



# **European Minimum Income Network country report Former Republic of Macedonia**

## **Analysis of Minimum Income Schemes in EU Member States**

Maja Gerovska Mitev, PhD Faculty of Philosophy, Institute of Social Work and Social Policy, Skopje  
Mila Carovska. Macedonian Anti Poverty Platform

June, 2014

*Employment,  
Social Affairs  
and Inclusion*

**EMIN**  
EUROPEAN MINIMUM INCOME NETWORK

The European Minimum Income Network (EMIN) was a two year project (2013-2014) sponsored by the European Parliament, funded by the European Commission, under contract no Tender N° VT/2011/100 Pilot project – Social solidarity for social integration and promoted by the European Anti-Poverty Network (EAPN). <http://emin-eu.net/what-is-emin/>

This report was drafted by Maja Gerovska Mitev, PhD Faculty of Philosophy, Institute of Social Work and Social Policy, Skopje and Mila Carovska Macedonian Anti Poverty Platform

This document has been prepared for the European Commission however it reflects the views only of the authors, and the Commission cannot be held responsible for any use which may be made of the information contained therein.

***Europe Direct is a service to help you find answers  
to your questions about the European Union.***

**Freephone number (\*):**

**00 800 6 7 8 9 10 11**

(\* ) The information given is free, as are most calls (though some operators, phone boxes or hotels may charge you).

## **EUROPEAN COMMISSION**

Directorate-General for Employment and Social Affairs and Inclusion  
Directorate D — Europe 2020: Social Policies  
Unit D.2 — Social inclusion and Poverty Reduction

*E-mail: [empl-d2-unit@ec.europa.eu](mailto:empl-d2-unit@ec.europa.eu)*

*European Commission  
B-1049 Brussels*

More information: <http://www.ec.europa.eu/social>

## Table of Contents

1.	METHODOLOGICAL NOTE.....	6
1.1.	Objectives of the reports .....	6
1.2.	Project definition .....	6
1.3.	Methodology .....	6
2.	PANORAMA: SHORT DESCRIPTION OF MINIMUM INCOME SCHEME(S).....	7
2.1.	General overview.....	7
2.2.	Eligibility conditions .....	7
2.3.	Adequacy and Coverage .....	9
2.4.	Time duration.....	10
2.5.	Conditionality .....	10
3.	LINK BETWEEN THE RIGHT TO SOCIAL INTEGRATION AND THE ACTIVE INCLUSION STRATEGY .....	13
3.1.	Inclusive labour markets .....	13
3.2.	Access to quality services .....	15
4.	IDENTIFICATION OF OBSTACLES TO THE IMPLEMENTATION OF ADEQUATE MINIMUM INCOME SCHEMES .....	18
4.1.	Coverage and take-up .....	18
4.2.	Effectiveness: Impact of minimum income schemes in preventing and reducing poverty levels and intensity of poverty? Effectiveness .....	21
4.3.	Active Inclusion policy Active inclusion policy .....	22
5.	SUGGESTED NEXT STEPS AND RECOMMENDATIONS TO IMPROVE ADEQUACY, COVERAGE AND/OR TAKE-UP OF MINIMUM INCOME SCHEMES.....	26
5.1.	Adequacy .....	26
5.2.	Coverage and take up of minimum income schemes .....	26
5.3.	Activation of social assistance beneficiaries .....	26
6.	ANNEX .....	27
6.1.	References.....	27
6.2.	Expert Interviews .....	27
6.3.	Focus groups.....	27

# **1. METHODOLOGICAL NOTE**

## **1.1. Objectives of the reports**

Based on the experience of developing the reports in 5 identified countries, reports will be produced in 26 remaining countries (all EU Member States plus Serbia, Iceland, FYROM and Norway). To that aim, a simplified template has been produced.

The reports will build on existing research and analysis to produce a national report on the current state of play on minimum income schemes in terms of adequacy, coverage and take-up in their country. The reports will build in particular on the 2009 reports of the national independent experts on social inclusion and the 2013 reports on active inclusion of the EU Network, and on recent MISSCEO and MISSOC data. All sources will be filed in basecamp. The reports will also identify obstacles related to adequacy, coverage and take-up of minimum income schemes. Consensus will be sought with relevant actors in order to identify initial practical steps towards progressive realisation of adequate and accessible minimum income schemes in Member States. The identification of relevant steps to be taken should be a key outcome of the dialogue that should take part with the relevant stakeholders needed to produce this report. The reports will also be used to identify common trends and prepare the ground for the European follow up in terms of proposals on common EU definitions, criteria and possible next steps for further cooperation on the theme at EU level.

## **1.2. Project definition**

For the purpose of the reports, minimum income schemes are defined as essentially income support schemes which provide a safety net for those who cannot work or access a decent job and are not eligible for social insurance payments or those whose entitlements to these have expired. They are last resort schemes which are intended to ensure a minimum standard of living for individuals and their dependents when they have no other means of financial support. In case several minimum income schemes for different groups coexist in a country, priority shall be given to minimum income schemes for the population at working age.

## **1.3. Methodology**

The methodology to prepare the reports involves two approaches:

1. Desk research and use of secondary sources, especially for sections 1 and 2, and
2. Interviews with relevant partners, especially for sections 3 and 4.

The relevant stakeholders should include the relevant public authorities, service providers, social partners, NGOs, policy makers at different levels, and include the involvement of people living on minimum income or who benefit from minimum income support.

## **2. PANORAMA: SHORT DESCRIPTION OF MINIMUM INCOME SCHEME(S)**

### **2.1. General overview**

Description of minimum income scheme(s): different schemes for different groups (working age adults, old age, young people, disability...)? Governance arrangements (national, regional, local level)? General scheme or categorical? Cash benefits or in-kind or both? Underlying principles?

#### **1) General non-contributory minimum**

Financial Social Assistance which provides financial help for individuals or households who cannot provide means for existence in order to ensure their basic needs at the level of minimum living standard.

Differential benefit subject to means-test according to household income.

#### **2) Specific non-contributory minima**

- Continuous financial assistance

A fixed payment aimed to provide means of living for persons who do not have sufficient subsistence means and are unfit to work.

- Financial assistance to a mother for the fourth live born child

The benefit should improve the income side of families with many children.

The entitlement to both the general and specific schemes is a subjective right and is not established by discretion.

These schemes are organised on a national basis and administered through Social Work Centers.

Social financial assistance is complementary to all other incomes in the household as long as the total household income is below the amount of the social assistance.

The claimants have to have claimed all other possible sources of income before the minimum is given.

This right is not granted to persons who have not asked for a support from the person who is legally obliged to provide that support.

The right could be combined with all the benefits that are not taken into account in the means test

### **2.2. Eligibility conditions**

What are the conditions to obtain minimum income (nationality, residence, age...)? Lack of financial resources, property, means-testing? Willingness to work or receive training?

#### **Beneficiaries:**

##### **1) General non-contributory minimum**

Individuals who are fit to work and socially not provided for, as well as their family members

The holder of the right can be only one member of the household.

##### **2) Specific non-contributory minima**

- Continuous financial assistance

Persons who are unfit to work and do not have sufficient subsistence means such as:

- persons with disability, mental disease or with permanent changes in the health condition,
- single mothers during pregnancy, one month before delivery,
- single parents with children not over 3 years old, children if they are full time students, and elderly people
- Financial assistance to a mother for the fourth live born child;

Paid to women who gave birth to a fourth child after 1st of January 2009 but only upon reaching pensionable age of 62.

