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MULTIDIMENSIONAL POVERTY ANALYSIS REPUBLIC OF MACEDONIA

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TABLE OF CONTENTS

1. INTRODUCTION	2
1.1. Analysis background	2
1.2. Methodological approach and analytical tool	3
2. GENERAL INFORMATION.....	4
3. MACEDONIAN POVERTY – LITERATURE AND ANALYTICAL DISCUSSION.....	4
3.1. Development Context.....	4
3.2. The fourth dimensions of poverty	21
4. ANALITIC CONCLUSION	40
4.1. Vulnerable groups.....	40
4.2. The main deprivations	Error! Bookmark not defined.
4.3. Underlying causes and effects	Error! Bookmark not defined.
5. REFERENCES	Error! Bookmark not defined.

1. INTRODUCTION

1.1. Background analysis

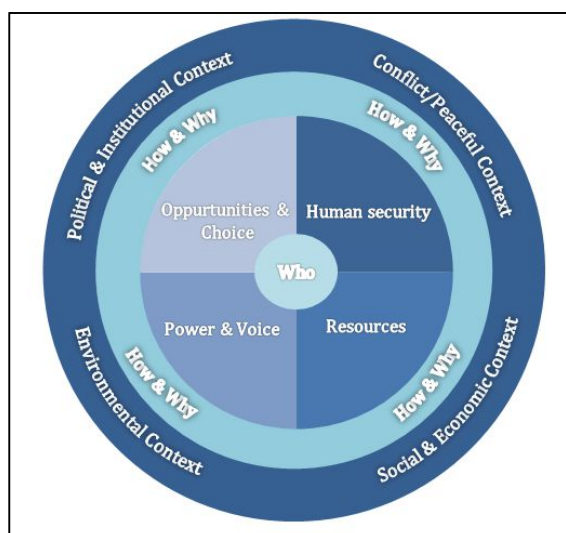
“The poorest countries of Europe are usually those that were severely affected by the collapse of socialistic economic systems. As such country, Macedonia is a country in Southeast Europe which is one of the poorest countries in Europe (7 of 10 countries listed in the World Atlas database). The country earned its independence in 1991 as one of the successor states of the former Yugoslavia. Macedonia is a landlocked nation that is bordered by Serbia, Bulgaria, Greece, and Albania. Since independence, the country has undergone dramatic economic reform. The country has gradually improved its economy over the years with successful policies implemented by the government. Macedonia has an open economy where trade accounts for 90% of the GDP in recent years. However, in spite of the reforms, the country has a high unemployment rate of 27.3% as of 2015 and a high poverty rate. 72% of the people of the country have reported that they manage their living standards with difficulty”, World Atlas.

This indicates to the need of mapping the general poverty situation, and identifying the vulnerable and deprived groups in the country. The aim of this report is to serve as the initial record in identifying the poverty dimensions in the Republic of Macedonia. This aim will be accomplished following the multi-dimensional poverty analytical tool and the indicators and dimensions of poverty on the macro (country) level in order to describe the socio-economic, environmental, political and institutional context (Box 1); with a particular emphasis on the poverty perspective of people living in rural areas, which is the target population in this report.

This report has been prepared by the Federation of Farmers of the Republic of Macedonia in partnership with the Faculty of Agricultural Sciences and Food and in consultation with the Macedonian Anti-Poverty Platform. It contains brief description of the general macro-economic indicators and conditions in the Republic of Macedonia, the rural areas in the country, short description of the analytical tool and approach, as well as the poverty indicators on macro and rural level.

Since this is the first attempt to depict this important issue in Macedonia, the report will be based on official data sources, such as the State Statistical Office (reports, censuses etc.), World Bank, EU Commission Reports, Report by Freedom House, report by Transparency International, UNDP, survey made by the Center for Research and Policy Making, NGO Solidarnost, NGO Macedonian Anti-Poverty Platform, NGO Federation of Farmers of the Republic of Macedonia, literature, strategies in relation to the topic in the country and the Western Balkan region.

1.2. Methodological approach and analytical tool



Multi-Dimensional Poverty analytical tool – four dimensions of poverty

(We Effect programme instructions 2018-2021)

1. RESOURCES – not having access to or power over resources that can be used to sustain a decent living standard and improve one's life. Resources can be both material and non-material – e.g. a decent *income*, *capital*, being *educated or trained*, *professional skills*, being *healthy*, *time and spare time*, *social and family networks*, *marital status*, etc.

2. OPPORTUNITIES and CHOICE – the possibility to develop and/or use your resources so as to move out of poverty. Access

to e.g. *social services* (including accessibility to services), to *infrastructure*, to *capital*, to *land*, to *social status*, or to *natural resources* affects the opportunities and choices.

3. POWER AND VOICE – the ability of people to express their concerns, needs and rights in an informed way, and to take part in decision-making that relate to these concerns. Power is a relational concept that allows us to better understand socio-cultural hierarchies and relations, of which gender is one, and others include, for example, age, caste, class, religion, ethnicity, race/skin colour, ability/disability and sexual identity. Reinforcing forms of discrimination based on such economic and socio-cultural relations may increase an individual's poverty in this sense.

4. HUMAN SECURITY – violence and insecurity are constraints to different groups' and individuals' possibilities to exercise their human rights and to find paths out of poverty.

2. GENERAL INFORMATION

3. MACEDONIAN POVERTY – LITERATURE AND ANALYTICAL DISCUSSION

3.1. Development context

Poverty is dynamic. People move in and out of situations of poverty. This implies that it is important not only to understand the causes for why a person is poor and what opportunities exist to move out of poverty, but equally so what resources people have against moving into poverty. Hence, the understanding of multidimensional poverty needs to include the risks that people living in or just “above” poverty are exposed to and conclude on the extent to which as well as how people living in poverty are vulnerable. People living in poverty are also particularly exposed to risks related to climate change and environment degradation as well as conflict and tensions, adding to their vulnerability. This section includes analyses of development context: political and institutional context, economic and social context, environmental context, conflict and peaceful context.



Political and institutional context

The political and institutional context includes formal institutions, rule of law, and human rights but also social norms and informal institutions and power structures

According to the 2016 EU Report on the Republic of Macedonia, democracy and rule of law have been constantly challenged, in particular due to state capture affecting the functioning of democratic institutions and key areas of society. The country suffers from a divisive political culture and a lack of capacity for compromise.

There is big influence of politics on law institutions and public administration. Strong political commitment is necessary to guarantee the independence of the public administration and respect for the principles of transparency, merit and equitable representation.

Corruption remains prevalent in many areas and continues to be a serious problem in the Republic of Macedonia.

Freedom of expression and the situation of the media remain a serious challenge in the current political climate.

The patriarchal structures and traditional social norms are still perpetuated, evident in low employment rate of women, the low proportion of women property owners especially in rural areas, and lack of women in decision making.

The most traditional social norms are visible in rural areas, and rural women, who have a hard life, limited offer in terms of public services and are living in poor conditions, are likely to leave the village, unless new economic opportunities and possibilities for employment are offered.

Overview of the political and institutional development

Politics in the Republic of Macedonia occur within the framework of a parliamentary representative democratic republic, with the Prime Minister as the head of the Government, and of a multi-party system. Executive power is exercised by the Government. Legislative power is vested in the Parliament. The judiciary is independent of the executive and the legislature. **At the moment, the creators of the political life in the Republic of Macedonia are the biggest Macedonian parties: Social Democratic Union of Macedonia (SDSM) and Internal Macedonian Revolutionary Organization – Democratic Party for Macedonian National Unity (VMRO – DPMNE), and 4 Albanian parties: Democratic Union for Integration (DUI), Democratic Party of Albanians (DPA), Alliance for Albanians, and Besa. All of them have representatives in the Parliament. Macedonia's efforts over the recent years for a greater involvement of women show positive developments, but the results indicate that there is still room to work on the issue.** Following the adoption of the Law on Elections in 2006, the nationwide number of seats in the parliamentary assembly **meets the critical figure of 30%, although the recommendations of the Council of Europe called for increased representation of 40%.** It must be emphasized that owing to the increased number of women in the highest representative body, numerous issues were discussed and reviewed in terms of gender equality.

Concerning the political conditions, the country was faced with the continuation of the most severe political crisis since 2001. According to the 2016 EU Report on the Republic of Macedonia, democracy and rule of law have been constantly challenged, in particular due to state capture affecting the functioning of democratic institutions and key areas of society. "The country suffers from a divisive political culture and a lack of capacity for compromise. On 20 July and 31 August 2016, leaders of the four main political parties (SDSM, VMRO-DPMNE, DUI and DPA) reached an agreement for the implementation of the Pržino Agreement, including the setting of 11 December 2016 as the date for early parliamentary elections and declaring their support to the work of the Special Prosecutor. They reiterated also their commitment to implement the 'Urgent Reform Priorities'. **The inter-ethnic situation remained fragile.** The review of the Ohrid Framework Agreement, which ended the 2001 conflict and provides the framework for the inter-ethnic relations, still needs to be completed in a transparent and inclusive manner", is said in the 2016 EU Report on the Republic of Macedonia as a main conclusion¹. More explanation on this, in the section on 'Human Security'.

Public administration (PA), as the apparatus through which political decisions are executed, has long been considered a constituent part of government's staff. Macedonia has committed to public administration reforms (PAR) due to the importance of an independent and professional administration in actualizing a functioning democracy and market economy in the state. Additionally, PAR is among the crucial reforms with which Macedonia's EU accession is conditioned, which simultaneously encourages the government to carry on with further reforms. Macedonia is the first former Yugoslav republic to have prepared a PAR Strategy in 1999, which

¹ Resource – EU COMMISSION STAFF WORKING DOCUMENT The former Yugoslav Republic of Macedonia 2016 Report

was set to finish by 2016. Many legislative reforms were completed in the framework of the PAR Strategy 1999-2010, as is the Law on Civil Servants (LCS), which was adopted only the year after the drafting of the Strategy, in 2000. As provided in the LCS, the Administration Agency was established next—the main guard of procedures of employment, rights and obligations of employees.⁷ As PAR Strategy 1999-2010 was outdated, it was replaced by the new PAR Strategy 2010-2015, which has so far established the Ministry of Information Society and Administration. This Ministry will be responsible for the implementation of the PAR Strategy 2010-2015 and is considered to be a major step ahead in the country's efforts for PAR.

According to Report of EU for Republic of Macedonia for 2016 the country is moderately prepared with the reform of its public administration. There has been some progress, although limited, over the past year. “The implementation of the new legal framework on human resources management started. However, there has been insufficient commitment to implement the Commission's 2015 recommendations. **Ineffective accountability lines, the use of the public sector as a political instrument, allegations of pressure exerted on public employees and alleged politicization of administration in an electoral year continue to be of concern. Furthermore, the lack of political commitment to deliver on necessary reforms in public financial management led to a significant reduction of EU financial assistance in 2016. Strong political commitment is necessary to guarantee the independence of the public administration and respect for the principles of transparency, merit and equitable representation. In the coming year, the country should be focused on particular areas: address serious concerns about politicization of the public service; ensure full implementation of the principles of accountability, transparency and merit (as provided for in the ‘Urgent Reform Priorities’ as well as the law); adopt a public administration reform strategy and a public financial management reform programme, which will address the weaknesses identified, including budget transparency”, is said in the 2016 EU Report on the Republic of Macedonia as a main conclusion².**

Rule of law, judiciary, accountability mechanism and corruption issue

The judiciary is the third branch of power in the Republic of Macedonia. Under the Constitution of the country, the courts are autonomous and independent. Judges are appointed/dismissed by the Assembly upon proposal of the Judicial Council without any restriction of their term of office. The judicial power in the Republic of Macedonia is exercised by the Supreme Court of the Republic of Macedonia, the Appellate Courts and the first instance courts. There are 27 courts of first instance, 3 courts of appeal and the Supreme Court of the Republic of Macedonia within the new structure of the court system established in 1996.

According to EU, the country's judicial system has some level of preparation. However, the situation has been backsliding since 2014 and achievements of the previous decade's reform process have been undermined by recurrent political interference in the work of the judiciary. **“The authorities failed to demonstrate necessary political will to address effectively the underlying issues as identified in the ‘Urgent Reform Priorities’. The obstructions faced by the newly established Special Prosecutor have shown the need to address effectively the lack of independence of the judiciary and to prevent selective justice”, is said in the 2016 EU Report on the Republic of Macedonia, as a main conclusion³.**

² Resource – EU COMMISSION STAFF WORKING DOCUMENT The former Yugoslav Republic of Macedonia 2016 Report

³ Resource – EU COMMISSION STAFF WORKING DOCUMENT The former Yugoslav Republic of Macedonia 2016 Report

In the Republic of Macedonia, the State Commission for Prevention of Corruption is the main institution responsible for prevention of corruption. Transparency International, the global anti-corruption organization, on January 25, 2017 announced the 22nd annual index of perception of corruption. The index ranks 176 countries and territories under the level of corruption in the public sector. The corruption perceptions index is a leading global indicator of corruption in the public sector, providing an annual review of the relative degree of corruption by ranking of countries worldwide. Macedonia was ranked 90th with a score 37, indicating a serious corruption problem in the country.

