

# **Integrated Social Protection Systems**

## **Country Case Study - North Macedonia**

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# 1 Introduction

## 1.1 Objectives of the case study

The purpose of this country case study is to document the experience of designing and implementing integrated social protection systems in North Macedonia. The case study draws on the conceptual framework developed in the literature review phase of this Project (Sammon et al 2019a), which outlines the key dimensions of integration at the policy, programme, and administrative level, and on the initial insights from a review of regional experiences (Sammon et al 2019b). Based on a further country-specific desk review and five days of Key Informant Interviews (see Acknowledgments) conducted between 10<sup>th</sup> to 14<sup>th</sup> February 2020, this study aims to succinctly highlight what worked and under what conditions/enabling factors, as well as the challenges and how these are being overcome. Specific focus and attention are paid to how integration is operationalised, specifically through the role of social workers, the use of case management and approaches to integrated information systems.

It is important to stress that the North Macedonia case is relatively unique as the country has very recently undergone a major reform in its social protection system following years of evidence building and preparation. The policy space for the reform resulted from the appointment of a former social worker and activist as Minister of Labour and Social Protection, who led the reform process. While it is too early to judge the quality of implementation and impact (especially as the Minister has since changed), the 2019 reform was a major step towards increased coherence and integration across the social protection sector in the country.

## 2 Policy level

### 2.1 Policy, strategy, and legislation

**The legal framework for social protection in North Macedonia is extensively developed<sup>1</sup>, including ongoing revisions and amendments to key legislation to reflect strategic changes.** This process, including its main laws and strategic documents, is graphically summarised in Figure 1, with a focus on the past 10 years. The main pieces of legislation underpinning the delivery of benefits and services include: the Social Protection Law (2009 and 2019), the Child Protection Law, the Law on Social Insurance of the Elderly, the Law on Employment and Insurance in Case of Unemployment, the Law on Contributions for Mandatory Social Insurance, the Law on Material Security for Persons that have Become Unemployed due to Privatisation of State-owned Enterprises and the Family Law. Overall, there is a constitutional right to assistance, in accordance with the principle of social justice, embedded in Article 1<sup>2</sup>, as well as 35-40, among others<sup>3</sup>.

**Most recently, in 2019 there was a major reform of the system, including a new Law on Social Protection, new Law on Social Insurance of the Elderly as well as major amendments to the Child Protection Law. These legal amendments address fragmentation in the previous**

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<sup>1</sup> Providing both clarity of vision and direction as well as a legally guaranteed foundation that supports programme sustainability.

<sup>2</sup> “The Republic of Macedonia is a (...) social state”.

<sup>3</sup> As an example, Article 34 states that “Citizens have a right to social security and social insurance, determined by law and collective agreement”, while Article 35 states that “The Republic provides for the social protection and social security of citizens in accordance with the principle of social justice”.

**system at several levels, by explicitly pursuing integration:** one of the key objectives of the 2019 reform is to integrate the user experience of interacting with the social protection system, while ensuring a tailored approach to the specific needs of each and every family. Specifically, the law does this by:

- ✓ Consolidating and further coordinating prior programmes<sup>4</sup> (See Section 3).
- ✓ Streamlining the processes for intake and registration into any social assistance programme (see Section 4).
- ✓ Introducing a comprehensive and Integrated Case Management approach, focusing on multi-dimensional needs and vulnerabilities and creating an enabling environment for the delivery of social services at Municipal level (see Section 4).
- ✓ Further clarifying roles and responsibilities – as well as need for coordination – within the Sector and beyond (see Section 2.2).

**Overall, the process for policy development has been multi-sectoral, participatory in nature and evidence based<sup>5</sup>. The long-term stages of development of the 2019 reform provide an important example.**

- ✓ First, a strong evidence-base was built via several pieces of analysis (system assessments, etc.) by leading academics and researchers in the field – some of these commissioned by Development Partners (Gerovska-Mitev 2009/2015; World Bank 2013; UNICEF 2013; Carraro 2015; Corbanese 2015; Sharlamanov and Jovanoski 2016; etc.). These consistently stressed lack of impacts due to fragmentation/incoherence, ineffectively targeted programmes, inadequacy of transfer values and excessive focus on financial assistance rather than services and activation measures (see also Section 3).
- ✓ Second, initial alternative policy proposals were developed and discussed within the Social Workers Association and other Civil Society actors and developed into an electoral programme for reform of the sector.
- ✓ Third, with the change of Government in 2017, the reform proposal was further put to the test and developed via comparative assessments and simulations of potential policy scenarios and budget implications (to ensure fiscal sustainability), carried out by national and international experts (Petreski and Mojsoska-Blazevski 2018; Carraro 2018a/b; Petreski and Petreski 2018a; World Bank 2018; etc.)<sup>6</sup>.
- ✓ Fourth, extensive consultations were organised to discuss with all relevant stakeholders and provide input into the final policy proposals. These were led by the Ministry of Labour and Social Policy (MoLSP), strongly endorsed and supported by the Ministry of Finance, and with participation by other relevant Ministries (e.g. Health, Education), the Employment Agency (EA), decentralised implementation units – the Centres for Social Work (CSW) discussed below – and Civil Society Organisations (CSOs)<sup>7</sup>, alongside development partners.
- ✓ Fifth, the ‘polished’ proposal was brought to Parliament, where further aspects were fine-tuned following ongoing consultations. Finally, the process accompanying the drafting of the Social Protection Law by legal experts required further coordination and ensuring coherence with existing legal frameworks in the country.

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<sup>4</sup> Prior legislation was the result of cumulative – often uncoordinated – changes made over time: the new legislation provided an important opportunity for streamlining and consolidation...

<sup>5</sup> To the extent possible given the lack of relevant data.

<sup>6</sup> Many of these were financed and supported by UNICEF.

<sup>7</sup> Note that some CSOs reported that their comments were not taken on board.

**The EU 2020 Agenda – relevant for North Macedonia due to its status as an accession candidate – has also somewhat had its impact on policy creation within the country** (Gerovska-Mitev 2015). For example, EU 2020 goals – such as the promotion of ‘activation policies’<sup>8</sup> – have been incorporated within national targets and strategic documents (e.g. the Employment and Social Policy reform Programme 2020 developed in 2017).

**Figure 1. Key laws with implications on social protection (and employment)**

2009 Law on Social Protection
2010 National Programme for Development of Social Protection 2011-2021 & National Strategy on Alleviation of Poverty and Social Exclusion in the Republic of Macedonia 2010-2020
2012 Statutory Minimum Wage introduced
2012 Law on Payment of Pensions
2014 Law on Employment and Insurance
2015 National Employment Strategy 2016-2020 and National Action Plan on Employment
2017 Employment and Social Policy Reform Programme 2020
2019 New Law on Social Protection and amendments to Child Protection Law

#### **Trade-offs faced by implementors:**

Key Informants stressed that the 2019 participatory process did lead to some **‘lowest common denominator’ compromise solutions** (e.g. the result is less radical than the original intention), yet the overall outcome in terms of ownership, sustainability and coordination across key actors strongly outweigh this.



The **lack of flexibility of a very prescriptive and legalistic system** (where guidance for implementing staff passes primarily through legislation and accompanying regulations, rather than Standard Operating Procedures, Manual of Operations, etc.) has been shown to hamper the initiative of workers at lower levels of implementation, with social workers unwilling to act unless they are clearly and specifically authorised by law or by-law. This was especially the case where rules focused on processes more than outcomes were not understood or are impossible to follow, ‘delegitimising the whole rule-based system’ (BIT, 2019)<sup>9</sup>.

**The key challenge ahead regards the translation of policy into practice.** While the MoLSP has done a considerable amount of advance work to hit the road running, some CSW are struggling to implement aspects of the reform – especially as these require a significant shift in mentality and organisational restructuring (see Section 4.3). It is too early to judge this process, given these are institutional changes that cannot be made overnight.

**Some further challenges derive from the multiplicity of laws that govern the functioning of CSW in the country, beyond those that are inherently related to social protection** (that were reformed in 2019). Examples include a) CSW still being overburdened by administrative tasks linked to separations and divorces which are legislated via the Family Law; b) an existing Law on Archiving dictating that social workers retain paper copies of all case files, thereby duplicating their work (which could otherwise be entirely performed via the dedicated Information Systems – Section 4.2); c)

<sup>8</sup> E.g. see the strategic guidelines of the European Commission ‘Europe 2020: A European Strategy for Smart, Sustainable and Inclusive Growth’

<sup>9</sup> These are the outcomes of a UNICEF financed study by the UK Behavioural Insights Team.

issues pertaining to disability being legislated across a wide variety of laws. In Key Informant Interviews (KIIs) CSW staff stressed that this was a significant source of complexity for performing their functions.

## 2.2 Organisational structure and coordination

**The roles and responsibilities and organisational structure of the lead Ministry – the MoLSP – and its partners are clearly articulated in legislation and widely understood across all relevant actors.** This is summarised in Figure 2. Interesting is the relationship with the EA, which falls ‘technically’ under the MoLSP remit, yet there is no ‘enforceable’ line of accountability between the two: the Director of the EA is appointed by Government and the Minister of Labour sits on its Management Board, holding limited supervisory power (Corbanese, 2015). Key Informants stressed that this was a problem in terms of guaranteeing coherent strategies across the two.

**‘Horizontal’ coordination at central level across relevant actors is not institutionalised via a formal coordinating body/structure, but on an ad-hoc basis – focusing on specific policy issues.** This was seen as being due to the ‘burden’ of institutionalised coordination mechanisms, where form (continuous meetings, etc.) took priority over function. As an example, the MoLSP coordinates extensively with the Ministry of Health and the Health Insurance Fund in several different ways and via tailored Memorandums of Understanding (MoUs), as further discussed in Section 3.

**An important enabler of coordination at this level is the institutionalised information sharing across different institutions via the CB-MIS,** further discussed in Section 4.2.

**There is also a notable role played by development partners in the country (UN partners, World Bank, EU), that have worked together coherently – and without overlaps –** over the years in pursuit of common objectives<sup>10</sup>, culminating in the 2019 reform. This was primarily achieved via coordination by the MoLSP, responsible for setting the policy direction and leveraging external funding and expertise for evidence-building, capacity-building, and system-building work over the years.

