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POLICY RESPONSES TO THE GLOBAL
FINANCIAL AND ECONOMIC CRISIS
IN THE CEE/SEE REGION
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POLICY RESPONSES TO THE GLOBAL FINANCIAL AND ECONOMIC CRISIS IN THE CEE/SEE REGION
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In 2008, the Central European and South Eastern European (CEE/SEE) region was hit by the global financial and economic crisis in the time when it has just begun recovering from the shocks of the transition reforms (dubbed Shock Therapy reforms).

In the time, when the crisis arrived, the national economy, financial and banking systems remained quite fragile and depended on western support, markets or access to the western capital and know-how. The CEE/SEE countries became highly integrated into the global economy and the global financial structures, and thus they were particularly hard hit by the breakdown of the financial and banking system.

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The combination of economic decline, failing domestic demand, declining exports and foreign direct investments (FDIs) has negatively affected the macroeconomic situation in the whole region. The decline of foreign capital flows, slowdown of economic activities and increase of the budget deficit have forced the governments to turn to the international financial institutions (IFIIs) and the European Union (EU) for a financial assistance. The International Monetary Fund (IMF) and the World Bank responded by offering new borrowings. This large scale borrowing led to increasing indebtedness of many countries in the region.

The crisis had a considerable negative impact on almost all groups of population, especially those groups who lacked both access to the comprehensive state-sponsored welfare support systems and market oriented mechanisms of private insurances and supporting services. In the end, it were the poor and extremely poor, particularly large families, pensioners, single mothers, recent migrants, unemployed and underemployed groups, who had to bear disproportionately large share of economic and social burden.

The governments in the region faced an urgent need to react to the social, economic and financial downturns, though the amount of resources available for dealing with the impact and consequences of the crisis hardly was adequate. The governments lacked reserves to fund substantial economic stimulus packages (ESPs). In many countries emergency policy measures and the ESPs were designed to achieve macroeconomic stabilization, prompt up the banking and financial sectors and national currencies and deal with the collapse in the real estate and construction business sectors.

The main purpose of the study is to assess the impact of the global financial and economic crisis on the human development trends and the position of women in the CEE/SEE region. The study further examines emergency policy measures introduced by the governments in the region in response to the crisis including the ESPs. It overviews the major features of the ESPs, which have been designed to address the most pressing macroeconomic objectives, such as (a) achieving macroeconomic stability by supporting the financial liquidity and banking sector stabilization and currency stability; (b) attempting to stimulate revitalizing the economic activity and economic growth by substantially increasing public spending in labour-intensive areas (infrastructure, construction, etc.); and (c) various measures to stimulate private businesses and private sector consumption.

Special attention is given to the measures that are specifically designed to support low-income and vulnerable groups of the population, including women. Among other issues the study addresses the following...
questions: How and to which degree the crisis affected the labour markets and vulnerable groups, including labour migrants? To what degree the social packages included in the economic stimulus packages (ESPs) were directed on stimulating job creation and job retention, and on some other measures to cushion the negative impact of the crisis on general population especially vulnerable groups? What was the role of the key international and regional players in shaping national responses to the global crisis? To what degree the emergency measures have been gender sensitive? How and to what degree the crisis affected women in various sectors of economy, including agriculture and the care economy? Have women and other vulnerable groups been included in decision making and shaping anti-crisis policies?

The information and data were compiled used desk research of the available data, studies, statistics and reports produced by the national institutions, international financial institutions, the United Nations agencies, international networks of civil society organisations and researchers.

This study is divided into four sections. Following the introduction, section one assesses the nature of economic and financial crisis in the region and its impact on the low-income and vulnerable groups of the population, including women. Section two reviews the policy responses to the global crisis in the countries of the CEE/SEE region, and specifically the ways in which the economic stimulus packages (ESPs) in various countries address issues from human rights and gender perspective. Section three assesses the role of the key international and regional players in assisting the countries to cushion the negative effects of the crisis. The fourth section analyses the national policy responses from human rights and gender perspective. The conclusion summarizes the findings of the study.
After the difficult era of the economic transition to the market economy and structural adjustments of the 1990s, all countries in the region began regaining a macroeconomic stability. The economic growth had been in a positive territory between 2000 and 2008, as the inflow of investments and positive business environments contributed to the growth of private sector, especially of small and medium enterprises (SMEs).

As different countries adopted different strategies in reforming their economies, the region witnessed the emergence of two distinct groups of countries. First group included countries in the CEE who are the new EU members, and the second group included prospective EU members in SEE. These countries expanded their economic and trade relations with the EU and under the guidelines from the international and regional institutions had been rapidly integrating into the European economic zone.

The emerging economies of the CEE have gone through a period of reform that has resulted in economic progress. The region’s annual real GDP growth has averaged close to 6% in the last five years. This performance has allowed emerging CEE countries to start closing its large income gap with the advanced European economies (Vamvadakis, 2008). Until the fall 2008, these countries had enjoyed a prosperous decade growth rates thank to undergoing a transition to market economies. Besides, they benefited from vast underutilized real and human capital and growing exports through international integration and global boom (Aslund, 2009).

South-Eastern Europe (SEE) has fallen behind on reforms compared with the rest of emerging Europe, partly because of devastating consequences of the 1990s conflicts in the ex-Yugoslav region, and because of not benefiting fully from the EU harmonization process.

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2 Bulgaria, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia and Slovenia.

3 Albania, Bosnia and Herzegovina, Croatia, Former Yugoslav Republic (FYR) of Macedonia, Montenegro and Serbia. In 2014, Croatia gained the EU membership.
The CEE countries opened their economies and became highly integrated into the global financial markets, with high levels of current account deficit and external debts. They have become exceedingly dependent on the foreign capital flows, especially on foreign private banks, who bought many privatized national banks (Darvas, 2009). One consequence of this openness has been the accumulation of economic imbalances, resulting in large current account deficits that have become a major problem (Andersen, 2009).

Transition to the market economy promised to the former socialist economies in CEE/SEE high growth, mass consumption, integration with the developed Western economies and political freedom. Estrin (2009) noticed that by the credit crunch and the subsequent financial and economic crisis, most of these promises seemed likely to have more savage corollaries in 2009 and beyond.

Many scientific, research and financial institutions, international and regional organisations, think-tanks, CSOs and experts all around the world have analysed the effects of the global financial and economic crisis so far. The United Nations convened a global summit of world leaders at the Conference on the World Financial and Economic Crisis and Its Impact on Development on 24–26 June 2009, to assess the global economic downturn, and to identify emergency and long term responses to mitigate the impact of the crisis. The United Nations have also initiated a dialogue on the transformation of the international financial architecture.

For the purpose of this study, a short overview of the main economic and social consequences of the crisis is presented in this section.

*Sharp decline in economic activities and business opportunities*

The global economic crisis hit particularly hard the CEE/CIS region due to their dependence on international trade, FDIs and remittances. Most of the countries experienced a sharp economic decline and recession in 2008 and 2009 (Table 1). The World Bank (2009b) estimated that between October, 2008 and April, 2009, Central and Eastern European exports were down 35% with sharp fall of the real GDP (Table 2). Countries such as Bulgaria and Romania experienced particularly sharp recessions (Velculescu, 2009). The significant slowdown of economic growth, coupled

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4 The list of references of this study includes only a limited number of these resources in line with its limited scope and purpose.
5 The background and official documents are available at: http://www.un.org/ga/econcrissummit/
with the near-exhaustion of major privatization opportunities in various SEE, caused a decline in FDI flows in the region (UNCTAD, 2009).

Another reason why the impact of the crisis was so great in this region is that it came at a time when the region had just begun to recover from the shocks of the transition reforms (dubbed Shock Therapy) and the subsequent financial crisis of 1998. The national economic systems and the regional economic, financial and banking systems were still quite fragile and remained dependent on western support and markets, as well as access to western capital and know-how. The CEE countries especially had become highly integrated into the global economy and the global financial structures, leaving them uniquely vulnerable to the breakdown of the financial and banking system (Ünal, Dokmanovic and Abazov, 2010).

Before the eruption of the global crisis in 2008, the CEE countries benefited from rising FDIs into the various sectors of economies. Due to the global economic turmoil, many countries experienced significant reversal of the FDIs. FDIs in Romania was expected to halve from USD 13 billion in 2008 to USD 6-7 billion in 2009 (UNDP, 2009). In the five months since October 2008, net capital inflows to Bulgaria totalled USD 1.13 billion, down from USD 8.6 billion in the previous five months.

The economic slowdown in the EU negatively affected countries like Slovakia, which has used to export up to 90% of goods and services to the Union. Romania’s exports to the EU market have declined by 25%, causing bankruptcies and closures of many enterprises. In this country almost 9,000 companies went bankrupt in 2008 (65% increase from the previous year) and 1,600 companies in January 2009 alone (UNDP, 2009).

The adverse impact of the credit crisis and unemployment results in increased activity in the informal economy and reverses gains in women’s empowerment, gender equality and gains in poverty reduction (UN-CSW, 2009a; UN-CSW 2009b). The credit crunch seriously limited women’s access to microcredit. Many female owned businesses are SMEs and concentrated in the sectors, which require regular cash inflow and frequent access to credit.

Foreign banks, mainly from the EU, dominated SEE banking system. Up to the international crisis, foreign intermediaries invested massively in the region and foreign penetration in SEE has outpaced that in the New Member states in Central and Eastern Europe (EU-10) (Bank of Albania, 2009). The amount of foreign claims as a share of GDP increased since 2004 up to the crisis. As of end-2008, outstanding consolidated foreign claims on SEE countries were equivalent to about 95% of total domestic banking assets, a higher share than in EU-10. The international crisis put to the test the resilience of the region’s financial systems, owing to the high degree of dependence on foreign banks.
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Source: IMF World Economic Outlook Database (October 2009)
Table 2. Output declined rapidly in the fourth quarter of 2008


Rising indebtedness

The countries’ ability to respond to crisis and their financial and economic outlook were endangered due to their high indebtedness. From 2000, the gross external debts have multiplied for several times in all countries (Tables 3 and 4). For example, Romania, Estonia and Latvia have increased their foreign debt for eight to ten times (Romania from USD 11,069 million in 2000 to USD 107,375 million in 2008; Estonia from USD 3,007 million to USD 27,401 million; Latvia from USD 4,660 million to USD 42,054 million). The IMF (2009p) has estimated the larger external debt and current account deficit, the outset of a crisis tend to extend its duration. As a consequence, European emerging economies as a group have been, on average, likely to face a longer crisis than the rest of the world. Besides, the higher burden of debts, the less fiscal and political space was left to

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Emerging European economies are defined to include (1) countries that joined the EU in 2004 or thereafter and had not joined the euro area by end-2008 (Bulgaria, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, and the Slovak Republic), and (2) the non-EU countries of Albania, Belarus, Bosnia and Herzegovina, Croatia, FYR Macedonia, Moldova, Montenegro, Russia, Serbia, Turkey, and Ukraine (IMF, 2009p).
the governments to mitigate negative impact of the economic crisis to the vulnerable population.

In 2009, more than USD 283 billion in total in short term debt came due, and the meeting the repayment obligations on these debts was a challenging task for the countries (World Bank, 2009d). As of February 2009, Bulgaria held insufficient international reserves to cover debt coming due in this year. The FYR of Macedonia, Poland, Romania, and Bulgaria had short-term debt levels above 50% of their reserves (World Bank, 2009d). Most of these countries have sought the additional assistance from the IMF, the World Bank, the European Commission, and the European Bank for Reconstruction and Development (EBRD) to forestall a serious crisis. This large-scale borrowing has led to increasing indebtedness of many countries in the region.

Rising indebtedness of the CEE/SEE countries and their citizens was a consequence of privatizing and selling domestic banks to foreign banks, thus making the national financial sector deeply tied with global financial tendencies. Until the beginning of the global financial crisis, foreign banks made huge profits on a CEE/SEE market in rapid expansion. For example, in 2008, the net profit of just three largest banks in Romania totalled more than EUR 1 billion (Burada, 2009). The banks fuelled a consumption trend based not on actual production by the local real economy but on an increase in imports from Western Europe.
Table 3. Gross external debt, millions of USD

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<td>23764</td>
<td>27053</td>
<td>32206</td>
<td>44309</td>
<td>52527</td>
</tr>
<tr>
<td>The FRY of Macedonia</td>
<td>1430</td>
<td>1551</td>
<td>2576</td>
<td>3133</td>
<td>3131</td>
<td>3881</td>
<td>4881</td>
</tr>
</tbody>
</table>

Source: UNECE Statistical Database, compiled from national and international official sources
Table 4. High short-term debt to total reserves ratios in CEE, SEE & CIS

Sources: International Financial Statistics; Bank for International Settlements; World Bank staff calculations

Drastic changes in the labour market and rise of unemployment

The global crisis has hit some countries worse than others, but the whole region has experienced rising unemployment (Gardo & Martin, 2009). Facing declining demands and growing losses, many enterprises in the region have begun layoffs and concomitantly they transferred many of their employees to temporary contracts. In Poland, known as the CEE success story, unemployment has increased from 9% to 12% since the beginning of the crisis; of those only 15.5% are entitled to unemployment insurance and eligible for public health care (Social Watch, 2009).

In Romania, 5.7% (500,000 people) were unemployed as of April 2009, up from 3.9% in April 2008; the European Commission (2009e) estimated that unemployment would rise to 8%. The 2009 survey in Serbia (Stevanovic) predicted that 24% of small and medium enterprises (SMEs) would dismiss a number of workers due to the crisis. In the Czech Republic, every second SME has dismissed employees and cut working
hours or has prepared to do so in the immediate future (Social Watch, 2009).

The most drastic, although the least documented, changes have happened in employment in the SME sector. Facing difficulties to survive, many companies in Romania, Serbia, Croatia, Bosnia and Herzegovina and other countries have bankrupted, or have tried to counter economic difficulties by minimizing costs, including costs of labour, and of payment workers’ wages and benefits. Some reports (Social Watch, 2008; Social Watch, 2009) suggested that some companies have reduced salaries (naming them as a temporary practice), stopped paying salaries or demanded extra hours work without compensation. For example, every tenth worker in Serbia (180,000 in total) has worked without compensation (Dokmanovic & Drakulic, 2009).

These negative trends on the labour market has hold back progress towards gender equality by creating new hurdles to women’s employment (United Nations, 2009b). With the deepening of the recession in 2009, the global jobs crisis has worsened sharply, while for many of those who manage to keep a job, earnings and other conditions of employment deteriorated (ILO (2009c). Among the export-oriented industries that are particularly hit by the global crisis are the garment and textile industry, with predominant female workers. The Polish garment industry has shrunk due to decline in imports, resulting in an estimated net job loss of 40,000 (Social Watch, 2009). In Bulgaria, by February 2009 44,000 people have lost their jobs due to the crisis, 96% of them being women. (Social Watch Report, 2009)

Women’s vulnerability at the labor market increases at times of crisis, as they often become victims of multiple discrimination based on gender, age, marital status and pregnancy. Very few are organized into trade unions, so they are without protection in cases of violation of their economic rights. Although the level of education of women in the region is relatively high, recent studies suggest high gender economic activity gap7. The Social Watch Gender Equality Indicator (GEI) shows that all countries in the region have almost no gap in the field of education; Slovakia, Poland, and Czech Republic have eliminated this gap and reached index 100; still, their GEI is around 70 or below 70, due to high economic activity gap (Social Watch, 2009).