The result for Macedonia was formed from seven sources, including Economist Intelligence Unit, the World Economic Forum, Freedom House and Global Insight Country Risk Rating. Transparency International stressed that the results of the index of perception of corruption in 2016 show that there are strong warning signs that the world is moving towards restriction of freedom, including space for civil society, and thus can have negative effects on the fight against corruption⁴. Concerning the fight against corruption, the country has some level of preparation. **Corruption remains prevalent in many areas and continues to be a serious problem. According to EU, the legislative and institutional framework has been developed, but the structural shortcomings of the State Commission for Prevention of Corruption and political interference in its work have minimized the impact of past efforts. “There is still a need to establish a convincing track record, especially on high level corruption cases.** In the fight against organized crime, the country has reached some level of preparation. The legislative framework is broadly in line with European standards and strategies have been elaborated. However, the law enforcement capacity to investigate financial crimes and confiscate assets needs to be developed further. In addressing the shortcomings outlined below, the country should pay particular attention in the coming year to: demonstrating real political will by providing law enforcement with necessary autonomy, specialized staff and equipment and by defining clearly specific objectives and indicators to measures achievements or failures; reviewing the status and composition of the State Commission for Prevention of Corruption (SCPC) to make it more transparent, merit-based and independent from political parties; improving public awareness and trust in the fight against corruption by increasing the visibility of anti-corruption measures and the results achieved; developing a credible track record on fighting high-level corruption, including asset recovery (as per the ‘Urgent Reform Priorities’); implementing an effective legal framework for the protection of whistle-blowers, in line with European standards (as per the ‘Urgent Reform Priorities’) and Venice Commission recommendations”, is said in the 2016 EU Report on the Republic of Macedonia, as a main conclusion⁵.

Freedom of expression and association

In terms of press freedom, Republic of Macedonia is considered to be partly free according the Freedom House. The constitution provides for freedom of the press. However, Macedonian media are subject to political pressure and harassment, resulting in self-censorship. Media outlets are divided along ethnic lines. The government in October 2016 introduced draft legislation that would prohibit the release and republication of content from the wiretaps, drawing sharp criticism from independent observers and the opposition. Internet access is unrestricted. Space for free private discussion contracted in the wake of the opposition’s credible allegations of widespread government wiretapping and monitoring of private citizens, journalists, politicians, and religious leaders. Although academic freedom is generally unrestricted, the education system is weak by European standards. Textbooks barely cover the postindependence period, primarily because ethnic Macedonians and ethnic Albanians interpret

⁴ http://www.transparency.mk/index.php?option=com_content&task=view&id=1225&Itemid=57

⁵ Resource – EU COMMISSION STAFF WORKING DOCUMENT The former Yugoslav Republic of Macedonia 2016 Report

the 2001 civil conflict differently. Increasingly, schools are becoming ethnically segregated⁶. The same opinion is shared by the EU. **Freedom of expression and the situation of the media remain a serious challenge in the current political climate. There was no progress in this area over most of the past year. Relevant figures on government advertising, which can constitute a tool to exercise influence over broadcasters, have still not been made public by the authorities.** Balanced and diversified reporting by the mainstream media is still lacking, although there were some encouraging signs over the summer in terms of reporting by the public broadcaster and some private channels⁷. **Nongovernmental organizations (NGOs) generally operate freely but are often polarized along political lines.** A lack of resources for Macedonian Government's Unit for Cooperation with NGOs has hampered the strategy to promote the cooperation between the government and the civil society, according to the EC⁸.

Gender equality

On equality between women and men, a 2016-2020 Strategy for Equality and Non-Discrimination was adopted in June 2016, but little has been done to effectively promote gender equality. **The patriarchal structures and traditional social norms are still perpetuated, evident in low employment rate of women, the low proportion of women property owners especially in rural areas, and lack of women in decision making.** The level of awareness of gender discrimination is relatively low in rural areas, where this impedes the realization of other activities related to gender equality, such as equal representation in politics, economy and equitable distribution in society and at home. More explanation in the section on 'Human Security'.

The most traditional social norms are visible in rural areas, and rural women, who have a hard life, limited offer in terms of public services and are living in poor conditions, are likely to leave the village, unless they are offered new economic opportunities and possibilities for employment. However, agriculture, as one of the main rural activities, should not be neglected. Instead, measures should be taken to improve the status of women farmers and to make them interested again in agricultural work. Finally, for all this to happen, the policy should change in a way that would allow more women to express their needs and significantly participate in decision making at the local level, but also at central level. Mechanisms for participation at the local level should be particularly strengthened, because rural women and men have shown little awareness, and limited confidence that someone will hear their voices, much less that they will be taken into account in local planning and when making decisions.

⁶ <https://freedomhouse.org/report/freedom-world/2016/macedonia>

⁷ Resource – EU COMMISSION STAFF WORKING DOCUMENT The former Yugoslav Republic of Macedonia 2016 Report

⁸ <https://freedomhouse.org/report/freedom-world/2016/macedonia>



Economic and social context

Economic and social context includes the market development, value chain, access to market, land legislation, micro finance (including housing finance), insurances, demographic development in rural areas

Economic development

According to the estimated data of the State Statistical Office, the growth rate of the Gross Domestic Product (GDP) for the fourth quarter of 2016 was 2.4%. After a real output decline in 2012, the economy showed stable growth

rates averaging 3.4% between 2013 and 2015. Since 2012, household consumption has become an increasingly important contributor to growth, while investment and the foreign balance proved volatile. The construction sector was the fastest growing industry in this period. In 2015, real GDP increased by 3.7%, driven by domestic consumption and net exports. The activity rate has been stagnant over recent years, at about 70% of the working age population (20-64 years). The employment rate has increased only marginally – only 52% of the working age population held a job in 2015. Given the low female participation rates, the gender gap remains important, with women less likely to be in employment (42%) than men (62%).

The most important areas in terms of economic development and social context, especially when it comes to gender, are as following:

Provision of information, and of legal and policy frameworks, so as to support gender equality and empowerment of women.

Availability of infrastructure and support for access to public services, especially for rural women.

Improved access to general and specialized health care for women.

Improved access to education and children's institutions to enable (not just economic) strengthening of rural women.

Facilitation of women's economic empowerment.

Involving rural women in sustainable agriculture and rural development.

Political participation of women in terms of active engagement in local development policies and decision-making processes.

According to the estimated data of the State Statistical Office, the growth rate of GDP in the fourth quarter of 2016 was 2.4%. In the fourth quarter of 2016, the highest increase was recorded in sections: F – Construction

28.5%; and N – Professional, scientific and technical activities; Administrative and support service activities by 9,8% and A – Agriculture, forestry and fishing 1.8%. Household final consumption, including non-profit institutions serving households, in the fourth quarter of 2016, nominally increased by 5.8%, and its share in structure of gross domestic product was 64.0%. In the same period, exports of goods and services nominally increased by 8.4% and imports of goods and services increased in nominal terms by 2.4%⁹. **Economic expansion accelerated in 2015, but has slowed down in 2016 in the context of the political crisis.** After a real output decline in 2012, the economy showed stable growth rates averaging 3.4% between 2013 and 2015. Since 2012, household consumption has become an increasingly important contributor to growth, while investment and the foreign balance proved volatile. The construction sector was the fastest growing industry in this period. In 2015, real GDP increased by 3.7%, driven by domestic consumption and net exports. Overall investments remained flat, in spite of strong public infrastructure spending. Growth lost momentum in the first half of 2016, averaging 2.1% year-on-year. Business development suffers from weak and uneven law enforcement. Low corporate taxation and simplification of regulatory requirements are cornerstones of the government's policies to facilitate business operations¹⁰. **The activity rate has been stagnant over recent years, at about 70% of the working age population (20-64 years). The employment rate has increased only marginally – only 52% of the working age population held a job in 2015. Given low female participation rates, the gender gap remains important, with women less likely to be in employment (42%) than men (62%).** The informal economy accounts for a large, but shrinking share of employment. About 20% of employment took place in the informal economy in 2015, down from 28.6% in 2008. Informal work concerns especially young workers and long-term unemployed. To tackle the problem, the government introduced a programme waiving or reducing social contributions for newly hired registered unemployed workers for a period of up to five years. The programme has been extended for another year¹¹. According to the data from 2010 available to Eurostat, with 43.2%, Republic of Macedonia is on the top of the list of European countries by the number of residents who do not have enough income for a normal life or that no member of the household is employed. It is striking that in Macedonia the large share of the population is severely materially disadvantaged and their incomes do not allow them to lead a normal life¹². **Macedonia has developed normative framework that should ensure effective protection of social rights of citizens and realize the constitutional commitment of the Republic Macedonia as a social state. However, it is not enough for the system to be functional by itself.**

The National Strategy for Poverty and Social Exclusion Reduction in the Republic of Macedonia was adopted in 2010, and is one of the key strategic policy documents that should contribute to poverty reduction and social inclusion in the country. It incorporates following areas: employment and labor market, poverty and social discrimination, health care, long-term care, education, social protection, transport, communications and housing. A special emphasis is placed on child protection and the equal opportunities between men and women, and an additional focus is placed on increasing the sensitivity of the public to areas listed in the strategy, all the while highlighting the responsibility of institutions in charge for taking actions and measures. At the same time, it is necessary to adapt to the demands and needs of the population and to initiate systemic changes aimed at realization of the objectives of the strategy. The strategy also mentions the agriculture in development programs for economic empowerment of young women farmers, for education of women and for improving the position of

⁹ <http://www.stat.gov.mk/PrikaziSooopstenie.aspx?rbtxt=31>

¹⁰ EU COMMISSION STAFF WORKING DOCUMENT the Former Yugoslav Republic of Macedonia 2016 Report

¹¹ EU COMMISSION STAFF WORKING DOCUMENT the Former Yugoslav Republic of Macedonia 2016 Report

¹² <http://ec.europa.eu/eurostat/tgm/table.do?tab=table&plugin=1&language=en&pcode=tsdsc100>

certain minorities – underage marriages, families with many children and Yuruks, who live at a greater physical distance from larger settlements in the municipality. An additional problem is transmission of poverty and exclusion. In this regard, specific measures need to be taken for this vulnerable groups, especially in terms of information about opportunities for social protection. In terms of unemployment among Albanian, Turkish, Yuruk and other women, it is necessary to work on raising the awareness among this population, especially in rural areas, which are governed by traditional attitudes and values in relation to the women work outside of their home. It is necessary to work on the economic empowerment of women in rural areas¹³.

A series of strategic documents defining the objectives of the development of social protection were recently adopted or are in the process of adoption in the country, including the National Employment Strategy 2016-2020, the National Strategy for Deinstitutionalization 2008-2018, the Program for Social Inclusion, the National Housing Strategy and the National Strategy for Reduction of Poverty and Social Exclusion. What is positive is that the state financial programme in the country is targeting greater participation of women. For example, in the agricultural sector regulation designed for IPARD support for agriculture and rural development, incentives are given to rural women through the provision of an additional 10 points compared with male farmers, who are applying grants from the government in the area of modernization of agriculture. The possibilities for receiving financial aid is even greater (20 extra points) for female applicants who are aged between 18 and 40, registered as farmers and live in difficult and poorer regions. The applied methods of implementation of rural development policy has resulted in an increase from 18% to 20% of the users of the financial support provided through IPARD and State Support of Agriculture and Rural Development¹⁴.

In terms of inheritance of property, the dominant tradition in communities allows only for men to be heirs of property. This is especially emphasized in rural areas where agriculture is the dominant activity. Women rarely have a property in their name, usually when they are widows. Most of them do not see anything discriminating in this tradition. They accept it as normal, and adhere to it without complaints. It is thought that woman would take the property they had inherited to another house when you get married, and in this way it still remains in the family. Tradition requires that even if a woman was offered a piece of property, she should not accept it. However, the impression is that the tradition concerning the right to succession is changing in Macedonian families.

Opportunities for equal access of women

The recommendations are divided into 7 areas of main concern.

1. Provision of information, and of legal and policy frameworks to support gender equality and empowerment of women.
2. Availability infrastructure and support for access to public services, especially for rural women.
3. Access to general and specialized health care for women.
4. Access to education and children's institutions to enable (not just economic) strengthening of rural women.
5. Facilitating women economic empowerment.
6. Involving rural women in sustainable agriculture and rural development.

¹³ http://mtsp.gov.mk/WBStorage/Files/revidirana_str_siromastija.pdf

¹⁴ <http://www.mzsv.gov.mk/?q=node/963>

7. Political participation of women in terms of active engagement in local development policies and decision-making processes.

Opportunities and challenges for adding value for cooperatives¹⁵

These are the fundamental pillars in the cooperative movement and they are prerequisites for its success:

1. The state should promote, facilitate and create an appropriate environment for cooperative development as an element of agricultural growth, without intervening in the management and tasks of cooperatives but facilitating its operation and legislating in its favor.
2. The cooperative development is a genuine expression of the needs and determination of the farmers and not imposed or promoted by political and / or economic interests of agents outside the farmer's movement.
3. It must be clearly stated that NOT all farmer groups are or could be a cooperative. A cooperative is an economic enterprise that must produce revenues and must be managed by professional managers and comprised of educated and committed members.
4. Before a cooperative is registered it must be assured that sufficient training has been given to members, that they understand and accept their rights and responsibilities and that the group has reached enough organizational maturity
5. To ban the formations of pseudo-cooperatives with the sole purpose of obtaining physical assets (equipment, inputs, credit, etc). These groups should fall under other organizational forms, not cooperatives.
6. To adhere to the international principles and values of cooperatives, explicitly referred in their bylaws and respected by the management.
7. Finally, it is fundamental to promote female membership and their equal benefits and participation in decision making.

