

## SOCIAL POLICY AND EMPLOYMENT

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## **I. LABOUR LAW**

### ***A. The Legal and Institutional Framework***

#### **The legal framework**

##### **1. Does your labour law contain a definition of:**

**a) employed worker (employee)?**

**b) self-employed worker (self-employed person)?**

**c) civil servant/official?**

**d) labour contract and status?**

**e) employer?**

**a)**

Employed worker (employee)

The Labour Relations Law (consolidated text, Official Gazette of the RM No. 80/03), defines employment as a conformed relation between the employee and the employer for the purpose of performing particular tasks and acquiring the rights and obligations of that relationship.

A special definition for the term employed has not been determined.

**b)**

Self-employed person

A self-employed person performs some of the independent activities in reference with the other special rulebooks on independent activities e.g. private practice in the health division, bar and notary service, artistic activities, artisanship. These activities are encompassed with the legal tax and social insurance rulebooks.

**c)**

Civil servant

According to article 3, paragraphs 1 and 2 of the Law on Civil Servants (Official Gazette of the RM Nos. 59/00, 112/00, 34/01, 103/01, 43/02, 98/02, 17/03, 40/03, 85/03, 17/04 and 69/04) a civil servant is a person who performs professional, normative and legal, executive, administrative and supervisory tasks and decides on the administrative matters in compliance with the Constitution and the law and is employed by the state administration bodies, the bodies of the local self-government units and the City of Skopje and the advisory services of the Assembly of the Republic of Macedonia, the President of the Republic of Macedonia, the Government of the Republic of Macedonia, the Constitutional Court of the Republic of Macedonia, the Supreme Court of the Republic of Macedonia, the courts, the Republic Court Council, the Ombudsman, the Public Prosecution, the Civil Servants Agency and the State Audit Office (for more details see [I C 6](#)).

**d)**

Labour contract and status

Employment is established by a conclusion of an employment agreement between the employee and the employer, while in the state administration bodies and the bodies of the local self-government units an employment is established by a decision establishing an employment.

The compulsory provisions of the employment agreement prescribed by the Labour Relations Law are: the grounds for commencing employment; the terms of employment (for a limited or unlimited period of time); the duties of the employee and the place of work ; the commencing date, the procedure for testing working skills; the working hours; vacation and leave; professional and additional training; the basic salary, the payment period and compensations and other rights and obligations in compliance with the law and the collective agreement.

Depending on the type of contract for special cases (e.g. seasonal workers, workers assigned to work abroad, etc.) additional provisions regarding the contents of the agreement are prescribed.

The Labour Relations Law and other laws regulate the basic employees' rights and the obligations and authorisations of the employer. The lowest level of employees' rights is guaranteed, whereas the higher level of rights is regulated by collective agreements, rulebooks on working activities and the employment agreement.

**e)**

**Employer**

The definition of the employer is determined by the Labour Relations Law. The term "employer": means: enterprises and other legal entities performing business activities; establishments and other legal entities rendering public services; state administration bodies: local self-government bodies; and other domestic and foreign natural and legal persons which employ workers. An employer is obliged to provide work for an employee, to pay his wages for the work performed, to comply with the provisions of the Labour Relations Law and other laws, the international agreements, other regulations, collective agreements and rulebooks on working activities.

**2. Does your labour law apply to other categories of employees, apart from persons in paid employment?**

Some of the labour law regulations also apply to other categories of persons that are not engaged in paid employment, especially to: students engaged in vocational training with an employer; students performing public works; persons in professional training, retraining and additional training; volunteers in the judicial and health care system; and others. Some of the provisions of the protection at work regulations and of social insurance regulations mainly apply to these persons as well.

**3. Which categories of workers are not covered by the labour legislation? (e.g. part-time, fixed-term or temporary agency work)?**

Pursuant to the Labour Relations Law, the employers are obliged to notify the employees of employment termination due to economic, technological, structural or similar transformations one month prior to the termination in cases of individual employment terminations or of employment terminations concerning a smaller number of employees; or three months prior to the termination in cases of employment terminations concerning more than 150 employees or 5 % from the total number of employees. At the same time, the employer also notifies the employment agency for the purpose of mediation in the employment of those employees.

**4. Are workers in the public and private sectors treated differently?**

The Labour Relations Law does not treat the workers in the public and in the private sectors differently. The issues relating to the right to strike are regulated by a special law and the regulations referring to the army, the police, the state administration and the public enterprises also contain provisions relating to the right to strike.

The Law on Civil Servants applies to the officials employed in the administration of the three state government branches: the legislative, the executive and the judicial, as well as in the local self-

government, and there are special rules pertaining to their selection and employment, status, rights and obligations, as well as to their disability insurance. The Law on Health Insurance (Official Gazette of the RM Nos. 25/00, 34/00, 96/00, 51/01, 11/02, 31/03) and the Law on Employment and Insurance in Case of Unemployment (Official Gazette of the RM Nos. 37/97, 25/00, 101/00, 50/01, 25/03, 37/04 and 04/05) which apply to the workers in the private sector apply to the civil servants as well.

**5. Which aspects are covered by the Labour Code (i.e. primary legislation passed by Parliament) and which aspects are dealt with by ministerial regulatory action?**

The Labour Relations Law covers the following issues:

- General provisions;
- General conditions for commencing employment;
- Provision on discrimination ban;
- The procedure for commencing employment;
- Conclusion of employment contract;
- Regular and fixed term employment;
- Performing work at home;
- Hiring trainees;
- Working hours;
- Vacations and leaves;
- Protection of employees at work;
- Special protection of women, juveniles and disabled employees;
- Salaries and benefits;
- Association of workers in trade unions and association of employers in employer associations;
- Liabilities;
- Termination of employment;
- Protection of the rights of employees;
- Supervision and inspection in the field of employment;
- Penalty clauses;
- Transitional and final provisions.

The following issues are covered by a regulation at the level of the Ministry of Labour and

Social Policy:

- Keeping records of collective agreements;
- Registration of collective agreements (general and branch)labour agreements;
- Employment booklet;
- Other issues regarding the direct implementation of protection at work;

The special labour relations in certain fields are regulated by secondary legislation – the rulebooks of other ministries.

The following issues are covered by the Law on Civil Servants:

- Employment of civil servants;
- Rights and duties of civil servants;
- System of salaries and allowances for civil servants;
- Liabilities of civil servants;
- Assessment of civil servants;
- Termination of employment of civil servants.

With the decrees brought by the Government of the Republic of Macedonia and the secondary legislation brought by the Civil Servants Agency, the state administration bodies and the other government bodies (the rulebooks, orders, guidelines, plans and programmes), certain provisions of the laws are elaborated for a more successful and efficient implementation.

The secondary legislation which covers the civil servants' issues is:

- Decree for Principles for Internal Organisation of the State Administration Bodies (Official Gazette of the RM Nos. 93/00, 14/02);
- Decree for Description of Titles and Suitability of Positions with the Groups and Titles regulated by the Law on Civil Servants (Official Gazette of the RM No. 93/00);
- Rulebook on the Manner, Procedure and Criteria for Implementation of the Professional and Trainee Examinations (Official Gazette of the RM No. 59/01);
- Rulebook on the Criteria, Standards and Procedure for Employment and Selection of Civil Servants (Official Gazette of the RM No. 59/01);
- Rules on Working Procedures of the Commission of the Civil Servants Agency relating to resolving second instance civil servants' complaints (Official Gazette of the RM No. 59/01);
- Rulebook on the Manner and Procedure of Civil Servants' Assessment (Official Gazette of the RM No. 59/01);
- Rulebook on Specifying Positions with a high life and health risk for the Civil Servants (Official Gazette of the RM No. 96/01);
- Guidelines on the Criteria for granting financial awards to civil servants (Official Gazette of the RM No. 96/01);
- Civil Servants' Code of Conduct (Official Gazette of the RM Nos. 96/01, 16/01);
- Rulebook on the Manner and Procedures for Civil Servants' Data Collection and Processing (Official Gazette of the RM Nos. 68/02, 79/04);
- Guidelines on the annual plan contents for equitable representation of communities (Official Gazette of the RM No. 02/04); and
- Guidelines on the manner of Calculation and Payment of Civil Servants' salaries (Official Gazette of the Republic of Macedonia No. 31/04);

In addition, according to the Law on Civil Servants, every body which employs civil servants is obliged, among other things, to have a rulebook on its internal organisation and job categorisation, on the civil servants' training programme, and an act which determines the manner of the body's operation during the strike.

Sources of legislation in the Republic of Macedonia, apart from the Constitution of the Republic of Macedonia and the laws, include the international agreements ratified by the Assembly of the Republic of Macedonia (Article 188 of the Constitution). At the same time, from the viewpoint of the Ministry of Justice competences, the court practice is also a source of legislation. Namely, in compliance with the Law on Courts (Official Gazette of the RM Nos. 36/95, 45/95, 64/03) the standardisation and unification of the application of law via court practice is within the competence of the Supreme Court of the Republic of Macedonia.

#### **6. What are the main sources of law: international, constitutional, legislation, regulation, collective agreements, custom/conventions, case law?**

The main sources of labour law are the Constitution, the ratified Conventions of the International Labour Organisation, other signed and published international agreements, laws, decrees of the Government, rulebooks of the ministers, collective agreements, rulebooks of the employers on working procedures, and employment agreements.

The main sources for the workers' rights are the laws and the collective agreements.

The civil servants system in the Republic of Macedonia is regulated by the Law on Civil Servants and by the secondary legislation which further regulates the civil servants' issues. Regarding the issues that are not covered by this law and the issues cross-referenced to other law relating to civil servants, the general provisions for employment apply.

#### **7. Is there a hierarchy of norms in respect of these sources of law?**

There is a hierarchy of norms in respect of these sources of labour law and it is structured in the following manner: the Constitution; the Conventions of the International Labour Organisation and

other international agreements; the special laws and Decrees of the Government; the general laws and Decrees of the Government; the Rulebooks of the Ministers, the collective agreements binding on the employers; the Rulebooks of the employers on working procedures and the employment agreements.

**8. Does the system provide for collective labour agreements to be extended to all workers in the sector and territory concerned (e.g. at regional or national level)?**

The Labour Relations Law provides for the extension of nearly all the types of collective agreements to all the workers in the territory or the sector concerned i.e. profession. Therefore, the collective agreements in the Republic of Macedonia may be concluded at the level of the Republic and of the branch, or the employer.

At the level of the Republic there are two General Collective Agreements for the employees and the employers in the economic sector and in the sector of public services, public enterprises, state administration bodies, local self-government bodies and other legal persons performing non-economic activities.

These two General Collective Agreements are directly applicable and compulsory for both the employees' and the employers' organisation that concluded the agreement and for every employee and employer in whose names the agreement has been made.

At the branch level, the collective agreement is directly applicable and compulsory for the employees' and employers' organisations that concluded the agreement, but not for the employees and the employers that are not members of the organisations who have concluded the agreement.

The same applies to the collective agreements at the employer's level.

The above stated facts lead to the conclusion that the system of collective agreements in the Republic of Macedonia provides for total inclusion of all employees in a given sector or territory.

**9. At what levels are collective agreements generally concluded (national, industry-wide, company, plant)?**

Our legal system, according to the Labour Relations Law, allows for conclusion of collective agreements at three levels: national, branch and employer level.

Two General Collective Agreements have been concluded so far: one for the private and another for the public sector (for more details see [13 I A 8](#)).

There are thirty one collective agreements at a branch level concluded in certain branch or areas in the private and public sector.

The data are taken from the General and Branch Collective Labour Agreements Register which, in accordance with the Labour Relations Law, is kept in the Ministry of Labour and Social Policy of the Republic of Macedonia.

**10. Does your country's legal system apply a "concessionary" principle whereby a norm lower down the legal hierarchy may modify the content of a higher-ranking norm provided that the effect is favourable to workers?**

The labour law in the Republic of Macedonia is based upon the "concessionary" principle. Pursuant to the Labour Relations Law, if a certain employment right is arranged differently by an employment agreement, an employer's rulebook on working procedures, a collective labour agreement or a law, then the more favourable right applies to the worker if not determined otherwise by this or some other law. Pursuant to the Labour Relations Law, the labour collective agreement cannot have provisions that diminish worker's rights or establish less favourable working conditions than those provided by law, and if such provisions are present, the appropriate more favourable provisions of the law apply.

The provisions and acts which regulate worker's rights must not contravene the collective agreement unless they are more favourable for the worker.

#### **11. Which court or courts are competent to deal with industrial disputes?**

There are no specialized labour - social courts in the Republic of Macedonia. The basic courts are competent for the industrial disputes in the first instance, the appellate courts in the second instance, while the Supreme Court of the Republic of Macedonia decides upon the extraordinary legal remedies.

The courts of first instance which are determined by the Law on Courts (Official Gazette of the RM Nos. 36/95; 45/95; 64/03) are competent for the industrial disputes in the Republic of Macedonia.

#### **12. Is there a labour inspectorate responsible for the monitoring of working conditions?**

There is a special Labour Inspectorate within the Ministry of Labour and Social Policy. The Republic of Macedonia has incorporated in its legal system Conventions Nos. 81 and 129 of the International Labour Organisation concerning labour inspection. These conventions were taken over with the Constitutional Law for Implementation of the Constitution, pursuant to which the Republic of Macedonia, being a legal successor of the Socialist Federal Republic of Yugoslavia, has adopted the rights and obligations from the ratified conventions).

#### **13. Does your labour law contain provisions on the protection of workers' personal data?**

There are no special provisions relating to this issue in the Labour Relations Law. The workers personal data protection is regulated by special laws which provide and secure the protection of the workers' personal data and the manner of their usage. The special laws regulating this matter are the Law on Labour Record Keeping (Official Gazette of the RM 16/04), the Law on Pension and Disability Insurance (Official Gazette of the RM No. 16/04) and with the Law on Personal Data Protection (Official Gazette of the RM No. 07/05).

### **The institutional framework**

#### **14. In what way does the State intervene in social matters (e.g. procedure for drawing up norms; government institutions responsible; administrative institutions responsible for applying norms)?**

The State in its Constitution guarantees the right to work and a free choice of employment, equal opportunities at work, the right to earnings sufficient for a free and dignified life, and other basic employment rights. The rights of workers and members of their families concerning social security and social insurance are regulated by laws and collective agreements, whereas the rights regarding child birth, maternity leave and child care are regulated by a law. The ratified conventions of the International Labour Organisation and the bilateral agreements on social insurance are incorporated into the national legal system and are above law. Most of the draft laws and proposals for amending laws are prepared by the competent ministries and proposed to the Assembly by the Government, after a previous review by the Economic and Social Committee, the three-party consultative body of the three social partners. A law may be proposed by any Member of the Assembly, or by a group of at least 10,000 voters as well. Any citizen, a group of citizens or an association may submit an initiative for passing a law to the Assembly.

Regarding the social matters, the State intervenes in the following ways:

- By adopting laws and other regulations determining the basic level of workers' rights and providing the possibilities for arranging more favourable rights for workers by other legislation, by establishing an institutional framework for organisation and the activities of trade unions and employers' associations by concluding collective labour agreements and regulating their

legal effects: strike and lockout, social partnership etc. and by providing penalty provisions for strengthening the obligation to act in accordance with laws;

- By providing protection of rights before the courts and supervising the application of regulations through the competent inspections, including the labour inspection; by providing application of the International Labour Organization conventions and other international agreements, laws and other regulations;
- By negotiating with trade unions and concluding the collective agreements that regulate the working conditions in the public sector, while appointing representatives in the managing boards of the state owned or majority state owned enterprises participates in and stimulates the collective agreements at the level of enterprise or activity;
- By the establishing and the managing the public institutions: the Pension and Disability Insurance Fund of the Republic of Macedonia, the Health Insurance Bureau and the Employment Agency of the Republic of Macedonia, where the employees exercise their rights to pension, disability, health and unemployment insurance.

## ***B. Employment and Employment Protection***

### **Recruitment**

#### **1. Are employers free to take on whatever workers they wish? Are there specific anti-discrimination provisions (racial ethnic origin, religion or belief, disability, age or sexual orientation)?[Please give details of the legislative or regulatory framework relating ]**

According to the Labour Relations Law, employers freely decide how many workers and whom they will employ. An employer may satisfy employment needs by putting a public notice in the daily press, by announcing the need through the employment agencies, by recruiting the workers directly, without a public announcement or by recruiting them through private employment agencies.

Pursuant to the same law, any direct or indirect discrimination on grounds of race, skin colour, sex, age, health condition, i.e. disability, religious, political or other beliefs, membership in trade unions, national or social origin, family status, property or economic status or other personal circumstances is prohibited.

According to the Law on Civil Servants, the employment in the state administration complies with two basic principles: equal access to the jobs in the public sector and selection on the basis of skills. This is in compliance with Article 32, Paragraph 2 of the Constitution of the Republic of Macedonia which stipulates that all jobs are available to all persons under equal conditions. The basic way for commencing employment as a civil servant is on the basis of a public announcement and a professional/trainee examination.

The principle of equitable representation of the members of ethnic communities in the civil administration bodies and in the other public institutions at all levels is one of the fundamental values of the constitutional order in the Republic of Macedonia. This principle is further elaborated in the Law on Civil Servants, where the criteria of expertise and competence are respected above all when the employment of citizens belonging to the ethnic communities in the Republic of Macedonia is concerned.

#### **2. Does the State hold a monopoly over placement services for certain workers? [Please give details of the legislative or regulatory framework relating ]**

The State does not hold a monopoly over placement services for any workers. The Employment Agency of the Republic of Macedonia is established as a public institution for keeping records of the unemployed persons, for carrying out employment preparations and an active employment policy, for clearing of vacancies in the country and abroad, and for safeguarding the workers rights during



unemployment. The above mentioned activities, except for safeguarding the rights during unemployment, may be carried out by other private employment agencies as well, provided that they have a certificate from the Ministry of Labour and Social Policy regarding the fulfilment of the legal conditions for employment mediation.

**3. Has provision been made for protecting workers' private data? [Please give details of the legislative or regulatory framework relating ]**

There are no general legal provisions preventing the employers from requesting the workers' personal data in the Labour Relations Law. There are also no provisions obliging the workers to present their personal data in relation to a certain employment right or to their protection.

According to the Law on Civil Servants, the Civil Servants Agency keeps a Central Civil Servants Register which is the only existing electronic database for the civil servants. The manner and the procedure for collection and processing of civil servants' data are determined regulated by the Rulebook on manners and procedures for collection and processing of civil servants' data which has been adopted by the Civil Servants Agency. The data from the Central Register are classified.

**4. What legal forms are there governing employment relations (e.g. open-ended contracts; fixed-duration contracts; temporary work; part-time work; other forms)?**

The Labour Relations Law provides the following types of employment contracts:

- open-ended contracts
- fixed-duration contracts
- trainee contract for an indefinite or definite period of time,
- employment contract on seasonal works,
- employment contract on work at home,
- employment contract on sending to a post abroad.

The weekly working hours, which may be full time or shorter, are an obligatory part of the aforesaid contracts.

Fixed-duration employment contract may be concluded for posts of temporary by nature, for three years with or without breaks. Break of work shorter than thirty working days is not deemed as a break. Employment relation for a definite period of time may be established until the return of the temporarily absent employee.

In accordance with the Law on Civil Servants, the service is established only for an indefinite period of time.

**5. Are these various relations subject to formal conditions (e.g. written contracts with certain compulsory clauses)?**

Pursuant to the Labour Relations Law, the employment agreement is concluded in a written form and is verified by an authorised employment agency. There is a legal obligation that the employment agreement should be kept at the employer's working premises and that the employer should provide the employee with one verified copy of the agreement.

The employment agreement contains provisions, pertaining in particular to:

- type of work;
- term of employment;
- duties of an employee regarding individual jobs;
- place of work;
- commencing date;

- procedure for testing working skills, should this be a prerequisite for commencing employment;
- working hours;
- vacations and leaves;
- professional training and further training;
- basic salary and the pay period;
- protection at work;
- termination of employment;
- other employment rights and obligations comply with the law and the collective agreement.

The decision for commencing employment in public administration bodies must be in writing.

**6. Are employers required to provide their workers with information on their conditions of work? What kind of information has to be supplied? Does this also cover workers who are required to work in another country?**

Pursuant to the Labour Relations Law, the employers are required to inform employees about the prescribed measures and standards for protection at work in accordance with the law and the collective agreement, as well as to notify them of all the dangers at work and of the rights and obligations regarding the protection at work and working conditions. The obligations of informing and notifying with regard to the above mentioned issues also apply to the employees sent to work abroad.

## **Employment protection**

**7. What legal provisions apply to the suspension of a labour contract for maternity and parental leave?**

Pursuant to the Labour Relations Law, female employees are entitled to nine month continuous leave during pregnancy, birth and maternity, and to a one-year leave for birth of more than one child. Female employees who have adopted a child or children are entitled to a maternity leave under the same conditions. Fathers and male child adopters have this right too.

While exercising the above right, the employment rests, and after the leave the employee may return to the same or to another appropriate job.

**8. Does the legal system make provision for a system of compensation where a labour contract is suspended for economic reasons (e.g. supply difficulties)?**

Pursuant to the Labour Relations Law, workers who had their employment terminated due to economic, technological, structural or similar transformations are to be provided with a one-off compensation by the employer in the form of a severance pay in the amount of worker's one-month up to three-month salary, i.e. for every three years of length of service with the employer where their employment terminates, and not exceeding eight monthly salaries of the month preceding the day of the termination of employment. The employer may pay more than the amount determined by law. After the employment termination, an employee is entitled to an appropriate financial unemployment insurance compensation pursuant to the special Law on Employment and Insurance in Case of Unemployment (Official Gazette of the RM Nos. 37/97, 25/00, 101/00, 50/01, 25/03, 37/04 and 04/05). Furthermore, an employer may provide an employee with training or retraining for employment with another employer.

**9. Does the legal system include certain rights with regard to collective redundancies?**

The regulations make no distinction in the provision of the right to a severance pay between the cases of individual and collective employment termination.

Pursuant to the Law on Civil Servants, in cases of employment termination due to abolishing or merging the body, limiting the competences, downsizing or changes in the internal structure with termination of jobs due to structural changes in the state administration bodies, the civil servants have the rights stipulated by the Labour Relations Law and the Law on Pension and Disability Insurance (Official Gazette of the RM No. 80/93).

#### **10. What is the definition of collective or economic redundancy/dismissal?**

Pursuant to the Labour Relations Law, workers may have their employment terminated by notice due to economic, technological, structural or other similar transformations, in cases when employers plan to introduce major changes in production, programming, reorganisation, structure and technology, requiring reductions in the number of employees.

Pursuant to the Law on Civil Servants, in case of abolishing or merging the body, limiting the competences, downsizing or changes in the internal structure with termination of jobs due to structural changes in the state administration bodies, the civil servants carrying out those activities may be reassigned within the same body to jobs in same or lower position. Civil servants who are single parents or adopters of a child up to seven years of age, parents of disabled children, labour disabled persons, and civil servants with the spouse employed with the same employer shall be given priority with reassignment.

#### **11. Do workers' representatives have a right to be informed and consulted?**

Pursuant to the Labour Relations Law, the employers are obliged to notify the employees of employment termination due to economic, technological, structural or similar transformations one month prior to the termination in cases of individual employment terminations or of employment terminations concerning a smaller number of employees; or three months prior to the termination in cases of employment terminations concerning more than 150 employees or 5 % from the total number of employees. At the same time, the employer also notifies the employment agency for the purpose of mediation in the employment of those employees.

#### **12. Who are the workers' representatives in such cases and in what way are they designated?**

In such cases, a trade union representative is the one elected by the workers he represents. A trade union representative, according to the Law on Labour Relations, is a person freely elected by the trade unions, trade union members or employees, in accordance with the statute, and who is legally registered in the Trade Unions Register in compliance with the Law on Labour Relations. That Register is kept at the Ministry of Labour and Social Policy.

#### **13. Under what conditions do they exercise these rights?**

The activities of the trade unions and their representatives may not be limited by employers' acts if they comply with the law and the collective labour agreement. The employer is obliged to provide conditions for the trade union activities regarding the protection of employees' rights stemming from their employment.

The trade union representatives are specially protected and may not be held liable, nor may they find themselves in an unfavourable position, including termination of their employment due to a membership in the trade union or to participation in the trade union activities for the protection of employees' rights and interests.

#### **14. Do the public authorities have a role to play in the procedure (e.g. is there a requirement to give notice of planned redundancies to the public authorities to give them a certain time to seek solutions to the problems likely to be caused by such redundancy measures)?**

Pursuant to the Labour Relations Law, the Employment Agency has this role before and after adopting the decision on dismissal of workers. In case an employer requests a help of an

employment agency, the agency is obliged to establish a special commission consisting of representatives of the employment centre (at the municipality level), of the trade union (at the employer's level), and of the entity of the local self-government unit. This commission provides professional and advisory assistance to the employer and the employees prior to their dismissal.

**15. Does the legal system include rights in respect of individual redundancy/dismissal?**

The workers' rights are the same in individual as well as in collective dismissal cases. They are entitled to a period of notice and severance pay, to training and retraining. However, the scope of their rights depends on the length of service with the employer.

**16. Does the system guarantee that labour contracts continue to apply where a firm changes hands?**

Our system, or more specifically, the Labour Relations Law, does not contain a particular provision of such kind. However, the employees who continue working after the change of employer, have the same rights regarding their employment as before the change.

**17. What conditions apply in such cases?**

In cases of change of employer, the employment relation remains the same unconditionally and with same contents. The Labour Relations Law regulates in general terms the legal consequences of a change of employer or the legal consequences of a permanent or temporary transfer a part of the enterprise, plant, facility, trading company, institution or other legal or natural person.

**18. In such cases, does the system provide protection for dismissal? Are the transferor and the new employer required to inform and consult workers' representatives? Do these rights apply where the transferor is in the process of being declared bankrupt?**

In such cases, the employment continues in compliance with the law, and all the legal provisions for the reasons and the dismissal procedures apply to dismissals by the new employer as if there were no changes of employer.

In addition, the general provisions of the Labour Relations Law regarding notifying and consulting the workers' representatives apply to the new employer too.

**19. Does the legal system provide for unemployment benefit? Is such provision made in the labour law or in the social security law?**

Pursuant to the Labour Relations Law, workers who had their employment terminated due to economic, technological, structural or similar transformations are entitled, among other things, to a one-off compensation by the employer in the form of a severance pay in the amount of one to three monthly salaries, i.e. for every three years of length of service with the employer where their employment terminates, and not exceeding eight monthly salaries of the month preceding the day of the termination of employment, payable at the day of employment termination.

Pursuant to the same law, the employer may pay the employee a one-off compensation in the form of a severance pay which is higher than the statutory one.

In addition, pursuant to the Labour Relations Law, the worker entitled to a severance pay is also entitled to a financial benefit and other rights on the basis of unemployment.

The right to financial benefit in case of employment termination is provided by the Law on Employment and Insurance in Case of Unemployment (Official Gazette of the RM Nos. 37/97, 25/00, 101/00, 50/01; 7/02; 25/03; 37/04, 04/05).

Conditions for acquiring the right to financial benefit

The right to financial benefit is reserved for unemployed persons who were continuously employed for at least nine months or discontinuously employed for twelve months during the last eighteen months and whose employment has been terminated without their guilt or will.

Pursuant to Article 67 of the Law on Employment and Insurance in Case of Unemployment, the right to financial benefit is not reserved for unemployed persons whose employment has been terminated due to:

Submission of a written statement by the worker that he/she wishes to terminate his/her employment, unless the statement has been filed because of the spouse's change of address or due to marriage;

- Termination of employment by agreement;
- Exercising employment rights against the law;
- Termination of employment enforced by law, except in cases of legal entity termination due to bankruptcy;
- Unjustified absence from work for three consecutive work days or for five discontinued work days in the course of one year;
- Termination of employment on the basis of employer's notice of violation of working discipline or to nonfeasance of the responsibilities determined by the law, the collective agreement and the employment contract;
- Refusal to fulfil the working duties of the position they have been reassigned to in compliance with the law;
- Refusal to be reassigned with another employer by agreement, in compliance with the law;
- Refusal of training, retraining or additional training for another position with the same or different employer which has been provided to them in compliance with the law;
- Loss of working ability according to the pension and disability insurance regulations;
- Fulfilling the conditions for exercising the pension rights.

### **The amount of financial benefit**

Article 68 of the Law on Employment and Insurance in Case of Unemployment lays down the amount of a monthly financial benefit during unemployment at 50 % of worker's average monthly net salary in the last 24 months for the persons entitled to financial benefit for up to 12 months, and 40% for the persons entitled to financial benefit for longer than 12 months. The financial benefit may not be higher than 80 % of the average monthly net salary in the Republic of Macedonia set out for the previous month.

### **Financial benefit payment period**

Pursuant to Article 71 of the Law on Employment and Insurance in Case of Unemployment, the financial benefit payment period depends on the period during which the unemployed person has been insured for unemployment. The financial benefit is paid to the unemployed person in case:

- For 3 months, if the person has been continuously insured for at least 9 months or discontinuously insured for 12 months during the last 18 months;
- For 4 months, if the person has been continuously insured for at least 24 months or discontinuously insured for 48 months during the last 3 years;
- For 6 months, if the person has been insured for more than 5 to 10 years;
- For 8 months, if the person has been insured for more than 10 to 15 years;
- For 12 months, if the person has been insured for more than 15 years;

An unemployed person that has been insured for more than 15 years, but still lacks at least 5 years to become eligible for old-age pension, is paid a financial benefit until his/her employment, i.e. until any of the conditions for termination of the financial benefit right is not fulfilled.

### **Termination of the financial benefit right**

Pursuant to Article 77 of the Law on Employment and Insurance in Case of Unemployment, the right to unemployment financial benefit terminates if the person:

- Commences employment;
- Establishes a trade company, enterprise or other legal entity;
- Carries out artisanship or another professional activity;
- Refuses to report to the employer he/she has been sent to by the Employment Agency in order to commence employment;
- Refuses to commence employment with the employer he/she has been sent to by the Employment Agency;
- Refuses full-time employment or part-time employment not shorter than half of the full-time, which is compatible to his/her education, skills and abilities;
- Refuses training, retraining or additional training compatible to his/her professional qualifications, skills and abilities, or willingly terminates training, retraining or additional training;
- Fulfills the conditions for acquiring the pension rights or retires;
- If a competent service finds out that the unemployed person works or is engaged in an illegal activity;
- Loses the working ability on the day of determination of the working ability loss;
- Unjustifiably refuses temporary employment in extraordinary circumstances (floods, earthquakes, necessary agricultural work etc.) which is organised by a competent body for elimination of consequences or prevention of occurrence;
- Refuses engagement in public works;
- Refuses employment at a position requiring lower qualifications than theirs if before the unemployment they had willingly worked at such a position or had stated that they would have accepted a job requiring lower qualifications;
- Starts serving an imprisonment sentence of more than six months;
- Does not report at the Employment Agency at the set date;
- Unjustifiably does not report to the Employment Agency upon an invitation;
- Within eight days does not notify the Employment Agency of every change that is a condition or grounds for acquiring, realisation or loss of the right to financial benefit.

Apart from the above law, there is also the Social Protection Law (Official Gazette of the RM No. 50/97, 16/00 17/03 and 65/04) providing for a special system of social care.

This law stipulates the following rights:

- The right to permanent financial benefit;
- The right to one-off financial benefit; and
- The right to social benefit.

Persons unfit to work, persons with no social security and persons unable to provide means of subsistence on the basis of other regulations are entitled to permanent financial benefit. Persons with mild, moderate or profound intellectual disability; persons with physical impediments; single mothers during the pregnancy, one month before giving birth; and single parents of children under three years of age; children under the age of fifteen or under the age of twenty-six if regularly attending school; and persons over the age of sixty-five are considered unfit to work.

The permanent financial benefit is a basic financial right of the beneficiaries, it is calculated according to the average monthly net salary per worker in the Republic of Macedonia in the last three months, and it amounts to:

- 20 % of the salary base determined by law, for single beneficiaries;
- 28 % of the salary base determined by law, for beneficiaries supporting one person;
- 40 % of the salary base determined by law for beneficiaries supporting two or more persons.

The right to permanent financial benefit is exercised as long as the beneficiary is unfit to work and financially insecure.

In the Republic of Macedonia, the right to permanent financial benefit for April 2004 was exercised by 5.172 beneficiaries. The funds paid for that month amounted to 14.97.382,00 MKD.

The right to one-off financial benefit or benefit in kind is provided for in the Social Protection Law and in the Rulebook on the calculation of the one-off financial benefit amount (Official Gazette of the RM Nos. 2/03 and 57/03).

This right is granted to persons or families with a poor social status due to natural disasters, epidemics, death, longer medical treatment in a hospital or in other social crises, and to social beneficiaries that have taken agricultural land for free cultivation.

The one-off financial benefit is calculated according to the average monthly net salary per worker in the Republic of Macedonia in the last three months. The highest amount of the one-off financial benefit may be up to two average monthly net salaries per worker in the Republic of Macedonia, while the lowest amount of the one-off financial benefit is up to 30% of the average monthly net salary per worker in the Republic of Macedonia.

Benefit in kind means providing clothes, food and other means necessary for minimum existence.

In the Republic the right to one-off financial benefit for April 2004 was realized by 1.922 households. The paid funds for that month amounted to 3.049.840,00 MKD.

Pursuant to the Social Protection Law, the Government of the Republic of Macedonia adopted the Decision on the conditions, criteria, height, manner and procedure of calculation and realisation of the social benefit right (Official Gazette of the RM Nos. 15/98, 21/98, 28/01, 23/02, 91/02, 37/03 and 59/03).

Social benefit may be used by persons fit to work yet socially insecure and unable to provide means of subsistence due to other regulations. Social benefit is granted to households where the beneficiary is:

- An employed person with incomes lower than the allocated social benefit;
- A retired person with incomes lower than the allocated social benefit;
- An unemployed person;
- Beneficiary of permanent financial benefit.

The amount of the social benefit is calculated according to the relative poverty line, which at annual level amounts to 36.000,00 MKD, i.e. 3.000,00 MKD per month.

The social financial benefit for a one-member household is established at the level of 57% of the calculated relative poverty line and amounts to:

- 1.700 MKD for one-member households;
- 2.200 MKD for two-member households;
- 2.800 MKD for three-member households; and
- 3.600 MKD for four-member households and 4.200 MKD for households of five and more members.

The social benefit in the Republic of Macedonia was used by 64.164 household in April 2004. A total of 139.283.177,00 MKD has been paid off.

The social financial benefit is paid from the day of acquiring this right, and in the amount established by the Decision for the duration of the first 24 months. During the third, fourth and fifth year, it is paid in the amount of 70% of the established base. In the fifth year, it is paid in the amount of 50% of the established base.

## **C. Conditions of Work and Pay**

### **Conditions of work**

#### **1. What penalties can employers impose in cases of non-performance of work?**

Pursuant to the Labour Relations Law, in cases of non-performance of work, the employer may terminate the employment agreement due to employee's inability to perform working duties, due to violation of the rules of order and discipline at work etc. Apart from the termination of employment by dismissal, the employer may substitute a dismissal with a fine which cannot be higher than 15% of the worker's monthly salary for the duration of one to six months.

The law and the collective labour agreement contain more precise provisions for the cases, conditions and types of dismissal, as well as the criteria and manner of the employment termination by dismissal.

Pursuant to the provisions of the Law on Civil Servants, the civil servant is personally responsible for the performance of the working duties. For violation of the duties, all civil servants, except the General Secretary i.e. State Secretary, are disciplinary liable. The liability for the committed criminal offences and misdemeanours does not exclude the disciplinary liability of the civil servant.

The civil servant is disciplinary liable for disorderly conduct and discipline offences.

Disorderly conduct means a minor, insignificant violation of the official duty i.e. a minor violation of the respectability of the service or of the civil servant.

A discipline offence is a serious, significant violation of duty i.e. severe violation of the respectability of the duty, of the service or of the civil servant.

For violation of the official duty, one of the following disciplinary measures may be imposed on the civil servant by an official decision:

1. Public notice;
2. Fine of 10% to 30% of the monthly salary paid in the last month prior to the violation; and
3. Employment termination.

A disorderly conduct is defined as:

1. arrival at work later or leaving the work earlier than the scheduled working hours in spite of the notice given by the superior civil servant;
2. disorderly keeping of official records and data;
3. unjustifiable absence from work for up to two working days in the course of one calendar year; and
4. not displaying the badge with the personal name if such an obligation exists.

A discipline offence is defined as:

1. non-performance or unconscientious, improper, untimely or negligent performance of duty;
2. expressing and advocating political beliefs while performing official duties;
3. refusal to provide the data or giving the incorrect data to state administration bodies, legal entities and citizens if providing information is prescribed by law;
4. illegal disposal of assets;



5. refusal to perform official duties at the appointed position or refusal to carry out orders given by the superior civil servant;
6. non-compliance with the provisions of Article 27, paragraph 2 of the above law;
7. not taking or partially taking prescribed measures for securing the confided files;
8. causing a major material damage;
9. repetition of disorderly conduct;
10. accepting gifts and other types of abuse of position; and
11. refusal of the assigned professional training.

Discipline offences from points 1 to 10 are fined with an amount of 10% to 30% of a monthly salary paid to the civil servant in the month prior to the offence, and if there were any damaging consequences for the service, and there were no extenuating circumstances for the responsible civil servant, the measure of employment termination is taken.

The discipline offence from point 11 may be fined with an amount of 10% to 30% of a monthly salary paid to the civil servant in the month prior to the offence.

The appropriate disciplinary measure for the discipline offence perpetrated by the civil servant is pronounced by the minister, i.e. the official in charge of the body, but after a completed disciplinary procedure proposed by the Committee for carrying out disciplinary procedures for discipline offences. The disciplinary measures for disorderly conduct against the civil servant are pronounced by the minister i.e. the official in charge of the body, upon a written report submitted by the superior civil servant.

## **2. Does the legal system give workers certain basic rights, such as human dignity at work?**

On the basis of the provision of the Constitution of the Republic of Macedonia (Article 25), referring to the guaranteed respect and protection of privacy and dignity, there are provisions in the labour legislation and the international documents covering the issues of human dignity at work.

In this respect, the Labour Relations Law contains a special chapter of provisions for protection of employees at work. Such provisions regulate the issues relating to the employer's obligations regarding the provision and implementation of protection at work in compliance with the above law and other regulations and collective labour agreements.

## **3. What is the minimum age for employment?**

The minimum age for employment is the age of fifteen.

## **4. From what age and under what conditions may children perform minor jobs?**

The Labour Relations Law does not provide possibilities for employment of children under fifteen, so there are no conditions under which children may perform minor jobs.

## **5. What other steps have been taken to protect their physical and moral integrity?**

The Labour Relations Law stipulates the following measures for the protection of the physical and moral integrity of children:

- Ban on underground work in mines;
- Ban on work involving strenuous physical labour which may be harmful or threatening to their health and lives;
- Previous examination of the general health and ability (stipulated by secondary legislation);
- Ban on work in night shifts in industries, building construction and transport, except when compelled by public interest, and with the approval of the state administration body competent for labour related issues.

Employed children may use annual leaves increased by seven working days more than the maximum.

**6. Are there specific provisions concerning the number of hours that people of less than 18 years may work? If so, what do they specify?**

Pursuant to the Labour Relations Law, employees under 18 years of age cannot be assigned to work longer than full time. The Law does not allow for overtime work and longer working hours for these employees.

**7. Are there general arrangements concerning working time?**

Pursuant to the Labour Relations Law, full working time is 40 hours during a working week. The employer may introduce working time shorter than 40 hours per week (shortened working hours), under the conditions provided by this Law.

**8. What is the maximum weekly working time?**

Full time work must not exceed 40 hours per week.

In cases of force majeure, extraordinary circumstances, extra increase of work volume and other cases of urgent and necessary needs determined by the law, the employee's working time may exceed 40 hours, but not more than 10 hours per week (apart from the obligatory 40 hours).

The working time that is longer than 40 hours per working week may last as long as it is necessary to eliminate the dangers, i.e. to prevent the harmful consequences.

**9. What are the different ways of organising working time (e.g. annualisation; flexitime; overtime, etc.)?**

Employees may sign employment contracts for full working time or for reduced working hours. The working hours of employees whose health cannot be protected from harmful effects by protective measures, may work with reduced working hours, proportionate to the harmful effects to their health or working capability, but not less than 30 hours per working week.

Employers may assign shorter working hours per week when work is organised in shifts, but not less than 32 hours per week for employees working in shifts.

An employer may also assign shorter working hours for the completion of everyday duties in a smaller scope or if the disposition of the work requires so.

Overtime is prohibited for persons under the age of 18, for female employees during pregnancy or with children under the age of 2. There is an exception for female employees with children over one year of age who are permitted to work overtime only at their request.

Another exception for overtime work is made for single parents whose children are under the age of 7 or disabled, solely on the basis of their written consent.

One of the parents of disabled children is permitted to work half of the full working hours in cases when either both parents are employed or if the parent is self supporting, based on the findings of a competent medical board, and if the child is not placed in a social or a medical institution. The reduced working hours in this case are considered full working hours.

The working hours may be rearranged if this is required by the disposition of the activity, work or duties, the organisation of work, for better labour utilisation and more rational use of working hours, so that the total working hours in average do not exceed 40 hours per week during the year.

## **10. What is the system of paid leave?**

During the course of one calendar year, the employees are entitled to annual leave of minimum 18 and maximum 26 working days. Employees who have not accumulated one year of employment in the calendar year in which they have commenced employment, are entitled to annual leave of two working days for each month of employment, but not exceeding 18 working days. The duration of annual leave for employees working under specific working conditions is determined by branch collective agreements, but may not exceed 36 working days. The duration of annual leaves longer than the prescribed, is determined by collective agreements or employment contracts. Employees are permitted seven days leave from work during the calendar year with a compensated pay, in cases and under conditions determined by the collective agreement, particularly in cases of marriage, death of a close family member, for professional or other kinds of examinations on the employer's request.

## **11. What protection is there for night workers?**

Working hours between 10:00 p.m. and 6:00 a.m. the following day, and in agriculture between 10:00 p.m. and 4:00 a.m. the following day, are considered night work.

Night working hours represent a specific working condition, when determining the rights of employees.

Female employees working in industries and building construction can not be assigned to night shifts unless a minimum seven hour break has been provided between 10:00 p.m. and 5:00 a.m. the following day.

This prohibition does not pertain to female employees granted special authorisations and responsibilities or those engaged in health, social or other services for protection of employees.

As an exception, female employees may be assigned to night shifts when it is necessary to continue interrupted work due to force majeure or when it is necessary to prevent damages to raw materials or other substances, or when compelled by particularly critical economic, social and similar circumstances and under condition that the employers are granted approval for initiating such endeavours by the Ministry of Labour and Social Policy.

Employees are entitled to an increased salary for working during night hours.

## **12. Do social partners have a role to play in implementing the various forms of organising working time?**

Regulations determine only the maximum weekly working time, a continuous rest of at least 12 hours between two consecutive working days, the break of 30 minutes during the working day, and for the protected group of employees (under the age of 18, female employees, pregnant women, parents of small children and single parents) restrictions on night work, overtime work, and work within the rearranged working hours. Within the legislative framework, the social partners may sign collective agreements and determine the scheduled working time according to the needs of the employers too, with the restrictions prescribed by the central authorities for the government bodies and public services.

## **13. Does the system provide protection of workers with part-time or fixed-duration contracts and workers supplied by temporary employment agencies?**

The system as well provides protection of workers with employment contracts for part time jobs and with the fixed term employment. Such employment may be continued for the duration of up to three years (fixed term employment). If there is a need for the extension of a contract, it is transformed into regular employment.

There are no legal restrictions on the duration of the employment contracts for part time jobs.

**14. What protection is there in the event of major change in working conditions?**

A major change in working conditions is not by itself a justified reason for termination of employment. Employers are obliged to discuss their intentions to introduce new technology and changes in the structure and organisation of work with the trade union. In such cases, employers are obliged to provide the employees with the possibility of employment with another employer, training, re-training or additional training, or with severance pay - according to the abilities of the worker and the needs of work.

**Pay**

**15. Is there a guaranteed minimum level of pay? Is this a statutory minimum or is it subject to collective agreement? How is pay determined? What are the relevant criteria?**

The minimum level of pay is not guaranteed and it is not a statutory minimum.

Pursuant to the Labour Relations Law, the salaries of employees may not be lower than the lowest salary which is determined for particular levels of work complexity, according to law or the respective collective agreement.

The minimum pay for the lowest level of work complexity is determined and published by the signatories of the General Collective Labour Agreement at least once on quarterly basis. When determining the minimum pay, the following is taken into consideration: the cost of living, the economic opportunities, the general level of salaries in the country, the productivity level, the social allowances and other economic and social allowances.

**16. In what way is the payment of wages and salaries guaranteed?**

Pursuant to the Labour Relations Law, the salaries are calculated and paid at least once a month. Employers are obliged to keep records of the calculated and paid salaries and to issue a document to the employees for the payment of salaries compensations and contributions.

**17. Do workers enjoy a general privilege over the employers' goods and assets for payment of wages and salaries?**

The Bankruptcy Law (Official Gazette of the RM No. 17/04) stipulates that the claims on unpaid salary contributions for pension and disability insurance by the employees have priority for collection from the employer's bankruptcy estate to the creditors' claims.

**18. Are there additional guarantees where the employer is insolvent? More particularly, does the system provide for the creation of special guarantee institutions to protect the claims of workers owed money because of the employers' insolvency? How do such institutions work and how are they managed?**

Our system does not provide for special guarantee institutions.

**19. Are there schemes for worker participation in profits, shareholding, etc.?**

The Labour Relations Law stipulates that the salaries of the employees are provided from the employers resources, in proportion to the work rendered and their participation in the profit, according to the conditions and criteria stipulated in the law and in the collective agreement. The General Collective Labour Agreements for the economic (Official Gazette of the RM Nos. 29/94, 87/01) and

non-economic sectors (Official Gazette of the RM Nos. 39/94, 73/01) of the Republic of Macedonia also stipulate that employees are entitled to salaries in proportion to their participation in the profit, according to the conditions and criteria stipulated by the collective labour agreement at branch level and/or at the employer's level. Therefore, if the collective labour agreement at branch level and/or at the employer's level determines the criteria and conditions, the worker may be paid in proportion of the participation in the profit.

#### ***D. Industrial disputes***

##### **1. Is there a special court to deal with disputes under collective agreements?**

There is no special court to deal with disputes under collective agreements. The protection is provided at the basic courts, since labour disputes are under their jurisdiction.

##### **2. Is there a right to strike?**

The right to strike is guaranteed by the Constitution of the Republic of Macedonia, and is regulated by the Labour Relations Law, the Law on Strike (Official Gazette of the Socialist Federal Republic of Yugoslavia No. 23/91) and other special laws (e.g. concerning the state administration, the police, the army, and the public enterprises).

The unions and their associations have the right to organize strike for the purpose of enforcing employees' economic and social rights. The organisation and participation in a lawfully conducted strike is not a violation of the employment obligations. The organisation and participation in a strike contrary to the provisions of the law is a violation of the employment obligations, which may result in employment termination.

According to the Law on Civil Servants, the civil servants have a right to found unions for attaining their economic and social rights. They may be union members under the conditions determined by law and have a right to strike.

##### **3. How is the right to strike regulated?**

Pursuant to the Law on Strike, the employer must be informed about the strike. The decision to go on strike contains the workers' requests, the time when the strike begins and the place of the strike. A body (the Strike Committee) is formed to represent the interests of workers and to lead the strike.

The Strike Committee is obliged to announce the strike five days before the date set for the beginning of strike at the latest.

The Strike Committee and the representatives of the body to which the strike has been announced, are obliged to try and contractually solve the announced dispute starting from the day they were informed about the strike as well as during the strike.

The strike ends by agreement between the parties that have adopted the decision on strike and the bodies to which this decision has been submitted, or by decision of the unions, i.e. the workers that have adopted the decision on strike.

While exercising the right to strike, the civil servants are obliged to provide the minimum for smooth functioning of the administrative body necessary for exercising the rights and interests of citizens and legal entities, and implementation of ratified international agreements.

The Minister, i.e. the high official managing the administrative body, regulates the way of carrying out the functions of the body during strike by an act, as well as the number of civil servants that will carry

out these functions in the interest of citizens and legal entities, and in order to execute the ratified international agreements. Non compliance with the provisions of the above act which defines the manner for performing the minimum for smooth functioning of the administrative body and the necessary level for exercising the rights and interests of citizens and legal entities, as well as the execution of ratified international agreements, implies disciplinary action against the civil servant for committed discipline offence which is a serious violation of official duty. During strike, the civil servant is entitled to a salary up to 60 % of the last month's salary.

#### **4. What restrictions are there on the right to strike in the private and public sectors?**

There are no restrictions on the right to strike with regard to the type of ownership. There are restrictions only regarding the type of activity. A special law regulates the right to strike in the army, the police, the state administration, and in certain public services.

The Strike Committee and the workers participating in the strike are obliged to organize the strike in a way that does not endanger the security and health of persons and property and that it provides continuation of work after the strike ends. For employers whose activity or work is of public interest determined by law, a general act, i.e. the collective agreement, determines the tasks and duties and the way of performing the duties during strike, which should provide in particular: minimum process of work that provides security of persons and property, performance of tasks that are indispensable for people's lives and work as well as for the work of other employers, and for the execution of international obligations.

The only restriction on civil servants for attaining their right to strike is their obligation to provide: the minimum for smooth functioning of the administrative body; the necessary level for exercising the rights and interests of citizens and legal entities; and the execution of the ratified international agreements. The Minister, i.e. the high official managing the administrative body, regulates the way of carrying out the functions of the entity during strike by an act, as well as the number of civil servants who will carry out these functions in the interest of citizens and legal entities as well as for the execution of the ratified international agreements.

The organisation and participation in a lawfully conducted strike is not a violation of employment obligations.

#### **5. Are lockouts allowed?**

Lockouts are allowed in case when strikes are organized and conducted against the law.

#### **6. How are lockouts regulated?**

The lockouts are regulated by regulations relating to employment termination in case of disregard of working duties, pursuant to the Labour Relations Law.

Employment is terminated by notice of dismissal received from the employer due to violation of working discipline or not fulfilling the obligations determined by law, collective agreement and employment contract in particular for:

1. disobeying the rules of order and discipline prescribed by the employers;
2. non-performance or dishonest and delayed performance of working duties;
3. disregarding regulations pertaining to the fulfilment of working duties;
4. disregarding the scheduled working hours;
5. failing to request the leave or to notify the employer promptly when taking leave;
6. failing to notify the employer within 48 hour absence from work due to illness or justified reasons;
7. improper handling the means of work or disobeying technical working instructions ;
8. failing to notify the employer immediately of damages, defects or losses caused in the process of work;
9. improper handling or not maintaining the means and equipment for protection at work, and

10. illegal and unauthorised use of the employer's assets.

Depending on the degree of responsibility, the conditions under which the damage has been inflicted, the previous performance and conduct at work and the seriousness of the damage, the employer may replace the lockouts by fines (in the above-mentioned cases).

Employment is terminated without a term of notice when disregarding the rules of order and discipline at work or not fulfilling the working duties determined by the above or other law, collective agreement, and employment contract, in particular for:

1. unapproved leave during three consecutive working days or five discontinued working days in the course of one year;
2. abuse of sick leave;
3. disobeying regulations for protection against illnesses, protection at work, from fire, explosion, harmful effects of poisons and other dangerous substances and violating the regulations for environment protection;
4. supplying or consuming alcohol and narcotics;
5. committing robbery, causing damages to the employer due to extreme carelessness;
6. misusing or exceeding granted authorisation, and
7. revealing business and other secrets.

The decision on employment termination is given in a written form, with right to an appeal and court protection in a legally prescribed timeframe according to the Labour Relations Law.

#### **7. Are there special methods for dealing with industrial disputes, e.g. conciliation, mediation and arbitration?**

There are no special procedures for alternative solving of disputes (conciliation, mediation, and arbitration) in our legislation.

According to the Labour Relations Law, in case of a dispute regarding the application of a collective labour agreement, a special arbitration council may decide on disputable issues. The council members, the method of work and the legal effect of the decision by the arbitration council are determined by the collective labour agreement.

The Strategy for Judiciary System Reform of the Republic of Macedonia foresees the adoption of a legal act in the near future, with the purpose of establishing a legal framework for out-of-court protection of violated rights of citizens in certain areas.

## **II. EQUAL TREATMENT OF WOMEN AND MEN**

### ***A. Equal opportunities (Directives 75/117, 76/207, 2002/73, 86/613, 86/378, 92/85, 96/34, 96/97, and 97/80)***

#### **1. Is the principle of equal pay for equal work for men and women guaranteed?**

**a) by the Constitution;**

**b) by law.**

The principle of equal pay for equal work for men and women is guaranteed by the Constitution of the Republic of Macedonia and by the Labour Relations Law.

#### **2. Is the principle of equal pay for work of equal value for men and women guaranteed?**

**a) by law;**

**b) by collective agreement.**

This principle is regulated by the Labour Relations Law and by collective labour agreements which must not contravene the Law.

#### **3. Do pay gaps exist between women and men?**

Such gaps exist exclusively because of the differences between the jobs that are mainly performed by men and those mainly performed by women. These differences are not a result of gender discrimination.

#### **4. Is direct discrimination forbidden by law in the field of access to employment, training, promotion and working conditions?**

The Labour Relations Law prohibits direct or indirect discrimination in the field of access to employment, career advancement, securing of working conditions, working hours, and termination of employment contract due to race, skin colour, gender, age, health condition, i.e. disability, religious, political and other beliefs, membership in unions, national or social background, family status, financial situation or other personal circumstances.

#### **5. Is gender specific advertising allowed?**

The Labour Relations Law does not contain provisions prohibiting the gender specific advertising. This issue is to be specifically regulated with the new Labour Relations Law.

#### **6. Is there a rule established either by law or jurisprudence that there is no justification whatsoever to ask a woman about pregnancy when applying for a job of whatever kind?**

There is no such provision. According to the Labour Relations Law (Article 9), certain personal conditions, including pregnancy, may not be an obstacle for commencing employment.

#### **7. Does the national law or case law provide a definition of direct and indirect discrimination? (Directive 2002/73/EC)**



The national legislation does not provide a definition for direct and indirect discrimination.

However, the Labour Relations Law contains provisions which expressly prohibit direct and indirect discrimination regarding the right to access to employment.

**8. Are there any legal provisions concerning damages to be awarded by court in case of discrimination on grounds of sex? If so, are there any upper limits defined by law for such cases?**

There are no such legal provisions in the Labour Relations Law.

**9. Is there a system of administrative sanctions in case of discrimination based on sex? If so, please give details.**

In the Republic of Macedonia there are no administrative sanctions in case of discrimination based on sex.

This issue is to be specifically regulated by the new Labour Relations Law.

**10. Are there any provisions to protect women (not pregnant women) against work underground, onerous and harmful work and in particular from night work?**

Pursuant to the Labour Relations Law, female employees working in industries and building construction can not be assigned to night shifts, unless a minimum seven hour break has been provided between 10:00 p.m. and 5:00 a.m. the following day.

This does not pertain to female employees granted special authorities and responsibilities or those engaged in health, social or other services for the protection of employees.

The same applies for cases of force majeure or in severe economic, social and similar conditions.

Pursuant to the Labour Relations Law, female employees with children over one year of age are permitted to work in night shifts only at their request.

**11. Are there any provisions in law or ordinance to define jobs in the sense of Art. 2 (2) of Dir. 76/207 where the sex of a worker constitutes a determining factor?**

There are no such imperative provisions. However, this issue is mainly regulated by the Labour Relations Law provisions that refer to the special protection of female employees. For more details see [13 II A 4](#), [13 II A 6](#) and [13 II A 10](#).

**12. Is there a general prohibition of night work for pregnant women?**

According to the Labour Relations Law, a pregnant woman or a woman with a child up to the age of two may not work at night.

**13. What is the legal position of a spouse of a self employed worker in terms of status, social protection and rights?**

The Labour Relations Law does not make a distinction between regularly employed and self employed workers. Both categories of workers have equal status, rights and obligations, regulated by this Law.

Therefore, a legal position of the spouse of a self employed worker is equal to the position of a spouse of any employed worker and does not differ from it whatsoever.

According to the health insurance regulations, the spouse of a self employed worker is considered a family member and is a beneficiary of health insurance on this basis, same as the unemployed spouse of any worker.

**14. Are pregnant women protected against dismissal during the time of pregnancy and maternity leave?**

According to the International Labour Organization Convention No. 103 for protection of women during pregnancy, which is an integral part of our legal system, a pregnant female employee cannot be dismissed during pregnancy or maternity leave.

This issue is to be specifically regulated by the new Labour Relations Law.

**15. Do national law or collective agreements forbid the exposure of pregnant or breast-feeding women to hazardous agents?**

The Labour Relations Law provides a set of provisions referring to the special protection of female employees. Pursuant to the same Law, there is special protection for pregnant and breast-feeding women in terms of length and manner of using maternity leave in duration of nine consecutive months, with salary compensation in accordance with the health care regulations and with the right to be reassigned to the same or to a job similar to the one she had prior to the maternity leave.

Pursuant to the Labour Relations Law, female employees are not to be assigned to jobs involving strenuous physical labor, underground or underwater work or to other jobs that may be harmful or threatening for their health and lives. The formulation "other jobs" covers the issue of protection of pregnant and breast-feeding women from hazardous agents.

**16. Does the employer have to assess the risk within the workplace?**

The Law on Safety at Work (Official Gazette of the RM Nos. 13/98; 33/00; 29/02) stipulates the obligation of employers concerning the detailed regulation of relations, rights, obligations, and responsibilities in a given working environment by act. It also stipulates that employers define workplaces which may constitute an increased risk of injury and disease (workplaces with specific working conditions) by a general act, as well as the special conditions required for performing these jobs (age, expertise, mental and physical ability, etc.).

**17. What are length and conditions of maternity leave required by law?**

Pursuant to the Labour Relations Law, female employees are entitled to nine months continual leave from work during pregnancy, birth and maternity, and one year leave for birth of more than one child (twins, triplets, etc.).

Based on the findings of authorized medical institutions, female employees may begin maternity leave 45 days before delivery and compulsorily 28 days before delivery. Female employees who have adopted a child are entitled to leave until the child is nine months old and one year leave for the adoption of more children (two or more). Female employees who have adopted children between the age of nine months and five years, are entitled to three months leave from work.

Fathers and male child adopters are entitled to the same rights.

**18. Do provisions in your law clearly stipulate that at least 2 weeks of maternity leave are compulsory?**

Pursuant to the Labour Relations Law, maternity leave is compulsory and should begin at least 28 days before the delivery. Female employees on maternity leave may return to work before the end of the maternity leave if they wish so. In such case, a female employee is, apart from her regular salary,

entitled to the salary compensation for maternity leave, in the amount of 50 % of the maternity leave compensation determined by the Health Care Fund.

**19. Do national law or collective agreements give an individual right to parental leave and to reintegration into the previous or an equivalent job?**

The institute parental leave is not incorporated and elaborated in the national legislation of the Republic of Macedonia.

The answers to all the questions of parental leave contain a description of the institute maternity leave being determined and regulated by our national legislation.

With regards to the aforesaid, our national legislation provides individual right to exercising the maternity leave and returning to the same or to another post for both parents.

**20. Is parental leave granted on an individual non-transferable basis to both parents?**

See answers [13 II A 17](#), [13 II A 18](#) and [13 II A 19](#).

**21. What provisions on parental leave grant parents the right to return to the same work place, protection against dismissal and the protection of acquired rights?**

See answers [13 II A 14](#), [13 II A 18](#), [13 II A 19](#) and [13 II A 20](#).

**22. Are there provisions on the burden or proof concerning court suits and other procedures in cases of sexual discrimination? If so, does the employer have to prove that he did not discriminate if discrimination can be presumed?**

There are no such specific provisions. However, in case of court suits for any type of discrimination at work, the burden of proof lies with the employee who initiated it. If the court suit is resolved in favour of the employee, the costs of the court proceedings and the other matters are regulated by the regulations on the usual court procedures.

**23. Do structures exist to explore the right of equal treatment between the sexes? (Equal opportunities Commission, ombudsperson)**

There is a department for equal treatment of sexes within the Ministry of Labour and Social Policy. This Department deals with other issues as well.

The non-government sector also works on these issues.

The Ombudsman, seated in Skopje, is an entity of the Republic of Macedonia which protects the constitutional and legal rights of citizens and all other persons when their rights are violated by acts, actions, or omission of actions by the state administration bodies and other entities and organizations with public authority, and takes actions and measures for protection of the principles of non-discrimination and equitable representation of the ethnic communities in the state administration bodies, the local government bodies, and in the public institutions and services. From the information received from the Ombudsman's Office so far, there have been no complaints on violation of constitutional or legal rights by women (e.g., out of 1,000 complaints, none refers to sex discrimination).

One of the Ombudsman's deputies is a female, monitoring human rights and paying special attention to women's rights.

In order to protect the freedoms and rights of citizens, The Assembly of the Republic of Macedonia established a Standing Survey Committee on Protection of Citizens' Freedoms and Rights (Article 76, paragraph 4 of the Constitution). Its findings provide basis for initiating procedures for determining the liability of public officials. This liability primarily relates to the acts and actions of

public officials violating or putting into question the freedoms and rights of citizens. The Committee cooperates with scientific and expert organizations involved in protection of freedoms and rights of citizens, with relevant foreign and international bodies dealing with the same issue, as well as with the appropriate bodies of the Assembly of the Republic of Macedonia.

**24. Please provide information on:**

- a) the activity rates of women and men;**
- b) the unemployment rates of women and men;**
- c) part time work for women and men.**

**Data from the Labour Survey prepared by the State Statistical Office:**

<b>A. Activity rate</b>	<b>1996</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>
Total	54,9	53,7	54,8	53,1	52,9	55,5	52,6	54,5
Men	66,9	66,5	67,4	65,5	64,4	65,6	63,7	65,6
Women	42,9	41,2	42,2	40,8	41,7	45,5	41,5	43,4
Source: State Statistical Office								

<b>B. Unemployment rate</b>	<b>1996</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>
Total	31,9	36,0	34,5	32,4	32,2	30,5	31,9	35,7
Men	29,1	33,0	32,5	31,9	30,5	29,5	31,7	37,0
Women	36,2	40,8	37,6	33,3	34,9	32,0	32,3	36,3
Source: State Statistical Office								

<b>C. Part-time employees</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>
Total	40.621	23.915	39.706	42.192	47.446	33.744
Men	26.822	12.093	22.148	22.870	24.824	18.222
Women	13.799	11.822	17.558	19.322	22.622	15.521
Source: State Statistical Office						

**25. Are there any legal provisions in place covering occupational social security schemes? If so, do such schemes already exist in your country?**

The occupational social security schemes include health and pension insurance, insurance in case of injury at work and occupational diseases, and unemployment insurance.

Certain areas of insurance are regulated by special laws for each type of insurance listed below, as follows:

- Health insurance: Law on Health Insurance (Official Gazette of the RM Nos. 25/00; 34/00; 96/00; 50/01; 11/02; 31/03) and the regulations on its application;
- For pension and disability insurance: Law on Pension and Disability Insurance (Official Gazette of the RM No. 80/93) and the regulations on its application
- In case of injury at work and occupational diseases: Law on Pension and Disability Insurance (Official Gazette of the RM No. 80/93) and the Law on Health Care (Official Gazette of the RM Nos. 38/91; 46/93; 55/95; 10/04);
- For exercising the rights in cases of unemployment: the Law on Employment and Insurance in a Case of Unemployment (Official Gazette of the RM No. 37/97) and the regulations on its application.

There are no separate legal provisions on the social security schemes for separate occupations.

## ***B. Equality of treatment in social security***

**1. Is there a general social security scheme covering the working population in your country? Does it contain differences in the pensionable age for men and women, or in the survivor pension benefits available to men and women? (These may be permitted under the derogations contained in Directive 79/7/EEC.)**

In the Republic of Macedonia, there is a general social security scheme for the working population which includes: pension and disability insurance, health insurance and employment.

The pension and disability insurance contains the provisions regarding differences in the retirement age for men and women. Men are entitled to old-age pension at the age of 64, while women acquire the same right at the age of 62. The survivors pensions are available to men at the age of 55, whereas to women at the age of 45.

**2. If there is a general social security scheme, does it also apply to civil servants, including the police and armed forces? Is there any specific scheme for civil servants, or are there within the general scheme specific rules for civil servants? Does it contain differences in the pensionable age for men and women, or in the survivor pension benefits available to men and women?**

The general social security system provides for the rights of all categories of beneficiaries including civil servants, with certain advantages for beneficiaries from the Ministry of Defence and those in service of the regular Army of the Republic of Macedonia, and also for beneficiaries from the Ministry of Interior, the Ministry of Justice, and penitentiary institutions. There are more favourable conditions in terms of age and length of service for attaining the right to an old-age pension for these beneficiaries, in cases of employment termination due to the needs of the service. These more favourable conditions derive from the wider importance and significance of duties performed by these employees.

For this category, the retirement age differs for men and women. Men are entitled to old-age pension at the age of 55, whereas women acquire the same right at the age of 50.

The right to old-age pension on the basis of buying off the length of service (the length of service is 40 years for men and 35 for women) is of temporary character for military and civilian army personnel. These benefits are regulated by the Law on Military Service in the Army of the Republic of Macedonia (Official Gazette of the RM Nos. 62/02; 98/02; 25/03, and 71/03).

In terms of survivors pensions, there are no special benefits (for more details see [13 II B 1](#)).

### III. HEALTH AND SAFETY AT WORK

#### **A. General**

**Please provide information on:**

##### **1. The legislation that is currently in force.**

In the Republic of Macedonia, the ratified Conventions of the International Labour Organization for safety at work, as well as the Law on Safety at Work ("Official Gazette of the RM" Nos. 13/98; 33/00; 29/02), as a basic law in this field, are enforced, the secondary legislation is adopted in accordance with the Law on Safety at Work, as well as several rulebooks on technical norms and Macedonian standards.

Apart from the Law on Safety at Work the secondary legislation is covering the scope of the Directive in details.

##### **1. Adopted Rulebooks based on the Law on Safety at Work**

- Rulebook on general measures for protection at work for work and utility rooms ("Official Gazette of the Socialist Republic of Macedonia" Nos. 31/89; 33/93, corrections in No. 36/89);
- Rulebook on protection at work during construction works ("Official Gazette of the Socialist Republic of Macedonia" No.13/88);
- Rulebook on protection at work during loading and unloading ("Official Gazette of the Socialist Republic of Macedonia" No. 11/88);
- Rulebook on protection at work in textile industry ("Official Gazette of the Socialist Republic of Macedonia" No. 12/88);
- Rulebook on special measures for protection at work during work on railroads ("Official Gazette of the Socialist Republic of Macedonia" No. 1/89);
- Rulebook on protection at work during mechanical processing and treatment of wood and similar materials ("Official Gazette of the Socialist Republic of Macedonia" No. 1/89);
- Rulebook on protection at work during processing of non-metal raw materials ("Official Gazette of the R.M" No. 74/92);
- Rulebook on requirements to be met by legal entities in order to receive authorization for performing certain activities in the field of protection at work ("Official Gazette of the R.M" No. 71/03);
- Rulebook on methods and terms for conducting pre-employment and periodical medical examination ("Official Gazette of the Socialist Republic of Macedonia" No. 27/88);
- Rulebook on identification of the National Labour Inspectorate ("Official Gazette of the R.M" No. 49/98);
- Rulebook on methods of filing in the field of protection at work ("Official Gazette of the R.M" No. 98/00);

##### **2. Rulebooks in force**

- Rulebook on measures and norms for protection at work for working tools ("Official Gazette of the Socialist Federal Republic of Yugoslavia" No. 18/91).
- General Rulebook on hygiene and technical protective measures at work except for the provision of the articles 26 and 32, articles from 50 to 75, from 78 to 86, from 88 to 99, from 104 to 151 ("Official Gazette of the Federal People's Republic of Yugoslavia" Nos. 16/47, and 36/50);

- Rulebook on means for personal protection at work and for personal protective equipment ("Official Gazette of the Socialist Federal Republic of Yugoslavia" No. 35/69);
- Rulebook on technical norms for electrical elevators for vertical transportation of persons and cargo ("Official Gazette of the Socialist Federal Republic of Yugoslavia" No. 16/86);
- Rulebook on technical norms for facade electrical elevators ("Official Gazette of the Socialist Federal Republic of Yugoslavia" No. 19/86);
- Rulebook on technical norms for ski-lifts ("Official Gazette of the Socialist Federal Republic of Yugoslavia" No. 11/85);
- Rulebook on transport of hazardous substances by road ("Official Gazette of the Socialist Federal Republic of Yugoslavia" No. 82/90);
- Rulebook on construction of facilities for flammable liquids and storage and pouring of flammable liquids ("Official Gazette of the Socialist Federal Republic of Yugoslavia" No. 20/71);
- Rulebook on training for perilous transport drivers and other persons that take part in the transport of these substances ("Official Gazette of the Socialist Federal Republic of Yugoslavia" No. 17/91);
- Rulebook on technical norms for construction of facilities for liquid petrol gas ("Official Gazette of the Socialist Federal Republic of Yugoslavia" No. 24/71);
- Rulebook on periodical testing of working tools and device, chemical and biological harmfulness, and microclimate ("Official Gazette of the Socialist Federal Republic of Yugoslavia" No. 26/67);
- Rulebook on technical norms for electrical hanging scaffold ("Official Gazette of the Socialist Federal Republic of Yugoslavia" No. 19/86);
- Rulebook on general measures and norms for noise protection in the work spaces ("Official Gazette of the Socialist Federal Republic of Yugoslavia" No. 29/71);
- Rulebook on general measures and norms for protection at work for cranes ("Official Gazette of the Socialist Federal Republic of Yugoslavia" No. 30/69);
- Rulebook on equipment and first aid and organising rescue teams in case of injury at work ("Official Gazette of the Socialist Federal Republic of Yugoslavia" No. 21/71);
- Rulebook on protective measures against danger from electricity in work spaces and work grounds ("Official Gazette of the Federal People's Republic of Yugoslavia" No. 107/47);
- Rulebook on chemical and technical protective measures during work in factories for glass production (carpenters) ("Official Gazette of the Federal People's Republic of Yugoslavia" No. 14/48);
- Rulebook on protection at work during work in agriculture ("Official Gazette of the Socialist Federal Republic of Yugoslavia" No. 34/68);
- Rulebook on hygiene and technical protective measures during work in quarry and brick plants, and during extraction of clay, sand and gravel ("Official Gazette of the Federal People's Republic of Yugoslavia" No. 69/48);
- Rulebook on protection at work during maintenance of motor vehicles and during transport by motor vehicles ("Official Gazette of the Socialist Federal Republic of Yugoslavia" No. 55/65);
- Rulebook on hygiene and technical protective measures during work in printing enterprises ("Official Gazette of the Federal People's Republic of Yugoslavia" No. 7/55);
- Rulebook on technical norms for the smelting industry ("Official Gazette of the Socialist Federal Republic of Yugoslavia" No. 14/79);
- Rulebook on technical and technological requirements during construction and reconstruction of mills ("Official Gazette of the Federal People's Republic of Yugoslavia" No. 42/60);
- Rulebook on technical requirements during construction and reconstruction of bakeries ("Official Gazette of the Federal People's Republic of Yugoslavia" No. 42/60, and "Official Gazette of the Socialist Federal Republic of Yugoslavia" No. 24/63);
- Rulebook on special measures and norms for protection at work during processing and treatment of leather, fur and leather waste ("Official Gazette of the Socialist Federal Republic of Yugoslavia" No. 28/65);
- Rulebook on technical and health protective measures at work during chemical and technological processes ("Official Gazette of the Federal People's Republic of Yugoslavia" No. 55/50);

- Rulebook on hygiene and technical protective measures during diving ("Official Gazette of the Federal People's Republic of Yugoslavia" No. 36/58);
- Rulebook on hygiene and technical protective measures during research and extraction of gas and natural gas by deep drilling ("Official Gazette of the Federal People's Republic of Yugoslavia" No. 46/60);
- Rulebook on technical regulations for lightning rods ("Official Gazette of the Socialist Federal Republic of Yugoslavia" No.13/68);
- Rulebook on technical measures for plants and maintenance of electrical facilities ("Official Gazette of the Socialist Federal Republic of Yugoslavia" No. 19/68);
- Rulebook on protection at work during explosives and powder manufacturing and during explosives and powder handling ("Official Gazette of the Socialist Federal Republic of Yugoslavia" No. 55/69);
- Rulebook on special health services and the procedure for identification of health services for workers in the railroad traffic ("Official Gazette of the Socialist Federal Republic of Yugoslavia No. 25/67")
- Instruction on examination methods in enterprises and with employers ("Official Gazette of the Socialist Federal Republic of Yugoslavia No. 10/86");
- Instruction for methods of death investigation, collective and serious injuries at work ("Official Gazette of the Socialist Federal Republic of Yugoslavia " No. 10/86);
- Order for prohibition of usage of motor gas for degreasing, washing and cleaning of metal parts and objects made of other materials ("Official Gazette of the Socialist Federal Republic of Yugoslavia " No. 23/67);
- Rulebook on storage and keeping of carbide and handling of carbide ("Official Gazette of the Federal People's Republic of Yugoslavia" No. 9/62);
- Law on Hazardous Noise Prevention ("Official Gazette of the Republic of Macedonia" No. 66/04);
- Benzene Protection Ordinance ("Official Gazette of the Socialist Federal Republic of Yugoslavia" No. 144/71)
- Rulebook on maximum allowed concentration of hazardous gases, vapours, aerosols in the working environment ("Official Gazette of the Socialist Federal Republic of Yugoslavia" No. 35/71);
- Rulebook on technical measures and protection at work during surface excavation of coal, metal and non-metal raw materials ("Official Gazette of the Socialist Federal Republic of Yugoslavia" Nos. 18/61, 37/64, and 6/67).

