



EUROPEAN SOCIAL POLICY NETWORK (ESPN)

Access to social protection for young people

North Macedonia

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Social Europe

EUROPEAN COMMISSION

Directorate-General for Employment, Social Affairs and Inclusion
Directorate D — Social Rights and Inclusion
Unit D.2 — Social Protection

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European Social Policy Network (ESPN)

**ESPN Thematic Report:
Access to social protection for
young people
North Macedonia**

2021

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Manuscript completed in June 2021

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QUOTING THIS REPORT

Gerovska Mitev, Maja (2021). *ESPN Thematic Report on Access to social protection for young people – North Macedonia*, European Social Policy Network (ESPN), Brussels: European Commission.

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SUMMARY

Young people's access to social protection has not been an explicit focus of the national agenda in North Macedonia. Access to education and employment, and therefore training and labour market policies, have been a primary area of concern in response to the continued high rate of youth unemployment in the country.

As this report shows, the contributory social protection scheme in North Macedonia does not exclude young people aged 15-29. However, specific types of employees, such as self-employed people and those in agriculture, are not required to pay the unemployment contribution, and thus are excluded from the unemployment insurance scheme. The main obstacle to access to financial compensation for unemployment that is specific to young people is the eligibility rule regarding contribution history. This prohibits young labour market entrants (who have no contributory record) from using this as income support while they are looking for a job.

Despite formally universal healthcare coverage in the country, a comparison between population estimates of young people aged 19-34 and people with health insurance in 2019 shows that only 75% of those aged 19-34 had health insurance cover. This indicates a significant gap in effective health insurance coverage in this age group, which may result from factors including: informal employment; precarious working conditions; lack of identification documents (among young people from the Roma ethnic community); and lack of awareness/knowledge about health insurance registration procedures.

Access to contributory maternal and paternal benefits is available to young people (employed and self-employed) with a previous contributory record. People with other activity statuses, such as farmers, young economically inactive people and those in informal employment, do not have access to the scheme. Trainees and apprentices with work contracts have access to the scheme.

Young people in North Macedonia have formal access to tax-financed social protection schemes, such as the guaranteed minimum assistance (GMA), parental benefits and housing allowance. As these benefits are awarded at the household level, a gap in access may occur (and may differ) according to the living situation of young people (i.e. according to whether they live with their parents or on their own). As a result of the pandemic, the government has modified the criteria for accessing the GMA, by waiving some of the conditions related to income and property. Nonetheless, according to administrative data from the Ministry of Labour and Social Policy, since March 2020, out of all new GMA applicants aged 15-29, only 27.3% have become GMA recipients, indicating that there are still some conditionalities that prevent vulnerable young people (or household heads) accessing the tax-financed social protection scheme.

While more recent measures, such as the youth allowance and youth guarantee, represent an additional focus on the overall issue of youth inclusion, they still do not directly enhance the access of young people to social protection benefits.

Based on some of the identified gaps in access to social protection among young people in North Macedonia, this report provides a set of recommendations: extending unemployment benefits to first-time job-seekers to improve the income security of young people; enabling voluntary unemployment insurance for self-employed young people and young people in agriculture; extending the coverage of housing benefits to all young people; extending the coverage of the youth allowance to include unemployed young people actively looking for a job; and introducing youth mediators in each local municipality, to serve as links between young people and the agencies providing social protection benefits (social work centres, employment centres, health insurance fund).

1 KEY FIGURES ON THE SOCIO-ECONOMIC SITUATION OF YOUNG PEOPLE¹

1.1 Distribution of young people (aged 15–29) by main activity status

Table 1a: Main activity status of people aged 15-29 and 30-64 (2015-2020, EU-27 and North Macedonia, % 15-29 and 30-64)

	NORTH MACEDONIA											
	15-29						30-64					
	2015	2016	2017	2018	2019	2020	2015	2016	2017	2018	2019	2020
EMPLOYMENT RATE*	28.3	28.6	30.2	30.9	34.3	33.5	56.4	57.8	59.0	60.1	62.7	62.8
<i>Paid employment**</i>	79.8	82.4	82.8	85.4	86.2	89.2	73.6	75.4	75.6	75.6	78.2	81.4
<i>Self-employment**</i>	3.2	3.8	4.4	3.8	4.4	3.6	16.0	15.7	15.8	16.2	14.9	13.0
<i>Contributing family work**</i>	17.0	13.8	12.8	10.8	9.4	7.2	10.4	8.8	8.6	8.2	6.9	5.6
UNEMPLOYMENT***	42.5	40.6	39.2	37.1	30.5	29.5	21.4	19.2	17.8	16.5	13.9	13.3
INACTIVITY****	50.8	52.0	50.3	50.8	50.6	52.4	28.2	28.5	28.3	28.0	27.1	27.6
	EU-27											
	15-29						30-64					
	2015	2016	2017	2018	2019	2020	2015	2016	2017	2018	2019	2020
EMPLOYMENT RATE*	45.0	45.9	46.9	47.7	48.2	46.1	71.4	72.4	73.5	74.5	75.3	74.9
<i>Paid employment**</i>	91.8	92.2	92.4	92.6	92.8	92.5	83.0	83.3	83.7	84.0	84.1	84.2
<i>Self-employment**</i>	5.3	5.2	5.2	5.2	5.1	5.4	14.6	14.5	14.3	14.2	14.2	14.1
<i>Contributing family work**</i>	2.9	2.6	2.4	2.2	2.1	2.1	2.4	2.2	2.0	1.8	1.7	1.7
UNEMPLOYMENT***	17.3	15.8	14.2	12.8	11.9	13.3	8.5	7.7	6.9	6.1	5.6	5.8
INACTIVITY****	45.6	45.4	45.3	45.3	45.3	46.8	22.0	21.6	21.0	20.6	20.2	20.5

Notes: (*) The employment rate is expressed as a share (%) of the total population in the age group. The 3 categories of employment (paid employment [i.e. employees], self-employment and contributing family work) are expressed as a share (%) of the population in employment in the age group. Contributing family work is a form of labour (generally unpaid, although compensation may come indirectly in the form of family income) that supports another member of the family to run an agricultural holding or another business. (**) The unemployment rate is expressed as a share (%) of the active population, i.e. the population that is either in employment or unemployed (not the total population), in the age group. (***) The inactivity rate is expressed as a share (%) of the total population in the age group.