Demographic development in rural areas

According to the State Statistical Office data, in the Republic of Macedonia, the number of live births in urban areas in 2015 was 13,357 or 57.9% of the total number of live births, in comparison with 9,718 live births or 42.1% in rural areas. By regions, Skopje had the highest share of the total number of live births, 34.9%, whereas the East Region had the lowest share, 6.9%. The average age of mothers for all live births was 29.4 years in urban areas and 27.7 years in rural areas. The average age of mothers at first birth was 28.0 years in urban areas and 25.3 years in rural areas. **Mothers from rural areas were 2.7 years younger at first birth than mothers from urban areas. The number of deaths in urban areas was 12,462 or 60.9% of the total number of deaths, in comparison to 7,999 or 39.1% in rural areas. By regions, Skopje had the highest share of the total number of deaths, 28.5%,**

¹⁵ Interview with Marcelo Dougnac, Deputy Regional Director Europe-Asia Region We Effect – Sweden made in 2016 for regional agriculture magazine “Toka Ime” intended for Albania, Macedonia and Kosovo, Title – There is no other economic model that promotes democracy, in theory and practice, such as cooperatives)

while the Northeast Region had the lowest share, 8.5%. There were 116 infant deaths in urban areas and 82 in rural areas. The average age of death was 72.4 years in urban areas and 73.2 years in rural areas. Urban areas accounted for 34.2% of the natural increase, while rural areas participated with 65.8%. Pelagonija, the East and the Vardar Regions show negative natural increase. The data on internal migration (within the borders of the same region) show that the dominant form of migration was from rural to urban areas, with 34.0%. Rural-urban migration at the regional level was highest in the Northeast Region at 42.4%, while the Polog Region is characterized by inter-rural migration, making up 61.0% of the total migration in the region. The external net migration was highest in the Skopje Region (1,700 migrants), while lowest in the Southwest Region (57) migrants.



Environmental context

The environmental context includes climate change impacts (on-going and coming), natural resources management, water, waste management.

Climate change

The environmental context includes climate change impacts (on going and coming), natural resources management, water, waste management.

Agricultural production is inextricably tied to climate, making agriculture one of the most climate-sensitive of all economic sectors. In countries such as the Republic of Macedonia, the risks of climate change are great for the agricultural sector.

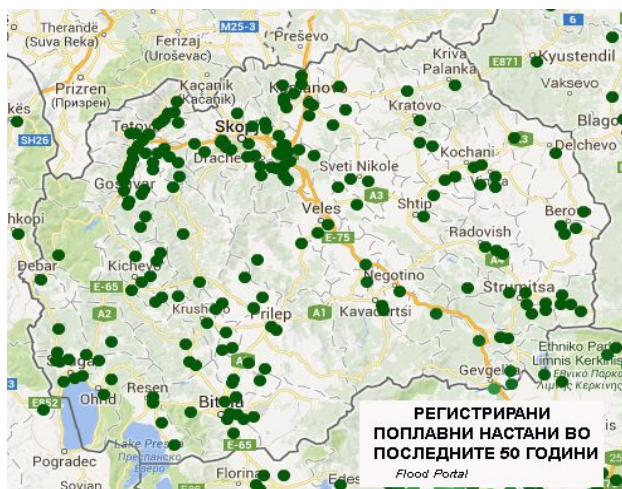
The rural poor, especially farmers, are most affected by climate change because of their greater dependence on agriculture, their relatively lower ability to adapt, and the high share of income they spend on food.

The most vulnerable are certain cultures: wheat, as the most important cereal crop, present everywhere, grape, tomatoes like most typical culture in the area of South Vardar Valley and the southeastern region of Macedonia, alfalfa as the most important feed crop in Ovcepole and Bitola region and apples as the most important fruit in Prespa and livestock where emerging new diseases.

Because of the negative impacts of climate change, such as increased air temperature, intensity of solar radiation, heat waves, intense precipitation, hail and a shortage of rainfall in the growing season followed by a prolonged drought, farmers in Macedonia face a major challenge for its management.

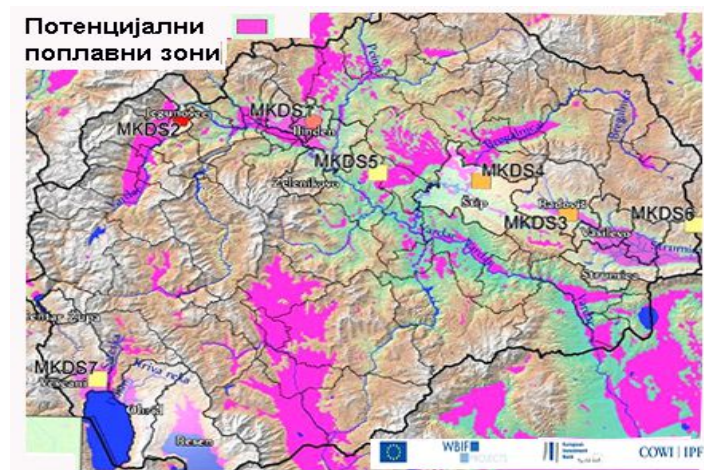
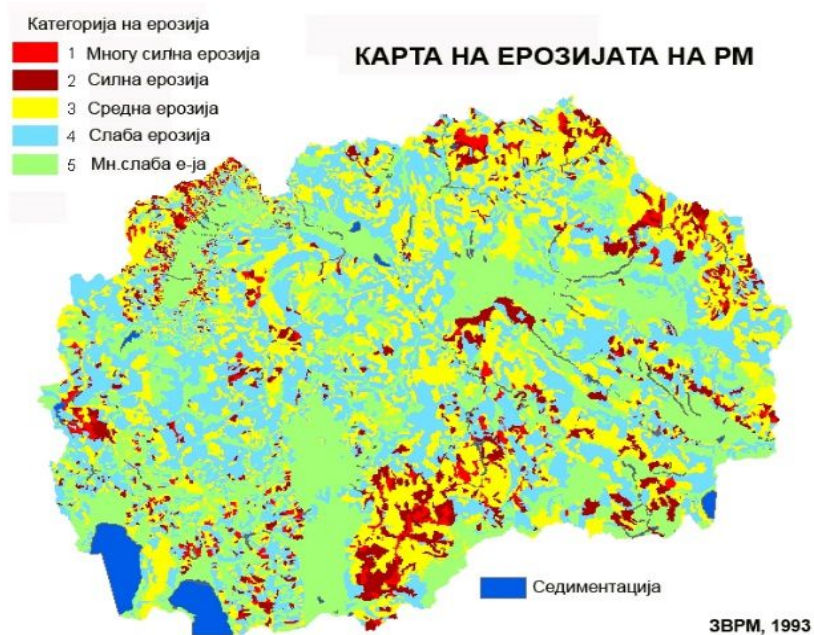
The challenge in dealing with climate change is a process in which farmers should put their facilities in adaptation of production to this phenomenon but also this requires a lot of support from the public awareness and joint engagement, cooperation and coordination of all relevant institutions

Air pollution is one of the biggest problem in urban areas, especially in winter period.

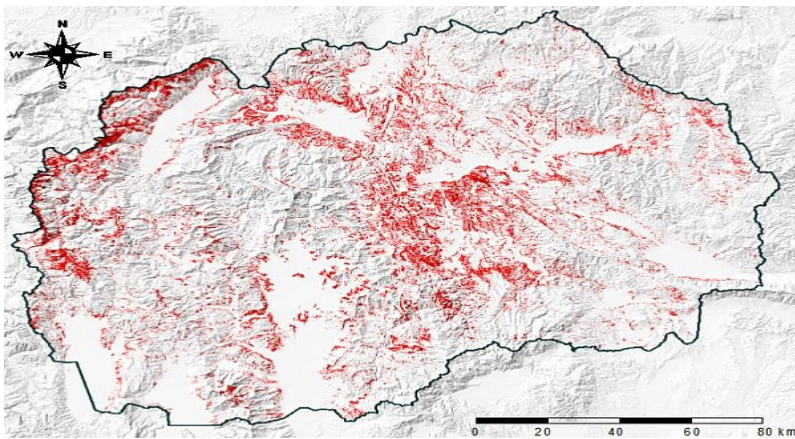


Climate variability has already increased in the Republic of Macedonia. High temperatures, floods, earthquakes, landslides are widespread in the country, especially high temperatures and flooding. Macedonia is a country that has a high exposure to various natural disasters, especially: floods, droughts, extreme temperatures, fires and earthquakes. One of the natural disasters that for the past three-four years (2013, 2014, 2015 and 2016) have affected parts of the territory of the Republic of Macedonia are floods and torrential flows formed during the occurrence of major storms with short, but heavy rains accompanied

by strong winds. Majority of consequences of this phenomenon are manifested in Tetovo, Skopje, Strumica and Pelagonija.



River floods occur in the basins of rivers Vardar, Crna Reka, Treska, Strumešnica, Pčinja, Lepenec, Bregalnica (Figure 1, 2). Floods in 1962 and 1979 caused economic losses of about 7% of GDP per year, and flood losses in 1994 amounted to around 3.4% of GDP. The 2004 floods affected 26 municipalities, and damages amounted to around 21 million EUR. Heavy flooding may occur across the whole country.



1/5 of the territory of the Republic Macedonia is at risk of landslides and mudslides¹⁶

The biggest damage was made by the flood of 06.08.2016 which hit the Skopje villages of Aračinovo, Stajkovci and the region around them. According to the locals, during the flood three rivers were formed that were moving to the countryside. "It looked terrible when 3 rivers big as Vardar were formed on the regional roads and one blended in Stajkovci, the second in Singelič and the third from Aračinovo finished in Aračinovo field" – says Afrim Sulejmani from Aračinovo, who has agricultural cooperative in Aračinovo. The flood made the biggest damage in Stajkovci in the houses of the population and there were dead people, while in agriculture the greatest damage was done in the Aračinovo field and agricultural region around Stajkovci. All of the vegetable production (tomatoes, peppers, cucumbers, potatoes, onions) and crop production (corn and tobacco) were destroyed¹⁷. **From the floods, socio-economic vulnerability is high due to the high rate of poverty (28% in rural and mountainous areas). Additional factors of vulnerability are outdated standards for building and urban planning, poor water management and unsustainable farming practices, deforestation, industrial pollution and disposal of toxic waste in areas exposed to flooding**¹⁸ From the analyzes made by the World Bank for climate change and poverty, the impact on poverty is large because poor people are exposed to hazards more often, lose more as a share of their wealth when hit, and receive less support from family and friends, financial systems, and governments. In fact, disasters can push people into poverty, and so disaster risk management can be considered a poverty reduction policy. And since poverty reduction policies make people less vulnerable, they can be considered part of the disaster risk management toolbox¹⁹. **Agricultural production is inextricably tied to climate, making agriculture one of the most climate-sensitive of all economic sectors. In countries such as the Republic of Macedonia, the risks of climate change for the agricultural sector are a particularly immediate and important problem because the majority of the rural population depends either directly or indirectly on agriculture for their livelihoods. The rural poor, especially farmers, are most affected by climate change because of their greater dependence on agriculture, their relatively lower ability to adapt, and the high share of income they spend on food. Climate impacts could therefore undermine progress that has been made in poverty reduction and adversely impact food security and economic growth in vulnerable rural areas**²⁰.

¹⁶ Practical guide and measures for restoration of soils in flooded areas, FFRM, Faculty of agriculture, 2016

¹⁷ FFRM report for floods in Skopje region

¹⁸ Practical guide and measures for restoration of soils in flooded areas, FFRM, Faculty of agriculture, 2016

¹⁹ Unbreakable, World Bank 2015

²⁰ Reducing the Vulnerability of the Former Yugoslav Republic of Macedonia's Agricultural Systems to Climate Change, World bank study, 2013

The most vulnerable region is the central part of the country. This territory includes parts of the municipalities of Gradsko, Rosoman and Negotino. Then, following regions are determined as very vulnerable: Southeastern part of Macedonia which partially covers the territory of the municipalities of Strumica, Vasilevo, Bosilovo and Novo Selo. Furthermore, highly vulnerable areas are Southern Vardar Valley, which extends across the area of Gevgelija and Bogdanci, Ovče Pole, Sveti Nikole. As very vulnerable area is defined Skopje-Kumanovo field that extends along Skopje municipalities and the municipalities of Lipkovo, Kumanovo and Staro Nagoričane.

The most vulnerable are certain crops: wheat, as the most important cereal crop, present everywhere; grapes, tomatoes as the most typical crop in the area of South Vardar Valley and the Southeastern Region of Macedonia; alfalfa, as the most important feed crop in Ovčepole and Bitola Region; and apples, as the most important fruit in Prespa; and livestock, with emerging new diseases.²¹

Because of the negative impacts of climate change, such as the increased air temperature, intensity of solar radiation, heat waves, intense precipitation, hail and a shortage of rainfall in the growing season followed by a prolonged drought, farmers in Macedonia face a major challenge for its management. The challenge in dealing with climate change is a process in which farmers should put their facilities in adaptation of the production to this phenomenon, but it also requires a lot of support from the public awareness and joint engagement, cooperation and coordination of all relevant institutions. Permanent and continuous evolution, in terms of choice of crops, new technologies and management practices of agricultural production under climate change leads to the necessity to involve scientific expertise which will ensure implementation of sustainable agriculture production. **New technologies and knowledge and increase of the awareness among farmers regarding adaptive measures to climate change should be transferred with the active involvement of agricultural advisory services as part of their regular practices in the provision of advisory services for the successful planning and implementation of the agriculture production. In the future, the policy on agriculture and rural development should lead to a policy that would take into account the need to adapt agricultural production and promote farming practices which are compatible with the new climate conditions and at the same time contribute to the conservation of natural resources.** Ministry of Agriculture, Forestry and Water Economy should assess the needs of the farmers for additional support for adaptation of agriculture to climate change in the context of measures to support the programs for agriculture and rural development. **There is a need of coordination between institutions and organizations in the region for timely information, exchange of experiences, taking of similar measures, and creation of best practices in overcoming the negative effects from climate change. What is particularly important is the cooperation and creating common regional preventive system for climate change.²²**

The country has a Strategy for Climate Change, but still needs to develop a comprehensive policy and strategy on climate action consistent with the EU 2030 Framework. In addition to mitigation, efforts need to be put into adaptation to climate change. The country signed the Paris Climate Agreement in April 2016, but it still needs to be ratified and implemented. The country has technical capacity to prepare good quality greenhouse gases inventory reports, but a sustainable approach for reporting obligations is lacking. This area should be regulated in line with the EU monitoring, reporting and verification. In view of emissions trading, a roadmap for introduction of monitoring, reporting and verification (MRV) was developed. Software for tracking emissions of polluting

²¹http://ruralnet.mk/wpcontent/uploads/2014/11/Studija_za_adaptacija_kon_klimatskite_promeni_vo_zemjodelskiot_sektor.pdf

²² Conclusion from the first national conference for climate change organize by FFRM, NRD and Swedish embassy in Republic of Macedonia.

substances in the atmosphere from industry was developed. The Action Plan for reduction of CO₂ emissions from aviation was submitted to the International Civil Aviation Organization. Further efforts should be made in the field of emission standards, raise awareness and control of pollution from transport, with a focus on full transposition of the EU legislation on fuel quality²³.