### 3. International Labour Organization Conventions

- Convention No. 12 on Injury During Work in Agriculture, 1921 ("Official Gazette of the Federal People's Republic of Yugoslavia" No. 3/58);
- Convention No. 81 on Labour Inspection in Industry and Trade, 1947 ("Official Gazette of the Federal People's Republic of Yugoslavia" No. 5/56);
- Convention No. 89 on Night Work for Women Employed in Industry (revised), 1948 ("Official Gazette of the Federal People's Republic of Yugoslavia" No. 12/56);
- Convention No. 90 on Night Work for Children in Industry (revised), 1948 ("Official Gazette of the Federal People's Republic of Yugoslavia" No. 6/57);
- Convention No. 119 on Protection of Machines, 1963 ("Official Gazette of the Socialist Federal Republic of Yugoslavia" No. 54/70);
- Convention No. 121 on Allowances in Case of Injury at Work and Occupational Diseases, 1964 ("Official Gazette of the Socialist Federal Republic of Yugoslavia" No. 27/70);
- "Convention No. 129 on Labour Inspection in Agriculture", 1969 (Official Gazette of the Socialist Federal Republic of Yugoslavia No. 22/75);
- "Convention No. 135 on Protection and Relief for Workers' Representatives in Enterprises, 1971 ("Official Gazette of the Socialist Federal Republic of Yugoslavia" No. 14/82);
- Convention No. 137 on Benzene Poisoning Protection, 1971 ("Official Gazette of the Socialist Federal Republic of Yugoslavia" No. 16/76);



- Convention No. 139 on Prevention and Control of Occupational Risks Caused by Carcinogenic Substances and Agents, 1974 ("Official Gazette of the Socialist Federal Republic of Yugoslavia" No. 3/77);
- Convention No. 148 on Protection of Workers from Occupational Risks Caused by Air Pollution, Noise and Vibrations in the Workspace, 1977 ("Official Gazette of the Socialist Federal Republic of Yugoslavia" No. 14/82);
- Convention No. 155 on Protection at Work, Health Protection and Work Environment Protection, 1981 ("Official Gazette of the Socialist Federal Republic of Yugoslavia" No. 7/78);
- Convention No. 162 on Protection during Usage of Asbestos, 1986 ("Official Gazette of the Socialist Federal Republic of Yugoslavia" No. 4/82).

## **2. The act(s) being prepared (type, number, the ministry responsible).**

With the amendments to the Law on Safety at Work in 2000 and 2002, the Law is fully harmonised with the framework Directive 89/391/EEC. Draft-Rulebook on Safety at Work with Display Screen Equipment, which will be in compliance with the Directive 90/270, is being prepared by the Ministry of Labour and Social Policy.

The Ministry of Health is also preparing the National Strategy on Health, Healthy Living and Working Environment and Safety at Work.

## **3. Its status in the adoption process.**

Draft Rulebook on Safety at Work with Display Screen Equipment has been prepared and submitted for public debate.

The National Strategy on Health, Healthy Living and Working Environment and Safety at Work has been elaborated and is currently in Government procedure.

## **4. The most probable adoption date.**

The Draft Rulebook will be accepted by the end of March of 2005.

The National Strategy on Health, Healthy Living and Working Environment and Safety at Work will be adopted during 2005.

## **5. The most probable date of entry into force.**

The Rulebook will enter into force by the end of 2005.

The National Strategy on Health, Healthy Living and Working Environment and Safety at Work will enter into force in 2005.

## **6. The prescriptions of the Directives which will be covered in the planned legislation.**

The Rulebook on Safety at Work with Display Screen Equipment will fully transpose the Directive 90/270/EEC.

The National Strategy on Health, Healthy Living and Working Environment and Safety at Work is based on the contents of the Framework Directive 89/391 of the European Community.

## ***B. By Directive***

### **1. Framework Directive (89/391/EEC) a) Does your country have similar legislation in the field covered by the Framework Directive?**

**b) If several legislative acts exist, could you describe how they are coordinated and how they supplement each other?**

**c) Is your legislation applicable to both the public and private sectors?**

**d) How has national law taken up the principle of the employer's objective responsibility (Article 5)?**

**Specifically, is it expressly stated that the workers' obligations do not affect the employer's responsibility? Are cases of force majeure provided for?**

**e) What other obligations of employers are provided for in the national law (Article 6 and Article 9)?**

**As regards obligations, does the national law address workers' responsibility for occupational health and safety issues and if so, which are their obligations?**

**f) How does national law provide for taking into account the general principles of prevention that employers must apply when taking measures to protect the health and safety of workers (Article 6)?**

**g) Does national law provide for the assessment of risks to be set out in written form (Article 9)? Does national law provide for this document to be available to workers, their representatives and labour inspectors? How is this requirement included in national law and implemented in the undertaking?**

**h) Article 9 states that the employer must keep a list of occupational accidents resulting in a worker being unfit for work for more than three working days and draw up reports on occupational accidents suffered by his workers.**

**i) Are these obligations included in national law?**

**ii) With a view to the work currently under way on Europe-wide harmonisation of statistics of accidents at work (the ESAW project), please answer the following questions:**

**(1) Have the following data been partially or completely gathered? Employer's economic activity; job, age and sex of the victim; type of injury and body part injured; geographic location, date and time of the accident.**

**(2) Have the following data been partially or completely gathered? Size of the undertaking; nationality of the victim; victim's employment situation; consequences of the accident – number of days lost, permanent incapacity or death resulting from the accident.**

**(3) When a work-related accident occurs, are extra data collected on the causes and circumstances of the accident, such as: Type of place (e.g. building, field, road), type of work (e.g. maintenance), specific physical activity (e.g. repairing or transporting a tool), tools used for the specific activity (e.g. pliers, wheelbarrow), anomaly (e.g. broken fastener, tyre puncture, sideslipping), cause of the anomaly (e.g. grease, carpet in poor condition), contact – the way the injury occurred and what produced it (e.g. being burnt by acid, having a leg cut by a cable)?**

**(4) Is there a list of officially recognised occupational diseases? (There is a European schedule of occupational diseases on this matter. It was the subject of Commission Recommendation 90/326 to the Member States, and is currently being updated.)**

**(5) What data are you currently collecting? What extensions are planned?**

**i) How is the principle set out in Article 6(5) (no involvement of the workers in financial cost) included?**

**j) Does national law address the measures that employers must take concerning fire-fighting and the evacuation of workers according to Article 8 of the Directive? How is the part of the Directive concerning serious, imminent and unavoidable danger addressed (Article 8(3,4,5))?**

**k) How is the consultation of workers and workers representatives provided for in Article 11 regulated?**

**l) How do you ensure that workers' representatives have the means required to accomplish their tasks (working time, etc., cf. Article 11(5) of the Directive)?**

**m) How is the right to appeal to the competent authorities set out in Article 11(6) granted to workers and their representatives?**

**n) Article 7. How does national legislation set out that all undertakings must:**

**i) designate one or more workers to carry out activities related to protection and prevention; or**

**ii) if no competent personnel can be found within the undertaking, enlist competent external services or persons?**

**o) How does national law define the capabilities and aptitudes of the services and persons in charge of prevention and protection (Article 7)? How are the employers' capabilities and aptitudes verified if they take on this role themselves? Is prior authorisation required to set up external services?**

**p) How are the following organised? Surveillance of workers' health (Article 14); worker training (Article 12):**

**i) When they take up a post?**

**ii) When they are moved to another job?**

**iii) When organisational changes affect the workstation?**

**a)**

The Law on Safety at Work is fully harmonised with the Framework Directive 89/391/EEC since the amendments to the Law on Safety at Work (Official Gazette of the RM Nos. 33/00 and 29/02) are fully harmonised with the Directives 89/391/EEC, 92/57/EEC, and 89/654/EEC.

**b)**

The answer is provided in the answer to question 1.

**c)**

The provisions of the Law on Safety at Work are applicable to both, the public and private sectors.

**d)**

The provisions of the Law on Safety at Work include the employer's responsibility for planning, organising and regulating protection at work, training of the workers for safe work, periodical inspection of work tools and working conditions, as well as medical examination of employees working under special conditions. Pursuant to the Law, employees are obliged to respect the provisions of the law too.

**e)**

Apart from other obligations contained in the Law on Safety at Work, employers are also obliged to keep records concerning the area of protection at work. Regarding the workers' rights and obligations, employers have to comply with the measures and means of protection during work and perform the work attentively in order to secure and protect their own life, as well as the lives and health of other workers, and to cooperate with the employer in order to exercise and improve the protection at work.

Workers disregarding the prescribed measures and means of safety at work in the course of their work and endangering their own life, as well as the lives and health of others, the employer's assets or the environment, may be temporarily suspended from the job or distanced from the employer, in accordance with the employer's act and the collective agreement, about which the workers' representative for the protection at work is informed in a written form.

Workers disregarding the measures for protection at work prescribed by the Law on Safety at Work, other regulations and the collective agreement are guilty of serious misconduct.

**f)**

Articles 2 and 9 of the Law on Safety at Work provide the general principles of protection, including measures, means and methods for creating safe work environment.

**g)**

The national legislation does not provide for assessment of risks. However, the Law on Safety at Work ("Official Gazette of the RM No. 13/98) defines the basic rules and principles for protection and safety that include tools and equipment, working environment and working process, health of workers, application of preventive measures (where elements for risk assessment exist as an indication hazard of the working environment). This is regulated with the obligation to examine the chemical, biological, and physical hazards, the micro-climate and illumination at work and in utility rooms for which employers are obliged to keep records. This responsibility is controlled by the labour inspection. With the other laws, especially the Law on Protection from ionized radiations, toxins, and transport of hazardous substances, employers are obliged to meet the basic rules and principles as stipulated above.

**h)**

Apart from the other records for protection at work employers have to keep, they are also obliged to keep records of injuries at work that cause absence from work for more than three days in a way prescribed by the Minister of Labour and Social Policy.

- i) According to Art. 41 of the Law on Safety at Work, employers are obliged to keep records of injuries at work, of occupational diseases and of cases of death at work.

The method, procedure, and data for record keeping of injuries at work are regulated by the Law on Labour Record-keeping (Official Gazette of the RM No. 16/04).

The Law on Safety at Work (Article 42) stipulates that employers are obliged to declare to the State Labour Inspectorate in a written form immediately, and not later than 24 hours

after the incident, every case of death, collective accident or serious injury at work, as well as about every possibility which could cause immediate danger or endangers the safety of the worker's job.

ii)

**(1)**

Data under (1) are collected and contained in the Form for declaring injuries at work, in accordance with the rights from the Law on Pension and Disability Insurance and the Law on Health Insurance. There is no special Rulebook on the requirements and procedures for acquiring the rights to basic health insurance on the basis of injury at work and occupational diseases.

Republic of Macedonia is ready to apply the unified statistical approach to injuries at work at the European level (through ESAW).

The data on the economic activity of the employer, the type of business, age structure, type of injuries and body part injured, geographic location; date and time of the injury are contained completely.

**(2)**

The data on the size of the enterprise, the ethnicity of the victims and their employment status are not included in the Form for declaring injuries at work.

The data on the number of working days for which the worker has been compensated (sick leave and maternity leave), or the data on permanent inability to work, as well as on possible death of the worker are collected by the Health Insurance Fund and the Pension and Disability Insurance Fund in accordance with the Law on Pension and Disability Insurance and the Law on Health Insurance and the regulations adopted on the basis of these laws.

**(3)**

The Form consists of the data on the cause of injury, time, source, place, location, usage of personal protective equipment, and the report of the doctor who examined the injured person.

**(4)**

There is a List of Officially recognised Occupational Diseases regulated with the Rulebook for the List of Occupational Diseases (Official Gazette of the RM No. 88/04). This Rulebook determines the diseases considered as occupational diseases according to the Law on Pension and Disability Insurance as well as the conditions and the criteria for recognition of occupational diseases. The new List of Occupational Diseases is prepared in accordance with the EU Recommendation C(2003) 3297 of September 2003 (COMMISSION RECOMMENDATION OF 19/09/2003 concerning the European schedule of occupational diseases).

The Ministry of Labour and Social Policy adopted the new List of Occupational Diseases in December 2004, engaging the Institute of Occupational Health as the best expert institution in labour medicine, to prepare elaborate requirements and criteria for verification of occupational diseases at the national level. Amendments are being prepared on the other provisions concerning monitoring of occupational diseases: application, registration, record-keeping and reporting on occupational diseases (in accordance with the EU documents and the new List of Occupational Diseases from 2004).

**5)**

The Application form No. 3-36-86 contains the beneficiary's personal data, data on the job, total length of service and the length of exposure, harmful effects at the workplace, diagnosis of the professional disease according to IKD-10, findings verifying the diagnosis, and an evaluation of the working capability. It is planned to update the Application form and extend the data collection with additional elements: data on the size of the enterprise, i.e. the number of employees; economic sector and activity of the enterprise; application of personal protective measures, etc.

The occupational diseases reports are collected at the Republic Institute for Health Protection which is the national centre for health statistics. However, the manner of the data collection is not compatible with the EU standards in this field. Therefore measures have been taken in order to harmonise the methodology for occupational diseases data collection in accordance with the EODS-European Occupational Diseases Statistics Agreement of the EU.

In accordance with the EU Recommendation (Commission Recommendation of 19/09/2003 concerning the European Schedule of occupational diseases) and new national conditions and criteria for verification of occupational diseases the new form of application and registration of occupational diseases is in the process of preparation. A new design is planned for the Register of occupational diseases in accordance with the HASTE recommendations at the European level. This is within the responsibility of the Institute of Occupational Health, as a WHO collaborating centre.

**i)**

The Law on Safety at Work stipulates that employers cover all the health care expenses for the employee.

**j)**

Pursuant to Article 26 of the Law on Safety at Work, employers are obliged to regulate in details by act the basic rights, obligations and responsibilities for protection at work in the working environment and also for taking preventive measures for fire-fighting, evacuation of workers in cases of serious and imminent danger and giving first aid.

**k)**

Employers are obliged to provide safety at work, depending on the technological processes, by implementing scientific and technical methods in accordance with up-to-date achievements, whereas the professional protection at work is carried out by a professional r specialised in this field.

**l)**

The workers' representatives for the protection at work enjoy the special employment protection of union representatives, in accordance with the Law and collective agreement.

**m)**

Article 49 of the Law on Safety at Work stipulates that worker's representatives on protection at work may appeal to the Labour Inspection when they consider that the measures taken and funds received from the employer are inadequate for the safety and health of the workers.

**n)**

**i)**

The Law on Safety at Work contains a special chapter on representatives on protection at work, and it stipulates that every undertaking with more than 10 employees has to designate one representative on protection at work. The undertakings with 251 to 1.000 employees designate two representatives on protection at work, whereas undertakings with more than 1.000 employees designate three representatives on protection at work.

The representatives on protection at work are entitled to contact employers at any time with regard to protection at work issues.

**ii)**

Employers may also engage competent external services or persons specialized in protection at work.

**o)**

Legal entities may be authorised for carrying out protection at work activities if they meet the requirements concerning the number of competent experts in a certain profession having at least 2 years of work experience in the related field. The legal entities should have at their disposal appropriate workspace and technical tools determined by the Rulebook on the requirements the legal workers must meet in order to be given authorisation for carrying out certain activities in the field of protection at work (Official Gazette of the RM No. 71/03).

Employers may perform examinations and tests for their needs if they meet the requirements determined for legal entities. In both cases, a request is submitted to the Ministry of Labour and Social Policy with appendices proving that the prerequisites regulated by the Law and the Rulebook are met.

**p)**

**i)**

Surveillance of workers' health is regulated by the Labour Relations Law (Official Gazette of the RM No. 80/03, consolidated text).

Pursuant to this Law, a general requirement for commencing employment is good health, which is determined through a medical examination and verified by a medical certificate.

The contents and procedure of the medical examination for determining the state of health and, the issuing procedure and validity of the medical certificate are designated by a special Rulebook (Official Gazette of the RM Nos. 80/93 and 19/95).

However, regarding working activities under special working conditions, in accordance with the Rulebook on procedure for pre-employment health examination and the procedure and terms for periodical medical examination of workers (Official Gazette of the RM No. 27/88), prior to commencing the employment the employer is obliged to instruct the worker to carry out a medical examination, in order to determine their health condition and to evaluate their working ability.

The workers working under special working conditions are subjected to periodical medical examination in the periods determined by the Rulebook.

New Rulebook on procedure for pre-employment health examination and procedure and terms for periodical medical examination is in the stage of adoption.

Worker may not commence employment if they are not previously trained in protection and safety at work by the employer.

The training provided by the employer is practical and theoretical.

Workers' representatives on protection at work are entitled to a special training on prevention and protection at work pertaining to the activity of the undertaking determined by the collective agreement.

Employers test the workers' ability to carry out working duties in an individual and safe manner every three years.

**ii)**

If workers are reassigned to another job with special working conditions, employers are obliged to send them to a preliminary medical examination and train them on safety at work.

**iii)**

With every change of workstation, introduction of new technologies or adopting new regulations on protection at work, employers are obliged to train the workers on safety at work.

## **2. Inspection of labour (Article 4)**

**a) Is a single body responsible for the inspection of labour, or are various bodies responsible for different areas?**

**b) How are the different bodies responsible for controlling and supervising implementation of legislation on safety and health at work coordinated? In special cases, do they hold joint inspections? What are the main problems in coordinating the various bodies involved?**

**c) As regards the labour inspectors: Is safety and health their main activity and to what extent?**

**d) As regards the powers the labour inspectors have to ensure that legislative measures are being applied: Can they apply legal penalties? If so, what kind (monetary and/or criminal and/or administrative)? Do they have discretionary power? How many injunctions are issued? When the inspectors detect a problem, how far do they pursue the matter? Do they send a letter? Does the undertaking respond? How do they follow up? What percentage of detected infringements lead to legal action being taken? What is done with the money from fines? Is some or all of this money allocated to a fund for health and safety at work?**

**e) How do you ensure that the labour inspectors are independent of the undertakings and organisations they inspect? Are the inspectors assigned to the same workplaces (i.e. must they inspect the same undertaking each year)?**

**f) What rules govern the composition of the inspection team (are there one, two or more inspectors)? Are special cases provided for?**

**g) As regards work-related accidents: How are they declared to the Labour Inspectorate? Is the information centralised? How do you assess non-declaration? How does the system of insurance for work-related accidents function?**

**h) What do you consider to be the most serious problems in the field of inspection (e.g. lack of resources, lack of money for missions, weak penalties)?**

**a)**



The inspection supervision of safety at work is carried out by state labour inspectors, except in mining operations, where the supervision is carried out by the mining inspection.

**b)**

The coordination between the State Labour Inspectorate and other inspectorates which have common competencies regarding safety at work is carried out if a need for joint inspection arises, during which there are no problems with coordination.

**c)**

The labour inspectors in the field of protection and safety at work are engaged exclusively on activities related to supervision of enforcing safety and health regulations.

**d)**

If, during supervision, the labour inspectors detect an infringement of law or a regulation, the following measures might be taken:

- The inspectors bring a decision on ordering the employer to eliminate the infringement in a reasonable period
- The employer is entitled to appeal the decision brought by the inspectors. The Minister of Labour and Social Policy decides upon the complaint.
- The inspectors may file a misdemeanour charge to the competent court
- The inspectors may file a criminal charge with the Public Prosecutor's Office, and are authorised to bring a decision on injunction for the activities at the workspace or the workstation on the spot, when there is an immediate danger for the life and health of the worker.

The labour inspectors carry out control supervisions related to the decisions until the identified irregularities are eliminated. The inspectors participate in the court procedures as a prosecuting party, if it is required by the court.

In 2003, the labour inspectors for protection at work have decided on 524 injunctions.

The funds raised from the fines are allocated to the Budget of the Republic of Macedonia.

**e)**

Several labour inspectors carry out supervisions of the undertakings, in compliance with the programme of the State Labour Inspectorate. In smaller areas, where only one inspector is assigned, the supervision is carried out periodically together with inspectors from other areas.

The Law on Labour Inspection stipulates that the inspector can not carry out supervisions of undertakings in case of conflict of interests.

**f)**

The Labour Inspection Law does not regulate the composition and the number of persons in the inspection team. Most often, the inspectors at the State Labour Inspectorate carry out the supervisions independently, and in certain cases by two or more inspectors with different expertise, depending on the type of supervision.

**g)**

Employers have the obligation of declaring all serious injuries at work, collective accidents and cases of death at work directly to the Labour Inspection.

In certain cases, the Labour Inspectorate receives information on serious injuries and cases of death at work from the Ministry of Interior.

For each injury at work employers are obliged to fill the Form for declaring work-related injuries and to submit it to the Health Insurance Fund.

All data on work-related injuries are collected at the Health Protection Institute.

Minor work-related injuries, when there is no need for absence from work, are not declared.

**h)**

Inefficient courts

- Slow processing of filed charges, which leads to obsolescence of the charges; verdicts with lesser sentences than the prescribed by the special laws, or with simple warnings;
- The number of 28 inspectors is not sufficient compared to the number of entities for supervision and the number of employees;
- Salaries without incentives and no possibilities for career development;
- Lack of technical equipment (computers, printers, fax machines, vehicles, gas, etc.) to carry out the duties efficiently;
- Lack of opportunities for education of the inspectors and learning from regulations and supervision experiences of other countries.

**3. Work equipment (Directive 89/655 amended by Directives 95/63 and 01/45)**

**a) If legislation exists on this subject, do you consider it to be aligned to the EU Directive?**

**b) Does your legislation include the requirements set out in Directives 95/63 and 01/45?**

**c) How are the various legislative acts coordinated, if there is more than one?**

**d) What approach has been or will be taken to include the rules on checking certain machines (those that are dangerous or subject to deterioration)?**

**e) Have you carried out an impact study? What are its results?**

**f) Do you already or do you plan to distinguish between new equipment and equipment that is already in use?**

**g) Do you envisage a transition period for equipment that is already in use on the date of entry into force of the full legislation on new equipment?**

**a)**

This subject matter is regulated by the Law on Safety at Work and several regulations in the field of protection at work among which the most important is the Rulebook on measures and norms for safety at work with work tools (Official Gazette of the Socialist Federal Republic of Yugoslavia No. 18/91).

Most of the provisions of these regulations are harmonised with the Directive, especially the provisions of the Law on Safety at Work and the Rulebook on measures and norms for safety at work with work tools and the Rulebook on general measures and norms for safety at work with cranes (Official Gazette of the Socialist Federal Republic of Yugoslavia No. 30/69).

**b)**

The legislation in the Republic of Macedonia includes most of the requirements set out in the Directive 95/63 and 01/45.

**c)**

There is a basic Law on Safety at Work on the basis of which special regulations that regulate various aspects regarding safety at work with work tools are adopted. In this field, the following regulations apply:

- Rulebook on special protective measures during railroad work (Official Gazette of the Socialist Federal Republic of Yugoslavia No. 1/89),
- Rulebook on protection at work during processing of non-metals and non-ferrous metals (Official Gazette of the RM No. 18/93),
- Rulebook on protection at work during loading and unloading (Official Gazette of the Socialist Republic of Macedonia No. 11/88),
- Rulebook on protection at work during mechanical processing and manufacturing of wood and similar materials (Official Gazette of the Socialist Republic of Macedonia No. 1/89),
- Rulebook on protective measures against danger of electricity in workspace and on working grounds (Official Gazette of the Federal People's Republic of Yugoslavia No. 107/47),
- Rulebook on protection at work during maintenance of motor vehicles and during transport of motor vehicles (Official Gazette of the Socialist Federal Republic of Yugoslavia No. 55/65),
- Order for prohibition for usage of high-octane gas for degreasing and cleaning of metal parts and objects made of other materials (Official Gazette of the Socialist Federal Republic of Yugoslavia No. 55/65),
- Rulebook on hygiene and technical protective measures during research and deep drilling oil and natural gas (Official Gazette of the Federal People's Republic of Yugoslavia No. 46/60)
- Rulebook on protection at work and technical measures for developers of acetylene and acetylene stations (Official Gazette of the Socialist Federal Republic of Yugoslavia Nos. 6/67, 29/67, 27/69)
- Rulebook on hygiene and technical measures during processing and manufacturing of metals (Official Gazette of the Federal People's Republic of Yugoslavia No. 40/61),
- Rulebook on protection during explosives and powder manufacture and explosives and powder handling (Official Gazette of the Socialist Federal Republic of Yugoslavia No. 55/69),
- Rulebook on general measures and norms for noise protection in workspaces (Official Gazette of the Socialist Federal Republic of Yugoslavia No. 29/71),
- Rulebook on technical norms in the smelting industry (Official Gazette of the Socialist Federal Republic of Yugoslavia No. 14/79),
- Rulebook on general measures and norms for protection at work with cranes (Official Gazette of the Socialist Federal Republic of Yugoslavia No. 55/69),
- Rulebook on technical norms for electric elevators for vertical transport of persons and cargo (Official Gazette of the Socialist Federal Republic of Yugoslavia No. 16/86)
- Rulebook on measures and norms for protection at work with work tools (Official Gazette of the Socialist Federal Republic of Yugoslavia No. 18/91),
- Rulebook on technical measures and norms for elevators (Official Gazette of the Socialist Federal Republic of Yugoslavia No. 57/70).

**d)**

The law and other legislation stipulate that all work tools are to be serviced and in good working condition at any time. Special attention is paid to the more dangerous work tools which have to be checked prior to use, and thoroughly checked every two years, or after rebuilding, or during repetitive use, as well as when beginning to work at a new workstation (on bulldozer cranes). The check-up is carried out by authorised legal entities or the employers themselves, if officially authorised.

**e)** So far, we have not carried out such a study.

**f)** We need to make distinguish between equipment in use and new equipment in order to be harmonised with the provisions of the Directive on Work Equipment.

**g)** It will take longer for the equipment in use to be in compliance with the Directive provisions. As for the new equipment, it will take at least 5 years.

#### **4. Personal Protective Equipment (Directive 89/656)**

**a)** If legislation exists on this subject, do you consider it to be aligned to the EU Directive?

**b)** How is the general rule that PPE shall be used when the risks cannot be avoided by other means included in the legislation (Article 3)?

**c)** Do you plan to set rules on use?

**d)** Have you carried out an impact study, at least for the activities for which PPE is recognised as being necessary (e.g. helmets on building sites, hearing protectors on airport runways, etc.)?

**e)** Does the PPE currently in use meet the requirements of Directive 89/686 (amended) concerning essential requirements for manufacturing and marketing? If not, has a date for this been set?

**f)** Does national law ensure no involvement of workers in financial costs for the provision, maintenance, repair and replacement of PPE?

**a)**

There is a Rulebook on personal protection means during work and personal protective equipment (Official Gazette of the Socialist Federal Republic of Yugoslavia Nos. 35/69, and 21/71), which is not fully aligned to the Directive. It is quite obsolete and it does not provide for certain personal protective equipment anticipated in the Directive, nor does it stipulate what personal protective equipment is to be used for which job.

**b)**

The Law on Safety at Work prioritises technical solutions as protective measures (at construction sites, for work equipment, devices, etc.) for elimination of risks and their reduction to a minimum level. If such measures do not allow for full elimination of risks at the workstation, then personal protective means and equipment are used as final possible measure for provision of safety at work.

**c)**

The Rulebook on personal protection means during work and personal protective equipment (Official Gazette of the Socialist Federal Republic of Yugoslavia Nos. 35/69, and 21/71) prescribes the use of personal protective equipment. However, it does not prescribe what type of personal equipment is to be used for particular risks. Therefore, it is a priority to adopt a Rulebook on personal protection means aligned to the Directive.

**d)**

So far, such study has not been carried out.

**e)**

Only a small fraction of the personal protective equipment is produced in our country (protective gloves, boots, overalls). The rest of the personal protective equipment is imported from EU countries, and they are labelled with the CE mark.

The national laws prescribe that employers organize, regulate and provide protection at work. Workers are not involved in any financing of protection at work.

## **5. Display screen equipment (Directive 90/270)**

- a) If legislation exists on this subject, do you consider it to be aligned to the EU Directive?**
- b) Does the legislation distinguish between old and new equipment? If so, what is the reference date?**
- c) How is a worker defined? More specifically, how has the “significant part of his normal work”, required for a worker to be subject to the provisions of the regulation, been defined?**
- d) How are pauses taken into account? How is the principle of interrupting work by pauses set out in Article 7 included?**
- e) How is the question of eye and eyesight tests handled (Article 9)? For example, are ophthalmological check-ups provided for?**
- f) Does national law require workstation analysis to be performed, particularly as regards possible risks to eyesight, physical and mental stress problems, and does it, on the basis of the results obtained, lay down an obligation on the part of the employer to remedy the risks found?**
- g) Have you carried out an impact study on some or all the measures set out in the Directive? What are the results?**
- h) Who bears the cost of: glasses, medical check-ups, other elements (modifying the workstation)?**

**a)**

There is no legislation on this subject matter in our country.

Considering the increase of display screen jobs, a Rulebook on Protection at Work for Display Screen Equipment shall be adopted in March 2005 and it shall be completely aligned to the Directive provisions. Please, refer to the answer to question [13 III A 2](#).

**b)**

As there is no Rulebook on this, there is no date set for aligning of old and new display screen jobs.

**c)**

In accordance with the draft Rulebook, a worker is defined as “any person using computer display equipment at work at least half of the full working hours during the day”.

**d)**

The Rulebook will include periodical pauses. Appropriate exercises will also be prescribed during the pauses.

**e)**

There is no special Rulebook on protection at work with display screen equipment. The existing Rulebook on methods and terms for pre-employment and periodical medical examination (Official Gazette of the Socialist Republic of Macedonia No. 27/88) regulates the check-up of eyes and eyesight as part of the medical examination during periodical and control check-up.

**f)**

This issue is not separately regulated by the existing legislation.

**g)**

Such study has not been carried out yet.

**h)**

According to the current regulations on protection at work, employers bear all costs. The Rulebook, which is to be adopted, will include the same provision, i.e. employers will bear the costs for medical check-ups and personal protective equipment.

## **6. Handling of loads (Directive 90/269)**

**a) If legislation exists on this subject, do you consider it to be aligned to the EU Directive?**

**b) How do you take into account the general rule of avoiding the manual handling of loads?**

**c) Have you set values for maximum loads? Are they indicative or binding? Are they different for occasional and repetitive handling of loads?**

**d) Have recommendations or guidelines been drawn up?**

**e) Have you carried out a study on the overall impact? On the impact on specific cases? For example, transporting the sick in hospitals or at home, carrying mail and packages (letter carriers or couriers), work done by street sweepers or dockers?**

**a)**

The following Rulebooks on handling of loads in mechanised and manual manner are to be aligned to the Directive.

- Rulebook on protection at work during loading and unloading (Official Gazette of the Socialist Federal Republic of Yugoslavia No. 11/88),
- Rulebook on protection at work during construction works (Official Gazette of the Socialist Federal Republic of Yugoslavia No. 13/88),
- Rulebook on technical norms for electrical elevators for vertical transport of persons and cargo (Official Gazette of the Socialist Federal Republic of Yugoslavia No. 16/86),
- Rulebook on technical norms for cranes (Official Gazette of the Socialist Federal Republic of Yugoslavia No. 65/91),
- Rulebook on technical measures and requirements for elevators (Official Gazette of the Socialist Federal Republic of Yugoslavia No. 57/70).

**b)**

There are no regulations for avoiding manual handling of loads. Considering that manual picking up and transfer of loads implies risk of injuries to the spine, such regulations are to be adopted.

**c)**

The Rulebook on protection at work during loading and unloading sets the values for maximum loads: 25 kg at a distance of 25 m and at a height of 1,5 m. In exceptional circumstances the load may be heavier than 25 kg, but not heavier than 50 kg. Manual transfer, loading, and unloading load heavier than 50 kg is prohibited under all circumstances. The current regulations make no distinction between occasional and constant handling of loads. The employees working on loading and unloading are subject to periodical medical examinations.

**d)**

There are no special recommendations or guidelines. The health surveillance of these workers is regulated by the Rulebook on methods and terms for qualification and periodical examination (Official Gazette of the Socialist Republic of Macedonia No. 27/88). According to the Rulebook, the workers working on jobs with great physical strain, including handling of loads, are subject to qualification and periodical medical examinations every 12 months.

**e)**

Impact study has not been carried out. Certain epidemiologic studies in the Republic of Macedonia show a significant presence of musculoskeletal diseases of more than 25% in the morbidity structure of the exposed population.

## **7. Workplace (Directive 89/654)**

**a) If legislation exists on this subject, do you consider it to be aligned to the EU Directive?**

**b) Do you plan to apply legislation identically in all locations (new, existing, old) or differently according to whether they existed at a certain date?**

**c) What approach has been decided on to include the minimum requirements set out in the Annex to this Directive (for example: outdoor workstations, the disabled)?**

**d) Have you carried out an impact study?**

**a)**

There is a Rulebook on general measures for protection at work for workspaces and utility rooms (Official Gazette of the RM No. 33/93). Most of it is aligned to the Directive provisions.

**b)**

The existing Rulebook needs to be amended in order to be fully aligned to the Directive. The terms for alignment of the existing construction facilities should be at least 5 years, whereas for the new ones, one year from the date of adopting the new rulebook.

It will not be completely possible to align the objects under protection of the Law as cultural and historical sites (the Old Bazaar, etc.) to the Rulebook.

**c)**

Regarding the minimum requirements set out in the Annex to this Directive which refer to temporary construction sites outside the main office of the undertaking, and which refer to accommodation, meals and transport of workers, those are regulated by the Rulebook on protection at work during construction works (Official Gazette of the Socialist Republic of Macedonia No. 13/88). As far as the disabled are concerned, according to the Law on Employment of Disabled Persons (Official Gazette of the RM Nos. 40/02 and 16/04) every employer that hires disabled persons, as well as legal entities and natural persons who form sheltering workshops for employment of the disabled are entitled to use funds from a special fund of the Employment Agency for adaptation of the workplace.

**d) Such study has not been carried out yet.**

## **8. Signs (Directive 92/58)**

**a) If legislation exists on this subject, do you consider it to be aligned to the EU Directive?**

**b) Have you carried out an impact study?**

**a)**

There is no special Rulebook on Signs.

The Rulebook on technical measures for plants and maintenance of electrical facilities (Official Gazette of the Socialist Federal Republic of Yugoslavia No. 19/68) provides norms for the colours of pipelines depending on the liquid in the pipes.

The Rulebook on Signs is planned to be developed and adopted.

**b)**

Such study has not been carried out.

#### **9. Temporary or mobile constructions sites (Directive 92/57)**

**a) If legislation exists on this subject, do you consider it to be aligned to the EU Directive?**

**b) Are or will all the provisions of the Directive be included in a single act?**

**c) Have you carried out an impact study?**

**d) How do the implementing structures define the role of the coordinators (Article 5 (project preparation) and Article 6 (project execution))? How and by whom are the conditions for awarding certificates and diplomas set? Who draws up the curriculum and exams? How is it done?**

**e) Are the safety and health plan (Article 5(b)) and any adjustments made to it (Article 6(c)) sent to a specific authority? Who has access to it? Same questions concerning the file (Articles 5 (c), 6(c))?**

**f) What steps do you take to ensure that only authorised persons are allowed onto the construction site (Article 6(f))? What measures are taken in practice?**

**a)**

The Rulebook on safety at work during construction works (Official Gazette of the Socialist Republic of Macedonia No. 13/88) is aligned to the Directive provisions for the greater part.

**b)**

All provisions are included in the Law on Safety at Work and in the Rulebook on safety at work during construction works.

**c)**

Impact study has not been carried out.

**d)**

When there are several enterprises working on a construction site simultaneously, the Law on Safety at Work allows for them to agree on the implementation of protection at work at the site as a whole, and to agree upon who the person responsible for the implementation of safety at work by a written act. The existing law does not define who is to be the coordinator of these activities; and there are no rules for design of certificates and diplomas, nor for the curriculum and exams.

**e)**



The safety and health plan is included in the plan for organization of the construction site, but it is not submitted to the labour inspection. However, in accordance with the regulations, the construction works contractor is obliged to have a plan prior to the beginning of construction.

Based on the Law on Safety at Work, the safety at work representatives have a right to review all relevant documents. According to our regulations, the plan for organization of the construction site is not amended during construction; but nevertheless, all stages of the facility construction should be included in the plan.

**f)**

Pursuant to the Rulebook on safety at work during construction work, the construction site is to be surrounded by an appropriate fence, access of unauthorised persons is not allowed, and there has to be a visible sign at the entrance which forbids entrance to unauthorised persons.

**10. Extractive industries: On-shore and off-shore drilling (Directive 92/91 - old sites +5 years) and Surface and underground (Directive 92/104 - old sites +9 years)**

**a) What is the scope of national legislation? (In other words, how are the extractive industries defined?)**

**b) Has an adaptation period for old work-sites been planned?**

**c) Is there special supervision for workers in the extractive industries (mines, quarries, etc.) (Article 8)?**

**d) What legislation is or will be applicable to undertakings that extract by dredging? (Article 12) (Sandpits, etc)**

**e) How does national law include the requirement that the employer responsible for the workplace (Article 3 (3)) must coordinate the implementation of all the measures concerning the safety and health of the workers and state, in his safety and health document, the aim of that coordination and the measures and procedures for implementing it?**

**f) How is the requirement that the employer have a safety and health document included in national law?**

**g) Are there any special measures for SMEs?**

**a)**

Activities related to extraction of minerals are defined as research, exploitation, and refinement of raw minerals. This subject matter is regulated with the Law on Mining.

**b)**

In our country there is no oil extraction drilling.

**c)**

The protection at work supervision in mines, quarries, etc. is done by a Mining Inspection, which is part of the general Technical Inspection.

**d)**

Dredging is under the jurisdiction of the mining inspection.

Mining applies the protection at work regulations and the regulations contained in the Rulebook on technical norms for surface exploitation of architectural-building stone, technical stone, gravel and sand, as well as processing of architectural-building stone

**e)**

Mining applies all provisions of the Law on Protection at Work, which we consider as fully aligned to the Directive 85/391/EEC. Pursuant to the Law on Safety at Work, employers have a duty and an obligation to provide and coordinate the protection at work in compliance with the Law and rulebooks which regulate the subject matter in all branches (industries, construction, forestry, agriculture, traffic, hunting and fishery, trade, health, etc.).

**f)**

Pursuant to the Law on Safety at Work and the Rulebook on protection at work during construction work, employers are obliged to prepare an elaboration on the construction site organisation where, among other things, places of high risk to the life and health of workers have to be identified. The construction site manager is responsible for the implementation of safety at work.

**g)**

The protection at work regulations is equally applicable to both small and medium-sized enterprises.

#### **11. Fishing vessels (Directive 93/103)**

**a) If legislation exists on this subject, do you consider it to be aligned to the EU Directive?**

**b) Have you carried out an impact study on new vessels? On existing vessels?**

**c) Has an adaptation period for existing vessels been planned?**

**d) What body is responsible for enforcing the law (Article 3(2))?**

**e) What body is responsible for the training of persons likely to command a vessel (Article 10)?**

**f) What body verifies that the captain of a fishing vessel has actually received this training?**

In the Republic of Macedonia there is no fishing with fishing vessels. Therefore, there is no need for regulating the subject matter of the Directive 93/103 by secondary legislation.

#### **12. Medical treatment (Directive 92/29)**

**a) If legislation exists on this subject, do you consider it to be aligned to the EU Directive?**

**b) Have you carried out an impact study?**

**c) Is there at least one national centre providing workers with free medical advice by radio (Article 6)?**

**d) Do the medical supplies carried by vessels meet the classification and content set out in the Directive?**

**e) What authority is responsible for the annual inspection (Article 7)?**

**f) Does national law provide for initial training and refresher courses on first aid (Article 5(3) and Annex V)? How is this done in practice?**

In Republic of Macedonia there is no regulation applicable to the Directive 92/29.

**13. Carcinogens (Directive 90/394 amended by 97/42 (benzene) and amended by 1999/38 (mutagens – wood dusts – vinyl chloride))**

**a) Does your country have similar legislation in the field covered by the Directive?**

**b) As for the current situation on carcinogens:**

**i) Do you use the Community classification or a different classification to define substances as carcinogens?**

**ii) Does the law oblige carcinogens to be replaced by less dangerous substances?**

**iii) Is the health surveillance of workers obligatory?**

**iv) Are medical records kept? For how long (40 years in the European Union)? By whom?**

**v) Will you have difficulties with the limit value for benzene (3 ppm until 2001, then 1 ppm)?**

**vi) How do you plan to take into account Directive 1999/38?**

**a)**

The existing international regulations and Conventions are enforced, only partially covering the provisions of the specified Directives:

- Convention No.139 on Prevention and Control of Occupational Risks Caused by Carcinogenic Substances and Agents (Official Gazette of the Socialist Federal Republic of Yugoslavia No.3/77),
- Convention No.139 on Protection from Benzene Poisoning, 1971(Official Gazette of the Socialist Federal Republic of Yugoslavia No. 16/79),
- Recommendation on Benzene Protection 144 from 1971 (Fifty Six Session of the International Labour Organization),
- Rulebook on hygienic and technical protective measures during research and deep drilling oil and natural gas (Official Gazette of the Federal National Republic of Yugoslavia No. 46/60-838),
- Rulebook on protective measures during work with x-ray devices and radioactive substances (Official Gazette of the Socialist Federal Republic of Yugoslavia No. 100/47-1394).

**b) i)**

On the basis of the Law on Sale of Toxins (Official Gazette of the Socialist Federal Republic of Yugoslavia No. 13/91) and the secondary legislation derived from the Law, certain elements may be applied for carcinogenic substances.

The subject matter of carcinogenic substances is partially included in the Law on Safety at Work (Official Gazette of the RM No. 13/98) This Law stipulates that producers of dangerous and harmful substances that can cause injury and disease with workers are obliged to enclose public document with data on the chemical and physical properties of the substances at the time of delivery, as well as the extent of the risk of explosion and fire, radioactivity etc., the manner of storing, keeping, transfer, transport and the method of disposal, as well as instructions on first aid for workers.

Dangerous substances are explosives, flammables, corrosives, carcinogens and radioactive substances.

**ii)**

The current norms provided with the Law on Safety at Work have incorporated replacement of dangerous substances by less dangerous. Employers may use dangerous substances only if the same results can not be achieved by applying harmless or less dangerous substances. The employer should reduce the use of dangerous substances at the workplace, partially by substitution of substances, technological processes (automation, vacuum), which under the given working conditions are not dangerous or are less dangerous to the health or safety of workers, and do not endanger the working and living environment.

**iii)**

The current Rulebook on method and terms for pre-employment and periodical medical examination (Official Gazette of the Socialist Federal Republic of Yugoslavia No. 27/88) provides for health surveillance of workers dealing with chemical substances (without marking the level of carcinogens) and it is compulsory. It is carried out through pre-employment and periodical medical examinations every 12 months, as well as with control check-ups.

New Rulebook on contents and procedure for pre-employment medical examination and contents and terms for periodical medical examination of workers is at the adoption stage. The Rulebook stipulates an obligation for health surveillance of workers exposed to substances with proven carcinogenic effects (category A1 - List of carcinogens of the WHO).

**iv)**

Pursuant to the existing legislation, medical records for health check-ups of workers are to be kept at the medical institution for up to ten years. By the Rulebook on periodical examinations, the permanent keeping of medical records of workers exposed to ion-rays at the medical institution is compulsory.

**v)**

It is assumed that this limit value for benzene will be a difficulty, considering the current Rulebook on maximum allowed concentrations of harmful gas, vapours and aerosols in the workspace atmosphere (JUS 3B.001. Official Gazette of the Socialist Federal Republic of Yugoslavia No. 35/1971), according to which the maximum allowed concentration is 15 ppm, which will require closure or transformation of certain production processes where benzene is produced or used, that in turn requires new investments.

**vi)**

The Directive shall be taken into account by transposing its provisions in the Rulebook on occupational exposure limit values

**14. Chemical agents (Directive 98/24)**

**a) What is the current situation as regards chemical agents?**

**b) What legislative strategy do you intend to adopt regarding Directive 80/1107? Do you intend to transpose it or take Directive 98/24 solely into account?**

**c) To what extent is risk assessment the employer's obligation?**

**d) What is the scope of the regulations, and what categories of workers are or will be covered (Article 1(4)) (high-risk groups, etc.)?**

**e) How have you or do you intend to transpose Article 3, i.e. do you plan to set up procedures which will allow two kinds of limit values to be set (indicative and binding)? In other words, what is or will be the nature of the “national occupational exposure limit value” when transposing the Community IOELVs into your legislation?**

**f) What prevention strategy has been or will be drawn up to protect workers’ health, and what kind of measures will be taken to eliminate risk, or reduce it to a minimum (Article 5)?**

**g) To what extent is health surveillance a compulsory requirement for work with chemical agents (Article 10)?**

**h) Do you intend to transpose this Directive using binding legislative measures or non-binding guidelines (Article 12)?**

**a)**

The current legislation is not aligned to the Directive. In the Law on Safety at Work (Official Gazette of the RM No. 13/98) certain articles relate to the obligations of the producer of dangerous and harmful substances which is a wide notion, and includes chemical substances, too. Several legal acts cover the subject of production, sale, transport, and protection of dangerous substances. According to the Law on Safety at Work, employers are obliged to conduct tests of chemical hazards (gases, vapours, smoke, aerosols, etc.). The work places which include work with chemical agents are considered work places under special conditions and the workers are subject to preventive medical examinations (Rulebook on method and terms for pre-employment and periodical examination – Official Gazette of the Socialist Federal Republic of Yugoslavia No. 27/88).

The Law on Sale of Toxins (Official Gazette of the Socialist Federal Republic of Yugoslavia No. 13/91) and the secondary legislation derived from the Law include the definition of toxins, list of toxins that may not be marketed, a Rulebook on marking toxins, technical and sanitary-hygienic requirements of organisations dealing with sale of toxins. The list of toxins is quite long and covers almost all chemicals.

There have been a lot of epidemiologic, scientific and research studies from the aspect of the influence of chemicals on the health of the exposed workers in metallurgic, chemical, pharmaceutical, shoe, and leather processing industries for many years. Research has been done on the effects of lead, cadmium, manganese, carbon monoxide, benzene, etc. at the Institute of Occupational Health, a WHO Collaboration Centre for Occupational Health in Skopje, as well as at the departments for occupational health in the country.

**b)**

Transposition of Directive 80/1107 and Directive 98/24 in the national legislation is underway.

**c)**

The current legislation does not regulate risk assessment, which is yet to be aligned to EU standards and recommendations. However, according to the Law on Safety at Work, employers are obliged to conduct tests on chemical harmfulness after commencing work at a facility or when changing the technological process within the first stage of risk assessment:- identification of harmfulness.

**d)**

The Rulebook on methods and terms for pre-employment and periodical medical examination (Official Gazette of the Socialist Federal Republic of Yugoslavia No. 27/88) prescribes that workers working with certain chemicals are subject to medical examination prior to commencing work with the chemicals, to periodical medical examination in the prescribed terms, as well as to control check-ups.

**e)**

New Rulebook on occupational exposure limit values is being prepared, where the Community IOELVs shall be transposed. The Rulebook on maximum allowed concentrations of harmful gas, vapours and aerosols in the atmosphere of workstations and construction sites is in force (JUS 3.BO.001. Official Gazette of the Socialist Federal Republic of Yugoslavia No 35/1971). The national limit values to occupational exposition shall be binding.

**f)**

The current protection at work strategy is based on basic rules and principles for protection and safety which include work equipment, work environment, and work processes, workers' health, and implementation of all preventive measures. The new general strategy called the "National Strategy for Health, Healthy Environment and Safety at Work" is at adoption stage. It is broader and more complex (but relates to chemically harmful agents), and it provides for specific activities at all levels: national, local, and at the level of enterprises.

Nevertheless, in the following period, a focused strategy on chemically harmful agents should come out of the Strategy.

**g)**

The work with chemical agents is classified under work places with special conditions. According to the Law on Safety at Work and the Rulebook on methods and terms for pre-employment and periodical medical examination, workers are subject to pre-employment, periodical, and control medical examinations depending on the specific chemicals.

**h)**

An adoption of an appropriate rulebook is planned, and it shall incorporate the Directive provisions with binding implementation.

#### **15. Limit values (Directives 91/322 and 2000/39)**

**a) Is there currently a list of chemical substances for which exposure limit values have already been set? If so, how many substances are on the list? Are the limits indicative or binding?**

**b) How do you plan to transpose the two lists from the Commission Directives?**

**a)**

The existing Rulebook on maximum allowed concentrations implemented in our country is not aligned to the EU Directives.

The Rulebook on maximum allowed concentrations of harmful gases vapours and aerosols in the atmosphere of workspace and construction sites (JUS 3.BO.001. Official Gazette of the Socialist Federal Republic of Yugoslavia No. 35/1971) which regulates this subject matter, provides obligatory, binding limit values to exposure. However, this Rulebook is not aligned to the EU Directives. This rulebook specifies 604 chemical substances.

**b)**

The harmonisation of the national to EU standards on this subject matter is underway.

#### **16. Asbestos (Directive 83/477)**

- a) Are products containing asbestos currently sold?**
- b) What is the limit value for exposure of workers (Article 8) (EU 0.1 fibres/cm<sup>3</sup> as an eight-hour time-weighted average)?**
- c) What method do you use to collect airborne fibres?**
- d) Is applying asbestos by means of spraying prohibited (Article 5)?**
- e) What authority is responsible for administering the notification system (Article 4)?**
- f) Is there a register of recognised cases of mesothelioma?**
- g) Do you require a complete plan of work to be drawn up before any demolition work is begun (Article 12)? Under what conditions (Paragraphs (2) added subparagraph and (3))?**
- h) Are the air and sea sectors covered?**

**a)**

There are products containing asbestos on the market in the Republic of Macedonia. The Asbestos Convention, 1986, dealing with protection during use of asbestos, as well as the Asbestos Protection Recommendation No. 172/86 (72nd Session of the International Labour Organisation (ILO)) were ratified within the framework of the legal system of the Republic of Macedonia (Official Gazette of the Socialist Federal Republic of Yugoslavia No. 4/89).

**b)**

According to the existing Rulebook on maximum allowed concentration of hazardous gases, vapours and aerosols in the atmosphere of working environment and building sites (JUS Z 130.001, published in the Official Gazette of the Socialist Federal Republic of Yugoslavia No. 35/71) the quantity of asbestos in respirable dust shall amount to 1 mg/m<sup>3</sup>, and the quantity of asbestos in the total dust amount shall be 3 mg/ m<sup>3</sup> and the number of asbestos particles shall amount to 175 particles per cm<sup>3</sup> of air.

The maximum allowed concentration of asbestos fibers referring to eight hours exposure is not in compliance with the EU Directive, allowing only 0.1 fibers per cm<sup>3</sup>.

Nevertheless, the Institute of Occupational Health has performed several measurements in a working environment using the limit values provided by the EU Directive (0.1 fibers per cm<sup>3</sup>).

**c)**

the Institute of Occupational Health has worked on several measurements in a working environment where asbestos is processed, applying the methods for collecting of asbestos fibers in the air, i.e. the method ALA (membrane filters method) using Casella pump with a flow of 1.5 l/min, and the time of sampling depended on expected asbestos concentrations in the air. As for the occupational exposure limit value, the value of EU Directive (0.1 fibers/cm<sup>3</sup>) was used.

**d)**

Use of asbestos by dispersion has been prohibited by virtue of ratification of the Asbestos Convention, 1986, No. 162 dealing with protection during use of asbestos, as well as by virtue of the Asbestos Protection Recommendation No. 172/86 (72nd Session of International Labour Organisation (ILO)).

**e)**

There is an obligation for employers to notify the labour inspection in case of occupational disease related to the hazardous causative agent, but there is no obligation with regards to the type and quantity of the material used. There is no obligation for employers to inform any competent authority with regards to changes concerning the use of asbestos.

**f)**

There is no special registry with regards to mesotheliomas in the Republic of Macedonia, but there is a registry of occupational diseases and statistical monitoring of cancer in the State Statistical Office. It is planned a registry of recognized cases of asbestosis or mesothelioma to be kept.

**g)**

Pursuant to Article 137 of the Rulebook on Safety at Work during carrying out of construction works related to demolition of buildings or a part thereof, notwithstanding whether the demolition is being carried out manually, using machines or mines, an appropriate programme for the works and measures for safety at work shall be drawn previously, depending on the type of building and the level of danger threatening.

**h)**

The Rulebook does not comprise air force and maritime sectors.

#### **17. Noise (Directive 86/188)**

**a) If legislation exists on this subject, do you consider that it is aligned to the EU Directive?**

**b) Have you carried out an impact study? Does the Directive pose a problem for any sectors or activities?**

**c) Have you set a daily noise-exposure value for workers? If so, what is it?**

**d) Does current legislation set action levels on noise? If so, what is the action value? If not, do you intend to set one?**

**e) Do you already have or plan to set a threshold (ceiling) limit value for noise? If so, what is this value?**

**f) Do you have a framework of preventive measures including health surveillance to effectively protect workers against noise? If so, how are these measures related to the limit values?**

**a)**

The existing legal regulations referring to noise in working environment (Rulebook on General Measures and Norms for Protection at Work from Noise in Working Environment (Official Gazette of the Socialist Federal Republic of Yugoslavia No. 29/71) are partially harmonized with the Directive 86/188.

**b)**

Several impact studies of the noise that affects the hearing, health condition and working capability, as well as the degree of noise in the working environment in various industrial branches such as



forestry, metallurgy (87-118 dB), textile industry (88-11 dB), metal industry (96-115 dB), and mining (80-123 dB), have been carried out. The Directive should not pose a problem for any sector or activity, except for forestry, metal-processing industry, textile industry, etc.

**c)**

Pursuant to the existing legal regulations, the maximum level of noise allowed for 8 working hours is 90 dB, preventing hearing disorder. There are also other elements for determining the allowed noise level, depending on the activity, workplace, and time of exposure.

In compliance with the EU Directives, the value of 85 dB (in dB according to the N curve) was accepted by experts as allowed daily exposure to noise (during 8 working hours) a year ago.

The harmonization of the national legislation with the European legislation in the field of noise is underway.

**d)**

The existing regulations referring to the allowed levels of noise in a working environment do not determine the level of noise emission, but the new Rulebook on Noise Protection shall determine and define these elements.

**e)**

Pursuant to the legal regulations, the threshold limit value is 130 dB during a three- minute exposure. It depends on the daily exposure and the frequency area.

**f)**

Within the preventive measures, in accordance with the Rulebook on Methods and Terms for Pre-employment and Periodical Medical Examinations, all employees exposed to the noise above 90 dB are subjected to pre-employment and periodical medical examinations once a year. The measures as well include use of personal protective equipment, taking breaks during work, etc.

## **18. Explosive atmospheres (Directive 1999/92/EC)**

**a) If legislation exists on this subject, do you consider that it is aligned to the EU Directive?**

**b) Have you carried out an impact study? Does the Directive pose a problem for any sectors or activities?**

**a)**

The existing regulations are not aligned with the EU Directive.

**b)**

An impact study has not been carried out so far. A Rulebook on Protection at Work in Explosive Atmospheres, aligned with the Directive 1999/92, is planned to be adopted.

## **19. Biological agents at work (Directive 2000/54/EC)**

**a) If legislation exists on this subject, do you consider that it is aligned to the EU Directive?**

**b) Have you carried out an impact study? Does the Directive pose a problem for any sectors or activities?**

**c) Which national authority is competent?**

**d) If there is legislation on this subject, do you consider that your legislation is in line with Directives 90/679 and 93/88 and their adaptations to technical progress? What parts are not aligned to date?**

**e) What general principles do you apply or intend to apply to:**

- i) risk assessment;**
- ii) risk elimination;**
- iii) risk reduction?**

**f) Do you use a classification of biological agents? Does it tally with the one set out in the Directive?**

**g) Is health surveillance set up along the same principles?**

**h) Have containment measures been prepared? Does the classification tally with the Directive's?**

**a)**

Harmonization of the national law with the EU legislation from this field is pending. The Rulebook on Methods and Terms for pre-employment and Periodical Medical Examinations provide that the work places with exposure to biological material are work places under special working conditions requiring pre-employment and periodical medical examinations every 12 months.

**b)**

Considering the importance of the problem, besides the long-term surveillance of health conditions and occupational risks of the medical workers relating to biological agents for, an impact study was carried out in the Republic of Macedonia during 2002/2004 for the first time by the Institute of Occupational Health, a WHO Collaboration Centre in Skopje under the patronage of the Ministry of Education and Science, supported by the Ministry of Health. The scientific research Project "Specific Occupational Risks of Medical Workers: Infectious and Psycho-Social Hazards was targeted to the problem of the presence of Hepatitis B, Hepatitis C and HIV/AIDS with a representative sample taken among medical workers from various levels and segments of the medical activities in the Republic of Macedonia. The Project gave the first results and measures for prevention and improvement of the medical workers' health.

**c)**

The competent national authorities are: the Ministry of Health - for the protection of human health; the Ministry of Labour and Social Policy - for passing regulations concerning the protection at work; the State Sanitary and Health Inspectorate and the State Labour Inspectorate - for supervising the implementation of regulations.

**d)**

The analysis of the EU legislation from this field is underway.

**e)**

- i)**
- ii)**
- iii)**

The basic rules and principles of protection and safety covering tools and equipment, working environment and work process, health of employees, application of all preventive measures, partly including the elements required with regard to biological hazards, are implemented in the same way as they are for all types of hazards effects in a working environment.

A Rulebook on Risk Assessment obliging the employers to assess the level of risk at the workplace is planned to be drawn up.

During the risk assessment it is fundamental to determine the nature, the level and the duration of the exposure. On the basis of the established situation, an employer should take measures to eliminate or reduce the risk. At present, only the general principles for protection and safety at work regulate the above issue.

**f)**

There is no classification of the biological materials in use.

**g)**

The answer to this question is stated under the item (a).

**h)**

The analysis of the EU legislation referring to this field is underway.

## **20. Vibrations (Directive 2002/44/EC)**

**a) If legislation exists on this subject, do you consider that it is aligned to the EU Directive?**

**b) Have you carried out an impact study? Does the Directive pose a problem for any sectors or activities?**

**c) Do you envisage a transition period for work equipment or for agriculture and forestry sectors?**

**d) Are limit values according to your legislation in line with the values that are set in the Directive?**

**a)**

This issue is regulated by the Convention No. 148 on Protection of Workers from Occupational Risks in Working Environment Caused by Air Pollution, Noise and Vibrations, 1977 (Official Gazette of the Socialist Federal Republic of Yugoslavia No. 14/82). The analysis of the EU legislation referring to this field is underway.

**b)**

There are two impact studies on vibrations in production (tunnel workers/drillers and workers using manual vibrating tools in the civil engineering industry) carried out by the Institute of Occupational Health. Characteristics of vibration during production process, hazardous influences on the health and working ability of exposed employees have been analysed with a special review on the hand/arm vibration syndrome (HAVS) and prevention measures recommended.

**c)**

The analysis of the EU legislation referring to this field is underway.

**d)**

There are no particular regulations on vibrations or determined limit values thereof. Nevertheless, the recommendations for the ISO Standards are being implemented in practice.

## IV. SOCIAL DIALOGUE

### 1. What are the social dialogue mechanisms in your country? What is their legal basis?

A social dialogue mechanism is established in the Republic of Macedonia. It is established and functions on the following legal basis: the International Labour Organisation (ILO) Convention on Freedom of Association and Protection of the Right to Organise No. 87, the International Labour Organisation (ILO) Convention on the Right to Organise and Collective Bargaining No. 98, the International Labour Organisation (ILO) Convention on International Labour Standards No. 144, and the International Labour Organisation (ILO) Recommendation No. 152 on International Labour Standards, the Constitution of the Republic of Macedonia, the Labour Relations Laws, other laws and collective labour agreements and other special laws and legal acts. Furthermore, the Government of the Republic of Macedonia, the Macedonian Trade Unions Association and the Association of Employers have signed a separate agreement on the establishment of an Economic and Social Council as a tripartite advisory body consisting of representatives of the three social partners (the Government of the Republic of Macedonia, the Association of Workers, and the Association of Employers).

The Economic and Social Council is an advisory body in which the representatives of the social partners review the economic and social issues and agree on general and common economic and social interests. The social dialogue is carried out in the Economic and Social Council and is realized on tripartite and bipartite levels. The Agreement on Establishment of the Economic and Social Council determines the issues related to the competencies of the Economic and Social Council in details, as well as the composition thereof and methods of work.

Within the bipartite dialogue, two General collective agreements, 31 branch collective agreements, and collective agreements on employer's level have been signed.

Social partnership is implemented on various levels, including participation of the representatives of the social partners in preparation and implementation of the concrete projects related to the local economic development, employment, training etc.

The National Action Plan for Employment for 2004/05 has been prepared within the framework of the social partnership with participation of the social partners who will also participate in its implementation. Moreover, the Government and the Macedonian Trade Unions Association have signed a social agreement which determines the economic and social issues, priorities and obligations, as well as the course and dynamics of realisation. In accordance with the special laws, the representatives of the social partners participate in the administrative bodies of the relevant funds and institutions, representing the interests of the membership thereof, aligning them with the representatives of the Government and take an active part in preparation and implementation of the regulations from the relevant field. At the employers' level, the social dialogue is being realized through the establishment and activities of unions, and participation in the procedure for concluding collective agreements at the employers' level.

There are also legal grounds and legal framework for the establishment of tripartite bodies on a local level with a participation of the delegates of local communities, with an aim to encourage the local economic development and to provide services to employers, employees and the unemployed for the labour market needs.

**2. What are the trade unions and employers' organisations recognised at national level or at regional or branch levels? Is a list available with their names, dates of creation and coverage? How are these organisations entitled to recognition as social partners' organisations (criteria set out by law, code of labour, ...)?**

The Labour Relations Law provides that the employees and the employers shall establish organisations by own choice and join them under conditions determined by a Statute thereof.

According to the records of the Registry of Unions kept by the Ministry of Labour and Social Policy (date of establishment and fields covered), the following unions are registered at the national level:

- Union of Metalworkers, Miners and Energy Engineers of Macedonia (08/02/1994);
- Union of Workers in the Agricultural Industry of the Republic of Macedonia – The Agri-Union (22/2/1994);
- Union of Workers in the Textile, Leather and Shoe Industries (28/02/1994);
- Union of Workers in the Civil Engineering Industry, Industry, Building Materials Industry and Planning of the Republic of Macedonia (28/02/1994);
- Autonomous Union of Workers in Education, Science, and Culture of the Republic of Macedonia (07/11/1994);
- Union of Workers in the Administration, Justice, Social Organisations and Associations of Citizens (23/09/1994);
- Autonomous Union of Workers in Health, Pharmacy, and Social Protection of the Republic of Macedonia (28/02/1994);
- Union of Workers in Catering, Communal Hygiene and Handicrafts of Macedonia (10/05/1996);
- Union of Workers in Transport and Communications (30/03/1994);
- Union of Workers in Chemical and Non-Metal Industries of Macedonia (30/09/1994);
- Union of Workers in Forestry and Wood Industry of Macedonia (22/02/1994);
- Independent Union of Workers in the Ministry of Interior of the Republic of Macedonia – Macedonian Police Union (28/12/1994);
- Union of Workers in Graphic Design, Information, Film, and Publishing, and Paper Production (28/02/1994);
- Union of Workers in Trade (28/02/1994);
- Independent Union of Workers in the Electrical Industry of Macedonia (04/05/1998);
- Autonomous Union of Workers in Defence (12/01/1998);
- Autonomous Union of Post Office and Telecommunications Workers of Macedonia (16/09/1998).

The above unions are united in the Macedonian Trade Union Association, registered on 28/02/1994. Within the Macedonian Trade Union Association, there is a union network of 31 regional union organisations covering the interests of the branch unions which are not registered on their own because they are not independent legal entities.

Besides the above-mentioned unions at the national level, the following unions are registered by the Ministry of Labour and Social Policy:

- Federation of Independent and Autonomous Unions of Macedonia (07/03/1994);
- Union of Workers in Financial Organisations of Macedonia (05/11/1994)
- Association of Unions in Macedonia (15/01/1998);
- Coalition of Independent Unions of Macedonia (25/01/2000);
- Federation of Independent Transport Unions of the Republic of Macedonia (20/08/2001);
- Autonomous Union of Workers in the Clinical Centre (12/12/2001);
- Federation of Independent Civil Engineering Unions of Macedonia (31/05/2002);
- Union of the Macedonian Diplomatic Service (15/07/2002);
- Federation of Independent Industry Unions of Macedonia (04/07/2003);
- Association of Truck Transporters of Macedonia (16/07/2003);
- Confederation of Union Organisations of Macedonia (29/09/2004) and
- Federation of Music Unions of Macedonia (27/04/2004).

The interests of the employers were represented by the Board of Employers functioning as a body of the Chamber of Economy of the Republic of Macedonia elected by the Assembly of the Chamber.

The Chamber of Economy has acquired the status of a legal entity in accordance with the Law on the Chamber of Economy (Official Gazette of the Republic of Macedonia Nos. 38/90 and 10/91). Besides the Board of Employers, the interests of the employers are represented at the national level by associations in separate branches, as a basic form of organisation and operation of the members of the Chamber, organised within the framework of the Chamber of Economy of the Republic of Macedonia. The associations are constituted by a Decision of the Assembly of the Chamber of Economy (No. 08-4703/8 dated 13<sup>th</sup> November, 1992) as follows:

- Association of Energy, Ferrous and Non-Ferrous Metallurgy;
- Association of Metal and Electrical Industry;
- Associations of Mines and Non-Metal Industry;
- Association of Civil Engineering Industry and Building Materials Industry;
- Association of Chemical Industry;
- Association of Textile and Garment Industries;
- Association of Paper and Cellulose Industry, Graphic Industry, Press and Publishing and Cinematographic Industries;
- Association of Leather Processing Industry;
- Association of Tobacco Industry;
- Association of Agricultural and Food Industry;
- Association of Water Management;
- Association of Forestry and Wood Industry;
- Association of Sales and Services;
- Association of Transport and Communications;
- Association of Catering and Tourism;
- Association of Communal Services;
- Association of Banking and Insurance;
- Federation of Associations of Individual Businessmen.

In accordance with the Law on Chambers of Commerce (Official Gazette of the RM No. 54/02), the chambers of commerce may be established according to activities thereof. Chambers of trade, industry and services have been promoted so far, and by virtue of the Law, they are registered at the Registry of Chambers kept by the basic court in the territory of the chamber's main seat. The new Law on Chamber of Commerce of the Republic of Macedonia is in adoption procedure, providing association on a free and voluntary basis. The aforesaid Law provides that the chamber shall be registered in the Trade Registry.

The right of the organisations of employees and employers to participate in social dialogue derives from the Labour Relations Law and other laws and regulations. Namely, Article 96 of the Labour Relations Law (consolidated text) provides that the majority union and the employers' association shall conclude a general collective agreement concerning the workers in the economy of the Republic of Macedonia. The Government of the Republic of Macedonia and the majority union conclude a general collective agreement on public services, public enterprises, government bodies, local self-government bodies, and other legal entities performing non-economic activities. Collective agreements at a branch level are concluded by the competent union and the competent organisation of the employers determined by the statute of the organisation of the union and the organisation of the employers.

Other laws and regulations providing the right to participate in social dialogue are the Law on Employment and Insurance in Case of Unemployment, the Agreement on Establishment of the Economic and Social Council, the Social Agreement, the National Action Plan, etc.

**3. Is there a tripartite process and how is it functioning? Where does the dialogue take place, what is the rationale for consultation/negotiation? What are the trade unions and employer organisations that participate in this tripartite process, and what are the main criteria for their participation? What are the main areas covered by tripartite consultations? Have there been tripartite national agreements concluded over the past few years? Do they represent an**

**important feature of labour and social regulation in the country? Are there any plans to modify or develop tripartite bodies in the future?**

The tripartite process is established and it is carried out through the mechanism of social dialogue and partnership as described in the previous answers. The social dialogue takes place through participation of the social partners in the work of the Economic and Social Council, in the preparations and implementation of the concrete projects (National Action Plan for Employment (NAP), PRiSMa, etc.), in managing boards of certain bodies and institutions, membership in Steering and Managing Committees of certain projects, participation in seminars, workshops, and conferences organized by the ILO (International Labour Organisation), the Stability Pact and the Council of Europe, with an aim to provide more harmonious development of the social processes, improvement of the social dialogue, solving of the economic and social issues and problems of interest both for the employees and the employers. The basic criteria for the Union's participation in the tripartite dialogue are contained in the Labour Relations Law, and the representation thereof in the tripartite bodies at the national level is based on the number of members.

The criteria for organisation of employers into associations are founded on a national level with an appropriate coverage of separate organisations according to fields and branches.

Based on the aforesaid, the Government of the Republic of Macedonia, the Macedonian Trade Union Association and the Macedonian Chamber of Economy participate in the tripartite process at the national level.

Pursuant to the Agreement on Establishment of Economic and Social Council, tripartite consultations are made on economic policy issues and on measures for stable economic development in the following fields:

- economic policy and measures for economic and social stability and development;
- policy of pricing and salaries;
- labour and social security;
- collective bargaining and collective agreements;
- standard of living;
- employment;
- working conditions and safety at work;
- health protection;
- education, culture and vocational training;
- financial/credit and taxation policy;
- pension and disability insurance;
- social and children care

Besides the abovementioned, the Council shall:

- encourage peaceful resolution of collective labour disputes;
- participate in coordination of work of the social partners collaborating with the International Labour Organisation and other international European institutions dealing with the tripartite dialogue on the national level and the implementation of the international labour conventions;
- develop the mechanisms of tripartite cooperation between the Government, the Union and the Chamber of Economy when dealing with economic and social issues and problems.

The activity of the Economic and Social Council is carried out within the framework of cooperation between the three partners in the process of reviewing and resolving the various economic and social issues and problems. Thus a satisfactory cooperation has been achieved and a comprehensive process of harmonization regarding the most of regulations and issues has been completed. The current and future activities are directed towards the alignment of positions of the social partners on numerous economic and social issues and towards the process of harmonisation of legislation, then towards completion of the collective bargaining system on a branch level and signing the collective agreement and improvement of the collective bargaining system at the level of employers aiming at



bigger scope and coverage of greater number of employers by collective agreements on the level of employers. Moreover, in order to improve and develop the social partnership, a special Social Partnership Sector at the Ministry of Labour and Social Policy is in process of establishing. This Sector will contribute to improvement of communication between the social partners, provide professional and logistic support to the Economic and Social Council and the bodies thereof, make the relevant analyses, conduct researches and develop technical materials of interest for the social partnership.

**4. What is the state of development of autonomous bipartite social dialogue? How are the social partners structured at the intermediary levels of collective bargaining (sectoral and branch levels)? At what levels are collective agreements signed mostly? Can you supply information about the coverage by collective agreements?**

The bipartite social dialogue is carried out at the employer's level in companies, institutions, and public enterprises; at branch level, between the association of unions and employers association; in public and in civil services between the union and the Government, i.e. between separate ministries; on a government level when concluding collective agreements for the private sector, between the Association of Unions and the Employers Association, as well as between the Government and the public sector union. There are two general collective agreements and 31 branch collective agreements, covering almost all fields and branches of the public and private sectors in the Republic of Macedonia. Pursuant to the Constitution and the legal regulations concerning all the branches and business activities, associations of unions and associations of employers have been organised according to the principle of freedom of association and organisation.

There are on-going negotiations on concluding branch collective agreements in culture, care and education of children, higher education, and science.

