



## ***Social Policy in Macedonia: Progress with EU Approximation***

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## *Introduction*

Social issues are closely linked to economic performance and governance quality in one society. And while in transition countries social problems rarely receive the attention that economic ones do, the European Union through the Lisbon Agenda clearly linked economic growth with social issues. Social dialogue, social inclusion and several other concepts which entered the vocabulary of policy-makers are product of EU developments in social policy.

Macedonian aspirations to join the EU place an obligation to follow EU trends in social policy, social policy is part of negotiating Chapter 19, and adjust to EU legislative and operational standards in this area. EU requirements are good ‘excuse’ to look into the social sphere of Macedonian society, on which two decades of political and economic transition left deep marks. This brief looks and evaluates the current status quo in Macedonian social sphere and notes the progress that Macedonia made in reforming its social policy according to EU standards. Noting the recent outburst of media stories about socially disadvantaged and vulnerable groups suffering exclusion and crime, this is also an effort to incite public debate on the state of social policy in Macedonia and encourage further efforts for improving the social services to citizens.

## *Social Policy in Macedonia*

There are several points that are critical to social policy. The most important of these include: social dialogue, social inclusion and protection and equal opportunities. The progress in approximation in each of these areas is analyzed below with the aim to shed light on the progress done in the area. In addition, some key causes underlying the slow progress as well as potential remedies are also elaborated.

- *Social Dialogue*

As a means of settling issues concerning labour relations and working conditions, social dialogue is still a rather alien concept and novelty in the Macedonian social context. Macedonian trade unions have a radically different historical background and experience when compared to their counterparts in the EU. While in Western Europe trade unions have a history of corporatist relations with the government, before 1990 in Macedonia there was a single trade union under direct control of the state, so no meaningful dialogue or negotiations existed between the workers, the employers (the state) and the government (the state). After 1990, the monopoly of the single trade union was challenged by new, more profile-focused independent trade unions. The plurality of labour associations however did not contribute to a much greater quality of their work as they adopted the culture and working methods of the mother-association. Moreover, trade union leaders are often close to one or the other major political party and tend to be co-opted by them, thus compromising further their independence from the government and their legitimacy as promoters of workers’ interests.

Against such a background situation, proper functioning of social dialogue is difficult to achieve. A tripartite Economic and Social Council (ESC) was established in 2006 as an answer to the demands set by the EU, which initially met very seldom, but under EU pressure it now convenes more regularly. The most visible problem about this body is the

improper ‘representativeness’ - the Association of Independent Trade Unions, which is the body representing the workers in the ESC, is not perceived as a representative institution by a large part of the workers. Seen from this perspective, the problem with the representativeness of the ESC is not difficult to solve - **including representatives from other major trade unions would increase the representativeness of the ESC and each would have the chance to represent and defend their members’ interests in the Council.**

However, the problem with representativeness seems to be larger than that. Macedonia has adopted a rather narrow understanding of what social dialogue is - it only includes trade unions and the state (government). **A more inclusive view on social dialogue would engage the private and non-governmental sectors as well**, as these sectors are also involved in social policy related issues, whether as providers of social services or as partners of the government in providing employment. Such an approach to social dialogue will have multiple benefits - it will involve more actors in negotiations about workers’ issues and thus more interests will be considered when reaching compromise. Thus the conclusions from the ESC meetings will be better accepted by more relevant actors and that would give true substance and importance to the work of the ESC.

The last point is related to another major issue concerning the ESC - its position in the policy-making cycle. Presently, the ESC is only an advisory body whose conclusions and recommendations are not included in any piece of legislation or policy. Therefore, neither parliament nor government are obliged to consider or adopt the recommendations from the ESC. Such a marginal position of the ESC is a further incentive for its members to seek alternative channels for solving their problems thus further undermining the position of the ESC. In order to avoid such marginalization of the ESC, it must be given greater authority in shaping the actual policy on labour-related issues. **The ESC needs to be a forum where the workers and employers will be equal partners with the government in setting the pillars of social policy.** This is the only way towards building a meaningful social dialogue and preventing government-dominated workers’ movements.

#### **Comparison: Economic Social Council of Bulgaria**

In Bulgaria, one of the newest EU member states, the Economic Social Council (ESC) was established in 2001 by the Law on Economic and Social Council. The Bulgarian ESC works as a tripartite body, providing forum for social dialogue between civil society and the government. Organizations with various portfolios are members of the ESC alongside the representatives of the employers and the workers. Those include organizations of women, disabled, retired, agricultural workers, people with mental disabilities etc. Such composition of the ESC ensures that a true social dialogue is fostered and the interests of as many social groups are considered when crafting social policy measures.

