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BALKAN BAROMETER 2019

PUBLIC OPINION

Analytical report

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FOREWORD

Welcome to the fifth instalment of the Balkan Barometer, an annual survey of regional perceptions and attitudes across a wide array of social, political and economic factors impacting life in South East Europe (SEE). Over the past five years, the Barometer has become a signature product of the Regional Cooperation Council (RCC), helping both steer and evaluate our work in bringing the region closer together while also informing policy makers, businesses, academia, civil society organisations, media and others in SEE and beyond.

The Barometer was first created in 2015 to augment a statistics-dependant monitoring regime, designed to track the implementation of the SEE 2020 Strategy, with soft, perception-based indicators recording changes in popular opinion. Since its inception, the Barometer has witnessed a period of largely uninterrupted economic growth with some 748,000 jobs added to the six Western Balkans economies, alongside a gradual balancing of long-standing trade deficits, greatly improving the region's macroeconomic outlook.

This edition of the Barometer is **modestly optimistic**, and it shows growing support for EU membership with more than half of all respondents viewing EU accession favourably, a first since the Barometer's inception in 2015. Regional cooperation continues to be important to an overwhelming majority of respondents. Overall, the region has grown more positive both about its present situation as well as its outlook for the future, indicating a **growing level of confidence in the financial stability** of the six SEE economies.

Not all the news has been good, however. This past year has seen **mounting concern about outward migration**, further stoking anxieties about a shortage of skilled labour in domestic markets. Losses in human capital through emigration are exacerbated by low fertility rates in most of the region's economies and a growing discrepancy between the skills acquired in education and those demanded on the job market, with the latter especially prominent in this edition of the survey. To mitigate the adverse effects of "brain drain" on the region's economic prospects, SEE governments need to address this issue openly and proactively, all the while engaging with the EU, as the most common receiving labour market. **Emigration needs to be better harnessed for its developmental potential** through attracting more investment, enabling knowledge transfer and accessing technology currently not obtainable in the region. In parallel, the region's economies must devise viable coping strategies for how to address the widening gap between supply and demand on the already underperforming labour market while simultaneously managing **high inactivity rates, especially among women** – this requires a comprehensive and open debate across all six of the economies.

Hopefully, this year's Barometer will help start this discussion, and many others, through providing some insight into the SEE community's thinking.

As ever, we must acknowledge the contributions of this very community to the Barometer and this process, as without them the survey would not have been possible. Furthermore, I would like to extend my appreciation to the team that invested substantial effort, patience and time in administering the survey and creating this report; I hope you will enjoy reading it as much as we have enjoyed putting it together.

INTRODUCTION

The fifth edition of the Balkan Barometer represents another chapter in the continuous evolution of the region's foremost survey of public and business opinion. What started off as an attempt to measure impact of regional actions launched under the umbrella of the SEE 2020 Strategy process has now largely outgrown its monitoring role and is a recognised source of reliable regional data widely employed and referenced by media, civil society and decision makers alike.

Since its inception, the Barometer has undergone a series of changes in an attempt to reflect the rapidly changing regional landscape in a comprehensive and holistic fashion. The regular emergence of social and economic challenges, whether global or local, has seldom been unaccompanied by regional ripples and the Barometer has always been there to record their effects on the SEE community. In particular, the Barometer remains a valuable guide to frequently shifting attitudes towards integration, both at regional and EU levels, helping inform the work of policy makers and other interested regional stakeholders.

The RCC's work in introducing the SEE 2020 Strategy in 2013 was a major milestone, providing an enabling regional framework to augment and support economy-level efforts by participating governments while also serving as a rallying platform for all interested, and relevant, regional actors. The Barometer was introduced to help track progress in meeting the Strategy's ambitious objectives, providing subjective validation of statistical data supplied by the economies. With the Strategy scheduled to elapse in 2020, the Barometer is expected to serve a much broader range of purposes in the future, to include helping craft a post-2020 agenda that will be more in tune with the SEE community's immediate needs and interests based on five years-worth of data. This will, hopefully, help bridge the gap between decision makers charged with creating policy, and the communities they are mandated to serve, addressing, in the process, the shortage of confidence in democratic institutions, a defining feature of each and every Barometer to date.

There will still be a monitoring role for the Barometer, however. RCC will focus much of its energy in the coming period towards the implementation of the Multi-annual Action Plan for a Regional Economic Area in the Western Balkans (MAP REA), entrusted to RCC following the Trieste meeting of the Berlin Process. The process is expected to enable the unobstructed flow of capital, goods and services, as well as skilled labour, throughout the region, making it more attractive to investors, while accelerating convergence with the EU.

Furthermore, and in response to some existing concerns over government performance, efforts to enable region-wide improvements in good governance, rule of law and security has to be enhanced by RCC and other important players in the area. The most recent Barometer results are illustrative enough as to the importance of this investment: the judiciary is one of the least trusted public institutions; just under half of the region's population feel unsafe; and government performance continues to be perceived poorly across the region. While positive changes across all three areas rest largely on the willingness and capacity of internal actors, the similar history and background of the Western Balkans economies provides ample room for regional action, particularly related to capacity building, peer review, cross-border cooperation, sharing of good practices and increased mutual trust. It is important to note that even in this area the Balkan Barometer has become an integral part of the reference framework (Methodological Framework for the Principles of Public Administration: ENP Countries[1]) assessing the state of a public administration against each principle of public administration.

Finally, RCC is also an implementing agent for a number of regional interventions, projects that combine principles of regional cooperation with hands-on technical support, capacity development and, in select instances, grant assistance. With topics such as regional tourism, Roma integration, youth engagement and labour market governance, these projects will benefit greatly from data made available through Balkan Barometer process for both baseline and impact assessment purposes.

1 OECD (2018), http://www.sigmaweb.org/publications/Methodological-Framework-for-the-Principles-of-Public-Administration-ENP-Countries-May-2018.pdf

KEY FINDINGS

Satisfaction with the current state of affairs continues to grow, albeit at an unremarkable and uneven pace across the region. Overall, all economies apart from Albania and the Republic of North Macedonia have seen an increase in satisfaction, as measured by the Balkan Public Sentiment Index. Bosnia and Herzegovina, although witnessing an increase in satisfaction, still remains the region's gloomiest economy, while Serbia has seen a marked improvement in attitudes compared to the previous year. The Republic of North Macedonia recorded the largest decline in general satisfaction across the six economies surveyed.

In terms of the financial outlook, **the SEE community anticipates a period of relative stability** both at household and economy level, while optimists now outnumber the pessimists among those who expect to see change.

Unemployment and the overall economic situation remain the region's chief concerns although anxiety over the former has been downgraded over time but again to a widely differing extent when viewed by individual economy. **A lack of adequate work and nepotism** are once more listed as the two main obstacles to employment, with job creation again largely taking place in lower-paid industries. **Unemployment is also seen as the leading cause of social exclusion** in the SEE community. Meanwhile, **an increase in private versus public sector employment** bodes well for the region's economic prospects.

Brain drain is increasingly recognised as a problem across the region, with the exception of Kosovo*, where visa liberalisation (when it does happen) is expected to both depress unemployment and increase concerns with emigration.

Meanwhile, **nearly half of the region's population are unhappy with the security situation in their economy**, a concerning statistic and, hopefully, a call to action for the region's governments. In terms of investment priorities, **there is a growing acknowledgment of the need to invest in social infrastructure**, although industrial development still tops the list.

There is an incremental but encouraging improvement in perceptions of regional relations, while regional cooperation remains important to an overwhelming majority of respondents across SEE. **Encouragingly, backing for EU membership continues to grow at an accelerated pace** with this being the first survey instalment where **more than half of all respondents view EU accession favourably**.

After last year's surge in pessimism **there is renewed, though cautious, optimism pervading the region's prospects for EU accession.** Even though the percentage of extreme pessimists remains substantial, the decrease suggests that a growingly negative trend towards EU accession has been arrested.

Conditions in the labour market tend to greatly shape public perception with **low employment and high inactivity rates once more combining to paint a gloomy picture of the region**. Respondents overwhelmingly feel that merit-based considerations, such as education or experience, are routinely overlooked by employers in favour of personal contacts and connections – this represents a rising threat to labour market consolidation as it further exacerbates already high inactivity rates.

Willingness to work abroad has surged markedly in the course of one year, indicating a growing awareness of job opportunities outside of the respondents' own economy. Deeply held views on better job security and superior benefits are once more translated into a high respondent preference for public sector jobs; **working for a government institution is more than three times as attractive as being employed by a private business.** Nonetheless, the preference gap favouring public sector jobs has now shrunk for the third year running.

Encouragingly, and for the first time since 2014, a majority of respondents consider working hard to be the most important factor in getting ahead in life, though only by the slightest of margins.

Losses in human capital brought on by growing levels of emigration are looking increasingly difficult to offset, as foreign labour markets target highly skilled workers from the SEE economies. This problem is further exacerbated by a **notable discrepancy between the skills acquired in education and those demanded by the job market.**

Meanwhile, **public attitudes towards refugees and migrants have steadily improved**, although many in the region still view them unfavourably. Future sentiment towards refugees will likely depend on their number, as well as their intention to settle in the region or merely transit through.

Roma remain victims of deeply held prejudices in both social and professional settings and continue to be supported for affirmative action to a significantly lesser degree than other vulnerable groups. Disappointingly, more than a quarter of the SEE population are unwilling to work, or do business, with Roma people.

Even as the region continues to record air pollution mortality rates two to three times the European average[2], the **survey results show a concerning decline of interest in environmental pollution and climate change in general.** Conversely, and encouragingly, **there is a slight but significant increase in the number of environmentally conscious respondents** compared to previous years, likely a result of intensive advocacy efforts.

Governments continue to be graded poorly throughout the region. The feeling that laws are applied neither effectively nor equally remains deeply entrenched and this is illustrative of an overwhelming lack of confidence in the rule of law system across the region.

The citizens' relationship with public institutions continues to be characterised by a high degree of distrust that extends to all three branches of government. There is, however, **an increase in trust across all institutions since the previous edition of the Barometer**, illustrative of a broader, more positive trend.

Perceptions of corruption remain widespread in the region with efforts to bring the SEE community into closer alignment with relevant EU standards and practices bearing little fruit in the opinion of Balkan Barometer respondents.

Nonetheless, it's not all bad news as this year sees a **substantial decrease in the number of respondents who feel that their government -is not doing enough to curb corruption** – this indicates a greater level of engagement by the SEE authorities in combating corruption. In what has become an increasingly negative trend for the region's prospects for democratic development, **there remains little appetite for proactive participation in the work of government by the public at large.** Interestingly, the web is the only arena where the number of individuals engaging with governments has steadily grown.

2 *Pollution in the Western Balkans: State of the Art and Current Challenges - A Regional Overview* https://wedocs.unep.org/bitstream/handle/20.500.11822/27108/Pollution%20in%20the%20Western%20Balkans%20web%20version.pdf?sequence=2&isAllowed=y

REGIONAL OVERVIEW

The year preceding this instalment of Balkan Barometer has brought the SEE region a number of **important political, economic and social developments that shaped this year's public and business sentiments.** While economic growth seems to have continued unabated and one of the longest-standing bilateral disputes was resolved, the region has also witnessed certain negative developments in some of the bilateral relations and increased political and social uncertainties as evidenced also by resurfacing protest movements throughout the region.

The "Macedonia" naming issue, one of the longest running disputes in the region, was finally resolved after 26 years, removing a key obstacle for the Republic of North Macedonia Euro-Atlantic integration. The political polarisation in the months following the Prespa agreement has depressed the sentiments in the Republic of North Macedonia as recorded by this year's Balkan Barometer. With the return of relative stability and progress on the Euro-Atlantic integration path, the sentiments are expected to rebound, reinforced also by stronger forecasted growth.

Regional trade dynamics are facing challenges, exacerbated by long-standing or recently introduced bilateral trade barriers, limiting the benefits coming from the preferential treatment for goods exchanged within the region. The barriers in the regional trade deteriorated the trust and reconciliation efforts invested within the region.[3]

2018 has brought some new developments in the EU accession process. Albania and the Republic of North Macedonia finished the year hopeful that 2019 will bring the opening of accession talks with the EU, long overdue in case of the Republic of North Macedonia that was granted the candidate status in 2005. Bosnia and Herzegovina submitted the answers to the follow-up EU Questionnaire, while Montenegro and Serbia continued the negotiation process, with Montenegro opening 32 Chapters during accession talks and closing three, and Serbia opening 16 negotiating Chapters so far and closing two. Kosovo* has seen least progress in this area since the SAA came into force during 2016, with visa-free access to the Schengen Area still proving elusive, despite meeting the two remaining benchmarks from the Visa Liberalisation Roadmap during 2018.

Economically, the region has continued on its growth trajectory, with GDP figures, employment and export rates recording growth. GDP growth in the SEE region in 2018 has strengthened to an estimated 3.7 percent[4], the region's highest growth since the 2008 global financial crisis. All economies surpassed initial expectations and projections for 2018. Serbia was a regional leader with growth estimated at 4.4%, followed by Albania and Kosovo* that also achieved growth higher than 4%. Growth of Bosnia and Herzegovina and Montenegro was around the regional average, while the Republic of North Macedonia, after two years of stagnation mostly due to the political crisis, achieved progress and grew by a moderate 2.5%. Even though the growth rate of 3.7% may look solid, it is not much different from that of the EU New Member States (NMS) implying that the SEE economies need to accelerate growth if they are to converge with the EU average in a reasonable timeframe.

Growth has been driven by consumption and investments, especially public, with counteracting effects from higher (net) imports. Growth in Albania and Kosovo* was comprehensive, and supported by synergetic effect of public investments, consumption and net export. Manufacturing in these economies has picked up, export of services increased – which especially refer to tourism services in Albania, while public infrastructure investments have also underpinned growth. Serbian growth was supported by increased consumption, both private and public, and government investments, followed by revival and strong growth of construction sector. Growth in Montenegro was heavily supported by investments, both private - in energy and tourism sector, and public, particularly in Bar-Boljare road infrastructure. Similar pattern was followed in Bosnia and Herzegovina, while growth in the Republic of North Macedonia was underpinned by gradually recovered confidence among business sector and investors.

3 https://statistics.cefta.int/goods

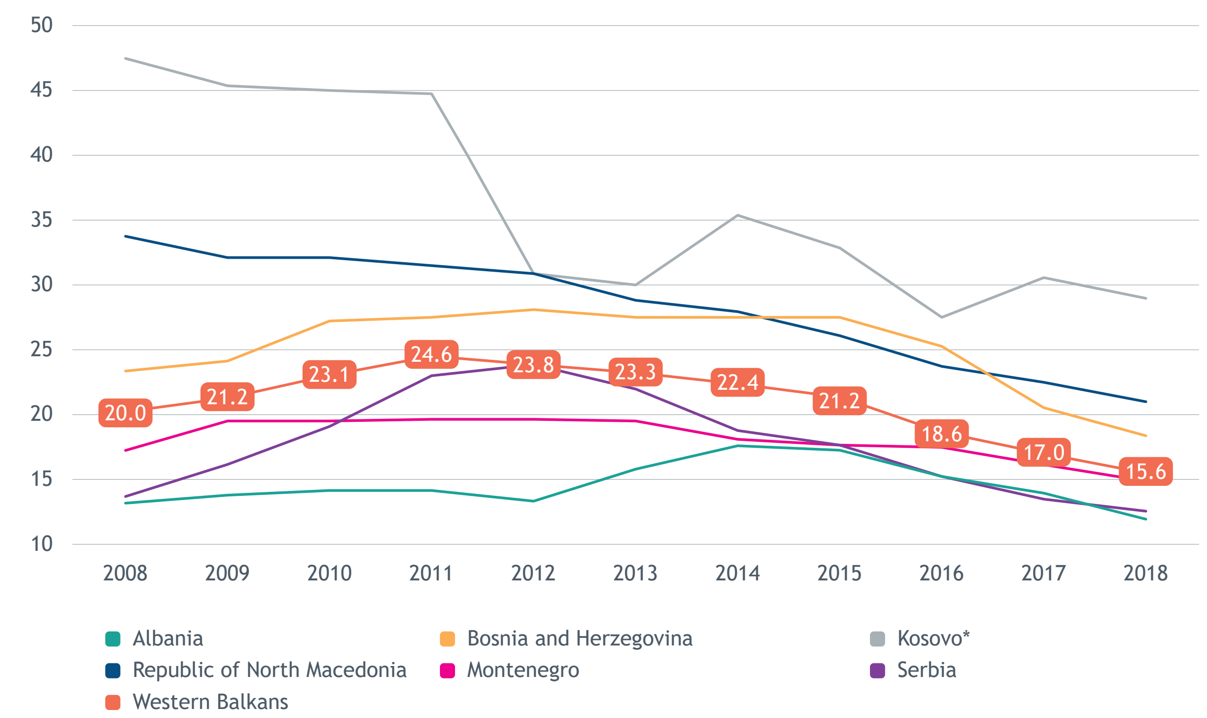
4 National accounts data obtained from statistical offices of the Western Balkans economies

While employment growth was impressive in the past several years, the growth seems to be slowing down. Unemployment in SEE is down to 15.6% in 2018 on average[5], ranging from 12.1% in Albania to 29% in Kosovo*. As share of the labour force, employment currently stands at its highest point in recent history. However, employment generation seems to be slowing down, with only 116,000 new jobs added in 2018, compared to 175,000 and 250,000 in the preceding two years. Further gains are needed to converge with the EU, where unemployment rate stood at 6.5% at the end of 2018. It should also be noted that unemployment rates in the SEE region are decreasing not only due to job creation, but also because of low activity rates (52.7% in 2017 compared to 73.3% in the EU) as well as increasing emigration of working age population. Achieving higher rates of activity and decent and productive employment is a key factor for enhancing sustainable economic growth and preventing social exclusion of almost 1.2 million unemployed SEE citizens still unable to find work.

Increased tax revenues, coupled with successful results of fiscal consolidations, have brought increased fiscal space that should be utilised to support sustainable socio-economic growth[6]. The SEE economies managed to decrease their fiscal deficits to levels that fulfil Maastricht criteria (average SEE fiscal deficit was 1.5% in 2018, compared to 4.1% in 2014). Increased fiscal revenues came as a result of tax reforms (raising multiple tax rates) and improved economic performance (which fuelled VAT and labour tax revenues). On the expenditure side, public investments in road and energy infrastructures are on the rise. However, beside public investments, that are still below required levels, increases in current expenditures - social spending, public sector wages, pensions and subsidies are also occurring. Although politically popular, with an immediate effect on consumption and GDP growth, untargeted current expenditures should be better managed, while surplus should be directed towards investments in transport, energy, digital and environmental infrastructure.

Higher export is also required for a more dynamic growth. Exports of the region have grown relatively strongly in the recent period (two-digit on average), with export of services playing an increasingly important role, but the imports have also started picking up. Trade imbalances

Figure 1: Unemployment rates in the Western Balkans - 2008-2018
(% of labour force, WB weighted average)



5 Regional weighted average based on available Labour Force Survey data

6 Ministries of finance and central banks of Western Balkans economies

are mainly financed by steady FDI inflows and stable remittance-inflows coming from the regions' growing diaspora. However, share of exports in GDP is still relatively low, and due to limited domestic market size and purchasing power of population, stronger growth in tradable sectors should be sought primarily in foreign markets. For this to happen, more companies - particularly domestic SMEs – will need to start exporting and integrating in global value chains. Integrative processes in such effort is a *sine qua non*, and the Multi-annual Action Plan for a Regional Economic Area provides a good path for the SEE firms to seek regional integration as a stepping stone towards global value chain integration.

Monetary trends are stable and supportive for investments, as both inflation and interest rates are low[7]. After some deflationary tendencies from 2014 to 2016, inflation in 2018 remains low but slightly closer to the EU's goal of 2%. Real monetary policy rates remain low, allowing for relatively cheaper financing. Low inflation can probably be owed to such factors as the low inflation in the EU, lower oil prices, and to some extent, suppressed demand resulting from post-crisis subpar economic performance and fiscal consolidation. With consumption picking up again, fuelled by increases in public wages and other social transfers to some extent, inflation might go up in the following period, but the overall risk of higher inflation remains low.

Banking sector is liquid and well-capitalised, seemingly recovering from non-performing loans - but stronger cooperation with business sector remains the challenge[8]. Non-performing loans shrunk to about only 6-7% of gross loans, and around 10% only in Bosnia and Herzegovina and Albania. However, credit activity with businesses is still only gradually recovering, as firms are traditionally cautious and generally not interested, if not necessary, to cooperate with banks, relying on retained profits. Only 27% of surveyed firms applied for bank loan in previous year, while majority of financing was provided from internal sources and family and friends. Building trust and partnership between banks and private, especially SME sector, is also an important factor for encouraging investments and enhancing competitiveness.

The **SEE economies need to continue implementing the remaining structural reforms, especially in the area of rule of law and good governance**, in order to mitigate the internal risks and problems that the economies of SEE face and to provide consistently enabling business environment. Particularly important are the reforms of the judicial systems, for they do not ensure adequate protections and enforcement of property rights. There is much the SEE economies should do here to narrow and eventually close the gap with their EU peers.

South East Europe should also speed up remaining transformation of its economies and build a friendlier environment for its businesses. Enabling fair competition and creating shared space of knowledge are among key tasks of the SEE governments. This implies addressing unresolved cases of state-owned and public enterprises, fighting grey economy – whose revenues still comprise more than 20% of regional GDP, creating equal conditions and chances for domestic entrepreneurs and foreign companies, removing entry barriers, making state aid programmes and public procurements more transparent, and providing better public services. Digitalisation efforts are a step in the right direction - and one of the best, as assessed by companies, governments' activities in previous years.

The region currently faces seemingly positive outlook, as the projections forecast continuation or even slight improvement in growth rates. Nevertheless, all economies share similar external and internal risks. External risks come from potentially anaemic economic performance of the EU - and especially the SEE's key partners, Germany and Italy, further tightening of the global trade disputes, and serious environmental concerns. Regarding internal risks and challenges the availability of educated and employable workforce stands out, as strong emigrational trends and low intra-regional mobility are still present. Growth in the region also heavily depends on regional political stability, a key determinant behind investors' confidence and private consumption.

7 Central banks of Western Balkans economies

8 Central banks and/or financial sector regulators of Western Balkans economies

BALKAN PUBLIC SENTIMENT INDEX

Balkan Public Sentiment Index (BPSI) designed originally to monitor changes in present sentiment and outlook over time was calculated for this cycle of the Balkan Barometer as well. As in the previous cycles of Balkan Barometer, BPSI is composed of the following five questions:

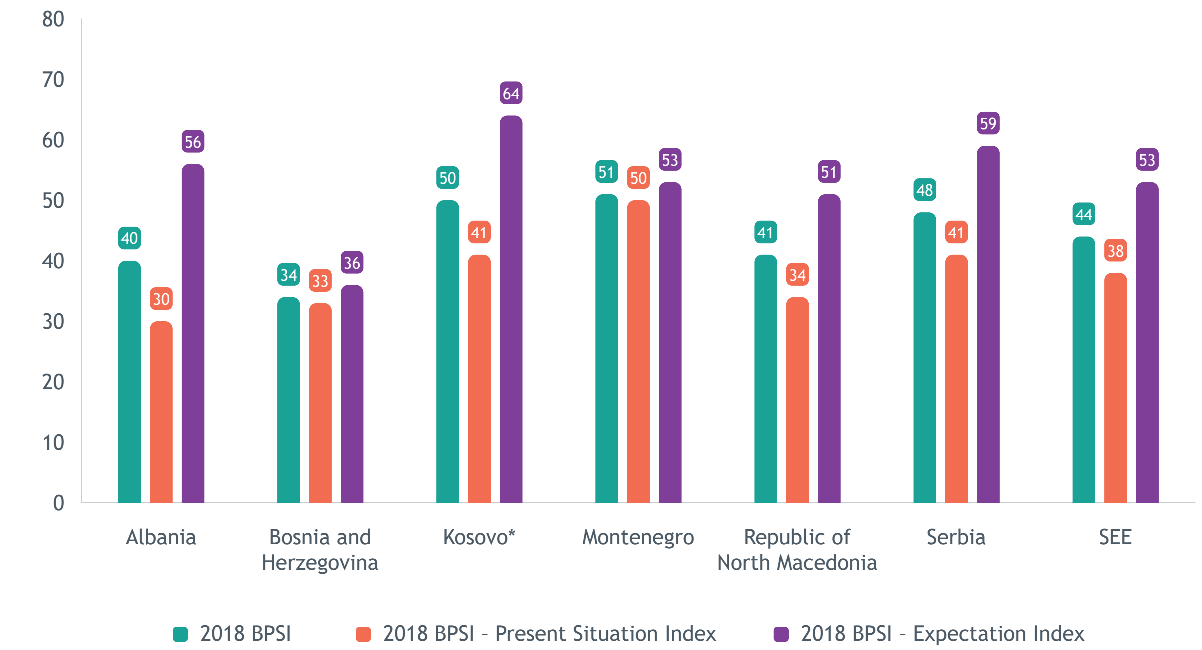
1. How satisfied are you with the way things are going in your society? (answers: 5 point scale)
2. How satisfied are you with the financial situation of your household? (answers: 5 point scale)
3. How satisfied are you with the economic situation of your society? (answers: 5 point scale)
4. What are your expectations for the next year? Do you think that in 12 months your financial situation will be better, worse, or the same?
5. What are your expectations for the national economy? Do you think that in 12 months' time the state of the economy will be better, worse, or the same?

BPSI represents a measure of the current state of affairs and expectations for the future regarding the general and economic situation in society, as well as the situation of individual households taking part in the survey. It is a measure that helps in monitoring changes over time at the SEE regional level, as well as at the individual economies' level.

The index is constructed with a five-point scale answers for Q1 to Q3 scored as follows: I'm completely dissatisfied - 0 points, I'm mostly unsatisfied – 25 points, neither satisfied nor dissatisfied – 50 points; I'm mostly satisfied – 75 points, I'm completely satisfied – 100 points. Answers for Q4 and Q5 are scored as follows: better – 100 points, worse – 0 points, the same – 50 points.

After responses are recoded, the average value is calculated for the entire SEE region, as well as for each economy separately. The index values are expressed on a scale from 0 to 100.

Figure 2: Balkan Public Sentiment Index
(Scores are on a scale of 0 to 100)

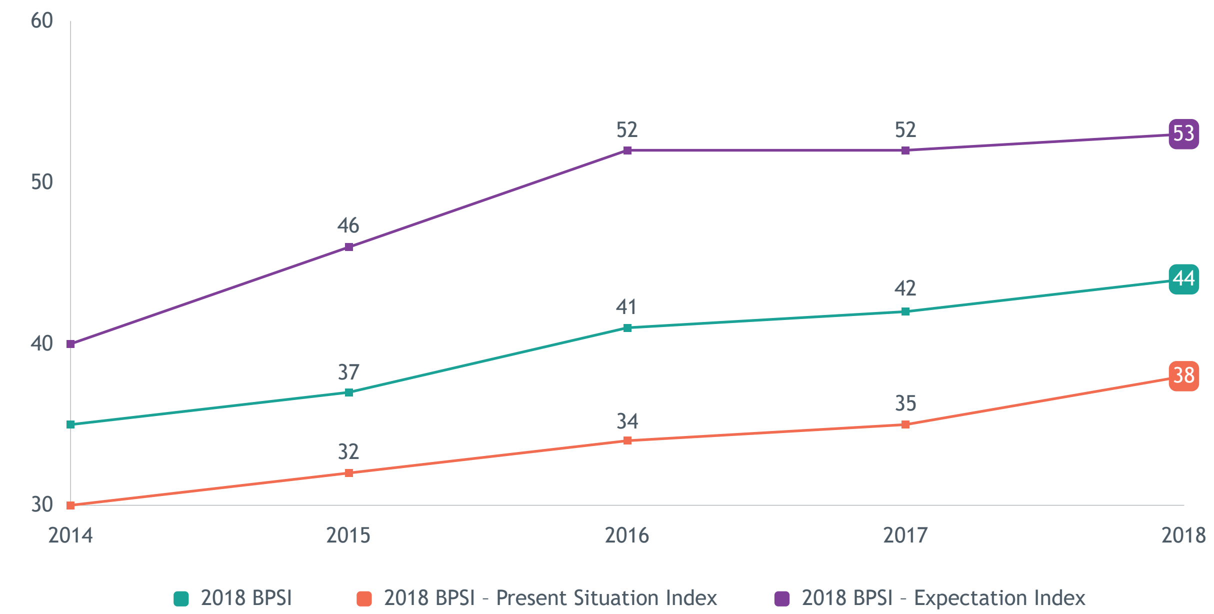


BPSI is further divided along two sub-indexes, BPSI – Present Situation Index and BPSI – Expectation Index, with the aim to separately monitor the present sentiment among the population, as well as their expectations for the future.

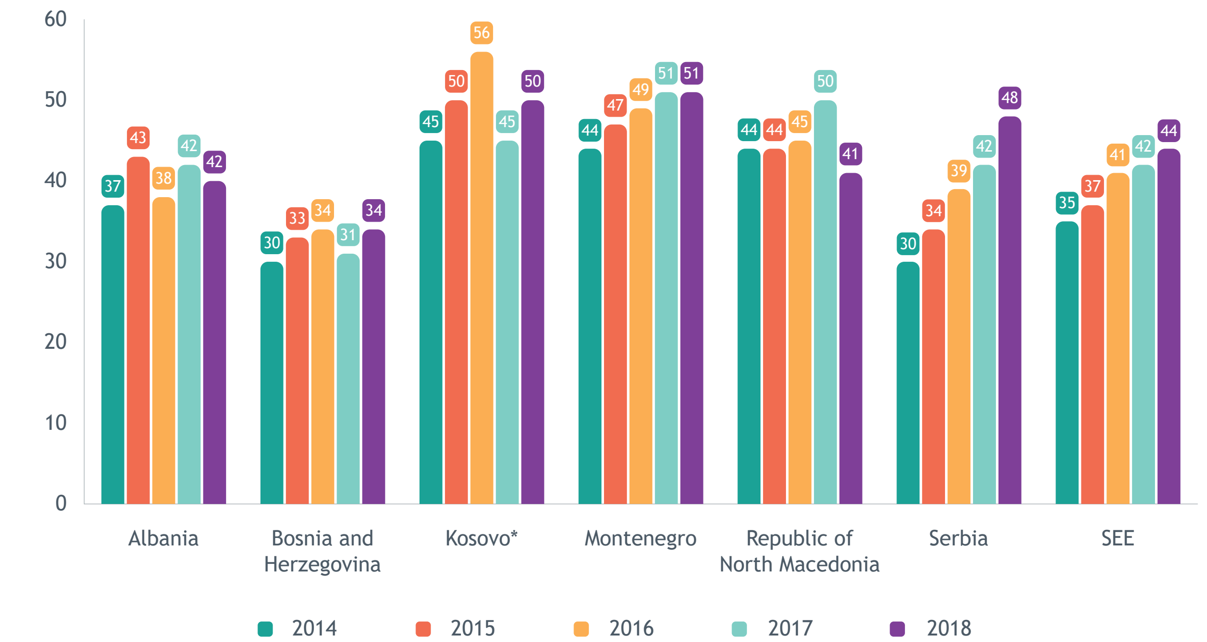
What follows are BPSI results for the present year, and comparison with the results for the previous cycles, both for the SEE region as a whole and for each economy separately.

The 2018 BPSI value at the regional level has seen only a slight increase over the previous year (44 in 2018 compared to 42 in 2017) and is still below the average. The expectation index traditionally shows a higher degree of optimism for the future compared to the respondents' assessment of the current state of affairs. This continues to be the case with this particular survey as well, where the value of the expectation index is substantially higher (53) than the present situation one (38), although this has been narrowing for the third year running.

Figure 3: Balkan Public Sentiment Index - comparison 2014/2015/2016/2017/2018
(Scores on a scale of 0 to 100)



BPSI

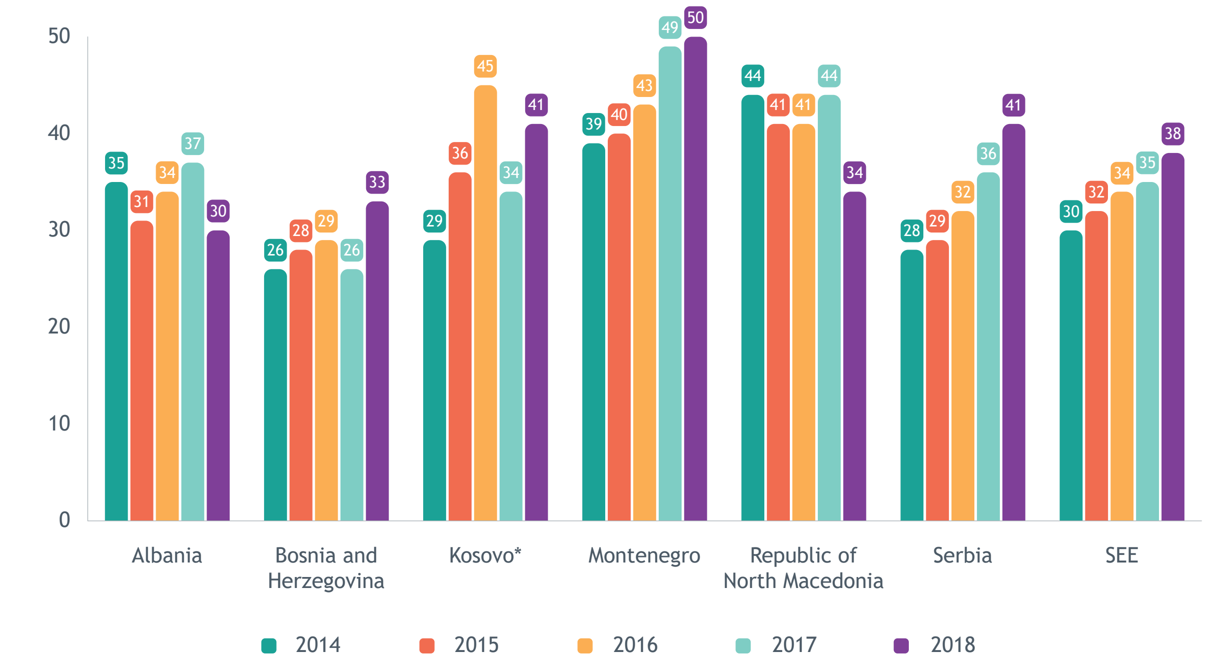


The figures above illustrate the values of all three indices for the five waves of the Balkan Barometer survey conducted so far. Overall satisfaction among the population of the SEE region continued its growth in 2018 (35/37/41/42/44). Although the increase over the last two years has been only incremental, overall it has seen a healthy increase by 9 points since 2014 - again, this was mostly driven by a more optimistic outlook as presented in the BPSI – Expectation Index.

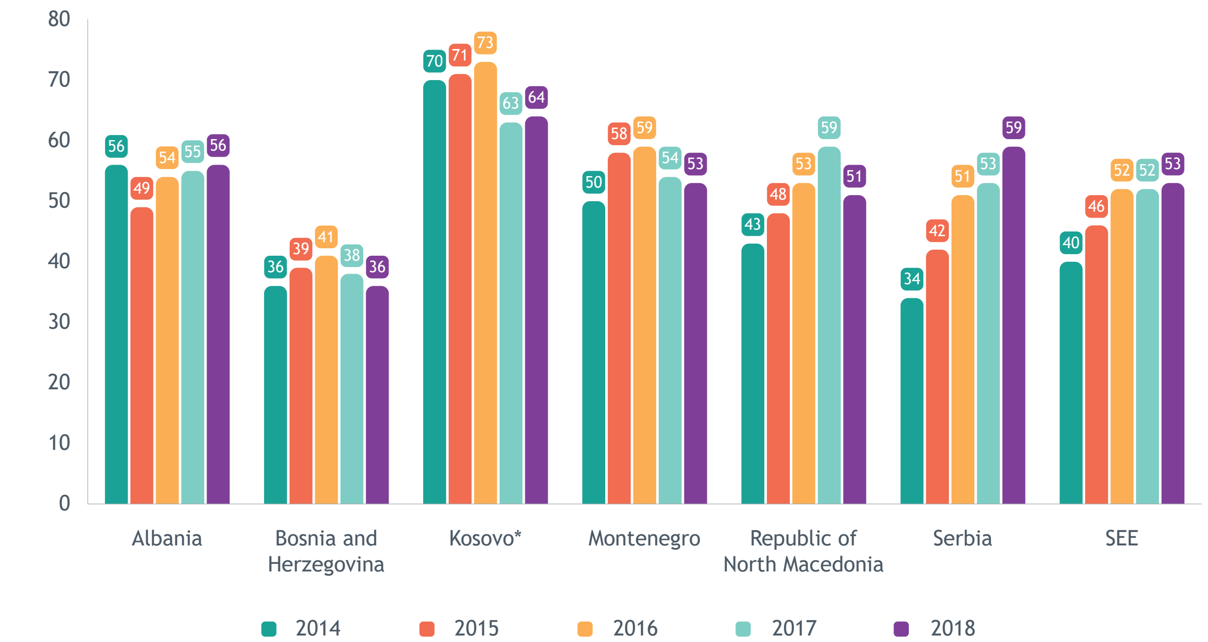
Looking at the economy level, the BPSI index recorded an increase in Bosnia and Herzegovina, Kosovo* and Serbia, while maintaining the same level in Montenegro. Albania and the Republic of North Macedonia BPSI indices had both recorded a decrease over the past year.

The Republic of North Macedonia's shift in attitudes as captured by the indices over the past year has been particularly dramatic, with all three measured indices plummeting - BPSI decreased by

BPSI - Present Situation Index



BPSI - Expectation Index



9 points, BPSI - Present Situation Index dropped by 10 points, and BPSI - Expectation index decreased by 8 points. This negative sentiment is also quite visible throughout the Balkan Barometer - both the public and business surveys have recorded significantly negative shifts in attitudes in the Republic of North Macedonia. The period of political and social instability that followed the Prespa Agreement and the process of resolution of the name issue has caused volatility rarely seen over such a short period of time. The timing of the Balkan Barometer survey also coincided with the peak of the crisis in the Republic of North Macedonia, so it is safe to expect that the next wave of Balkan Barometer will probably record a somewhat better picture.

If the Republic of North Macedonia experienced the biggest negative shift in attitudes, Serbia was on the other end of the spectrum. All three indices have recorded a considerable increase with BPSI increasing by 6 points, BPSI - Present Situation Index by 5 and the Expectation Index by 6 points. This can be attributed to both strong GDP growth and employment generation in Serbia over the last period (over half a million jobs added in the last 5 years), as well as increased public and private investment.

Kosovo* has closely followed in terms of BPSI growth with 5 points added compared to 2018, with the growth of the Expectation Index narrowing to just 1 point compared to last year. This indicates that some of the initial optimism in Kosovo* recorded by previous waves of Balkan Barometer is being replaced by a more realistic outlook, with the differences between Kosovo* and the rest of the region (particularly in the Expectation Index) slowly narrowing.

Montenegro has seen almost no changes in the Balkan Public Sentiment Indices and has remained the least volatile economy in terms of the BPSI.

Bosnia and Herzegovina has kept its, now traditional, gloomiest position in the region with the lowest scores both in the BPSI (34) and the Expectation Index (36). When it comes to the Present Situation Index, interestingly, Albania has recorded the lowest score this year at 30, dropping by 7 points compared to last year indicating a growing dissatisfaction with the current socio-economic developments.

Looking at the trends over the past five years, both present satisfaction and future expectations have been improving year after year at the SEE regional level. The expectations' index is over 50 in all economies, with the exception of Bosnia and Herzegovina (36), for the second year running. The present satisfaction index continues to portray a less optimistic picture and the overall sentiment index is still mostly driven up by expectations across the board.

LIFE SATISFACTION AND ASSESSMENT OF GENERAL TRENDS

Respondent satisfaction with current state of affairs continues to rise, albeit at an unremarkable pace. Life satisfaction of Albanian respondents has taken a negative turn while Serbia has seen a marked increase in satisfaction compared to 2017. Meanwhile, and largely driven by political developments, the Republic of North Macedonia has seen a considerable decline in general happiness across the six economies surveyed.

While there is an incremental improvement in satisfaction with household finances, respondents are more likely to have a positive view of their own situation, as compared to that of their economy. This again appears to be driven by an excessively negative sentiment rather than one warranted by objective circumstance. The majority of respondents expect to see no change in their household or economy prospects over the coming twelve months although optimists outnumber the pessimists among the rest.

Perceptions of security across the region have remained virtually unchanged since last year. Nearly half of all respondents are unhappy with the security situation in their economy - with estimates that five out of the six surveyed economies make the world's top 20 list for civilian gun ownership[9], the survey findings are unsurprising, if disturbing. War remnants, in the form of illegal weapons, are widespread in the region, as are incidents connected to their use.

Concerns over employment and the economy are yet again the two top ranked issues across all six economies, although corruption comes in at a very close third in Kosovo*. Corruption is also the third most commonly cited problem across the SEE region with crime and brain drain the other two problems flagged fairly frequently.

While the overall hierarchy of the region's problems remains unchanged for the fourth year running, there are some notable trends that bear examining. Concerns over unemployment have been downgraded over time, with the general economic situation improving since 2015, albeit at an uneven rate. Conversely, brain drain has risen in consideration as a problem across the region, with the exception of Kosovo* where visa liberalisation with the Schengen countries (when it does happen) is expected to both depress unemployment and increase concerns with emigration. With relatively cheap labour and easy access to the eager European job market, unemployment is likely to decrease further in the coming years, while driving up anxieties over skilled emigration.

While there is some reordering of prioritised investment areas compared to previous years, there is little variation in overall sentiment. General concerns over economic development have again propelled industrial development to the top of the list, albeit with a minor decrease compared to 2017. Chronic underinvestment in social infrastructure is reflected in its ranking as the number two priority, while small and medium enterprise development and agriculture share third. There is some, though slender, evidence to suggest rising interest in social development at the expense of investing in the economy (via industrial development and agriculture). The consistently low ranking of science and technology, however, does not bode well for the technological advancement of the region and should be a cause for concern to the region's decision makers.

Close to two thirds of respondents across the region perceive migration as a security risk to their economy. The overwhelmingly negative sentiment with which migrants to SEE have been greeted can in large measure be attributed to both the formal and informal securitization of migration by a

9 Serbia, Montenegro, Bosnia and Herzegovina, the Republic of North Macedonia and Kosovo* http://www.smallarmssurvey.org/fileadmin/docs/T-Briefing-Papers/SAS-BP-Civilian-Firearms-Numbers.pdf

cross-section of media and governments in the region. While the framing of migrants as a security threat is neither new nor unique to the SEE region, it is likely exacerbated by concerns over their impact on lingering conflicts or bilateral disputes, and widespread perception of radicalization and violent extremism as a prevalent internal security issue for economies in the region.

Respondent satisfaction with the current state of affairs continues to rise, albeit at an unremarkable pace. 19% of individuals polled report some degree of satisfaction (compared to 14% in 2017), while still more than half remain dissatisfied with how things are going in their economy (54%, as compared to 56% in 2017).

Figure 4: How satisfied are you with the way things are going in your economy?[10]
(All respondents - N=6120, scale from 1 to 5, share of total, %)

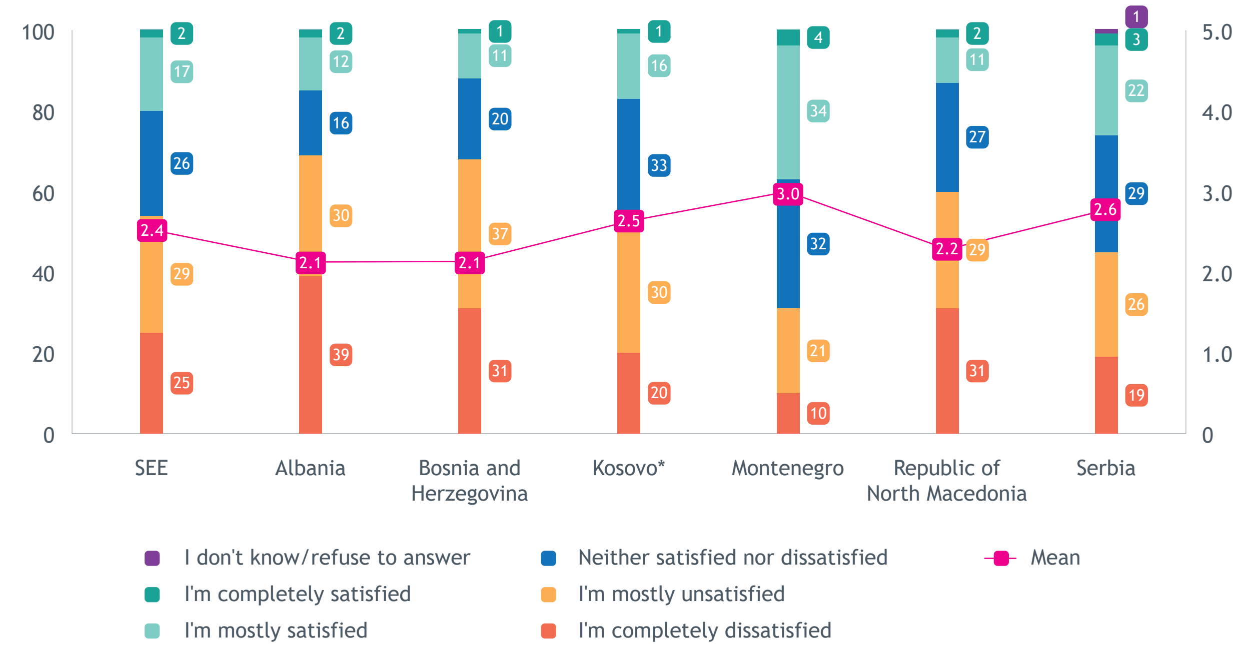
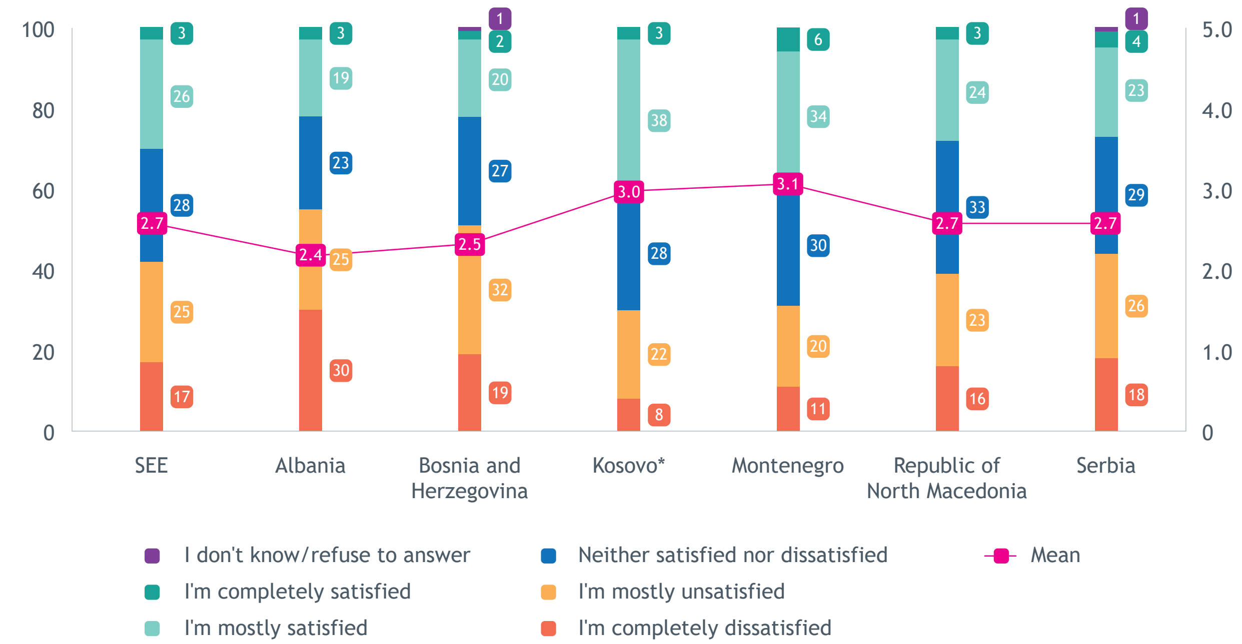


Figure 5: How satisfied are you with the financial situation of your household?[11]
(All respondents - N=6120, scale from 1 to 5, share of total, %)



10 The figures might not add to 100% due to rounding.

11 The figures might not add to 100% due to rounding.

With 69% of unhappy respondents (up from 54% in 2017), Albania has seen a marked increase in negative sentiment alongside the Republic of North Macedonia that has seen the proportion of dissatisfied respondents grow to 60% (from 43% in 2017). Conversely, Montenegro and Serbia boast the highest proportion of positive respondents, 38% and 25%, respectively. Looking at the individual economies, Serbia has seen a marked increase in respondent satisfaction compared to 2017, when only 14% of respondents described themselves as positive about the state of their economy.

At the same time, the Republic of North Macedonia has seen a 17 percentage point drop in general happiness, the highest recorded decrease across the six economies surveyed.

Respondents remain largely unhappy with their household finances (29% are happy versus 42% who are not), although there is an incremental improvement in this regard (the results for 2017 were 27% and 44% respectively). As with previous survey instalments, respondents are more likely to have a more positive view of their own situation, as compared to that of their economy, while over a quarter are neutral in their assessment (28%). This is again likely a reflection of an excessively negative outlook, rather than one warranted by objective circumstance.

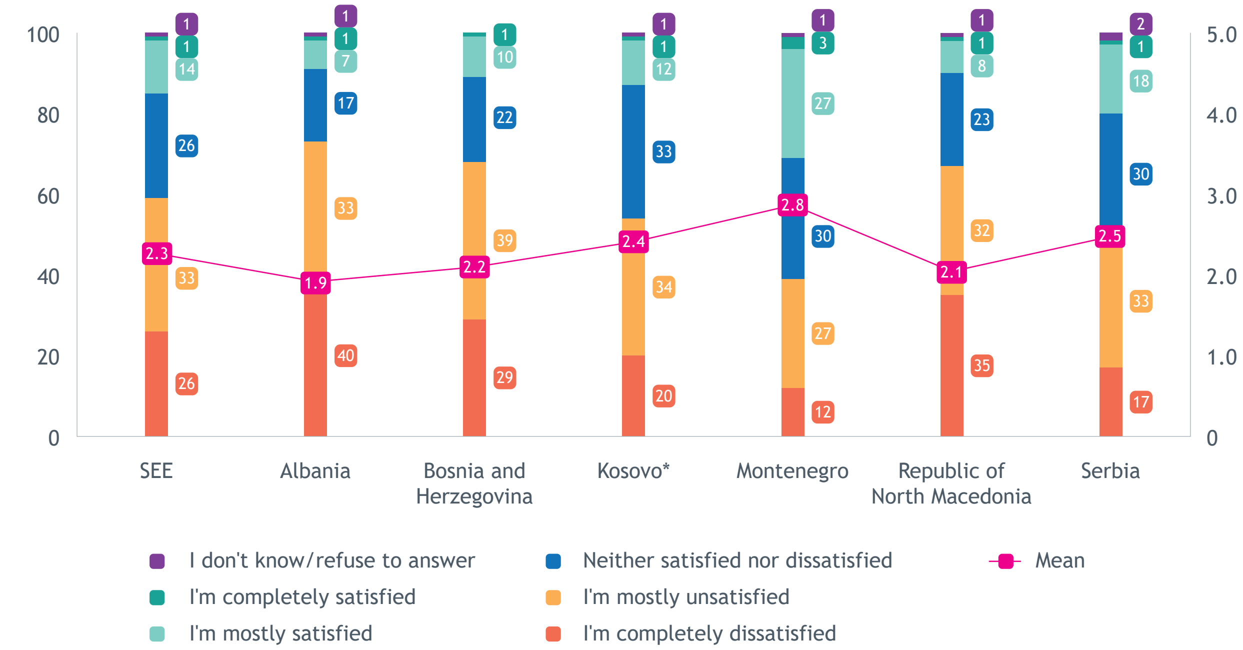
In Bosnia and Herzegovina and Albania, more than half of all respondents are unhappy with household finances (51% and 55%, respectively) while the highest recorded drop in respondent satisfaction is again found in the Republic of North Macedonia (down to 27% from 38% happy respondents in 2017).

While still an overwhelming majority, the number of unhappy respondents continues to shrink at a steady, if measured, pace (down to 59% from 63% in 2017). The proportion of (completely and mostly) satisfied respondents is up to an admittedly meagre 15% from 11% in 2017, and 10% in 2016. This is in line with data indicating improvements in economic performance across most of the region, resulting in GDP growth and lower unemployment.

The “neutrals” have remained unchanged from the previous year and hold at just over a quarter of the surveyed population (26%).

In keeping with their assessment of their household situation, Albanian and Bosnian respondents remain the most dissatisfied with the economic situation in their societies with 73% and 68% of individuals surveyed declaring themselves unhappy. Meanwhile, two economies have recorded a double-digit increase in respondent dissatisfaction, the Republic of North Macedonia (17 percentage points -pp) and Albania (11 pp). The negative prominence of the former yet again suggests a

Figure 6: How satisfied are you with the economic situation in your economy?[12]
(All respondents - N=6120, scale from 1 to 5, share of total, %)



12 The figures might not add to 100% due to rounding.

concerning trend with uncertainty surrounding the agreement regarding the name change process at the time the survey was conducted (November/December 2018) likely contributing to an increasing level of pessimism, as well as having a destabilizing effect on the economy.

Notably, Bosnia and Herzegovina, historically the lowest rated economy in this regard, is no longer propping up the bottom of the satisfaction table and records a 12-point decrease in the number of unhappy respondents.