No nationality requirements.

Permanent residence.

**Age:**

1) General non-contributory minimum

No age conditions.

2) Specific non-contributory minima

- Continuous financial assistance

Elderly: over 65 years of age;

Disabled: from the age of 18;

Young people: up to their 15th or 26th birthday; no age condition for other beneficiaries.

- Financial assistance to a mother for fourth live born child

Over 62 years of age.

**Means testing:**

1) General non-contributory minimum

All income and property earned and owned in the past three months by all members of the household concerned, calculated for one month.

Basic condition is low income and impossibility to improve it by own effort (work, use of property and other priority claims).

2) Specific non-contributory minima

Provided to person with no income or whose income from all sources per family member is lower than MKD 5,000 (62% of the minimum wage) as adjusted with the cost of living (inflation rate) and has no property or property rights which can be used to provide a support.

The following means related conditions apply to both schemes:

a) Rights in rem (real property)

The right is not granted to persons who:

Can support themselves by selling or renting a property which is not used to meet their basic living;

Possess second house/flat, house under construction or recreation/ holiday house, business space.

## b) Personal property (moveable assets)

The claimant should not possess movable property that can be a source of income (vehicle usable for commercial purposes, a combine or a tractor, registered motor vehicle, possessor lease arable land of more than 7000 square meters, cattle, and savings of more than MKD 50,000).

## c) Income and (other) benefits

Income includes: wages, all type of pensions, unemployment benefits, income from property and property rights, income from agricultural activities, subsidies for farmers, income on the basis of temporary work abroad, alimonies, dividends and interest on savings, civil disability benefit, parental assistance for the third child.

The following is not considered as income of the household: benefit for physical injury, child allowance special allowance (cash benefit provided to children with special needs), continuous financial assistance (applicable only when claiming financial social assistance), financial reimbursement for assistance and care, financial reimbursement of expenses of foster families, one-off financial assistance or in kind transfer, one-off financial assistance for a new-born baby, child alimony up to 5.000 denars.

A recent change in social assistance procedures involves a requirement that all social assistance beneficiaries may apply only with their identity card.

Readiness for work and training: see 1.5

Amounts of the living wage: differentiation for specific household types, cohabitants, single persons, couples, children, age groups...?

## 2.3. Adequacy and Coverage

### 1) *General non-contributory minimum*

Depending on the size of the household, total monthly income of the household earned in the previous three months must be lower than the amount of the social financial assistance for a given household, i.e.: one member household: total monthly income < MKD 2,223 per month (28% of the minimum wage); household of two members - total monthly income < MKD 3,046 (38% of the minimum wage); household of three members - total monthly income < MKD 3,869 per month (48% of the minimum wage); household of four members - total monthly income < MKD 4,692 month (58% of the minimum wage); household of five and more members - total monthly income < MKD 5,515 per month (69% of the minimum wage).

Domestic unit for calculation of benefits is the household. It comprises family members and other relatives (who are not obliged to provide for each other), that contribute, and spend together.

### **Impact of family composition**

Income and property earned and owned in the past three months by all members of the household is used for the calculation of the amount of the assistance. The amount varies according to the size of the household.

The arithmetical relation between the rate paid to a one member household and the

additional amount paid to the household with 2, 3, 4 and 5 members respectively:

- One member household 100%
- 2 member household 37%
- 3member household 75%
- 4 member household 111%

- 5 member household 148%

The basis for calculation is defined in nominal terms and equals 2,223 denars for one household member (head of household, i.e. the claimant of the benefit) adjusted to the inflation in the previous year.

For every additional household member the base increases by a coefficient of 0.37, but up to 5 family members.

The amount is paid in full during the first three years, 50% from year 4 onward.

The amount of the benefit received equals the difference between the amount of the calculated amount of social financial assistance and the total household income.

Example for a couple with 2 children aged 5 and 10; both parents are unemployed.

The amount of the monthly social financial assistance for this family would be: 4,692 Denars minus the total income the family possesses.

## **2) Specific non-contributory minima**

Income from all sources per family member must be lower than 5,000 Denars (62% of the minimum wage) adjusted with the cost of living (inflation rate).

Domestic unit for calculation of benefits is the family that comprises persons who are legally obliged to provide for each other.

The amount of the benefit increases by certain amount if there are other members in the family who are unfit to work.

Continuous financial assistance

The basis for calculation amounts 2,223 denars. This starting level (or base) is increased by a coefficient of 1.5 for a single recipient, and might further rise depending on the number of co-beneficiaries, i.e: for a recipient with one co-beneficiary, it is further increased by coefficient of 0.4, for a recipient with two or more co-beneficiaries, it is further increased by coefficient of 1.

Co-beneficiary is a family member of the bearer of the right who is unfit to work as well, including a child up to 18 years of age or 26 years if s/he is attending school regularly.

The benefit is paid monthly.

Financial assistance to a mother for fourth live born child: A fixed payment set at 8.312 denars (103% of the minimum wage).

## **2.4. Time duration**

Is the minimum income scheme limited in time? Are there regular re-assessments?

Unlimited that is as long as the conditions are met.

Entitlement is subject to annual renewals by presentation of proofs concerning the household income situation and size.

## **2.5. Conditionality**

Submission of application, information on personal situation, social inquiry, availability for work...?

### **1) Assessment**

Social assistance programs are administered by Social Work Centers (SWCs), which are territorial units for social welfare provision.

Applications can be lodged with the Social Work Centers competent for a given urban and rural municipality.

All applicants are requested to fill-in application form, together with the documents, issued by different authorities, which prove the eligibility of the applicant.

The social worker in the Social Work Center interviews the applicant/beneficiary following an extensive questionnaire, advises him/her about the type of benefit, necessary documentation, assesses individual circumstances and decides upon the eligibility of the applicant/beneficiary.

Home visits are conducted for all type of income based benefits in order to make an assessment of the income, assets and living conditions of the claimant/beneficiary and the number of people living within the family.

Further on, final decision for Continuous Financial Assistance is inter alia based on the decision of a specially designated commission to assess the incapacity for performing basic living functions, which itself performs home visits.

Readiness for work and training:

General non-contributory minimum

Family members capable of work must report every month at the Social Work Centre and must accept any suitable work (seasonal work, temporary tasks etc), as well as training, qualification etc. offered by the Employment Agency.

Every month social assistance beneficiaries are obliged to spend at least 5 days in public work if organised by municipalities, public institutions or state-run companies

1.6. Link with other social benefits: combination with other benefits or wage possible? Additional social assistance for housing costs, energy, medical expenses, family allowance...?

## **2) Health**

Person in need is entitled to health insurance, which is provided through Health Insurance Fund.

All householders are covered for health care through him or her. In such case contributions for health insurance are paid from the State Budget.

Beneficiaries of continuous financial assistance are exempted from the participation when using health care services.

For families with low income, the upper annual limit for making co-payments for the specialized - consultative and hospital health care is set at level which is lower than 70% of the last year national average monthly net salary.

They are exempted from paying participation above the defined upper limit.

## **3) Housing**

The right to financial assistance for social housing is granted to persons who are considered 'in social risk' and who do not have a home.

Persons in social risk are:

Beneficiaries of continuous financial assistance and orphans or children without parental care aged 18-26 after the termination of the guardianship.

Financial assistance for social housing (for beneficiaries of continuous financial assistance) should be granted by the competent municipality.