Sustainable management of natural resource

Republic of Macedonia has a National Strategy for Environment and Climate Change, but still needs to be adopted. Structural administrative capacity at central and local level remained weak and insufficient. The environmental impact assessment and the strategic impact assessment process need to be further improved to ensure effective public participation. **Air pollution is one of the biggest problems in urban areas especially in winter period. However, the implementation of measures laid down in the national plan for air quality protection remained limited. The web portal for real-time air quality monitoring is publicly accessible.** According to EU, regarding waste management, the legal framework is partially aligned. Further alignment on special waste streams is necessary. State institution should work more for raising the public awareness for joint action against pollution of the air extraction slot. **Actions to be considered include public awareness raising campaigns for: the use of public transport; the use of vehicles only in cases of pressing need; the use of the same car by several passengers at the same time; prohibition for the use of burnt waste oil, varnished or painted scrap wood and furniture, polystyrene, pieces of rubber or any synthetic material for heating purposes. Regional waste management structures are still not fully operational, suffering from a lack of administrative and financial resources.** The actions set out in the adopted regional waste management plans are only partially implemented. Economic incentives to promote recycling and prevention of waste generation remained limited²⁴. The country has a good quality drinking water. River basin plans are being prepared, agglomerations identified and sensitive areas defined. A new law on setting prices on water services was adopted in January 2016. The 2016 EU Report on the Republic of Macedonia says that the country needs a system for monitoring of water quality and quantity. Untreated urban wastewater remains the main source of pollution. Flood hazard and risk maps for all river basins still need to be developed.²⁵

Conflict and peace context



Conflict and peaceful context includes social tensions, fragility, crime and violence, internal and external security situation linked to conflict, but also to economic development, as well as justice.

²³ EU COMMISSION STAFF WORKING DOCUMENT The Former Yugoslav Republic of Macedonia 2016 Report

²⁴ EU COMMISSION STAFF WORKING DOCUMENT The Former Yugoslav Republic of Macedonia 2016 Report

²⁵ EU COMMISSION STAFF WORKING DOCUMENT The former Yugoslav Republic of Macedonia 2016 Report

Republic of Macedonia strives on the long road to EU integration and NATO accession with years in harmonization of “acquis communautaire”, timely being challenged by internal and external conflicts that are resolved as modern society challenges. However, the pressing regional geo-context in terms of political stability, security as well as the change of the political “culture” in Europe brings us more and more on the doors of potential conflicts.

The EU has common rules for border control, visas, external migration and asylum. Schengen cooperation entails the lifting of border controls inside the EU. There is also cooperation in the fight against organized crime and terrorism, and judicial, police and customs cooperation.

The country of Macedonia is moderately prepared to implement the acquis. It made some progress by amending existing laws (the Law on Foreigners, the Criminal Code and the Law on Border Control) and adopting strategic documents in several areas (police, terrorism). Measures were taken to deal with the humanitarian consequences of the regional migration crisis in the short term. Following the decrease of mixed migration flows along the Western Balkan route, the humanitarian situation stabilized and pressure increased on the southern and northern borders, especially due to larger smuggling activities. In the coming year, the country should, in particular:

→ ensure effective border management and step up action against people smuggling and human trafficking as a high priority;

→ continue capacity building for the management of mixed migration flows and improve its asylum system;

→ provide adequate accommodation and special consideration to vulnerable categories (unaccompanied minors, women with children).

The Law on Foreigners was amended in December 2015 to address the complexity and duration of procedures for obtaining a work permits and residence permits for employment or self-employment. In November 2015, a standard operating procedure establishing a comprehensive approach towards unaccompanied foreign minors was adopted and in July 2016 additional standard operating procedures on vulnerable categories of migrants were also adopted. A Crisis Management Centre responsible for managing the flow of migrants and refugees was established in 2015, with a Steering Committee and Assessment Group Centre for Crisis Management, and its mandate has been extended until the end of 2017. The Ministry of the Interior’s Unit for Border Affairs and Migration is generally responsible for security aspects and management of the borders. A specialized unit within the Department for Serious and Organized Crime deals with the fight against human trafficking and people smuggling, while the Ministry of Labor and Social Policy is in charge of migrants’ and refugees’ access to services and their socioeconomic integration. In the second half of 2015, several inter-agency bodies were established but a lack of clarity persists over the division of powers, coordination and responsibilities.

In 2015, the influx of people transiting along the Western Balkan route increased rapidly. In the period from September to November 2015, a total of 428 597 people was registered as transiting the country. Between January 2016 and March 2016, 89 628 foreign nationals were registered. The majority were from Syria, Afghanistan and Iraq. As the registration capacity of the authorities was not sufficient, the actual number of people in transit is assessed as being much higher. The state of crisis on the border, declared in August 2015, was extended until 30 June 2017, enabling the army to support the border police. In response to enhanced border controls along the

Western Balkan route, national authorities implemented an admissibility criterion based on nationality allowing entry only to nationals of Syria, Iraq and Afghanistan since November 2015. Illegal border crossings and smuggling increased. Following enhanced border controls along the Western Balkan route, the flow of migrants and refugees coming via Greece has significantly reduced. Around 900 migrants and refugees remained stranded in the country, a number that has fallen over time due to reported smuggling. As of October 2016, the estimated number of stranded persons is around 200 ²⁶.

Overall, inter-agency cooperation between border guards, customs and other bodies worked well through the National Coordination Centre for Integrated Border Management. However, these agencies do not have mutual access to databases and there is no formalized and secured information exchange with the appropriate security services. With the increased influx of migrants, some efforts were undertaken with a view to achieving more detailed registration, but new solutions could not be tested. The detection of false or fraudulent documents remained low. A track record of detection, investigation and prosecution of cross-border crime in coordination with all competent law enforcement authorities needs to be established. The main burden of investigation for more complex crimes is on the Department for the Fight against Serious and Organized Crime and, in certain cases, the Bureau for Security and Counterintelligence (UBK). ²⁷

Cooperation with neighboring countries continued to be good, particularly on the technical level. The country has concluded border agreements with all its neighbors apart from Greece. Joint patrols are conducted with Serbia, Kosovo, Bulgaria and Albania and the country has established joint contact centres with these countries. Bilateral cooperation with 68 Greece, especially at technical level, improved with the increasing mixed migration flows. The agreement with Frontex is being implemented smoothly.

Political practice as a precondition for conflict

The Balkan region has been described as a dangerous “mixture of weak states, nonstates, and present or future protectorates”, where an erosion and delegitimizing process is destroying democratic regimes – although, on the surface, their institutions remain. For a better understanding of politics in this region, a clear focus on the citizens’ experiences is needed. The key questions are ‘why do they feel so insecure’ and ‘why are Balkan democracies so corrupt’? Characteristically, in Macedonia’s weak party system, leading politicians are not dedicated to social and economic development benefiting ordinary citizens, but politics are dominated by elites’ merciless fighting for control of the state with the objective of personal aggrandizement. In this political environment clashes of heads have been substituted for clashes of ideas, and the buying of loyalty for appointments to high positions and well-paid jobs has become “normal political business”. The political system is incapable of mediating, refining, and moderating conflicting group interests, due to a lacking consensus on legitimate and authoritative methods of resolving conflicts. Nor are political leaders themselves recognized as legitimate moderators of group conflict.

The purpose of ethnic Macedonians to include ethnic Albanian politicians in the government and in the top bureaucracy is to maintain order through inter-elite distribution of privileges. As the Macedonian political system is operating with little concern for the broader public interest, sentiments of indifference, cynicism and disgust are common among ordinary citizens. Negative experiences from communist regimes in the past coupled with disappointment with the poor results of the first post-communist decade have discouraged people’s participation.

²⁶ EU COMMISSION STAFF WORKING DOCUMENT the Former Yugoslav Republic of Macedonia 2016 Report

²⁷ EU COMMISSION STAFF WORKING DOCUMENT the Former Yugoslav Republic of Macedonia 2016 Report

in civil society organizations. To the man in the street the concept of “authority” suggests a ruler’s “unlimited control over the subjects”. Citizens’ attitudes to authority are therefore often negative: “lack of loyalty; non-acceptance of state decisions; attempts to avoid contact with the state, and, if possible, to cheat it”²⁸.

Rural poverty as precondition for conflict

Approximately 45% of Macedonia’s population live in rural parts, which make up about 87% of the country’s total area. As the state has become increasingly absent in these parts during the last decade, many villages have fallen into decay. The consequences of this neglect are particularly severe for the vulnerable groups living in the hill and mountain areas. As much as 43% of households in these areas state that they do not have enough money for food. In isolated areas particularly, there is an extremely low availability of health centres, schools, and cultural facilities. Thus, standards of education are low. Although official figures indicate that 95% of the Macedonians are literate, less than 25% of the poor have gained education higher than primary school level. Many have no schooling at all or only incomplete elementary education; there is an over-representation of women in this group: 73% of the illiterates or those without schooling are women.

Inadequate development policies pertaining to sewage systems, clean drinking water, roads and transportation networks together with agricultural production problems of increasing input costs and market uncertainties have resulted in widespread stagnation and caused many young people to abandon farming and move to urban areas. In some places, uncontrolled out-migration has completely emptied villages in a very short time. Already in 1998 it was reported that as many as 121 villages had no longer any inhabitants with this trend continuing over the years, and in as many as 21% of the total number of Macedonia’s villages there were less than 50 inhabitants. In 104 villages, there were only 10 people or less. Moreover, the number of civil associations and organizations in rural areas are decreasing. A diminishing social capital deprives rural populations of their possibilities to cope with a deteriorating situation, and forces many to move to the cities. Young women in some rural parts are escaping from village life by means of marrying men from the cities; a negative impact on the rural gender balance is already being felt. The large numbers of unemployed youth in border villages where small arms are easily available pose a severe threat to the security in an already turbulent environment, where illicit trade in tobacco, alcohol, drugs, women, and weapons is increasing. As the state is not very relevant to the citizens in these areas, parallel power structures based on criminality develop, and poor, young men without means of livelihood tend to be recruited by these destructive forces²⁹.

3.2. The four dimensions of poverty

The four dimensions of poverty are: resources, opportunity and choice, power and voice, human security. Being poor in terms of resources means not having access to or power over resources that can be used to sustain a decent living standard and improve one’s life. Being poor in terms of opportunities and choice concerns what possibility you have to develop and/or use your resources so as to move out of poverty. Being poor through lack of power and voice relates to the ability of people to articulate their concerns, needs and rights in an informed

²⁸ A conflict analysis in Macedonia, SIDA, division of SEE, 2003

²⁹ A conflict analysis in Macedonia, SIDA, division of SEE, 2003

way, and to take part in decision-making that relate to these concerns. Being poor in terms of human security implies that violence and insecurity are constraints to different groups' and individuals' possibilities to exercise their human rights and to find paths out of poverty.



Resources

Resource include different types of assets – from access to basic social financing and loans resources to resources in terms of capital or land. All questions and all responses should consider gender dimensions.

Access to resources of different material or non-material type (income, capital, health and education, social and family networks etc.) is essential for maintain decent living standards as well as to provide conditions for progress and improvement of people's living standards.

The level of absolute poverty regarding the percentage of the population living with a daily income below 1.9 USD is quite low, with 1.38% of people belonging to this category of citizens.

According to the source of household income, poverty is highest among households living on social assistance (90.6%), followed by those with incomes from agriculture (57.4%) and those with incomes from temporary work (57.3%).

The literacy rate in Macedonia is very high (97-98%), however, there is a problem with the functional literacy and the mismatch of the required labor profiles and the labor market requirements.

The distribution of income and resources is quite unequal, affecting mostly children up to 14 years of age, rural woman and unemployed man.