Reading note: In 2020, in North Macedonia, 33.5% of people aged between 15 and 29 were in employment, compared to 62.8% of those aged 30-64. In the EU-27 as a whole, these figures were 46.1% and 74.9%, respectively. The share of people unemployed in the active population in North Macedonia was 29.5% of the 15-29 age group and 13.3% of the 30-64 age group (EU-27 average: 13.3% and 5.8%). The shares of people economically inactive in North Macedonia in the 15-29 and 30-64 age groups were 52.4% and 27.6%, respectively (EU-27 average: 46.8% and 20.5%).

Source: Eurostat, ESPN Network Core Team calculations based on LFS indicators [lfsa_eegais], [lfsa_egaps], [lfsa_pganws] and [lfsa_igan]. Data downloaded on 24 May 2021.

¹ Except where otherwise specified, the indicators presented in Section 1 of this report were computed by the ESPN Network Core Team on the basis of data coming from two data sources coordinated at the European level by the statistical office of the European Union (Eurostat: <https://ec.europa.eu/eurostat>): European Union Labour Force Survey (EU-LFS) and European Union Statistics on Income and Living Conditions (EU-SILC). These indicators were computed for all the 35 ESPN countries for which the data needed were available. All these ESPN countries' estimates are presented in Annex B of the following Synthesis Report: Dalila Ghailani, Stéphanie Coster, Ramón Peña-Casas and Pietro Regazzoni (2021), "Access to social protection for young people. An analysis of policies in 35 countries", European Social Policy Network (ESPN), Luxembourg: Publications Office of the European Union. This Synthesis Report can be downloaded [here](#).

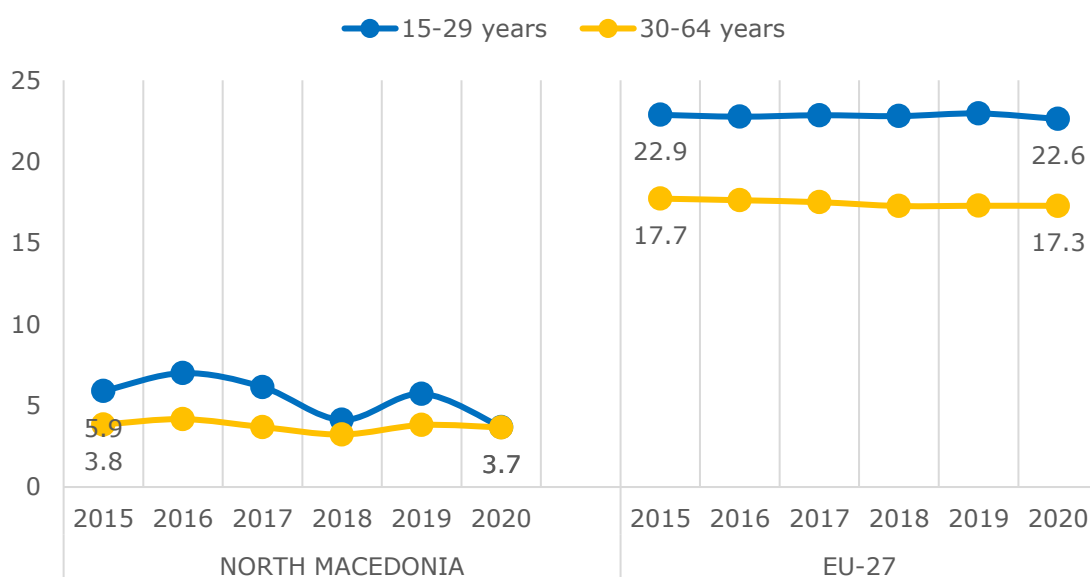
Table 1b: Main activity status of people aged 15-29 and 30-64 (2015-2020, EU-27 and North Macedonia, ratios 15-29/30-64)

	NORTH MACEDONIA						EU-27					
	2015	2016	2017	2018	2019	2020	2015	2016	2017	2018	2019	2020
EMPLOYMENT RATE*	0.50	0.49	0.51	0.51	0.55	0.53	0.63	0.63	0.64	0.64	0.64	0.62
Paid employment**	1.08	1.09	1.09	1.13	1.10	1.10	1.11	1.11	1.10	1.10	1.10	1.10
Self-employment**	0.20	0.24	0.28	0.23	0.30	0.28	0.36	0.36	0.36	0.36	0.36	0.38
Contributing family work**	1.63	1.57	1.49	1.31	1.36	1.28	1.21	1.20	1.21	1.24	1.24	1.20
UNEMPLOYMENT***	1.98	2.11	2.21	2.24	2.19	2.22	2.04	2.06	2.06	2.09	2.10	2.29
INACTIVITY****	1.80	1.82	1.78	1.82	1.86	1.90	2.07	2.11	2.16	2.20	2.24	2.29

Notes: To obtain the ratio of 15-29 to 30-64, the 15-29 percentage is divided by the 30-64 percentage: a value below (above) 1 in a given activity status therefore means that 15-29-year-olds are proportionally less (more) numerous in that activity status than 30-64-year-olds. See also Notes to Table 1a above.

Reading note: In 2020, in North Macedonia, 33.5% of people aged between 15 and 29 were in employment compared to 62.8% of those aged 30-64 (see Table 1a) – i.e. a 15-29:30-64 ratio of 0.53. In the EU-27 as a whole (see table 1a), these figures were 46.1 and 74.9% respectively (ratio 0.62).

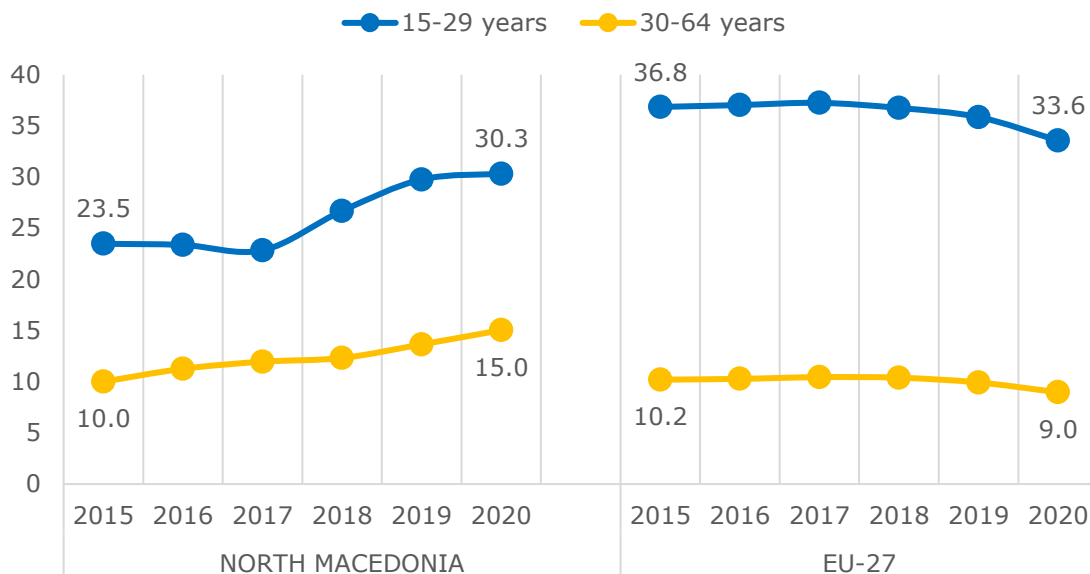
Source: See Table 1a.