Financial assistance for social housing (for persons that until the age of 18 had a status of child without parents and/or parental care) is funded by the State budget and the amount of the benefit depends on the material and family status of the beneficiary (must be below 5.690 Denars per family member).

The costs for rent are covered in the amount of:

- 4.064 Denars for individual;
- 6.096 Denars for two-members-family;
- 8.128 Denars for family with 3 or more members.

The costs for rent and utilities (electricity, heating, water and waste) are covered in the amount of:

- 1.524 Denars for individual;
- 2.032 Denars for two-members-family;
- 2.540 Denars for family with 3 or more members.

Beneficiaries of the financial social assistance and continuous financial assistance are entitled to a subsidy of the energy consumption. It is a flat-rate monthly payment (600 Denars/7% of the minimum wage) for covering part of the household costs related with the consumption of energy (electricity, heating, etc.).

### 3. LINK BETWEEN THE RIGHT TO SOCIAL INTEGRATION AND THE ACTIVE INCLUSION STRATEGY

#### 3.1. Inclusive labour markets

Has a closer link between benefits and activation measures been established? Have minimum income benefits been made more conditional upon readiness to participate in training or work schemes, and what are possible impacts? Have new work or training schemes been put in place for minimum income beneficiaries?

The link between benefits and activation measures is formally established in the social protection/social assistance/employment legislation and procedures. However specifics of the country labor market, low educational profile of social assistance beneficiaries as well as low financing of the active employment measures does not allow easy "welfare to work" transition. Also, the character of the activation measures may be described as "rigid", as activation is not voluntary, but discontinuation of social assistance/employment benefits is envisaged if activation measures are not accepted by the beneficiary.

Analysis of activation of social assistance beneficiaries is not possible, as there is not publicly available data on social assistance beneficiaries only. The expert interviews also did not provide more detailed picture, as the Agency for Employment which is responsible for realization of activation measures, does not categorize beneficiaries according to their "social" status, but only according to their education, place of living, duration of unemployment etc. Mandatory activation of social assistance recipients in public works does not represent competition with regular labor at cheaper costs, as these jobs are seen as less attractive and rarely leading to regular employment. Success of these active measures is not easily achieved in conditions where there is low supply of jobs and high demand with increased competition, taking into consideration large numbers of unemployed with higher education. In addition, low financing of active labour market measures (0.12% of the GDP) and lack of their continual follow up and evaluation further prevents their effective utilization.

It is also important to be emphasized that due to the changes in the Law for Employment and Unemployment Insurance (Official Gazette of RM 153/2012), the registering of unemployed by the Agency for Employment has changed. The changes have introduced differentiation between unemployed persons (that actively look for job, and whose obligation is to report at the Agency every month), and other unemployed persons looking for job (not clearly defined in the Law, but indirectly imply that these are people who register every six months, and persons who have twice rejected an employment offer from the Agency). Obtained data from direct contact with some vulnerable groups (Gerovska Mitev, 2013) implies that most of the unemployed Roma, due to lack of awareness and information, were re-registered as "other unemployed looking for job" (decline in % ranges from 62 in the city of Tetovo and 90% in the city of Stip). The change from active into passive registered unemployed disqualified them to use active employment measures. As indicated before there is no available data on the numbers of social assistance beneficiaries that fall into the category of active or passive unemployed. The benefit level and duration of the right to unemployment benefit is not related to this "categorization". The categorization only affects the possibility to access the active measures for employment.

Table 1 Comparison between active and passive unemployed registered at the Agency for Employment

	11/2012	12/2012	01/2013	02/2013	03/2013	04/2013	05/2013	06/2013	07/2013	08/2013	09/2013	10/2013	11/2013
Other unemployed persons (passive)	0	419	4603	24536	82351	122644	125431	126740	127845	129138	130282	130094	120626

Unemployed persons (active)	245122	243403	237596	215730	154460	108769	98727	97000	94641	92987	91293	92799	95279
-----------------------------	--------	--------	--------	--------	--------	--------	-------	-------	-------	-------	-------	-------	-------

Source: Agency for Employment, 2013

Labour market in the country cannot be described as inclusive, since there are many groups who are excluded from it. Official statistical data show that unemployment rate is highest among the young people (15-24) standing at 53.9% in 2012. Data from administrative sources (Employment Agency of RM, December 2012) indicate that when registered unemployed according to ethnicity are compared with their total ethnic representation in the country, Roma people score as most excluded from the labour market (16.7% registered unemployed Roma of all Roma in the country). The numbers of registered unemployed from the Albanian ethnic community in December 2012 was 10.09% of all ethnic Albanians in the country. In addition, people with lowest educational attainment (incomplete primary and primary education) are most represented among the registered unemployed and have highest unemployment rate.

*Table 2 Comparison between registered unemployed in 2012 and 2013 according to ethnic affiliation*

	Registered unemployed (status 31.12.2012)	Registered unemployed (status 30.09.2013)	Decline in %
Macedonians	165792	73689	- 55.5%
Albanians	51413	12101	- 76.5%
Turks	9068	1529	- 83.1%
Roma	9037	1657	- 81.6%

Source: Agency for Employment of RM, Statistics for Unemployed persons according to nationality, status 31.12.2012 and 30.09.2013

As previously indicated the spectacular decline of registered unemployed is due to their categorization as passive unemployed. So, when prospective employers search the database of the Agency for employment to look for labor force, the numbers of passive employers is not shown.

In addition, it should be noted that there is a significant degree of informal labor market in the country, which in many cases hampers the effectiveness of social programmes, and also contributes to the poverty trap. Namely social assistance beneficiaries (or other registered unemployed people) would rather stay on social benefits (and complement that with undeclared work), than participate in active employment programmes based on minimum wage and with short duration. The official estimation of the informal labor market in the country for 2012 (based on the Labor Force Survey) is that 22.5% of all employed are informally employed.

Policies and measures aiming to improve employability of those furthest from the labour market are stipulated in the National Action Plans for Employment (most recent 2011-2013), and in the Operational Plan for Active Programmes and Measures for Employment (most recent for year 2014). Analysis of these measures, particularly in the Operational Plan show several types of suggested programmes: (i) self-employment; (ii) employment subventions; (iii) giving land for agricultural use to social assistance recipients; (iv) traineeship and trainings; and (v) public works. Measure regarding giving land for agricultural use involves registration of social assistance beneficiaries as individual farmers for the period of 12 months, and encompasses: payment of the full amount of social assistance and payment of social contribution (for pension, health and unemployment insurance. However, this measure for the Operational Plan for 2014 will encompass a quota of only 26 social assistance beneficiaries. The measure regarding public work, is not directed only towards social assistance beneficiaries, but towards all unemployed. Its duration is six months, during which unemployed are engaged in works emphasized as a priority by the local municipalities, and receive a monthly wage of 6000 MKD (97 Euro). The number of unemployed to be engaged through this programme in 2014 is 100 registered unemployed.

Active programmes aimed at inclusive growth are focused on following vulnerable groups: social assistance beneficiaries, children without parents and parental care, victims of family violence, homeless people, ex-drug users, parents of children on the streets, single parents, parents with more than four children, Roma, long-term unemployed and others. Although there is a large list of stipulated vulnerable groups, still actual numbers of offered programs to vulnerable groups do not correspond with their actual representation. For example, only 100 unemployed from vulnerable groups may apply for subventions programs in comparison to 500 positions offered for other unemployed. This implies that due to scarcity of active measures offered through the Agency for Employment there are "general quota" per programme, as well as "sub quota" for vulnerable groups participation in these programmes.