Young people (15-29 years) in the country are among the most vulnerable and easily vulnerable to social exclusion. Informal work concerns especially young workers and long-term unemployed

*Unfavorable position of small-scale farmers as group of people living in rural areas regarding the **inability for efficient use of the production factors – low factor productivity (including labor), the lowest salaries and pensions in the country, lack of social capital and lack of trust – small interest for organized activities of small-scale farmers through cooperatives.***

Income.³⁰ “The average per-capita income (purchasing power standards) amounted to 37% of the EU-28 average in 2015, which was an increase of 3 percentage points (pp) since 2012. In terms of absolute poverty which is determined by the percentage of people living on an income which is below 1.9 USD a day. The levels of income in Macedonia indicate that the poverty rate has a rising tendency. **In 1998, only 0.8% of the population lived in absolute poverty. This percentage increased to 1.38% in 2005, with a significant rise in 2006, to 2.66% and 1.38% in 2008.** According to the analysis of the World Bank there is another measurement for poverty is the percentage of all people whose purchasing power is under 3.10 US dollars a day. **Further in Macedonia, 7.7% of the people live with income below 3.10 USD/day. This rate has also an increasing trend, amounting 8.71% in 2008 (2005 – 6.41%, 2006 – 8.34%)**³¹.

According to final data, in 2015, the rate of poor people in the country accounted for 21.5%. Analyzed by types of households, the largest poverty rate is seen in the “Households of two adults with three or more dependent children”, which in 2015 was 52.2%. The most vulnerable group at-risk-of-poverty are unemployed people and children in the age category between 0 and 14 years of age. The calculations are based on the incomes, and the poverty threshold is defined at 60% of the median equivalent income. In Macedonia, lower unemployment was aided by fiscally-supported active labor market policies and some gains in private sector employment, particularly in construction³².

At the same time pensions have been rising for the last five years, reaching 30 percent of the overall central government spending in 2016 (World bank, 2017). According to the most frequent status of economic activity, the rate of poor employed citizens is 8.9%, while the rate of poor pensioners is 7.3%³³. According to the State Statistical Office analysis, **the Gini coefficient (a measure of inequality in income distribution) amounted to 33.7% in 2015, marking a slight decrease of the income distribution compared to 2010, when this index was 40.8** (State Statistical Office, Laeken indicators of poverty in 2010). Data from the World Bank show steady increase of the Gini index in the Republic of Macedonia from 28.13% in 1998 to 44.05% in 2008. **The most vulnerable group, at-risk-of-poverty are unemployed men and children in the age category between 0 and 14 years of age (SSO, 2016)**³⁴. In terms of assets, in 2015 majority of poor families owned a color TV and even 98.2%, 93.7% owned a telephone, washing machine 88.6%, personal computer or laptop 60.6%, and 40.2% of all poor families owned a car³⁵. **According to the source of household income, poverty is highest among households living on social assistance (90.6%), followed by those with incomes from agriculture (57.4%) and those with incomes from temporary work (57.3%)**³⁶. The biggest problem for poor are payments for electricity costs and food and they can barely manage to make ends meet. According to a survey by the Center for Research and Policy Making, in 2011, the average living standards of the rural families was 5,424 MKD/month (88 EUR), compared to 25,771 MKD/month (420 EUR), made by the population living in the cities. **The agricultural sector is traditionally characterized by the lowest salaries in the country, which in 2017 amounted to 16,740 MKD (around 270 EUR).**³⁷ The lowest pensions are also typical for agriculture. The minimal pension received by farmers was 3,744 MKD (60

³⁰ <http://www.stat.gov.mk/PrikaziSooptenie.aspx?rbtxt=40>

³¹ <http://data.worldbank.org/indicator/SI.POV.DDAY?end=2008&locations=MK&start=1998&view=chart>.

³² <http://www.stat.gov.mk/PrikaziSooptenie.aspx?rbtxt=115>

³³ (<http://data.worldbank.org/indicator/SI.POV.GINI?end=2008&locations=MK&start=1998&view=chart>)

³⁴ (Source <http://www.stat.gov.mk/PrikaziSooptenie.aspx?rbtxt=115>)

³⁵ (Laeken poverty indicators in 2015, 3.12.2016, No: 4.1.16.101) <http://www.stat.gov.mk/pdf/2016/4.1.16.101.pdf>)

³⁶ (Resource – State statistical office – Statistical rewueve 2.4.16.15/863).

³⁷ (<http://www.mpps.org.mk/images/stories/publikacii/SocZastitaVoRMSistemPoMerkaZaSekoj.pdf>).

³⁸ <http://www.stat.gov.mk/PrikaziSooptenie.aspx?rbtxt=40>)

EUR) in December 2010, while the average (full) agricultural pension in the same period amounted 6,282 MKD (little over 100 EUR). The average (full) agricultural pension is received by 13,264 men and 1,851 women, or, **only 12% of the average (full) agricultural pensions is received by women working in agriculture**. On the other hand, women tend to predominate among the users of minimal agricultural pension.³⁸ A substantial income for the rural households is ensured through the subsidies tied to the agricultural production, which is not the case with the households living in the urban areas. When addressing gender issues (rural men and women), a survey of the Center for Research and Policy Making in 2011 reports the fact that in most instances rural women are deprived from any kind of income, i.e. **58% of all rural women do not receive personal income, which is double of the men in the rural men. The calculated average personal income for men is 8,873 MKD, while women receive less than half of this amount – 3,890 MKD**. Additionally, a significantly higher percentage of men express higher self-sufficiency; than it was seen in the case for the rural women (male-73% vs. female-41%). An important prospect that contributes to rising self-sufficiency of rural women is their level of education (higher education in women-higher self-sufficiency). (Source - Center for Research and Policy Making, "Perspectives of Women in Rural Areas", 2012).

As in many of the post-socialist Balkan countries, the largest share of agricultural holdings belongs to the group of **small-scaled individual farms (99%) with around 58% of them with farm size up to 1 ha of UAA**; or 87.6% of the holdings up to 3 ha of UAA. The Utilized Agricultural Area (UAA) increased to 315,900 ha, thus increasing the average UAA per holding to 1.9 ha in 2013. About one half of the farms specialize in producing crops or in mixed production (vegetable and livestock) (NSZRR 2014-2020). Due to this, slow processes of farm consolidation, **small-scale farming and inefficient use of the production factors, the Macedonian agriculture is challenged with low factor productivity (including labour)** (European Economic and Social Committee, 2011). According to the structure of agricultural holdings and their economic size, **half of the holdings in the country (84,740 holdings or 49.6% of the total number of holdings) have income less than 2000 EUR in 2013**, whereas together with the next economic size group (income from 2000 to 4000 EUR) it increases to 118,396 holdings or close to 70% of all holdings. Only 0.4% of the holdings have economic size from 25,000 to 50,000 EUR (Farm Structure Survey 2013, Typology and Structure of Agricultural Holdings, 2013).

Remittances. The average monthly net wage paid per employee recorded in January 2017 in Republic of Macedonia was 22,750 MKD (close to 370 EUR). An important significant private source of financial resources, especially in countries that experience higher levels of migration and lower standards of living³⁹. Due to different socio-economic influences, the **migration has a rising trend in the country**. The percentage of the population that migrated in the 90's was 11.1%, rising to 16.8% in 2000, and 21.3% in 2010⁴⁰. The changes in the **remittances inflow show large fluctuations over the years, however they present a significant part of the GDP** (2.8% -2002; 4.2% - 2007; 4.1% - 2012) (Word Development Indicators).

Education levels and literacy. According to the State Statistical Office, at the end of the school year 2015/2016, the number of students in the primary schools is 185,119 representing a decrease of 1.7% compared to the previous school year. The number of students at the end of the secondary schools in the academic year 2015/2016 amounted to 77,625 representing a decrease of 5.1% compared to the previous school year. The literacy rate in

³⁸ (Source - Center for Research and Policy Making, "Perspectives of Women in Rural Areas", 2012 - „Перспективи на жените од руралните средини“, 2012).

³⁹ (http://unctad.org/en/docs/ditctnecd20108_en.pdf)

⁴⁰ Global Bilateral Migration Database of World Bank Group and Ozden et al. (2012)

Macedonia is very high (97-98%), and so are enrollment rates in primary (89%), secondary (82%) and higher education (38%) in 2013⁴¹.

The mandatory secondary education was introduced and this facilitated the access to higher education. However, due to the lack of adequate human and other capacities, this policy significantly decreased the quality of higher education. **Education and training facilities are of very poor quality. It is believed that public expenditure on education is 3% of GDP; however, the data is uncertain. However, it is quite certain that R&D expenditures are at 0.2% of GDP. (BTI, 2016)**⁴². Quality of education decreases. It is shown in a survey by the World Bank, which emphasizes that 2/3 of the young people at the age of 15 have difficulty with reading comprehension, mathematics and science, which is worrying⁴³. What remains as a problem is the education of Roma children. Children with disabilities and from Roma communities continue to face barriers to regular and quality education⁴⁴. The number of Roma children attending school is still small, and the rate of dropping out is high. The number of Roma street children is growing.

Around 12% of the rural population in Macedonia is without any education, over 42% have primary education and only about 38% finished secondary education. In total, 77% of employees in Macedonian agriculture have the economic status known as full or part-time “unpaid family workers”⁴⁵.

Livestock. Republic of Macedonia is traditionally characterized as an agricultural country, with around **44% of the population (985,000 inhabitants) living in the rural areas**⁴⁶. The share of agriculture, forestry and fishery in the total Gross Value Added is around 10% in the last years. There were 192,675 registered farms in 2007, and this number is decreased to 170,900 agricultural holdings in 2013 (Agricultural Statistics Database, Macedonia 2016). In the case of **livestock production**, around 43% of the farmers are in the group of households with 1 LSU (**73.7% in the group 0-3 LSU**). The average livestock unit per farm was 2.14 in 2013. The number of cattle has rather stable trend during the period from 2005 to 2015, averaging 252,000 cattle heads, with a decrease in the number of dairy cows in the period 2008-2009. Over 95% of the production of the milk is produced by individual farms (NSZRR 2014-2020). Despite the favourable geographical and climatic conditions, sheep breeding shows a downward trend, with modest growth seen in 2010. The downward trend is mainly due to extensive way of sheep breeding as well as the **migration of the population in the urban areas**. About 95% of sheep are kept in individual agricultural households and sheep are mostly kept in the individual and small family farms with a herd size of 20 to 200 sheep (MAFWE, 2012)⁴⁷.

Access to markets. The long standing low purchasing power of consumers in SEE countries did not stimulate the adoption of modern methods that respect the environment, animal welfare, working circumstances, and food safety. There are also complaints that the pressure on prices goes hand in hand with unfair commercial practices, such as late payments to farmers (EC, 2012a, p. 116). Additionally, the price trends in the last ten years were not favourable for the most of agricultural producers, putting **agricultural primary producers in a vulnerable position in regards to their economic and business activities as well as their living standards**. The rural economy in Macedonia is generally represented by small enterprises (including micro enterprises) that focus their economic activity on local and regional markets. These enterprises, which mainly belong to the primary agricultural production, are predominantly located in the rural regions. Low level of vertical integration poses a serious

⁴¹ <http://www.stat.gov.mk/PrikaziSoopstenie.aspx?rbtxt=19>.

⁴² https://www.btiproject.org/fileadmin/files/BTI/Downloads/Reports/2016/pdf/BTI_2016_Macedonia.pdf.

⁴³ (<http://pubdocs.worldbank.org/en/310431491458109659/WBRER-11-v6.pdf> - Western Balkans Regular Economic Report No.11)

⁴⁴ COMMISSION STAFF WORKING DOCUMENT, The former Yugoslav Republic of Macedonia 2016 Report. Brussels, 9.11.2016 SWD (2016) 362 final)

⁴⁵ **Labor Force Survey, 2016**

⁴⁶ Census of population, 2002

⁴⁷ <http://www.stat.gov.mk/PrikaziSoopstenie.aspx?rbtxt=110>

problem for the agricultural production process in Macedonia, which in most cases means complete absence of contractual relations, resulted in uncertainty which prevents long-term planning, and often leads to a disparity of supply and demand and market disorder. Relations between actors in the market are usually confrontational rather than contracting with disproportionate distribution of the realized value, which is an unfavourable situation for the primary agricultural producers. The food industry (except for meat processing and slaughterhouses) is located in rural areas due to the proximity of raw materials from agriculture. Agriculture, its income and related processing and service activities are still sustainable source of income for the rural population. At the same time, the efforts to promote entrepreneurship and crafts in rural areas outside agriculture are constrained by low educational status of the workforce and lack of professional experience. Measures to foster entrepreneurship in rural areas through grant support for capital investments from IPARD establishment of micro and small businesses in rural areas have identified lack of mature business ideas and entrepreneurial skills and knowledge. New businesses are constrained by the low income and low purchasing power of rural residents as well as the saturation of activities that require low initial capital (small shops, restaurants, services). Currently the lack of initial capital is a significant barrier to the development of sustainable businesses in rural areas in particular.