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7 The Social Watch Gender Equality Indicator (GEI) shows that all countries in the region have almost no gap in the field of education; Latvia, Slovakia, Poland, Czech Republic and Georgia have eliminated this gap and reached index 100; still, their GEI is around 70 or below 70, due to high economic activity gap) (Social Watch, 2009).
Decline in social welfare and health care spending

During the transition process, the role of the state with respect to supporting social services has dramatically shrunk, due to implementing Structural Adjustment Programs (SAPs), imposed by the IMF. As a result, privatized social services as health and child care became expensive and unaffordable to many. Civil society networks (Third World Network, 2009; Social Watch, 2009; WIDE, 2009a) have reported about a tendency of lowering gained social rights in many countries on the pretext of global economic turmoil, despite the warning of the Office of the High Commissioner for Human Rights (2009c) that states were not relieved of their human rights obligations in times of crisis.

Cuts in public expenditure and declining family incomes make many social services inaccessible for families stirring debates about the nature of welfare and health care reforms. During transition to market economy, under the pressure from the IMF and World Bank, the governments in the region embraced the neoliberal paradigm and privatized programs in health care, child care and other public services (Dokmanovic, 2002a; Dokmanovic, 2004). As a result, the quality of social and health care services decreased and prices went up. Further pressures for fiscal austerity led to decreasing fiscal space and privatizing existing social safety nets. While wealthy can pay for care, elderly and low income families who require socialized care system become extremely vulnerable (Bakker, 2009).

Introducing capitalism in the health care system

Since the Czech Minister of Health declared “I want capitalism to be in the health system”, he has succeeded in achieving this goal. Several regional hospitals have been privatized and they reduced non-lucrative services. In 2008, the government health care expenditures fell to 7% of GDP, one of the lowest in the EU, and about 20,000 employees (8%) lost in the health care system jobs. The introduction of fees for services and attempts to decrease social insurance taxes, especially for the wealthiest taxpayers, are the key components of the Government’s regressive taxation strategy. These reforms have placed the heavy burden on the most deprived groups of the population, especially women. They shifted the burden of public health care services to women’s unpaid work within a family, and raise social inequalities. (Social Watch, 2009).
The CEE/SEE countries have all experienced a significant decline in social welfare and health care spending. This includes cuts or freezes in spending on pensions, maternity supports, various health care payments and so forth. Private enterprises, especially those who are in difficult financial position or on the verge of bankruptcy, have introduced the cuts of health care benefits for workers, sick leaves and contributions to pension funds and severance-packages. In addition, they cut spending on education, training, skill-development and retraining of employees.

On the other side, due to decreasing opportunities to find a source of income, the poor often have no alternative to fall back on social services and other support provided by the state (United Nations, 2009c). The report of the United Nations Conference on Trade and Development (UNCTAD) warned that it would be virtually impossible to reach the United Nations Millennium Development Goals by 2015 (Lee-Brago, 2009). This warning came true.

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**Reforming public sector by decreasing gained rights**

In 2008, Hungary and Serbia have also started reforming the public sector under the guidance of the IMF in order to save public funds. Both countries have worked on increasing the retirement age, disregarding its effect on unemployment and the employment opportunities of newcomers to the labour market.

To keep the budget within the IMF guidelines, the Prime Minister of Hungary announced plans to cut not only pensions, but also public sector bonuses and maternity support (Social Watch, 2009).

Similarly, under the guidance of the IMF and the World Bank, the policy response to the crisis of the Serbian Government included cuts in spending for health care and education, reducing the number of employees in these sectors, and freezing pension benefits. New Law on Employment has been adopted introducing more rigorous conditions for receiving unemployment subsidies if a worker loses a job during a sick leave. As the Law considered pregnancy as a ‘sick leave’, it directly affected pregnant women who might lose their jobs (Popadic, 2009). The Ministry of Economy and Regional Development has responded to the critics justifying the new legislation as a part of harmonisation process with the EU standards (Serbian Ministry of Economy and Regional Development, 2009).
The program announced by the Latvian Government also includes substantial tightening of fiscal policy, reforms of the public sector and wage reduction, to strengthen competitiveness and facilitate external adjustment (IMF, 2008).

**Increasing poverty and social inequalities**

In the short-run, the crisis has adversely affected non-poor households, but over the medium run, the negative impacts spread to poor households who have limited abilities to adjust the crisis. Predominantly the poor belong to unskilled or low-skilled labour force that often work in the informal sector without social and employment protection. They do not have accumulated savings or assets, so they cope with economic difficulties by cutting spending for food, health care, housing and education. Many countries of the region have low institutional and fiscal capacity in increasing expenditures to cope with the crisis. The CEE/SEE countries with the highest exposure to the crisis and with limited ability to protect vulnerable groups are Albania, Croatia, Latvia and Poland (Cord, Verhoeven, Blomquist & Rijkers, 2009). As a consequence, poverty increased, and social polarization was being exacerbated across the region (Social Watch, 2009; World Bank, 2012).

In the Czech Republic, the reforms in public finances, such as lower taxation for the richest and increasing Value Added Tax (VAT) on basic articles, have put the largest share of the burden on the most deprived, women included. The same happens with the introduction of fees for services and the attempts to decrease social insurance taxes, especially for the richest taxpayers. Even before the crisis, unequal pay and discrimination based on gender and age continued to be important issues. Additional gender equality problems are caused by the Government’s conservative policy and the lack of support for childcare institutions. Discrimination against female immigrants, particularly from Asia, has also been exacerbated as a result of the crisis (Social Watch, 2009).

World Bank (2012) estimated that by 2009 almost 40 % of the 480 million living in the CEE/CIS region remained poor or vulnerable; this number was expected to rise throughout the region by about 5 million people for every one percent decline in GDP. Some estimates suggested that by the end of 2009, poverty is expected to rise by 5 % or an additional 25 million people. Decline in remittances and restrictions on social spending
aggravated the impact on household, driving more than 10 million additional people in Europe and Central Asia into the poverty than estimated in pre-crisis projections. Latvia was one of the worst affected countries in the region.

Impact of the global economic crisis on vulnerable groups

What began as a monetary and financial crisis has rapidly turned into a global human rights crisis (Saiz, 2009; OHCHR, 2009c; WHO, 2009; UNGA, 2009a; Amnesty International, 2009). The economic difficulties have brought enormous challenges for social welfare and health care sectors in all countries. The Economic Commission (2009d) estimated that, even if the economic growth would return at the end of 2009, the job markets and public finances would remain weak and vulnerable to external and internal shocks. The prediction of the Office of the High Commissioner for Human Rights (OHCHR, 2009a) that it was likely that the social impact of the crisis would still be felt for many years came true.

The marginalised groups, such as women, migrants, persons with disabilities and the poor, have been most negatively affected by the global economic and financial crisis, as they have been most exposed to vulnerability and social exclusion, lacking 'cushions' to amortize economic turbulencies (Dokmanovic, 2008; UNDP & UNIFEM, 2009; United Nations, 2009a).

Rising difficulties for migrants

The global financial and economic turmoil has had a particularly painful impact on labour migrants and livelihood of their families. For example, in 2009, between 20,000 and 40,000 Slovak migrants were expected to head home (UNDP, 2009). In November 2008, Spanish authorities announced that 100,000 Romanians lost their jobs in Spain. In the Czech Republic, 12,000 foreigners were laid off in the first three months of 2009. The Czech government has introduced a scheme to repatriate migrant workers who became unemployed (Stracansky, 2009). It was estimated that in 2010 150,000 Bulgarians out of 360,000 living and working in Greece returned home due to the lack of jobs (European Social Watch, 2009).

Leading European human rights agencies have warned that the economic crisis has fuelled racist and xenophobic intolerance (OSCE, 2009). Media and NGOs have reported that thousands of foreign workers in the Eastern European country who have lost jobs became virtual slaves
to semi-legal “job brokers”. Reports introduced that female migrants have been particularly subject to abuses, sexual exploitation and rape, but many abused women have not had report to the police due to fear of being thrown out of the country (Stracansky, 2009b).

Since 1991, the region witnessed the feminization of migration. For example, in 2009, 13.2% of Albanian women lived abroad (41% in the neighbouring Greece). Half of them (52%) worked in domestic services as cleaners, hotel maids and cares of Greek elderly and children, 19% worked in tourism, and 15% in agriculture (UN-INSTRAW). Female migrants have been particularly hit due to tightening labour migration regulation and declining work opportunities in labour receiving countries. The European Social Watch report (2009) suggested that as the women migrant workers have had to accept lower salaries while their male partners lose jobs, the women’s incomes have had to be spread very thin to support all family members. Illegal women migrant workers face an increased risk of morbidity, and have difficulties in access health care services. Their illegal status enhances their dependence on their employer, increasing the risk of forced sexual relations.

The downward pressures on jobs and incomes have also had a direct negative impact on the labour migrants’ ability to send remittances to their home countries. The remittances are significant source of the income in the region: in Bosnia and Herzegovina they are as high as 17% of GDP, in Albania 13%, and in Bulgaria and Romania 5% (Darvas, 2009). The World Bank (2009e) estimated that the total amount of remittances globally would decline by about 10-15 % in 2009. The decline in remittances in the CEE/SEE region was expected to be even higher. For example, Albanian diasporas remittances decreased 27% in 2008 from the previous year (Koci, 2009). Lower remittances have increased social insecurity and risk of poverty of many families.

Many of migrants had to return home without prospects of findings jobs or income opportunities upon returning back, especially those who return in the labour surplus countries, such as Romania, Bulgaria and Serbia. Those who are lucky to find jobs or to open their own businesses receive significantly lower incomes than during their work in the labour-receiving countries. Their return makes additional pressure on the labour market, employment opportunities and social safety nets in the home countries.

The downward pressures on jobs and incomes have also a direct negative impact on the labour migrants’ ability to send remittances to their home countries. The remittances are significant source of income in the region: in Bosnia and Herzegovina they are as high as 17% of
GDP, in Albania 13%, and in Bulgaria and Romania 5% (Darvas, 2009). Various estimates suggested that the remittances’ declined in the CEE/SEE region would reach about 20-35%. For example, Albanian diasporas remittances decreased 27% in 2008 with respect to the previous year (Koci, 2009). Lower remittances increase poverty and social security.

In some countries, such as Albania, where men traditionally travel to foreign countries for jobs and incomes opportunities, women are left behind as housewives to take care of children and elder family members. The sharp decline in remittances left them with almost no incomes. The problem was worsened by the fact that they often have no jobs and are not eligible for social welfare or unemployment benefits.

Migration watchdogs warn a “lost generation” of children vulnerable to crime and exploitation has been growing up in Eastern Europe, as their parents migrate abroad for work and leave them behind (Stracansky, 2009a). Local and international NGOs have estimated that there have been hundreds of thousands, possibly more than a million children in Eastern Europe who were left behind by one or more parents when they leave to work abroad. Child welfare groups have reported that the largest number of children left behind was in the poorest countries in the region, including Bulgaria and Romania.

**Impact on agricultural sector and rural women**

Small farmers have been already lost in the transition period; the global crisis devastated them, as well as the agricultural sector. The crisis contributed that the governments realised, unfortunately too late, that the country would have gone through the economic crisis much smoother had they invested more in agriculture over past 20 years, and not had they wasted so many resources on consumption (Ciobanu, 2009).

Liberalization of trade and fostering open market economy has lead to increasing inequalities in the farming sector. While large commercial agricultural enterprises have been promoted, small producers have been marginalized (Bonanomi, 2009). In Romania, Bulgaria, Serbia, FYR of Macedonia, Albania and other countries with the high share of rural population, many small-scale farmers face great difficulties in marketing their output, particularly as they miss governmental support. Their position has worsened after banks became reluctant to offer loans to small farmers.

Rural women face many challenges, including ever-increasing costs of basic commodities and increasing unemployment in rural areas. Due to the negligence of the agricultural sector during the recent
decades, rural women make the least amount of money and yet have to pay the higher prices for gas, oil, electricity, food, transportation, housing, and health care and they have limited access to credit, land and other resources (Walker, 2009). However, due to the lack of data and official statistics related to their economic activities and social security needs, rural women are invisible in the national strategies and action plans in majority of the CEE/SEE countries.

The national responses to the 2008 financial and economic crisis negatively impacted the provision of care by neglecting the rural poor and the agricultural sector as a whole. In the poor rural areas much of the necessary care is still provided by individuals, mainly by women, as institutional services are weak. The situation has been exacerbated further in recent years due to the privatisation of care services. Privatised care service providers found that their work in the remote areas was not profitable and they withdrew their services from many rural areas (Bonanomi, 2009).

**Care crisis and consequences for women**

All social phenomena are deeply gendered, regardless being recognised or not. This is evident in the case of the 2008 economic and financial crisis, described and proved by numerous studies, research and reports (Bakker, 2009; Bettio, et al. 2012; Buvinic, 2009; Baroni, Dokmanovic, Tisheva & Sikazwe, 2009; EBRD, 2008; ILO, 2009a; ILO, 2009b; Seguin, 2009; Sperl, 2009; UNIFEM, 2009; Walker, 2009; Wichterich, 2009; WIDE, 2008; WIDE, 2009b; Women Watch, 2009; World Bank, 20091; World Health Organization, 2009). This Section presents an overview of the main gender challenges in CEE/SEE countries with respect to 2008 global crisis.

The experience of the past economic downturns indicated the sharp rise in feminization of poverty, discrimination against women and gender inequality. Women were disproportionally affected, due to the multiple forms of discrimination they suffer and due to their limited access to social benefits, including social security and medical services (Dokmanovic, 2008). Evidence indicated that economic hardship increases social tensions and can lead to crime and violence, including domestic violence (Carmona, 2009).

The examples of the previous economic crisis (debt crisis in early 1980s, the Asian financial crisis, SAPs in 1990s, post-89 former East Bloc restructuring, food and fuel crisis) indicate that the crisis of care and social reproduction are a long-term phenomenon and a product
of deregulation of finances, trade liberalization, privatization, limiting national political space, and the doctrine of IFIs (Bakker, 2009). In the same way, the current global economic crisis has brought raised attention to the prevailing market-oriented economic system and its failure, while care is still left off the agenda (WIDE, 2009b).

The national and international responses in the region to the global crisis have been focused on saving banking system and big capital, and socializing of risk for wealthy while privatizing of risk for majority. These trends perpetuated the separation between the production and the sphere of social reproduction.

The new cuts in the public sector, dictated whether by the IMF and the World Bank or by the governments themselves notably reduced amount of paid care labour that contributed to increasing women’s unpaid work. The ways how responses to this crisis have been handled in the region led to the fact that women kept losing the fiscal and political space, which they gained during the last decade of the transition. In the name of macroeconomic stability the national economies are being reformed to ‘improve’ market mechanisms and institutions instead of creating economic opportunities that are supportive of women.

Women’s responsibilities for providing care within the family limit their labour mobility and competitiveness. According to opinion polls, the Czech public considered age (64%) and gender (45%) as the most prevalent barriers to success in the labour market. In this country, far more men than women between ages 20–35 are economically active, primarily because raising children is still considered to be women’s responsibility mainly (Social Watch, 2009).
NATIONAL RESPONSES TO MITIGATE THE IMPACT OF THE GLOBAL ECONOMIC CRISIS

The policy responses in 2008 and 2009 to the global economic and financial crisis in the CEE/SEE countries focused on standard and non-standard monetary policy actions and fiscal measures. The degree to which the governments were able to use policy instruments to counter the effects of the crisis was heterogeneous, depending inter alia on the exchange rate regime in place and the initial fiscal positions (Gardó & Martin, 2010).

This Section presents an overview of the anti-crisis policy responses introduced in CEE/SEE countries in 2008 and 2009 with respect to challenges from human rights and gender perspective (Matrix 1).