Figure 7: How satisfied are you with the overall security situation in your economy (as concerns the level of risks of crime, terrorism, problems connected with uncontrolled migration, violent conflicts)?
(All respondents - N=6120, scale from 1 to 5, share of total, %)

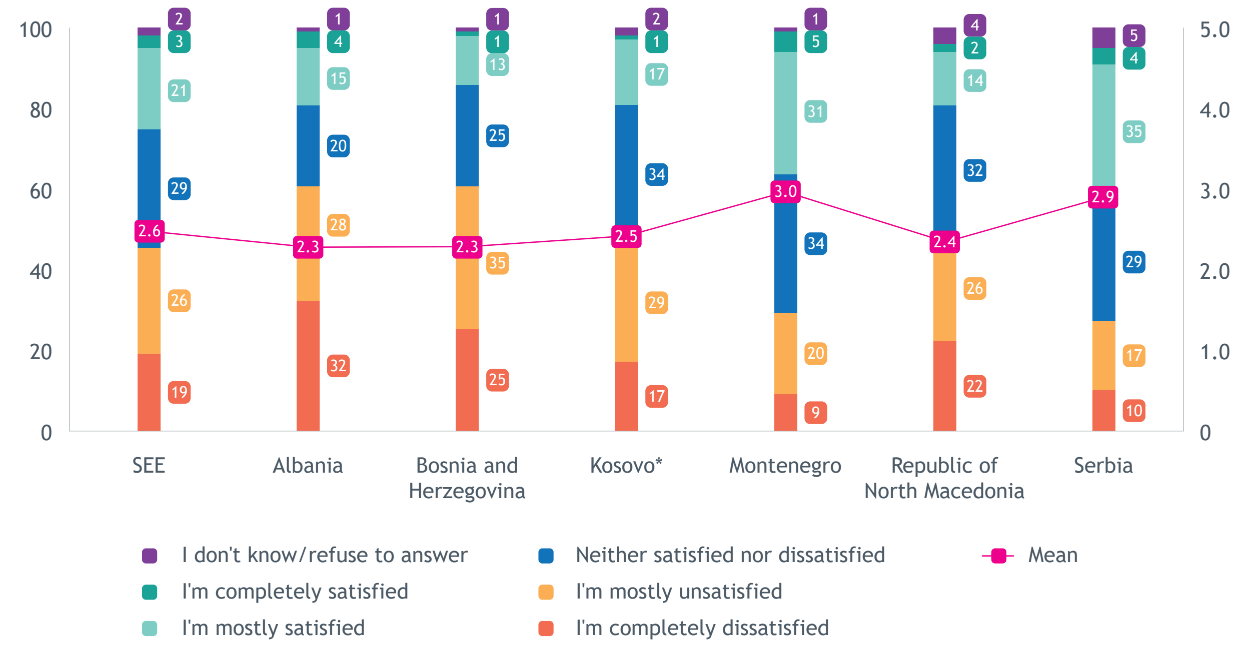
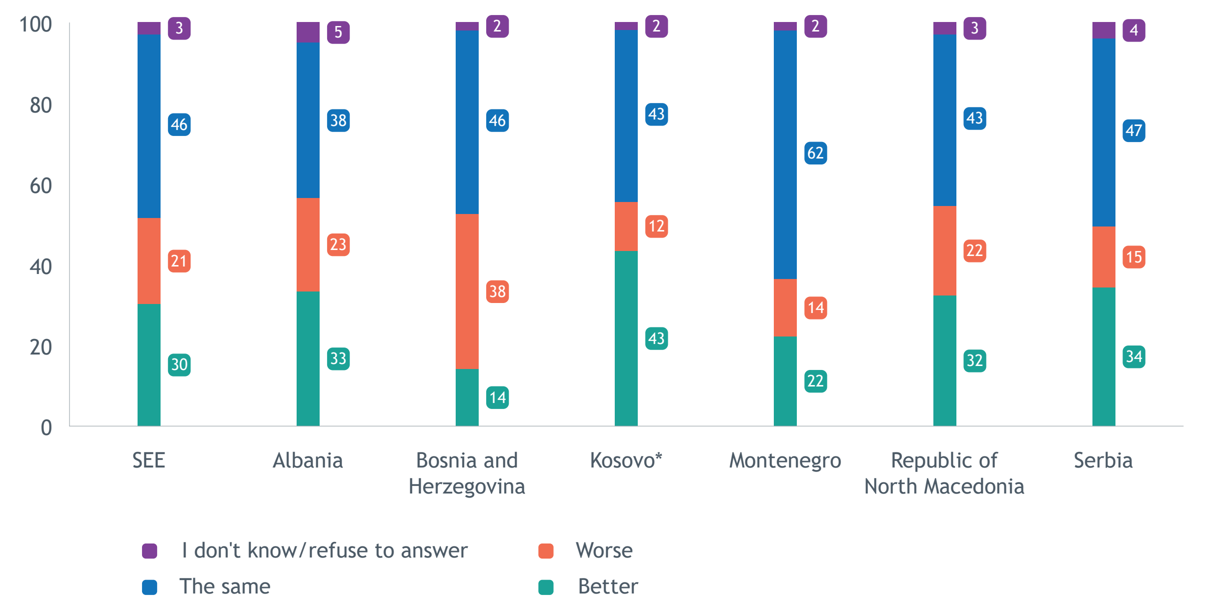


Figure 8: What are your expectations for the next year? Do you think that in 12 months your financial situation will be better, worse or the same?[13]
(All respondents - N=6120, %)



13 The figures might not add to 100% due to rounding.

Perceptions of security across the region have remained virtually unchanged since last year. Nearly half of all respondents (45%) are unhappy with the security situation in their economy, while less than a quarter report any degree of satisfaction in this regard (24%).

In terms of individual economies, as in 2017, respondents in Bosnia and Herzegovina and Albania are least satisfied with the security situation. At the other end of the scale, Serbia (39%) has overtaken Montenegro (36%) as the economy boasting the highest number of satisfied respondents. Due to the overwhelmingly negative perception of this issue across much of the region, and over a period of time, a more detailed examination of the underlying causes may be needed in order to identify and address critical security issues in a more structural manner.

There is some optimism regarding the prospects of the respondents' financial situation over the next 12 months with nearly a third expecting to see some improvement (30%). The vast majority of respondents anticipate no changes to their finances in the immediate future (46%), while the pessimists make up some 21% of the response pool. Compared to 2017, the difference in perceptions is positive but virtually insignificant from a statistical point of view (29%, 45% and 22%, respectively).

Bosnia and Herzegovina is once again home to the largest pessimist population (38%), while Montenegro is the most stable one with 62% of respondents anticipating no changes. Kosovo* (43%), Serbia (34%) and Albania (33%) are the three most positive economies in terms of anticipated improvement of personal finances.

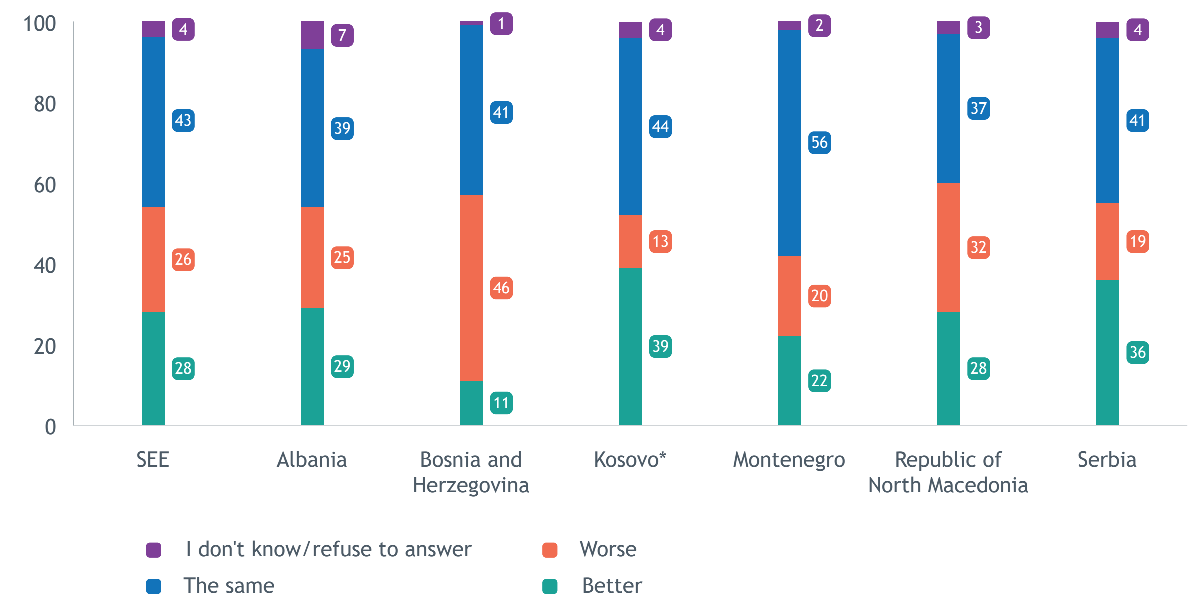
As with their outlook on personal finances, the overwhelming majority of respondents anticipate no changes to the national economy over the coming 12 months (43%). Across the other two major categories of respondents, the optimists have a slight edge on the pessimists (28% versus 26%).

In line with expectations, respondents overwhelmingly expect to see no change to their personal finances, or the state of their economy, over the next 12 months.

As has become traditional, respondents from Kosovo* harbour the most optimistic outlook in the region, both in terms of their own finances (43%), as well as the prospects for their economy (39%).

When it comes to the immediate future of their individual economies, optimistic respondents outnumber their pessimistic counterparts across four of the six economies surveyed, with only Bosnia and Herzegovina and the Republic of North Macedonia expecting to see a deterioration of the economic situation in their economies.

Figure 9: What are your expectations for the national economy? Do you think that in 12 months the state of the economy will be better, worse or the same?[14]
(All respondents - N=6120, share of total, %)



14 The figures might not add to 100% due to rounding.

In keeping with historical trends, the region expects improvement, though only so slightly, in terms of both personal finances and the state of the six economies.

Table 1: Expectations for financial situation and national economy - comparison 2014/2015/2016/2017/2018
(Share of total, %)

	2014	2015	2016	2017	2018
Will be worse - financial situation in household	31	25	20	22	21
Will be worse - national economy	42	34	27	26	26

What follows is a comparison of expectations regarding both the respondents' personal financial situation and that of the national economy for the 28 EU Member States and five candidate economies[15].

While the majority of respondents in both the SEE region (46%) and the EU (60%) foresee no change to their personal finances in the immediate future, the former have grown more bullish about their personal financial prospects when compared to survey participants from EU member states. Nearly a third of all SEE respondents (30%) expect an upturn in their fortunes over the coming 12 months compared to just 23% of EU respondents polled.

Interestingly, SEE is also home to a larger community of pessimists with more than one out of five respondents (21%) anticipating a deterioration in their household finances against only 14% for the EU.

When contrasted through the prism of their views on the prospects of their national economies, there is a growing divergence between the views of the SEE respondents and those of their EU counterparts. While the number of optimists in the SEE has grown from 26% in 2017 to 28% in 2018, their number in the EU fell further from 23% in 2017 to 21% in 2018. The pessimists are roughly equal in number across both the SEE and the EU with 27% and 26% respectively.

Table 2: What are your expectations for the next twelve months: will the next twelve months be better, worse or the same, when it comes to the financial situation of your household? What are your expectations for the next twelve months: will the next twelve months be better, worse or the same, when it comes to the economic situation in (our society)?
(Share of total, %)

	Better	The same	Worse
The financial situation in household			
Spring 2016	22	62	13
Autumn 2016	22	63	12
Spring 2017	23	62	12
Autumn 2017	24	60	13
Spring 2018	24	62	12
Autumn 2018	23	60	14
The economic situation in your society			
Spring 2016	21	46	26
Autumn 2016	22	47	26
Spring 2017	26	47	21
Autumn 2017	27	46	23
Spring 2018	25	48	23
Autumn 2018	21	47	27

Source: Public Opinion in the European Union, Standard Eurobarometer 85/86/87/88/89/90 (Spring 2016/ Autumn 2016/Spring 2017/Autumn 2017/Spring 2018/ Autumn 2018)

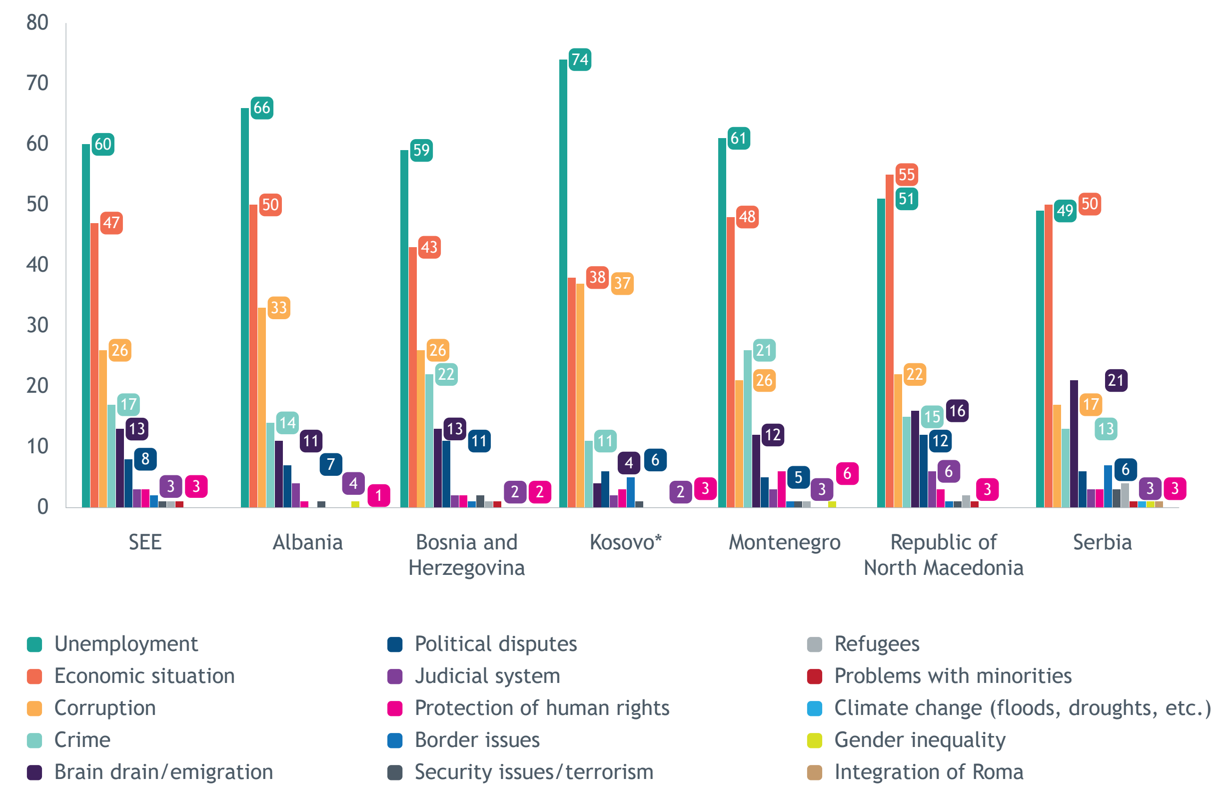
Meanwhile, the neutral respondents make up the overwhelming majority across both regions with 47% of respondents in the EU and 43% in SEE.

As in previous years, the most significant difference in trends across the two regions examined is a continuous decrease in pessimism within the SEE when it comes to the national economic outlook for the coming year (from 42% in 2014 to 26% in 2018). Meanwhile, in the EU, after a short-lived spike in optimism, the Union has seen a slight increase in the number of pessimists compared to 2016.

Ultimately, while the EU has seen very little fluctuation in expectation across both levels (households and national economies) over the past four years, the SEE has recorded a number of near-seismic changes in outlook, reflecting both signs of economic recovery but also the inherent vulnerability of the region to political events that may disrupt its fragile economic ecosystem.

15 *European Commission: Standard Eurobarometer 85/86/87/88/89/90 (Spring 2016 / Autumn 2016 / Spring 2017 / Autumn 2017 / Spring 2018 / Autumn 2018: Public opinion in the European Union*

Figure 10: What do you think are the two most important problems facing your economy?
(All respondents - N=6120, share of total, %)



The three key problems plaguing the region continue to be unemployment (60%), the overall economic situation (47%) and corruption (26%).

Unemployment is listed as a primary concern by a majority of respondents across four of the six economies. Serbia and the Republic of North Macedonia are the two exceptions where the general economic situation creates the most anxiety within the population surveyed (50% and 55%, respectively).

Respondents in Kosovo* tend to highlight unemployment to an extent far above the regional average, with some 74% flagging this issue as the most problematic. At the same time, Serbia and the Republic of North Macedonia note the fewest concerns in this regard, out of the six surveyed economies (49% and 51%).

Concerns over the economy and employment are the two top ranked issues across all six economies although corruption comes in at a very close third in Kosovo* (37% versus 38% for the overall economic situation).

Corruption is also the third most commonly cited problem across the SEE region with crime and brain drain as the other two problems flagged more frequently (17% and 13%, respectively).

Serbia and the Republic of North Macedonia note an increasing level of anxiety with regards to brain drain (21% and 16%). This can, at least in part, be attributed to relatively low salaries across the two economies, driving qualified labour to seek opportunities elsewhere.

Bosnia and Herzegovina and the Republic of North Macedonia are home to most respondents who prioritise political disputes as the source of greatest concern, with 11% and 12%, respectively. While the former struggles with the implementation of electoral results, and the fallout associated with a particularly vicious election campaign, the latter was undergoing a historical process of changing its name in an attempt to address one of the longest running political crises in the region at the time the survey was conducted - as expected, this is causing massive political upheaval at home. For Serbia, border issues (7%) and problems with minorities (4%) are a regional anomaly but are indicative of the current political climate in the economy.

Table 3: The main concerns in the SEE region - comparison 2015/2016/2017/2018
(Share of total, %)

	2014	2015	2016	2017	2018
Unemployment	63	67	66	61	60
Economic situation	58	55	48	46	47
Corruption	16	28	32	29	26
Crime	19	14	17	16	17
Brain drain/emigration	0	7	10	12	13

While the overall hierarchy of the region's problems remains unchanged for the fourth year running, there are some notable trends that bear examining. Concerns over unemployment have been downgraded over time, with Kosovo* (74%) and Albania (66%) accounting for much of the 2018 score. Simultaneously, the overall economic situation has been improving since 2014, albeit at an uneven rate. Conversely, brain drain has risen in consideration as a problem across the region, with the exception of Kosovo*. With relatively cheap labour and relatively easy access to the eager European job market, unemployment is likely to decrease further in the coming years, while driving up anxieties over skilled emigration.

The overall satisfaction ranking for the SEE region remains largely in keeping with last year's trends, with the majority of respondents happiest with tolerance and respect of differences (mean 3.1), while least happy with the level of prices (mean 2.2).

However, there are some notable changes at economy level, with the Republic of North Macedonia surprisingly swapping last year's first place in the ranking for this year's last (mean 2.5 from mean 3.1 in 2017). This can largely be attributed to a steep decline in satisfaction across an array of different areas, to include job satisfaction, administrative services provided by the central government, accessibility of public services via a digital channel, utility services, and others. At the same time, Bosnia and Herzegovina (mean 2.8) has overtaken not only the Republic of North Macedonia in the rankings but also Albania (mean 2.7).

Figure 11: How satisfied are you with each of the following in your place of living?
(All respondents - N=6120, scale from 1 to 5, mean)

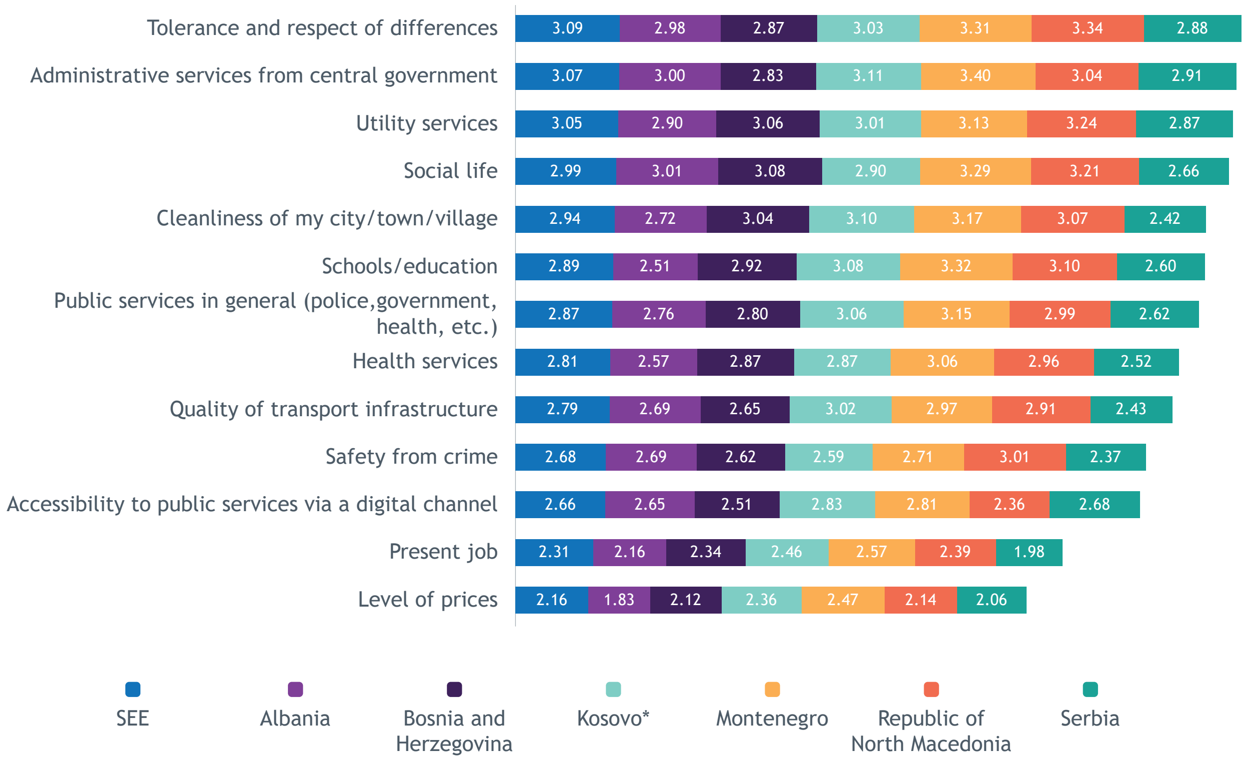
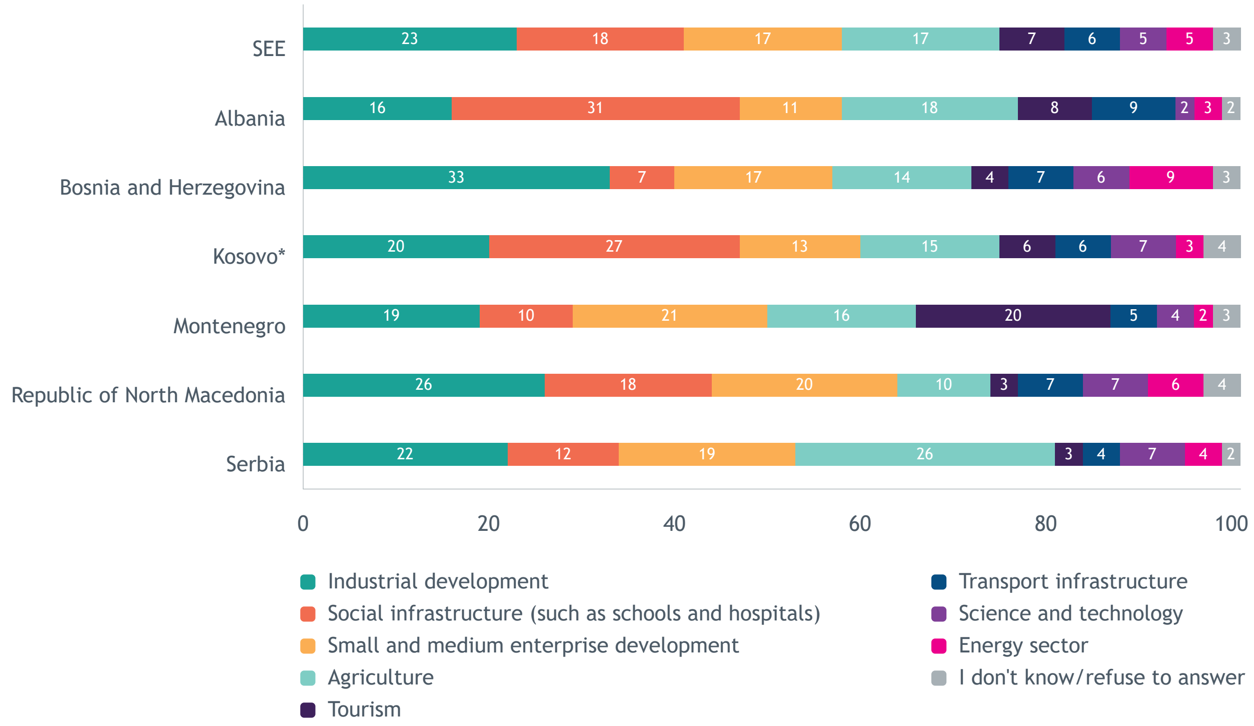


Figure 12: When it comes to social and employment issues, in your opinion, in which of the following areas should your government invest its resources as a priority?[16]
(All respondents - N=6120, share of total, %)



Compared to 2017, the region has seen deterioration in citizen satisfaction across a number of key areas. Job satisfaction has plummeted from a mean of 2.7 to 2.3, along with accessibility to public services via a digital channel (down to 2.7 from 3.1). Satisfaction with social life has also declined, alongside happiness with schools, transport and cleanliness. The news is not all bad, however, as the region has recorded an increase in satisfaction with administrative services and healthcare, while there has been no change in satisfaction with safety and public services in general.

While there is some reordering of prioritised investment areas compared to previous years, there is little variation in the overall sentiment. General concerns over economic development have again propelled industrial development to the top of the list, albeit with a minor decrease compared to 2017 (down to 23% from 25%). Chronic underinvestment in social infrastructure is reflected in its ranking as the number two priority while small and medium enterprise development and agriculture share third with 17% each.

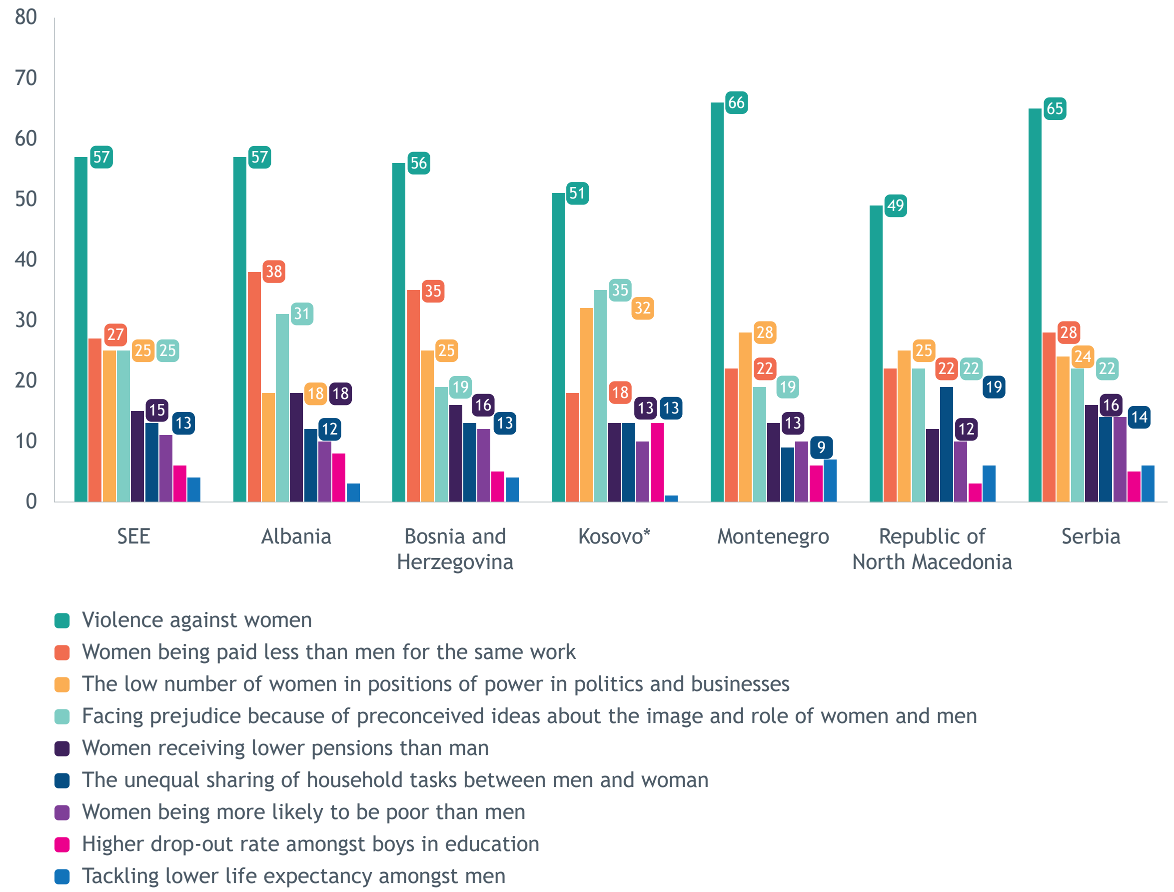
Bosnia and Herzegovina once again convincingly leads the field for industrial development with a third of all respondents supportive of investment in this sector. Albania and Kosovo*, meanwhile, heavily prioritise investment in social infrastructure (31% and 27%, respectively), while Serbia is the most agriculturally minded economy with 26%. Montenegro boasts the highest level of support for small and medium enterprises (21%) and, unsurprisingly, tourism (20%).

As noted above, there is some, though slender, evidence to suggest rising interest in social development at the expense of investing in the economy (via industrial development and agriculture). The consistently low ranking of science and technology, however, does not bode well for the technological advancement of the region and should be a cause for concern to the region's decision makers.

Once again, the majority of respondents (57%) single out violence against women as the issue requiring the most urgent response by the economies in the region. The gender pay gap is in second with 27%, while inadequate representation in power structures and preconceived notions about gender-based roles are joint third with 25%. These results point also to increasing awareness of significant disparities in the Western Balkans regarding the gender economic roles. Young women seem to be particularly at risk, with the participation of

16 The figures might not add to 100% due to rounding.

Figure 13: I will read you a list of inequalities which men or women can face. In your opinion, which area should be dealt with most urgently in your economy?
(All respondents - N=6120, maximum three answers, share of total, %)



young women in the Western Balkans labour force at only 22.5%[17].

Respondents from Serbia and Montenegro are more likely to prioritise violence against women as the pressing issue for their economy (65% and 66% respectively), while respondents from Albania and Bosnia and Herzegovina worry more about the gender pay gap than their SEE counterparts (38% and 35% respectively).

Compared to 2017, respondents from the Republic of North Macedonia are now more likely to consider violence against women as most problematic (up to 49% from 38% in 2017); nonetheless, the spike in concern over domestic violence is insufficient to move the economy from the bottom of the regional table for this particular category.

At the same time, Kosovo* has seen a sizable drop in concern over the number of women in positions of power from 48% in 2017 to 32% in 2018 and is, once again, the region's leader in the number of respondents citing concern over high dropout rates for boys in education (albeit to a lesser degree; down to 13% from 18% in 2017).

Respondents from Kosovo* and Albania are also most likely to voice concerns over the prejudice stemming from preconceived notions of gender roles in society, as was the case with the 2017 survey.

Close to two thirds of respondents across the region (62%) perceive migration as a security risk to their economy. The overwhelmingly negative sentiment with which migrants to the SEE have been greeted can in large measure be attributed to both the formal and informal framing of inward migration as a public safety and security threat by a cross-section of media and governments in the region. While this is neither new nor unique to the SEE region, it is likely exacerbated by concerns over their impact on lingering conflicts or border disputes, and widespread perception of radicalization and violent extremism as a prevalent internal security issue for economies in the region.

17 Wold Bank, 2019, Western Balkans Regular Economic Report

Figure 14: Do you agree that migration increases security risks for the [ECONOMY]?[18]
(All respondents - N=6120, maximum three answers, share of total, %)

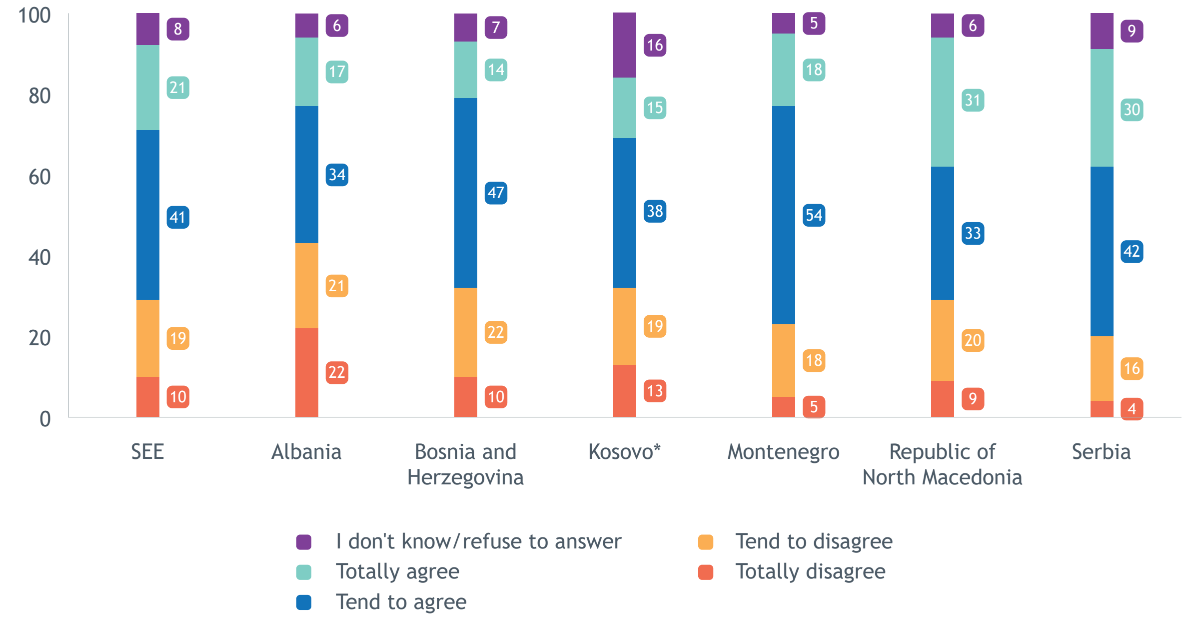
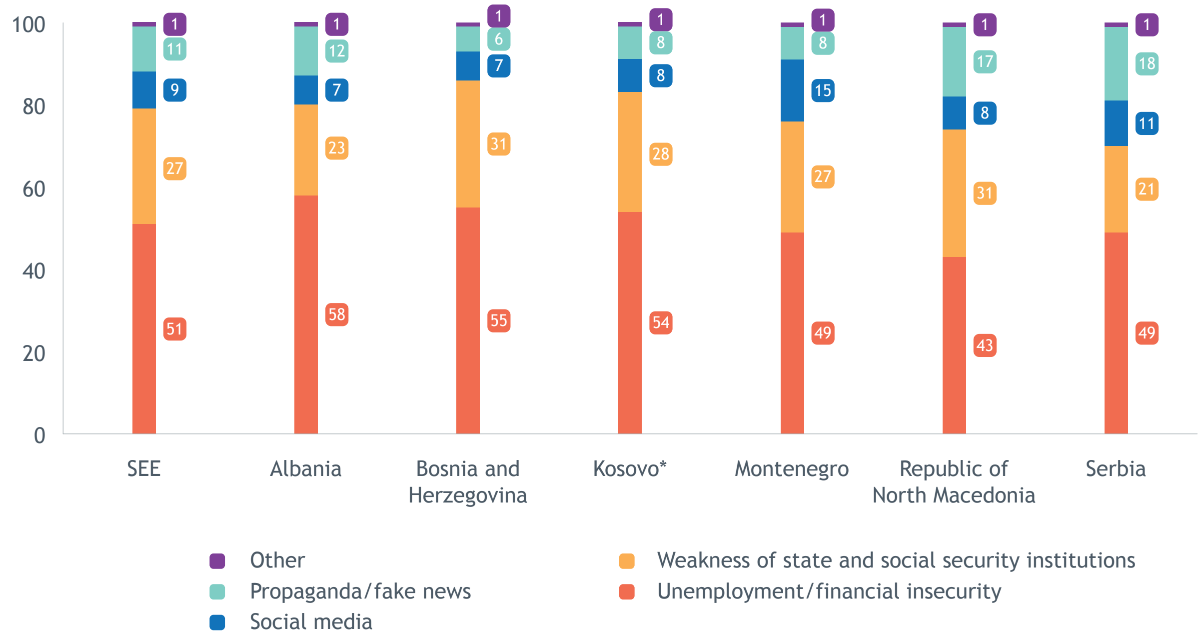


Figure 15: Which factors do you think are mostly contributing to radicalization and violent extremism in [ECONOMY] today?[19]
(All respondents - N=6120, share of total, %)

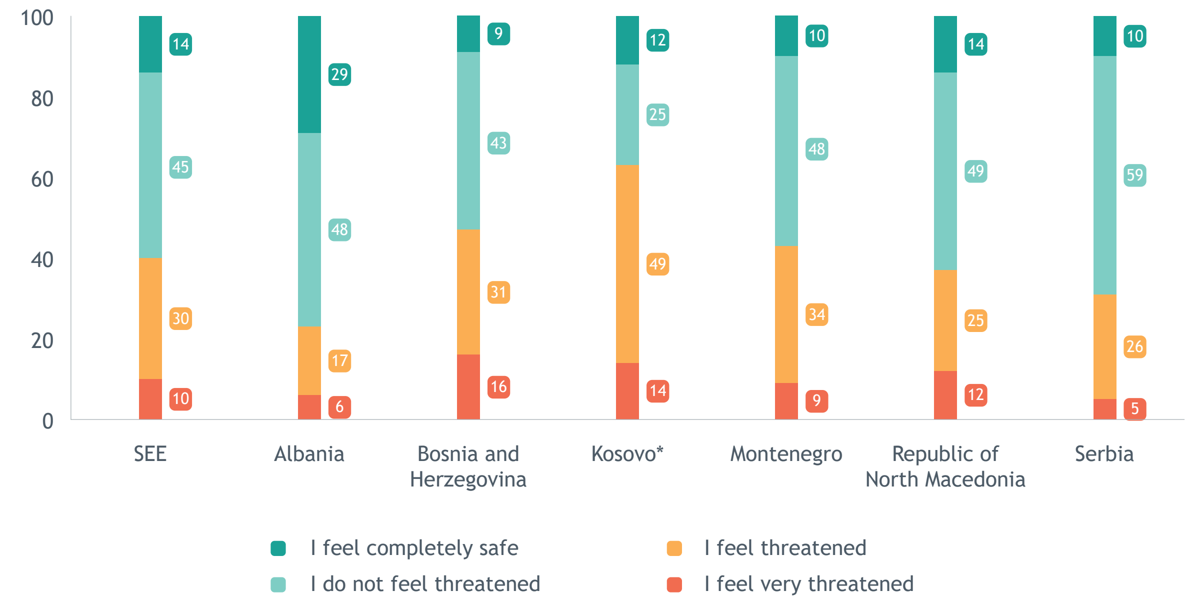


Looking at the individual economies, Serbia and Montenegro are home to the largest number of migration sceptics in the region (72% each), while Albania and Kosovo* have the fewest (51% and 53% respectively). This difference in perception can likely be attributed to the individual migrant workload handled by the respective economies since 2015.

With brain drain as a growing problem, and projections of further population decline increasingly common across the region, migrants could represent an important, though untapped, economic

18 The figures might not add to 100% due to rounding.
19 The figures might not add to 100% due to rounding.

Figure 16: How threatened do you feel by the illegal possession and misuse of weapons in your neighbourhood (as in crime, domestic violence, celebratory shooting, etc.)?[20]
(All respondents - N=6120, share of total, %)



driver for SEE. Negative perceptions of migrants, if further entrenched, will, however, make any attempts of integration into the region's economies difficult, if not impossible.

More than half of all survey respondents point to a lack of employment opportunities and the resulting financial insecurity as the chief driver behind radicalization and violent extremism in the region. Considering the still relatively high unemployment rates across the SEE region, better economic policies appear warranted also as a strategy to combat radicalisation. In addition, more than a quarter of respondents (27%) identify state weakness and the inability of its welfare institutions to protect vulnerable groups at risk from radicalisation, as the principle driver for the phenomenon. Social media use (9%) and propaganda or fake news (11%) are also cited commonly by respondents as contributing factors.

While better economic opportunities are clearly a key building block of any effective de-radicalisation programme, the breakdown of responses in this section suggests the need for a multi-disciplinary, whole-of-society approach to tackling problems of radicalisation and violent extremism across the SEE.

With estimates that five out of the six surveyed economies make the world's top 20 list for civilian gun ownership[21], the survey findings are unsurprising, though alarming. War remnants, in the form of illegal weapons, are widespread in the region, as are incidents connected to their use. At present, close to two thirds of all respondents in Kosovo* (63%) feel threatened by the illegal use of weapons, indicating a worrisome trend for public safety and security. At the same time, Albania has the highest proportion of respondents who do not feel at risk from illegal gun use (77%), a statistic corroborated by the country's absence from the top 20 list for global gun ownership.

Recognising that proliferation and illicit trafficking of firearms and their ammunition is a persistent threat for the internal security, the authorities of the region have agreed to develop some common approaches in this area. Thus, the High-level Regional Meeting convened by SEESAC in cooperation with RCC during 2018, has committed to develop a Roadmap for a sustainable solution to the illegal possession, misuse and trafficking of Small Arms and Light Weapons (SALW) in the Western Balkans[22].

20 The figures might not add to 100% due to rounding.

21 Serbia, Montenegro, Bosnia and Herzegovina, the Republic of North Macedonia and Kosovo* http://www.smallarmssurvey.org/fileadmin/docs/T-Briefing-Papers/SAS-BP-Civilian-Firearms-Numbers.pdf

22 http://www.seesac.org/f/docs/News-SALW/Roadmap-for-sustainable-solution.pdf

ATTITUDES ON REGIONAL COOPERATION AND EU INTEGRATION

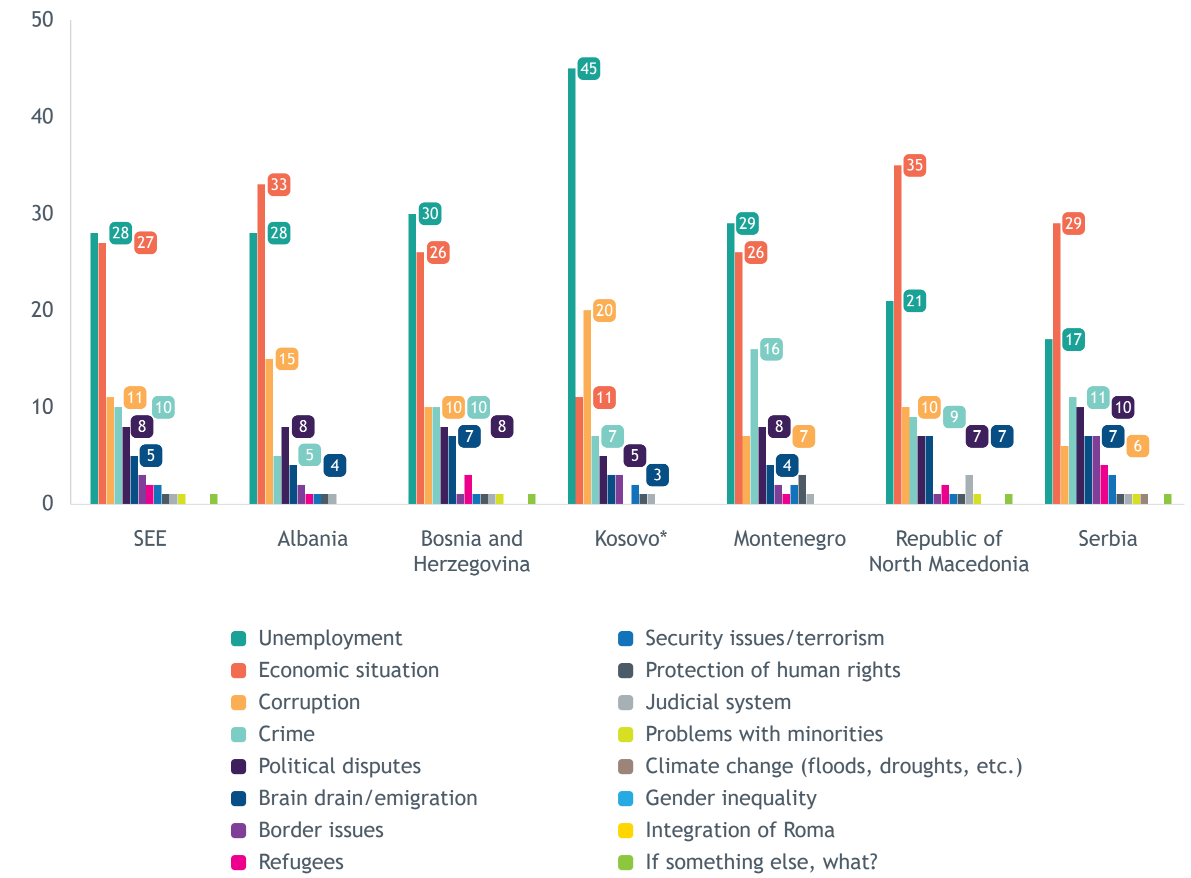
There is an incremental but encouraging improvement in perceptions of regional relations while regional cooperation remains important to an overwhelming majority of respondents across SEE.

Encouragingly, backing for EU membership continues to grow at an accelerated pace with this being the first survey instalment where more than half of all respondents view EU accession favourably. Membership continues to be largely associated with economic prosperity and freedom to travel.

After last year's surge in pessimism there is renewed, though cautious, optimism pervading the region's prospects for EU accession. Even though the percentage of extreme pessimists remains substantial, the decrease suggests that a growingly negative trend towards EU accession has been arrested.

While respondents still identify unemployment as the major problem for the region, there is a decline in its prominence when viewed against the results of previous survey instalments (down to 28% from 32% in 2017). This is indicative of declining unemployment numbers across the region, partly due to significant demand for labour in the European Union. The economic situation is in close

Figure 17: What do you think are the most important problems facing the entire SEE region at the moment (Albania, Bosnia and Herzegovina, Kosovo*, Montenegro, Serbia, Republic of North Macedonia)?
(All respondents - N=6120, share of total, %)



second with 27%, followed by corruption (11%) and crime (10%).

Problems of unemployment are especially pronounced in Kosovo* where some 45% of respondents prioritise it against other issues under survey – this number is likely to decline sharply should there be a loosening of the visa regime by the European Union. Meanwhile, the populations of the Republic of North Macedonia (35%) and Albania (33%) overwhelmingly highlight the overall economic situation as particularly challenging. In terms of other noteworthy findings, Montenegrins are especially concerned by crime (16%), while respondents in Serbia, predictably, note ongoing political disputes at an above average level for the region (10%).

Figure 18: Do you agree that the relations in SEE are better than 12 months ago?
(All respondents - N=6120, share of total, %)

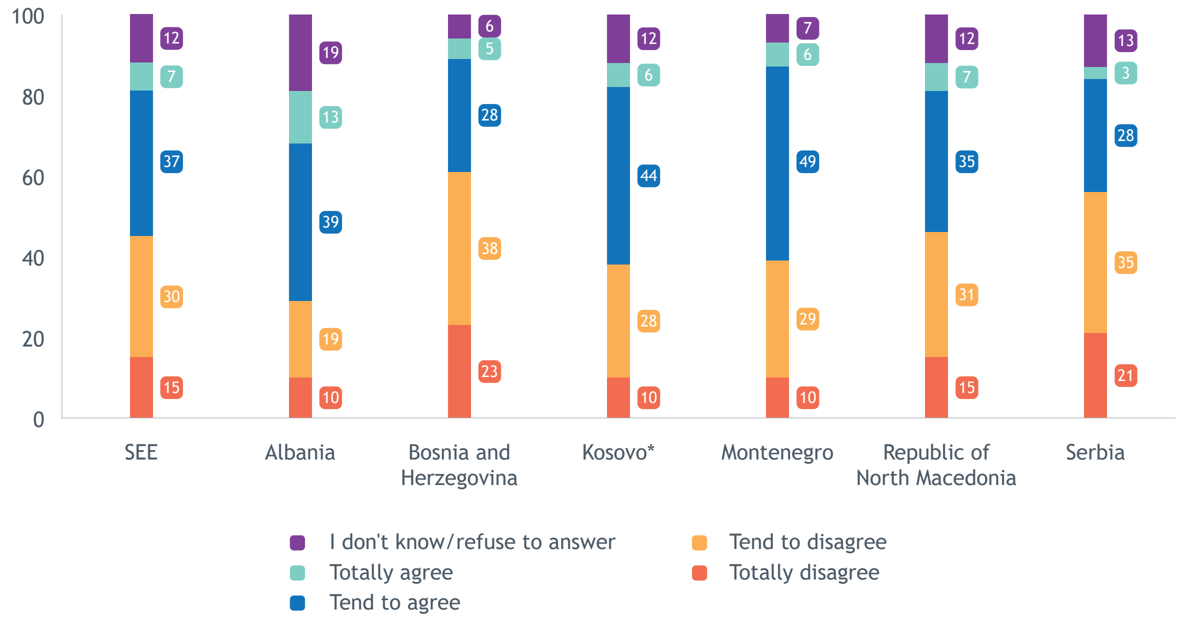
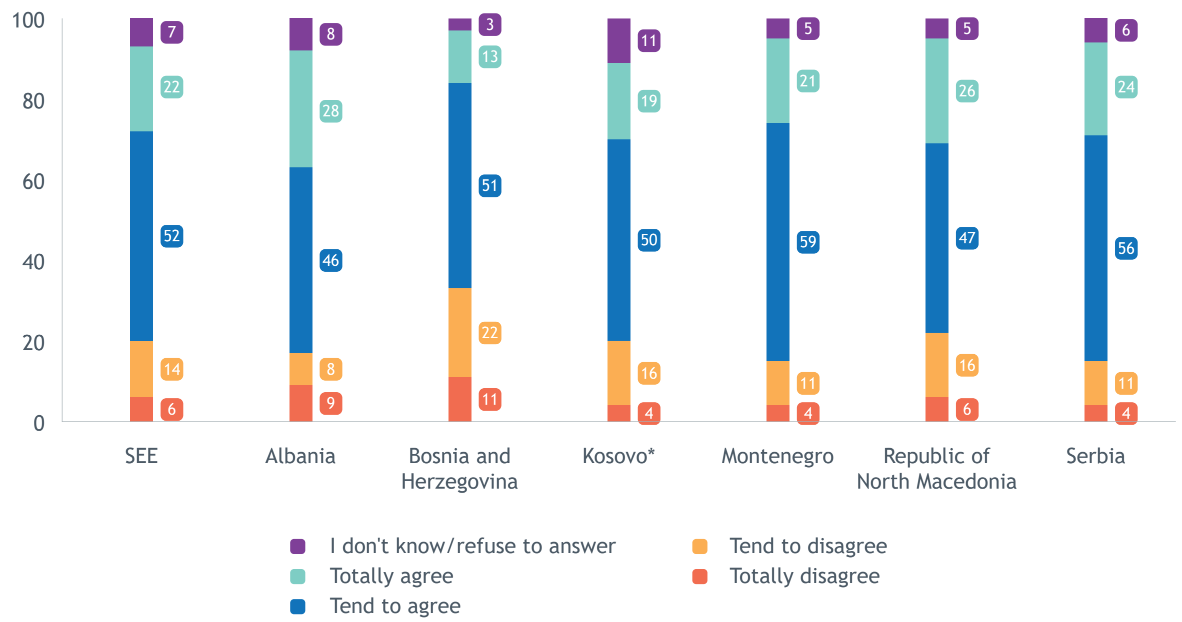


Figure 19: Do you agree that regional cooperation can contribute to the political, economic or security situation of your society?
(All respondents - N=6120, share of total, %)



There is an almost even breakdown in respondents between those who feel regional relations have improved over the past year (44%) and those who disagree (45%). This is representative of an incremental but encouraging trend in regional relations, with positive respondents growing in number from 37% in 2016, via 41% in 2017, to 44% in 2018. At the same time, the number of negative respondents is holding steady at 45% after a significant decline in 2017 (down to 44% from 50% in 2016).

Looking at the individual economies, Bosnia and Herzegovina is again the harshest critic of regional developments over 12 months with a majority of respondents (61%) reporting no improvement in relations across SEE. This in itself is a positive development, however, as it represents a significant decline to the number of negative respondents in 2017 (74%).

At the same time, Albania, Kosovo* and Montenegro display a fairly optimistic view of regional relations with more than half of all respondents across the three economies giving a positive view of developments in this regard.

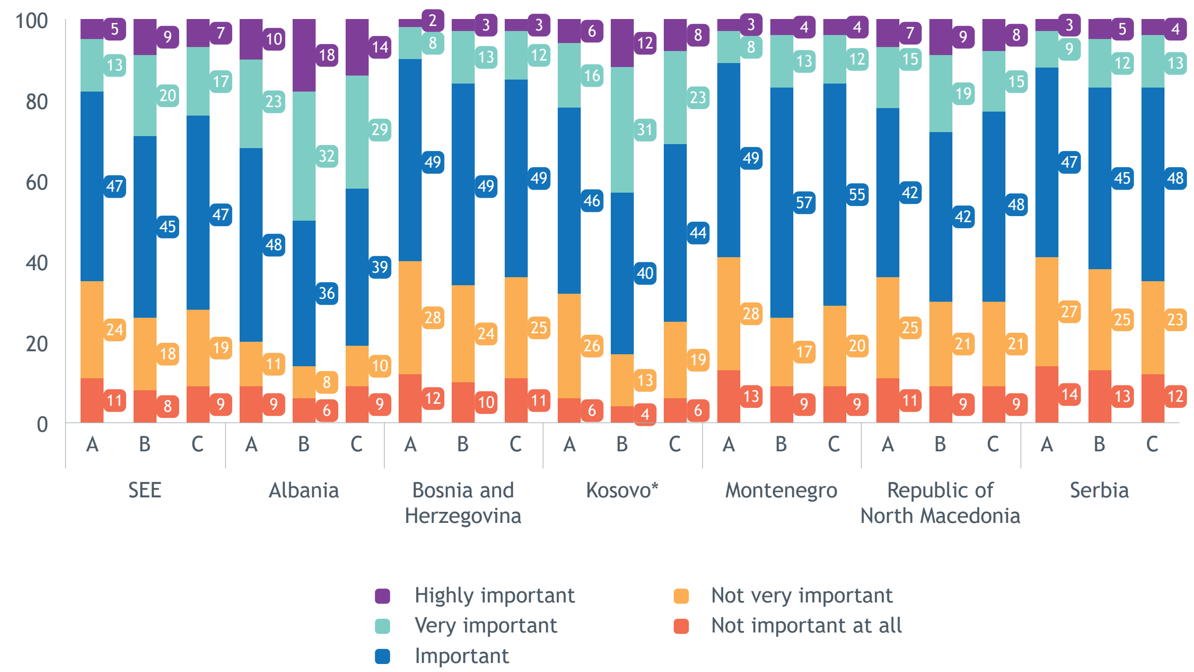
Interestingly, Serbia has seen a sharply negative swing in attitude towards regional developments with some 56% of respondents providing a dim appraisal of neighbourly relations over the past 12 months, a significant increase compared to the 2017 figure (43%).

Regional cooperation remains important to an overwhelming majority of respondents across the region (74%). Bosnia and Herzegovina and Kosovo* are the only two economies coming in at under 70% of positive respondents, an interesting departure for the latter as Kosovo* boasted the second highest regional score in 2017 (80%). At the same time, Serbia, last year's leading SEE cynic with only 66% of respondents convinced of the benefits of regional cooperation, tops the rankings in 2018, alongside Montenegro, with 80% positive responses.

More than a third of all respondents do not view Roma integration as an important issue in the context of regional cooperation (35%), with respondents from Serbia and Montenegro the most numerous in this regard (41%), as was the case in 2017. Conversely, some 81% of respondents from Albania feel that the issue of Roma integration is important for the process of regional cooperation.

The context of EU accession elicits a slightly more positive assessment of Roma integration with some three quarters of respondents describing the relationship as important. Viewed by individual economy, Serbian respondents are least likely

Figure 20: How important would you assess the issue of integration of Roma on a scale from 1-5 for:
A - regional cooperation; B - EU accession; c - your government?
(All respondents - N=6120, scale from 1 to 5, share of total, %)



to ascribe any importance to Roma integration in the context of EU accession (62%), while Kosovo* is at the other end of the scale with 83%.

When asked to assess the importance of Roma integration to their government, the respondents overwhelmingly assessed the relationship as important but not to the same extent as with EU integration. Bosnia and Herzegovina (64%) and Serbia (65%) have the fewest positive respondents, while Albania has the most numerous population in the category (82%).

Interestingly, there does seem to be a negative relationship between the size of the Roma population[23] and the importance ascribed to their integration, especially in the context of individual governments. Albania has the smallest Roma community in the region (11,669 or 0.42% of total population according to the official estimates), and the highest number of positive respondents, while Serbia is home to the largest (147,604 or 2.05% of total population according to the official estimates) and has the highest count of negative survey responses.