The ESC adopts opinions and analyses by consensus and presents those to the President, the National Assembly, the Council of Ministers and other institutions.

Source: Republic of Bulgaria. Economic and Social Council

- *Social Inclusion and Protection*

Social inclusion is another new concept adopted in Macedonian discourse on social policy as a result of EU approximation efforts. The EU defines social inclusion as “*process which ensures that those at risk of poverty and social exclusion gain the opportunities and resources necessary to participate fully in economic, social and cultural life and to enjoy a standard of living and well-being that is considered normal in the society in which they live.*” Closely related to Lisbon goals for more dynamic economy and growth, social inclusion measures in the EU aim at minimizing obstacles towards better economic performance. This does not mean that Macedonia does not face problems of social exclusion, it certainly does – but they are the result of decades-long economic transition. However, the social inclusion approach in addressing those problems is rather new.

To this end, Macedonia has adopted a number of strategic documents: the National Action Plan for Employment and the Joint Inclusion Memorandum is in the initial preparatory stage; while others need to be adopted still (National Plan for Social Inclusion). Considering there is no EU legislation in this area that can be directly or indirectly transposed, the objectives (benchmarks) set by the EU need be achieved by each member state by individual national measures through an *open method of coordination*. This shifts the need to adjust Macedonian legislation to EU acquis into an obligation to tailor national policies in a manner befitting the common benchmarks in the field, progress in which is no easier to track than with regular legal approximation.

#### **Open Method of Coordination (OMC) – Learning from Each Other**

In stead of EC legislation, the Lisbon Agenda set the OMC as a means of achieving common goal of greater economic growth and employment and minimization of poverty and social exclusion. This process facilitates a pooling of knowledge, experience, and best practices from the various Member States in their diversity of traditions, political philosophies, levels of economic development, and degrees of State, private sector and family involvement in combating poverty and achieving other positive social outcomes. In short, member states can learn from the variety of experiences of the others and plan their own route towards achieving the common goals.

The EC and some member states (UK, Ireland etc.) have established data bases of best practices in the area of social inclusion, where interested sides can read and learn about the most successful social inclusion projects. The EC best practice data-base: [http://ec.europa.eu/employment\\_social/spsi/active\\_inclusion\\_en.htm](http://ec.europa.eu/employment_social/spsi/active_inclusion_en.htm), the UK one: [http://www.socialinclusion.org.uk/good\\_practice/index.php?subid=78](http://www.socialinclusion.org.uk/good_practice/index.php?subid=78).

Sources: National Social Inclusion Programme of the UK  
European Commission, Social Protection and Social Inclusion

The first major problem in this area is the different nature of social problems that Macedonia faces as compared to those in the EU. To start with, Macedonia operates with a different definition of poverty than the EU. The Macedonian definition is based on the levels of expenditures whereas in the EU poverty is defined according to average levels of

income. This is not a problem of harmonization of definitions, rather an indicator of the fundamental differences in this area – an income-based definition of poverty in Macedonia would not show the real picture due to the great extent of unregistered incomes and grey economy – problems which require additional attention. And while the poverty rates are high for the entire territory and population of Macedonia, some groups, ethnic and other, are more hit by poverty than others (the rate of poverty among ethnic Albanians being 35% and 33% for the other non-majority groups)<sup>1</sup>. Thus, the **grey economy and uneven distribution of poverty and exclusion among ethnic groups creates a set of conditions to which Macedonian social policy must be sensitive.**

The specific social context in Macedonia briefly described above requires thorough research before the national programme and priorities for social inclusion are set. Currently, the Ministry for Labour and Social Policy operates with a Programme for Social Inclusion which targets four groups suffering potential social exclusion: the homeless, street children, drug addicts and victims of domestic violence. These four priority groups certainly require additional measures to overcome the threat of social exclusion, their choice reflects the social problems of contemporary Macedonian society – poverty, addiction diseases, domestic violence. However, these four priority groups are only a fraction of the vulnerable groups in society threatened by social exclusion. **A more thorough analysis and a more inclusive policy based on up-to-date research are necessary in order to have a fully-functional social inclusion policy.** For instance, the inhabitants of distant rural settlements and the elderly population (especially female) with no pension income suffer from a high risk of social exclusion, as social services are rather inaccessible for them. These two obvious groups, as well as others that a thorough analysis would identify, need to be included in the national programme on social inclusion and targeted by appropriate measures for combating social exclusion.