Central and Eastern European Countries

Bulgaria

Since 2004, when agreement was reached on accession to the EU, Bulgaria has experienced a surge in capital inflows and a credit boom. The influx of capital was stimulated by expectations of rapid convergence with the EU, and further boosted by the presence of the currency board and a strong fiscal policy. The ratio of credit to GDP exploded from 36% in 2004 to 67% in 2007. By 2008, inflows made up about 30% of GDP.

The surge in outside capital generated strong GDP growth, but sharply widened external and internal imbalances. GDP grew by more than 6% annually, one of the fastest rates in Europe. Growth remained a strong 6.25% in 2008. However, the growth of domestic demand outpaced GDP growth, widening the current account deficit from 5% of GDP in 2003 to over 24% in 2008. This gap was accentuated by the concentration of growth in construction, real estate, and financial services according to the Bulgarian National Statistics Institute (Social Watch, 2009).
Global financial turmoil and risk aversion by investors have reduced capital flows to Central and Eastern Europe, including Bulgaria. Local bank subsidiaries are unlikely to continue receiving the large capital transfers from their parent banks that have funded credit growth. Without this financing, enterprises will reduce their production and services or shut down entirely, causing an increase in unemployment.

In April 2009, the Bulgarian Government introduced Program of Employment Protection that offered financial support to companies that retained their workers by reducing working hours. While broadly welcoming the implementation of stimulus measures, they have been sharply critical of inadequate attention to social concerns. Government support for short-time working was welcomed. However, there was a major conflict with the government over the setting and level of the minimum wage (Watt, 2009).

The 2009 budget did not foresee any fiscal stimulus measures. Specific measures that have been taken are related to freezing salaries, higher capital spending (0.1% of GDP), and lower pension social contribution rate (Darvas, 2009).

Specific measures related to the social position of the vulnerable groups have not been foreseen by the Program. However, the World Bank (IEG, 2009) has estimated that the Bulgarian safety nets were well targeted and well finance, covering some 70% of the poorest two deciles. In response to the crisis, the Government raised benefit levels, lowered eligibility thresholds, and expanded the menu of active labour market programs.

**Czech Republic**

In 2007, the Government initiated a reform of public finances, lowering taxes on earners in the highest income bracket and increasing the value added tax on basic articles, which increased the tax burden on multi-member and low-income households (Social Watch, 2009). The global economic crisis hit the country and lowered the standard of living even further.

Since the impact of the crisis began to be felt, every second small or medium size company has dismissed employees and cut working hours. Foreign workers, particularly those from Asia, were the first to be dismissed and were suffering the most. Their legislative protection was inadequate; most migrants were dependent on job agencies, which made their work status precarious, and the majority borrowed money to immigrate.
In response to growing global concern, as well as pressure from domestic industry, the Government adopted anti-crisis measures. Reforms in public finances, such as lower taxation for the wealthiest and increasing value added tax (VAT) on basic articles, that have put the largest share of the burden on the most deprived (Social Watch, 2009).

The anti-crisis measures were accompanied with the reforms of the health care system that consisted of reducing budgetary allocations and a number of employees, introducing fees for services, reducing social insurance taxes and privatisation of hospitals.

As such, these measures contributed increasing unemployment of female skilled workers (nurses, doctors etc.) in the health care sector. Due to privatisation of services, they became more expensive, and therefore, less affordable to the poor, unemployed, rural population, and persons without any income. The reform shifted the burden of public health care services to women's unpaid work within a family.

The changes in the labour legislation in 2011 introduced reduction and even cancellation of social support allowances (Clauwaert & Schömann, 2013a).

The lack of social concerns in the reforms have been most harmful to already marginalized and vulnerable groups, such as old people, pensioners, single mothers, women with small children, and Roma. Conditions of some excluded groups such as the Roma have become so difficult that they migrated. Most of the 250,000 Roma have been directly affected by the declining economy (Social Watch, 2009). Raising social differences widened the gap between the poor and the rich. Due to the lack of consideration to respond the worsening position of women at the labour market and marginalised groups of women, such as rural women and migrant women, the country witnessed feminisation of poverty.

On the positive note, the country has made some progress in bridging the gender gap in political and decision making positions.

**Estonia**

The biggest problems Estonia faced were the lack of demand and the increasing unemployment rate. In August 2009, unemployment rate reached 13.3%, comparing to 9.6% in the euro area.

Trade unions have opposed cuts in benefits and other public spending. The government accepted demands not to change the pension insurance scheme, but union health insurance proposals have been rejected. (Watt, 2009)

Implemented measures have increased vulnerability to poverty. Poor women gained more difficult access to services. The response has
shifted the burden of public health care and other services to women’s unpaid work within a family.

A new law on labour that came into force in July 2009 offered employers more flexibility in organizing labour relationships to improve business competitiveness (Clauwaert & Schömann, 2013b). The introduced changes included abolishing enjoyment of the protection of pregnant women and employees with children under the age of three against dismissal. Estonia’s new Employment Contracts Act of 2009 has been severely criticised by the trade unions in particular because it emphasises labour market flexibility too strongly and less the security and protection of workers.

**Hungary**

The Government’s respond to the crisis has lowered the level of the gained social rights. The anti-crisis measures has included cutting pensions, public sector bonuses, maternity support, reduction in childcare support and childcare benefits, assistance to young couples with children, and subsidies to farmers.

Trade unions were critical of proposed changes to income tax and VAT on basic foods and energy (Watt, 2009).

The Labour Code, adopted in 2011, reduced legal protection against unlawful dismissal and introduced changes related to termination of fixed-term contracts, probation period, working time and allowances aimed at increasing labour market flexibility (Clauwaert & Schömann, 2013c).

**Latvia**

The program announced by Latvia’s Government included measures to stabilize the financial sector and restore depositor confidence. It required a substantial tightening of fiscal policy. The Government aimed for a headline fiscal deficit of less that 5 % of GDP in 2009 (compared with a deficit of 12 % of GDP if no new measures were taken) as a means to reduce financing needs and improve competitiveness. Structural reforms and wage reductions, led by the public sector, has further strengthened competitiveness and facilitate external adjustment (IMF, 2008).

Significant budget cuts have made in line with the conditions offset by the international lending programme. New budgetary cuts in June 2009 were related public-sector wage bill to fall by 20%, for the second time that year and pensions by 10%. Parental benefits have been
also reduced. The whole budget decreased by 10%. The expenditure cuts approved in June meant 4% of GDP (Darvas, 2009).

Unions have criticised both tax changes and sectoral support measures. They have made their own proposals some of which have been accepted by the Government. Trade union resistance prevented the introduction of stricter measures (Watt, 2009).

The national reform program included changing regulation basis for employment legal relations, labour protection and their application, aimed at ensuring preconditions for high quality jobs through strengthening the flexicurity principles in labour legal relationships (Clauwaert & Schömann, 2013d).

Lithuania

The existence of a severe economic downturn, with potential public finance implications, increased the need to undertake measures aimed at correcting external and internal imbalances (Commission of the European Communities, 2009a).

In February of 2009 the Government adopted the Economic Recovery Plan, amounting to approximately 5% of GDP with the aim of improving conditions for doing business, facilitating business access to borrowing and maintaining jobs. This economic recovery plan foresees accelerated use of EU financial assistance, easing of borrowing for the private sector through introduction of financial engineering and on lending to organisations to implement public investment projects. The plan was framed with the support of loans from the European Investment Bank.

Some incentives for enterprises have also been approved (tax credits, tax exemption for firms investing in technology modernisation, and shift of public investment programmes from long-term to short-term projects), as well as measures to facilitate access to liquidity, to promote exports and investments and to improve energy performance in building. The personal income tax rate was cut. (Darvas, 2009).

On 11 June 2010, the Lithuania’s parliament approved a series of amendments to the Labour Code, aimed at encouraging job creation by means of more ‘flexible’ industrial relations (Clauwaert & Schömann, 2016). Trade unions opposed successive proposals passed by the Government to liberalise labour relations, including the simplification of dismissal procedures, non-payment of severance pay and extension of working time. Pressures to flexibilize labour law remained, so in 2012 Lithuania adopted three pertinent employment reforms. The changes included, amongst other, further liberalisation of the rules on fixed-term
contracts for the purpose of recruiting new staff based on competition in the private sector.

Poland

In midst 2009, the Polish Government adopted anti-crisis package drafted by the Tripartite Commission for Social and Economic Affairs. The package of measures consists of 13 initiatives with the aim of combating and preventing the negative social and economic effects of the current economic crisis.

Social partners proposed anti-crisis package that comprised of (Czarzasty, 2009):

- Offering social support for less affluent families and increasing welfare benefits for redundant employees;
- Introducing a tax exemption on allowances paid by trade unions and on benefits from company social funds;
- Making vouchers convertible to goods or services exempt from personal income tax;
- Repealing the Act on the negotiation system of fixing the average pay growth in corporations and revoking the Act on remuneration of management executives in state-owned companies (stipulating a ‘salary cap’);
- Gradually increasing the national minimum wage to 50% of the national average wage;
- Introducing a 12-month working hour settlement period;
- Establishing enterprise training funds;
- Rationalising a 24-hour work cycle in the context of the working hour settlement period;
- Recognising social benefit packages as a source of labour law;
- Introducing flexible working hours as a way of reconciling family and work responsibilities;
- Stabilising employment with constraints on fixed-term employment contracts;
- Introducing accelerated amortisation;
- Subsidising employment as an alternative to group dismissals.

New legislation adopted that dealt with the negative effects of the economic crisis on employers. The law prepared by the Ministry of Labour and Social Policy covered such issues as a 12-month working hours’ settlement period, enterprise training funds, a 24-hour work cycle of flexible working hours, constraints on fixed-term employment contracts, as well as subsidised employment (Czarzasty, 2009).
However, the fall in family incomes and labour market turbulences contributed the pauperization of whole social groups. It had a more significant impact on women, since they are traditionally responsible for the family’s well being. The shrinking of the highly feminized garment sector and the limited labour market mobility due to higher housing rental costs, especially in small towns in economically depressed areas, had negative impacts on the economic and social position of women (Social Watch, 2009).

Romania

The country had enjoyed an economic boom in the past few years, fuelled in part by heavy borrowing from Western banks and easy access to foreign loans. The global financial crisis has caused a credit crunch, and made the national currency unstable. Exports have decreased by 25% and capital flows were reversing direction. January 2009 alone saw repatriations worth EUR 539 million. The decrease in exports has led to rising unemployment, bankruptcies and a contraction in companies’activities. Some 500,000 people (5.7%) were unemployed in April 2009 (Burada, 2009).

The privatization and sale of national banks over the last few years has led to the country and its citizens to become indebted to Western banks.

The Government responded to decreasing budgetary revenues by imposing new and higher taxes and social contributions. The contributions to health insurance funds have been increased of around 1 % for both employers and employees.

At the beginning of 2009, the measures have been adopted to counter negative effects of economic crisis to unemployed persons. Companies hiring unemployed persons, sole supporters of families or persons over 50 years old would receive subsidies for a period of up to 12 months in order to cover half the salaries of their new employees. The subsidies would also support employment of Roma and of those who, because of lack of education or skills, do not have a fair chance in the labour market. For people unemployed for more than two years, the subsidies would cover 75% of their salary for 24 months. The scheme, worth a total of EUR 133 million, was 85% funded by the European Commission. Of this, EUR 29 million was allocated for employment in the rural areas.

In 2011, the reform of the Labour Code and the Law on Social Dialogue was adopted. The main changes included the prolongation of probationary periods, the more flexible use of fixed-term contacts and
the abolition of national collective agreements (Clauwaert & Schömann, 2016). Dismissal protection was weakened.

The Government also decided to extend the period of unemployment benefits by three months, while employers and employees will be exempted for three months from paying social insurance contributions during temporary suspension of activities.

**Slovakia**

Slovakia implemented painful social and economic reforms before and after acquiring full EU membership in 2004. Thanks to these, the country achieved economic growth above 7% in 2008, the highest in the EU. However, a gradual economic sobering began in 2009, and the unemployment rose sharply. In May 2009, the number of registered unemployed persons reached nearly 336,000 workers, compared with 235,000 in November 2008. Companies have announced mass dismissals of more than 37,000 employees in that period. However, only 9,147 of these workers have registered at the labour offices so far, due to the implementation of measures adopted in order to maintain employment (Cziria, 2009a).

The automotive industry, which is probably the branch most affected by the economic crisis, did not announce significant dismissals of employees. Companies in the industry resolved the decline in car sales in different ways. For example, they cancelled temporary agency work contracts and did not renew fixed-term employment contracts. However, most of the companies implemented anti-crisis measures allowing employers to use more flexible working time arrangements (Cziria, 2009a).

In January 2009 the Government launched a USD 431 million plan to support employment and boost domestic demand to fight the crisis (Klimovsky, 2009). The parliament approved a package of measures to retain the production ability of the Slovak economy, secure employment and stimulate customer demand and avoid an excessive public deficit. Through consultation in the national tripartite Economic and Social Council, the social partners were involved in the development of the anti-crisis measures.

As part of these measures, the Economic Crisis Council was established, whose members were representatives of the Government, the National Bank of Slovakia, trade unions, employer organisations, self-government bodies and commercial banks. Measures accepted aimed to, for example, support business development, mainly in small and medium-sized enterprises (SMEs), and the creation of new jobs, as
well as to support employment through training and counselling. Some of the measures concerned fiscal and tax policy, energy, innovation and research, export and utilisation of European funds (Cziria, 2009).

Consultations between the Government and the Confederation of Trade Unions led to the conclusion of the Memorandum on cooperation in solving the impact of the financial and economic crises on Slovak society. The memorandum outlined joint efforts of the Government and trade unions to adopt and implement measures aiming to alleviate the impact of the financial and economic crises on citizens, employers and businesses in the Slovak Republic.

In the memorandum, the Slovak Government promises to:

- Fulfil its Programme Declaration, mainly in areas which have an impact on employment, and to carry out only such steps that will not threaten the country’s societal balance. It will adopt measures supporting and retaining social peace;
- Respect and deal with proposals and solutions of the Confederation of Trade Unions as its social partner, and to implement social dialogue between individual ministries and the respective trade unions during this legislative term;
- Adopt and support as much as possible measures which aim to retain and even increase employment;
- Cooperate with the Confederation of Trade Unions in retaining and guaranteeing the current status and legal protection of employees, and not to amend labour legislation, such as the Labour Code, at the expense of employees’ employment conditions;
- Secure through efficient and suitable legislation the conditions for retaining and creating new jobs;
- Discuss and inform KOZ SR about any trends that could have a negative impact on the country’s employment level and employees;
- Prevent, by any available means, a mismanagement of the crisis, which could lead to an unjustified decline in the legal, economic and social stability of employees (Cziria, 2009).
South Eastern European Countries

Albania

The government wants to “boost consumption” to deal with the problems created by the global crisis, using funds from privatization in 2008 (EUR 260 million) and loans from foreign banks (EUR 350 million). The Government promoted voter-friendly proposal to increase wages by 15% in the public administration, health and education sectors, and increase pensions by 10 to 20%, while the IMF advised not to increase salaries and pensions. (Koci, 2009).

Bosnia and Herzegovina

Benefiting from a favourable external environment, the currency board, and the effects of reforms in key sectors, growth averaged 6% per year during 2003-08, while inflation remained low. Bank privatizations and reforms in the financial sector, along with improved growth prospects attracted large capital inflows. However, with capital inflows driving a domestic demand boom, internal and external imbalances worsened: growth of bank credit to the private sector rose sharply, core inflation accelerated, and the current account deficit widened. Loose fiscal and incomes policies also contributed to the overheating of the economy.