**Given that North Macedonia is a relatively small state, the layers of decentralised governance for the implementation of social assistance via the MoLSP are limited.**

- The current structure for the MoLSP includes 30 Centres for Social Work serving the country’s 80 Municipalities. These employed 1,221 staff at the end of 2019, an increase of approximately 150 linked to the recent reform (see Section 4.3). Ongoing efforts also aim to bring delivery of services closer to citizens, with an additional 31 local offices functional at the end of 2020 and plans to open 19 more ‘light-touch’ CSW offices so as to have one in each Municipality.
- The Institute for Social Activities provides training and supervision for the social protection institutions, contributes in planning and implementing social protection reforms and licenses social protection professionals.

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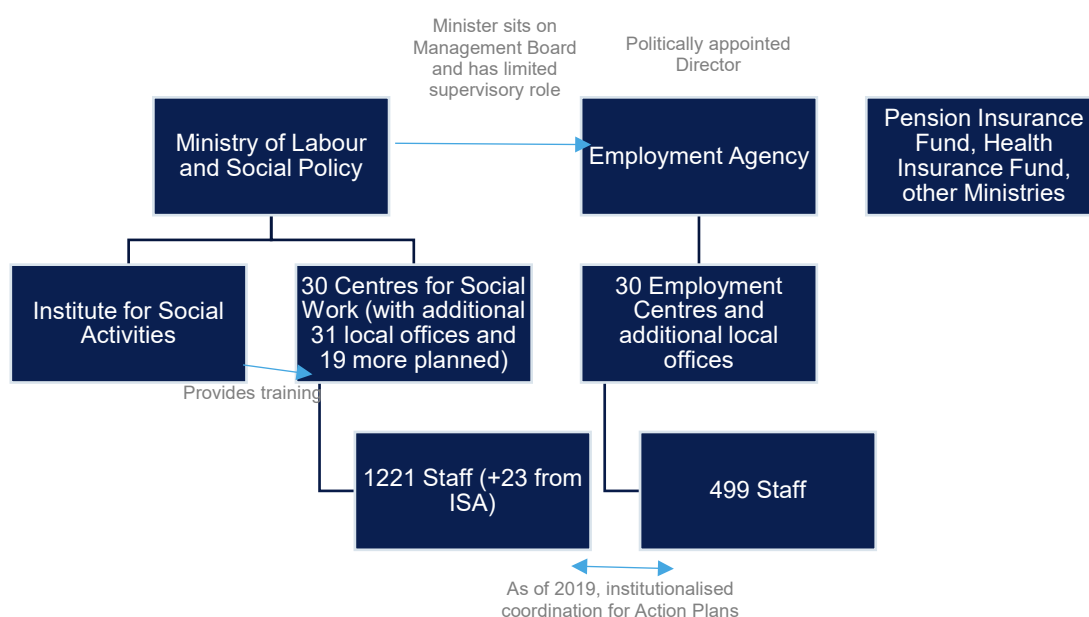
<sup>10</sup> UNICEF and the World Bank took part in an interdisciplinary work group created by the new Minister of Labour and Social Policy in 2017 and tasked to develop a new Social Protection Law. In addition, the reform also involved cooperation with other development partners, such as the European Union and UNDP, which also contributed technical assistance to finalize the major reform. UNICEF and the World Bank also cooperated with the Ministry to improve the country’s Management Information System (MIS) and merge the administration of social support and care services with the administration of cash benefits. UNICEF and the World Bank once again cooperated to highlight child poverty in the political agenda and strengthen efforts to devise a coherent policy response, including through a regional conference on child poverty, resulting in political commitments from decision makers. Furthermore, some of the relevant national strategies were developed in cooperation with development partners. For example, the National Employment Strategy 2016-2020 was developed in cooperation with the ILO, UNDP, and the World Bank.



- The current structure for the decentralised Employment Centres (ECs) includes 30 ECs and 16 Outreach Offices.

**Table 1. Organisational capacity, basic comparisons**

	Number of local offices performing social welfare functions	Number of government staff performing these functions	Population (million)	Ratio of offices to population <sup>11</sup>	Ratio of staff to population <sup>12</sup>
<b>Macedonia (today)</b>	61	1,244	2.07	1 : 34,047 <sup>13</sup>	1 : 1,670
<b>Macedonia (planned)<sup>14</sup></b>	80 <sup>15</sup>	An additional 187 staff	2.07	1 : 25,962	NA
<b>Montenegro</b>	22	NA	0.62	1 : 28,181	NA
<b>Moldova</b>	41 <sup>16</sup>	1,140	3,56	1 : 86,804	1 : 3,121

**Figure 2. Organisational structure**

**Vertical Coordination with lower levels of implementation happens ‘on a daily basis’ via email and phone discussions<sup>17</sup>, supported by information consolidated within the CB-MIS.** There are currently no annual/regular fora for all CSW Directors to come together and share experiences,

<sup>11</sup> Of course, these are *average* numbers to enable comparisons (i.e. actual numbers vary significantly across offices depending on a wide variety of factors) and they consider the whole population as a *potential* user, they do not focus on those who do try to access benefits/ services.

<sup>12</sup> As above but referring to ratio of government staff to population rather than offices.

<sup>13</sup> As an example, showcasing how this number is an average and variations are wide across CSW, the CSW of Kumanovo and its local office in Lipkovo serve a total population of 135,000 people across three municipalities.

<sup>14</sup> To ease comparison these numbers do not include Employment Centres: 30 ECs and 10 dispersed offices, employing a total of 499 ppl at the end of 2019. They also do not include social protection units within local government offices.

<sup>15</sup> This includes CSW staff embedded in Municipal offices so not a full ‘CSW’.

<sup>16</sup> These are just regional Territorial Social Assistance Offices (known as TSAS). Moldova also has a system of social assistants, embedded in municipal offices (similar to the planned expansion in North Macedonia).

<sup>17</sup> Again, this is possible because of the relatively low number of CSW and small country size.

challenges and learning, facilitated by objective benchmarking against targets – but this is something the Ministry has been discussing.

**At local/ Municipal level, CSW coordinate with a wide range of actors in the process of delivering their benefits and services.** This coordination is being further enhanced within the 2019 Law, especially with regards to:

- **Coordination with ECs.** In several Municipalities ECs and CSW are located in the same, or an adjacent, building. Nevertheless, to date, there is extensive evidence that physical proximity has not systematically led to cooperation, joint planning or information sharing (Corbanese 2015; Petreski and Tumanoska 2016; Petreski and Petreski 2018a). The 2019 Law opens a new chapter by enforcing a partnership between the two for beneficiaries of Guaranteed Minimum Assistance who are unemployed and able to work, via the joint realisation and signing of an 'Activation Plan'<sup>18</sup> for labour activation. EC and CSW staff were also jointly trained on Case Management approaches (Section 4).
- **Referral to community-based services.** NGOs and CSOs are being accredited as service providers to increase the availability of community-based services at Municipal level, and further supported via a start-up grant process<sup>19</sup> and a new methodology for costing services (similar to the process used for health services). In the medium term, the policy aim is to establish a network of licensed and authorised social service providers that coordinate with CSW while pluralizing the delivery of social services at local level (Bornarova et al 2019).

## 2.3 Financing

**The political economy for social protection financing is broadly favourable, primarily due to institutionalisation within the Constitution and legal framework: everyone has a right to social protection.** Nevertheless, between the years 2005 and 2013 the expenditure on social assistance as a percentage of GDP dropped from 1 per cent to 0.7 per cent (Carraro, 2015) – one of the lowest in the region<sup>20</sup>. This trend is starting to be inverted with the 2019 reform, with 1.4 per cent of GDP expenditure. Looking beyond social assistance, in 2018 (pre-reform) social protection expenditure accounted for 15.3 per cent of GDP, 60.7 per cent of which financed pensions and 28.7 per cent health spending<sup>21</sup> (Gerovska-Mitev 2019a).

**The 2019 reform was strongly backed by the Ministry of Finance and was almost a 'zero sum' reform<sup>22</sup>** financed via an evidence-based consolidation and/ or abolition and/ or reduction of coverage of some previous benefits, as well as savings within the contributory pension system (e.g. increased contributions) and a progressive taxation reform introduced in December 2018. This opened fiscal space for a) the expansion of adequacy of existing cash benefits (especially for the most vulnerable households); b) drastic increases in social spending; c) increases in staffing and salaries (+26 per cent) for social workers.

**There are, however, some worrying signs that this fiscal space may only have been temporary.** For example, in a pre-electoral 'expansion', the current government has recently

<sup>18</sup> Article 36 sets out that "The Centre for Social Work and the Employment Service Agency shall collaborate in the realization of the individual plan for employment of the beneficiary" while Articles 34-37 make further stipulations on the topic. This joint process is also being embedded within the CSW information system, currently being updated (Section 4.2).

<sup>19</sup> The first round was in October 2019 and 65/80 Municipalities applied.

<sup>20</sup> Below the average level of spending on social assistance among Europe and Central Asia countries which stands at 2.2 percent of GDP (World Bank 2018).

<sup>21</sup> the remaining 10.5 per cent financed social assistance.

<sup>22</sup> The main reason it could not be entirely 'zero sum' is that some rights had been matured and could not be immediately removed i.e. a slow phase-out was required for the parental allowance for third child, for fourth child and the combined parental allowance for third and fourth child (new beneficiaries are not allowed in these schemes).

increased pensions<sup>23</sup> while also rolling back the progressive personal income taxation introduced in December 2018 (Gerovska-Mitev 2019b).

## 2.4 Sectoral M&E and accountability

**The Information System that was developed to back the cash benefit system in 2010, and the Information System that supports the provision of social services (which will be integrated in 2021), provide crucial information** for daily management as well as planning and budgeting, in a timely manner (see Section 4.2). This primarily focuses on measures of ‘input’ and ‘output’.

**Nevertheless, there is still a lack of an institutionalised system for M&E, with targets, indicators, roles, and responsibilities clearly defined across all levels of administration.** The MoLSP sees this work as a forthcoming priority. At the moment, there is no system for measuring user satisfaction, ultimate impact and overall cost-effectiveness of social protection policies in general and the recent reform more specifically (impact evaluations, qualitative research, scorecards, etc.). There is also a scarcity of high-quality data sources that can be used for relevant analysis.