The above discussion points to another problematic issues concerning social inclusion: the flexibility of social services. Macedonia has adopted a rather mainstream approach in providing social services (including health, education, social protection, employment etc.) – no efforts are made to increase the flexibility of social services to make them more accessible to potentially excluded populations. Thus, some rural settlements are hours away from the nearest hospital, schools or social care centre. **Social services need to become more mobile and flexible in order to ensure social inclusion for all socially vulnerable groups.** In the short-term, this can be achieved by establishing mobile medical units and transport to schools for the inhabitants of distant rural areas who have difficulties in accessing health and education services. In the longer run, a more thorough approach is required: building necessary infrastructure – roads, schools, hospitals, electricity network, proper maintenance of the already existing objects and their utilization for community benefit.

Aiming towards a more flexible and accessible social services, the capacity of Macedonian institutions involved in social inclusion and protection needs to be seriously improved in order to maintain a sustainable social policy. Insufficient institutional capacity is the most frequent criticism of the EC in the Progress Reports and Accession Partnership and it therefore requires significant efforts to be overcome. **In the area of social inclusion and**

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<sup>1</sup> UNDP. People-Centred Analysis. March 2008.

**social protection, additional efforts are necessary in order to improve inter-institutional communication and cooperation and avoid overlapping of competencies.** If necessary, mixed teams from different institutions can work on issues of common concern. For example, teams from the Employment Agency and the Centre for Social Care can work together with socially excluded families in need of assistance and employment opportunities. Presently, these two bodies have but a formal communication.

Increasing the flexibility and thus ensuring greater effectiveness of social services is crucial in a situation when the general stance of the government on social issues is rather conservative and restrictive. The new term of the government is likely to start with measures for cutting the employment, health and pension contributions from employers. This alongside with earlier measures for privatization of the health and pensions system will result with diminished budgetary funds for social projects. Therefore, **the social sector can not expand but these limitations need to be compensated with increased efficiency in spending the available resources and greater flexibility in reaching those that require social assistance the most** – and numbers show that there are many such. In 2008 in Macedonia, every fifth citizen lives below the poverty line, every third Macedonian is unemployed while every other never enrolled at university.<sup>2</sup> Those are worrying data showing the gravity of the social problems in Macedonia and illustrating how much more needs to be done in before adequate levels of social inclusion can be achieved.

- *Equal Opportunities*

In the area of equal opportunities and gender equality, Macedonia is working on the necessary legal approximation and harmonization. The EC directives in this area are translated and introduced in national legislation. The Law on Equal Opportunities was adopted in 2006 and the Law on Anti-discrimination is currently being prepared.

More challenging than adopting legislation is the implementation of the adopted legal provisions. The institutions responsible for implementing equal opportunity policies need further enhancement of their capacity. The Unit for Equal Opportunities in the Ministry of Labour and Social Policy was established in 1997 but elevated into a Sector for Equal Opportunities only in 2007. This sector now consists of the gender equality unit and unit for prevention of any form of discrimination. Local gender coordinators are established in a number of municipalities and a national focal point on gender issues is to be established soon. **A good solution would be to have a national gender focal point established as an independent institution alike an Ombudsman office for gender issues.** This would ensure the independence of the institution from the government and its influence while make it accountable to the Parliament and thus be more democratic.

Despite these and other efforts at an institutional level to improve the situation of women and other disadvantaged groups in society, in practise women still suffer direct and indirect discrimination on the workplace. Therefore, **it is very important to work towards making the public domain gender-sensitive through various gender-mainstreaming measures:** gender-sensitive school curricula, legal and official texts, advertisements etc; gender-sensitive trainings for teachers, public servants, media etc. Equal opportunities policy

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<sup>2</sup> UNDP. People-Centred Analysis. March 2008.

would amount to very little if unaccompanied by appropriate awareness-raising and awareness-building measures.

### *Conclusions*

This brief looks at the current situation of the social sector in Macedonia and evaluates the progress Macedonia makes towards achieving EU standards and fulfilling EU requirements in the field of social policy. Considering the importance of social issues and their relation to economic growth and development as well as the overall quality of life, successful social reforms and policies will have positive effect on the economic performance of the state and the life of its citizens.

The three most important social issues that this brief investigates are: social dialogue, social inclusion and protection, and equal opportunities. Each of these three areas notes significant progress, especially considering the low starting point from where approximation to EU standards started. However, more needs to be done, especially in the area of social inclusion, where the gravest problems lie. Significant parts of Macedonian society are threatened with exclusion and marginalization, social services are still inflexible and difficult to access for those who need them most. National strategies need to be more inclusive and more inventive of the measures they apply to social problems – obsolete measures can not solve contemporary social problems.