The negative fallout from the global crisis started to become increasingly evident in late 2008. Stock market indices slumped, international reserves began to decline, bank credit growth came to a halt, and financial soundness indicators started to deteriorate. With bank credit drying up, construction activity faltered, and a number of enterprises began to lay off workers. Revenue performance weakened, while expenditure, driven by increases in wages and social benefits, rose sharply. As a result, the general government deficit widened to 4% of GDP from a near-balance in 2007.

Bosnia and Herzegovina was particularly poorly prepared when the crisis hit. Spending on social protection schemes (4% of its GDP) made the country one of the highest spenders in CEE/SEE region (IEG, 2009). The social protection system covered some 52% of the population. However, the majority of the resources were dominated by a merit-based veterans’ benefit system, impeding the development of needs-based programs and hence leaving little room to respond to systemic shocks. Although the veterans’ benefit system may include some legitimately poor households, it also allows potentially large errors of inclusion of
non-poor households and cannot flexibly absorb non-veteran poor (IEG, 2009). Only a small proportion of the poor has received social benefits. The World Bank (IEG, 2009) estimated that the social system was socially inequitable, fiscally unsustainable, and economically inefficient.

At the end of 2008, the Economic and Social Council of the Federation of Bosnia and Herzegovina has adopted the *Program of Measures for Mitigating the Impacts of Global Economic Crisis and Improving the Business Environment* and the *Social Dialogue for the Period 2009–2010*.

The anti-crisis program (Federation of Bosnia and Herzegovina. Economic and Social Council, 2008) was based on the following measures:

- To decrease the participation of the public sector in the GPD for 8%;
- To reform the public administration and dismiss the working surplus;
- To define social minimum and protect the living standard of the most vulnerable;
- To analyze the ratio of health and unemployment insurance and to make legal changes;
- To decrease the number of employers in the public administration;
- To reform the system of veteran-related benefits and benefits to persons with disabilities;
- To reform the system of the social protection by amending relevant legislation (on pension insurance, on social protection, protection of the civil war victims and protection of families with children) and by making the revision of all beneficiaries;
- To decrease contributions for pension, health and employment insurance;
- To support new employment.

The policy makers have not estimated the challenges of these measures to the vulnerable groups, such as increasing risk to worsen women’s position at the labour market and increase unemployment of women, due to the fact that majority of employed in the public administration were women.

Trade union and other partners in social dialogue support the reforms in the public sector. The adopted *Social Dialogue* (Federation of Bosnia and Herzegovina. Economic and Social Council, 2008a) has foreseen measures such as:

- To prepare adequate social programs for working surplus;
- To secure access to health care to all citizens;
To harmonise the level of veteran-related benefits and benefits to persons with disabilities with the realistic financial possibilities of the State budget;

To reform the pension and disability insurance system according to the EU standards; to include social groups such as farmers;

To foster employment, particularly in the production sectors, of persons with disabilities, older persons and of those who have less chances to find a job;

To reform the sector of education, in order to secure profiles needed by the private sector;

To secure new investments needed for 2% annual growth of employment;

To support companies to preserve the number of employees;

To foster the privatisation of state-owned companies.

The Social Dialogue has not taken into concern gender issues. Women’s sections in trade unions were not visible in the social dialogue process. The effects of the privatisation of public companies to enjoyment of the basic human rights of the population have been disregarded, although it is widely documented that privatisation of public services, such as energy and water supply, negatively affects population due to increasing prices and decreasing quality of services.

**Croatia**

In February 2009, the Government of Croatia adopted an Economic Recovery Program, a package of ten anti-recession measures (Government of the Republic of Croatia, 2009). The measures included zero increase of employment in public enterprises, and efforts to maintain the living standard of the most vulnerable groups.

Pensions and wages in the public administration have been decreased. As state expenditure for social policy (pension, health care and unemployment benefits) reached 4% of GDP, there was no space for further increases (Darvas, 2009).

The central pillar of the Economic Recovery Program was the “revision of labour regulations to create a more dynamic labour market by ensuring labour force flexibility and job security”. Since 2010, Croatia was under the pressure of the World Bank and IMF to flexibilise its labour market and labour legislation (Clauwaert & Schömann, 2013). The IMF concluded that “not only Croatia’s export and growth performance was constrained by relatively high wages and pervasive rigidities but also that implementation of long overdue structural reforms is necessary to
improve competitiveness and attain sustainable medium-term growth” (IMF, 2012). Despite the opposition of trade unions, the Government reformed the labour legislation according to the given suggestion. The adopted anti-crisis package did not take into considerations gender issues and possible implications to the position of vulnerable groups.

**FYR Macedonia**

Steel and textile industry were the worst affected sectors in the country. Steel shed 3,200 workers in one month (October 2008). In textile industry employees have been forced to take unpaid leave and factories have been temporarily shutting down due to the lack of business (Stojanovska, 2009).

In a bid to protect the economy from the global financial crisis, at the end of 2008 the Government announced anti-crisis measures costing USD 484 million in all (Stojanovska, 2009). Following a model used in Estonia, authorities charged capital gains taxes on dividends only. Meanwhile, it reduced tariffs on materials imported by Macedonian industries.

The Government wrote off companies’ unpaid health insurance contributions within four years if they resume those contributions within that period. The measures included applying tax forgiveness to penalty interest on corporations’ unpaid income tax, capital gains tax, value-added tax, property taxes and pension contributions. Social security contribution reforms included cuts in social contributions paid by employers as well as introduction of the gross wage system (Darvas, 2009).

To help out farmers, the Government has cut their taxes and eliminating them altogether for those who earn less than USD 7,300 a year (Stojanovska, 2009). Other citizens and enterprises saw reductions of income and property taxes.

The revised budget in April 2009 cut expenditure by 7% to match expected reduced revenue: reduction in current expenditure, postponement of planned increase of public administration wages, recruitment freeze in the administration until end 2009, and reduction in expenditures with high imports component.

**Montenegro**

Global recession has had an adverse impact to the economy of Montenegro. In October 2008 the authorities took resolute steps to reduce the risks emanating from global financial turmoil. These included a
one year blanket guarantee for all bank deposits and an increase in the coverage of the deposit insurance scheme. In addition, a law was passed authorizing the government to provide support to banks as needed (IMF, 2008d).

The new labour law reduced labour market rigidities, but the IMF (2008d) estimated that employment protections remained significant. Such protections would continue to limit the options for enterprise restructuring, thus hampering their development and reducing GDP and employment growth. Thus, the IMF urged the Government to take further steps to increase labour market flexibility.

In December 2008, the Government adopted Economic Policy Program for 2009 with measures for mitigating the effects of global financial and economic crisis on the basis of recommendations of the European Commission, the IMF and World Bank. The foreseen policy is based on decreasing the budgetary non-productive spending, increasing investments in the infrastructure and providing credit support to SMEs.

For 2009, 0.5 % of GDP was budgeted for projects aimed at creating jobs (training programmes) and for stimulating entrepreneurship and self-employment. The Government approved measures aimed at decreasing taxes, increasing net income, early redemption of internal debt, abolishment of certain fees, support to entrepreneurship, as well as readiness to provide long-term financial assistance to domestic banks through cooperation with international financial institutions.

The measures included reducing taxes on wages and providing subsidies to the most vulnerable groups for payment of electricity bills.

The Economic Policy Program included the assistance to vulnerable groups through supporting their active employment by accessing sources of financing small businesses, instead of providing social subsidies. This type of social assistance was limited due to scarce available resources.

Serbia

In December 2008, the Government has evaluated the impact of the economic crisis on the Serbian economy and adopted a Framework of Measures (Government of the Republic of Serbia, 2008). Unlike other countries, the financial sector in Serbia suffered no losses due to inadequate investment guarantees. Namely, participants on the Serbian financial market did not take part in the financial products related transactions similar to those which were the financial crisis triggers in the developed countries, and the market itself is of such a limited scope that it had
virtually no impact on the industry. The country’s biggest problem and macroeconomic risk was balance of payment deficit.

The adopted policy Framework was based on both restrictive and stimulating measures. The restrictive measures targeted direct beneficiaries of the budget, including restrictions of salaries of budget recipients, pensions, and subsidies. Social spending remained at the same level as in the previous year. The social welfare program was defined to target socially vulnerable categories to assist those in need. In order to boost employment, companies that received incentive funds were under the obligation not to reduce the number of employees.

A stimulus package included a cheap lending facility to companies that do not lay off workers, and for lending to stimulate exports and to grant a new consumer credit line for the purchase of construction materials (Darvas, 2009).

In April 2009, the Memorandum of Economic and Financial Policies was adopted that aimed at decreasing structural fiscal deficit through restriction of budgetary spending. Measures were based on decreasing salaries in the public administration and public sector, and cutting budgetary allocations in all sectors, including to health care.

Following the review of the program by the IMF, in August 2009 the Government adopted the Social Security Plan (Government of the Republic of Serbia, 2009a). The Plan introduced measures such as:

- Addressing the issue of non-payments of obligatory contribution to pension fund and health insurance on behalf of employees, that was a widespread practice of employers;
- Tightening the prevention of abuse of workers’ rights by labour inspection and financial police;
- Payment of one-off aid (in equivalent of USD 77) to the most vulnerable groups of workers (such as single parents) who have not received salaries for more than three months;
- Deferring payment of electricity bills for the poorest employees who have not received salaries for months;
- Retraining of employees;
- Contracting the Social Partnership Agreement with trade unions and associations of employers.

The Social Security Plan did not included measures to target other social groups vulnerable to the economic downturn, such as unemployed, farmers, old and persons with disabilities.

Under the pressure of the IMF and the World Bank, the Government accepted reforms in health care and education that included cuts in spending, and reducing the number of employees. This led to increasing
unemployment of skilled female workers, as health care and education are highly feminised sectors. In Serbia, 20% of employed women work in education and health care sectors. In education, there are almost three times more women than men (95,786 comparing to 33,667 in 2008), and in the health care there are 3, 5 times more employed women than men (135,814 comparing to 37,859 in 2008). Newly enacted legislation has announced closure of 11,000 classes out of 90,000, as the new system of financing elementary schools was introduced on the basis of the number of pupils. This meant closure of a number of schools in remote rural areas and of specialized schools for children with disabilities (Dokmanovic & Drakulic, 2010).

New Serbian Law on Employment, passed on May 2009, abolished the right of women who lose a job during pregnancy to receive paid benefit during unemployment longer than one month. The Law introduced stricter conditions for receiving a subsidy during unemployment if a worker loses a job during a sick leave. Pregnancy leave was considered as ‘a sick leave’, so it was not excluded (Popadic, 2009). Due to a large amount of critics, this provision was later abolished.

The anti-crisis measures decreased the gained economic and social rights and had negative impact on women and other vulnerable groups ((Dokmanovic & Drakulic, 2009; Dokmanovic & Drakulic, 2010).
Matrix 1: *National responses / strategies, policies and measures in 2009 to mitigate the impact of crisis*

<table>
<thead>
<tr>
<th>Country</th>
<th>Strategy / program</th>
<th>Measures targeting public sector and/or social protection programs</th>
</tr>
</thead>
<tbody>
<tr>
<td>CEE</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bulgaria</td>
<td>Program of employment protection, April 2009 ESP</td>
<td>Offers financial support to companies that retain their workers by reducing working hours</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Short-time working</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Level of the minimum wage decreased.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>The 2009 budget does not foresee any fiscal stimulus measures.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Specific measures taken:</td>
</tr>
<tr>
<td></td>
<td></td>
<td>– Salaries in the budgetary sector and pensions have been increased (1.3% GDP), but salaries have been frozen since the beginning of 2009.</td>
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<tr>
<td></td>
<td></td>
<td>– Higher capital spending (0.1% of GDP)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>– Lower pension social contribution rate</td>
</tr>
<tr>
<td>Czech Republic</td>
<td>Reforms of health care system</td>
<td>Changes in the health care system:</td>
</tr>
<tr>
<td></td>
<td></td>
<td>– Reducing budgetary allocations and number of employees</td>
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<tr>
<td></td>
<td></td>
<td>– Introducing fees for services</td>
</tr>
<tr>
<td></td>
<td></td>
<td>– Reducing social insurance taxes</td>
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<tr>
<td></td>
<td></td>
<td>– Privatization of hospitals : reducing non-lucrative services</td>
</tr>
<tr>
<td></td>
<td>Reforms in public finances</td>
<td>– Lower taxation of the richest</td>
</tr>
<tr>
<td></td>
<td></td>
<td>– Increasing VAT</td>
</tr>
<tr>
<td>Country</td>
<td>Document/Plan</td>
<td>Measures</td>
</tr>
<tr>
<td>--------------</td>
<td>---------------</td>
<td>--------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Estonia</td>
<td>ESP</td>
<td>Cuts in benefits and public spending&lt;br&gt; Increase in pensions&lt;br&gt; Mandatory payments into the second-pillar pension funds were suspended.</td>
</tr>
<tr>
<td>Hungary</td>
<td>Political Manifesto ESP</td>
<td>Cutting pensions, public sector bonuses, maternity support, reduction in childcare support and childcare benefits, assistance to young couples with children, decreasing subsidies to farmers</td>
</tr>
<tr>
<td>Latvia</td>
<td></td>
<td>Nominal wage cut in the public sector of no less than 25 %&lt;br&gt; Significant budget cuts&lt;br&gt; Reduced pensions and parental benefits</td>
</tr>
<tr>
<td>Lithuania</td>
<td>Economic Recovery Plan</td>
<td>Cut of the personal income tax rate</td>
</tr>
<tr>
<td>Poland</td>
<td>Anti-crisis package drafted by the Tripartite Commission for Social and Economic Affairs</td>
<td>Offering social support for less affluent families and increasing welfare benefits for redundant employees&lt;br&gt; Introducing a tax exemption on allowances paid by trade unions and on benefits from company social funds&lt;br&gt; Making vouchers convertible to goods or services exempt from personal income tax&lt;br&gt; Gradually increasing the national minimum wage to 50% of the national average wage&lt;br&gt; Introducing a 12-month working hour settlement period&lt;br&gt; Rationalizing a 24-hour work cycle in the context of the working hour settlement period&lt;br&gt; Recognizing social benefit packages as a source of labor law&lt;br&gt; Introducing flexible working hours as a way of reconciling family and work responsibilities&lt;br&gt; Stabilizing employment with constraints on fixed-term employment contracts; Subsidizing employment as an alternative to group dismissals</td>
</tr>
<tr>
<td>Country</td>
<td>Policy Response</td>
<td></td>
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<tr>
<td>-----------</td>
<td>------------------------------------------------------------------------------------------------------</td>
<td></td>
</tr>
<tr>
<td>Romania</td>
<td>Increasing spending to improve social protection of the most vulnerable groups</td>
<td></td>
</tr>
</tbody>
</table>
| Slovakia  | Carry out only such steps that will not threaten the country’s societal balance, including retaining social peace;  
            | Adopt and support as much as possible measures which aim to retain and even increase employment;  
            | Guaranteeing the current status and legal protection of employees, and not to amend labor legislation at the expense of employees’ employment conditions;  
<pre><code>        | Discuss and inform about any trends that could have a negative impact on the country’s employment level and employees. |
</code></pre>
<p>| SEE       |                                                                                                      |
| Albania   | Voter-friendly proposal to increase wages by 15% in the public administration, health and education sectors, and increase pensions by 10 to 20% |</p>
<table>
<thead>
<tr>
<th>Bosnia and Herzegovina</th>
<th>Federation of B&amp;H Program, adopted Dec. 2008</th>
<th>Decreasing the participation of the public sector in the GPD for 8%; Reform of the public administration and dismissal the working surplus; To define social minimum and protect the living standard of the most vulnerable; To analyze the ratio of health and unemployment insurance and to make legal changes; Decreasing the number of employers in the administration; Reform the system of the protection of veterans and persons with disabilities, and revision of beneficiaries; Reform the system of the social protection: a) by amending relevant legislation (on pension insurance, on social protection, protection of the civil war victims and protection of families with children b) by making revision of all beneficiaries.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federation of B&amp;H: Social Agreement 2009-2010, Dec. 2008</td>
<td>To review the budget beneficiaries; To prepare adequate social programs for working surplus; To promote health care and to secure it to all citizens; Agree to harmonise the level of paying for social protection of veterans and persons with disabilities with the realistic financial possibilities of the state budget; To reform the pension and disability insurance system according to the EU standards; to include social groups that have been excluded from the system of protection, such as farmers; to define and use favourable terms of pensioning according the realistic financial possibilities; To foster employment of persons with disabilities, older persons and of those who have difficulties to find a job; Support to the reform of educational sector: to secure education of profiles needed by private employers; To foster privatisation of public and state-owned companies</td>
<td></td>
</tr>
<tr>
<td>Country</td>
<td>Package/Plan</td>
<td>Key Measures</td>
</tr>
<tr>
<td>---------</td>
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<td>--------------</td>
</tr>
</tbody>
</table>
| Croatia | Governmental Package of Ten Anti-recession Measures | Zero increase of employment in public sector  
Maintenance of the living standard of the most vulnerable groups  
State support for old people and people without income |
| Montenegro | ESP on basis of recommendations of the IMF, WB and EC | Reducing taxes on wages  
Subsidies to the most vulnerable groups for payment of electricity bills |
Memorandum of Economic and Financial Policies, April 2009  
Social Security Plan adopted after the program review by the IMF, Aug. 2009  
Measures adopted after program review by the IMF, Aug. 2009 | Companies which receive incentive funds are under the obligation not to reduce the number of employees  
Social spending at the same level as in 2008  
State benefits to those in need through better identification of socially vulnerable categories  
Freezing salaries in the public sector and pensions  
Cutting budgetary allocations in all public sectors  
Cutting transfers to the health care fund, with a corresponding reduction in its budget on goods and services  
Decreasing salaries in the public administration and the public sector  
Dismissal of 10% of employees in the public administration.  
To settle the pension, health care and disability insurance debts for employees of state-owned and privatized companies  
To alter the control and regulations system to ensure regularly pay of health insurance  
To pay one-off aid to workers who do not receive salaries for more than three months  
Deferring payment of electricity bills for the poorest workers who have not received salaries for months  
To reform the public sector that includes cuts in spending for health care and education, and reducing the number of employees.  
To decrease number of teachers and classes/elementary schools  
To close specialized schools for children with disabilities  
To adopt new legislation related to social protection and pension system |
<table>
<thead>
<tr>
<th>Governmental Anti-crisis Package</th>
<th>FYR Macedonia</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cuts in social spending</td>
<td></td>
</tr>
<tr>
<td>A three-year freeze on arrears for companies that have fallen behind in pension contributions</td>
<td></td>
</tr>
<tr>
<td>Reducing and eliminating taxes for farmers who earn less than USD 7,300 a year</td>
<td></td>
</tr>
<tr>
<td>Recruitment freeze in the public administration</td>
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</tr>
</tbody>
</table>
The recovery of the national economies has depended on the foreign financial assistance, namely on the IFIs, in which the economically strongest countries, the Group of 20 (G-20), has directed large funds for restoring economic growth and pursuing economic recovery through a green economy.