**To fill this ‘evidence gap’, CSOs in the country have taken on the role of ‘watchdogs’ – with an explicit focus on ensuring accountability** and monitoring user satisfaction and sectoral outcomes. This is not done ‘systematically’ via quantitative methods or participatory monitoring, but via a network of activists organised within several organisations, including the Macedonian Anti-Poverty Platform<sup>24</sup>.

**One important step forward in the current reform is the institutionalisation of a supportive system for supervision and mentoring** of social workers – focused on capacity building and learning rather than punitive control and building on best-practice from neighbouring Serbia and Montenegro.

## 3 Programme level

### 3.1 Range of programmes and services offered

**The cash benefit programmes offered within the social assistance system as of the 2019 reform are summarised in Table 2 and Figure 3.** These comprehensively map against key lifecycle and other risks, as well as broader vulnerabilities (disability, caregiving, etc.), with no obvious gaps emerging.

To give a sense of their importance, cash benefits in Macedonian are referred to as ‘rights’

**These are complemented by social insurance programmes, social services, and active labour market policies (see Table 2),** as further discussed in this section and in 4.1.

<sup>23</sup> A 7.8 per cent increase for lowest deciles and 1.8 per cent for highest. This is problematic as the pension system deficit has been increasing rapidly and has not been adjusted to reflect recent demographic changes such as migration and increased life expectancy (deficit is currently at around 49 per cent according to Finance Think estimates).

<sup>24</sup> Established in 2010 and formerly led by the Minister who spearheaded the 2019 reform (Mila Carovska), the Platform links 50+ organisations who participate in day to day monitoring of CSW activities alongside their routine activities. They also organise an annual Conference of people experiencing poverty and social exclusion, to discuss relevant service delivery challenges that limit social justice.

**Compared to the pre-2019 system (see Annex A for details), this represents a considerable change from several perspectives** (see Box 1 for two practical examples (Carraro 2015; Gerovska-Mitev 2019a; KIIs)):

- Some existing benefits were consolidated, overcoming significant fragmentation and incoherence.
- Benefits that had been shown to be very expensive and have little simulated effect on poverty were means-tested and/or are being phased out over time (e.g. third child allowance), increasing coverage amongst the poorest quintiles.
- Several benefits were explicitly linked together, to strengthen ultimate impacts, including labour market 'activation' as a key aspect of the reform.
- The overall 'amount'/adequacy of most transfers was increased.
- Equivalence scales and other core parameters were uniformed across programmes, addressing previous equity challenges.
- An overall shift towards 'supportive' rather than 'punitive' programme design.

### Box 1. An example of the pre- and post-reform programme - what has changed for Child Allowances?

Several issues were restraining the poverty impacts of Child Allowances before the 2019 reform:

- An ambiguity within the Regulations on Child Allowance<sup>25</sup> meant this was restricted to people who were working or receiving unemployment benefits. This meant an important share of the population, particularly the very poor, were excluded from receiving child allowances.
- The monetary value of benefits was also too low to have a sustained impact on child and family poverty levels. The Child Allowance provided 740 denars per month (approx. 14 USD) per child up to the age of 15 and 1,175 denars for a child between 15 and 18, with a maximum limit of 1,870 denars in total. As a consequence, large families, which tend to be poorer, were worse off. On the other hand, they were more likely to qualify given the *per capita* threshold approach.
- Only 20 per cent of beneficiaries were among the poorest, a percentage that doubled for the second decile.
- A large proportion of child-focused budget was being spent on Parental Allowances that have been shown to have no impact on birth rates and to primarily benefit higher income households.

Post reform, the threshold for child allowance and the newly introduced education allowance is much higher, extending access among minimum-wage earners. In terms of coverage, the new reforms are expected to substantially increase the coverage of Child Allowance by an additional 40,000 families (as for other benefits). Reduced spending

on non-effective measures and an explicit focus on complementarity across programmes means that low income families with children will now receive much higher and more adequate support. This is exemplified in the Table above, referring to a family with two school-going children where both parents are unemployed, pre- and post-reform (amount received, in Macedonian denars).

	2018	2019
Social Financial Assistance/Guaranteed Minimal Assistance	4,923	6,800
Child Allowance	0	1,900
Educational Allowance	0	1,700
TOTAL	4,923	10,400

Sources: UNICEF 2018

**Social services also underwent significant change with the 2019 law:** a wide new range of community based social services that were previously inexistent were offered (respite care, kinship care, personal assistance, half-way houses, etc.) while several existing services were extended and strengthened (social prevention, rehabilitation and integration, counselling).<sup>26</sup> This goes hand in hand with the new Case Management system discussed in Section 4.2.

**Nevertheless – and partly due to the broad consultative process that accompanied the reform<sup>27</sup> – not all overlaps within the existing system were fully addressed** e.g. this was not fully the case with regards to disability benefits (see Box 2). The number and ‘complexity’ of the

<sup>25</sup> The main sources of ambiguity were: (1) what was considered as income and what was disregarded in the calculation of the income base; (2) the eligibility income threshold; (3) considering the family or the household for the income-based calculation; and (4) the use of different equivalence scales.

<sup>26</sup> See new Law and Bornarova et al (2019).

<sup>27</sup> E.g. opposition from CSOs representing persons with disabilities.

range of existing programmes is still relatively high, with CSOs stressing that this poses a significant barrier to access for the most vulnerable (who do not 'understand' the system).

### **Box 2. Integration of disability benefits and services, an ongoing challenge**

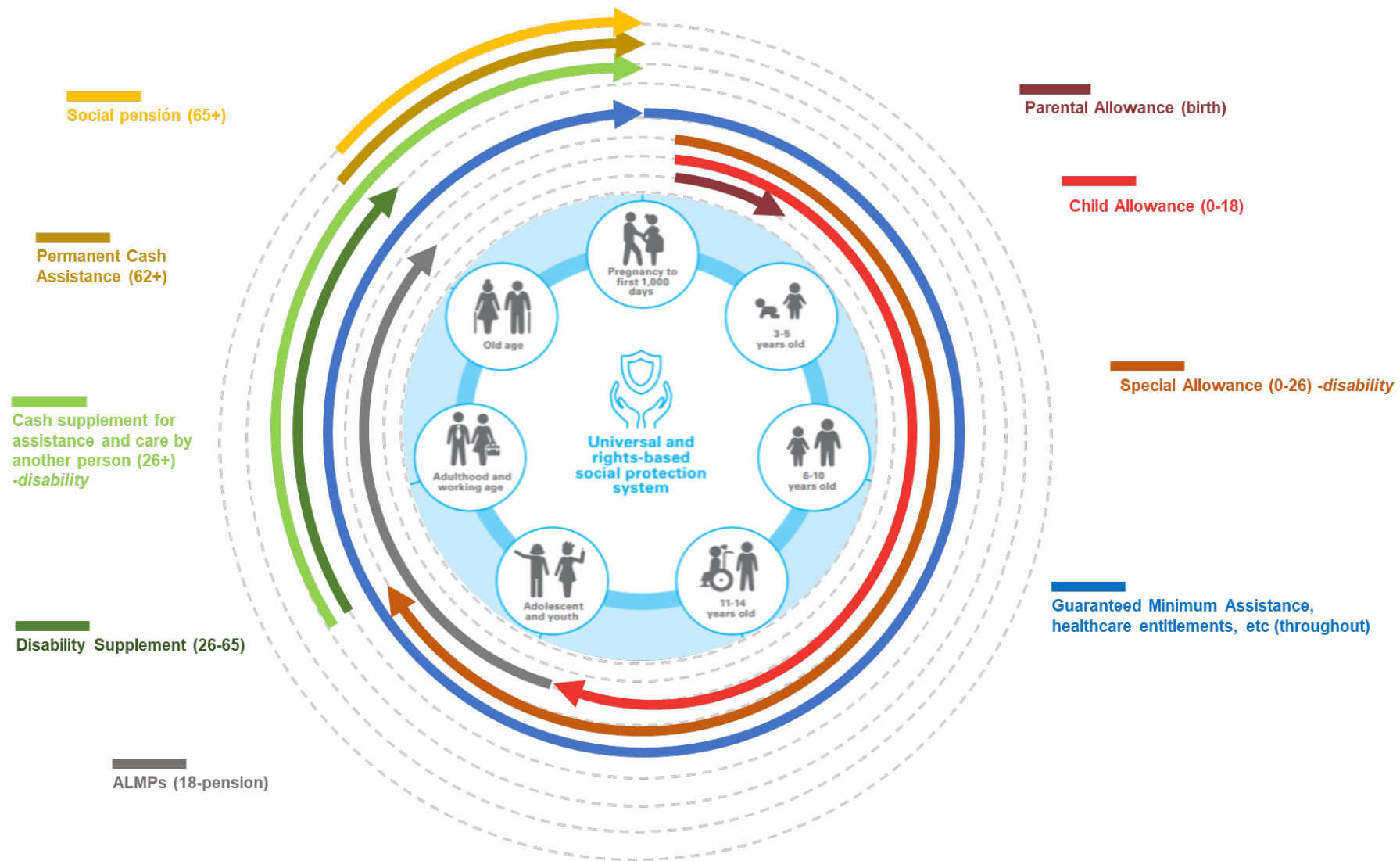
As shown in Table 2, there is still a relatively high number of programmes that have a disability focus, targeted at different age groups and types of disability. Compared to the past, these have nonetheless been reduced in number and further integrated in terms of sequencing and coherence (including with social services). Moreover, there have been other positive outcomes from the reform including: a significant shift in terms of not dealing with persons with disabilities as 'cripples' with no agency, but as active citizens; eliminating means testing for all disability benefits; disregarding disability allowances when calculating values of other benefits; and overall simplification of the application process.

Of course, disability is also legislated within a broader set of Laws that have not all been thoroughly reformed to date, such as the Law on Employment of Persons with Disabilities; Law on Pension and Disability Insurance, etc.