Figure 1: Part-time employment as a share of the population in employment - comparison of the 15-29 and 30-64 age groups (2015-2020, EU-27 and North Macedonia, %)

Reading note: In 2020, in North Macedonia, the share of part-time employment in total employment was 3.7% for the 15-29 age group and 3.7% for the 30-64 age group. For the EU-27 as a whole, these shares were 22.6% and 17.3%, respectively.

Source: Eurostat, ESPN Network Core Team calculations based on Eurostat LFS indicator [lfsa_epgn62]. Data downloaded on 24 May 2021.

Figure 2: Temporary employment as a share of population in paid employment - comparison of the 15-29 and 30-64 age groups (2015-2020, EU-27 and North Macedonia, %)

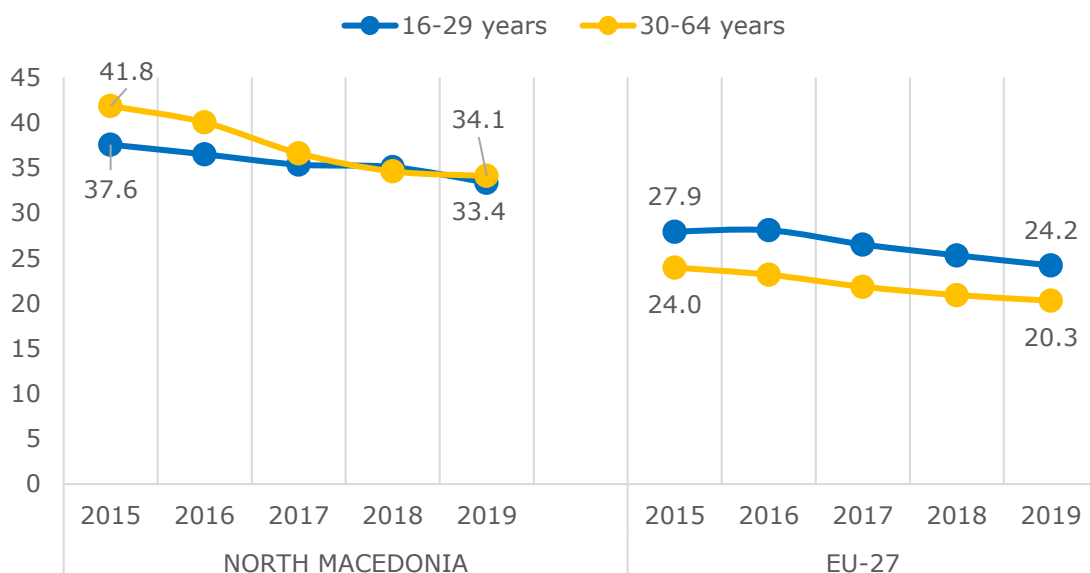


Reading note: In 2020, in North Macedonia, the share of temporary workers among employees was 30.3% for the 15-29 age group and 15.0% for the 30-64 age group. For the EU-27 as a whole, these shares were 33.6% and 9.0%, respectively.

Source: Eurostat, ESPN Network Core Team calculations based on Eurostat LFS indicators [Ifsa_epgn62] and [Ifsa_egaps]. Data downloaded on 24 May 2021.

1.2 Young people (aged 15–29) at risk of poverty or social exclusion

Figure 3: People at risk of poverty or social exclusion - comparison of the 16-29 and 30-64 age groups (2015-2020, EU-27 and North Macedonia, %)

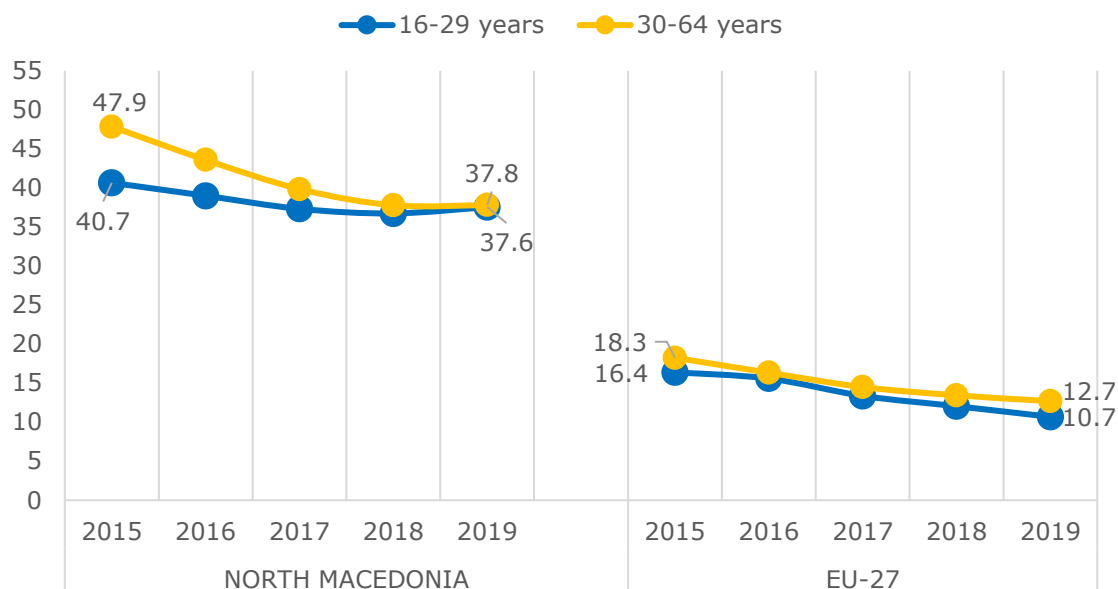


Reading note: In 2019, in North Macedonia, 33.4% of the 16-29 age group were at risk of poverty or social exclusion (i.e. they were living in a household that was at risk of poverty and/or severely materially and socially deprived and/or (quasi-)jobless according to the EU definition of these indicators) compared to 34.1% of the 30-64 age group. For the EU-27 as a whole, these figures were 24.2% and 20.3%, respectively.