At the London Summit in April 2009, the G-20 directed their financial commitments of USD 1.1 trillion through the IMF, the World Bank and the regional development banks. With respect to supporting social protection services, a USD 50 billion commitment was made (G20, 2009a; G20, 2009b). The G-20 called for Special Drawing Rights (SDR) allocation of USD 250 billion. The proposed allocation was approved by the IMF at the end of August 2009, and at the beginning of September, it was followed by additional allocation of USD 33 billion. The G-20 stressed that low-income countries and emerging economies would benefit significantly, because for them the SDR allocation means potential access to unconditional financial resources that allowed greater scope of policies in face of recession and rising unemployment (Gottseling, 2009).

The rise of financial commitments was announced at the G-20 Summit in Pittsburgh, 24-25 September, 2009. The G-20 committed over USD 500 billion to renewed New Arrangements to Borrow to support IMF emergency lending, increased allocation of SDRs and decided to boost assistance for low-income countries and emerging economies. The G-20 decided to design it as the "premier forum for our international economic cooperation" (G-20, 2009c).
The International Monetary Fund (IMF) plays a crucial role in shaping macroeconomic policy of the CEE/SEE countries. The SAPs, implemented under the guidance of the IMF, introduced the policy of the ‘Washington Consensus’ to the region, and paved transition to the market and profit-oriented economy, based on trade liberalization, free capital flow, deregulation of finances, privatization of services, reducing social role of the state and replacing the concept of the ‘public goods’ with the concept of ‘individual responsibilities’. Its response to requests for financial aid is on the same track: healing failed financial and monetary system at costs of human capital. The SBAs and other forms of lending are primarily aimed at fiscal consolidation, banking reform and restoring financial stability.

Between September 2008 and May 2009, six CEE/SEE countries reached agreements with the IMF to borrow USD 55.8 billion. The IMF responded by new stand-by agreements (SBA) for Hungary (USD 15.7 billion), Romania (USD 17.1 billion), Latvia (USD 2.35 billion), Serbia (USD 4 billion) and Bosnia and Herzegovina (USD 1.52 billion), Poland received USD 20.58 billion under the Flexible Credit Line8 (Matrix 2).

Starting the loan negotiations with the countries hit by the financial crisis, the IMF (2009a) announced encouraging governments to maintain or develop social safety nets for the poor even as they adjust to the harsher environment of the economic downturn. The IMF (2009f; 2009l; 2009m; 2009n) announced trying to implement ‘social conditionality’ helping countries develop or maintain safety nets for segments of the population that may be affected by an IMF program, so that it affects as little as possible the poorest and most vulnerable populations (Schrader, 2008).

The IMF’s financial assistance/lending programs to the CEE countries did not include gender aspects, but inevitably, they had strong gendered consequences and negative implications to gender equality. Cutting public spending have aggravated economic and social position of women and increased their vulnerability to poverty, particularly of rural, old, migrant and unemployed women. The IMF’s influence deepened gender inequalities, deteriorates advancement of women and worsens their economic and social position in the society and within a family.

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8 In March 2009, the IMF introduced the Flexible Credit Line (FCL), a new credit line for countries with very strong economic fundamentals and institutional policy frameworks, available for either crisis prevention or resolution. See: http://www.imf.org/external/np/pdr/fac/2009/032409.htm
The IMF’s fiscal policy aimed at reducing fiscal deficits by restraining public expenditure, in which the burden falls on public sector employees, the poor, unemployed and women. For example, the SBA with Serbia demanded further fiscal consolidation that involved strict income policies for containing public sector wage and pension growth and a streamlining of non-priority recurrent spending (IMF, 2009p).

The documentation of the IMF’s current loan conditionalities and policy advice demonstrate that the traditionally nature of the IMF’s fiscal and monetary policy framework has not changed (Third World Network, 2009b). These additional lending enormously increased the indebtedness of many countries, giving the IMF the means to raise its influence on the crisis-hit countries. CSOs and women’s rights advocate warn that this would deepen their economic challenges on long term (Third World Network, 2009; Social Watch, 2009; WWG, 2009b; WWG, 2009c). Despite the IMF announcement of the modernizing conditionality and improving its lending policy (IMF, 2009), the analysis of the SBAs and other financial arrangements with the IMF indicates that the focus is still on saving existing financial architecture and banking system instead saving people’s livelihoods.

**Purpose and conditionalities of the Stand-by-Agreements**

**Hungary**

In the case of Hungary, the purpose of the SBA in November 2008 was to restore the confidence of financial investors, and stabilisation of banks and credit schemes for SMEs. Besides, it addressed the main pressure points in public finances and the banking sector:

- Substantial fiscal adjustment, to provide confidence that the government’s financing need can be met in the short and medium run.
- Up-front bank capital enhancement, to ensure that banks are sufficiently strong to weather the imminent economic downturn, both in Hungary and in the region.
- Large external financing assistance, to minimize the risk of a run on Hungary’s debt and currency markets.

Fiscal deficit was targeted to decrease from 3.4% to 2.5% of GDP. Government expenditures was targeted to be reduced by 2% of GDP through a fiscal consolidation plan premised on not using contingency reserves, and aimed at reducing the state’s borrowing requirements. Expenditure
reductions involved freezing public sector wages, eliminating the 13th month salary for public servants, capping pension payments, postponing social benefits and trimming allocations to government ministries.

The Government was suggested to pursue further fiscal tightening, and to cut pensions, public sector bonuses, maternity support, reduction in childcare support and childcare benefits, assistance to young couples with children, decreasing payment to farmers (Hungarian National Report, Social Watch, 2009). The Government has reformed the pension system, social transfers and subsidies to increase the affordability of Hungarian expansive entitlement programs and achieve permanent reduction in spending. According to the IMF (IMF, 2009r), the combination of spending and tax reforms was aimed at boosting labour participation and potential economic growth.

The IMF (2009) explained that the fostered fiscal strategy aimed at protecting the poor and low-income earners from the impact of the global crisis. Measures included preserving the purchasing power of low-income civil servants despite the nominal freeze of the public sector wage bill, replacing a universal housing subsidy by a targeted scheme to help the needy have access to adequate housing, cancelling increases in disability pensions while increasing benefits for the poorest disabled, and creating a social fund to provide temporary relief to those particularly affected by the crisis and who would not otherwise be eligible for sufficient social transfer. At the same time, spending programs have been created to maintain employment and project jobs and to temporarily guarantee mortgage payments for unemployed people (IMF, 2009). According to The Third World Network (2009), the IMF has targeted fiscal deficit reductions from 3.4% of GDP to 2.5% through a fiscal consolidation plan which involved freezing public sector wages, placing a cap on pension payments and postponing social benefits.

Latvia

The SBA with Latvia, worth USD 2.35 billion, was purposed to:

- Take immediate measures to stem the loss of bank deposits and international reserves.
- Take steps to restore confidence in the banking system in the medium term and to support private debt restructuring.
- Implement fiscal measures to limit the substantial widening in the budget deficit, and prepare for early fulfilment of the Maastricht criteria.
- Implement incomes policies and structural reforms that will rebuild competitiveness under the fixed exchange rate regime.
During the first review of the SBA, the IMF mission underscored the importance of minimizing the social cost associated with the authorities’ economic program by avoiding measures that disproportionately affect the most vulnerable in the society or unnecessarily impair the quality of public services that are offered to them. This, along with the weaker growth outlook, required a somewhat higher fiscal spending in 2009 than envisaged in the supplementary budget. The priority was given to the need to improve competitiveness, so the IMF suggested wage reductions as “unavoidable” Measures included guaranteed minimum income payments covering health copayments for the most vulnerable, increasing funds for emergency housing support, protecting schooling for six-year-olds, and promoting job creation through active labour market policies IMF, 2009.

**Romania**

Allocations for social programs, including protection for the most vulnerable pensioners and public sector employees at the lower end of the wage scale, have been foreseen in the SBA with Romania.

Romania received USD 17.10 billion under the SBA (International Monetary Fund, 2009e, 2009g) which purpose was to cushion the effects of the sharp drop in private capital inflows while implementing policy measures to address the external and fiscal imbalances and to strengthen the financial sector:

- Strengthen fiscal policy to reduce the government’s financing needs and improve long-term fiscal sustainability, preparing Romania for eventual entry into the euro zone.
- Maintain adequate capitalization of banks and liquidity in domestic financial markets.
- Bring inflation within the central bank’s target.
- Secure adequate external financing and improve confidence.

The IMF-supported program provided room for additional spending of RON 250 million (amounting to 0.05 % of GDP) in 2009 and RON 500 million (0.1 % of GDP) in 2010 to improve social protection for the most vulnerable groups during the economic downturn (IMF, 2009).

The fiscal reforms included measures to improve budgeting, streamline public wages and pensions, and make public enterprises more efficient to ensure that the deficit will remain low in the future. (IMF 2009c, 2009e).

The IMF announced that the effects of the fiscal adjustment and budget reforms will be cushioned by boosting social safety net spending
and safeguarding capital spending. To make sure vulnerable groups in society are not hit overly hard by these reforms, the government made arrangements to protect the lowest paid public employees, the poorest pensioners, and others exposed to the economic downturn by boosting social safety net spending.

*Bosnia and Herzegovina*

The purpose of the SBA with Bosnia and Herzegovina (USD 1.52 billion) was to cushion the effects of the global economic crisis and of the fiscal adjustment on the vulnerable groups by avoiding cuts to pensions and reforming the social safety net. The rights-based benefits system was overhauled with the help of the World Bank to improve targeting and tighten eligibility criteria (IMF, 2009).

*Serbia*

Serbia was approved two SBA loans. The objective of the SBA of USD 530 million was tightening the fiscal stance in fiscal stance in 2009-2010, with the 2009 general government deficit limited to 1¾% of GDP, followed by further fiscal consolidation in 2010. This involved strict incomes policies for containing public sector wage and pension growth and a streamlining of non-priority recurrent spending, which helps create fiscal space to expand infrastructure investment. The other purpose of the SBA was to strengthen the inflation-targeting framework while maintaining a managed floating exchange rate regime.

The second SBA loan (USD 4 billion) included measures such as (i) reducing the public wage bill, including in public enterprises, by freezing nominal wages, curtailing employment, and temporarily cutting very high public sector wages (0.5% of GDP); (ii) cutting discretionary spending on goods and services, subsidies, capital, and net lending across all government levels, by directly cutting allocations to ministries, reducing transfers to local governments, and cutting ministries’ own resource budget (2% of GDP); and (iii) increases in income taxes on dividends and royalties, excise taxes, and property and car taxes, and additional dividend payments (0.5% of GDP) (IMF, 2008).

The IMF (2009) underlined that social spending would remain protected from nominal budget cuts. The IMF approved the increase of the Serbian budget deficit from 3% to 4.5% of GDP in 2009, but Serbia would have to meet several conditions before it can use the remaining amount left from the arrangement struck with the IMF in March 2009.
The institution required the administration to cut public spending. It involved reforming the state administration, pension system, education, health care, and presenting clear plans for spending cuts if they want to successfully re-open the credit arrangement with the IMF:

- **Pension system:** To make savings in the budget by freezing pensions, to increase time limit for retirement of women, to limit minimum age for retirement, to decrease pension for early retirement.
- **Health care:** to decrease number of health care workers, to review subventions, to close a number of health care institutions.
- **Education:** to decrease a number of employees, and of elementary schools.
- **Agriculture:** to decrease subventions.
- **Sector of the energy:** to close or privatize a number of mines.

The Government dropped the IMF’s proposal to raise the VAT and reduce pensions and salaries in the public sector; instead, it proposed to reform the public sector by decreasing the number of employees, fostering privatization of services and cutting budgetary support to education, health care and social services (Jovanovic, 2009; Jelicic, 2009). The implemented measures negatively influenced the livelihood of the vulnerable groups (Drakulic and Dokmanovic, 2013).
Matrix 2. IMF assistance to CEE/SEE countries in 2008/2009 to mitigate the impact of the global economic crisis

<table>
<thead>
<tr>
<th>Country</th>
<th>Amount of lending in US million</th>
<th>Purpose</th>
<th>Conditionality Suggestions to the national governments</th>
<th>Risks and challenges from human rights and gender perspective</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hungary</td>
<td>15,700</td>
<td>Stand-by Arrangement: To restore the confidence of financial investors, bank stabilisation and credit schemes for SMEs. To address the main pressure points in public finances and the banking sector.</td>
<td>To pursue further fiscal tightening. To cut pensions, public sector bonuses, maternity support, reduction in childcare support and childcare benefits, assistance to young couples with children, decreasing benefits to farmers</td>
<td>Lowering gained rights of women with children, older and retired persons</td>
</tr>
<tr>
<td>Country</td>
<td>Stand-by Arrangement/Flexible Credit Line (FCL)</td>
<td>Policy Responses to the Global Financial and Economic Crisis</td>
<td></td>
<td></td>
</tr>
<tr>
<td>---------</td>
<td>-----------------------------------------------</td>
<td>---------------------------------------------------------------</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
| Latvia  | 2,350  | Stand-by Arrangement:  
- Immediate measures to stem the loss of bank deposits and international reserves.  
- To restore confidence in the banking system and support private debt restructuring.  
- Fiscal measures to limit the substantial widening in the budget deficit.  
- Structural reforms to rebuild competitiveness under the fixed exchange rate regime.  