One concrete effort being led by UNICEF with partners from Government and civil society is the piloting of a new model of disability assessment based on the International Classification of Functioning, Disability and Health (ICF). This is an important step in moving away from the previous approach of deciding whether to grant disability cash benefits to people based only on categorization of their medical condition, and transition to a system which also considers the social context in which the person with a disability lives and to what extent that social context degrades or advances their ability to participate in social life and enjoy their human rights holistically. By the end of 2020, with UNICEF support, three centres were established (one national and two regional) for the assessment of children based on ICF, and functional assessment is now incorporated in the Law on primary education. The objective of the pilot is for the new model to become the basis for making decisions on needed educational, health and social protection support to children and youth living with disability, including decisions on eligibility for cash benefits and support services.

*Sources: KIIs; Gerovska-Mitev M. (2019d); SIPA (2019)*

**Figure 3. Key social assistance cash benefits along the life cycle**





**Table 2. Range of programmes offered, main examples<sup>28</sup>**

Programme name	Eligibility	Life-cycle focus	Means tested?	Coverage (individuals + as per cent of overall population) <sup>29</sup>	'Adequacy'	Legal backing	Linkage to other programmes (noting all can be linked to social services via case management)
<b>Maternity and paternity benefits</b>	<i>Pregnant, has contributed for at least 6 months, the health insurance was paid regularly or within a 60 days delay; the father can take over the benefit 45 days after delivery if he has contributed for at least 6 months, and the health insurance was paid regularly or within a 60 days delay</i>	<i>Pregnancy and first months after birth</i>	<i>No</i>	<i>9,913, 0.48 per cent of the population</i>	<i>The monthly amount equals the average monthly salary of that worker in the past 12 months, but cannot surpass 4 average monthly salaries paid in the country in the previous calendar year</i>	<i>Health insurance law; Labour law</i>	<i>If liveborn, parental allowance and other child protection law benefits</i>
<b>Parental allowance<sup>30</sup></b>	<i>One of the parents of first, second and third-born child<sup>31</sup></i>	<i>Birth</i>	<i>Only for third-born, average total household income should be lower than the last year's minimum wage</i>	<i>29,545 adult beneficiaries, 1.42 per cent of the total population (benefiting 29,537 children)</i>	<i>8,048 denars (in 2018, adjusted annually for inflation) per month for third born; 5,000 denars one-off for firstborn and 20,000 one-off for second born</i>	<i>Child Protection Law</i>	<i>Yes, for first and second-born can be received on top the GMA; the parental allowance for third-born cannot be received in conjunction with GMA</i>

<sup>28</sup> The table lists schemes where new beneficiaries could still enroll after the 2019 revision of the Child Protection Law and the adoption of the new Social Protection Law.

<sup>29</sup> This is not an indicator of coverage of the relevant targeted category, but a very broad indication of coverage of the national population for international comparisons. The total across all benefits will not add to 100 per cent and is not a relevant number as many benefits intentionally overlap. Coverage data for benefits based on the Child Protection Law and for the Guaranteed minimum allowance are a monthly average for January-November 2020, with the exception of the Special allowance where the coverage is calculated as a monthly average for the whole year. Coverage data for other benefits based on the Social Protection Law (aside from the Guaranteed minimum allowance) are for 2019.

<sup>30</sup> Officially, only the parental allowance for a third-born is called parental allowance, while the ones for first and second-born are called one-off assistance for newborns.

<sup>31</sup> The scheme for a third-born, after a 10-month transition period, is no longer accepting new beneficiaries. The remaining beneficiaries will be gradually phased out over 10 years.



Programme name	Eligibility	Life-cycle focus	Means tested?	Coverage (individuals + as per cent of overall population) <sup>29</sup>	'Adequacy'	Legal backing	Linkage to other programmes (noting all can be linked to social services via case management)
<b>Child Allowance</b>	<i>Children, i.e. one of their parents/guardians</i>	<i>Up to the age of 18</i>	<i>Yes, total average household income in the last 3 months prior to application should be lower than a threshold determined using an adult equivalence scale<sup>32</sup> and base value of 6,800 denars</i>	<i>19,677 adult beneficiaries, 0.95 per cent of the total population (benefiting 39,160 children)</i>	<i>1,000-1,900 denars (in 2018, adjusted annually for inflation); Depends on the number of children and their age</i>	<i>Child Protection Law</i>	<i>Yes, can be received on top of GMA</i>
<b>Special allowance</b>	<i>Children and youth with a disability/special needs</i>	<i>Age 0-26</i>	<i>No</i>	<i>6,593 adult beneficiaries, 0.32 per cent of the total population (benefiting 3,798 children)</i>	<i>5,096–7,644 denars (in 2019, adjusted annually for inflation); Depends on whether the recipient is a GMA beneficiary and whether it is a single parent family</i>	<i>Child Protection Law</i>	<i>Yes, can be received on top of GMA</i>
<b>Education supplement</b>	<i>Primary and secondary school children; adults that grew up without parental care, enrolled in all stages of education</i>	<i>Education</i>	<i>Yes, total average household income in the last 3 months prior to application should be lower than a threshold determined using an adult equivalence scale<sup>33</sup> and base value of 6,800 denars</i>	<i>5,551 adult beneficiaries, 0.27 per cent of the total population (benefiting 12,931 children)</i>	<i>700 to 24,000 denars per month (in 2018, adjusted annually for inflation); Depends on the level of education; for adults who grew up without parental care it is also taken into consideration whether the recipient is a GMA beneficiary</i>	<i>Child Protection Law</i>	<i>Yes, can be received on top of GMA</i>

<sup>32</sup> Coefficient of 0.5 for 2<sup>nd</sup> adult member, 0.4 for the 3<sup>rd</sup> and then for the 4<sup>th</sup>, 0.2 for the 5<sup>th</sup> and 0.1 each for the sixth, seventh and eighth member. For a single parent the coefficient increases by an additional 1.2.

<sup>33</sup> Coefficient of 0.5 for 2<sup>nd</sup> adult member, 0.4 for the 3<sup>rd</sup> and then for the 4<sup>th</sup>, 0.2 for the 5<sup>th</sup> and 0.1 each for the sixth, seventh and eighth member. For a single parent the coefficient increases by an additional 1.2.

Programme name	Eligibility	Life-cycle focus	Means tested?	Coverage (individuals + as per cent of overall population) <sup>29</sup>	'Adequacy'	Legal backing	Linkage to other programmes (noting all can be linked to social services via case management)
<b>Guaranteed Minimum Allowance (GMA)</b>	<i>Granted to a household with material uncertainty that does not possess any earning generating property and property rights</i>	<i>Throughout</i>	<i>Yes, if total average household income on all grounds from the last three months prior to application is lower than the amount of GMA</i>	<i>30,708 adult beneficiaries, 1.48 per cent of the total population (benefiting 21,023 children)</i>	<i>Difference between the guaranteed minimum assistance and the total monthly income of the household from the previous three months; following an adult equivalence scale<sup>34</sup> and base value of 4,000 denars; additional 1,000 denars per month for energy allowance is paid during the heating season</i>	<i>Social Protection Law</i>	<i>Yes: can be received together with all other social assistance supplements and/or allowances, with the exception of the parental allowance for third-born (incomes are not disregarded). Moreover, employable HH members are linked to labour activation programmes and beneficiary households also receive energy supplements for 6 months during the heating season and preferential access to kindergartens</i>
<b>Disability supplement</b>	<i>Disability: People with severe or deep intellectual impairment; with profound physical impairment; with complete blindness or with complete deafness</i>	<i>Age 26-65</i>	<i>No, but disability certification required</i>	<i>11,051, 0.58 per cent of the population</i>	<i>4,117 or 7,204 denars depending on the disability; amounts are for 2019, and are adjusted annually for inflation</i>	<i>Social Protection Law</i>	<i>Yes, can be received on top of GMA</i>

<sup>34</sup> Coefficient of 0.5 for 2<sup>nd</sup> adult member, 0.4 for the 3<sup>rd</sup> and then for the 4<sup>th</sup>, and 0.2 for the 5<sup>th</sup>. For every child member of the household, the base increases by a coefficient of 0.1. For a single woman the coefficient increases by 0.5 from the last month of pregnancy until the beginning of primary education (no later than seven years of age) and until the third child. The equivalence scale also increases for a person who is incapable of work due to intellectual disability, physical disability, mental illness or due to permanent changes in their health status.

Programme name	Eligibility	Life-cycle focus	Means tested?	Coverage (individuals + as per cent of overall population) <sup>29</sup>	'Adequacy'	Legal backing	Linkage to other programmes (noting all can be linked to social services via case management)
<b>Cash supplement for assistance and care by another person</b>	<i>Disability: People with moderate, severe, or deep intellectual impairment; with severe and profound physical impairment; completely blind; with permanent medical impairment who need assistance and care by another person because they cannot satisfy their basic needs</i>	<i>Aged 26 and above</i>	<i>No, but requires certification from expert commission</i>	<i>40,358, 1.48 per cent of the population</i>	<i>3,959 or 4,475 denars depending on the situation</i>	<i>Social Protection Law</i>	<i>Yes, and can be substituted with service by authorised provider</i>
<b>Salary supplement for part-time work</b>	<i>Disability: caregivers to children with physical/ mental development impairment, who are employed only part-time</i>	<i>Childhood / Parenting</i>	<i>No</i>	<i>Not available</i>	<i>50 per cent of previous years' salary, up to 50 per cent of country's average salary</i>	<i>Social Protection Law</i>	<i>Yes</i>
<b>Housing supplement</b>	<i>People with material and residential uncertainty</i>	<i>Throughout</i>	<i>Yes, GMA recipients or 18-26-year olds who grew up without parental care</i>	<i>20</i>	<i>The amount of the supplement is not determined in the SP law, it is left to the municipal authorities to decide upon this</i>	<i>Social Protection Law</i>	<i>Yes, can be received on top of GMA and other allowances</i>
<b>Healthcare entitlements</b>	<i>Granted to: beneficiary of guaranteed minimum assistance who is incapable of work; beneficiary of disability supplement; beneficiary of cash supplement for assistance and care by another person; person with recognized refugee status and a person under subsidiary protection; beneficiaries of outside-family protection; person victim of domestic violence beneficiary of protective measures pursuant to the Law on prevention and protection from domestic violence; and person victim of human trafficking</i>	<i>Throughout</i>	<i>Yes, only for people who do not have healthcare insurance and means to pay for it</i>	<i>5,042, 0.24 per cent</i>	<i>Exemption from out of pocket expenditures for public sector healthcare services, and for some medicines</i>	<i>Social Protection Law</i>	<i>Yes, can be received on top of GMA and other allowances</i>