Source: Eurostat, EU-SILC ad hoc extraction - indicator [ilc_peps02]. Data downloaded on 24 May 2021.

1.3 Young people (aged 15–29) materially and socially deprived

Figure 4: People materially and socially deprived - comparison of the 16-29 and 30-64 age groups (2015-2020, EU-27 and North Macedonia, %)

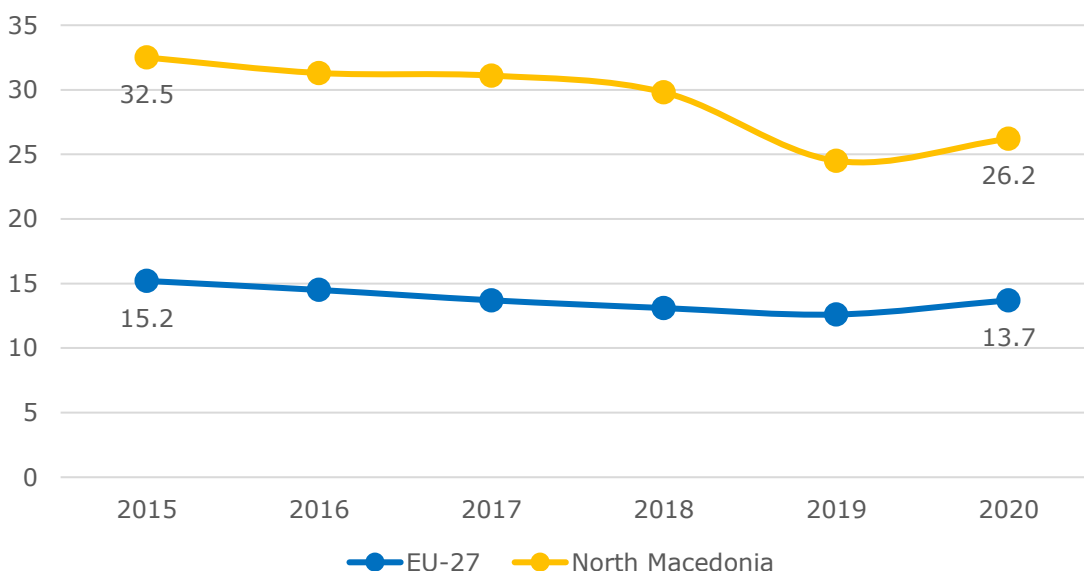


Reading note: In 2019, in North Macedonia, 37.6% of the 16-29 age group were materially and socially deprived (according to the EU definition of this indicator) compared to 37.8% of the 30-64 age group. For the EU-27 as a whole, these figures were 10.7% and 12.7%, respectively.

Source: Eurostat, EU-SILC ad hoc extraction - indicator [ilc_mdsc]. Data downloaded on 24 May 2021.

1.4 Young people (aged 15–29) neither in employment nor in education or training (NEETs)

Figure 5: People aged 15-29 neither in employment nor in education or training (NEETs) (2015-2020, EU-27 and North Macedonia, %)

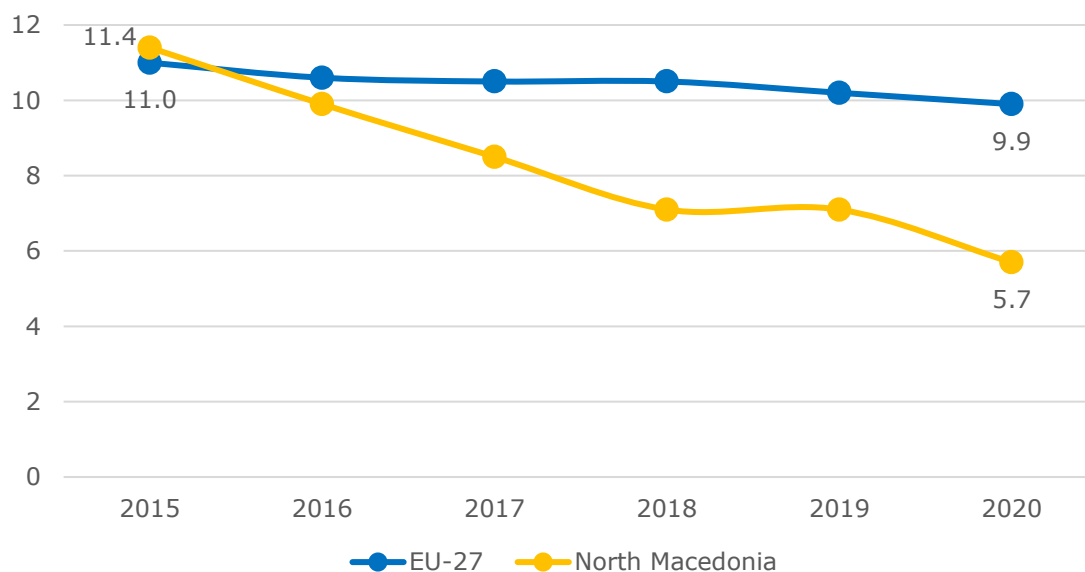


Reading note: In 2020, in North Macedonia, 26.2% of the 15-29 age group were neither in employment nor in education or training (NEET) compared to 13.7 for the EU-27 as a whole.

Source: Eurostat, LFS - indicator [lfse_20]. Data downloaded on 24 May 2021.

1.5 Early leavers (aged 18–24) from education and training

Figure 6: Early leavers from education and training for the 18-24 age group (2015-2020, EU-27 and North Macedonia, %)

