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The Social Card Registry in Serbia: Entrenching Poverty and Discrimination

Mladen...I will provide more background on the social card registry and its wider impact, especially on the members of the Roma community.

In March 2022, the Law on Social Card Registry entered into force in Serbia. Originally, the law was piloted in several larger municipalities and gradually rolled out in the remainder of the country by September 2023.

How does social card registry work?

The law established the Social Card registry, a centralized electronic database, which pulls data on the socio-economic status of recipients and applicants from a range of official databases, including those managed by the Ministry of Interior, Tax Administration, Pension and Insurance Fund, Employment Service, as well as housing records. The data are automatically processed to identify possible discrepancies, particularly discrepancies that may affect the eligibility for social assistance. It is important to stress that Serbia's social card registry does not involve algorithmic decision-making. Instead, the system relies on fairly rudimentary semi-automated decision-making, in which the registry selects cases for social workers to review, flags discrepancies and possible solutions and requests social workers to conduct investigations to determine whether an individual should continue to receive social assistance or is eligible for additional forms of social protection. In theory, social workers have the final say. However, this has not been the case in practice, where social workers tend to defer to the "computer" or "system" rather than engage in their own investigation.

Impact of the Social Card Registry

Serbia's government - and the World Bank (which drove and supported this project) - presented the Social Card registry as a modern, technical solution to improve the delivery and reach of social assistance. Indeed, it has to some extent reduced the administrative burden for some existing recipients. People no longer have to visit numerous offices to collect paper copies of documents to prove eligibility, which reduced the lengthy application process.

However, the law has been far less successful in reaching more people living in extreme poverty. In the first 18 months of implementation, thousands of people, including people living in the most economically precarious conditions, have lost access to social assistance or had their benefits reduced. The Ministry of Labour's own figures show a continuously decreasing trend in the number of recipients: as of August 2023, there were 35,000 fewer recipients in the system than in March 2022 when the Law entered into force.¹ In April 2024, this number rose to 44,000.² As the Ministry does not hold segregated data, it is difficult to

¹ Ministarstvo za rad, zapošljavanje, boračka i socijalna pitanja, "15 meseci primene registra 'Socijalna karta'", 27 July 2023, <https://www.minrzs.gov.rs/sr/aktuelnosti/vesti/15-meseci-primene-registra-socijalna-karta>

² <https://www.a11initiative.org/dve-godine-zakona-o-socijalnoj-karti-nismo-ni-korak-blize-pravednijoj-raspedeli-novcane-socijalne-pomoci-ukinuti-zakon/>

precisely determine how many people lost benefits solely due to the Social Card registry implementation, but our research and the work of local organizations, such as A11 initiative for Economic and Social Rights, indicate that this number is in thousands. Such a sharp decrease in the number of recipients is in stark contrast with the persistently high poverty rate in Serbia, which stands at 7%.

The law has had a particularly negative effect on Roma communities and people with disabilities, who are disproportionately represented in Serbia's social assistance system.

Roma

Roma in Serbia are particularly vulnerable to poverty. 83% of Roma live in conditions of pronounced material deprivation, and are unable to provide for their basic needs.³ More than one third of Roma settlements are not connected to electricity or the water supply grid.⁴ Roma – perhaps more than any other group in Serbia – face persistent discrimination in all spheres of life, including significant barriers to accessing health, education, employment and government services.⁵ It is no surprise that they also make up the highest proportion of recipients of social assistance.

Social assistance is the only explicitly means-tested anti-poverty program in Serbia. That said, it has been traditionally very ineffective in providing buffer against poverty. The combination of extremely low-income threshold (which is even below the absolute poverty level) and other strict eligibility requirements relating to employment status, income and assets leave around 250,000 people living in poverty outside of the social assistance network.

Instead of addressing these deficiencies in the existing social assistance system, the Social Card Registry only introduced new barriers for the members of Roma community and exacerbated their exclusion.

Flaws

The key problem with the new system is the overreliance on raw data. Such data - especially for marginalized communities - tend to be inaccurate or unrepresentative.

Inaccurate data

People lost social assistance because the data on income and assets collected by the registry was completely incorrect, misrepresented their income status or attributed income to individuals that they had never had.

One of the most egregious examples of this is the case of a woman we call Mirjana. Mirjana had suddenly lost her daughter and was unable to afford the cost of the funeral. A local

³ Statistical Office of the Republic of Serbia, Survey Findings Report: 2019 Serbia Multiple Indicator Cluster Survey (MICS) and 2019 Serbia Roma Settlements Multiple Indicator Cluster Survey, October 2020, page xxxv, <https://www.unicef.org/serbia/media/16076/file/MICS%206%20Multiple%20Indicator%20Cluster%20Survey.pdf>

⁴ Official Gazette of the Republic of Serbia, Strategy for the Roma inclusion in the Republic of Serbia for the period 2022-2030, No. 23/2022, 17 February 2022, p. 50.

⁵ Minority Rights Group, Roma in the Republic of Serbia: The Challenges of Discrimination, 1 March 2021, available at: https://minorityrights.org/wp-content/uploads/2021/03/MRG_Rep_RomaSerb_EN_Mar21_E.pdf

human rights organization deposited small assistance of 170 euro into her bank account in the form of a relief payment to help cover the funeral costs. This money was instantly flagged by the Social Card registry as income and the local Centre for Social Work informed Mirjana that she no longer qualified for social assistance. In the same month, Mirjana lost both her daughter and the only support she heavily relied on. Although, with legal support of A11, Mirjana successfully appealed her removal on the second attempt- the process took several months during which time she had no financial support from the state. The government never back-paid this difference. Of course, Mirjana would not have been successful had she not have support.