According to the Minister of Labor and Social Policy, in the period from 2007 – 2013, through different active programs and measures for employment a total of 54.958 unemployed have been included, resulting in 30.524 employments. However, there is no specification how many of these employments are effective (if people are still employed), and also no specification about the number of minimum income beneficiaries that have been encompassed with these measures.

There are two new training schemes put forward in 2013 and 2014. One is directed towards social assistance beneficiaries. In order to incentivize the employers to employ the unemployed who are social assistance beneficiaries, the state provides a subvention in the amount of 80% of the social assistance amount to the employer. The state also guarantees the newly employed social assistance beneficiary a minimum wage (guaranteed and specified with the Law on minimum wages) in the period of two years, with the obligation for the employer to keep the newly employed for two more consecutive years.

The activation measure aimed at young people is mainly associated with the lowering of labor costs of the employers, in case of employing a young registered unemployed person (up to 29 years of age) for the period of 12 months. In this period, the employer will be exempted from paying the contributions for the social insurance of the newly employed (27% of the gross wage) and the personal income tax (10% of the gross wage).

In addition, the Government has also brought an Action Plan to tackle the grey economy (2014). The Plan involves set of measures which should be realized in joint efforts by the Ministry of Labor and Social Policy, Agency for Employment, Ministry of Education etc. Some of the stipulated measures for tackling grey economy in the country include: improvement of legislation for seasonal work; introduction of system for evidence of those employed by foreign companies, or abroad; support for formalization of businesses; campaigns against work in the grey economy etc.

### **3.2. Access to quality services**

Did minimum income beneficiaries' access to services improve or deteriorate? Did prices increase? Is accessibility of services reduced, particularly in the light of the crisis and possible austerity measures?

Territorial availability of social services in the country is rather good, with every bigger city having a Centre for Social Work, Employment Centre, local unit of the Fund for Health Insurance as well as a local unit of the Fund for Pension Insurance. In relation to health services, the primary health facilities are more accessible, while secondary and tertiary health facilities' are only available in some of the bigger cities. A positive development in the last few years, may be seen in the opening of new pre-school facilities, particularly aimed at vulnerable groups, such as in communities where Roma children live, as well as in more peripheral local communities.

Apart from the physical and territorial availability, access to social services also depends from conditionality criteria. In this respect, there is an evidence of introducing more rigid criteria, which leads towards reduction of social assistance beneficiaries, or reduction in the numbers of unemployment compensation beneficiaries. Comparison of trends in social financial assistance use since 2008 shows that, the number of beneficiaries decreased from 62.019 in January 2008 to 34.008 in December 2012 (Ministry of Labour and Social Policy administrative data, 2012). Such spectacular decrease is not a result of reduction in poverty or unemployment rates, but rather a result of more tightened eligibility criteria. These among others included: more frequent and rigorous controls, as well as electronic obtaining of documents which were previously supplied by

applicants themselves, which as exemplified by the representatives from the Centres of Social Work, reduced possible manipulation and fraud of documents.

---

1 <http://www.mtsp.gov.mk/default-mk.asp?ItemID=4E68C9780A492440A43BDCC4477D01B1>

As a response to the global economic crisis, the government has brought a series of anti-crisis packages since 2008. The last package of eight socio-economic measures, introduced by the government in early June 2012, was aimed, among others, to support the living standards, costs, and employment opportunities for the most socially vulnerable population. Among other, they included: (i) employment incentives: one programme for public works for 4000 registered unemployed, one programme for self-employment of 1000 unemployed, through loans for formalization of businesses, one programme for traineeship for 1000 young unemployed, and one programme for giving arable land for agricultural use to social assistance beneficiaries (estimated 1 to 1500 beneficiaries); (ii) increase in anti-crisis social benefits: increase of the energy poverty subsidy from 600 MKD to 700 MKD per person (household) monthly (from 9.83 to 11.47 EUR); as well as (iii) support for children living in socially vulnerable families: paid summer/winter vacation of 7 days for children between 10 and 13 years of age; and vouchers for computers for students for socially vulnerable families (social assistance beneficiaries, children without parents and parental care).

These measures were welcomed by the citizen's organizations, whose members are main beneficiaries (pensioners clubs, youth organizations, etc.). Taking into consideration practical problems associated with some of these measures (which existed in the past, i.e. the subsidy for energy consumption), it may be said that they represent only a negligible response to the growing social and economic inequalities and exclusion in the country. Also, what is noticeable is that most of these measures are not a result of any systematic monitoring of the crisis, but rather extracted from the ongoing projects or plans previously envisaged by the Government.

The use of Ohrid Framework Agreement (OFA) as a tool to provide improved access to social services for the ethnic communities has not been evident. OFA has not been used by the local municipalities to attract more central financing neither for improvement of human resources at the local level, nor for support of social service provision for the disadvantaged communities. In this respect, OFA can play an important role in reducing disparities among vulnerable ethnic communities and rest of the population.

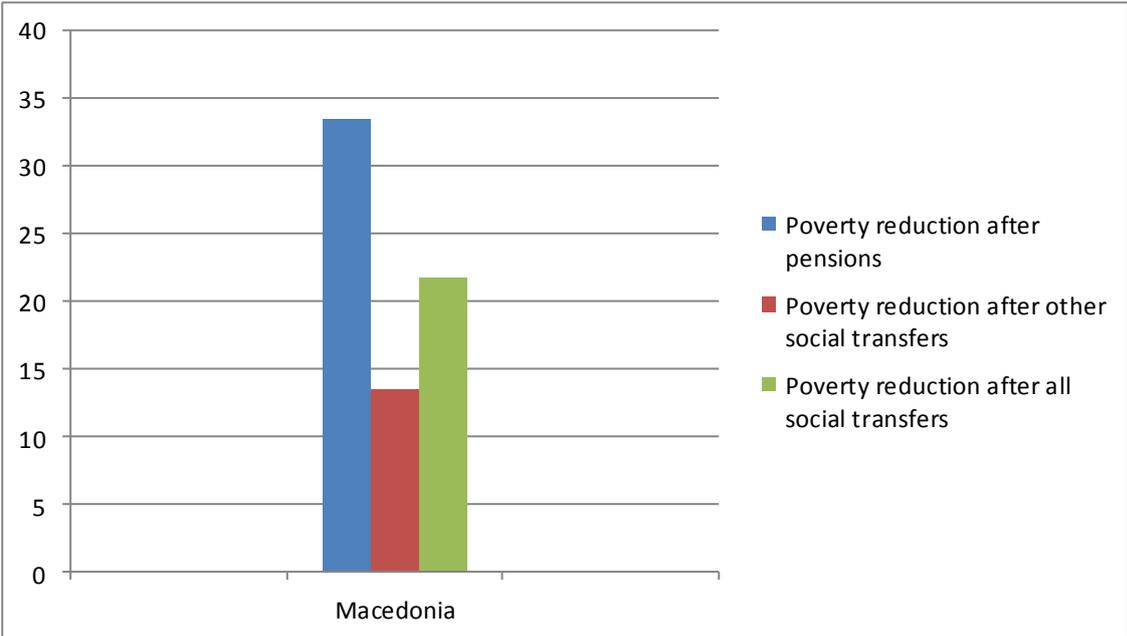
Effectiveness of the provided social services is not regularly monitored or evaluated. Most recent data from the State Statistical Office (January, 2014) show that effectiveness of social transfers (apart from pensions) is very low. Namely, the rate of poverty in the country (27.1% in 2011) is reduced mainly through the pension system (effect on poverty decline of 33.54%), while the social transfers other than pensions (social assistance, unemployment compensation, etc.) only negligibly reduce the poverty rate for additional 13.41%. This implies either mistargeting of these benefits towards those most at risk, or low amounts which does not sufficiently lift people out of poverty.