**5. Have there been important strikes in recent years? On which matters?**

There is no institution responsible for keeping records on strikes during the past years.

According to the information of the Macedonian Trade Unions Association, the number of strikes cannot be precisely determined, due to interruptions from one to another month, putting the strike at rest, transfer from one to another year, etc. According to the data available at the Association, there were some significant strikes in 2002 and 2003 by: some of the public servants, metal workers, miners, energy workers, textile, leather and shoe-making workers, transport and communications employees, as well as the employees in the publishing industry and paper production.

The Law on Keeping Labour Records (Official Gazette of the RM No. 16/04) provides that records on strikes shall be kept by the employers encountering a strike and by the association of the majority union.

**6. What is the state of social dialogue in public administration and state enterprises? Are collective agreements signed in sectors such as education, health etc.? What is the situation with regard to trade union recognition and signature of collective agreements in state enterprises?**

The rights of employees in the state administration bodies, public services, and public enterprises are regulated by collective agreements as follows: by the General Collective Agreement on public services, public enterprises, government bodies, local self-government bodies, and other legal entities carrying out non-economic activities and by separate branch collective agreements on separate activities or public services (education, health, social protection, state, judiciary and local self-government bodies).

The Law on Civil Servants regulates the status, rights, duties and responsibilities, as well as the system of salaries and compensations of salaries of the employees with the status of civil servants.

As for the issues related to the rights that are not regulated by the above Law, regulations valid for labour relations, i.e. collective agreements, apply.

**7. Is there collective bargaining or involvement of workers at enterprise level? What forms of workers' participation have been developed at enterprise level (participation in decision-making, information/consultation, financial participation etc.)?**

We have had a developed trend of concluding collective agreements at the branch level so far. The process of collective bargaining at employers' level has been developing in a parallel manner, but somewhat slower, depending on the interest and readiness of the employers and union, organisation and activity thereof, as well as on the business situation of the enterprise. Pursuant to the ILO (International Labour Organisation) Convention on Freedom of Association and Protection of the Right to Organise, 1948 (No. 87), the ILO (International Labour Organisation) Convention on the Right to Organise and to Collective Bargaining, 1949 (No. 98), the Constitution of the Republic of Macedonia, and the Labour Relations Law, employees have the right to organise in unions. Unions may, together with the employers, improve and protect the interests of their members and conclude collective agreements.

Pursuant to the Labour Relations Law and the Law on Safety at Work, there is an obligation for employers concerning informing the employees individually or collectively on issues related to working conditions and safety at work and informing also the union on the acts regulating the employment rights, measures related to introduction of new technologies and changes in organisation, working hours, leaves, holidays, individual and collective termination of employment and on other employment issues deriving from legal obligation.

**8. How are social partners currently involved in the EU integration process? Is there any tripartite committee for this purpose? What role do social partners play in different preparatory activities/discussions in the framework of integration?**

Social partners are involved in the EU integration process through the membership in international organisations and associations of the European Union, as follows:

The Macedonian Chamber of Economy is a member of the International Chamber of Commerce in Paris, of the Eurochambers from Brussels. It has acceded to the Project on Institutional Capacity Building of Commercial Chambers and other Business Associations in the Western Balkan, it improves and promotes regional cooperation through the participation in other projects and initiatives in the region. The Macedonian Trade Unions Association has established a co-operation with the International Confederation of Free Trade Unions (ICFTU) and expects to become a member thereof soon; it was awarded a status of observer in the European Trade Union Confederation (ETUC) in June 2000; the individual branch associations of the Macedonian Trade Unions Association are the members of relevant union organisations at the EU level.

The social partners are regularly informed about the activities related to the EU integration process through the work of the Economic and Social Council. They are actively involved in the debates and give opinion on issues related to the integration processes.

The social partners are also involved in the procedure for ratification of separate conventions and recommendations of the International Labour organisation (ILO) and in the review of other legal projects deriving from or relating to the process of integration or harmonization of the national economic and social legislation to the EU legislation. At the same time, social partners are regularly involved and participate in training sessions, seminars, and workshops related to the above activities.

The representatives of the social partners are directly involved in the work on harmonisation and implementation of the EU legislation within the framework of various EU projects and through the participation in working committees for separate projects.

## V. PUBLIC HEALTH

### A. Community legislation

#### - Tobacco control:

**Directive 2001/37/EC on the approximation of the laws, regulations and administrative provisions of the Member States concerning the manufacture, presentation and sale of tobacco products.**

**1. Are there legislative, regulatory or administrative provisions in force in your country covering these areas? If yes, please send summaries and, if possible, full texts in one of the official EU languages.**

**2. In case there are no legislative, regulatory or administrative provisions in force, are there any drafts or proposals for these in the pipeline? If so, give details of these and of the timeline for their adoption.**

**3. In cases where neither of the above exist, are there any plans to start preparing proposals? Please explain, also indicating the envisaged timetable.**

**4. Does your country have the necessary administrative capacity, including human and material resources, to fulfil the requirements laid down in the Community legislation listed above?**

1. There are national regulations on manufacture, presentation and sale of tobacco products in the Republic of Macedonia.

The manufacture, sale and processing of tobacco are regulated by the Law on Tobacco ("Official Gazette of the RM" No. 69/96, 15/98), See [13 Annex 01](#).

The following regulations are related to tobacco health protection:

- Law on Protection from Smoking ("Official Gazette of the RM" No. 36/95, 70/04), See [13 Annex 02](#);
- Rulebook on Defining Warning Messages for Harmfulness of Smoking ("Official Gazette of the RM" No. 49/95);
- Rulebook on Conditions regarding Health Safety of Items for General Use that may be put into circulation ("Official Gazette of the SFRY" No. 26/83) – in terms of allowed quantities of tar and nicotine;
- Law on Safety of Food, Products and Materials in contact with Food ("Official Gazette of the Republic of Macedonia" No. 46/02).

The regulations on tobacco control in the Republic of Macedonia are directed towards the following: prohibition of advertising cigarettes on the national TV, radio, local magazines, billboards, cinemas, international magazines, i.e., foreign daily and weekly press, as well as measures with regards to sale of tobacco products in kiosks.

The Law on Protection from Smoking regulates the prohibition of sale of tobacco and tobacco products to persons younger than 16. This regulation prohibits sale of tobacco in facilities situated on a distance smaller than 50 meters from pre-school and school institutions and in facilities situated on sports and recreation areas. Furthermore, the regulation also prohibits sale of tobacco products by

piece (cigarette by cigarette), sale on machines, self service places, as well as sale by delivery on order.

2. Harmonisation of the national law with the European law with regards to this field is in process.

In order to provide and improve the health protection for the population for the period 2005–2010 preparation of the National Tobacco Control Strategy is in underway. The Framework Convention on Tobacco Control of the World Health Organisation is planned to be signed during 2005.

A new Law on Tobacco and Tobacco Products aligning the national legislation to the European with regards to manufacture, presentation and sale of tobacco products and the contents of the warning messages on harmfulness and levels of tar and nicotine allowed in accordance with the 201/37/EC Directive is being developed.

3. Activities determined in item 2 shall be carried out during 2005.

4. The Ministry of Health has established a National Committee for Tobacco Control, as a coordinative body, and it is successfully operating. The Committee has drawn up a draft National Tobacco Control Strategy in order to provide and improve the health protection of the population for the period 2005–2010 on the basis of multi-sectoral and multi-disciplinary approach.

The implementation of the Convention and the Strategy implies implementation of a series of measures in the sectors, especially in the ones of health, education, economy and agriculture, forestry and water management, including new labelling and declaration of tobacco and tobacco products in accordance with the European legislation, enforcement of preventive, educational and promotional measures, medical measures regarding treatment of addiction, as well as other measures. The implementation of all of the aforesaid measures implies the need of additional material resources.

**Directive of the European Parliament and of the Council on the approximation of the laws, regulations and administrative provisions of the Member States relating to the advertising and sponsorship of tobacco products.**

**1. Are there legislative, regulatory or administrative provisions in force in your country covering these areas? If yes, please send summaries and, if possible, full texts in one of the official EU languages.**

**2. In case there are no legislative, regulatory or administrative provisions in force, are there any drafts or proposals for these in the pipeline? If so, give details of these and of the timeline for their adoption.**

**3. In cases where neither of the above exist, are there any plans to start preparing proposals? Please explain, also indicating the envisaged timetable.**

**4. Does your country have the necessary administrative capacity, including human and material resources, to fulfil the requirements laid down in the Community legislation listed above?**

1. The national regulations on advertisement and sponsorship of tobacco products in the Republic of Macedonia are:

- Law on Protection from Smoking, ("Official Gazette of the RM" No. 36/95, 70/04), See [13 Annex 02](#).
- Rulebook on Defining the Warning Messages for Harmfulness of Smoking ("Official Gazette of the RM" No. 49/95);

- Rulebook on Conditions of Health Safety of Items for General Use that may be put into Circulation ("Official Gazette of the SFRY" No.26/83) – in terms of the allowed tar and nicotine quantities;
- Law on Safety of Food and Products and Materials in contact with Food ("Official Gazette of the RM" No. 46/02).

The regulations concerning tobacco control in the Republic of Macedonia are directed towards prohibition of advertising cigarettes on the national TV, radio, local magazines, billboards, cinemas, international magazines, i.e., foreign daily and weekly press, as well as measures with regards to sale of tobacco products in kiosks.

The Law on Protection from Smoking prohibits advertising of cigarettes and registered trade marks of cigarettes and the tobacco industry in the daily, weekly and monthly press, as well as in other magazines, on radio and television, by means of slides, movies, billboards, boards, labels and other forms of foreign and domestic advertising in public, on buildings and means of transportation on illuminating advertisements, books, calendars, clothes, including sponsorship of sport, cultural, entertaining and other public events and manifestations by enterprises or other legal entities that deal with manufacture and sale of tobacco products. This regulation also prohibits indirect advertising of tobacco and tobacco products bearing a name of a tobacco product although not being tobacco products themselves.

2. The harmonisation of the national law with the European law with regards to this field is in the pipeline, as well as the adoption of the National Tobacco Control Strategy in order to provide and improve the population health protection for the period 2005–2010, and the signing of the Framework Convention on Tobacco Control of the World Health Organisation.

3. Activities determined in item 2 shall be carried out during 2005.

4. The Ministry of Health has established a National Committee for Tobacco Control as a coordinative body. It is successfully operating. The Committee has developed a draft National Tobacco Control Strategy aimed to provision and improvement of the population health protection for the period 2005–2010 on basis of multi-sectoral and multi-disciplinary approach.

The implementation of the Convention and the Strategy implies implementation of a series of measures in the sectors, especially in the ones of health, education, economy and agriculture, forestry and water management, including new labelling and declaration of tobacco and tobacco products in accordance with the European legislation, enforcement of preventive, educational and promotional measures, medical measures regarding treatment of addiction, and other measures. The implementation of all the aforesaid measures necessitates additional material resources.

#### **- Safety and quality of blood:**

**Directive 2002/98/EC setting standards of quality and safety for the collection, testing, processing, storage and distribution of human blood and blood components and amending Directive 2001/83/EC.**

**1. Are there legislative, regulatory or administrative provisions in force in your country covering these areas? If yes, please send summaries and, if possible, full texts in one of the official EU languages.**

**2. In case there are no legislative, regulatory or administrative provisions in force, are there any drafts or proposals for these in the pipeline? If so, give details of these and of the timeline for their adoption.**

**3. In cases where neither of the above exist, are there any plans to start preparing proposals? Please explain, also indicating the envisaged timetable.**

**4. Does your country have the necessary administrative capacity, including human and material resources, to fulfil the requirements laid down in the Community legislation listed above?**

1. The following regulations are in force in the Republic of Macedonia :

- Article 106 of the Health Care Law ("Official Gazette of the RM" Nos. 38/91, 46/93, 55/95 and 10/04), see [13 Annex 03](#) defines the Institute for Transfusiology as an independent specialised institution for work in transfusiology and activities it Performs;
- The Law on Health Data ("Official Gazette of the S FRY" No. 22/78), see [13 Annex 04](#) and "Official Gazette of the R M" No. 15/95), see [13 Annex 05](#), defines the data to be recorded when reporting communicable diseases, data kept on voluntary blood donors, the quantity of blood donated, as well as the quantity of blood products obtained by blood processing;
- The Law on Medicaments, Supplementary Treatment Substances and Medical Devices ("Official Gazette of the RM" No. 21/98), see [13 Annex 06](#), defines the blood products (derivatives) as drugs;
- The Law on Protection of the Population from Communicable Diseases ("Official Gazette of the RM" No. 66/04), see [13 Annex 07](#) provides obligatory reporting of HIV infections, obligatory testing of blood donors and donors of tissues and organs on presence of syphilis, viruses of hepatitis B and C, HIV infection and other diseases transferrable by human materials;
- The Rulebook on Putting in Circulation Human Blood, Blood Components and Derivatives ("Official Gazette of the SFRY", 14<sup>th</sup> of June, 1989), [13 Annex 08](#) defines in detail the conditions for selection of blood donors, individual blood components and derivatives, necessary controls of donated blood, contents of labels of blood and blood components and products, blood distribution, blood components and products, professional training of medical personnel employed in transfusion medicine and equipment necessary for work as well as the workspace conditions;
- The Rulebook on Workspace Conditions, Equipment and Personnel for Establishing and Functioning of Health Organisations ("Official Gazette of the RM" No. 11/92) defines the workspace conditions of a hospital institution for providing blood, and personnel for providing blood and blood derivatives;
- The Programme for Organisation and Improvement of Blood Donation in the Republic of Macedonia for 2004 ("Official Gazette of the RM" No.25/04) defines the principles for organisation and improvement of voluntary blood donations as well as means for implementation thereof;
- The Programme for Providing for the Expenditures Incurred for Patients Treated by Dialysis, Medications for Transplantation Patients, Cytostatics, Insulin, Growth Hormone and Treatment of Haemophilia Patients in the Republic of Macedonia for 2004 ("Official Gazette of the Republic of Macedonia" No. 25/04) defines the quantities of coagulation factors necessary for treatment of haemophilia A and B patients.

There is no unique law regulating the standards for quality and safety of collection, testing, processing, keeping, and distribution of human blood in the way it is regulated. There is a plan to draw up a National Policy on Provision of Quality and Safe Blood and Rational Use thereof by the end of 2005 and a Law on Transfusion Services by the end of 2006.

2. The answer to this question is contained in the answer to question No. 1.

3. The answer to this question is contained in the answer to question No. 1.

4. Republic of Macedonia has the necessary administrative capacity and human resources. However, the equipment in use is obsolete and with its use it can not provide sufficient quantity of products, i.e. to meet the principle of self-sufficiency regulated by the Directive, as well as use the latest scientific and technical procedures.

Because of the above mentioned reasons, additional support in equipment supply is necessary that will meet the needs and provide management of the quality and hemo-vigility.

**- Communicable diseases:**

**Decision 2119/98/EC setting up a network for the epidemiological surveillance and control of communicable diseases in the Community.**

**1. Are there legislative, regulatory or administrative provisions in force in your country covering these areas? If yes, please send summaries and, if possible, full texts in one of the official EU languages.**

**2. In case there are no legislative, regulatory or administrative provisions in force, are there any drafts or proposals for these in the pipeline? If so, give details of these and of the timeline for their adoption.**

**3. In cases where neither of the above exist, are there any plans to start preparing proposals? Please explain, also indicating the envisaged timetable.**

**4. Does your country have the necessary administrative capacity, including human and material resources, to fulfil the requirements laid down in the Community legislation listed above?**

1. There are legislative, regulatory and administrative provisions in force covering the epidemiological surveillance and control of communicable diseases in the Republic of Macedonia, as follows:

1. Health Care Law ("Official Gazette of the RM" Nos. 38/91, 46/93, 55/95, 10/04), see [13 Annex 03](#).

2. Law on Protection of the Population from Communicable Diseases ("Official Gazette of the RM" No. 66/04), see [13 Annex 07](#).

3. Law on Sanitary and Health Inspection ("Official Gazette of the RM" No. 19/95), see [13 Annex 09](#).

4. Law Health Data ("Official Gazette of the SFRY" No. 22/78, 18/88), ("Official Gazette of the RM" No. 15/95), see [13 Annex 05](#) and [13 Annex 04](#).

5. Rulebook on Methods and Conditions for Disinfection, Desinsectisation and Deratisation ("Official Gazette of the SRM" No. 45/76);

6. Rulebook on Conditions for Disinfection, Desinsectisation and Deratisation for Prevention and Eradication of Communicable Diseases ("Official Gazette of the SFRY" No. 42/85);

7. Rulebook on Medical Examinations of Persons under Health Surveillance for Prevention of Communicable Diseases ("Official Gazette of the SFRY" No. 42/85);

8. Rulebook on Conditions and Method of Transport of Deceased Persons and for Exhumation and Transport of the Deceased ("Official Gazette of the SRM" No. 45/76);

9. Rulebook on Methods, Terms and Forms for Reporting, Recording and Notification of the Movement of Communicable Diseases and on Methods of Notification on Laboratory Findings ("Official Gazette of the SRM" No. 45/76);

10. Rulebook on Measures for Protection from Spreading and for Eradication of Cholera, Plague, Viral Hemorrhagic Fevers, Yellow Fever and Malaria ("Official Gazette of the RM" No. 76/03);
11. Rulebook on Conditions and Methods for Keeping of Data on Laboratory Examinations and Notifying on Carriers of Certain Communicable Diseases ("Official Gazette of the SFRY" No. 42/85);
12. Rulebook on Medical Examinations of Persons who have been infected with Typhoid Fever, Desinteria Bacillar or Salmonelosis ("Official Gazette of the SFRY" No. 42/85);
13. Rulebook on Methods of Reporting Communicable Diseases ("Official Gazette of the SFRY" No.42/85)
14. Rulebook on Conditions and Methods of Exhumation and Transport of the Deceased ("Official Gazette of the SFRY" No. 42/85);
15. Rulebook on Measures for Protection from Spreading of Infection within the Health Organisations ("Official Gazette of the SFRY" No. 49/86);
16. Rulebook on Conditions and Methods for Obligatory Immunisation, Seroprophylaxis and Chemoprophylaxis against Communicable Diseases and for Persons Subjected to this Obligation ("Official Gazette of the SFRY" No. 68/91);
17. Decision on Measures for Protection of Population from the Syndrome of Acquired Shortage of Immunity ("Official Gazette of the SFRY" No. 36/86, 53/87);
18. Decree for Ratification of the International Health Rulebook ("Official Gazette of the SFRY" No. 6/77), see [13 Annex 10](#).
19. Programme for Preventive Health Care;
20. Programme for Examination of the Occurrence, Prevention and Eradication of Human Brucellosis in the Republic of Macedonia;
21. Programme for Preventive Measures for Prevention of Tuberculosis of the Population of the Republic of Macedonia;
22. Programme for Obligatory Immunisation of the Population in the Republic of Macedonia;
23. Programme for Protection of the Population from AIDS.

2. The existing legal regulations contained in the answer to the previous question are in force.

3. The answer to this question is contained in the answers to questions under 1 and 2.

4. There is a quantum necessary for administrative capacity, including human and material resources, highly professional medical personnel and other associates, as well as laboratory equipment for fulfilling the conditions determined by the legal regulations of the EU in the Republic of Macedonia.



By virtue of the aforesaid health regulations and rules, there is a network for epidemiological surveillance and control of communicable diseases in the Republic of Macedonia.

The epidemiological surveillance and control of communicable diseases consists of the following activities:

- early detection of communicable diseases;
- reporting;
- epidemiological researches;
- health surveillance, isolation, transport, quarantine;
- immunoprophylaxis and chemoprophylaxis;
- disinfection, desinsectation and deratisation;
- health and hygiene examinations;
- health education.

Doctors of the primary and secondary health care are obliged to immediately report the communicable diseases noted in the List of Diseases Subjected to Obligatory Reporting in accordance with the existing Law.

Bearers of the epidemiological activity at the Regional Institutes for Health Protection and their branch units thereof are specialists in epidemiology, educated for surveillance of communicable and non-communicable diseases and for terrain epidemiology.

Reports on communicable diseases are delivered to the 21 branch units of the Regional Institutes for Health Protection. After processing and recording thereof, the aforesaid are delivered to the Regional Institutes for Health Protection (10 Regional institutes for Health Protection) – see the scheme below.

Reports are recorded, processed and the data are elaborated at the aforesaid 10 Regional Institutes, and monthly reports are drawn on the basis thereof.

The reports on communicable diseases where data on diseased persons are noted, are delivered to the Republic Institute for Health Protection (RIHP) for further computer processing (according to sex, age, residence place, diagnosis, outcome, etc.) where weekly, monthly and annual reports are drawn after processing thereof.

The Republic Institute for Health Protection develops draft Programmes (for preventive health care: for epidemiology, for brucellosis, AIDS, and immunisation) and submits them to the Ministry of Health every year.

Reporting of every epidemic of a communicable disease is obligatory. It is made on a special form (Report and Notice of Withdrawal of Epidemic of a Communicable Disease), and the Report and Notice of Withdrawal are delivered to the Republic Institute for Health Protection within the period prescribed. Reporting of undesirable vaccine effects and antimicrobial resistance is obligatory.

## REGIONAL INSTITUTES FOR HEALTH PROTECTION



**Decision 2000/57/EC on the early warning and response system for the prevention and control of communicable diseases under Decision No 2119/98/EC of the European Parliament and of the Council.**

**1. Are there legislative, regulatory or administrative provisions in force in your country covering these areas? If yes, please send summaries and, if possible, full texts in one of the official EU languages.**

**2. In case there are no legislative, regulatory or administrative provisions in force, are there any drafts or proposals for these in the pipeline? If so, give details of these and of the timeline for their adoption.**

**3. In cases where neither of the above exist, are there any plans to start preparing proposals? Please explain, also indicating the envisaged timetable.**

**4. Does your country have the necessary administrative capacity, including human and material resources, to fulfil the requirements laid down in the Community legislation listed above?**

1. There are legal regulations in effect at the moment in the Republic of Macedonia (Law on Protection of the Population from Communicable Diseases ("Official Gazette of the RM" No. 66/04), see [13 Annex 07](#), as constituting legal basis for completing the regulations on early information and warning and fast response, i.e., an Alert System (Early Warning and Response System). In 2004, the Ministry of Health started activities related to the Early Warning and Response System with technical assistance of the World Health Organisation Office for Europe from Copenhagen for education of 200 medical professionals.

In order to have more efficient surveillance of the acute communicable diseases and early reporting and response thereof, case definitions, i.e., a List of Clinical Definitions for Health Conditions to be reported by the Alert System were laid down, as follows :

- suspicion for upper respiratory infection;
- suspicion for lower respiratory infection;
- suspicion for rash fevers, excluding varicella;
- suspicion for meningoencephalitis;
- acute watery diarrhoea;
- acute bloody diarrhoea;
- suspicion for acute infectious hepatitis;
- suspicion for acute hemorrhagic fevers.

After collection of the field material, statistical processing and analysis thereof shall be made, and weekly reports shall be made after evaluation of the data. The reports will be submitted to the Ministry of Health and the health institutions involved in the Project, i.e., ones delivering the data shall be informed on the current situation.

The Republic Institute for Health Protection-Skopje has prepared instructions for practical implementation of field activities and has given directions to start up a pilot study at three regional institutes for health protection (Skopje, Tetovo, and Kumanovo) and at their branch units covering half of the population of the Republic of Macedonia.

The pilot study is planned to start by the end of 2004 in duration of a year. Education of the personnel using the IT Programme and the system established for the study shall be carried out by the end of 2004.

2. The Ministry of Health of the Republic of Macedonia, as bearer of the activity of ALERT - Early Warning and Response System shall carry out the implementation of the system by the end of 2004.

3. The answer to this question is contained in the answer to question No. 1.

4. In the Republic of Macedonia there is administrative capacity, including human and material resources, highly-educated medical personnel and other associates who meet the conditions determined by the EU regulations, but additional financial and technical assistance for the whole system is necessary for its existence and improvement.

**Decision 2000/96/EC on the communicable diseases to be progressively covered by the Community network under Decision No 2119/98/EC of the European Parliament and of the Council.**

**1. Are there legislative, regulatory or administrative provisions in force in your country covering these areas? If yes, please send summaries and, if possible, full texts in one of the official EU languages.**

**2. In case there are no legislative, regulatory or administrative provisions in force, are there any drafts or proposals for these in the pipeline? If so, give details of these and of the timeline for their adoption.**

**3. In cases where neither of the above exist, are there any plans to start preparing proposals? Please explain, also indicating the envisaged timetable.**

**4. Does your country have the necessary administrative capacity, including human and material resources, to fulfil the requirements laid down in the Community legislation listed above?**

1. The legal framework that regulates the epidemiological surveillance and control of communicable diseases is considered in a more detailed manner under question No. [13 V A 3](#).

There are legislative, regulatory, and administrative provisions in force covering communicable diseases in the Republic of Macedonia. (See: [13 Annex 03](#), [13 Annex 04](#), [13 Annex 05](#), [13 Annex 07](#), [13 Annex 09](#), [13 Annex 10](#)).

There are several communicable diseases (infections of chemophylus influenza B, campylobacteriosis, cryptosporidiosis, yerosyniasis, infections of pneumococca types) and special health problems (nosocomial infections and antimicrobial resistance) not being noted for obligatory reporting and related to the part for communicable diseases and other special health problems to be covered progressively by the network of the Community (Decision 200/96EC).

In accordance with the Law on Protection of the Population from Communicable Diseases (Official Gazette of the RM No. 66/04), microbiological laboratories are due to report every isolation of carriers of communicable diseases, including Campylobacter sp. and Yersinia enterocolitica, as any case of isolated bacteria unusually resistant to antibiotics.

The Law also regulates surveillance of intra-hospital infections, prevention of infection occurrence and elimination, which is a duty of every health organisation.

2. See in details [13 V A 3](#).

3. The answer to this question is contained in the answers to questions No. 1 and 2.

4. The Republic of Macedonia has the necessary quantum of administrative capacity, including human and material resources, highly educated medical personnel and other associates. Nevertheless, additional financial support for maintenance of the system and its improvement is necessary.

**Decision 2002/253/EC laying down case definitions for reporting communicable diseases to the Community network under Decision No 2119/98/EC of the European Parliament and of the Council.**

**1. Are there legislative, regulatory or administrative provisions in force in your country covering these areas? If yes, please send summaries and, if possible, full texts in one of the official EU languages.**

**2. In case there are no legislative, regulatory or administrative provisions in force, are there any drafts or proposals for these in the pipeline? If so, give details of these and of the timeline for their adoption.**

**3. In cases where neither of the above exist, are there any plans to start preparing proposals? Please explain, also indicating the envisaged timetable.**

**4. Does your country have the necessary administrative capacity, including human and material resources, to fulfil the requirements laid down in the Community legislation listed above?**

1. At this moment in the Republic of Macedonia there are legal regulations constituting legal basis for determining case definitions of communicable diseases in compliance with the 2002/253/EC Decision of the European Parliament and the Council of Europe, which is the Law on Protection of the Population from Communicable Diseases ("Official Gazette of the RM" No. 66/04), see [13 Annex 07](#).

There are case definitions for certain communicable diseases (HIV/AIDS) taken over from the EU and used at a national level.

2. Secondary legislation covering the field is under preparation.
3. Case definitions of all communicable diseases subjected to reporting in the Republic of Macedonia shall be laid down upon previous request by the Ministry of Health. Expert teams, that will use the case definitions from the European Union and CDC, are planned to be established, and they will implement them in our legislation.
4. Our country has administrative capacity, including human and material resources that meet the aforesaid conditions for laying down case definitions. Education and technical assistance for preparation of the regulation is necessary.

#### **- Public health:**

**Decision 2002/1786/EC adopting a programme of Community action in the field of public health (2003 – 2008).**

- 1. Are there legislative, regulatory or administrative provisions in force in your country covering these areas? If yes, please send summaries and, if possible, full texts in one of the official EU languages.**
- 2. In case there are no legislative, regulatory or administrative provisions in force, are there any drafts or proposals for these in the pipeline? If so, give details of these and of the timeline for their adoption.**
- 3. In cases where neither of the above exist, are there any plans to start preparing proposals? Please explain, also indicating the envisaged timetable.**
- 4. Does your country have the necessary administrative capacity, including human and material resources, to fulfil the requirements laid down in the Community legislation listed above?**

There is a legal, regulatory and administrative framework governing the areas which are included in the Community Action Programme in the field of public health.

1. The Constitution guarantees the right to health care to all citizens of Macedonia, and the right and obligation to protection and improvement of our own and the health of others.

The Republic of Macedonia has signed and has been implementing all international acts referring to protection of the health care rights and prevention against discrimination, which have been incorporated in the national legislation such as:

- The International Covenant on Civil and Political Rights (ICCPR);
- The International Covenant on Economic, Social and Cultural Rights (ICESCR);
- The International Convention on the Elimination of All Forms of Racial Discrimination (ICERD);
- The Convention on the Elimination of All Forms of Discrimination against Women (CEDAW);
- The Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment;
- The Convention on the Rights of the Child (CRC);
- The European Social Charter.

Every citizen of the Republic of Macedonia is entitled to health care in accordance with the Law on Health Care ("Official Gazette of the RM" Nos.38/91, 46/93, 55/95, 17/97, 10/04), see [13 Annex 03](#)

and the Law on Health Insurance ("Official Gazette of the Republic of Macedonia" Nos. 25/00, 34/00, 96/00, 50/01, 11/02 and 31/03) that establish rights and obligations pertaining to the health insurance, procedure for obtaining health care services, and the system and organisation of the health care delivery. .

These laws, including the secondary regulations pertaining to the communicable diseases and safety of blood and blood products, directly or indirectly refer to the regulation of the health care of the population, viewed in the context of the objectives of the Decision 2002/1786/EC (for more details see [13 V A 2 1](#)).

After the independence of Macedonia, the new Constitution introduced significant changes in the health system, allowing transition from a decentralised to a centralised health system based on the principles of comprehensiveness, accessibility, and continuity of the health care.

The Law on Health Care adopted in 1991, had established the Fund for Health Insurance under the purview of the Ministry of Health. Additional forms of health insurance were also introduced. Preventive health care for the population was separated on the basis of distinguishing the interests and the needs of the state regarding this segment while ensuring the financing of the preventive health care from the Central Budget. Since 1991 the private health institutions in Macedonia have been established in parallel to the public health institutions.

With adoption of the Law on Health Insurance, in 2000 ("Official Gazette of the RM" Nos. 25/00, 34/00, 96/00, 50/01, 11/02 and 31/03), and with the view of implementing the model of mandatory health insurance, the Health Insurance Fund of Macedonia has been established as a sole and independent financial institution effective on the entire territory of the country. The Health Insurance Fund has its branch offices in municipalities where the insured persons can exercise their health care rights. All the funds for mandatory health insurance are collected by the Health Insurance Fund and the Fund ensures the payment for the health services delivered in a uniformed way, as well as that the, health sector and the health care services covered by health insurance are financed accordingly. The centralized financing of the health care has achieved the following:

- Financial stability of the system;
- Regional equity with regards to resource allocation;
- Reduction in the administrative costs of the system.

The Law on Local Self-Government ("Official Gazette of the RM" No.5/02) was adopted in 2002 with an aim to enable the decentralisation of public services at a local community level by granting the local authorities the right to participate in the management of the primary health care facilities through participation of the their representatives in the managing boards of the primary health care institutions, promotion of health and healthy lifestyles, surveillance of communicable diseases, health education of the population, monitoring of the general health condition and participation in dealing with health problems of certain vulnerable categories of population.

The health care rights are exercised in the existing health care system consisted of public and private health care organisations. Health care is easily accessible by the population because its provision is organized within a wide network of health care organisations which allows for approximately 90% of the population to be able to receive health care services in less than 30 minutes. According to the data provided by the National Public Health Institute, in 2002 there were 24,428 public sector employees, out of whom 4,573 physicians. There were 487 physicians in the private sector health care delivery.

In effect, by including this number into the total number of physicians the coverage ratio is 399 inhabitants per 1 physician or 2.5 physicians per 1,000 inhabitants. The latter implies that the primary health care standards have been met.

Health care delivery is organised at three levels: primary, secondary, and tertiary. The primary health care is the basis for the entire healthcare system and it enables delivery the basic health care at municipal level. The delivery of primary health care is organized through 3 healthcare stations, 18



health centres and 16 medical centres that provide primary and secondary health care. The amendments to the Law on Health Care ("Official Gazette of the RM" No. 10/04) require the medical centres to be restructured into independent healthcare institutions for primary healthcare and hospitals), i.e., into 462 medical units for general practice, 77 for occupational medicine, 84 medical units for health care of children at the age from 0 to 6, 63 units for health care of school children, 50 for women's health care, and 334 for dental care. The primary health care in rural areas is delivered in 293 medical units, 152 of them with full time employed physician. More than half of the total number of physicians (approximately 56%), i.e., a quarter of the specialists, are engaged in the primary health care.( for more details see [13 V B 3](#)).

Monitoring of the health status of the population and surveillance of the environmental health factors

The Republic of Macedonia pays special attention to the prevention of diseases at all levels: primary, secondary, and tertiary. Specialised preventive health care is carried out by the National Public Health Institute based in Skopje and 10 regional public health institutes. In addition there are 21 local/branch offices of the regional institutes based in: Skopje, Veles, Kumanovo, Stip, Kocani, Strumica, Ohrid, Prilep, Bitola, and Tetovo. This territorial distribution covers the entire territory of Macedonia and provides full coverage with specialised public health services. As of 1993, regional public health institutes have become independent health care institutions responsible for performing public health functions regulated by the Law on Health Care. The on-going decentralisation activities shall expand the authorities of these institutions at municipal level. This process has been compliant with the Decision 1786, or more specifically, with the activities planned to take part at the municipal level, and with the identification of the healthcare priorities as basis for work on the healthcare strategies.

#### REGIONAL PUBLIC HEALTH INSTITUTES



The processes of the healthcare system reform and the process of decentralisation particularly the ones affecting the public health functions, impose the need for reorganisation of the public health

institutes with a view to enable their functioning in a reformed public health system and in compliance with the Decision 1786.

The National Public Health Care Institute at central level and the public health institutes monitor the health status and health care of the population in their regions and collect and analyse health statistics data in accordance with the Law on State Statistics ("Official Gazette of the RM" No. 54/97), the Programme for Statistical Research ("Official Gazette of the RM" No. 69/03), the Law on Keeping Healthcare Records ("Official Gazette of the SFRY" No. 22/78 and "the Official Gazette of the RM", No. 15/95), the Law on Keeping Healthcare Records ("Official Gazette of the SFRY" Nos. 22/78, 18/88 and the "Official Gazette of the RM" No.15/95), and the Law on Health Care ("Official Gazette of the RM" Nos.38/91, 46/93, 55/95, 17/97, 10/04) (mentioned in Chapter 1). Communicable and non-communicable chronic degenerative diseases as referred in the Decision, such as AIDS, cancer, addiction diseases, injuries, etc. are covered as well as other diseases of socio-medical significance reported to the data registries kept at the National Public Health Institute Special –attention is paid to the health education and health promotion in general, and to the aforementioned diseases and conditions, in particular.

The public health institutes also monitor the environmental health risk factors.

The specialised preventive health care is regulated on annual basis by the Programme for Preventive Health Care ("Official Gazette of the RM" No. 25/04) which defines activities, their scope, carriers executors, time schedule, resources and available funding.

The measures, tasks and activities defined by the Programme also provide for the enforcement of the provisions of a large number of laws regulating the issues on surveillance, research, and study of the health status of the population, reasons for the occurrence and spreading of communicable and other diseases of socio-medical significance, and the impact of the environmental factors on the health status, proposing and undertaking measures for protection and advancement of the health status of the population.

The Cancer Registry is the tool for compiling reports on malign neoplasms from all health care organisations in the country through the public health institutes. The additional source for reporting the malign neoplasms are the histological findings of malign neoplasms, records of the deceased with the malign neoplasms as the cause of death and records of patients hospitalised and treated of malign neoplasms.

The registry is computer maintained according to all determined modalities: gender, age, place of residence, date of reporting, histological findings and stadium of the disease.

The National Public Health Institute provides technical and methodological assistance related to the reporting and keeping records on the malignant diseases.

In order to comply with the requirement stipulated with the Law on Keeping Records in the Field of Health, records will be kept for non-communicable diseases, too. Reports will also be collected on diabetes, ischemic heart diseases, kidney failures, psychoses, alcoholism and other addictions, occupational diseases, rheumatic fever, intoxications and traffic caused trauma.

The establishment of data registries on these diseases is currently underway and to that effect computer programs have been developed by the National Public Health Institute. The data registries will issue respective publications.

The publication "Registry on diabetes for 2003" is under preparation.

Publications on diseases of socio-medical significance will be prepared based on data processing of the non-communicable diseases registries. The data will be presented according to several parameters: morbidity, structure, gender, age, place of residence (rural-urban), municipalities, health care organisations, etc.



The activities on the monitoring of the health indicators under the “Health for All” by the World Health Organisation continue.

The basis for the collection of the health indicators is a table overview specifically prepared by the WHO by using data from the regular routine reports and conducting special surveys;

The National Public Health Institute and the regional public health institutes will implement the EUPHIN–EAST software program in order to modernise the processing and presentation of health statistical data.

Pursuant to the principles of the World Health Organisation defined in the framework health policy for the European region presented in the “Health for All”, and based on the data on health status of the population, the data on diseases and deaths caused by certain diseases, and the occurrence of specific health problems, review of the developments in the area of health care, the Ministry of Health has identified priorities targeting the advancement of health care. To this end, the Ministry of Health of the Republic of Macedonia established a National Coordination Expert Body for Advancement of Health Care in June, 2000. This body consists of representatives of several governmental and non-governmental institutions and organisations. The National Coordination Expert Body for Advancement of Health Care has been promoted into the National Committee for Health Care Advancement.

Priority task of this body is development of a National Strategy for Health Care Advancement which is to define the national policy and targets to be met including an action plan for its effective implementation.

The public health institutes are specifically in charge of performing the following tasks:

- Health education regarding the healthy lifestyles (physical activity, proper nutrition, non-smoking, stress management, and conflict resolution);
- Health education regarding the prevention against diseases and deaths caused by cardiovascular, malignant, respiratory diseases, diabetes and injuries (injuries at work, at home and in traffic accidents);
- Health education regarding the improvement and promotion of living conditions (nutrition, water supply, waste disposal and protection of the population from air pollution).

Based on the data collected and processed by the National Public Health Institute, reports, analyses, and programmes are being developed for the following purposes:

1. Health education of health care workers in the primary health care regarding the drugs addiction prevention in the Republic of Macedonia;
2. Conditions in the specialist -consultative care ;
3. The status of the addiction diseases and alcoholism in the Republic of Macedonia in 2003;
4. Utilization of the hospital capacity in the health care organisations in the Republic of Macedonia;
5. Health status of population and health care delivery in the Republic of Macedonia;
6. Status of the nursing activities in the Republic of Macedonia;
7. Analysis of the hospital morbidity and mortality in the Republic of Macedonia in 2003;
8. Conditions and problems of the chronic kidney failures in the Republic of Macedonia;
9. Conditions and problems of diabetes in the Republic of Macedonia;
10. Material and financial condition of the health sector in the Republic of Macedonia;
11. Screening of medical status of pupils and students.

#### Public Health Related Promotion, Education and Information on public health

##### **National info server for public health**

The national info server for public health is established as part of the co-operation between the Ministry of Health and the Open Society Institute, as stipulated by the Memorandum of Co-operation signed between the two parties. The Project “National Info Server for Public Health” has been

implemented by a team of experts from the public health sector, the Ministry of Health, the Health Insurance Fund, the National Public Health Institute and the Faculty of Medicine, financially supported by the Open Society Institute. The goal is to provide access to the web oriented public health information to be available for the health care workers – healthcare service providers and the beneficiaries of health care services.

In order to provide additional information on public health, there are several links on the web page for relevant local and international institutions. There are special web-oriented instructions, based on the current legislation and in accordance with the WHO standards and recommendations on the environmental indicators, and on surveillance of injuries. A pilot web-oriented prototype registry for traffic traumas has been developed and tested. The Declaration of the World Health Organisation on the Rights of Patients provides better information to the citizens about their rights as patients. The glossary of terms used in the health sector reforms will help the web-page users to be able to easily keep up with the reforms of the health system.

The web page ([www.medicaleducation.org.mk/isph](http://www.medicaleducation.org.mk/isph)) enables the health care workers to use and exchange information – mainly the physicians, in order to improve their knowledge on health statistics, data collection and archiving, creation and use of data bases via the Internet. It will result in high-quality information on health statistics which are aimed to be the basis for planning and management of the health sector.

### **Public Health Center**

The Public Health Center has been established within the Faculty of Medicine financially supported by the Open Society Institute, and technically supported by the Brown School for Public Health from Jerusalem, Israel. A curriculum of post graduate public health studies has been developed and accepted by the Faculty of Medicine, harmonised with the Law on Higher Education and with the global criteria of ASPHER. The first class of 40 students attended the first year of studies; open competition for admission of the second generation is underway. The need for experts in public health has been also confirmed by the Ministry of Health and the healthcare organisations. One of the priorities of the Ministry of Health is improvement of the health care organisation management, especially of hospitals.

### **Human Capacity Building on Public Health in Municipalities**

The on-going Project "Healthy municipalities: Health Management and Administration" has a goal to build human resources capacity that will provide quality local public health services, in the context of the Law on Local Self-Government and decentralisation of public services, and in compliance with the Decision 1786. The Project is carried out by education of local teams in four modules. The outcome will be competent persons on the local level in the executive and political authorities, professionals from the public health and the community, the civil society, who will prepare local Health Care Strategies. The third module is being prepared. The Project will continue in 2005.

The following local plans and strategies in the Republic of Macedonia are prepared for implementation:

- National Health and Environmental Action Plan of the Republic of Macedonia;
- National Action Plan for Food and Nutrition (adopted by the Government of the Republic of Macedonia in 2004);
- Healthy and Safe Environment Strategy (HESME).

### **Prevention against malignant diseases**

Malignant neoplasms are the second cause of death of the population in Macedonia and they are high on the rank of the total number of diseases. The malignant neoplasm surveillance is regulated by the Law on Keeping Healthcare Records ("Official Gazette of the SFRY" No. 22/78 and "Official Gazette of the RM", No. 15/95), and the Law on Keeping Healthcare Records ("Official Gazette of the SFRY" No. 22/78, and "Official Gazette of the RM" No. 15/95). The reports on malignant neoplasms are gathered by the regional public health institutes from the healthcare organisations under their territorial jurisdiction and then are forwarded to the National Public Health Institute. The National

Public Health Institute keeps a registry on malignant neoplasms, analyzes the data and prepares information with proposed measures for prevention (please find enclosed the report or go to the web page [www.medicaleducation.org.mk/isph](http://www.medicaleducation.org.mk/isph)). The National Public Health Institute performs surveillance of the environmental factors influencing the health status of the population exposed to these factors. The working environment is also responsibility of the Institute of Occupational Medicine.

The Ministry of Health undertakes certain activities for primary prevention of breast cancer and cervix cancer.

#### **Prevention of communicable diseases and AIDS**

The National Strategy on the HIV/AIDS was adopted in 2003 when the Republic of Macedonia submitted the application and was granted by the Global Fund for HIV/AIDS, Tuberculosis and Malaria. The Government of the Republic of Macedonia develops a Programme for Prevention of HIV/AIDS every year ("Official Gazette of the RM" No. 25/04).

#### **Prevention against dependence disorders**

National Strategy on Tobacco Control and Action Plan on Prevention against Problems Caused by Alcohol Abuse are currently under preparation. The goal is provision and improvement of health status of the population of the Republic of Macedonia.

A National Programme on Eradication of Drug Abuse and Illicit Drug Trafficking was adopted ("Official Gazette of the RM" No. 35/96).

#### **Prevention of Injuries**

The percentage of injuries is high in the Republic of Macedonia, taking the third place in the structure of death causes.

The public health institutes collect and process the data on injuries registered under the morbidity statistics, and the reports on traffic trauma (please find enclosed or go to the web page [www.medicaleducation.org.mk/isph](http://www.medicaleducation.org.mk/isph)). The National Public Health Institute keeps a registry on traffic trauma and prepares related information. A Study on Socio-Medical Aspects of Traffic Traumatism with Children and Youth in the Republic of Macedonia was developed in 2002. The State Statistics Office is responsible for mortality statistics that includes injuries in general, and traffic accidents in particular.

The traffic accidents prevention is regulated by the basic Law on Traffic Road Safety ("Official Gazette of the RM" No.14/98 and the latest amendments made in June, 2004).

Having adopted the Strategy of the World Health Organisation (WHO) "Health for All" until 2000 and the Strategy "Health for All in the 21<sup>st</sup> Century", the Republic of Macedonia has shown its commitment to direct its strategic activities towards achievement of these goals.

There is a plan for development of a Strategy for Prevention against Traffic Traumatism which will be based on the appropriate strategy of the WHO.

One of the priorities of the two-year agreement for co-operation with the WHO is fight against violence. The following documents and activities are planned to be prepared during this timeframe: National Report on Violence and Health (gathering of information from the official statistics and the non-governmental sector has been initiated), establishment of national task force, and capacity building for development of National Action Plan for Violence Prevention. Cooperation between the Ministry of Health and the Ministry of Labour and Social Policy has been established to implement the legislation on recording the incidence of violence and on prevention of family violence, and all other forms of violence.

2. 2. Answered under question 1.

3. 3. Answered under question 1.

4. Strengthening of existing resources proves to be necessary for meeting all of the aforementioned conditions defined by the EU legislation, especially by additional education and training of the existing administration. To this end, financial resources will have to be allocated in order to meet the additional material requirements necessary for conducting training courses and information campaign in the process of adoption and implementation of respective laws and reform activities.

#### **- Human tissues and cells:**

**Directive of the European Parliament and of the Council on setting standards of quality and safety for the donation, procurement, testing, processing, storage, and distribution of human tissues and cells.**

**1. Are there legislative, regulatory or administrative provisions in force in your country covering these areas? If yes, please send summaries and, if possible, full texts in one of the official EU languages.**

**2. In case there are no legislative, regulatory or administrative provisions in force, are there any drafts or proposals for these in the pipeline? If so, give details of these and of the timeline for their adoption.**

**3. In cases where neither of the above exist, are there any plans to start preparing proposals? Please explain, also indicating the envisaged timetable.**

**4. Does your country have the necessary administrative capacity, including human and material resources, to fulfil the requirements laid down in the Community legislation listed above?**

1. The Law on Conditions for Taking, Exchange, Transfer and Transplantation of Parts of Human Body for Medical Treatment Purposes ("Official Gazette of the RM" No. 30/95) see [13 Annex 11](#), is in force in the Republic of Macedonia. The Law defines the conditions under which parts of human body may be taken, kept, processed, exchanged, transferred, and transplanted for medical treatment, as well as the rights, obligations, and the conditions that have to be met by the healthcare organisations working in the field of transplantation. Organs, tissues, and cells which represent a functional whole are deemed to be parts of human body that can be taken for transplantation for medical treatment purposes.

- The Rulebook on implementation of specific provisions of the Law on Taking and Transplantation of Parts of Human Body for Medical Treatment Purposes ("Official Gazette of the RM No. 28/84) sets forth in detail the conditions referring to professionals and equipment of the healthcare organisations working in the field of transplantation and defines the conditions for work of the commissions for determination of death and explanation of the purpose of transplantation.
- The Programme for securing expenditure funds for patients treated with dialysis, securing medicine for transplantations and securing citostatics, insulin, growth hormone and treating patients with haemophilia in the Republic of Macedonia for 2004 ("Official Gazette of the RM" No. 25/04) defines the drugs to be supplied for immunosuppressant for transplantation cases.

There is legal framework in the Republic of Macedonia governing the standards for quality and secure donation, securing, provision, testing, keeping, and distribution of human organs, tissues, and cells. There are secondary regulations under preparation which will regulate these issues in detail.

2. The answer to this question is contained in the answer to question number 1.

3. The answer to this question is contained in the answer to question number 1.

4. Transplantation of kidneys and bone marrow is conducted in the Republic of Macedonia. The transplantation of kidneys is conducted at the Clinic of Urology at the Centre for Kidney Transplantation; the transplantation of bone marrow is conducted at the Clinic of Haematology, which are part of the Clinical Centre in Skopje. Immunological research related to transplantation, harvesting of peripheral mother cells and all the supportive therapy with blood and blood components are carried out by the National Transfusiology Institute in Skopje. There are enough trained personnel in all the institutions participating in the transplantations. It is necessary to buy new equipment in the institutions and modernise the existing one in order to improve the quality of the work and begin with other types of transplantation.

## ***B. General health***

**1. Document COM(2000) 285 final, and the programme of Community action in the field of public health (Decision 2002/1786/EC) sets out the health strategy of the European Community. Does your country have a health strategy set out in a legal document? What are the main priorities? Are activities being implemented in these areas? If so, give a brief description.**

Activities to begin with the development of a Health Strategy are underway. This process is continuous and supported technically by the WHO and the World Bank financed Health Sector Management Project. Since there is no long term health care strategy, the priorities are determined annually with preventive programmes and policies for specific fields, or biannually as part of the co-operation between the Ministry of Health, the WHO and UNICEF.

The Health Sector Transition Project, completed in 2003, set out strategic documents as a base for the activities that were completed up to the present, the on-going ones, as well as for the future activities that will have to be taken in the health sector by the Ministry of Health .

- Strategy for Organisation and Financing of the Primary Health Care
- Strategy for Continuous Medical Education and Specialisation in Primary Health Care
- Strategy for Accreditation of Physicians
- Strategy for Perinatal Health Care
- Strategy for Tuberculosis Control
- Strategy for Pharmaceutical Policy

The component 1 of the new Health Sector Management Project, financially supported by the World Bank loan for the period between 2004 and 2008, refers to the health policy, and is focused on designing a general Health Strategy, and strategies for primary health care, information technology (IT), pharmaceutical policy, quality of health care, privatisation, and public relations. Reform activities in the health sector are presented in detail in the answer to question [13 V B 3](#).

### **Public Health Priorities**

The public health priorities in Macedonia are defined every year by vertical preventive programmes funded by the central budget of the state and the Health Insurance Fund which provides coverage for all the citizens of the Republic of Macedonia. The vertical programmes are adopted by the Government of the Republic of Macedonia.

The Programme for Preventive Health Care defines the priority public health activities, i.e., of the specialised preventive health care.

In addition to the Programme for Preventive Health Care ("Official Gazette of the RM" No. 25/04), the rest of the vertical programmes are as follows:

- Programme on Research of Incidence , Prevention and Eradication of Brucellosis with the Population of the Republic of Macedonia (2004) ("Official Gazette of the RM" No. 25/04);
- Programme on Preventive Measures for Prevention of Tuberculosis with the Population of the Republic of Macedonia (2004) ("Official Gazette of the RM" No. 25/04);
- Programme on Obligatory Immunisation of the Population of the Republic of Macedonia (2004) ("Official Gazette of the RM No. 25/04);
- Programme on Protection of the Population from AIDS (2004) ("Official Gazette of the RM" No. 25/04);<
- Programme on Medical Check-ups of Pupils and Students ("Official Gazette of the RM" No. 25/04);<
- Programme on Health Care of Certain Groups of Population and Certain Diseases of Citizens without Health Insurance in the Republic of Macedonia ("Official Gazette of the RM" No. 24/04);<
- Programme on Active Maternal and Child Health Care in the Republic of Macedonia ("Official Gazette of the RM" No. 24/04);<
- Programme on securing funds for patients treated with dialysis, securing medicine for transplantations and securing citostatics, insulin, growth hormone and treating patients with haemophilia in Republic of Macedonia for 2002 ("Official Gazette of the RM" No. 24/04);
- Programme on Organisation and Improvement of Blood Donation in the Republic of Macedonia ("Official Gazette of the RM" No. 24/04);<
- Programme on Health Care of Persons with Mental and Dependence Disorders in the Republic of Macedonia ("Official Gazette of the RM" No. 24/04).

### **Two-year co-operation Agreement with the WHO**

Specific priorities of the public health are covered by the two-year co-operation agreement between the Ministry of Health and the World Health Organisation, Regional Office in Copenhagen.

The two-year co-operation agreement between the Regional Office for Europe of the World Health Organisation and the Government of the Republic of Macedonia for the period 2004- 2005 was elaborated in details after subsequent negotiation steps between the Ministry of Health and the WHO Office.

**The health priorities of the country**, presented by the health care authorities represent a starting point of the process leading to development of this document.

While determining the other *health priorities of the country*, for the 2004-2005 period, the global priorities and trends of the policy, contributions from other partners to the country and the capacity of the WHO were taken in consideration. These cooperation priorities have been further reflected in the priorities of the WHO for the European region.

The Agreement is a framework and may be altered upon mutual written consent of the Regional Office for Europe of the World Health Organisation and the Ministry of Health of the Republic of Macedonia.

The Regional Office for Europe will particularly support the coordination with the WHO headquarters in Geneva, in order to maximise the efficiency of interventions in the country according to the principle of "one WHO."

As a result of the negotiations between the Republic of Macedonia and the Regional Office of the WHO for Europe, the following fields have been set as priorities of the two-year-co-operation agreement for the 2004-2005 period:

- Health policy and development of the system (Decentralisation);
- Pharmaceutical sector ;
- Communicable diseases surveillance;
- Mental health and drug abuse;
- Maternal and children health care (including also the improvement of gender relations);

- Environment and health (with an emphasis on labour medicine);
- Disaster readiness and response;
- Food safety;
- HIV / AIDS;
- Persons with special needs;
- In case additional funds are available in the period of agreement duration, the following priorities shall be taken into consideration:
  - Hospital health care reforms;
  - Nursing and obstetrics;
  - Non-communicable diseases;
  - Tuberculosis;
  - Tobacco.

### **Cooperation with UNICEF**

The UNICEF five-year framework programme for the period between 2004 and 2005 sets forth the cooperation priorities with a particular emphasis on the early child development cluster and HIV/AIDS protection. The programme will be applied through annual plans of activities.

### **Decade of Roma Inclusion 2005-2015**

The improvement of the Roma health status as well as the health status of other minorities and vulnerable groups is one of the main priorities of the public health.

The Decade of Roma Inclusion 2005-2015 is a result of the commitment of the European Union (EU) and the acceding countries for improvement of the general conditions of the Roma population in Europe. The goals and priorities, the framework, and the dynamics of implementation of activities have been defined.

The Ministry of Health will participate in the Decade of Roma Inclusion 2005-2015 by taking part in the National Healthcare Action Plan based on the Millennium Development Goals

The procedure for development of the Draft National Action Healthcare Plan is underway.

### **Millennium Development Goals**

The Millennium Development Goals are global objectives set out by the world leaders on the Millennium Summit in September, 2000. They represent a serious attempt to reduce poverty, its causes and manifestations. The Millennium Development Goals focus the efforts of the international community on the achievement of essential and measurable improvement of the living conditions.

The Millennium Development Goals are an assigned framework which will be appropriately adapted to the development needs of the Republic of Macedonia:

- Eradication of poverty and hunger;
- Universal primary education;
- Promotion of gender equality and empowerment of women;
- Reduction of infant mortality rate;
- Improvement of maternal health;
- Programs against HIV/AIDS, malaria and other diseases ;
- Providing sustainability of the environment;
- Developing a global partnership for development.

The eight objectives complement each other and they are directed towards reduction of all forms of poverty, and towards promotion of the widely accepted standards of behaviour for better health, promotion of legal regulations, social and environmental conditions that reduce the risk and improve the living conditions of individuals and of the community.

The specific socio-economic, cultural, and political attributes of this region, as well as the selection of the appropriate indicators should be taken into consideration when applying the Millennium



Development Goals, The World Bank (World Development Indicator Database) database for development is basis for the completed assessment of the possibilities for achieving the Millennium Development Goals of the countries in the region that will not be admitted in EU in 2004. According to the data available at the World Bank, it seems that the Republic of Macedonia has realistic chances to achieve three of the millennium development goals closely related to the improvement of health and prevention:

- Reduction of infant mortality rate;
- Improvement of maternal health;
- Programs against HIV/AIDS, malaria and other diseases.

However, there are no data on the depth of poverty and access to clear water which are also of an enormous importance for the public health.

To achieve the millennium development goals, the Government of the Republic of Macedonia cooperates with UNDP in a joint project for Development of a National Report on the Millennium Development Goals, establishment of thematic working groups for the millennium goals, co-operation with the Government officials responsible for the millennium development goals, creation of database with defined indicators for monitoring of the implementation of the millennium goals in the process of EU integration.

One of the priorities of the public health action is health and environment protection and improvement, with a special emphasis put on the occupational medicine. This will be accomplished with the activities planned within the two year cooperation agreement between the Regional Office of the WHO and the Ministry of Health of the Republic of Macedonia for the period between 2004 and 2005, within the Occupational Health Institute, considered as WHO cooperation centre. As a contemporary public health approach, the main fields covered are: improvement of occupational health, occupational medicine and protection at work, and safe management of the living and working environment. To reactivate the defined priority, the elements of the Council Resolution on a new Community Strategy on Health and Safety at Work 2002-2006 (2002/ c 161/01) are planned to be incorporated.

The anticipated activities should provide development of a national occupational health programme, development of new models of occupational health services as an infrastructure of this segment of the health care system, by strengthening and harmonization of the national policies and legislation on occupational health with the documents of the ILO, WHO, and EU.

The National Strategy for Health, Environment and Safety Management in Enterprises – HESME) which is a joint programme of the WHO and ILO in co-operation with the European Commission initiated by the Ministry of Health in the Republic of Macedonia several years ago and which is currently in an adoption phase, also supports the development of the overall strategy for health advancement. The goal of the Strategy is protection and improvement of occupational health and safety at work and improvement of the working ability and welfare of the employees. It is a process of comprehensive improvement and promotion of occupational health including all interested parties within and out of the enterprises, and represents an effective system of management of enterprises, where issues related to health, safety and healthy environment are integrated in the enterprise development strategy

This provides quality of the environment and the health of the whole population, encouraging people to reconsider their own health and the health of their families taking into consideration the environment, lifestyles, the professional and social determinants influencing the health and the quality of health care. The best practices of the HESME should be the base for implementation of the goals of the “Safe Work Programme” according to ILO and in accordance with the principles of “Cleaner Production Strategy” supported by the UNEP.

The best practices of the HESME will contribute to achievement of the EU standards defined by the Amsterdam Treaty (Articles 137, 152, 174, 153). At the same time, the HESME Programme is included in the activities of the Public Health Programme of the EU for 2001–2006 (Commission of



the European Communities, Proposal for a decision of the European Parliament and of the Council adopting a Programme of Community Action in the Field of Public Health 2001 – 2006, Brussels, 16/5/2000) emphasizing the need for connecting the public health with the other health related initiatives, such as occupational health and safety at work, environmental policy, and development of a comprehensive health information system that will provide new efficient public health through HESME, promotion of occupational health, and also by adjustment of these instruments to the national and local needs.

The implementation of the Strategy goals presumes a multidisciplinary, multi-sectoral and multi-level approach.

The Occupational Medicine Institute, being a reference centre of the World Health Organisation, will permanently act towards complete application of the Strategy in line with the local Occupational Health Agencies engaging all available professional and other resources.

The Government of the Republic of Macedonia adopted the Action Plan for Food and Nutrition in April, 2004.

The Strategy for HIV/AIDS of the Republic of Macedonia for 2003-2006, which is a framework for development, implementation, surveillance, and evaluation of program activities on HIV/AIDS was adopted at the end of 2003.

The Project for Elimination of Iodine Deficit in the Republic of Macedonia was completed in 2003.

A Strategy for Mental Health which promotes the approach to mental health in the community departing from the old institutional and asylum model of treatment of people with mental disorders is being prepared.

**2. The European Commission produced a Health Status report with regard to the Member States of the EU in 2000 (please note that a revised version was posted on the Health and Consumer Protection Directorate-General's web-site in 2003). Please provide similar information on the health status of the population in your country. This should include information on key health indicators such as gender specific and combined infant mortality and life expectancy; patterns of mortality and morbidity; situation with regard to communicable and sexually transmitted diseases.**

### Life Expectancy

According to the data of the State Statistics Office of the Republic of Macedonia, life expectancy at birth for both genders was 72.49 years during the 1996-1998 period, 74.68 for women and 70.37 for men. This difference between genders increased during the 1999-2000 period to 73.05 for genders, 75.21 for women and 70.68 for men (Table 1).

Table 1. Life expectancy at time of birth and average age									
	Life expectancy				Average age				
	1996-1998	1997-1999	1998-2000	1999-2000	1997	1998	1999	2000	2001
Total	72.49	72.49	72.68	73.05	33.5	33.8	34.0	34.3	34.63
Men	70.37	70.37	70.48	70.68	32.7	33.0	33.3	33.5	33.81
Women	74.68	74.68	74.77	75.21	34.2	34.5	34.8	35.1	35.45
Source: National Public Health Institute									

### **Mortality at the age of 65 and beyond**

Out of 17,962 deceased people in the Republic of Macedonia in 2002, 12,760 died at the age of 65 and beyond which is 71.1% of the total mortality. The mortality rate per 100,000 appropriate population for men at the age of 65+ is 7,060. 5%000, and for women, 5,589.9%000.

### **Perinatal mortality**

According to the data of the State Statistics Office, 473 infants died perinatally (total number of children born in 2002 was 17.0/1,000). Out of them, 291 infants were stillborn and 182 deceased infants at the age of 0 to 6 days (the rate of early neonatal mortality is 6.6).

The most frequent causes of infants death are disorders related to short gestation time and unquoted low weight of the newborn child at birth, congenital malformations of the circulatory system and other congenital malformations, syndrome of respiratory distress, intrauterine hypoxia and childbed asphyxia, infections specific for the perinatal period and other badly defined conditions which originate from the perinatal period.

### **Infant mortality**

According to the data of the State Statistics Office for 2002, there were 283 deceased infants in 2002 (10.2/1,000 live births). Out of 283 deceased infants in 2002, 182 infants (rate of 6.6/1,000 live births).died at the age of 0 to 6 days.

### **Post neonatal mortality**

In 2002, there were 68 registered deceased infants during the post neonatal period (from 28 to 364 days) in the Republic of Macedonia. The rate of post neonatal mortality is 2.4/1,000 live-borns.

### **Communicable diseases**

In the Republic of Macedonia 48 communicable diseases important for the whole country are subject to mandatory reporting. To monitor, prevent, and eradicate those diseases based on the Law on Protection of the Population from Communicable Diseases (Official Gazette of the RM No. 66/04) and the measures and activities of the Programme for Preventive Health Care, annual Plans and Programmes are developed and actively implemented by all the preventive healthcare institutions, coordinated and directly supervised by the Sector for Epidemiology and Microbiology at the National Public Health Institute in Skopje.

### **A review on some communicable diseases :**

#### **HIV/AIDS**

There have been 64 cases of HIV/AIDS registered in the Republic of Macedonia conclusive to 31/12/2000: 48 infected and 16 HIV positive persons.

The first HIV positive case was registered in 1987, the first infected in 1989, and the first deceased person from AIDS in 1990.

Heterosexual contact (with 28 persons) is the dominant way of HIV virus transmission (with the 48 infected persons).

Gender distribution indicates that there are more men (34) infected than women (14).

The most vulnerable age group is the one between 30 and 39 (17 persons), followed by the age group between 20 and 29 (12 persons).

More than 65% of the diseased are registered in three municipalities of the Republic of Macedonia (Skopje, Tetovo, and Prilep).

The situation with the HIV positive persons is very similar to the one with AIDS, i.e., there are 10 men out of 16 HIV positive, heterosexual contact is the dominant way of transmission and the age group from 20 to 29 is dominant with 6 cases.

There were 42 deceased persons out of the total number of 48 infected persons in the period from 1990 to 2003.

Out of the total number of 64 persons with HIV/AIDS, 3 persons are children at the age from 0 to 6 years (2 of them deceased), and 1 is a HIV carrier.

### **Viral hepatitis B**

The viral hepatitis B as a special nosologic unit has been reported since 1983. The number of registered cases in the Republic of Macedonia has maintained at almost constant level or increased in the period 1992-2003.

There were 1,300 registered infected persons in the period 1996-2003, or on average 162 cases per year, with an average morbidity (MB) of 8.1/100,000.

With regards to the age groups of the infected persons, the dominant age groups are the ones between 20 and 29 (23.4 %) and between 30 and 39 (15.3 %).

Mandatory immunisation against viral hepatitis B of the new-born children was introduced in November, 2004 by the Law on Protection of the Population from Communicable Diseases (Official Gazette of the RM No. 66/04). So far, this immunisation has been administered only according to epidemiological indications (as of 1992) for certain risk population groups and professionally exposed persons.

### **Viral Hepatitis C**

As of 1996 when diagnostic of the viral hepatitis C has been introduced, there have been 176 registered cases of viral hepatitis C in the Republic of Macedonia, or on average 22 cases are registered every year. The morbidity ranges from 0.5/100,000 to 1.65/100,000.

There are no registered deceased persons from viral hepatitis C. According to epidemiological surveys, this disease is most frequently registered with drug addicts and dialysis patients.

All blood units from the voluntary blood donors are strictly tested for HIV/AIDS, viral hepatitis B and C, and syphilis according to the international standards.

### **Sexually transmitted diseases**

There have been 20 cases of syphilis registered in the Republic of Macedonia in the period 1994-2003, with average morbidity of 0.002/100,000. The most present group is at the age from 20 to 29 or 49.6%, where men are dominant with 78%.

There have been 211 cases of Gonorrhoea in the Republic of Macedonia in the period 1994-2003, or on average 21 cases per year with morbidity of 0.001–0.18/100,000. The most present age group is from 20 to 29 or 62.6%, where men are dominant with 87.4%.

The above data shows that these diseases are significantly decreasing and the incidence is in significant regression; the emphasis of medical actions, as in many other countries, is directed towards prevention and education of the population about HIV/AIDS, hepatitis B and C and the non-specific urogenital infections caused by Chlamydia and viruses which because of the high incidence require measures for early detection and effective treatment.

### **Travel Diseases**

With regards to the surveillance of communicable diseases related to international travel, the Republic of Macedonia has a regular set of measures and activities of health surveillance of persons arriving from countries with endemic presence of cholera, malaria, yellow fever, plague, and other communicable diseases.

A immunisation against yellow fever is obligatory for persons who travel from the Republic of Macedonia to countries where the yellow fever endemically prevails. Persons who travel to countries

with endemic presence of malaria are ordained chemoprophylaxis, and an appropriate immunisation using serotypes recommended by the World Health Organisation for meningococcal meningitis,.

According to the international epidemiologic status and in accordance with the recommendations of the WHO, targeted measures and activities for surveillance of importing Congoan-Krimic hemorrhagic fever, plague, SARS, anthrax, etc. are occasionally being applied.

There are no autochthonous cases of malaria in the Republic of Macedonia (the last case was registered in 1965), and the last imported case was registered in 2003.

### **Communicable diseases caused by food**

The alimentary toxic infections are the most frequent communicable diseases caused by food in the Republic of Macedonia. Epidemics of alimentary toxic infections caused by various bacteria carriers are frequent.

On average, there were 421 salmonellosis cases registered annually in the period between 1992 and 2003, out of which the largest number of 698 cases was registered in 1993, and the least of 276 cases, in 1997. The morbidity ranges between 34.8/100,000 and 13.8/100,000.

The number of salmonellosis patients has maintained at a constant level in the last 7 years, with small oscillations (350-450).

The most frequent serotypes of isolated salmonellas in the Republic of Macedonia in the period between 1993 and 2003 were *S. enteritidis* (71 %) and *S. Typhimurium* (27.9 %).

In the last 10 years, there were averagely registered 5 salmonellosis epidemics per year, with an average of 220 infected persons. The epidemics are most frequently registered in dining halls, fast food restaurants and pastry shops (73%), and only 17 % out of them were family epidemics (home-made food). Mayonnaise (30%), sweets (24%) and chicken (17%) are the most frequent incriminated food for epidemics.

### **Diseases for which a mandatory immunisation is required**

There has been a very good system for routine immunisation against certain communicable diseases in the Republic of Macedonia existing for decades, based on legal regulations (Law on Protection of the Population from Communicable Diseases (Official Gazette of the RM No. 66/04) and Rulebook on Methods and Conditions for Immunisation).

The Ministry of Health adopted a Programme for Mandatory Immunisation upon recommendation of the Epidemiology and Microbiology Sector at the National Public Health Institute. The immunisation is obligatory and free of charge for every person subject to this obligation.

As a result of such a systematic method of immunisation, high scope of immunisation using all types of vaccines is realised in the Republic of Macedonia every year (see [13 V B 6](#)), and a large number of the diseases, against which immunization is implemented, have been eradicated, eliminated, or registered in a very small number.

Thus, the variola eradication was achieved. There hasn't been systematic immunisation against variola since 1982.

The Republic of Macedonia was awarded a Certificate for Eradication of Poliomyelitis Acuta in 2002. The last case of Poliomyelitis Acuta was registered in 1987.\

The last case of Diphtheria was reported in 1976, and the mandatory immunisation has been carried out on a regular basis.

There have been individual cases of Tetanus registered, but not every year. The last case was registered in 2002, and the infected person was older than 60.

The morbidity of the following diseases has been significantly reduced:

- Pertussis (16 cases in 2003 or reduction by 99.5% compared to the period before introduction of vaccination),
- Morbilli (18 cases in 2003, i.e., reduction by 99.8%),
- Rubella (52 cases in 2003, or reduction by 96.5%),
- Parotitis epidemica (77 cases in 2003 or reduction by 98.8%).

Immunisation against influenza which is carried out every year is mainly directed to the population at the age beyond 60 and to the patients with chronic diseases. This immunisation is not mandatory. Approximately 15,000–20,000 persons are vaccinated per year in the Republic of Macedonia.

Legal regulations of the Republic of Macedonia stipulate that immunisation against tuberculosis, diphtheria, tetanus, morbilli, poliomyelitis acuta, rabies, cholera, yellow fever, abdominal typhus, and viral hepatitis B will be conducted only after epidemiological indications.

The presented status of the diseases against which immunisation is conducted, shows that the epidemiological status in the Republic of Macedonia is favourable. Some of the diseases against which a immunisation is conducted have been eradicated or reduced to very small numbers. However, the potential risk factors (migrations, trade, tourism, etc.) and the incidence of new global diseases, for e.g. the SARS, and the potential danger of biological terrorism requires a further serious approach to communicable diseases and further permanent antiepidemic and preventive action and work.

**3. Document COM(2001)723 final, the 2003 Joint Report by the Commission and the Council and document COM(2004)304 final highlight common challenges faced by health care systems and the three long-term objectives of those systems: care accessibility for all, high quality of care and financial sustainability of the systems. Please describe briefly the health system of your country, including possible on-going or planned reforms of the system, e.g. the financial basis, the national/regional division, levels of capacity in infrastructure, expenditure and personnel. Describe briefly any on-going or planned reforms of the system in relation to the three objectives above.**

### **Health Care System**

The health care system of the Republic of Macedonia as defined by the Constitution and the Law on Health Care ("Official Gazette of the RM" Nos.38/91, 46/93, 55/95, 17/97, 10/04), see [13 Annex 03](#), represents the basis of the current system of health care delivery in Macedonia. It includes the basis of the health insurance system, the rights and responsibilities of beneficiaries and the rights and responsibilities of service providers, the organisational structure of the health care system and utilisation of health care funds. The Law also defines the areas of responsibility of individuals, employers and the Government in respect to the health status and protection of health. The individual is responsible for his/her own health, the company is responsible for providing healthy work environment including specific health protection for workers borne by the employers, while the Government is responsible for providing healthy environment. The Government is also responsible for providing preventive health care for the population by granting access to the health service delivery. The Constitution of the Republic of Macedonia clearly defines the principle of universal access to health care. This Law, and later a special Law on Health Insurance ("Official Gazette of the RM" Nos. 25/00, 34/00, 96/00, 50/01, 11/02 and 31/03) established mandatory health insurance which renders possibility for health insurance coverage of the entire population of the country .

The rights to health care are attained in the existing health care system consisted of, public and private health care organisations. Health care is easily accessible to the population because it is carried out by a wide network of health organisations. The appropriate geographic distribution of health care institutions provides approx. 90% coverage of the population who can receive medical

assistance for less than 30 minutes. In 2002, the public sector employed 24.428 persons, including 4.573 physicians. There were 487 physicians in the private sector, achieving the Standard of coverage of 399 inhabitants/one physician, or 25 physicians per 1.000 inhabitants. This meets the standards of primary health care. The data of 2003 is currently being processed.