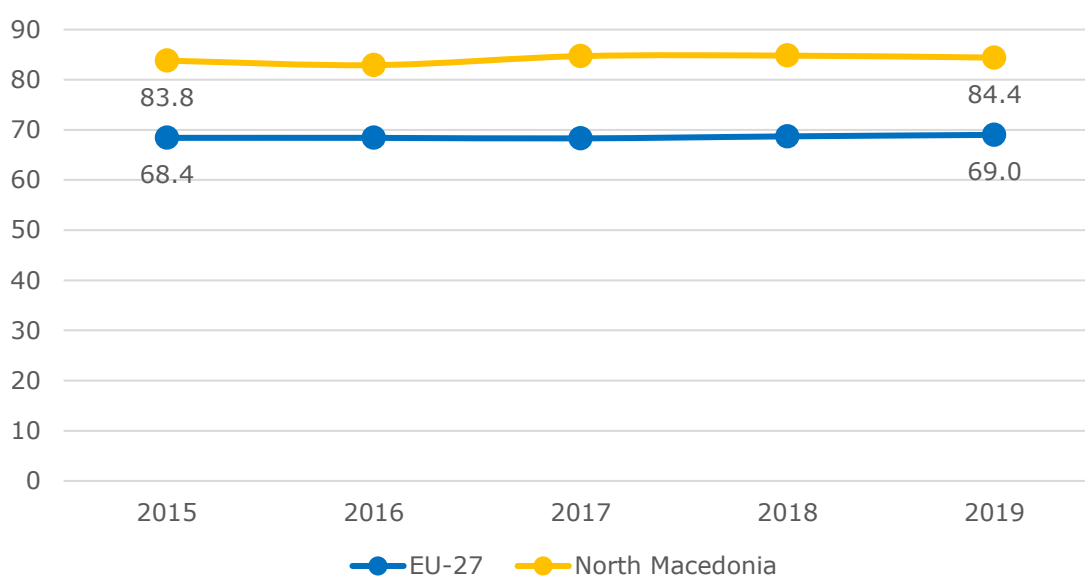


Reading note: In 2020, in North Macedonia, 5.7% of the 18-24 age group were early leavers from education and training – i.e. they had completed, at most, lower secondary education and were not in further education or training. For the EU-27 as a whole, this figure was 9.9%.

Source: Eurostat, LFS - indicator [edat_ifse_14]. Data downloaded on 24 May 2021.

1.6 Young people (aged 16–29) living with their parents

Figure 7: Young people aged 16-29 living with their parents (2015-2019, EU-27 and North Macedonia, %)



Reading note: In 2019, in North Macedonia, 84.4% of the 16-29 age group were living with their parents, compared to 69.0% for the EU-27 as a whole.

Source: EU-SILC - indicator [ilc_lvps08]. Data downloaded on 24 May 2021.

2 ACCESS TO UNEMPLOYMENT BENEFITS

In 2020 (see Section 1), 89.2% of young people (aged 15-29) in North Macedonia were in paid employment; about one third of them (30.3%) were in temporary employment (i.e. employed on fixed-term contracts). Only 3.6% were self-employed. Part-time work is very rare: 3.7%. Financial compensation for unemployment is based on a contributory scheme in North Macedonia, which is part of the social insurance system. It is open to all registered unemployed people, including young people, provided that they meet the eligibility criteria. Access to unemployment benefits varies a lot depending on employment status.

2.1 Eligibility conditions and benefit entitlements

The main eligibility conditions and benefit entitlements that apply to the scheme in North Macedonia as far as young people are concerned are the following.

a) Age

Age is not a criterion for this scheme.

b) Activity status requirement

Young employed people with a previous contributory record have access to the scheme. Self-employed young people as well as young people in agriculture cannot be part of the scheme. Other non-standard workers (part-time, fixed-term, temporary agency workers) have access to the scheme, provided that they meet the eligibility criteria (contribution record). People with other activity statuses, such as young economically inactive people and those in informal employment, do not have access to the scheme due to the lack of a contributory history. Trainees and apprentices are not mentioned under the Law for Employment and Unemployment Insurance: they are considered to be in education and training, and hence do not pay contributions for unemployment insurance.

c) Contributory history required to access the scheme

The general rule regarding contributory history, under the Law for Employment and Unemployment Insurance (Article 65), stipulates that: *"an unemployed person is entitled to financial compensation after having been employed for at least 9 months without interruption or 12 months with interruptions in the previous 18 months prior to the termination of the employment"*. In addition, Article 66 indicates that: *"an unemployed person is entitled to financial compensation for the time spent in employment, for which compulsory social insurance contributions have been paid"*.

The contributory history required is the same for those aged 15-29 as for those aged 30+.

d) Waiting period

No waiting period required.

e) Replacement rate/benefit level

The level of financial compensation for unemployment is the same for those aged 15-29 as that for older groups.

f) Duration

The duration of the financial compensation for unemployment for young people is the same as that which applies to older groups.

2.2 Gaps/obstacles in access for young people

The main gaps and obstacles in access for young people identified for this scheme in North Macedonia are the following.

a) Main gaps in access for young people

The main gap in access to unemployment compensation (not exclusive to the 15-29 age group), is related to the self-employed. The latter are not required to pay the unemployment insurance contribution and hence lack access to this scheme.

A further gap, again not exclusive to young people, is related to the reason for employment termination (i.e. type of contract termination). All employees whose contract termination was the result of a mutual agreement with their employer are not entitled to financial compensation for unemployment. Anecdotal evidence (Kalamatiev and Ristovski, 2020), suggests that many employers in North Macedonia use this type of employment contract termination (even in cases of lay-offs), so that they can continue to be eligible for different types of government subsidies and support. This prevents most registered unemployed people from accessing unemployment compensation.

b) Main obstacles in access for young people

The main obstacle to accessing financial compensation for unemployment that is specific to young people is the rule regarding contribution history. This prevents young labour market entrants (who have no contributory record) from using this mechanism as a form of income support while they look for a job. According to the Agency for Employment², the total number of young people aged 15-29 registered as unemployed in April 2021 was 32,220, representing 22.3% of all registered unemployed people. Although data on the age of unemployment compensation beneficiaries are not available, the overall number of beneficiaries in April 2021 shows that only 4% of all registered unemployed people succeeded in getting access to unemployment compensation.

3 ACCESS TO SICKNESS AND HEALTHCARE BENEFITS

3.1 Sickness benefits

Sickness benefits in North Macedonia, according to the Law for Health Insurance, include: (1) a right to salary compensation during temporary work incapacity due to illness and injury, and during absence from work due to pregnancy, childbirth and maternity; and (2) a right to reimbursement of travel expenses.

3.1.1 Eligibility conditions and benefit entitlements

The main eligibility conditions and benefit entitlements that apply to the scheme in North Macedonia as far as young people are concerned are the following.

a) Age

Age is not a criterion for this scheme.

b) Activity status requirement

Young people (employed and self-employed) with a previous contributory record have access to the scheme. Other non-standard workers (part-time, fixed-term, temporary agency workers) have access to the scheme, provided that they meet the eligibility criteria (contribution record). People with other activity statuses, such as farmers, young economically inactive people and those in informal employment, do not have access to the scheme. Trainees and apprentices with work contracts have access to the scheme.

c) Contributory history required to access the scheme

Compulsorily insured for at least six months before the occurrence of the event. This condition is not applicable if the temporary work incapacity was caused by a work injury

² Agency for Employment, overview of registered unemployed people: <http://av.gov.mk/unemployment.nsp.x>.

or occupational disease. Also, compulsory health insurance contributions should be paid regularly and on time (no more than 60 days late).