According to access to labour market, unemployment in Republic of Macedonia is one of the most critical parameters. The unemployment rate in 2015 amounted to 26.1% or 227,702 unemployed⁴⁸. If you compare the number of employees (720,674), you get that in Macedonia three employees have one unemployed. An additional problem is long-term unemployment – the percentage of persons unemployed for over a year in the labour force in 2006 was 86.3%, and nine years later, in 2015, it remained unchanged – 81.6%⁴⁹. Unemployment has the biggest share in the poverty rate in Macedonia. SSO data for 2010 show that the rate of poverty among the unemployed is 41.8% and 44.8% of all poor people are unemployed. Unemployment rate by age and youth in 2016 was 23.2%, and in 2015 accounted for 25.2%⁵⁰. **Young people (15-29 years) in the country are among the most vulnerable and easily vulnerable to social exclusion, taking into account the period of first employment⁵¹. The informal economy accounts for a large, but shrinking share of employment. About 20% of employment took place in the informal economy in 2015, down from 28.6% in 2008. Informal work concerns especially young workers and long-term unemployed.**

Social capital and membership in cooperatives. The reforms of the system after the Macedonian independence in the early 90's, introduced reforms and restructuring in the agricultural cooperatives which were heavily supported by foreign donors and institutions. At the time, the **agricultural sector was losing pace and losing its market positions both domestically and regionally and farmers' integration was of great importance.** Still, the donor experiences, enhanced by the government efforts through different types of support to strengthen the cooperative movement, failed to deliver the expected results and farmers are still reluctant to the cooperation idea, regardless of their size and unfavourable position in the agricultural value chain (Kakkamisu, 2016). **The number of registered cooperatives in 2016 is 30 (MAFWE, 2016), that is much lower than in the late 80s (about 200). As a post-socialist country, Macedonia is not excluded from the pattern of low social capital and negative viewpoint towards cooperatives and cooperation in general.** There are around 35 registered agricultural cooperatives in Macedonia in 2017, most of which are in some form operational. All of the cooperatives in

⁴⁸ <http://www.stat.gov.mk/PrikaziSooptenie.aspx?rbrtxt=98>

⁴⁹ <http://www.stat.gov.mk/PrikaziSooptenie.aspx?rbrtxt=98>

⁵⁰ <http://www.stat.gov.mk/PrikaziSooptenie.aspx?rbrtxt=98>

⁵¹ <http://crpm.org.mk/wp-content/uploads/AboutUS/UnWomenPNZVRSMK.pdf>

Macedonia are of micro-small size, with only one larger cooperative of vegetable producers exceeding 400,000 EUR/year, few exceeding 100,000 EUR/year and the rest are either with very low incomes or are inactive. The average number of members per cooperative is also very small (12 members per cooperative), with an average production capacity of 77 ha arable land per agricultural cooperative, and 6.2 ha per cooperative member. Vegetable production is the sub-sector in which the largest number of cooperatives exist, i.e. 11 cooperatives with 158 members in total. Wheat, other cereals and fodder constitute the sub-sector where seven agricultural cooperatives (85 members) function.

Health status. According to the State Statistical Office, the number of live births in the fourth quarter of 2016, compared to the same period last year, increased by 1.1% and amounted to 5,669 live born children. Number of deaths in the fourth quarter of 2016 increased by 2.4% compared with the same quarter of 2015 and accounted for 5,327 persons, of which 55 were infant deaths. The natural increase was 342 persons, which, for such persons the number of live births is higher than the number of deaths. Same like in the past, most deaths were from diseases of the circulatory system, with 58.4% of the total number, then neoplasm with 18.3% cases, cases where the cause of death was endocrine, nutritional and metabolic diseases account for 4.3%, a case where the cause of death are diseases of the respiratory system represented 3.7% of total deaths⁵². Diseases associated with the circular system are usually those relating to poor nutrition, harsh working conditions, societal factors related to stress. Great number of people are suffering from depression. In 2010, the number of treated patients was 585, of which 196 men and 389 women, and in 2015 the total number of patients reached 803, of which 257 men and 546 women. It represents an increase of hospital treatment by 37 percent. The rate of hospital morbidity is four cases per 10,000 inhabitants in 2015⁵³.



Opportunities and choices

Represents the possibility to develop and/or use resources so as to move out of poverty. Access to e.g. social services (including accessibility to services), to infrastructure, to capital, to land, social status, or to natural resources affects the opportunities and choices.

Rural woman deprived regarding the ownership of the property – in most instances rural woman are not aware of their rights and do not see anything discriminating in this

traditional discrimination.

Unemployment and especially long-term unemployment – the biggest contributors to increased poverty. In most instances, citizens from the Roma ethnic group are unemployed, have no proper health coverage, live in inappropriate living conditions in segregated housing and are socially excluded.

⁵² <http://www.stat.gov.mk/PrikaziSoopstenie.aspx?rbtxt=7>

⁵³ <http://www.iph.mk/7-april-svetski-den-na-zdravieto-2017>

Roma children and young people are given the opportunity by provision of different assistance educational programs and scholarships, however with minor altering affects.

Social transfers fail to pull out of poverty only a small percentage of the population and in most instances, do not meet user's needs, and poor families are often left on the mercy of the community.

Primary and secondary education in the country is free and compulsory, however, the poor population is the category of population that abandoned further secondary or higher education. Additionally, most of the illiterate population is located in the rural areas, which are also most affected and have the highest degree of poverty.

Access to health services is better in cities than in the countryside.

Property ownership. In urban areas, the division of property is more equitable as opposed to rural areas. **Women in rural areas do not own, nor have the desire to own property entitled to their name.** This is reflected in the patterns of ownership in which **male family members, whether it is the father or husband are the complete owners of the property and most of the tangible assets.** A survey by the Centre for Research and Policy Making, majority of men, in addition to the control over the salary, have full control over the main property – the case with nearly 80% of rural families where the husband or his father are the owners of the family home, and in 62% of those families this are the categories that also own the farmland. Only 5% of surveyed households reported that a woman has the right of ownership of the house and this percentage was higher than all other types of resources. In terms of inheritance of property, the dominant tradition in the community requires that only men can be heirs. Women rarely have a property assigned to their name, usually as widows. **Most of them do not see anything discriminating in this tradition.** They accept this situation as normal, and adhere to it without complaints. It is thought that women would take the property they had inherited to another house when they get married, and in this way it will remain in the family. Tradition requires that even if a woman was offered a piece of property, she should not accept it. However, the impression is that the tradition concerning the right to succession is undergoing slow but evident changes in the Macedonian families' traditions⁵⁴.

Social assistance. According to the State Statistical Office and their calculated Laeken indicators of poverty in 2014, the poverty rate in the country before the social transfers and pensions, was 41.7%. Once pensions are transferred, the poverty rate drops to 24.8%. After the transfer of social transfers, the poverty rate in the country amounts to 22.1%. **This shows that social transfers manage to pull out of poverty only a small percentage of the population, i.e. only 2.7%.** According to the source of household income, poverty is highest among households living on social transfers (assistance) (90.6%), followed by those households with incomes from agriculture (57.4%) and those with incomes of temporary work (57.3%). Therefore, we can conclude that social transfers fail to perform its function and pull the users of this social assistance from their poverty status. Recipients of some kind of social assistance that participated in the survey by the Foundation for Democracy said that these families are using this right for a longer period, thus their families live in trans-generation poverty. For them it is normal to experience temporary disruptions in receiving this social assistance over the year since it happens that they sometimes fail to complete the renewal of the documents in time or are deprived of their right due to abuse (mostly because unreported extra income or because remittances). In 2014, the monthly social assistance amounted to 2,451 MKD (40 EUR) per person, 3,358 MKD (55 EUR) for family and household with two members

⁵⁴ Center for Research and Policy making, Perspectives of Rural Women, 2012).

4,265 MKD (70 EUR) for family and household with three members, 5.173 MKD (85 EUR) per family household with four members and 6,081 MKD (close to 100 EUR) per family households with five or more members. The social transfer is paid 100% from the amount in the first three years of the right to use this assistance, and after the third year the assistance users are rewarded with only half the prescribed amount. Since June 2015, the amount of the aid increase by 10%. The largest number of families with five or more members, however, will be rewarded 6,600 MKD (107 EUR), which means that they will have 220 MKD (3.6 EUR) a day at their disposal. Since June 2016, WFP has increased for additional 5%. Regardless of this increasing trend of the amounts, the social assistance **does not meet user's needs, and poor families are often left on the mercy of the community** (friends, neighbours, relatives and civil society organizations) who help with food, clothing and other necessities.⁵⁵

Employment/unemployment. Despite the number of unemployed, there are three groups in the labour market as a group of employees and poor citizens. The first group are those workers whose monthly income is low, the second are employees who do not receive regular salaries, and the third group are families that have monthly incomes of individuals. According to the State Statistical Office, average monthly net wage paid per employee in July 2016 was 22,334 MKD, in July 2013 it was 21,013 MKD and in July 2010 it was 20,299 MKD. The percentage of employees who did not receive a salary, however, in this period is 1.6%, 1.5% and 2.6%, respectively. Although trends indicate increase in monthly salary and reduce the percentage of employees who did not receive salary, percentage of employees and poor was growing until 2014, when he noticed a slight decline and stood at 9.8%⁵⁶ Roma continued to be the most disadvantaged ethnic group. Unemployment among Roma was still the highest (as high as 73% compared with 30% of the total population). Roma continued to have the lowest incomes (about 63% live below the poverty line) and the highest mortality rate. It is estimated that two thirds of Roma households live below the poverty threshold. In terms of ethnicity, 65% of registered unemployed are Macedonians, 23% Albanians, 4% Turks, and 5% Roma. The UNDP survey shows that Roma unemployment rate is 79%, while Roma NGOs, the real figure is more than 90%. Only 8% of working-age Roma (older than 15) are employed or self-employed, either in the formal or informal economy, only 7% of Roma in this age group have full-time and 68% of employed Roma are low-skilled workers. The poverty rate among Roma is nearly three times the national average: more than 88% of Roma live below the poverty line, while the overall national average is 30% of people living below the poverty line. 96% of Roma families do not own any agricultural land, keeping them away from sources of food for subsistence. Low levels of education and high unemployment rates highlight the poverty of Roma⁵⁷.

Access to education. Primary and secondary education in the country is free and compulsory. Statistics show that literacy levels are high, yet it is the poor that most often abandon further secondary or higher education. The older generations either lack, have partial or complete primary education. There is no opposition to children's attendance of school. Rather, there is awareness that only education can contribute to progress. Education is seen as very important, but sometimes the poor families lack funds, forcing them not to send all children to school⁵⁸. "The number of Roma children who attend school is still low and the dropout rates are fairly high. Segregation of Romani children is still practiced. The practice of sending Roma children with learning disabilities in special institutions for mentally disabled children also continues. The number of Roma children living in the streets is also

⁵⁵ <http://www.mpps.org.mk/images/stories/publikacii/SocZastitaVoRM-SistemPoMerkaZaSekoJ.pdf>.

⁵⁶ <http://www.stat.gov.mk/PrikaziSooPstene.aspx?id=115&rbr=1877>

⁵⁷ UNDP, Report disadvantaged - a Roma, 2006)

⁵⁸ <http://www.mpps.org.mk/images/stories/publikacii/SocZastitaVoRM-SistemPoMerkaZaSekoJ.pdf>

growing. The introduction of compulsory education for children up to the age of 18 is considered to contribute to reducing these types of social exclusion. Certain steps were also undertaken to reduce the high dropout rate in the early years of education. Project implemented by the Ministry of Labour and Social Policy enabled 243 Roma children aged 4 and 5 to be included in pre-school education. "However, many Roma children, rural girls and children with disabilities have not yet finished their education." As a favourable action for the Roma students, the government decided that all Roma students applying for secondary education should be enrolled in the secondary schools and also the government stimulated the application of selective criteria when Roma pupils apply for secondary schools which report the highest number of candidates. Public universities have defined quotas for enrollment of Roma students. The access of Roma students to state scholarships for higher education was improved by simplifying the application process⁵⁹.

Organizations and civil society. Membership in civil organization is very small in Macedonia, i.e. a large percentage (76%) of the households do not participate in the civil organization, 8.9% take part in religious organizationa and 7.9% are involved in the political parties⁶⁰

Health care. A research carried out by ECE and other civil society organizations in the health status and healthcare of the Roma minority group confirmed that the health condition of the Roma, unlike the rest of the population, is determined by determinants that affect the health of the Roma, and at the same time detect problems and barriers faced by Roma when they access the health care system. The practice shows that doctor-patient relationship is a much worse among the Roma population in comparison to the non-Roma population. This minority group primarily lacks health insurance, and face rigid regulations against social and educational background of the Roma population. They are **characterized with high rates of poverty, unemployment, substandard infrastructure, low health status, low level of education.** Roma have difficult access to the health care system for the following reasons: poor socio-economic conditions, lack of identification documents, incorrect and insufficient health facilities in the Roma community as well as staff to work in those facilities, partly or no coverage by the compulsory health insurance, inadequate legislation for specific health care needs, insufficient number of informative centres in the Roma settlements, lack of awareness about their rights in relation to health care, lack of allocation of budgetary funds allocated to programs promoting Roma health, and sexual reproductive health of Roma. Family planning is almost unknown concept for the Roma. A research by the Association for Emancipation, Solidarity and Equality of women (ESE) in 2010 showed that the highest percentage of abortion is evident in Roma women who have had abortion or that percentage reaches up to 34%, while the smallest number of performed abortions is among women of the Macedonian ethnicity or 13.2%. Roma women also enter marriage as early as 15 years of age (11% of girl aged 15) and 49% before the age of 18. This high rate of early marriage result in preventing the normal physiological development of children, early pregnancy and social isolation, lower education, and in many cases, low-income family. Scientific research made in different European countries have shown that there is a huge difference in the health status of the Roma population in comparison to other populations. About 10 million Roma in the world live in difficult economic conditions and are constantly discriminated and marginalized as a result from their poor health⁶¹. Access to health services is better in cities

⁵⁹ UNDP, Report disadvantaged - a Roma, 2006

⁶⁰ Извор – Маја Георгиевска – Митев „Материјална депривација, сиромаштија и социјална исклученост во РМ“, 2012, Скопје.

⁶¹ Report on the health of the population in Macedonia in 2013, Institute of Public Health of the Republic of Macedonia

than in the countryside. Under health care, primary health care is provided through a network of physicians who have contracts with the Health Insurance Fund (hereinafter the Fund). Data from FZO¹⁶ show that it has signed contracts with 298 primary physicians in rural areas, of which 154 are permanently employed physicians and 133 are medical personnel contracted on definite time. Urban centres are covered by 988 physicians. It follows from this conclusion that 45.2% of the rural area are covered by the state, with 23% of the network of primary health care services, while 64.8% of the territory is covered by 77% of the primary care network. Rural people rarely go to the doctor compared to urban population⁶².