Health care is organised at three levels of care: primary, secondary-consultative and tertiary. It is delivered by 77 organisations owned by the state or so-called public health care organisations which are as follows : 11 public health institutes , 3 health stations, 18 health centers providing primary health care and mostly located in small towns, 16 medical centres providing primary and secondary healthcare, 15 special hospitals, one general hospital, 6 pharmacies as independent legal entities, and the Clinical Center (University Hospital) with 22 specialised clinics, and several other centres for tertiary health care for medical and dental care. Organisationally, medical centres include hospital and out-patient services as primary health care. Health centers provide delivery of primary health care and partially out-patient and polyclinic secondary health care, e.g., through ophthalmologic, internal, otorhinolaryngologic and/or other services.

The primary health care is the basis of the overall health system and provides basic health care at municipality level. The primary health care is implemented in 3 health stations, 18 health centers , 16 medical centres. By adoption of the amendments to the Health Care Law ("Official Gazette of the RM" No. 10/04), the medical centres will be restructured into independent health care institutions for primary health care and hospitals, i.e. in 462 health facilities for delivery of general practice, 77 for occupational medicine, 84 for health care of children aged 0-6 years, 63 for health care of school children, 50 for women's health care and 334 for dental care. Primary health care in rural areas will be delivered through 293 medical units, out of which 152 will have full time employed physicians. More than half of the total number of physicians (approx. 56%), or 1/4 of the specialists, are engaged in the primary health care.

Health care is also delivered by the private health care organisations which most often are established as primary health care practices or as specialist practices. The number of private hospitals that provide secondary health care is very small.

Considering the small territory of the country, the health care is relatively accessible to the population, except for the mountainous regions where due to poor roads and distance from the existing out-patient clinics, there is a need for delivery of primary health care to the local population.

**Funding** The expenditures of public funds in health ranged between 5,5 and 5,6% of the GDP in the last three years. This level is higher than the average expenditures in low and middle income countries (2,3%) and the average for the ECA region (4%). The health care spending as share of the total Government spending is also rather high compared to other low or middle income countries. Private spending for health care is approx. 3,3% of the GDP (data from 1999) which indicates relatively high level of out of pocket payments which causes inequality and barriers to access of the poor to these services.

The distribution of funds is inappropriate and most of the expenditures (over 50%) are made by the secondary and tertiary hospital care. The low level of investment in the primary health care resulted in a primary health care system which provides poor low quality care, especially in the rural areas. Patients tend to by-pass primary health care in favour of treatment at highly specialised health care institutions. The average number of non-hospital visits per capita/annually in the Republic of Macedonia is only around 3 compared to the EU average of 8. In the last decade, capital investments in the health sector (facilities and equipment) are at a very low level (approx. 1% of the total spending in health). As a result, many facilities, especially in the rural areas, are in poor condition with equipment that needs to be renewed.

The health care funding is organised as a system of compulsory health insurance managed by the Health Insurance Fund. In 2000, the Health Insurance Fund separated from the Ministry of Health. The Health Insurance Fund is mainly funded by salary contributions, although this source of income as percentage of the total expenditures of the Health Insurance Fund gradually decreased from 75%

to 63% in 2001. Most of the other income comes from the Pension and Disability, the Fund for Unemployed and the general revenues. The funds provided from the compulsory health insurance at the Health Insurance Fund comprise approx. 90% of the total expenditures in health care. A combination of factors as shortfalls at the revenue side and poor expenditure management have contributed to permanent cash deficit, steadily accumulating debts to suppliers estimated at 32,5 million USD (13% of the annual expenditures) by the Health Insurance Fund and the public health care institutions. The financial management capacity of the Health Insurance Fund is insufficient. From the aspect of expenditure management of the public funds, the extra-budgetary funds such as the Health Insurance Fund cause problems for effective resource allocation and offer possibilities for inappropriate conduct in cases when transactions are not subject to the same level of financial discipline. Currently, the Health Insurance Fund acts as a payer for health services instead of being an active purchaser of health services. The Health Insurance Fund has reached a significant progress in this area by development of global budgets for hospitals and systems of payment per capita in the private health care institutions for primary health care. The package of services in the mandatory health insurance sometimes can not fully be provided due to reduction of income of the Health Insurance Fund and leads to increased informal payments. The accountability of the Health Insurance Fund to other agencies, especially to the Ministry of Health and the Ministry of Finance, is poor.

PSMAC (Public Sector Management Credit) and the Health Sector Transition Project (closed in 2002) provided assistance for capacity building of the Health Insurance Fund, however, the financial management and control over the Health Insurance Fund deteriorated during the months prior to the parliamentary elections in October, 2002. There are still considerable weaknesses in the financial management, internal control and external accountability. The improvement of the information system in the health system has started within the first Project in health system, but there is still a lot to be done.

#### **Reforms:**

In order to achieve the goals of maintaining expenditures and improvement of the quality and access, the Government of the Republic of Macedonia focuses on strengthening the capacity of the Ministry of Health, the Health Insurance Fund and the health service providers in order to improve their performance and increase transparency and accountability of different institutions. The Government has identified the reforms of policies and capacity building in the Health Insurance Fund, the Ministry of Health and the health service providers as a key element to achieve the goals in the health sector. The Health Sector Transition Project in the Health Sector (1996-2002) included: health (54%); central; administration (34%); health insurance (12%).

Altogether, the project helped to establish the bases for several areas of the health reform, including:

- Strategy and initial reform of the primary health care and Continued Medical Education (CME) of physicians in the primary health care;
- Quality enhancement in the perinatal activity, which reduced the perinatal mortality by intensive training and investments in equipment;
- Training of the Health Insurance Fund staff, the Ministry of Health staff and the management staff of other health care institutions;
- Development of a system on signing contracts with physicians in the primary health care (on the principle of capitation), contracts with hospitals, financial management and information systems at the Health Insurance Fund;
- Development of national policy on drugs, pharmaceutical information centre and training of doctors in the area of rational drugs prescription;
- Public campaign to promote the health sector reforms.

#### **Achievement of the general goals:**

1. Improvement of the health status of the population by improvement of the quality of basic health services. The Component on Health Services contributed to significant reduction of the perinatal mortality by 21%. The perinatal mortality rate is the number of stillborns and the number of deceased

newborns in the early neo-natal period (during the first week after birth) measured in the total number of 1,000 newborns. There are records on improvement of the quality of the perinatal health care and the primary health care achieved by education within this component. The perinatal health care departments of the child birth and paediatrician departments taking care of neo-natuses, the principles of evidence based medicine have been largely adopted, as a result of the National Centre for the CME– for perinatology and neo-natology. General practitioners have improved their abilities for detection and treatment of diabetes and hypertension cases at the primary health care level. The increased trend of incidence of tuberculosis registered in the early 90's decreased, whereas the lowest level was achieved in 1999 (27,6 new cases per 10.000). The rate increase of diseased in 2000 (31,6 per 100.000) was a cause to worry, but it has to be interpreted in the context of the influx of 400.000 refugees during the Kosovo crisis.

2. The second goal of the project – to support the initial stage of reforms in the health policy, increase of expenditure efficiency, fiscal sustainability and possibility for selection of family doctor by the patient within the health system – is presented by three different objectives, i.e.:

- Strengthening of the allocative efficiency of health services. Reduction of average length of hospital stay, increasing the number of consultations per doctor in non-stationary health care facilities and decreasing the trend of overly high ratio of the primary health care physicians per population implies improvement of the allocative efficiency through changing the balance of the stationary vs. the primary health care services in favour of the latter, as well as better technical efficiency of hospital and primary health care services. Although these changes can hardly be attributed only to the project activities, the improved skills with approx. 40% of all primary health care physicians in Macedonia were related to the increased accessibility of the essential equipment for diagnostics and treatment, which contributed to improvement of skills of the general practitioners for treatment of problems that could be solved at the primary health care level. The sub-component of medical education and the pharmaceutical component also had an impact on the improvement of allocative efficiency in drugs prescription.

3. Provision of financial sustainability.

The new Law on Health Insurance ("Official Gazette of the RM Nos. 25/00, 34/00, 96/00, 50/01, 11/02 and 31/03) was adopted, as well as the secondary regulations pertaining to capitation as a payment mechanism for PHC physicians, payment of participation by beneficiaries, and the priority programmes (covering both the uninsured and the insured persons). These regulations were designed to improve the fiscal control over the payments of the primary health care and to increase the revenues collected from the beneficiaries, which will provide protection for the poor and the patients with chronic diseases. The revised positive list of drugs and the new information system improved the Health Insurance Fund capacity for control of expenditures. The debts of the Health Insurance Fund to health care institutions have not been eliminated. Since the restructuring after the mid-term review of project activities, all factors that influence the goal of fiscal sustainability were not considered. The conditions set in the policy matrix of the Public Sector Management Credit met by the Health Insurance Fund in 2002, eliminated the cause of debts to health care institutions in the public sector through replacing of the inappropriately implemented point system of payment to the hospitals with a system of signing contracts with hospitals based on a global budget.

The debts of the Health Insurance Fund and the public health care institutions to commercial suppliers (especially to suppliers of drugs) still exist.

4. Increased possibility for patients' choice.

The primary health care reform increased the possibility for selection of a doctor by the patient and established a system of payments to private doctors on the principle of capitation. By the adoption of secondary legislation on payment of capitation in the primary health care, payment of participation, and priority preventive programmes, progress has been made in these areas. Five hundred private doctors have signed contracts with the Health Insurance Fund to be paid on the capitation principle. Public campaign was carried out in order to inform the patients about their rights, obligations and options within the new arrangements. The important aspect of the introduction of the patients' choice



by possibility of selecting a doctor by the patients, introduced by contracts with private doctors, is that the Health Insurance Fund has been signing contracts with doctors from all the regions in the country.

#### On-going reforms – Project on Management in the Health Sector

There are three key development challenges and opportunities for the health sector which will be supported by the World Bank in accordance with the Country Assistance Strategy, presented on 9<sup>th</sup> of September 2003:

Achievement of a solid system for expenditure management of public funds, especially by increased emphasis on extra-budgetary institutions including the Health Insurance Fund; assurance of continuous health service delivery in the context of decentralisation; guarantee of quality, efficiency and access to health services.

The Health Sector Management Project is funded by an investment loan in an amount of US\$ 10 million and Government contribution of approx. US\$ 1,58 million. The proposed loan will complement the reforms supported by several programmatic loans for adjustment of the public sector management and related technical assistance funded by the Dutch Government grant financing. One of these loans for adjustment (loan for adjustment of the public sector management or PSMAL) was approved at the same time as the proposed loan and it supports the changes in the policies of the Health Insurance Fund related to the hospital contracting and introduction of internal audit capacity of the Health Insurance Fund for the purpose of strengthening of financial management, as well as external/system audit of the HIF. This loan will provide the necessary assistance, training and equipment for the Health Insurance Fund, with emphasis on the strengthening of the management information system. These investments will be critical for the guaranteed success of the policy reforms in accordance with PSMAL and for support to expansion of these reforms. The Government will fund limited construction works, training expenses, operational costs, taxes and payments. The whole Project should be seen as part of the overall programme for support of the health care system reform in the Republic of Macedonia.

The objectives of the project are:

- upgrade of the capacity of the Health Insurance Fund and the Ministry of Health for formulation and effective implementation of health care policies, health insurance, financial management and contracting with service providers;
- development and implementation of efficient scheme of restructuring of hospital services with an emphasis on development of day care services and approximation to primary health care.

The project consists of the following components:

Component 1: Formulation of policies and implementation. This component will help the Ministry of Health to develop and strengthen of its critical functions such as formulation of policies and strategies, monitoring and evaluation of health reforms, information and public relations. The component consists of three sub-components:

- Support to the general policy in health and development strategy,
- Communications and public relations, and
- Improvement of administrative and business processes within the Ministry of Health.

Component 2: Strengthening of the management by the Health Insurance Fund. The goal of this component is to improve the management of the Health Insurance Fund as organisation responsible for provision of healthcare services on behalf of its beneficiaries in accordance with the compulsory health insurance. This component has three sub-components:

- Eligibility criteria and revenue collection
- Management of the Health Insurance Fund, and
- Purchasing functions.

Component 3: Improving service delivery. This component will improve the quality and the efficiency of health care organisations by supporting the development of staff skills, introduction of new methods and instruments for management and upgrade of certain units, selected for implementation of well-defined sub-projects. These improvements will contribute to increase of administrative and operational capacity of the health care institutions, placing them in a better position to respond to the challenges and the stimulative segments of the contracting process with the Health Insurance Fund. The component consists of two sub-components:

- Hospital management and primary health care, and
- Grants for improving service quality and efficiency.

The project will be evaluated on the basis of performance indicators. These include quantitative indicators (measurable improvement and outcomes) and qualitative assessment. The assessment of the achievement of each performance indicator will be made in comparison with the basic indicators. These indicators will be regularly monitored by the information system set up as a part of the Policy Analysis Unit at the Ministry of Health. The key project indicators are the following:

- reduction of the administrative costs and the work of the staff on issuing health insurance coupons (blue coupons);
- increase in the number of persons paying contributions and increase in the level of compulsory contributions as percentage of “required” contributions;
- reduction of the number of drugs bought at pharmacies which do not contract with the Health Insurance Fund and for which the Health Insurance Fund refunds the costs;
- satisfactory annual audit reports by the Health Insurance Fund (giving opinion without qualification);
- percentage of contracted health care institutions in accordance with the selected clinical guidelines ;
- reduction by 10% of the average length of stay (ALS)
- reduction by 30% of the number of re-admission with the same diagnosis within 3 months, and
- increase by 20% of non-hospital surgery as percentage of the total surgery.

The average length of the process of drugs registration (including drugs registered by short procedure for drugs registered by EU, i.e. the ones approved by FDA) will be reduced by 50%.

All physicians, dentists and pharmacists will be licensed according to the newly adopted procedures. Development of health budget reflecting the key mid-term priority policies of the Government.

During the discussions with the World Bank and their support to the reforms with the loan for the public sector adjustment, four areas of reforms in the health sector were specified as key sectors in order to receive the loan (PSMAL):

- Development of a system of contracts with hospitals that will lead to better control over expenditures and to establishment of incentives for better quality of work;
- Improved financial management of expenditures and obligations by the Fund and the health care institutions;
- Reduction of prices the Fund pays for drugs and other medical materials in a transparent, competitive and legally based process of procurement, and enhanced and efficient process of issuing registrations by the Bureau for Drugs which this competitive process of drugs procurement will enable;
- More efficient administration and collection of health insurance contributions.

Other reform activities at the Ministry of Health

As a part of the Framework Agreement, the Ministry of Health is undertaking intensive activities to implement Art. 22 item 9 of the Law on Local Self-Government (“Official Gazette of the RM” No. 5/02).

The legal projects contained within the Operational Programme for Decentralisation of the central authorities in 2003 and 2004, all Stability Pact projects and most of the on-going project and programme activities based on contracts/agreements with the World Health Organisation and UNICEF practically mean establishment of legal framework and creation of the critical conditions for community-based reforms.

The Law on Appending and Amending the Law on Health Care ("Official Gazette of the RM" No. 10/04) was also adopted. The goal of the adoption of this Law is to provide conditions for increased level of competency and professionalism with physicians, dentists, pharmacists by establishing a process of licensing and license renewal every seven years. At the same time, it provides a process of accreditation of institutions involved in the procedures for continued education in order to provide the necessary conditions for increase of the knowledge and skills level. Thus, in a final extent the citizens of the Republic of Macedonia are to be provided with better quality health services.

With the inclusion of members of the local self-government in the management boards of the public health care institutions in the primary health care and the provision of the possibility for ownership transformation of pharmacies and the possibility for lease of the organisational units with pharmaceutical and dental activity, this sector is being decentralised. The local self-government representatives will participate in the decision-making process and the management of public health care organisations in the primary health care, i.e. the graduated pharmacists and dentists working at the public health care organisations will be given a possibility to establish private health care organisations with leased space and equipment. They will manage their own organisation, i.e. they will run their own "business" which will increase the motivation to be successful in the business rather than waiting to receive salary or "somebody else" to solve the problem of the institution.

This will provide the better representation of the citizens at local government level, in the process of decision making in the public health care organisations at the primary health care level to influence and express their needs when making decisions at the management boards regarding the health care delivery and improved supply of drugs for the population.

This Law created a basis for privatisation of public sector pharmacies and dental practices. There are two types of privatisations defined: one by sale and one by renting the space and equipment.

Within this operational programme, a Law on Protection of the Population from Communicable Diseases ("Official Gazette of the RM" No. 66/04) was adopted, which defines the competence of municipalities in taking over the general public health measures for prevention of spread of communicable diseases.

A Strategy on Mental Health is under preparation which promotes the approach to mental health inside the community and departs from the old institutional and asylum model of treatment of persons with mental disorders.

The data on expenditures and resources in the health system of the Republic of Macedonia is specified in the answers to questions [13 V A 4](#) and [13 V B 3](#).

**4. What are your current health expenditures, as a percentage of GDP, and in absolute terms (in Euro), and how are they structured, including the amount spent in the public sector and the private sector, the amount spent on prevention, and health promotion?**

The table presents the expenditures and the structure of expenditures of the Health Insurance Fund in 2003. The data on the health care expenditures collected by the official statistics are limited to the data on the expenditures only of the Health Insurance Fund.

Expenditures and structure of expenditures of the Health Insurance Fund in 2003			
	Thousands MKD	of EUR	Structure

TOTAL	14.697.631	239.765.595	100
Expenditures for health care	13.129.927	214.191.305	89.33
Out-patient and polyclinical health care	5.492.098	89.593.768	37.37
Hospital health care	4.959.454	80.904.633	33.74
Dental health care	484.372	7.901.664	3.30
Drugs by prescription in primary health care	1.895.542	30.922.382	12.90
Other health care expenditures	25.321	413.067	0.17
Medical treatment abroad	220.347	3.594.568	1.50
Investment, reconstruction, equipment supply and maintenance in the health care sector	52.793	861.223	0.36
Reimbursement	989.589	16.143.377	6.73
Reimbursement for salary during sick leaves, leaves due to accidents at work, occupational diseases, isolation and care	350.610	5.719.576	2.39
Reimbursement for salary during pregnancy and child-birth	620.671	10.125.139	4.22
Other reimbursements	18.308	298.662	0.12
Orthopaedic devices and other appliances	199.732	3.258.271	1.36
Functional expenditures for the Fund's operations	332.883	5.430.392	2.26
Loans repayment	45.500	742.251	0.31
* calculated according to the foreign currency exchange on 31/12/2003: MKD/EUR=61.30			
Source: Health Insurance Fund			

In the table the data on health care expenditures are limited to the data on the expenditures of the Fund only. While analyzing the data on expenditures, it should be taken into account that the health care expenditure data are merely data on expenditures of the state (public) health sector and only include private practices who have signed contract with the Fund on providing health care services to insured persons. These expenditures do not include the out of pocket payments by the beneficiaries which is payment of the full price of medical services in the private health sector (mainly for dental services and drugs bought from private pharmacies) or the full price in the state health sector for services and drugs that patients could not obtain from the health insurance. The expenditures presented in the table do not include the expenditures of the military healthcare services (paid from the budget), the humanitarian aid, and donations to the healthcare institutions.

Every year the Budget of the Republic of Macedonia allocates funds for implementation of 11 prevention programs. In 2004, there were MKD 322.000.000. i.e., EUR 5.252.854.80 allocated for these purposes.

##### **5. Are you implementing the OECD manual “A system of health accounts” or are you planning to do so?**

The manual “A System of Health Accounts” is not currently implemented in the Republic of Macedonia. There are on-going activities aimed at studying the manual in order to create conditions for application of the Health Accounts System.

## 6. Indicate your immunisation programmes, and the level of coverage.

### Immunisation Programme

The immunisation in the Republic of Macedonia is carried out in accordance with the Programme for Compulsory Immunisation of Population of the Republic of Macedonia. The Government of the Republic of Macedonia adopts the Programme proposed by the Minister of Health every year. The Programme includes an

### Immunisation Calendar

In October, 2004, the Republic of Macedonia adopted a new Law on Protection of Population from Communicable Diseases ("Official Gazette of the RM" No. 66/04) which regulates the obligation for continued immunisation against hepatitis B. The immunisation starts in November, 2004 with newborn children using three doses of vaccine at the age of 0 months, 2 months, and 6 months.

The Immunisation Calendar has been changed so that the vaccination against hepatitis B has been included.

IMMUNISATION CALENDAR		
Age of persons subject to immunisation	Disease against which the immunisation is carried out	Immunisation Reimmunisation
0, 2, 6 months	Hepatitis B	Immunisation
Up to 1 year	Tuberculosis (without tests)	Immunisation
4, 5 and 6 months	Diphtheria, tetanus, pertussis (3 doses)	Immunisation
4, 5 1/2 and 7 months	Polyomyelitis acuta (3 doses of three types of vaccine)	Immunisation
13 months	Morbilli, rubeola, parotitis	Immunisation
18 months	Diphtheria, tetanus, pertussis	Reimmunisation
20 months	Polyomyelitis acuta (1 dose)	I reimmunisation
4 years	Diphtheria, tetanus, pertussis	II reimmunisation
7 years (I grade)	Morbilli, rubeola, parotitis	I reimmunisation
	Tuberculosis (with tests)	I reimmunisation
	Polyomyelitis acuta	II reimmunisation
	Diphtheria, tetanus (1 dose)	III reimmunisation
14 years (VIII grade)	Tuberculosis (with tests)	II reimmunisation
	Rubeola (girls only)	II reimmunisation
	Polyomyelitis acuta (1 dose)	II reimmunisation
	Diphtheria, tetanus (1 dose)	IV reimmunisation
18 years *	Tetanus (1 dose)	V reimmunisation
Comments: *or the final year of secondary education		
Source: National Public Health Institute, Skopje		

IMMUNISATION AND REIMMUNISATION COVERAGE IN THE REPUBLIC OF MACEDONIA IN 1999 ACCORDING TO IMMUNISATION TYPE, NUMBER OF DOSES, AND AGE					
Year	doses	age	1999		
Immunisation type			Subjects	vaccinated	%
Immunisation against diphtheria, tetanus, pertussis	III	4, 5, 6 months	27,184	25,828	95.0
I reimmunisation	I	18 months	26,869	25,754	95.9
II reimmunisation	I	4 years	29,000	27,983	96.5
Di-Te III, IV reimmunisation	I	7, 14 years	71,422	66,618	93.3
Tetanus, V reimmunisation	I	18 years	25,108	23,055	91.8
Immunisation against polyomyelitis acuta	III	4, 5 and a half, 7 months	26,917	25,681	95.4
I, II, and III reimmunisation	III	7 и 14 years	94,847	90,872	95.8
M-P-R Immunisation	I	13 months	26,621	26,183	98.4
Reimmunisation	I	7 years	34,345	33,373	97.2
R(rubeola) II reimmunisation	I	14years Girls only	16,896	15,271	90.4
Source: National Public Health Bureau, Skopje					

IMMUNISATION AND REIMMUNISATION COVERAGE IN THE REPUBLIC OF MACEDONIA IN 2000 ACCORDING TO VACCINE TYPE, NUMBER OF DOSES, AND AGE					
Year	doses	age	2000		
Vaccine type			Subjects	vaccinated	%
Di-Te-Per Immunisation	III	4, 5, 6 months	25,933	24,661	95.1
I reimmunisation	I	18 -months	26,127	25,280	96.8
II reimmunisation	I	4-years	27,089	26,200	96.7
Di-Te III, IV reimmunisation	I	7, 14 years	68,980	67,125	97.3
Tetanus V reimmunisation	I	18 years	26,341	25,582	97.1
Immunisation against polyomyelitis acuta	III	4, 5 and a half, 7 months	25,918	24,870	96.0
I, II, and III reimmunisation	III	20 months 7 и 14 years	94,067	91,345	97.1
M-P-R Immunisation	I	13 months	25,096	24,362	97.1
ReImmunisation	I	7 years	30,640	29,142	95.2
R(ubeola) II reimmunisation	I	14 years Girls only	17,526	16,873	96.3
Source: National Public Health Institute Skopje					

IMMUNISATION AND REIMMUNISATION COVERAGE IN THE REPUBLIC OF MACEDONIA IN 2001 ACCORDING TO VACCINE TYPE, NUMBER OF DOSES, AND AGE					
Year	Doses	age	2001		
Vaccine type			Subjects	vaccinated	%
Di-Te-Per Immunisation	III	4, 5, 6 months	25,576	23,168	90.6
I reimmunisation	I	18 months	24,918	22,733	91.2
II reimmunisation	I	4 years	25,136	22,755	90.5
Di-Te III, IV reimmunisation	I	7, 14 years	59,845	55,869	93.4
Tetanus V reimmunisation	I	18 years	26,606	25,924	97.4
Immunisation against polyomyelitis acuta	III	4, 5 and a half, 7 months	25,710	23,515	91.5
I, II, and III reimmunisation	III	20 months 7, 14 years	83,356	78,766	94.5
M-P-R Immunisation	I	13 months	25,241	23,266	92.2
ReImmunisation	I	7 years	28,313	26,591	93.9
R(ubeola) II reimmunisation	I	14 years Girls only	14,747	14,375	97.5
Source: National Health Care Bureau, Skopje					

IMMUNISATION AND REIMMUNISATION COVERAGE IN THE REPUBLIC OF MACEDONIA IN 2002 ACCORDING TO VACCINE TYPE, NUMBER OF DOSES, AND AGE					
Year	Doses	age	2002		
Vaccine type			Subjects	vaccinated	%
Di-Te-Per Immunisation	III	4, 5, 6 months	24.455	23.391	95,6
I reimmunisation	I	18 months	24.350	23.465	96,4
II reimmunisation	I	4 years	25.159	23.248	92,4
Di-Te III, IV reimmunisation	I	7, 14 years	62.307	58.862	94,5
Tetanus V reimmunisation	I	18 years	26.860	25.614	95,4
Immunisation against polyomyelitis acuta	III	4, 5 and a half, 7 months	24.397	23.594	96,7
I, II, and III reimmunisation	III	20 months 7, 14 years	86.381	82.654	95,7
M-P-R Immunisation	I	13 months	24.445	23.917	97,8
ReImmunisation	I	7 years	29.699	28.252	95,1
R(ubeola) II reimmunisation	I	14 years Girls	14.888	13.861	93,1

		only			
Source: National Health Care Bureau, Skopje					

IMMUNISATION AND REIMMUNISATION COVERAGE IN THE REPUBLIC OF MACEDONIA IN 2003 ACCORDING TO VACCINE TYPE, NUMBER OF DOSES, AND AGE					
Year	Doses	age	2003		
Vaccine type			Subjects	vaccinated	%
Di-Te-Per Immunisation	III	4, 5, 6 months	24,906	23,867	95.8
I reimmunisation	I	18 months	24,014	23,042	96.0
II reimmunisation	I	4 years	23,790	22,478	94.5
Di-Te III, IV reimmunisation	I	7, 14 years	56,014	52,586	93.9
Tetanus V reimmunisation	I	18 years	26,495	24,953	94.2
Immunisation against polyomyelitis acuta	III	4, 5 and a half, 7 months	24,826	23,802	95.9
I, II, and III reimmunisation	III	20 months 7, 14 years	83,038	78,903	95.0
M-P-R Immunisation	I	13 months	24,533	23,634	96.3
Reimmunisation	I	7 years	27,269	26,384	96.8
R(ubeola) II reimmunisation	I	14 years Girls only	16,175	15,713	97.1
Source: National Health Care Bureau, Skopje					

Coverage with immunisation is regularly monitored by 10 regional public health institutes and 21 local public health offices.

## RESULTS OF THE MANDATORY IMMUNISATION IMPLEMENTATION

**Variola vera** is eradicated. No systematic immunisation against this disease has been carried out since 1982.

Republic of Macedonia was awarded a Certificate for Eradication of **Poliomyelitis Acuta** in 2002. The last case of poliomyelitis acuta was registered in 1987.

The last case of **Diphtheria** was reported in 1976, whereas the mandatory immunisation is carried out on regular basis.

**Tetanus** is registered by individual cases, but not every year. The last case was registered in 2002 with a person older than 60.

The morbidity of the following diseases has been significantly reduced :

**Pertussis** (16 cases in 2003);

**Morbilli** (18 cases in 2003)

**Rubeola** (52 cases in 2003)

**Parotitis epidemica** (77 cases in 2003).

Communicable diseases which have not been registered for a long time are the following :

- **Typhus fever**, the last case was in 1956,
- **Malaria (autochthonous)**, the last case was in 1965,
- **Para typhus**, the last case was in 1996.

**7. Please provide the following information regarding communicable diseases:**

**a) Is there/Are there plan(s) of action for an outbreak at national level? If yes, please provide a translation of one.**

**b) Is there a legal basis for monitoring anti-microbiological resistance? How is the system organised?**

**c) Can you provide the Commission with the curriculum of training in epidemiological specialisation?**

**d) What is the number of hospital departments and the number of beds for the treatment of communicable diseases?**

**e) Is there a quality assurance system implemented for laboratory performance? How many laboratories have an accreditation?**

**a)**

At the moment, we are developing plans for emergency cases and procedures for control of communicable diseases at the borders of the Republic of Macedonia concerning international road traffic in accordance with the National Action Plan for Integrated Border Administration financed by the CARDS Programme of the EU. All activities at the border crossings related to the international road transport of goods and passengers are carried out by the state sanitary and health inspectors, providing quality prevention and control of a possible threat of a "new" communicable disease spreading in or from the Republic of Macedonia and informing the World Health Organisation immediately.

Apart from the entire personnel of the Ministry of Health, professionals working with the National Committee for Integrated Border Administration and the Ministry of Interior are also involved in these activities.

A Commission for Protection from Communicable Diseases composed by experts in various fields (epidemiologists, infectologists, microbiologists, paediatricians, a representative of the Institute for Veterinary Diseases, etc.) functions at the level of the Ministry of Health. The Commission's task is to monitor the situation of communicable diseases in the country, to alert in specific situations and to develop action plans in case of an outbreak of some disease at the national level. The aforesaid Commission had successful action plans during the SARS and anthrax outbreaks.

There is a well-developed system of measures and activities related to surveillance of communicable diseases based on daily submission, collection, and analysis of individual reports on communicable diseases and group reporting on certain diseases, as well as rapid response for information when there is an increased number of infected persons or an epidemic of a communicable disease, or an outbreak of a disease not registered on the specific territory for a long time or caused by an unknown carrier.

Faxes, phones and mobile phones are used for the purpose of immediate notification.

**b)**

This field is regulated by the Law on Protection of Population from Communicable Diseases (Official Gazette of the Republic of Macedonia 66/04), in Articles 23 and 24 which specify a total of 38 carriers of communicable diseases that are monitored and notified to the competent healthcare organisations by the microbiological laboratories.



The microbiological laboratories are obliged to report every case of isolated bacterium with unusual resistance to antibiotics to the competent health care institute.

**c)**

Specialisation in epidemiology lasts for three years, and the following courses should be taken:

- General Epidemiology;
- Ecological Tries and Other Epidemiological Models;
- Sensibility and Immunity,
- Sources of infection;
- Ways of transmission (water, food, vector, contact);
- Types of epidemics;
- Application of epidemiological methods in epidemiological researches (descriptive, analytical, experimental);
- Prevention of diseases and health disorders;
- Measures and prevention of communicable diseases (monitoring, reporting, isolation, surveillance, vaccination, seroprophylaxis, disinfection, disinsectisation, deratisation);
- Legal and secondary acts on protection of the population from communicable diseases;
- Intrahospital infections;
- Basics of microbiology (bacteriology, virology, parasitology);
- Epidemiological characteristics of the intestinal communicable diseases (dysentery, cholera, intestinal typhus, salmonellas and other alimentary toxic-infections, viral hepatitis A, poliomyelitis, amoebiasis, etc.);
- Epidemiological characteristic of the respiratory communicable diseases (morbili, varicella, rubeola, influenza, mumps, infectious mononucleosis, streptococcus infection, pertussis, meningococcal infection, legionellosis, tuberculosis, etc.);
- Zoonosis (brucellosis, Q fever, tularaemia, leptospyrosis, rabies, anthrax, tetanus, plague, echinococcus infection, trichinelosis, prionic diseases);
- Diseases transmitted by vectors (malaria, typhus fever, dengue, leishmaniosis, papa tachi fever, lime disease, hemorrhagic fevers, etc.);
- Sexually transmitted diseases (HIV infections, viral hepatitis B, C, D, etc., gonorrhoea, syphilis, etc.)
- Basics of infectology;
- Basics of hygiene, health ecology and ecological risks (food, water, air, human environment);
- Risk factors and prevention of non-communicable chronic diseases (cardiovascular, malign, cerebrovascular, diabetes, gastrointestinal diseases, respiratory system diseases, traumatism);
- Basics of social medicine, health promotion and health education;
- Medical statistics;
- Preparation of specialist's thesis on certain public health topic.

**d)**

There are 9 departments for infectious diseases within the general hospitals in the Republic of Macedonia, as follows: in Tetovo (21 beds), Gostivar (18), Ohrid (22), Bitola (45), Prilep (45), Strumica (30), Stip (45), Veles (35), and Kumanovo (37). The total number of beds in these departments in 2002 was 298(1).

Besides these, there were 129 (2) beds in 2002 at the Clinic for Infectious Diseases at the Clinical Centre in Skopje,

There were 212 (3) beds in 2002 in the special hospitals and in the Institute for Respiratory Diseases and Tuberculosis as follows :

- 112 at the Institute for Respiratory Diseases and Tuberculosis in Skopje;
- 100 in the special Hospital for Respiratory Diseases and Tuberculosis in Jasenov.

A department for infectious diseases also operates within the Military Hospital, with 30 (4) beds for treatment of patients suffering from communicable diseases.

The total number of beds for treatment of communicable diseases in the Republic of Macedonia in 2002 was 669.

e)

There is no system for quality control of the laboratory work.

There are no officially accredited laboratories carrying out microbiological diagnostics of communicable diseases in the Republic of Macedonia.

**8. Are your health institutions members of any European or WHO networks? If so, which ones?**

The Institute for Occupational Health, a WHO Collaborating Centre for Occupational Health, Skopje participates in the network of the World Health Organisation together with over 50 collaborating centres from Europe for joint partnership action of the European countries supporting WHO activities in the field of occupational health. The activities of the Institute are especially important within the framework of the Global Plan of the Collaborating Centres of Europe giving special contribution to the goals of developing national and local profiles of occupational health and safety at work - development of European Indicator System; Education and Training, and Specific Problems of Medical Workers; the problem of Stress and Work and important activities in the field of Improvement of occupational health. In the two-year co-operation contract with the WHO on specific priorities, the Occupational Health Institute- WHO Collaborating Centre is obliged to design and develop a National Programme for Occupational Health and offer new models of Services for Occupational Health according to the national needs and the EU recommendations within the health sector reform.

The National Health Care Institute is included in the system for early notification to the WHO on HIV/AIDS (EUROHIV and EUROIDS), on MORBILI (monthly report to the WHO), and zero report of children's paralysis (poliomyelitis), i.e., surveillance of acute poliomyelitis paralysis (zero report).

The National Health Care Institute participates in the WHO Surveillance Programme for Control of Food borne Infections and Intoxications in Europe. The Programme is being carried out by the FAO/WHO Collaborating Centre – Federal Institute for Health Protection of Consumers and Veterinary Medicine (Berlin) under leadership of the WHO European Centre for Environment and Health in Rome.

The Ministry of Health directly cooperates with the WHO, UNICEF and other organisations through its coordinators on specific fields and projects (immunisation, mental health, millennium goals, alert system, etc.).

The Chamber of Dental Medicine of the Republic of Macedonia has been a member of the World Dental Association since 1996, as well as of the European Dental Association since 2003, and of the Balkan Dental Association since 1996.

Republic of Macedonia is a member of the European Network for Healthy Schools – a WHO project, Euro-Pharm Forum, and the European Forum of Medical Associations.

**9. The EU is setting up a network of competent authorities in health information and knowledge. Does your country have the administrative capacity, including human and material resources, to participate in the work of such a network? Please describe the system used to collect, analyse and report health data and information in your country.**

The system of health statistics in the Republic of Macedonia is regulated by the:

- Law on Health Care ("Official Gazette of the RM" Nos. 38/91, 46/93, 55/95 and 10/04); see [13 Annex 03](#)
- Law on Health Data ("Official Gazette of the SRM" No. 37/79 and "Official Gazette of the RM" No. 15/95)
- Law on Health Data ("Official Gazette of the SFRY" No. 22/78, 18/88" and "Official Gazette of the RM" No. 15/95)
- Guidelines on Keeping Health Data ("Official Gazette of the SRM" No. 21/85).

Ten regional Health Care Institutes in Bitola, Veles, Kumanovo, Kocani, Ohrid, Prilep, Strumica, Skopje, Tetovo, and Stip collect data from the health organisations (medical centres, medical homes, the Clinical Centre, general hospitals, special hospitals, institutes, and private health organisations). The following data for record-keeping are collected in the Republic of Macedonia:

1. Records of medical and periodical examinations of the population;
2. Records of conditions, protective measures, and improvement of the human environment;
3. Records of child-births and pregnancy termination;
4. Records of family planning activities;
5. Records of visits, health services, determined diseases, conditions and injuries;
6. Records of communicable diseases;
7. Records of drugs consumption;
8. Records of received and prescribed narcotics;
9. Records of human resources in health organisations.

Beside these records the Law on Health Data ("Official Gazette of the SRM" No. 22/78 and "Official Gazette of the RM", No. 15/95) requires establishing of data registries for the following diseases :

- Malign diseases;
- Diabetes;
- Heart ischemia;
- Kidney insufficiency;
- Psychoses;
- Alcohol and other addictions;
- Occupational diseases;
- Rheumatic fever;
- Intoxications;
- Traffic traumatism;
- Funds for mandatory types of health care;
- Funds for health care of workers, employed persons and citizens from the Republic of Macedonia being treated abroad;
- Investments;
- Medical appliances and instruments.

The records serve as sources of data for statistical research in health which is of general interest. They also serve to monitor and study the health condition of the population, i.e., to take the necessary health care measures for the needs of scientific research, for the needs of the country defence, for public information, for meeting the international health care obligations and other official purposes.

The method of record-keeping and the instruments for providing data are regulated by the "Instructions on Methods of Keeping Records in the Field of Health" ("Official Gazette of the SRM" No. 21/85).

The health condition data are submitted on specific prescribed forms:

1. Report on Malign Neoplasm – Form no. 3-35-86;
2. Individual Report on Diabetes: Form No. MZS -02;

3. Individual Report on Ischemic Heart Disease: Form No. MZS -03;
4. Individual Report on Kidney Insufficiency: Form No. MZS -04;
5. Individual Report on Ischemic Psychoses: Form No. MZS -05;
6. Individual Report on Ischemic Alcohol and Other Dependence Disorders: Form No. MZS -06;
7. Report on Occupational Health and Person Suffering from an Occupational Disease : Form No. 3-36-86
8. Individual Report on Rheumatic Fever: Form No. MZS -08;
9. Individual Report on Intoxication: Form No. MZS -09;
10. Individual Report on Traffic Trauma: Form No. MZS -10;

The issue on keeping data in health is also regulated by the Law on State Statistics ("Official Gazette of the RM" No. 54/97), the Programme for Statistical Research" ("Official Gazette of the RM" No. 69/03), in order to more precisely regulate which research, of what scope and purpose will be carried out.

On the basis of the prescribed forms, information, reports and registries are prepared regarding the each of the above mentioned records.

In order to have measurable and comparable national data to the data of the countries in the region and the world, there is a List of National Indicators on more than three hundred health indicators submitted to the Regional Office of the World Health Organisation. The Ministry of Health and the National Health Care Institute in co-operation with the WHO conduct activities for drafting a bill on keeping health records compatible with the legislation of the EU member countries and the health statistics of the WHO. The Project on Reforms in the Health Sector has begun, performing activities for establishing an Integrated Health Information System and a Centre for Information Technology at the National Health Care Institute, which will provide fast and efficient data collection and analysis.

The National Health Care Institute is involved in the activities carried out and coordinated by the State Statistics Office for approximation to the Eurostat System.

Activities for improvement of the methodology on collection and processing of health and statistical data are carried out alongside in order to improve their applicability for the needs of the Republic of Macedonia and other international organisations and institutions.

Republic of Macedonia needs to establish a System for Electronic Data Collection and Processing to achieve efficiency and effectiveness of the system and quality of data in accordance with the European Standards.

## **10. How is the sale of alcoholic beverages regulated in your country?**

The existing regulations on sale of alcohol are:

1. Law on Safety of Foodstuffs and Products and Materials in Contact with Foodstuffs ("Official Gazette of the RM", No. 54/02).

The provisions of this Law on safety, marking, advertisement, and warning measures also apply to alcohol products. There is another important provision which states that alcohol beverages and their trademarks can be advertised only at places where sold, including the appropriate penalty provision.

2. Broadcasting Law ("Official Gazette of the RM" No. 20/97 and 70/03)

The Broadcasting law prohibits advertising of alcohol.

3. The Consumer Protection Law ("Official Gazette of the RM" No. 63/00)

The Law presents the health and economic aspects as inseparable from the consumer's right:

- Protection of life and health from consumption of hazardous product.
- Fraud advertisement influencing the economic behaviour of consumers.
- Obligation for proper information of consumers.

**11. What are the gender specific and combined smoking rates in your country by age groups (in percentages)?**

In the Republic of Macedonia, a RESEARCH ON TOBACCO CONSUMPTION BY THE YOUTH was carried out in 2002 within the Project GYTS – Global Youth Tobacco Survey supported by the CDC–Atlanta and WHO Regional Office for Europe in Copenhagen. The report indicates that smoking is widely spread amongst the youth at the age 13-15 in the Republic of Macedonia. 8.2 % of the examinees are smokers.

One out of ten boys or girls is a smoker. There is no statistically significant difference between boys or girls smokers in the Republic of Macedonia. Smoking cigarettes is not the only type of tobacco products consumption by the youth. The results of the research indicated that 4.7% out of 8.2% current smokers enjoy other products and forms of smoking tobacco.

The results of the scientific study on the role of health education for prevention of the risk factors for ischemic heart diseases carried out in 2000–2001 on population at the age of 15-64 indicated that every second examinee is a smoker (42.7%), 10% are occasional smokers, 11.4% are former smokers. 6.2% smoke more than 20 cigarettes a day. Smoking cigarettes depends on age ( $X^2=47.32$  DF=4,  $p<0.05$ ), but not on the level of education ( $X^2=6.16$  DF=6,  $p>0.05$ ) and in relation to smoking in the regions of the country ( $X^2=5.59$  DF=6,  $p>0.05$ ).

The research on physicians smokers was carried out in co-operation with the World Health Organisation and BMA – TCRC from London.

Out of the total number of 4,508 physicians (26.69 %) the research included 1,203 physicians from different regions and different specialty,. The research was carried out from September to December, 1999. This was the first research on physicians in Macedonia on smoking. It indicated that:

- More than 1/3 of the persons included in the research smoke cigarettes daily (39% men and 30% women)
- App. 61% examinees are smokers who take 5-20 cigarettes daily, and 35% take more than 20 cigarettes daily
- There are 37% men and 52% women physicians who have never smoked
- The biggest number of persons smoking every day are at the age 46-55 (43% men and 28% women)
- The number of former smokers is app. 12% (62.5%men and 37.5% women)
- On average, former smokers began to smoke at the age of 20, and quitted at the age of 37
- The average period of smoking is 16.38 years for men and 14.37 years for women
- There is a high rate of prevalence of physicians who smoke in the Republic of Macedonia.

**12. Do you have cross-border arrangements for treating patients with any EU Member States or candidate countries? If so, what is the annual flow of patients into and from your country by sending/receiving country?**

Republic of Macedonia has signed agreements with individual European Union Member States (group I of the List of Social Security Treaties), with the neighbouring countries (group II) and other countries (group III). The state has taken over all the bilateral Conventions (agreements) on social insurance signed by the former Socialist Federal Republic of Yugoslavia. The Republic of Macedonia, as an independent state, has signed Conventions (agreements) on social insurance with: Austria, Croatia, Slovenia, Serbia and Montenegro, Turkey, Switzerland, Denmark, Bulgaria, and Germany.

These agreements regulate the status and the rights of Macedonian citizens employed in those countries or during their stay on other grounds, members of their families residing in our country,

citizens and insured persons residing and being employed in one country when exercising health insurance rights of another country, beneficiaries of foreign pensions residing in our country and members of their families, and mutual obligations of the insurance holders for providing conditions for acquiring and determining the rights of the insured.

The social insurance agreements are generally based on the “principle of insurance” which implies equal health care of the insured persons from both contracting countries, under same conditions and same volume as for domestic insured persons, charged to the competent bearer. The other principle is the “principle of reciprocity” which implies use of health services during the stay of the insured persons from one contracting country on the territory of the other contracting country, charged to the contracting country on whose territory they are staying.

The Health Insurance Fund of the Republic of Macedonia does not keep records of the flow of patients into and from the country. The payment of health services is done according to actual and lump sum expenses for the contracting countries based on the insurance principle. Payment of health services is not done for contracted countries based on the principle of reciprocity.

List of Social Insurance Contracts		
	State	Contract/Convention/Agreement
I	Austria	Social Insurance Convention
	Slovenia	Social Insurance Agreement
	Denmark	Social Insurance Treaty
	Germany	Social Insurance Treaty
	Luxembourg	Social Insurance Convention
	France	Social Insurance Convention
	Belgium	Social Insurance Convention
	Netherlands	Social Insurance Convention
	Great Britain	Social Insurance Convention
	Italy	Social Insurance Convention
	Sweden	Social Insurance Convention
	Norway	Social Insurance Convention
	Poland	Social Insurance Convention
	Czech Republic	Social Insurance Convention
	Slovakia	Social Insurance Convention
	Hungary	Social Insurance Convention
II	Serbia and Monte Negro	Treaty on Social Insurance
	Bulgaria	Treaty on Social Insurance
	Albania	Agreement on Health Services for Diplomatic-Consular Representatives
III	Romania	Agreement on Co-operation in Health Insurance
	Russia	Agreement on Health Services for Diplomatic-Consular Representatives
	Ukraine	Agreement on Health Services for Diplomatic-Consular Representatives
	Croatia	Treaty for Social Insurance
	Turkey	Treaty for Social Insurance
	Switzerland	Agreement for Social Insurance

**13. Is there mobility of medical staff (nurses/doctors) from your country to EU Member States or the candidate countries? If so, in which numbers and to which countries?**

There is no organised activity for mobilisation of the medical staff from the Republic of Macedonia to EU Member States or the candidate countries. The mobility of the medical staff in private arrangements is not being recorded by the Ministry of Health.

## VI. EMPLOYMENT AND SOCIAL POLICY

### *A. Employment Policy*

#### **1. What is your overall view of the labour market situation in your country and the main issues/challenges?**

The essential characteristic of the labour market of the Republic of Macedonia is the high unemployment rate and the outstanding problems related to the high labour supply on one hand and the reduced opportunities for employment, on the other. The unfavourable condition of the labour market results not only from the magnitude of the unemployment, but also from the quality of available human potential outside the labour market. The potential is conditioned by the big changes in the demographic and socio-economic marks of the unemployed during the transition period.

From the aspect of qualitative characteristics of the labour market, it can be concluded that there is unfavourable structure of the unemployed according to age, level of education, vocational education and occupation, and the duration of unemployment. The participation of the young (to 25 years) in the total unemployment is cut to half. There is a tendency of continued increase of the age group from 25-40 and those over 40. As to the level of education of the unemployed, there is a large number of unemployed with low level of education (unfinished primary education). Therefore, the number of unqualified and semi-qualified unemployed, and the ones without occupation, is quite high. As to the unemployed with higher level of education and vocational training, the number of the unemployed with occupation is not small, however, their occupations do not correspond to the labour market demand.

As to the duration of unemployment, in the last decade, there has been an absolute and relative increase in the number of the unemployed seeking job for a longer period. As a result of the reduced opportunities for employment, today more than 4/5 (app. 85%) of the unemployed are looking for a job for more than a year, whereas 2/3 of the registered unemployed have been unemployed for three or more years. The problem of long-term unemployment exists with all categories of the unemployed regardless the age. The tendency in reducing the number of the young in the total unemployment is conditioned by the reduced flow of labour in the labour supply (by intensifying the process of demographic aging) on one hand, and the changes in the relative ratios due to the increase of the adult age groups. Thus, the employment of the young, including the ones with higher level of education, remains a serious problem. Their long-term unemployment is a great loss for the country, not only as human capital drain, but drain of the most vital part of the workforce. At the same time, the long-term unemployment is one of the essential determinants for the high increase of poverty.

The reasons for such unfavourable labour market conditions lie in the complexity of the influence of numerous factors when utilizing the total available workforce (economic, technical, technological, political, social, and other aspects) in the pre-transition period and during the social and economic transformation. The Republic of Macedonia entered the transition period with unemployment rate higher than 20%, i.e. app. 150,000 unemployed and the same number of over-employed because of administrative and unproductive employment in the previous period. Due to the insufficient economic development and terminated development trends, decline of the economic growth, difficulties caused by ownership transformation of social capital enterprises, bankruptcy procedures, structural, and other changes caused by the market-oriented economy, the labour demand significantly decreased. It primarily influences the employment problems, especially for persons looking for a job for the first time and the jobless as a result of company bankruptcy or over-employment.

Today, unemployment is one of the most sensitive problems with numerous consequences and implications manifested in many areas. According to its origin and effect it can be characterized as

developmental-structural unemployment. As such, it is a complex and very serious problem to solve. Therefore, the Republic of Macedonia tends to apply a multidisciplinary and multi-sectoral approach towards improvement of the unemployment condition.

Considering the character of unemployment, the unfavourable conditions could be alleviated only by intensifying the overall and the local economic development, and by encouraging creation of new jobs. Undoubtedly, there is a need to improve the institutional structure of the economy, the conditions and stability of the foreign investment regime. For creation of new jobs, it is very important to encourage entrepreneurship, then establishment and support of small and medium-sized enterprises, helping them to connect to the bigger and more successful ones, and encourage self-employment, micro and family businesses. Without increase in the labour demand the normal functioning of the labour market is almost impossible.

The high presence of the informal sector – the grey economy - necessitates measures to reduce its dimension in order to avoid the unfavourable conditions in the normal functioning of the formal sector. This will also mean decrease of differences among the number of the employed in both sectors.

The challenge to eliminate the institutional rigidities on the labour market is not of less importance. Largely, this comes from realization of both previously specified goals. It should be taken into consideration that the social insurance of the unemployed, considering the amendments underway, can not be more important incentive for passive behaviour of the workforce on the labour market.

The current quality of the available workforce imposes the need for continuing investment in human resources in compliance with the needs and developmental orientation of the country. Therefore the promotion and support of the life-long learning will be among the priorities making it compatible with the standards of the EU Member States.

The unemployment increase is expected to stop after the completion of the privatization process of the social owned enterprises.

This is expected to halt the trend of enterprise closure and to initiate a process of creating new small and flexible enterprises. Therefore, fast and efficient adjustment of the unemployed labour is necessary according to the labour market needs.

To alleviate the unemployment problem in the Republic of Macedonia, it is also very important to encourage spatial and occupational labour mobility, as one of the significant factors for labour flexibility increase.

To support the SME development it is necessary to support the SMEs financially in order to increase the labour demand, i.e. for employment.

In 2004, the labour market policy was directed towards creation of a new concept for active policy measures to generate new employment opportunities by complex, integral, synchronised, and coordinated work. The active labour market policy is directed towards creation of conditions and support for direct opening of new jobs, organisation of training programmes on job retention and modernisation of the information system.

## **2. Please describe the institutional framework for employment policies in your country (main policy documents, main objectives of employment policies/strategies).**

The Republic of Macedonia does not have an employment strategy that includes broad range of measures and areas of intervention related to employment and labour market. Most of these measures and activities implemented so far have referred to labour market policies (the focus was primarily on the amendments in the labour legislation and passive policies, and later on active labour market policies), whereas only few have referred to the employment policies. These policies have



been mainly implemented through promotion of relevant mechanisms for encouraging investments and creation of new jobs and through a series of labour market reforms in direction of creating favourable climate for its bigger flexibility.

To increase employment, as a fundamental goal of the employment policies, the Government of the Republic of Macedonia adopted a National Action Plan on Employment for 2004 and 2005 in accordance with the EU principles of employment policies and the instructions of the Council of Europe. The National Action Plan on Employment is mainly based on the following segments:

- active preventive measures for unemployed and inactive people;
- promotion of human resources development and life-long learning;
- creation of new jobs and promotion of entrepreneurship.

The design and adoption of the employment strategy is planned within the CARDS programme of EU. Taking into account the developmental-structural character of unemployment when determining the employment strategy, the following factors will be considered: institutional assumptions and macro-economic conditions for the employment policy and the labour market on one hand, and the relation between the economic growth, the economic policy measures, and employment support, on the other.

The strategy will pay special attention to the employment policy as an area of cross-sectoral policy. This will include policies of all areas that directly or indirectly have an impact on employment of the labour. The regulatory policies and macro-economic areas of the economic policies (financial policy, monetary policy and policy of the denar exchange rate, policy of salaries, and foreign trade exchange policy) are of equal importance, as well as the sectoral policies (industrial policy, agricultural policy, regional, policy on SME support, trade policy, policy of education/training, and social policy). Employment policy designed in this manner will have a positive influence on the current labour market condition, its adaptability and efficiency, and will create the necessary climate for job retention and/or creation of new jobs.

Because the above mentioned areas of employment policy serve to other, or predominantly to other economic goals, a coordinated effort will be essential for all key players involved in its development. Explicit inclusion of the labour market policy directed towards improvement of the qualification structure of the workforce will also be important. The labour market policy will have a goal to improve the alternatives that are opening for the existing and the potential labour market participants and to improve its function. By implementation of the National Programme for approximation of legislation the Government will continue the activities in harmonization and alignment of the labour legislation to the EU legislation.

Institutions competent for creation and implementation of employment policy are the Ministry of Labour and Social Policy, the Ministry of Economy, the Ministry of Education and Science, the Ministry of Transport and Communications, the Ministry of Finance, the Ministry of Agriculture, Forestry and Water Economy, the Ministry of Local Self-Government, the Ministry of Interior, and other relevant institutions.

The Employment Agency of the Republic of Macedonia is an institution responsible for implementation of the labour market policy measures. Within the CARDS Programme of EU, the Employment Agency is actively involved in the implementation of the Project "Technical Assistance for Institutional Capacity Building as Support to the Employment Policy of Macedonia." One of the Project components is strengthening the capacity and management of financial and human resources of the Employment Agency and the Employment Centres. This Project is also taking measures for modernisation of the Employment Agency in order to improve the organisation and its methods and work with priority of active labour market policy measures.

For the implementation of the employment strategy it is also very important to develop the co-operation between the social partners (based on tripartite structure). It will enable creation of the necessary critical mass for positive application of the social and employment measures by the public.

To integrate the youth in the overall social life, National Strategy for the Youth was developed and adopted by the Government of the Republic of Macedonia (December, 2004). Considering the problems which young people face in education and employment, the Strategy provides concrete measures directed towards:

- Harmonisation of the formal education system and vocational training with the needs of the labour market;
- Improvement of the quality and the system of re-training and additional training of young people and their vocational training;
- Support to employment in cultural sector;
- Support to business oriented young people;
- Institutional development of labour, etc.

**3. Does a public employment service (employment office) exist? If yes, what is its legal status and how is it organised? What are the main tasks/functions of the public employment service? What is its relationship with the Ministry of Labour? What are its resources and its staff?**

The Employment Agency is the only public institution in the Republic of Macedonia as a legal entity established by the Law on Employment and Insurance in Case of Unemployment (Official Gazette of the RM No. 37/97, 25/00, 101/00, 50/01, 25/03, 37/04 and 04/05).

The Employment Agency is managed by a Management Board of the Employment Agency which consists of 9 members, experts with knowledge or experience in employment, 5 of whom are appointed by the Government of the Republic of Macedonia, 2 from the organization of employers, and 2 from the organization of the majority trade union.

The head of the Employment Agency is the Director who presents and represents the Employment Agency.

The Employment Agency performs duties of its jurisdiction as the only technical service of the Central Service of the Employment Agency and the local offices, i.e., Employment Centres, who are established for the territory of one or more municipalities. There are 30 Employment Centres of the Employment Agency, covering the whole territory of the Republic of Macedonia. The defined policy of work, methods and techniques of the Employment Agency are being implemented through the Employment Centres which are in direct contact with the unemployed, the employers, and other organizations. Thus, the Employment Agency of the Republic of Macedonia achieves its goals.

The main tasks, i.e. functions of the Employment Agency are:

- keeping records of employers and their need for workers;
- receiving offers/advertisements for vacant positions by employers and identifying employers' needs according to conditions stated in the expressed need for workers;
- keeping records of the unemployed according to their qualifications, skills and experience;
- comparison of the employers' needs with the qualifications, skills and experience of the unemployed;
- providing information to employers and the unemployed about labour market;
- referring the unemployed to training, re-training, or additional training for employment;
- support the employers when employing the unemployed providing favorable conditions;
- providing special services for employment of the unemployed disabled persons;
- vocational orientation of the unemployed and other persons in order to select an occupation or employment by testing and discussion;
- monitoring of the expressed and not met needs of employers for workers;
- research, monitoring, and analysis of the changes and trends of the labour market;
- providing spatial and vocational mobility of the labour to balance the labour demand and supply in the Republic of Macedonia;

- establishment and maintenance of good relations and co-operation between the Employment Agency and the employers and the employment decision-makers.
- providing rights deriving from the insurance in the case of unemployment

According to the Law on Employment and Insurance in the Case of Unemployment,, the Ministry of Labour and Social Policy decides in second instance on the rights determined by this Law in administrative proceedings. This Law also prescribes that the Employment Agency has an obligation to submit a report on its work at least once a year to the Government of the Republic of Macedonia and the Ministry of Labour and Social Policy, informing about the conditions and problems in the field of unemployment and employment, as well as on other issues of its jurisdiction. The Government of the Republic of Macedonia appoints and dismisses the Director of the Employment Agency on proposal by the Minister of Labour and Social Policy. The Ministry of Labor and Social Policy is authorized to supervise the enforcement of this Law. Therefore it may stop the execution of a general act of the Employment Agency if it is not in accordance with the Constitution and this Law, and to initiate proceedings at the Constitutional Court of the Republic of Macedonia for evaluation of the constitutionality and legality of the act within 15 days.

On 1 of October, 2004, there were 500 employees with the Central Service of the Employment Agency and the local offices, i.e., Employment Centres. 223 of them with university education, 91 with higher vocational college education, 140 with secondary education, and 46 classified as others. In gender terms, there were 307 women and 193 men. As for the ethnic origin 434 are Macedonians, 38 Albanians, 12 Serbs, 4 Turks, 3 Roma, 3 Vlachs, and 6 classified as others.

#### **4. Please describe the implementation of employment programmes and measures: legislative framework, responsible bodies, ways of financing, monitoring, follow-up etc.**

##### **Employment Measures**

The Law on Employment and Insurance in Case of Unemployment (Official Gazette of the RM No. 37/97), its amendments (Official Gazette of the RM No. 25/00, 101/00, 50/01, 25/03, 37/04, 04/05), and other laws and regulations determine the following measures for stimulation of employment.

##### **Measure 1 : Active labour market measures for the unemployed and job-seekers**

###### **1.1. Employment Counselling**

Employment counselling provides services for the unemployed and other persons that transfer knowledge and techniques for successful job-seeking and employment. The goal of this programme that is being carried out by job clubs at the Employment Agency is to start up the initiative and the active attitude of the job-seekers to solve their problem of employment. In this way, their capacity of presenting themselves on the labour market, active job-seeking and employment will be empowered.

Beneficiaries of the job club services receive counselling and information services concerning their rights and obligations, information about the labour market condition, education in various fields of employment, training through workshops with programmes for psychological assistance and support, training on successful presentation on the labour market (interview, CV, etc.), training in designing action plan for job-seeking, motivation and training on self-employment, etc.

###### **1.2. Vocational orientation**

Counselling on vocational orientation is provided to unemployed persons, pupils, students, employed, and disabled persons with an aim to help them choose their occupation and professional development. Vocational orientation includes the services of the Employment Agency to the unemployed and other job seekers on choice of occupation or employment by testing and interview, and also informs the job-seekers about the demand for particular occupations and employment opportunities. These measures include individual counselling for choosing an occupation according to the desires, interest and capability of the unemployed but are also connected with the opportunities and needs of the labour market.

Beside the vocational counselling and orientation as assistance in the choice of occupation and future employment of the unemployed and other persons, activities of the occupational selection are

also directed towards employers as assistance during selection of candidates for training, re-training and recruitment for new jobs.

### 1.3. Preparation of the unemployed and other persons for employment

One of the rights of the unemployed is the right to preparation for employment (training and re-training). This measure enables acquiring new and supplementing the existing knowledge of the unemployed and other persons for their employment.

Training and re-training of the unemployed and other persons is carried out for a known employer and it can last from 1 to 3 months. The employer has an obligation to employ 90% of the total number of the unemployed (workers included in the employment preparation) on an indefinite time and keep them employed for at least one year. During the preparation and after establishment of the employment relations, the employer can not reduce the number of employees on indefinite time for a year.

The Employment Agency pays the unemployed person (the employee included in the employment preparation) a financial assistance in amount of 4.000,00 MKD per month, while the employer for whom, i.e., at whom the employment preparation is carried out, is paid participation for the expenses incurred during the employment preparation in the amount of 2.000,00 MKD per month for each unemployed, i.e., worker.

The funds for this measure are provided from the contribution for employment of the Employment Agency.

Year	Implemented Programmes for employment preparation	Number of unemployed included in employment preparation	Number of employed persons after completion of employment preparation
2000	279	6.498	4.358
2001	286	4.978	4.049
2002	91	1.806	1.540
2003	88	2.770	2.092
30.06.2004	40	964	456

### Measure 2: Investment of the financial benefits

To induce employment and encourage employers and the unemployed, this measure provides a possibility, upon request of the unemployed, for the unreimbursed part of the financial allowance to be paid in a one-off amount or in monthly instalments but not longer than 24 months, if the unemployed uses the allowance for establishment of employment relations on open-ended employment. The beneficiary of the funds is obliged to return the used funds to the Employment Agency if the employment relation of the unemployed is terminated not by his/her fault, prior to the expiry of twice the longer period than the period during which he/she used the funds, with bank interest on the funds at sight.

The funds for this measure are provided from the contribution for employment of the Employment Agency. As this measure has been applied after adoption of the Law on Appending and Amending the Law on Employment and Insurance in Case of Unemployment on 22 June, 2004, only 8 persons so far have made use of it (state by 31 August, 2004). Considering the interest shown, it is expected that this possibility will be used by a great number of unemployed.

### Measure 3: Public Works

Unemployed persons who report for registration at the Employment Agency are regularly engaged in public works. Public works are carried out on the basis of a public works programme developed by

the organiser. Organizers of public works can be the local government units and the interested public sector employers.

During performance of the public works, the organiser provides reimbursement for the performed work to the engaged persons, not less than the amount determined for salaries for the same type of works according to the collective agreement, transport or reimbursement for transport to and from the place of work, meals, insurance for accident at work, occupational disease, etc.

If the organiser of public works engages unemployed beneficiaries of financial reimbursement for public works for a period longer than 30 days, he/she has the right to a monthly reimbursement by the Employment Agency in the amount of the financial reimbursement of the engaged unemployed person, but not higher than the determined amount for salaries for the same type of works determined by the collective agreement.

The funds for this measure are provided from the contribution for employment of the Employment Agency and the organiser of public works.

#### **Measure 4: Exemption from payment of personal income tax**

This measure stimulates the employer who employs workers on open-ended employment over the existing number of employees on indefinite time on the date the Law on Employment and Insurance in the Case of Unemployment comes into effect. The employer is exempted from payment of personal income tax for a period of 3 years for the newly employed if he/she employs an unemployed person registered with the Employment Agency for at least 1 year. This measure also refers to employers who start up activities as sole proprietors or as founders of a trade company, and to natural persons carrying out an activity in accordance with the Law not being registered for doing activity before the beginning of activity performance.

#### **Measure 5: Law on Employment Promotion**

The Law on Employment Promotion was adopted in March, 2003 by the Parliament of the Republic of Macedonia within the framework of the macroeconomic policy of the Republic of Macedonia to reduce the unemployment. The goal of this Law was to directly encourage employment of the unemployed by labour costs reduction.

This measure provides the employer who employs an unemployed person on indefinite time over the existing number of employees, to be compensated for paying pension and disability insurance contributions, the health insurance contribution, and employment contribution for the newly employed for a period of 24 months after the employment.

The target groups of this measure were:

- The unemployed registered with the Employment Agency for at least 1 year;
- The unemployed whose employment was previously terminated by a notice due to economic, technological, structural, or similar changes;
- The unemployed whose employment was previously terminated due to bankruptcy, and
- The unemployed, beneficiaries of social financial assistance, able to work and socially insecure.

For the newly employed, the employer is compensated for the funds paid for salary contribution in a fixed amount of 4.206,00 MKD/month per employee, every 60 days, if the employer has paid the salary and the salary contribution.

Employers who employ unemployed persons, beneficiaries of financial allowance and social assistance, beside the right to reimbursement of the funds for paid contributions, have the right to reimbursement of three-month-amount of the funds in the amount of 25% of the average monthly net salary per employee in the Republic of Macedonia, i.e., three-month-amount of funds in the amount of the average reimbursed social financial assistance paid the previous year.

The employer has an obligation to keep the person at job for at least twice the period during which he/she had benefited from reimbursement of the funds for salary contributions.

This measure also encourages the unemployed from the target groups to self-employment if they start-up an activity as sole proprietor trade companies, or natural persons carrying out activity in accordance with the law, if prior to beginning of the activity he/she was not registered for performing an activity on his/her behalf or on behalf of his/her family members (spouse, children, or parents).

The Law on Employment Promotion was in force from 16 April to 3 December, 2003. A total of 15.308 unemployed persons were employed during this period. According to the grounds of employment, the majority target group that was affected by this measure were those registered with the Employment Agency for more than 1 year (which in the total number of employed persons participate with 62.3%), then the unemployed whose employment was terminated due to bankruptcy (19%), then unemployed due to technological, economical, structural, or similar changes (17%) and the smallest group represented the beneficiaries of a social assistance (1.7%).

Funds to attain the rights by this measure were provided by the Budget of the Republic of Macedonia within the planned funds for implementation of the Programme for Employment Increase and Labour Market Flexibility in the amount of 2 millions MKD.

#### **Measure 6: Exemption from payment of taxes in agriculture**

The amendments to the Personal Income Tax Law (Official Gazette of the RM No. 8/01) from February, 2001 provide that the person registered as unemployed with the Employment Agency of the Republic of Macedonia is exempted from payment of tax for agricultural activity for a period of 5 years if he/she has engaged in agricultural activity as basic activity for the first time. This measure also refers to persons who will return to the countryside and will reactivate as farmers, if they were previously registered as an unemployed.

#### **Measure 7: Voluntary Work**

The Labour Relations Law in force from July, 1990 to December, 1993 provided that a trainee could be professionally trained for independent performance of tasks and duties without establishment of employment relation (voluntary work) if the professional training was determined by the law as a condition for independent performance of tasks and duties of the appropriate profession.

This measure referred to trainees in law and medicine whose compulsory practice after graduation was carried out on voluntary basis.

The trainee volunteer had a right to health and disability insurance for disability or physical damage caused by an injury at work or occupational disease, and a right to an appropriate financial reimbursement for performing tasks and duties in the amount of 70% of the average salary charged to the employment contribution funds of the Employment Agency.

This measure has been established as of 1994 by the General Collective Agreement for public services, public enterprises, state bodies, the local government bodies, and other legal entities performing non-economic activity. Due to lack of employment contribution funds, this measure is not applied.

#### **Measure 8: Granting agricultural land in state ownership to usufruct**

The Government of the Republic of Macedonia adopted a Decision on granting agricultural land in state ownership to usufruct to certain categories of socially insecure persons (Official Gazette of the RM No. 51/03) in July, 2003.

The following categories are deemed to be socially insecure unemployed persons:

- beneficiaries of social assistance able to work and socially insecure according to the Law on Social Protection;
- unemployed beneficiaries of financial allowance according to the Law on Employment and Insurance in Case of Unemployment;
- unemployed persons whose right to financial allowance has been terminated within 1 year from the termination of the right to financial allowance;
- persons registered as unemployed with the Employment Agency for more than 1 year;
- persons employed with an employer using state agricultural land for whom the employer has not paid salaries and salary contributions more than 1 year, and
- socially insecure farmers without land of their own.

Agricultural land for free usufruct is given by announcing a public advertisement in the local media in the region where the land offered for free usufruct is located.

The Minister of Agriculture, Forestry and Water Economy signs a contract with the beneficiary of the right to free usufruct which determines the contract duration, the amount to be paid for using the land, and the assistance provided by the state for the start up the free usufruct.

The contract duration on giving agricultural land for free cultivation cannot be shorter than 3 years nor longer than 5 years, and it can be renewed.

The Ministry of Agriculture, Forestry and Water Economy has signed 173 contracts for free usufruct

#### **Measure 9: Employment of Disabled Persons**

The Law on Employment of Disabled Persons ("Official Gazette of the R M Nos. 44/00 and 16/04) in force from June, 2000 determines special conditions and privileges for employment and work of disabled persons who have difficulties in finding employment.

This measure covers the disabled persons with damaged eyesight, hearing impaired, impediments in voice, speaking and language, physically disabled persons, persons with learning disabilities, persons with combined impediments and persons with psychoses who have specific needs for work due to the degree of disability.

To finance this active measure, 15% of the total funds acquired from the existing employment contributions are set aside to a sub-account of the Employment Agency (Special Fund).

These funds are used to finance the following:

- training of disabled persons on practical work on certain jobs in accordance with the needs of the employer and the disabled persons, and training of employed disabled not trained for doing certain jobs;
- employment of disabled person on indefinite time, for which the employer is reimbursed irretrievable funds in the amount of EUR 3.700 or EUR 5.600 per one employed disabled person, depending on the degree of disability, with an obligation to keep the disabled employee at work for at least three years from the date of employment;
- irretrievable funds amounting to EUR 5.600 are allocated for adaptation of the work place where the disabled person will work;
- irretrievable funds amounting to EUR 9.300 are allocated for supply of equipment necessary for employment and work of the disabled person; the funds can be given once in 3 years;
- irretrievable funds amounting to EUR 9.300 are allocated for extension and adaptation of the workspace for employment and work of the disabled person given once in 3 years.

A total of 1,132 disabled persons have been employed after the Law was adopted (state on 1 of October, 2004).

After the adoption of the Law until October, 2004, a total of 318.997.783,00 MKD were allocated on all grounds.

**5. How do labour market policy delivery systems function? What are the registration rates of the unemployed? What is the registration share of men and women? What is the role of the official information services? What are the active labour market measures in place? What is the share of unemployed addressed by these measures? How is your active labour market policy funded?**

The activity of the Employment Agency of the Republic of Macedonia is regulated by the Law on Employment and Insurance in Case of Unemployment (Official Gazette of the RM No. 37/97, 25/00, 101/00, 50/01, 25/03, and 37/04). The Employment Agency's activities are directed towards: labour exchange in terms of providing services to employers, advice to employers on laws and other regulations and on their implementation, training and re-training of the unemployed and other persons, counselling of employers on employment of the unemployed under favourable conditions, services to the unemployed and the other job-seekers, vocational orientation of the unemployed and the other job-seekers, mediation for employment in the country and abroad, registration of employers and the unemployed, public works, and insurance in the case of unemployment.

With the amendments to the Law on Employment and Insurance in Case of Unemployment (Official Gazette of the RM No. 37/04), the Employment Agency expanded its active measures in the part of preparations of the unemployed for employment. These refer to: training and re-training prior to the termination of the employment relations, short-term training on employment for the unemployed, on-the-job training, and training for participation of the unemployed in public works.

This amendment to the Law expanded the activities of the Employment Agency and the employment mediation agencies to employment in the country and abroad. The information exchange on vacant jobs and referral of the unemployed for employment among these institutions has improved.

The Employment Agency in its scope of activities, through actual programmes and measures, delivers the labour market policy planned within the National Action Plan for Employment for 2004-2005. (adopted in February 2004). The active labour market policy for 2004 expanded the scope of clients in the job clubs, through modernised forms of services in the process of mediation for the unemployed and the employers, but also in other manners. The planned active measures are being carried out according to determined priorities identified on the basis of a research on the size and structural characteristics of the labour supply and demand.

The new organisational set up of the Employment Agency and its transformation, which was completed by the end of 2004, will enable establishment of measurement instruments for monitoring the effectiveness of the labour market active measures application as soon as possible.