The contributory history required is the same for those aged 15-29 as for those aged 30+.

d) Waiting period

No waiting period required.

e) Replacement rate/benefit level

The benefit level is the same for those aged 15-29 as that for older groups.

f) Duration

The duration of sickness benefits for young people is the same as that which applies to older groups.

3.1.2 Gaps/obstacles in access for young people

The main gaps and obstacles in access for young people identified for this scheme in North Macedonia are the following.

a) Main gaps in access for young people

A comparison between the number of people with health insurance³ in 2019 and population estimates for 2019⁴ shows that only 75% of those aged 19-34 had health insurance cover. This indicates a significant gap in effective health insurance coverage among this age group. According to the available research (UNICEF, 2016; Group of NGOs, 2020), some of the reasons for the gap in access to health insurance among young people include: informal employment; precarious working conditions; lack of identification documents (among young people from the Roma ethnic community); and lack of awareness/knowledge about health insurance registration procedures.

b) Main obstacles in access for young people

Due to the requirement for a six-month contributory history, an obstacle to access for young people with part-time jobs, or seasonal and irregular jobs, is interruptions in contributions and the long administrative process for dealing with the complaints regarding paid contributions.

The pandemic has contributed to creating additional barriers. As indicated in a recent report (Association for Emancipation, Solidarity and Equality of Women, 2021) barriers in access to healthcare services among women in North Macedonia during the pandemic emerged primarily due to two reasons: changed work schedules at healthcare facilities, and women's fear of visiting healthcare facilities during a pandemic.

3.2 Healthcare benefits

The healthcare system in North Macedonia is a combination of insurance-based and tax-financed elements, designed to achieve a universal coverage of the population. According to the Law for Health Insurance (Article 32), insured people do contribute their own funds when using healthcare services and prescription drugs, but at most up to 20% of the average amount of the total costs. The following categories are exempted from co-payments: GMA beneficiaries who are incapable of work; beneficiaries of supported living, residential or foster care; children with special needs (children with physical or/and mental impairment); patients accommodated in psychiatric hospitals; people with intellectual

³ Health Insurance Fund, number of insured people in 2019:

<http://www.fzo.org.mk/WBStorage/Files/Osigurenici%202019%20WEB1.xls>.

⁴ State Statistical Office, population on 31 December 2019 by age groups:

http://makstat.stat.gov.mk/PXWeb/pxweb/mk/MakStat/MakStat_Naselenie_ProcenkiNaselenie/115_Popis_R_M_1Star_Dek_mk.px/table/tableViewLayout2/?rxid=116fd36b-12c7-4f4d-9502-d20078cd8fa6.

disability and without parental care; blood or tissue donors; and insured people who have already made co-payments up to the annual limit.

In this section, the focus is on the general rules related to the co-payment exemption and reimbursement of healthcare costs that apply to young people.

3.2.1 Eligibility conditions and benefit entitlements

The right to reimbursement of the costs of purchasing medicines from the list of medicines that are borne by the fund can be exercised by all insured people, if the request submitted for reimbursement satisfies all the required criteria.

a) Age

Age is not a criterion for this scheme.

b) Activity status requirement

All insured people, as well as people who are not insured for any reason, have access to the scheme.

c) Contributory history required to access the scheme

None: the claimant can receive medical services the day after they commence their insurance.

d) Waiting period

No waiting period required.

e) Replacement rate/benefit level

The benefit level is the same for those aged 15-29 as that for older groups.

f) Duration

The duration of healthcare benefits for young people is the same as that which applies to older groups.

3.2.2 Gaps/obstacles in access for young people

a) Main gaps in access for young people

The only gap in access related to young people relates to undocumented young people (i.e. those without identification documents). This mainly refers to a small number of unregistered Roma in the country.

b) Main obstacles in access for young people

Due to the universal character of the scheme, there is no evidence of obstacles in access for young people.

4 ACCESS TO MATERNITY, PATERNITY AND PARENTAL CASH BENEFITS

The rights related to maternity cash benefit are part of the social insurance scheme financed from contributions and taxes, which provides earnings-related benefits during maternity leave for all economically active people (employed and self-employed). Conditions include compulsory insurance for at least six months before the delivery of the child, health insurance contributions paid regularly and on time (i.e. with not more than 60 days delay) and an assessment of temporary work incapacity carried out by a doctor.

Maternity benefit amounts to 100% of the average monthly net wage paid to the employee (mother) 12 months prior to the maternity leave (monthly payment). 100% of the maternity benefit is paid from the state budget (no continued payment by the employer).

Mothers are entitled to receive up to 50% of the maternity benefit in cases where they return to work earlier than the nine months statutory leave. In these cases, the maternity benefit is paid from the state budget in addition to the salary paid by the employer.

Parental cash benefits are part of the tax-financed social welfare scheme (Law on Child Protection) and include: one-off assistance for a newborn baby (not means-tested), and parental allowance for the third newly born child (means-tested). As it is a tax-financed scheme, people with all activity statuses (i.e. employed, self-employed, non-standard workers) are eligible to apply.

4.1 Eligibility conditions and benefit entitlements

The main eligibility conditions and benefit entitlements that apply to the scheme in North Macedonia far as young people are concerned are the following.

a) Age

Age is not a criterion for this scheme.

b) Activity status requirement

For contributory cash benefits related to maternity and maternal leave, young people (employed and self-employed) with a previous contributory record have access to the scheme. Other non-standard workers (part-time, fixed-term, temporary agency workers) have access to the scheme, provided that they meet the eligibility criteria (contribution record). People with other activity statuses, such as farmers, young economically inactive people and those in informal employment, do not have access to the scheme. Trainees and apprentices with work contracts have access to the scheme.

For non-contributory benefits (i.e. parental compensation for the third child), people with all activity statuses are eligible to apply.

c) Contributory history required to access the scheme

For contributory cash benefits, compulsory insurance for at least six months before the occurrence of the event. Also, contributions for compulsory health insurance should be paid regularly and on time (no more than 60 days late).

The contributory history required is the same for those aged 15-29 as for those aged 30+.

d) Waiting period

No waiting period required.

e) Replacement rate/benefit level

The benefit level is the same for those aged 15-29 as that for older groups.

f) Duration

The duration of maternity, paternity and parental cash benefits for young people is the same as that which applies to older groups.

4.2 Gaps/obstacles in access for young people

The main gaps and obstacles in access for young people identified for this scheme in North Macedonia are the following.

a) Main gaps in access for young people

For contributory maternity cash benefits (i.e. fully paid maternity leave), the gap in access among young mothers (albeit not exclusive to them) is among women in informal employment and among those employed in companies who have not regularly paid social contributions.

