr>
<tr>
<td>UNMIK Budget</td>
<td>5</td>
</tr>
<tr>
<td>Media</td>
<td>4</td>
</tr>
<tr>
<td>OSCE/Elections</td>
<td>25</td>
</tr>
<tr>
<td>Civic Education</td>
<td>9</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>157</strong></td>
</tr>
</tbody>
</table>

*(1)* Commitments made at the aid coordination conference in Brussels on November 17, 1999.


Table 4: Transparency International Corruption Indicators *(1)*

<table>
<thead>
<tr>
<th>Country</th>
<th>1999 CPI Score (Index ranges from 1-10)</th>
<th>Country Rank (among 99 countries rated)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hungary</td>
<td>5.2</td>
<td>31</td>
</tr>
<tr>
<td>Bulgaria</td>
<td>3.3</td>
<td>63</td>
</tr>
<tr>
<td>FYROM</td>
<td>3.3</td>
<td>63</td>
</tr>
<tr>
<td>Romania</td>
<td>3.3</td>
<td>63</td>
</tr>
<tr>
<td>Croatia</td>
<td>2.7</td>
<td>74</td>
</tr>
<tr>
<td>Albania</td>
<td>2.3</td>
<td>84</td>
</tr>
</tbody>
</table>

*(1)* The Transparency International Corruption Index for 1999 has been published on October 26, 1999. CPI scores relate to perceptions of the depth of corruption as seen by business people, risk analysts, and the general public and ranges between 10 (highly clean) and 0 (highly corrupt).
### Table 5: Currently Displaced Persons (Refugees and IDPs) in SEE Region

<table>
<thead>
<tr>
<th>Country</th>
<th>Total Population (millions)</th>
<th>Displaced Persons (thousands)</th>
<th>Percentage of Total Population</th>
</tr>
</thead>
<tbody>
<tr>
<td>Croatia</td>
<td>4,6</td>
<td>69,5</td>
<td>1,5</td>
</tr>
<tr>
<td>BiH</td>
<td>4,2</td>
<td>878,7</td>
<td>21</td>
</tr>
<tr>
<td>FRY</td>
<td>10,6</td>
<td>747,3</td>
<td>7</td>
</tr>
<tr>
<td>FYR Macedonia</td>
<td>2,0</td>
<td>21,9</td>
<td>1</td>
</tr>
<tr>
<td>Albania</td>
<td>3,4</td>
<td>3,6</td>
<td>Negligible</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>23,8</strong></td>
<td><strong>1,720,9</strong></td>
<td><strong>7</strong></td>
</tr>
</tbody>
</table>

Source: UNHCR, November 15, 1999.

### Table 6: Selected Indicators on Political Process/Accountability/Paticipatory Institutions

<table>
<thead>
<tr>
<th></th>
<th>Albania</th>
<th>BiH</th>
<th>Bulgaria</th>
<th>Croatia</th>
<th>FYROM</th>
<th>Romania</th>
<th>FRY</th>
<th>Hungary</th>
</tr>
</thead>
<tbody>
<tr>
<td>FH Political process</td>
<td>4,50</td>
<td>5,00</td>
<td>2,75</td>
<td>4,25</td>
<td>3,50</td>
<td>3,25</td>
<td>5,00</td>
<td>1,25</td>
</tr>
<tr>
<td>FH Civil society</td>
<td>4,25</td>
<td>5,00</td>
<td>3,75</td>
<td>3,50</td>
<td>3,75</td>
<td>3,75</td>
<td>5,00</td>
<td>1,25</td>
</tr>
<tr>
<td>FH Independent media</td>
<td>4,75</td>
<td>4,75</td>
<td>3,50</td>
<td>4,75</td>
<td>4,00</td>
<td>4,00</td>
<td>4,50</td>
<td>1,25</td>
</tr>
<tr>
<td>KKZ Voice and Accountability index</td>
<td>- 0,01</td>
<td>- 0,97</td>
<td>0,6</td>
<td>- 0,32</td>
<td>0,09</td>
<td>0,41</td>
<td>NA</td>
<td>1,20</td>
</tr>
</tbody>
</table>

Note: Bigger numbers indicate better governance for KKZ, and worse governance for FH.