### **Work with the unemployed**

In 2004, in accordance with the amendments to the legal regulations, there was an increase in the number of labour market measures and instruments applied by the Employment Agency during its work with the unemployed. The goal was labour market flexibility increase. These refer to measures in the field of training of the unemployed (employment preparation) acquiring new, more flexible dimensions, and also to forms of employment mediation. These measures will be decreasingly administrative and technical, and increasingly active, by establishing Internet labour exchange in all job clubs of the local employment centres. The preparation of these centres for this purpose was completed in 2003. The counselling of the unemployed and the labour market information, the vocational orientation and other forms of services and assistance are expected to influence the reduction of the long-term unemployment, to meet the employers' needs in a more qualitative way, and to increase the spatial and occupational mobility of the workforce. To facilitate the entire administrative process, new, simplified procedures (organisation of procedures) will be introduced in the moment when the services and institutions with which the Employment Agency co-operates (the Pension and Disability Insurance Fund, the Health Insurance Fund of Macedonia, Social Work Centres, the State Labour Inspectorate, the Public Revenue Office, the State Statistical Office, registration courts, etc.) will be computer-connected.



The services that Employment Agency delivers to the unemployed will be in compliance with the needs and priorities of the target groups in the future. To this end, the types of services will be more precisely defined, depending on the character of the needs of the unemployed or the (target) group of unemployed.

The Employment Agency, as a modern service, during its work with the unemployed puts more emphasis on their active position in the employment problem resolution. By introducing new instruments and methods of work (for example, development of employment action plans) it works with greater intensity on motivation of the unemployed for self-assessment of their own working, technical and personal potential. This helps the Employment Agency staff to make better assessment of the knowledge, skills and other characteristics of the unemployed. This further contributes to more quality professional assistance and instruction for successful presentation of the unemployed on the labour market and employment of the unemployed. The new instruments and techniques (individual work, workshop approach, team work, etc.) also offer better selection of candidates for the employers' needs, better overview of the total human resources base, planned and systematic preparation of the unemployed for job-seeking and employment, especially of the persons with reduced opportunities for employment.

### **Work with employers**

For resolution of the unemployment problem, the Employment Agency directs its activities more towards strengthening of the co-operation with employers by improvement of the active measures and the analysis of the labour market situation. The frequency of their communication and co-operation is increasing, which enables more precise research of the labour market needs and the establishment of an active process for employment mediation.

To this end, the Employment Agency plans development of new forms of co-operation with employers, whose needs will be actively and professionally determined in an organised manner. Thus, partner relations in employment will be established between the two parties, as well as techniques for better information exchange between the Employment Agency and the employers.

The data on the number and the structural characteristics of the unemployed in the Republic of Macedonia is gathered by two sources:

- Administrative, and
- Surveys.

The Employment Agency of the Republic of Macedonia collects and publishes administrative data (registered unemployment). The unemployment in Macedonia is registered continually since 1953.

The survey data on registered and unregistered unemployment is monitored through the Labour Force Survey (LFS), conducted by the State Statistical Office. The Labour Force Survey started in 1996.

The difference in the unemployment data by both sources is quite big. It is caused by the different methodological approach in defining and measuring the unemployment.

The rate of registered unemployment is calculated based on the data of the number of the unemployed at the Employment Agency and the data on the number of the employed from administrative sources - from the State Statistical Office. This rate has shown an increase during the transition period. The rate of registered unemployment can not be considered as a real indicator of the labour engagement level in the Republic of Macedonia. This conclusion comes from the fact that a large number of the registered unemployed are not active job-seekers; they register in order to attain certain rights. The number of registered employed does not reflect the real condition either, because the data of administrative sources do not include all employees in the formal sector, the employees in the informal sector (grey market economy), and the active persons in agriculture.

In order to get a clearer picture of the size and structural characteristics of the workforce in the Republic of Macedonia, labour market researches have been conducted since 1996 through the Labour Force Survey. The Survey is conducted in compliance with the methodological recommendations of the International Labour Organisation (ILO) and the recommendations of the European Statistical Bureau (EUROSTAT). The Survey is a source of internationally comparable data for labour statistics.

The Labour Force Survey includes both the registered and the unregistered unemployment. It has also approximated the number of the employed in the formal and informal sectors, and the active population in agriculture. In this context it shows more real diagnoses of the unemployment rate. Nevertheless, the Labour Force Survey data also shows the unfavourable condition in terms of unemployment dimensions in the Republic of Macedonia.

Number of unemployed and unemployment rates in the Republic of Macedonia, 1990 -2003										
Sources of data	1990	1994	1996	1997	1998	1999	2000	2001	2002	2003
Unemployed										
Administrative	156.323	189.906	235.135	250.508	275.232	332.812	366.211	360.340	374.144	390.361
LFS	/	/	251.489	288.213	284.064	261.451	261.711	263.196	263.483	315.868
Unemployment rates										
LS	/	/	31,9	36,0	34,5	32,4	32,2	30,5	31,9	36,7
Source: State Statistical Office										

During the transition period, there have been big changes in the size, the demographic and the socio-economic characteristics of the unemployed. In the gender structure of registered unemployment, the reduction of the share of unemployed women from 51,1% (1990) to 43,0% (2003) was evident, although its absolute size shows continued increase. This tendency has been confirmed by the Labour Force Survey data, too. This is a result of the high increase in the number of unemployed men due to lay-offs.

The trend of reducing the unemployed women's share continued in 2004. In August, 2004 the Employment Agency of the Republic of Macedonia registered 392.909 unemployed, out of which 224.765 (57,2%) men, and 168.144 (42,8) women.

#### Gender structure of the registered unemployment in the Republic of Macedonia

Year	Unemployed	%	Men	%	Women	%
1999	354.660	100	197.670	55,74	156.990	44,26
2000	366.211	100	202.630	55,33	163.581	44,67
2001	360.340	100	200.945	55,77	159.395	44,23
2002	374.144	100	209.131	55,90	165.013	44,10
2003	390.361	100	222.424	56,98	167.937	43,02
August						

\* The number of the unemployed during the period 1999-2003 is specified to 31 December inclusive, whereas the latest data for 2004 refers to 31 August, 2004 inclusive.

The Employment Agency of the Republic of Macedonia provides transparency of the services it delivers and the labour market information it has available. Its services also attempt to provide timely information to the unemployed and to the employers, and to other beneficiaries of their services about the legislation changes in the work of the Agency. This is done through all of the public information media, both electronic and printed.

The Employment Agency plays the role of an information centre, implementing the following activities:

- Public presentation of professional articles, employment and unemployment topics, labour market information, etc.;
- Publishing monthly newsletters with constant increase in contents;
- Organisation of panels with presence of unemployed and employees' representatives in the job clubs of the employment centres, with an aim to receive information on their ideas and recommendations for improvement of services that could be provided by the Employment Agency;
- Open telephone line for constant communication with clients. Thus, the employers and the unemployed may directly ask for an advice on services to be provided by the Employment Agency, and communicate their suggestions for improvement;
- Preparation and printing of information materials for the unemployed and the employers.

The Employment Agency constantly improves the computer centre and updates its web page, whose purpose, among else, is to give various instructions to the employers and the unemployed. The contents of the printed newsletters, instructions, forms, brochures, catalogues and other materials, and statistical employment and unemployment data can be found on the Employment Agency's Internet web page [www.zvrm.gov.mk](http://www.zvrm.gov.mk). The web page is updated once a month.

Up to now, several active labour market measures have been established. Currently, the following is being implemented: services from labour exchange of the unemployed and other job-seekers (employment counselling, vocational orientation, preparation for employment of the unemployed and other persons), investment in financial benefits, public works, and employment of the disabled. The legal framework, the competent bodies, the funding and the monitoring thereof are described in detail in the answer to question [13 VI A 4](#).

In 2004, the labour market policy was directed towards creation of a new concept for implementation of active policy for generation of new employment opportunities through joint and coordinated action of all labour market participants. Its measures and activities were focused on creation of conditions and support to job creation, organisation of training programmes, and modernisation of the information system.

Beside the implementation of the above mentioned active employment measures, the Employment Agency is an active participant and implementer of many projects in the function of employment growth and modernisation of the Agency functions (Projects of the CARDS Programme, the World Bank projects, the UNDP and other projects funded by foreign donors).

Taking into consideration the data contained in the answer to question [13 VI A 4](#), on the number of persons included in the employment preparation programmes, the employed on a basis of financial benefits, and the employed disabled persons, it can be concluded that the mentioned active labour market measures covered a very small part of the unemployed in the Republic of Macedonia. This part got slightly bigger with the implementation of the Law on Employment Promotion. With this Law, in approx. over 9 months in 2003, about 15.000 persons were employed, which is 4,8% of the total number of the unemployed persons determined with the Labour Force Survey.

### **Funding of the active labour market policy**

The planned total revenue of the Employment Agency of the Republic of Macedonia for 2004 was 7.806.979.000,00 MKD. The total revenue structure consists of:

- Revenues from employment contribution in the amount of 1.270.000.000,00 MKD with 16,26% share in the total revenue structure;
- Other revenues in the amount of 25.000.000,00 with 0,32% share;
- Transfers from the Budget in the amount of 6.318.319.000,00 MKD, with 80,93% share;
- Transferred extra revenues from the previous year, which was 193. 560.000,00 MKD, with 2,48% share.

The total planned expenditures of the Employment Agency of the Republic of Macedonia for 2004 were in the amount of 7.806.879.000,00 MKD.

- The planned funds for provision of rights during unemployment, including the funding of the active labour market policies for 2004, were in the amount of 7.566.494.000,00 MKD. The share of expenditures in the total expenditure structure of the Employment Agency was 96,92%.

Out of these funds, the Employment Agency planned 966.582.000,00 MKD or 12,38% of the total expenditures, for funding of active labour market policies. From these, 30.000.000,00 MKD (0,38% share of the total expenditure structure) were planned for training, re-training and additional training; 331.582.000,00 MKD(4,25%) for employment of disabled persons; and 605.000.000,00 MKD(7,75%) for payments due to the Law on Employment Promotion.

- The planned expenditures for the professional department for 2004 were in the amount of 240.385.000,00 MKD.

## ***B. Social Policy***

### **1. Do you have a Social Fund equivalent or similar to the European Social Fund (ESF)?**

In the Republic of Macedonia there is no Social Fund which is equivalent or similar to the European Social Fund (ESF). From the aspect of redistribution mechanisms in the domains of employment, the vocational training and the social inclusion, there are non-contributive social transfers (active and passive) as part of the national social protection system (for e.g., benefits for the unemployed; services for training and re-training; financial social assistance). These transfers are periodically strengthened by credits and development projects administered by international entities, especially the World Bank, the USAID, and the European Union.

Currently, certain projects within the CARDS programme of the European Union are being implemented. These projects assist the creation of employment policy based on the employment policy of the European Union, through the development of the National Action Plan on Employment and reforms of the institutional structure of the labour market institutions with an aim to prepare these institutions for utilisation of the structural funds of the European Union.

In accordance with the needs of the activities connected with the European Social Fund, the Republic of Macedonia will create the relevant infrastructure and train personnel capable to implement the programmes in connection with the ESF principles. For efficient utilisation of the ESF funds, the Republic of Macedonia will also strengthen the inter-ministerial coordination on national and local levels and will establish infrastructure for appropriate preparation, implementation and monitoring of the European Social Fund programmes.

### **2. What is the administrative set-up for dealing with this policy?**

**a) Ministries, administrations involved;**

**b) Inter-ministerial co-ordination;**

**c) Vocational education and training systems;**

**d) Public employment services;**

**e) Co-ordination with European Employment Service (EES) and social inclusion process;**

**f) Participation of other authorities/partners (partnership)?**

**a)**

**Ministries, administrations involved;**

Creation, administration and supervision of the social policy implementation in the Republic of Macedonia are competencies of the Ministry of Labour and Social Policy (MLSP). The administration of the specific social policy domains is performed by the sectors within the Ministry: Labour Sector, Pension and Disability Insurance Sector, Social Protection Sector, Children Protection Sector, and International Co-operation Sector (which includes the European Integration Unit). Additional bodies within the Ministry are the Directorate for Veterans' and War Invalids' Issues and the State Labour Inspectorate. Within its competencies, the Ministry of Labour and Social Policy controls the activities of the social work centres, social protection institutions, kinder gardens, and the Institute for Advancement of Social Activities. Apart from the structure of MLSP at the central level, there are also 35 regional/local offices of the Ministry. The Ministry of Labour and Social Policy supervises the work of the Employment Agency, the Pension and Disability Insurance Fund, and the Agency for Supervision of Fully Funded Pension Insurance.

**b)**

**Inter-ministerial Co-ordination;**

Along the Ministry of Labour and Social Policy there are other ministries with specific competencies which take part in the development and administration of the policies of public interest, which include the social policy. These ministries are: the Ministry of Economy, the Ministry of Interior, the Ministry of Health, the Ministry of Education and Science, the Ministry of Local Self-Government, the Ministry of Justice, and the Ministry of Finance.

Inter-ministerial co-ordination is organized regarding particular domains (e.g. employment) on a level of inter-ministerial committees, commissions and work groups. For the purpose of legal control of the proposals for amending the social policy laws, there is a Parliamentary Committee on Labour and Social Protection.

**c)**

**Vocational education and training systems;**

Vocational education and training are under competency of the Ministry of Education and Science. It is organised in a two-year vocational specialisation and three-year and four-year vocational education. Currently, serious reforms of this educational sub-system are underway, financially supported by EU programmes. The VET 1 project was financed by the PHARE programme funds, while VET 2 and the current VET 3 are supported by the CARDS programme funds. The goals of these reform activities are creation of conditions to meet the labour market needs and strengthening the component of practice during the secondary vocational education.

The vocational training for adults is realised through various forms of informal education - through organisation of courses mostly by private, and rarely by public providers of training services. In the Republic of Macedonia, in addition to the existing 13 workers' universities, in the recent years several

consultant companies have appeared as training providers in the area of entrepreneurship, marketing, and management. Apart from these, there are also many private centres for studying foreign languages and information technology. For all these forms of informal education corresponding certificates are issued; however, the Republic of Macedonia has not established an appropriate system for recognition of certificates. To this end, a draft version of the Law on Vocational Education and Training has already been prepared, which will regulate this area.

The Employment Agency implements programmes on training and re-training of the unemployed or other persons for their employment. These programmes may be short-term training for employment of the unemployed, on-the-job training, or training of the unemployed for participation in public works, and training of persons facing employment termination.

These types of training can be performed independently by the Employment Agency or public or private training providers. The training can also be internal, implemented for the needs of the employer. The candidates are trained for performing tasks necessary for a particular job.

**d)**

**Public employment services**

The public employment services of the Employment Agency of the Republic of Macedonia are regulated by the Law on Employment and Insurance in Case of Unemployment ("Official Gazette of the RM Nos. 37/97, 25/00, 101/00, 50/01, 25/203, 37/04, 03/05), which includes: labour exchange in the sense of providing services to employers; counselling of employers on laws and other regulations and their application; training, re-training or additional training of the unemployed and other persons; counselling of employers on employment of the unemployed under favourable conditions; services to the unemployed and other job-seekers; vocational orientation of the unemployed and other job-seekers; mediation for employment in the country and abroad; keeping records of employers and the unemployed; public works; and insurance in the case of unemployment.

The amendments to the Law on Employment and Insurance in Case of Unemployment (Official Gazette of the RM No.37/04) expanded the active measures of the Employment Agency to training, re-training or additional training before employment termination; short-term training for employment of the unemployed; on-the-job training; and training of the unemployed for participation in public works.

These amendments also expanded the activities of the Employment Agency related to employment in foreign countries, and at the same time strengthened the exchange of information about available jobs and instructing the unemployed for employment.

**Working with employers**

For solving the unemployment issue, the Employment Agency will largely direct its activities towards improvement of active measures, analysis of the labour market and improvement of the co-operation with employers. Above all, the frequency of contacts of the Employment Agency and its centres with employers will be increased, which is necessary not only for precise research of the labour market needs, but, as its effect, for an active process of employment mediation. Therefore, the Employment Agency will constantly develop new forms of work, which - in active, expert, professional and organised manner - will determine the needs of the employers and will provide quintessential co-operation through a partnership relation in the area of employment.

**Working with unemployed persons**

The increased labour market measures and instruments will provide increased flexibility of the labour market. Many labour market measures and instruments have been established by the new legal regulations, so that the Employment Agency will provide a wider scope of possibilities. The part on training (preparation for employment) will assume new, more flexible dimensions, as well as the forms of mediation, which will be less administrative-technical and more active (by establishment of an Internet labour exchange within all job clubs at the local employment centres, for which preparations were completed in 2003, and other ways, too). The counselling of the unemployed and

the labour market information, the vocational orientation and other forms of services and assistance for employment will provide more prospects for shortening the period to employment, will meet the employers' needs in a quality manner, and will increase the workforce mobility. The active labour market policy is one of the most efficient methods of increasing the labour market flexibility.

The emphasis of the work of the Employment Agency as a modern service for the unemployed is largely shifting towards the active position of the unemployed in the resolution of the unemployment issue. By the introduction of new instruments and methods of work (eg. preparation of employment action plans), more intensive work is done on the motivation of the unemployed for self-evaluation of their working, professional, and personal potential, and at the same time, these instruments and methods enable the Employment Agency employees to perform a quality assessment of the knowledge, skills, and other characteristics of the unemployed. This further helps to provide higher quality professional assistance and guidance during increasing the opportunities for successful presentation on the labour market and for employment. The new instruments and techniques (individual work, active approach, teamwork, etc.) also enable a better selection of candidates for the needs of the employers, more legible database of the total human potential, planned and systematic work on the preparations for employment of the unemployed, especially for persons with reduced employment opportunities.

### **Employment Measures**

Pursuant to the Law on Employment and Insurance in Case of Unemployment the Employment Agency provides the following public employment services:

#### **- Employment counselling**

Employment counselling implies providing services to the unemployed and other persons for transfer of knowledge and techniques on successful job search and employment. The goal of this programme, which is being realised by the job clubs of the Employment Agency, is to induce initiative and active attitude of the job-seekers towards solving the employment problem, and to strengthen their capacity for successful presentation on the labour market, successful job search and employment.

The beneficiaries of the job club services can receive advisory and informative services on their rights and obligations, information about the labour market situation, education on various employment related topics, training through workshops with programmes on psychological assistance and support, preparation for successful presentation on the labour market (interview, CV, etc.), training for preparation of action plan for job search, motivation and training on self-employment, etc.

#### **- Vocational orientation**

Counselling on vocational orientation is provided to the unemployed, pupils, students, employees and disabled persons in order to help them in selection of occupation and the professional development. Vocational orientation implies the services of the Employment Agency to the unemployed and other job-seekers for choosing an occupation or employment by means of testing and interview and informing them about the demand of certain occupations, as well as on the employment opportunities. It also includes individual counselling during selection of occupation according to the wishes, interest, and skills of the person for particular occupation and according to the labour market needs and opportunities.

In addition to the vocational counselling and orientation as assistance during selection of occupation and the future employment of the unemployed and other persons, the vocational selection activities are also directed towards employers as assistance during selection of candidates for training, re-training or additional training and during selection of candidates for new jobs.

#### **- Preparation for employment of the unemployed and other persons**

One of the rights of the unemployed is the right to preparation for employment (training, re-training or additional training). This measure enables acquiring and supplementing the knowledge of the unemployed and other persons for the purpose of their employment.

Training, re-training or additional training of the unemployed and other persons is performed for a known employer in duration of 1 to 3 months. The employer has an obligation to conclude an open-ended employment contract with at least 90% of the unemployed persons or workers included in the employment preparation and to keep them employed at least for a year. During the preparation and after the conclusion of the employment contract, the employer can not reduce the number of full-time employees for a period of 1 year.

The Employment Agency expanded its active measures to: training, re-training or additional training before employment termination; short-term training for employment of the unemployed; on-the-job training; and training of the unemployed for participation in public works.

### - Investment of financial benefits

In order to encourage employment and motivate the employers and the unemployed,, this measure provides a possibility to pay the unpaid part of the financial benefit, upon a request of the unemployed, in a one-off amount or in monthly instalments, but not longer than 24 months, if the unemployed uses the benefits for concluding an open-ended employment contract. The beneficiary is obliged to return the used funds to the Employment Agency if the employment relations have terminated not by his/her fault, before the expiry of double the time he/she has been using the funds, with a bank interest of the funds at sight.

### - Public works

For the purpose of working engagement, unemployed persons regularly registering with the Employment Agency are appointed to perform public works. The public works are carried out based on a programme for public works, which is prepared by an organiser. The local self-government units or interested employers from the public sector could be organisers of public works.

During the public works, the organiser provides to the engaged persons a fee for the performed work, not less than the salary for the same type of work established in the collective labour agreement, transport or transport fee to the place of work and back, meals, insurance for accident at work and occupational disease, etc.

If the organiser of public works engages unemployed persons – who receive fees for public works in duration over 30 days, he/she has a right to a monthly compensation by the Employment Agency amounting to the fee of the engaged unemployed person, but not higher than the salary for same type of work established in the collective labour agreement.

### - Exemptions from Personal Income Tax

This measure stimulates the employers who will employ a full-time worker above the number of full-time employees, on the day the Law on Employment and Insurance in Case of Unemployment is in force, to be exempted from payment of personal income tax for a duration of 3 years for the newly employed workers, if the employer hires an unemployed person who has been registered with the Employment Agency for at least one year. This measure also applies to employers who will commence doing an activity as sole proprietors or as founders of a trade company, and to natural persons performing an activity in accordance with the Law, and who, before the commencement of the activity, have not been registered for performing that activity.

### - Law on Employment Promotion

The Law on Employment Promotion, adopted in March 2003 by the Assembly of the Republic of Macedonia, within the macroeconomic policy of the Republic of Macedonia for unemployment reduction, directly enticed employment of the unemployed through this active measure.



With this measure, the employer who employed an unemployed person on open-ended basis above the number of employees was financially compensated for the paid pension and disability insurance contribution, the health insurance contribution, and the employment contribution for the newly-employed person for a period of 24 months after the employment.

The target groups covered by this measure were:

- unemployed persons registered with the Employment Agency for at least one year;
- unemployed persons who have lost their jobs with dismissal due to economic, technological, structural or similar changes;
- unemployed persons who have lost their jobs on the basis of bankruptcy; and
- unemployed persons, beneficiaries of social assistance, fit for work and socially insecure.

For the newly employed workers, the employer was compensated for the paid salary contributions with fixed monthly amount of EUR 69 per worker, every 60 days, if the employer has paid the salary and the salary contributions for that period.

The employers who employed unemployed persons, financial and social beneficiaries, in addition to the right to compensation of the paid contributions amounts, also had a right to payment of three-monthly amount of 25% of the average monthly net wage per worker in the Republic of Macedonia, i.e. three-monthly payment of the average paid amount of social assistance in the previous year.

The employer is obliged to keep the employed person at least twice longer than the period in which he/she has used the compensation of salary contribution funds.

This measure also enticed the unemployed of the target groups to self-employment if they commence doing an activity as sole proprietors, or found a trade company, or a natural person performing an activity in accordance with the law, if before the commencement of the activity he/she was not registered for performing that activity on his/her behalf or on behalf of a family member (spouse, children, or parents).

This measure was applied in the period April 16 December 31, 2003. During this period a total of 15.308 unemployed persons were employed applying this Law.

- Exemption from tax payment on agricultural activity

According to the amendments to the Personal Income Tax Law (Official Gazette of the RM No. 8/01) of February 2001, a person who is registered as unemployed with the Employment Agency of the Republic of Macedonia is exempted from paying tax on agricultural activity for a period of 5 years if he/she for the first time enlists for performing agricultural activity as a basic activity. The same refers to a person, previously registered as unemployed, who returns to village and reactivates as a performer of agricultural activity.

- Voluntary work

The Labour Relations Law which was in force from July 1990 to December 1993 allowed trainee to be vocationally educated for independent execution of tasks and duties without concluding an employment contract (voluntary work) if the vocational training, as a condition for independent execution of tasks and duties of the respective profession, is determined by law.

The trainee who performed voluntary work had a right to health and disability insurance for disability or physical injury caused by injury at work or occupational disease, and the right to appropriate pecuniary compensation for the work performed.

- Granting agricultural land in state ownership to usufruct

The Government of the Republic of Macedonia in July 2003 adopted a Decision on Granting Agricultural Land in State Ownership to Usufruct to certain categories of socially insecure persons

(Official Gazette of the RM No. 51/03). With this measure, the socially insecure persons are granted agricultural land in state ownership to usufruct.

The following categories are considered as socially insecure unemployed persons:

- beneficiaries of social welfare which are able to work and socially insecure, pursuant to the Law on Social Protection;
- unemployed beneficiaries of financial benefit pursuant to the Law on Employment and Insurance in Case of Unemployment ;
- unemployed persons whose right to financial benefit has expired, in a period of one year after the expiration of the right to financial benefit;
- persons registered as unemployed with the Employment Agency for more than one year;
- employees of employers who use agricultural land in state ownership for which salaries and salary contributions have not been paid for more than one year; and
- socially insecure farmers without own land.

Granting agricultural land to usufruct is performed by making a public announcement in the local media in the area where the land offered for usufruct is located.

The Minister of Agriculture, Forestry and Water Economy concludes an agreement with the beneficiary of the right to usufruct which, among other things, determines the contract duration, the amount of the fee for land use, and the assistance provided by the state for the start of the usufruct.

The duration of the contract on usufruct of agricultural land can neither be shorter than three years nor longer than five years and it can be extended.

#### - Employment of disabled persons

The Law on Employment of Disabled Persons (Official Gazette of the RM Nos. 44/00 and 16/04), which is in force since June 2000 determines the special conditions and benefits for employment and work of disabled persons, who have difficulties in finding a job.

This measure includes the disabled persons with damaged eyesight, hearing impaired, impediments of voice, speech and language, physically disabled persons, persons with mild intellectual disability, persons with combined impediments and persons with psychoses, who, because of the degree of disability have specific needs during work.

For financing this active measure, 15% of the total actual income from the existing employment contribution are allocated on a sub-account of the Employment Agency (Special Fund).

These funds are used for financing:

- job training of the disabled person for practical work for certain jobs, according to the needs of the employer and the disabled person, as well as job training of an employed disabled person who is not trained for performing certain activities;
- open-ended employment of a disabled person, for which the employer is granted (per one employed disabled person, depending on the degree of disability) irrevocable amount of EUR 3.700 or EUR 5.600, with an obligation for the employer to keep the disabled person employed for at least three years from the day of employment.
- adaptation to the workplace where the disabled person will work, for which irrevocable amount of up to EUR 5.600 is granted;
- supply of equipment necessary for employment and work of the disabled person, for which irrevocable amount of up to EUR 9.300 is granted, which may be granted once in three years; and
- extension and adaptation of workspace for employment and work of the disabled person, for which irrevocable amount of up to EUR 9.300 is granted, which may be granted once in three years.

In addition to the above-stated active measures for employment, the Employment Agency actively participates and implements number of projects on employment increase.

e)

**Co-ordination with the European Employment Services (EES) and social inclusion process;**

The Employment Agency of the Republic of Macedonia has not established coordination with the European Employment Services (EES), but continually cooperates with the employment services of the countries in the region (Serbia, Croatia, Slovenia, Bulgaria, and Bosnia and Herzegovina) and continuously makes efforts for development and expansion of the cooperation with the European Union Member States. Since 2000, the Employment Agency has become a member of the World Association of Public Employment Services (WAPES) and through the participation in its work establishes contacts, exchange and co-operation with countries of Europe.

Within the Ministry of Labour and Social Policy, the Social Protection Sector has a Unit for Protection and Care of Socially Excluded Persons.

Within the Inter-Municipal Social Work Centre of the City of Skopje there is a Service for Socially Excluded Persons. This Service collects data on the number of socially excluded persons, contacts these persons, and has competencies for monitoring the implementation of activities in this domain.

For implementation of services to socially excluded persons, temporary shelter centres are established, providing day care and services for categories such as: children living on streets, victims of school violence, displaced persons, etc.

In addition, the non-governmental organisations also contribute to provision of services for the socially excluded persons.

f)

**Participation of other institutions/partners (partnership)**

In accordance with the needs dictated by the latest economic, demographic and social trends, the social policy in the Republic of Macedonia corresponds with the plural model, where the non-governmental/non-profit, the private and the informal sectors have increased participation.

In the social dialogue, the state holds regular consultative meetings with the social partners (associations of labour unions and associations of employers). The principle of tripartite evaluation in the social policy is achieved through the collective agreements and the work of the Economic-Social Council (established in 1997, comprised of: the Government of the Republic of Macedonia, the Association of Trade Unions of Macedonia and the Economic Chamber of Macedonia).

After the adoption of the Law on Citizen Associations and Foundations (Official Gazette of the RM Nos. 80/93, 33/95, 43/95, 71/96, 5/97, 28/98, 11/201), conditions were created for active participation of the non-governmental sector in all segments of the social life, including the area of social exclusion.

The development of partnership with the non-governmental organizations was also provided for by the amendments to the Law on Social Protection (Official Gazette of the R M No. 65/04), by introducing a possibility of providing social services by these legal entities. In addition, the amendments to the Law provide a possibility for natural persons to perform certain types of social services. Besides, part of the competencies on providing social care is transferred to the municipality.

To implement the stated forms of co-operation with private and NGO sector, there are planned funds within the Programme on Social Care Effectuation from the Budget of the RM, and as for the transfer of competencies to the local level the Law on Financing Local Self-Government Units was adopted (Official Gazette of the RM No. 61/04).

The Law on Organising Games of Chance (Official Gazette of the RM Nos. 10/97, 54/97, 13/01, 2/02) regulates the financing of certain citizen associations that work in the field of protection of the rights of persons with disability.

### **3. How is the programming capacity conceived?**

#### **a) Establishment of development plans and programming documents;**

#### **b) Implications of structural funds principles: additionality, partnership, co-financing?**

##### **a)**

The programming of the social policy is realised in accordance with: (1) the existing financial capabilities (budget transfers, contributions from the socially insured persons and various secondary sources, such as: credits, international donations, gifts, etc.); (2) constitutional principles and legal norms (according to which, the Republic of Macedonia is defined as a welfare state); and (3) wider social reforms, which incorporate the principles of pluralism, social inclusion and decentralisation into the social policy domain.

In the domain of social policy, the Republic of Macedonia has created a series of development strategies and documents that aim to direct its course of reforms towards efficient, targeted, but also inclusive social policy.

In 2002, the Government of the Republic of Macedonia prepared the Poverty Reduction Strategy (as a part of the negotiation process for arrangements with the international financial institutions - the World Bank and the IMF). The basic objectives (for the period 2002-2005) were the efforts for accelerated economic growth and poverty reduction. The acceleration of the economic growth, pursuant to this Strategy, is envisaged to be accomplished by achieving the following macroeconomic objectives:

- attaining real cumulative growth of the GDP by approx. 17 percent;
- maintaining the macroeconomic stability with inflation of around 3.5 percent;
- increase of export by 6-8 percent per annum;
- real growth of investments in fixed assets by 10 percent per annum;
- complete fiscal consolidation and achieving a budgetary balance;
- retain the external public debt on the current level;
- further reduction of the internal public debt;
- reducing the unemployment rate to 22 percent.

The poverty reduction as a goal is planned to be achieved in accordance with the multi-disciplinary and multi-sector approach, including:

- Active labour market policy (which includes three types of measures: modernisation of the information system, organisation of training programmes (re-training and additional training), and creation of conditions and support for direct opening of new jobs);
- Increase of the workforce mobility;
- Reduction of income uncertainty;
- Improvement of the accessibility to educational and healthcare services (especially for certain risk groups);
- Affordable housing;
- Improvement of the rural infrastructure, etc.

In accordance with the national demographic trends and needs, the Republic of Macedonia entered into changes of the pension insurance domain, through adopting the Law on Amending the Pension Insurance (2000) and the Law on Mandatory Fully Funded Pension Insurance (2002). With this, the paradigmatic model of reforms was started, which included not only changes of the age limits and the methods of calculation of pensions, but at the same time changed the previous pay as you go system (PAYG) based on generational solidarity and introduced the new three-pillar pension insurance system based on: mandatory pension and disability insurance based on generational solidarity (first pillar); mandatory fully funded pension insurance (second pillar); and voluntary fully funded pension

insurance (third pillar). Preparations for implementation of this system in practice are in the finishing phase. The implementation of the system is planned to commence during 2005.

The Government of the Republic of Macedonia in February 2004 adopted the National Action Plan on Employment for 2004-2005, which reflects the Government strategy on employment, and which is based on principles of the Employment Policy and the recommendations of the Council of Europe from 2003. This document emphasizes the national targets for combating the unemployment and the social exclusion in accordance with the 10 recommendations for: active and preventive measures for the unemployed and the inactive; creating jobs and entrepreneurship; addressing the changes and promoting adaptability and mobility on the labour market; promoting human resources development and life-long learning; increase of the workforce and promoting active aging; promoting gender equality; promoting the inclusion of -- and the combat against discrimination of -- the non-privileged persons on the labour market; increasing the attractiveness of jobs; transforming the non-registered workers into regular employment; and dealing with regional variations of employment).

The Ministry of Labour and Social Policy is preparing the Plan of the National Strategy on Social Inclusion. The new reform directions in this domain envisage a change from the traditional passive towards active approach of inclusive social protection. This means combining the traditional guarantees of financial benefits with the measures for workfare, in order to reduce the dependency on social protection and employment increase. The trend towards work activation is also promoted in the amendments to the Law on Social Protection which envisage reduction of the period of receiving social transfers and reduction of the amount of social transfers after expiration of 48 months.

Within the Stability Pact activities, a Regional Centre for coordination of social policy issues, based in Skopje, will be established in the near future. This Regional Centre will largely contribute towards synchronising the national social protection activities with the recommendations and experience from the European Union. At the same time, the fact that it will be based in Skopje will improve the monitoring of the institutional capacities, especially in the domains of modernisation, adequacy and transparency of the social protection system in Macedonia.

#### **b)**

The structural funds principles: additionality, partnership and co-financing are compliant with the reform trends in the social policy in Macedonia.

**Additionality:** The application of this principle will contribute towards complementarity of the European with the national, regional, and the local resources in the financing of social policy projects. At the same time, with this principle, the planned projects will have larger tendency of co-relating the local priorities with the European standards, which will indirectly increase their efficiency and target.

**Partnership:** This principle will contribute to greater synchronisation of projects and programme activities undertaken in the field of social policy. Taking into account the increasing number of entities participating in the provision of social services, the partnership will provide: a greater co-relation among them; reduction of the danger of overlapping and repeating certain projects; greater quality of the offered social services, and finally, co-operation with the Committee in the domain of preparation, implementation, and supervision of the spent resources, which will provide for rational utilisation of funds in relation to the existing funds.

**Co-financing:** For implementation of this principle, statutory authorities and agencies will be elected, which will have the function of co-financing organisations. The implementation of this principle is expected to reduce the bureaucracy and the expenses for administration on a national level, as well as to enable better value for money.

#### **4. How is the implementing capacity conceived?**

##### **a) Preparation, selection, appraisal;**

**b) Financial procedures;**

**c) Monitoring;**

**d) Evaluation;**

**e) Audit and financial control?**

**a)**

The Ministry of Labour and Social Policy has competencies for preparation and selection of the social policy implementation. Different sectors within the Ministry are responsible for preparation, selection and appraisal of specific policies (social protection, child care, family policy, etc.). In the preparation and selection of the inter-disciplinary policies (wages, employment, education, healthcare, housing) other line ministries participate, too (the Ministry of Finance, the Ministry of Education and Science, the Ministry of Health).

The Institute for Advancement of Social Activities also participates in the preparation of legal projects and acts concerning the social protection, adopted by the Ministry of Labour and Social Policy. The scope of its activities also includes control and appraisal of the social protection policies.

The Ministry of Local Self-Government is responsible for planning and control of the social protection policy implemented by the local authorities.

The implementation of social policies is performed by decentralised units or bodies supervised by competent ministries. The principal social activities at this level are performed by legal bodies under jurisdiction of the Ministry of Labour and Social Policy, which include: Social Work Centres, Social Protection Institutions and Kinder Gardens.

**b)**

Taxes and contributions represent a financial basis for provision of benefits and services by the Ministry of Labour and Social Policy and the social institutions. Taxation is used as a primary source of financing non-contributational social benefits and services (for example, for pecuniary social assistance, institutional and non-institutional accommodation), while the contributions of workers and employers are a basis for financing the benefits and services from the social insurance domain (pension and disability, health, and unemployment insurance). The Ministry of Finance (Sector for Budget Execution – Treasury) allocates annual funds available to the Ministry of Labour and Social Policy. It is limited to the amount included in the budget planned for the year. The funds are allocated to the institutions on a monthly basis, according to criteria stipulated in the Law on Budget Execution of the Republic of Macedonia for the current year. Bigger changes of revenues or unexpected needs require regulating, which must be approved by the Government and the Parliament. The financial management is focused on the procedures and the criteria stipulated in the Law on Budget (Official Gazette of the RM Nos. 79/93, 3/94, 71/96, 46/00, 11/01) as well as on cash transactions to individual beneficiaries. The Ministry of Labour and Social Policy is responsible for internal financial management and staffing. The financial management in the Ministry of Labour and Social Policy is a responsibility of the Accounting Sector, which receives requests from all Sectors and subordinate organisations for funds needed for the following month, as well as reports on expenditures from previous months.

**c), d)**

Monitoring and evaluation of the social policy implementation is a competence of the Ministry of Labour and Social Policy. The Labour Sector is competent for performing supervision over the work of the Employment Agency of the Republic of Macedonia. The Pension Sector performs supervision over the work of the Pension and Disability Insurance Fund of the Republic of Macedonia and over the Agency for Supervision of Fully Funded Pension Insurance. Within the Social Protection Sector, the Unit for Implementation of Social Protection Rights monitors and studies the manner and the

quality of implementation of the social protection rights, while the Unit for Public and Private Institutions in the Social Protection performs supervision, monitoring and quality control of services and activities of the non-governmental organisations. Within the Child Care Sector, the Unit for Provision of the Right to Care, Education, Vacation and Recreation of Children performs supervision over institutions registered for child care. The State Labour Inspectorate (or the Labour Inspection) operates on the whole territory of the state through an established network of inspectors, a total of 60 labour relations inspectors and 28 inspectors on protection at work. They perform supervision over consistent implementation of the laws, collective labour agreements, and other regulations of labour relations and protection at work. They also prevent the entities from operating without determined measures, norms and standards on protection at work.

The Institute for Advancement of Social Activities performs supervision and evaluation of the professional activities of the social work centres and other social protection institutions and their employees.

**e)**

Financial audit (both internal and external) is extensively regulated by laws. There are two types of internal audit procedures. During the *ex ante* audit procedure of the beneficiaries of the Budget of the RM, the local units perform internal financial audit, and the beneficiaries of the funds are also required to perform internal audit. The *Ex post* internal audit is performed by the Ministry of Finance (i.e. the central internal audit). It is activated on a case-by-case basis.

The State Audit Agency performs the external audit of all budget beneficiaries, state enterprises or companies in which the state is a dominant shareholder.

The control procedures include an initial phase of control through social institutions and a final phase of administrative control through the Ministry of Labour and Social Policy. The first control requires a full submission of the necessary documents, data and information by the requesting party. After a preliminary approval of the cash fee, the financial control is performed periodically. The Ministry of Labour and Social Policy holds the complete responsibility for the control because it is competent for application of the law, supervision of the local units and supervision of legal entities and individuals providing services in the field of social protection. The ministerial control is detailed and often based on reports, since the existing technical and human resources are engaged in control of emergency and critical cases.

## VII. SOCIAL PROTECTION AND SOCIAL INCLUSION

### A. Main influencing factors for social protection

1. Please provide the following main economic and financial indicators (if available, according to Eurostat methodology):

a) GDP: absolute in EURO; growth rate; GDP per head in PPS;

b) Social expenditure as percentage of GDP;

c) Social expenditure as percentage of state budget:

d) Concise analysis of relative and absolute data and their development (time span covered? - 10 years?).

a)

GDP: absolute in EURO; growth rate; GDP per head in PPP;

Gross domestic product at market prices

	1995	1996	1997	1998	1999	2000	2001	2002	2003 <sup>1)</sup>
GDP: absolute amount in mil. EURO (at current exchange rate)	3.449	3.523	3.310	3.193	3.448	3.893	3.839	4.001	4.137
Actual growth rate (in %)	- 1,1	1,2	1,4	3,4	4,3	4,5	-4,5	0,9	3,4
GDP per capita PPP in US \$	-	4.163	-	-	6.137	-	-	-	-

1) Previous data

b)

Social expenditure as percentage of GDP									
	1995	1996	1997	1998	1999	2000	2001	2002	2003 <sup>1)</sup>
Social benefits % from GDPi	13,6	14,2	14,7	14,6	13,9	13,7	14,1	14,7	15,3

1) Previous data

c)

Social expenditure as percentage of State Budget									
	1995	1996	1997	1998	1999	2000	2001	2002	2003 <sup>1)</sup>
Social benefits % from State Budget	52,7	58,8	66,1	66,6	58,3	56,1	47,9	50,2	60,3

1) Previous data

Source: State Statistical Office

Sector of national accounts



d)

Social benefits according to the European System of Accounts (ESA95) include compensations which the population receives on the grounds of paid pensions, compensations for unemployment paid out by the Employment Fund, compensations on the grounds of sick leaves paid through the Health Protection Fund, children's allowance and other allowances on the grounds of social protection. The total amount of social benefits in reference to GDP in the period 1995-2003 varies from 13,6% in 1995 to 15,3% in 2003.

## 2. Please provide the following main demographic indicators: female/male:

a) population: absolute (Eurostat);

b) age structure: proportion of the population aged less than 15 years; proportion of the population aged more than 60 years; demographic dependency ratio, net population increase;

c) fertility: birth rate per 1000 inhabitants, fertility rate, net reproduction rate;

d) life expectancy at birth, at age 40 and 60;

e) migration: emigration and immigration: main trends, main developments in absolute figures, percentages of population, age groups, regions and ethnic groups.

a)

Sex	Total population	Population aged 0-14	%	Population aged 60 and over	%
All	2.026.773	419.929	20,72	305.267	15,06

b)

Total population by sex and defined age groups					
Sex	Total population	Population aged 0-14	%	Population aged 60 and over	%
All	2.026.773	419.929	20,72	305.267	15,06
Male	1.017.274	216.421	21,27	140.175	13,78
Female	1.009.499	203.508	20,16	165.092	16,35

Source: State Statistical Office

Age dependency indexes					
Sex	0-14/15-64 (%)	65+/15-64 (%)	0-14&65+/15-64 (%)	65+/0-14 (%)	60-64/15-19 (%)
All	30,21	15,51	45,72	51,34	54,13
Male	30,76	13,79	44,55	44,83	50,77
Female	29,64	17,27	46,91	58,26	57,67

Source: State Statistical Office

Net population increase				
Sex	Population on 31.12.2002	Population on 31.12.2003	Population net increase 2003/2002	%
All	2.023.654	2.029.892	6.238	0,31
Male	1.015.888	1.018.660	2.772	0,27
Female	1.007.766	1.011.232	3.466	0,34

Source: State Statistical Office

c)

Year	Liveborns on 1000 population	Total fertility rate	Net reproduction rate
1998	14,6	1,9	0,89
1999	13,5	1,8	0,82
2000	14,5	1,9	0,88
2001	13,3	1,7	0,81
2002	13,4	1,6	0,75
2003	13,3	1,5	0,73
Source: State Statistical Office			

d)

Life expectancy				
Year	Sex	0 years	40 years	60 years
1998	All	72,51	35,01	17,82
	Male	70,30	33,11	16,54
	Female	74,79	36,94	19,04
1999	All	72,68	35,10	17,85
	Male	70,48	33,20	16,58
	Female	74,77	36,88	18,95
2000	All	73,05	35,27	17,99
	Male	70,68	33,31	16,66
	Female	75,21	37,15	19,17
2001	All	73,12	35,24	17,93
	Male	70,77	33,24	16,61
	Female	75,56	37,27	19,20
2003	All	73,21	35,30	18,01
	Male	70,80	33,28	16,71
	Female	75,74	37,38	19,27
State Statistical Office				

e)

Immigration and emigration by ethnic affiliation		
Ethnic affiliation	Immigrated	Emigrated
Total	2.239	144
Macedonians	177	45
Albanians	659	14
Turks	80	6
Romas	103	14
Vlachs	0	0
Serbs	349	21
Bosnians	38	7
Other	769	37
Unknown	66	0
State Statistical Office		

Immigration and emigration by statistical regions NUTS 3		
Statistical regions	Immigrated	Emigrated

Total	2.239	144
Skopje	1015	47
Pelagonia	180	14
Vardar	16	8
Northeast	192	50
Southwest	231	8
Southeast	134	9
Polog	308	2
East	163	6
State Statistical Office		

Immigration from abroad by age groups and sex, by statistical regions										
		Statistical regions								
Age	Sex	Total	Skopje	Pelagonia	Vardar	Northeast	Southwest	Southeast	Polog	East
Total	All	2.239	1.015	180	16	192	231	134	308	163
Total	m	865	417	71	4	39	41	47	179	67
	f	1.374	598	109	12	153	190	87	129	96
0-14	m	6	1	1	0	0	3	1	0	0
	f	5	1	0	0	0	3	1	0	0
15-19	m	11	7	0	0	0	0	0	1	3
	f	17	3	6	0	0	6	1	0	1
20-24	m	38	21	3	0	2	0	2	3	7
	f	140	43	17	0	8	40	7	15	10
25-29	m	87	48	10	1	4	4	3	5	12
	f	240	85	23	5	38	36	5	26	22
30-34	m	96	49	13	0	9	4	4	12	5
	f	245	114	14	3	37	26	12	26	13
35-39	m	124	62	13	3	2	7	3	25	9
	f	169	86	10	0	24	18	10	10	11
40-44	m	128	76	6	0	8	0	12	21	5
	f	143	75	9	2	21	14	6	7	9
45-49	m	103	43	7	0	2	7	5	32	7
	f	91	45	4	0	9	11	4	13	5
50-54	m	98	45	6	0	3	6	6	26	6
	f	98	47	10	1	4	15	6	9	6
55-59	m	71	24	4	0	4	3	6	25	5
	f	74	37	4	0	1	10	7	11	4
60-64	m	50	20	1	0	3	4	2	14	6

	f	75	31	6	1	5	7	15	6	4
65andover	m	53	21	7	0	2	3	3	15	2
	f	77	31	6	0	6	4	13	6	11
Unknown	m	0	0	0	0	0	0	0	0	0
	f	0	0	0	0	0	0	0	0	0

Emigration from abroad by age group and sex, by statistical regions										
Age	Sex	Statistical regions								
		Total	Skopje	Pelagonia	Vardar	Northeast	Southwest	Southeast	Polog	East
Total	All	144	47	14	8	50	8	9	2	6
Total	m	50	16	4	1	17	3	4	2	3
	f	94	31	10	7	33	5	5	0	3
14	m	2	0	0	0	0	0	1	0	1
	f	1	0	0	0	0	0	0	0	1
15-19	m	1	0	0	0	1	0	0	0	0
	f	6	2	1	0	1	0	2	0	0
20-24	m	2	0	0	0	1	0	1	0	0
	f	15	2	1	0	10	0	1	0	1
25-29	m	3	1	0	0	2	0	0	0	0
	f	14	2	2	1	8	0	0	0	1
30-34	m	9	2	1	0	4	1	1	0	0
	f	11	4	2	2	3	0	0	0	0
35-39	m	5	1	0	0	3	0	0	0	1
	f	10	3	1	1	2	3	0	0	0
40-44	m	4	3	1	0	0	0	0	0	0
	f	6	1	1	0	3	1	0	0	0
45-49	m	7	3	0	1	1	1	0	1	0
	f	7	0	2	1	4	0	0	0	0
50-54	m	4	2	0	0	1	0	1	0	0
	f	4	4	0	0	0	0	0	0	0
55-59	m	4	0	0	0	2	0	0	1	1
	f	4	3	0	0	0	0	1	0	0
60-64	m	4	3	1	0	0	0	0	0	0
	f	6	4	0	1	1	0	0	0	0
65 and over	m	5	1	1	0	2	1	0	0	0
	f	10	6	0	1	1	1	1	0	0
Unknown	m	0	0	0	0	0	0	0	0	0
	f	0	0	0	0	0	0	0	0	0

Immigration by country of last residence		
Country of last residence	Alpha-2 code	Total
TOTAL		2.239
EUROPE		2.046

EU (European Union, EU - 15)		135
Belgium	BE	1
Denmark	DK	1
Germany	DE	26
Greece	GR	56
France	FR	8
Ireland	IE	3
Italy	IT	12
Netherlands	NL	11
Austria	AT	3
Sweden	SE	2
United Kingdom	UK	12
EEA (not EU)		3
Norway	NO	3
EFTA (not EEA)		2
Switzerland	CH	2
Central and Eastern Europe		1.852
Albania	AL	261
Belarus	BY	3
Bosnia and Herzegovina	BA	124
Bulgaria	BG	110
Croatia	HR	97
Czech Republic	CZ	6
Estonia	EE	1
Hungary	HU	9
Lithuania	LT	6
Moldova, Republic of	MD	19
Poland	PL	14
Romania	RO	11
Russian Federation	RU	36
Slovak Republic	SK	6
Slovenia	SI	36
Ukraine	UA	45
Yugoslavia, Federal Republic of	YU	1.068
Other Europe		54
Malta	MT	1
Turkey	TR	53
AFRICA		5
Kenya	KE	1
Nigeria	NG	2
Tanzania, United Republic of	TZ	2
AMERICA		110
Brazil	BR	7
Canada	CA	7
Colombia	CO	2
Mexico	MX	1
Paraguay	PY	2
United States of America	US	91
ASIA		53
Armenia	AM	2
Azerbaijan	AZ	1
Bangladesh	BD	1
China (excluding Hong Kong)	CN	20
India	IN	2
Indonesia	ID	1
Iran (Islamic Republic of)	IR	9

Jordan	JO	6
Kazakhstan	KZ	2
Korea, Democratic People's Republic of	KP	2
Sri Lanka	LK	1
Syrian Arab Republic	SY	4
Tajikistan	TJ	
Thailand	TH	1
Uzbekistan	UZ	1
OCEANIA		22
Australia	AU	22
Unknown	UNK	3

Emigration by country of next residence		
Country of next residence	Alpha-2 code	Total
<b>TOTAL</b>		<b>144</b>
<b>EUROPE</b>		<b>144</b>
<b>EU (European Union, EU - 15)</b>		<b>6</b>
Denmark	DK	1
Greece	GR	2
Austria	AT	2
United Kingdom	UK	1
<b>EEA (not EU)</b>		
<b>EFTA (not EEA)</b>		<b>1</b>
Switzerland	CH	1
<b>Central and Eastern Europe</b>		<b>129</b>
Albania	AL	2
Bosnia and Herzegovina	BA	12
Bulgaria	BG	18
Croatia	HR	11
Romania	RO	1
Slovenia	SI	5
Yugoslavia, Federal Republic of	YU	80
<b>Other Europe</b>		<b>8</b>
Turkey	TR	8
<b>AFRICA</b>		
<b>AMERICA</b>		
<b>ASIA</b>		
<b>OCEANIA</b>		
Unknown	UNK	
Source: PIS		
Processing: PIS		

### 3. Please provide the following main social indicators:

a) unemployment rate; vulnerable groups affected by unemployment (youth, women, disabled etc.) male/female;

**b) employment and labour market developments: employment rate of women; employment rate of older workers (55+); highlight regional and sectoral differences and significances;**

**c) income distribution (which indicators; poverty: poverty lines, definitions, percentage of population affected by poverty, highlight vulnerable groups);**

**d) family structure: main trends, number of children per family; age of mother; divorce rate; percentage of one-parent families; percentage of single households.**

**a)**

According to the Labour Force Survey, the main social indicators are as follows:

Unemployment rate of population aged over 15, by age and sex

Age	Gender	1996	1997	1998	1999	2000	2001	2002	2003
Total	Total	31,9	36,0	34,5	32,4	32,2	30,5	31,9	36,7
	male	29,1	33,0	32,5	31,9	30,5	29,5	31,7	37,0
	female	36,2	40,8	37,6	33,3	34,9	32,0	32,3	36,3
15-19	Total	76,7	80,4	76,6	66,3	60,7	57,6	60,2	66,6
	male	73,8	77,1	77,1	67,8	60,9	59,6	59,5	65,4
	female	80,5	85,1	75,9	64,2	60,4	54,9	61,1	68,1
20-24	Total	66,6	71,9	68,8	61,7	59,6	55,7	57,8	65,5
	male	65,3	70,2	66,5	62,3	57,2	56,6	57,7	65,1
	female	68,5	74,6	72,6	60,9	63,0	54,4	58,0	66,0
25-29	Total	48,2	53,8	51,8	51,2	49,7	44,1	48,0	50,8
	male	45,0	50,1	49,4	51,4	45,9	41,1	47,5	50,9
	female	52,9	58,7	55,4	51,0	55,4	48,2	48,8	50,6
30-34	Total	34,5	37,5	38,2	36,2	36,0	36,0	36,2	43,0
	male	30,1	32,3	34,4	34,8	33,4	33,4	36,7	43,5
	female	41,0	45,4	43,9	38,3	39,6	39,6	35,4	42,3
35-39	Total	21,9	26,9	23,0	26,5	25,5	26,0	29,7	32,7
	male	20,2	24,4	21,9	25,5	23,7	25,2	28,3	32,9
	female	24,3	30,3	24,5	27,7	28,0	27,2	31,5	32,4
40-44	Total	15,8	20,2	19,8	18,0	21,6	20,8	22,1	26,1
	male	13,6	17,7	17,8	17,5	19,5	19,5	21,9	26,9
	female	18,7	23,7	22,8	18,7	24,4	22,7	22,4	24,9
45-49	Total	14,8	18,0	15,9	15,9	17,7	16,9	19,5	21,9
	male	13,6	18,4	14,4	14,5	17,2	16,1	18,9	22,5
	female	16,4	17,4	18,1	18,0	18,5	18,0	20,3	20,9
50-54	Total	10,3	13,8	16,9	17,8	16,9	16,8	18,2	22,6
	male	10,3	14,0	16,7	18,9	18,0	17,8	17,8	23,0
	female	10,1	13,2	17,5	15,8	15,0	15,3	19,0	21,9
55-59	Total	9,3	12,0	15,8	15,5	18,4	14,3	17,6	23,2
	male	9,3	11,9	16,9	16,2	20,1	16,5	20,0	26,6
	female	9,6	12,2	11,7	13,4	13,5	9,4	11,9	15,9
60-64	Total	10,1	7,7	8,1	8,8	11,3	10,8	16,1	14,3
	male	10,8	9,1	9,2	10,1	12,5	12,2	19,4	18,5
	female	7,8	0,0	3,8	4,0	8,3	6,5	5,9	1,4
65 +	Total	3,0	6,6	1,5	5,0	7,8	3,1	2,7	2,1
	male	2,9	5,9	1,1	5,5	8,9	2,6	3,2	2,3
	female	3,2	8,4	2,3	3,4	5,4	3,8	1,7	1,9

Source: State Statistical Office of the Republic of Macedonia

Unemployment rate of population aged 15-24 by sex

		1997	1998	1999	2000	2001	2002	2003
Total		36,0	34,5	32,4	32,2	30,5	31,9	36,7
	15-24	74,2	70,9	62,9	59,9	56,1	58,4	65,7
Male	total	33,0	32,5	31,9	30,5	29,5	31,7	37,0
	15-24	72,0	69,2	63,6	58,1	57,4	58,1	65,2

Female	total	40,8	37,6	33,3	34,9	32,0	32,3	36,3
	15-24	77,5	73,5	61,8	62,4	54,5	58,8	66,5

Source: State Statistical Office of the Republic of Macedonia

The State Statistical Office does not calculate poverty and social exclusion indicators according to the income distribution.

The national indicators on poverty are calculated by the State Statistical Office according to official methodology using data from the Household Consumption Survey.

The national standard for calculation of poverty level is the relative method which defines poverty at the level of 70% of the median equivalent consumption, with application of the OECD equivalent scale. After defining the poverty threshold, percentage of households living under the poverty line is established. In 2002, the limit was 64.946 MKD, while in 2003, 63.197 MKD. According to these limits of poverty, 30,21% of the households lived under the poverty line in 2002. The percentage of poor households was 30,17% in 2003.

The following are defined as vulnerable groups :

- persons who are already social benefit users
- persons who lost their jobs due to reforms and bankruptcy of enterprises
- long-term unemployed persons
- pensioners

According to the poverty calculations by profile, it may be concluded that the most affected households are the ones with more members, households whose head is at the age under 40 or has not any qualifications or has low level of education.

**b)**

Unemployment rates of population aged over 15, by age and sex

Age	Gender	1996	1997	1998	1999	2000	2001	2002	2003
Total	Total	37,4	34,4	35,9	35,9	35,8	38,6	35,8	34,5
	male	47,5	44,6	45,4	44,6	44,7	46,3	43,5	41,3
	female	27,4	24,4	26,3	27,2	27,1	30,9	28,1	27,7
15-19	Total	5,5	4,4	5,2	6,2	6,9	8,3	6,6	5,1
	male	7,0	6,0	6,0	6,9	7,9	8,7	7,4	5,8
	female	4,0	2,8	4,3	5,5	5,8	7,9	5,8	4,5
20-24	Total	21,7	18,2	20,4	23,6	23,6	26,8	23,5	19,1
	male	25,8	22,7	25,7	27,8	29,2	29,5	28,2	22,5
	female	17,3	13,4	14,5	19,2	17,9	24,0	18,0	15,5
25-29	Total	39,0	35,2	36,4	35,8	36,7	41,8	38,2	37,3
	male	49,2	44,0	45,1	43,1	47,0	50,4	45,4	43,2
	female	28,9	26,6	27,2	27,7	26,2	32,9	30,5	31,1
30-34	Total	52,5	48,7	49,9	50,0	49,3	51,1	51,8	45,2
	male	64,9	63,1	62,1	60,1	59,6	60,3	58,8	51,3
	female	39,1	34,2	37,2	40,0	38,8	41,5	44,7	38,8
35-39	Total	63,2	58,9	60,2	58,9	59,0	59,6	57,7	54,4
	male	74,1	69,7	71,7	69,0	68,8	68,9	67,3	62,3
	female	51,9	47,7	49,2	49,2	49,2	50,0	48,2	46,0
40-44	Total	67,2	62,6	64,6	65,2	62,8	64,2	62,3	59,0
	male	79,0	76,5	76,1	75,8	73,2	73,9	72,3	67,6
	female	55,1	49,5	52,5	53,7	52,1	54,3	51,9	50,1
45-49	Total	63,3	58,9	61,4	60,0	60,9	62,8	60,2	59,4
	male	76,6	72,0	74,7	73,4	72,7	72,6	71,9	69,2
	female	50,5	46,7	48,6	46,9	49,1	52,8	48,5	49,1
50-54	Total	52,6	49,0	46,9	51,3	50,8	54,3	52,7	50,2
	male	72,4	67,6	64,1	66,2	65,0	65,8	68,0	62,3
	female	31,7	29,8	30,6	36,5	37,4	43,3	38,1	38,5



55 +	Total	16,0	14,1	16,5	15,4	14,9	18,2	15,6	16,5
	male	25,6	23,7	26,3	24,3	22,9	25,8	22,6	23,4
	female	7,3	5,4	7,5	7,3	7,9	11,5	9,1	10,5

Source: State Statistical Office of the Republic of Macedonia

	Total number of employees			Employees in Enterprises 1)			Self-employed 2		
	Total	women	% women participation	Total	women	% women participation	Total	women	% women participation
1990	522.543	192.242	36,8	507.324	189.212	37,3	15.219	3.030	19,9
1991	671.886	182.440	27,2	468.372	174.159	37,2	38.698		##
1992	655.710	177.499	27,1	446.117	167.933	37,6	37.504	9.566	25,5
1993	632.063	168.840	26,7	421.028	158.228	37,6	36.187	10.612	29,3
1994	619.032	157.577	25,5	395.686	148.299	37,5	37.440	9.278	24,8
1995	608.153	141.701	23,3	356.617	132.834	37,2	35.314	8.867	25,1
1996	612.064	246.620	40,3	339.824	128.271	37,7	34.668	8.612	24,8
1997	319.453	121.666	38,1	319.453	121.666	38,1	-	-	-
1998	310.213	121.924	39,3	310.213	121.924	39,3	-	-	-
1999	315.792	127.389	40,3	315.792	127.389	40,3	-	-	-
2000	311.716	127.040	40,8	311.716	127.040	40,8	-	-	-
2001	297.780	121.795	40,9	297.780	121.795	40,9	-	-	-
2002	279.854	116.075	41,5	279.854	116.075	41,5	-	-	-

**The State Statistical Office does not monitor the regional and sectoral trends of the labour market.**

c)

The main and the most important source of data and information on measurement and monitoring of poverty and standard of living of the population in the country is the *Households Consumption Survey* carried out by the State Statistical Office. This Survey collects detailed data and information on income and expenditures of households, their personal opinions on the necessary level of monthly income, and data on other characteristics of the living standard of households.

The activities for establishment of mechanisms for measurement, analysis, and monitoring of poverty in the Republic of Macedonia have begun in 1996. These activities are carried out with financial and technical assistance of the World Bank within the Project "Social Reforms-Technical Assistance." The project activities include establishment and definition of methodological principles, basic concepts and definitions for poverty measurement in the Republic of Macedonia, determination of measures for improvement of the quality of the available data and the need for increase of the sample of households covered by the Household Consumption Survey, determination of experimental poverty lines using the absolute and relative method of calculation, determination of the basic indexes of poverty for various profiles. The first calculations and indicators of poverty in the Republic of Macedonia for the period 1994-1996 are treated as experimental because they were mainly used for examination and selection of the methods, instruments and indicators for measurement and monitoring of poverty.

The results obtained from the measurement from 1997 and onwards have been the basis for analysis and monitoring of the poverty in the Republic of Macedonia.

Significant changes and improvements regarding the structure and contents of the Household Consumption Survey were introduced in 2002 in accordance with the EU practice, when the use of journals where the selected households record the necessary data and information in details, was introduced as well.

During 2001 and 2002, the National Strategy for Poverty Reduction of the Republic of Macedonia was developed and published (the document was published in August, 2002). This document was developed by the members of the Committee for development of Strategy on Poverty Reduction with participation of government representatives from all relevant ministries, the State Statistical Office, and number of experts, university professors and scientists, supported by the World Bank and other international institutions.

Within the Social Support Project of the World Bank ' implemented during the period 2000-2002, the sub-component *Monitoring of Poverty* included several measures and activities directed towards strengthening and improvement of the poverty monitoring capacity in the Republic of Macedonia through improvement of the possibilities for calculation of poverty line, and analyses which would serve as a starting point for determination of the poverty characteristics and creation of the social policy.

For the activities of this sub-component, a *Working Group for Poverty Monitoring* was established with representatives from the State Statistical Office, the Ministry of Labour and Social Policy, the Ministry of Health, and the Ministry of Education and Science.

The goal of the working group is participation in regular estimation of the poverty in the country, construction of poverty profiles identification of the basic characteristics of the poor people, providing information on the causes of poverty, permanent and regular update of the poverty profile, analysis of the efficiency of the policy and measures for alleviation of poverty, etc. During that period, financially and technically supported by the World Bank, several seminars, workshops, and training sessions were held, with participation of the Working Group members, which further improved their knowledge and skills for calculation and analyses of poverty and its characteristics.

In 2004, great progress was achieved in the increase of accessibility and use of data available at the State Statistical Office, collected by surveys it conducts. The collected data will contribute to increase of the capacity and possibilities of the relevant institutions in monitoring of poverty and analysis of the effects of certain policies. Cooperation Agreement has been signed by the State Statistical Office and the Ministry of Labour and Social Policy, which defines the procedures for provision and communication of micro-data collected by the State Statistical Office to the Ministry of Labour and Social Policy. These data will be used for analysis that will enable monitoring of poverty, monitoring of policy enforcement, evaluation of the effects of specific policies, measures and programmes and creation of new and improvement of the existing measures and policies. These activities will help the analysis of poverty characteristics in the country, analysis of the occurrence frequency of various social transfers with various socio-economic categories of households, analysis of characteristics of persons/households who use various social transfers (pensions, social benefits, children allowance, unemployment benefits), estimation of the participation of various social transfers in the total income of households who receive benefits, estimation of the efficiency and effectiveness of social transfers, estimation of the criteria for targeting transfers and review and analysis of possibilities and methods for improvement of targeting, etc.

The World Bank project on poverty estimation in the Republic of Macedonia will be implemented in the next three years (2004-2006). This project is planned as a joint activity of experts from the World Bank and the Ministry of Labour and Social Policy, the Ministry of Education and Science, the Ministry of Finance, the Ministry of Health, and the State Statistical Office. The activities of the project will be focused on several issues: review and improvement of the system of poverty indicators, poverty mapping, providing recommendations for the volume of collected statistical data, recommendations for supplementing the contents of the Household Consumption Survey by introducing new data and information on poverty dimensions not related to finances (access to employment, education, health, social services), making several analyses on the poverty profile, the influence of the labour market status on poverty, use of social transfers, etc.

## The Basis of the methodology for definition and measurement of poverty

**definition**

Considering the orientation of the Macedonian statistics towards international standards and the need for providing internationally comparable data, the definition of EUROSTAT is used as a starting definition of poverty, according to which poor people are persons, families and groups of persons whose resources (material, cultural and social) are at such level which excludes them from the minimum acceptable way of living in the country of residence.

**poverty lines**

The poverty line is defined as a level of living standard to be achieved in order to avoid classification of the person/household as poor.

- Relative poverty line (relative standard of existence determined as a necessary level of expenses);
- Calculation of the relative poverty line

The concept of expenditures is used for calculation of the relative poverty line. According to it, all the expenditures for food and non-alimentary goods and services are taken into consideration, including the value of the consumption of home made products. The consumption does not include the expenditures in form of transfers such as memberships, contributions, gifts, loan payments, and savings. The expenditures in the form of investments such as buying and investing in own homes, as they do not comprise the existential budget, are not included as well.

The poverty line is established at the level of 70% of the median equivalent expenditure.

**d)**

Number of families and number of children per family			
Censuses	Number of families	Number of children in the families	Number of children per family
1994	539.555	788.975	1,5
2002	574.159	791.975	1,4
Source: 1994 Census and 2002 Census			

Single Parent Families			
Censuses	Number of families	Number of children in the families	Number of children per family
1994	539.555	51.642	9,6
2002	574.159	49.805	8,7
Source: 1994 Census and 2002 Census			

Single households			
Censuses	Number of families	Number of children in the families	Number of children per family
1994	501.963	44.637	8,9
2002	564.237	53.861	9,5
Source: 1994 Census and 2002 Census			

	Number of families in a household with :									Total number of :	
	2 members	3 members	4 members	5 members	6 members	7 members	8 members	9 members	10 and more members	Families	Members of families
Total number families	106.101	103.181	167.105	84.990	63.560	24.060	10.172	5.780	9.209	574.158	1.890.486
Families in a	106.101	103.181	153.679	56.168	16.055	4.719	1.518	510	228	442.159	1.507.019

household with one family											
Married couple without children	84..659	7.404	434	55	12	3	-	-	-	92.567	185.134
Married couple with children	-	80.996	147.413	54.187	15.343	4.484	1.459	481	214	304.577	1.201.315
1 child	-	80.996	10.476	461	32	8	2	-	-	91.975	275.925
2 children	-	-	136.937	22.666	586	35	6	5	-	160.235	640.940
3 children	-	-	-	31.060	5.600	186	13	6	4	36.869	184.345
4 children	-	-	-	-	9.125	1.507	60	6	-	10.698	64.188
5 and more children	-	-	-	-	-	2.748	1.378	464	210	4.800	35.917
Unmarried couple without children	2..209	288	26	1	2	-	-	-	-	2.526	5.052
Unmarried couple with children	-	1.269	1.267	596	245	81	24	14	5	3.501	13.729
1 child	-	1.269	173	11	3	-	-	-	-	1.456	4.368
2 children	-	-	1.094	161	8	2	1	1	-	1.267	5.068
3 children	-	-	-	424	78	3	-	-	1	506	2.530
4 children	-	-	-	-	156	24	2	-	-	182	1.092
5 and more children	-	-	-	-	-	52	21	13	4	90	671
Single mother with children	15..532	10.506	3.521	1.033	332	109	25	10	6	31.074	80.825
1 child	15.532	1.985	123	6	4	-	1	-	-	17.651	35.302
2 children	-	8.521	1.222	51	4	1	-	-	-	9.799	29.397
3 children	-	-	2.176	308	17	3	-	-	-	2.504	10.016
4 children	-	-	-	668	88	6	-	-	-	762	3.810
5 and more children	-	-	-	-	219	99	24	10	6	358	2.300
Single father with children	3..701	2.718	1.018	296	121	42	10	5	3	7.914	20.964
1 child	3.701	599	38	6	3	-	-	-	-	4.347	8.694
2 children	-	2.119	389	18	1	3	-	-	-	2.530	7.590
3 children	-	-	591	92	5	2	-	-	-	690	2.760
4 children	-	-	-	180	41	4	1	-	-	226	1.130
5 and more children	-	-	-	-	71	33	9	5	3	121	790
Families in a household with two and more families	-	-	13.426	28.822	47.505	19.341	8.654	5.270	8.981	131.999	383.467
Married couple without children	-	-	10.429	12.698	18.564	5.600	2.322	1.323	1.872	52.808	105.616
Married couple with children	-	-	-	12.420	26.082	12.298	5.409	3.369	6.284	65.862	244.975
1 child	-	-	-	12.420	8.202	4.474	1.848	1.143	1.489	29.576	88.728
2 children	-	-	-	-	17.880	4.010	1.849	1.357	2.671	27.767	111.068
3 children	-	-	-	-	-	3.814	887	509	1.359	6.569	32.845
4 children	-	-	-	-	-	-	825	183	487	1.495	8.970
5 and more children	-	-	-	-	-	-	-	177	278	455	3.364
Unmarried couple without	-	-	465	353	251	150	96	49	76	1.440	2.880

children											
Unmarried couple with children	-	-	-	191	283	205	124	103	166	1.072	3.831
1 child	-	-	-	191	147	102	55	49	63	607	1.821
2 children	-	-	-	-	136	64	38	38	69	345	1.380
3 children	-	-	-	-	-	39	16	11	28	94	470
4 children	-	-	-	-	-	-	15	3	5	23	138
5 and more children	-	-	-	-	-	-	-	2	1	3	22
Single mother with children	-	-	1.989	2.505	1.829	836	544	316	430	8.449	20.438
1 child	-	-	1.989	1.590	1.227	475	286	126	145	5.838	11.676
2 children	-	-	-	915	369	241	153	113	133	1.924	5.772
3 children	-	-	-	-	233	72	64	51	93	513	2.052
4 children	-	-	-	-	-	48	25	21	36	130	650
5 and more children	-	-	-	-	-	-	16	5	23	44	288
Single father with children	-	-	543	655	496	252	159	110	153	2.368	5.727
1 child	-	-	543	367	337	158	85	52	62	1.604	3.208
2 children	-	-	-	288	108	58	45	39	54	592	1.776
3 children	-	-	-	-	51	21	18	11	25	126	504
4 children	-	-	-	-	-	15	7	5	11	38	190
5 and more children	-	-	-	-	-	-	4	3	1	8	49

#### 4. How does the described background affect social protection?

##### e) What future developments are expected?

##### f) Which are the economic forecasts for the next 2-3 years?

g) Are there any demographic projections? For which period? How are old-age dependency ratios (population aged 65+ over population aged 15-64) expected to evolve over the coming decades?

h) Are there any forecasts for labour market developments?

i) Outline the general trends and influences of economic, demographic and social developments on the social protection system of your country.

##### e)

Present situation

Population forecast trend has been developed at a national level by sex and age for the period of 1996-2020. The main goal of these forecasts came out from the need to monitor the future demographic development and its influence on the socio-economic development in the upcoming period.

#### Methodological bases for making forecasts

The so-called analytical method was applied to make the projections by 2020. For achieving this goal current changes were analyzed and then hypotheses on future trends were made, based on the main components of the demographic development (fertility, mortality and migrations). The projections of population were made in three basic groups of variants: constant (high), low, and middle.

### Future plans

There is a plan to make forecasts for the population by sex and age for the period 2002-2050 at a national and regional level according to NUTS 3 (8 regions).