Given the need to improve competitiveness, wage reductions will be unavoidable (IMF, 2008, Press release Latvia)

Strengthening the social safety net. |
| Poland  | 20,580 | Flexible Credit Line (FCL) |
| Romania | 17,100 | Stand-by Arrangement  
Fiscal consolidation, banking reform and reducing inflation to help restore financial stability to strengthen fiscal policy further to reduce the government’s financing needs and improve long-term fiscal sustainability, thus preparing Romania for eventual entry into the euro zone.  

Increasing allocations for social programs. The fiscal reforms include measures to improve budgeting, streamline public wages and pensions, and make public enterprises more efficient to ensure that the deficit will remain low in the future. To make sure vulnerable groups in society are not hit overly hard by these reforms by boosting social safety net spending.  

Possible positive impact to the position of women and retired persons |
<table>
<thead>
<tr>
<th>Country</th>
<th>Stand-by Arrangement Amount</th>
<th>Stand-by Arrangement Purpose</th>
<th>Possible positive impact for women, although they are not detected as a vulnerable group</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bosnia and Herzegovina</td>
<td>1,520</td>
<td>Reforming the social safety net.</td>
<td>Risk of increasing number of unemployed skilled female workers in health care and education sector</td>
</tr>
<tr>
<td>Serbia</td>
<td>530</td>
<td>Stand-by Arrangement To tighten the fiscal stance. This involves strict incomes policies for containing public sector wage and pension growth and a streamlining of non-priority recurrent spending, which helps create fiscal space to expand infrastructure investment. To strengthen the inflation-targeting framework while maintaining a managed floating exchange rate regime.</td>
<td>Children with disabilities and in rural areas will have more difficult access to elementary education (meet the MDGs Goal 2 at risk)</td>
</tr>
<tr>
<td></td>
<td>4,000</td>
<td>Stand-by Arrangement Pension, health, education and social assistance reform - Constraint on wage growth in public sector</td>
<td>Decrease of gained social rights of vulnerable groups</td>
</tr>
</tbody>
</table>
### The IMF: Rhetoric vs. Reality (Third World Network, 2009a)

<table>
<thead>
<tr>
<th>What the IMF says:</th>
<th>What the IMF does:</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>&quot;For a year now, since I spoke at Davos last January, the Fund has advocated fiscal stimulus to restore global growth. There is now a broad consensus on this.&quot;</strong> -- Dominique Strauss-Kahn, IMF Managing Director⁹</td>
<td><strong>&quot;Reflecting the pro-cyclical fiscal stance since 2006 and limited budgetary financing options, there is no scope now for countercyclical fiscal loosening. Anything less than a tight fiscal stance could also jeopardize the credibility of the program in the eyes of foreign investors and the Serbian public. Fiscal policy will in addition need to put a tight constraint on nominal wage growth in government sectors and public enterprises.&quot;</strong> -- IMF Stand-By Arrangement loan for Serbia¹²</td>
</tr>
<tr>
<td><strong>&quot;I would put it even more starkly. What is needed is not only a fiscal stimulus now but a commitment by governments that they will follow whatever policies it takes to avoid a repeat of a Great Depression scenario.&quot;</strong> -- Olivier Blanchard, IMF Chief Economist¹⁰</td>
<td><strong>&quot;Tight fiscal and wage policies have already been put into place, together with structural reforms in key areas, in order to restore macroeconomic stability and return the economy to a higher growth path by 2010-11.&quot;</strong> -- IMF Stand-By Arrangement loan for Latvia¹³</td>
</tr>
<tr>
<td><strong>&quot;Monetary and fiscal policies need to become even more supportive of aggregate demand...&quot;</strong> and <strong>&quot;On fiscal policy... the key here is to design packages that provide maximum boost to demand, which argues for measures to increase spending.&quot;</strong> -- Olivier Blanchard, IMF Chief Economist¹¹</td>
<td><strong>&quot;We are strongly committed to low inflation and, in the current environment, believe that maintaining single-digit inflation and reducing it gradually in the medium term is essential.&quot;</strong> -- IMF Stand-By Arrangement loan for Georgia¹⁴</td>
</tr>
</tbody>
</table>

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**World Bank**

The institution responded to the global financial and economic crisis by assisting countries to respond to, and recover from the 2008 downturn. The support included infrastructure to create jobs, safety nets for poor, agriculture to support small farmers and microfinance to help small and micro enterprises (IEG, 2012).

During the Fiscal Year of 2009, a period marked by the sudden onset of the global financial crisis, the World Bank Group committed USD 12.5 billion to the CEE/CIS region; this represents 58% increase from 2008 (World Bank, 2009j). The funds designated to improve productivity in the private sector; to train qualified and skilled workforce, to support some projects in health care and education, to improve public administration, to strengthen legal and judicial systems, and implement economic infrastructure programs. The top borrowers were Poland (USD 2,550 million) and Hungary (USD 1,400 million).

In response to emergency requests to address the financial crisis, the World Bank (2009) approved financial support to a number of the CEE/SEE countries to help improving business environment, preserving jobs, promoting institutional structural reforms and open trade policies, and supporting social sectors (Matrix 3\(^\text{15}\)).

According to the report (2009g), in 2008 the World Bank has increased support and lending for gender-related issues in developing countries in order to improve women’s social and economic conditions. The report says that gender issues informed the design of 45 % of all lending operations in fiscal year (FY) 2008 – from July 2007 to June 2008 compared to 35 % in fiscal year FY06. Yet, as of October 2009, the World Bank has not made the gender assessment of the lending aimed at mitigating the impact of the global crisis in the CEE/CIS region.

This paper indicates that the World Bank in the CEE region still pushes radical reforms of the health care and education sector, which have negative consequences for women’s right to equal access to these services and their affordability. On the other side, the World Bank has directed funds to a number of countries to enhance social protection (for example, to Bulgaria and Serbia). However, it is little is known about how the money for social protection are being allocated and spent.

In Bulgaria, trade unions warned that the World Bank’s assistance to improve social protection may fail due to a number of detected

\(^{15}\) Empty cells in the table indicate lack of information.
shortages in the accompanied assistance plan. For example, women are not detected as a vulnerable group. The Bank’s support to the privatization of the Energy Distribution System Operator would have negative effects on families’ livelihood and majority of population due to the lack of corporate responsibility and increasing prices.

Montenegro has received an economic stimulus package (ESP) for supporting a broad social care program targeting the most vulnerable groups, particularly children, persons with disabilities and Roma. It focused on assisting their access to health care and social protection. Besides, the ESP was aimed at establishing Fund for subsidies for working surplus, improving data collection on vulnerable groups, and adjusting the level of wages in public sector and pensions with the level of inflation. The ESP provided USD 26.37 million for the health care system. The assistance was also given to the project for stimulating self-employment and starting businesses for vulnerable groups, and for subsidies to the most vulnerable households for paying electricity.

Serbia has received the assistance aimed at supporting the government’s structural reform program, including development of the private and financial sector. The assistance was conditioned by providing reforms of public expenditures by cutting allocations to the “big public consumers”: pension fund, health care and education sector (EMportal, 2009c): This condition meant lowering gained social rights of many, including their access to health care and education.
Matrix 3. *World Bank assistance in 2008-2009 to mitigate the impact of the global economic crisis*

<table>
<thead>
<tr>
<th>Country</th>
<th>In USD million</th>
<th>Purpose</th>
<th>Suggestions to the national governments</th>
<th>Challenges from human rights and gender perspective</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bulgaria</td>
<td>200</td>
<td>To enhance social protection</td>
<td>Trade unions warned to the lack of the attention to social protection issues</td>
<td>Possible negative impact for women who need social assistance, as they are not detected as a vulnerable group</td>
</tr>
<tr>
<td>Hungary</td>
<td>1,400</td>
<td>Support the fiscal reform and financial stability programs, prepared as part of an international support package financed jointly by the IMF, the EC and WB</td>
<td>Support to pension reforms to improve the funding sustainability of the pension system and the payout design of the private pillar; Support to health sector to reduce costs and ensure access to health care.</td>
<td>Possible positive impact for women</td>
</tr>
<tr>
<td>Latvia</td>
<td>282,65</td>
<td>Strengthening the banking sector and maintaining long term financial stability</td>
<td>To strengthen financial and social sectors</td>
<td></td>
</tr>
<tr>
<td>Country</td>
<td>Policy Response</td>
<td>Notes</td>
<td></td>
<td></td>
</tr>
<tr>
<td>-------------------------</td>
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<td></td>
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</tr>
<tr>
<td>Poland</td>
<td>1,250 to support reforms in public finance management</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Albania</td>
<td>Partial Risk Guarantee for the privatization of the Energy Distribution System Operator</td>
<td>Privatization of the Energy Distribution System Operator may have negative impact on families’ livelihoods due to lack of corporate accountability and increasing prices</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bosnia and Herzegovina</td>
<td>Enhancing SMEs’ access to finance</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Croatia</td>
<td>To improve the competitiveness of Croatia’s Rijeka port, to meet growing traffic demand through public-private partnership</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Country</td>
<td>Region</td>
<td>Project/Program</td>
<td>Description</td>
<td>Risk</td>
</tr>
<tr>
<td>------------</td>
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<td>-----------------------------------------------------------------------------</td>
<td>----------------------------------------------------------------------</td>
</tr>
<tr>
<td>Montenegro</td>
<td>ESP</td>
<td>Social Care Program</td>
<td>targeted the most vulnerable groups, particularly children, persons with disabilities and Roma, focused on assisting their access to health care and social protection. Increased allocation for social protection.</td>
<td>Risk not to implement fully social care plans due to limited resources and fiscal constraints. Women are not detected as a vulnerable group.</td>
</tr>
<tr>
<td>Serbia</td>
<td>46</td>
<td>To support the government’s structural reform program, which includes efforts to develop private and financial sectors.</td>
<td>Reforms of the public sector, including cuts of expenditures for pensions, health care, education and subventions to agriculture</td>
<td>Risk of decreasing gained social rights of many, particularly old, ill, poor and retired persons. Less subsidies for small rural households and female-headed households.</td>
</tr>
<tr>
<td></td>
<td>393.5</td>
<td>Corridor X Highway Project</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
European Bank for Reconstruction and Development

European Bank for Reconstruction and Development (EBRD) has played an important role in assisting the CEE/SEE countries to respond and plan for a sustained recovery from the financial crisis\(^\text{16}\). In the aftermath of the global crisis of 2008–2009, the EBRD cooperated with other IFIs in investing and policy dialogue to support the region (EBRD, 2010).

EBRD has supported national ESPs mainly by helping business to get credits and financing SMEs (Matrix 3). A Joint Action Plan, agreed in 2009, by the EBRD, the World Bank Group and the European Investment Bank eventually delivered more than EUR 33 billion in funding for eastern European banks to onlend to businesses.

It was succeeded by other initiatives such as the November 2012 ‘Joint IFI Action Plan for Growth Central and South Eastern Europe’.

European Union

The relation of the CEE/SEE countries with the European Union differs with respect to the level of their integration and communication with the EU space. The status of the country defines the areas and modalities of support, and the instrument of financial assistance for the non-EU countries. The EU’s respond to the global economic crisis was based on the common strategies by reforming the financial system, supporting the real economy, providing jobs and promoting global recovery.

The European Economic Recovery Plan (Commission of the European Communities, 2008b) has foreseen supporting the economic and social consolidation of the EU candidate countries and the SEE in the mutual interest of the EU and the region. To this end the European Commission put in place a USD 171.5 million “Crisis Response Package” leveraging an amount of USD 714.8 million in loans from IFIs. The other actions toward the neighbouring countries include creating more integrated regional market through free trade agreements.

To boost job creation and prevent high level of unemployment, the European Commission has developed the “Shared Commitment for Employment” (Commission of the European Communities, 2009) with key priorities and actions in this field. The document invoked developing more inclusive and open labour market, offering a more equal society and jobs that are responsive to age, gender equality and work/life balance. The document recognized that measures to ensure gender equality

should be reinforced as women more often than men work on the basis of precarious contracts or outside the formal labour market.

However, the assistance of the EU to its CEE member countries has been mainly focused to grant compatible aid to assist businesses to deal with the crisis (Matrix 4). The EU’s financial assistance to Romania was directed to reform the public wage and pension systems, with a demand to cut budgetary spending (European Commission, 2009e). As an exception, the EU provided to Hungary the Mortgage Support Scheme to support households who could fall behind on their mortgage payments. This aid had a social character and was provided on a non-discriminatory basis (European Commission, 2009f). Under the IPA, Serbia has got general budget support to ease the economic and social consequences of the crisis to the population.
Matrix 4: EU and EBRD to mitigate the impact of the global economic crisis (in USD million)

<table>
<thead>
<tr>
<th>Country</th>
<th>Amount of assistance</th>
<th>Purpose</th>
<th>Suggestions related to public sector</th>
<th>Challenges from human rights gender perspective</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bulgaria</td>
<td>EBRD 72</td>
<td>SME lending</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Czech Republic</td>
<td>EC Temporary Schemes</td>
<td>To grant reduced-interest loans</td>
<td>Aid of up to USD 740,000 per firm may be granted till the end of 2010 to businesses facing funding problems because of the current credit squeeze</td>
<td>Possible positive impact for increasing business opportunities for women and their access to loans, although they are not detected as a vulnerable group</td>
</tr>
<tr>
<td>Hungary</td>
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</tr>
<tr>
<td><strong>EC Mortgage Support Scheme</strong></td>
<td>Mortgage Support Scheme – to support households who could fall behind on their mortgage payments. The aid has a social character and is provided on a non-discriminatory basis.</td>
<td></td>
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</tr>
<tr>
<td><strong>EC Support package for financial institutions</strong></td>
<td>Support package for financial institutions</td>
<td></td>
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<td></td>
</tr>
<tr>
<td><strong>EC Temporary Schemes</strong></td>
<td>Temporary scheme to grant compatible aid to help business to deal with the crisis and reduced interest loans</td>
<td></td>
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<td></td>
</tr>
<tr>
<td>EBRD 290</td>
<td>Loan to banking system</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EBRD 145</td>
<td>SME lending</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EBRD 72</td>
<td>Loan to banking system</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Aid of up to USD 740,000 per firm may be granted till the end of 2010 to businesses facing funding problems because of the current credit squeeze</td>
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<td></td>
</tr>
<tr>
<td></td>
<td>Positive impact for livelihood of families</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>Possible positive impact for increasing business opportunities for women and their access to loans, although they are not detected as a vulnerable group</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Country</td>
<td>Program Details</td>
<td>Scheme Description</td>
<td>Possible Positive Impact</td>
<td></td>
</tr>
<tr>
<td>----------</td>
<td>---------------------------------------------------------------------------------</td>
<td>----------------------------------------------------------------------------------</td>
<td>--------------------------</td>
<td></td>
</tr>
</tbody>
</table>
| Latvia   | **EC Support Scheme for Banks**  
EC Temporary Schemes  
EBRD USD 145 million for banking sector | Balance of Payment Loan Support scheme for banks (European Commission, Latvian support for banks, 2008)  
Temporary scheme for subsidies state guarantees to boost real economy | The scheme allows the granting of subsidized guarantees for initial investment and working capital loans |
| Lithuania| **EC Temporary Scheme**  
EBRD 43.5 | Temporary scheme to grant compatible aid to help business to deal with the crisis and reduced interest loans  
Support to banking system | Aid of up to USD 740,000 per firm may be granted till the end of 2010 to businesses facing funding problems because of the current credit squeeze |