We spoke with at least a dozen people who lost their benefits because the Social Card Registry detected funds on their bank account – while they did not even have bank accounts.

Problems with data integrity for marginalized communities

We also documented cases of people who lost social assistance because they were found to have what we call fictitious assets. These are often multiple cars registered to their name, even though the cars were sold for scrap metal years before. Across Serbia, scrap metal vendors often fail to transfer car titles to their name after they purchase them from Roma to avoid paying taxes, leaving the seller with often several cars – that they don't have - to their name. Before the Social Card registry, social workers were able to exercise some level of discretion and understood that records on car ownership were likely to be unreliable and that many Roma likely never de-registered these cars, but the new system dramatically reduced the space for human interaction, which was crucial for people who live in precarious conditions and tend not to be able to keep their administrative affairs in perfect order.

System only tracking changes that can lead to the loss of assistance

In a settlement in Kraljevo, almost entire village, hundreds of people, lost social assistance after they were flagged for having income that put them above the minimum threshold. This income frequently referred to the modest (often completely insignificant) amounts that people made by collecting and selling secondary raw materials, such as old glass, cardboard, plastic and scrap metal, to supplement low amounts of social protection which were insufficient to meet their basic needs. These earnings were often so negligible and irregular that they could not have significantly changed people's economic situation or them above the poverty line – which is 100 EURO in Serbia.

The existing social assistance system already penalizes people who try to bridge the gap between social assistance and the actual cost of living by selling recyclables, but the Social Card registry has made the data – which don't capture the complexity of peoples lives - absolute, and removed any discretion that social workers could exercise while assessing claims leading to many people rapidly losing social assistance.

Apart from the issues with data, the Serbian authorities have refused to publish information about how social card registry works and it is not entirely clear how the system operates and how decisions are being made. Even social workers are not always able to explain why people

are being flagged, which makes it very difficult to challenge those decisions and seek remedy. Because the authorities insist that the data in the Social Card Registry are authoritative, if a recipient claims that some data are incorrect, the onus is on them to correct or update their data in the original database.⁶ People have to spend weeks and months going from office to office trying to understand where the mistake was made and navigating complex bureaucracy. Few can successfully do so – without legal assistance, which is extremely limited in Serbia. During this time, they are left without benefits.

Discriminatory effect

Serbian government sees the registry as a neutral technical solution completely isolated from the social and historical context into which it is introduced – including structural discrimination that affects every aspect of life for Roma in Serbia.

The consolidation of raw and often unrepresentative data on marginalized communities subjects these communities to arbitrary assessment of eligibility. The process completely ignores the fact that some people cannot easily keep their administrative affairs and records in order and up to date due to a combination of precarious living conditions, low literacy or digital literacy as well as mistrust of the authorities.

Gaps and imbalances in data processed by automated systems can similarly lead to discrimination.⁷ A social worker told Amnesty International that before the Social Card registry was introduced, and especially when working with marginalized communities like Roma, social workers assumed that some data was inaccurate or out of date. Greater interaction with beneficiaries allowed for a more meaningful assessment of people's living conditions. While human data verification is important in any system, it is especially vital when dealing with already marginalized communities facing multiple – possibly invisible - factors of deprivation. The new system and its automated components have in effect reduced social workers' role as many now defer to the data contained in the registry because they are reluctant to or do not know how to investigate and validate the information flagged.

Experience from other countries which have introduced social registries showed that early community involvement and comprehensive and ongoing outreach targeting specific communities was crucial to ensure their access to benefits.⁸ Neither the authorities in Serbia, nor the World Bank, conducted consultations with beneficiaries and other stakeholders or put in place risk assessments to identify and mitigate for potential problems.

The government also did not take any special measures to ensure that affected individuals and communities had information about how the new system operated and how it would affect eligibility conditions for social assistance. Introducing a data-intensive system without a prior information campaign targeting these groups and putting in place adequate safeguards against potential discrimination was bound to harm some communities. The

⁶ Official correspondence from Serbia's Ministry of Labour, Employment Veterans and Social Affairs, 30 August 2023, on file with Amnesty International.

⁷ ESCR-Net, Collective Position on Data for Economic, Social, and Cultural Rights, 28 April 2022, <https://www.escr-net.org/news/2022/collective-position-data-economic-social-and-cultural-rights>

⁸ Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), On-demand and up-to-date? Dynamic inclusion and data updating for social assistance, March 2020, available at: https://socialprotection.org/sites/default/files/publications_files/GIZ_DataUpdatingForSocialAssistance_3.pdf

failure of the authorities to identify, prevent and mitigate for the potential new barriers to access may amount to indirect discrimination.

Serbia's Ministry of Labour insisted that laws governing social security, including the Social Card Law, did not treat Roma or any other marginalized groups differently and that the government has a legitimate right to use "true and accurate data which are necessary for the enjoyment of social security rights".⁹ The Ministry did not recognize the fact that the seemingly innocuous and objective datasets being used as indicators of socio-economic status often ignored the specific context of a community's marginalization, such as their living conditions, barriers to employment, and their particular needs.

In combination with reduced contact with social workers, this has left Roma particularly vulnerable to the loss of financial assistance for failing to update their records on car ownership or engaging in informal work. To be clear, we are not advocating for the SCR to be scrapped altogether, but for the authorities to pause the implementation until they properly conduct risk assessments and put in place robust measures to mitigate for the potential discrimination.

⁹ Official correspondence from Serbia's Ministry of Labour, Employment Veterans and Social Affairs, 30 August 2023, on file with Amnesty International.