For tax-financed parental compensation for the third child, the gap in access relates to those whose incomes are above the minimum net wage.

b) Main obstacles in access for young people

Due to the requirement for a six-month contributory history, an obstacle in access for young mothers with part-time jobs, or seasonal and irregular jobs, is the interruptions in contributions and the long administrative process for dealing with complaints regarding paid contributions.

5 GUARANTEED MINIMUM INCOME SCHEMES

The GMA is a tax-financed benefit and is a financial right based on the Law for Social Protection. It is targeted at households with low incomes, so only one member of the household can apply for this benefit. As can be seen from Section 1, the at-risk-of-poverty (ARPE) rate among young people aged 16-29 is high, standing at 33% among men and 33.7% among women in North Macedonia. In that respect, access to the GMA is important for tackling youth poverty and social exclusion.

5.1 Eligibility conditions and benefit entitlements

The main eligibility conditions and benefit entitlements that apply to the scheme in North Macedonia as far as young people are concerned are the following.

a) Age

Age is not a criterion for this scheme. However, indirectly, based on the application documents, people should be at least 18.

b) Activity status requirement

People with all activity statuses, including young people (employed and self-employed), can apply for this benefit, provided that they meet the means-testing criteria. Other non-standard workers, such as part-time, fixed-term and temporary agency workers, as well as people with other activity statuses, such as farmers, young economically inactive people and those in informal employment, have access to the scheme. Trainees and apprentices have access to the scheme, provided that their total household income is not above the stipulated threshold.

c) Other eligibility conditions

There are conditions related to household income and property, but these are not different for young people.

d) Benefit level

The benefit level is the same for those aged 15-29 as that for older groups.

e) Distinctions between different groups of young people

There are no distinctions between different groups of young people, and there are no differences in coverage and entitlements based on age.

5.2 Gaps/obstacles in access for young people

The main gaps and obstacles in access for young people identified for this scheme in North Macedonia are the following.

a) Main gaps in access for young people

In general, young people have access to benefits under the tax-financed (non-contributory) scheme, such as the GMA and top-up benefits (i.e. the energy subsidy). According to administrative data of the Ministry of Labour and Social Policy, in March 2021 there were 2,943 GMA beneficiaries aged 15-29 who were household heads (right-holders), which represents 8.5% of all GMA right-holders. Additionally, there were 13,829 beneficiaries aged 15-29 who were members of households receiving GMA, representing 23.2% of all household members (not including the right-holders). As this benefit is awarded at the

household level, gaps in access may occur (and may differ) according to the living situation of young people (i.e. according to whether they live with their parents or on their own).

b) Main obstacles in access for young people

According to the available research (UNICEF, 2016; HOPS, 2019), specific groups of young people, such as Roma and substance-users, experience obstacles in accessing the GMA due to a lack of identification documents, or reported that their GMA application was declined, despite their perception that they fulfil the eligibility criteria.

Not specifically related to young people (but also concerning them) is the under-representation of centres for social work in rural areas, where they are needed most. Hence, an obstacle in applying for the GMA for young people in rural areas is the distance and associated costs related to travelling.

6 HOUSING BENEFITS

In North Macedonia 96.6% of young men and 71.7% of young women lived with their parents in 2019. Housing allowance is a financial benefit that is guaranteed under the Law for Social Protection and is provided to: beneficiaries of the GMA (from the local municipality budget); and young people up to age of 26 who had the status of children without parents and parental care (from the central budget).

6.1 Eligibility conditions and benefit entitlements

The main eligibility conditions and benefit entitlements that apply to the scheme in North Macedonia as far as young people are concerned are the following.

a) Age

The age limit is 26 for housing allowance provided to young people who had the status of children without parents and parental care. Beneficiaries of the GMA must be 18 or over if they want to apply for housing benefit.

b) Activity status requirement

People with all activity statuses can apply for this benefit, provided that their total household income is not above the stipulated threshold.

c) Other eligibility conditions

There are conditions related to income and property, but these are not different for young people.

d) Benefit level

Since the benefit level for young people up to age 26 who were children without parents and parental care is provided from the central budget, it differs from the level of housing allowance for GMA beneficiaries provided from the local municipality budgets. The amount provided by the central budget is fixed at 4,000 MKD (€65) per person and increases according to the household size, i.e. 6,000 MKD (€97) for two to four household members and 8,000 MKD (€130) for five and more household members. The amount provided at the local level differs and depends on the local municipality financing capabilities.

e) Distinctions between different groups of young people

The benefit itself is aimed at young people up to age 26 who were children without parents and parental care, and this is the only distinction based on age or between specific groups of young people.

6.2 Gaps/obstacles in access for young people

The main gaps and obstacles in access for young people identified for this scheme in North Macedonia are the following.

a) Main gaps in access for young people

Apart from the housing benefits targeted at young people who had the status of children without parents and parental care, as well as low-income households, young people in general do not have access to housing benefits. For low-income households, the housing allowance is provided from the local municipalities' budgets, which makes access to these benefits uneven among different municipalities.

b) Main obstacles in access for young people

Available data and research for North Macedonia do not identify any obstacles in accessing the housing allowance among young people who had the status of children without parents and parental care.

7 REFORMS, NATIONAL DEBATES AND RECOMMENDATIONS

7.1 Reforms implemented since 2015

Young people have not been an explicit focus of social protection reforms. Speaking more broadly, youth unemployment in the country, which in 2020 stood at 29.5% among those aged 15-29, has since 2015 been mainly tackled through labour market programmes and measures. In that respect, some of the most important public programmes aimed at young people include the following.

7.1.1 Active labour market programmes

- a) Self-employment grants, whose purpose is to help the start of a business, target young unemployed up to age 29, among other beneficiaries. According to the Agency for Employment, in 2020 the one-off financial grant, in the amount of 307,500-615,000 MKD (€3,000-10,000), was allocated to 518 young people, which represented 37% of all the self-employment grants approved (Agency for Employment, 2021).
- b) Wage subsidies are a three-, six- or 12-month financial compensation in the amount of 19,000 MKD (€310) paid to small or medium-sized companies that will employ unemployed people from the target groups, including young people up to age 29. However, the number of beneficiaries of wage subsidies is too limited to have any wider effect on unemployment. According to the Agency for Employment, in 2021 only 866 registered unemployed people were expected to be beneficiaries (including young people), which represents only 0.6% of all registered unemployed people (Agency for Employment, 2021b).
- c) The internship programme is aimed at helping young people acquire work experience with private sector employers. The target group is unemployed young people aged up to 29 who have completed secondary or tertiary education and are registered as unemployed. Employers who are interested in receiving interns apply to the Agency for Employment and provide a programme of training for them. An evaluation study that assessed the internship programme in 2010 and 2012 (Mojsoska-Blazevski and Petreski, 2015) showed that it improved the employment prospects of participants, increasing their employability by 25-31 percentage points (in 2010 and 2012, respectively).