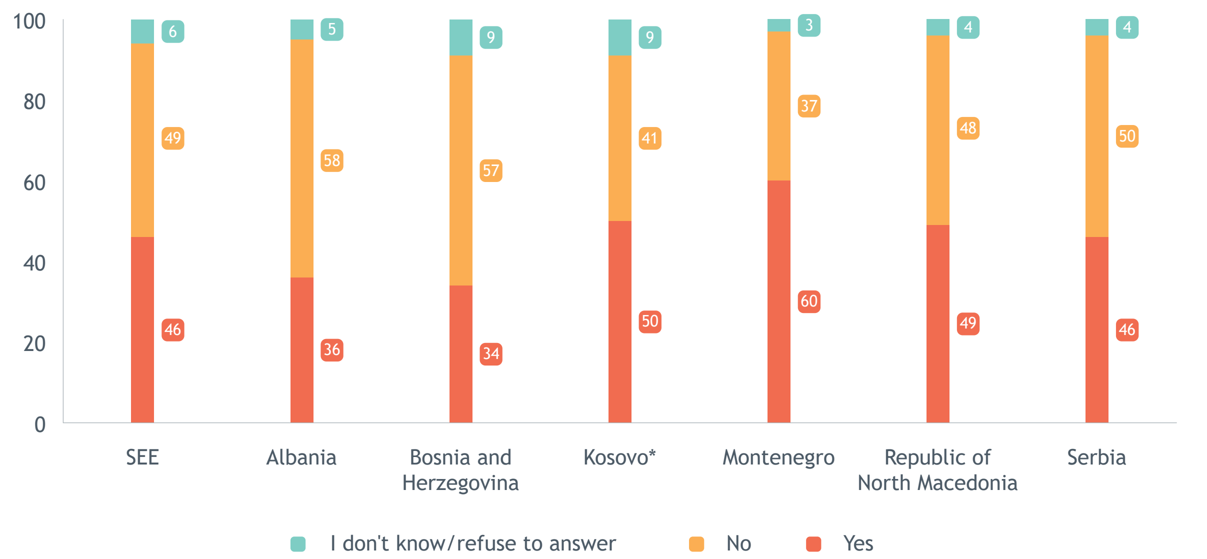
The region continues to be near evenly divided between those that are interested in developments in their neighbourhood (46%) and those that are not (49%), with the two numbers reversed compared to last year's (49% and 46%, respectively). The percentages can be taken as broadly indicative of the economies' overall attitude to engagement with other parts of the region.

Albania (58%), Bosnia and Herzegovina (57%) and Serbia (50%) are least interested in receiving information about SEE, although Serbia has recorded a 10-point increase in respondent interest in regional developments. Conversely, Albania reports a significant increase in the number of respondents who are disinterested in regional affairs (up from 33% in 2018). Overall, with the exception of Serbia, all economies surveyed have become more closed off to information from the region.

Kosovo* and Serbia tend to attract the most attention out of the region's six economies with Albania in close second. A quarter of respondents say they keep an eye on developments across the entire region.

Backing for EU membership continues to grow at an accelerated pace (from 49% in 2017 to 56% in 2018) making this the first survey instalment with more than half of all respondents viewing EU accession favourably. In parallel, the number of neutrals has dropped to 28%, while Euro sceptics continue to dwindle, and their number is now down to a historical low of 12%. Overall, during the past five years, the positive view of EU membership has expanded by 14 points.

Figure 21: Overall, are you interested in news and information about the rest of the SEE region (Albania, Bosnia and Herzegovina, Kosovo*, Montenegro, Serbia, and the Republic of North Macedonia)?
(All respondents - N=6120, share of total, %)



23 https://www.rcc.int/romaintegration2020/pages/3/roma-in-the-region

Figure 22: To whom in the SEE region are you paying close attention?
(All respondents - N=6120, first answer, share of total, %)

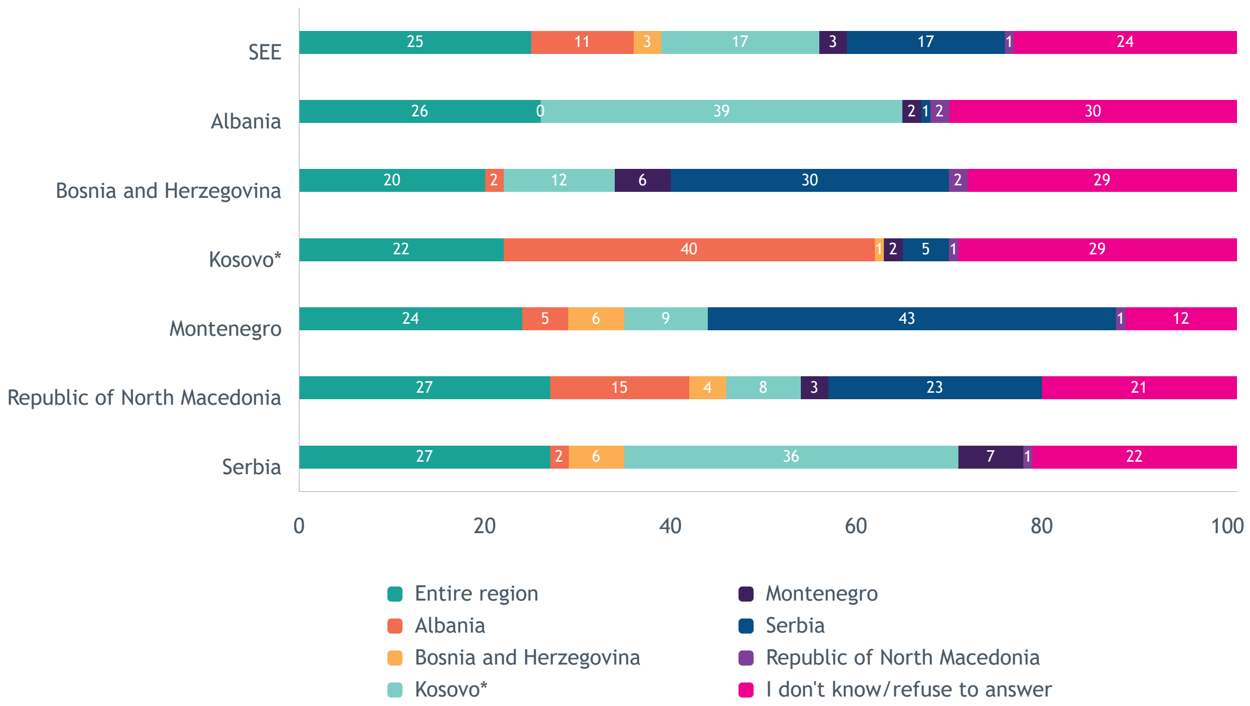
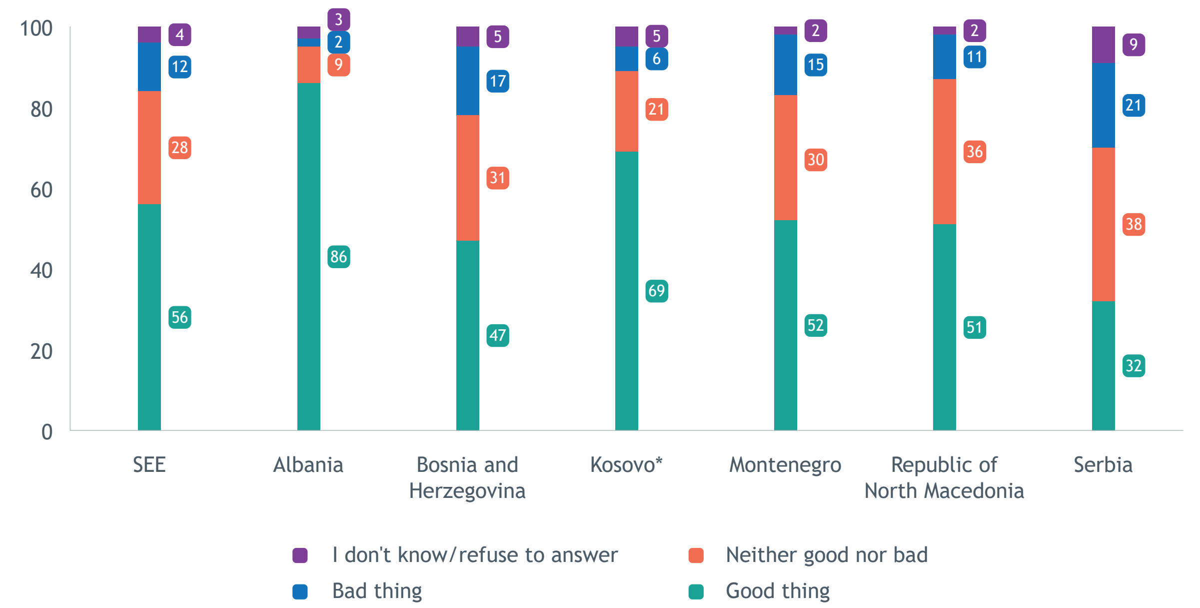


Figure 23: Do you think that EU membership would be a good thing, a bad thing, or neither good nor bad for your economy?
(All respondents - N=6120, share of total, %)



Serbia is the only economy in the region where EU accession is viewed favourably by less than one third of respondents, with all other economies far more likely to favour than oppose membership. Albania is the region's foremost EU accession supporter alongside Kosovo*, although the latter shows a significant decrease in EU support compared to 2017 (down to 69% from 84%), likely due to disillusionment over the stalled visa liberalisation process. Montenegro is holding steady with 52% support for accession, while the Republic of North Macedonia records an increase in neutrals at the expense of the EU supporting contingent.

Table 4: Sentiments on EU membership - comparison 2014/2015/2016/2017/2018
(Share of total, %)

	2014	2015	2016	2017	2018
Good	42	41	44	49	56
Bad	20	21	19	15	12
Neither good nor bad	35	33	32	30	28

Membership continues to be associated with economic prosperity (43%), freedom to travel (26%), and freedom to study (25%). As with previous years, the share of respondents who see the EU as a vehicle for increased economic advancement continues to swell, from 36% in 2017 to 43% in 2018. Compared to 2017 figures, there is a notable increase (+4) in the number of respondents who view the EU as a guarantor of peace and safety (25%), likely a reaction to recent regional tensions and rekindled disputes.

Looking at the individual economies, respondents in Albania are most likely to associate EU members with economic prosperity (62%), while Kosovo*, with visa liberalisation still out of reach, is understandably home to the highest proportion of individuals who see EU membership as a pathway to easier travel (42%).

Respondents in Montenegro, Bosnia and Herzegovina and the Republic of North Macedonia are most likely to prioritise the contribution of EU membership to peace and stability with fluctuations in this category strongly linked to political developments in the economies affected.

Respondents in Serbia and the Republic of North Macedonia are most concerned about the implications of EU membership to national sovereignty, while the former is also most negative about the impact of accession (15% feel that nothing good will come of it).

After last year's surge in pessimism there is renewed, though cautious, optimism pervading the region's prospects for EU accession. While the largest number of respondents polled in 2017 (26%) saw no prospect for EU accession for their economy, that figure has now dropped to 20%. Even though the percentage of extreme pessimists remains substantial, the decrease suggests that a growingly negative trend towards EU accession has been arrested and reversed.

The group of respondents who feel that their economy will integrate into the EU by 2025 (28%) is the most numerous, followed by those who expect accession by 2030 (23%). The extreme optimists, namely those that anticipate integration by 2020, make up 16% of the surveyed population. The latter group makes up a third of all respondents in Kosovo* (33%), making it once more the most hopeful economy in the region, albeit with a substantial drop of 10 points compared to 2017. At the other end of the spectrum, Serbia is the most pessimistic regional economy with a third of its population (33%) not expecting EU integration within any timeframe. Interestingly, the number of extreme pessimists has dropped by 10 points in Bosnia and Herzegovina and now stands at 29%.

Figure 24: What would EU membership mean to you personally?
(All respondents - N=6120, first two answers, %)

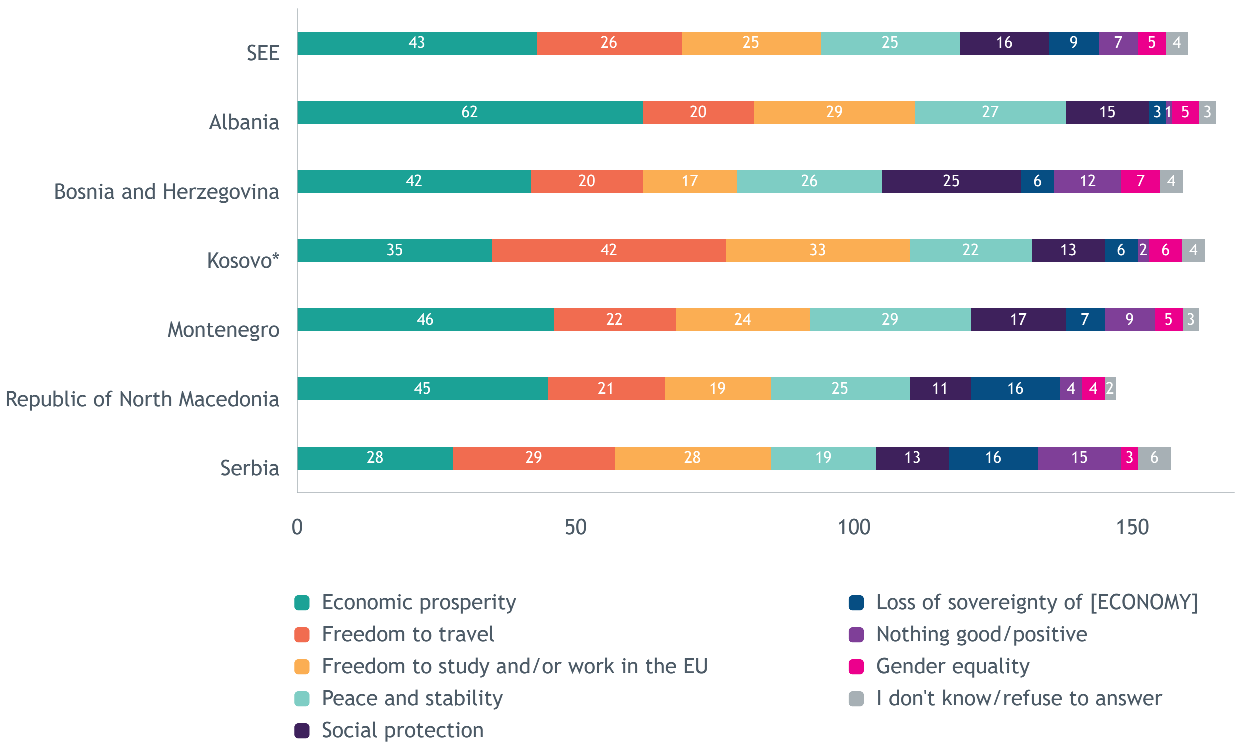
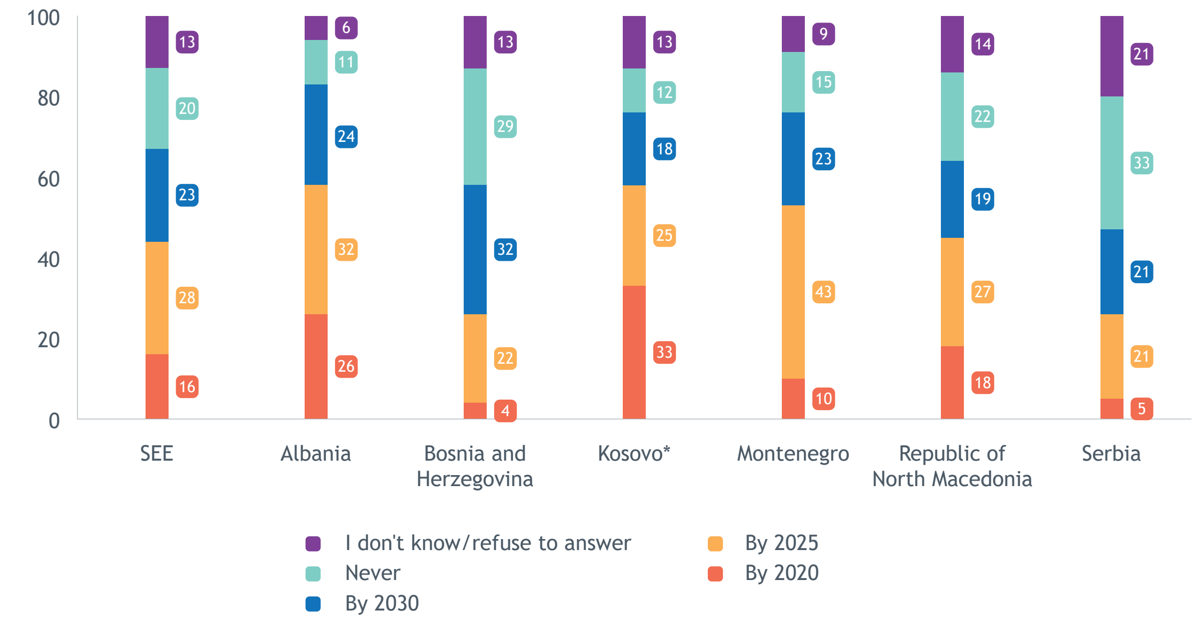


Figure 25: In general, when do you expect the accession of your economy to the EU to happen?
(All respondents - N=6120, share of total, %)



UNEMPLOYMENT AND RISK OF POVERTY

This year's survey results continue to confirm persistent unemployment as the region's most chronic problem, with fewer than half of all respondents reporting to be working. Concerningly, employment as reported by respondents is now at its lowest since the Barometer's inception in 2014, a development largely attributable to significant and negative changes as reported by the Republic of North Macedonia and Kosovo* respondents.

A shortage of adequate jobs and nepotism are once more listed as the two chief causes for unemployment by most respondents surveyed, with job creation again largely taking place in low-paid industries. Unemployment is also cited by most respondents as the leading cause of social exclusion in the SEE community.

At the same time, there is an increase in private versus public sector employment compared to the previous survey instalments, a move that bodes well for the region's economic prospects. Remittances are holding steady as an important source of income for many across the region, and Albania and Kosovo* in particular. Most employed respondents are confident of retaining their jobs in the coming year, although the Republic of North Macedonia and Kosovo* are two notable, and rather dramatic, exceptions.

The perceived risk of poverty has grown by seven points with an astounding 45% of respondents in Albania uneasy about their immediate economic prospects.

More than two thirds of survey respondents across the region describe themselves as average when asked to compare their household situation to that of the majority in their society. Some 3% describe themselves as above average, while just over a quarter (26%) self-identify as below the societal average. The findings are almost a mirror image of the 2017 survey results with the only difference being a one-point deficit in the size of the below average contingent (down to 26% from 27% in 2017). The results of the 2018 survey are clearly not yet reflective of the more positive economic environment the region has been building up towards over the past several years.

At economy level, Kosovo* boasts the highest number of "average" respondents with 81%, while both Bosnia and Herzegovina (74%) and Montenegro (70%) report a substantial decrease across this respondent category compared to 2017 (down from 80% and 77%, respectively), as well as a comparative increase in the figures for the below average group.

Albania and Serbia once again have the highest proportion of "below average" individuals with 36% and 34%, respectively. Montenegro records the biggest increase in the "below average" category at the expense of the "average" contingent, with the ranks of the former swelling from 17% in 2017 to 27% in 2018.

While the overwhelming majority of people in the region continue to feel that economic inequality is on the rise, the overall number of respondents subscribing to this view is on the decline and is at its lowest since the Barometer's inception in 2014 (from 86% in 2014, 88% in 2015, 87% in 2016 and 83% in 2017 to 79% in 2018).

Looking at the breakdown of survey data by individual economy, respondents from Albania (85%), the Republic of North Macedonia (85%) and Serbia (83%) are especially likely to express concern over the growing disparity between the haves and the have nots. Kosovo*, meanwhile, is again home to fewest respondents who worry about rising inequality in their economy (67%).

There is a concerning drop in reported employment figures for this year's survey with only 34% of respondents describing themselves as presently employed. This is a significant change compared to 2017 (42%), as well as a historical low for the survey (previously 36% in 2014). Even with the addition of the self-employed (7%) and the moonlighters (3%), less than half of all individuals surveyed are currently working (44%).

The rather dramatic change in employment as reported by respondents across the region can be traced to striking developments within select economies with the Republic of North Macedonia and Kosovo* dropping 14 and 10 points, respectively. Only two economies have seen positive, though minimal, changes to their reported employment figures in 2018, Montenegro (+1%) and Serbia (+5%). Reported unemployment numbers have increased by 4 points across the region with Kosovo* home to the largest number of unemployed respondents (27%). A quarter or more of Serbia's (28%) and Bosnia and Herzegovina's (25%) respondents are in retirement indicating a rapidly aging population. At the same time, Kosovo* is home to the largest concentration of students, confirming its status as the region's youngest economy.

Figure 26: How would you estimate your current socio-economic status? Do you live above the average, average (as majority) or below the average? (Self-estimation)[24]
(All respondents - N=6120, share of total, %)

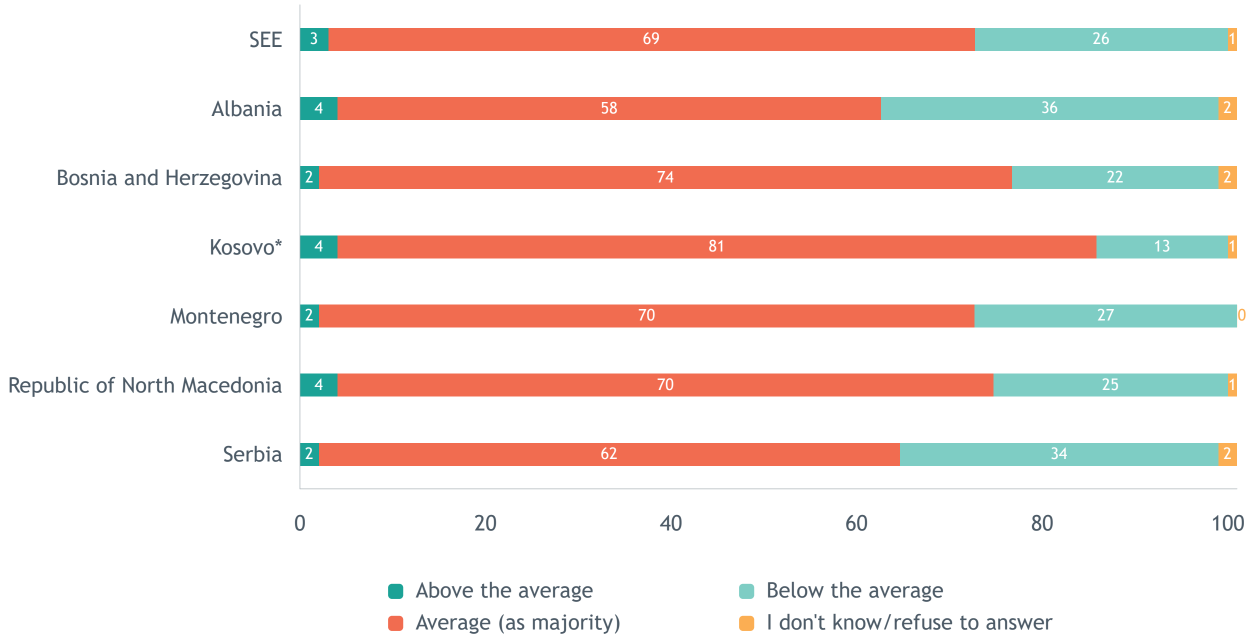
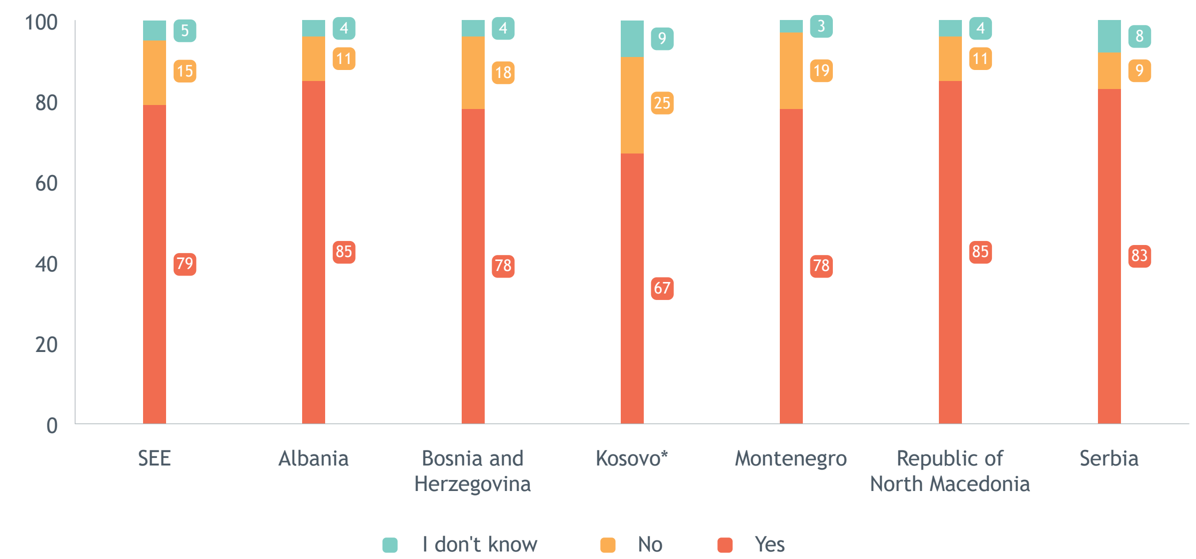


Figure 27: Do you think that the gap between the rich and the poor is increasing in your economy?
(All respondents - N=6120, share of total, %)



24 The figures might not add to 100% due to rounding.

Figure 28: What is your current working status?
(All respondents - N=6120, share of total, %)

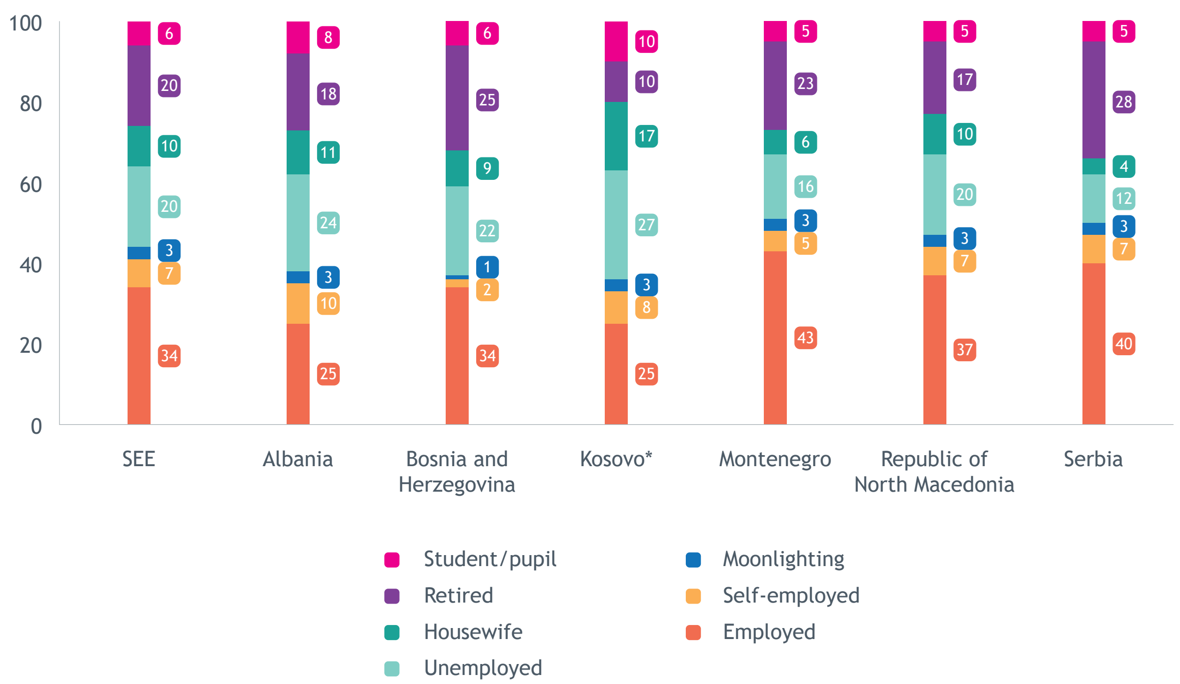


Figure 29: If you are employed, is it a private or public sector employment?
(Employed - N=2087, share of total, %)

Almost three quarters of all employed respondents in the region work in the private sector, a notable increase to last year's numbers (70%). The public sector is traditionally the region's biggest employer in the Republic of North Macedonia (35%), although to a lesser extent than in the previous years, while respondents in Kosovo* overwhelmingly work for private employers (81%). Compared to last years' results, Montenegro has recorded a sizable increase in public sector employment (+7), while Albania has simultaneously witnessed a dramatic 11-point shift towards private sector employers (77% from 66% in 2017). Overall, the gradual move away from public sector employment bodes well for the economic prospects of the region and its labour market conditions.

Although the structure of employment has shifted across much of the region at the expense of presumably safer public sector jobs, confidence has

Figure 30: How confident are you in keeping your job in the coming 12 months?
(Employed or self-employed, N=2494, scale from 1 to 4, share of total, %)

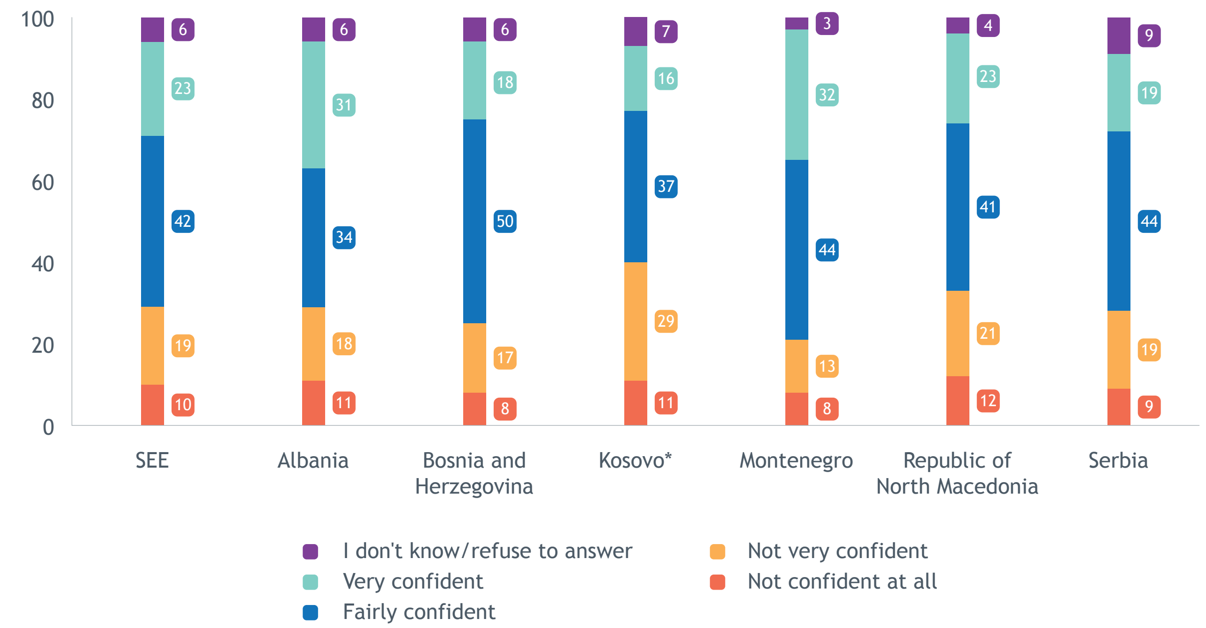
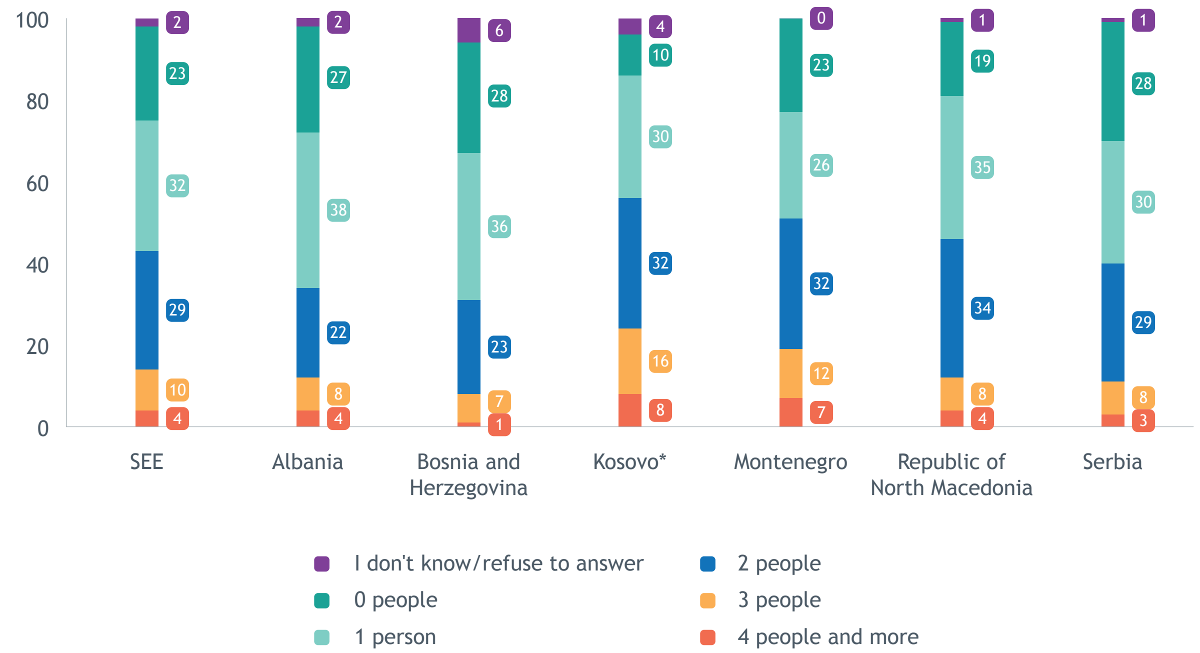


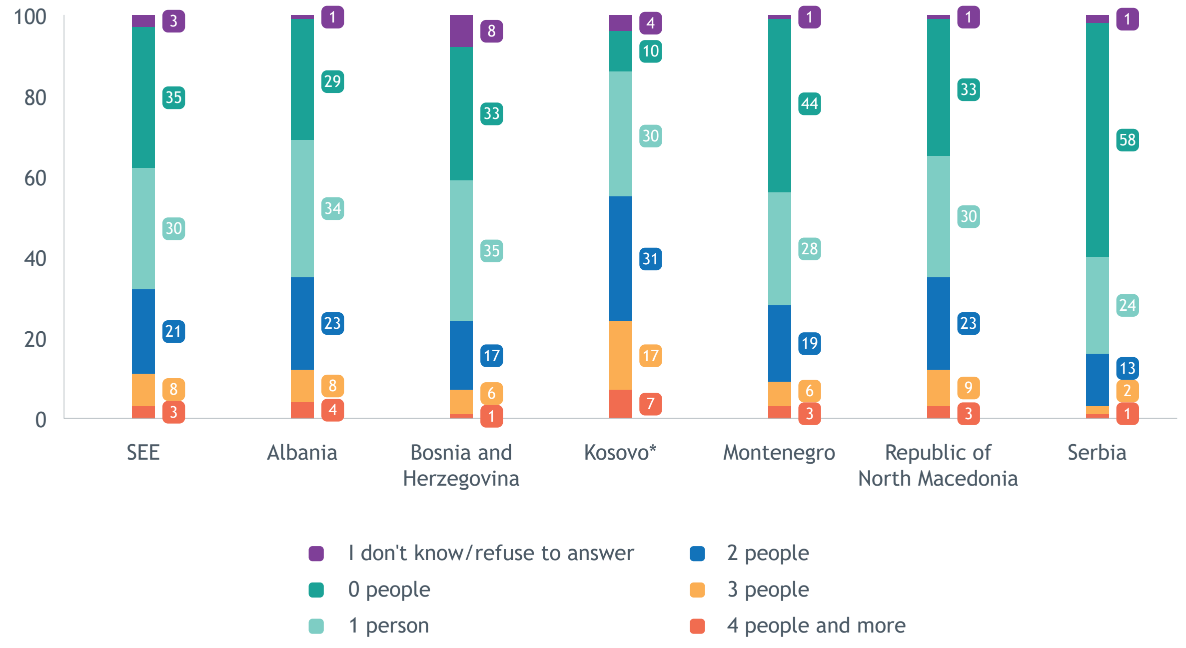
Figure 31: How many people in your family, who are able to work, are employed?[25]



remained largely unchanged from 2017, with even a slight uptake in optimism (+1%). While figures for Albania and Montenegro are unchanged from last year, Serbia (+4) and Bosnia and Herzegovina (+7) record a significant increase in job confidence. At the same time, Kosovo* (-14) and the Republic of North Macedonia (-12) experienced a seismic drop in job retention prospects as felt by respondents from the two economies.

25 The figures might not add to 100% due to rounding.

Figure 32: How many people in your family, who are able to work, are unemployed?
(All respondents - N=6120, share of total, %)



Nearly one quarter of all households surveyed report no members employed (23%) while 61% have one or two. Followed by a drop in 2017 (-2), the number of households with no employed members is up again in 2018 (+3). In terms of other notable trends, the number of households with 3 employed members has surged to 10% in 2018 (+7).

Kosovo* once again boasts the highest proportion of households with three (16%) and four or more (8%) members employed, as well as fewest households with no members employed (10%).

Bosnia and Herzegovina and Serbia are tied at 28% of households without a single member employed, while Albania reports the highest share of those with only one household member employed (38%).

At the same time, 35% of SEE households have no unemployed members (out of those who are able to work), while 30% have only one. There is a notable drop in the number of households with no unemployed members from 2017 (-11), while the number of households with 2 unemployed members has grown by six points.

Serbia is once again the region's stand out economy in the number of households with no unemployed members (58%), while Kosovo* has the highest number of unemployed householders in three separate categories (2, 3 and 4 or more people). Once again, Kosovo* features prominently in both employment and unemployment figures, likely due to the larger average size of household in this economy.

A shortage of adequate jobs (33%) and not knowing the right people (29%) are listed as the two chief obstacles to securing employment in SEE, according to the survey respondents. Objective qualifications in the form of education (16%) and work experience (14%) come in at third and fourth in the rankings, indicating a widespread perception that jobs are allotted based on considerations other than professional merit. Age discrimination features prominently with 12% of respondents reporting age-related bias by employers as an obstacle to securing employment in their economy. The Republic of North Macedonia (39%) and Kosovo* (38%) are especially affected by a shortage of qualified jobs, while nepotism in Bosnia and Herzegovina is perceived to unduly affect employment prospects to an extent well above the regional average (37%). Insufficient or inadequate education is perceived as especially problematic in Albania (27%), while Montenegro and Kosovo* (both at 17%) report lacking work experience as a particularly prominent barrier to employment. Respondents in Serbia and Montenegro also flag age discrimination to an extent well above the regional average (20% and 18%, respectively).

Survey results for respondent job losses in 2018 (11%) are broadly in keeping with the recent trend of relative stability with only minor fluctuations noted since the Barometer's inception (13.5% in 2014; 13% in 2015; 13% in 2016 and 11% in 2017). The one notable difference to the previous years is a sizable decrease in the number of surveyed individuals who report not working, down to 12% from 21% in 2017.

Albania, the economy with the highest number of job losses reported over the past three instalments of the Barometer, is again top of the rankings but now tied with the Republic of North Macedonia at 16%. Bosnia and Herzegovina, conversely, reports

Figure 33: What are the two main obstacles to those in your household who do not work?
(All respondents - N=6120, maximum two answers, %)

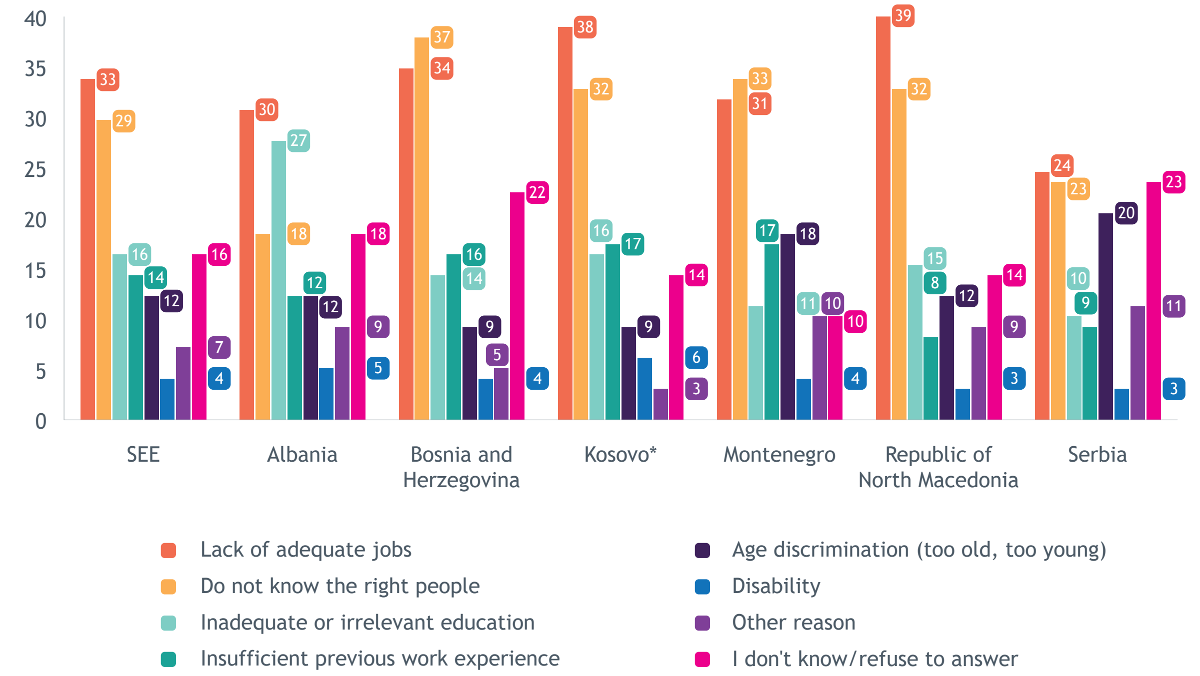
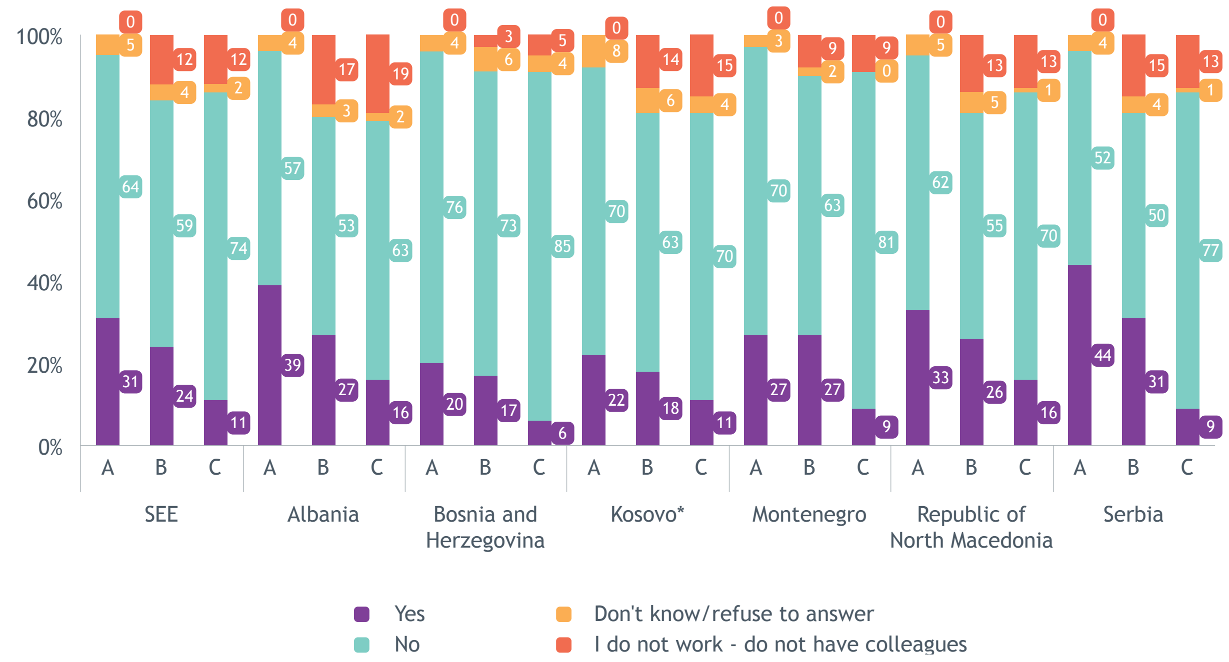


Figure 34: Did any of the following situations happen to you in the past three years? A - Someone from your family, a relative, or a friend lost their job?; B - One of your colleagues has lost their job?; C- You lost your job
(All respondents - N=6120, share of total, %)



the fewest layoffs to respondents with only 6%, a significant improvement to last year's figure (10%). Kosovo* has made the most progress since last year with an eight-point decrease in the number of jobs lost (from 19% to 11%), while the Republic of North Macedonia reports a four-point increase in the rate of job losses (up to 16% from 12%).

In terms of job losses in the respondents' immediate surroundings, the number of colleagues, friends and family members reported to have lost their jobs over the past 12 months has decreased, by four points for colleagues and by eight points for family members.

Figure 35: Did your household face the following problems (even at least once) during the past 12 months? (SEE region)
(All respondents - N=6120, share of total, %)

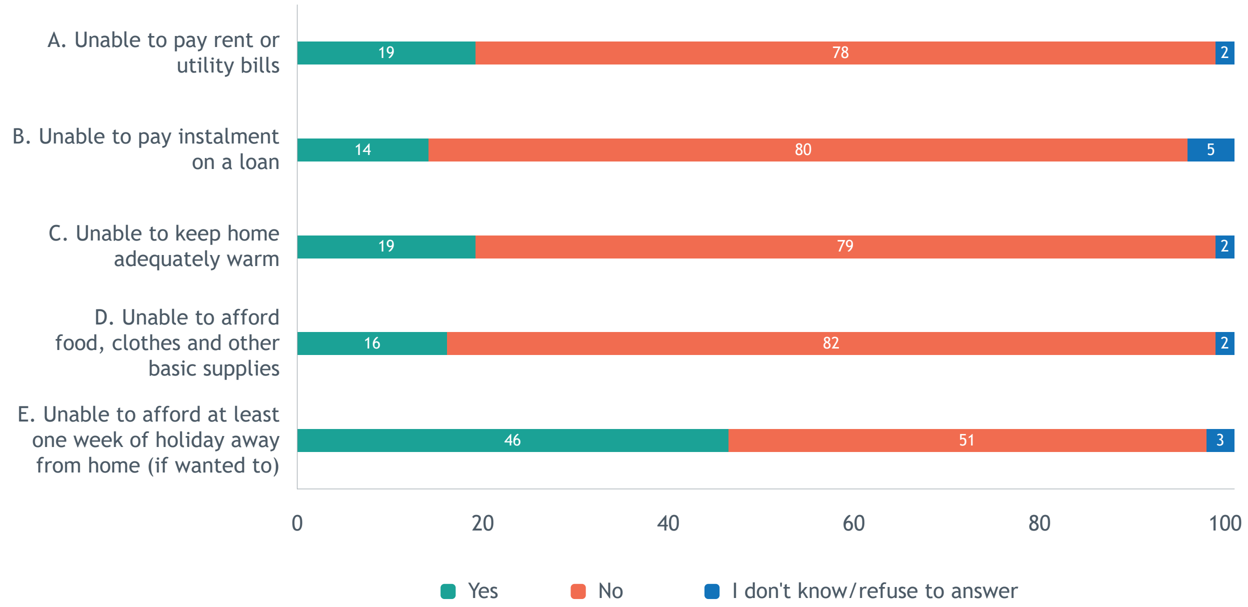
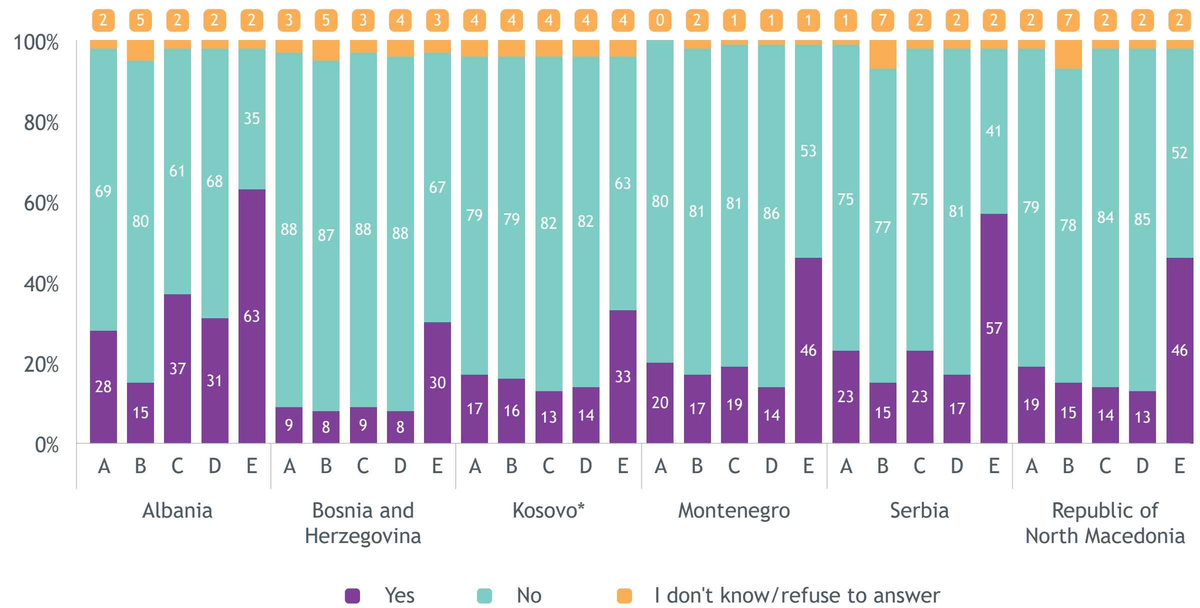


Figure 36: Did your household face the following problems (even at least once) during the past 12 months? (By economies): A - Unable to pay rent or utility bills; B - Unable to pay instalment on a loan; C - Unable to keep home adequately warm; D - Unable to afford food, clothes and other basic supplies; E - Unable to afford at least one week of holiday away from home (if wanted to)
(All respondents - N=6120, share of total, %)



As with previous instalments of the survey, the one thing most respondents were unable to afford in the past year was a week-long holiday away from home (46%). Tied for second were respondents unable to pay rent/utilities and those struggling to keep their homes warm (both at 19%). Additionally, 16% were unable to afford basic supplies and 14% missed loan payments.

There were no major changes noted compared to the last year, with no more than a two-point variation across any of the categories surveyed.

A comparative assessment of the six regional economies singles out Albania as the home to the highest proportion of respondents unable to afford four of the five items surveyed. Almost two thirds of respondents from Albania were unable to afford a week-long holiday away from home, while more than a third were unable to keep their homes warm (37%). At the same time, the seemingly gloomy economic outlook shared by many respondents from Bosnia and Herzegovina is not borne out by the above indicators of household financial health; individuals from this economy were significantly less likely to encounter financial difficulties over the past 12 months than any of their regional counterparts and this is true across all of the five categories surveyed.

As in 2017, four out of five respondents report receiving no assistance from individuals living abroad over the past 12 months, although the trend observed across the past four survey instalments indicates a slight increase in the total number of remittance recipients (from 14% in 2014 to 18% in 2018).

Remittances reflect both the consumption needs of the recipients, in the form of demand, as well as the economic conditions of the sender, of the supplier. The fact that there has been little fluctuation in remittance numbers across the region speaks both to internal economic stability but also a slightly depressed EU economy from where most of the region's remittances come. Kosovo* has historically tended to be the exception with large fluctuations recorded over the past three years: remittances have gone down to 28% from 45% in 2016, and then up again to 47% in 2017, before dropping again to 30% in 2018.

Accordingly, Albania has now overtaken Kosovo* as the region's foremost recipient of remittances, where a third of respondents report receiving some assistance from abroad. At the other end of the scale, Bosnia and Herzegovina now has the fewest reported remittance recipients (9%), with Serbia, previously at the bottom, recording a five-point increase (up to 12% from 7% in 2017).