Programme name	Eligibility	Life-cycle focus	Means tested?	Coverage (individuals + as per cent of overall population) <sup>29</sup>	'Adequacy'	Legal backing	Linkage to other programmes (noting all can be linked to social services via case management)
Health insurance	All Macedonian citizens who have paid health insurance	Throughout	No	926,669, 44.63 per cent of the population and their 688,725 family members; Total: 1,615,394, 77.8 per cent	Not applicable	Health insurance law; Mandatory social insurance law	Not applicable
Health insurance for temporarily unemployed persons who receive unemployment benefits	Temporarily unemployed persons who receive unemployment benefits	Throughout	No	4,009, 0.19 per cent of the population	Not applicable	Health insurance law; Mandatory social insurance law	Linked to unemployment benefits
Health insurance for persons who are not insured by other means	Macedonian citizens who are not insured by other means	Throughout	Yes, the annual income should be lower than the annual minimum wage	250,106, 12.05 per cent of the population	Not applicable (the monthly costs for the Ministry of Health are 950 denars for each beneficiary)	Health insurance law; Mandatory social insurance law	Not explicitly, but beneficiaries may be eligible for some cash transfers
ALMP - self-employment support (entrepreneurship) (several)	Registered unemployed who have not received a grant under this programme in the last 5 years	Working age, prioritising vulnerable	No	1,323, 0.06 per cent of the total population	From 246,000 to 307,500 denars or up to 615,000 denars - for establishing a company with 2 partners	Law on employment and unemployment insurance	Yes, explicitly linked/prioritised for GMA bens etc.
ALMP - Wage subsidy	Registered unemployed individuals who have difficulties in joining the labour market	Working age, prioritising vulnerable	No	1,383, 0.07 per cent of the total population	19,000 denars per month for the employer to subsidise the employee's salary for a period of 3, 6, or 12 months	Law on employment and unemployment insurance	Yes, explicitly linked/prioritised for GMA recipients, etc.

Programme name	Eligibility	Life-cycle focus	Means tested?	Coverage (individuals + as per cent of overall population) <sup>29</sup>	'Adequacy'	Legal backing	Linkage to other programmes (noting all can be linked to social services via case management)
<b>ALMP - Employment and growth of legal entities</b>	<i>Registered unemployed individuals, with preference for under 29 and GMA recipients</i>	<i>Working age, prioritising vulnerable</i>	No	621, 0.03 per cent of the total population	<i>Support to employers for job creation with 92,000 denars, or 153,750 denars for each newly employed person under 29 years of age</i>	<i>Law on employment and unemployment insurance</i>	<i>Yes, explicitly linked/prioritised for GMA recipients etc.</i>
<b>ALMP - Support for employment of people with disabilities</b>	<i>Registered unemployed individuals with disabilities</i>	<i>Working age, disabled</i>	No	273, 0.01 per cent	<i>Support to self-employed or other employers to cover salary costs of employing PwDs (20-40 average net salaries), or costs for workplace adaptation (100,000 denars) and procurement of equipment (200 average net salaries)</i>	<i>Law on employment of persons with disabilities</i>	<i>Not explicitly, but beneficiaries may be eligible for some cash transfers</i>
<b>ALMP - Various trainings</b>	<i>Registered unemployed</i>	<i>Working age</i>	No	2,104, 0.1 per cent of the population	<i>Not applicable</i>	<i>Law on employment and unemployment insurance</i>	<i>Not explicitly, but beneficiaries may be eligible for some cash transfers</i>
<b>ALMP - Internships</b>	<i>Registered unemployed up to 29 years, or up to 34 years but who at least completed secondary education</i>	<i>Working age</i>	No	1,724, 0.08 per cent of the population	<i>9,000 denars per month</i>	<i>Law on employment and unemployment insurance</i>	<i>Not explicitly, but beneficiaries may be eligible for some cash transfers</i>
<b>ALMP - Community work (engagement in provision of social services)</b>	<i>Registered unemployed, prioritising vulnerable</i>	<i>Working age</i>	No	610, 0.03 per cent of the population	<i>9,000 denars per month</i>	<i>Law on employment and unemployment insurance</i>	<i>Priority given to cash transfers beneficiaries</i>

Programme name	Eligibility	Life-cycle focus	Means tested?	Coverage (individuals + as per cent of overall population) <sup>29</sup>	'Adequacy'	Legal backing	Linkage to other programmes (noting all can be linked to social services via case management)
<b>ALMP - Public works (engagement in infrastructure projects and environmental protection)</b>	<i>Registered unemployed with low qualification levels</i>	<i>Working age</i>	<i>No</i>	<i>419, 0.02 per cent of the population</i>	<i>400 denars per day</i>	<i>Law on employment and unemployment insurance</i>	<i>Not explicitly, but beneficiaries may be eligible for some cash transfers</i>
<b>Unemployment benefits (social insurance)</b>	<i>Has been continuously employed for at least the last 9 months, or intermittently for at least 12 months in the last 18 months; the termination of employment was involuntary and was not the fault of the employee</i>	<i>Working age</i>	<i>No</i>	<i>9,672, 0.47 per cent of the population</i>	<i>In the first year: 50 per cent of the average monthly salary the worker earned in the last 2 years; Afterwards: 40 per cent of the average monthly salary the worker earned</i>	<i>Law on employment and unemployment insurance</i>	<i>Linked to health insurance for persons receiving unemployment benefits</i>
<b>Unemployment benefits for persons who have become unemployed due to privatisation of state-owned enterprises</b>	<i>Unemployed due to privatisation of state-owned enterprises, who have worked for at least 15 years in such enterprises, and have reached at least 52 years of age for women, and 55 years for men</i>	<i>Working age</i>	<i>No</i>	<i>9,138, 0.44 per cent of the population (data from 2019 before the adoption of a new law in 2020 regulating this programme)</i>	<i>Each month 34 per cent of the average net salary in the country from the previous year</i>	<i>Law on material security for persons who have become unemployed due to privatisation of state-owned enterprises</i>	<i>Not explicitly</i>
<b>Permanent cash assistance</b>	<i>Caregiver who has cared for a family member (for at least 15 years) and single parent who has cared for a child with disability</i>	<i>Age 62+ for women, and 64+ for men</i>	<i>Yes, should be unemployed and not receiving a pension</i>	<i>54</i>	<i>8,000 denars monthly</i>	<i>Social Protection Law</i>	<i>For single parents, no other social protection measure for caring for persons outside of the family may be used in conjunction with this programme</i>
<b>One-off cash assistance</b>	<i>Person or family that is facing a social risk, or has faced a natural disaster or epidemic, or where a family member is hospitalized long-term</i>	<i>Throughout</i>	<i>No</i>	<i>362, 0.02 per cent of the population</i>	<i>Between 4,500 and 180,000 denars depending on the situation</i>	<i>Social Protection Law</i>	<i>Not explicitly</i>

Programme name	Eligibility	Life-cycle focus	Means tested?	Coverage (individuals + as per cent of overall population) <sup>29</sup>	'Adequacy'	Legal backing	Linkage to other programmes (noting all can be linked to social services via case management)
'Social' pension	Only one person per household, if no property owned, no income and domiciled 15+ years	Age 65+	Yes, no property owned, no income received in the last 3 months	7,142	6,000 denars monthly	<a href="#">Law on social security of the elderly</a>	Also linked to energy allowance in winter months and free public sector healthcare
Social security pension	Pension age + has contributed; family members in case of death of the beneficiary	Age 64+ for men and 62+ for women	No	293,976, 14.16 per cent of the population	Large variation, depending on contributions	Law on pension and disability insurance	Residual social pension etc. for those not covered
Disability pension	Has contributed and has permanently lost more than half of the ability to work, or has reached the age of 50+ and has permanently lost the ability to work	Adults	No	32,319, 1.56 per cent of the population	Varies	Law on pension and disability insurance	Not explicitly
Social Services – Information and referral services	Citizens	Throughout	No	Not available	Not applicable	Social protection law	Include information on rights, initial assessment, and referral to other institutions, in order to achieve unhindered access to rights and services
Social Services – Professional assistance and support services <sup>35</sup>	Citizens	Throughout	No	Not available	Not applicable	Social protection law	Not explicitly
Social Services – Counselling services <sup>36</sup>	Individuals and families with social problems, especially ones with broken family relationships, victims of domestic violence, perpetrators of domestic violence, etc.	Throughout	No	Not available	Not applicable	Social protection law	Not explicitly

<sup>35</sup> Assistance and support for overcoming individual and family problems through assessment, planning, protection interventions, monitoring the situation after interventions, maintaining well-being and long-term training to overcome social problems on their own.

<sup>36</sup> In order to prevent, mitigate and overcome the consequences of social problems.

Programme name	Eligibility	Life-cycle focus	Means tested?	Coverage (individuals + as per cent of overall population) <sup>29</sup>	'Adequacy'	Legal backing	Linkage to other programmes (noting all can be linked to social services via case management)
<b>Social Services – Home services (for help and care, as well as personal assistance in everyday activities)</b>	<i>Persons with temporary or permanently reduced functional capacity</i>	<i>Throughout</i>	<i>No</i>	<i>Not available</i>	<i>Not applicable</i>	<i>Social protection law</i>	<i>The service for help and care in the home cannot be used in conjunction with the service for personal assistance in everyday activities</i>
<b>Social Services – Community services<sup>37</sup></b>	<i>Citizens in need</i>	<i>Throughout</i>	<i>No</i>	<i>Not available</i>	<i>Not applicable</i>	<i>Social protection law</i>	<i>Not explicitly</i>
<b>Social Services – Services for care outside of the family<sup>38</sup></b>	<i>Citizens who do not have living conditions in their family or for other reasons need care outside of the family</i>	<i>Throughout</i>	<i>No</i>	<i>Not available</i>	<i>Not applicable</i>	<i>Social protection law</i>	<i>Not explicitly</i>

Source: Relevant laws, KILs, contributions from Petreski; data from CB-MIS December 2020, the State Statistical Office, The Employment Agency, The Pension and Disability Insurance Fund, The Health Insurance Fund, The Ministry of Health.