A subsidy for new employees targeted at young people up to age 29 is a one-off financial compensation, in the amount of 153,750 MKD (€250), paid to small or medium-sized companies or social enterprises that will increase the number of their employees as a result and keep the young people employed for at least 12 months. The number of beneficiaries

expected for this measure in 2021 was even lower than that for wage subsidies, representing only 0.15% of all registered unemployed people.

7.1.2 Youth guarantee

The youth guarantee is a project of the Agency for Employment in North Macedonia, initiated in 2018 as a pilot activity in three employment centres (Skopje, Strumica and Gostivar). Since 2019 it has been implemented throughout the country, with a special focus on three regions (Polog, North-east and South-west) where there is a large number of young people who are not employed or involved in education or training (NEET).

The youth guarantee enables young people up to the age of 29 to receive a suitable job offer, to continue their education or to be involved in any of the active employment programmes and measures, in a period of four months after their registration as unemployed at the Agency for Employment.

According to the annual report of the Agency for Employment, the success rate of the youth guarantee in 2020 was 34% (Agency for Employment 2021a). This is based on the number of young people who used the youth guarantee in 2020 and were either employed or used some of the active labour market measures. According to the same source, during 2020 25,487 young unemployed people used the youth guarantee, representing 68% of all registered unemployed young people aged 15-29 in December 2020. Among them, 7,424 were employed (19.8% of all registered unemployed young people in December 2020), while 1,257 young unemployed people used one or more of the active labour market measures (3.36%).

According to an EC assessment report on the economic reform programme, the countrywide implementation of the youth guarantee in 2019 contributed significantly to a reduction in youth unemployment (those aged 15-24), from 45.4% in 2018 to 35.6% in 2019 (European Commission, 2021).

7.1.3 Youth allowance

The most recent programme targeted at young people up to age 23 is the youth allowance, introduced with the Law on Youth Allowance in January 2020. The youth allowance is targeted at young people up to age 23 with a minimum of secondary education who are employed or self-employed in the manufacturing sector and are covered by compulsory social insurance according to the Law on Compulsory Social Contributions insurance. In addition, the youth allowance targets young people up to age 23 with a minimum of secondary education whose sole occupation is agriculture, who earn income on the basis of performing agricultural activity, and are liable for calculation and payment of contributions from compulsory social insurance, in accordance with the Law on Compulsory Social Insurance Contributions.

The youth allowance is a monthly allowance that is paid from the budget of the Agency for Employment to the transaction account of the young person no later than the 25th of the month for the previous month. The youth allowance amounts to 3,000 MKD (€50) for full-time work, on which personal income tax is paid.

As of 31 December 2020, the youth allowance was paid to 3,474 young people up to age 23. The stipulated budget for the youth allowance in 2021 is 100 million MKD (€1,629,390) for approximately 2,500 beneficiaries.

As a result of the pandemic, the government has modified the criteria for accessing the GMA, by waiving some of the conditions related to income and property. As of March 2020 (when the new criteria took effect), there were 1,692 applicants for the GMA aged 15-29. Out of this number, by March 2021 only 463 young people, or 27.3%, had become GMA right-holders, indicating that there are still some conditionalities that prevent vulnerable young people (or household heads) accessing the social protection scheme.

7.2 National debates

The issue of young people's access to social protection is not a part of the national debate in North Macedonia. Thus, although social protection reform since 2019 has been aimed at improving access to financial benefits and services, it has done so mainly in relation to improving the eligibility criteria for low-income and vulnerable households. Young people have never been an explicit focus of social protection measures (apart from children and young people without parents and parental care).

National debates on young people in North Macedonia are primarily focused on access to education and employment. In that respect, the government has adopted a number of laws, strategies and action plans, including: the Law for Youth Participation and Youth Policies (Official Gazette, No 10/2020); the Law for Youth Allowance (Official Gazette, No 18/2020); the youth guarantee action plan (2020-2022); the revised action plan for youth employment (2016-2020); and the national youth strategy (2016-2025). However, none of these soft legislation documents (stipulating youth rights and access to services) directly tackles access by young people to social protection benefits.

7.3 Good practices and recommendations

Although it is difficult to single out good youth-related practices that promote access to social protection, a good example – not explicitly targeting young people but relevant for Roma young people as well – is the programme of Roma health mediators (RHMs), introduced in 2012. The programme is aimed at reducing the institutional barriers to accessing healthcare and raising awareness about health rights among Roma. The main activities of the RHMs include: assisting individual clients in obtaining personal documentation and health insurance; assisting (and encouraging) clients to visit the doctor; referring clients to relevant health, social, and educational services; conducting health education sessions in the community; and providing targeted health assistance (Covaci, 2012). According to the Roma decade monitoring report, "*(the) project is an example of good practice in the making, as available information suggests that Romani health mediators are increasingly recognised as a resource by state institutions on the one hand and by local Romani communities on the other*" (INSOC et al., 2013). It was also pointed out that the strength of the RHMs can be seen in: (1) the increased number of certified RHMs; (2) the increased number of Roma who now have access to the health system; and (3) the increased number of families using RHM services (Regional Cooperation Council, the European Union, the Open Society Foundations, 2016).

Similar good practice is the Roma information centres (RICs), which were formed in 2005 (as part of the then Roma decade). Currently, there are seven RICs (in municipalities throughout the country where a majority of Roma people live), whose primary work is to act as links between the centres of social work and the Roma community. A Council of Europe report on the framework convention for protecting national minorities (Council of Europe, 2019) found that the majority of RIC work was focused on services in the areas of: employment; social protection; healthcare; education; personal identification documents; and housing.

Based on some of the identified gaps in access to social protection among young people, as well as some of the good practices in the country, the following actions are recommended.

- a) Extend unemployment benefits to first-time job-seekers in North Macedonia to improve the income security of young people.
- b) Enable voluntary unemployment insurance for self-employed young people and young people in agriculture.
- c) Extend the coverage of housing benefits to all young people.
- d) Extend the coverage of the youth allowance to include unemployed young people actively looking for job.

- e) Introduce youth mediators in each local municipality, to serve as links between young people and the agencies providing social protection benefits (social work centres, employment centres, health insurance fund).

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