---

<sup>2</sup> The Ohrid Framework Agreement (OFA) signed on 13.08.2001 ended the internal ethnic conflict in the former Yugoslav Republic of Macedonia. It contributed towards initiation of particular constitutional changes and legal reforms regarding equitable representation of the ethnic non-majority communities in the fields of: education, use of languages, public services, special parliamentary procedures and decentralization.

<sup>3</sup> These calculations are based on EU-SILC research, and represent percentages of the total population, including pensioners. There is no officially available calculation for the effectiveness of social transfers on social assistance beneficiaries separately.

Graph 1: Decrease of poverty (in %) as a result of social transfers



Source: Own calculation based on SILC Survey, State Statistical Office Republic of Macedonia (2014)

## 4. IDENTIFICATION OF OBSTACLES TO THE IMPLEMENTATION OF ADEQUATE MINIMUM INCOME SCHEMES

### 4.1. Coverage and take-up

Are there problems concerning coverage (nationality, residence)? Quid migrants, asylum-seekers, undocumented migrants? Homeless and roofless?

Data available on number of people who are entitled and who actually take up their right? Those who don't? Possible barriers for take-up (lack of information, complexity of system, conditionality, discretionary nature of benefits, benefits too low in comparison with time and effort for application, lack of support on application, fear of stigma...)?

According to the number of households receiving social financial assistance, the statistical trend shows continual decline of households receiving this social benefit. In the period from 2008 till 2012 the number of social assistance recipients decreased for 36.50%. However, this cannot be interpreted with the reduced need for social assistance, but rather with the increase of rigidity in the conditionality rules as well as more intense means testing procedures. In 2012, the number of households that were social assistance beneficiaries represented 5.97% of all households in the country. In relation to geographical coverage, the regions that had higher than the average number of households who are social assistance beneficiaries were Polog and Northeast region. There are regions in which there is a high prevalence of undeclared work, which may be a factor for greater need for additional financial support.

Table 3: Households beneficiaries of Social Financial Assistance, 2011-2012

T-25: Корисници на социјална парична помош  
T-25: Recipients of social cash benefits

Региони	Носител на домаќинството (број на домаќинства) Head of household (number of households)		Членови на домаќинството (заедно со носителот) Household members (together with the household head)		Regions
	вкупно total	жени women	вкупно total	жени women	
<b>2011</b>					<b>2011</b>
<b>Вкупно</b>	<b>36 991</b>	<b>8 410</b>	<b>153 385</b>	<b>68 050</b>	<b>Total</b>
Вардарски	2 654	542	7 706	3 569	Vardar Region
Источен	2 558	850	10 599	4 773	East Region
Југозападен	3 454	612	14 702	5 618	Southwest Region
Југоисточен	1 702	202	5 938	2 812	Southeast Region
Пелагониски	3 904	1 344	11 683	5 474	Pelagonia Region
Полошки	8 952	1 278	32 470	15 931	Polog Region
Североисточен	4 688	797	20 695	8 693	Northeast Region
Скопски	9 079	2 785	49 592	21 180	Skopje Region
<b>2012</b>					<b>2012</b>
<b>Вкупно</b>	<b>33 717</b>	<b>7 219</b>	<b>133 539</b>	<b>61 574</b>	<b>Total</b>
Вардарски	2 397	589	6 817	3 266	Vardar Region
Источен	2 284	835	9 599	4 429	East Region
Југозападен	3 139	552	12 213	5 828	Southwest Region
Југоисточен	1 702	313	6 169	3 308	Southeast Region
Пелагониски	3 884	596	12 111	5 577	Pelagonia Region
Полошки	7 679	1 128	26 906	13 266	Polog Region
Североисточен	4 191	731	18 195	7 772	Northeast Region
Скопски	8 441	2 475	41 529	18 128	Skopje Region

Source: State Statistical Office, Social Protection of children, youth and adults, 2012-2013.

The structure of social assistance beneficiaries by certain characteristics (ethnicity, age, etc.) is not currently available through governmental sources. Also lack of Official Census Data (the latest available is from the Census in 2002) prohibits more detailed analysis.

According to the not so recent data compiled with the support of the World Bank SPIL project, for the period 1998-2007, some characteristics of the social assistance beneficiaries according to ethnicity, education and labor market status provide the following picture:

The share of ethnic Macedonian recipients has been declining during the period between 1998-2007 from 46.8% in 1998 to 33.5% in September 2007. In the same period the share of ethnic Albanians has been increasing from 25.4% to 37%. The shares of other ethnic groups have not changed significantly and in September 2007 the Albanians were the largest group of benefits recipients. The municipalities with the highest number of beneficiaries' were Tetovo, Kumanovo, Prilep and Skopje-Cair. The changes in numbers of beneficiaries from different municipalities are result of different reasons. General decline of the number of social assistance recipients may be interpreted as a result of the more rigid control and tightened eligibility criteria. On the other side, the rise in the numbers of Albanian social assistance beneficiaries may be seen as a result of the processes of decentralization and particularly the Ohrid Framework Agreement, due to which there was an increase in the numbers of ethnic Albanians employed in the Centres of Social Work, which indirectly may have encouraged greater demand for this benefit among this ethnic group.

Table 4 Social assistance recipients (in %) per ethnic group, 1998-2007

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007 (September)
Macedonians	46,8	42,6	40,7	40,7	37,7	36,7	NA	39,5	38,6	33,5
Albanians	25,4	32,8	31,7	30,2	30,4	29,7	NA	33,5	34	37,0
Roma	14,1	12,1	11,4	11	10,7	12,1	NA	12	12,6	14,1
Turks	7,9	7	6,6	6,5	6,3	6,9	NA	6,2	6,2	6,4
Other	5,9	5,5	9,6	11,6	14,8	14,6	NA	8,8	8,6	9,0
Total	100	100	100	100	100	100	NA	100	100	100

Source: SPIL, 2008

About 97.2% of the recipients were registered unemployed. This is a net increase as compared to 1998 when only 77.5% were registered unemployed. Over a third of the head of the households recipients of this benefit are without qualifications, 23.6% have only primary education and 16.1% have secondary education (data from SPIL, 2008).

According to some of the numbers presented, it can be estimated that the coverage of social protection does not reach many categories in need, such as the employed with low incomes and the elderly. Accessing the social assistance scheme can be problematic for people who do not own ID papers or are not registered citizens of certain municipality. These documents are basic requirement when applying for social assistance. Unfortunately, many people from the socially vulnerable groups (especially Roma, but also others who have migrated in the country such as people from Kosovo or others and have not registered their residence status) do not possess these documents. Refugee people from Kosovo or others such as Roma / Gorani / Bosniacs can access the social assistance scheme only if they have certificate for permanent residence or if they're registered as immigrants or asylum seekers (according to the Law on asylum and temporary protection, 2009). Asylum seekers have a right to social assistance maximum for up to two years, and in amount of 18% of the average net salary for single persons, 23% of the average net salary for two persons and 30% for asylum seekers families with more than two persons.