Opportunities and choices in rural areas. Regarding the **employment in agriculture**, 17.9% of the total active population in 2015 was employed in agriculture. However, 77% of these employees in agriculture have the economic status known as full or part-time "unpaid family workers"⁶³. The aging of the rural population, accompanied by the low educational level, is unfavourable ground for the development of agricultural cooperatives, since developing contemporary, modern cooperatives require dynamic, young farmers/entrepreneurs. An important problem contributing to the level of grey economy in the country is recorded in the National Labour Force Survey from 2012 which suggests that around 22.5% of the workforce in Macedonia was engaged in undeclared work, and therefore was not covered by any social or legal protection (SSO, 2013). These trends are even more evident in the rural areas in comparison with the urban ones, and more evident among the young and ethnic minorities. In general, labour-intensive, low-earning jobs in sectors such as agriculture are particularly prone to undeclared work. The share of informal employment in agriculture is significant – between 86.1% and 82.4% of all agricultural employment. This sector is also largely affected by non-standardized work practices. Moreover, there is a **difference in the type of informal work performed by genders with females being mainly informally involved as unpaid workers in agriculture, whereas males as self-employed or employers in unregistered firms**. According to the 2002 census in Macedonia about 96% of the total population aged over 10 years is **literate**. Most of the illiterate population is female 5.5%, while men are illiterate less – 1.7%. **Most of the illiterate population is located in the rural areas which are also most affected and have the highest degree of poverty (48%) compared with other urban areas (40%) and the City of Skopje which has the lowest poverty rate (12%) (DZS, 2012).** Around 12% of the rural population is without any education; over 42% have only primary education and over 38% finished secondary education. The percentage of rural population with University education is rather small, - 6.9% of the total rural population. The education system certainly plays an important role in reducing the **disparities between urban and rural areas**. The low rate of education in rural areas is due to: migration of young workforce, deficiency or a small number of educational institutions, isolating the undeveloped villages, etc. The greatest **concentration of population** is in the urban centers, with 23.1% situated in the capital of the country, Skopje. The territorial distribution of the population in the country shows that about 44% of the total population lives in the rural areas (**NSZRR 2014-2020**).

Rural development. Investments in improved access to irrigation, land consolidation and promotion of agricultural cooperatives remains low. Preparation for IPARD measures, investments in rural public infrastructure, improvement of training and advisory service whose implementation was initially planned for 2016-2017 need to be intensified. Further assessment is needed to identify the bottlenecks in programming rural development, designing measures and in implementation. Despite the efforts to improve the implementation of the **IPARD Programme** and the increased number of applications, around EUR 16.2 million in EU funds remained unused in 2015. Lack of and high turnover of staff and manual processing of files in AFSARD (the IPARD agency) has created

⁶² Center for Research and Policy making, Perspectives of Rural Women, 2012

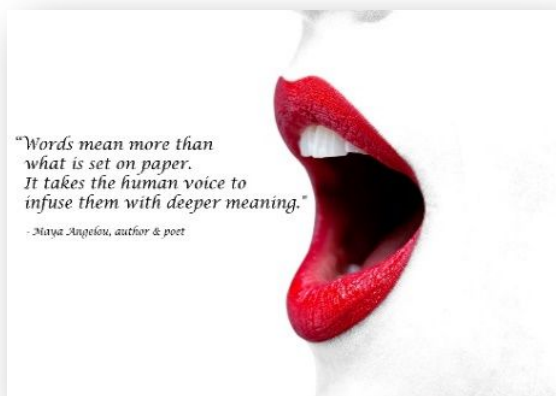
⁶³ Labor Force Survey, 2016; NSZRR 2014-2020

a backlog of projects, delaying decisions and payments all of which contributed to the worsening of the living standards of the rural population.

The investment or crediting opportunities for the rural population or more specifically the population involved in the agricultural production, are very limited and are mostly provided by commercial banks (30% through trade credits – seeds, fertilizers etc.); the rest 30% belong to governmental support programmes. In addition to the slightly improved rural financial services, the supply of financial assets for financing investments in agriculture does not satisfy the current demand. The financial institutions still consider agriculture as a high-risk sector. On one hand, financial institutions do not have appropriate experience for a proper analysis of the farm financial result, as well as for the risk assessment to repay the investment. On the other hand, they face high administrative costs to process the credit demands which refer to small amounts.

Infrastructure. In general, the rural population expressed **dissatisfaction with the basic available services and infrastructure** since each day they are faced with the consequences that arise as a result of their limited access to the markets or the urban areas. A previous study found that **rural population of the mountain areas identified lack of access** to the following areas: social welfare centres (91%), cultural institutions (90%), health care (88.6%), high school (87%) courts (85.5%); community centres (68.7%) and primary schools and shops, where the **villages located at a lower altitude have better access to services and infrastructure, most notably access to health services**. Residents of these villages mostly indicate lack of cultural institutions (68%) and judicial institutions (67%), followed by the need for secondary schools (58%), centers for social care (57%) and community centers (45%). When asked about the priorities, population of mountain villages pointed to the necessity for construction of communal infrastructure, easier access to health services and easier access to good quality education, as the most popular solutions to their problems. On the other hand, the residents of villages located in the lowlands perceive the economic and agricultural development, and improvement of the communal infrastructure as the most effective solution to the existing problems. The rural population listed the following problem areas, which should be primarily improved: the road infrastructure (24.3) and improvement of the water supply and electricity (15.8%). Followed by education (5.0%) and health care (4.7%)⁶⁴

⁶⁴ Jakimovski, 2004: Social structure of the village



Power and voice

Power and voice relates to the ability of people to articulate the concerns, needs, and rights in an informed way and to take a part in decision – making that relate to these concerns. This focus is particularly central for gender analysis and non – discrimination, but all aspects are relevant for strategic focus of We Effect.

Macedonia has a legal framework for protection of human rights and against discrimination, however, reality shows a serious lack of implementation in the part of equality and non-discrimination.

Speaking of discrimination, the most vulnerable and marginalized groups in the society are women, children and young people, people with disabilities, Roma and LGBTI people.

Discrimination on the labour market remains an important issue for Roma and young rural women.

The level of awareness of gender discrimination is relatively low in rural areas, where this impedes the realization of other activities related to gender equality, such as equal representation in politics, economy and equitable distribution in society and at home. Rarely women in rural areas are consulted for public issues. Even when they participate, they do not trust the procedures.

Looking into political representation, the Law of Elections, Law on Political Parties and Ohrid Framework Agreement provide quotes for minorities and women and also in this country there are parties made by Albanians, Turks, Serbs, Roma and in this way, facilitate the development in the area of decision-making of minorities.

The equal participation of women and men in decision making processes in public and political life is of vital importance for democracy of any country. **Macedonia's efforts in recent years for greater involvement of women show positive developments, but the results indicate that there is still room to work on the issue. Thus, there is a positive trend where the legislator has envisaged concrete measures. Following the adoption of the law of elections in 2006, the nationwide number of seats in parliamentary assemblies meets the critical figure of 30%, although the recommendations of the Council of Europe called for increased representation of 40%. It must emphasize the fact that owing to the increased number of women in the highest representative body, numerous issues were discussed, reviewed in terms of gender equality.** Also, in the past it has promoted dialogue with citizens by holding meetings and public hearings. Furthermore, the fact that the Rules of Procedure of the Parliament provided the composition of the working bodies and committees of inquiry be established, according to Law for unique opportunities.

The situation is different when it comes to the representation of women at the local level. Although the Election Code provides for affirmative action that allows the participation of both sexes in the work of the councils (same provision applies to the election of members) or a provision ensuring that both sexes in the councils of the municipality will be represented by at least 30%. The participation of women in municipalities has a large disparity from one municipality to another. Namely, there are municipalities where the share of women is over 41% (3 municipalities), there are municipalities where participation is more than 30% (25 municipalities), mostly prevalence ranges from 20% -30% (32 municipalities), but Unfortunately there are many municipalities where the share of women is under 20% (25 municipalities)⁶⁵. **Macedonia has a legal framework against discrimination and protection of human rights, however reality shows a serious lack of implementation in the part of equality and non-discrimination.** It should be emphasized that in Article 9 of the Constitution of the Republic of Macedonia, according to which all citizens are equal in rights and freedoms regardless of sex, race, colour, national and social origin, political and religious beliefs, property and social status. This article stipulates that citizens are equal before the Constitution and the law. **On equality between women and men, a 2016-2020 Strategy for Equality and Non-Discrimination was adopted in June 2016 but little has been done to effectively promote gender equality.** The law on termination of pregnancy still has restrictive procedural rules that could lead women to resort to illegal abortions. **Beyond traditional social norms, discrimination remains an issue for women in general. Despite appropriate legislation against discrimination, results of survey of World Bank show discrimination towards women in the job market in Macedonia:** 43 percent of survey respondents agreed that men should have more right to a job than women when jobs are scarce. If we analyse the representation of gender in employment in 2016 in the country shows a high rate of unemployment among women 39.2% (according State Statistical Office). Namely from 723,550 employees in 2016, 439,717 or 60,8% were men and 283,834 or 39,2% are women. From 225,049, 141,578 unemployed or 62.9% are men and 83,471 or 37.1% are women. If we compare the employment rate among women in 2005 it was 30.1%, while in 2013 increased to 40.4% and in 2016 is 39.2%. In 2015, inactive population was 730,290, 258,987 or 35,5% men and 471,304 or 64,5% women. One of the main reasons for this situation are the traditional lifestyles of the Macedonian people and the traditional role of women in families in Macedonia. Even among the employed, women spend more time on family obligations than men. The largest disparity exists between couples whose youngest child is 0-6 years: on average, Macedonian women in such circumstances spend five more hours per day on housework than men⁶⁶. **Discrimination on the labour market remains an important issue for Roma and rural women.** Just over a quarter of all Roma who looked for a job in the past 12 months reported experiencing discrimination. Of these, men were more likely to report discrimination than women – 28% of men reported experiencing discrimination, compared to 18% of women⁶⁷.

Young women in rural areas aged 20-24 years (59%) and 25-29 years (43%) face with the highest unemployment rate. 64% of rural women are officially inactive. According to the survey made by Centre for Research and Policy Making, the most common reason for inaction of rural women is child care and household obligations (stated by

⁶⁵ <http://www.stat.gov.mk/Publikacii/Gender2016.pdf>

⁶⁶ <http://www.stat.gov.mk/PrikaziSooptenie.aspx?rbtxt=98>

⁶⁷ Labor Market Inequalities in FYR Macedonia: New Evidence on Gender and Ethnicity, June 2015, Social Protection and Labor Global Practice, World Bank

43% of inactive women in rural areas). 47% of women are unemployed and still work on family farms, dealing with crafts or occasionally, but their work is often unpaid⁶⁸.

The level of awareness of gender discrimination is relatively low in rural areas, where this impedes the realization of other activities related to gender equality, such as equal representation in politics, economy and equitable distribution in society and at home. Rarely women in rural areas are consulted for public issues. Even when they participate, they do not trust to procedures.

Currently, 1 woman is working at the post of a mayor. Although majority of women participate in elections as voters, only 3% of women in rural areas would be involved in active political life (politically active) and 2% would participated in public debates or municipal meetings. 72% of women in rural areas who do not participate, do not believe that would have benefit from the meetings. According to the survey by the Centre for Research and Policy Making women in rural areas said: "They do not organize anything... they gather the peasants for elections and ask, and yet there is nothing for us women, we should sit at home or work in the fields. Whenever you say something, nothing will be accepted. If we go there on meeting, men speak, we listen. They are not asking us for opinions and often we cannot speak."⁶⁹

According to human rights, effort are needed to further strengthen the rights of the child. Stigma and discrimination against Roma children and children with disabilities are still widespread. A mechanism for systematically collecting data on the situation of children with disabilities, street children and Roma children needs to be put in place. In 2015, the Ombudsman's Office received 158 complaints concerning children's rights, of which he found 74 to be breaches. Measures and resources for prevention of violence against children are still insufficient⁷⁰. **As regards lesbian, gay, bisexual, transgender and intersex (LGBTI) persons, prejudice and stereotyping is present in society, media and online.** Considerable efforts are still needed to counter intolerance towards LGBTI people. The 2012 attacks on the LGBTI Support Centre still have not been investigated. In December 2015, the conviction and 7-month prison sentence of the perpetrator of a violent attack against two LGBTI activists in 2012 was quashed on appeal. Transgender people can access only limited health services. The national authorities should considerably intensify efforts to raise awareness of and respect for diversity in society⁷¹.

At the end of the Roma Decade 2005-2015, some positive steps were made, but still much needs to be done to improve the social inclusion of Roma. In Skopje, at least ten Roma families have been evicted from dwellings where they were living, without prior notice or sustainable solutions, in breach of basic international principles and national commitments. Implementation of official policies suffers from the lack of political support, financing and administrative capacities⁷². Overall, segregation, stereotyping and other forms of discrimination remained prevalent. Most Roma are unemployed, have no proper health coverage, live in inappropriate living conditions in segregated housing and are socially excluded.

