



THE WELL-BEING OF CHILDREN AND YOUNG PEOPLE IN DIFFICULT ECONOMIC TIMES

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ACRONYMS

CCT – Conditional Cash Transfers	
EU – the European Union	
FES – Friedrich Ebert Foundation	
GDP – Gross Domestic Product	
IMF – the International Monetary Fund	
MDG – Millennium Development Goals	
MICS – Multiple Indicator Cluster Survey	
MKD – Macedonian Denar (currency)	
NBRM - National Bank of RM	
NPF – New Pension Fund	
PAYG – Pay-as-you-go	
KB – Komercijalna Banka	
UNICEF – United Nations Children Fund	
UNDP – United Nations Development Programme	
VAT – Value Added Tax	

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EXECUTIVE SUMMARY

The main objective of this study is to identify and analyse the effects of the difficult economic times and the current economic crisis on the well-being of children and young people throughout the former Yugoslav Republic of Macedonia. An additional objective is to provide an assessment of the vulnerability of those families most at risk in difficult economic times.

For the purposes of this study, the following key assumptions were made as to the probable impacts of the financial crisis on the well-being of children:

- (i) a rise in unemployment, a reduction in salaries, and greater irregularity in the payment of wages—all of which have a negative impact on the ability of households to provide children with regular access to basic needs and services;
- (ii) reduced access to education and poorer educational performance;
- (iii) a reduction in children's exercise of their right to basic healthcare and a corresponding deterioration in children's health;
- (iv) a reduction in household expenditure on housing and the needs of children; and
- (v) a decrease in children's leisure-time and recreation as a result of the need to

engage in additional economic activities to supplement reduced household incomes. These assumptions were made on the basis of changes that have occurred among households, children and young people in twelve month period (from September 2008 to September 2009).

The methodology employed in this study involved a combination of qualitative and quantitative research. The qualitative research methods included a review of policy and research literature, a summary of all available statistical data, and consultation with focus groups. The focus groups were composed of 5 targeted categories of the population:

- (i) families with members recently made redundant from the textile and metal industries;
- (ii) families living on remittances;
- (iii) families depending on agriculture as their main source of income;
- (iv) larger families with five or more members; and
- (v) families receiving child allowance.

The quantitative research involved a primary field survey based on a nationally representative, stratified sample of households with children. The sample

was stratified as follows: according to ethnicity, with an equal number of households from the country's Macedonian, Albanian, Turkish and Roma communities; according to region, with an equal number of households per region; and according to location, with an equal number of households in urban and rural locations. This stratification made it possible to analyse the impact of the economic crisis on those households generally considered to be most socially vulnerable: Roma families, families living in less developed regions, and families living in remote locations.

The study acknowledges the difficulty of establishing a clear and direct link between the economic crisis and the well-being of children. This difficulty arises from the following causes: the lack of available national baseline data concerning regular households in a number of important areas (e.g. the lack of specific data on health, housing, and leisure time)—data which could be compared over and between years; the difficulty of separating the impact of pre-existing unfavourable socio-economic conditions in the country (i.e. high rates of unemployment and poverty) from the impact of the global economic crisis; and specific challenges related to surveying the well-being of children—such as changes in health and nutrition conditions.

Despite the above mentioned challenges, this study outlines important information as well as baseline data in relation to the living standards, education, health, housing and leisure time of families during times of economic crisis.

This study shows that the well-being of children and their access to goods and services during a period of economic crisis is most affected by increases in household living expenses due to inflation. Rising living expenses affected 89.3% of households in the period

under consideration, with the consequence that more than half (56.4%) were unable to fully provide for the schooling needs of their children (this applies primarily to the cost of school supplies, but also to travelling and other expenses). In addition, the economic crisis contributed towards a reduction in the incomes of approximately one third of households, further restricting their ability to mitigate the effects of the crisis and provide for their children

While the economic crisis may not have contributed directly towards an increase in poverty among children, **this study indicates that 48.1% of the households interviewed were living below the poverty line** in terms of their household monthly incomes over the twelve-month period. This figure for poverty differs from the official figure of 28.7% for 2008 primarily because the official calculation is based on household expenditure while the figure in our study is calculated according to household income per month.¹ Another reason for this difference lies in the stratification of households in the sample employed in our study, comprising an equal number of households from ethnic groups, an equal number of households from rural and urban families, and an equal number of households per statistical regions—a stratification which allowed a greater focus on households generally considered to be most at risk. It is also disturbing to note that **21.7% of the households interviewed for this study were living without any income or in conditions of extreme poverty.** The significant number of households living in poverty implies that many children lacked essential financial resources and adequate living standards during the period of economic crisis. This especially applies to younger children, as the highest proportion of children living in poor households were aged between 0 and 6. As a consequence, the right of children to basic social services such as education and healthcare was placed at risk.

Although this study does not assert a direct and significant relationship between the economic crisis and children's right to education and basic healthcare, it is important to note that financial difficulties during the period under consideration led to **8.8% of children experiencing problems with access to education, while 9.3% lacked access to regular health check-ups.**

Similarly, while the economic crisis may not have directly caused a deterioration in the housing conditions of children, this study shows that **more than 40% of children were living in overcrowded dwellings** in the year of the economic crisis, sharing premises with several other families. Lack of sufficient rooms—and lack of privacy, in particular—can have a negative effect on children's development, especially on their learning capacities. The study also found that **57.4% of households reduced expenditure on their children's needs** over the 12-month period under consideration, primarily in the areas of clothing, entertainment, pocket-money, and school supplies (including expenses for extra-curricular activities such as foreign language classes, computer courses, etc.).