Figure 37: Did your household receive help, at least once in the past 12 months, in the form of money or goods from another individual living abroad?
(All respondents - N=6120, share of total, %)

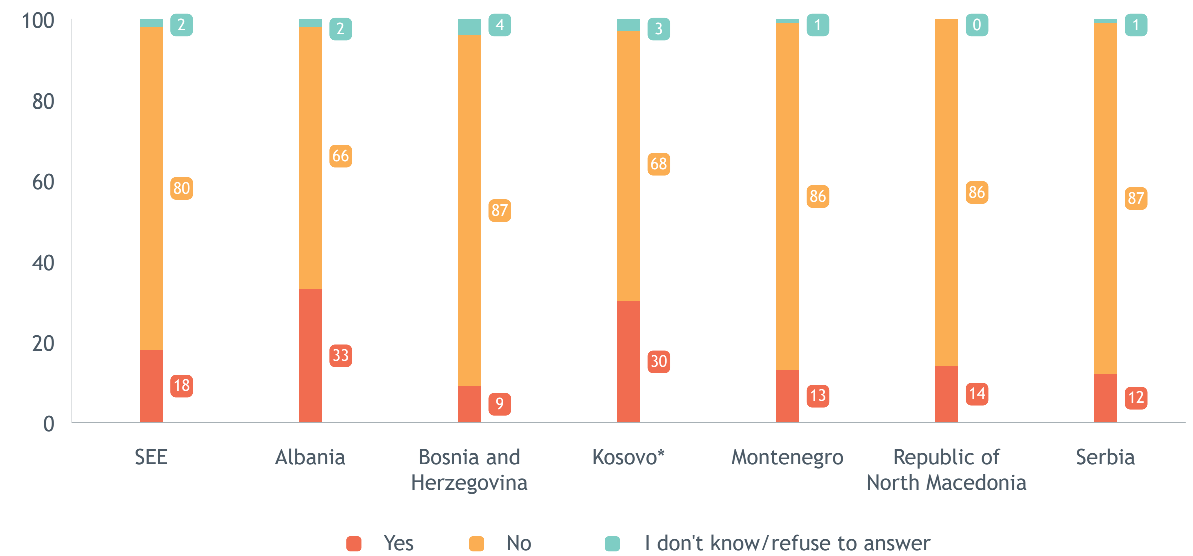
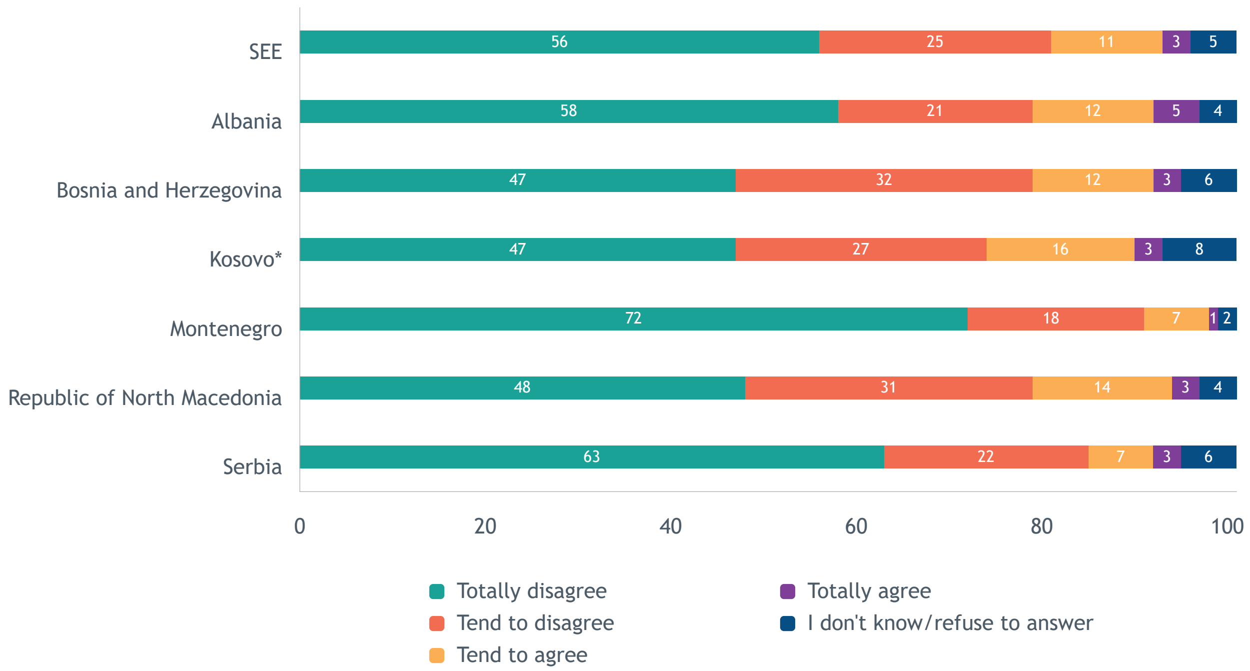


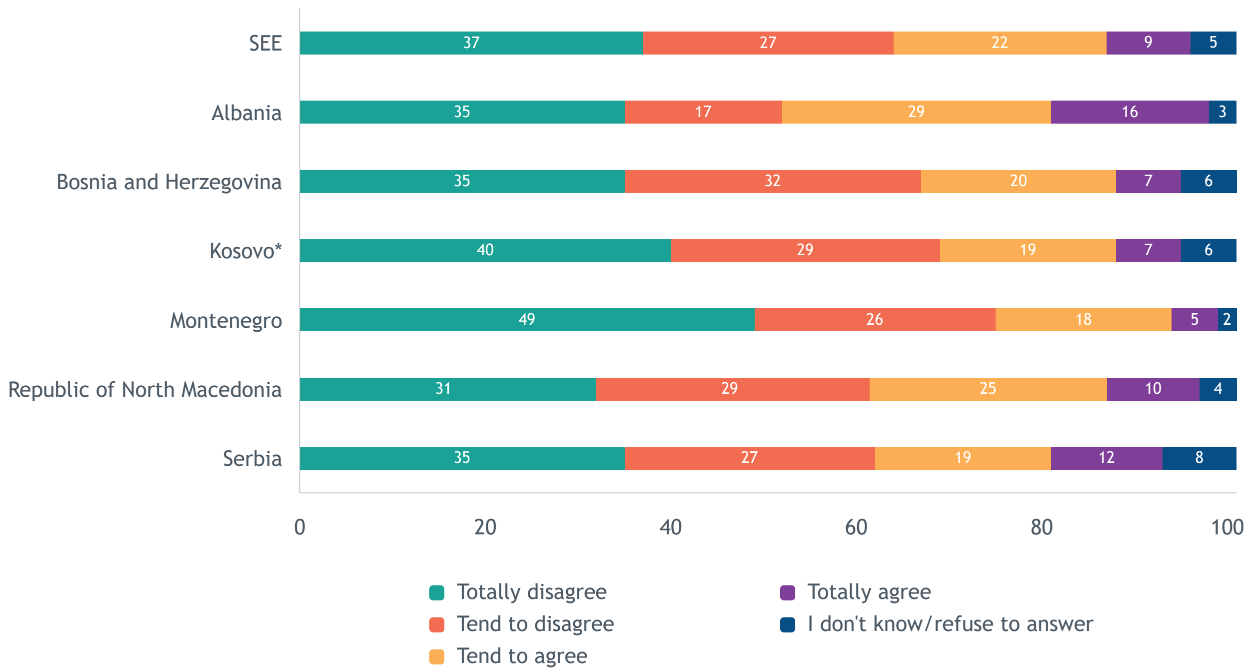
Figure 38: To what extent do you agree with the following statements: A - Some people look down on you because of your income or job situation; B - I feel that there is a risk for me that I could fall into poverty; C - I feel left out of society.[26]
(All respondents - N=6120, share of total, %)

a) Income/job situation



Some 14% of respondents feel that others look down on them as a result of their income or job situation, with Kosovo* home to the largest such population in the region. Concerningly, there is a marked increase (+5) in the number of respondents in this category compared to 2017, although respondent concerns over being looked down upon as a result of financial struggles have gone down overall since the inaugural edition of the Barometer (17% in 2014).

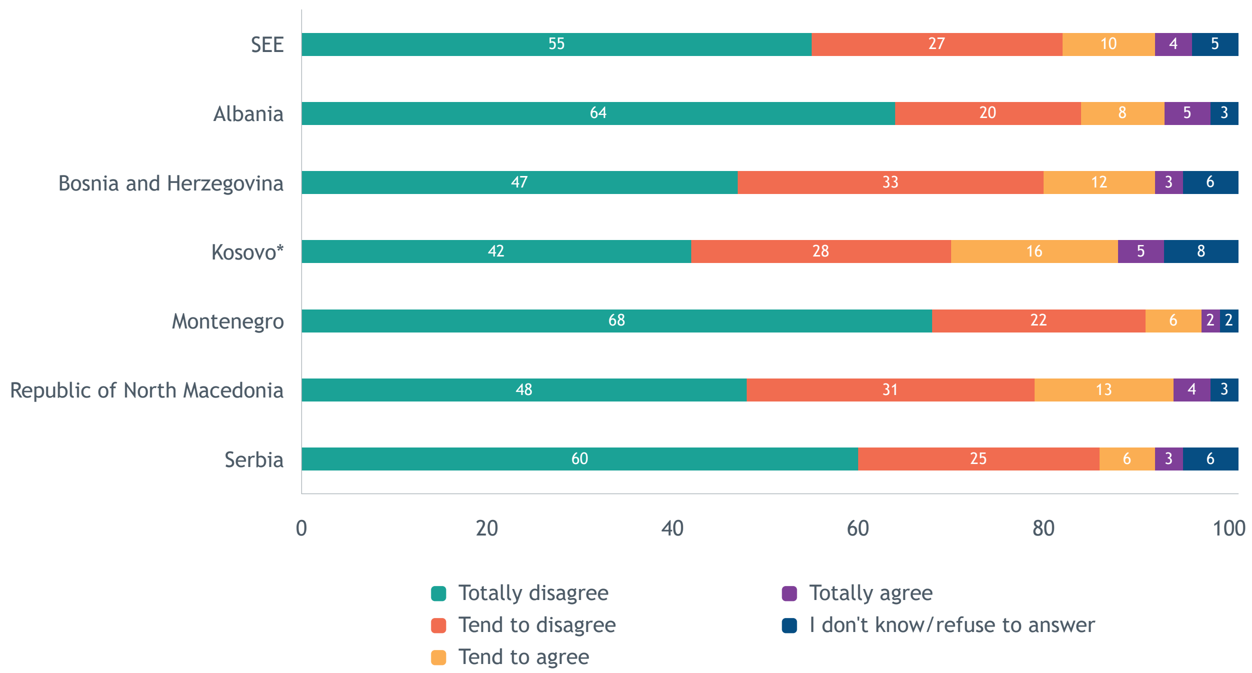
b) Risk of falling into poverty



26 The figures might not add to 100% due to rounding.

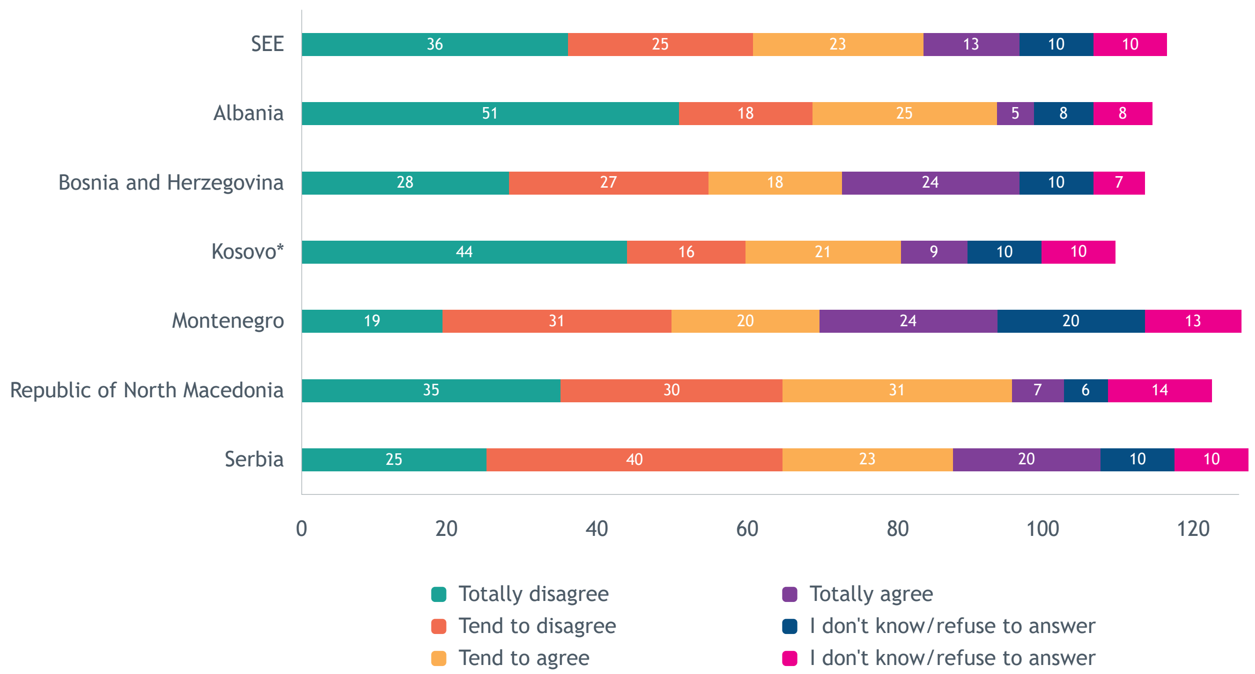
Almost a third of the respondent population (31%) are concerned about the prospect of falling below the poverty line, a worrying seven-point increase compared to 2017. In Albania, those concerns are shared by some 45% of the population, a major surge compared to the previous survey instalment (33%) and a cause for some alarm.

c) Feel left out



When asked whether they feel left out of society, some 14% of all SEE respondents agreed, with individuals from Kosovo* most likely to feel excluded (21%).

Figure 39: You feel left out because you:
(Left out - N=854, share of total, %)



Inability to find employment and membership in a marginalised age group continue to be the two chief reasons for respondents to feel excluded, albeit to a somewhat lesser extent than in previous years (36% and 25%, respectively). Almost a quarter of the SEE population (23%) also cite receiving little or no support from family or friends as a contributing factor in feeling left out.

More than half of all individuals surveyed in Albania (51%) attribute feelings of exclusion to their inability to find a job, while Montenegro boasts fewest such respondents (19%). Some 40% of respondents in Serbia feel excluded due to their membership in a marginalised age group, while nearly a third (31%) of individuals polled in the Republic of North Macedonia cite the absence of a family and friends network as the reason for their perceived exclusion. Almost a quarter of all respondents in Bosnia and Herzegovina and Montenegro (24% for both) report feeling left out as a result of their membership in a minority social group.

Interestingly, self-identifying as disabled or sick is twice as likely to be cited as a reason for exclusion in Montenegro than in any other economy across the SEE region.

Compared to 2017, there is a nine-point drop in the number of individuals across the region attributing their exclusion to membership in an age group, while there is a five-point hike in the number of respondents citing membership in a minority group as the underlying cause of the exclusion.

There is no major change in perceptions of this issue compared to previous survey instalments. A significant majority of respondents (68%) continue to express no preference regarding the gender of their supervisor, while those that do tend to favour male over female managers (18% versus 14%). The preference gap is narrowing, however, with fewer respondents preferring men over women as supervisors (down by three points from 21% in 2017).

Serbia and Bosnia and Hercegovina are regional leaders in the number of neutral respondents (76% for both) with the Republic of North Macedonia at the other end of the scale (63%). Four out of the six regional economies prefer male over female managers, while Kosovo* and the Republic of North Macedonia have a slight bias towards women in management.

The number of respondents who feel there is no gap between men and women in the workplace has grown by three points and now stands at just over a fifth of all individuals polled (22%).

Equality in salary (44%) and numbers of female and male staff (43%) are again the two mitigation strategies most favoured by respondents who acknowledge the existence of gender-based workplace disparity, although in reverse order to last year (43% and 46% in 2017, respectively). Also, compared to last year, the importance attached to maternity benefits has dwindled (-4), while support for paternity entitlements is holding at 14%.

Looking at the individual economies, equal pay is once more the preferred mitigation strategy in Albania (52%), while half of all Kosovo*-based respondents (48%) favour equality in number between the two genders. Meanwhile, almost a third of all respondents in Montenegro (30%) deny the existence of a gender gap in the workplace. Serbian respondents are the region's most forceful champions of maternity benefits (37%), while respondents from Kosovo* advocate paternity entitlements at a regional high of 22%.

Figure 40: Do you prefer to have a female or male boss at work?[27]
(All respondents - N=6120, share of total, %)

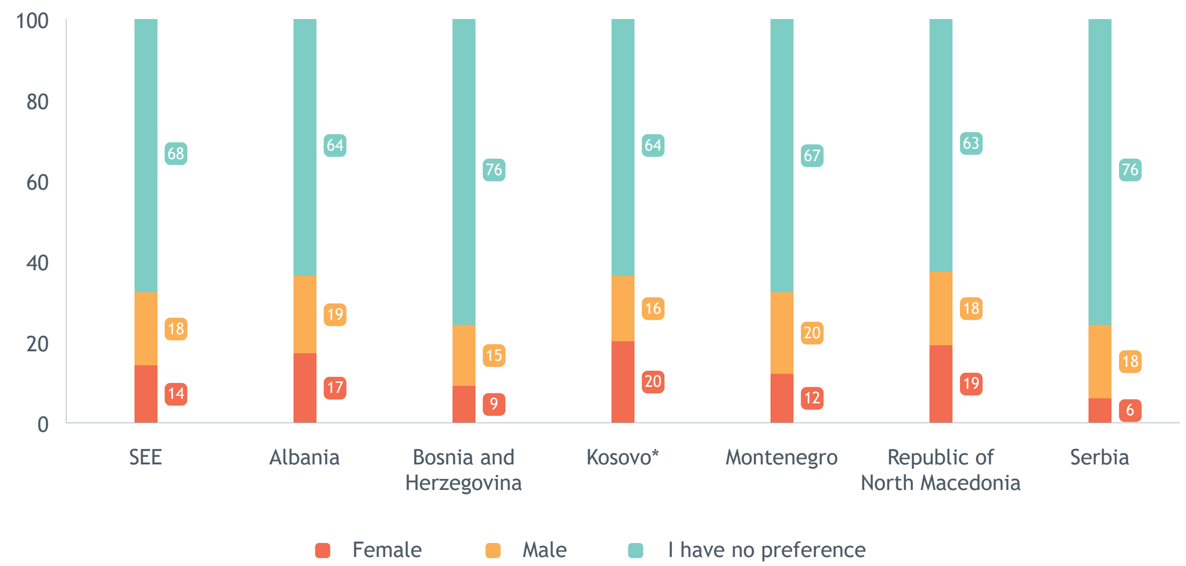
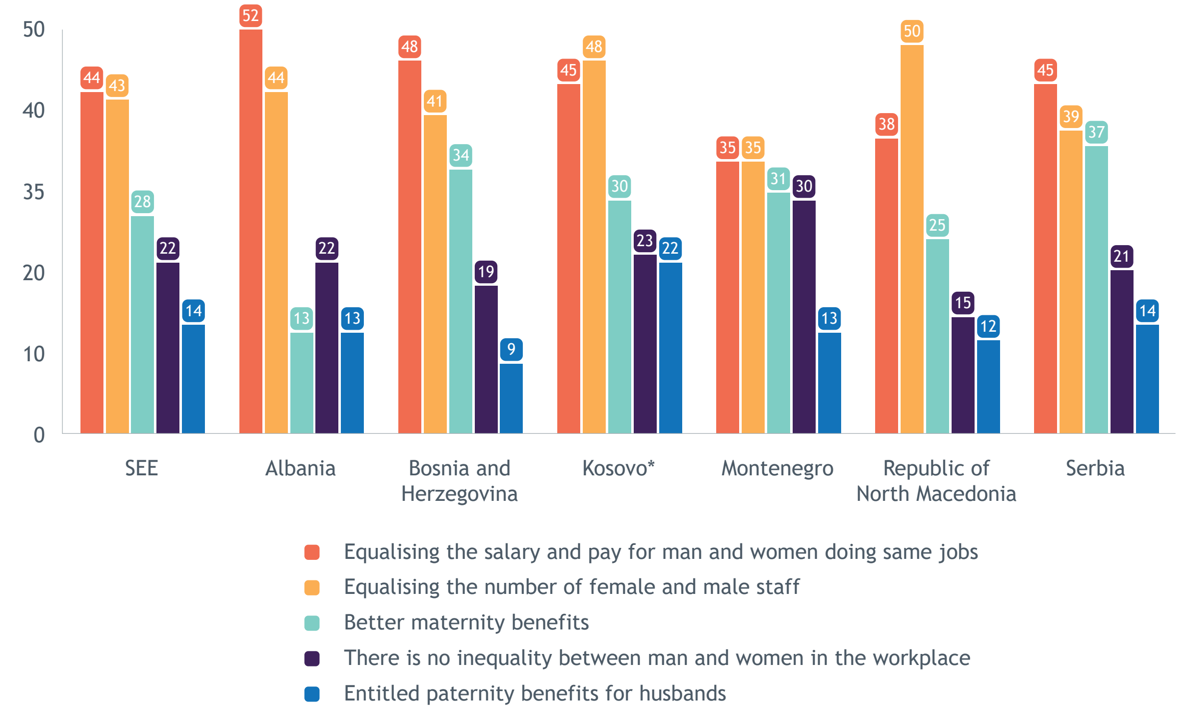


Figure 41: Gender equality at work can be improved by:
(All respondents - N=6120, share of total, %)



27 The figures might not add to 100% due to rounding.

EMPLOYABILITY AND THE LABOUR MARKET

Conditions in the labour market tend to greatly shape public perception with low employment and high inactivity rates once more combining to paint a gloomy picture of the region, despite recent employment gains. Respondents overwhelmingly feel that merit-based considerations, such as education or experience, are routinely overlooked by employers in favour of personal contacts and connections - this represents a rising threat to labour market consolidation as it further exacerbates already high inactivity rates. A more inclusive, and meritocratic, employment facilitation system is thus needed across much of the region.

Willingness to work abroad has surged markedly in the course of one year, indicating a growing awareness of job opportunities outside of the respondents' own economy. Deeply held views on better job security and superior benefits are once more translated into a high respondent preference for public sector jobs; working for a government institution is more than three times as attractive as being employed by a private business. Nonetheless, the preference gap favouring public sector jobs has now shrunk for the third year running.

Encouragingly, and for the first time since 2014, a plurality of respondents consider working hard to be the most important factor in getting ahead in life, though only by the slightest of margins.

Inadequacies in formal education are again exposed with a growing number of respondents unhappy with how the education sector prepares them for the workplace. Limited on-the-job training opportunities further aggravate the capacity shortages across both public and private sectors. Finally, and worryingly, a large proportion of unemployed respondents would turn down training opportunities even if they would lead to guaranteed employment.

Figure 42: What do you think is the most important for getting ahead in life?[28]
(All respondents - N=6120, share of total, %)

28 The figures might not add to 100% due to rounding.

Table 5: What do you think is the most important for getting ahead in life? - Comparison 2014/2015/2016/2017/2018
(Share of total, %)

	2014	2015	2016	2017	2018
Working hard	25	26	25	26	27
Having a good education	24	22	19	21	23
Knowing the right people	22	27	32	29	26

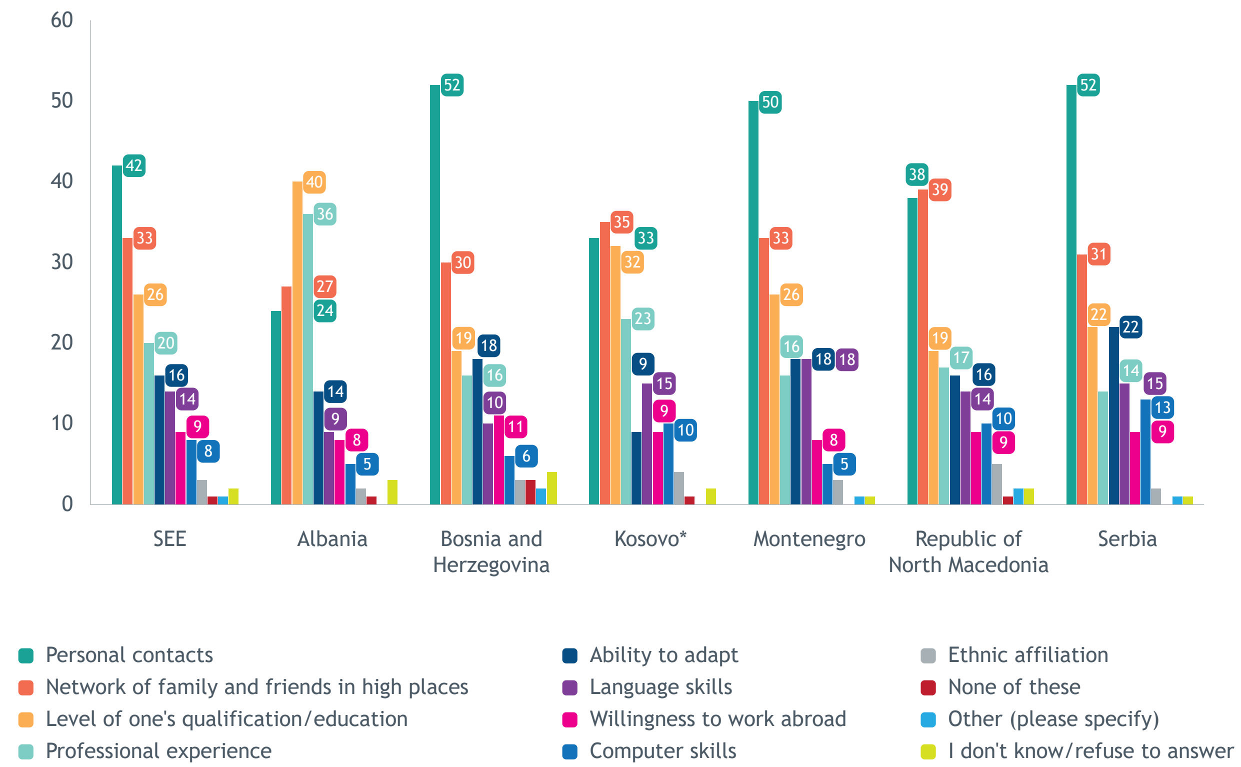
For the first time since 2014, the majority of respondents consider working hard to be the most important factor in getting ahead in life, though only by a single point. Knowing the right people comes in at close second, although it is somewhat encouraging to note a slight downturn in the latter trend since 2015. Having a good education is third with the number of respondents in this category at its highest since 2014.

Looking at the economies individually, Albania boasts the highest proportion of respondents who feel that working hard is a key to success in life (41%) with respondents from Serbia the most sceptical in this regard (22%). More than a third of all individuals surveyed in Bosnia and Herzegovina (35%), meanwhile, think that it is *who* rather than *what* you know that will determine how far you get in life. Albania is also top of the rankings when it comes to respondents who attribute success to having a good education (32%), while only 15% of individuals surveyed in Bosnia and Herzegovina subscribe to this view. Good fortune as a strategy for getting ahead is favoured by almost a fifth of all respondents in Serbia (19%).

Compared to individual results for the six economies from 2017, the single largest departure over the past 12 months is recorded in Kosovo* where the number of respondents who feel that having a good education is instrumental in their success has plummeted from 53% to 29% in 2018.

While a majority of respondents still consider personal contacts to be the most important factor in securing employment, there is a significant downturn in the trend from 2017 (-7). At the same time, the role of a family and friends' network has gone up in the estimation of residents across much of the region with a third now singling out close contacts in high places as critical in securing a job (33% from 29% in 2017). Rather disappointingly, the importance of job qualifications has gone down dramatically in the estimation of a large number of respondents since the previous survey instalment (26% from 36% in 2017).

Figure 43: In your opinion, which two assets are most important for finding a job today?
(All respondents - N=6120, maximum two answers, %)



Professional experience has as well taken a step back with a six-point drop compared to 2017 with one out of five respondents now prioritising experience as an important asset for job seekers. After a period of relative growth when it comes to the respondents' appraisal of merit-based considerations, such as qualification and education (2016: 32%; 2017:36%) and experience (2016: 21; 2017: 26%), the results for 2018 seem to indicate a degree of instability in the labour market once more. Significantly, willingness to work abroad has jumped from 4% to 9% indicating a growing awareness of job opportunities outside of the respondents' own economy with this number expected to increase further in the coming years.

Serbia and Bosnia and Herzegovina prioritise personal contacts to a greater degree than the other four economies (both at 52%), while Albania leads the region in the two merit-based categories qualifications (40%) and professional experience (36%). This is largely in keeping with last year's trends.

Sectoral employment preferences have remained largely unchanged since last year with 76% stating a clear preference for public sector jobs, whether in government (43%) or with state-owned enterprises (33%). With only 14% of individuals polled stating a preference for private sector employment, working for a government institution is more than three times as attractive as being employed by a private business.

Looking across the six economies, Kosovo* is once more home to the greatest number of respondents who favour public sector employment (84%), while Albania (28%) and the Republic of North Macedonia (20%) boast the highest proportion of individuals who prefer jobs in the private sector.

With almost three quarters of the respondent population employed by a private company, the stated employment preferences stand in contrast to reality, chiefly due to firmly entrenched views on better job security and superior working conditions in the public sector.

As noted above, respondents across the region overwhelmingly choose public sector employment over private sector jobs due to perceived job security (45%, down from 49% in 2017), superior remuneration (32%, down from 40% in 2017) and better working conditions (30%, down from 33% in 2017). The shift in figures from last year seems to indicate that the gap in perceived benefits of public versus private sector employment is shrinking, especially when figures for 2016 are factored in:

	2016	2017	2018
Job security	53	49	45
Better salary	38	40	32
Better working conditions	37	33	30

The share of respondents who feel that public sector employment offers superior social care and access to health services is also down by five points (16% for 21% in 2017).

Job security is the dominant consideration in opting for public over private employment across all six economies with Serbia (52%) especially prominent. Superior salaries are considered more often by respondents from Kosovo* (38%), while over a third of respondents in Serbia (35%) cite better working conditions.

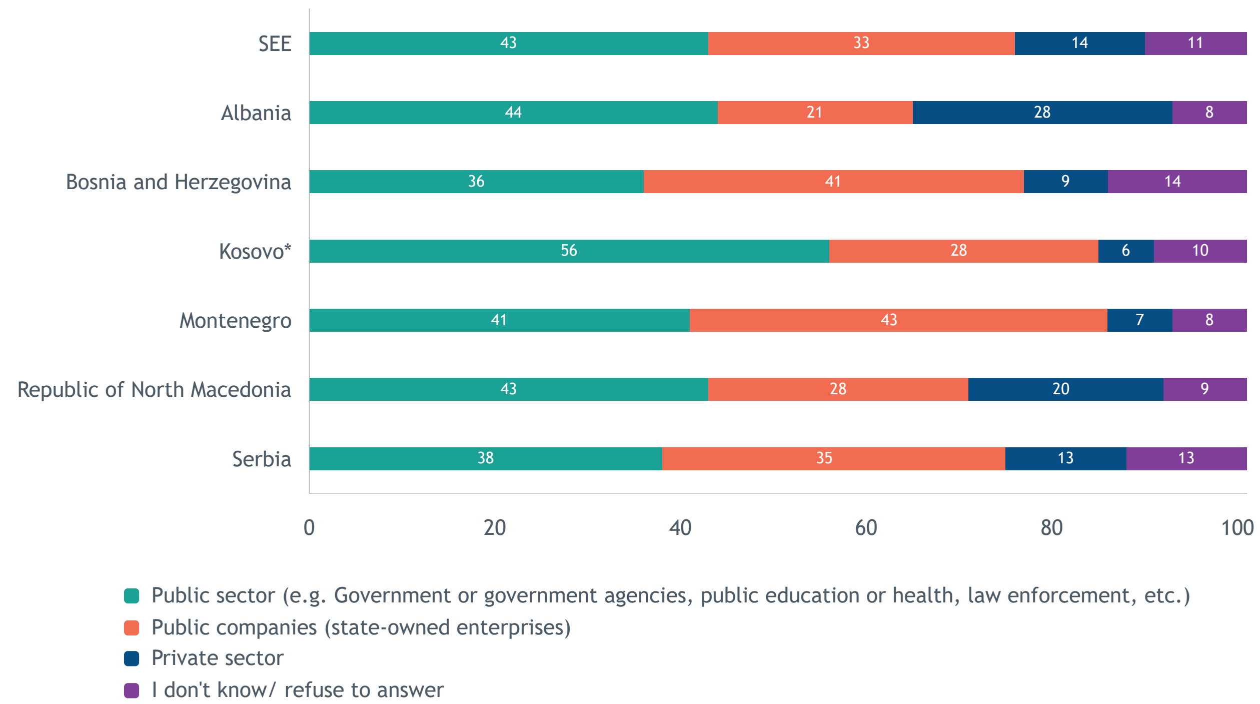
Pensions earned in the public sector are considered especially important by respondents from Montenegro (26%), while their counterparts in Bosnia and Herzegovina cite superior healthcare and better social services to a rate higher than any other economy in the region (19%). Respondents from the latter economy also most frequently cite better advancement opportunities (17%), while Kosovo* is home to the largest concentration of individuals who prefer public sector employment for the quality of professional development opportunities on offer. Finally, Albania has the most respondents who prioritise public sector jobs out of a sense of public duty and a desire to serve.

The minority of respondents who prefer working in the private sector are motivated primarily by better salaries and, interestingly, safer jobs. Other key considerations include better working conditions, as well as better pensions and superior advancement opportunities.

In Serbia, respondents prefer working in the private sector as a result of superior salaries to a greater extent than the rest of the region, while individuals from Kosovo* are most attracted by what they perceive to be better job security.

Foreign-owned companies remain the preferred private sector employer with more than a third of all respondents (38%) favouring them to domestically owned businesses (25%). A large segment of the respondent population, however, has no preference in this regard.

Figure 44: If you could choose, would you prefer to work in the public (public administration and public companies) or private sector?[29]
(All respondents - N=6120, share of total, %)



29 The figures might not add to 100% due to rounding.

Figure 46: If you prefer to work in private sector, what is the main reason for that?
(Those who prefer working in private sector, maximum two answers, %)

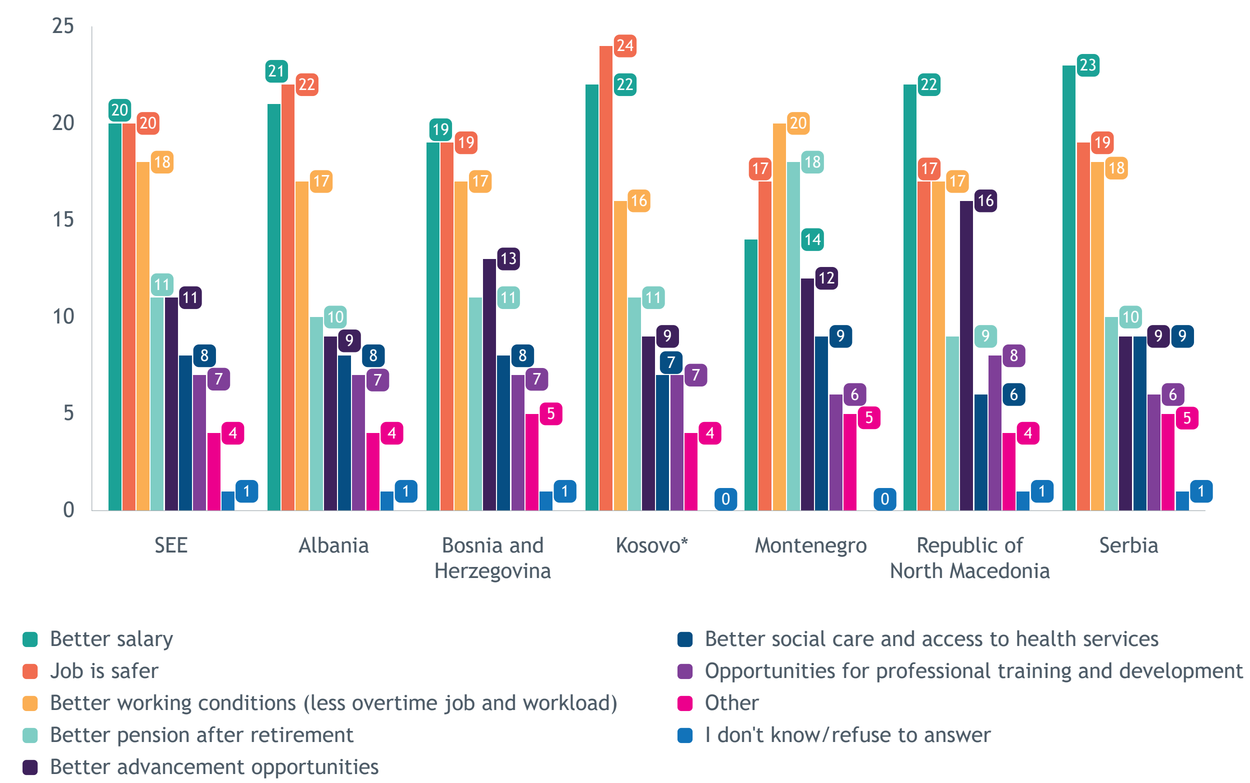
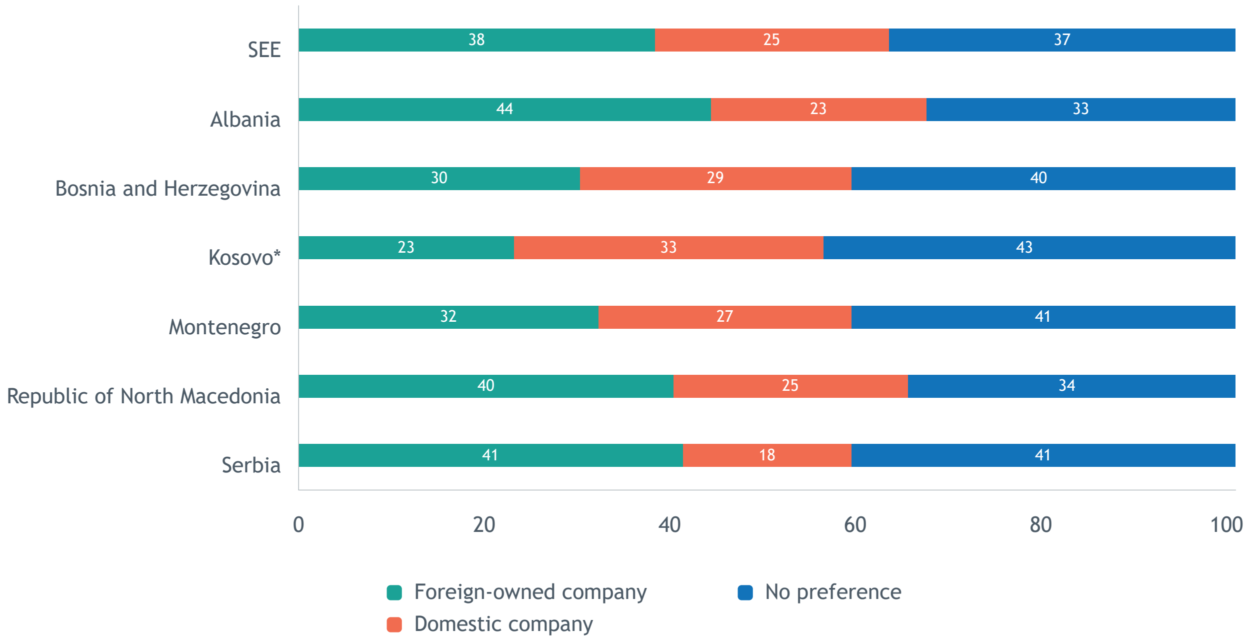


Figure 47: Would you rather work for a...?[30]
(All respondents, N=6120, share of total, %)



Albania is home to the largest concentration of respondents with a bias towards foreign owned businesses (44%), while a third of respondents from Kosovo* (33%) favour domestically owned companies; Kosovo* is also home to the largest population of neutrals (43%).

Overall, the employment situation and the labour markets in the region as portrayed by the Barometer results reveal a number of gaps and structural problems that need addressing by the policy makers. While the public sector needs talented and innovative highly ucation to e the quality of labour supply and ensure a smoother transition in the labour market ectors. persons a more balanced approach to public vs. private sector employment benefits would avoid distorting incentives for skill acquisition and impeding the pace of economic growth and structural transformation of the economy. It would also facilitate the transition of young people to the labour market, since they would not delay searching for a job in the private sector in the hope of getting a public sector job. Therefore an important policy implication would be the increased balance in terms of both remuneration and working conditions between the private and public sectors. The encouragement of investment by the business sector is of crucial importance in raising the demand for labour and improving productivity. However, it is also highly important that the supply of skilled labour be increased through improvements to the education systems, both at secondary school and at higher education levels: work based learning and university-business cooperation need to be enhanced in order to improve the quality of labour supply and ensure a smoother transition from education to the labour market. Further, expenditure on active labour market policies remains relatively low in comparison with EU averages and this is an area that should be developed much more in the future. ALMPs can encourage labour-market participation, provide short-term employment opportunities and spur entrepreneurship. They should be better designed and targeted towards groups in need, such as young people, women and less skilled individuals. Moreover, improvements in management practices and design of ALMPs, particularly using the results of impact evaluations, could be highly recommended. Employment and Social Affairs Platform, an EU-funded project implemented by RCC, has been providing demand driven support to the WB administrations in developing more effective employment and social policies through regular in-depth analysis of employment and active labour market policies (ALMP), peer learning modelled after the EU Member States mutual learning exercises, and introducing bench-learning modelled after the EU Public Employment Services network practices.

A majority of respondents consider the skills acquired through formal education to be adequate to their present job requirements (58%, down from 64% in 2017), while more than a quarter disagree (27%, up from 22% in 2017).

Albanian respondents seem least satisfied with the matching of skills obtained through education and the needs of their workplace (38% disagreeing that their education is a good match for the job) indicating a growing need for the education sector to catch up with the economy.[32] Compared to last year's results, Albania has recorded a 20-point hike in the number of respondents unhappy with the relevance of their formally acquired skills, knowledge and abilities in the workplace. Results

Figure 48: Would you agree that the skills you learned in the education system meet the needs of your job?[31]
(All respondents - N=6120, share of total, %)

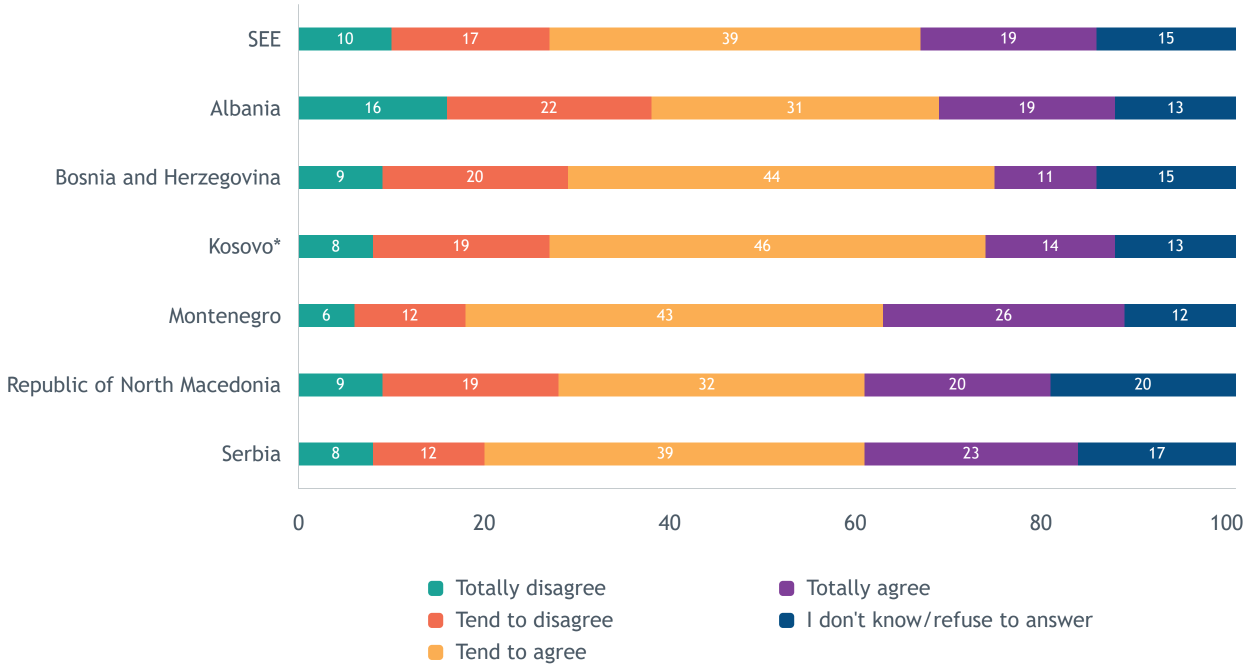
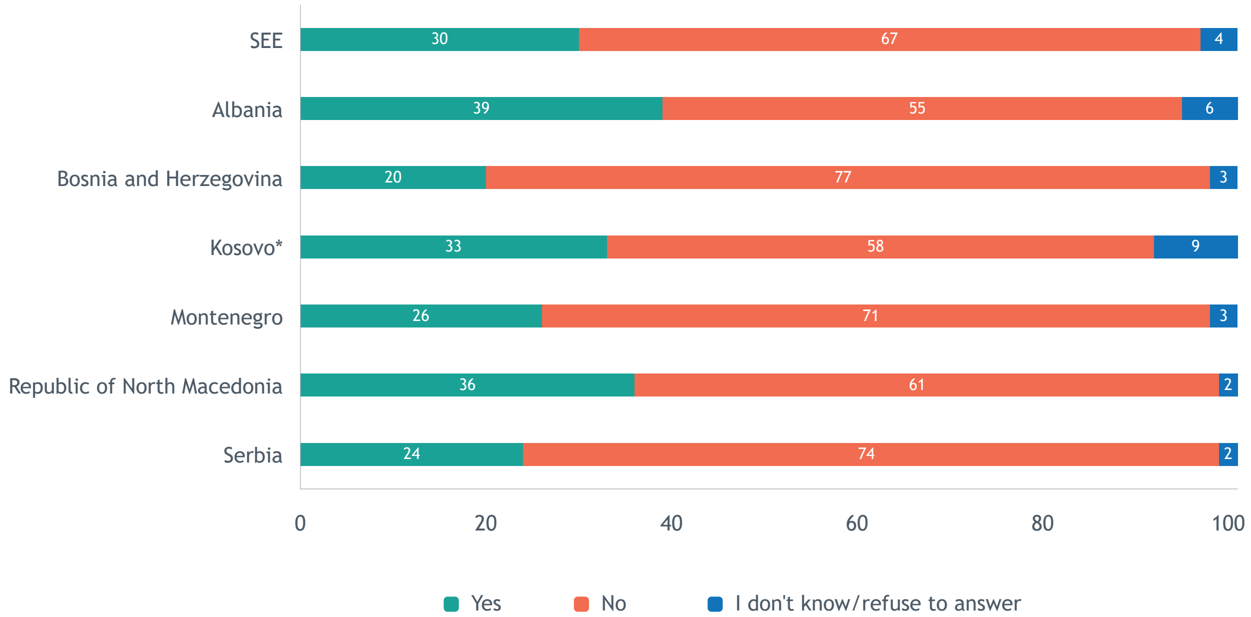


Figure 49: Has your job required you to learn new or advance your skills in the past 12 months?[32]
(Those working - N=2494, share of total, %)



30 The figures might not add to 100% due to rounding.

31 The figures might not add to 100% due to rounding.

32 The figures might not add to 100% due to rounding.

for the region indicate a similar though less dramatic trend for SEE with Montenegro alone in reporting a dissatisfaction rate of under 20%.

More than two thirds of respondents were not required to learn new, or advance existing, skills over the past 12 months (67%). Further validating their relatively pronounced unhappiness with their formal education's utility in the workplace, respondents from Albania were again more likely to upgrade their skills than their counterparts in any other economy (39%). At the same time, only a fifth of all respondents from Bosnia and Herzegovina were mandated to improve their skill sets in the workplace over the past year.

The area most frequently targeted for upgrade across the region over the past year was knowledge of foreign languages (30%, up from 26% in 2017). The number of respondents required to upgrade their ICT/digital-related skills dropped by 10 points since the last survey (28%, down from 38% in 2017), followed by understanding how to effectively manage own learning to keep up with their jobs (26%, down from 29% in 2017).

Albanian respondents focused more on learning foreign languages (42%), while their counterparts from Serbia needed to enhance their ICT competences to a greater degree than the ones in other economies (40%). Respondents from the Republic of North Macedonia were most frequently asked to learn how to operate in a diverse working environment (31%), while employers in Bosnia and Herzegovina mandated improvements in communication in the employees' mother tongue (30%) more than in any other economy in the region.

While a clear majority of employed respondents are happy to pursue additional qualifications in order to move up in the workplace, the past three years have seen a somewhat sizable decrease in the interest by respondents surveyed.

In 2016, 83% were happy to develop in order to advance, with that number then dropping to 79% in 2017, and then again to 71% most recently in 2018.

Serbia boasts the largest concentration of respondents who are happy to pursue additional qualifications (79%) with the Republic of North Macedonia home to almost a third of all respondents who would not.

Figure 50: Which of these competences did you need to learn or advance:
(Those whose job required learning new or advancing skills in the past 12 months, N=738, multiple answers, %)

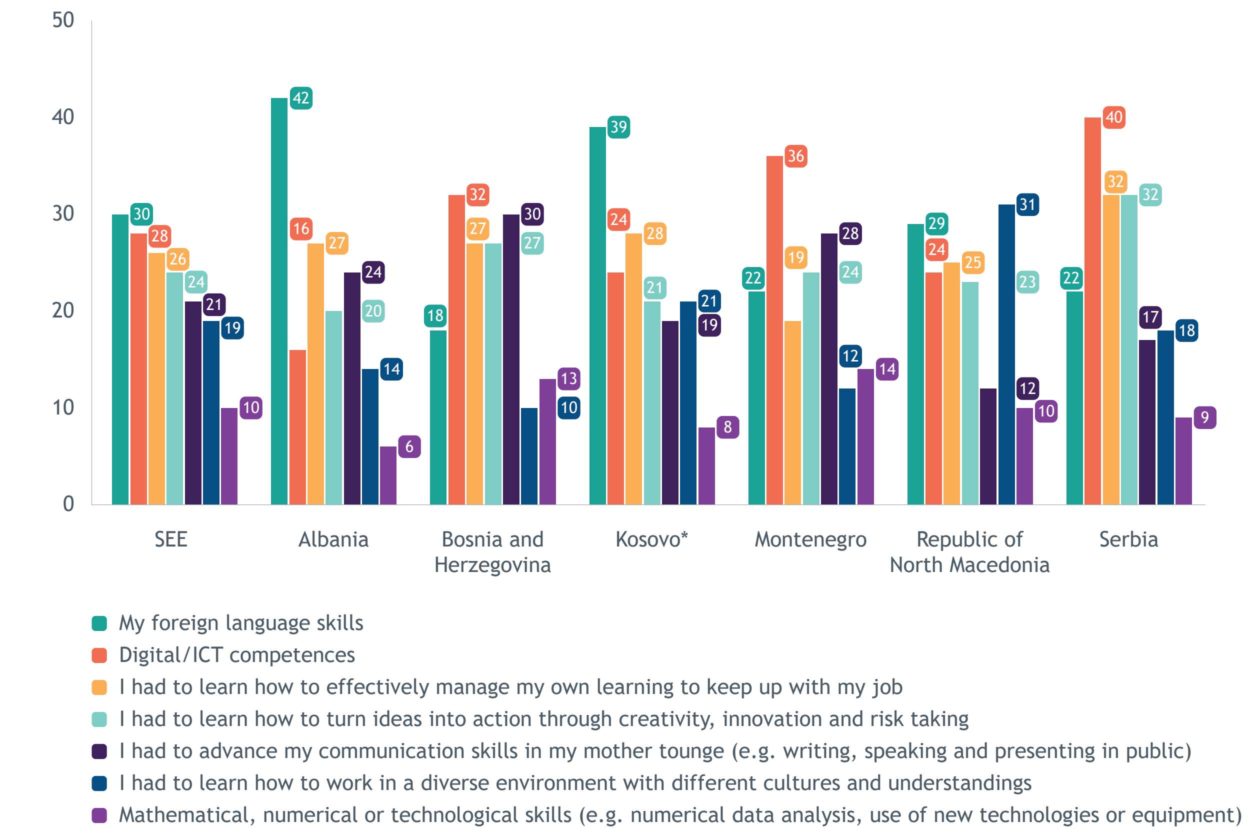
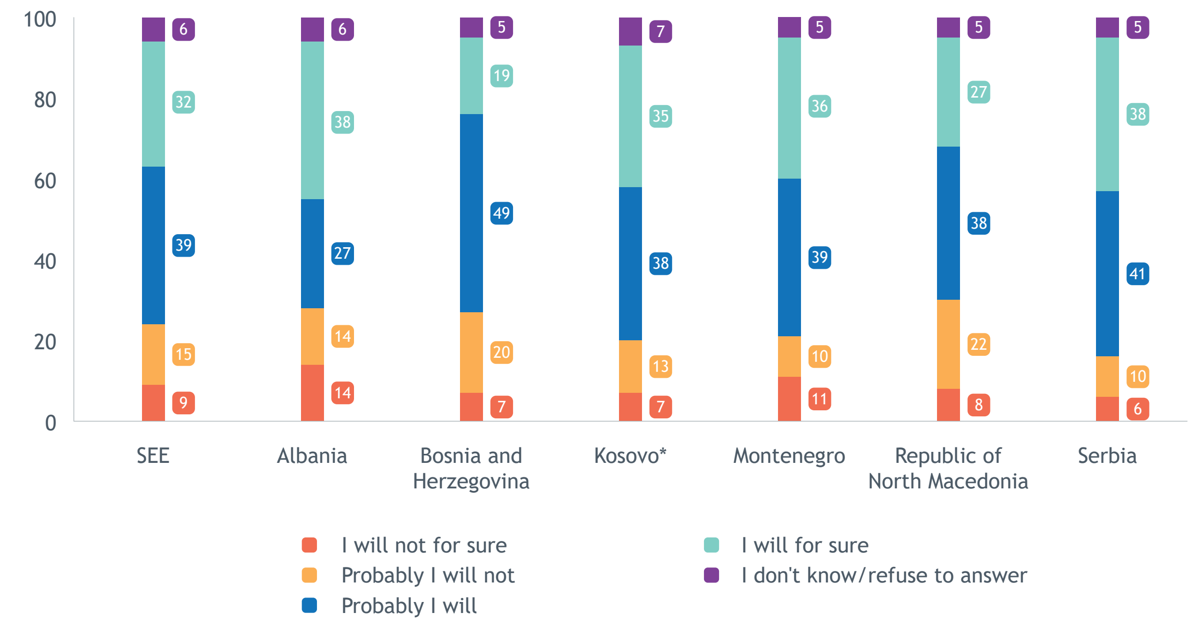


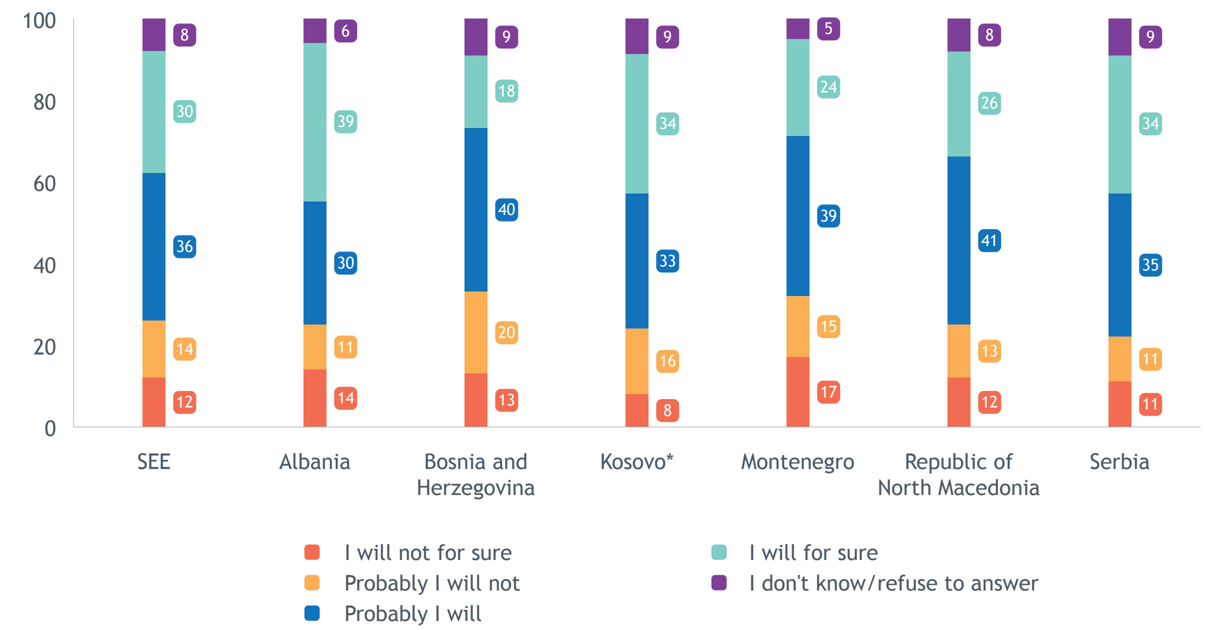
Figure 51: Would you be ready to acquire additional qualifications to advance at work?[33]
(Employed or self-employed people, N=2494, %)



While a majority of the unemployed would readily pursue additional qualifications in order to secure employment (66%), a large proportion of the respondents would not (26%). The fact than more than a quarter of respondents who are not working would refuse professional development as means of getting a job is a cause for concern. Even more worryingly, the number of passive job seekers has grown from 19% in 2017.

Serbia with 22% has the lowest number of respondents unwilling to pursue additional qualifications for the purposes of securing employment.