### Table 7: Selected Corruption Indicators

<table>
<thead>
<tr>
<th></th>
<th>Albania</th>
<th>BiH</th>
<th>Bulgaria</th>
<th>Croatia</th>
<th>FYROM</th>
<th>Romania</th>
<th>FRY</th>
<th>Hungary</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBRD bribes as percent of firm revenues</td>
<td>NA</td>
<td>NA</td>
<td>3,50</td>
<td>2,10</td>
<td>NA</td>
<td>4,00</td>
<td>NA</td>
<td>3,50</td>
</tr>
<tr>
<td>EBRD percent firms paying bribes frequently</td>
<td>NA</td>
<td>NA</td>
<td>23,90</td>
<td>17,70</td>
<td>NA</td>
<td>50,90</td>
<td>NA</td>
<td>31,3</td>
</tr>
<tr>
<td>TI TI index (0-10)</td>
<td>2,30</td>
<td>NA</td>
<td>3,30</td>
<td>2,70</td>
<td>3,30</td>
<td>3,30</td>
<td>NA</td>
<td>5,20</td>
</tr>
<tr>
<td>KKZ Graft index</td>
<td>- 0,99</td>
<td>- 0,35</td>
<td>- 0,56</td>
<td>- 0,46</td>
<td>- 0,52</td>
<td>- 0,46</td>
<td>NA</td>
<td>0,61</td>
</tr>
<tr>
<td>ICRG Corruption (0-6)</td>
<td>2</td>
<td>NA</td>
<td>4</td>
<td>2</td>
<td>NA</td>
<td>3</td>
<td>NA</td>
<td>5</td>
</tr>
<tr>
<td>FH Corruption/3</td>
<td>4</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>4</td>
<td>1</td>
</tr>
</tbody>
</table>

Note: Bigger numbers indicate worse governance for FH, EBRD bribery questions — bigger numbers indicate better governance TI, KKZ, and ICRG.
Table 8: Selected Legal/Judicial Indicators

<table>
<thead>
<tr>
<th></th>
<th>Albania</th>
<th>BiH</th>
<th>Bulgaria</th>
<th>Croatia</th>
<th>FYROM</th>
<th>Romania</th>
<th>Kosovo</th>
<th>Hungary</th>
</tr>
</thead>
<tbody>
<tr>
<td>FH Rule of law</td>
<td>5,25</td>
<td>6,00</td>
<td>3,75</td>
<td>4,75</td>
<td>4,50</td>
<td>4,25</td>
<td>5,00</td>
<td>1,75</td>
</tr>
<tr>
<td>WDR Predictable judiciary</td>
<td>4,66</td>
<td>NA</td>
<td>4,61</td>
<td>NA</td>
<td>4,28</td>
<td>NA</td>
<td>NA</td>
<td>3,65</td>
</tr>
<tr>
<td>EBRD Law and order index</td>
<td>NA</td>
<td>NA</td>
<td>1,38</td>
<td>1,43</td>
<td>NA</td>
<td>1,07</td>
<td>NA</td>
<td>2,34</td>
</tr>
<tr>
<td>KKZ Rule of law index</td>
<td>- 0,92</td>
<td>- 1,11</td>
<td>- 0,15</td>
<td>0,15</td>
<td>- 0,26</td>
<td>- 0,09</td>
<td>NA</td>
<td>0,71</td>
</tr>
<tr>
<td>ICRG Law and order (0-6)</td>
<td>2</td>
<td>NA</td>
<td>4</td>
<td>NA</td>
<td>4</td>
<td>NA</td>
<td>6</td>
<td></td>
</tr>
</tbody>
</table>

Note: Bigger numbers indicate worse governance for FH and WDR97. Bigger numbers indicate better governance for EBRD law and order index, TI, KKZ, and ICRG.

Table 9: Summary of Social Indicators for SEE, 1997

<table>
<thead>
<tr>
<th>Country</th>
<th>HDI score and ranking 1997 (1)</th>
<th>IMR (1997 unless stated)</th>
<th>Life expectancy at birth 1997</th>
</tr>
</thead>
<tbody>
<tr>
<td>Albania (2)</td>
<td>0,699/ 100th</td>
<td>25,8</td>
<td>72,8</td>
</tr>
<tr>
<td>Bosnia and Herzegovina (3)</td>
<td>NA</td>
<td>12,7</td>
<td>72,3</td>
</tr>
<tr>
<td>Bulgaria</td>
<td>0,758/ 63rd</td>
<td>17,5</td>
<td>71,1</td>
</tr>
<tr>
<td>Croatia</td>
<td>0,773/ 55th</td>
<td>8,2</td>
<td>72,6</td>
</tr>
<tr>
<td>FYROM</td>
<td>0,749/ 73rd</td>
<td>15,7</td>
<td>73,1</td>
</tr>
<tr>
<td>FY Yugoslavia (4)</td>
<td>NA</td>
<td>14,3</td>
<td>72,3</td>
</tr>
<tr>
<td>Romania</td>
<td>0,752/ 68th</td>
<td>22,0</td>
<td>69,6</td>
</tr>
</tbody>
</table>

(1) HDI is composite index of three components: life expectancy at birth; educational attainment (as measured by adult literacy and enrollment rates); and real per capita GDP (in $PPP).
(2) IMR for Albania is 1996.

We have to indicate that the situation is severely deteriorating from 1995/1996 up to 2000.

Box 1: Characteristics of poverty in the SEE region

— There are strong regional variations in poverty levels in all countries: between upland/mountainous areas and the coastal plain in Albania; between Republika Srpska (RS) and the Federation in BiH (and within each entity); and between the North and the South in Romania. Differential in terms of consumption are reinforced by variable access to quality social services, increasing the likelihood of geographical areas of persistent poverty.