Expected number of population (by middle variant with changeable migration)			
2005	2010	2015	2020
2.012.948	2.023.613	2.026.551	2.022.092
Source: State Statistical Office			

Age dependency ratio, 65+/15-64 (by middle variant with changeable migration)			
2005	2010	2015	2020
17,18	18,33	20,26	23,33
Source: State Statistical Office			

f)

Continuity of the reform activities shall be provided with the support of the CARDS Programme, and an employment strategy will be developed which will define concrete economic forecasts for the next period.

g)

On the basis of estimations made from the available data received by the competent institutions (Pension and Disability Insurance Fund of Macedonia, the State Statistical Office, the Ministry of Finances, etc.) as well as according to analysis of current trends and other relevant data and assessments a demographic projections have been made for the period of 100 years.

### Demographic assumptions

The basic demographic assumptions are the assumptions on fertility and mortality rates, i.e., assumptions on life expectancy. The demographic forecasts have been made using three groups of assumptions: optimistic, basic, and pessimistic. According to the basic assumptions, the total fertility rate is forecasted to grow gradually during the period until 2050, and then to stay at a constant level of 2.0 until the end of the forecast period (2100).

According to the latest data from the 2002 Population Census, the forecasts on life expectancy at birth for men and women show continuous increase in the next decades until 2050, when it is foreseen to reach 80 years for women, and 75 for men, and then stay at a constant level.

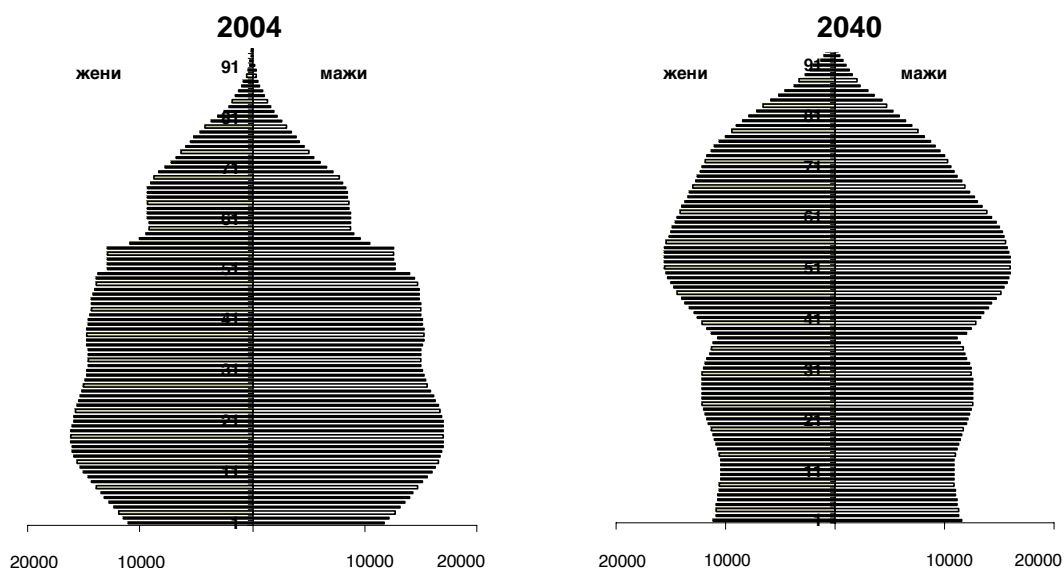
Year	Total fertility rate	Life expectancy			
		at birth		at retirement	
		women	men	women	men
2004	1,5	74,1	69,8	20,3	14,8
2010	1,6	75,3	70,8	18,6	14,7

2020	1,7	76,5	71,9	18,6	14,6
2030	1,8	77,1	72,4	19,0	15,0
2040	1,9	78,8	74,0	20,3	15,9
2050	2,0	80,0	75,0	21,2	16,6
2060	2,0	80,0	75,0	21,2	16,6
2070	2,0	80,0	75,0	21,2	16,6
2080	2,0	80,0	75,0	21,2	16,6
2090	2,0	80,0	75,0	21,2	16,6
2100	2,0	80,0	75,0	21,2	16,6

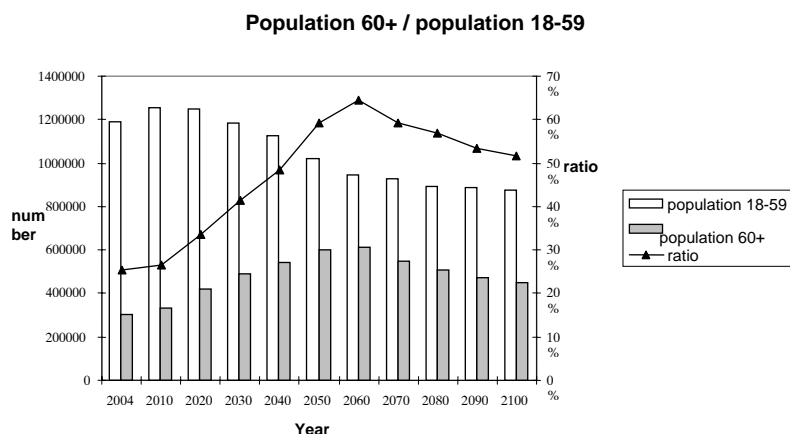
### Demographic forecasts

Using actuary techniques, demographic forecast was made for the population of the Republic of Macedonia for the period 2004-2100 with a particular emphasis on the age structure of the population.

The following graph shows the age structure of population in a shape of age pyramid, as an indicator of the number of population by age and sex for the period 2004- 2040.



The pyramids illustrate the change of population structure as time passes. It can be noticed that the base of the pyramid gets narrower in 2040, which indicates that new generations are reducing, i.e., that the population of the adult groups will not be regenerated. Nevertheless, prolonged lifetime is the reason why the number of population does not decrease, due to which there is also an increase in the absolute number and percentage of elderly people.



The working age population (from 18 to 59), the elderly population (aged over 60) and the ratio between the elderly population and the population able to work are presented on the following graph. This ratio is an indicator of aging of the population.

It can be seen that the number of the population able to work increases during the first ten years of the forecast, but it continuously decreases as a result of the low fertility rate. On the other hand, the old population continuously increases during 60 years, and then it decreases slightly. This is a result of the prolonged lifetime of people due to better living conditions, progress of medicine, better health services, etc.

According to the basic scenario, the ratio of these two groups of population increases from the present 25,5% to 64,4% in 2060, and decreases from 51,5% in 2100. It means that about one third of population over 18 will be old population.

The model – PRISM (developed in Excel programme and supported by computer code of Visual Basic for Applications) was used for the forecasts for period of 100 years. PRISM is a computer model using standard actuary techniques for estimation of the trends of population, the workforce, pensioners, amounts of contributions and pensions and changes of revenues and expenditures of the Pension and Disability Insurance Fund based on different demographic and economic assumptions.

## h)

The Employment Agency does not publish indicators and data on forecasts for trends and labour market condition for now. However, with the Project “Technical Assistance for Institutional Building as Support of Employment Policy” as part of the CARDS Programme, the conditions will be created to enable the Employment Agency to direct part of its activity towards concrete activities for research and analyses of the labour market.

A new department will be established at the Agency which will focus on these issues. As part of the activities leading towards introduction of new methods and techniques of work, a number of trainings on labour market research were conducted by international experts, to which all employees have attended.

## i)

The network of social protection in our country can hardly cover all the socially affected groups due to shortage of financial, human, and institutional resources. The role of the social protection is reduced only to alleviation, and not to reduction or prevention of poverty. The new amendments to the Law on Social Protection have contributed to the pluralization of the social protection network by enabling private and NGO sector to provide certain services in the field of social protection which is expected to improve the quality and accessibility of services for the beneficiaries.



As for the pension and disability insurance, analyses indicate that if the existing pension system is kept, the Pension and Disability Insurance Fund of Macedonia will work without liquidity and with deficit which will increase in time. The financial work of the Fund is carried out within the planned funds, but besides the biggest participation of the salary contributions in the structure of the total revenues, funds provided by the Budget of the Republic of Macedonia significantly influence the current liquidity and fulfilment of the Fund obligations.

Macedonia, like other countries with pay as you go systems, will face demographic changes with negative influence on the system. The actuary forecasts indicate that the pay as you go system will face a big and lasting deficit on long-term as a consequence of the forecasted trend of aging population which will increase the number of old population compared to the working age population. The demographic changes (caused by the projected decrease of the fertility rate and the increased life expectancy which modify the population structure) will have a negative impact on the pension system changing the ratio of insured person vs pensioner, which is of great importance for the pay as you go system.

Analyses of the structure of financial social assistance recipients shows that this benefit has been mainly exploited by the unemployed but fit for work persons. This indicates that the unemployment has a direct effect on the number of users of the financial social assistance, on the duration as well as on the amount of the allocations that the unemployed are using in the social protection system.

## ***B. Overview of the social protection system***

### **1. Please provide information on the general philosophy and the main principles and mechanisms of the social protection system: is the system employment-centred or citizen-centred, what are the main distributional effects of the system, who is included/excluded?**

While the main philosophy and principle of the system of social protection is citizen oriented, the main rights deriving from the social insurance system (with the exception of the health insurance system which is also universal) are employment centred.

Health insurance in the Republic of Macedonia is regulated by the Law on Health Insurance. The compulsory health insurance is established for every citizen of the Republic of Macedonia upon the principles of comprehensiveness, solidarity, equality, and effective use of assets. The compulsory health insurance is carried out by the Health Insurance Fund of Macedonia, an independent and unique financial institution for implementation of compulsory health insurance. Beside the compulsory health insurance, the Law also regulates the voluntary health insurance for the purpose of providing health services which are not covered by the compulsory health insurance.

The compulsory health insurance includes almost the whole population of the Republic of Macedonia either as insured persons or as family members. It includes the employed persons, self-employed persons, persons doing agricultural or similar business, beneficiaries of pensions and other rights related to pension and disability insurance, veterans, temporary unemployed persons, war and civil invalids, social rights beneficiaries, etc. The insured persons covered by the compulsory health insurance have to pay contribution.

The obligatory pension and disability insurance that is based on the employment record, and also on the principle of social justice and generation solidarity, provides rights in the case of aging, reduction or loss of working capability, death and physical injuries. The rights from the pension and disability insurance are attained and exercised depending on the period and amount of investment in pension and disability insurance.

The central activities of the unemployment insurance system are focused on protection of the unemployed - through financial compensation as well as active measures and rights until conditions and opportunities for their employment are created.

The rights from unemployment insurance are attained upon the principle of solidarity and mutuality and they are derived from the labour relations. Depending on the period and amount of investment, the period and the amount of the right is determined, provided that the right to financial compensation can not be exercised if the labour relations have terminated by will or guilt of the employee.

Pursuant to the Constitution of the Republic of Macedonia, the state takes care of social protection of citizens and implements it in accordance with the principle of social justice. The rights of the citizens to social protection are based on the principle of social justice and solidarity.

The social protection system has been established as an organised activity to prevent and overcome the basic social risks to which the citizen, a family or a group of population during their lifetime might be exposed to. As social risks are considered: health risks (disease, injury, and disability), age risks (old age and surviving), maternity and family risks, unemployment and professional inadaptability and risk from inadaptability to the social environment.

The transfers for social assistance are made through the Social Work Centres to the beneficiaries who have attained the right to social protection. The social protection system is transparent and accessible to all citizens. Citizens can be excluded from the social protection system in case they don't meet the conditions for attainment of the right or a service in accordance with the Law on Social Protection.

**2. Please provide the following specific information (please refer to MISSOC as a model):**

**a) Organisational chart of the social protection system (involved ministries, statutory insurances etc.); discussion of the chart: main institutional responsibilities for the fields of social protection (legislation and administration);**

**b) Centralisation/De-centralisation: Description of the main institutional levels in the social protection system, role of employers and employees, role of NGOs;**

**c) Supervision structures.**

**a)**

Social protection, in the broadest sense, includes:

- health care;
- pension and disability insurance;
- unemployment insurance;
- right to employment and professional training and orientation of the disabled persons;
- civil invalids allowance, allowance and care by third person, health care, professional rehabilitation and allowance for orthopaedic devices to civil invalids;
- financial reimbursement for a family whose provider is doing the military service;
- rights to child care (children allowance, special allowance, assistance for infants and participation;
- social protection rights.

Particular fields are appropriately regulated by various legal regulations:

- Law on Health Insurance (Official Gazette of the RM Nos. 25/00, 34/00, 96/00, 50/01, 11/02 and 31/03)
- regulations covering the field: Law on Pension and Disability Insurance (Official Gazette of the RM Nos. 80/03, 3/94, 14/95, 71/96, 32/97, 24/00, 96/00, 5/01, 85/03 and 04/05)
- Law on Employment and Insurance in Case of Unemployment (Official Gazette of the RM Nos. 37/97, 25/00, 101/00, 50/01, 25/03, 37/04 and 04/05)
- Law on Employment of Disabled Persons (Official Gazette of the RM Nos. 44/00 and 16/04)

- Law on Civil War Invalids (Official Gazette of the RM Nos. 33/76, 25/79, 11/81, 4/85, 12/89, 38/91 and 81/99)
- Law on Rights of the Members of the Family whose Provider is doing the Military Service (Official Gazette of the RM Nos. 12/94)
- Law on Child Care (Official Gazette of the RM Nos. 98/00, 17/03 and 65/04)
- Law on Social Protection (Official Gazette of the RM Nos. 50/97, 16/2000, 17/03 and 65/04)

#### Administrative Organisation/Organisational Structure

The social insurance in the Republic of Macedonia is governed by the following authorities:

- the Ministry of Labour and Social Policy: responsible for development of policy and supervision of all types of social protection, except for health care.
- the Pension and Disability Insurance Fund of the Republic of Macedonia with the regional offices is an independent body, but under supervision of the Ministry of Labour and Social Policy. The Fund is responsible for implementation of the legislation on pension and disability insurance.
- The Employment Agency with its local employment centres is responsible for the rights to unemployment benefits and for implementation of active measures and labour market policies. The Agency is also an independent body under supervision of the Ministry of Labour and Social Policy.
- The Ministry of Health is responsible for policy creation of health care and protection.
- The Health Insurance Fund is an independent institution. Supervision of the legality of the Fund's work is carried out by the Ministry of Health. The Fund is responsible for implementation of health insurance.

The Ministry of Labour and Social Policy deals with labour relations, employment and employability, pension and disability insurance, occupational protection, financial support of the temporary unemployed, wages and standard of living; social policy; social protection of the population not capable for work and social protection of the population capable for work but financially insecure, humanitarian population policy aiming at harmonious economic development; legal marital relations, family and common law marriage; relations between parents and children, guardianship and adoption; improvement of gender equality; protection of children and underage persons; protection of youth and women; protection of persons with disabilities; protection of civil war invalids and of the families whose provider is doing military service; protection of veterans of the World War II and all wars for national liberation of Macedonia, of the war invalids, of persons prosecuted and imprisoned for the ideas of independence of the Macedonian people and the state and the members of their families who are not able to provide for their material and social existence; supervision within its competencies and other issues determined by law.

Integral parts of the Ministry of Labour and Social Policy are the Directorate for Veterans' and War Invalids' Issues and the State Labour Inspectorate.

#### Social Protection Institutions

- Social Work Centres
- Institution for accommodation of children and youth without parents and parental care
- Institution for accommodation of children and youth with educational and social problems and behaviour disorders
- Institution for accommodation of children and youth with intellectual development impediments
- Institution for accommodation of children and youth with physical disabilities
- Institution for accommodation of elderly and adult disabled persons
- Institution for the elderly
- Institution for adult disabled persons
- institution for adults with moderate and severe intellectual development impediments

- Institute for advancement of social activities

The Institute for advancement of social activities carries out research and development functions compatible with the needs of the social protection system, monitors the problems and issues related to child care, family, groups of population exposed to social risk, and supervises the work of the social work centres and social protection institutions. The work of the Institute is regulated by the Law on Social Protection (Official Gazette of the R M Nos. 50/97, 16/00, 17/03, and 65/04).

This Institute is a public institution dealing with social protection.

The Statute of the Institute is adopted by the Management Board and it is also a subject to consent by the Ministry of Labour and Social Policy. The Management Board consists of five members, three of whom are appointed by the founder, i.e., the Government of the Republic of Macedonia, and two of them are representatives of the employees of the Institute. The Director of the Institute is appointed and dismissed by the Minister of Labour and Social Policy.

The Social work centres are public institutions established for the area of one or more municipalities. There are 27 inter-municipal centres for social work established in the Republic of Macedonia with local competency for all municipalities. The social work centres provide services for the citizens, families and population groups exposed to social risk and undertake measures for social prevention, non-institutional care, institutional care, and rights to social assistance.

The Social Work Centre is managed by a Management Board consisting of five members appointed by the founder, one of whom is proposed by the municipality council where the social work centre is located, i.e., the City of Skopje, one member from the experts of the social work centre and three members from the founder, i.e., the Government of the Republic of Macedonia.

### **Pension and Disability Insurance Fund of the Republic of Macedonia**

Rights regarding pension and disability insurance are attained and exercised with the Pension and Disability Insurance Fund of the Republic of Macedonia

The Law on Pension and Disability Insurance and the Statute of the Fund regulate the PDI Fund as a legal entity and the activity of the Fund of public interest.

Competencies of the PDI Fund are the following: implementation of the development policy of the pension and disability insurance, monitoring and analysis of the pension and disability insurance conditions; proposal of measures to be taken for promotion of the pension and disability insurance system; measures for efficient and regular collection of payments of the pension and disability insurance contribution; measures for rational use of the funds necessary for providing the pension and disability insurance rights; implementation of international treaties and bilateral agreements on pension and disability insurance; other activities determined by law, statute, or other general acts of the Fund.

The Ministry of Labour and Social Policy carries out supervision of the work and legality of activities of the PDI Fund.

The Management Board of the Fund submits a report on its work to the Government of the Republic of Macedonia at least once a year.

### **Employment Agency of the Republic of Macedonia**

Within its scope of activities, the Employment Agency of the Republic of Macedonia decides on the rights of the unemployed at first instance and carries out payment of financial benefits in accordance with the decision made, monitors the employability, employment and unemployment and their mutual influence, upon which measures for employment improvement are proposed, keeps records for both the unemployed and the employers, acts as mediator in the employment process between the employer and the unemployed,, monitors the needs for employment, co-operates with the employers,

provides information to the employers and the unemployed about the labour market, mediates for employment of the unemployed and other persons from the Republic of Macedonia looking for a job abroad, gives an approval for employment to foreign citizens and persons without citizenship in the Republic of Macedonia, manages and directs funds from employment contribution and other funds provided for these purposes, and carries out other activities in accordance with the Statute of the Employment Agency of the Republic of Macedonia (Official Gazette of the RM Nos. 10/98, 16/99, 45/01, and 34/02).

By the amendments to the Law on Employment of Disabled Persons, a Special Fund for creating conditions for employment and work of disabled persons was established. The funds of this Fund are used to exercise the rights to training for a job (professional rehabilitation) and employment of disabled persons.

### **Health Insurance Fund of the Republic of Macedonia**

In the Republic of Macedonia there is compulsory health insurance for all citizens based on the principles of comprehensiveness, solidarity, equality, and efficient use of funds. The compulsory health insurance is being implemented by the Health Insurance Fund of Macedonia (hereinafter referred to as the Fund), as independent and the only financial institution given rights and obligations for implementation of the compulsory health insurance on the territory of the Republic of Macedonia. In accordance with the Article 53 of the Law on Health Insurance (Official Gazette of the RM Nos. 25/00, 34/00, 96/00, 50/01, 11/02 and 31/03), the Fund is a legal entity and carries out activities of public interest, executes public authorisations, and it is independent in its work.

The Law on Health Insurance provides the Fund with rights, obligations, and responsibilities to plan and collect the funds from the compulsory health insurance contribution, to regulate the method for eligibility rights and obligations of the insured persons by means of general acts, to provide attainment of rights from the compulsory health insurance for the insured persons, to pay for health services and financial benefits, to undertake measures for efficient, effective and cost-effective use of funds, and other rights and obligations with regards to compulsory health insurance.

The Fund is managed by a Management Board as the highest and only managing body of the Fund's activities. The Management Board consists of 13 members appointed by the Parliament of the Republic of Macedonia with a two year mandate, as follows: six representatives from the insured persons, two representatives from the employers, three representatives from the health institutions, one representative from the Ministry of Health, and one from the Ministry of Finance. The mandate of the Management Board members is two years.

The director of the Fund organizes the work of the Fund. The director of the Fund is appointed by the Management Board, with consent of the Government of the Republic of Macedonia to the decision on appointing. The mandate of the director is four years, with a possibility for one more mandate.

### **b)**

#### **Health Care**

Professional, administrative and other activities of the Fund are carried out by the single expert office for the whole territory of the country. The Expert Office is organised in:

- central office with headquarters in Skopje, carrying out the most expert activities such as: management, normative and legal issues, economic and analytical issues, financial and accounting issues, control functions, information technology and other issues providing unification in performing the activities of the Fund, and
- thirty local offices organised for the area of one or more municipalities, where the insured persons are provided conditions for attainment of their rights and obligations from the compulsory health insurance.

Employment: the Employment Agency of the Republic of Macedonia has been established as a part of the system for unemployment insurance, which has an Office at the national level, and local offices, i.e., 30 employment centres, operating at the local level, which are not legal entities.

The social protection is carried out by public institutions established by the Government of the Republic of Macedonia by the Decision for Establishment of Network with the necessary type and number of public institutions. There is also a legal possibility to establish private social care institutions (except for establishment of social work centres and institutions for accommodation of children with educational and social problems) using method, conditions, and procedure stipulated by Law. The decision for establishment of private social care institutions is made by the Government of the Republic of Macedonia, whereas the Ministry of Labour and Social Policy issues a licence certifying the fulfilled legal conditions necessary for initiation of the activity.

The municipality bodies also have a possibility to establish public institutions, except for establishment of social work centres and institutions for accommodation of children with educational and social problems.

The amendments to the Law on Social Protection adopted in September, 2004 provided decentralisation of the public institutions for the elderly which completely fall under the jurisdiction of municipalities, i.e., the City of Skopje, depending on the region where these are established. The municipality bodies, and the City of Skopje, have the right to decide on housing of the social protection beneficiaries and to develop non-institutional and institutional forms of protection, to adopt social protection programmes and provide funds for its implementation. These programmes are implemented by the social work centres.

Day care centres for daily and temporary care of socially excluded persons may be established as independent institutions or as part of the public institutions by the state, by the individuals and legal entities, and by the local self-government units. The policies of the Ministry of Labour and Social Policy enable a possibility for the day care centres established by the state to be decentralised gradually and to fall under the competence of municipalities.

The supervision of the work of municipalities with regards to the application of the Law on Social Protection is carried out by the Ministry of Labour and Social Policy.

The municipalities, i.e., the City of Skopje, take over the founding rights and obligations to the existing public institutions for the elderly by Decision of the Government of the Republic of Macedonia depending on the location of the respective institution. The director of the Public Institution for the elderly is appointed by the Mayor of the municipality, i.e., the City of Skopje. The employees will attain their employment rights as employees of a public institution established by the municipality.

The amendments to the Law on Social Protection introduce in the social protection system a possibility for certain social protection activities to be carried out by citizen associations. The Law stipulates introduction of a Registry of Citizen Associations. Certain social protection activities will be carried out with partial financial support given through public competition to a citizen association registered in the Registry of the Ministry of Labour and Social Policy for performing of an entrusted activity. The mutual co-operation between citizen associations and the Ministry of Labour and Social Policy with regards to the methods of carrying out certain social protection activity will be regulated by a contract.

The rights to child care are provided by the state, and the Law on Child Care stipulates that municipalities, the City of Skopje and the municipalities in the city of Skopje can provide wider scope of rights if there are sufficient funds from their own sources.

According to the legal decentralisation amendments in this field, in the function of rationalisation, the decision making on the right to child allowance, special allowance and assistance for infants is competence of the social work centres by procedure prescribed by the Law on Social Protection. Management, ownership, investments and maintenance of kinder gardens is devoluted to the competence of municipalities.

The founding rights and obligations for the existing public institutions for children, i.e., kinder gardens, have been taken over by municipalities, i.e., the City of Skopje, depending on the area where the seat of the respective institution is situated, by Decision of the Government of the Republic of Macedonia. The Mayor of the municipality, i.e., the City of Skopje, appoints the director of the public institution for children, i.e., the kinder garden. The employees attain their employment rights as employees of a public institution established by the municipality. Tutors employed with the public kinder gardens working with groups of children aged over 5 and up to 7, shall be taken over by the elementary schools as of 1 September, 2006 in accordance with the Law on Primary Education.

c)

### **Health Care**

The Health Insurance Fund, bearer of public functions, has an obligation to submit a report on its work to the Ministry of Health, the Government and the Parliament of the Republic of Macedonia at least once a year. The annual report is submitted within 60 days of the date of expiry of the timeline for submission of the annual account of the Fund.

The Ministry of Health monitors the work of the Fund, and the general acts adopted by the Management Board for implementation of the health insurance are subject to consent by the Ministry of Health.

Social Protection: the Ministry of Labour and Social Policy carries out the supervision of the whole social protection system, including the supervision of legality of the public institutions activities, as well as supervision on individuals and legal entities licensed for performing social protection activities.

The Ministry may interrupt the execution of general acts of any social protection institution and initiate proceedings for evaluation of the constitutionality and legality before the Constitutional Court of the Republic of Macedonia.

The Ministry may order termination of activities and duties given to individuals and legal entities if it considers the activity detrimental to the clients.

Having the right to control over the legality, the Ministry may cancel or abrogate any individual act (decision) of any social protection institution.

The supervision of the professional work of the social protection institutions both for individuals and legal entities performing such activity is carried out by the Institute for Advancement of Social Activities. The objectives of the supervision are control of the efficiency, pointing out the shortcomings, professional assistance and improvement of the institutions' activities.

The centres decide on all the social protection rights and provide non-institutional assistance to citizens. The centre unites public authorisations and the professional social protection. Therefore, it decides in accordance with the General administrative procedure of first instance on rights determined by special regulations, whereas the Ministry of Labour and Social Policy decides on a second instance appeal.

Court protection is carried out by the possibility for initiation of administrative proceedings before the Supreme Court.

The pension and disability insurance rights are attained with the PDI Fund (competent body in first instance resolution). A Commission of the Government of the Republic of Macedonia decides in second instance on the pension and disability insurance rights attained with the PDI Fund. Court protection against further decisions in administrative proceedings is provided by registering administrative proceedings before the Supreme Court of the Republic of Macedonia.

Integral part of the regulations that regulate pension insurance is the Law on Compulsory Fully Funded Pension Insurance (Official Gazette of the RM Nos. 29/02, 85/03, and 40/04) whose

implementation is a planned activity. The date of implementation of the Law on Compulsory Fully Funded Pension Insurance is related to the date of issuance of the first continuous emission of government bonds, but not later than six month of the date. This Law regulates the establishment of the Agency for supervision of the compulsory fully funded pension insurance. The Agency for supervision of the compulsory fully funded pension insurance is an agency responsible for supervision of the work of the companies that will manage the private pension funds and the pension funds. This Law also regulates that the Ministry of Labour and Social Policy will supervise the legality of the activities of the Agency. In order to have a complete legislation regulating the newly reformed pension insurance system, the Ministry has a planned activity on development and adoption of a Law on Voluntary Fully Funded Pension Insurance.

The system of acquiring the rights of children in accordance with the Law on Child Care, all rights referring to financial benefits (child allowance, financial reimbursement for assistance and care of other persons and assistance for infants) are financed from the Budget of the Republic of Macedonia. The Ministry of Labour and Social Policy creates the policy of child care and supervises the implementation and attainment of the rights of children in accordance with the cited regulation.

### **3. Please provide information on financing of social protection:**

**a) Main financing sources of social protection (taxes, contributions, state subsidies) and institutions involved (State, parafisci, regional authorities, NGOs, private households etc.);**

**b) Main financing principles for the fields of social protection (pay-as-you-go, funded financing);**

**c) Financial administration of social protection: contribution rates, contribution base and tax base; is there an upper (lower) ceiling?**

**a)**

Financing of the Health Protection System

The health protection system of the Republic of Macedonia is funded by several sources. The most significant source for financing are the funds from the contributions for obligatory health insurance providing for more than 90% of the total funds for health care and the rights related to it. Apart from the funds from contributions, health care is also funded by revenues from the financial participation of the beneficiaries; from the Budget of the Republic; from enterprises and organisations, from citizens as users of medical services; from donations and from other sources.

The health insurance in the Republic of Macedonia is constituted by the Law on Health Insurance. The obligatory health insurance has been instituted for all the citizens of the Republic of Macedonia on the principles of comprehensiveness, solidarity, equality, and efficient funds' usage. The obligatory health insurance is being implemented by the Health Insurance Fund of Macedonia, as an independent and central financial institution for the implementation of the obligatory health insurance. Apart from the obligatory health insurance, the Law institutes voluntary health insurance for providing medical services not covered by the obligatory health insurance.

Almost the whole of the population of the Republic of Macedonia is covered by the obligatory health insurance as beneficiaries or as family members of the insured person. It covers the employed, the self-employed carrying out independent activity, persons carrying out agricultural or similar activities, beneficiaries of pensions and other rights pertaining pension and disability insurance, veterans, temporary unemployed persons, war and civil disabled persons, beneficiaries of social care rights etc.

The health protection uses revenues from the Budget of the Republic of Macedonia for implementation of special programmes for preventive health care, protection from special diseases



which are also a social problem, treatment of persons not being covered by the obligatory health insurance, and health care for special population groups. Participation of the aforesaid funds in the total revenues of health care is less than 1%.

As revenues of health protection are deemed the funds paid by the enterprises and other organisations upon contracts concluded with medical institutions with regards to medical services for the employees thereof not being a part of the basic medical care, medical services being specific health care for employees working under special conditions, performing more strenuous jobs and duties or with regards to services for which they requested accessibility of health care under favourable conditions from the medical institutions,.

Medical institutions realise additional revenues directly from the citizens who use their medical services but are not being health insured, from beneficiaries when using medical services not belonging to the basic service packages. There are no precise data on financial amounts being paid by the patients as for the aforesaid part.

Medical institutions realise additional revenues from international assistance, donations of humanitarian organisations, donations and contributions of organisations and individuals from the country and abroad. There are also no precise data on the amount of the aforesaid revenues.

The Health Insurance Law provides for the possibility of introduction of voluntary health insurance for medical services not being covered by the basic service packages of obligatory health insurance. The aforesaid insurance is carried out by the insurance companies established in accordance with the legislation on insurance, under conditions and using methods determined by the company introducing voluntary insurance. The aforesaid insurance has not been instituted in practice yet due to the wide package of medical services being covered by the obligatory health insurance, to the low standard of living of the population and to the insufficient interest of the beneficiaries and of the insurance companies so far.

By the obligatory health insurance, medical services from the basic package are being provided to the beneficiaries at all levels of health care: at the level of primary health care, at the level of specialist-consultative health care and at the level of hospital health care, including tertiary level. It means that medical examinations, examinations with regards to diagnostics and treatment, pharmaceuticals from the list of medicines determined by the Fund, orthopaedic and other medical instruments are available to all beneficiaries at the health care level, when necessary for the health protection of the beneficiaries, as well as health care abroad.

Medical services are provided by public and private medical institutions in the Republic of Macedonia. Pursuant to the Law, the Fund remits funds to the medical institutions upon contracts for providing medical services to beneficiaries. The contracts determine the type, the scope and the quality of medical services provided to beneficiaries, the compensation to be paid for the medical services contracted and the method of calculation and payment of the compensation for medical services. The aforesaid obligation for contracting applies to the private medical institutions also.

### **Social Protection and Social Insurance**

Pension and disability insurance, health care, as well as insurance for cases of unemployment, are being funded from contributions. The Budget of the Republic also participates in the funding of pension and disability insurance. The Budget provides funds for financing of pensions attained under more favourable conditions, as well as for covering of lack of funds of the Fund.

The pension and disability insurance is obligatory, and is funded on the basis of solidarity of generations. The distribution of the funds for fully funded pension insurance shall be initiated during 2005. The funds collected on the basis of solidarity of generations are the Fund's revenues.

Social protection is funded by the Budget of the Republic of Macedonia.

The Budget finances the following rights:

- permanent financial benefit,
- social financial benefit,
- financial subsidy for assistance and care from a third person,
- health care for the permanent financial benefit users, persons (children or elderly) in foster care and in a social welfare institution, and the beneficiaries of financial benefit for assistance and care, in case they cannot be insured on another grounds,
- salary compensation for shortened working hours of parents caring for disabled children,
- one-off financial benefit and benefit in kind,
- accommodation in a foster family,
- accommodation in a social welfare institution,
- functioning of social welfare institutions,
- financial compensation for civil disabled persons,
- financial benefit for families with providers serving regular military service,

The financing of the social welfare is being carried out on the basis of an annual Programme for social welfare being passed by the Government of the Republic of Macedonia.

The provides a possibility that the social welfare funds may also be acquired by concluding a contract for lifetime support with a beneficiary, endowments, legacies, donations and payments by the beneficiaries for the social services for the purpose of establishing a Fund at the social work centre as a body using the funds for the necessities of the beneficiaries and for the development of the field. Management of the Fund is carried out by a Managing Board that involves also one representative of a municipality with purpose to protect the interests and improvement of rights of the citizens of a particular area. The aforesaid activities are in a stage of establishment and further development.

There is no law on contributions for obligatory insurance in the Republic of Macedonia. The Law on Employment and Insurance in Case of Unemployment stipulates the sources and the method of financing the rights regarding unemployment insurance and the activities of the Employment Agency of the Republic of Macedonia.

Sources for financing of the rights deriving from the unemployment insurance are the following:

- employment contribution being calculated and paid by employers from the gross salary of the employees;
- the Budget of the Republic of Macedonia and
- other sources.

The stipulates that apart from the 15% of the total funds from the existing employment contribution aimed for financing of the aforesaid category of persons, funds are also provided from the following sources:

- the value added tax and the custom duties paid by protective companies to the Budget of the Republic of Macedonia;
- endowments, legacies and
- other sources.

Aiming at creation of better conditions and possibilities and stimulation of employment of disabled persons, a special Fund has been established within the Employment Agency, providing funds for employment, adaptation of working places intended for employment of disabled persons with an employer or as self-employed, and for supply of equipment and adaptation of premises with regards to employment of disabled persons.

## **b)**

The amendments of the Law on Pension and Disability Insurance (Official Gazette of the RM No. 24/00) simultaneously regulate the existing national pension and disability insurance, pension and disability insurance on the basis of solidarity of generations as part of the new pension system as well as the fundamentals of the fully funded pension insurance.

The funds of the pay-as-you-go system are provided by the contributions and they are used for payment of the current pensions. The aforesaid pension system provides pensions defined according to a prior determined formula, and shall be financed by a contribution rate of 13,78%. The rights regarding pension and disability insurance are acquired in case of old age, disability and death.

The obligatory fully funded pension insurance shall be financed with a capital component, and a previously defined contribution. The contribution rate for the second pillar amounts to 7,42% of the employee's gross salary.

The establishment and existence of a multi-layered pension system shall diversify the risks born by each system.

The right of the citizens with regards to social welfare are based on the principles of social justice and solidarity, stipulated by the Constitutional provision that the State provides social protection for the citizens in accordance with the principle of social justice.

### c)

The beneficiaries covered by the obligatory health insurance pay a contribution. The contribution rates are determined by the Decision on the rates, bases and amounts of the contributions for obligatory health insurance (Official Gazette of the RM Nos. 4/01, 50/01). The aforesaid Decision also stipulates the rates and the bases for the obligatory health insurance contributions for each category of beneficiaries.

Bases for health insurance contributions by category of beneficiaries		
Beneficiaries Category	Contribution Base	Rate
1) employed persons	Gross salary and salary allowances	9,2%
2) persons being elected or appointed to permanent duties, public and other offices, if paid for carrying out offices	Gross salary and salary allowances	9,2%
3) citizens of the Republic of Macedonia being in employment with foreign employers or with international missions and organisations, foreign diplomatic and consular missions or being engaged by foreign citizens personally on the territory of the Republic of Macedonia (hereinafter referred to as the 'Republic')	Gross salary and salary allowances	9,2 %
4) persons carrying out an independent activity (self-employed persons)	Gross salary and salary allowances	9,2 %
5) persons in agricultural, cattle-breeding, poultry, apicultural or fishery business as the only or main profession thereof	Net salary for carrying out of the activity, i.e., cadastral revenue determined, but not less than the lowest amount determined by virtue of the collective agreement	9,2%
6) pensions and financial benefit beneficiaries in accordance with the regulations for pension and disability insurance, as well as citizens of the Republic of Macedonia receiving age or disability pensions from foreign insurance holders while residing on the territory of the Republic	Pension	14,694%
7) temporary unemployed persons receiving financial benefit and unemployed persons reporting at the Employment Bureau when lacking other grounds for insurance	65% of the average monthly net salary paid per worker in the industry	8,6%
8) veterans from World War II, veterans from the People's Liberation Movement from the Greek part of	65% of the average monthly net salary paid per	8,6%

Macedonia, war disabled and members of families of veterans killed in World War II, deceased veterans of the World War II as well as of families of civil war disabled persons, persons persecuted and imprisoned for the ideas for independence of Macedonia, determined as such by special regulations, and the members of the families and the parents of persons being citizens of the Republic of Macedonia and killed in the conflicts on the territory of the former Socialist Federative Republic of Yugoslavia.	worker in the industry	
9) permanent financial benefit users, persons accommodated by social care institutions and by care giving families in accordance with the regulations pertaining to social care;	65% of the average monthly net salary paid per worker in the industry	8,6%
10) citizens of the Republic being in employment abroad, when not insured with the foreign holder of insurance in accordance with the law of the country of employment, or in accordance with an international agreement, who have had residence on the territory of the Republic immediately prior to commencing employment abroad – with regard to the members of the families thereof residing in the Republic of Macedonia.	EUR 50 in MKD equivalent	
11) foreign citizens and stateless persons employed with foreign companies temporary operating on the territory of the Republic, during education or professional improvement on the territory of the Republic, or being in service of international organisations, foreign consular and other missions or in personal service of foreign citizens enjoying diplomatic immunity, if not provided otherwise by an international agreement	EUR 50 in MKD equivalent	
12) family members of beneficiaries serving regular military service with the Army of the Republic of Macedonia while receiving benefit in kind in accordance with special regulations;	65% of the average monthly net salary paid per worker in the industry	7,5%
13) persons serving imprisonment sentences, persons under custody, if not insured on other grounds, minors sent to correctional homes and institutions	65% of the average monthly net salary paid per worker in the industry	7,5%
14) persons employed by religious communities and persons from monastic orders	65% of the average monthly net salary paid per worker in the industry	12,465%
Pursuant to paragraph 1 of this Article, persons not being covered by the obligatory health insurance may accede the obligatory health insurance for the purpose of exercising the right to medical services referred to in Article 9 of the aforesaid Law.	65% of the average monthly net salary paid per worker in the industry	12,465%
<b>Source and processing :</b> Health Insurance Fund		

The beneficiaries from the first group pay additional contribution for obligatory health insurance in case of injury at work and occupational disease amounting to 0,5 % of the gross salary and of the salary allowances. The additional contribution shall be paid due to increased risks for injury at work and occupational disease when working with extremely dangerous products or under conditions harmful to the workers' health.

Payment of contributions for the obligatory health insurance is made through the payment accounts of the regional offices to the single account of the Health Insurance Fund. Besides the aforesaid funds, funds from the Budget of the Republic are being paid to the account of the Fund, providing part of the funds for the special health care programmes, as well as funds from interests and other revenues realised in accordance with special regulations.

Beneficiaries are obliged to pay participation when using medical services and medicines. The funds from the participation amount to 3% to 4% of the total funds of health insurance.

The Law on Pension and Disability Insurance stipulates the following bases for insurance:

Beneficiaries Category	Insurance Basis	Rate
1) employed persons	Gross salary including taxes and salary contributions	21,2
2) employed persons for insurance length being calculated with an extended duration	Gross salary including taxes and salary contributions	
increasing of work record for 12/18 months		10,60
increasing of work record for 12/17 months		8,83
increasing of work record for 12/16 months		7,07
increasing of work record for 12/15 months		5,30
increasing of work record for 12/14 months		3,53
increasing of work record for 12/13 months		1,77
3) individuals performing industrial activities	Gross salary including taxes and salary contributions	21,2
4) workers assigned to work abroad by the employers	Average salary of the worker being paid during previous year	21,2
5) workers during temporary disability to work	Basis out of which the contribution is being calculated	21,2
6) unemployed persons receiving financial benefit by the Employment Agency	Net basis out of which the contribution is being calculated	30
7) beneficiaries with shortened working hours due to care for seriously disabled children	Gross salary including taxes and salary contributions	21,2
8) beneficiaries entitled to financial benefit on grounds of reduced, i.e., remaining ability to work	Basis out of which the contribution is being determined	21,2

Individual farmers are being allocated by bases for insurance according to amount of the cadastre revenue for the purposes of contribution calculation and payment, as follows:

Ordinal No.	Cadastre revenue in MKD	Monthly Insurance Basis
1	Up to 400,00	3.670,00
2	from 400,01 to 900,00	5.900,00
3	from 900,01 to 2.000,00	6.735,00
4	from 2.000,01 to 4.500,00	7.484,00
5	from 4.500,01 to 7.000,00	8.231,00
6	above 7.000,01	9.055,00

## Maximum and minimum amounts for insurance

### 1) The lowest basis

The basis for calculation and payment of contribution, i.e., the basis for insurance shall not be lower than 65% of the average net salary per employee in the Republic of Macedonia published for the current month (except for the individual farmers). The average lowest basis for insurance with regards to calculation of the contribution for pension and disability insurance for the period January to November 2004 amounted to 7.916,00 MKD.

### 2) The highest basis

The basis for calculation and payment of salary contribution, i.e., the basis for insurance can not be higher than the amount or three average salaries per employee in the Republic of Macedonia published for the current month.

The highest pension basis refers only to beneficiaries entering the obligatory fully funded pension insurance, i.e., the new pension system.

## Contribution Rates

The rate of the contribution for pension and disability insurance amounts to 21,2% of the gross salary. The Pension and Disability Insurance Fund pays a contribution for health insurance of the beneficiaries of pensions from the funds attained by all the funding sources by a rate amounting to 14,694 % of the pensions paid.

## 4. Please provide an overview of allowances: benefits and services provided by social protection (coverage, qualifying conditions, level of benefits, length of provision, taxation of benefits)

a) health care;

b) sickness;  
maternity;

d) invalidity;

e) old-age;

f) survivors;

g) employment injuries and occupational diseases;

h) family benefits;

i) unemployment;

j) minimum resources/social assistance;

k) long-term care;

l) disability.

a)

Health care

Compensations are being provided to the beneficiaries using funds of the obligatory health insurance as follows: salary compensation during temporary disability for work due to sickness or injury; salary

compensation during maternity leave, and compensation of travel expenses incurred for medical purposes.

**b)**

**Sickness**

Salary compensation during temporary disability for work due to sickness or injury (sick leave) and salary compensation during absence from work due to pregnancy, child birth and maternity can be acquired by all employed persons, in accordance with the legislation related to labour relations, who earn the salary by working and the persons who are self-employed and earn their salary by working and were prevented to work due to sickness, injury, child expecting or newborn child care.

Salary compensation may be acquired if the contribution for obligatory health insurance has been paid regularly and if the temporary disability for work has been given by a chosen doctor or a medical commission of the Fund, in cases of disability for work for periods exceeding 16 days.

Base for calculating of the compensation for salary is the average monthly amount of the net salary for which the contributions for obligatory health insurance have been paid for the last six months prior to the occurrence of the case by which the right to compensation has been acquired, i.e., prior to the start of the sick leave.

The amount of the salary compensation during temporary disability for work shall be determined by the employer or the Fund, depending who is providing the compensation, but it shall amount to at least 70% of the base for calculation of the salary compensation. The salary compensation amounts to 85% of the base determined in cases when it is charged to the Fund, with regards to all the other cases for which compensation is to be paid, except for injury at work and professional disease, donation of blood, tissue or an organ and absence from work due to pregnancy, child-birth and maternity when the compensation amounts to 100 % of the base thereof.

Payment of the salary compensation for up to 60 days of disability for work shall be made out of the employer's funds, and as for absence for a period longer than 60 days, out of the Health Insurance Fund, except in cases of care for a sick child up to age of three, donation of blood, tissue or an organ and absence from work due to pregnancy, child-birth and maternity being paid from the Fund as of the first day of occurrence.

Payment of the salary compensation during temporary disability for work may be stopped in cases when the insured person does not arrive at the appointed medical examination and treatment, or does not observe the doctor's recommendations consciously, if he/she works for paid income during the temporary disability for work, and if they are employers who have no other employees, but acquire incomes during that period, meaning that he/she works.

The insured persons and the members of their families may be compensated for travel and daily (only for a professional escort) expenses only when referred to use medical services in medical institutions out of the country, and right to travel expenses compensation if referred to use medical services related to dialysis and rehabilitation exercises for sight, hearing and speech being given in an outpatient department out of their place of residence. The amount of the compensation shall be determined to the equal amount of the real travel and daily expenses incurred.

**c)**

**Maternity leave**

Payment of the salary compensation during temporary disability for work shall be made during the period of disability for work, and the payment of the compensation during pregnancy, child-birth and

maternity shall be made for a period of nine months, and in case of giving birth of more than one child, up to one year (Article 58 of the Labour Relations Law).

**d)**

Invalidity

Pursuant to the Law on Pension and Disability Insurance, disability is a permanent decrease or loss of the working ability incurred by an injury occurred out of work or by a disease, injury at work or an occupational disease.

Permanent disability (invalidity)  
Injury at work or a professional disease  
(allowances in amount bigger than  
allowances for a disease and injury out  
of work not being dependent on the  
contributions paid for length of service)

Injury or disease out of work  
(at least 1/3 of a working life covered  
by contributions paid for length of  
service)

Reduced or Lost working  
remaining working ability  
ability with Full disability  
retraining or pension  
additional training (the amount shall  
after reaching the be based on the  
age of 45 for amount for  
women and 50 for contributions paid  
men (without an for at least 40  
allowance for years of length of  
disability service)

Reduced or Lost working ability  
remaining Full disability  
working ability pension  
with retraining (the amount shall be  
or additional based on length of  
training after service, age of less  
reaching the than 62 for women  
age of 45 for and 64 for men)  
women or 50 up to the age of 20 :  
for men length of service of 6  
months  
up to the age of 25 :  
length of service of 9  
months  
up to the age of 30 :  
length of service of  
12 months  
(disregarding  
whether 1/3 of the  
working life is  
covered by the  
length of service)

Rights related to disability insurance on grounds of injury at work or occupational diseases are attained under more favourable conditions.

There is no special institution dealing with injuries at work and occupational diseases and the right to a disability pension on the aforesaid grounds is attained according to the general pension system.

The right to a disability pension is also attained on grounds of reduced or lost working ability by beneficiaries with some remaining working ability, in cases when one third of working life is covered by length of service (there are more favourable conditions for the beneficiaries at the age less than 30 and disabled veterans belonging to groups from I to VI).

Working life is defined as a period expressed in full years from the age of 20 (age of 23 for beneficiaries having acquired college education and age of 26 for beneficiaries having acquired university education) until the date of disability occurrence.



In cases when disability occurred as a consequence of injury at work or as an occupational disease, the right to a disability pension shall be acquired disregarding the actual work record.

An additional allowance for disability to a disability pension attained on grounds of lost working ability incurred before the age of 62 (women) and 64 (men) is determined depending on the work record.

In accordance with the Law on Social Protection, disabled persons are entitled to a non-residential and residential care. The non-residential care covers the right to a first social care service, assistance to an individual and to a family, home care and assistance, daily care and accommodation in a foster family.

The residential care covers the right of training for working activities in certain economic field and right to accommodation in an institution of social welfare.

The right to training for working activities covers: referring to an institution for social care, compensation of the expenses for accommodation and food, compensation of the expenses for training for working activity and compensation of the travel expenses.

According to the Law on Social Protection, disabled persons may acquire the right to social protection such as: permanent financial benefit for persons unfit for work and socially insecure persons; financial benefit for assistance and care for another person; right to a health care if not insured on another grounds; compensation for salary for shortened working hours due to care for disabled children. The right to a salary compensation for shortened working hours due to care of child with severe disability is regulated by the Labour Relations Law and is being materialized at the social work centres. The amount of the salary compensation shall be 30% of the average salary paid in the country, and the contributions and the other obligations shall be calculated to the amount of 50% of the base in accordance with the Law on Pension and Disability Insurance; one-off financial benefit or benefit in kind and a right to a housing.

The right to home care and assistance to old aged, weak and disabled people is normatively regulated, but it is not developed in practice. Modifications of the Law on Social Protection provide that individuals may provide such services if issued a work permit by the Ministry of Labour and Social Policy by virtue of a contract signed with a social care centre.

The form of non-residential care for persons with impediments has been developed more comprehensively during the last years, through establishment of day care centres, as well as through improving of care by accommodation in a foster family, thus creating conditions for putting into effect the deinstitutionalisation process.

Disabled persons attain their rights pursuant to the Law on Employment of Disabled Persons, which provides training of disabled persons for practical work on certain jobs in accordance with the needs of the employer and of the disabled person.

Employers shall refer employed disabled persons to professional training when they are not trained for carrying out the appropriate working duties.

The Employment Agency of the Republic of Macedonia shall refer the unemployed disabled person to a professional training.

The Agency, i.e., the employer referring the disabled person to professional training shall conclude a contract regulating conditions under which the training shall be made, duration of the training, and verification of the results of the training, funds for the training as well as the mutual rights and obligations.

The funds necessary for training are provided by a Special Fund for that purpose.

**e)**

**Old-age**

Old-aged persons are protected by the system of social protection by means of attainment of a right to permanent financial benefit, one-time financial benefit, financial compensation for assistance and care by another person, health care, accommodation with an institution for social care as well as by non-residential forms of care.

**Age pension**

Insured persons reaching the age of 64 (men) or 62 (women) and at least 15 years of working record are entitled to an age pension. Conditions for the age pension have been stiffened during the transitional period starting from 1st of September, 2000 until 31st of December, 2007, comparing to the conditions determined by the Law in effect until 31st of August, 2000.

Age pension may be acquired by the insured persons with 35 years of work record (women) or with 40 years of work record (men) that have reached 30 years length of service (women) or 35 years length of service (men) on the 1st of September, 2000. The right to an age pension by establishing work record of 35 years (women) or 40 years (men) may be also acquired by the insured persons whose work record is calculated with increased duration, latest by 1st of September, 2005

**f)**

**Survivors**

Members of the insured person family are entitled to family pension as follows:

- after death of a pensioner
- after death of a beneficiary who had paid contributions for at least 5 years or had at least 10 years of work record, or who had fulfilled the conditions for an age or disability pension. If death occurred as a consequence of an injury at work or as an occupational disease, the right shall be acquired without the condition of duration of work record.

Members of the family who attain the aforesaid right are the following:

- the spouse (widow or widower) at the age of 45 or 55 respectively, or who is a guardian of a child, or who is unfit for work.

A spouse who had reached the age of 40 (widow) or 50 (widower) on the date of death of the beneficiary, acquires the aforesaid right with the age of 45 or 55 respectively.

- divorced spouse attains the aforesaid right under the same conditions if already receiving maintenance
- children to the age of 15, i.e. 26 in case they are in formal education;
- children supported by the deceased beneficiary and who are unfit to work
- parents of the insured person if he/she had supported them.

**g)**

## Injuries at work and occupational diseases

### **Financial compensation for physical detriment**

Physical detriment is loss or more vital detriment of certain organs or parts of the body, disregarding the eventual disability. The right pertaining to physical detriment in case of injury at work or an occupational disease may be attained of at least 30% up to 100 % disregarding the length of service, and for the physical detriment of 50% to 100 % (disease or an injury out of work) under the same conditions pertaining to disability pension. The right is acquired for physical detriment that occurred during the period of insurance (employment, performing of business activities and other types of obligatory insurance such as continued insurance and insurance on grounds of unemployment for a certain period).

### **h)**

#### Family benefits

Child benefit is provided as allowance for covering part of the expenses for raising and development of a child.

Procedure and method of attainment of the right to a child benefit, as well as the amount of the child benefit are regulated by the Law on Child Care (2000, 2003 and 2004) and by the Statutes on Conditions, Criteria and Method of Attainment of the Rights Related to Child Care (2003 and 2004).

One of the child's parents who is a citizen of the Republic of Macedonia with a permanent residence therein attains the right to a child benefit for a child being a citizen of the Republic of Macedonia and attending full time education therein, in cases when they are: employed; beneficiaries of a pension or of a permanent financial benefit; unemployed and receiving financial compensation; a farmer being tax payer for a revenue from agricultural activity as the only and main occupation; an artisan who is in business of an old craft or a craft in short supply.

A foreign citizen with a residence on the territory of the Republic of Macedonia may attain the right to child benefit in accordance with the Law on Child Care.

The child benefit is attained depending on the age of the child and on the financial situation of the family.

One of the parents or of the guardians of a child up to the age of 18 is entitled to a child benefit if the child attends school regularly, or the child is completely and permanently unfit for work, or is likely to stay unfit for work for a period longer than one year, or who cannot study due to illness, but not after the child reaches the age of 18.

One of the parents is entitled to a child benefit for all the children they support, that follow under the following category: legitimate or illegitimate children; adopted children; grand children; brothers; sisters; as well as other children whom they support.

Children that are under guardianship care are entitled to child benefit if:

- their parents are completely or permanently disabled for work,
- their parent serve an imprisonment sentence,
- their parents have been deprived from parental rights thereof and
- their parents attend full time education.

Children taken to be supported are entitled to child benefit only in case when both the parents and the children have no property or revenues for support.

A child without parental care accommodated in a foster family is entitled to child support.

The material situation of the family is assessed according to the total revenues and income of the family for the period of the previous year and the number of the family members.

The limit of the average monthly revenues and income per member of family necessary for attainment of the right to a child benefit is 16% of the average salary paid per worker in the Republic of Macedonia during the first half of the previous year, and 32% per worker in the Republic of Macedonia during the first half of the previous year as for a self-supporting parent.

The child benefit for children up to 15 years, i.e. for children attending primary school amounts to 4,60% of the average salary paid per worker in the Republic of Macedonia during the first half of the previous year (537,74 MKD for the year of 2004), and for children from 15 to 18 years old, i.e. children attending full time secondary education, 7,30% of the average salary paid per worker in the Republic of Macedonia during the first half of the previous year (853,37 MKD for the year of 2004).

The total amount of the allowance for parents qualifying for the right to a child benefit is MKD 1.800,00 disregarding the number of children in the family.

#### Special allowance

A special allowance as financial compensation is provided for children with specific needs having impediments of physical or intellectual development or combined impediments in the development up to the age of 26.

A child having specific needs is defined as a child with hard, acute or severe impediments in physical development, moderate, serious or profound mental disability, most serious forms of chronic diseases, highest degree of seriousness of detriment of sight, hearing or speech and combined types of developmental impediments.

A person or a guardian attains the right to a special allowance for children in case they both have a permanent residence in the Republic of Macedonia and if the child is a citizen of the Republic of Macedonia.

The aforesaid right shall be attained disregarding the financial situation of the family, the number of children or the whereabouts of the school the child is attending.

Apart from the right to special allowance, parents may also attain the right to child benefit in case they fulfil the conditions for attainment of right to child benefit provided by the Law on Child Care.

Special allowance shall amount to 27% of the average salary paid per worker in the Republic of Macedonia during the first half of the previous year (MKD 3.156,30 for 2004).

#### Assistance for a newborn child

Right to assistance for a newborn child shall be provided for the first newborn child as a financial compensation, and it is a one-off benefit for the family. The right shall be exercised by either of the parents who are citizens of the Republic of Macedonia having permanent residence in the country pertaining to a child born in the Republic of Macedonia.

The aforesaid right is attained for every first born child disregarding the financial situation of the family or the legitimacy of the child.

The assistance for a newborn child shall amount to 25% of the average salary paid per worker in the country during the first half of the previous year (2.922,50 MKD for 2004).

- Summary of the average revenues per member of family and of the amount of child benefit depending on children's age for the year of 2004.

Average revenues per member of family	Amount of child benefit
16% (MKD 1.870,00)	4,60% (MKD 537,74) for children at the age of up to 15
32% (MKD 3.740,80) for a self-supporting parent	7,30% (MKD 853,37) for children at the age from 15 to 18

- The total monthly amount of child benefit for children for whom the parent thereof has attained the right is MKD 1.800,00 (disregarding the total number of children in the family or their age).

#### i) Unemployment

Rights of unemployed are regulated by the Law on Employment and Insurance in Case of Unemployment (Official Gazette of the RM No. 37/97, 25/00, 101/00, 50/01, 25/03, 34/04 and 04/05).

The aforesaid Law determines an obligatory insurance in case of unemployment for all the workers being in employment. The aforesaid insurance is founded on the principle of solidarity and reciprocity and covers the right to financial compensation, the right to health care in accordance with the regulations related to health insurance and the right to pension and disability insurance in accordance with the regulations related to pension and disability insurance, financial benefit during preparations for employment, training and retraining.

#### **Acquiring of financial compensation**

Unemployed persons who had been employed for at least 9 consecutive months or 12 months with interruptions during the last 18 months are entitled to financial compensation.

Financial compensation pertains to an unemployed person as of date of termination of the employment, if they submit a request to the Employment Agency within 30 days as of date of the termination of employment. If an unemployed person submits a request after 30 days thereof, they are entitled to financial compensation as of the date of submission of the aforesaid request as for the time remaining. Unemployed persons submitting a request after the expiry of the period for attaining of the right to a payment of a financial compensation prescribed by the law are not entitled to financial compensation. The right to a financial compensation may not be attained by an unemployed person whose employment had been terminated upon their fault or request.

#### **Duration of a financial compensation**

The period of payment of the financial compensation depends on the period during which the unemployed person had been insured in case of unemployment.

The right to a financial compensation shall be exercised for a period from 3 to 12 months. An unemployed person that has been insured for more than 15 years, but still lacks at least 5 years to become eligible for old-age pension, is paid a financial benefit until his/her employment, i.e. until any of the conditions for termination of the financial benefit right is not fulfilled.

#### **Amount of the financial compensation**

The amount of the monthly financial compensation during the period of unemployment shall be determined on the basis of the salaries calculated and paid by employers in accordance with the Law and with the Collective Agreement, and it shall be 50% of the average monthly net salary of the employee during the last 24 months as for persons having right to a compensation for a period up to 12 months, and 40% for persons having right to financial compensation for a period longer than 12 months. The financial compensation shall not amount to more than 80% of the average net salary per worker in the country published for the last month.

The Law does not determine the lowest amount of financial compensation. An unemployed person whose employment had been terminated due to economic, technological, structural or other similar transformations, and whose employer has not provided an employment with another employer without vacancy advertisement taking over and signing of employment contract for a position appropriate to their professional education, i.e. qualifications or vocational training, retraining or additional training for employment with another employer, has a right to a one-off payment in the form of a severance pay, in the amount of a monthly salary of the aforesaid employee for every 3 years of employment with the employer with whom his employment had terminated, and at the most 8 monthly salaries in the amount paid the previous month regarding the date of termination of the employment of the aforesaid employee, and it shall be paid to them on the date of termination of their employment.

In such case, the employer may pay the employee a one-off compensation in the form of severance pay in amount higher than the one determined by the Law.

#### **Continuation of the right to financial compensation**

The financial compensation to an unemployed person shall continue to be paid after expiry of the period determined by the Law in case circumstances have changed during receiving of the aforesaid financial compensation, as follows:

- in accordance with the employment regulations, during pregnancy and birth for female beneficiaries of financial compensation,
- If the Employment Agency has referred the unemployed person to training, retraining or additional training, until the expiry of the period determined for the aforesaid.

#### **Termination of financial compensation payment and termination of financial compensation right**

The Law on Employment and Insurance in Case of Unemployment determines the grounds for termination of financial compensation payment and termination of the right to a financial compensation.

#### **j)**

##### **Minimal resources / social assistance**

The system of social protection provides a right to a social assistance in the form of financial compensation for the following categories of citizens:

- permanent financial assistance to persons unfit for work and socially insecure
- Social financial assistance for persons capable to work and socially insecure.

Persons who are unfit for work and socially insecure and who may not provide finances for sustenance by virtue of other regulations, have the right to a permanent financial assistance. Persons with moderate, hard and serious impediments in the intellectual development thereof, and persons with physical impediments, single mothers during the last month of pregnancy and single parents of children up to 3 years of age, children up to age 15 or up to age 26 in case they attend full time education, as well as persons older than 65, are deemed to be incapable for work.

The permanent financial assistance as a fundamental financial right of a beneficiary shall be determined according to the average monthly net salary per worker paid during the last three months in the Republic of Macedonia.

- as for single beneficiaries, 20% of the aforesaid salary; as for beneficiaries with one fellow beneficiary, 28% of the aforesaid salary; and as for holders with two or more fellow beneficiaries of the right, 40% of the aforesaid salary.

In the Republic of Macedonia, in 2003, the average monthly number of 5.176 beneficiaries had attained the right to a permanent financial assistance. The average monthly funds paid during the aforesaid period amounted to 14.337.135,00 MKD.

Social financial assistance may be attained by persons fit for work and socially insecure, who may not provide money for sustenance by virtue of other regulations.

Detailed conditions, criteria, methods and procedures for establishment and attainment of the right to a social financial assistance are regulated by a Decision brought by the Government of the Republic of Macedonia.

The amount of the social assistance shall be determined according to the amount of the relative poverty line, i.e., 36.000,00 MKD annually or 3.000,00 MKD per month.

The social assistance for a one member household shall amount to 57% of the relative poverty line calculated.

In the Republic of Macedonia, in 2003, the average monthly number of 61.813 beneficiaries had attained the right to a social financial assistance. The average monthly funds paid during the aforesaid period amounted to 138.825.028,00 MKD.

One-off financial assistance or in-kind assistance shall be granted to persons or families who have found themselves in a situation of social risk due to a natural disaster, epidemic, decease, long period of treatment in a medical institution, to beneficiaries of social assistance who have been granted agricultural land for usufruct and to other persons in social crisis.

The amount of the one-off financial assistance is determined by the Ministry of Labour and Social Policy by an act (Statutes for Determining of the Amount of the Right to a One-off Financial Assistance).

The one-off financial assistance shall be determined according to the amount of the average monthly net salary per worker in the Republic of Macedonia paid during the last three months.

The highest amount of the one-off financial assistance may be up to the amount of two average monthly net salaries per worker in the Republic of Macedonia, and the lowest amount of a one-off financial assistance may amount to at least 30% of the average monthly net salary per worker in the Republic of Macedonia.

In-kind assistance is defined as providing of clothes, food and other products necessary for minimal sustenance.

In the Republic of Macedonia, in 2003, the average monthly number of 1.178 beneficiaries have attained the right to a one-off financial assistance. The average monthly funds paid during the aforesaid period amounted to 2.622.364,00 MKD.

k)  
Long-term care

When a person has no appropriate living conditions at their family's, or when a family is not in a position to take care for a member thereof due to various reasons, a possibility for permanent care and accommodation thereof is being taken into consideration.

Public and private institutions for social welfare and foster families are the resources for the aforesaid care.

There are 11 public institutions accommodating 1.540 beneficiaries in the Republic of Macedonia.

Two of them are for children without parents or without parental care: The Home for Infants and Toddlers in Bitola for children to 3 years of age (capacity being 102 children) and the 11th of October Children's Home in Skopje for children and youth at the age from 3 to 18 (capacity being 92 children).

The institution in Bitola provides food, activities and complete care necessary for a normal and proper development of children. The institution in Skopje provides attainment of primary and secondary education, apart from food, activities and educational work.

There are two institutions for children having educational and social problems and juvenile delinquents. The first is the shelter in Skopje where neglected and abused children are accommodated (70 children and young persons) being provided food, clothes, various cultural and leisure activities, educational, corrective and therapeutic services and attainment of primary and secondary education depending on age.

The second institution is an institution for juvenile crime offenders with and without penal accountability (30 beneficiaries).

Apart from the aforesaid activities, there is an emphasis on the educational, corrective and therapeutic work with the wards at the aforesaid institution.

As for the permanent accommodation and care for disabled children and adults, there are three institutions in the Republic of Macedonia. There is an institution for social care, education and job training of persons having moderate impediments in the intellectual development in Skopje, capacity being 99 beneficiaries. Apart from accommodation, care and food, educational work and job training according to the individual abilities of the children is provided at the aforesaid institution. The Day Care Centre for Children and the Day Care Centre for Adults having moderate and hard impediments of psychological development work as special departments of the institution.

The second institution in Demir Kapija is used for permanent care and accommodation of children and adults having serious and profound impediments of the intellectual development. The aforesaid institution provides food, clothes and certain activities appropriate for the aforesaid persons. There are 360 persons in the institution.

The third institution is in Bansko Spa (65 beneficiaries), and physically disabled children and adults are being accommodated there. The aforesaid institution provides food, care, cultural and leisure activities and primary and secondary education.

There are 4 institutions for accommodation and care of old aged people in Kumanovo, Skopje, Prilep and Bitola (505 beneficiaries). The aforesaid institutions provide food, medical care and cultural and leisure activities to senior citizens.

The 1997 Law on Social Protection provides for privately owned institutions of the aforesaid type.

The first private institution for children without parents and parental care SOS Children's Village in Skopje accommodates 37 children and is the first privately owned institution of that kind in the Republic of Macedonia. It has been founded by the International Foundation SOS Kinderdorf International, Austria.

Foster families (273) accommodate 310 children. Most of them are children without parents and parental care. The foster families also accommodate 99 adults, most of them old aged and disabled persons.

The process of deinstitutionalisation is carried out and supported actively in the Republic of Macedonia by means of alternative and additional types of care and accommodation of the beneficiaries in need of permanent care, such as expanding the day care centres network, accommodation in foster families and acceptance by the primary families.



**I)**  
**Reduced working ability**

Pursuant to the Law on Pension and Disability Insurance, a reduced working ability exists when an insured person is no longer able to work full working hours on the job using normal efforts, and they can work at least half of the full working hours using their remaining working ability or they can work full working hours on another job with or without retraining or additional training.

Lost working ability is a complete inability of a beneficiary to carry out their work or another appropriate work without a possibility for retraining or additional training.

The evaluation of disability is made by the Commission for evaluation of working ability of the Pension and Disability Insurance Fund, and there is an obligatory control medical examination for persons having established disability.

Rights on grounds of reduced, i.e. remaining working ability and financial allowances are attained at the employers', and the Fund attains responsibility only if the employment ceased due to bankruptcy or liquidation of the legal entity, or in cases of individuals with reduced working ability acquiring the right to reassignment by retraining or additional training.

In accordance with the Law on Social Protection, persons not able to carry out basic life activities (cannot move at home even with the use of appropriate devices, cannot maintain their basic personal hygiene, cannot put clothes on, eat, or carry out other activities for satisfying the basic life needs), i.e. bed-ridden, completely blind, dystrophic persons, persons with related muscular or neuromuscular diseases, cerebral or child paralysis, paraplegia, as well as persons with hard and serious impediments of physical development at the age above 26, are entitled to a financial compensation for care and assistance by another person.

The need for assistance and care is established on grounds of finding, evaluation and opinion of a professional body for evaluation of working ability at the Pension and Disability Insurance Fund of Macedonia, and as for persons having hard, serious and severe impediments of intellectual or physical development at the age up to 26, of an institution determined by the Minister of Labour and Social Policy by an act.

The amount of financial compensation for care and assistance by another person shall be determined depending on the diagnosis, and beneficiaries are divided into two categories. The amount of the compensation shall be 29% of the average monthly net salary per worker in the Republic of Macedonia paid during the last three months for the first category, and 25% for the second category.

**5. How are the various benefits and allowances delivered to the beneficiaries? How is the accessibility and efficiency of the system ensured?**

The procedures for attainment the rights and obligations related to health insurance are provided by the Law on General Administrative Procedure. The procedure is being initiated upon an application of the insured persons or a member of their family. The application shall be filed in writing. A regional service of the Fund or the Fund is obliged to bring a decision regarding the filed application and to deliver it to the applicant thereof. The applicant has a right to a complaint to the Minister of Health in the capacity of a second instance authority against the aforesaid decision of the Fund. The complaint shall be lodged within 15 days as of date of receipt of the decision. The Minister of Health shall bring a decision and deliver it to the applicant within two months as of date of filing of the complaint at the latest.

The insured person shall be provided with a judicial protection of his rights against the decision of the Minister. Judicial protection is carried out by means of administrative proceedings before the Supreme Court of Macedonia in accordance with the Law on Administrative Disputes.

The rights related to pension insurance and the rights related to disability insurance are different because they are acquired depending on the period and amount of investment in the funds for pension and disability insurance.

The procedure is provided through the Technical Service of the Pension and Disability Insurance Fund, having regional units throughout the country. The procedure is provided by law and by- laws, which are transparent. The requests, i.e. the applications are not subject to fee. The efficiency of the system is provided by automation of business processes.

Unemployed persons exercise their rights related to insurance in case of unemployment in accordance with the Law on Employment and Insurance in Case of Unemployment and with the regulations for general administrative procedure on grounds of applications filed at the Employment Agency where the unemployed person is registered.

The procedure for attainment of rights during the period of unemployment shall be conducted and the decision shall be brought by the administrator of the Employment Centre where the unemployed person is registered, which means that the rights determined by the Law on Employment and Insurance in Case of Unemployment are dealt with by the Ministry competent for labour affairs in the first instance. A complaint against the aforesaid decision does not delay the execution thereof.

The right to a financial allowance is being exercised by the unemployed person by means of filing an application at the Employment Centre where they are registered as unemployed.

The right to a health insurance and to a pension and disability insurance of unemployed persons is realised ex officio.

Preparing for employment (training, retraining or additional training) shall be carried out by an employer's request if it contributes towards employment.

The amendments of the Law on Employment and Insurance in Case of Unemployment from July 2004 allow for the possibility of the Employment Agency to provide services of training, retraining or additional training before termination of employment, short term training for employment of unemployed persons, training at work and training for participation of unemployed persons in public works, independently and through public advertisement, under conditions determined by contract between the Employment Agency and the training provider.

The employment of disabled persons is regulated by the Law on Employment of Disabled Persons, the Statutes for Criteria and Method of Allocation of Assets from the Special Fund for Providing Conditions for Employment and Work of Disabled Persons, i.e. the method and conditions for training of unemployed disabled person is being determined for the purpose of employment and training for employment of employed disabled persons regarding practicing work of certain types in accordance with the needs of the employer and of the disabled person.

Attainment of the aforesaid rights of the unemployed persons is being realised freely, promptly and accurately within the framework of the procedures determined by law.

The competent Social Work Centre deals with the rights of social welfare beneficiaries in the first instance, according to the place of permanent or temporary residence of the beneficiary. The Ministry of Labour and Social Policy deals with complaints in the second instance procedures and the judicial protection is provided by means of initialising administrative proceedings before the Supreme Court of the Republic of Macedonia. The Law on General Administrative Procedure applies for conducting of the aforesaid proceedings.

Pursuant to the Law on Social Protection, Social Work Centres are responsible for the following affairs within their public authorisations:

- dealing with the rights related to social welfare regulated by the Law on Social Protection

- dealing with affairs regulated by the regulations related to family law
- proceeding upon affairs regulated by regulations related to penal law
- dealing with rights regulated by the Law on Child Care such as child benefit, special allowance and assistance for a newborn child.

Beneficiaries of social welfare may be the following persons:

- nationals of the Republic of Macedonia having permanent residence in the country,
- foreigners having permanent residence in the Republic of Macedonia
- nationals of the Republic of Macedonia without permanent residence in the country and foreigners without permit for permanent residence in the Republic of Macedonia exercise the rights related to social care under conditions determined by the Law on Social Protection and other laws.

The procedure at the social work centre shall be initiated by filing of an application by a citizen, their legal representative, trustee or ex officio. The social work centre shall initiate a procedure ex officio upon its own initiative, upon an initiative of a citizen, another legal person or authority. Citizens also file other written applications during the procedure (complaints, objections etc.).

The first admission of the citizens in the social work centres is realized by the social workers. Consideration of the application and carrying out of the procedure shall be made by a professional team using individual work with the applicant, their family, group work, family visits and other professional and administrative methods. Documents enclosed with the demand shall also be considered.

An application of a citizen shall be dealt with by a decision within 30 to 60 days.

The right to a financial social assistance shall be attained in accordance with the Law on Social Protection and the Decision on conditions, criteria, amount, method and procedure for determining and exercising of the right to a financial social assistance. The application shall be filed once a year and the beneficiary shall deliver documents for the family income once a trimester. Regarding the documents necessary, citizens obtain them at several institutions; therefore an institutional connection by means of an electronic network is necessary for the purpose of inter-departmental data exchange. Social work centres make inspections in the households four times a year. Data processing regarding acquirement and payment of the right to a financial social assistance in all the social work centres is carried out electronically. Thus the procedure for attaining and exercising of the aforesaid right is kept up to date and the services provided to the aforesaid beneficiaries are improved in many aspects. The decisions specify the amount of financial assistance and the period during which the beneficiary shall exercise the right.

