

Social and child protection cash benefits amended in North Macedonia in response to COVID-19

ESPN Flash Report 2020/40

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JULY 2020

As a result of the widespread impact of the COVID-19 pandemic, the Government of North Macedonia has modified the criteria applying to some of the social and child protection cash benefits. These modifications expand the coverage and duration of benefits, waive some of the conditions attached and make administrative requirements simpler.



Description

To prevent the spread of COVID-19, the Government of North Macedonia adopted various lockdown measures (educational facilities, restaurants, big group gatherings, etc.) on 11 March 2020 and declared a state of emergency on 18 March 2020, which lasted until 22 June 2020. During this period, a number of Decrees have been adopted to safeguard the living standards and ensure social protection of citizens. Three packages of economic measures and a number of amendments to these have been adopted. These include: financial compensation for all those unemployed (including self-employed) due to COVID-19, wage subsidies from April to June 2020 for people employed in companies affected by the lockdown, as well as a 50% waiver of social security contributions.

The Government has also adopted a Decree implementing the Law on Social Protection during a state of emergency (Official Gazette No. 89/03.04.2020), which modifies the implementation of various benefits: the guaranteed minimum assistance (GMA), energy subsidy, disability allowance and cash allowance for assistance and care by another person.

The changes to the GMA include: reduction of the 3-month rule for income assessment of all new entrants to 1 month, waiving of the activation requirement, and limitation of the means-testing to income assessment (i.e. property is no longer taken into account). These criteria will apply until December 2020. In addition, the

coverage criteria were modified so that those eligible include unemployed persons whose employment was terminated by agreement, upon request or dismissal, and unemployed people registered on a non-regular basis with the Employment agency.

The period for receipt of the energy subsidy, 1000 MKD (€16), has been extended from 6 months (winter months October to March) to 11 months (up to September 2020). As this is a top-up benefit for people receiving the GMA and the social pension, it is effectively an increase in income for these households.

The duration of receipt of the disability allowance and the cash assistance and care allowance has been extended: it will be maintained up to two months after the end of the state of emergency.

Similarly to the adjustments to the Law on Social Protection, the Government has adopted a Decree implementing the Child Protection Law during a state of emergency (Official Gazette No. 88/03.04.2020). This includes an extension of the duration of expired child protection benefits (i.e. the new-born allowance, parental allowance for the third and fourth child) up to three months after the end of the state of emergency. Also, the educational allowance criteria related to regular school attendance have been waived until the end of the school year.

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Outlook and commentary

According to the assessments of the Ministry of Labour and Social Policy, the modified criteria for the GMA were anticipated to expand its coverage to 15,500 additional households. This was expected to enable take-up among people who have lost their jobs or who were not employed with fixed-term contracts, as well as among persons engaged in the informal economy. However, since the criteria have been changed, and as of July 2020, only around 7,000 new households have applied for the GMA and approximately 2,300 new households have applied for the child allowance.

Despite the lower than expected take-up, which may increase in the upcoming months, the crisis has shown the importance of enabling people facing immediate need to have access to the social protection system. Eligibility criteria such as income over the past three months and the ownership of property act as bottlenecks, hindering access for people at risk. Moreover, voluntary or agreed unemployment makes a person ineligible for GMA – this is not suited to the changed nature of the labour market.

Hence, it may be worth considering abandoning these criteria altogether in order to increase coverage and take-up of social protection benefits.

While the COVID-19 pandemic has shown that the North Macedonian social protection system can adapt quickly to the new circumstances, some of its weaknesses remain. A group of non-governmental organisations have complained about the significant documentation that is still required from GMA applicants; preventive no contact measures have highlighted that vulnerable citizens are often unable to make electronic applications or use e-services; and the low level of social protection benefits, particularly the child allowance, means that they do not significantly improve the living standard of vulnerable households, especially during the crisis.

Notwithstanding the ongoing uncertainty related to overcoming multiple crises caused by COVID-19, the pandemic has highlighted the need to rethink the future design and conditionality rules of the North Macedonian social protection system, and to further improve its coverage and adequacy.

Further reading

Decree implementing the Law on Social Protection during a state of emergency, Official Gazette No. 89/03.04.2020.

Decree implementing the Law on Child Protection during a state of emergency, Official Gazette No. 88/03.04.2020.

Urgent note by the group of non-governmental organisations on amendments of the Decree implementing the Law on Social Protection during a state of emergency, <https://fosm.mk/wp-content/uploads/2020/04/urgeni-cija-do-mtsp-za-dopolnuvanje-na-uredba-zsz-vo-vonred.sostojba.pdf>

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Quoting this report: Mitev, M. (2020), *Social and child protection cash benefits amended in North Macedonia in response to COVID-19*. ESPN Flash Report 2020/40, European Social Policy Network (ESPN), Brussels: European Commission.