Figure 52: Would you be ready to acquire additional qualifications in order to get a job?[34]
(All respondents - N=1417, share of total, %)



33 The figures might not add to 100% due to rounding.

34 The figures might not add to 100% due to rounding.

DIGITAL LITERACY AND DIGITAL SKILLS

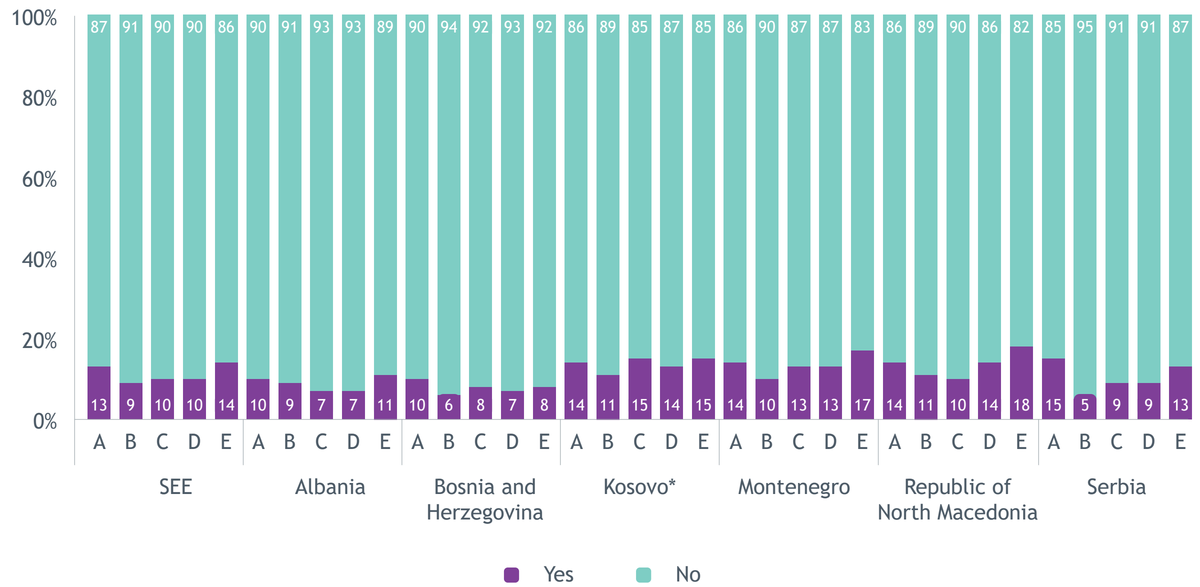
Digitalisation continues to be an underutilised resource by the region's economies. Few respondents pursue training and development opportunities in information technology, while more than a quarter report not using the Internet at all. Lack of confidence in e-services and doubts about online security, as well as entrenched consumer preferences in accessing services translate into limited interest in web-based transactions.

Disappointingly for a region characterised by low citizen satisfaction with public sector performance, E-government services are used by only 2% of the population. This represents an enormous, and thus far clearly untapped, opportunity for SEE governments who have at times struggled to provide the requisite level of transparency and improve e-Government service delivery to citizens.

Encouragingly, Internet coverage no longer seems to be an issue for the region.

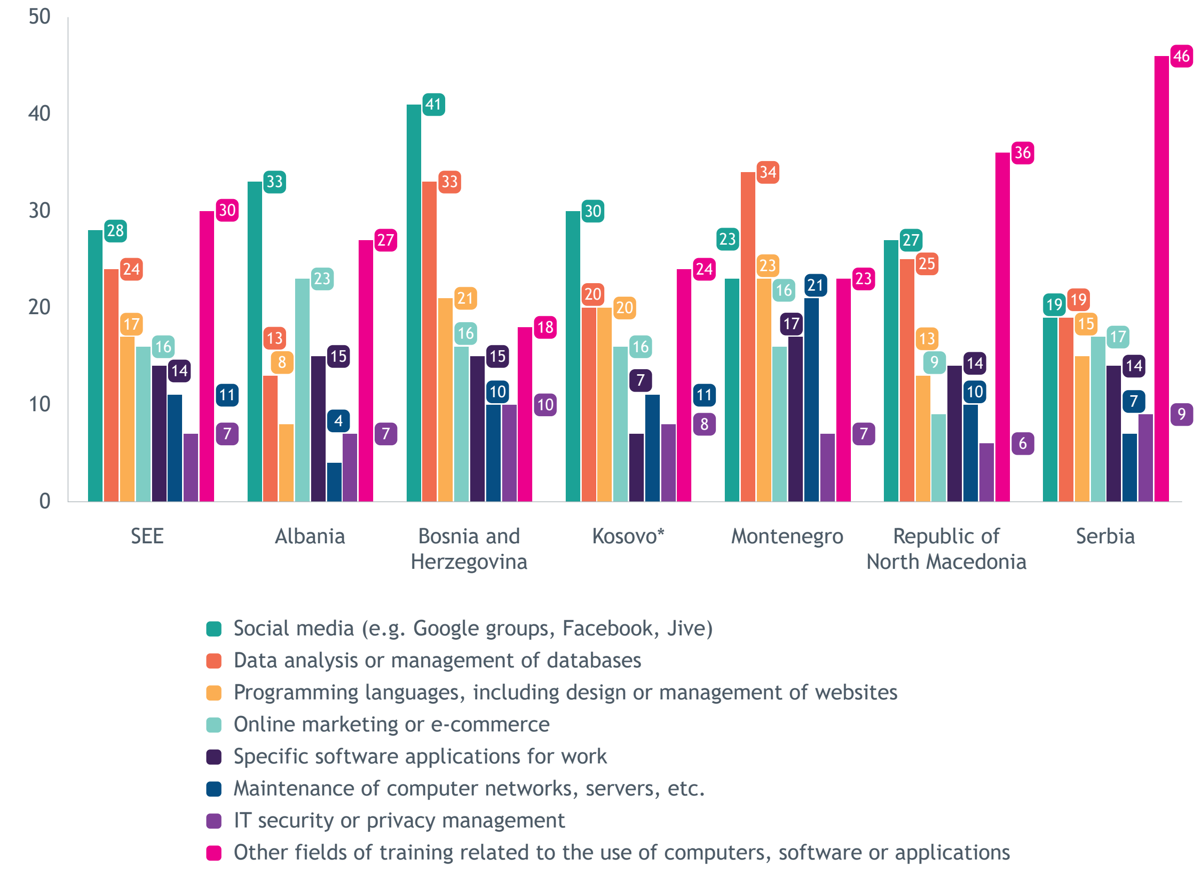
On average, one out of ten respondents pursued training in the use of computers, software or applications over the past 12 months, largely in keeping with last year's numbers. As in 2017, the two most commonly employed learning methods were on-the-job training (14%) and free online courses or self-study (11%). Overall, this shows a relatively low level of interest in improving digital literacy across the region with respondents from Bosnia and Herzegovina particularly passive. The Republic of North Macedonia at the same time boasts the highest number of active respondents in three out of five learning categories.

Figure 53: Have you carried out any of the following learning activities to improve your skills relating to the use of computers, software or applications in the last 12 months? - A - Free online training or self-study; B - Training paid by yourself; C - Free training provided by public programmes or organisations (other than your employer); D - Training paid or provided by your employer; E - On-the-job training (by e.g. co-workers, supervisors, etc.)[35]
(All respondents - N=6120, share of total, %)



35 The figures might not add to 100% due to rounding.

Figure 54: In which of the following fields relating to the use of computers, software or applications did you carry out the training in the last 12 months?
(All respondents - N=1425, share of total, %)

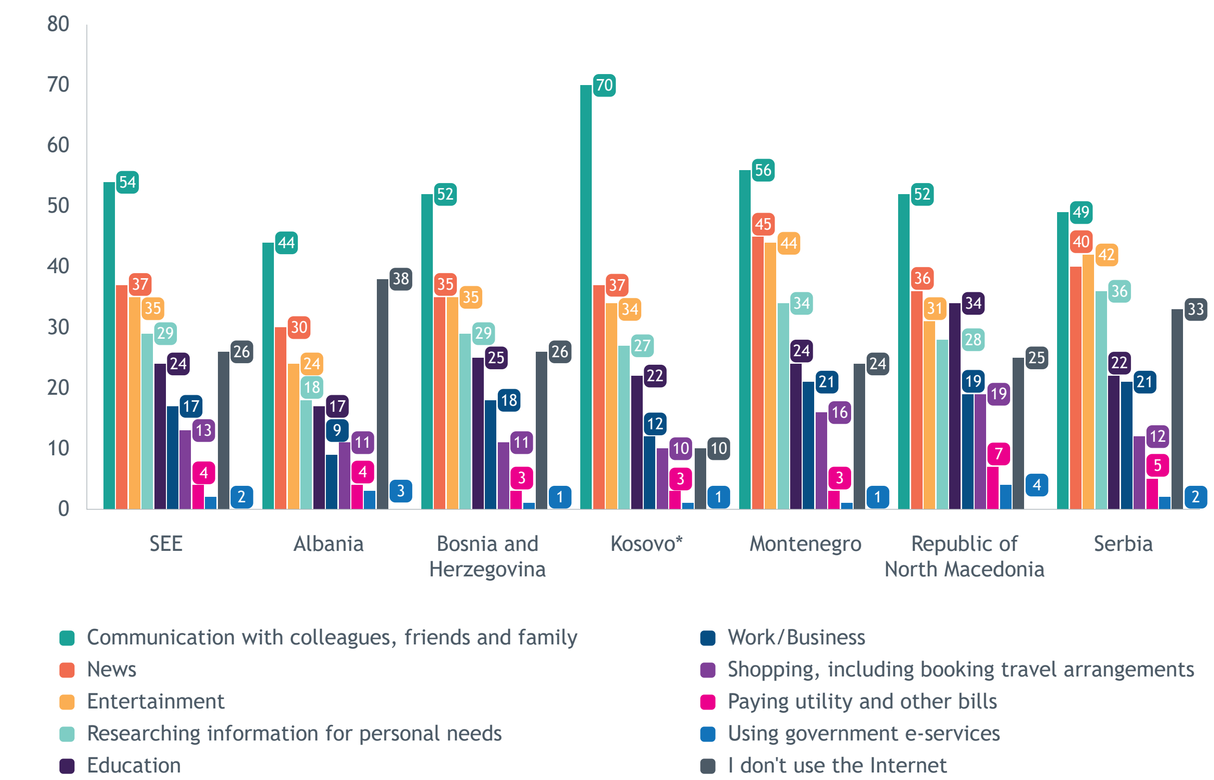


Looking at the total learning population, 30% underwent training in the use of computers, software or applications, 28% learned about social media and 24% pursued development opportunities in the field of data analysis or management of databases. Social media was most popular in Bosnia and Herzegovina (41%), while more than a third of Montenegrin respondents undertook training in data analysis or management of databases (34%). Nearly half of respondents from Serbia (46%) attended training in the use of computers, software or applications.

As expected, the Internet is primarily used as a tool in communication (54%), as well as a source of news (37%) and entertainment (35%). As in 2017, paying bills online and using e-government services are yet to catch on in the region with fewest users recorded across the two categories (4% and 2% respectively). Some 26% of respondents report not using the Internet at all.

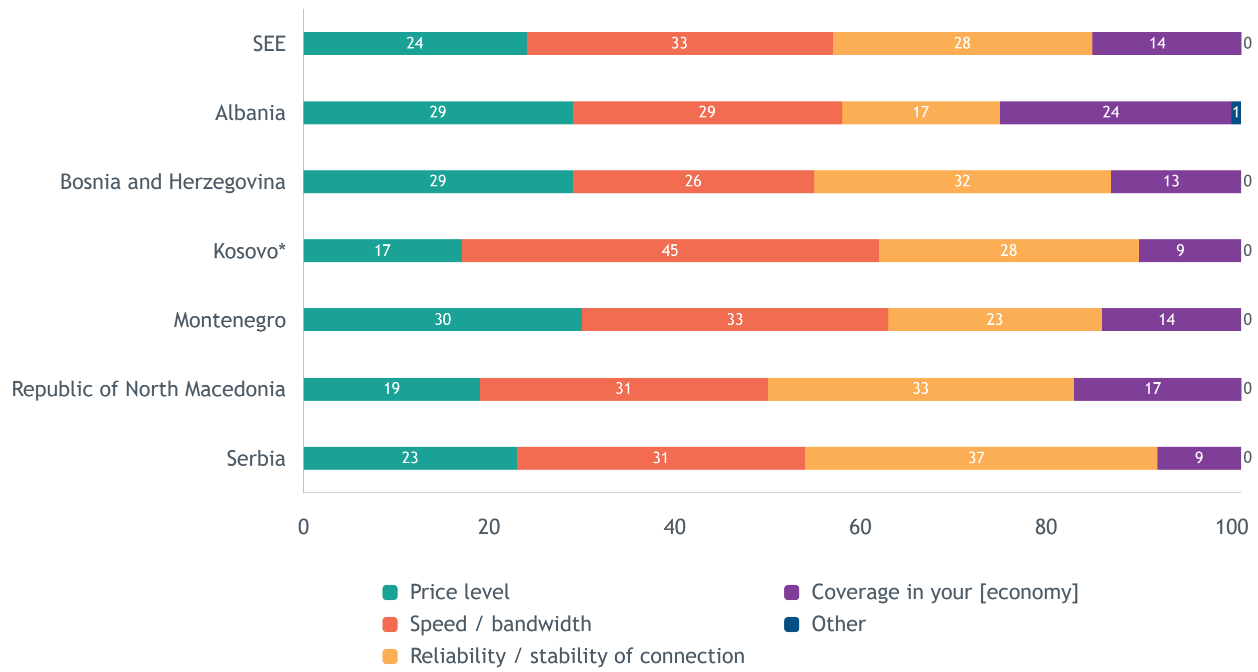
Looking across the individual economies, communication is the single most cited form of Internet use, with Kosovo* reporting a record high 70% of respondents who use the Internet to stay in touch with colleagues, friends and family. Montenegrins use the Internet for news (45%) and entertainment (44%) more than any other economy in the region, while respondents in Serbia go online to research information for personal needs (36%) more than anyone else. Respondents in the Republic of North Macedonia are the region's leaders in exploiting the Internet as a tool in education (34%), while they also top the charts in the two most underutilised categories, paying bills (7%) and using government services (4%). Once more, Albania has the largest share of individuals who do not use the Internet in the region (38%), which is probably explained in part by the lowest level of coverage as reported by respondents (see Figure 56: Which feature is the most important aspect for you regarding your internet access?).

Figure 55: Have you used the Internet for the following?
(All respondents - N=6120, share of total, %)



Speed/bandwidth (33%) and reliability/stability of connection (28%) are again the two aspects of Internet use deemed most important by the region's respondents. Likewise, price has once more come in third with an identical share of respondents to last year (24%).

Figure 56: Which feature is the most important aspect for you regarding your internet access?[36]
(All respondents - N=6120, share of total, %)



36 The figures might not add to 100% due to rounding.

Figure 57: Are you satisfied with your Internet connection?[37]
(All respondents - N=6120, share of total, %)

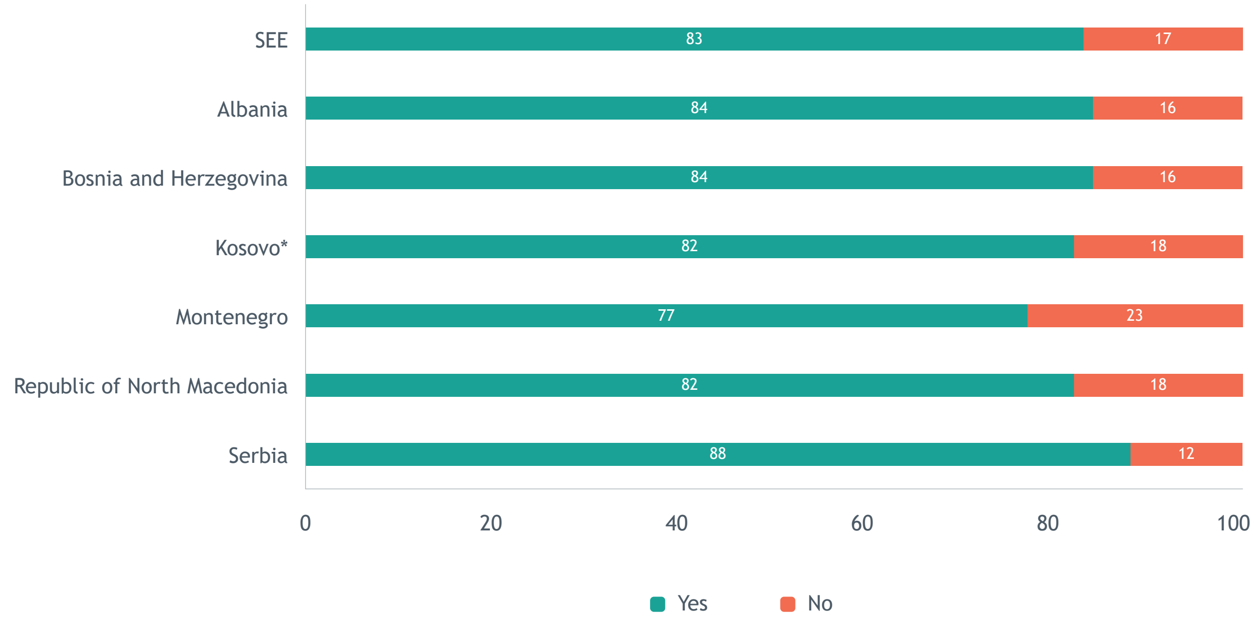


Figure 58: What concerns do you have, if any, for using the Internet for things such as online banking or buying things online?[38]
(All respondents - N=6120, share of total, %)

Internet speed is especially important in Kosovo* (45%), while respondents in Serbia prioritise reliability and stability of connection (37%). The price of service is the most important consideration for Montenegrin respondents, when compared to other economies (30%). While coverage is no longer listed as a region-wide concern, nearly a quarter of respondents in Albania prioritise this aspect of Internet use, possibly indicative of infrastructure deficiencies.

37 The figures might not add to 100% due to rounding.
38 The figures might not add to 100% due to rounding.

An overwhelming majority of respondents across the region are happy with their Internet connection (83%). Internet users in Serbia tend to be the most satisfied (88%), while almost a quarter of respondents in Montenegro are unhappy with the quality of their connection (23%).

With an extremely low level of Internet exploitation for online shopping, commerce and e-banking across the region, a closer examination highlights significant underlying concerns regarding data security (45%), as well as a strong bias towards conducting transactions in person (44%). A quarter of all respondents (25%) worry about the security of online payments, while some 13% are unsure whether they will receive the goods purchased online. Respondents from the Republic of North Macedonia are most concerned about the potential abuses of personal data (58%), while Kosovo* and Montenegro boast the largest share of individuals who prefer to do their business in person (56%). Nearly a third of surveyed respondents in the Republic of North Macedonia (30%) are concerned about the security of online payments, while a quarter of respondents from Serbia worry about not receiving the goods purchased on the Internet.

ATTITUDES TOWARDS MOBILITY

Emigration is likely to continue playing a key role in shaping the future of the region, both negatively, through creating a chronic shortage of skilled workers for domestic labour markets, and positively, by mitigating unemployment and generating remittances, an important source of income for the SEE economies. Losses in human capital are looking increasingly difficult to offset, as foreign labour markets almost exclusively target highly skilled workers from the SEE economies. This problem is further exacerbated by a notable discrepancy between the skills acquired in education and those demanded by the job market.

The prospect of accession is unlikely to safeguard the region's labour pool as Croatia has learned all too well since joining, nor is "brain drain" likely to slow or reverse course on its own. This is why the region's governments need to work together with the EU, the most common receiving labour market, to promote return migration, ultimately enabling the transfer of skills learned abroad and helping generate "brain gains" for the SEE economies.

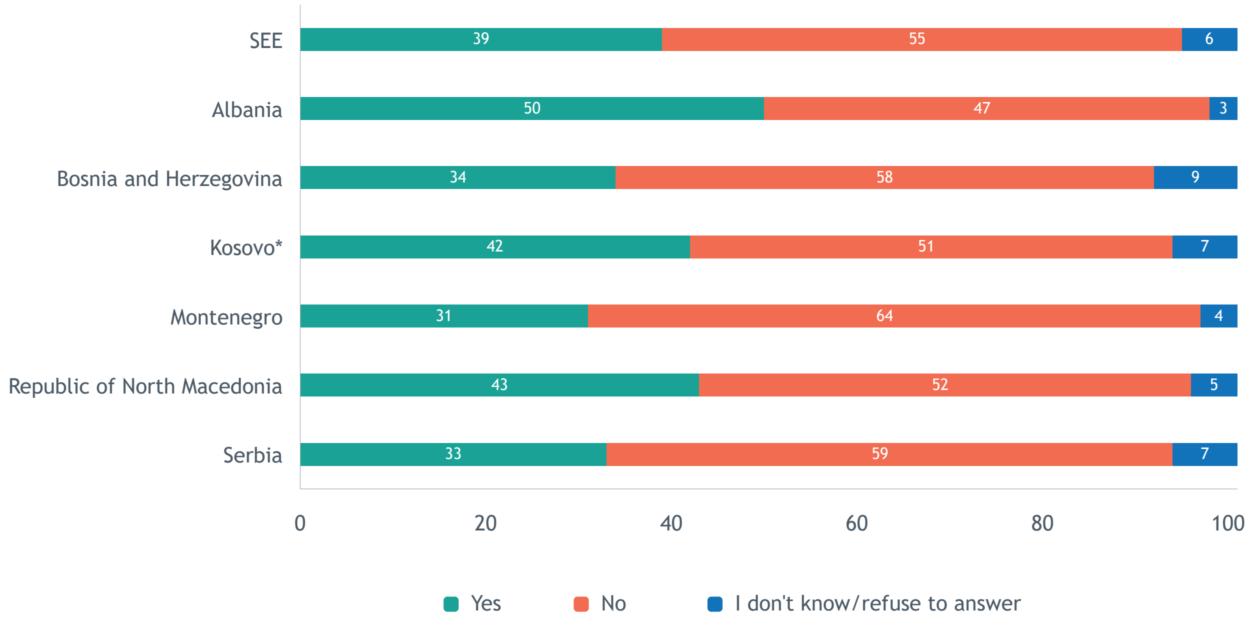
As expected, there is significantly less interest in regional migration, as well as travel, while the public have become more supportive of regional arrivals to the domestic labour markets. Only a small minority of respondents have travelled the region for business over the past year, an illustration of the need to further strengthen business ties within the SEE region.

Meanwhile, public attitudes towards refugees have steadily improved, although many in the region still view them unfavourably. Future sentiment towards refugees will likely depend on their number, as well as their intention to settle in the region or merely transit through.

Following a sizable drop in the number of prospective leavers in 2017 (-7), their number has now stabilised and stands at 39% of the respondent population for the second year running.

Looking at the economies individually, the stayers largely outnumber the leavers with Albania being the sole exception where 50% wish to leave (versus 47% who would prefer to stay). Simultaneously, Montenegro has the highest proportion of respondents who have no intention of leaving (64%). Following last year's result, where individ-

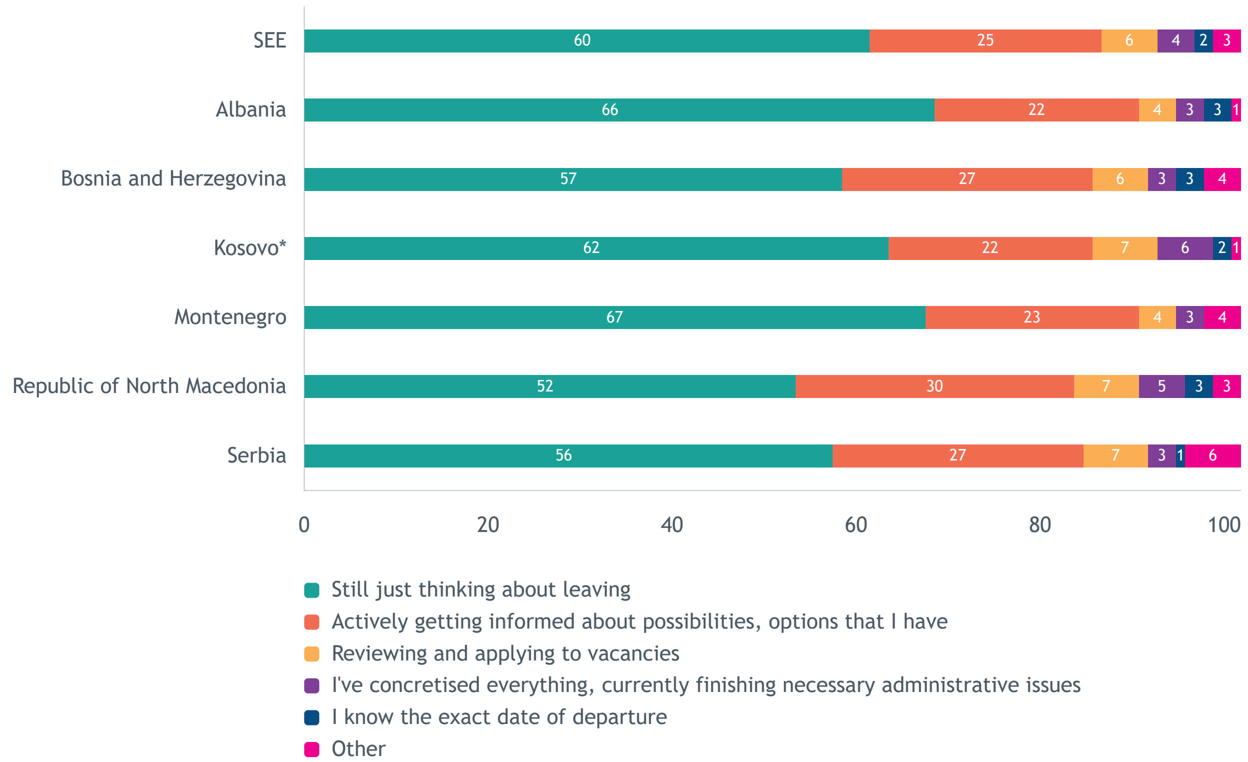
Figure 59: Would you consider leaving and working abroad?[39]
(All respondents - N=6120, share of total, %)



39 The figures might not add to 100% due to rounding.

uals from Kosovo* were split into two almost identical groups of leavers and stayers, a more sizable majority of stayers has emerged in 2018 with 51% now stating their preference to remain versus 42% who wish to leave.

Figure 60: In what phase of consideration are you?[40]
(Those considering leaving and working abroad - N=2382, share of total, %)



As in previous years, a large proportion of individuals who report a willingness to relocate abroad have not moved past thinking about making the move (60%). This is indicative of a general sense of discontent rather than the presence of a clear and definitive decision to be acted upon by the respondent. A quarter are getting actively informed about opportunities, while a far smaller contingent are actively pursuing employment abroad (6%) or wrapping up the necessary paperwork (4%). As last year, only 2% of all respondents know the exact date of departure.

At economy level, Montenegro has the highest proportion of individuals who are still only thinking about making the move (67%), while the Republic of North Macedonia is home to most respondents who are actively investigating opportunities abroad (30%).

There continues to be little interest in regional migration with the overwhelming majority of respondents disinclined to make the move within the SEE neighbourhood (81% from 86% in 2017 and 79% in 2016).

Looking at preferences by economy, Serbia has the fewest willing regional emigrants (89% would not move to another SEE economy), whereas Montenegro has the highest number of possible emigrants with a stated preference for another SEE economy, namely Serbia (10%), showcasing the close historical ties between the two.

The majority of prospective regional emigrants are still very much in the thinking phase (52%, down from 71% in 2017), while some 19% are actively investigating available SEE placement opportunities (up from 14% in 2017). 13% are presently reviewing vacancies and sending in applications with 5% in the process of sorting out any associated administrative issues. Only 2% know the exact date of departure, which illustrates the gap between stated desire by the respondents and their willingness to act on it. Albania has by far the highest share of "thinkers" in the region (72%), while more than a quarter of eligible respondents in Bosnia and Herzegovina (27%) are actively looking into employment opportunities across the region.

40 The figures might not add to 100% due to rounding.

Figure 61: Would you consider leaving and working in another place in the SEE region? If yes, where?
(All respondents - N=6120, share of total, %)

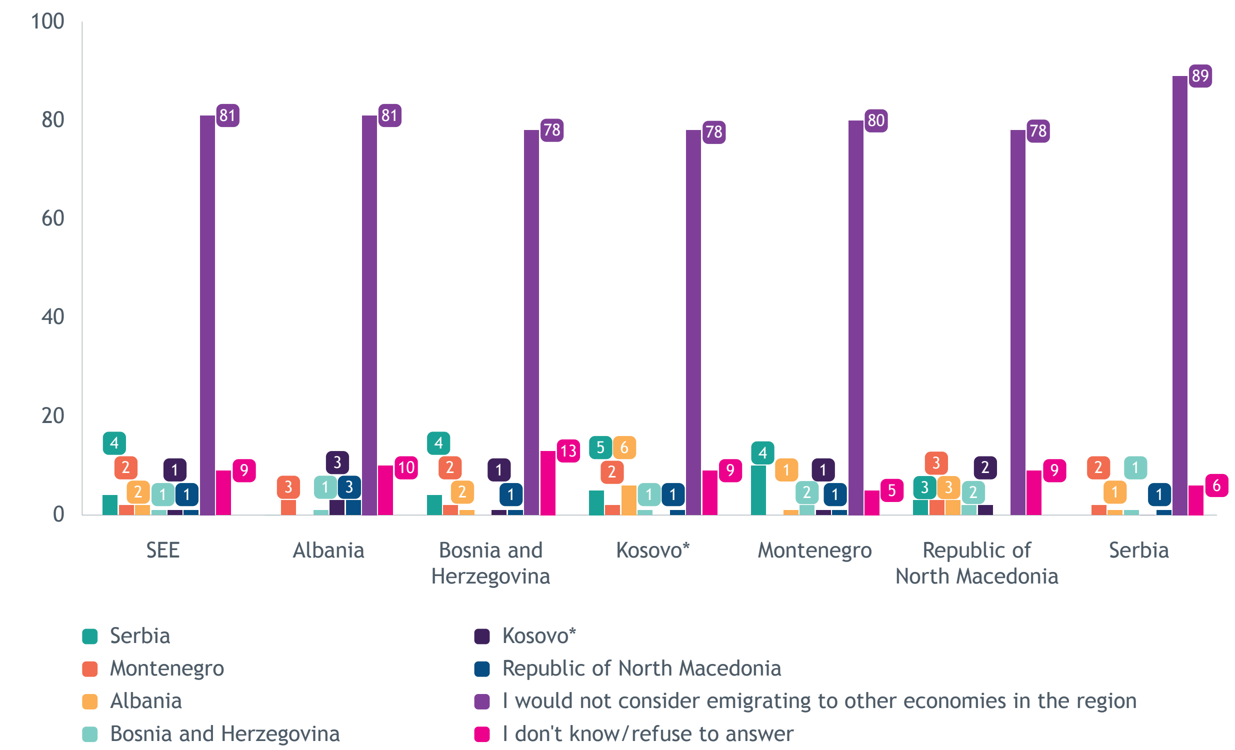
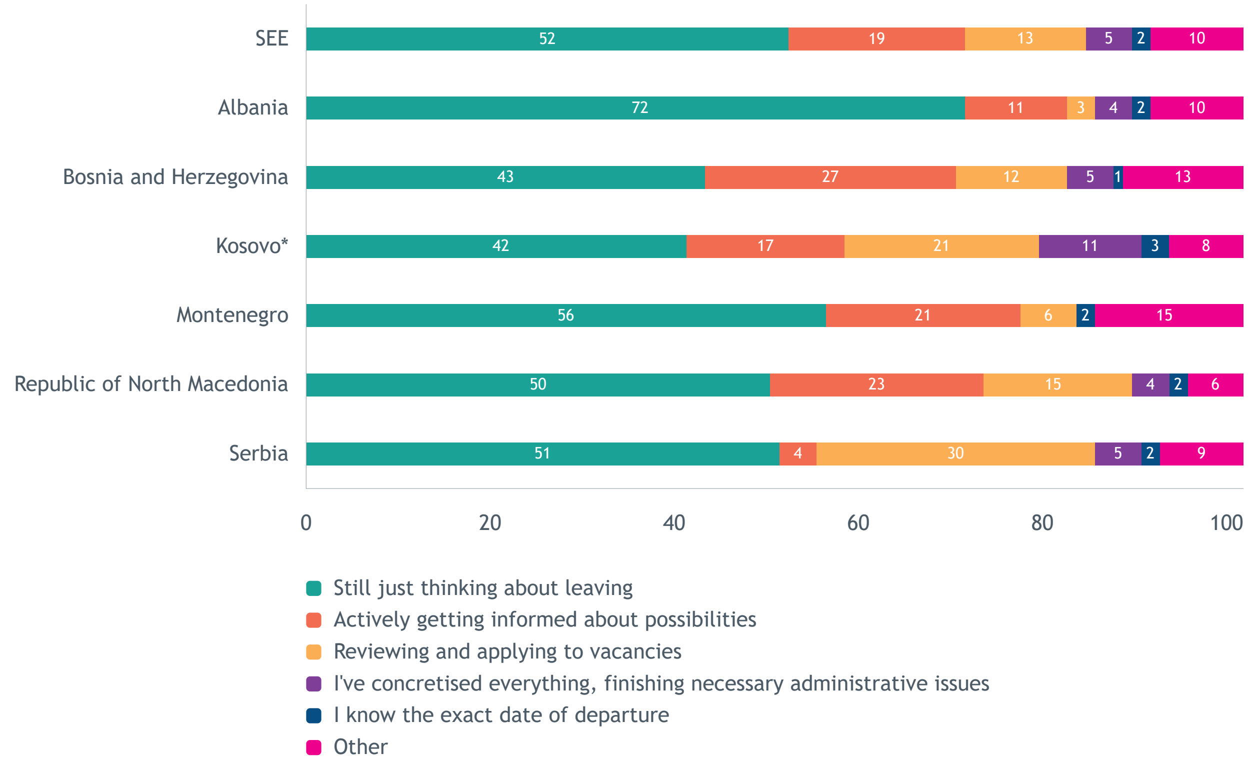


Figure 62: In what phase of consideration are you?[42]
(All respondents - N=651, share of total, %)



41 The figures might not add to 100% due to rounding.
42 The figures might not add to 100% due to rounding.

Almost a third of eligible respondents from Serbia (30%) are in the process of reviewing vacancies and sending in applications.

Somewhat strikingly, nearly two thirds of all respondents (64%) did not travel anywhere in the region over the past 12 months. Out of those that did, people from Serbia travelled the most, while respondents from Bosnia and Herzegovina and the Republic of North Macedonia made the fewest regional trips. As in previous years, Serbian travellers largely favoured Montenegro as their destination, while respondents from Albania made by far the most trips to Kosovo*.

Leisure remains the chief reason for travel in the region (53%), with visits to family (32%) and friends (26%) ranked second and third. Only 13% travel for business, an illustration of the need to further strengthen business ties across the region.

As in 2017, Kosovo* has the most leisure travellers (77%), while Montenegrins visit family (39%) and friends (25%) the most. Albanians (18%) and Montenegrins (17%) travel for business more than respondents from any other economy.

The majority of respondents feel welcome in any SEE city (41%), while 19% feel welcome in some and unwelcome in others. A small minority (4%) do not feel welcome anywhere in the region, while 28% have not visited other cities in SEE. Compared to the results of the previous Barometer, there are no significant changes across any of the categories surveyed.

Respondents from Montenegro (52%) and the Republic of North Macedonia (50%) are most likely to feel welcome anywhere in the region, while respondents from Albania (43%) and Serbia (39%) are least likely to travel in the SEE region. People from Bosnia and Herzegovina are most likely to feel unwelcome anywhere in the region (8%).

In Serbia, a quarter of respondents feels welcome in some cities and unwelcome in others, a regional high.

While the number of respondents who are opposed to the idea of inward labour migration from the region remains steady at 19% since 2017, the surveyed population has become more supportive of regional arrivals (36%) at the expense of neutrals (38%).

This reflects a developing trend across the three previous instalments of the survey where the number of positive respondents has grown alongside a steady decrease in the number of neutral, and to a lesser degree, negative responses:

Figure 63: Did you travel anywhere in the region in the past 12 months? If yes, where?
(All respondents - N=6120, share of total, %)

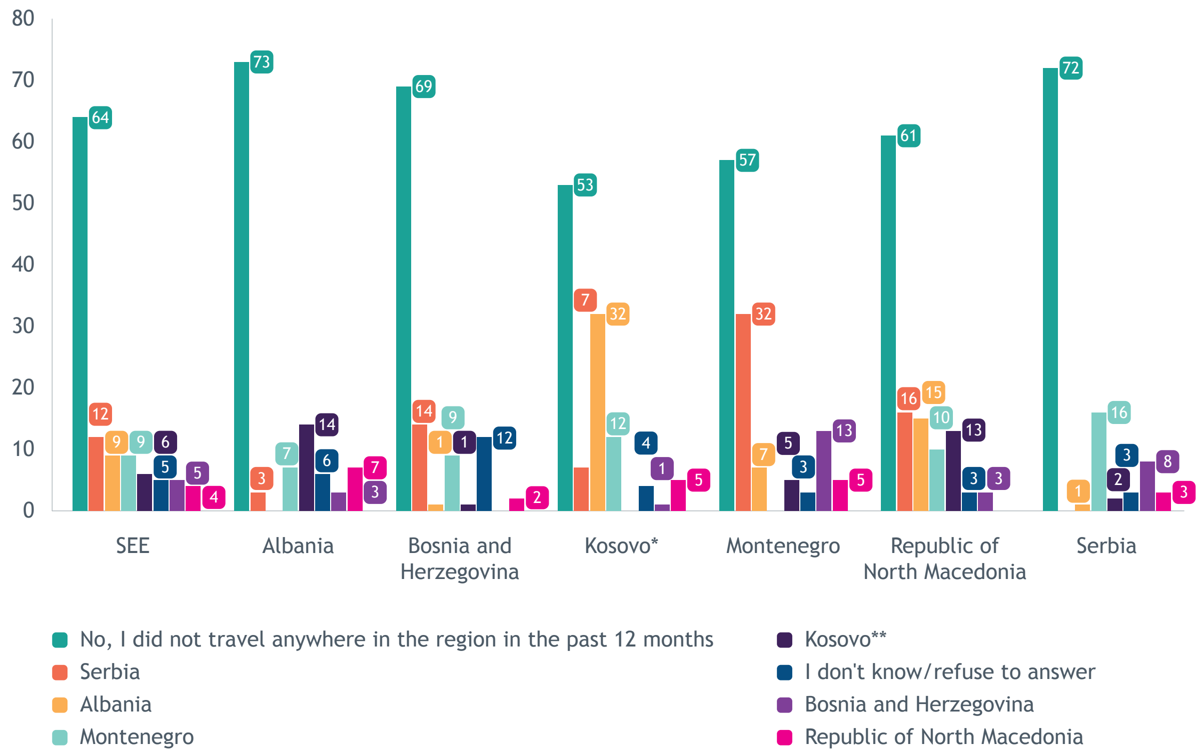


Figure 64: What was the purpose of your travel?
v(Respondents who travelled - N=1887, multiple answers, %)

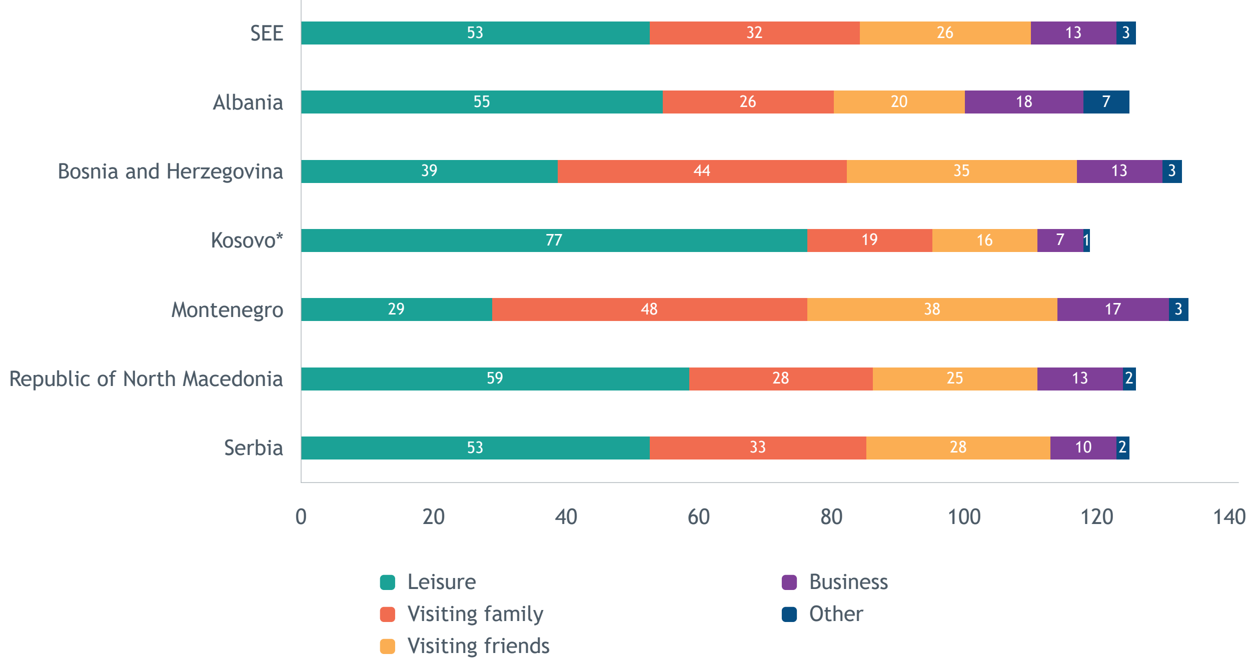
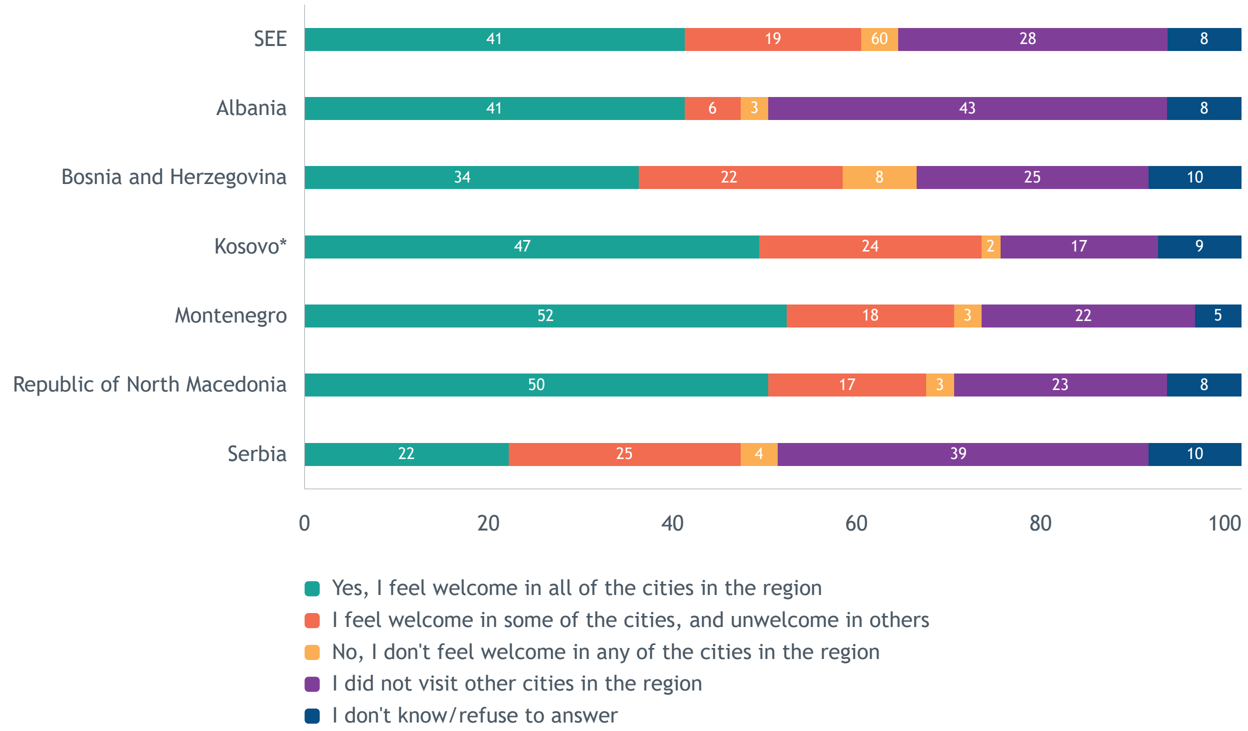


Figure 65: Do you feel welcome abroad, when traveling to other cities in the SEE region either for business or leisure?[43]
(All respondents - N=6120, multiple answers, %)



43 The figures might not add to 100% due to rounding.

Figure 66: What do you think about people from other parts of the region coming to live and work in your economy? Is it good or bad for your economy?[44]
(All respondents - N=6120, multiple answers, %)

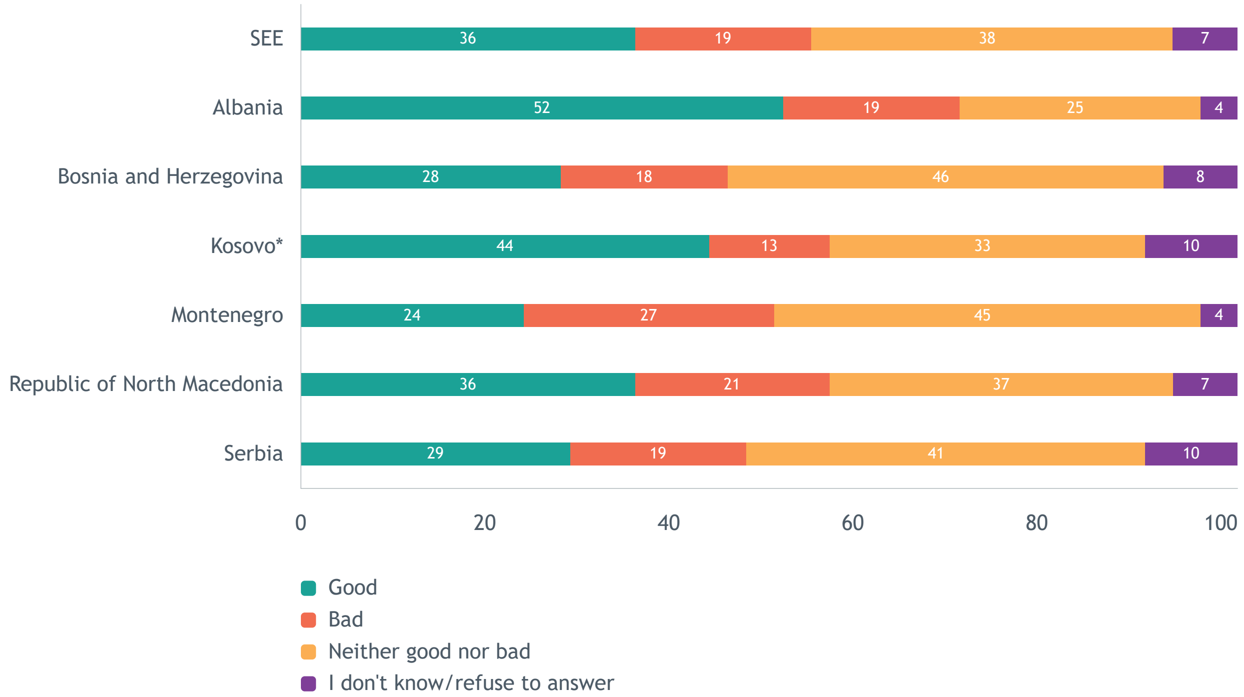


Table 6: Sentiment on people from other parts of the region coming to live and work in respondent's economy - comparison 2016/2017/2018 (All respondents, share of total, %)

	2016	2017	2018
Positive	28	31	36
Negative	23	19	19
Neutral	43	45	38

Respondents from Albania (52%) and Kosovo* (44%) are significantly more welcoming of regional arrivals than their counterparts from elsewhere in the region, while more than a quarter of Montenegrins polled oppose it (27%). Bosnia and Herzegovina has the most neutral respondents in SEE (46%).

More than half of the region's population do not differentiate between tourists from SEE and those from elsewhere in the world (57%). At the same time, one out of five respondents prefers tourists from outside the region, while only 8% favour those originating within SEE.

Montenegrins in particular do not discriminate based on origin, with 65% expressing no preference, while a quarter of Albanian respondents favour tourists from other parts of the world. Interestingly, 16% of respondents in Bosnia and Herzegovina have a negative view towards tourists in general, which does not bode well for the economy's tourism prospects.

The past 12 months have seen a slight but significant shift in attitude towards refugees across the region. While in 2017 the overwhelming sentiment was negative, this year's results show that the majority of respondents now maintain a neutral stance towards refugees (42%). Some 30% still see them as a threat to their economy, while 19% view their prospective arrival favourably.

The negative perception of refugees has been on the decline since 2016 (from 42% in 2016 to 30% in 2018), along with a steady increase in the number of respondents who view refugee arrivals favourably (from 14% in 2016 to 19% in 2018). Looking at the individual economies, the Republic of North Macedonia seems especially apprehensive about refugees with nearly half of all respondents opposing their arrival (49%). Bosnia and Herzegovina leads the neutral charts with 53%, while Albania has the most respondents supportive of refugees (43%).

44 The figures might not add to 100% due to rounding.

Figure 67: Which tourists would you like to have more in your economy, those from the SEE region or from other parts of world?[45]
(All respondents - N=6120, multiple answers, %)

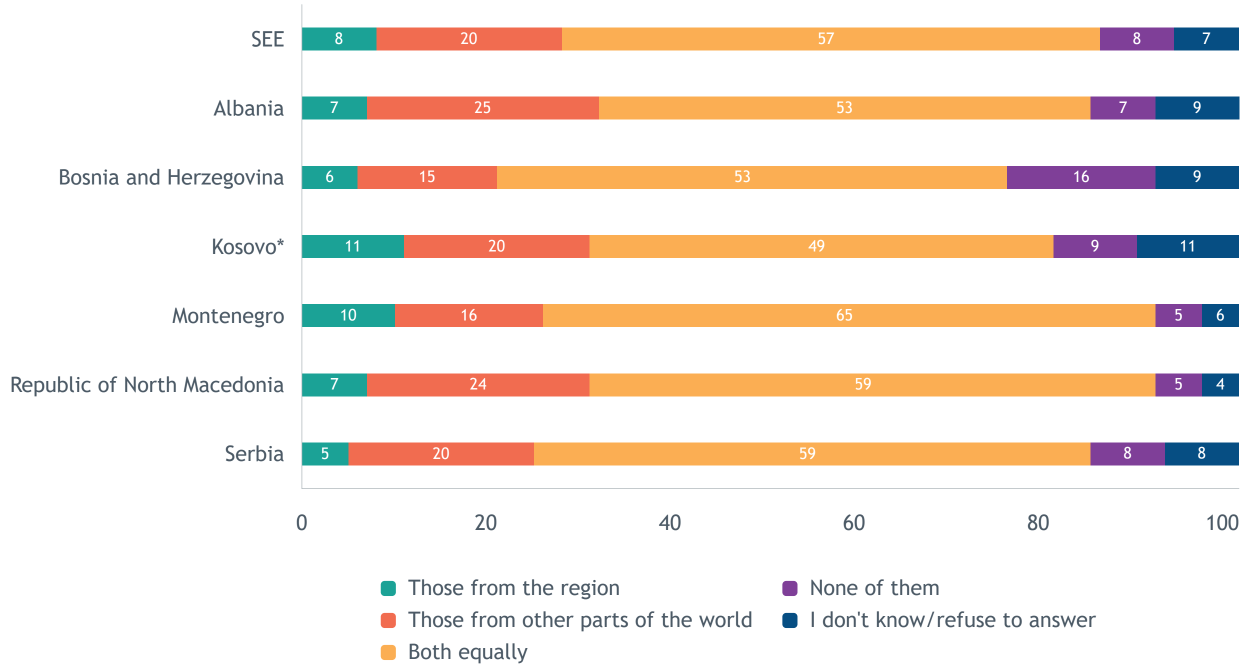
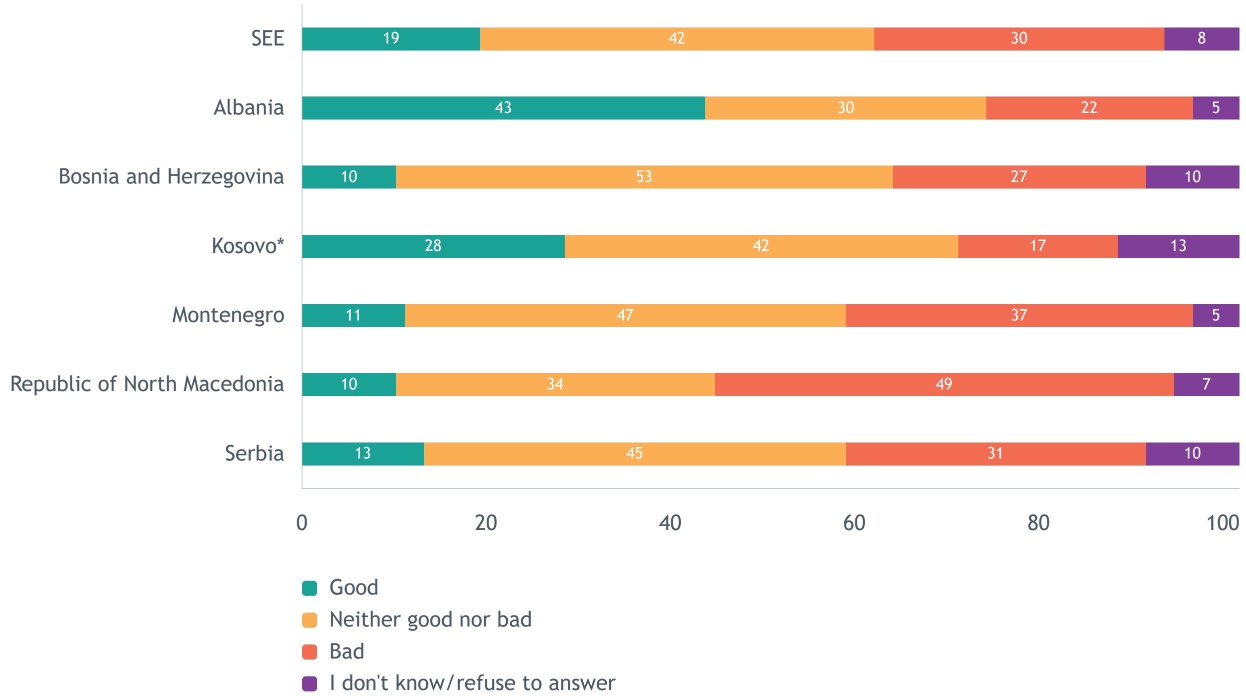


Figure 68: What do you think about refugees from other parts of the world coming to live and work in your city? Is it good or bad for your economy?[46]
(All respondents - N=6120, multiple answers, %)



45 The figures might not add to 100% due to rounding.
46 The figures might not add to 100% due to rounding.

ATTITUDES TO SOCIAL INCLUSION OF VULNERABLE GROUPS

Empirical data shows that vulnerable categories tend to be the last to benefit in periods of sustained prosperity and the first to suffer in times of austerity or economic downturn. The survey results also seem to suggest that not all vulnerable categories are deemed equally deserving of public assistance. Roma and the displaced continue to be supported for affirmative action to a significantly lesser degree than other vulnerable groups, while the Roma in particular remain victims of deeply held prejudices in both social and professional settings.

A recent survey supported by the European Commission, finds that Roma people face twice as high unemployment rates, and are less likely to see a doctor when needed or go to bed on a full stomach. The findings of the Barometer corroborate those claims: with more than a quarter of the SEE population unwilling to work, or do business, with Roma people, it is difficult to imagine a viable path out of vulnerability for this community.