Reasons for non-take up of social assistance are almost not analyzed, except in a study (Bornarova, Gerovska-Mitev, 2009) related to social exclusion of older people. According to this research, "reasons for not using social assistance among older people can be grouped in three

sets: 1) rejection of applications; 2) entry barriers and 3) stigma. Some of the most cited problems for non-take-up given by the older people in this research are: lack of information about social assistance rights, lack of knowledge of how to apply for social assistance, lack of required documentation, as well as lack of support in preparation of required documentation (ibid, p.25).

In addition, it should be also noted that the costs of applying for social assistance in some respects may also contribute towards non take up of benefits. Although some improvements have been made in order to reduce the number of documents required to apply for social assistance as well as official obtaining of documents from the public agencies by the social services, still some of the required documentation (i.e. Certificate from the Cadastre Office for possession of land, Certificate from the Revenue Agency for the amount of incomes for the whole household) still represents a significant financial burden for those applying for benefits.

Finally, the change related to applying for social assistance only with identity card, was supposed to improve the access to social assistance. However, it may be seen as an obstacle for some of the vulnerable groups who do not possess identification documents (i.e. Roma).

Majority of the reasons given above imply that the social assistance scheme is not easy to access and that there is a need for more support and facilitation from the social workers and administrative staff to make social assistance more user-friendly.

2. Adequacy: Criteria and methodology to define adequacy of minimum income? Defined in relation to at-risk-of-poverty threshold (60% of median income)? Or in relation to other social benefits, minimum wage, standard of living? Use of reference budgets? Uprating mechanisms available (index, other) in line with rises in inflation or standard of living? Adequacy

The amount of the social financial assistance is pretty low (€ 40 per month for an individual in 2014). It represents 11% of the average net salary paid in January 2014 (21.327 MKD; € 345 Euro), 21.2% of the average paid pension in 2013 (11565 MKD, € 187.5) and 30.4% of the minimum wage in 2013 (8050 MKD, € 130.50).

The amount of social financial assistance is also quite lower than the amount of the poverty threshold. In 2011 the poverty line (defined at 60% of median equivalised income) was set at 63 692 MKD i.e. € 1,032 (the annual income per adult equivalent). Comparison between the amounts of poverty line (5307 MKD or € 86.03) and social financial assistance (2.451 MKD or € 40) for individual on monthly basis in 2011 shows that the social financial assistance is lower than half of the official poverty threshold. Payment of such low amounts of social financial assistance directly contributes to the increase of people living below the poverty line. Thus, efforts should be made to prevent entry into the social assistance scheme for the non-poor (those in undeclared jobs whose incomes are not reported, as well as those that receive remittances), but at the same time, the amounts of social financial assistance should be increased to enable decent living standard for those living below the poverty line.

The amount of social assistance is adjusted on yearly basis according to the rise of costs of living for the previous year, published by the State Statistical Office.

Official representatives also recognize that the amount of social financial assistance is too low. According to the representative from the Ministry of Labour and Social Policy:

“amount of social assistance does not corresponds with households costs, estimated by the relevant national institutions. The social financial assistance is much lower than the minimum needs it should provide for. The consumption basket estimated by the State Statistical Office is not taken into account when setting the level of social assistance” .

Similarly, the representative from the Social Work Center emphasizes:

“The amount of social financial assistance is too low, and does not provide for conditions for normal life. The amount of social assistance contributes to the fact that social assistance beneficiaries live in poverty”.

Focus group of representatives from social assistance beneficiaries and unemployed also indicated their dissatisfaction with the amount of the benefit they receive:

“How can one survive with two children and social assistance of 2500 MKD (40 Euro)? I work informally as housekeeper, but I’m constantly afraid of being caught and my social assistance being terminated. But what can I do, I need to provide for a living”.  
- Single parent, unemployed

“ My social assistance is 1100 MKD (18 Euro). If I divide the sum per day there is not a denar for each day. I am a blood donor, I am trying to be human, but the state is not human towards us”. - Roma

“ I have social assistance but I don’t have electricity in my home for 3 years now. No one from the Social Work Centre has come to see how I live” .  
- Roma

Representatives from the civil society organizations during the focus group discussion confirmed the same:

“The amount of social assistance is too low and does not provide for basic quality of life”.

“If you compare the amount of social assistance with the consumption basket it is clear that with the social assistance citizens can provide for only a portion of their needs”.

“The social assistance beneficiaries in some cases give more money for application documents than the amount of their monthly assistance”.

#### **4.2. Effectiveness: Impact of minimum income schemes in preventing and reducing poverty levels and intensity of poverty? Effectiveness**

EU SILC data in Macedonia show that not all social transfers have the same effect on reducing poverty among households. Overall anti poverty effect of social transfers in Macedonia is 42.6%, which is lower compared with the EU average antipoverty effect of 61.45% (before and after social transfers). Pensions have the greatest effect on reducing poverty in Macedonia (33.4%), while other social transfers, in whom social assistance is part of, only negligible, contribute to further poverty reduction (13.41%). These percentages are based on the total population.

*Table 5: Effectiveness of the social protection system to reduce poverty through social transfers*

In percent	Macedonia (2011)
At risk of poverty before social transfers	47.1
At risk of poverty after pensions	31.3
At risk of poverty after social transfers	27.1

*Source: State Statistical Office Republic of Macedonia (2014)*

Lower effect of the social protection system compared to the EU average, as indicated in other studies (Caminada and Goudswaard, 2009, Hermann et al., 2008 ) may be seen as a result of the countries lower social spending. As ESSPROS data are not available for Macedonia, one proxy indicator which may be taken into consideration is the World Bank calculation of public spending on social assistance as % of GDP (World Bank, 2012). According to these data, Macedonia spends 1.1% of GDP on social assistance cash benefits. This is comparatively lower than all other countries in the region with which Macedonia shared same social protection system until the 90ties (Croatia – 3.85% of GDP, BIH – 3.4%, Slovenia, 2.3% and Serbia – 2%).

According to the independent and representative research related to poverty and social exclusion among households in Macedonia, social assistance beneficiaries are among those mostly affected with poverty. Namely, the analysis shows that according to the source of income among households, poverty is highest among those living on social assistance (90.6%), followed by those with incomes from agriculture (57.4%) and those with incomes from temporary job (57.3%) (Gerovska Mitev, 2012, p. 36).

---

<sup>4</sup> The State Statistical Office published the estimation of minimum needs using a consumption basket until 2010, after which it was substituted with the estimations based on the Study for Income and Living Conditions (SILC). According to this study, in 2011 at-risk-of-poverty threshold of single-person household - annual equivalent income in denars was established at 63692 MKD (1034 Euro), or 82 Euro monthly. Hence, the amount of social financial assistance for one person household 2223 MKD (36 Euro) *is lower than half of the official poverty threshold*

### **4.3. Active Inclusion policy Active inclusion policy**

#### **1) Link with inclusive labour markets**

How conducive are minimum income schemes to labour market integration? Effectiveness in ensuring incentives to work? Use of activation measures, special work or training schemes? Possible incentive or disincentive factors of minimum income (poverty trap)? Link with inclusive labour markets.

Link with the inclusive labor market is established through the obligation of social assistance beneficiaries for active search for job. However, one might say that this link is more of a punitive rather than of supportive character. Namely, if the social assistance recipient refuses a job offer (irrespective whether the job suits the abilities of the beneficiary) he/she will lose the right to social assistance for the following 12 months.

Social Assistance beneficiaries may be engaged in public works up to five days monthly, or other seasonal work required in the local municipality where the beneficiary lives. During the work engagement (if more than five days) the social financial assistance is not being paid off, and it continues after the end of the work engagement of the beneficiary.