<sup>37</sup> Includes services for daily, temporary residence, resocialization, rehabilitation, reintegration, family care leave and halfway houses, for prevention, care and protection, in order to enable the user to continue living in their own home, i.e., community and prevention of the need for protection outside of the family.

<sup>38</sup> Accommodation, assistance and support from professionals, care, nutrition, clothing, health care, and other services. These services include: 1. living with support, 2. foster care and 3. accommodation in an institution.



## 3.2 Explicit linkages across programmes and sectors

There are several ‘explicit’ linkages that are built into North Macedonia’s social protection system. Many of these have been around in some form or another for several years and have been strengthened with the 2019 reform. They include:

- **Activation measures:** e.g. within the GMA there are explicit ‘activation’ provisions for all able-bodied household members who are of working age and unemployed, formalised within an ‘Action Plan’ co-signed with the EC (with the exception of certain categories).
- **Entitlement to other benefits/services:** it is explicitly stated within the 2019 Law and accompanying regulations that beneficiaries of certain benefits are also entitled to others. This is shown in the last column of Table 2.
- **Denial of certain benefits/services:** these are primarily aimed at avoiding overlaps between social assistance and social insurance measures – e.g. anyone receiving a social pension is not entitled to also be receiving a social security pension.
- **‘Light-touch’ income disregards:** e.g. receipts of other benefits are not calculated as income when calculating the GMA entitlement. It should be noted this is not a ‘full’ income disregard, with potential risks for labour market effects.

## 3.3 Broader incentive structures and implicit linkages

There is an implicit linkage and incentive structure that is worth mentioning:

The base value of the GMA was *informally* set at 1/3 of the Minimum Wage, in such a way that households receiving the full amount would not receive more than that threshold. This was not explicitly codified in legislation<sup>39</sup> (though there is a provision to adapt the value based on the yearly cost of living and there is political will to peg the value to the Minimum Wage in the future). There were also discussions on fixing the value as a percentage of the relative poverty line, but this was rejected due to fear of excessive fluctuations. See also Box 3.

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<sup>39</sup> For fear of financial repercussions.

### Box 3. Minimum Wage policy and interactions with social assistance

A statutory Minimum Wage was formally introduced in North Macedonia in 2012. Initially, this had a relatively large impact on social benefits, as beneficiaries on Minimum Wage went above the income threshold, contributing to a significant reduction of child allowance recipients (e.g. from 19,000+ families in 2008 to 5,000+ families in 2017 (-73 per cent)).

The 2012 law extended coverage among non-unionised sectors. However, until amendments to the law in 2017, access was not guaranteed to workers in all sectors: self-employed individuals and low paid workers in the textiles, clothing and leather industries were excluded. Between 2012 and 2018, the minimum net wage increased by 51 per cent, from 8,050 denars to 12,165 denars per month, and in 2020 it was raised to 14,934 denars. Impacts of the Minimum Wage so far appear to be positive, with studies showing positive short-run effects on wage levels and hence on living standards.

Sources: *Gerovska-Mitev (2019c); Petreski et al (2019)*

## 4 Administrative level

### 4.1 Front-office: Integrated registration and Case Management

**One of the key objectives of the 2019 reform was to integrate the user experience of interacting with the social protection system, while ensuring a tailored approach to the specific needs of each and every family.** This was to overcome the challenges with the previous system, stressed by practitioners in the field (e.g. Ministry staff, the Social Worker Association) and relevant assessments (UNICEF 2013; Akilova and Marti, 2018a/b<sup>40</sup>):

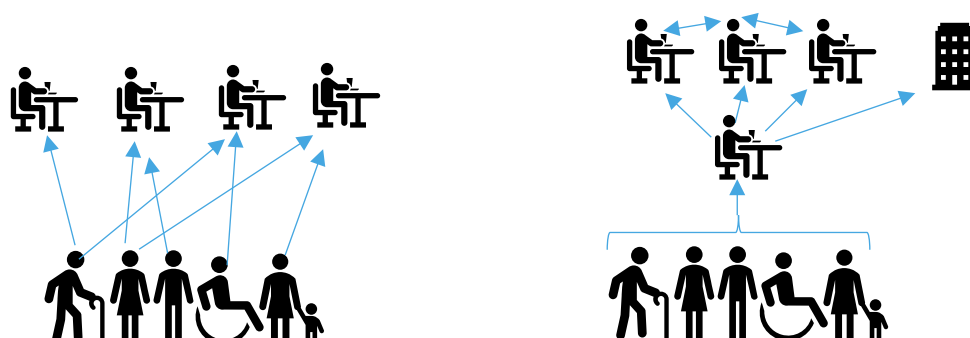
- Every individual was assessed and assisted separately, without looking at their family context or even knowing whether other family members were also being assisted in some other way.
- There was a strong division of tasks within the CSW, with a portion of workers focusing on administering cash benefits and the other on social services - often with staff specialising on one benefit or service (e.g. only knowing that relevant piece of legislation). This made it impossible to have a holistic view of needs, or any understanding of compounding vulnerabilities.
- Individual CSW staff members were often 'hiding behind the team' and not taking individual responsibility for cases.
- Users were handed over from one staff to another, having to repeat their story and provide relevant documentation repeatedly, leading to significant frustration and loss of trust in the system (partly linked to user controls within the information system and lack of storage/data

<sup>40</sup> Commissioned by UNICEF and UNDP.  
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entry of relevant information (see Section 4.2)). In large cities the benefit and services teams were physically located in different buildings, further fragmenting the user experience.

- Much of the trained professional social workers time was used in performing administrative functions linked to the registration and enrolment of cash benefits.
- The CSW and the EC rarely worked together or shared information, as employment was not viewed as a major component of empowerment and as part of a social workers' conversations with users. Similarly, ECs did not see it as their function to address broader, biopsychosocial barriers to employment.

**Figure 4. Typified pre- and post-reform front-office experience**



Note: Arrows represent exchanges of information, while the building represents external community-based service providers.

**The building blocks for the reform were developed over the course of 2018-2019, leading to the embedding of Case Management – and a more streamlined approach to registration – in legislation** (e.g. Articles 276-281 of the 2019 Social Protection Law). The practical work on implementation of case management in social work is continuing in 2021. Key innovations include (Akilova and Marti 2018a/b; Petreski and Petreski 2018b; KIIIs):

- No pre-determined approach to assistance, but instead a needs-based assessment of each individual based on their family and community context, in order to develop a tailored approach and individual action plans where relevant;
- One single point of entry into the system for both benefits and services, and a Case Manager as sole point of contact (knowing case in depth, having full responsibility for the case<sup>41</sup>, etc.). This means case workers are no longer responsible for a specific programme, but for a family/ household;
- Case workers exonerated from daily administration work (e.g. receipt and processing of documents) in order to focus on the labour market and social needs of each family;
- Enhancing collaboration across the ECs and CSW via explicit connection of the two information systems and requirement to jointly elaborate and sign an 'Activation Plan' with the beneficiary (art. 36 of new Social Protection law).

<sup>41</sup> As reported by CSW Directors and the Behavioural Insights team research, this also has impacts on work satisfaction and pride (seeing the impacts of one's work on a specific household).

**Box 4. Integrated Case Management, the stages of a reform**

While Integrated Case Management was formally introduced within the 2019 Law, it had been discussed in the country for 7+ years building on the strong awareness that the previous system was not serving people's needs, as well as positive experiences elsewhere in the region. The first 'formal' step to develop the new system was taken in 2018, when UNICEF hired academics from Columbia University to assess existing processes and propose revisions aligned with international best practice. This culminated in a comprehensive 'theoretical' training in 2018 focused on the key steps of a Case Management approach and the reasons why this was so important (see Section 4.3). A taskforce from the MoLSP subsequently worked on a mapping of business processes and development of a new Manual to support staff at local level (including new forms, etc.) feeding into a second round of practical training. They also embedded key concepts in legislation and supported the CB-MIS Unit to integrate Case Management practices/ processes in the information system (see Section 4.2). Currently, the reform roll-out includes field visits to ensure historical case files are integrated in the new system, and full institutionalisation of the mentorship and supervision system that accompanies Case Management.

**Of course, given the scale of the reform and substantial changes it requires within the CSW, many of the challenges regarding its implementation still lie ahead.** For example, KILs within CSW stressed that while the Case Management and referral system is being introduced in the operations of the CSW, there is a long road ahead before being able to activate, fund, and license the community based service providers envisaged (counselling centres, shelters, half-way houses etc.). In other terms, while the referral system was in place, there were still insufficient licensed services/ professionals to refer people to. Understandably, given how recent the reform is, interviewed case managers also still felt unequipped for their new role, as touched on in Section 4.3.

**Moreover, CSOs warned that – despite consolidation of the benefit system – take-up and timely access by those who are most vulnerable and marginalised will remain a significant issue** unless these are tackled explicitly via a targeted information campaign<sup>42</sup> and standardised user-focused outreach and 'prevention' procedures. To date, CSOs have been taking on these functions, yet not in a formalised and financially compensated manner.

**Of particular concern is the integration of traditionally marginalised and discriminated households, such as Roma,** who are now being explicitly supported by UNDP via an EPA direct grant, that will be funding psychosocial support for beneficiaries of GMA, while also embedding an advisor on Roma issues within the MoLSP.

**Key informants also stressed the lack of a robust complaints and appeals system** for people who had been unfairly treated by CSW or who did not agree with eligibility decisions. By law, grievances are channelled via CSW themselves, and the Ministry decides upon appeals. Appeals procedures regarding the GMA are decided by the State administrative appeals commission. The strengthening of the complaints and appeals system is expected to become a priority in years to come.

<sup>42</sup> Current campaigns are aimed at the 'average person', CSOs explained, while those at the margins of society are not average in any way so require tailored outreach strategies.

**Box 5. Deinstitutionalisation as an important success of the 2019 reform**

While not entirely the object of this Case Study, it is important to stress that one of the major ‘wins’ of the 2019 reform was to finalise the process of deinstitutionalisation in the country that had started in 1999 – twenty years before. Following initial commitments, the subsequent development of a National Strategy for Deinstitutionalisation in 2008 and in 2016, and pilots of different approaches across the country, the reform posed an opportunity to strengthen the system for Foster Care, Day Care Centres, Small group Homes, etc., while also shifting from a reactive system (catching only children in severe risk) to a preventive system centred around Case Management. The former buildings where institutions were housed are also taking on a new role, becoming hubs for services (counselling, disability assessment, etc.).