Table 7: To what extent do you agree with the following statement - The Government should provide affirmative measures - promote opportunities for equal access - to persons belonging to the groups listed below in the following circumstances (SEE region): A - When applying for a secondary school or university; B - When applying for a public sector job; C - The Government should do more in order to ensure better housing conditions

(All respondents - N=6120, share of total, %)		SEE	Albania	Bosnia and Herzegovina	Kosovo*	Montenegro	Republic of North Macedonia	Serbia
Persons with disabilities	A	87	91	87	81	90	86	90
	B	87	91	88	83	85	85	89
	C	89	92	89	86	90	87	91
Displaced persons and refugees	A	73	83	83	77	75	49	71
	B	70	83	82	78	66	46	66
	C	74	84	84	80	71	51	70
Roma population	A	77	86	82	76	81	74	68
	B	77	85	83	77	74	74	66
	C	76	87	81	76	75	75	63
Other minorities	A	77	86	83	73	79	70	69
	B	76	87	84	75	73	69	67
	C	75	87	84	74	73	69	64

totally agree totally disagree

The results of this year's survey once again highlight the disparity in empathy with which different vulnerable groups are viewed across the region. When asked to prioritise assistance to different categories of the population (persons with disabilities; Roma; displaced persons and refugees; other minorities) across three avenues of governmental assistance (access to education; employment in the public sector; and better housing), the respondents yet again overwhelmingly favoured support to persons with disabilities as opposed to helping Roma, the displaced and other minorities. In terms of facilitating access to education, 87% of all respondents are in favour when discussing persons with disabilities, while those numbers for displaced persons, Roma and other minorities are 73%, 77% and 77%, respectively. The range of responses is very similar when it comes to supporting access of vulnerable groups to public sector jobs (persons with disabilities: 87%; Roma: 77%; displaced persons: 70%; other minorities: 76%) and improving housing (persons with disabilities: 89%; Roma: 76%; displaced persons: 74%; other minorities: 75%).

Nonetheless, the gap between the categories seems to be closing; in 2017, affirmative action measures for persons with disabilities enjoyed 90+ approval rates across the region, while support for the other three groups veered towards the low 70s.

Respondents from the Republic of North Macedonia tend to be least supportive of affirmative action aimed at improving education opportunities for displaced persons and refugees (49%) and the Roma population (73%), while Serbian respondents were least inclined to endorse government action aimed at enhancing access to education for other minorities (69%). When it comes to accessing jobs in the public sector, Serbian respondents were least likely to endorse special measures for the Roma (66%) and other minorities (67%), while fewer than half of respondents from the Republic of North Macedonia (46%) were supportive of affirmative action for displaced persons and refugees in the process of securing public employment. In terms of providing housing for the vulnerable, Serbian respondents were least likely to endorse such measures for the Roma (63%) and other minorities (64%). At the same time, just over half of all respondents in the Republic of North Macedonia supported affirmative action in housing for displaced persons and refugees, a regional low.

Conversely, respondents from Albania were most likely to support affirmative action across all categories and vulnerable groups, making them the

Figure 69: How likely is it that you are comfortable with: 1) working with a Roma; 2) working for a Roma employer; 3) your children going to school with Roma children; 4) marry Roma/your children marry Roma; 5) buy products from Roma/made by Roma; 6) have friends who are Roma; 7) invite Roma to your house.
(All respondents - N=6120, share of total, %)

absolute regional champion of social inclusion sentiment.

Overall, however, the numbers across the region, while moving in a positive direction, still indicate an at-times concerning lack of commitment towards inclusion of certain vulnerable categories, with the displaced and Roma particularly at risk.

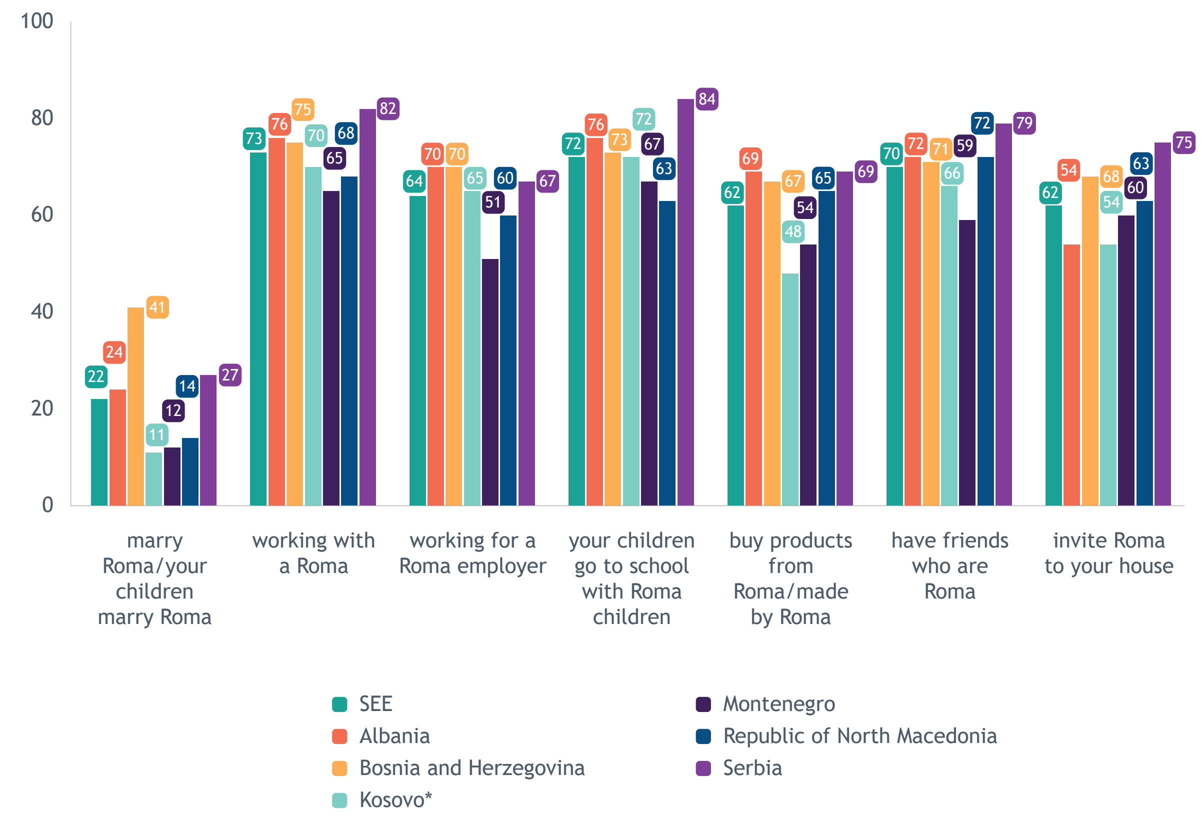
General attitudes towards Roma across the region leave much to be desired and hint at a deeply rooted prejudice against this minority group. A mere one out of five respondents would be comfortable with marrying, or having their children marry, a Roma person, while two thirds describe themselves feeling uncomfortable when faced with this scenario. Respondents from Kosovo* are least likely to welcome a Roma person into their family with 83% saying they are uncomfortable with the idea. At the same time, respondents from Bosnia and Herzegovina are most open to marriage to a Roma person (41%).

Almost a quarter of the respondent population are uncomfortable with their children sharing a classroom with Roma (22%) - nearly a third of all individuals surveyed in the Republic of North Macedonia share this view (31%). Serbia, conversely, boasts the highest regional share of respondents who are happy to see their children study alongside Roma (84%).

The deeply held bias extends into the workplace as well - while two thirds of respondents would be happy to work for a Roma employer, 28% expressed their discomfort at this scenario – this number includes 40% of all Montenegrins surveyed. Respondents from Bosnia and Herzegovina and Albania are least likely to turn down a job due to the ethnicity of the employer.

When asked whether they would be comfortable working alongside a Roma person, the result was somewhat more positive with less than a quarter unhappy with a Roma co-worker (22%). Serbian respondents are least likely to feel uncomfortable with a Roma colleague (13%), while Montenegrin respondents are most likely to be anxious about the ethnicity of a co-worker (28%). Almost a third would not be comfortable buying products from Roma (31%) with Kosovo* especially difficult to do business in if you are a Roma vendor; 44% respondents there describe themselves as uncomfortable with the idea. The results of this section of the survey are particularly sobering: it is difficult to imagine a viable path out of vulnerability for the

Figure 70: How likely is it that you are comfortable with:
(Respondents who are "comfortable" and "somewhat comfortable" with statements - N=6120, %)



Roma community as more than a quarter of the SEE population is unwilling to work, or do business, with them.

Finally, when asked to describe their willingness to engage with Roma socially, one out of five respondents declared themselves uncomfortable with the idea of having a Roma friend, while nearly a third would not have them over to their homes. Respondents from Serbia have once again shown themselves as most open minded across both of the surveyed categories.

When it comes to different age groups, this instalment of Balkan Barometer confirmed some long-standing age divides in sentiments and attitudes. Younger people tend to be more optimistic, more aware of social needs and more concerned about corruption, while considerably less politically engaged than the other age groups. Some of the other notable differences include the following:

- EU membership is viewed as a good thing by 61% of younger people (18 to 24), compared to 56% overall. While most of the respondents in the Balkan Barometer survey believe that EU membership will bring economic prosperity, the younger people (both age group 18 to 24 and age group 25 to 34) associate the positive benefits of EU membership with increased opportunities to travel, study and work abroad.

- Almost half of respondents in the 18 to 24 age group would prefer to work in the public sector, specifically government or government agencies, public education or health, law enforcement etc. While, similarly to other age groups, they value public sector job safety, unlike others they also believe that the public sector will provide them with more opportunities for advancement and training compared to the private sector.

- More young people (age 25 to 34) are not satisfied with the skills provided by the education system as the skills they obtained tend not to fulfil the needs of their jobs. Significantly more young people were required to either learn new or advance their skills at their job in the past 12 months. For 30% of younger respondents that meant improving their foreign language skills. Significantly more young people in both age categories, 18 to 24 and 25 to 34, were ready to acquire additional qualifications to advance at work or to get a job.

- In terms of political engagement, young people tend to exhibit higher level of apathy. They participate significantly less in active forms of engagement with government decisions and 42% say that it is because "they don't care at all".

PERCEPTIONS ON TRADE

Respondents tend to favour further strengthening of regional commercial ties, although a growing number consider the links to be sufficient in their current form. Interestingly, there is both a strong confidence in domestically sourced products and an increasing eagerness to welcome foreign competitors into domestic markets. Compared to 2017, there are fewer protectionists across the region when it comes to expressed preference for domestic versus foreign suppliers.

Once more, the level of awareness by the respondent population when it comes to CEFTA is low, although gradually improving.

As in 2017, a majority of the respondent population (53%) considers commercial and trade links within the region in need of improvement, while more than a quarter (28%) deem them appropriate. Meanwhile, 6% of all respondents feel they are already too strong. Compared to 2017, there are few substantive changes in responses, with an increase in the number of respondents who find the links to be appropriate (+4) the only noteworthy deviation.

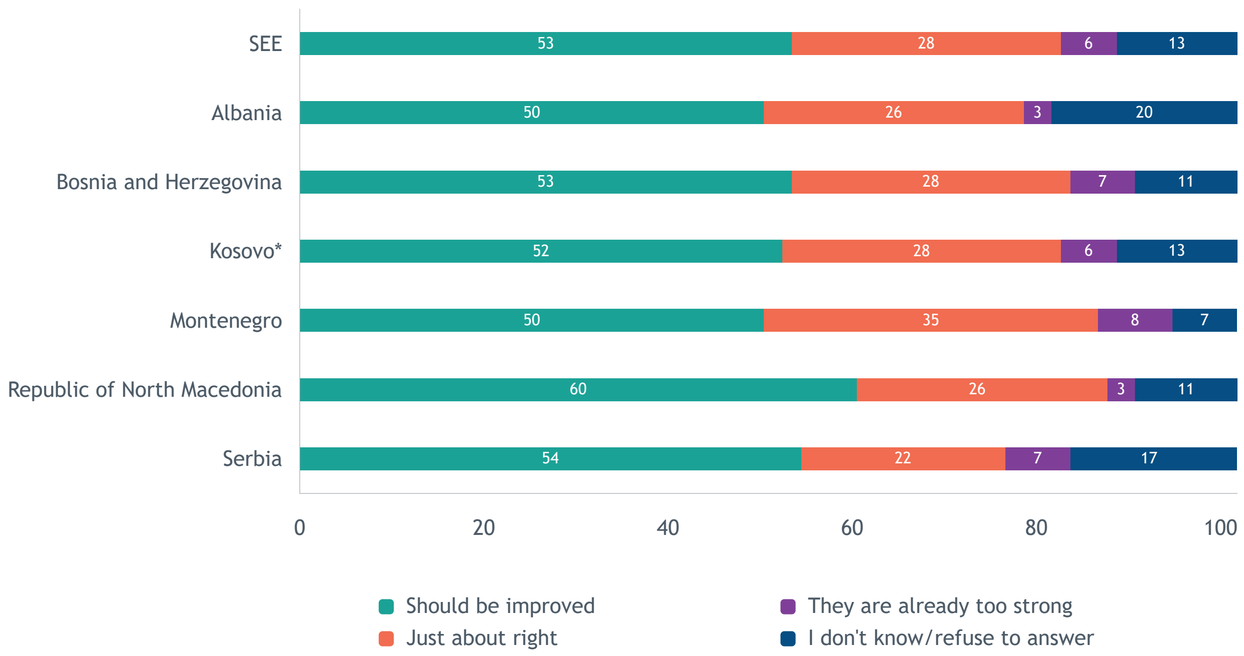
Respondents from the Republic of North Macedonia (60%) feel more needs to be done to further consolidate regional ties, while Montenegrins are the happiest with the present state of affairs (35%). Montenegro is, interestingly, also home to the largest share of respondents who deem regional ties too strong (8%).

At present, 68% of respondents expect consumers to benefit from the entry of foreign companies into domestic markets against 24% who disagree. In keeping with a long-standing trend, the number of respondents who expect a positive outcome from this scenario has grown steadily (+10 since 2014).

Respondents from Montenegro (72%) and Serbia (71%) are most likely to view foreign companies favourably, while Bosnia and Herzegovina is home to the largest population of sceptics in this survey category (34% disagree).

Attitudes on competitiveness of domestic products tend to be characterised by strong consumer confidence - 80% feel that products from their economies can measure up to those of competitors in the region, while a slightly smaller majority feel the same about products from the EU (72%). Compared to 2017, there is a sizable decrease in product confidence against both competitors in the region (-9) and those from the EU (-6).

Figure 71: How would you describe commercial and trade links with SEE region?[47]
(All respondents - N=6120, share of total, %)



47 The figures might not add to 100% due to rounding.

Figure 72: Do you agree that in general entering of foreign companies in the market of your economy will improve choice and decrease prices for consumers?[48]
(All respondents - N=6120, share of total, %)

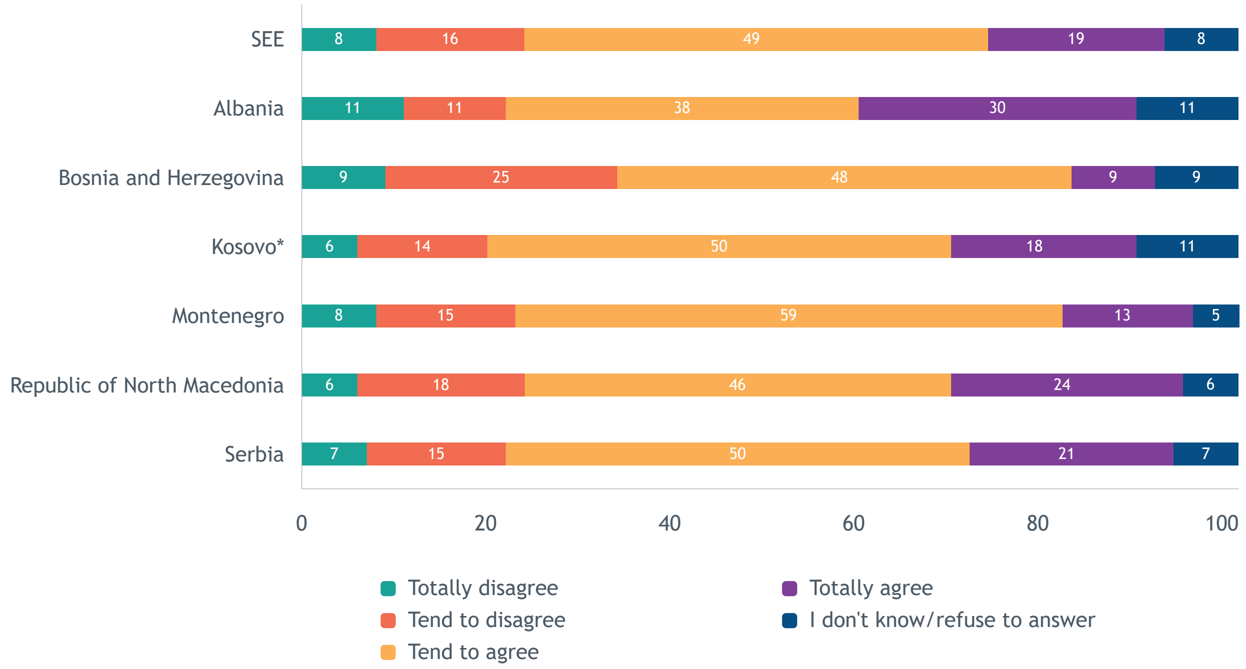
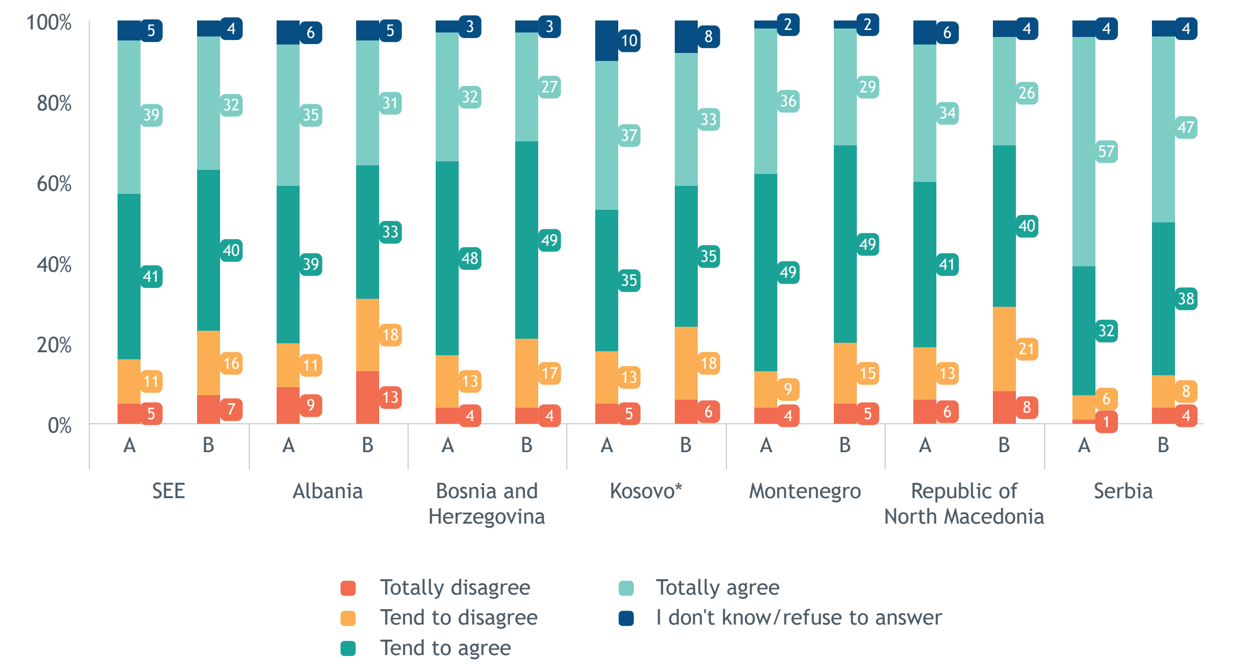


Figure 73: Do you agree with the following statements? A - Products and goods of my economy can compete well with products and goods from other SEE economies (Albania, Bosnia and Herzegovina, Kosovo*, Montenegro, Serbia, Republic of North Macedonia); B - Products and goods of my economy can compete well with products and goods from the EU
(All respondents - N=6120, share of total, %)



48 The figures might not add to 100% due to rounding.

Respondents from Serbia are considerably more confident in the competitiveness of their domestic products, both in the SEE region (89%) and with the EU (85%), although to a lesser degree than in 2017.

Respondents in Kosovo* and Albania are least likely to consider domestic products competitive in regional (72%) and EU (64%) settings, respectively.

Domestically sourced food and beverages top the list of preferences (78%), indicating a strong bias towards products from the respondents' own economies, while Western Europe (44%) and the SEE region (44%) are in distant, and joint, second.

Looking at trends over the past three years, there is little change over time with some relatively minor fluctuation in consumer preferences for domestic products as both the respondents' first (2016: 75%; 2017: 82%; 2018: 78%) and second (2016: 9%; 2017: 12%; 2018: 11%) choice.

Domestic products are overwhelmingly first choice across all economies, although Albanian respondents also state a strong preference for Western European products (21%).

As last year, Serbian respondents show the strongest consumer bias towards domestic products (85%), while consumers in Kosovo* highly value products from other SEE economies (11%).

Respondents from Albania (17%) and the Republic of North Macedonia (15%) are most likely to choose domestic products as their second choice, while Montenegro (69%) and Bosnia and Herzegovina (54%) exhibit a strong second preference towards products from the region. Meanwhile, respondents from Serbia and Kosovo* (both 54%) are most likely to go for products from Western Europe.

A majority of people in the region (59%) tend to inspect labels to determine product origin, while shopping. At the same time, 40% admit to never or rarely checking to see where the item was made.

Respondents from Albania are least likely to care about product origin with nearly half of all respondents (48%) admitting to never or rarely inspecting the label to see where the item was made. At the same time, shoppers in Kosovo* are most likely to be interested in ascertaining where the product came from (68% say they look for country of origin information at product labels).

Two thirds of all respondents (66%) feel that local suppliers should be given preferential treatment by the authorities when procuring goods and services. Just over a quarter of all respondents (27%) advocate equitable treatment of all prospective vendors, regardless of their country of origin. Compared to last year's result, there is a sizable decrease in the number of protectionists (-7) and a slightly smaller surge in the ranks of those who feel local and foreign suppliers should be treated equally (+5).

Serbia and Bosnia and Herzegovina are home to the largest contingents of protectionists (71% for both), while respondents from Kosovo* are most

Figure 74: If you could choose a food or beverage product from three different sources: domestic product, product from the SEE region and product from Western European countries, which one would be your first choice and which would be second?
(All respondents - N=6120, share of total, %)

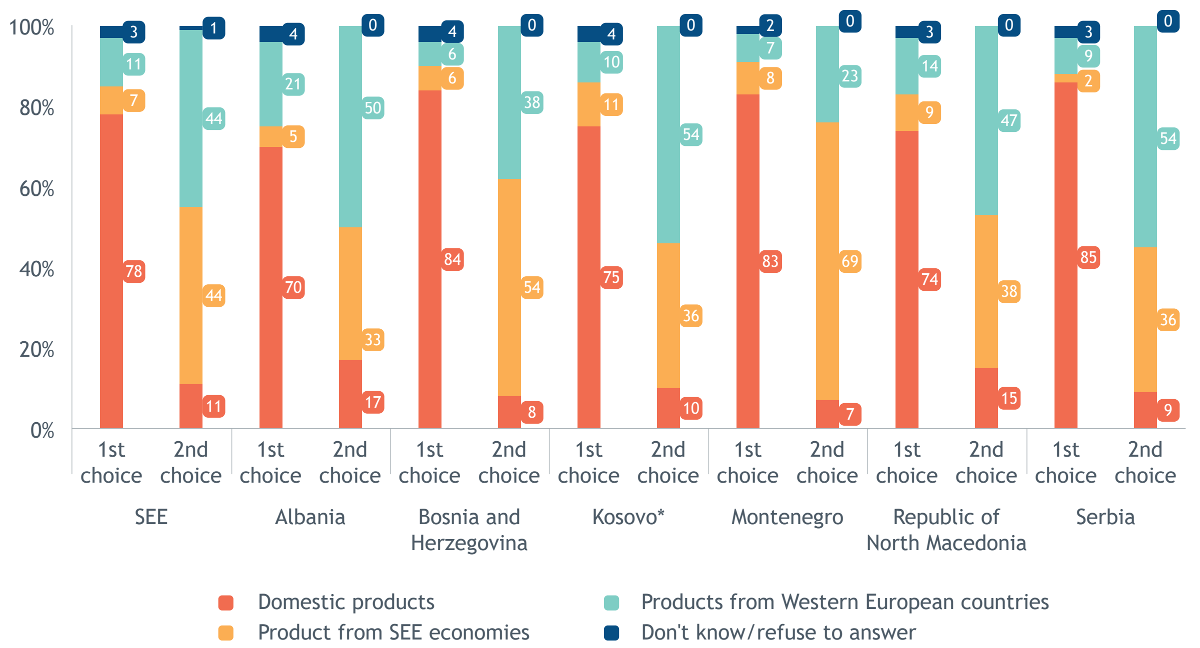


Figure 75: When purchasing products in supermarkets, how often do you look at the labels to see the country of origin?[49]
(All respondents - N=6120, share of total, %)

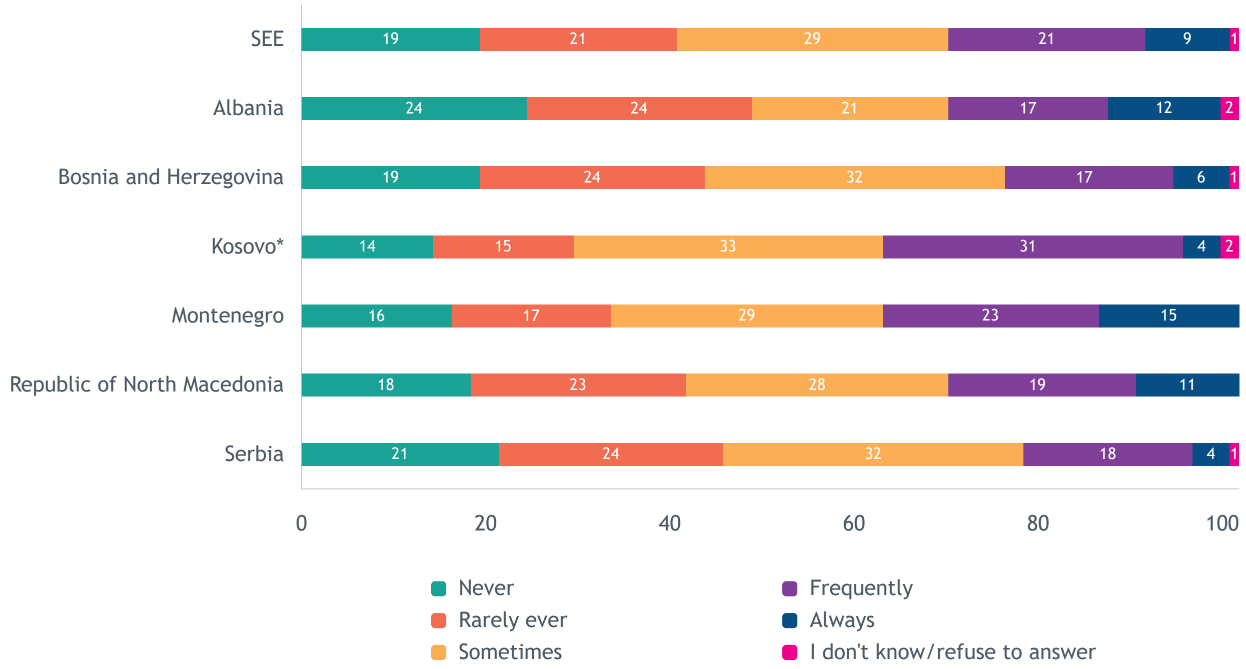
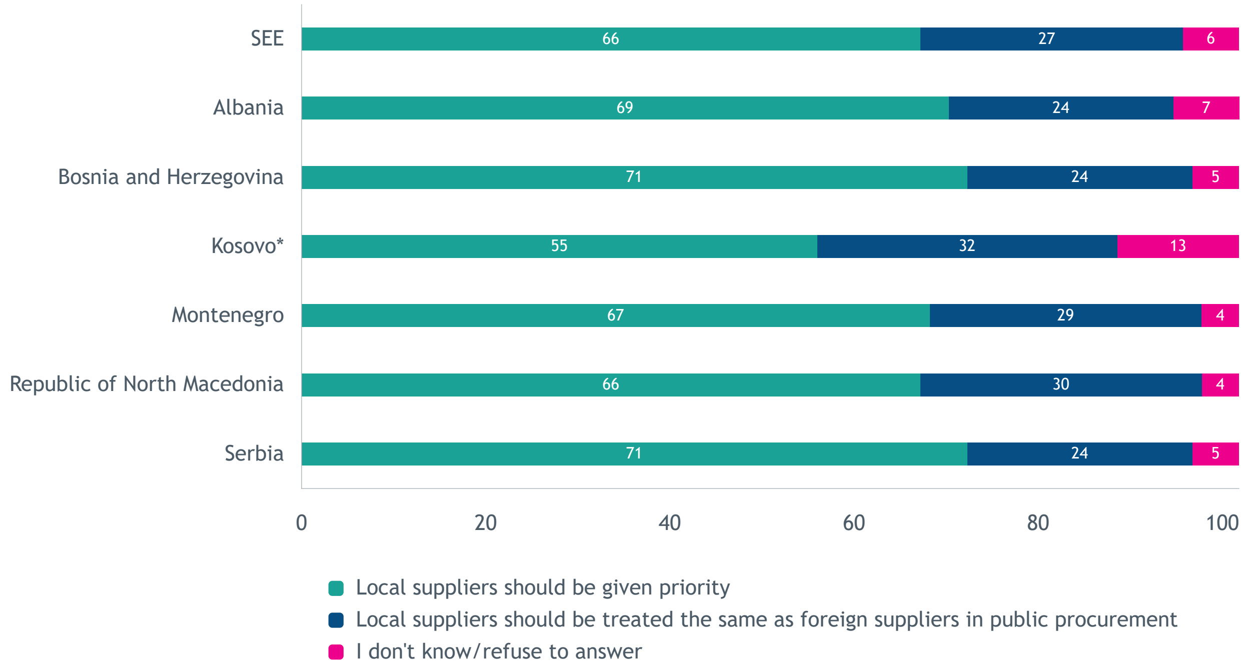


Figure 76: When procuring products and services, should your Government give priority to local suppliers or should they be treated the same as foreign suppliers (provided price and quality is equal)?[50]
(All respondents - N=6120, share of total, %)



49 The figures might not add to 100% due to rounding.
50 The figures might not add to 100% due to rounding.

Figure 77: To what extent do you think that you are informed about the regional free trade agreement (CEFTA 2006)?[51]
(All respondents - N=6120, share of total, %)

likely to favour equitable treatment (32%) of all suppliers, regardless of origin.

Once again, a majority of the respondent population is not at all informed about CEFTA (52%), albeit to a slightly lesser extent than last year (-3). Just over a quarter (28%) considers themselves slightly informed, while some 13% feel completely or mostly informed about the provisions of the agreement (+2 compared to 2018). While indicating a slight overall improvement in the level of CEFTA awareness throughout the region, the numbers of the ill-informed have largely held steady over the past four years (2015: 54%, 2016: 55%; 2017: 55%; 2018:52%).

51 The figures might not add to 100% due to rounding.

PERCEPTIONS ON TRANSPORT AND INFRASTRUCTURE

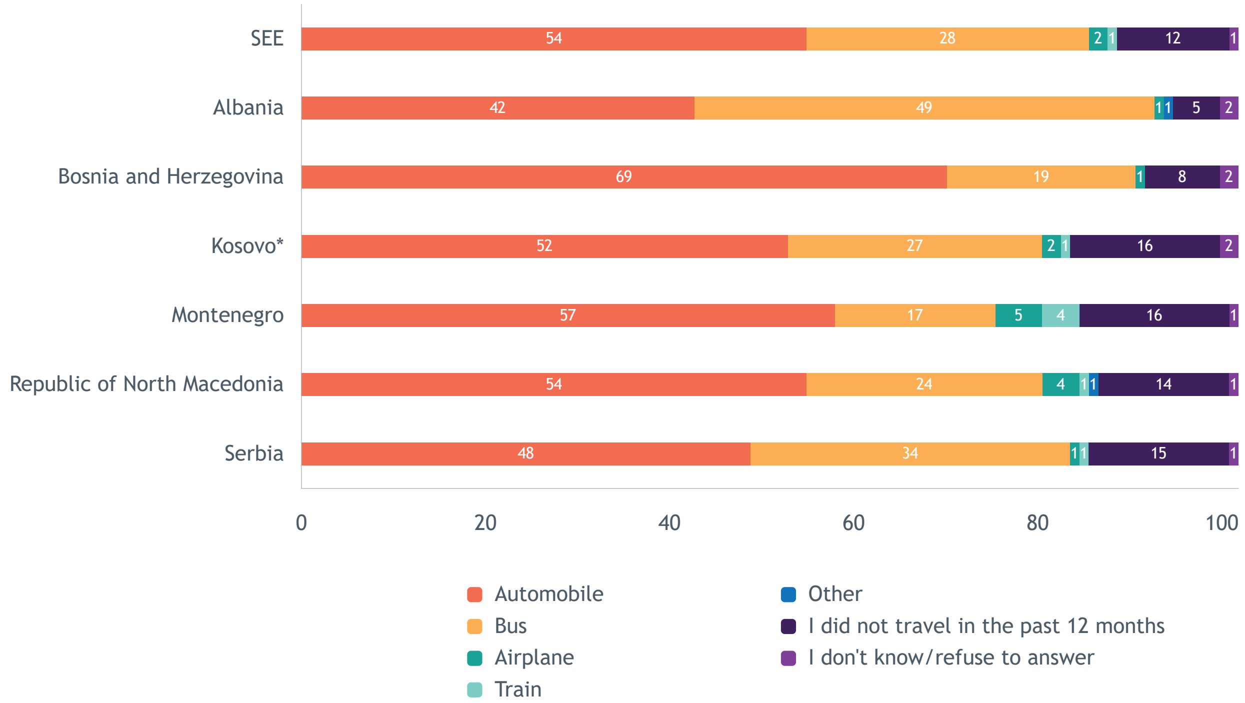
As expected, there are few major changes in respondent perceptions of transport and infrastructure in the region over the past year. Investments by select regional economies, such as Kosovo* and Albania, are again evident in higher satisfaction ratings by respondents. Fewer people seem to be travelling and there is a corresponding drop in the number of respondents advocating further investment in road infrastructure.

Nearly half of the region's respondent population consider roads unsafe in their economies. This damning statistic is in keeping with the region's reputation as being home to some of the worst road safety performers in Europe, based on the number of fatalities per population. Poor road infrastructure, unsafe vehicles and inadequate driver training are commonly cited as contributing factors. The growing public awareness of road safety, as well as its immediate impact on public health, mandates a more committed effort by the region's governments to tackle this issue in a meaningful and holistic fashion.

The automobile remains the single most utilised mode of transport for respondents when travelling outside of their place of residence (54%). The bus is in second, with just over a quarter of respondents (28%), while only 2% of the respondent population flew to their destination. Furthermore, there is a significant increase in the number of respondents who did not travel outside of their place of residence over the past 12 months (+5).

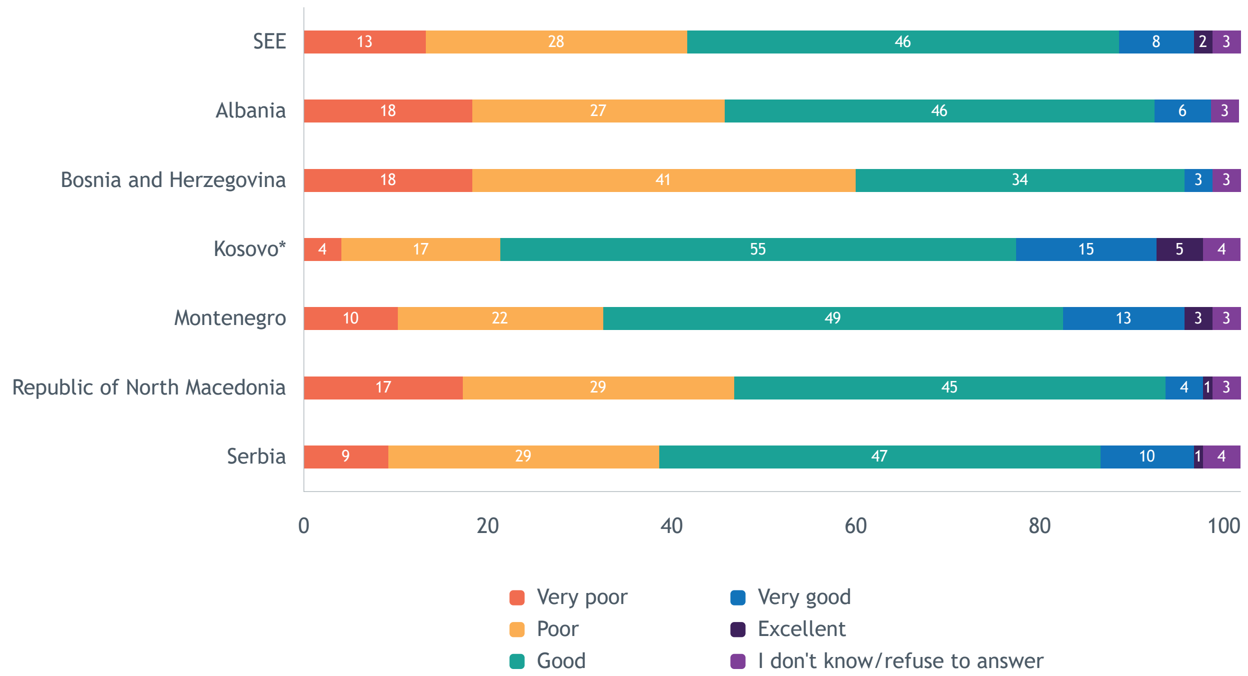
In terms of other noticeable transportation trends, automobile use is holding steady, while there is a sizable decrease in the number of individuals using bus to get around (down to 28% from 39% in 2016).

Figure 78: Which mode of transport did you most often use when travelling outside of your place of residence in the past 12 months?[52]
(All respondents - N=6120, share of total, %)



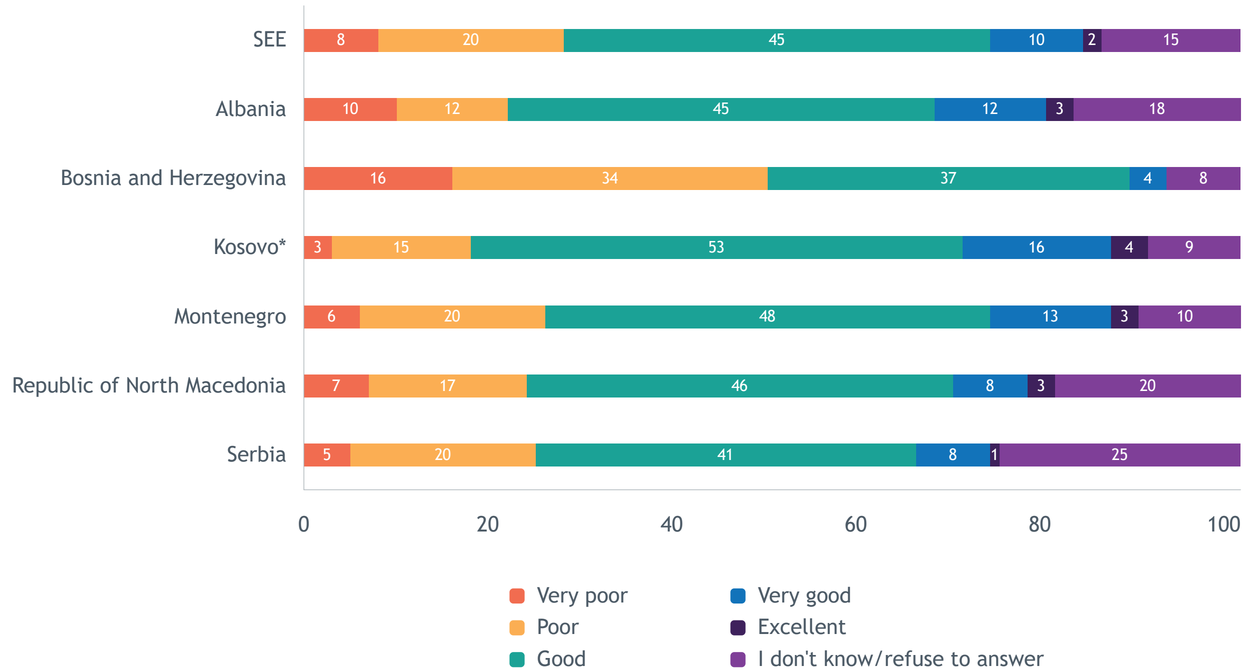
52 The figures might not add to 100% due to rounding.

Figure 79: How do you estimate the quality of transport infrastructure and connections within your economy?[53]
(All respondents - N=6120, share of total, %)



Bosnia and Herzegovina boasts the highest number of automobile users (69%), while almost half of all travellers in Albania used bus (49%), a regional high. Respondents from Montenegro used both airplanes (5%) and trains (4%) to an extent higher than in any other economy, while Montenegro and Kosovo*, both at 16%, have the region's highest population of non-travellers.

Figure 80: How do you estimate the quality of transport infrastructure and connections within the SEE region?[54]
(All respondents - N=6120, share of total, %)



53 The figures might not add to 100% due to rounding.

54 The figures might not add to 100% due to rounding.

While 56% of regional respondents are happy with their economy's transport infrastructure, a sizable proportion (41%) consider its quality poor or very poor. Viewed alongside similarly dispiriting survey results from the previous instalments of the Barometer, the trend indicates a concerning lack of confidence by the region's population in the quality and reliability of transport infrastructure in their economies. This is especially true in Bosnia and Herzegovina where a sizable majority of respondents (59%) are unhappy with the economy's transport infrastructure. On the other hand, Kosovo* is convincingly the economy with the highest satisfaction (55%) with the quality of transport infrastructure.

While there are considerably fewer respondents unhappy with the state of transport infrastructure in the region versus that of their own economy (28% versus 41% at economy level), the number of satisfied respondents is almost identical (57% versus 56% at economy level). A large contingent of respondents is undecided (15%), likely due to their limited experience with regional travel.

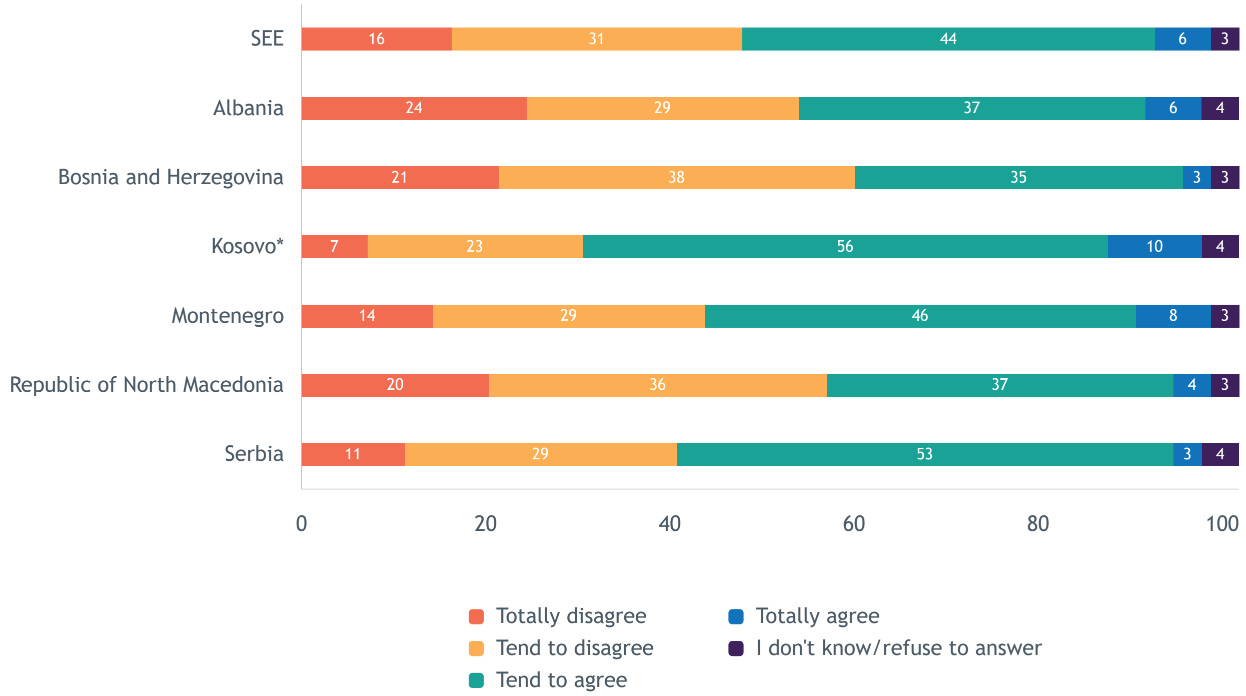
Kosovo* respondents are the most positive in their assessment of the SEE transport infrastructure (73%), while Bosnia and Herzegovina rates the region's road infrastructure the lowest out of all six economies (41%). The large discrepancy in regional infrastructure ratings by respondents from Kosovo* and Bosnia and Herzegovina (32) can likely be attributed to significantly different travel patterns of individuals from the two economies within the region.

Respondents continue to be almost evenly divided on road safety in their economies; 50% consider road travel safe, while 47% disagree. Two thirds of respondents from Kosovo* find road travel to be safe (66%), while 59% of surveyed individuals from Bosnia and Herzegovina disagree. Concerningly, respondents who feel unsafe travelling by road outnumber those that do not in three of the six economies (Bosnia and Herzegovina, the Republic of North Macedonia and Albania).

While the past three years have seen a slight improvement with the share of "safe" respondents increasing from 47% in 2016 to 50% in 2018, the results of the survey indicate a pressing need for the region's governments to invest more in substantially improving road safety.

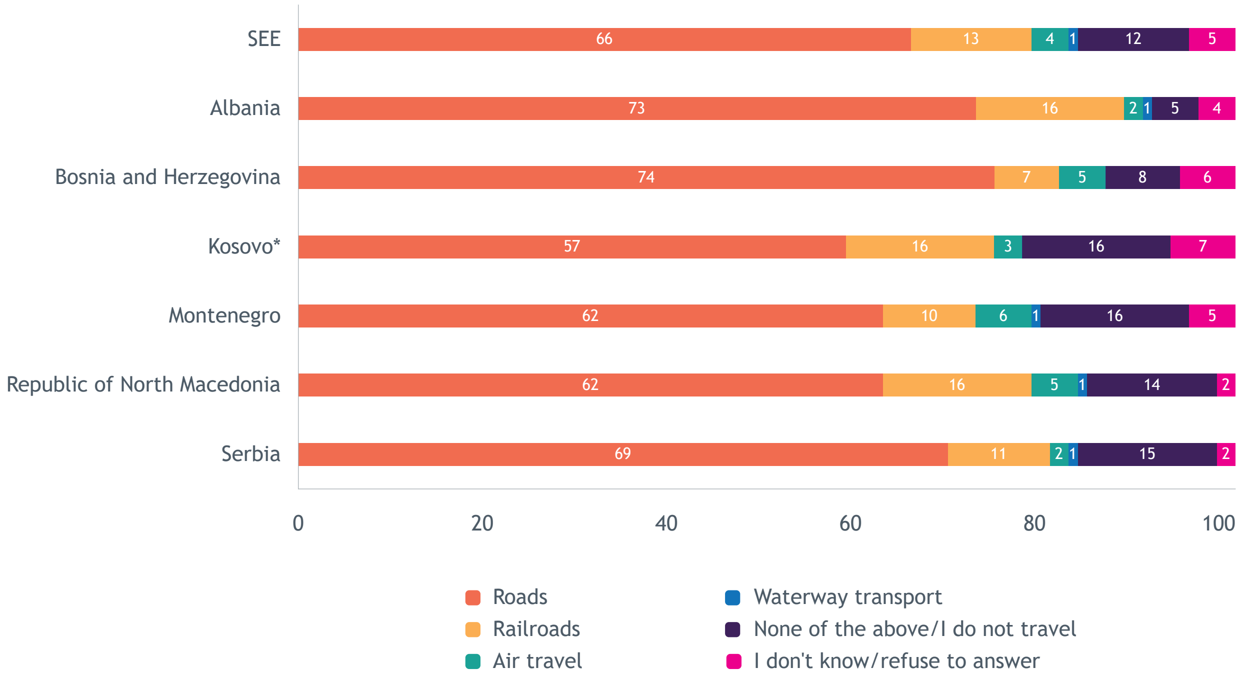
Some two thirds of all respondents see road improvement as potentially having the most beneficial impact on travelling (66%). Meanwhile, 13% support investment in railroads, while 4% prioritise

Figure 81: Would you agree that travelling by road in your economy is safe?[55]
(All respondents - N=6120, share of total, %)



55 The figures might not add to 100% due to rounding.

Figure 82: In your opinion, which passenger transport mode improvements would have the highest beneficial impact on your travelling?[56]
(All respondents - N=6120, share of total, %)



improvements in air travel. These numbers are largely in keeping with the results of the survey on preferred modes of transport across the SEE region.

Interestingly, road improvements enjoy diminishing respondent support, with the number of individuals advocating investment in road infrastructure down from 78% in 2016 to 66% in 2018. At the same time, the number of non-travellers has increased significantly since 2016 (+9).

Respondents from Bosnia and Herzegovina (74%) are most likely to see road improvement as most beneficial to their travel, while Kosovo*, Albania and the Republic of North Macedonia prioritise investment in railroads to a higher degree than other regional economies (all three at 16%).

Montenegro and Kosovo* also have the highest concentration of non-travellers in the region (both at 16%).

56 The figures might not add to 100% due to rounding.

ATTITUDES TOWARDS CLIMATE CHANGE AND ENERGY

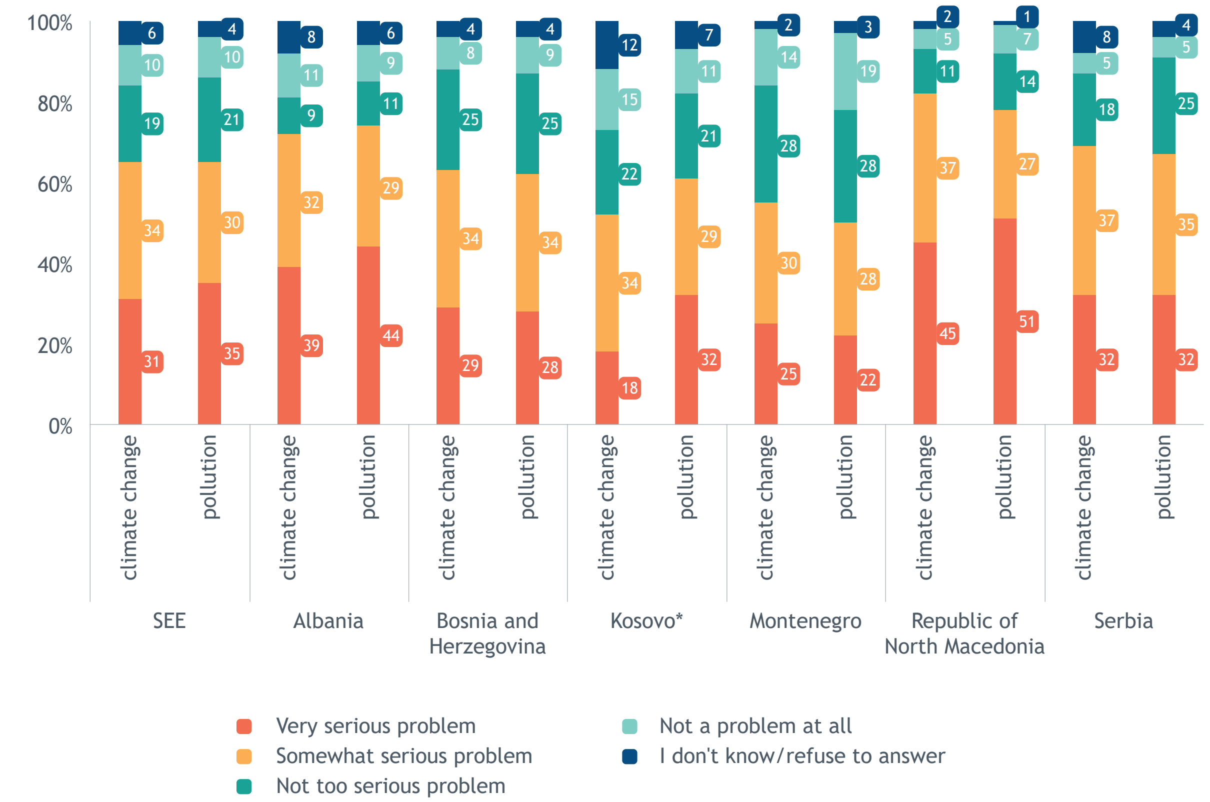
Even as the region continues to record air pollution mortality rates two to three times the European average[57], and with near-catastrophic weather events very much the "new normal", the survey results show a concerning decline of interest in environmental pollution and climate change in general.

While the region has seen substantial investment by the donor community in helping create institutional, policy and legal frameworks closely harmonised with complex EU environmental requirements, the inability, or reluctance, by SEE governments to commit more resources to tackling pressing environmental threats means that strategies are seldom translated into practical mitigation measures.

Somewhat encouragingly, there is a slight but significant increase in the number of environmentally conscious respondents compared to previous years, likely a result of intensive advocacy efforts by activist, donor-supported NGOs.

Nonetheless, there is also widespread acceptance that environmental degradation is a necessary by-product of prosperity with a large segment of

Figure 83: Is climate change a problem? Do you consider pollution to be a problem in your place of living?[58]
(All respondents - N=6120, share of total, %)



57 Pollution in the Western Balkans: State of the Art and Current Challenges - A Regional Overview https://wedocs.unep.org/bitstream/handle/20.500.11822/27108/Pollution%20in%20the%20Western%20Balkans%20web%20version.pdf?sequence=2&isAllowed=y

58 The figures might not add to 100% due to rounding.

the population not taking any action to mitigate their impact on the environment. With public services, such as waste sorting, not widely available and energy efficient vehicles and appliances not easily affordable for much of the region's population, there are limited options for even the most environmentally minded SEE citizens.

And while the survey confirms that climate change must be tackled by a wide array of different actors, a growing pollution problem will likely force governments to re-examine their political commitment to maintaining, or even expanding, the coal industry while at the same time ensuring that the public at large are afforded better opportunities to contribute to a more environmentally sustainable society.

Close to two thirds of the region's population consider climate change a threat (65%), a marked decrease compared to the previous edition of the Barometer (-11). At the same time, the number of individuals who disagree now make up 10% of the public, a six-point increase to 2017.

Interest in climate change has oscillated since 2015, initially capturing the attention of 68% of respondents, and then surging to 72% and 78% in 2016 and 2017, respectively. The current level of interest in the phenomenon, however, is a low point for the Barometer. This is indicative of a concerning trend where climate change is becoming less rather than more prominent in the thinking of the region's economies.