Possible positive impact for increasing business opportunities for women and their access to loans, although they are not detected as a vulnerable group.
<table>
<thead>
<tr>
<th>Country</th>
<th>Scheme</th>
<th>Financial Assistance Loan</th>
<th>Balance of Payment Loan</th>
<th>Temporary Guarantee Scheme to Boost Real Economy</th>
<th>Loan to Support Banking</th>
<th>Loan to Support Oil and Gas Company</th>
<th>SME Lending</th>
<th>For Banking Sector</th>
<th>Budgetary Spending Cuts</th>
<th>Reforms of the Public Wage and Pension Systems</th>
<th>Risk to Increase Women's and Other Marginalised Groups' Vulnerability to Poverty</th>
</tr>
</thead>
<tbody>
<tr>
<td>Romania</td>
<td>NB</td>
<td>7,180</td>
<td></td>
<td>Temporary guarantee scheme to boost real economy</td>
<td></td>
<td>Loan to support banking</td>
<td>Loan to support oil and gas company</td>
<td>SME lending</td>
<td>For banking sector</td>
<td>- Budgetary spending cuts</td>
<td>- Reforms of the public wage and pension systems</td>
</tr>
<tr>
<td>Slovakia</td>
<td>NB</td>
<td>54</td>
<td></td>
<td>EC Temporary Scheme</td>
<td></td>
<td>EC Temporary Scheme</td>
<td>EC Temporary Scheme</td>
<td>EC Temporary Scheme</td>
<td>EC Temporary Scheme</td>
<td>- Budgetary spending cuts</td>
<td>- Reforms of the public wage and pension systems</td>
</tr>
</tbody>
</table>

Possible positive impact for increasing business opportunities for women and their access to loans, although they are not detected as a vulnerable group.
<table>
<thead>
<tr>
<th>Country</th>
<th>56</th>
<th>Under IPA, support the development of SMEs and provide investment in infrastructure in transport, environment and energy sectors</th>
<th>SME lending</th>
<th>Leasing</th>
<th>Possible positive impact for increasing business opportunities for women and their access to loans, although they are not detected as a vulnerable group</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bosnia and Herzegovina</td>
<td>EBRD 43</td>
<td>Leasing</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Croatia</td>
<td>EBRD 145</td>
<td>Loan to banking system and on-lending for SMEs</td>
<td></td>
<td></td>
<td>Possible positive impact for increasing business opportunities for women and their access to loans, although they are not detected as a vulnerable group</td>
</tr>
<tr>
<td>Serbia</td>
<td>EC 142</td>
<td>Under IPA, general budget support to ease the economic and social consequences of the crisis for citizens, and assist in the economic recovery</td>
<td>Short-term reform in public finance management</td>
<td></td>
<td>Possible positive impact for women, although they are not detected as a vulnerable group</td>
</tr>
<tr>
<td></td>
<td>EBRD 43</td>
<td>SME lending</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>EBRD 21,7</td>
<td>Leasing</td>
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NATIONAL POLICY RESPONSES TO THE CRISIS: IS HUMAN DIMENSION MISSING?

Where are the people?

According to the IMF Report (2009r), national authorities have planned a mix of policies to preserve and/or expand protection of poor households, including conditional cash transfer programs, housing utility allowances, labour intensive infrastructure projects and unemployment insurance. However, a little was reported about the realization of these verbal commitments. In contrary – evidence suggests that countries who have made the SBA with the IMF have adopted legal changes that decreased gained labour rights (as Hungary and Serbia). A number of countries which were not tied with the IFIs’ conditionalities improved legislation to mitigate negative effects of the economic crisis on employees (as Bulgaria, Poland and Slovakia).

Bulgaria offered financial support for companies that retain their workers by reducing working hours. In Serbia, incentive funds have been provided to export-oriented companies under the condition of keeping a certain number of employees; the Law on Labour has been changed by extending paid leave to prevent dismissal of workers. In the same time, the Serbian trade unions agreed to postpone the implementation of the General Collective Bargaining Contract and, thus, allow employers to avoid paying benefits to workers and contributions to pension fund and health care and unemployment insurance (Social Watch, 2008). In contrary to this practice, the Polish government has accepted the proposal of trade unions to gradually increase the national minimum wage to 50% of the national average wage, and recognized social benefit package as a resource of Labor Law. In Slovakia, the Government and trade union signed the Memorandum on cooperation in solving the impact of the financial and economic crises.

Although one of the objectives of the ESPs was introducing measures to cushion the impact of the global crisis on the population and to protect vulnerable groups, efficiency of these measures were at stake
due to lack of resources and fiscal space. The ESPs have been designated as emergency measures to deal primarily with major macroeconomic and fiscal problems, and providing emergency assistance to major national banks and businesses. The ESPs also provided for measures to prevent mass layoffs to stabilize domestic labour markets and to create new jobs, as in Bulgaria, Poland, Serbia, Montenegro and Croatia. However, the focus was much more on enhancing the macroeconomic stability and economic growth than on safeguarding economic rights. In Latvia, wage cuts in the public sector have been undertaken after years of very rapid economic growth to help restoring competitiveness and secure public debt sustainability. Bosnia and Herzegovina took a similar approach. Cuts in a generous system of entitlements were also necessary in Hungary to address fiscal sustainability concerns (IMF, 2009r).

By a rule, adopted measures neglected the call of the ILO on decent work response by embracing the *Global Jobs Pact* (ILO, 2009). There are only few good examples of opposite practice. Poland has adopted legislation that covered issues such as a 12-month working hours' settlement period, enterprise training funds, a 24-hour work cycle of flexible working hours, constraints on fixed-term employment contracts, as well as subsidized employment (Czarzasty, 2009). The Slovak anti-crisis package included guaranteeing the current status and legal protection of employees. The Government agreed not to amend the labor legislation at the expense of employees' employment conditions (Cziria, 2009).

National policy responses related to the agricultural sector have reflected big variations both in terms of policies and of specific priorities. The Macedonian Government has decided to cut and eliminate taxes for farmers with low incomes (Stojanovska, 2009). Yet, the anti-crisis measures for the agricultural sector were not gender sensitive, and they were not targeted to improve the economic position of rural women and ensure their equal access to resources and finances.

The CEE/SEE countries which have received financial injections from the IFIs (Bosnia and Herzegovina, Hungary, Latvia, Poland, Romania and Serbia) evidently lost free policy and fiscal space in developing anti-crisis policies. However, they have taken different measures to mitigate effects of the crisis in the social sphere.

Hungary and Serbia have continued to pursue further fiscal tightening by serious cuts in allocation for social services, cutting social benefits and the number of jobs in the public sector, including health care and education. These governments, obviously, ignored the report of the World Health Organization (2009) on the economic
benefits of investment in health, and on the importance of protecting health spending and making it more efficient and effective in the time of crisis. Poland and Bosnia and Herzegovina have developed more beneficial social welfare packages targeting the most vulnerable, though they lacked the resources for implementing their policies. Due to fiscal constraints, Bosnia and Herzegovina and Hungary have shifted from higher spending in favour of better targeting (IMF, 2009).

The national fiscal and social policies have been limited not only by the conditionalities imposed by the IFIs, but also by high budget deficits, low reserves, high debts, weak policy implementation capacity, and deficient social safety nets. However, some governments have adopted generous social protection packages, mainly due to coming elections in their countries. For example, the Albanian Government promoted a voter-friendly proposal to increase wages by 15% in the civil service, health and education sectors, and to increase pensions by 10–20%, while the IMF advised the opposite (Koci, 2009). The Croatian government promised to maintain the living standard of the most vulnerable, and stressed that there was no need for assistance from the IMF (Croatian Government, 2009a).

Gender perspective

Linkage with the transition period

Men and women may be affected differently because of gender-specific inequalities in labour markets and prevailing norms about men and women’s role in the economy and society (Dokmanovic, 2011). The notion that men are the ‘breadwinners’ of a family may lead to unequal treatment of men and women in terms of dismissal, social security entitlements and rehiring (Sperl, 2009). Women may therefore bear the burden of economic hardship–being the first to lose their jobs, or being forced to take on more work, or work longer hours when male breadwinners lose their jobs. Furthermore, women often constitute the majority of temporary, casual, seasonal and contract labourers, and low-skilled workers, unlikely to be covered by formal unemployment insurance or social protection schemes.

The structural adjustment programs in the SEE countries during 1990s and 2000s were based on the removal of all obstacles to international trade and foreign capital flow, prompt privatization of state-own and socially-own companies, labour market flexibility and
reduction of all social costs. The Governments embarrassed the same economic strategy that was based on a set of neoliberal policies advised by the Breton-Woods international financial institutions (IFIs).

The inter-linkages between building market economy and women’s position in the region are evident (Dokmanovic, 2008). Macroeconomic strategies have focused on economic growth and price stability rather than on ensuring the population enjoyment of human rights. This resulted in macroeconomic policies that were gender-blind and socially insensitive (Dzumhur, 2007). A restrictive economic policy runs counter to the workers’ interests. Benefits of the economic growth are not evenly distributed, as well as the resources are not equally accessible by all (Dokmanovic 2007). Within economic and social context that has eliminated barriers to exploitation and discrimination, women were, in general, apparently more often losers than winners of the transition (Dokmanovic 2002; Ruminska-Zimny, 2002). They were more than men vulnerable to negative effects of economic restructuring. As a consequence, there was a strong tendency of worsening of economic and social status of women due to the following reasons (Dokmanovic, 2008):

- Strengthening patriarchal societal structure – The increased influence of the church and religion in all countries has contributed to strengthening patriarchal values which has contributed to strengthening traditional gender roles within a family and the society. Moreover, various forms of inequalities and prejudices against women increased during the transition period, including misogyny in the media and high level of gender stereotyping in textbooks and curricula.

- Women’s social exclusion and marginalization – Thankful to introduced gender quota, women’s representation in the parliaments has slowly increased; still, women are underrepresented in decision making positions at all levels, particularly at the ministerial level (Tables 5 and 6). The percentage of seats in the parliaments held by women in 2008 ranked from 7.1 % in Albania, to 31.7 % in FYR Macedonia17). By a rule, women are excluded from the process of shaping macro-economic policies and measures.

- Despite the *de iure* adoption of many of the *acquis* and the international standards of gender equality, *de facto* they are not fully respected. The principle of gender equality is widely acknowledged, but implementation lacks behind.

17 11.1 % in Montenegro, 11.9 % in Bosnia and Herzegovina, 20.9 % in Croatia, 21.6 % in Serbia. Source: Inter-parliamentary Union Web site http://www.ipu.org
Lack of available gender disaggregated official data and statistics.
Lack of comprehensive and holistic national policy responses aimed at empowering women and ensuring *de facto* gender equality.
Lack of the recognition of the gender dimension of structural adjustment, privatisation, labour market, unemployment, poverty, governance, external debts, etc. All these phenomena have gender dimension due to their different impact to the position of women and men in a society and family (Dokmanovic, 2002).

In the transition countries, women absorbed the shock of the ‘economic therapy’ and shrinking social role of the state by intensifying their unpaid work within a family and household.

As a consequence, women in the CEE/SEE countries experienced increasing personal, economic and social insecurity (Dokmanovic, 2004). Rural women, old women, women with disabilities, minority women, Roma women, illiterate women, and self-supported mothers have been among the groups the most vulnerable to economic and social turbulences. Their social insecurity has been enhanced by:
- Cuts in social services and public spending to health care, child care, family care, subsidies, etc. that abolished free or low costs services in these sectors
- Decreased budgetary support to underprivileged;
- Increasing feminisation of poverty;
- Increased living costs;
- Decreased quality of health care;
- Unfriendly reforms of social security and pension systems;
- Privatisation of services (health care, kindergartens, gerontology centres, etc.) that made them expensive and non-accessible to majority of families.

The economic transition dramatically increased the number of women who lost their jobs. For example, in 1989, the level of the labour participation in Albania was 85 % for women and 94 %; during transition period this rate decreased to 50–60 % for both sexes. In rural zones, more than half of the households (57 %) did not have access to the running water, lacked electricity or/and financial means to afford electronic household devices. The government expenditure on health care has consistently decreased from 4.2 % of GDP in 1993 to 2 % in 2000. In addition, social insurance coverage was very low and benefits were negligible (Dokmanovic, 2008).
Majority of vulnerable groups of women have suffered from poor health and low standard of living. Therefore, they emphasised the quality of life, health security and violence as their major problems, while their participation in politics was of secondary concern (Djuric Kuzmanovic, 2002). Women have been particularly at risk from intersectional discrimination on the grounds of age, ethnicity, disability, pregnancy, marital status and sexual orientation.

The response of the States to the worsening position of women during transition was weak and inadequate. Due to the commitments to harmonise legislation and policies with the international\(^{18}\) and the EU standards, all countries have developed laws, policies and mechanisms for advancement of women. The election laws have set gender quotas aimed at enhancing women’s political participation, while women’s concerns at the labour market have been integrated into the Poverty Reduction Strategy Papers (PRSPs).

Despite these achievements, *de facto* gender equality was far from realisation. The Governments have considered women’s and gender issues as a low priority. This attitude remained same in 2008 and beyond.

**Impacts to women’s position and gender equality**

As economic policies have never been gender neutral (Dokmanovic, 2012; Dokmanovic, 2003; Dokmanovic, 2002; Dokmanovic, 2002a), this is also related to the anti-crisis policies implemented in the respective countries to cushion the impacts of the global financial and economic turmoil. The anti-crisis measures have replicated ‘economic receipts’ from the transition period.

National anti-crisis measures, by a rule, included shrinking budgetary spending for social safety nets. In Hungary, the national response to the crisis included cutting pensions, public sector bonuses, maternity support, mortgage subsidies, energy subsidies and public transport subsidies, reducing childcare support, childcare benefits and assistance to young couples with children (Social Watch, 2009).

The lack or decline of public services have further increased women’s workload as they have had to make up for the declining in such services. Gender inequality has increased, as the governments often curb public expenditure for low-income groups of population (Baroni, Dokmanovic, Tisheva & Sikazwe, 2009).

\(^{18}\) All countries in the region are the State Parties to the United Nations human rights treaties, including Convention on Elimination of All forms of Discrimination against Women.
In Poland, the decrease in family incomes due to the economic crisis caused pauperization of whole social groups, particularly among the lower and middle classes. According to some analysts, crises additionally amplify the informal sector in the Polish economy, as many, especially small entrepreneurs, try to minimize labour costs, taxation and other costs associated with formal employment. Subsequently, the growth of the informal economy affected women more than men, as they were more often engaged in low paid jobs, especially in the private service sector including retail. Other gender equality issues are the shrinking of the highly feminized garment sector and limited labour market mobility due to higher housing rental costs, especially in small towns in economically depressed areas.

Slovakia has experienced deep job losses as a result of the crisis despite earlier predictions that the country would practically be unaffected. In April 2009, according to official estimations, there were over 30,000 job losses. In these conditions, discrimination against women in the labour market deepens.