Pursuant to the decision brought, payment shall be made by mail delivery to the address of the beneficiary.

The access to social welfare is easy and equal for all the citizens. The citizens obtain information on the rights thereof from the social work centres, from the web site of the Ministry, communications, public campaigns, booklets, media etc.

The efficiency and the advancement of the social protection system is in correlation with the low initial financial basis of the domain and to the entire economic situation, poor possibilities of the state regarding budgetary funds to meet the needs of the beneficiaries.

There is a need for an additional professional human resources in the social work centres and social welfare institutions in order to improve the quality of services for the beneficiaries. Improvement of the working equipment, introduction of electronic connections and software support is also needed, and the aforesaid issue is planned to be overcome by means of cooperation of the Ministry of Labour and Social Policy with the World Bank.

The Supervision of the legality of the work of social work centres is carried out by the Ministry, and the supervision of the professionalism with regards to the work is carried out by the Institute for Advancement of Social Activities.

## **6. Who is in charge of collecting and processing social data? Are there any specialised social research institutes?**

### **Social Protection**

Collection of data is primarily carried out by the social work centres (i.e. social services departments) as well as by social welfare institutions. Others also contribute to the social data collections, as: specialised medical organisations, educational institutions for persons with disabilities, courts, prosecutors' offices and police. There are no specialised institutes for social welfare research in the Republic of Macedonia. Ministries and institutions determined by the law collect data, which are then finally being accumulated at the State Statistical Office..

### **The Ministry of Labour and Social Policy is competent for the information on the expenditures.**

According to the Law on Social Protection, the Institute for Advancement of Social Activities is in charge for collection and statistical procession of the data on number and type of beneficiaries and services provided and recorded by the social work centres and social welfare institutions.

These information's are collected once a year in a documented form and are entered in a database thereafter. The database is used for publishing of statistical data in a form of an annual report being delivered to the Ministry of Labour and Social Policy, social work centres, social welfare institutions and other interested professional public.

The State Statistical Office also collects data on social welfare which are being finally assembled in a National Statistics according to the particular phenomena. Official statistics is presented and published by the State Statistical Office.

Regarding the need of researching the social phenomena and problems, the Institute for Sociological, Political and Legal Research also conducts surveys necessary for certain projects, and research reports on mass phenomena. The reports are used by the ministries, the media and the public.

There are certain differences between the data published by the aforesaid institutions due to absence of an uniform methodology of data collection regarding separate social phenomena and due to the fact that there are no appropriate and unique regulations for recording of data on social welfare beneficiaries.

The Employment Agency of the Republic of Macedonia is in charge for collection and processing of data regarding unemployed persons that are registered at the Employment Agency of the Republic of Macedonia.

The Pension and Disability Insurance Fund of the Republic of Macedonia is in charge for collection and processing of data related to pension and disability insurance. The aforesaid competency of the Fund is regulated by the Law on Records of Insured Persons and Beneficiaries of Rights Regarding Pension and Disability Insurance ("Official Gazette of the RM" No. 16/04).

Except for the needs of the Fund, data on the insured persons, beneficiaries of the rights related to pension and disability insurance and forms for contribution payment are used also for statistical purposes. They are also exchanged with other institutions by virtue of agreements aiming avoidance of keeping parallel records.

The Constitution of the Republic of Macedonia, the Law on Personal Data Protection, the Law on Birth, Marriage and Death Registries and other secondary legislation provide protection of personal data related to pension and disability insurance.

The Health Insurance Fund is in charge of collection and processing of data related to health insurance.

The Republic Institute for Medical Protection and 10 regional institutes for medical care are in charge for collection and processing of data related to medical care.

The Republic Institute for Medical Protection can also practise the role of an institution specialised for carrying out of researches in the field of health care.

### **C. Pensions**

#### **Evaluation of the current system**

**1. What is the public-private mix in your country? What role do mandatory, occupational and individual pension schemes play for income security in old age (different pillars of the systems)? Is there a universal system for the whole population? Are there any statistics on the composition of income in old age (social transfers, family support, labour income, additional private income)?**

In regard to the income security in the old age, a three-pillar public-private mix pension system has been adopted in the Republic of Macedonia. It is based on:

- The first pillar – the obligatory pension and disability insurance based on generational solidarity;
- The second pillar - the compulsory fully funded pension insurance based on individual capital savings;
- The third pillar - the voluntary pension insurance based on individual components.

The obligatory pension and disability insurance of the first and the second pillar, through which financial and social security for the old age are provided represent compact elements, which can be seen through the following :

- Uniform conditions and eligibility criteria (circle of beneficiaries and other conditions for admission to insurance;
- Both the first and the second pillars are obligatory;
- Equal conditions for acquiring the right to age, disability and family pension;
- Correlation between two pillars in the determination of the pension: when pension from the first pillar is attained, an annuity is being attained at the same time, i.e., program drawing of the funds of the second pillar.

With regards to security for the old age, the pension from the first pillar is being determined according to the formula established in advance, while the annuity from the second pillar according to the defined payment of contributions. The total amount of the pension from the first and from the second pillars (when it starts to be attained) is estimated to provide income in accordance with the obligations upon the Convention No. 102 of the International Labour Organisation.

As for the third pillar, i.e., voluntary pension insurance, it shall be regulated by legislation in the future.

Persons insured on grounds of employment and individuals carrying out professional activity independently (such as farmers) are covered by the first and the second pillars of the pension system of the Republic of Macedonia, in accordance with Article 27 of the Convention No. 102 of the International Labour Organisation with regards to the lowest minimum of protection in the field of social insurance.

There are no analyses of the income at old age for all bases of social protection and social insurance.

Within the framework of the social welfare system, 2.485 elder persons receive permanent financial assistance on grounds of inability for work and material insecurity, and 505 elder persons are accommodated in retirement homes.

**2. Describe the level and structure of benefits: the replacement rate, the pension distribution, adjustment and indexing of pensions and the issue of poverty among pensioners. Do you think that the pension system is adequate with regard to income security in old age, the intergenerational distribution and the reduction of poverty in old age?**

The obligatory pension and disability insurance enables the right to an age pension, disability pension on grounds of lost or reduced working ability and family pension attained after death of the insured person or the pension beneficiary.

Rights related to the pension insurance have been regulated by law, and they are distributed on equal grounds for all workers, craftsmen, farmers, with the exception of certain categories of insured persons such as military and police insured persons etc. (as of the 1<sup>st</sup> of January, 1994).

The number of pension beneficiaries at the end of a year and the number of employed persons (annual average) according to years are the following:

Year	Number of employed persons	Chain index	Number of pension beneficiaries	Chain index
1991	534.887	88,9	180.179	108,4
1992	531.083	99,3	193.294	107,2
1993	503.010	94,7	210.537	109,0
1994	468.632	93,2	216.834	103,0
1995	427.658	91,3	219.307	101,1
1996	403.820	94,4	222.727	101,6
1997	381.723	94,5	227.099	102,0
1998	370.869	97,2	232.216	102,3
1999	374.025	100,9	235.839	101,6
2000	367.162	98,2	241.221	102,3
2001	351.009	95,6	247.200	102,8
2002	332.728	94,8	249.421	100,9
2003	327.907	98,6	254.267	101,9

The number of pension beneficiaries has been increasing steadily until 1994, but since then the new Law on Pension and Disability Insurance contributed to a smaller rate of increase due to the changes of conditions for attainment of the right to a pension (cancelling of buying out of length of service, upgrade of the age limit).

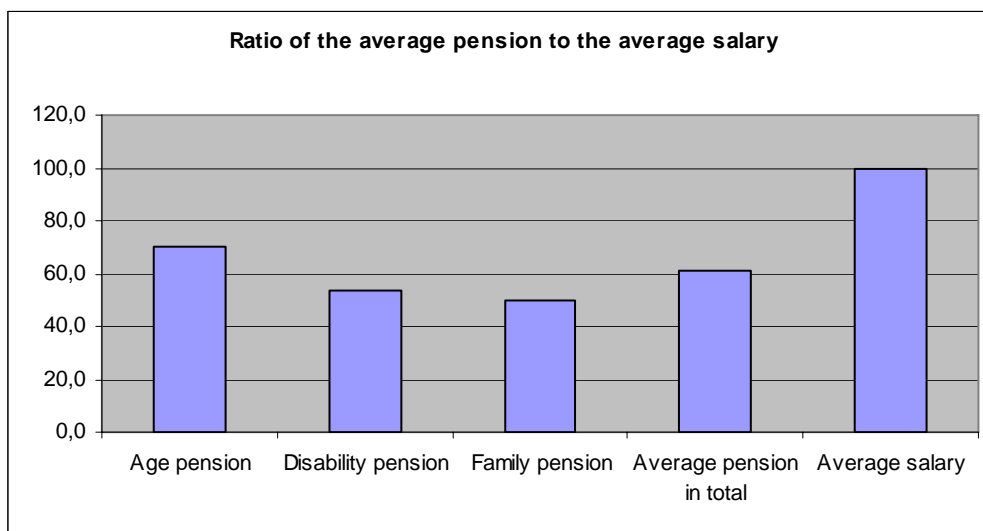
The number of age pension beneficiaries amounted to 133,008 out of the total number of pension beneficiaries at the end of 2003, i.e., 52,3%.

The average age pension in December, 2003 amounted to 8.421,00 MKD, or the ratio thereof is 70,4% to the average salary in the Republic of Macedonia for December, 2003, and the average pension of all the pension beneficiaries amounts to MKD 7.346,00 or the ratio thereof is 61,4% to the average salary.

The following table presents data on the number of pension beneficiaries and on the average pension according to types :

Type of pension	Number of beneficiaries	Average pension
Age	133.008	8.421,00
Disability	52.237	6.425,00
Family	69.022	5.971,00
Total	254.267	7.346,00

The average salary in the Republic of Macedonia amounted to 11.955,00 MKD in December, 2003.



The ratio of the average pension (paid for December, 2003 and the average salary for December, 2003 in the Republic of Macedonia) is 61,4%.

The Pension and Disability Insurance Fund also pays the pensions of 2,986 beneficiaries of military pensions taken over from the former Yugoslav Peoples' Army and 6.773 beneficiaries of a minimal agricultural pension attained by virtue of the former Law on Age Insurance of Farmers from 1978.

The table shows that the average age pension is higher than the average disability or family pension, because the age pension is attained at older age and with longer length of service. The average length of service for the age pension is 34 years and the average age for the pension beneficiaries who have attained the right to a pension in 2003 is 60 years, and as for the disability pension beneficiaries, the average length of service is 25 years and the average age is 51.

Beneficiaries who have attained pension under more favourable conditions are the following :

Type of rights	Number of beneficiaries	Average pension
Veterans from World War II	19.687	12.452,00
Police employees	3.381	18.628,00
Penitentiaries' employees	570	8.195,00
Officers of the former Yugoslav People's Army	2.986	13.769,00
Administration pensions	1.429	8.900,00
Public Administration Reform	3.038	10.566,00

The funds for payment of more favourable rights are provided by the Budget of the Republic of Macedonia.

**Harmonisation (indexing of pensions)**

Concluding with 2003, harmonisation of the pensions was carried out as of 1<sup>st</sup> of January and as of 1<sup>st</sup> of July of the current year, according to the trend of the average salary of the employed persons in the Republic of Macedonia (except for the period from 1997 to 2000 when the harmonisation of the pensions was carried out according to the increase of the salaries of the non-industrial employees which was increasing more slowly than the increase of total salaries, influencing the harmonisation of the pensions) as follows :

- as of 1<sup>st</sup> of January, according to the ratio of trends of the average salary of the workers in the Republic of Macedonia paid in December the previous year, to the average salary paid in June the same year, and
- As of 1<sup>st</sup> of July according to the ratio of trends of the average salary of the workers in the Republic of Macedonia paid in June the current year, to the average salary paid in December the previous year.
- harmonisation of the pensions is carried out for shorter terms in case that the growth, i.e., fall of the salaries is higher than 5 % as for one or more months comparing with the month for which the last harmonisation was carried out.

During the period since 1996 to 2003, the rate of growth of nominal salaries was higher than the percentage of harmonisation of the pensions, while the ratio of life expenses to the salaries and to the harmonisations had a lower rate, and it can be seen in the following table :

Date of harmonisation	Salary	Life expenses	Pensions	Salary Index	Expenses Index	pensions Index
1.7.1996				100,00	100,00	100,00
1.1.1997	1,93		0,78	101,93		100,78
1.7.1997	0,50	2,60	-	102,44	102,60	100,78
1.1.1998	1,34		-	103,81		100,78
1.7.1998	3,40	-0,01	-	107,34	102,50	100,78
1.1.1999	3,00		1,94	110,56		102,73
1.7.1999	-1,70	-0,7	8,00	108,68	101,78	110,95
1.1.2000	5,20		1,29	114,33		112,38
1.7.2000	2,10	5,80	0,58	116,73	107,68	113,04
1.1.2001	2,80		1,79	120,00		115,06
1.7.2001	-0,10	5,50		119,88	113,60	
1.1.2002	0,69		0,63	120,71		115,78
1.7.2002	5,90	1,8	5,90	127,83	116,80	122,62
1.1.2003	2,97		2,97	131,63		126,26
1.7.2003	2,68	1,2	2,68	135,15	118,20	129,64

**Poverty**

Due to the fact of lower percentage of harmonisation of pensions than the growth of salaries, certain decrease of the average pension comparing to the average salary happened during certain years. But, the total harmonisation of pensions is 29,64% and, comparing to the salaries growth amounting to 35,15%, it is smaller for only 4,1% and the proportion between the average pension and the average salary amounting to 61,4% is maintained.

The following table shows the structure of pension beneficiaries according to groups :



Pension amount	Total		Age pension		Disability pension		Family pension	
	Number of beneficiaries	Average pension	Number of beneficiaries	Average pension	Number of beneficiaries	Average pension	Number of beneficiaries	Average pension
0	1	2	3	4	5	6	7	8
Up to 3.856,00	20.809	3.856,00	8.018	3.856,00	3.525	3.865,00	9.266	3.856,00
3.856,01 - 4.863	19.045	4.301,00	5.695	4.257,00	3827	4.113,00	9.523	4.301,00
4.863,01 - 5.505	74.072	5.153,00	25.063	5.166,00	21.683	5.137,00	27.326	5.154,00
5.505,01 - 7.500	50.789	6.460,00	28.010	6.518,00	11.511	6.400,00	11.268	6.376,00
7.500,01 - 10.000	45.327	8.647,00	31.455	8.684,00	6.979	8.603,00	6.893	8.522,00
10.000,01 - 15.000	33.545	11.964,00	26.065	11.955,00	3.910	11.878,00	3.570	12.120,00
15.000,01 - 20.000	7.149	17.113,00	5.666	17.810,00	647	16.931,00	836	16.801,00
20.000,01 - 24.500	2.518	22.250,00	2.125	22.250,00	121	22.250,00	272	22.250,00
24.500,01 - 26.460	1.013	26.198,00	911	26.229,00	34	26.252,00	68	25.757,00
Total	254.267	7.346,00	133.008	8.421	52.237	6.424,00	69.022	5.971,00

At the end of 2003, the number of pension beneficiaries being paid up to 5.505 MKD was 113.926 or 44,8% of the total number of beneficiaries. Among the beneficiaries with low pensions, the majority are beneficiaries who had attained the right to a pension with a shorter length of service and with low bases for insurance (agriculture, textile industry). Persons who had been employed abroad, and had attained a proportionate part of pension in the Republic of Macedonia depending on length of service and receive the other part of pension from foreign insurers, also belong to the total number of beneficiaries of low pensions.

In order to protect the beneficiaries of pension receiving low pensions calculated according to length of services and salaries, the lowest amount of pension has been introduced. This guarantees the insured person an amount of pension higher than the pension determined according to length of service and salaries paid. This right is not conditioned by the financial status of the pension beneficiary, and it is provided for all the pension beneficiaries whose pension determined according to length of service and salaries are lower than the minimum amount of pension. The lowest amount of pension is based on the principle of social justice and the amount thereof depends on the length of contribution paid expressed through the length of service. It means that longer length of services draws higher amount to be deemed as the lowest amount of pension.

The lowest amount of pension is from at least 3.856,00 MKD up to 5.500,00 MKD.

With regards that a higher amount of pension is paid for a longer length of service, the beneficiaries are stimulated to work longer.

At the end of 2003, the number of beneficiaries of the lowest amount of pension was 89.910 or 35,4% of the total number of pension beneficiaries.

As for the secured income for old age, although big number of pension beneficiaries receive low pension, it may be concluded that the pension beneficiaries receive their pensions regularly, and the payment of pensions has not been late since 1993. Namely, pensions are paid in two groups as follows: the first group of pensions covers 88% of the total number of pension beneficiaries who are paid for the previous month on the 16<sup>th</sup> day of the current month at the latest, and the second group covers 12% of pension beneficiaries who receive a higher amount of pension and who are paid for the previous month around the 25<sup>th</sup> day of the current month.

In accordance with the Law on Social Protection and with the Decision on conditions, criteria, amount, method and procedure for establishment and attainment of the right to a social financial assistance, a household whose member is a pension beneficiary of an amount lower than the

amount of the social financial assistance may apply for a social financial assistance as a socially insecure household, according to the fulfilment of the criteria.

### **3. Describe current problems of financing the pension system in your country.**

Current pension and disability insurance represents a pay- as- you- go system, based on generational solidarity, i.e., the current employees are paying the contribution for pension and disability insurance which is distributed to those who are currently retired. As for pensions attained under more favourable conditions, funds are provided by the Budget of the Republic of Macedonia. Funds for coverage of the deficit of the Fund are also provided from the Budget of the Republic of Macedonia.

Total expenditures for pension and disability insurance in 2003 amounted to MKD 27.764,35 millions, participating with 10,3% in the gross domestic product. Revenues from the contributions amounted to 17.654,84 millions MKD or 63,7% of the total revenues of the Fund, and 7.740,95 millions MKD or 27,9% of the Budget of the Republic of Macedonia.

Financial problems are not so prominent, because numerous measures for improvement of the financial situation of the Fund were undertaken during the previous period. Namely, the rate of contributions was increased from 18 to 20% in 1993, and a participation amounting to 9,18% of the excise tax for the oil derivatives has been introduced, as an additional finance for the Fund, all of which have contributed towards increase of the Fund total revenues.

As for the part of expenditures rationalisation, by virtue of the Law on Pension and Disability Insurance ("Official Gazette of the RM" Nos. 80/93, 3/94, 14/95, 71/96, 32/97, 24/00,96/00, 50/01, 85/03, 50/04 and 04/05) in force since the 1<sup>st</sup> of January, 1994, numerous restrictive measures for attainment of right to a pension were taken (increase of the age limit, cancellation of the buying out of length of service, decrease of the substitute rate, determining of the pension base out of the salaries paid during the whole length of service), significantly contributing to the decrease of the new flow of pensioners. Amendments of the Law on Pension and Disability Insurance (Official Gazette of the Republic of Macedonia No. 14/95) omitted some of the rights related to another fields paid by the Fund (compensation on grounds of reduced working ability, assistance and care for another person), thus making the pension system more consistent and effective regarding to the purposes thereof.

Aiming improvement of collecting payments of contributions, by virtue of the Law on Amendments of the Law on Pension and Disability Insurance ("Official Gazette of the R" No. 85/03), amendments of the Law were made providing the Fund greater competencies related to bringing decisions regarding unpaid contributions and carrying out collecting of payment of contribution by force.

However, due to the general demographic tendencies and the high rate of unemployment, a new multi pillar system has been introduced, based both on generational solidarity (first pillar) and on mandatory fully funded second pillar. The implementation of this new pension system in the practise is envisaged to begin at the mid of 2005. The Fund shall be a competent authority collecting contributions for the first pillar and transferring the obligatory fully funded pension insurance in a single procedure. Data related to payment of contributions shall be obtained monthly, individually for every insured person, contributing to the effective collecting of contribution and enabling exchange of data with other institutions.

### **4. What are the economic incentives set by the pension system with regard to labour market participation, employment policies? Are there any other incentives?**

The economic incentives within the Macedonian pension system expressed through the organisation of the pension system have a positive impact on the labour market both from the aspect of the insured persons, and the system as a whole.

Seen from the insured person's aspect, the positive impact on the labour market is expressed through the relation between the length of service, earnings and the contributions paid during length

of service, on one side, and the accumulated pension on the other side. Namely, as for the first pillar (pay-as-you-go), pension is calculated in accordance with the salaries paid during the whole length of service. As for the second pillar (obligatory and fully funded), the pension depends on the contributions accumulated and the incomes from the investments attained. That is a stimulus for bigger participation of the beneficiaries in the labour market, i.e., longer work record provides bigger pensions.

Looking at the organisational impact on the labour market from the point of view of the system as a whole, the reform significantly contributes to increase of the effectiveness of the Macedonian labour market, as it is expected that in the long term the contributions will be decreased which will directly contribute to the decrease of the labour costs. Therefore, it is logical to expect that such phenomena will influence the participation of labour force, which means decrease of unemployment, as well as influencing the transfer of the employees from the non-formal to the formal sector of the economy.

The pension system impacts the labour and its productivity, contributes to the accumulation of the capital and its allocation, and influences the development of the economy as a whole. Therefore, the economic incentives are expected to be especially present in the new pension system of the Republic of Macedonia having capital component, which will start functioning in 2005. The obligatory fully funded pension insurance will influence the increase of savings and strengthen the power for investments as well as stimulate the capital market and the economy growth in the country. Consequently, it will reflect itself in mobility of the labour market from a long-term point of view.

**5. Are there certain groups excluded from the system (coverage)? Is there a possibility of 'opting out'? If so, are there any problems caused by the exclusion of certain groups? Do you consider the system as equitable with regard to gender equality and other groups of the population?**

There are no groups of population excluded from the pension system of the Republic of Macedonia, nor there is any inequality with regards to it. All the employed persons having established employment or performing activities subject to the obligatory pension and disability insurance are covered by the system for the whole period having the aforesaid status. For the purpose of providing continuity of obligatory pension and disability insurance, there is a type of voluntary insurance - extended insurance within the first pillar.

Persons and beneficiaries engaged for certain public works (in actions for rescuing or protection from natural disasters, in organised youth or other actions, at training when summoned by the defence authorities and assisting to the police authorities) are covered by the obligatory pension and disability insurance (right to a pension) ("Official Gazette of the RM" Nos. 80/93, 3/94, 14/95, 71/96, 32/97, 24/00, 96/00, 50/01, 85/03, 50/04 and 04/05).

Equality is provided regarding obligatory pension and disability insurance of every individual without any prejudices related to sex or ethnic origin. The aforesaid equality is attained by:

- equal conditions for retirement,
- equal conditions for payment of contributions and equal percentages of payment of contributions for all the insured persons having same capacity,
- equal conditions for attainment of right to pension, except for the conditions related to the age limit for age pensions for women being two years lower than the age limit for men,
- equal method of calculation of pensions (for same salary and same length of service- same pension),
- equal conditions for payment of pension in the Republic of Macedonia and abroad.

**6. Does the public consider your system as transparent and administratively effective? Does the system meet general acceptance in the population?**

Prior to the establishment of the three-pillar pension system, a series of public opinion surveys were conducted with a significant public support .

During the adoption of the legal project for the pension system reform, various public appearances, workshops, and media campaigns were organised. The Trade Union of the Republic of Macedonia was also involved in the aforesaid activities.

The methods for conducting public opinion surveys in 2001 included :

- basic and periodical surveys, with a surveying sample of at least 1,200 persons, with a geographic coverage of the whole country, as well as balanced coverage of sex and age;
- focus groups with a geographic coverage of the whole country, as well as balanced coverage of sex and age, and
- in-depth interviews with the public opinion creators.

It might be said that the public considers the existing pay-as-you-go system insufficiently transparent and administratively slow. The lack of transparency was pointed out in the irregularity of information on the payment of contributions by the employers, and in most cases that information is obtained immediately prior to retirement. Regarding the efficiency of the administration, according to the public opinion, there is a need for quicker procedures for attainment of rights related to pension and disability insurance. That is confirmed by the results of the survey, where the transparency of the existing system was evaluated with 3.34 (on the scale of 1 to 5) according to the Basic Survey conducted in July, 2001, and a there has been a negative trend thereafter according to Periodical Survey in November, 2001, when the transparency scored 3.21 points. With regards to the administrative efficiency of the system, the results from the same period indicated a score of 3.38 as for July, 2001, and of 3.0 in November, 2001.

The reform of the pension system is planned to provide much higher degree of transparency as well as more efficient administration thereof by virtue of introduction of fully funded pension insurance (the second pillar).

These are the highlights of the conducted public opinion surveys, apart from the aforesaid results:

- 51% of the respondents believe that the pension insurance shall be improved by the introduction of private pension funds (Periodical Survey, November, 2001 - increase of 9% of the percentage of respondents believing in the improvement in comparison with the Basic Survey from July, 2001)
- 65% of the respondents expect that the reformed pension system will provide higher pensions, sure and regular payment thereof and more secure pension system (Periodical Survey, November, 2001)
- 60% of the respondents have declared they would participate in the reformed pension system (Periodical Surveys, November, 2001: increase of 6.5% of the positive attitude in comparison with the Basic Survey from July, 2001)
- about 70% of the respondents have a positive attitude to the reformed pension system (Periodical Survey, November, 2001, increase of 25% of the positive attitude in comparison with the Basic Survey from July, 2001)
- Half of the respondent's responded they knew who is the owner of the funds in the private pension funds (Periodical Survey, November, 2001).

The following conclusions regarding the structure of the total number of respondents were pointed out: a) the population segment between the ages of 25 and 44 is most aware of the reforms; b) there is a greater involvement of the urban population; c) there is a greater involvement of the male population; d) there is a smaller involvement and an element of mistrust with the population at the age of 55 and older; e) younger population, at the ages between 18 to 24, is not so informed, but has a positive attitude to the reforms; f) there is a positive trend regarding attitudes to the issue of the reform of the pension system and the solutions proposed.

## Evaluation of future challenges

### 7. Assess the financial sustainability of the system (of each pillar) with regard to demographic, economic and social changes.

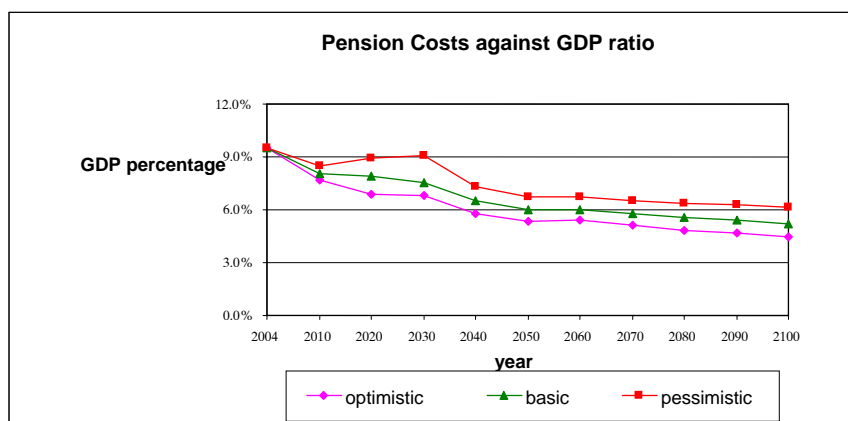
The Macedonian pension system is still in transition, because the age limit for attaining the right to age pension has been increased, i.e. from 63 to 64 for men, and from 60 to 62 for women. By 2007, the age limit for attainment of right to age pension shall gradually increase for women. The calculation period for determining of pensions has been increased, i.e. the pension shall be determined from salaries received throughout the years of service (parameter pension system reforms carried out in 1994). The mentioned future changes shall positively influence the ratio of insured employees against pensioners, as well as the revenues and expenditures of the pension insurance system.

Since 1985, the number of employees is constantly decreasing, which has a negative impact on the contribution rate for pension and disability insurance. Thus, the ratio of insured employees against pensioners in 1993 was 2,4:1; in 2000 it fell to 1,5:1 while in 2002 and 2003, the ratio has been 1,3 :1. The pension system sustainability needs an insured employees against pensioners ratio of 3:1.

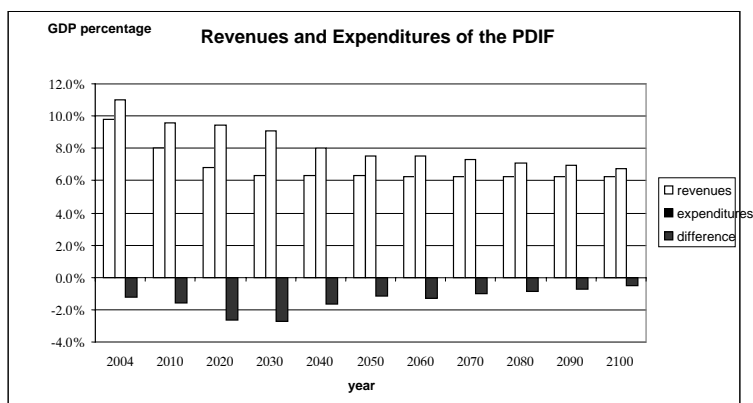
The three-pillar pension system shall overcome the problems caused by unfavourable demographic movements, which quite negatively influences the one-pillar system. The multilayered pension system provides long-term solvency of the pension system. Reducing the volume of the state pension system for the account of introducing a fully funded system shall reduce the obligations of the state system in the long-term, thereby decreasing the public expenditure by lowering pension expenses.

Prior to the establishment of the new pension system, several projections had been developed on trends adhering to the pension and disability insurance (the one-pillar system), then projections, i.e. simulations of the situation with an introduced second pillar (individual fully funded saving). Parameters, such as: the influence of age pension, the method of pension calculation, different variants of pension alignment, the future trends as well as other economic and demographic parameters were taken into account. All of these projections were used for the selection of the final pension system model.

Based on various types of scenarios of demographic and economic assumptions, the Actuarial Unit at the Pension and Disability Insurance Fund of the Republic of Macedonia (PDIF) has prepared projections on the future financial sustainability of the PDIF, which also reflects the fiscal influence of the mentioned factors on the solidarity system with pay-as-you-go financing, i.e. the first pillar of the pension system.

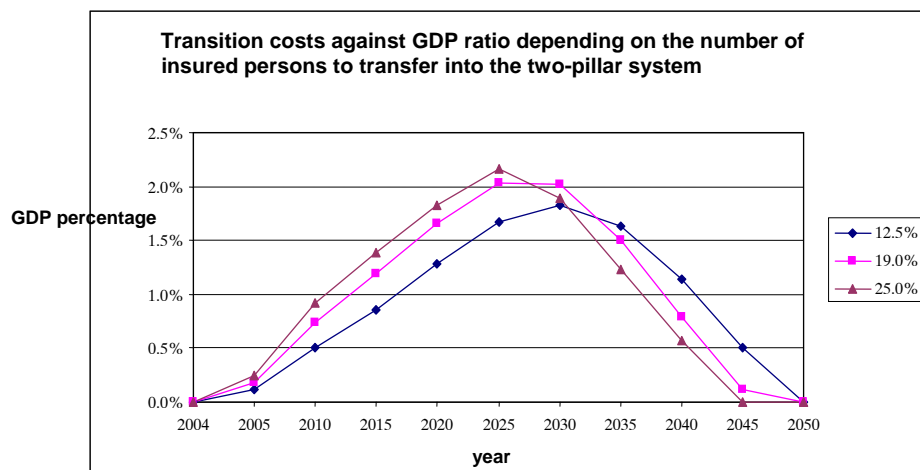


The reformed pension system projections show that the Fund will work with a deficit which will decrease in the long-term in contrast to the unreformed system projections which show continuing growth of the deficit and possible insolvency of the Fund.



The transition to the new two-pillar system shall be carried out gradually during the next 50 years. During the transition, the existing one-pillar system and the new two-pillar system shall function simultaneously. The new system shall be obligatory for the new workers on the labour market, but optional for the insured persons that are already part of the workforce. The reform parameters are set out in such a way that insured people with less than 5 years of length of service shall be motivated to enter the new system, the insured persons with length of service from 5-10 years shall be less motivated for the new system, whereas the insured persons with length of service over 10 years shall have a strong motivation to remain in the existing one-pillar system. Because of this, only young employees are expected to join this system, whereas the older workers will possibly remain in the one-pillar system. The calculations indicate that at the start, between 45.000 and 90.000 insured persons shall transfer into the new system, or approximately 12,5%-25% of the total number of insured persons. Gradually, the workforce participation in the new system will grow as all employees with the first employment shall be obliged to enter the new system in the future. Practically, by 2035, the total workforce shall be participating in the two-pillar system. The first pensioners according to this new system will appear around 2025 (assuming that the workers up to 40 years of age have entered the new system). Gradually between 2025 and 2065, the composition of pensioners will change from 100% pensioners from only one pillar system towards 50% pensioners in both pillars and finally at the end of the estimated year the new pillar system will be composed of 100% of all pensioners. After 2065, all pensioners will receive their pension from the newly introduced two pillar system, by which the transition will be completed.

The chart below shows the transition costs against the GDP ratio depending on the number of beneficiaries to transfer to the two-pillar system.



It can be noted from the chart that the three curves have same shape, so the costs depend on the assumptions on the number of insured persons transferring. It may be noted that the costs in the scenario are higher where there is a bigger number of insured persons transferring to the second pillar at the beginning, in which case the duration of costs is shorter as the effects of the second pillar are felt faster. For example, in the basic scenario (19.0%), the highest costs are 2,0% of the GDP for transfer of 67.000 insured persons. In contrast, in the scenario where 88.000 insured persons (25%) transfer, the highest costs are 2,2% of the GDP, whereas in the scenario where 44.000 insured persons (12,5%) transfer, the costs are 1,7% of the GDP. The initial participation of insured persons who will transfer to the new system influences the size and duration of costs, but the total current value of transition costs is same in the three types of scenario.

In continuation, there are tables which show some of the projected results.

Deficit of the PDIF (transitional plus structural)										
Assumptions	In correlation to GDP					In million EUR (current value)				
	Optimistic	Basic	Pessimistic	Basic	Basic	Optimistic	Basic	Pessimistic	Basic	Basic
% of insured persons to transfer	19%	19%	19%	12,5%	25,0%	19%	19%	19%	12,5%	25,0%
2004	-1,22%	-1,22%	-1,22%	-1,22%	-1,22%	-55.0	-55.0	-55.0	-55.0	-55.0
2005	-1,24%	-1,30%	-1,37%	-1,24%	-1,36%	-58.1	-60.0	-62.9	-57.0	-62.8
2006	-1,32%	-1,44%	-1,58%	-1,29%	-1,57%	-64.3	-68.0	-73.8	-61.0	-74.5
2007	-1,23%	-1,34%	-1,61%	-1,17%	-1,49%	-62.2	-65.7	-76.9	-57.3	-73.2
2008	-1,16%	-1,34%	-1,66%	-1,15%	-1,51%	-61.1	-67.7	-81.0	-58.1	-75.9
2009	-1,20%	-1,46%	-1,84%	-1,25%	-1,64%	-66.2	-76.0	-91.4	-65.0	-85.1
2010	-1,23%	-1,56%	-1,99%	-1,33%	-1,74%	-70.3	-83.6	-100.9	-71.1	-93.3
2011	-1,24%	-1,64%	-2,12%	-1,39%	-1,83%	-73.5	-90.5	-109.7	-76.5	-100.8
2012	-1,23%	-1,71%	-2,24%	-1,43%	-1,90%	-76.1	-97.1	-118.1	-81.5	-107.7
2013	-1,22%	-1,77%	-2,32%	-1,48%	-1,96%	-78.5	-103.8	-125.4	-86.6	-114.6
2014	-1,20%	-1,82%	-2,42%	-1,52%	-2,01%	-80.4	-110.0	-133.2	-91.7	-120.9
2015	-1,32%	-1,95%	-2,60%	-1,64%	-2,13%	-91.6	-121.4	-146.2	-101.7	-132.5
2016	-1,40%	-2,11%	-2,81%	-1,78%	-2,28%	-101.4	-134.8	-160.9	-113.9	-146.0
2017	-1,48%	-2,25%	-3,01%	-1,92%	-2,43%	-111.5	-148.5	-175.8	-126.3	-160.1
2018	-1,54%	-2,37%	-3,18%	-2,03%	-2,54%	-120.4	-161.1	-189.7	-138.1	-172.4
2019	-1,61%	-2,51%	-3,37%	-2,17%	-2,68%	-131.5	-176.0	-205.4	-151.9	-187.3
2020	-1,66%	-2,62%	-3,53%	-2,29%	-2,75%	-140.7	-188.9	-219.4	-164.9	-198.4
2030	-2,03%	-2,73%	-4,14%	-2,62%	-2,58%	-231.2	-264.9	-313.4	-254.2	-250.9
2040	-1,02%	-1,67%	-2,49%	-2,03%	-1,45%	-143.5	-193.0	-230.0	-234.6	-168.1
2050	-0,58%	-1,18%	-1,88%	-1,52%	-1,07%	-97.3	-155.1	-188.3	-199.5	-141.3
2060	-0,69%	-1,27%	-1,94%	-1,45%	-1,25%	-136.6	-187.1	-204.4	-213.6	-184.0
2070	-0,41%	-1,03%	-1,75%	-1,11%	-1,03%	-100.4	-177.0	-199.2	-190.9	-177.0
2080	-0,18%	-0,85%	-1,63%	-0,91%	-0,85%	-55.4	-172.1	-204.3	-184.4	-172.1
2090	0,00%	-0,71%	-1,55%	-0,76%	-0,71%	0.0	-170.1	-213.6	-184.1	-170.1
2100	0,00%	-0,52%	-1,43%	-0,57%	-0,52%	0.0	-150.4	-219.5	-165.8	-150.4

Transition Costs										
Assumptions	In correlation to GDP					In million EUR (current value)				
	Optimistic	Basic	Pessimistic	Basic	Basic	Optimistic	Basic	Pessimistic	Basic	Basic
% of insured persons to transfer	19%	19%	19%	12,5%	25,0%	19%	19%	19%	12,5%	25,0%
2004	0,00%	0,00%	0,00%	0,00%	0,00%	0.0	0.0	0.0	0.0	0.0

2005	0,19%	0,19%	0,19%	0,12%	0,25%	8.7	8.6	8.5	5.6	11.4
2006	0,44%	0,44%	0,44%	0,29%	0,57%	21.2	20.6	20.4	13.6	27.0
2007	0,51%	0,51%	0,51%	0,34%	0,66%	25.7	24.9	24.2	16.5	32.3
2008	0,57%	0,57%	0,57%	0,38%	0,74%	30.2	28.9	27.9	19.3	37.2
2009	0,65%	0,65%	0,65%	0,44%	0,83%	35.9	34.0	32.5	22.9	43.1
2010	0,74%	0,74%	0,73%	0,50%	0,92%	42.0	39.4	37.3	26.8	49.2
2011	0,82%	0,82%	0,82%	0,57%	1,01%	49.0	45.5	42.6	31.3	55.9
2012	0,92%	0,92%	0,91%	0,64%	1,11%	56.6	52.0	48.2	36.2	62.9
2013	1,01%	1,01%	1,01%	0,71%	1,20%	65.0	59.2	54.5	41.6	70.5
2014	1,09%	1,09%	1,08%	0,78%	1,28%	72.8	65.6	59.7	46.7	77.1
2015	1,19%	1,19%	1,18%	0,86%	1,38%	82.8	73.8	66.6	53.3	85.9
2016	1,29%	1,28%	1,28%	0,94%	1,48%	93.1	82.1	73.3	60.1	94.5
2017	1,38%	1,38%	1,37%	1,02%	1,57%	104.0	90.9	80.3	67.5	103.6
2018	1,47%	1,47%	1,46%	1,11%	1,66%	115.4	99.8	87.4	75.1	112.5
2019	1,57%	1,56%	1,56%	1,19%	1,75%	127.6	109.3	94.7	83.4	122.1
2020	1,66%	1,65%	1,65%	1,28%	1,83%	140.5	119.2	102.3	92.0	131.9
2025	2,04%	2,03%	2,03%	1,67%	2,16%	209.4	170.1	139.0	139.9	181.0
2030	2,03%	2,02%	2,00%	1,83%	1,89%	231.2	196.3	151.4	177.5	183.2
2035	1,51%	1,50%	1,44%	1,64%	1,22%	191.0	160.3	120.8	175.1	130.9
2040	0,83%	0,79%	0,76%	1,14%	0,57%	116.3	91.5	69.9	131.5	65.7
2045	0,21%	0,12%	0,08%	0,51%	0,00%	31.8	14.7	7.8	62.9	0.0
2050	0,00%	0,00%	0,00%	0,00%	0,00%	0.0	0.0	0.0	0.0	0.0

Contributions to the second pillar										
	In correlation to the GDP					In million EUR (current value)				
Assumptions	Optimistic	Basic	Pessimistic	Basic	Basic	Optimistic	Basic	Pessimistic	Basic	Basic
% of insured persons to transfer	19%	19%	19%	12,5%	25,0%	19%	19%	19%	12,5%	25,0%
2004	0,00%	0,00%	0,00%	0,00%	0,00%	0.0	0.0	0.0	0.0	0.0
2005	0,19%	0,19%	0,19%	0,12%	0,25%	8.8	8.7	8.6	5.7	11.5
2006	0,44%	0,44%	0,44%	0,29%	0,57%	21.3	20.7	20.5	13.6	27.1
2007	0,51%	0,51%	0,51%	0,34%	0,66%	25.8	24.9	24.3	16.6	32.4
2008	0,58%	0,58%	0,57%	0,38%	0,74%	30.3	29.0	28.0	19.4	37.3
2009	0,66%	0,66%	0,66%	0,44%	0,83%	36.0	34.1	32.6	23.0	43.2
2010	0,74%	0,74%	0,74%	0,50%	0,92%	42.1	39.5	37.3	26.9	49.3
2011	0,83%	0,83%	0,82%	0,57%	1,02%	49.1	45.6	42.7	31.3	56.0
2012	0,92%	0,92%	0,92%	0,64%	1,11%	56.7	52.1	48.3	36.2	63.0
2013	1,01%	1,01%	1,01%	0,71%	1,21%	65.1	59.3	54.6	41.7	70.6
2014	1,09%	1,09%	1,09%	0,78%	1,28%	73.0	65.7	59.8	46.8	77.2
2015	1,19%	1,19%	1,18%	0,86%	1,38%	82.8	73.8	66.6	53.3	85.9
2016	1,29%	1,28%	1,28%	0,94%	1,48%	93.1	82.1	73.3	60.1	94.5
2017	1,38%	1,38%	1,37%	1,02%	1,57%	104.0	90.9	80.3	67.5	103.6
2018	1,47%	1,47%	1,46%	1,11%	1,66%	115.4	99.8	87.4	75.1	112.5
2019	1,57%	1,56%	1,56%	1,19%	1,75%	127.6	109.3	94.7	83.4	122.1
2020	1,66%	1,65%	1,65%	1,28%	1,83%	140.5	119.2	102.3	92.0	131.9
2030	2,25%	2,25%	2,24%	1,96%	2,29%	256.4	218.1	170.1	190.4	222.7
2040	2,29%	2,29%	2,29%	2,18%	2,29%	321.8	265.6	212.1	252.6	265.6
2050	2,29%	2,29%	2,29%	2,21%	2,29%	383.6	301.9	230.3	290.9	301.9
2060	2,29%	2,29%	2,29%	2,21%	2,29%	452.9	337.3	241.1	325.0	337.3
2070	2,29%	2,29%	2,29%	2,21%	2,29%	559.4	393.2	261.6	378.9	393.2
2080	2,29%	2,29%	2,29%	2,21%	2,29%	705.3	466.4	288.1	449.4	466.4
2090	2,29%	2,29%	2,29%	2,21%	2,29%	894.5	553.0	315.7	532.9	553.0



2100	2,29%	2,29%	2,29%	2,21%	2,29%	1157.1	668.4	351.1	644.1	668.4
Beneficiaries										

	First pillar (total)					Second pillar				
Assumptions	Optimistic	Basic	Pessimistic	Basic	Basic	Optimistic	Basic	Pessimistic	Basic	Basic
% of insured persons to transfer	19%	19%	19%	12,5%	25,0%	19%	19%	19%	12,5%	25,0%
2004	351.402	351.402	351.402	351.402	351.402	0	0	0	0	0
2005	356.673	356.673	353.744	356.673	356.673	33.746	33.746	33.469	22.292	44.163
2006	362.023	362.023	356.103	362.023	362.023	79.022	79.020	77.724	52.576	102.348
2007	367.453	369.263	358.477	369.263	369.263	92.602	93.044	90.321	62.352	119.333
2008	372.965	372.956	360.866	372.956	372.956	105.699	105.696	102.179	71.379	134.013
2009	378.559	376.685	363.272	376.685	376.685	121.235	120.613	116.209	82.183	150.770
2010	384.238	380.452	365.694	380.452	380.452	137.281	135.873	130.443	93.532	167.237
2011	390.001	384.257	368.132	384.257	384.257	154.728	152.357	145.778	106.071	184.514
2012	395.851	388.099	370.586	388.099	388.099	172.940	169.424	161.552	119.348	201.903
2013	401.789	391.980	374.459	391.980	391.980	192.135	187.267	178.643	133.583	219.838
2014	407.816	395.900	376.956	395.900	395.900	209.100	202.632	192.433	146.512	234.714
2015	413.933	399.859	379.469	399.859	399.859	229.527	221.300	209.460	162.197	253.843
2016	420.142	403.858	381.999	403.858	403.858	249.719	239.550	225.977	178.081	271.962
2017	426.444	407.896	384.545	407.896	407.896	270.422	258.114	242.662	194.534	290.432
2018	432.841	411.975	387.109	411.975	411.975	291.000	276.356	258.919	211.145	308.059
2019	439.334	416.095	389.690	416.095	416.095	312.319	295.134	275.584	228.425	326.329
2020	445.924	420.256	392.288	420.256	420.256	333.729	313.817	292.051	245.936	344.293
2030	468.661	464.224	419.239	464.224	464.224	461.038	456.492	411.900	402.076	464.224
2040	450.238	454.158	448.042	454.158	454.158	450.238	454.158	448.042	432.708	454.158
2050	419.273	423.467	426.172	423.467	423.467	419.273	423.467	426.172	408.083	423.467
2060	386.667	388.080	390.837	388.080	388.080	386.667	388.080	390.837	373.982	388.080
2070	373.132	371.131	371.437	371.131	371.131	373.132	371.131	371.437	357.649	371.131
2080	367.491	361.138	358.259	361.138	361.138	367.491	361.138	358.259	348.019	361.138
2090	364.080	351.275	343.938	351.275	351.275	364.080	351.275	343.938	338.514	351.275
2100	367.921	348.326	335.072	348.326	348.326	367.921	348.326	335.072	335.672	348.326

## 8. Are there pension finance projections for the future? Which future developments are indicated?

The National Development Strategy of the Republic of Macedonia includes the pension reform project with development projections of the pension system by 2040. The following parameters have been taken into account:

### Demographic Assumptions

Due to the low fertility rate and the increased life expectancy, it is estimated that within the national population in the future the number of working age population (insured persons) shall decrease i.e. the old population and the number of pensioners shall be an increased.

### Economic Assumptions

During the next decades, increased economic growth is expected, due to which the reduction of the unemployment rate, greater increase of GDP and salaries are also anticipated. The unemployment rate is estimated to decrease from the current 33,4% to 15%, and to remain at a constant level by the end of the projected period. During the whole projection period, a constant real salary increase of 2% is assumed.

### Pension Policy Changes

The retirement age gradually increases to 64 (for men) and 62 (for women), which shall influence the number of new pensioners. The replacement rate decreases to 72% gradually, in a period of 40 years. The method of pension indexation is changing. The pensions shall be indexed by a combined index (20% of the salary increase plus 80% of the inflation).

The amendments on the Law on Fully Funded Pension Insurance (Official Gazette of the RM No. 85/03) expect the start of contribution payments for the second pillar in a period of 6 months from the date of issuing of the first continuous emission of state bonds, which is planned for the first half of 2005.

The contribution rate shall be:

13,78% contribution rate for the first pillar

7,42% contribution rate for the second pillar

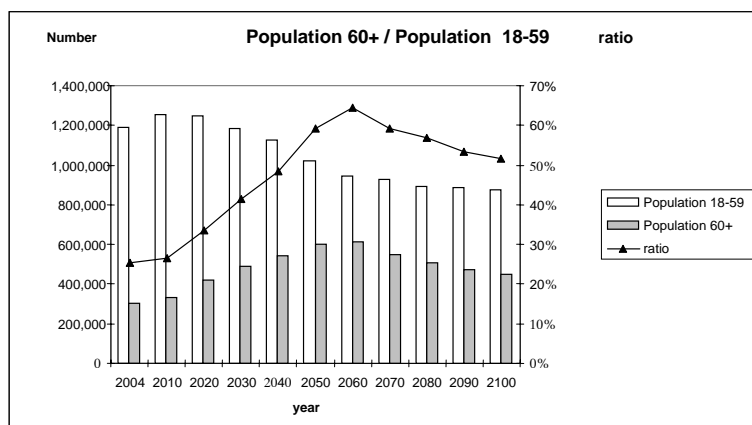
In relation to the replacement rate, and due to the pension policy changes, the replacement rate is expected to be 30% from the first pillar for insured persons entering the new system, whereas the expected replacement rate of the second pillar mainly depends on the private pension funds investment revenues.

One of the most significant assumptions for assessment of transition costs that occur when transferring to multi-pillar system is the assumption on the number of insured persons to enter the new system and the speed of their entry. It is assumed that the actual division of contribution between the two pillars shall start in July, 2005 for all insured persons joining the second pillar. As to the number of insured persons entering the new system, it is estimated that 19% of the labour force shall enter the new system (obligatorily or voluntarily) during the first year. The most important factors for the assessment were gender, age at the moment of transfer of insured person, and the length of service. Younger insured persons have more time for accumulation and investment of funds in the second pillar. On the other hand, the insured persons with greater length of service deciding to transfer to the new system shall have only up to 5 years of service considered for calculation of the pension. This means that if insured persons move to the new system, they shall have to denounce part of their rights because of which the length of service also becomes a significant factor for deciding to move to the new system.

The introduction of the second pillar, i.e. the occurrence of transition costs, shall not affect the income of the Fund because the funds' deficit shall be covered from the national budget, according to the Law.

### Actuarial Projections

The age structure of a given population is an important demographic factor for the workforce formation. The ratio between the working age population (from 18 to 59 years of age) and the old population (over 60 years of age) is an indicator for the aging of the population.

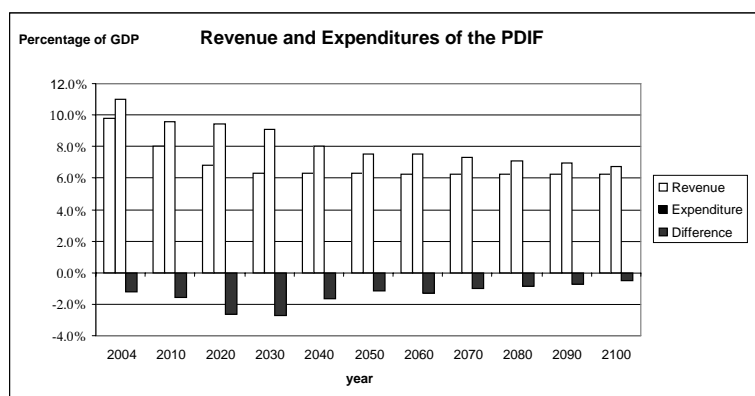


According to the projections, the ratio of the two groups of population increases from the current 25.5% to 64.4% in 2060 and decreases to 51.5% in 2100. This means that in the future approximately one third of the population above 18 will be old population..

For a pay-as-you-go system the ratio of insured persons against pensioners is very important because the contributions of the current insured persons are used for pension payment to the current pensioners. The ratio of insured persons against pensioners, decreases in long-term from the current 1,4:1 to 1,0 to 1. This trend of the ratio means that an increasingly smaller number of insured person shall pay for an increasingly greater number of pensioners. Such a ratio indicates that a system based only on pay-as-you-go shall have problems functioning, as the ratio itself is an indicator that the system is not sustainable.

The pension expenditures as percentage of the GDP are an indicator of how expensive is the pension system of a country. In 2004, the pension expenditures were 9,5% of the GDP. The expenditures during the projection period gradually decrease due to the reduction of the replacement rates for insured persons remaining in the first pillar and due to the reduced volume of pensions for insured persons transferring to the two-pillar system, mainly due to the percentage of 30% for the replacement rate of the first pillar for these beneficiaries, and the provision for compensation of the rest of the pension from the second pillar.

The projections of the reformed pension system show that the Fund shall have a deficit which will significantly decrease in long-term, in contrast to the projections of the unreformed system which show continuing deficit growth and possible insolvency of the Fund.



The Fund deficit consists of two components: deficit due to contributions outflow to the second pillar and structural deficit of the Fund occurring due to imbalance of current revenues and expenditures

Between 2004 and 2030, due to the introduction of the second pillar, the deficit gradually increases because the labour force participation in the second pillar shall gradually increase and the contributions outflow to the second pillar shall be higher. After 2030, the deficit starts decreasing because of the appearance of the first pensioners from the two-pillar system, which shall reduce the pension expenditures –because of the lower pensions that they will be taking from the first pillar, and a greater part, shall be paid from the second pillar. There is a slight deficit increase around 2060 due to the influence of the demographic factors, especially because of the low fertility rate during the first decades in the 21 century, which reflects in a lower number of insured persons in this period. Furthermore, due to maturing of the two-pillar system, when all pensioners receive pensions from both pillars, pension expenditures decrease in the first pillar, and the deficit decreases, too.

## 9. What are the main challenges for the old-age security of your country in the future?

The longer people live, the longer they can work and enjoy the opportunity for higher pension that depends on their contributions paid. The reformed pension system offers better security for the future pensioners because they will receive pension both from the state and the private pillars. At the same time, the risk will be diversified because the pension system pillars shall be funded in various ways and shall differently react to possible risks.

## Evaluation of recent and planned reforms

### **10. Describe recent major reforms which have been implemented. What were the main objectives of the reforms?**

During the period 1993-1999 several measures were taken by the Fund and the Government of the Republic of Macedonia for improvement of the Fund fiscal condition. At the end of 1993 (Official Gazette of the RM No. 80/93), the contribution rate was increased from 18% to 20% and participation of 9.18% of the oil derivatives excise tax was introduced as additional funds of the Fund.

The Law dated January 1, 1994, included several restrictive measures for attaining the right to pension, among which more important were: increase of the age limit from 60 to 63 years of age for men and from 55 to 60 years of age for women; calculation of the pension base from the salaries during the total years of service instead of the most favourable 10 years; reduction of the percentage for establishing pension from 85% to 80%; elimination of the institute buying-off length of service as a possibility for early retirement, etc.

Restrictive amendments to the Law were made in 1995, too (Official Gazette of the RM No.14/95) which was a continuation of reduction of social elements in the system. The amendments included omission of: the right to financial benefit for assistance and care, the right to use funds for social standard of pension users and the right to use funds for improvement of protection for the disabled, provision of funds for financial benefits on the basis of the remaining work ability by employers, alignment of pensions according to the salaries increase in the non-economic sector in the Republic, transfer of costs for payment of pensions to beneficiaries, etc.

With the amendments to the Law on Pension and Disability Insurance (Official Gazette of the RM No. 71/96), the calculation of valorisation coefficients, the lowest pension amount and the highest pension amount were made according to the average salary in the non-economic sector, in order to provide alignment of all institutions that have an influence on the pension level.

In 2000, the additions and amendments to the Law on Pension and Disability Insurance (Official Gazette of the RM No. 24/2000) made parametric reform of the existing system (first pillar) and a thorough reform of the pension system, so that the new pension system consists of three pillars:

- compulsory pension and disability insurance based on generation solidarity;
- compulsory fully funded pension insurance;
- voluntary fully funded pension insurance.

The retirement age gradually increases to 64 years (for men) and to 62 years (for women) reaching the limit in 2006. The replacement rate gradually decreases, in a period of 40 years, from 80% to 72% for full length of service. There is a change in the way of pension indexation - they will be indexed by a combined index (20% of the salaries increase plus 80% of the inflation).

The introduction of a second pillar shall be implemented gradually, compulsory only for the newly employed as of January 1, 2003, and voluntary for the existing beneficiaries. The division of contribution between the pillars will be 65% for the first, and 35% for the second pillar. It is planned for the beginning of contribution payment for the second pillar to start within 6 months from the date of issuing the first continuous emission of state bonds, which is planned for the first half of 2005.

The second pillar will be organised by defined contributions, with accumulation and investment of funds of the private pension funds members managed by pension funds management companies. The choice of being a member of a private fund is a personal right of the beneficiary, who will also be entitled to changing the fund.

Pensioners shall exercise the right to age pension from both pillars, while the right to disability pension and the right to family pension shall be exercised in the first pillar, so that the accumulated funds on the individual account shall be transferred to the first pillar. The pension of the second pillar will be disbursed as lifetime annuity or through programmed withdrawal, upon member's choice. The funds on the individual accounts are personal property of the beneficiaries.

The basic goals are identified through the provision of:

- Security in exercising the rights to pension and disability insurance,
- Insurance of the short-term and long-term solvency of the Pension and Disability Fund of the Republic of Macedonia,
- Maximum security and minimum risk,
- Guaranteeing just pensions for all generations,
- Enhancing the public trust in the pension system through achievement of other goals.

Meeting these goals will result in positive effects for the functioning of the pension system and the economy as a whole.

The additional goals of the establishment of private pension funds will influence the increase in savings by the population in long-term, which will further strengthen the investing ability and the economic growth in the country. The fully funded pension insurance system is closely related to the capital market, i.e. the results from pension investments depend on the development level of the capital market. If the capital market is at low level of development, the investment of funds from the private pension funds may influence the increase of the volume and turnover of the capital market.

#### **11. Describe the discussion and status of planned reforms. What are the main political positions? What is the expected impact of these reforms?**

The debate on the planned reforms took place in two separate periods. The first period relates to the first stage of adoption of the legislation during which more attention was paid to clarification of the reasons for reform, the influence and consequences of the demographic changes in the population, as well as the influence of the economic transition period on the system. Right from the start, when creating the legal solutions, union organisations and pensioners were included, as well as the Chamber of Commerce and the press, in order to educate them on the reasons for the reform, the model, and the benefits from the future pension system. The position of the Association of the Trade Unions was that reforms were necessary, but not now, as conditions need to be created. Namely, for the reform, the Union approved only a first and possibly a third pillar, without increasing the age limit as pension requirement. The position of pensioners was that they supported the reform, and pointing out that the payment of their current pensions should not come into question because of the pension system reform.

During the second period of public debate, the pension reform legal solutions were presented. The open discussion resulted in incorporating certain comments and recommendations in the final adoption of the Law.

A debate was also organized with the Management Committee of the Pension and Disability Fund of the Republic of Macedonia, because the new law assigns new functions to the Fund in the implementation of the compulsory fully funded pension insurance.

Within the debate on the Draft Law on Compulsory Fully Funded Pension Insurance, the discussions at the meetings with the banks, insurance companies, and the Ombudsman were extensive, and the participants were mostly interested in the practical implementation of the solutions given in the Law. There were questions and discussion followed on the set out requirements for founders of pension funds management companies, the requirements for custodian guard of the pension fund, the investment of funds from the pension funds, i.e. the instruments where these funds could be invested. In this stage, the attention was also directed towards guarantees and security of investment, i.e. how to protect from insecure investment.

The final debate was held with the employers of the bigger enterprises. Most of the questions and discussions were about simplification of certain notions and solutions given in the Law. For this target group, it was of special importance to point out that by introducing appropriate software for data collection and processing at the Pension and Disability Insurance Fund, it will be necessary to deliver the same software to employers, so that the data processing could be unified.

As this reform mostly concerns the younger population, presentations and debates were organized at the University of St. Cyril and Methodius, where special emphasis was put on the part of pension insurance funds which shall be provided on the basis of its capitalisation.

In addition the benefits of guaranteeing just pensions for all generation were also pointed out.

During the reform, the media representatives were actively involved in the public debates, clearly expressing their understanding for the need and the model of the reform, as well as for the transparent approach to the public.

In general, it may be concluded that during the public discussions there was public support for the need of the pension system reform which will provide safe pension system for all generations.

In terms of the current status of the reform, after the adoption of the legal framework, intensive activities have been undertaken on the institutional preparation for successful functioning of the new pension system, especially of the second pillar, which is a novelty in the system. The PDIF, which will carry out the unified payment of contributions for both pillars and the allocation of contributions from the second pillar to the private pension funds members, has already developed a design for the new processes and software specifications. At present, the software application design is being developed. An Agency for supervision of the fully funded pension insurance has been established in order to supervise the work of the pension funds management companies, to improve the fully funded pension insurance, and protect the interests of the pension funds' members. In order to prepare the system, the Macedonian Pension Agency for Supervision (MAPAS) has brought secondary legislation on additional organisation of certain system areas, a design of MAPAS business processes has been developed, and the software specifications are being designed. MAPAS has announced an international public tender for selection of two pension funds management companies, which is underway. Business processes at the National bank of the Republic of Macedonia are being developed, too. The National Bank will have the role of the custodian guard of the pension funds in the first five years. The Ministry of Labour and Social Policy administers the financial support by the World Bank on financing all necessary preparations for implementation of the reformed pension system. This Ministry is also working on the preparations for development of public campaign strategy, which is a very important component for public education and information.

#### Expected Impact

- The multi-pillar pension system helps building a long-term solvent pension system. Namely, by reducing the volume of the state pension system on the account of introduction of a fully funded system, the long-term obligations for pension payment of the state system will decrease, and it will simultaneously decrease the public expenditures for the amount of the pensions. From the aspect of an individual, this system provides better security because the pensions shall be funded from two, i.e. three sources. Thus, the diversification of risks shall be accomplished, every system shall carry its own risk;
- Balancing of the interests of the future generations of pensioners to the interests of the current pensioners, i.e. guaranteeing of just pensions for all generations;
- Gradual reform in order to have easier transition to the new system;
- The transparency of the work in this type of pension system is important feature because any individual will know how much funds are available on his account at any time, where are their assets invested, and what profit is made from the investments;

- The establishment of private pension funds is expected to have additional influence on the population savings increase in long-term, which will further strengthen the investment power and the growth of economy in the country, and can influence the increase of the volume and turnover on the capital market;
- In the long run, the pension reform will reflect on the increase of efficiency of the Macedonian labour market, which is currently in disproportion between the labour supply and demand. In the long term, the reform is expected to provide conditions for contribution decrease, which will reduce the labour price. Therefore, it is reasonable to expect this occurrence to affect the increase of labour participation, which means unemployment reduction and influence on the transfer of workers from the informal to the formal economic sector.

**12. Provide an analysis of current trends in pension policy and an assessment whether in your view these reforms (recent and planned) will cope with future challenges.**

The pension system of the Republic of Macedonia exists for almost 50 years, and it has been gradually developing and upgrading with time. The socio-economic changes and unfavourable trends in economy from the beginning of the transition to market economy have been a cause of an increased number of enterprises working with losses; having had redundancy discharges and numerous bankruptcy procedures. Those were the main reasons that influenced the reduction of the number of active beneficiaries on one hand, and an increase of the number of pensioners on the other, which led to a lower ratio between beneficiaries and pensioners.

All of these problems in the pension system culminated in 1993, when the greatest rationalisation was made by the passing of the new Law on Pension and Disability Insurance (Official Gazette of the RM No. 80/93) which has been in force from the 1st of January, 1994. This Law contains several restrictive measures for attaining the right to pension, among which the most significant are the increase of age limit from 60 to 63 years for men, and from 55 to 60 years for women; calculation of the pension base from salaries of all years of service instead of the most favourable 10 years; percentage decrease for pension calculation from 85% to 80%; elimination of the buying-off length of service as a possibility for early retirement, etc.

During 1995, 1996, and 1997 the restrictive policy for this insurance continued, in order to provide a solvent and stable pension system. The positive effects of all measures taken in continuity are felt since 1997, and now, when a balance of revenues and expenditures is established, the enhanced influx of pensioners slowed down and reduction of pension expenditures, as part of the public expenditures, has been achieved.

The specified parametric reforms showed results in short-term, but mostly in mid-term. Therefore, there was a need for further measures based on long-term actuarial projections of revenues and expenditures taking into account the expected demographic and economic development trends and their variations, depending on the various assumptions when designing the policy. In the projected period, relatively stable financial condition is expected in mid-term due to the expected influence of the economic development, but then deficit will occur, and it will permanently increase in long-term because of the aging of the population. Hence, it may be concluded that the Republic of Macedonia, similar to the other countries with such pension systems, will face demographic changes that will negatively affect the system due to the fall of the fertility rate and the greater life expectancy, which change the population structure. Under such conditions, the Macedonian pension system will become permanently insolvent and cannot pay out the pensions. The pension system could maintain the fiscal balance through increase of the contribution rate, through pension amount reduction or through increase of taxes. These solutions could return the system balance in short-term, but in long-term, the system will not be efficient and solvent.

In order to overcome, i.e. to meet the specified expected conditions, there was a need of a thorough reform of the pension and disability insurance in our country. Therefore, the Law on Additions and Amendments to the Law on Pension and Disability Insurance (Official Gazette of the RM No. 24/00) made further rationalisation of the first pillar and at the same time a legal framework was designed of

a multi-pillar pension system. In the parametric reforms, the following significant restrictions were made:

- Increase of the age limit for retirement – 64 years for men, 62 years for women (with gradual increase until 2007) and minimum 15 years of service;
- Introduction of a unique requirement for retirement - only by age;
- Reduction of the replacement rate from 80% to 72%, and
- Change of the pension indexation method.

The Law on Compulsory Fully Funded Pension Insurance (Official Gazette of the RM No. 29/02) regulates the provision of financial and social security based on capitalisation of funds in a more methodical way. Namely, the structure of the future multi-pillar pension system is based on three types (pillars) of insurance, as follows:

- Obligatory pension and disability insurance based on generation solidarity (first pillar). This type of insurance will provide exercising of the rights to pension and disability insurance in case of age, disability, and death, which means that part of the age pension, disability pension, family pension, and the lowest pension amount shall be compensated;
- Obligatory fully funded pension insurance (second pillar). This insurance will pay part of the age pension;
- Voluntary fully funded pension insurance (third pillar).

These changes are expected to provide for a long-term, stable, and solvent pension system in the Republic of Macedonia.

In the duration of this thorough pension system reform, several global challenges have appeared, but solutions to cope with them, too. The first challenge relates to capacity building in terms of preparedness of the institutional infrastructure (Agency for Supervision of fully funded pension insurance - MAPAS, custodian guard, Pension and Disability Insurance Fund - PDIF, and pension funds management companies). The establishment of MAPAS is of great importance because it will regulate, supervise, and develop the fully funded pension insurance. MAPAS has been established in July, 2002, by appointing a Director by the Government of the Republic of Macedonia. MAPAS is an independent legal entity, with its own budget. When there is a lack of budget, it is funded by the Budget of the Republic of Macedonia. In order to meet its obligations, physical and technical resources are necessary, as well as trained personnel, which is an on-going activity. Each pension fund will be managed by a separate pension fund management company which has to have strong capital, good management, and experience to be able to provide security of the pension funds members. The security and protection of members' funds will be achieved, above all, by separating those funds from the funds of the companies managing the pension funds, keeping them on a separate account at the custodian guard of the pension funds. The PDIF, which will carry out the unified collection of contributions for both pillars and the distribution of the contributions for the second pillar for the beneficiaries of the private pension funds, is going through an administrative reform in order to prepare itself for carrying out these functions.

Another challenge is coping with the insufficiently developed financial and capital market in the Republic of Macedonia, in order to have enough instruments for absorption of the pension funds. This challenge may be resolved by: diversification of funds of the pension funds in several types of financial instruments, and by the possibility to invest 20% of the funds outside the country, which are requirements for investment of the pension funds, prescribed by the Law on Compulsory Fully Funded Pension Insurance (Official Gazette of the RM Nos. 29/02, 85/03, and 40/04) and the Rulebook on pension funds investment; the process of creating new state bonds for which the Government of the Republic of Macedonia developed and adopted a Strategy for State Securities Market Development and an Action Plan. During the first five years from the beginning of the compulsory fully funded pension insurance MAPAS has a right to prescribe additional limitations related to investment of pension funds, in accordance with the financial market trends.



The funding of transitional costs is also one of the major challenges for which a solution should be found. In addition to this, the model of the reform does not encourage entry of numerous employees in the system at the beginning, in order to have bearable path of transition costs. For correct assessment and monitoring of costs, an actuarial model has been developed in co-operation with foreign consultants. The model was a basis to develop a plan for funding of transition costs.

#### ***D. Poverty and Social Exclusion***

##### **Evaluation of current data situation and structures**

**1. Is there an official national definition of absolute and/or relative poverty and/or social exclusion? Is there a national absolute poverty line? How is it defined? Which equivalence scale is used?**

With regards to the orientation of the national statistics towards the international standards and the need for providing internationally comparable data, the EUROSTAT definition is used as a starting definition of poverty:

- Persons, families and groups whose resources (material, cultural and social) are on such level that excludes them from the minimum acceptable way of life in their country are deemed to be poor.

The relative method defining poverty to be on a level of 70% of the medial equivalent consumption is used as the national standard for calculation of the poverty level. The level of the poverty line is determined by cooperation of the Public Institute of Statistic and the Ministry of Labour and Social Politics with the World Bank, within the framework of the Social Reforms Project, i.e., the sub-projects for social care. The Survey on Households' Consumption is a basic source of data used for calculation of the poverty line. According to the methodology defined, all the expenses regarding food and non-edible products and services constituting personal consumption are taken into consideration, the value of the homemade products being also included. All the other expenditures not being a part of the sustenance budget are excluded.

Percentage of the households with expenses under the level of 70% of the medial equivalent consumption is being calculated according to the poverty line determined. The OECD Equivalent Scale is being used for calculation of the equivalent consumption.

There is no national absolute poverty line defined or calculations related to it.

**2. Provide data on the following indicators – where possible - (primary indicators of social protection committee of the European Union) and explain the source for the income data and the methodology used where appropriate:**

- a) low income rate after transfers with low-income threshold set at 60% of median income;**
- b) the distribution of income (quintiles);**
- c) persistence of low income over a certain period of time;**
- d) median low income gap;**
- e) regional cohesion;**
- f) long-term unemployment rate;**

**g) people living in jobless households;**

**h) number of young people who leave school prematurely without going on to study or any other form of training;**

**i) life expectancy at birth (female/male);**

**j) self-perceived health status.**

**In how far do you consider these indicators to be relevant for the description of the current and future situation of poverty and social exclusion in your country? What would you consider as the most meaningful and/or in the public debate most frequently used:**

**a)**

non-monetary indicators for poverty and social exclusion;

**b)**

administrative data sources.

The State Statistical Office calculates the poverty line on the basis of individual households' consumption expenses.

The required indicators are calculated based on income. The State Statistical Office has data on households' income. However, in transition circumstances, these data are sensitive, i.e. they are covered up, and we consider these data inappropriate for indication of welfare. Nevertheless, in certain experimental calculations in co-operation with the World Bank experts, these indicators were calculated based on the available data on income. The results were:

	60 % median equivalent income, OECD scale	2002	2003
a)	Low income rate after transfer with low income threshold set as 60% of median income	22,7	22,8
b)	The distribution of income (quintiles)	6,23	6,25
d)	Median low income gap	7,80	7,85

**c)**

There are no data on low income

**e)**

There are no data on regional cohesion

**f)**

Data from the Labour force Survey						
	1998	1999	2000	2001	2002	2003
Total	34,5	32,4	32,2	30,5	31,9	36,7
Men	32,5	31,9	30,5	29,5	31,7	37
Women	37,6	33,3	34,9	32	32,3	36,3

Long-term unemployment includes persons unemployed for over 12 months and it is an unemployment percentage of the total workforce.

	2000	2001	2002	2003
Total	83,3	86,9	84,5	85,1
Men	83,2	86,7	83,6	85,5
Women	83,6	87,1	86,0	84,4

\* Participation of long-term unemployed persons in the total number of unemployed

g)

	2001	2002	2003
Total	212.717	266.680	302.813

Source: Labour Survey, State Statistical Office

h)

The State Statistical Office does not conduct this type of statistical research.

i)

According to the State Statistical Office data, the life expectancy for both genders was 72,49 years in the period 1996-1998, 74,68 years for women, and 70,37 years for men. This difference between genders increased in the period of 1999-2000 to 73,05 years for both genders. For women it increased to 75,21 years, for men to 70,68 years (Table 1).