According to the new Operational Plan for Active Employment Measures for 2014 (Government of Macedonia, 2014) there are nine different types of programmes and measures for active employment. Social assistance beneficiaries are eligible for three types of employment programmes and measures, including: Subsidized employment programmes, Subsidy Programme for Agricultural use of public land and Training at employers with subsidized employment. It may be said that the number of active measures targeted towards social assistance beneficiaries is rather low, and also they are only sufficiently targeting those who are without qualifications. To illustrate this, the Programme of the Employment Agency for 2014 indicates that within the subsidized employment programme, in 2014 they plan to include 587 unemployed, out of which 80 are those most vulnerable.

Another novelty is the use of the Conditional Cash Transfer Facility programme (i.e. its budget) supported by the World Bank, towards employment support for young unemployed persons (up to 29 years of age) from households that are social assistance beneficiaries. The programme intends to particularly target those young unemployed who were CCT beneficiaries in relation to their secondary education.

These young people need to be registered as active unemployed within the Employment Agency, in order to be eligible for this programme. The programme will financially compensate both the young unemployed and their potential employers for the period of six months, with obligation for the employer to keep them on job additional six months.

Financial compensation for the young unemployed will be in amount of 14.000 MKD (227 Euro monthly), while for the employer, the compensation for his costs for training and/or other administrative costs will amount 3000 MKD (50 Euro per month). This programme represents significant follow up of the first generation of the CCT programme (for secondary education), and may prove as significant motivation for the young unemployed people.

However, its limited scope (only 125 young unemployed will be financially supported) is a negative factor, because many of the young unemployed will not be in position to apply (either due to scarcity of the offer, or the requirement for actively looking for job). Just for illustration, annually around 10.000 families benefit from the Conditional Cash Transfer Programme for secondary education. Out of these 10.000 families (children) only 1.25% will be in position to benefit from the mentioned employment support programme.

The system of social assistance in Macedonia also entails many disincentive factors that prevent the transition from welfare to work. Namely, those that earn any (seasonal or other type of) income, the amount of their social assistance is automatically deducted for that same amount or (if the amount exceeds the social financial assistance) the social assistance is being terminated. This creates a poverty trap for the social assistance beneficiaries, and prohibits their adequate minimum incomes.

According to the CSO focus group representative:

“Activation of the social assistance beneficiaries is longstanding problem which is not systematically treated and targeted. We have a problem of social exclusion of social assistance beneficiaries, which partly is a self-exclusion and partly is a result of discrimination from the society”.

## **2) Link with access to quality services**

Measures to improve access to medical assistance, social services, childcare, housing, energy, transport...?

Social financial assistance beneficiaries are also supported in relation to their access and costs of certain public services, such as education, employment and health care.

To support the inclusion into secondary education of children living in socially vulnerable families, a grant from the World Bank was used (conditional cash transfers) which provides modest financial subsidy (1000 MKD or 16.2 Euro on a monthly basis) to all high school students whose parents are social assistance beneficiaries, provided that they regularly attend school.

In the field of education, since 2009 the Government has provided all students with free textbooks. As the primary and secondary education is obligatory, this measure will contribute to the support of the family budget especially for those living on minimum incomes. Also, the introduction of the conditional cash transfers will give additional financial benefit for social assistance recipients with children in the secondary education, to enable their regular attendance.

Social financial assistance beneficiaries (those who are unemployed as well as the pensioners) are also provided with (blue) coupons for free health care that enables them free access to the primary health care.

The Employment Agency provides all registered unemployed people, the following services:

- Training and retraining;
- Professional orientation;
- Work clubs (open office, workshops, individual job plans etc.)
- Incentives for employment of disabled people.

Particular support related to social financial assistance beneficiaries is already described in the section above, and it relates to active employment measures targeted particularly at young unemployed aged up to 29, as well as other active employment measures targeted towards all social assistance beneficiaries.

In-kind support to social assistance beneficiaries is not given on permanent basis. It depends on available financial resources and donations, and usually occurs in the winter months – support for heating and clothing, as well in-kind support during certain festive occasions, i.e. Christmas, Easter etc.

Social assistance beneficiaries are also given an energy subsidy in amount of 600 MKD/ 10 Euro to support the energy costs of the most vulnerable households.

However, discussion with the social assistance beneficiaries as well as official representatives as well as CSO representatives indicates many challenges in realization of the active employment measures.

Discussing the indicators for coverage of social assistance beneficiaries with active measures for employment, the representative from the Employment Agency indicated:

“As Agency, we don’t have a precise indicator. We only can provide data related to use of the measure subsidized employment, where part of the beneficiaries are also social assistance users. Generally, we are not satisfied with the take up among this group and the reasons may be looked into more effective coordination with the Social Work Centers and awareness raising among

social assistance beneficiaries, but also in attracting greater interest among employers. Otherwise, the amount of the subsidized employment is not low, it is 14.000 MKD (227 EUR) for the wage of the employed and 3000 MKD (49 EUR) for the expenses of the employer in the period of six months, provided that the employers keep the newly employed at least for one year. This is the only active measures where we ask the beneficiaries to categorize themselves (if they're social assistance beneficiaries), the evidence for other measures is only according to the personal identification number of the citizens. Hence, one of the problem in having better evidence is lack of interconnection between the data of the Employment Centers and the Social Work Centers. Generally, there is a need for greater improvement of skills, and gaining more working experience which in many cases is a requirement. Also there is need for greater activation of women particularly those from less represented ethnic communities".

Representative from the Social Work Centre indicated some of her observations regarding obstacles to greater activation of social assistance beneficiaries:

"There is a limited offer of jobs in general in the economy. In addition, the municipalities do not engage the social assistance beneficiaries. We as a Social Work Centre do not have authority in relation to activation measures".

The representative from the Ministry of Labor and Social Policy signals that social assistance beneficiaries do not have the capacity to take up the offered active measures:

"Current offer of active employment measures can not be absorbed by the social assistance beneficiaries since they are mainly people without or with low educational qualifications. Hence, they are trapped within the social protection system. There is a limited offer of social service support to social assistance beneficiaries. Also these are mainly located in the cities, while rural areas are completely excluded. In general the main policy is to offer a support through financial transfers and not social services".

Beneficiaries themselves indicated many challenges in relation of their activation:

"People become more apathetic regarding realisation of their rights".

- Young unemployed

"Regardless of the wage, we lack security. We lack work and let alone prosperity".

- Young unemployed

"We have no idea about the state measures for employment, we are not informed, and they are only informing and remind us when we need to go to polls and vote".

- Roma

According to the CSO representatives there is a need for tailor-made active employment offer:

"There is a need for additional trainings of the work-able beneficiaries so they can apply for different jobs".

"There is a need for additional measures for youth employment, but also measures for older workers who are long term unemployed".

"In my opinion, the incompetence of employees within the Agency of Employment presents a great challenge for the inclusion of people into the active employment measures. They only administratively fulfil their duties, without really reaching towards people who have the need for these measures."

"Measures that will be created according to the needs and capabilities of the citizens, accompanied benefits with services that will enable them training and inclusion into the labor market".

"Activation of the social assistance beneficiaries is longstanding problem which is not systematically treated and targeted. We have a problem of social exclusion of social assistance beneficiaries, which partly is a self-exclusion and partly is a result of discrimination from the society".

All of the interviewed experts as well as focus groups discussants agreed about the need to reform current social assistance policy and gave their thoughts on the direction of the reform.