In Bulgaria, NGOs and trade unions do not agree with governmental fiscal policies calling for a reduction in social expenditures as a response to the financial crisis. Social investments were already scarce since the beginning of the currency board arrangement. Any further reduction could put the country’s social peace at risk. Unemployment is on the rise and will affect mainly young people with no employment history, low skilled workers, elderly workers, people with disabilities and women.

In Serbia, trade unions have accepted the government’s proposal to postpone the implementation of the Collective Bargaining Act and to delay some of employers’ financial obligations towards workers, including paying off of benefits to workers, “to assist private sector to get out of the economic crisis” (Drakulic and Dokmanovic, 2012). Workers’ rights and social rights are unambiguously violated under the excuse to maintain economic stability, while big companies have complete freedom of action to refrain from paying taxes, salaries and other benefits. Cuts in pensions, education and health care, as demanded by the SBA with the IMF, have additionally aggravated women’s fragile economic and social status.

Few governments have addressed the specific need of women in their social programming. The gender-aware component in the CEE countries may be found in the Polish Anti-crisis Package, which introduced flexible working hours as a way of reconciling family and work responsibilities. The package offered social support to less affluent families and increased social welfare benefits for working women.

Although the International Bill on Human Rights and the Convention of the Elimination of all Forms of Discrimination of Women...
(CEDAW) guarantee equal participation of women and men in all spheres of public life, including in politics and decision making (Dokmanovic, 2011), women are still underrepresented in these spheres in all countries. The more powerful positions, the fewer women present; due to this discriminatory practice, very few women have take part in drafting and adopting anti-crisis programs as members of the government in the respective countries (Table 5 and 6).

Table 5: Government ministers by country, sex and % of total for both sexes in 2008

<table>
<thead>
<tr>
<th>Country</th>
<th>Female</th>
<th>Male</th>
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<tbody>
<tr>
<td></td>
<td>Government ministers</td>
<td>% of total for both sexes</td>
</tr>
<tr>
<td>Albania</td>
<td>2</td>
<td>11,8</td>
</tr>
<tr>
<td>Bosnia and Herzegovina</td>
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<tr>
<td>Bulgaria</td>
<td>4</td>
<td>22,2</td>
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<tr>
<td>Croatia</td>
<td>3</td>
<td>20</td>
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<tr>
<td>Czech Republic</td>
<td>3</td>
<td>18,8</td>
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<tr>
<td>Estonia</td>
<td>3</td>
<td>21,4</td>
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<tr>
<td>Hungary</td>
<td>2</td>
<td>12,5</td>
</tr>
<tr>
<td>Latvia</td>
<td>4</td>
<td>21,1</td>
</tr>
<tr>
<td>Lithuania</td>
<td>2</td>
<td>15,4</td>
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<tr>
<td>Montenegro</td>
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<td>Poland</td>
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<tr>
<td>Romania</td>
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<tr>
<td>Serbia</td>
<td>5</td>
<td>20,8</td>
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<tr>
<td>Slovakia</td>
<td>1</td>
<td>6,2</td>
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<tr>
<td>FYR of Macedonia</td>
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</tr>
</tbody>
</table>

Source: UNECE Statistical Division Database
Table 6: Government ministers by country, sex and % of total for both sexes in 2009

<table>
<thead>
<tr>
<th>Country</th>
<th>Female</th>
<th>Male</th>
<th>% of total for both sexes</th>
<th>% of total for both sexes</th>
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<tr>
<td></td>
<td>Female</td>
<td>Male</td>
<td>% of total for both sexes</td>
<td>% of total for both sexes</td>
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<tr>
<td>Albania</td>
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<td>17</td>
<td>5,6</td>
<td>94,4</td>
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<td>Bulgaria</td>
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<tr>
<td>Croatia</td>
<td>1</td>
<td>15</td>
<td>6,2</td>
<td>93,8</td>
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<tr>
<td>Czech Republic</td>
<td>3</td>
<td>13</td>
<td>18,8</td>
<td>81,2</td>
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<td>Estonia</td>
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<td>12</td>
<td>7,7</td>
<td>92,3</td>
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<tr>
<td>Hungary</td>
<td>..</td>
<td>15</td>
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<td>100</td>
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<tr>
<td>Latvia</td>
<td>3</td>
<td>13</td>
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<td>81,2</td>
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<td>85,7</td>
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<td>Montenegro</td>
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<td>Poland</td>
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<td>Romania</td>
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<td>Serbia</td>
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<td>Slovakia</td>
<td>2</td>
<td>14</td>
<td>12,5</td>
<td>87,5</td>
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<td>FYR of Macedonia</td>
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Source: UNECE Statistical Division Database

The process of drafting and preparing national anti-crisis policies and measures has not been inclusive and participatory. There was no evidence found that women (trade union activists, politicians, members of gender equality mechanisms, businesswomen, entrepreneurs, academics, gender equality experts etc.) were given a voice in the process. There was no evidence that women’s sections of trade unions participated in the social dialogue with the state. There was also no evidence found that
representatives of other vulnerable groups (such as Roma, rural women and persons with disabilities) have been included in the process.

The national responses to the world financial and economic crisis have been developed under the significant influence of the IFIs and the EU. The common characteristic of all ESPs is that they focus on saving national budgets by cutting the public sector spending, including for health care, education and social protection, instead of rethinking neoliberal mainstreaming and developing means to increase state revenues for social programming.

With regard to vulnerable groups in the society, which depend to a large extent on affordable essential services, and with regard to the next generation, this is a careless way of managing the crisis (Wichterich, 2009).

The synthesis study (Bettio et al. 2012) reported that even the EU response to the crisis was gender blind, although existing guidelines require policies coordinated at the EU level to be gender mainstreamed. The European Economic Recovery Plan made no mention of “gender”, “women” or “equality”. The “urgency” to respond to the crisis seemed to have pushed gender mainstreaming further down the priority list. Many documents even failed to present gender-disaggregated statistics. The study concluded that the missing gender dimension was not simply a presentational concern, but rather symbolic testimony to a low sensibility towards this issue.

Despite evident gendered impacts of the crisis, the national responses were gender-blind. They failed to address gender-specific constraints and to assess their anti-crisis packages from a gender perspective. Women’s specific vulnerability to economic turmoil at the labor market has not been addressed.
CONCLUSION

During the transition to the market economy, under the pressure of the IMF and World Bank, and under the programs of structural adjustments, the governments in the region embraced the neoliberal paradigm. As such, they fostered privatization of health care, child care and other public services. As a result, the quality of social and health care services decreased while prices went up. Further pressures for fiscal austerity by the IFIs decreased fiscal space and privatized existing social safety nets. While wealthy can pay for care services, elderly and low income families who require socialized care system have become extremely vulnerable.

The national responses in the region to the global crisis have been focused on saving of the banking system and big capital, and socializing of risk for wealthy while privatizing of risk for the majority. They perpetuated the separation between the production and the sphere of social reproduction.

The study shows that governments with the same macroeconomic fundamentals and similarly limited fiscal space nevertheless have adopted different policy mixes which also differentially had different effects to social groups. In addition, the IFIs, whose prescriptions have to a large extent shaped the degree of fiscal space in which governments could operate, have responded to appeals for standby lending from the countries in the region in very different ways. Some governments have adopted generous social protection packages, mainly due to coming elections in their countries.

The governments in the CEE/SEE countries have missed to assess the impacts of their anti-crisis policies and measures both \( \text{ex ante} \) and \( \text{ex post} \) from the standpoint of human rights and gender equality. Majority of the countries have focused their efforts solely on rescuing their banking systems and industries with the assistance of the IFIs.

Rather than thinking about alternatives, green economy and fair patterns of production, trade and consumption, the ESPs reaffirmed the assumption that only the financial market and real economy create
value. The tremendous debt which the states have accumulated for the rescue of banks and industries lead to further cuts in social expenses, reduction and privatization of public services.

The further cuts in public expenditure and declining family incomes made social services unaffordable for many families. The situation has stirred debates about the nature of welfare and health care reforms.

Women have entered the post-crisis period with a heavier burden of unpaid work in a family and with more difficult access to decent jobs and social services. Their rights have not been protected, as demanded by the Convention on the Elimination of All Forms of Discrimination against Women and other international human rights covenants.

Both the national responses to the global crisis and the international assistance present gender-unaware, business-as-usual approaches including a further deregulation and liberalisation of markets and trade as solutions to dilute the crisis. The official assistance in programming and funding was focused on saving the banking system and the profit-oriented, neoliberal economic model that have caused the eruption of the global financial and economic crisis. Social sustainability, empowering vulnerable groups and ensuring equal access to social services were out of the attention of policy makers. The lack of reference to the state’s economic and social rights obligations suggest that they are seen as derogable in times of crisis.

Integrating gender equality into macro-economic policy priorities is critical not only to ensure that women realize equally the right to food, health, education and decent work, but also because, eliminating the gender gap in socio-economic opportunities means improved well-being for families and communities as well as better performing economies.

Cuts in social spending, health care, social protection and education contributed to increasing feminisation of poverty and undermined achievement of the MDGs. While infrastructure construction tends to provide jobs primarily for men, the kinds of infrastructure constructed, including schools, clinics, rural markets and even roads to reach these new facilities also benefit women, including those who will work in them. To increase women’s access to decent work and livelihood opportunities as well as avoid the repeated reliance on women’s unpaid labour to manage household survival strategies, it is crucial to investigate how each aspect of the response impacts on women and ensures gender-specific targeted investments, either through public spending or incentives to private businesses (Ünal, Dokmanovic and Abazov, 2010). In most countries, women’s groups and national women’s machineries have not been involved in the process of developing ESPs, although it is of particular
importance to have full and equal participation of women and men in shaping their society.

The gender analysis of the crisis and of policy responses in the region was heavily constrained by the lack of gender disaggregated data. Such data is essential to be able to design gender-differentiated policies that can address the needs of women and men adequately.

The obligation of States to mitigate negative impacts of the economic policies to population and to pay special attention to the vulnerable groups, including women, must be prioritized in their future responses to possible economic turbulences. This obligation is also relevant to other duty bearers, as the IFIs, and business sector.

It would be also important to regularly monitor and evaluate the effects of the implemented policies and measures, and this is a missing link in all respective countries.

The artificial separation of the real economy and the sphere of social reproduction still persist. The governments must put more efforts to comply with their commitments to protect and safeguard international standards of human rights, women’s rights and gender equality. There is a strong need for inclusion of gender perspective and gender components in the national ESPs, economic, social and development policies. The reverse effects of the national anti-crisis responses to the enjoyment of the basic human rights should be an important lesson learnt for future.


47. Dokmanovic, M. (2015). Neophodnost tranzicionog zaokreta Srbije ka potrebama ljudi, zajednice i države. *XXII naučni skup me-
dunarodnog značaja Udruženja Tehnologija i društvo – Tehnologija, kultura i razvoj, zbornik radova (str. 138–152), Beograd: Udruženje Tehnologija i društvo.


Policy Responses to the Global Financial and Economic Crisis


Internet sources


Information about the EU’s response to the economic and financial crisis: http://ec.europa.eu/financial-crisis/index_en.htm


SUMMARY

The study assesses the impact of the emergency anti-crisis policy measures introduced by the governments of the countries in the CEE/SEE region in 2009 on the human development trends and the position of women.

In the previous year, the region was hit by the global financial and economic crisis in the time when it has just begun recovering from the shocks of the transition reforms. When the crisis arrived, the national economy, financial and banking systems remained quite fragile and depended on western support, markets or access to the western capital and know-how. The CEE/SEE countries became highly integrated into the global economy and the global financial structures, and thus they were particularly hard hit by the breakdown of the financial and banking system. Their economies have experienced sharp decline in activities and business opportunities, increasing indebtedness, drastic changes in the labour market, and decline in social welfare and health care spending. Increasing unemployment and decreasing opportunities for many to find a source of income led to increasing poverty and social inequalities. The marginalised groups, such as women, migrants, persons with disabilities and the poor, have been most negatively affected by the global economic and financial crisis, as they have been most exposed to vulnerability and social exclusion, lacking ‘cushions’ to amortize economic turbulencies.

The analysis of the national policy responses to mitigate the impact of the global financial and economic crisis from human rights perspective indicates that there primarily focused on saving of the banking system and big capital, and socializing of risk for wealthy while privatizing of risk for the majority.

Rather than thinking about alternatives, fair patterns of production, trade and consumption, the economic stimulus packages reaffirmed the assumption that only the financial market and real economy create value. The tremendous debt which the States have accumulate for the
rescue of banks and industries led to further cuts in social expenses, reduction and privatization of public services.

The shrinking social role of the state and declining family incomes made social services unaffordable for many families. The situation has stirred debates about the nature of welfare and health care reforms. Thus, the economic and financial crisis stirred up the care crisis that was absorbed by women’s intensifying unpaid work within a family and household to manage household survival strategy. On the other hand, increased burden of the care work weakened the position of women in the labour market and their opportunities to find a job. The study concludes that the artificial separation of the real economy and the sphere of social reproduction still persist.

Both the national responses to the global crisis and the international assistance present gender-unaware, business-as-usual approaches including a further deregulation and liberalisation of markets and trade as solutions to dilute the crisis. Social sustainability, empowering vulnerable groups and ensuring equal access to social services were out of the attention of policy makers. The lack of reference to the state’s economic and social rights obligations suggests that they are seen as derogable in times of crisis.

The governments have missed to assess the impacts of their anti-crisis policies and measures both \textit{ex ante} and \textit{ex post} from the standpoint of human rights and gender equality. Majority of the countries have focused their efforts solely on rescuing their banking systems and industries with the assistance of the IFIs.

The obligation of States to mitigate negative impacts of the economic policies to population and to pay special attention to the vulnerable groups, including women, must be prioritized in their future responses to possible economic turbulences. This obligation that arises from the international human rights commitments is also relevant to other duty bearers, as the IFIs, and business sector.
EXCERPTS FROM REVIEWS

“The publication of Dr. Mirjana Dokmanovic Policy Responses to the Global Financial and Economic Crisis in the CEE/SEE Region is significant for several reasons: the conclusions and ideas contribute to deeper understanding of economic policy as an instrument of power that forms the quality of everyday living of each of us; because of the international significance of this topic, scope and comprehensiveness of the research; because of publishing in English, making it available to the wide international public of experts; it is also a useful text for postgraduate studies of economics, gender studies, European studies and other interdisciplinary and multidisciplinary studies; the study is also useful for economic policy makers, as it argues the importance of ex ante evaluation of policies and measures from the perspective of women and other marginalized groups”.

Prof. Emeritus Svenka Savić

“This monograph of Dr. Dokmanovic, written in English, is of international importance and will present a source of useful information for those who deal with CEE and SEE economies. In addition, the book is useful for domestic experts dealing with this issue particularly with respect to information how have some countries reacted to the crisis and what were the effects of the decisions adopted. Conciseness, clarity of presentation and a large number of quantitative indicators will make it interesting for a wider audience, too.”

Prof. Dr. Fuada Stanković

“It is worth noting that Dr. Dokmanovic recommends a number of measures to be taken to direct the governments in the region to protection of human rights, women’s rights and gender equality, as necessary prerequisites of drafting successful development policies. The study is outstanding contribution to the scientific overview of the global economic crisis on the economies and policies of CEE and SEE countries. It is a key link with the further development of research that would collect and analyze data on the respect of human rights, and on discrimination against women and on gender equality in the countries of the region.”

Dr. Lilijana Čičkarić
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DOKMANOVIĆ, Mirjana, 1957-
ISBN 978-86-531-0291-3 (ČŠ)

a) Економска криза - У свету b) Међународне економске организације c) Европа - Економска политика
COBISS.SR-ID 230478348