*Source: Klls*

## 4.2 Back-office: integrated information system

**The history of North Macedonia’s social assistance information system dates back to 2008**, when two different projects started to take off:

- On one side, the Ministry started to work alongside the World Bank (via an embedded unit, the Project Management Unit) to develop a module that could support intake, registration, and eligibility assessment into one of the country’s existing cash benefits – to pilot an approach that could be rolled out across cash benefits: the ‘**CB-MIS**’.
- On the other, UNICEF supported the Ministry in the development and subsequent upgrade of a software called ‘**Lirikus**’ that was created to effectively record and follow-up the delivery of social support and care.

**By 2010-2011, the CB-MIS had been significantly expanded to perform new functions.** First, new modules were developed to support ‘gateway’ functions across all cash benefits. Second, thanks to a mass data-entry of past files and the creation of a transaction account for each recipient it was possible to shift from a high cost payment system with the Postal Bank to e-payments via several national Banks. Third, interoperability agreements – based on MoUs and clear protocols – were signed with the Pension Fund, Employment Agency, and Land Cadastre, using civil registry identification numbers as unique identifiers.

**Over the years, CB-MIS further negotiated data-sharing with 10+ government databases**, using their data to pre-fill application forms, receive necessary documentation for eligibility determination, and validate data provided. Important examples include data from the Civil Registry, with information on new-borns, migrants, divorces and deaths; and data from the Cadastre and Revenue Office. Limited data is also shared back, for example with the Health Insurance Fund and Ministry of Education. As of 2015, data sharing has been further enhanced because of a broader government shift towards e-governance and the creation of a National Interoperability Platform and Register of National Services.

**The demonstrated benefits of CB-MIS have included:** a) streamlined access for beneficiaries who can now access cash benefits with their ID document rather than 20+ documents<sup>43</sup>; b) lowered administrative burden for social workers; c) a comprehensive data analytics platform (a clear overview of who is receiving what, when across all benefits, together with other information necessary for day to day management); d) efficiency savings on several fronts: deduplication within

<sup>43</sup> Including the direct, indirect, and opportunity costs of sourcing those documents.

the system, disincentive for fraud due to awareness of data integration, lower administrative costs linked to the new transactional payment accounts<sup>44</sup>, ongoing removal of certain non-eligible categories via integration with existing systems<sup>45</sup>.

**On the other hand, Lirikus was designed as a platform where local social workers from the country's CSW could input and access case records and conduct case management for all delivered social services.** However, over the years the system was reportedly used less and less. This was primarily because social workers were legally required and were able to perform all their functions also on paper (case notes etc.), with little incentive or motive to upload this into the system. Thus, some users deemed that the software mainly assists central level managers to monitor.

**The new Integrated Case Management approach has strengthened the imperative to integrate the two information systems.** The World Bank led PMU within the MoLSP conducted a comprehensive mapping of new business processes and functional requirements to design a new system that integrates features of the CB-MIS (focused on cash benefits), with features from LIRIKUS (focused on social services). UNICEF also conducted an assessment of the country's information systems for the administration of cash benefits and social support and care services and developed recommendations for improvement and a plan to implement a new and improved MIS that will make sure all databases are interoperable and integrated. At the core of the system (yet to be named), expected to be developed and tested in 2021, will be a case management module that enables integrated collection of information on a family and the needs of all household members, enabling decision-making on benefits *and* services to address these (and subsequently providing an overview of who received what, and when within a household). In addition, the new system is expected to enable the Individual Activation Plan discussed in Section 4.1 to be jointly developed and signed by the CSW and EC, via the virtual platform – alongside further data sharing<sup>46</sup>.

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<sup>44</sup> The PMY estimated that this amounts to 30,000 euros less a year compared to the Post Bank solution (partly as transaction costs were negotiated down in bulk).

<sup>45</sup> For example, those who have died via integration with Civil Registry.

<sup>46</sup> Several case studies in the past had stressed that information sharing between the two local-level Centres was the most complex to enable.

**Table 3. CB-MIS summary overview**

Functions and characteristics	Details
Integration of gateway functions (social registry)	<b>Yes</b> , access to all cash benefits and social services – as well as the initial case management assessment – is managed via the system.
Integration of data analytics across programmes (integrated beneficiary registry)	<b>Yes</b>
Integration of other functions along the delivery chain (Integrated Beneficiary Operations Management System)	<b>Yes:</b> a) the information system consolidates the delivery of payments into bank accounts across all the relevant cash benefits; b) the new version of the system will also support Integrated Case Management and joint creation of an Individual Action Plan across CSW and EC.
Coverage (number of people whose data is stored within the system <sup>47</sup> )	690,000 people ( <b>33 per cent of national population</b> ) – for coverage of specific programmes (current beneficiaries) see Table 2.
Interoperability or data exchange with other government databases	<b>Yes</b> , with over 10 government databases including Civil Registry, Tax Revenue, Pension Fund, Cadastre, Employment Agency etc. + Banks
Data currency	Registration for the system is <b>on-demand and rights-based</b> . Moreover, there are provisions in legislation to update information within 15 days of any relevant change.

**Box 6. Modernisation of the social insurance information system**

While it does exchange information with CB-MIS, the social insurance information system in North Macedonia is still relatively fragmented and outdated. A new project financed by the World Bank in partnership with the MoLSP (together with the Ministry of Health and the Ministry of Finance/Tax Administration as supporting ministries) – the Social Insurance and Pension Administration Project (SIPA) – aims to address this via the establishment of a central registry of socially insured individuals (Single Unified Registry System - SURS). This will be linked to modernization of pension administration via the consolidation of registration and recordkeeping functions. This also goes hand in hand with efforts to integrate disability certification, as discussed in Box 2.

*Source: SIPA (2019)*

## 4.3 Capacity of the social worker workforce

**Increasing the capacity and ensuring continuous professional development of the social worker workforce has been on the policy agenda for many years in North Macedonia.** Key informants consistently concluded that the university curriculum within the Department of Social Work was still too ‘generic’ and lacking a clinical focus and practical experience, yet modifying that curriculum was complicated for institutional reasons. On the other hand, the Institute for Social Affairs, formally responsible for training, was not fully fulfilling its function.

**Systematic efforts to train CSW staff at all levels on case management started in 2018.** UNICEF assisted in custom designing a new case management approach with specifics of the country in mind and developing appropriate tools for its implementation. UNICEF also partnered with UNDP to make sure that the new case management approach is also introduced in employment centres and with employment facilitators country wide.

<sup>47</sup> Not only current beneficiaries i.e. this is not a measure of social assistance coverage.  
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**The reform initiative brought about a new set of ‘capacity’ challenges, addressed in several different ways:**

- **Two rounds of training on Integrated Case Management** (Section 4.1). The first, in 2018, by Columbia University professors, training 595 CSW staff<sup>48</sup> (100 per cent of the CSW social welfare professionals at the time), 169 EC staff (40 per cent of relevant professionals) and 49 staff from NGOs and civil society. The second, on the specifics of the approved approach to Integrated Case Management, was offered to 656 CSW staff (100 per cent of the CSW social welfare professionals at the time).
- With support from UNICEF, the Government introduced protocols and manuals for professionals on case management and has adjusted the terms of reference for social workers in CSW to better reflect the use of case management in practice. **It recruited new staff**, (+14 per cent), some of whom were explicitly recruited to take on administrative functions (so that specialised social workers could focus on case management).
- **Organisational re-shuffling** within the CSW.
- **A new approach to mentoring**, aimed at increasing capacity via on-case managers and on the job support.
- 26 per cent **increase in the salary** of CSW workers.
- **New regulations on career advancement**.

**Capacity constraints are still an issue going forwards, as reported by interviewed CSW.** This is linked to excessive caseloads per case worker, challenges recruiting new staff with the legal requirements (2+ years of relevant work experience, etc.), and large amounts of time spent on functions that are linked to the Family Law (divorces, separations, etc.) and not central to social work.

**Interviewed case workers also still felt somewhat unequipped for their new role – despite the two rounds of Case Management training:** “after 15 years (of working on one benefit or service) we suddenly had to work on all at the same time, learning many new laws, guidelines, deadlines”, one employee explained. Others stressed that formal training had focused on case management and social services, but not on the new set of cash benefits and their functioning, including how to use the underlying information system that is being rolled out.

## 5 Conclusions and way forward

**This case study has documented the process of designing and implementing an integrated social protection system in North Macedonia over the years.** This process culminated in a major reform of the system in 2019, including a new Law on Social Protection as well as major amendments to the Child Protection Law and the Law on Social Insurance of the Elderly. These addressed fragmentation in the previous system at several levels, by explicitly pursuing integration: integrating the user experience of interacting with the social protection system, while ensuring a tailored approach to the specific needs of each and every family.

**The Case study analysed integration at three different levels, discussing achievements and challenges,** as well as areas for future work. In particular, the following emerged:

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<sup>48</sup> This was via a Training of Trainers approach.  
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## **Policy level**

- ✓ **Policy, strategy, and legislation:** The legal and policy framework for social protection in North Macedonia is extensively developed, including major reform in 2019 reached via a process which was broadly multi-sectoral, participatory in nature and evidence based. Key challenges ahead regard the translation of policy into practice (too early to judge this process) and some incoherence derived from the multiplicity of laws that govern the functioning of Centres for Social Work in the country, beyond those that are inherently related to social protection.
- ✓ **Organisational structure and coordination:** The roles and responsibilities and organisational structure of the lead Ministry – the MoLSP – and its partners are clearly articulated in legislation and widely understood across all relevant actors.
  - **‘Horizontal’ coordination** across relevant actors is not institutionalised via a formal coordinating body/structure but has successfully worked on an ad-hoc basis – focusing on specific policy issues. An important enabler of coordination at this level is the institutionalised information sharing across different institutions via the CB-MIS. There is also a notable role played by development partners in the country (UN partners, World Bank, EU), that have worked together coherently – and without overlaps – with the Ministry firmly providing leadership.
  - Given that North Macedonia is a relatively small state, the layers of decentralised governance for the implementation of social assistance via the MoLSP are limited. **‘Vertical’ coordination** with lower levels of implementation therefore happen on a daily basis via email and phone discussions, supported by information consolidated within the CB-MIS.
  - At **local/ Municipal level**, CSW horizontally coordinate with a wide range of actors in the process of delivering their benefits and services. This is being further enhanced within the 2019 Law, which strengthens ties with Employment Centres and referrals to community-based services.
- ✓ **Financing:** The political economy for social protection financing is broadly favourable, primarily due to institutionalisation within the Constitution and legal framework: everyone has a right to social protection. Nevertheless, political economy factors have meant spending on social assistance had decreased in recent years – a trend which the 2019 reform (which was strongly backed by the Ministry of Finance and was almost a ‘zero sum’ reform) aims to address. The extent to which this happens remains to be seen.
- ✓ **Sectoral M&E and accountability:** The CB-MIS Information System that was developed to back the cash benefit system in 2010, now adapted to also support provision of social services, provides crucial information for daily management as well as planning and budgeting. Nevertheless, there is still a lack of an institutionalised system for M&E, with targets, indicators, roles, and responsibilities clearly defined across all levels of administration. To fill this ‘evidence gap’, CSOs in the country have taken on the role of ‘watchdogs’ – with an explicit focus on ensuring accountability.