⁶⁸ Центар за истражување и креирање на политики – „Перспективи на жените од руралните средини, 2012- Скопје

⁶⁹ Центар за истражување и креирање на политики – „Перспективи на жените од руралните средини, 2012- Скопје

⁷⁰ EU COMMISSION STAFF WORKING DOCUMENT The former Yugoslav Republic of Macedonia 2016 Report

⁷¹ EU COMMISSION STAFF WORKING DOCUMENT The former Yugoslav Republic of Macedonia 2016 Report

⁷² EU COMMISSION STAFF WORKING DOCUMENT The former Yugoslav Republic of Macedonia 2016 Report



Human security

Human security entails a border interpretation of the security concept which includes not only issue of physical security but also socio-economic safety. Security challenges are often experienced differently by different groups, and by women and men, it is therefore key to take different perspective into account.

A political crisis that has paralyzed Macedonia for two years is sliding into an ethnic dispute and economic crises. Economic crises make people poorer and most vulnerable are unemployed, poor people living on social assistance, as well as small family enterprises where there are small family farms which have a lot of problems with product placement and low prices of agriculture products. The vulnerability is aggravated by the weak social security system and economic insecurity.

In terms of feeling safe and protection of crime, large problem in Republic Macedonia in recent years is the increasing number of thefts, which makes the citizens feel unsafely. 653 of the known perpetrators are adults, 17 are children at the age of 14-18 years and 10 are children under 14 years. 90% of these children are from poor families and most of them are male.

Domestic violence remains a concern. The limited capacity of the existing shelters for domestic violence needs to be addressed. Regarding the relationship between the victim and offender statistics of Ministry of Interior show that the dominant prey to all types of domestic violence are the wife and child.

Agricultural production is inextricably tied to climate, making agriculture one of the most climate-sensitive of all economic sectors. In countries such as Republic of Macedonia, the risks of climate change for the agricultural sector are a particularly immediate and important problem because the majority of the rural population depends either directly or indirectly on agriculture for their livelihoods. The rural poor will be disproportionately affected because of their greater dependence on agriculture, their relatively lower ability to adapt, and the high share of income they spend on food.

The inter-ethnic relations remain fragile. The leaders of the four main political parties committed, in the 2 June political agreement, to fully implement the Ohrid Framework Agreement, which ended the conflict of 2001 and provides the framework for preserving the multi-ethnic character of the society. In general, this process remained highly politicized. The political and community leaders successfully handled potential inter-ethnic incidents in 2015. The serious events in Gošince and Kumanovo raised concerns and questions which still need to be investigated thoroughly and transparently⁷³. Politically fraught violence between ethnic Macedonians and

⁷³ EU COMMISSION STAFF WORKING DOCUMENT The former Yugoslav Republic of Macedonia 2016 Report).

Albanians continues to erupt periodically. However, following the May 2015 violence in Kumanovo—which some opposition figures attributed to a government plot to fray interethnic relations in order to distract the public from the wiretapping scandal—thousands of ethnic Albanians and ethnic Macedonians protested together against Government⁷⁴.

A political crisis that has paralyzed Macedonia for two years is sliding into an ethnic dispute and economic crises. The crisis erupted in 2015 when the opposition Social Democrats (SDSM) and the ruling party VMRO-DPMNE exchanged accusations of corruption and wiretapping. An acrimonious conflict ensued between the two predominantly Macedonian parties, lacking any ethnic connotation and watched over by smaller Albanian parties, themselves divided. After parliamentary elections in December 2016, VMRO-DPMNE and SDSM did not have enough number of voice to make a parliamentary majority and top form a government, that they needed the votes of the Albanian political parties. After several meetings over the border in the office of Albanian Prime Minister Edi Rama, these groups settled their differences and created a joint platform, notably demanding that their language be granted official status across Macedonia and negotiations continue with the opposition party SDSM to form the government. President of Macedonia Gorge Ivanov refused to give SDSM and DUI a mandate to form the government, saying the Albanian platform undermined “Macedonia’s sovereignty, territorial integrity and independence.” Thousands of Macedonians agree with the president and have since taken to the streets with protests, chanting patriotic slogans and calling for the country’s unity to be preserved. The demonstrators, mostly middle-aged men and women, fear the Albanian demands will lead to the “federalization” and potential break-up of the small country. However, in the country remains a lack of trust between Macedonian and Albanian communities, and inter-ethnic tensions persist. Further initiatives are needed to promote good inter-community relations and an inclusive multi-ethnic society. **Economy is most affected by the political crisis which is sliding into ethnic dispute. Economic expansion accelerated in 2015, but has slowed down in 2016 in the context of political crisis⁷⁵. Economic crises make people poorer and most vulnerable are unemployed and poor people living on social assistance, as well as small family enterprises where small family farms are located, which have a lot of problems with product placement and low prices of agriculture products. The vulnerability is aggravated by the weak social security system and economic insecurity.**

In terms of feeling safe and protection against crime, a large problem in the Republic Macedonia in the recent years is the increasing number of thefts, which make citizens feel unsafe. The official police statistics show that in 2016 2,641 ordinary theft were registered, which is roughly identical to the previous 2015 when there were 2,610 robberies recorded. In 2016 statistic show: 1,029 pocket thefts (1,000 in 2015), 60 brazen thefts (61 in 2015), 152 robberies (165 in 2015) and 21 armed robberies (13 in 2015). The discovered 250 perpetrators of ordinary theft, three of pocket thefts, two of brazen robberies, five perpetrators of robbery and three perpetrators of armed robberies. When it comes to age, **653 of the known perpetrators are adults, 17 are children aged 14-18 years and 10 are children under 14 years. 90% of these children are from poor families and most of them are men⁷⁶.** According to the State Statistical Office of the Republic of Macedonia, the number of deaths from violent deaths increased by 4.1% compared to the previous year and amounted to 513 deaths. Violent deaths accounted for 2.5% of the overall mortality. The structure of violent deaths by sex shows that in 2015, same as in the previous

⁷⁴ <https://freedomhouse.org/report/freedom-world/2016/macedonia>

⁷⁵ EU COMMISSION STAFF WORKING DOCUMENT The former Yugoslav Republic of Macedonia 2016 Report

⁷⁶ <http://www.utrinski.mk/default.asp?ItemID=92A8D47AA47DE14B8D25208B15EAC615>

year, there is a greater share of men (72.1%). In the total number of cases of violent deaths, "accidents" account for the greatest share, with 70.4%, followed by "suicide" with 22.2% and "murders" by 7.4%. In the category of "murder", the predominant cause of death was "causing bodily harm with a shot from other and unspecified firearms", with a share of 3.7% of the total number of cases of violent death⁷⁷.

Domestic violence remains a concern. The law on the prevention, protection and combating of domestic violence suffers from serious gaps. There is no definition of other forms of gender-based violence or accurate data on reported cases. There is a need for more shelters for victims. There are no shelters in some regions. **The limited capacity of the existing shelters for domestic violence needs to be addressed.** Efforts by the Ministry of Labor and Social Policy towards a more inclusive approach are positive but not sufficient. **Public awareness on gender equality is lacking and gender stereotyping persists** ⁷⁸. **Regarding the relation between the victim and offender statistics of Ministry of Interior show that the dominant prey to all types of domestic violence is the wife.** In sexual violence wife is the only victim, while at psychological violence despite wife notable participation as a victim of the mother, the former wife, son, and a lot less like victims included a husband and father. On the other hand, the physical violence while dominating wife as a victim, there is a rise tendential of the father as a victim. In the most severe forms of physical violence expressed through crime "murder" in addition to his wife, the next dominant victim is child. **Economic dependence of women on men at the same time a consequence and a factor for explaining the greater risk of violence. Most women who experience violence are unemployed or inactive, while working women who experience violence accounted for about 20% of the total number of women who experience violence.** ⁷⁹.

In the field of climate change, the level of harmonization is at an early stage. The country still needs to develop a comprehensive policy and strategy on climate action consistent with the EU 2030 Framework. In addition to mitigation, efforts need to be put into adaptation to climate change. The country signed the Paris Climate Agreement in April 2016, but it still needs to be ratified and implemented. The country has technical capacity to prepare good quality greenhouse gases inventory reports, but a sustainable approach for reporting obligations is lacking. This area should be regulated in line with the EU monitoring, reporting and verification. In view of emissions trading, a roadmap for introduction of monitoring, reporting and verification (MRV) was developed. Software for tracking emissions of polluting substances in the atmosphere from industry was developed. The Action Plan for reduction of CO2 emissions from aviation was submitted to the International Civil Aviation Organization. Further efforts should be made in the field of emission standards, raise awareness and control of pollution from transport, with a focus on full transposition of the EU legislation on fuel quality⁸⁰.

From the analysis of climate change and poverty made by the World Bank, the impact on poverty is large because poor people are exposed to hazards more often, lose more as a share of their wealth when hit, and receive less support from family and friends, financial systems, and governments. In fact, disasters can push people into poverty, and so disaster risk management can be considered a poverty reduction policy. And since poverty reduction policies make people less vulnerable, they can be considered part of the disaster risk management

⁷⁷ <http://www.stat.gov.mk/PrikaziSooopstenie.aspx?rbtxt=12>

⁷⁸ EU COMMISSION STAFF WORKING DOCUMENT The former Yugoslav Republic of Macedonia 2016 Report

⁷⁹ National Strategy for Prevention and Protection against domestic violence 2012-2015, Ministry of Labor and social policy

⁸⁰ EU COMMISSION STAFF WORKING DOCUMENT The former Yugoslav Republic of Macedonia 2016 Report).

toolbox.⁸¹ **Agricultural production is inextricably tied to climate, making agriculture one of the most climate-sensitive of all economic sectors. In countries such as Republic of Macedonia, the risks of climate change for the agricultural sector are a particularly immediate and important problem because the majority of the rural population depends either directly or indirectly on agriculture for their livelihoods. The rural poor will be disproportionately affected because of their greater dependence on agriculture, their relatively lower ability to adapt, and the high share of income they spend on food.** Climate impacts could therefore undermine progress that has been made in poverty reduction and adversely impact food security and economic growth in vulnerable rural areas⁸². The most vulnerable region is Central part of country. This territory includes part of the municipalities Gradsko, Rosoman and Negotino. Furthermore as many vulnerable are determined South-eastern part of Macedonia which partially covers the territory of the municipalities of Strumica, Vasilevo, Bosilovo and Novo Selo. Furthermore as a highly vulnerable area is determined Southern Vardar Valley, which extends the area of Gevgelija and Bogdanci Sheep Field, Sveti Nikole. Many vulnerable area defined Skopje-Kumanovo field that extends through a longer Skopje municipalities and the municipalities of Lipkovo, Kumanovo and Staro Nagoricane.

The most vulnerable are certain cultures: wheat, as the most important cereal crop, present everywhere, grape, tomatoes like most typical culture in the area of South Vardar Valley and the southeastern region of Macedonia, alfalfa as the most important feed crop in Ovcepole and Bitola region and apples as the most important fruit in Prespa and livestock where emerging new diseases. ⁸³.

The biggest damage has made the flood on 6.08.2016 which affected Skopje villages Aracinovo, Stajkovci and the region around them. According to locals during the flood were formed three rivers that were moving to the countryside. "It looked terrible on regional roads were formed 3 rivers big as Vardar river and one blended in Stajkovci, the second in Singelich and the third from Aracinovo finished in arachinovo field" - says Afrim Sulejmani from Aracinovo, who has agricultural cooperative in Aracinovo. The flood made the biggest damage in Stajkovci in the houses of the population and there were dead people, while in agriculture the greatest damage was done in the arachinovo field and agricultural region around Stajkovci. All of the gardening production (tomatoes, peppers, cucumbers, potatoes, onions) and crop production (corn and tobacco) were destroyed⁸⁴. **From the floods, Socio-economic vulnerability is high due to the high rate of poverty (28% in rural and mountainous areas). Additional factors of vulnerability are outdated standards for building and urban planning, poor water management and unsustainable farming practices, deforestation, industrial pollution and disposal of toxic waste in areas exposed to flooding**⁸⁵.

⁸¹ Unbreakable, World Bank 2015

⁸² Reducing the Vulnerability of the Former Yugoslav Republic of Macedonia's Agricultural Systems to Climate Change, World bank study, 2013

⁸³ http://ruralnet.mk/wpcontent/uploads/2014/11/Studija_za_adaptacija_kon_klimatskite_promeni_vo_zemjodelskiot_sektor.pdf

⁸⁴ FFRM report for floods in Skopje region

⁸⁵ Practical guide and measures for restoration of soils in flooded areas, FFRM, Faculty of agriculture, 2016

4. ANALYTIC CONCLUSIONS

This section presents the conclusions taken out from the literature reviews of the multidimensional poverty in Macedonia. It highlights the key deprivations, vulnerable groups and the main structural and underlying factors. The last part provides overview of the findings per poverty dimension and per aspect of the development context.

4.1. Vulnerable groups

The comprehensive multi-dimensional analysis of the poverty dimensions in the Republic of Macedonia highlighted several groups, suffering from multiple deprivations. One way to categorize them is to classify them in the following three groups:

Traditionally poor people. This category includes: rural and agriculture households, which are the groups with the highest risk to go under the line of poverty. The main characteristics of this group are: low level of education of the household members, relatively small economic potential because the main source of income is the agriculture activities.

Newly impoverished households. The households in this category are faced with deterioration of the life standard and quality of life. This includes: households without employed members, households with employed members, households with members that do not receive income in time, and multimember households that do not have enough income to satisfy their own needs.

Chronically poor households. They are the most vulnerable part of the population: old people, people with disabilities and agriculture households without permanent income that can be defined as chronically poor households and members of minority groups with the biggest stress on the Roma population.

According to the age and gender, the most vulnerable categories among the ones mentioned above include: young people in the urban and rural areas, women in rural areas, women and children from Roma population, and the disabled children and disabled people.