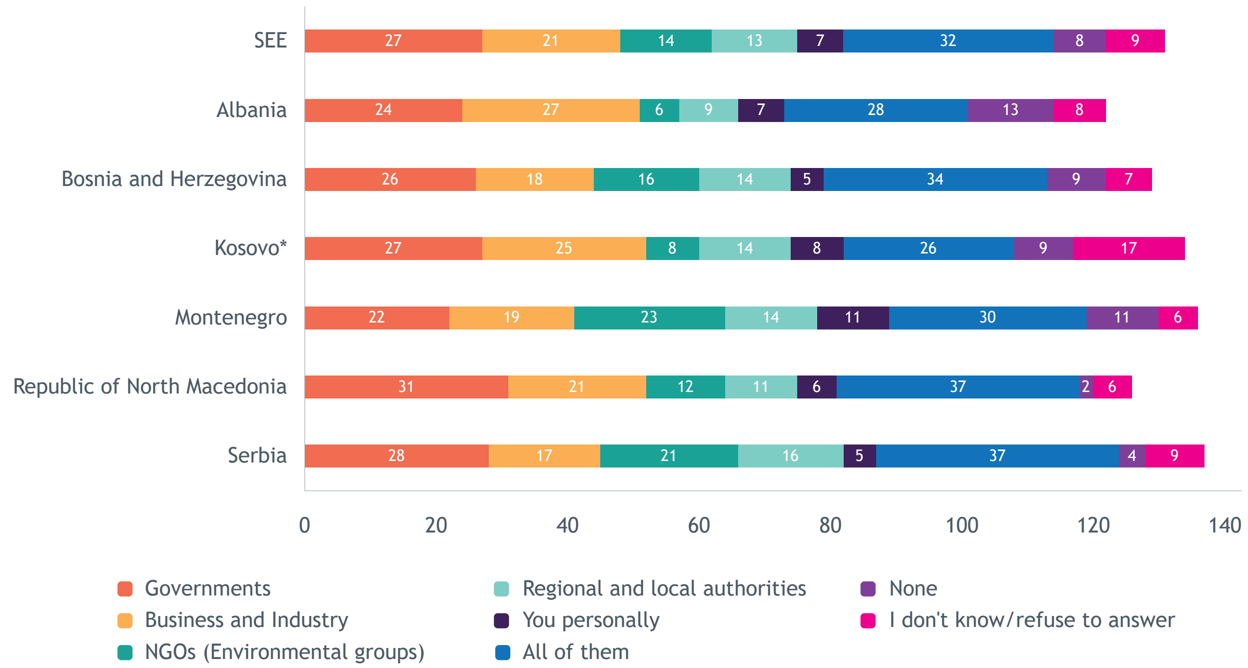
The Republic of North Macedonia is most troubled by climate change with 82% of the population expressing some degree of concern - it is likely that the catastrophic flash flooding of August 2016 contributed to a greater awareness of the effects of climate change on extreme weather in the economy. At the same time, Montenegro is home to the highest concentration of respondents who do not view climate change as problematic (42%).

Nearly two thirds of the SEE population view pollution as a threat (65%) with close to a third labelling it as very serious (35%). Meanwhile, one out of ten respondents feel that pollution is not a problem in their community. Montenegro is again home to the highest concentration of respondents entirely unconcerned with pollution (47%), while the Republic of North Macedonia has the most respondents who see the pollution as a very serious problem (82%).

As with climate change, there is a notable drop in respondent concern over pollution compared to the results of the previous survey (-6).

Nearly a third of the SEE population (32%) believe that the responsibility for addressing climate change must be shared between all relevant stakeholders (governments, business and industry, regional and local authorities, NGOs but also individuals). Governments come in second with some 27% respondents assigning them primary responsibility, while business and industry are in third with 21%. While still the largest respondent group, there is a gradual decrease in the number of individuals (32%) dispersing responsibility across a wider array of actors (down from 41% in 2017).

Figure 84: In your opinion, who within your economy is responsible for tackling climate change?
(All respondents - N=6120, share of total, %)



Respondents from the Republic of North Macedonia are most likely to hold the government responsible (31%), while Albania (27%) and Kosovo* (25%) have the most respondents who consider businesses primarily accountable for tackling climate change. Serbia and the Republic of North Macedonia (both at 37%) are most likely to hold all actors to account, while Montenegrins consider themselves personally responsible for effecting change more than representatives of any other economy (11%).[59]

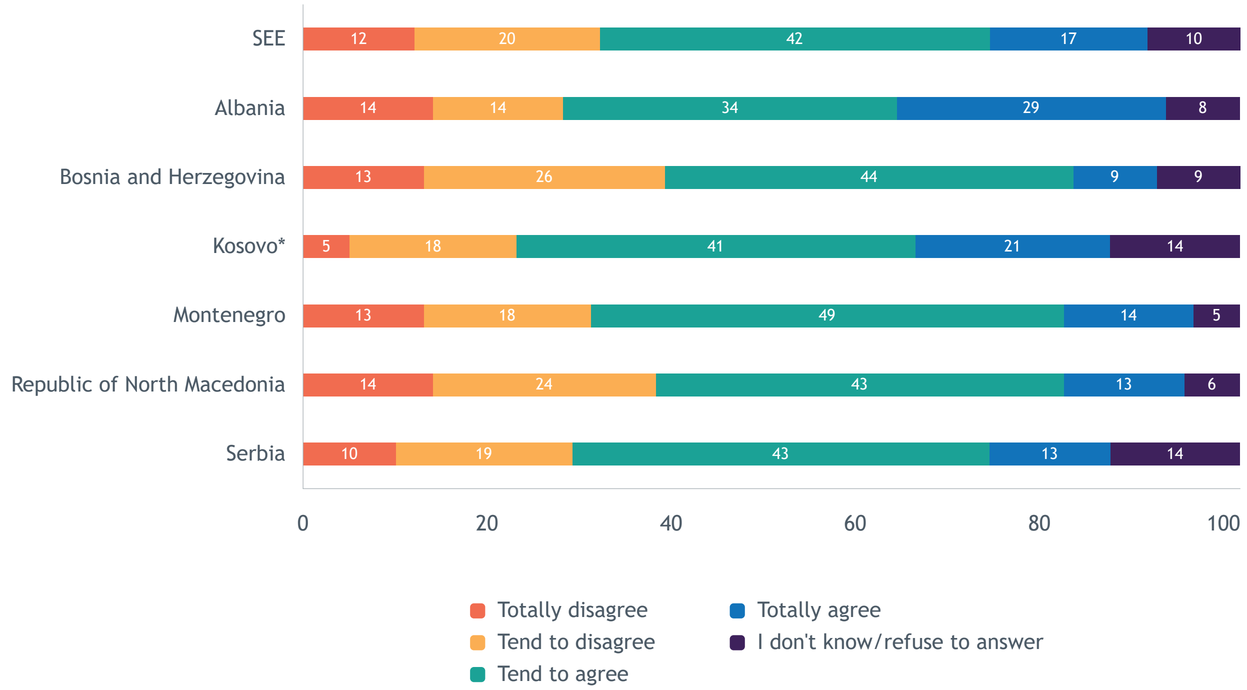
Respondents from Montenegro are also most likely to view NGOs as chiefly responsible for addressing the challenges of climate change (23%). Somewhat concerningly, a significant proportion of respondents from Albania (13%) and Montenegro (11%) hold none of the actors responsible for mitigating the effects of climate change on their economies.

Encouragingly, a majority of people surveyed are prepared to pay extra in order to buy environmentally friendly products (59%). In fact, there is a small increase in the number of environmentally conscious respondents compared to 2017 (+3). As previously, Albania and Montenegro lead the way for the region in environmentally conscious shopping (both at 63%).

Since the last edition of the Barometer, buying locally produced food (34%) has been overtaken by cutting down on disposable items (35%) as the environmentally conscious action taken by most individuals surveyed. Respondents also commonly engage in recycling (32%), while one out of five respondents have considered environmental factors when purchasing a home appliance. Almost an identical number of people, however, have taken no action to mitigate their environmental impact (19%), a slight increase on 2017 (+1) but still a significant improvement on 2016 when a full quarter of all respondents reported taking no environmentally conscious action.

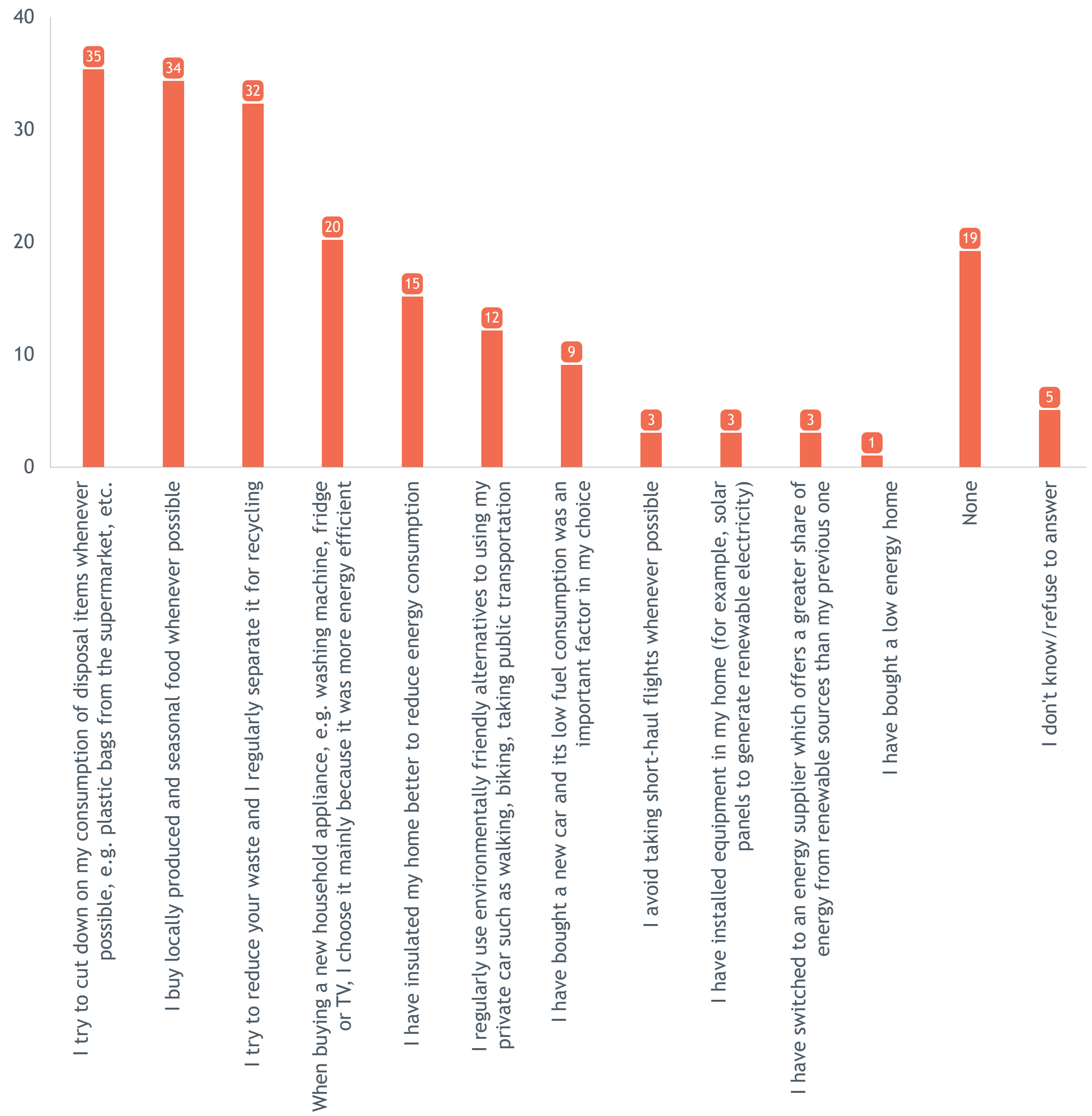
Compared to 2017, there is a sharp decrease in the number of respondents buying locally sourced food (-8), while there is a substantial surge in the number of people using fewer disposable items (+5). This can likely be attributed to a concerted awareness raising effort in the region to reduce the use of plastic bags and other non-degradable items.

Figure 85: Do you agree with the following statement: I am ready to buy environmentally friendly products even if they cost a little bit more.[59]
(All respondents - N=6120, share of total, %)



59 The figures might not add to 100% due to rounding.

Figure 86: Which of the following actions have you taken, if any? (SEE region)
(All respondents - N=6120, share of total, %)



After a temporary dip in the use of environmentally-friendly transportation alternatives, some 12% (+3) now report regularly replacing their daily car commutes with an eco-friendlier option.

A review of environmental mitigation measures by economy shows that Serbia and Albania recycle more than the rest (36% and 34% respectively), while the former also leads the way in reducing the use of disposable items (47%). Kosovo* (29%) and the Republic of North Macedonia (27%) have the most respondents who consider energy efficiency as a factor when buying home appliances, while Serbia, again, has the highest concentration of respondents who buy locally sourced food (44%).

With 24% each, Montenegro and the Republic of North Macedonia have the highest concentration of environmentally inactive respondents in the region.

Table 8: Which of the following actions have you taken, if any? (By economies)
(All respondents - N=6120, share of total, %)

Action	Albania	Bosnia and Herzegov-ina	Kosovo*	Montene-gro	Republic of North Macedo-nia	Serbia
I try to cut down on my consumption of disposal items whenever possible, e.g. plastic bags from the supermarket, etc.	40	31	31	29	28	47
I buy locally produced and seasonal food whenever possible	35	42	24	39	23	44
I try to reduce your waste and I regularly separate it for recycling	34	29	31	32	32	36
When buying a new household appliance, e.g. washing machine, fridge or TV, I choose it mainly because it was more energy efficient	19	11	29	19	27	17
I have insulated my home better to reduce energy consumption	9	11	19	15	14	19
I regularly use environmentally friendly alternatives to using my private car such as walking, biking, taking public transportation	15	8	14	10	12	12
I have bought a new car and its low fuel consumption was an important factor in my choice	4	7	12	12	10	10
I avoid taking short-haul flights whenever possible	3	3	4	3	4	1
I have installed equipment in my home (for example, solar panels to generate renewable electricity)	4	2	3	0	5	1
I have switched to an energy supplier which offers a greater share of energy from renewable sources than my previous one	5	3	4	2	1	1
I have bought a low energy home	1	0	2	1	1	1
None	20	18	15	24	24	16
I don't know/refuse to answer	6	2	10	2	4	4

PERCEPTIONS ON PUBLIC INSTITUTIONS AND SERVICES

Governments continue to be graded poorly throughout the region. The feeling that laws are applied neither effectively nor equally remains deeply entrenched and this is illustrative of an overwhelming lack of confidence in the rule of law system across the region.

The citizen's relationship with public institutions continues to be characterised by a high degree of mistrust that extends to all three branches of government. The parliament is once more the least trusted public institution in the region with the ombudsman at the other end of the scale. There is, somewhat encouragingly, an increase in trust across all institutions since the previous edition of the Barometer, illustrative of a broader, more positive trend with surges in public confidence across most institutions surveyed.

Overall, the region's governments need to do more to improve their credibility, especially in order to secure the political independence of key democratic institutions, as well as the impartiality of the rule of law system.

In the course of 2017, 53% of the respondent population came into contact with some form of public service provider. Respondents in Kosovo* (62%) and Montenegro (61%) had significantly more contact with public institutions than their counterparts in Serbia and Bosnia and Herzegovina (48%).

Interestingly, central government services were used more frequently during the survey period than those provided by local authorities (51% versus 49%). This represents a departure from the established trend where local governments, due to their proximity to clients, provide for the bulk of contact between governments and citizens.

Kosovo* (69%), the Republic of North Macedonia (64%) and Montenegro (59%) are economies where citizens were significantly more likely to interact with central institutions, while respondents from Albania (66%), Bosnia and Herzegovina (58%) and Serbia (57%) used local government services more frequently than others.

Figure 87: Have you had contact with public services in the last year?
(All respondents - N=6120, share of total, %)

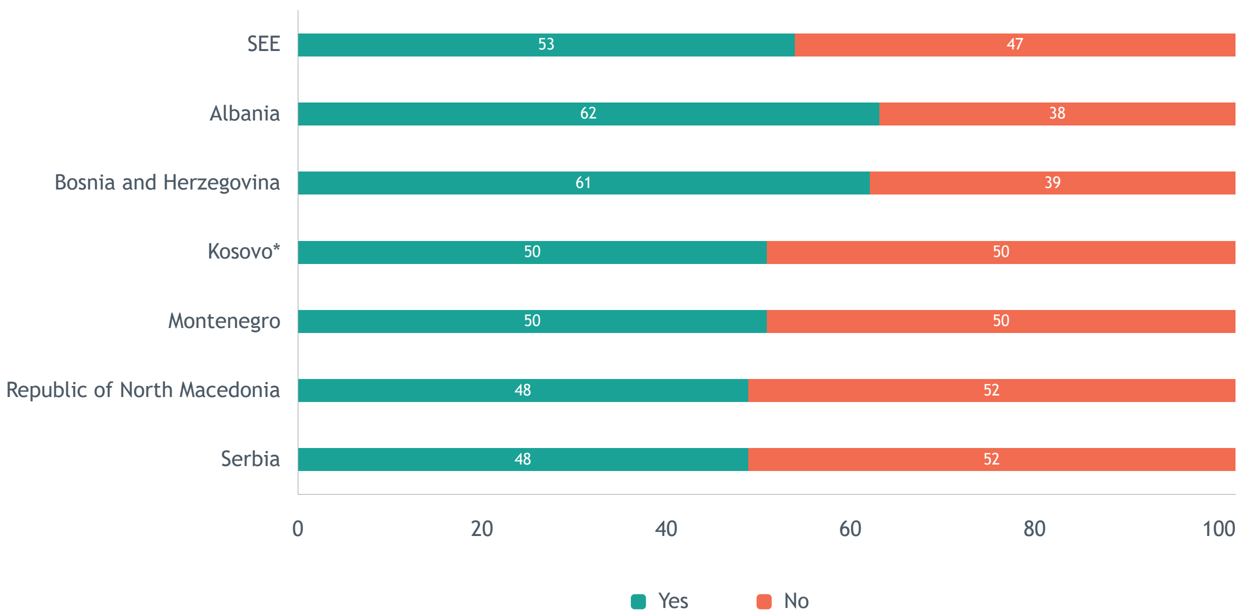
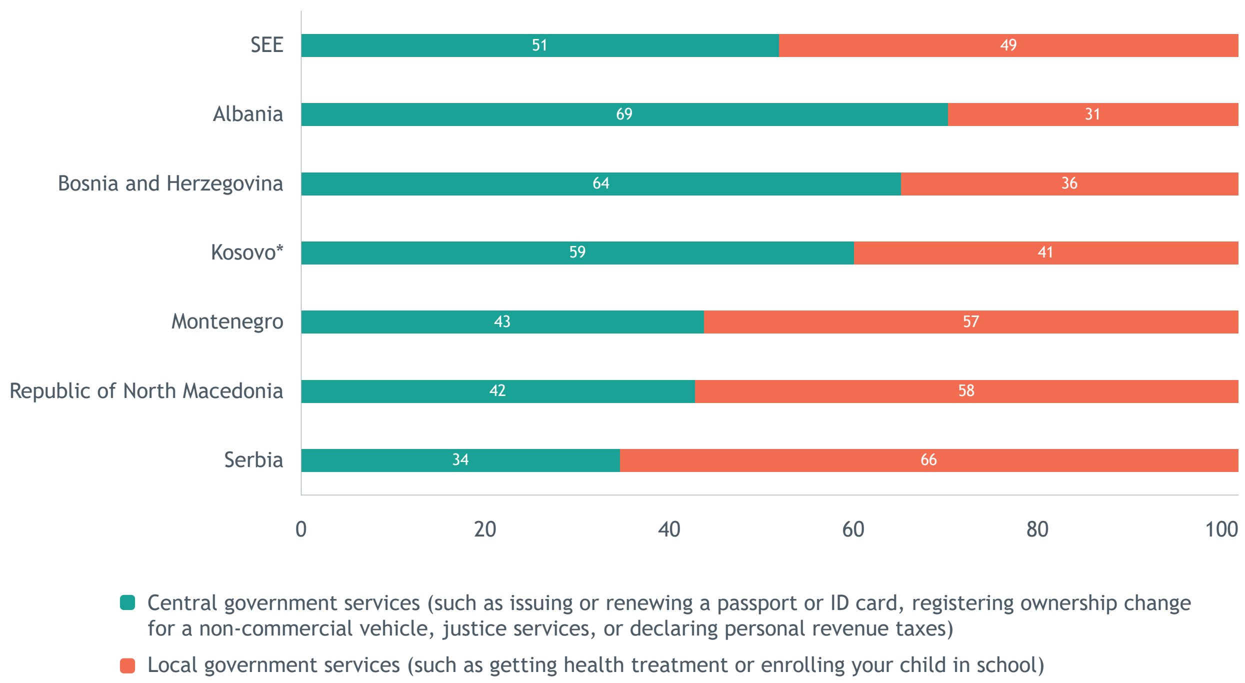


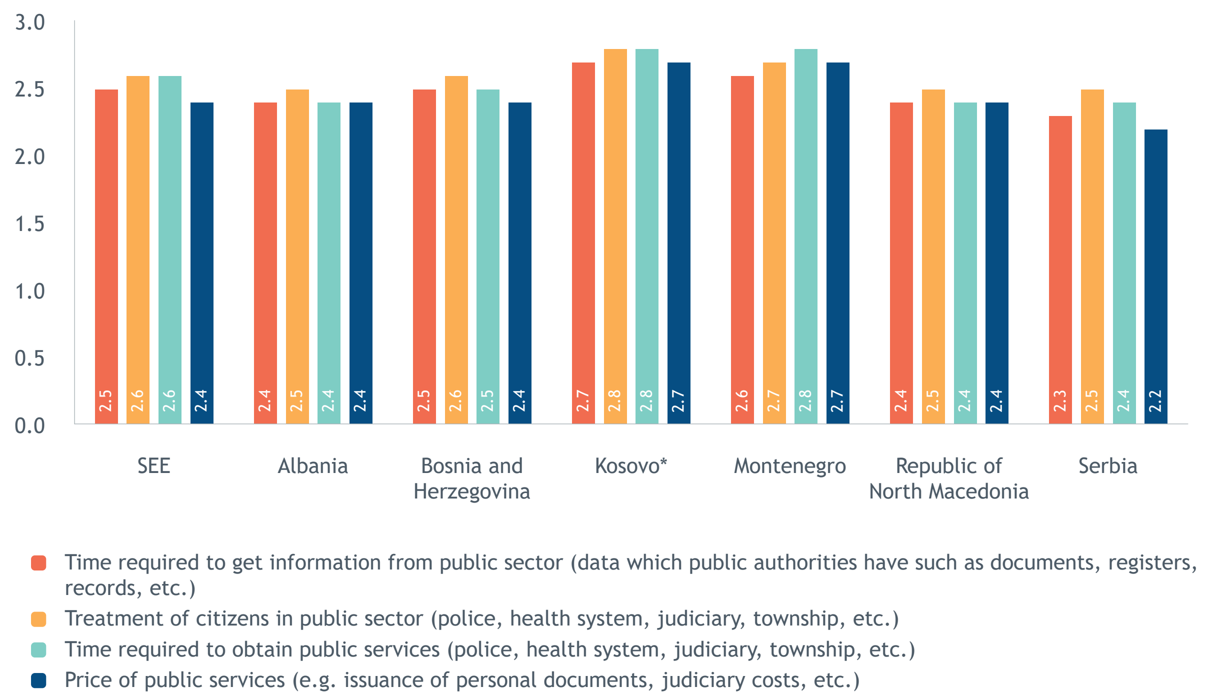
Figure 88: Were those central or local government services?
(Those having contact with public services - N=2870, share of total, %)



Governments continue to be graded poorly throughout the region, with performance ratings dropping across all four sectors under review. Once more, the time required to access information held by a public sector institution was rated the highest by respondents, alongside the treatment of citizens by public servants (both at 2.6), while the price of services rendered received the lowest rating (2.4).

Governments in Kosovo* and Montenegro generally receive a more favourable rating than their regional counterparts, while there is also a notable increase in the satisfaction of respondents from

Figure 89: How would you grade the following issues:
(All respondents - N=6120, scores from 1 to 5, share of total, mean)



Bosnia and Herzegovina when it comes to their government's performance.

Table 9: How would you grade the following issues? (Comparison 2014/2015/2016/2017/2018) (All respondents - N=6120, scores from 1 to 5, mean)

	2014	2015	2016	2017	2018
Treatment of citizens in public sector	2.3	2.4	2.5	2.7	2.6
Time required for obtaining public services	2.4	2.5	2.6	2.8	2.6
Time required for getting information in public sector	2.4	2.4	2.6	2.7	2.5
Price of public services	2.2	2.2	2.4	2.5	2.4

As evident from the year-on-year comparison of survey results since the Barometer's inception, the gradual increase in satisfaction with government performance has been halted with satisfaction ratings regressing across all four areas surveyed.

The rate of utilisation of E-government services is extremely low across the region for a mixture of reasons having to do with both their availability and ease of access. More than a quarter of all respondents (28%) have indicated they are not willing or able to weigh in on the question of E-governance use in their economy which is illustrative of the low level of information available about the services in general. Only 13% of respondents get their personal documents online, while close to a third (32%) think this is not possible at all. More than a quarter (27%) is aware of the services but are unable to access them due to lack of resources or knowledge. Albania leads the region in the use of E-government services (26%), while Montenegro has the fewest individuals getting their official documents online (8%).

Close to half of all respondents (49%) feel that government agencies provide the requested information in a timely fashion, while 36% disagree. Meanwhile, the rate of satisfaction with the appropriateness and completeness of information provided stands at 50%, versus 34% who are unhappy. Similarly, nearly half of all respondents (48%) find the cost of information provided to be reasonable, while 38% disagree.

Figure 90: Is it possible to get your personal documents (birth certificate, citizenship, etc.) or permits or any other document - online?[60]
(All respondents - N=6120, share of total, %)

60 The figures might not add to 100% due to rounding.

Figure 91: Do you agree with the following statements? (SEE region) A - Requests for information held by a government agency are granted in timely manner; B - The information provided by a government agency is pertinent and complete; C - Requests for information by a government agency are granted at a reasonable cost[61]
(All respondents - N=6120, scale from 1 to 4, share of total, %)

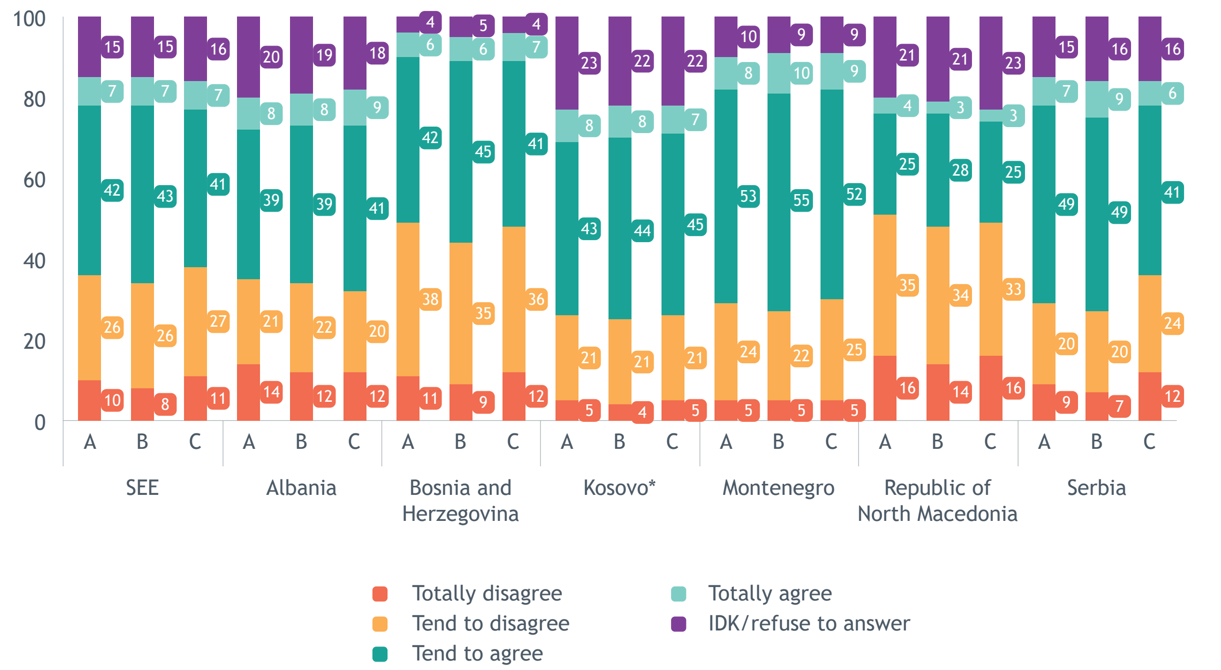
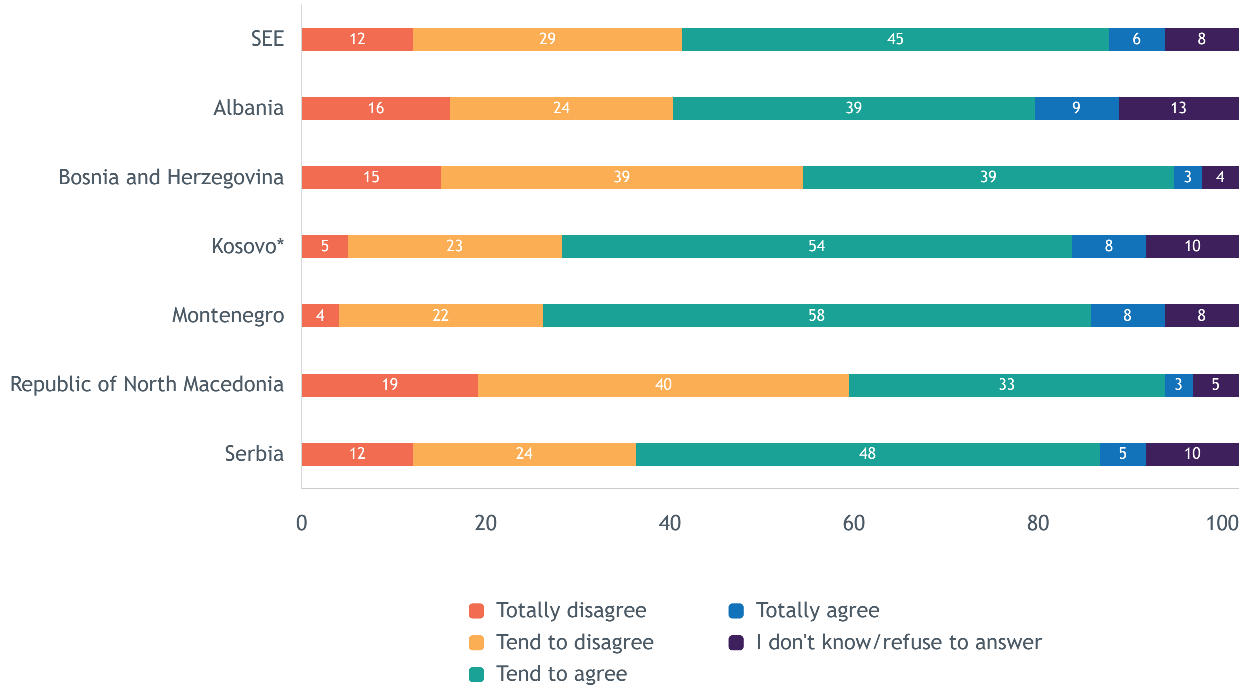


Figure 92: Do you agree with the following statement: (SEE region) The administrative procedures in public institutions are efficient[62]
(All respondents - N=6120, scale from 1 to 4, share of total, %)



61 The figures might not add to 100% due to rounding.
62 The figures might not add to 100% due to rounding.

Compared to last year, the number of dissatisfied respondents has gone down, albeit not by a significant number. This is supportive of a longer-term trend that sees a gradual decrease in the number of disgruntled citizens seeking government-held information.

Looking at the individual economies, respondents from Montenegro are again the most satisfied across all three service features surveyed; meanwhile, citizens in the Republic of North Macedonia are the least likely to positively assess government efforts in providing on-demand information.

Just over half of all respondents (51%) are satisfied with the efficiency of administrative procedures in the public sector. Encouragingly, there continues to be a steady and significant increase in the number of respondents happy with the efficiency of public administrations as illustrated by an 18-point increase in the population since 2014.

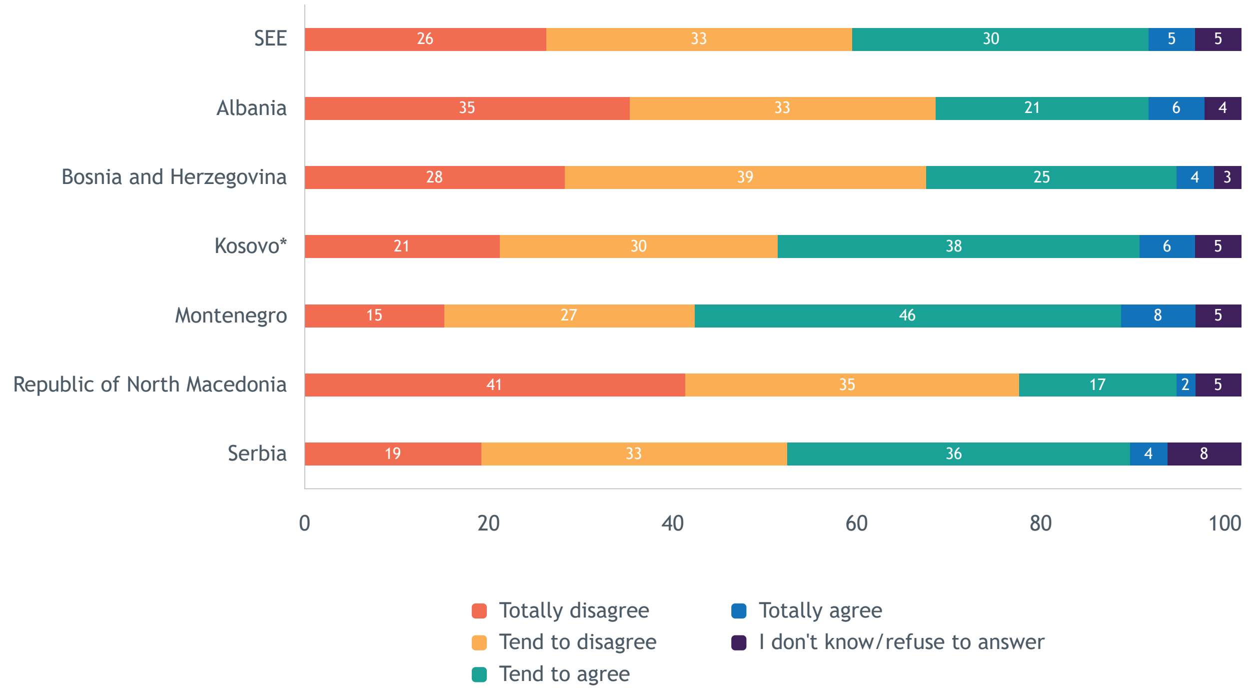
Meanwhile, a majority of respondents feel that laws are applied neither effectively (59%) nor equally (70%). This is illustrative of an overwhelming lack of confidence in the rule of law system across the region.

However, as with administrative efficiency, there are significant and positive developments in this regard; since 2015, the proportion of respondents who feel that laws are not applied equally to all has dropped from 83% to 70%, while the number of individuals who question the effectiveness of law enforcement has declined by 16 points (from 75% to 59%). Nonetheless, those unhappy with the legal system continue to significantly outnumber those that are not. Accordingly, strengthening the rule of law, as well as the public's confidence in its institutions, must be paramount for the region's governments.

Looking at the economies individually, Montenegro again boasts the highest concentration of satisfied respondents across all three survey categories, while the Republic of North Macedonia has overtaken Bosnia and Herzegovina as the least satisfied economy in the region.

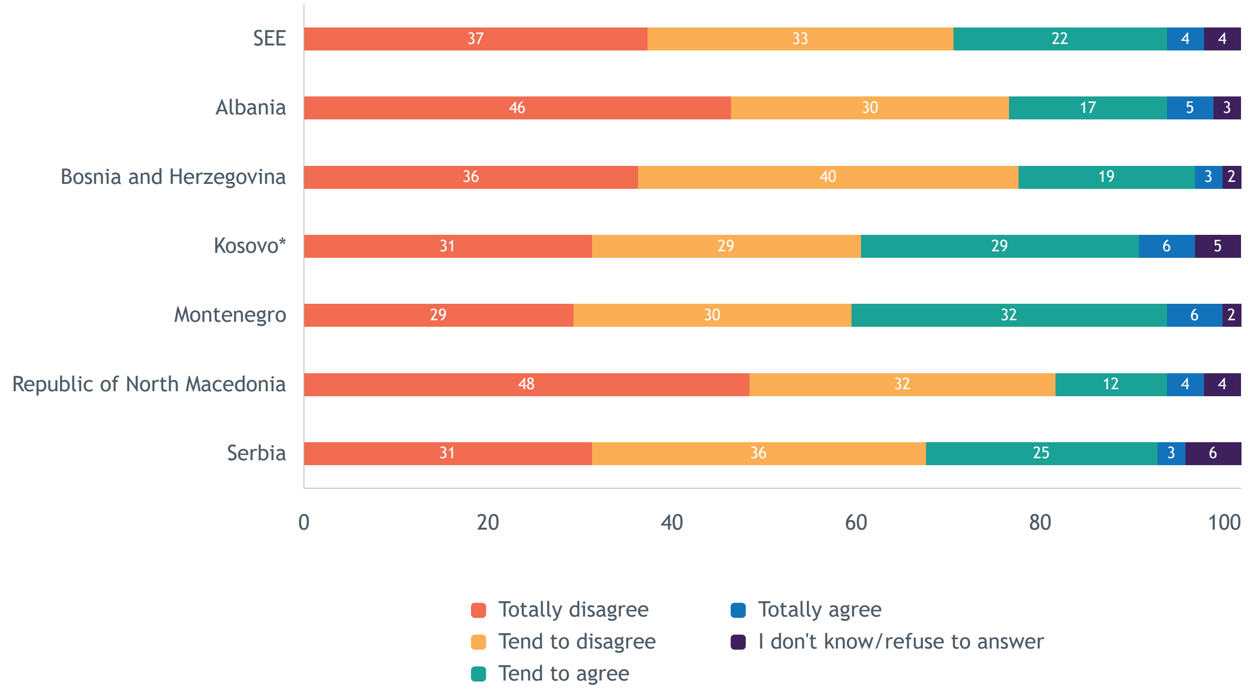
The latter economy is characterised by a sharp decline in respondent satisfaction across all three categories since the previous survey instalment. There seems to be a clear and convincing drop in confidence in public institutions, both in terms of administrative performance (-21), as well as the workings of the legal system (-13 for effectiveness and -5 for equality in treatment). The loss of pub-

Figure 93: Do you agree with the following statement (SEE region): The law is applied and enforced effectively[63]
(All respondents - N=6120, scale from 1 to 4, share of total, %)



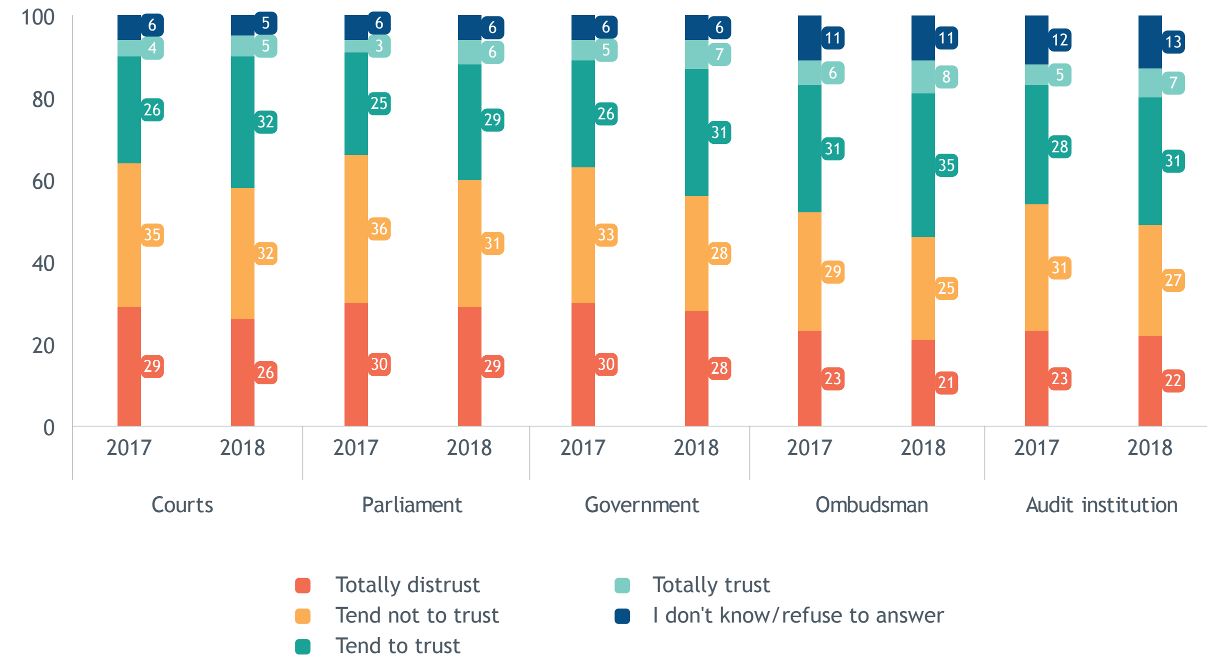
63 The figures might not add to 100% due to rounding.

Figure 94: Do you agree with the following statement (SEE region): The law is applied to everyone equally[64]
(All respondents - N=6120, scale from 1 to 4, share of total, %)



lic confidence in cornerstone state institutions can likely be attributed to the political instability arising from the name change process. Expectations are that there should be a post-settlement surge in positive sentiment come next year.

Figure 95: How much trust do you have in certain institutions? (SEE region) A - Courts and judiciary; B - Parliament; C - Government; D - Ombudsman; E - Supreme audit institution[65]
(All respondents - N=6120, scale from 1 to 4, share of total, %)



64 The figures might not add to 100% due to rounding.
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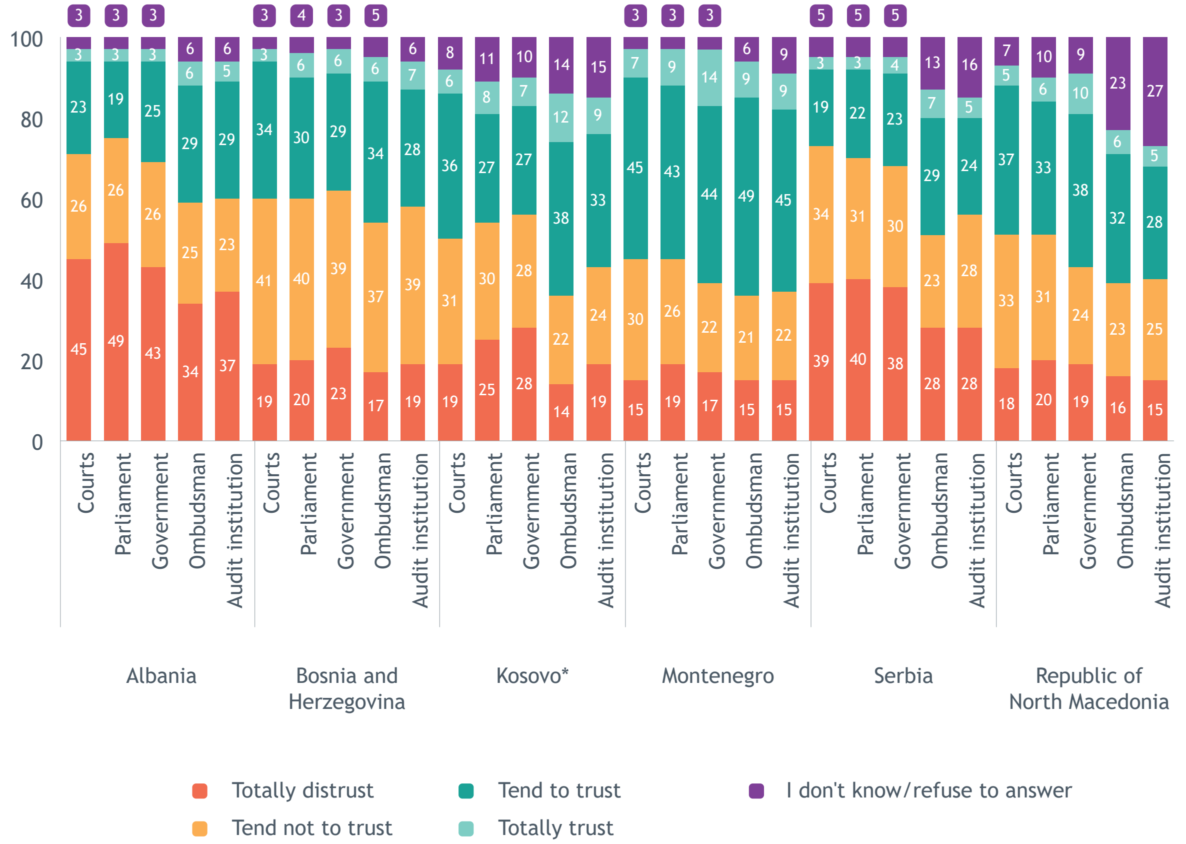
Figure 96: How much trust do you have in certain institutions? (SEE region) A - Courts and judiciary; B - Parliament; C - Government; D - Ombudsman; E - Supreme audit institution[66]
(All respondents - N=6120, scale from 1 to 4, share of total, %)



The citizen's relationship with their public institutions continues to be characterised by a high degree of mistrust that extends to all three branches of government.

The parliament is once more the least trusted public institution in the region (trusted by only 35%) with the ombudsman at the other end of the scale (trusted by 43%). There is, somewhat encouragingly, an increase in trust across all institutions since the previous edition of the Barometer, illustrative of a broader, more positive trend with surges in public confidence ranging from five points for the audit institution to seven points for the courts, parliament and the executive.

Montenegro is the only regional economy where a majority of respondents trust all the public institutions under review. At the other end of the scale, the Republic of North Macedonia reports the lowest level of institutional trust in the region. Parliaments and the executive branch of government tend to be least trusted, with the judiciary also widely distrusted (especially in Albania and the Republic of North Macedonia); the latter is cause for major concern due to the importance of rule of law for both democratic consolidation and economic development.

As in previous years, the ombudsman tends to enjoy the most public trust out of all of the institutions surveyed although its powers tend to be restricted by the absence of an executive mandate and frequent political interference. The extent to which elected representative are distrusted is astounding, although there are some signs of improvement in select economies, such as Serbia.

66 The figures might not add to 100% due to rounding.

Figure 97: Do you agree that the following institutions are independent of political influence? (SEE region) A - Judicial system; B - Ombudsman; C - Supreme audit institution; D - Media[67]
(All respondents - N=6120, scale from 1 to 4, share of total, %)

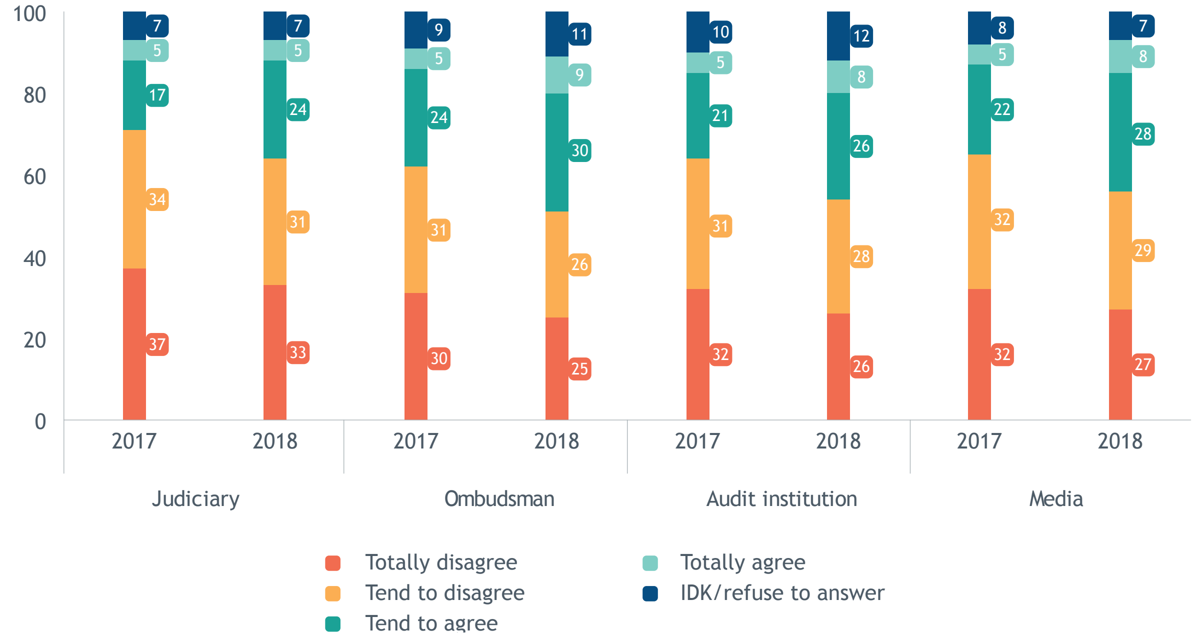
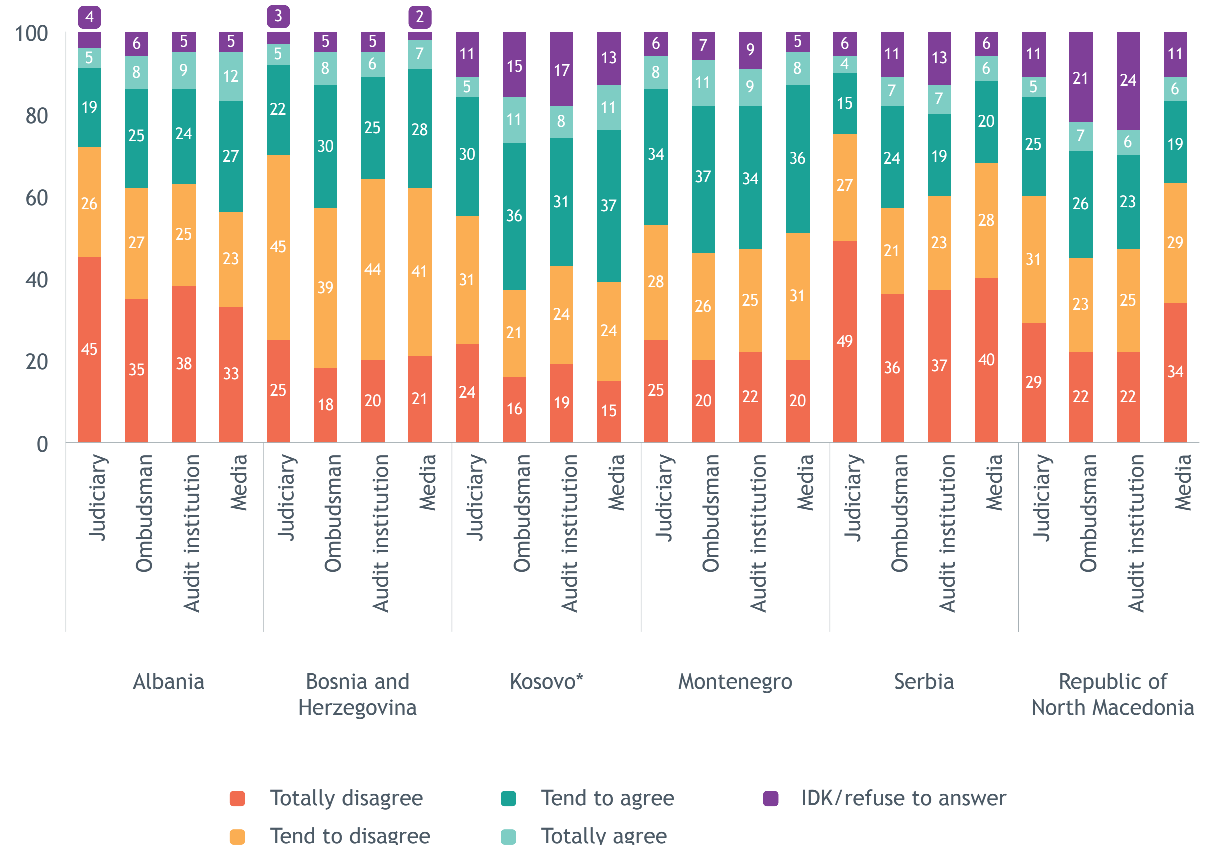
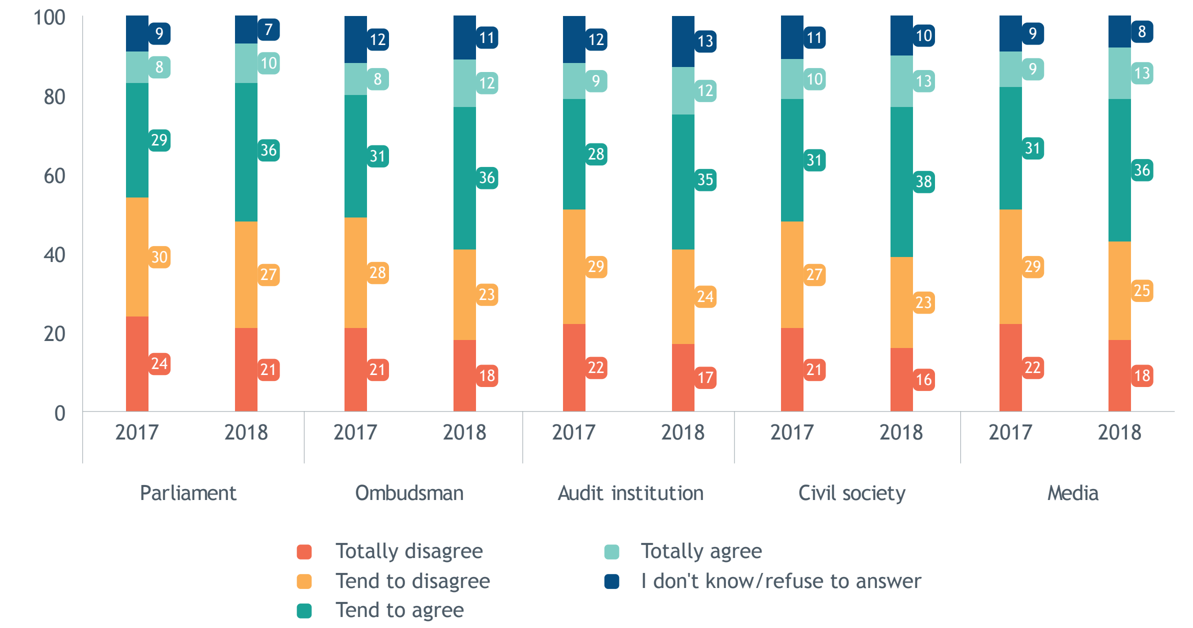


Figure 98: Do you agree that the following institutions are independent of political influence? (By economies) A - Judicial system; B - Ombudsman; C - Supreme audit institution; D - Media[68]
(All respondents - N=6120, scale from 1 to 4, share of total, %)



67 The figures might not add to 100% due to rounding.
68 The figures might not add to 100% due to rounding.

Figure 99: Do you agree that the following institutions can effectively scrutinise the government and make it accountable to citizens? (SEE region) A - Parliament; B - Ombudsman; C - Supreme audit institution; D - Citizens and civil society organisations; E - Media[69]
(All respondents - N=6120, scale from 1 to 4, share of total, %)



Respondents overwhelmingly disagree with the "independent" prefix for all of the institutions surveyed, describing the judiciary, the ombudsman, the audit institution and the media as firmly under political influence. The legal system is considered independent by fewest respondents (29%), while the ombudsman is perceived as autonomous from political interference by the highest number of individuals surveyed (39%). As with previous sections of the survey, some improvements are evident with public trust growing significantly across all four institutions (judiciary +7; audit institution +8; the media +9; and the ombudsman +10).

As in 2017, respondents from Kosovo* and Montenegro are significantly more likely to place their faith in the political independence of surveyed institutions than their counterparts in the region. At the same time, respondents from the Republic of North Macedonia are more likely to distrust the judiciary (76%) and the media (68%), while individuals polled in Albania and Bosnia and Herzegovina tend to most frequently challenge the political independence of the ombudsman (62%) and the audit institution (64%) respectively.