## **Programme level**

- ✓ **Range of programmes and services offered:**
  - As of the 2019 reform, the **cash benefit programmes** offered within the social assistance system comprehensively map against key lifecycle and other risks, as well as broader vulnerabilities (disability, caregiving, etc.), with no obvious gaps emerging (Figure 1 and Table 2). These are complemented by social insurance programmes, social services, and active labour market policies. Compared to the pre-2019 system this represents a considerable change from several perspectives, including: consolidation of existing

benefits and explicit linkage between these (especially with regards to labour market activation); focus on benefits with higher demonstrated impacts; higher benefit 'amounts' (adequacy); uniformity of core parameters across programmes (addressing previous equity challenges); and an overall shift towards 'supportive' rather than 'punitive' programme design.

- **Social services also underwent significant change with the 2019 law:** a wide new range of community based social services that were previously inexistent were offered (respite care, kinship care, personal assistance, half-way houses, etc.) while several existing services were extended and strengthened (social prevention, rehabilitation and integration, counselling). This goes hand in hand with a new Case Management system, discussed below.

### **Administrative level**

- ✓ **Front-office: Integrated registration and Case Management.** Given user-challenges with the pre-reform system (e.g. Figure 4), a key aspect of the 2019 reform was the embedding of Case Management – and a more streamlined approach to registration – in legislation. Key innovations include: no pre-determined approach to assistance, but needs based assessment of each individual based on their family and community context, in order to develop a tailored approach and individual action plans where relevant; one single point of entry into the system, for both benefits and services, and a Case Manager as sole point of contact (knowing case in depth, having full responsibility for the case, etc.); case workers exonerated from daily administration work (e.g. receipt and processing of documents) in order to focus on the labour market and social needs of each family; enhancing collaboration across the ECs and CSW via explicit connection of the two information systems and requirement to jointly elaborate and sign an 'Activation Plan' with the beneficiary (art. 36 of new law). Implementation challenges lie ahead, of course, but the overall direction was perceived as positive by all key informants.
- ✓ **Back-office: integrated information system.** With a long history that dates back to 2008, North Macedonia CB-MIS has evolved into a fully integrated social assistance information system, performing a wide variety of functions with linkages to 10+ other government databases – and with demonstrated impacts on effectiveness, efficiency and user-experience (see Table 3).
- ✓ **Capacity of the social worker workforce.** Increasing the capacity and ensuring continuous professional development of the social worker workforce has been on the policy agenda for many years in North Macedonia, with systematic efforts to train staff ongoing. The 2019 reform brought about a new set of 'capacity' challenges, addressed in several different ways via further tailored training, mentoring, recruitment of new staff, wage raises and clear trajectories for career advancement. This does not mean the challenge is 'solved', as these efforts are ongoing.

It is clear from the North Macedonia case study that integration within the social protection sector and beyond is not something which can be 'achieved', but instead continuously worked towards – with the ultimate focus on ensuring that the complex, multi-dimensional needs of every individual are comprehensively addressed.

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## Annex A. Pre-reform programmes

The main benefits in terms of coverage and budget expenditure before the 2019 reform of the Social Protection Law were the following (Carraro, 2015):

- **Social Financial Assistance (SFA)** was a benefit intended for people with the ability to work who were unable to guarantee a minimum subsistence level, defined as 2,334 denars per month in 2013. The amount increased by a coefficient of 0.37 for each additional member up to five household members. The benefit was the difference between the minimum subsistence level and the total income of the family (provided this was lower than the minimum of subsistence). If the amount of material assistance was lower than 100 denars, the household was not paid for SFA. After the end of the third year of receipt the amount was reduced to 50 per cent of the entitlement.
- **Permanent Financial Assistance (PFA)** was a benefit for people who were unable to work and were materially unsecured. A materially unsecure person was any person with no income or whose income was lower than 5,000 denars per family member per month. A person was considered unable to work if he/she had mental or physical disabilities. Single women during pregnancy and until the child was less than 3 and people older than 65 were also eligible if materially unsecured. The amount of the benefit was 3,335 denars in 2013 for one beneficiary increasing to 4,669 denars if there was a second co-beneficiary and to 6,670 denars if there were more than two co-beneficiaries.
- **Personal Care Allowance (PCA)** (also called financial compensation for assistance and care for another person, as it is now) was a benefit granted to a person over 26 years of age who had a moderate or severe disability and needed assistance. The amount of this benefit was established depending on the scope of the need for help and care: severe or moderate. In 2013 this was respectively 4,348 denars and 3,846 denars. Since 2014, in order to be eligible for this benefit the person's income had to be below the average national salary.
- **Allowances for blindness and mobility** were introduced in 2013 and then further supplemented by **allowances for deafness** in 2014. All these allowances were granted to people 26 years or above who were blind, deaf or in a wheelchair. The amount of the benefit was 4,000 denars and 7,000 denars respectively for deaf and blind/ in a wheelchair. These benefits were subject to a means test, though at a very high threshold (the average wage in the Republic), which in practice excluded very few.

Other smaller benefits included the following:

- **Financial aid for orphans aged 18-26** (special support provided to those children who until the age of 18 were without parents and parental care and had no income and property).
- **Financial aid for mothers who gave birth to a 4<sup>th</sup> child** (the 4<sup>th</sup> child must have been born after the 1<sup>st</sup> of January 2009 and this gave the right to a benefit when the mother would reach pension age and did not have the right to a pension).
- **Financial aid to a fosterer** (a person who had fostered a child for at least 5 years and did not have the right to a pension had the right to receive assistance in pension age).
- **Financial aid to a mother who looked after a child with disabilities** (a mother who had looked after a child with development difficulties for at least 15 years had the right to receive assistance in pension age, provided she did not have the right to a pension).
- **One-off financial assistance and in-kind assistance** (related to a certain shock or disaster that hit a family or young people leaving the care system).
- **Compensation for a member looking after a child with mental or physical disability** (this was considered as a compensation for the reduced salary of the person taking care of the child).

- **Financial assistance for social housing** (granted to beneficiaries of PFA or orphans 18-26 without accommodation).
- **Health protection for recipients of some social benefits** (PFA, PCA, persons placed in a foster family, or social protection institutions, victims of domestic violence or human trafficking, orphans 18-26).
- **The conditional cash transfer for secondary education** administered as a top-up to SFA beneficiaries whenever there was a child enrolled in secondary school and attending at least 85 per cent of the classes.

**The pre-2019 Child Protection Law also defined a number of child benefit entitlements** (Carraro, 2015):

- **Parental Allowances (PA)** were provided to mothers who after the first of January 2009 gave birth to a third child. The benefit amount compared to other benefits was very high, equal to 8,362 denars per month in 2014. The benefit was granted until the child reached the age of 10.
- **Child Allowances (CA)** were means tested considering the income of the family members and provided until the child was 18, but also requiring school attendance. Furthermore, there was the requirement that at least one of the parents had to be employed or receiving unemployment benefits to qualify. The income threshold was higher for single parents, and the amount of the benefit was different for children below 15 and between 15 and 18. Amounts of the benefit were equal to 744 denars per month for a child below 15, 1,180 denars for a child aged 15-18, with a maximum benefit of 1,870 denars per family.
- **Special Child Allowances (SCA)** were a monthly benefit granted to children with disabilities up to the age of 26. The amount of the benefit was 4,366 denars and at a higher level for single parents. This was a non-means tested benefit.
- Finally, the **one-off allowance for new-born babies** was granted only for the first child and for an amount of 4,829 denars.

**Overall, in 2014 the expenditure for the main four social assistance benefits (SFA, PCA, PFA and allowances for blindness, deafness, and mobility) made up about 93 per cent of the total budget on social benefits.**

**Table 3. Elaboration on the key features of social benefits**

Type	Benefit	Beneficiary/ base	Threshold/ amount (denar per month)	Means- test	Additional benefit	Incentives/ conditions
<b>Tackling poverty</b>	SFA	Capable of work/ household	2,334	Yes	CCT and energy subsidies	Work condition, and for CCT: enrolment in secondary education
	PFA	Incapable of work/ family	3,335	Yes	Yes, health care + social housing	
	CA	Children/ family	744, 1,180	Yes	No	School enrolment
<b>Rewarding special contributions</b>	Taking care of child with special needs	Child	4,800	No	No	
	4th child	Person	8,000	No	No	
	Fosterers	Person	8,000	No	No	
	Single parents	Person	8,000	No	No	
<b>Compensation for special needs</b>	PCA	Person	3,846, 4,348	Yes	Yes, health care	
	Deafness, blindness, mobility	Person	4,000, 7,000	Yes	No	
	SCA	Person	4,366	No	No	
	Orphans 18-26 - financial aid	Person	4,000, 5,600	No	Yes, health care and social housing	Higher education
<b>Emergency</b>	One-off assistance	Family	4,500- 30,000		No	
<b>Population</b>	PA	Parents living with child	8,362	No	No	Vaccination and school enrolment
	First child, one- off	Parents living with child	4,829	No	No	

Source: Carraro, 2015