— Rural poverty is worse than urban in all countries. Rural poverty rates were: 80 percent higher in Romania (1994); 23 percent higher in Bulgaria (1997); around five times higher in rural Albania than non-Tirana urban areas (1996); and substantially higher in Croatia (1998). In addition, the depth of poverty (i.e. how far the average poor person falls below the poverty line) and the severity of poverty (which takes account of inequality amongst the poor) are significantly worse in rural areas.
— The educational attainment level of the household head is strongly correlated with poverty, with university qualifications making a household highly unlikely to be poor, and households headed by those with less than secondary education having far higher than average poverty rates. Those with less than secondary education account for around 80 percent of all poor in FYR Macedonia and Albania, and over 40 percent of the poor in BiH.

— Households with unemployed heads have amongst the highest poverty rates.

— In spite of the high poverty rates among the unemployed, households with working heads make up a substantial share of the total poor, due to their large share in the overall population. For example in Albania, around 70 percent of the poor work. In Romania in 1994, around 70 percent of the poor were either working or pensioners.

— Larger households are poorer. In Albania, the poor have larger households, and an average of 3.4 children against the population average of 1.5 children. In FYR Macedonia, the number of children in a household is positively correlated with poverty, with households with three or more children having almost double the national poverty rate and constituting almost half of the total number of poor people. In Bulgaria, poverty rates are also worse for large households, and children are more at risk of poverty than the elderly. The one country where this does not appear to be the case is Croatia, where the elderly — who live in smaller than average households — dominate amongst the poor. Preliminary results from NH also suggest this same pattern.

— The Roma stand out as very poor and persistently poor, though this is difficult to quantify in due to restrictions on ethnicity questions in some surveys. Roma households typically display several characteristics associated with high poverty rates, including high birth rates, low education attainment (including substantial illiteracy), and high unemployment. In Bulgaria, Roma poverty rates were around 85 percent, or almost two and a half times the national average. This is also consistent with findings from CEE, e.g., Hungary.

Source: These conclusions are based on a series of World Bank studies: Albania: Growing Out of Poverty (1996), and Albania: Poverty and Social Welfare (Rashid et al., 1999); Poverty in Bosnia and Herzegovina: the Legacy of War (Bisogno, draft mimeo, WB, 1999); Bulgaria: Poverty During the Transition (WB, 1999); Croatia: Economic Vulnerability and Social Welfare Study, Issues Paper (mimeo, WB, 1999); FUR of Macedonia: Focusing on the Poor (two vols., WB, 1999); and Romania: Poverty and Social Policy (two vols., WB, 1997).

Box 2: Actions against corruption in Albania

In Albania, a Commission Against Corruption was created by the Government Decree No 72 of 30 January 1998 with the formal objectives (i) to establish a strategy for the organisation and direction of the fight against corruption; (ii) to realise an effective co-ordination of the anti-corruption activities of the state institutions and private sector; and (iii) to ensure the necessary cooperation with the International Financial Institutions supporting the Government’s anti-corruption initiatives.

In collaboration with the World Bank and USAID, independent surveys of enterprises and households, as well as interviews with public officials were conducted by the Albanian Centre for Economic Research, a non-governmental organisation.

The surveys indicated that:

— more than one-half of the firms admit they pay bribes to public officials, the cost of corruption to these firms is approximately 7 percent of turnover;

— the incidence of bribery from firms to public officials is greater for trade and construction enterprises than in manufacturing and services; approximately three-quarters of firms in trade or construction admit to paying bribes;

— almost one-half of private citizens admitted to paying bribes since 1991;

— public officials confirm that corruption is pervasive: more than two-thirds of public officials surveyed said that bribery is extremely prevalent in Albania;

— according to public officials, more than 50 percent of customs inspectors ‘purchase’ their positions;

— $\frac{1}{4}$ of private citizens who had a family member who was seriously ill admitted to paying bribes to state medical workers.
A major programme of institutional and policy reforms designed to reduce corruption was developed and openly discussed at a workshop on 30 June 1998 in Tirana. The workshop provided an opportunity for the Prime Minister to demonstrate significant commitment to the programme. A government action plan to address corruption was the subject of intense debate during the workshop. The results and conclusions of the Workshop made the headlines of all newspapers and TV stations, opening up a robust public debate.

The success of the workshop depended on the extensive planning and analytical work that had preceded it, and on the compelling date concerning corruption provided by the surveys.

The flagship reforms proposed to the Workshop were:
1) Support for the judiciary in its radical overhaul.
2) Radical overhaul of tax and customs.
3) Budget transparency for schools, hospitals and other public services, facilitating customer complaints.
4) Further improvements in public procurement, audit and civil service professionalism.

Overarching these flagship reforms, government is committed to publish the recent survey data, undertake regular surveys in the future, and work with NGOs to review progress on the agreed action plan.