Representative from the Ministry of Labor and Social Policy indicated:

"There is a need for the reform of the social assistance policy. The position of the social assistance beneficiaries should be improved not only in the part of the financial transfers but also in relation their access to services. The improved monitoring of use of financial benefits should be

accompanied with legal adequate minimum income which will be correlated with the estimated costs within the statistical consumption basket. Support for social services provided by the civil society organizations at the local level should also be more supported and visible”.

The Social Work Centre representative also emphasized:

“Of course there is a need for reform. The amount of the social assistance should be increased and also to provide assistance in relation to food. For other costs, especially for clothing there are supported through donations”.

The CSO representatives also gave their observations:

“My suggestion is to decrease the taxes for bigger companies that will employ social assistance beneficiaries”.

“There is a need for support services throughout the period of active search for job and tackling poverty. There is a need for inclusion of more professional social workers who will take care of the beneficiaries and their families and will increase their opportunities for training, job, as well as their social skills”.

“Social Work Centers should have a greater professional role in provision and support of social assistance beneficiaries, and not only adhering to the bureaucratic procedures that does not respect citizens”.

Finally, the social assistance beneficiaries indicated what they think is most needed to change in relation to their status and benefit:

“We need benefits and incomes that will provide us with normal life” .

“We need free school equipment and support for our children”.

“In my opinion 10.000 MKD (162 EUR) is what I need to survive throughout the month”.

“We need some kind of social housing, so that we have a basic hygiene conditions, as well as access to electricity and water”.

“People from the Social Work Centres need to visit us more often to see what we need and how we cope...”

“Beside the social assistance we need additional packages of food and hygiene products”.

Most of the consulted people share the following consensus: The social assistance recipients do not benefit from personalized and tailor-made services targeted directly at them, but more as a result of measures directed towards all population at risk or unemployed. Despite the fact that the social financial assistance is seen as a benefit of last resort, still its scope, character and use should be structured in a way that will promote better living standard as well as improved integration of its recipients within the society as whole. The social assistance scheme should be redefined in many of its elements. In regards to eligibility, the system should give more focus to the needs-based approach. The focus on needs might provide greater outreach to categories that do possess certain capacities or means/resources, but lack access to services and benefits because of other reasons, such as: cultural factors, stigmatization, language barriers, and distant location. Activation measures should be seen as complementary to the financial benefit and should be structured as personalized contracts between the recipient and the social workers. Finally, the amount of the social assistance should be above the defined poverty line as to enable its recipients a more decent living standard.

## **5. SUGGESTED NEXT STEPS AND RECOMMENDATIONS TO IMPROVE ADEQUACY, COVERAGE AND/OR TAKE-UP OF MINIMUM INCOME SCHEMES**

In order to tackle the mentioned obstacles as well to improve the system of social assistance in the country, the Macedonian Anti Poverty Platform in the upcoming period will focus on activities that will aim towards following priorities:

### **5.1. Adequacy**

- Propose changes to the social assistance protection (in the form of New Concept/Code for Social Protection) that will promote increasing the benefit level of social assistance that will represent adequate income for its beneficiaries, and will enable their exit from at risk of poverty. The measure should be below the minimum wage amount but above the at risk of poverty rate. This measure will be jointly work on with the partners from the Open Society Institute – Macedonia.

- Propose improved access to quality services, aimed at social financial assistance beneficiaries, related to: easing the access to education for children from social assistance beneficiaries (from conditional cash transfer to universal education benefit), housing support for social assistance beneficiaries (prioritization for social housing for social assistance beneficiaries), providing free health insurance for all social assistance recipients (for all their children, regardless of their identification documents status).

### **5.2. Coverage and take up of minimum income schemes**

- Promote access to social assistance scheme for those in distant and rural locations, and without any incomes. This may be realized through PATROL SOCIAL WORK in local municipalities, which will enable visiting and assessing the conditions of vulnerable families in distant and rural locations.

- Propose changes to the current social assistance procedures which require identification card as a document for application for social assistance. The change will ask for flexibility related to persons without identification documents, who should be provided with social assistance in the transition period while the necessary identification documentation is being issued.

- Propose changes to the current social assistance procedures, by which applicants for social assistance are required to pay for certain documentation (Cadastre Office, Revenue Office etc.). The campaign will involve requirements for "free documentation", or documents that should be provided by the social - public authorities themselves.

### **5.3. Activation of social assistance beneficiaries**

- Awareness rising for creating and providing availability of data related to take up of active employment measures by the social assistance recipients. These measures should be jointly provided by the Agency for Employment and Centres for Social Work.

- Campaigns that will promote greater activation of social assistance recipients. The quota for vulnerable unemployed should be increased, and local municipalities should have greater role in financing and providing these active measures.

- Promotion of activation for "passive unemployed": Those registered as passive unemployed should also be provided with possibility to benefit from the active employment measures, for example through a form of schooling that will enable their literacy or completion of their primary or secondary education

## **6. ANNEX**

### **6.1. References**

- Agency for Employment (2013) Statistics for unemployed persons according to nationality, [ww.avrm.gov.mk](http://ww.avrm.gov.mk)
- Bornarova, S. and Gerovska Mitev, M. (2009) Social Exclusion, Ethnicity and Older People, Skopje: Faculty of Philosophy.
- Caminada, K. and Goudswaard, K. (2009): "Social expenditure and poverty reduction in the EU15 and other OECD countries", Munich Personal RePEc Archive.
- <http://mpr.a.ub.uni-muenchen.de/20138/>
- Gerovska Mitev (2012) Material deprivation, poverty and social exclusion among households in Macedonia, Skopje: Friedrich Ebert Foundation.
- Hagenaars, A.J.M (1986) The Perception of Poverty, Amsterdam: North Holland.
- Ministry of Labor and Social Policy (2014) Operational Plan for Active Employment Measures 2014, [www.mtsp.gov.mk](http://www.mtsp.gov.mk)
- Ministry of Labor and Social Policy (2011) National Action Plans for Employment 2011-2013, [www.mtsp.gov.mk](http://www.mtsp.gov.mk)
- Ministry of Labor and Social Policy (2013) National Strategy for Reduction of Poverty and Social Exclusion in the Republic of Macedonia (Revised 2010-2020)
- <http://www.mtsp.gov.mk/?ItemID=BD66FCC3A7FBCB47AB9150CBFECD2C96>
- State Statistical Office Republic of Macedonia (2014) Laeken poverty indicators in 2011, News Release 4.1.14.02, Year LII, [www.stat.gov.mk](http://www.stat.gov.mk)
- The World Bank World Bank (2008) SPIL – "Review of the Social Protection System in the Republic of Macedonia", Skopje: World Bank Project.
- The World Bank (2012) Activation and Smart Safety Nets in FYR Macedonia: Constraints in Beneficiary Profile, benefit Design and institutional Capacity, Western Balkans Activation Study Team, Skopje, The World Bank.

### **6.2. Expert Interviews**

- Irena Todorovska, Ministry of Labor and Social Policy.
- Penka Nikolovska , Center of Social Work, Skopje.
- Biljana Petrushevska, Employment Agency of the Republic of Macedonia

### **6.3. Focus groups**

- Focus group discussions with representatives of social assistance beneficiaries:  
Number of participants – 7 social assistance beneficiaries
- Focus group discussions with representatives of civil society organizations:  
Number of participants – 5 representatives of civil society organizations
- Focus group discussions with representatives of Roma:  
Number of participants – 10 Roma people