Table 1. Life Expectancy at Birth and Average Age									
	Life Expectancy				Average Age				
	1996-1998	1997-1999	1998-2000	1999-2000	1997	1998	1999	2000	2001
Total	72,49	72,49	72,68	73,05	33,5	33,8	34,0	34,3	34,63
Men	70,37	70,37	70,48	70,68	32,7	33,0	33,3	33,5	33,81
Women	74,68	74,68	74,77	75,21	34,2	34,5	34,8	35,1	35,45

Source: National Health Care Institute

j)

This type of research has not been done in the health sector.

**3. Identify vulnerable groups for your country and present data/estimates about their size (e.g. disabled, unemployed, ethnic minorities (please specify), families, children and young people, women, elderly, single parent families etc.) and describe the underlying processes that cause vulnerability. What are the policy responses with regard to the individual groups?**

The Republic of Macedonia is faced with the process of public administration reduction, cases of redundancy, and termination of jobs. The economic trends reduce the employment opportunities, which are already very restrictive. These are the underlying processes that cause vulnerability.

The estimates about the size of vulnerable groups are determined based on data for exercised social rights.

In the social protection system, the vulnerable groups are provided appropriate protection, in accordance with the regulations that determine the citizens' rights based on social exclusion.

In the Republic of Macedonia, the following vulnerable groups are identified:

Children without parents and parental care, children with educational and social problems, children with disturbed discipline, children with impediments in the intellectual and physical development, children on street, children from families with disturbed marital relations, children from socially and financially insecure families.

Apart from financial support, for these children, the following forms of protection are provided: accommodation with a care giving family, inclusion in activities of an appropriate day care centre (there are 9 day care centres for children with intellectual impediments, one day care centre for children on streets), accommodation with an appropriate social protection institution, accommodation in the Centre for family violence victims (including mothers), counselling activities, professional activities for protection of children's rights (supervision over the parental right, protection from family violence and regulation of the parents-child relation, custody, adoption).

For the disabled, except for the basic cause of disability, the vulnerability increases due to the lesser opportunities for employment, physical spatial barriers, lesser opportunities for joining the regular educational system, etc. In order to overcome the unfavourable conditions, a Law on Employment of Disabled Persons has been passed, which envisions incentives and National Strategy for equal access of the disabled.

An especially vulnerable ethnic minority group is the Roma population, whose vulnerability is reflected in all fields of life. In response to the current condition, national action plans have been designed for four special fields (education, health, employment, and housing).

Elderly people, apart from the vulnerability conditioned by the aging process, are also hit when not having own sustenance income, when being without family care, especially in rural areas. The institutional protection is insufficient, whereas the out-of-institution protection is either insufficiently developed or does not exist at all.

The last additions to the Law on Family (June, 2004) and to the Law on Social Protection (September, 2004) created legal basis for opening Day care centres for drug addicts (two are established); Centre for family violence victims (4 already established); and a Centre for the homeless.

The internally displaced persons and refugees are especially vulnerable groups because of living in an insecure state of mind, not having possibilities to return to their previous place of residence, and in addition, refugees have unsolved citizen status.

The measures for internally displaced persons include their accommodation in collective centres and accommodation in households, provision of meals, health and social protection, education, and financial support.

For the families with houses destroyed, the government has taken measures for restoration of their homes, so that they may return there. So far, over 90% of the internally displaced persons have returned to their homes.

As for the refugees, the government provided accommodation in camps, and certain number of persons were accommodated in households, too. They were provided meals, health protection, and financial support.

According to the current policies of the Ministry of Labour and Social Policy that relate to social exclusion, it does not necessarily relate only to poverty and deprivation, but the focus is on social exclusion, from which the change in the emphasis of policy responses is derived – enhancement of combined policies and opportunities. The goals of these policies are directed to integration of the beneficiaries in overall, stable, and long-term social protection system through improvement of the social protection quality and assistance to the socially excluded persons.

There is a possibility for social and functional inclusion in the community through the out-of-institution protection forms, as well as for de-marginalisation and de-stigmatisation of the socially excluded

persons. Implementation of projects will be supported through engagement of the socially excluded persons, psychological and social recovery and strengthening, rehabilitation and treatment necessary for certain beneficiaries of the target groups. Part of the out-of-institution protection services shall be carried out through inclusion of citizen associations, voluntary activities, and providing services and funds from the private sector.

#### 4. Regional disparities: Describe social exclusion in terms of regional factors. Describe the regional distribution of ethnic minorities.

Differences of social exclusion regarding regional inequalities are not studied enough. Nevertheless, it is a fact that social exclusion is more present in the economically passive regions. The following tables show the regional allocation of different types of rights related to social care, children care and unemployed persons according to ethnic origin of the beneficiaries thereof.

Table 1. Households being beneficiaries of financial social assistance in June, 2004												
	Macedonian social work centres	Total	Macedonians		Albanians		Turks		Roma		Other	
	Total	65.285	28.976	44,4%	21.887	33,5%	4.447	6,8%	7.468	11,4%	2.507	3,8%
1	Berovo	476	289	60,7%	0	0,0%	41	8,6%	125	26,3%	21	4,4%
2	Bitola	2.769	1.714	61,9%	227	8,2%	108	3,9%	672	24,3%	48	1,7%
3	Demir Hisar	279	270	96,8%	0	0,0%	0	0,0%	4	1,4%	5	1,8%
4	Makedonski Brod	538	444	82,5%	1	0,2%	92	17,1%	0	0,0%	1	0,2%
5	Valandovo	561	275	49,0%	0	0,0%	210	37,4%	0	0,0%	76	13,5%
6	Vinica	612	346	56,5%	0	0,0%	10	1,6%	253	41,3%	3	0,5%
7	Gevgelija	399	329	82,5%	3	0,8%	45	11,3%	3	0,8%	19	4,8%
8	Gostivar	4.044	653	16,1%	2.394	59,2%	326	8,1%	386	9,5%	285	7,0%
9	Debar	1.066	172	16,1%	397	37,2%	116	10,9%	150	14,1%	231	21,7%
10	Delchevo	873	742	85,0%	0	0,0%	12	1,4%	115	13,2%	4	0,5%
11	Kavadarci	988	806	81,6%	10	1,0%	13	1,3%	145	14,7%	14	1,4%
12	Kichevo	1.694	333	19,7%	778	45,9%	200	11,8%	365	21,5%	18	1,1%
13	Kočani	1.927	1.505	78,1%	4	0,2%	32	1,7%	372	19,3%	14	0,7%
14	Kratovo	368	343	93,2%	1	0,3%	0	0,0%	22	6,0%	2	0,5%
15	Kriva Palanka	1.497	1.369	91,4%	0	0,0%	125	8,4%	0	0,0%	3	0,2%
16	Kumanovo	7.061	2.650	37,5%	3.555	50,3%	24	0,3%	652	9,2%	180	2,5%
17	Krushevo	872	462	53,0%	287	32,9%	36	4,1%	2	0,2%	85	9,7%
18	Negotino	745	515	69,1%	7	0,9%	67	9,0%	111	14,9%	45	6,0%
19	Ohrid	1.555	1.079	69,4%	140	9,0%	95	6,1%	68	4,4%	173	11,1%
20	Prilep	5.428	3.828	70,5%	169	3,1%	389	7,2%	850	15,7%	192	3,5%
21	Probishtip	602	592	98,3%	0	0,0%	1	0,2%	1	0,2%	8	1,3%
22	Radovish	1.046	655	62,6%	3	0,3%	373	35,7%	13	1,2%	2	0,2%
23	Resen	489	301	61,6%	52	10,6%	78	16,0%	42	8,6%	16	3,3%
24	Sveti Nikole	564	548	97,2%	2	0,4%	9	1,6%	2	0,4%	3	0,5%
25	Strumica	2.990	1.887	63,1%	1	0,0%	1.089	36,4%	6	0,2%	7	0,2%
26	Struga	1.663	452	27,2%	989	59,5%	23	1,4%	35	2,1%	164	9,9%
27	Tetovo	8.248	1.721	20,9%	6.221	75,4%	126	1,5%	144	1,7%	36	0,4%
28	Veles	2.514	1.706	67,9%	183	7,3%	126	5,0%	287	11,4%	212	8,4%
29	Shtip	1.137	498	43,8%	1	0,1%	177	15,6%	443	39,0%	18	1,6%
30	Skopje	12.280	2.492	20,3%	6.462	52,6%	504	4,1%	2.200	17,9%	622	5,1%

Table 2. Beneficiaries of financial benefit for another person care and assistance in June, 2004												
	Macedonian social work centres	Total	Macedonians		Albanians		Turks		Roma		Other	
	Total	19.352	15.150	78,3%	2.438	12,6%	463	2,4%	499	2,6%	802	4,1%
1	Berovo	557	532	95,5%	0	0,0%	18	3,2%	6	1,1%	1	0,2%
2	Bitola	1.308	1.196	91,4%	34	2,6%	9	0,7%	47	3,6%	22	1,7%
3	Demir Hisar	219	216	98,6%	3	1,4%	0	0,0%	0	0,0%	0	0,0%
4	Makedonski Brod	238	192	80,7%	0	0,0%	46	19,3%	0	0,0%	0	0,0%
5	Valandovo	188	155	82,4%	0	0,0%	16	8,5%	0	0,0%	17	9,0%
6	Vinica	266	249	93,6%	0	0,0%	1	0,4%	15	5,6%	1	0,4%
7	Gevgelija	447	426	95,3%	1	0,2%	4	0,9%	11	2,5%	5	1,1%
8	Gostivar	460	113	24,6%	239	52,0%	53	11,5%	9	2,0%	46	10,0%
9	Debar	214	25	11,7%	78	36,4%	34	15,9%	18	8,4%	59	27,6%
10	Delchevo	504	488	96,8%	0	0,0%	2	0,4%	14	2,8%	0	0,0%
11	Kavadarci	531	513	96,6%	2	0,4%	1	0,2%	7	1,3%	8	1,5%
12	Kichevo	535	262	49,0%	201	37,6%	50	9,3%	16	3,0%	6	1,1%
13	Kočani	638	615	96,4%	0	0,0%	0	0,0%	20	3,1%	3	0,5%
14	Kratovo	210	210	100,0%	0	0,0%	0	0,0%	0	0,0%	0	0,0%
15	Kriva Palanka	441	433	98,2%	0	0,0%	0	0,0%	8	1,8%	0	0,0%
16	Kumanovo	1.303	779	59,8%	344	26,4%	0	0,0%	54	4,1%	126	9,7%
17	Krushevo	358	243	67,9%	41	11,5%	7	2,0%	0	0,0%	67	18,7%
18	Negotino	299	272	91,0%	0	0,0%	5	1,7%	1	0,3%	21	7,0%
19	Ohrid	566	485	85,7%	25	4,4%	17	3,0%	24	4,2%	15	2,7%
20	Prilep	1.386	1.242	89,6%	62	4,5%	0	0,0%	46	3,3%	36	2,6%
21	Probishtip	222	220	99,1%	0	0,0%	0	0,0%	0	0,0%	2	0,9%
22	Radovish	345	345	100,0%	0	0,0%	0	0,0%	0	0,0%	0	0,0%
23	Resen	302	250	82,8%	19	6,3%	24	7,9%	8	2,6%	1	0,3%
24	Sveti Nikole	373	366	98,1%	0	0,0%	0	0,0%	1	0,3%	6	1,6%
25	Strumica	1.000	906	90,6%	0	0,0%	92	9,2%	0	0,0%	2	0,2%
26	Struga	320	147	45,9%	157	49,1%	2	0,6%	4	1,3%	10	3,1%
27	Tetovo	1.107	381	34,4%	670	60,5%	22	2,0%	14	1,3%	20	1,8%
28	Veles	804	706	87,8%	17	2,1%	12	1,5%	14	1,7%	55	6,8%
29	Shtip	630	567	90,0%	0	0,0%	13	2,1%	19	3,0%	31	4,9%
30	Skopje	3.581	2.616	73,1%	545	15,2%	35	1,0%	143	4,0%	242	6,8%

Table 3. Beneficiaries of permanent financial benefit in June, 2004												
	Macedonian social work centres	Total	Macedonians		Albanians		Turks		Roma		Other	
	Total	5.041	2.474	49,1%	1.155	22,9%	256	5,1%	851	16,9%	305	6,1%
1	Berovo	34	23	67,6%	0	0,0%	3	8,8%	8	23,5%	0	0,0%
2	Bitola	143	67	46,9%	26	18,2%	10	7,0%	30	21,0%	10	7,0%
3	Demir Hisar	15	15	100,0%	0	0,0%	0	0,0%	0	0,0%	0	0,0%
4	Makedonski Brod	33	26	78,8%	0	0,0%	7	21,2%	0	0,0%	0	0,0%
5	Valandovo	22	19	86,4%	0	0,0%	2	9,1%	0	0,0%	1	4,5%
6	Vinica	69	53	76,8%	0	0,0%	2	2,9%	13	18,8%	1	1,4%
7	Gevgelija	104	87	83,7%	0	0,0%	11	10,6%	1	1,0%	5	4,8%
8	Gostivar	86	14	16,3%	57	66,3%	3	3,5%	6	7,0%	6	7,0%
9	Debar	95	4	4,2%	28	29,5%	24	25,3%	8	8,4%	31	32,6%
10	Delchevo	53	44	83,0%	0	0,0%	1	1,9%	8	15,1%	0	0,0%

11	Kavadarci	93	71	76,3%	0	0,0%	1	1,1%	18	19,4%	3	3,2%
12	Kichevo	74	24	32,4%	30	40,5%	9	12,2%	11	14,9%	0	0,0%
13	Kochani	144	122	84,7%	0	0,0%	0	0,0%	22	15,3%	0	0,0%
14	Kratovo	54	52	96,3%	0	0,0%	0	0,0%	2	3,7%	0	0,0%
15	Kriva Palanka	186	165	88,7%	0	0,0%	0	0,0%	21	11,3%	0	0,0%
16	Kumanovo	415	219	52,8%	87	21,0%	1	0,2%	72	17,3%	36	8,7%
17	Krusevo	84	30	35,7%	30	35,7%	1	1,2%	0	0,0%	23	27,4%
18	Negotino	97	73	75,3%	1	1,0%	10	10,3%	7	7,2%	6	6,2%
19	Ohrid	88	68	77,3%	5	5,7%	3	3,4%	12	13,6%	0	0,0%
20	Prilep	521	295	56,6%	12	2,3%	44	8,4%	166	31,9%	4	0,8%
21	Probishtip	25	25	100,0%	0	0,0%	0	0,0%	0	0,0%	0	0,0%
22	Radovish	73	46	63,0%	0	0,0%	26	35,6%	0	0,0%	1	1,4%
23	Resen	35	25	71,4%	4	11,4%	3	8,6%	2	5,7%	1	2,9%
24	Sveti Nikole	56	51	91,1%	0	0,0%	0	0,0%	1	1,8%	4	7,1%
25	Strumica	110	81	73,6%	0	0,0%	29	26,4%	0	0,0%	0	0,0%
26	Struga	66	11	16,7%	44	66,7%	2	3,0%	7	10,6%	2	3,0%
27	Tetovo	219	20	9,1%	188	85,8%	1	0,5%	6	2,7%	4	1,8%
28	Veles	256	149	58,2%	25	9,8%	1	0,4%	41	16,0%	40	15,6%
29	Shtip	84	29	34,5%	0	0,0%	6	7,1%	48	57,1%	1	1,2%
30	Skopje	1.707	566	33,2%	618	36,2%	56	3,3%	341	20,0%	126	7,4%

Table 4. Beneficiaries of one-off financial benefit in June, 2004

	Macedonian social work centres	Total	Macedonians		Albanians		Turks		Roma		Other	
	Total	2.477	1.121	45,3%	395	15,9%	225	9,1%	658	26,6%	78	3,1%
1	Berovo	31	14	45,2%	0	0,0%	2	6,5%	15	48,4%	0	0,0%
2	Bitola	104	35	33,7%	5	4,8%	6	5,8%	56	53,8%	2	1,9%
3	Demir Hisar	0	0	0,0%	0	0,0%	0	0,0%	0	0,0%	0	0,0%
4	Makedonski Brod	28	22	78,6%	0	0,0%	6	21,4%	0	0,0%	0	0,0%
5	Valandovo	23	11	47,8%	0	0,0%	8	34,8%	0	0,0%	4	17,4%
6	Vinica	37	18	48,6%	0	0,0%	0	0,0%	19	51,4%	0	0,0%
7	Gevgelija	48	43	89,6%	0	0,0%	5	10,4%	0	0,0%	0	0,0%
8	Gostivar	123	29	23,6%	54	43,9%	12	9,8%	27	22,0%	1	0,8%
9	Debar	41	0	0,0%	19	46,3%	7	17,1%	11	26,8%	4	9,8%
10	Delchevo	64	50	78,1%	0	0,0%	0	0,0%	14	21,9%	0	0,0%
11	Kavadarci	18	11	61,1%	0	0,0%	0	0,0%	7	38,9%	0	0,0%
12	Kichevo	107	36	33,6%	30	28,0%	15	14,0%	26	24,3%	0	0,0%
13	Kochani	98	44	44,9%	0	0,0%	0	0,0%	54	55,1%	0	0,0%
14	Kratovo	25	15	60,0%	0	0,0%	0	0,0%	10	40,0%	0	0,0%
15	Kriva Palanka	112	73	65,2%	0	0,0%	0	0,0%	39	34,8%	0	0,0%
16	Kumanovo	135	51	37,8%	39	28,9%	0	0,0%	31	23,0%	14	10,4%
17	Krushevo	8	6	75,0%	2	25,0%	0	0,0%	0	0,0%	0	0,0%
18	Negotino	25	15	60,0%	0	0,0%	0	0,0%	7	28,0%	3	12,0%
19	Ohrid	166	70	42,2%	13	7,8%	14	8,4%	69	41,6%	0	0,0%
20	Prilep	172	81	47,1%	5	2,9%	5	2,9%	81	47,1%	0	0,0%
21	Probishtip	46	46	100,0%	0	0,0%	0	0,0%	0	0,0%	0	0,0%
22	Radovish	38	11	28,9%	0	0,0%	27	71,1%	0	0,0%	0	0,0%
23	Resen	90	59	65,6%	3	3,3%	9	10,0%	18	20,0%	1	1,1%
24	Sveti Nikole	47	35	74,5%	0	0,0%	1	2,1%	9	19,1%	2	4,3%
25	Strumica	103	71	68,9%	0	0,0%	30	29,1%	2	1,9%	0	0,0%
26	Struga	84	23	27,4%	50	59,5%	2	2,4%	5	6,0%	4	4,8%

27	Tetovo	159	28	17,6%	106	66,7%	6	3,8%	13	8,2%	6	3,8%
28	Veles	104	70	67,3%	3	2,9%	0	0,0%	21	20,2%	10	9,6%
29	Shtip	136	80	58,8%	0	0,0%	3	2,2%	49	36,0%	4	2,9%
30	Skopje	305	74	24,3%	66	21,6%	67	22,0%	75	24,6%	23	7,5%

Table 5. Beneficiaries of medical care through social work centres in June, 2004

	Macedonian social work centres	Total	Macedonians		Albanians		Turks		Roma		Other	
	Total	5.249	2.551	48,6%	1.255	23,9%	346	6,6%	785	15,0%	312	5,9%
1	Berovo	30	20	66,7%	0	0,0%	3	10,0%	7	23,3%	0	0,0%
2	Bitola	300	188	62,7%	36	12,0%	18	6,0%	46	15,3%	12	4,0%
3	Demir Hisar	16	16	100,0%	0	0,0%	0	0,0%	0	0,0%	0	0,0%
4	Makedonski Brod	29	10	34,5%	0	0,0%	14	48,3%	5	17,2%	0	0,0%
5	Valandovo	39	26	66,7%	0	0,0%	9	23,1%	0	0,0%	4	10,3%
6	Vinica	65	51	78,5%	0	0,0%	2	3,1%	11	16,9%	1	1,5%
7	Gevgelija	91	77	84,6%	0	0,0%	12	13,2%	0	0,0%	2	2,2%
8	Gostivar	116	14	12,1%	80	69,0%	2	1,7%	8	6,9%	12	10,3%
9	Debar	98	4	4,1%	29	29,6%	24	24,5%	9	9,2%	32	32,7%
10	Delchevo	76	66	86,8%	0	0,0%	1	1,3%	9	11,8%	0	0,0%
11	Kavadarci	113	90	79,6%	3	2,7%	2	1,8%	13	11,5%	5	4,4%
12	Kichevo	166	43	25,9%	75	45,2%	26	15,7%	20	12,0%	2	1,2%
13	Kochani	128	109	85,2%	0	0,0%	0	0,0%	19	14,8%	0	0,0%
14	Kratovo	70	67	95,7%	0	0,0%	0	0,0%	3	4,3%	0	0,0%
15	Kriva Palanka	163	151	92,6%	0	0,0%	0	0,0%	12	7,4%	0	0,0%
16	Kumanovo	514	268	52,1%	112	21,8%	1	0,2%	89	17,3%	44	8,6%
17	Krushevo	87	35	40,2%	34	39,1%	0	0,0%	0	0,0%	18	20,7%
18	Negotino	83	55	66,3%	1	1,2%	10	12,0%	9	10,8%	8	9,6%
19	Ohrid	82	65	79,3%	2	2,4%	4	4,9%	11	13,4%	0	0,0%
20	Prilep	416	164	39,4%	37	8,9%	105	25,2%	110	26,4%	0	0,0%
21	Probishtip	28	27	96,4%	0	0,0%	0	0,0%	1	3,6%	0	0,0%
22	Radovish	107	75	70,1%	0	0,0%	32	29,9%	0	0,0%	0	0,0%
23	Resen	55	52	94,5%	3	5,5%	0	0,0%	0	0,0%	0	0,0%
24	Sveti Nikole	60	51	85,0%	1	1,7%	0	0,0%	4	6,7%	4	6,7%
25	Strumica	130	130	100,0%	0	0,0%	0	0,0%	0	0,0%	0	0,0%
26	Struga	155	37	23,9%	106	68,4%	2	1,3%	6	3,9%	4	2,6%
27	Tetovo	292	37	12,7%	189	64,7%	23	7,9%	18	6,2%	25	8,6%
28	Veles	224	147	65,6%	15	6,7%	0	0,0%	31	13,8%	31	13,8%
29	Shtip	80	31	38,8%	0	0,0%	5	6,3%	42	52,5%	2	2,5%
30	Skopje	1.436	445	31,0%	532	37,0%	51	3,6%	302	21,0%	106	7,4%

Table 6. Unemployed persons being beneficiaries of medical care through the Employment Agency of the Republic of Macedonia in June, 2004

	Macedonian social work centres	Total	Macedonians		Albanians		Turks		Roma		Other	
	Total	248.503	150.956	60,7%	65.440	26,3%	10.795	4,3%	11.702	4,7%	9.610	3,9%
1	Berovo	2.470	2.207	89,4%	0	0,0%	82	3,3%	166	6,7%	15	0,6%
2	Bitola	12.217	9.979	81,7%	811	6,6%	490	4,0%	668	5,5%	269	2,2%
3	Demir Hisar	1.328	1.276	96,1%	44	3,3%	7	0,5%	0	0,0%	1	0,1%
4	Makedonski Brod	1.270	1.014	79,8%	1	0,1%	241	19,0%	0	0,0%	14	1,1%



5	Valandovo	2.378	1.829	76,9%	3	0,1%	362	15,2%	2	0,1%	182	7,7%
6	Vinica	2.096	1.749	83,4%	0	0,0%	31	1,5%	311	14,8%	5	0,2%
7	Gevgelija	3.698	3.477	94,0%	4	0,1%	86	2,3%	10	0,3%	121	3,3%
8	Gostivar	13.977	2.551	18,3%	8.529	61,0%	1.330	9,5%	594	4,2%	973	7,0%
9	Debar	3.598	76	2,1%	1.483	41,2%	825	22,9%	321	8,9%	893	24,8%
10	Delchevo	3.654	3.470	95,0%	0	0,0%	18	0,5%	150	4,1%	16	0,4%
11	Kavadarci	6.024	5.726	95,1%	0	0,0%	11	0,2%	209	3,5%	78	1,3%
12	Kichevo	6.310	2.194	34,8%	2.713	43,0%	692	11,0%	527	8,4%	184	2,9%
13	Kochani	7.514	6.876	91,5%	1	0,0%	18	0,2%	586	7,8%	33	0,4%
14	Kratovo	1.558	1.506	96,7%	0	0,0%	1	0,1%	49	3,1%	2	0,1%
15	Kriva Palanka	4.466	4.313	96,6%	1	0,0%	0	0,0%	137	3,1%	15	0,3%
16	Kumanovo	25.351	12.762	50,3%	9.821	38,7%	85	0,3%	1.182	4,7%	1.501	5,9%
17	Krusevo	1.802	945	52,4%	535	29,7%	66	3,7%	10	0,6%	246	13,7%
18	Negotino	3.170	3.003	94,7%	3	0,1%	65	2,1%	43	1,4%	56	1,8%
19	Ohrid	7.504	6.135	81,8%	392	5,2%	339	4,5%	237	3,2%	401	5,3%
20	Prilep	13.346	10.738	80,5%	364	2,7%	772	5,8%	1.088	8,2%	384	2,9%
21	Probishtip	2.583	2.570	99,5%	0	0,0%	0	0,0%	2	0,1%	11	0,4%
22	Radovish	5.105	3.984	78,0%	1	0,0%	1.083	21,2%	3	0,1%	34	0,7%
23	Resen	1.768	1.213	68,6%	184	10,4%	258	14,6%	64	3,6%	49	2,8%
24	Sveti Nikole	3.281	3.173	96,7%	15	0,5%	57	1,7%	11	0,3%	25	0,8%
25	Strumica	13.653	11.709	85,8%	0	0,0%	1.890	13,8%	4	0,0%	50	0,4%
26	Struga	6.003	2.422	40,3%	2.632	43,8%	117	1,9%	49	0,8%	783	13,0%
27	Tetovo	20.265	2.167	10,7%	17.425	86,0%	220	1,1%	338	1,7%	115	0,6%
28	Veles	9.310	7.219	77,5%	644	6,9%	483	5,2%	207	2,2%	757	8,1%
29	Shtip	5.888	4.895	83,1%	1	0,0%	269	4,6%	469	8,0%	254	4,3%
30	Skopje	56.916	29.778	52,3%	19.833	34,8%	897	1,6%	4.265	7,5%	2.143	3,8%

Table 7. Beneficiaries of unemployment financial benefit through the Employment Agency of the Republic of Macedonia in June, 2004

	Macedonian social work centres	Total	Macedonians		Albanians		Turks		Roma		Other	
	Total	50.352	45.838	91,0%	2.214	4,4%	552	1,1%	345	0,7%	1.403	2,8%
1	Berovo	904	873	96,6%	0	0,0%	13	1,4%	15	1,7%	3	0,3%
2	Bitola	3.539	3.413	96,4%	40	1,1%	43	1,2%	6	0,2%	37	1,0%
3	Demir Hisar	298	297	99,7%	1	0,3%	0	0,0%	0	0,0%	0	0,0%
4	Makedonski Brod	125	106	84,8%	0	0,0%	18	14,4%	0	0,0%	1	0,8%
5	Valandovo	599	557	93,0%	0	0,0%	21	3,5%	0	0,0%	21	3,5%
6	Vinica	638	606	95,0%	0	0,0%	10	1,6%	22	3,4%	0	0,0%
7	Gevgelija	899	871	96,9%	2	0,2%	4	0,4%	0	0,0%	22	2,4%
8	Gostivar	630	388	61,6%	130	20,6%	50	7,9%	14	2,2%	48	7,6%
9	Debar	359	26	7,2%	221	61,6%	42	11,7%	26	7,2%	44	12,3%
10	Delchevo	1.483	1.459	98,4%	0	0,0%	2	0,1%	15	1,0%	7	0,5%
11	Kavadarci	1.481	1.459	98,5%	0	0,0%	3	0,2%	5	0,3%	14	0,9%
12	Kichevo	962	829	86,2%	70	7,3%	37	3,8%	13	1,4%	13	1,4%
13	Kochani	2.790	2.757	98,8%	0	0,0%	4	0,1%	21	0,8%	8	0,3%
14	Kratovo	484	478	98,8%	0	0,0%	0	0,0%	6	1,2%	0	0,0%
15	Kriva Palanka	1.134	1.124	99,1%	0	0,0%	0	0,0%	5	0,4%	5	0,4%
16	Kumanovo	4.694	3.787	80,7%	330	7,0%	20	0,4%	33	0,7%	524	11,2%
17	Krusevo	249	209	83,9%	2	0,8%	1	0,4%	1	0,4%	36	14,5%
18	Negotino	777	766	98,6%	0	0,0%	3	0,4%	4	0,5%	4	0,5%
19	Ohrid	1.973	1.810	91,7%	31	1,6%	58	2,9%	28	1,4%	46	2,3%
20	Prilep	2.313	2.292	99,1%	0	0,0%	7	0,3%	6	0,3%	8	0,3%

21	Probishtip	1.157	1.152	99,6%	0	0,0%	0	0,0%	0	0,0%	5	0,4%
22	Radovish	1.070	1.030	96,3%	0	0,0%	36	3,4%	1	0,1%	3	0,3%
23	Resen	317	285	89,9%	6	1,9%	15	4,7%	3	0,9%	8	2,5%
24	Sveti Nikole	1.126	1.114	98,9%	1	0,1%	3	0,3%	1	0,1%	7	0,6%
25	Strumica	1.120	1.086	97,0%	0	0,0%	29	2,6%	0	0,0%	5	0,4%
26	Struga	617	488	79,1%	89	14,4%	6	1,0%	1	0,2%	33	5,3%
27	Tetovo	895	549	61,3%	322	36,0%	10	1,1%	5	0,6%	9	1,0%
28	Veles	2.754	2.695	97,9%	2	0,1%	19	0,7%	0	0,0%	38	1,4%
29	Shtip	2.348	2.216	94,4%	0	0,0%	29	1,2%	9	0,4%	94	4,0%
30	Skopje	12.617	11.116	88,1%	967	7,7%	69	0,5%	105	0,8%	360	2,9%

Table 8. Beneficiaries of rights related to children care (child benefit) in June, 2004

	Macedonian social work centres	Total	Macedonians		Albanians		Turks		Roma		Other	
	Total	22.130	16.080	72,7%	3.952	17,9%	532	2,4%	720	3,3%	846	3,8%
1	Berovo	330	284	86,1%	0	0,0%	6	1,8%	40	12,1%	0	0,0%
2	Bitola	810	688	84,9%	45	5,6%	9	1,1%	21	2,6%	47	5,8%
3	Demir Hisar	128	127	99,2%	1	0,8%	0	0,0%	0	0,0%	0	0,0%
4	Makedonski Brod	258	211	81,8%	0	0,0%	47	18,2%	0	0,0%	0	0,0%
5	Valandovo	236	220	93,2%	0	0,0%	8	3,4%	0	0,0%	8	3,4%
6	Vinica	381	370	97,1%	0	0,0%	2	0,5%	7	1,8%	2	0,5%
7	Gevgelija	468	448	95,7%	0	0,0%	5	1,1%	2	0,4%	13	2,8%
8	Gostivar	531	186	35,0%	219	41,2%	62	11,7%	19	3,6%	45	8,5%
9	Debar	324	11	3,4%	160	49,4%	48	14,8%	31	9,6%	74	22,8%
10	Delchevo	870	837	96,2%	0	0,0%	3	0,3%	25	2,9%	5	0,6%
11	Kavadarci	545	519	95,2%	0	0,0%	2	0,4%	11	2,0%	13	2,4%
12	Kichevo	440	247	56,1%	141	32,0%	43	9,8%	9	2,0%	0	0,0%
13	Kochani	1.346	1.316	97,8%	2	0,1%	12	0,9%	16	1,2%	0	0,0%
14	Kratovo	318	311	97,8%	0	0,0%	0	0,0%	7	2,2%	0	0,0%
15	Kriva Palanka	426	407	95,5%	0	0,0%	0	0,0%	19	4,5%	0	0,0%
16	Kumanovo	1.911	1.122	58,7%	588	30,8%	0	0,0%	105	5,5%	96	5,0%
17	Krusevo	176	140	79,5%	18	10,2%	0	0,0%	0	0,0%	18	10,2%
18	Negotino	363	335	92,3%	2	0,6%	10	2,8%	2	0,6%	14	3,9%
19	Ohrid	578	496	85,8%	31	5,4%	23	4,0%	0	0,0%	28	4,8%
20	Prilep	1.377	1.272	92,4%	8	0,6%	18	1,3%	69	5,0%	10	0,7%
21	Probishtip	502	496	98,8%	0	0,0%	0	0,0%	3	0,6%	3	0,6%
22	Radovish	490	469	95,7%	0	0,0%	21	4,3%	0	0,0%	0	0,0%
23	Resen	176	133	75,6%	7	4,0%	23	13,1%	13	7,4%	0	0,0%
24	Sveti Nikole	314	314	100,0%	0	0,0%	0	0,0%	0	0,0%	0	0,0%
25	Strumica	845	827	97,9%	0	0,0%	18	2,1%	0	0,0%	0	0,0%
26	Struga	419	225	53,7%	140	33,4%	7	1,7%	1	0,2%	46	11,0%
27	Tetovo	2.061	690	33,5%	1.314	63,8%	24	1,2%	29	1,4%	4	0,2%
28	Veles	977	907	92,8%	6	0,6%	16	1,6%	2	0,2%	46	4,7%
29	Shtip	1.260	928	73,7%	0	0,0%	40	3,2%	126	10,0%	166	13,2%
30	Skopje	3.270	1.544	47,2%	1.270	38,8%	85	2,6%	163	5,0%	208	6,4%

Table 9. Beneficiaries of rights related to children care (special benefit) in June, 2004

	Macedonian social work centres	Total	Macedonians		Albanians		Turks		Roma		Other	
	Total	3.954	2.181	55,2%	1.115	28,2%	159	4,0%	310	7,8%	189	4,8%

1	Berovo	59	49	83,1%	0	0,0%	1	1,7%	9	15,3%	0	0,0%
2	Bitola	147	116	78,9%	12	8,2%	2	1,4%	16	10,9%	1	0,7%
3	Demir Hisar	7	7	100,0%	0	0,0%	0	0,0%	0	0,0%	0	0,0%
4	Makedonski Brod	33	21	63,6%	0	0,0%	12	36,4%	0	0,0%	0	0,0%
5	Valandovo	28	23	82,1%	0	0,0%	4	14,3%	0	0,0%	1	3,6%
6	Vinica	96	58	60,4%	0	0,0%	0	0,0%	38	39,6%	0	0,0%
7	Gevgelija	61	59	96,7%	0	0,0%	2	3,3%	0	0,0%	0	0,0%
8	Gostivar	159	28	17,6%	91	57,2%	17	10,7%	5	3,1%	18	11,3%
9	Debar	62	1	1,6%	24	38,7%	16	25,8%	2	3,2%	19	30,6%
10	Delchevo	44	42	95,5%	0	0,0%	0	0,0%	2	4,5%	0	0,0%
11	Kavadarci	92	86	93,5%	0	0,0%	0	0,0%	6	6,5%	0	0,0%
12	Kichevo	109	33	30,3%	45	41,3%	13	11,9%	18	16,5%	0	0,0%
13	Kochani	96	59	61,5%	0	0,0%	0	0,0%	37	38,5%	0	0,0%
14	Kratovo	27	24	88,9%	0	0,0%	0	0,0%	3	11,1%	0	0,0%
15	Kriva Palanka	59	51	86,4%	0	0,0%	0	0,0%	8	13,6%	0	0,0%
16	Kumanovo	217	91	41,9%	94	43,3%	1	0,5%	16	7,4%	15	6,9%
17	Krusevo	33	18	54,5%	10	30,3%	0	0,0%	0	0,0%	5	15,2%
18	Negotino	31	24	77,4%	1	3,2%	1	3,2%	2	6,5%	3	9,7%
19	Ohrid	110	93	84,5%	1	0,9%	4	3,6%	1	0,9%	11	10,0%
20	Prilep	208	138	66,3%	12	5,8%	8	3,8%	32	15,4%	18	8,7%
21	Probishtip	34	34	100,0%	0	0,0%	0	0,0%	0	0,0%		0,0%
22	Radovish	117	95	81,2%	0	0,0%	22	18,8%	0	0,0%	0	0,0%
23	Resen	21	14	66,7%	1	4,8%	3	14,3%	3	14,3%	0	0,0%
24	Sveti Nikole	56	56	100,0%	0	0,0%	0	0,0%	0	0,0%	0	0,0%
25	Strumica	189	150	79,4%	0	0,0%	39	20,6%	0	0,0%	0	0,0%
26	Struga	122	29	23,8%	71	58,2%	0	0,0%	0	0,0%	22	18,0%
27	Tetovo	352	75	21,3%	272	77,3%	0	0,0%	2	0,6%	3	0,9%
28	Veles	140	102	72,9%	26	18,6%	6	4,3%	6	4,3%	0	0,0%
29	Shtip	117	86	73,5%	0	0,0%	5	4,3%	17	14,5%	9	7,7%
30	Skopje	1.128	519	46,0%	455	40,3%	3	0,3%	87	7,7%	64	5,7%

**5. Describe the organisational structure of institutions involved in these policies, the role of NGOs, the co-ordination among the institutions and the coverage of their activities. Which are the financing authorities and mechanisms?**

The institutions involved in the creation of the social inclusion policy are: the Ministry of Labour and Social Policy, the Social Activity Institute, Social Work Centres, the Employment Agency and the other ministries within their competencies. The co-operation among the involved institutions in building the policies is coordinated, so that each institution gives its contribution in the field it is responsible for. There is a simultaneous vertical and horizontal relation. For all areas that include segments of various sectors, e.g. health, police, judiciary, etc., inter-ministerial work groups are formed, participating in the creation of policies and monitoring the process of implementation. In the inter-ministerial work groups there are also representatives from the citizens' organizations that deal with issues in this field.

The civic sector in the Republic of Macedonia has noted a significant development in the recent years, so that many citizens' associations have been established, dealing with social protection issues of especially vulnerable groups.

In the Republic of Macedonia, the Association of Disability Organisations and the Association of Parents of Disabled Children are particularly active, and their activities are directed towards protection of rights of their members, as well as towards implementation of the process of de-institutionalisation of persons needing permanent care.

Actively involved in the social life are also the Organisations of Women, established at the local or national levels, citizens' associations dealing with drug abuse problems, treatment of problems of HIV positive persons, etc. Apart from the citizens' associations and foundations, there is an active participation by the religious associations and by foreign organisations. The work of these organisations is directed to providing social services, psychological and social assistance and support for integrating of beneficiaries, helping them to acquire education and skills for overcoming social exclusion.

The Budget of the Republic of Macedonia allocates funds for co-financing citizens' associations engaged in social protection activities.

The Law on Organizing Gambling and Amusement (Official Gazette of the RM No. 10/97) regulates the financing of certain citizens' associations with activities directed towards protection of rights of people with impediments.

## **Evaluation of future challenges**

### **6. What are the main challenges for combating poverty and for promoting social inclusion in your society?**

The risks for the socially excluded persons depend on the successfully implemented reforms in all areas of social life, and especially in the employment system, in the pension and disability insurance, in health, education, and social protection in a narrower sense.

The Government of the Republic of Macedonia adopted a National Strategy for Poverty Reduction in the Republic of Macedonia within which the planned activities are directed to increase the capacity for understanding and measuring poverty, job creation as the most important measure, and improvement of the conditions of the poor.

In order to increase employment, the National Action Plan for Employment 2004-2005 is being implemented. It was adopted on the Government session held on February 3rd, 2004. The Action Plan includes goals and measures for increasing employment.

The process of economic development, and alongside the employment of workforce, is directly reflected to the acceptance of the financially insecure families in the social protection system, and to the allowances of social benefits this category of citizens use.

As for the workforce that uses social financial benefit for unemployment and financial insecurity, the Ministry of Labour and Social Policy has implemented reforms to include these persons in the social life. The last amendments to the Decision on requirements, criteria, amount, methods and procedure for determining and exercising the right to social financial benefit (Official Gazette of the RM No. 59/03) relate to the introduction of a possibility for the local government units, public enterprises and public institutions to engage beneficiaries of social financial benefit for performing public works five days per month, as well as to engage workers for seasonal and part-time activities. Such activities are implemented by mediation of the competent social work centres, i.e. the Employment Agency.

The Ministry of Labour and Social Policy, in co-operation with the Ministry of Agriculture Forestry and Water Economy participates in the implementation of the Programme for awarding agricultural land to beneficiaries of social financial benefit and of financial benefit for unemployment (Official Gazette of the RM No. 51/04). This Programme enables the social protection beneficiaries to become active entities and independent farmers. The Government signs contracts with the agricultural land users on land use for a period of 3 to 5 years. The contracts may be renewed. Implementing the Programme, 62 households, beneficiaries of the social financial benefit, have received agricultural land for usufruct by the government.

In terms of the social inclusion, the Ministry of Labour and Social Policy is implementing a Programme for social exclusion management, which is developed annually. The Programme

supports reforms in the implementation of the de-institutionalisation process, decentralisation and pluralism in this area. It implies development of out-of-institution forms of protection and care for family violence victims, children on streets, the homeless, the drug addicts and their family members. This process shall be implemented with participation of the local government units and citizens' associations.

The Ministry of Labour and Social Policy is responsible for the Government activities related to the Decade of Roma. The Ministry has developed a draft National Strategy for the Roma and draft National Action Plans in four areas (education, employment, health, and housing). The National Strategy for the Roma is expected to be adopted in the beginning of 2005.

A special Law on Employment of Disabled Persons (Official Gazette of the RM Nos. 44/00, and 16/04) encourages employment of this category of citizens. Since the adoption of this Law, 430 disabled persons have been employed in the open economy, while 3.200 disabled and 3.800 healthy persons have been employed in protective companies.

**7. Are there any expected impacts of reforms in other areas of social protection (pension, health, employment) on social exclusion and poverty? Are there any plans to e.g. extend coverage or e.g. reduce the benefit level of the social protection system?**

In the pension and disability system the rights are attained and exercised depending on the manner and volume of investing of the pension and disability insurance funds, which is directly reflected to the pension amount. There are no plans for extending or reducing the number of beneficiaries, or the benefit level determined by the Law on Pension and Disability Insurance.

The insurance rights for unemployment were last revised in April, 2003. By reducing the right to financial benefits from 18 months to 14 months, and the additions and amendments to the Law on Employment and Insurance in Case of Unemployment (Official Gazette of the RM No. 37/04), the insurance period during employment is extended, which is taken as a base from which the right to financial benefit is determined from the last 12 months to the last 24 months. The number of the unemployed that use the right to financial benefit is in slight stagnation and an increase of the number of the registered financial allowance beneficiaries is not expected. There are no plans for expanding the number of beneficiaries of financial benefit. The amendments to the Labour Relations Law (January, 2005) reduced the highest amount of financial benefit which can not be higher than 80% of the average net salary per worker in Macedonia published for the last month. There are also amendments related to acquiring and duration of exercising the right to financial benefit. It is reduced to 12 months instead of 14 months. Appropriate to this change, correction and alignment of the scale for determining the duration of using the financial benefit is being made, determined by the above mentioned Law. Other amendments are related to conditions for acquiring the right to financial benefit for the category of senior workers which provide for persons with 15 years of insurance length, lacking 5 years at the most for meeting the conditions for acquiring the right to age pension, financial benefit is paid up to their employment, i.e. to the point when there are certain grounds for termination of the right to financial benefit. The Law on Amending the Law on Pension and Disability Insurance (January, 2005) made changes related to determination of the base for calculation and payment of the pension and disability insurance contribution for the unemployed paid by the Employment Agency of the Republic of Macedonia. This base should not be over 80% of the average net salary per worker in Macedonia, published for the last month.

The health insurance system is under the influence of the reforms in other areas of social protection. The Law on Health Insurance provides a possibility for establishment of insurance for the whole population of the Republic of Macedonia, either as beneficiaries or as members of their families. This includes employed persons, persons performing independent activity, persons engaged in agriculture and similar occupations, pension users, and beneficiaries of other rights to pension and disability insurance, temporarily unemployed persons, veterans, war and civil invalids, beneficiaries of social rights, etc. Citizens without health insurance may voluntarily join the obligatory health insurance, and thus provide for themselves and the members of their families the right to health services.

There are no plans for extending or reducing the scope of rights to health insurance.

The social care and protection as a system is obliged to accept all citizens who are in a social risk on the basis of: age and surviving, unemployment and occupational inadequacy, health risk and other social exclusion risks, for which they also meet certain prescribed criteria.

Having into consideration the fact that the reforms in the other social protection systems will give the expected results in long-term, the social protection is focused on the reforms in order to increase its resources. The increase of the social protection resources is made by decentralization of the activity, by including the municipalities in the prevention and overcoming of social risks of its citizens, and also by inclusion of the private and NGO sectors that will certainly contribute to the build-up of the personnel and financial potential in the social protection area.

There are reforms to be done in the social protection system and in the part of certain financial benefits for children, individuals, and households through levelling the base for its dimensioning, determining and management, so that the financial benefits are given to the poorest layers of population.

Through the implementation of the National Action Plan for Gender Equality in the Republic of Macedonia, the commitment for inclusion of women as socially excluded group is already being implemented.

The reforms on social inclusion of certain categories of socially excluded persons will be carried out in accordance with the Memorandum on Joint Inclusion. This document is in preparation.

There are reforms to be done in inclusion of certain ethnic minorities, especially the Roma. For this purpose, a draft Strategy has been developed, and it will be implemented by the inclusion of many appropriate government and non-governmental institutions.

## VIII. ANTI-DISCRIMINATION

### **1. Which is (are) the government department(s) responsible for measures to combat discrimination on the grounds outlined above?**

The Constitutional Court of the Republic of Macedonia, in accordance with Article 110 of the Constitution of the Republic of Macedonia, is competent to decide upon the appeals of citizens for protection of freedom and rights that relate to the prohibition of discrimination among citizens on the grounds of sex, race, religion or national, social or political affiliation.

The courts, according to the Law on Courts (Official Gazette of the RM No. 36/95), protect the freedom and rights of citizens as well as the rights of other legal entities. The jurisdiction of courts also includes protection of citizens from separate illegal acts by the state administration and other institutions that have public authorisation (administrative disputes). Regular courts have general jurisdiction on human rights protection.

The Ombudsman is a body that protects the constitutional and legal rights of citizens and all other persons when their rights are violated by acts, actions, and omission of actions by the state administration bodies and other bodies and organizations that have public authorisation and that takes actions and measures for protection of indiscrimination and appropriate fair and equal representation of the members of the communities in the state authority bodies, the local government bodies, and the public institutions and services.

The Ombudsman takes actions and measures for protection of the principle of indiscrimination of the members of the communities that do not belong to the majority of the population and their unfair and unequal representation in the state authority bodies, the local self-government bodies, and the public institutions and services (Law on Ombudsman, Official gazette of the RM No. 60/03).

Within the institution, by decision of the Ombudsman, a Department for protection of children was established in 1997. One of the Ombudsman deputies is responsible for the protection of the constitutional and legal rights of children when violated by state authority bodies or organizations with public authorisation.

One of the Ombudsman deputies is female, monitoring the rights of women. From the information received so far from the Ombudsman Office, there is no complaint on violation of constitutional or legal rights of women.

At the Assembly of the Republic of Macedonia, there is a Standing Survey Committee for Protection of Civil Freedom and Rights, whose purpose is to take care of the protection of the civil freedom and rights in case they are not practically exercised or are violated by the government bodies. The Standing Survey Committee is formed by the Assembly of the Republic of Macedonia in accordance with the Constitution of the Republic of Macedonia. Its establishment has enabled initiation of procedure for determining responsibility of public position officials.

The Committee for Relations with Religious Communities and Religious Groups reviews issues on relations among the communities in the Republic of Macedonia and gives proposals and positions for their solution. The Assembly of the Republic of Macedonia is obliged to review the positions and proposals by the Committee and to bring a decision.

The Administration for Affirmation and Improvement of the Communities Representatives' Culture in the Republic of Macedonia deals with activities directed towards encouragement and improvement of the co-operation with the neighbouring and European countries, then international and technical assistance in cherishing the cultural identity of the representatives of the communities in the Republic of Macedonia, and affirmation, improvement, and publication of the cultural creation, and care,

cherishing and presentation of the cultural heritage of the representatives of the communities in the Republic of Macedonia.

The State Education Inspectorate is responsible for performing inspection supervision through the educational inspectors in a manner determined by the Law on Education Inspection (Official gazette of the RM No. 33/95). According to this Law, if it is determined that there has been a violation of certain rights of pupils or students in the education, the education inspector brings a decision according to which certain measures are ordered to be taken with a certain deadline. This decision may be appealed to the Minister of Education and Science so that the complaint does not stop the execution of the decision.

By decision of the Government of the Republic of Macedonia, in January, 1997 a Department for Improvement of Gender Equality - DIGE was established within the Ministry of Labour and Social Policy. The basic function of DIGE is to positively influence the improvement of the women's position and promote equality of genders in accordance with the international conventions ratified by the Republic of Macedonia, providing for the women to fully enjoy human rights. DIGE also initiates and coordinates activities for gender equality at the level of government institutions with clear goal and strategy to overcome the problems that women in Macedonia face. At the same time, DIGE co-operates, participates, supports, and coordinates numerous activities initiated by non-governmental organisations.

Within the Ministry of Labour and Social Policy there are: Sector for Protection of Children with Department for Provision of the Right to Children's Protection, Department for Care and Education, Rest and recreation; Sector for Pension and Disability Insurance, Department for Protection and Care of Persons with developmental disabilities, care for refugees and asylum-seekers.

Discrimination issues are solved in different sectors of the: Ministry of Justice, Ministry of Foreign Affairs, Ministry of Interior, and the Ministry of Environment, in accordance with their competencies.

The Labour Inspection is responsible for providing protection of employment rights. Any person believing that their right has been violated on any grounds, may address the Labour Inspection and ask for mediation and protection of the right. Apart from this, the person, discriminated on any basis, may appeal for court protection from the regular courts.

## **2. What kind of legislative and non-legislative measures exist in your country to tackle discrimination?**

In accordance with Article 9 of the Constitution of the Republic of Macedonia, all citizens have equal rights and freedoms, regardless of gender, race, and colour of the skin, national and social background, political and religious affiliations, financial and social status.

Gender equality is additionally implemented in all of the legal regulations in the country.

Primary education is compulsory for all children in Macedonia regardless of their gender. This principle of non-discrimination is also completely respected in the secondary education. In the Laws on Primary Education and the Law that regulates higher education there are no provisions that promote gender inequality. The non-discriminatory provisions, based on gender, are clear and explicit in the process of education.

The Law also provides equitable access to university education of the citizens representatives of ethnic communities in the Republic of Macedonia. In order to create real conditions and assumptions to attain that right, the measure taken is called "positive discrimination". It provides a possibility within the already determined competition conditions, apart from the regular students, for enrolling students from the ethnic communities in the first year by determining a so-called additional quota. The number of students in the additional quota is determined by the Government of the Republic of Macedonia. This measure, with the amendments to the Law on Higher Education (Official Gazette of the RM Nos 64/00 and/ 49/03, is also established as a legal obligation and is incorporated in Article 95, paragraph 9 of the Law. For more details see [18 I A 4](#)



The Labour Relations Law (Official Gazette of the RM No. 80/03), which regulates the issue of labour and employment, does not contain provisions that in any way promote discrimination of women (both in terms of employment and in terms of placement on an appropriate job, as well as in terms of salaries and other types of compensation).

The amendments to the legislation since 1991 have mostly been focused on promotion of gender equality and protection of women based on increased opportunities for making the right choice by both genders and based on the global concept of protection of individual human rights and freedoms. With the Law on Defence (Official Gazette of the R M No. 42/01) women are allowed to engage in active military service (they can participate in the active military forces of the Republic of Macedonia); with the Law on Internal Affairs (Official Gazette of the RM No. 19/95, 55/97, 38/02, 33/03, 19/04) and the Rulebook on Parade Police Uniforms (Official Gazette of the RM No. 5/96) contain provisions that define parade uniforms of women. Article 48a of the same Law stipulates that when employing persons at the Ministry of Interior citizens of all communities should be represented and the criteria of expertise and competence should be respected. The Criminal Code (Official Gazette of the RM No. 28/91, 24/92, 49/93, 37/96, 80/99, 4/02, 43/03, and 19/04) envisions a possibility of court procedures for private disputes on sexual harassment and rape in marriage.

The amendments to the Criminal Code (Official Gazette of the RM No. 19/04) adopted in March, 2004, incriminate domestic violence. In Article 122 point 19 of the Criminal Code the term family violence is defined as a maltreatment, severe insult, endangered security, physical injury, sexual or other psychological or physical violence which causes a feeling of insecurity, endangerment or fear of the spouse, parents or children or other persons that live in a marital or non-marital institution or common household, or in a former spouse or persons who have a child or close personal relations. Furthermore, the actions of family violence are contained in the following crimes contained in the Criminal Code of the Republic of Macedonia: Article 123 - Murder, Article 125 - Instant Murder, Article 130 - Bodily Harm, Article 131 - Severe Bodily Harm, Article 139 - Coercion, Article 140 - Illegal Deprivation of Freedom, Article 144 - Endangered Safety, Article 192 -Mediation in Prostitution, and Article 188 - Sexual Attack on a Child.

In the Labour Relations Law, in Article 9, paragraphs were introduced by which employers are prohibited from putting a person looking for a job (job applicant) or a worker in an unequal legal position because of race, colour of the skin, gender, age, health condition, i.e. disability, religious, political and other affiliation, membership in a union, national and social background, family status, financial status or other personal circumstances. Women and men must be provided equal opportunities and equal treatment for employment, progress, job insurance, work conditions, working hours, and termination of employment contracts.

In Article 77 of the Labour Relations Law, a paragraph is introduced stipulating that employers are obliged to pay equal salary for equal job requirements to the workers regardless of their gender.

The provisions of the employment contracts and collective agreements provisions which are contrary to paragraph 1 of this article are annulled.

As part of the affirmative actions taken to achieve equal participation of men and women in politics and in the decision-making bodies, the Department for Gender Equality Improvement at the Ministry of Labour and Social Policy initiated amendments to the Law on Election of Members of Parliament in 2002. Article 37 of this Law provides that in the proposed list of candidates, each gender shall be represented by at least 30%."

In June, 2003, amendments were initiated to the Law on Local Elections with the new Article 15-a which provides that in the proposed list of candidates for members of the Municipality Council and the City of Skopje, each gender shall be represented by at least 30% both in the upper and lower half of the list."

Gender equality is integrated in all national programmes and strategies adopted by the Government of the Republic of Macedonia, e.g., the National Action Plan for Employment 2004-2005 and the National Strategy for Combating Poverty.

### Non-legislative Measures

The freedom of association is guaranteed by Article 20 of the Constitution of the Republic of Macedonia which provides that citizens are guaranteed freedom of association for implementation and protection of their political, economic, social, cultural, and other rights and convictions. Citizens can freely establish citizen associations and political parties, and may freely join and leave them. The programmes and activities of the associations and political parties can not be directed towards forceful destruction of the constitutional order of the Republic or towards encouraging or calling for military aggression or exciting national, racial, or religious hatred or animosity. Military or semi-military associations which do not belong to the armed forces of the Republic of Macedonia are prohibited. The freedom of association has been further regulated by the Law on Citizen Associations and Foundations in 1998.

The non-legislative measures include numerous activities, such as:

- Permanent media campaign on destruction of stereotypes;
- Organised support to female candidates and encouraging women to vote for women;
- Changing the male political vocabulary (for e.g., Lady Minister instead of Minister);
- Permanent pressure as an interest group for changing the inequality in politics
- Organizing domestic and international seminars, workshops, and open debates on the need for including women in politics;
- Exhaustive work for overcoming personal blockades in women (prejudices) on their own position as a political subject;
- Encouraging dialogue between women's NGOs, women party forums, female Members of Parliament, Lady Ministers.

### **3. What kind of judicial remedies exist in case of discrimination in the fields of employment, education, health care, social security, housing and access to goods and services? To what courts or other tribunals could victims of discrimination take their cases?**

The Constitution of the Republic of Macedonia envisions four types of protection of individual freedoms and rights: protection by courts, protection by the Constitutional Court, protection by the Ombudsman, and protection by the Standing Survey Committee at the Assembly of the Republic of Macedonia.

Starting with these constitutional provisions, it may be concluded that in cases of discrimination in employment, education, health care, social security, housing, and access to goods and services, the person considering themselves victim of discrimination may protect their rights first of all in an administrative or criminal and litigation court procedure, i.e. take the case to the state administration bodies and to court, and then in a Constitutional Court procedure, as well as in a procedure taken to the Ombudsman of the Republic of Macedonia.

More specifically, there is a legal protection in administrative and court procedure in cases of discrimination in the field of employment, when a person looking for a job or a worker thinking that the employer has put them in an unequal position because of their race, colour of the skin, gender, age, health condition, i.e. disability, religious, political, and other affiliation, membership in a union, national or social background, family status, and financial status.

Namely, this person first submits a request on protection of rights to the State Labour Inspectorate at the Ministry of Labour and Social Policy which supervises the enforcement of laws and other labour and employment regulations. The person has a right to file a complaint against the State Labour Inspectorate's decision to the Minister of Labour and Social Policy, who brings a second instance decision. Against the final decision by the Minister of Labour and Social Policy, administrative dispute can be initiated at the Supreme Court of the Republic of Macedonia.

In case of indiscrimination in the field of health care and social security, the person prevented during the actual exercise of their rights to health care on the ground on the above mentioned bases, has a right to an appeal to the Director of the Public Health Organization, and to the Ministry of Health.

This person has a right to ask for protection of their rights by the Ministry of Health, too, or more specifically, by the State Sanitary and Health Inspectorate at the Ministry of Health, for a first instance decision. The person has a right to file a complaint against this decision to the Minister of Health, who then brings a second instance decision. As previously mentioned, against the final decision of the Minister of Health, administrative dispute may be initiated at the Supreme Court of the Republic of Macedonia.

In case of discrimination in the field of education, if the pupil, i.e. his parent or custodian, or the student thinks that a certain education right is violated, they are entitled to address the State Education Inspectorate, which carries out an inspection supervision through the education inspectors. If the education inspector finds that laws, other regulations, and general acts have not been enforced, orders by a decision for the execution of certain measures with the purpose of elimination of the established infringements and irregularities. The person may file a complaint against the education inspector's decision to the Minister of Education and Science, who brings a second instance decision.

Against the second instance decisions by the above mentioned Inspectorates, the persons not satisfied with the decisions of the administrative procedure, have a right to a lawsuit at the Supreme Court and to appeal for court control over specified administrative act, i.e. to initiate an administrative dispute.

Apart from the protection of these persons in administrative procedures at the state administration bodies, a persons thinking they are discriminated on any grounds, may appeal for court protection.

The discrimination victim is entitled to legal protection in a criminal procedure, as well as protection by courts in a litigation procedure.

The legal protection relevant to this issue is provided for with Article 137 of the Criminal Code (Official Gazette of the RM No. 28/91, 24/92, 49/93, 37/96, 80/99, 4/2002, 43/03, and 19/04). In context of this issue, other important articles are 138, 166, and 167 of the Criminal Code. Namely, according the Article 137 of the Criminal Code, in the Chapter dedicated to criminal acts against the freedoms and rights of people and citizens, violation of citizen equality defines each deprivation or limitation of rights determined by the Constitution, law, or ratified international agreement, i.e. giving privileges in attaining these rights which is a result of certain differences of the citizen or more citizens considering the gender, race, colour of the skin, national and social background, political and religious affiliation, financial and social position, language or other personal characteristic or circumstances. This is discrimination of or privilege to citizens on some of these grounds resulting in a violation of some right or privileged attainment of some right.

The crime of violation of the right to use of language and alphabet, prescribed by Article 138 of the Criminal Code is a special form of violation of citizen equality considering that it relates only to a violation of the guaranteed right to use of language and alphabet. Although the violation in this case is not based on discrimination according to the grounds specified in Article 137, we consider this provision of importance because it guarantees criminal protection and provides attainment of the right to use of language and alphabet relevant to education.

The same can be said for crimes prescribed in Articles 166 and 167 of the Criminal Code which protect the basic rights of workers where the employer is responsible for violation of employment rights and violation of social security rights.

In all of these cases, during the criminal procedure the potential discrimination victim has a status of an injured party, as a person with certain personal or property rights violated or endangered by the crime. When the injured party is a plaintiff, they also become a party in the procedure.

The competent public prosecutor will prosecute the perpetrator of the crime sanctioned by Article 137 of the Criminal Code and the perpetrators of crimes sanctioned by Articles 138, 166, and 167 of the Criminal Code, because these crimes are prosecuted *ex officio*.

The injured party has a right to report this crime to the competent public prosecutor. This right is determined by Article 141, paragraphs 1 and 2 of the Law on Criminal Procedure (Official Gazette of the RM No. 15/97, 44/02, and 74/04). The injured party files criminal charges to the competent public prosecutor which is a base for initiating criminal procedure. The damaged party has a right, according to Article 56 of the Law on Criminal Procedure, to take over, i.e. to continue the criminal prosecution in specified cases (when the public prosecutor finds there is no ground to take over the criminal prosecution for crimes prosecuted *ex officio*, when the public prosecutor finds there is no ground to take over the prosecution against some of the reported accomplices, or when the court brings a decision on adjournment due to renunciation of the public prosecutor from prosecution). Then, the injured party as plaintiff has the same rights as the public prosecutor, except for those that belong to the public prosecutor as a government body.

The injured party as plaintiff has a right to regular and extra-legal remedies in a criminal procedure. This means that they have a right to appeal the verdict and appeal the court decision to a higher instance court, and are entitled to file an appeal for renewal of procedure as extra-legal remedy.

Persons considering themselves discriminated on one of the above mentioned grounds, in one of the above mentioned fields, has a right to file charges with the competent court and initiate a litigation procedure. Moreover, separate litigation procedure is possible for labour disputes for which there are short deadlines for taking certain procedural activities in order to enhance the procedure. In this procedure, too, the person has a right to regular and extra-legal remedies, i.e. has a right to file a complain and file an appeal for renewal of procedure.

After using all regular and extra-legal remedies, the citizen may ask for protection by the Constitution Court of the Republic of Macedonia.

Any citizen thinking that their right or freedom is violated by an individual act or action may ask for protection by filing a request for protection of freedoms and rights with the Constitutional Court.

The Constitutional Court, according to Article 110 line 3 of the Constitution of the Republic of Macedonia, protects the freedoms and rights of people and citizens that relate to the freedom of conviction, conscience, thought and public expression of thought, political association and activities, and prohibition of discrimination of citizens based on gender, racial, religious, national, social, and political affiliation. The procedure on protection of freedoms and rights from Article 110 line 3 of the Constitution of the Republic of Macedonia is regulated from Article 51 to Article 57 by the Rules of Procedure of the Constitutional Court of the Republic of Macedonia (Official Gazette of the RM No. 70/92).

The decision brought by the Constitutional Court is final and by bringing the decision, the national legal remedies are exhausted.

The person may file an appeal to the Ombudsman when they believe the principles of indiscrimination and appropriate and fair representation of the members of the communities in the bodies of Article 20 of this law are violated.

By filing the appeal, a procedure for protection of constitutional and legal rights of citizens is initiated at the Ombudsman's. The Ombudsman may initiate a procedure by their own initiative, too. They do not act on cases which are in court procedure. The person that files the appeal does not pay fees for the procedure at the Ombudsman's. The Ombudsman is an institution of the Republic of Macedonia which protects the constitutional and legal rights of citizens when violated by acts, actions, and omission of actions by state administration bodies, by other bodies and organizations with public authorisation and which takes actions and measures for protection of the principles of indiscrimination and appropriate and equal representation of the members of the communities in the state authorities bodies, the local government units, and the public institutions and services.

After the completion of the procedure by the domestic bodies that decide on the domestic legal means, i.e. after all legal means have been exhausted, both in administrative and court procedures, persons have a right to file individual complaints in the European Human Rights Court at the Council of Europe. The right to access for citizens of the Republic of Macedonia to the European Human Rights Court derives from the fact that the Republic of Macedonia, has ratified the European Convention on Protection of Human Rights and Fundamental Freedoms. From that moment the right of the citizens to individual complaint with the European Court when citizens believe that certain freedoms or rights guaranteed by the Convention have been violated by acts and actions of state authorities' bodies, including the domestic courts is into function.

**4. Does your legislation define various types of discrimination (direct, indirect, harassment and instructions to discriminate)?**

The legislation of the Republic of Macedonia does not define various types of discrimination, but defines various bases of the discrimination prohibition (gender, race, colour of the skin, etc.).

The Constitution of the Republic of Macedonia in Article 9 stipulates that all citizens are equal in their freedoms and rights regardless of the gender, race, colour skin, national and social background, political and religious affiliation, financial and social status, and then continues stating laws and other regulations which explains in detail this constitutional provision.

The criminal legislation contains provisions which prohibit racial and other type of discrimination. There are provisions in the civil and administrative legislation on this matter, too.

For example, Article 9 of the Labour Relations Law of the Republic of Macedonia (Official Gazette of the RM No. 80/2003) stipulates various types and bases of discrimination.

Preparation of a new Labour Relations Law is underway, and it will regulate direct and indirect discrimination upon the determined grounds.

**5. What bodies exist to promote the fight against racial discrimination (and discrimination on other grounds)? What are their powers?**

The bodies described in the answer to question [13 VIII 2](#) take measures for fighting against discrimination and promoting the combat against racial discrimination and discrimination on other grounds.

The Ombudsman is one of the bodies that protects the constitutional and legal rights of citizens and all other persons when they are violated by acts, actions, and omission of actions by the state administration bodies and other bodies and organisations with public authorisation and takes actions and measures for protection of the indiscrimination principles and appropriate and equal representation of the members of the communities in the state authorities bodies, the local government bodies, and public institutions and services.

By the Amendments from the year 2001 to the Constitution of 1991, a special procedure has been prescribed on election and dismissal of the Ombudsman, incorporated in the Law on Ombudsman, too, according to which the Assembly of the Republic of Macedonia, by recommendation of the competent Parliament Committees, elects and dismisses the Ombudsman by majority of votes from the total number of the parliament members present, provided there is a majority of votes from the total number of the parliament members representing the communities which are not majority in the Republic of Macedonia.

In order to carry out the activities under jurisdiction of the Ombudsman, offices as local Ombudsman units are established in Tetovo, Kichevo, Shtip, Strumica, Kumanovo, and Bitola.

Each person may file a complaint to the Ombudsman's when they think their constitutional and legal rights have been violated or when the indiscrimination principles are violated as well as the equitable representation of the members of the ethnic communities in the state authorities' bodies, the local

government bodies, and public institutions and services. The Ombudsman may initiate a procedure by their own initiative, too.

During the Ombudsman procedure, another language spoken by at least 20% of the citizens, including its alphabet, is official, too.

Each person in the communication with the Ombudsman may use one of the official languages and its alphabet, whereas the Ombudsman replies in Macedonian and its Cyrillic alphabet, as well as on the official language and alphabet used by the person filing the complaint.

Within the institution, a separate Department for Child Protection has been functioning for several years. There is an Ombudsman protecting the constitutional and legal rights of children when violated by the state authorities' bodies and organisations with public authorisation.

More information about the Ombudsman's activity in terms of meeting their obligation to take actions and measures for protection of indiscrimination principles and the equitable representation of the members of the ethnic communities in the state authorities' bodies, the local government bodies, and public institutions and services, can be found in the answer to [I\\_H\\_22](#).

### **Assembly of the Republic of Macedonia, Standing Survey Committee for Protection of Freedoms and Rights of Citizens**

Article 76, paragraph 4 of the Constitution of the Republic of Macedonia obliges the Assembly of Republic of Macedonia to establish a Standing Committee for Protection of Freedoms and Rights of Citizens. The purpose of the Standing Committee is protecting the freedoms and rights of citizens when they are not attained in practice or when violated by the competent state bodies. Its findings are a base for initiating a procedure for determining the liability of public officials. This liability primarily relates to acts and actions by these officials that violate or put in question the freedoms and rights of citizens. During its work, the Standing Committee co-operates with scientific and expert organizations in the protection of freedoms and rights of citizens, with relevant foreign and international bodies dealing with protection of freedoms and rights of citizens, as well as with relevant working bodies at the Assembly.

### **Community Relations Committee**

By the Amendment 12 of the year 2001 to the Constitution of 1991, a Community Relations Committee has been established. This Committee, established on 18 September, 2003 reviews the inter-ethnic relations in the country and gives opinions and proposals for solutions. In accordance with Amendment 12 that replaces Article 78 of the Constitution of the Republic of Macedonia, the Committee consists of seven members from the members of the Parliament of the Republic of Macedonia, Macedonians and Albanians, and one member from the Turkish, Vlach, Roma, Serbian and Bosniak members of the Parliament. The decision-making process of the Committee, the body proposing other members when some community does not have its representatives in the Committee, and other details related to its work are described in the answer [I\\_H\\_22](#).

The Committee has adopted a Programme based on the implementation of various aspects of the Framework Agreement. The special intentions of the Committee is to focus its activities on four topics: 1) primary and secondary education of the members of the communities which are not the majority population in Macedonia; 2) equal and appropriate representation; 3) use of language and alphabet of the communities which are not the majority population in Macedonia; 4) use of national symbols of all communities which are not the majority population in Macedonia. Considering the place of the Committee in the institutional frame of the state authority and its Programme, it may be concluded that the Committee has a potential to play the key role in implementing the different elements of the Framework Agreement in a manner that strengthens the communication and contact among different communities.

**6. What NGOs exist to promote the fight against discrimination? How are they involved in concrete actions, including policy-making and the defence of discrimination cases in the courts?**

There are many NGOs dealing with promotion of human rights and fight against discrimination. Their activities are organised at national, regional, and local levels. Many of them have influenced the fight against discrimination in various aspects of social life (protection of the rights of the national minorities, gender equality, children's rights, the rights of the disabled, the rights of the unemployed, the rights of the pensioners, consumers, homosexuals, etc.) Some of these NGOs are: the Helsinki Committee; the Macedonian Centre for International Co-operation - MCIC; Civil Society Research Centre - CSRC; Association for Dignity of the Handicapped - Hope; Association for Assistance to the autistic children in the Republic of Macedonia; Association of Children suffering from cerebral paralysis - Message, Polio Plus; the First Children's Embassy – Medjasi; Association for Children's Rights Protection; the Children's Parliament; Save the Children; Humanitarian organisation for protection and assistance to the elderly – Life and Hope; Association for Education, Culture and Research of the Roma, Skopje; Association of the Vlachs - Kichevo; the Serbian Community in Macedonia; Association of Women's Organizations in the Republic of Macedonia; Association of Albanian Women in Macedonia; the Roma Women's Organisation in the Republic of Macedonia; Association Esma, and Daja from Kumanovo; Association of Vlach women; Association of Serbian Women in the Republic of Macedonia; Association of Friendship of the Turkish Women in Macedonia; the Humanitarian Association for Emancipation and Solidarity (HA-ESE), etc.

In March, 2000, the Macedonian Women's Lobby, MWL, was established as a response to the initiative by the Stability Pact and the Working Table on Gender Equality. The MWL is a group for pressuring the institutions, the public, and the media. It is an open structure, i.e. coalition of women from various structures: NGOs, political parties, government institutions, the local government, unions, media, women from various fields and different national, ethnic, party, and religious affiliation.

The same year, the Department for Gender Equality Improvement at the Ministry of Labour and Social Policy provided offices for the National Office of the MWL which is logistics support for implementation of its programme activities which are in accordance with the National Action Plan for Gender Equality of the Government of the Republic of Macedonia.

The MWL has lobbied for the amendments to the Law on Election of Members of Parliament and the Law on Local Elections.

The Macedonian Centre for International Co-operation - MCIC, has actively participated in the preparation of the amendments to the Law on Citizen Associations and Foundations in the Republic of Macedonia, which is underway.

The Civil Society Research Centre - CSRC, has actively participated in the preparation of the amendments to the Law on Citizenship and in the initiation of adopting the Law on Asylum.

The First Children's Embassy - Medjasi, is an NGO taking care of the children's rights protection and suggests and participates in the creation of draft legal solutions in reference to protection of children.

These NGOs do not have available information about concrete actions in including the NGOs in the defence of discrimination cases at any court, but when it comes to providing legal advice in the field of protection of their rights at competent courts, they provide free legal advice to the citizens not having means for providing legal representation on their own.