Respondents have again shown little faith in the system of checks and balances and its ability to effectively scrutinise and oversee the work of the executive. Fewer than half of all respondents have shown confidence in the commitment of surveyed institutions to making the government accountable to the public, with civil society the sole exception. The parliament, formally the principle body charged with overseeing the work of the executive, is again considered least likely to perform this role effectively (46%). Meanwhile, civil society is deemed the actor most critical of the government's work (51%), alongside media (49%).

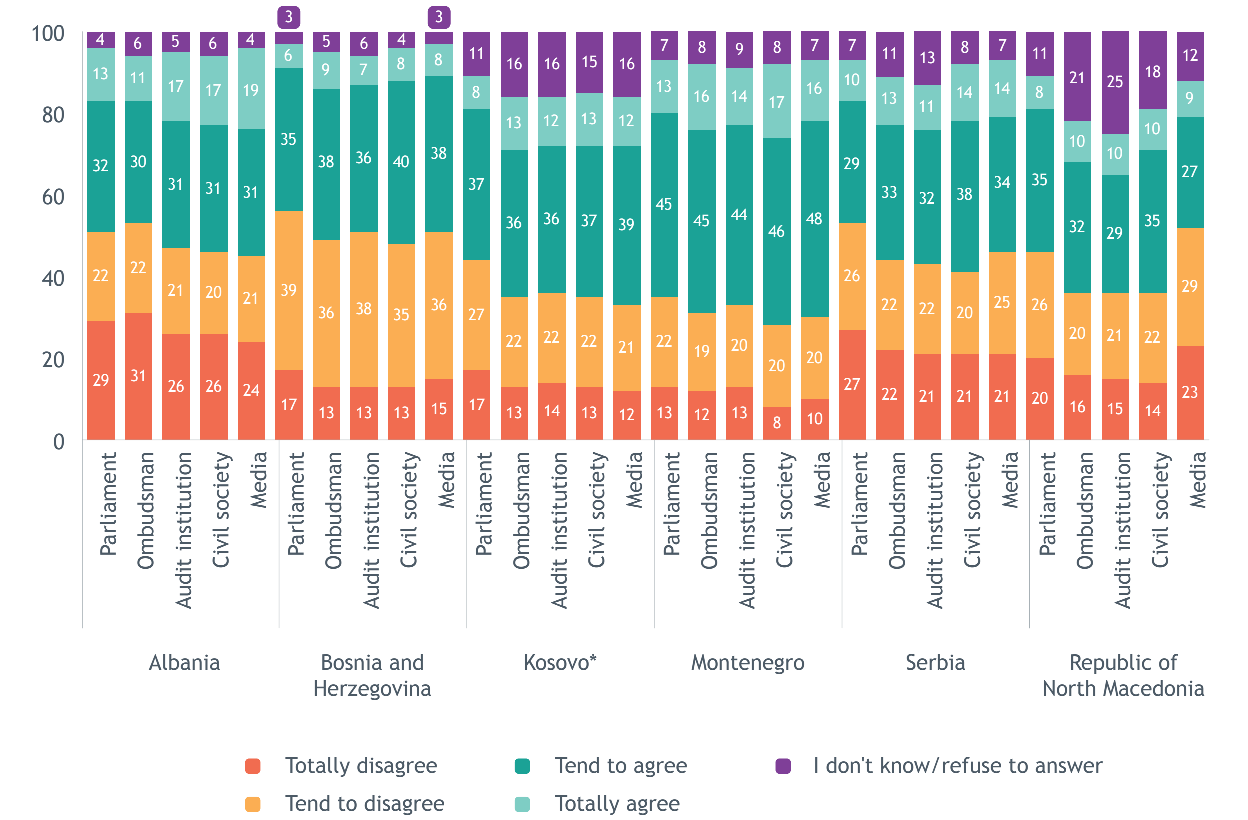
There has been a notable increase, however, in the number of respondents who trust the system to effectively scrutinise the work of the executive; since 2017, the proportion of individuals who have confidence in the work of independent institutions has increased in the range of eight to ten points, a substantial and positive development in a relatively short period of time.

Montenegrin respondents are most likely to trust the institutions surveyed to perform executive oversight in an effective and accountable manner, ranging from 58% support for the legislature and the audit authority to 64% for media.

Meanwhile, Serbia has the lowest level of confidence in the ability of three of the five institutions surveyed to perform executive oversight (audit authority – 39%; civil society – 45%: and media – 36%). Respondents from the Republic of North Macedonia have the least faith in their parliament's ability to oversee (39%), while Albania has the region's lowest level of support for the work of the ombudsman institution (41%).

69 The figures might not add to 100% due to rounding.

Figure 100: Do you agree that the following institutions can effectively scrutinise the government and make it accountable to citizens? (By economies) A - Parliament; B - Ombudsman; C - Supreme audit institution; D - Citizens and civil society organisations; E - Media[70]
(All respondents - N=6120, scale from 1 to 4, share of total, %)



70 The figures might not add to 100% due to rounding.

PERCEPTIONS OF CORRUPTION

Perceptions of corruption, and the practice itself, remain widespread in the region with efforts to bring the SEE community into closer alignment with relevant EU standards and practices bearing little fruit. Progress, or the lack thereof, in curbing corruptive practices appears to be directly linked to a deficit of political will, and to a lesser extent, public administration capacity.

Out of the 13 institutions included in the survey, ten are perceived as corrupt by more than half of all respondents with healthcare especially at risk. Instances of bribes being paid are more common within the respondent population, while the majority of people in the region feel that hard work means less than connections when it comes to succeeding in the public sector.

Nonetheless, it's not all bad news as this year sees a substantial nine-point decrease in the number of respondents who feel that their government is not doing enough to cub corruption - this indicates a greater level of engagement by the SEE authorities in combating corruption.

While established corruption trends in the region seem to be holding (in terms of economy and sector especially at risk), there is a concerning increase in frequency of bribes being paid.

As in 2017, bribes are most common in healthcare (18%, up from 15% in 2017), while corruptive practices in other sectors affect anywhere from 4% to 8% of the respondent population (up from 2% to 6% in 2017). As has been the case since 2016, Albanian respondents report a higher prevalence of giving gifts or money, or other inducements, in exchange for a favour or service compared to the rest of the region. An even half of all respondents in Albania report paying bribes in exchange for medical services, with prevalence of bribes in other sectors ranging from 7% to 14%. Importantly, in six of the nine sectors under survey, the proportion of Albanian respondents who report engaging in bribery practices is at least 13%. Permitting and land services are the second most at risk category in Albania after healthcare with 14%.

While the Republic of North Macedonia occupied second spot in regional corruption rankings in 2017, this year's results showcase a marked improvement across all sectors, with the economy reporting some of the lowest corruption scores in the region.

Meanwhile, Kosovo* has shot up the corruption rankings and is now second across most of the sectors surveyed with corruption of the police service and permitting regimes especially prevalent.

Figure 101: In your contact or contacts with the public institutions, have you or anyone living in your household paid bribe in any form in the past 12 months?
(Respondents answering "Yes" - N=6120, share of total, %)

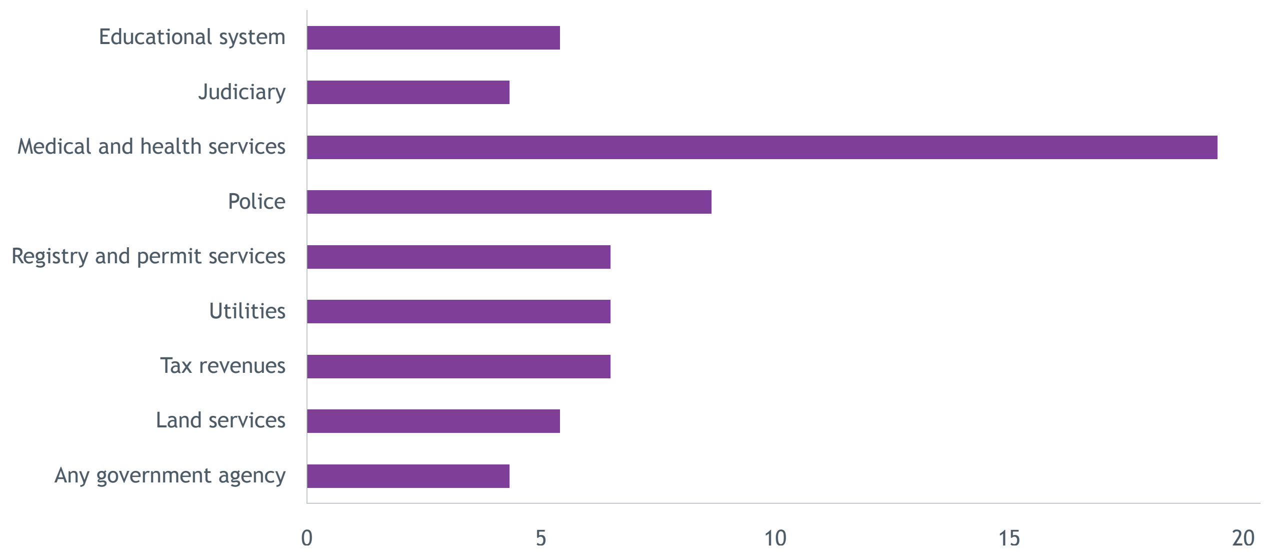
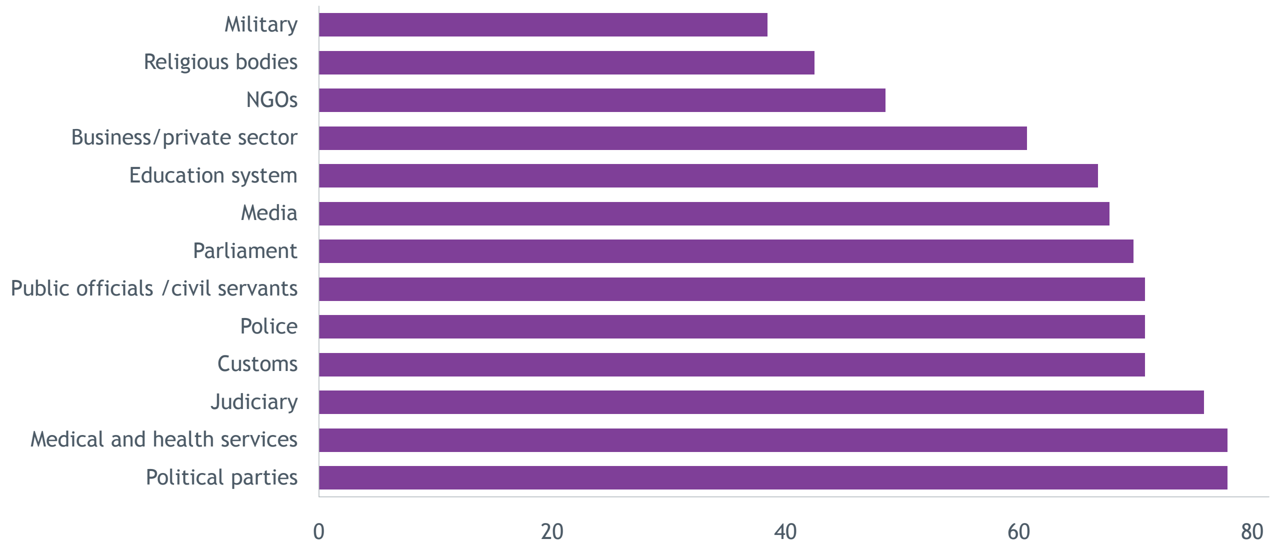


Table 10: In your contact or contacts with the public institutions, have you or anyone living in your household paid bribe in any form in the past 12 months?
(Respondents answering "Yes" - N=6120, share of total, %)

	Albania	Bosnia and Herzegovina	Kosovo*	Montenegro	Republic of North Macedonia	Serbia
Educational system	13	3	6	4	2	2
Judiciary	13	3	4	2	2	2
Medical and health services	50	10	11	11	12	12
Police	13	8	9	8	6	5
Registry and permit services	14	4	5	5	2	4
Utilities	13	5	8	4	4	4
Tax revenues	13	3	6	6	2	5
Land services	14	4	5	5	3	2
Any government agency	7	5	4	5	2	2

■ totally agree ■ totally disagree

Figure 102: To what extent do you agree or not agree that the following categories in your economy are affected by corruption? (SEE region)
(All respondents - N=6120, share of total, %)



Out of the 13 institutions included in the survey, ten are perceived as corrupt by more than half of all respondents. The military (38%), religious structures (42%) and non-governmental organisations (48%) are the three exceptions.

Political parties (77%), healthcare providers (77%), the judiciary (75%) and parliament (69%) are considered most corrupt by a majority of respondents.

Institutions perceived to be least corrupt are characterised by two features: i) they are not routinely involved in the large-scale day to day management of public finances; and ii) their ability to influence citizen lives through provision of services is limited.

Bosnia and Herzegovina leads the corruption perception chart with a high proportion of respondents reporting corrupt practices across the surveyed institutional landscape. Along with respondents from Bosnia and Herzegovina, individuals from Albania are more likely to perceive political parties, judiciary, customs and medical and health services as more corrupt than the rest of the region.

Table 11: To what extent do you agree or not agree that the following categories in your economy are affected by corruption? (By economies)
(All respondents - N=6120, share of total, %)

	Albania	Bosnia and Herzegovina	Kosovo*	Montenegro	Republic of North Macedonia	Serbia
Military	38	53	32	40	39	28
Religious bodies	27	59	40	33	56	41
NGOs	44	58	42	49	46	48
Business/private sector	54	76	56	59	58	61
Education system	76	75	61	58	64	60
Media	60	69	57	65	75	72
Parliament	85	79	68	55	73	57
Public officials /civil servants	75	81	60	67	70	64
Police	73	80	58	67	74	68
Customs	79	74	64	66	71	69
Judiciary	85	81	67	65	79	69
Medical and health services	86	81	68	72	77	77
Political parties	87	85	69	69	80	74

The lowest corruption perception ratings were ascribed to the institutions in Kosovo* and the Republic of North Macedonia. Religious bodies were assessed as the least corrupt in all the economies with the exception of Kosovo* and the Republic of North Macedonia, where the majority of respondents found the military to be least corrupt.

Respondents were asked to express their views by agreeing or disagreeing with the two statements by using a scale of 1 to 10. The resulting finding is rather discouraging: both in the region as a whole, and in every individual economy, the majority of people feel that hard work means less than connections when it comes to succeeding in the public sector (mean at the level of the SEE region is 7.1).

There are much fewer respondents who feel that success is directly linked to hard work (mean at the level of the SEE region is 5.7).

People from Kosovo* (5.9) are significantly more likely than others to believe that hard work is the key to success in the public sector, whereas respondents from Montenegro are significantly more likely to agree with the statement that success in the public sector depends on connections and acquaintances (7.7).

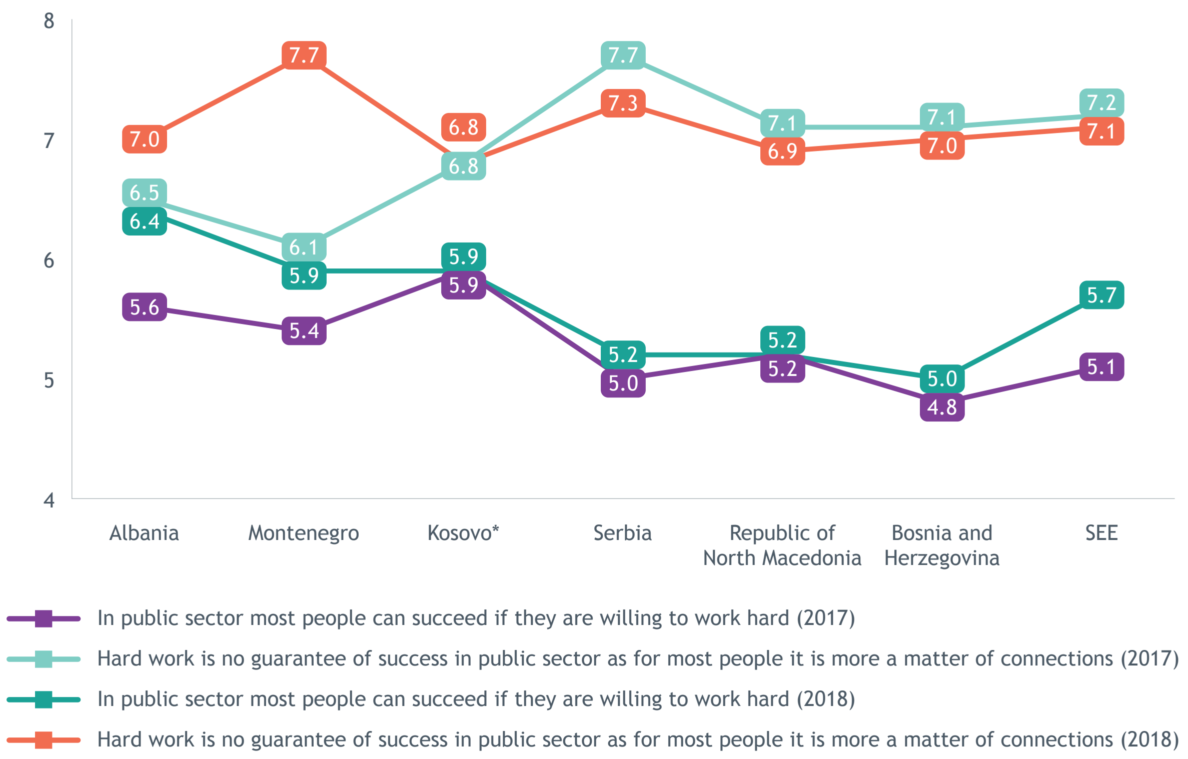
Nearly half of all respondents (48%) find written information provided by the government to be easy to understand, while over a third (37%) disagree. Although evidence of progress compared to last year's results (43% and 42% respectively), the figures suggest that the region's governments should do more to make the information provided more reader-friendly to a wider audience. Respondents in Bosnia and Herzegovina in particular struggle to understand laws, decisions, forms, and other information made available by the government in writing, to an extent far above the regional average (52%). Meanwhile, Montenegro has the lowest concentration of individuals who report difficulties with comprehension of government-issued information (27%).

Some 61% of the region's population are unhappy with their governments' efforts at combating corruption, against 34% who are satisfied that their governments are curbing corruption effectively. All of the region's economies with the exception of Montenegro have scored below the global average (43 out of 100) on the Transparency International Corruption Perception Index for 2018 (the average score for Western Europe and the EU is 66).

Furthermore, successive assessments of the economies' progress on their path towards accession and stabilization, administered by the European Union, have found widespread corruption as well as elements of state capture by private interests across the region.[71]

Nonetheless, it is not all bad news as this year sees a substantial nine-point decrease in the number of respondents who feel that their government is not doing enough to cub corruption.

Figure 103: To what extent do you agree or not agree with the following statement?
- In public sector most people can succeed if they are willing to work hard.
- Hard work is no guarantee of success in public sector as for most people it is more a matter of connections.
(All respondents - N=6120 in 2018, N=6025 in 2017, scale 1 to 10, share of total, %)



71 *2018 Communication on EU Enlargement Policy* https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/20180417_strategy_paper_en.pdf

Figure 104: Do you agree that written information of your Government (such as laws, decisions, web pages, forms) is overall easy to understand and uses plain language?[72]
All respondents - N=6120, scale 1 to 4, share of total, %)

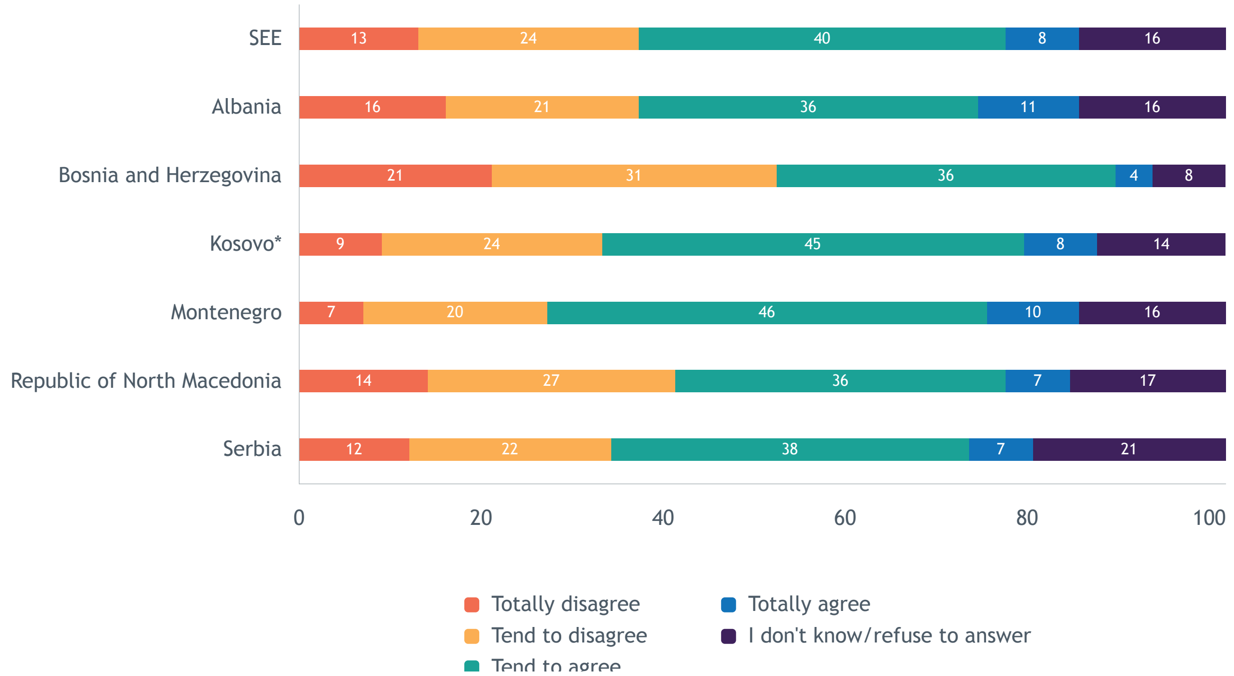
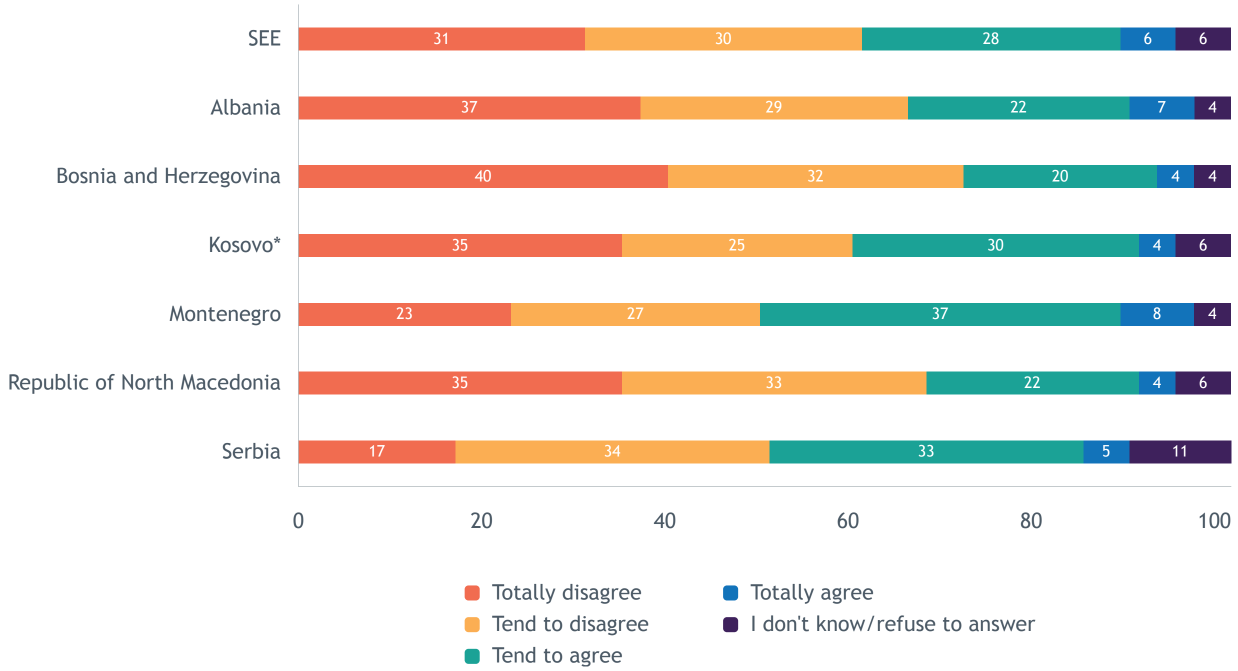


Figure 105: Do you agree that in your economy the government fights corruption successfully?[73]
All respondents - N=6120, scale 1 to 4, share of total, %)



72 The figures might not add to 100% due to rounding.

73 The figures might not add to 100% due to rounding.

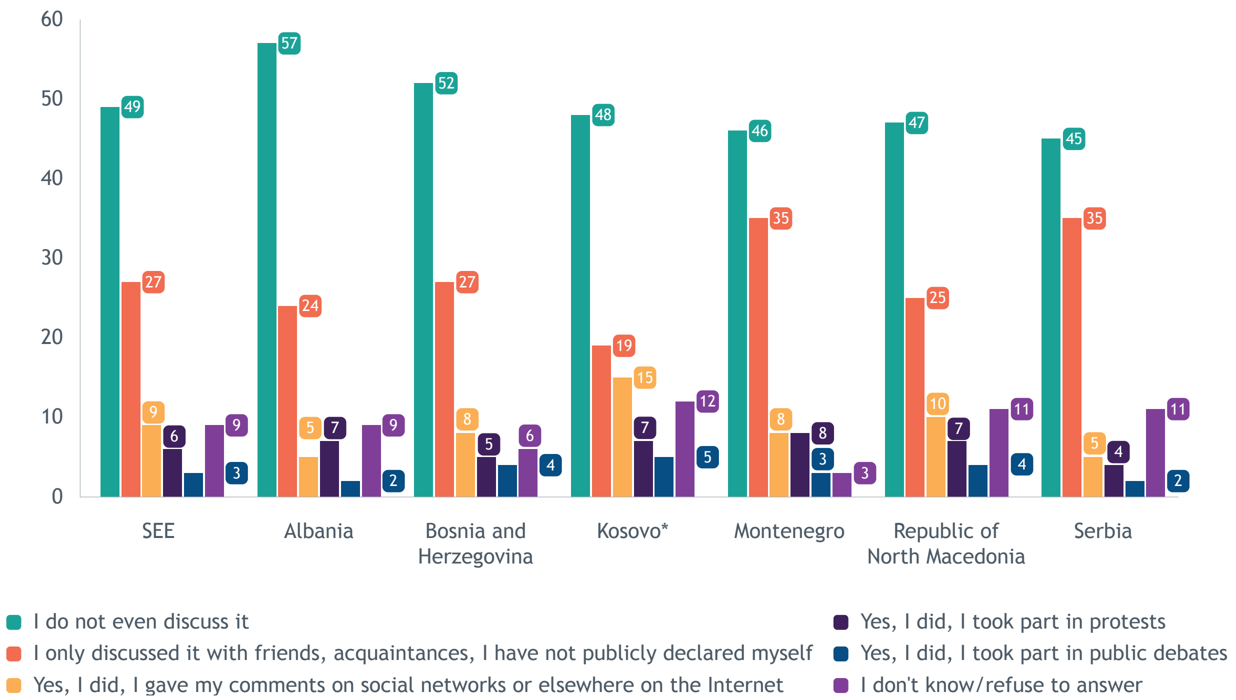
PARTICIPATION IN DECISION MAKING

In what has become an increasingly negative trend for the region's prospects for democratic development, there remains little appetite for proactive participation in the work of government by the public at large. This is chiefly the result of years of engagement neglect and half-hearted attempts by governments to appease activist non-governmental actors and international donor organisations.

With near-record levels of citizen apathy and passivity, governments need to become better at promoting, enabling and supporting civic participation in decision making - starting with making the process accessible, open and transparent. Language used in the conduct of government affairs must be clear and understandable to all (another problem area highlighted by a separate section of this survey). In terms of available opportunities for engagement, the online space represents a good starting point. Interestingly, the web is the only arena where the number of individuals engaging with government decisions has steadily grown. Finally, the RCC's own *Recommendation on Public Participation in Policy-Making Process in the Western Balkans* can serve as a valuable blueprint for the region in this regard.[74]

Passivity remains the defining feature of the citizens' relationship with decision making across SEE. Virtually half of all respondents (49%) admit to not even discussing government decisions, while 27% do so but only in a private setting. Both numbers have grown since 2017 and indicate a worrying sense of apathy that deprives the democratic process of a very valuable contributor. Fewer people have also taken part in protests (down to 6% from 9% in 2017) and public debates (down to 3% from 4% in 2017).

Figure 106: Have you ever done something that could affect any of the government decisions?[75]
(All respondents - N=6120, multiple answers, share of total, %)



74 https://www.rcc.int/pubs/59/recommendation-on-public-participation-in-policy-making-process-for-western-balkans

75 The figures might not add to 100% due to rounding.

The only arena where respondents have shown greater engagement is the online space where the number of individuals debating government decisions has grown from 6% in 2017 to 9% in 2018.

In terms of individual economies, Albania is home to the region's most passive political population with some 57% not engaging in any discussion of government decisions. At the same time, respondents in Serbia and Montenegro are most likely to discuss policy in a private setting (35% for both) but are also least likely to take part in public debates, along with their counterparts from Albania. Notably, the number of respondents from Serbia and Montenegro not commenting on policy at all has dropped by 10 points or more across the two economies (from 56% in 2017).

At the same time, respondents in Kosovo* are the most active when it comes to online policy discussions, with 15% commenting on government decisions on social media or other online spaces.

The surge in the number of protesters from the Republic of North Macedonia in 2017 proved to be a temporary blip with the percentage of individuals protesting now much closer to the regional average (down to 7% from 19% in 2017).

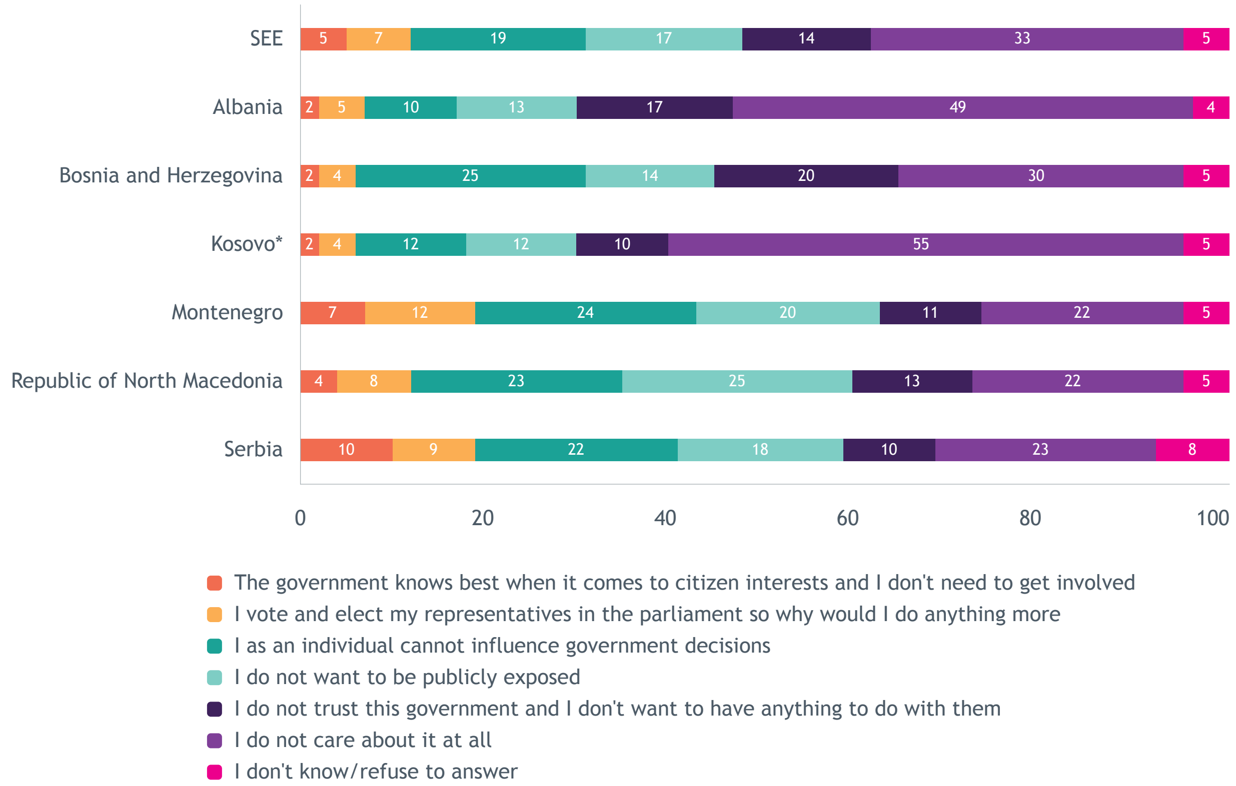
After a surge in citizen engagement in 2017, brought about by political developments across the region, SEE records another poor year for participatory democracy. With no indication that these numbers will improve in the coming years it may be time for governments to invest more in an engagement strategy, perhaps one that will look to exploit an increase in online presence and activism across the region.

Apathy and a sense of powerlessness remain the two chief barriers to greater citizen engagement, although in reverse order compared to 2017. A third of all respondents cite an absence of interest as the underlying reason for their lack of engagement in decision making, a significant increase compared to the previous survey instalment (24% in 2017). More than half of all respondents from Kosovo* fall into this category, making it the most politically disinterested economy in the region. At the same time, some 19% of all respondents feel powerless to bring about change and therefore avoid active involvement in political processes. Interestingly, the number of respondents in this category has continued to decline over time, from 44% in 2016 and 28% in 2017. At the same time, the number of apathetic respondents has continued to grow at an almost identical rate. This should be further cause for concern as it indicates that the SEE population is growing increasingly disinterested and disillusioned with the business of government.

The number of individuals fearing public exposure of their views and opinions, while lower than last year, still makes up a sizable group (17%). This view is held especially widely by respondents in the Republic of North Macedonia where a quarter of the population worries about its views being made public, although to a much lesser extent than in 2017 (37%).

Some 14% of all respondents cite their distrust of the government as the chief obstacle to getting involved with Bosnia and Herzegovina home to the largest population of government sceptics (20%). At the other end, Serbia is the only economy in the region that boasts double digit number of respondents (10%) who cite their confidence in the work of the government as the reason for not becoming involved.

Figure 107: What is the main reason why you are not actively involved in government decision-making?[76]
(Those not actively involved - N=4670, share of total, %)



76 The figures might not add to 100% due to rounding.

CONCLUSIONS AND RECOMMENDATIONS

As has now been firmly established through all five iterations of the Barometer, day-to-day political developments shape public attitudes in a negative fashion. Seldom has that been more evident that over the past year in the Republic of North Macedonia where turbulence driven by the since-concluded name change process caused popular upheaval rarely seen over such a short period of time. Developments in economic, social and political spheres were perceived much more gloomily than warranted by relevant statistics, providing an insight into how political instability can affect the public at large beyond what can be gleamed through hard data. This once again calls attention to the need for responsible political discourse in the region, especially at times when critical issues are discussed, and decisions made.

Transparency, accountability and responsibility must therefore become more than just talking points but rather building blocks on which the business of politics is conducted. While an admittedly ambitious objective, responsible politics, along with better governance and stronger rule of law, would also help greatly reduce the overwhelmingly negative perception of democratic institutions, and their representatives, throughout the region.

Elsewhere, unemployment and the overall economic situation remain key concerns but to a lesser degree and for slightly different reasons than in previous years. Growing outward migration and a large economically inactive population require more engagement by the region's governments in harnessing diaspora potential and mobilizing more people, and women in particular, into the workforce.

The newly rediscovered enthusiasm for European, and to a lesser extent, regional cooperation must be exploited to push through necessary actions, especially in regard to the creation of the Regional Economic Area in the Western Balkans. Further awareness raising of the benefits of integration, beyond economic concerns and unobstructed travel, must be pursued.

Road safety, and security in general, remain problematic across the region, calling for more investment in infrastructure but also better mechanisms and policies that govern small arms possession.

Discriminatory attitudes towards the region's Roma community are sobering though not unexpected. With more than a quarter of respondents not willing to do business with Roma, much more needs to be done to educate the SEE community about the inclusion of vulnerable groups.

The popular perceptions of pollution and climate change are at odds with how seriously and adversely the two impact quality of life in the region, requiring more substantive engagement by all responsible actors.

NOTE ON METHODOLOGY

Methodology used for Public Opinion Survey is quantitative research and data collection method was CAPI (Computer-Assisted Personal Interviewing). The survey was conducted via personal household interviews carried out by trained interviewers from Ipsos.

As a part of project set-up phase, some preparations and adjustments were undertaken as necessary for the successful implementation of the survey:

Questionnaire

The questionnaire was provided by RCC. It was composed of a total of 99 questions, as well as nine demographic questions (region, size of the settlement, gender, age, education, nationality, marital status, household income and self-assessed social status of the respondent). The questionnaire was originally written in English and subsequently translated into six local languages, with the exception of Kosovo*, where both Albanian and Serbian versions of the questionnaire were used, and the Republic of North Macedonia, where questionnaire was translated into Macedonian and Albanian. RCC reviewed and approved all the translations of the questionnaire.

Since the CAPI methodology was used in the research, all questionnaires were converted to a digital form and installed on interviewers' laptops/tablets. The programmed questionnaires were reviewed by a responsible person in each economy.

Interviewers

The survey was conducted by Ipsos in all economies. All interviewers were given written instructions containing general description of the questionnaire, of the method of selecting addresses for the interviews and of the respondent selection method. In addition to the written instructions, all interviewers were trained to understand research goals, interviewing method and eligible respondent selection (a random route and last birthday method). Moreover, project coordinators examined the entire digital questionnaire jointly with the interviewers and emphasised some important elements (especially the need to read individual answers where one or more answers were possible, etc.). Since a random route method was chosen for the research, all Ipsos interviewers were given the initial addresses for sampling points, and later on they used a random route method for a selection of a household.

Sample

A Public Opinion Survey was conducted among N=1000 respondents in each economy, aged 18+ with the total of 6,120 respondents for the entire SEE region.

The respondents were persons:

- aged 18 or older who reside in private households;
- whose usual place of residence is in the territory of the economies included in the survey;
- who speak the national language(s) well enough to respond to the questionnaire.

A stratified two-stage clustered design sample with random route for the selection of addresses and respondents (CAPI software based random selection according to total number of household members and number of female and male members) was used in the survey. The sampling selection process is random in the following stages: the selection of the sampling points, the selection of addresses, the selection of households and the selection of individuals aged 18 and older.

Only Primary sampling units (PSU – counties/regions) and Secondary sampling units (SSU-size of settlements) were defined in advance, as quotas. In order to create the sample design, the most recent available statistical data for each economy was used. The sample structure by region and size of settlement for each economy is presented in the tables below.

Stratification/selection procedure:

In order to obtain the same structure of the population, firstly the sample was stratified according to the region or county (depending on economy). At the beginning of the sampling procedure, the number of persons to be interviewed in each PSU (region or county) was defined according to census data and the share of the region in the total population.

The number of respondents was calculated based on the number of inhabitants in each size of settlements for individual region/county, while the number of sampling points was defined based on the obtained number of respondents (for each region/county and in each size of settlement). The maximum number of respondents per one sampling point was 10.

After defining their number, the sampling points were chosen randomly according to the last census data. Households in each sampling point were chosen by a random walk method. In a selected household, the respondent was the person whose birthday came latest (CAPI software based random selection according to total number of household members and number of female and male members).

Table 12: Total 18+ population for each economy

Weighted results were presented for the SEE region based on the described data.

Economy	Population 18+
Albania	2,060,324
Bosnia and Herzegovina	3,107,754
Kosovo*	1,147,289
Montenegro	474,655
Republic of North Macedonia	1,497,017
Serbia	5,923,734

Table 13: Sample structure by region

Albania	
Total number:	1,035
Berat	3.1
Dibër	2.2
Durrës	11.5
Elbasan	12.5
Fier	12.4
Gjirokastër	2
Korçë	9.2
Kukës	3.6
Lezhë	3.3
Shkodër	7.9
Tiranë	27
Vlorë	5.3
Bosnia and Herzegovina	
Total number:	1,003
Una-Sana Canton	8.4
Tuzla Canton	14
Zenica-Doboj Canton	10.8
Central Bosnia Canton	7.7
Herzegovina-Neretva Canton	5.2
West herzegovina Canton	2.9
Sarajevo Canton	10.5
Livno Canton	1.6
Republika Srpska - North	22
Republika Srpska - East	13.8
Posavina Canton	1.2
Bosna-podrinje Canton	0.4
Brcko District	1.4
Kosovo*	
Total number:	1,023
Ferizaj / Urosevac	10
Gjilan / Gnjilane	9.8
Peja / Pec	10.1
Mitrovica	14.2
Prizren	14.8
Gjakova / Djakovica	12.4
Prishtina / Pristina	28.5
Montenegro	
Total number:	1,000
North region	30.1
Central region	42.7
South region	27.2
Republic of North Macedonia	
Total number:	1,023
Vardar	2.5
East	13.8
Southwest	12.2
Southeast	7.8
Pelagonian	11.9
Polog	16.2
Northeast	6
Skopje	29.6
Serbia	
Total number:	1,036
Beograd	24.2
South and East Serbia	23
Central and Western Serbia	26
Vojvodina	26.9

Table 14: Sample structure by size of settlement

Albania	
Total number:	1,035
Up to 5,000 inhabitants	43.4
5,001 to 10,000	1.1
10,001 to 20,000	9.2
20,001 to 50,000	8
50,001 to 100,000	4.5
100,001 to 150,000	7.1
150,001 to 250,000	8.5
More than 250,000	18.2
Bosnia and Herzegovina	
Total number:	1,003
Up to 5,000 inhabitants	67.4
5,001 to 10,000	3.4
10,001 to 20,000	9.7
20,001 to 50,000	4.6
50,001 to 100,000	9.1
100,001 to 150,000	3.3
150,001 to 250,000	2.5
Kosovo*	
Total number:	1,023
Up to 2,000 inhabitants	60
2,001 to 5,000	2.3
5,001 to 10,000	4.7
10,001 to 50,000	19.1
50,001 to 100,000	6.7
150,001 to 250,000	7.2
Montenegro	
Total number:	1,000
Up to 5,000 inhabitants	46
5,001 to 10,000	2.4
10,001 to 20,000	19.7
50,001 to 70,000	5.8
More than 100,000	26.1
Republic of North Macedonia	
Total number:	1,023
up 2,000 inhabitants	24.5
2,001 to 5,000	15.1
5,000 to 10,000	3.2
More than 10,0001	57.1
Serbia	
Total number:	1,036
Up to 5,000 inhabitants	40.3
5,001 to 10,000	6.6
10,001 to 20,000	5.6
20,001 to 50,000	8.5
50,001 to 100,000	8.2
100,001 to 150,000	2.4
150,001 to 250,000	4.6
More than 250,000	23.9

Figure 108: Sample structure by gender[77]

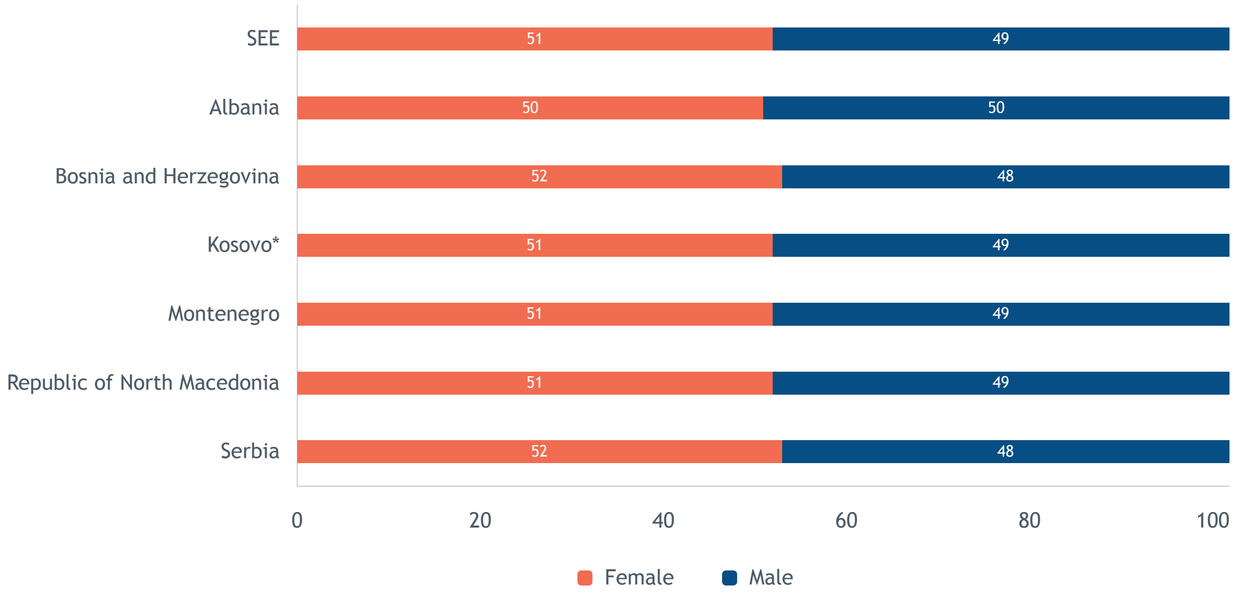


Figure 109: Sample structure by age[78]

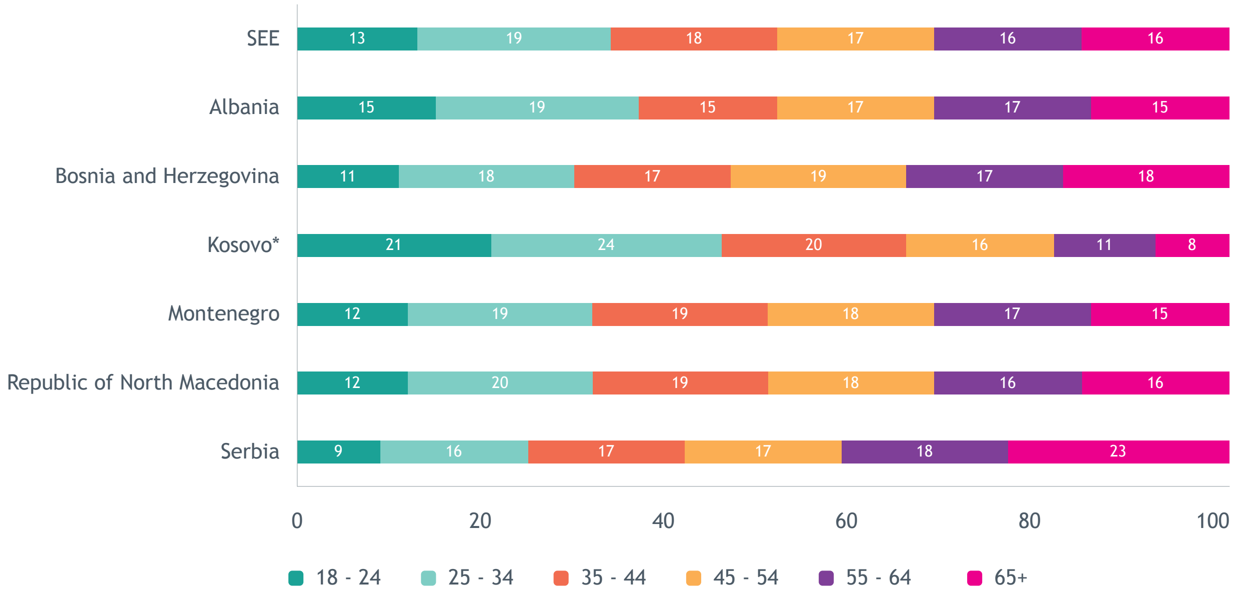


Figure 110: Sample structure by education[79]

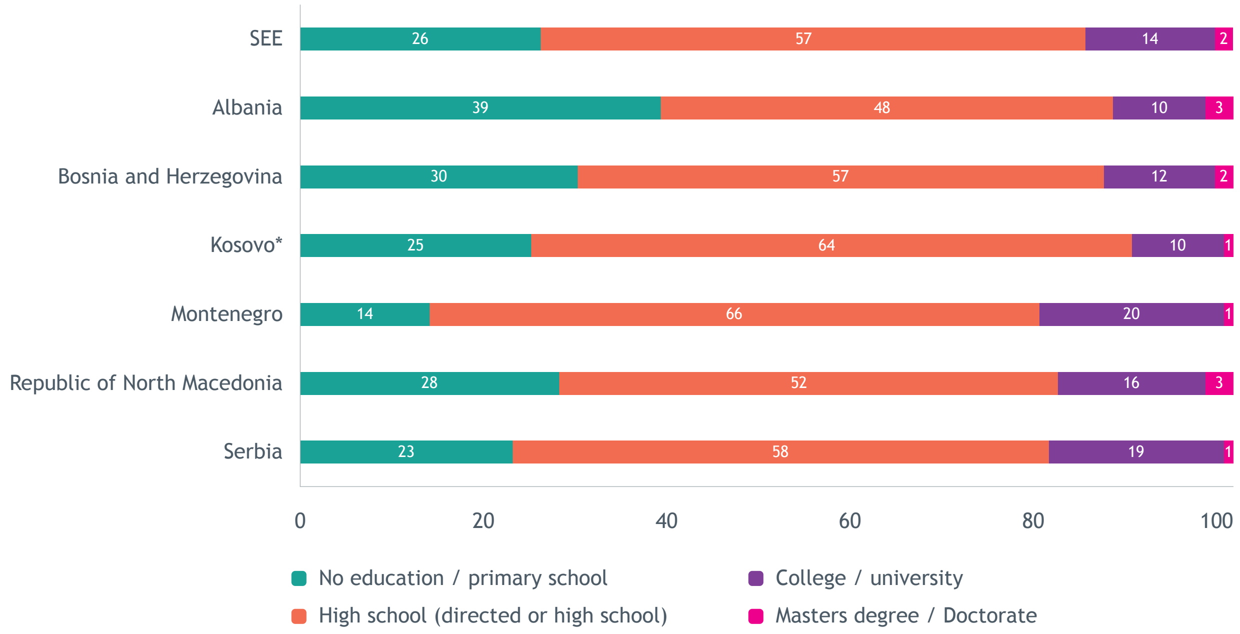
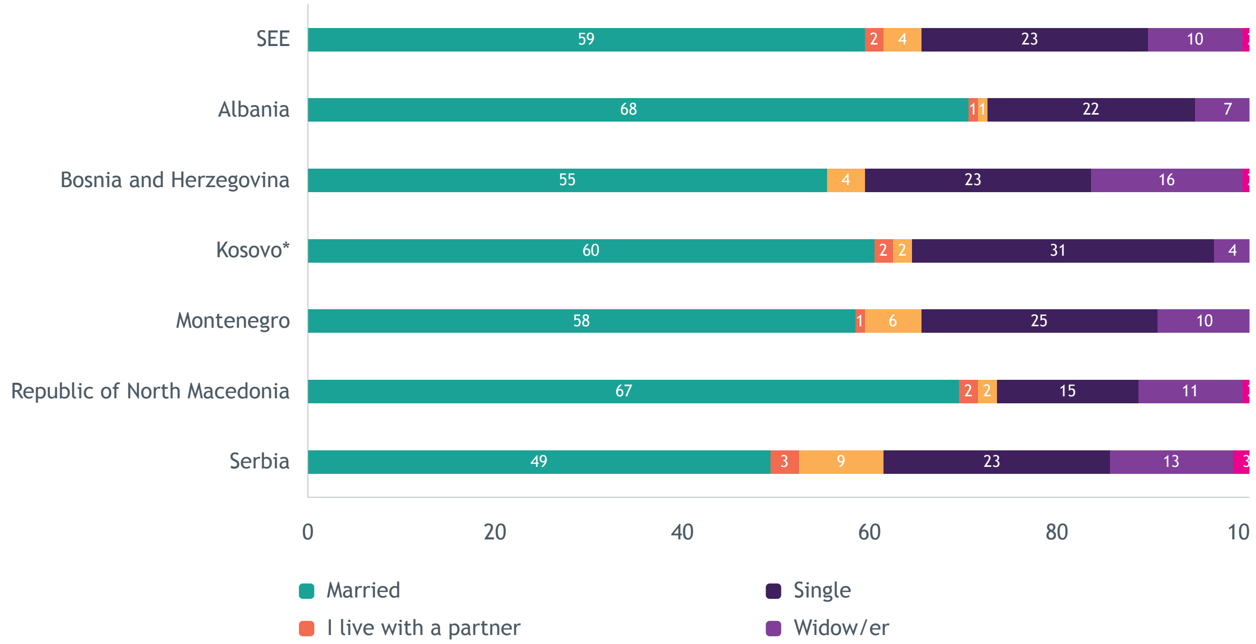


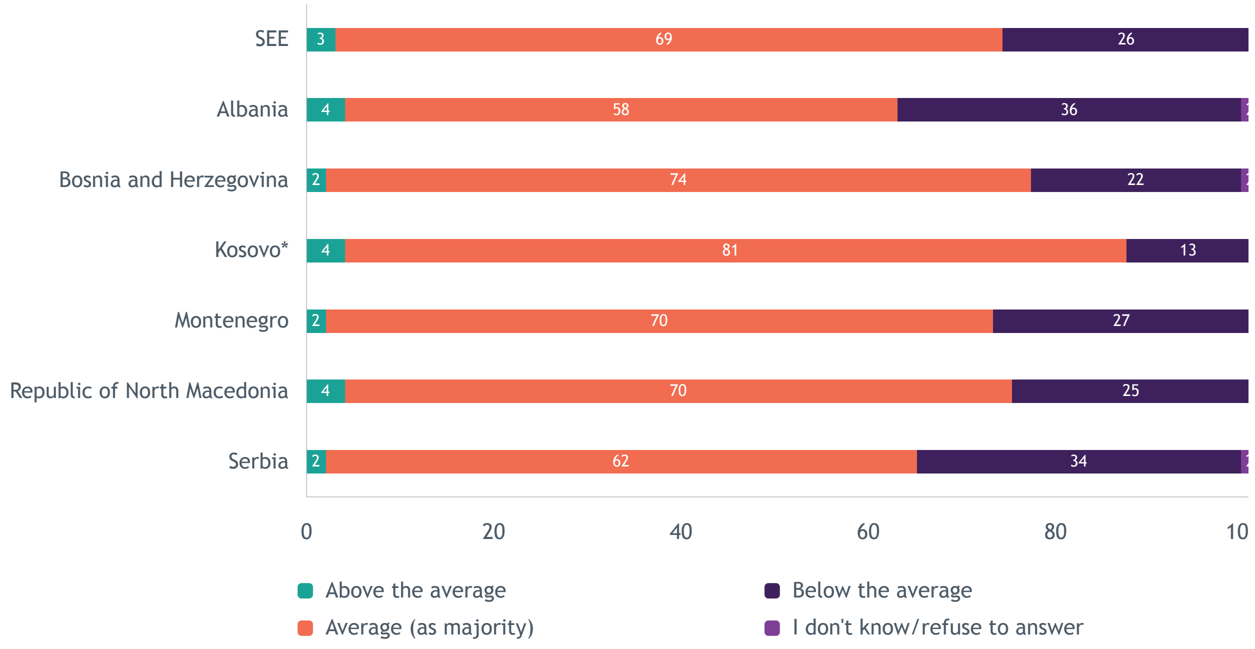
Figure 111: Sample structure by marital status[80]



77 The figures might not add to 100% due to rounding.
78 The figures might not add to 100% due to rounding.

79 The figures might not add to 100% due to rounding.
80 The figures might not add to 100% due to rounding.

Figure 112: Sample structure by social status (self estimation)[81]



81 The figures might not add to 100% due to rounding.

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