In light of the trends observed in the well-being of children in the year of the economic crisis, this study suggests that government support should be more specifically targeted towards helping the most vulnerable households with children.

This study further concludes that a child-friendly policy during economic crisis should be based on a more expansionary fiscal policy, including investment to generate greater employment, investment in basic services and incentives to increase consumption in terms of housing, goods and services.

This study signals the need for more diverse, improved and regular official statistics on households, with data relating to health, housing and leisure time. Such data would provide a more accurate insight into different aspects of household standards of living, in the form of disaggregated data in relation to all household members (including children and youth). An improved database would also enable comparisons over and between years.

The study also indicates the need to raise awareness amongst the socially vulnerable population of their basic rights to social protection and the obligations which stem from these rights. Awareness-raising should serve both to expand the coverage of health protection among children and increase their access to education.

Finally, on the basis of the trends analysed, the study proposes a set of recommendations for greater financial support and active measures to improve youth employment opportunities, to prevent child poverty and child labour, and to enable the development of better housing and living conditions.





INTRODUCTION

The pressures and threats arising from the global financial and economic crisis—most visible in the period 2008/2009—had diverse effects in different places. In countries already undergoing difficult economic times, such as the former Yugoslav Republic of Macedonia, the global financial crisis exacerbated pre-existing problems such as limited foreign investment and high rates of unemployment and poverty, all of which contribute to high levels of social insecurity. In such an environment, finding appropriate coping strategies at both national and individual (household) levels proves very difficult.

In times of economic constraints, children can be particularly adversely affected. Their regular activities and their access to goods and services may be restricted or even totally halted, with a negative effect on their overall development, health and comfort. As dependent family members, children cannot individually contribute to the mitigation of such negative influences. Evidence from Central and Eastern Europe and the Commonwealth of Independent States (CEE/CIS) shows that economic transition has led to reductions in the

enrolment of children in education and a rise in the occurrence of child abandonment (Harper et al., 2009). The Asian economic crisis of 1997–98 saw a decline in birth rates, an increase in malnutrition amongst children under the age of five, and a rise of up to seven per cent in child mortality rates (ABC, 2009). Also during the Asian economic crisis, it was found that young workers aged between 15 to 29—especially young female workers—were the ones who suffered most from job losses (Lee and Rhee, 1998). In such circumstances, the behaviour and activities undertaken by parents and other adult family members are extremely important for children's mental, physical and material well-being. The challenges of financing education and finding appropriate employment, moreover, become far greater for young people during periods of economic crisis.

The purpose of this study is twofold. It will attempt to analyse the overall wider economic and social implications on children caused by the difficult economic conditions in the country, and the response of the government to the crisis. In addition, it will attempt to assess the most recent changes in standards

of living amongst households in order to identify the major threats posed by the current economic crisis to the well-being of children and young people throughout the country.

Beyond these two goals, the study will also aim to illustrate how macroeconomic measures and social policies in times of crisis can be highly effective in mitigating the difficulties faced by vulnerable households. As noted by other authors (de Vylder, 2004), the adoption of a pro-child strategy in times of financial crisis does not entail the pursuit of imprudent policies leading to high rates of inflation. Indeed, the effects of high inflation on income distribution tend to be worst for poorer households, as the rich have greater opportunities than the poor to diversify their assets and activities as a safeguard against inflation.

On the other hand, monetary policies designed to control inflation, such as the imposition of higher interest-rates, can be labelled child-hostile since they have a direct bearing on the affordability of acceptable dwellings. Underdeveloped financial markets and lack of access to credit for poor families also have a negative impact in areas related to housing and to the development of small-scale and micro-enterprises. For this reason, moderately inflationary policies tend to have a less negative impact on young families with children—families, that is, which are often indebted. As indicated by de Vylder, an erosion of such families' debts through inflation may be in their interest. Applying de Vylder's theory, this study will analyse whether current government measures in response to the economic crisis can be defined as pro-child, child-neutral, or negative child policies. On the basis of this analysis, the study will offer recommendations for child-friendly policies that can be implemented in times of economic crisis.

This study is structured in three parts. The first part provides a review of policy and research literature, as well as a recap of the available statistical data

regarding the socio-economic effects of the crisis on children in the country. The sources for the data considered in this first chapter are mainly governmental institutions such as the State Statistical Office, the National Bank of the Republic of Macedonia (NBRM), the Ministry of Labour and Social Policy, and the Employment Agency. The timeframe of the analysis spans from 2007 to mid-2009.

Due to the scarcity of more recent data, particularly regarding the well-being of children and young people in the period of economic crisis analysed here (Q4/2008 and Q1-Q3/2009), the study employed a primary research tool in the form of a national stratified sample in order to assess the impact of the economic crisis on children during the last 12 months. The results of this research are given in the second part of the study, organised into the following five sections: living standards; education; health and nutrition; leisure time; and housing. In addition, this second part provides an analysis on the basis of focus group discussions. The households which participated in these discussions are generally considered to be those most at risk during economic crisis: households with members recently laid-off or recently unemployed; households dependent upon remittances; households with numerous members; agrarian households; and households receiving child benefits. These households were selected because they tend to be under-represented in most official nationally representative samples.

Finally, the study ends with a set of conclusions and policy recommendations based partly on an analysis of official government data and partly on results from the primary field research and the focus group discussions. In this way, the study delivers concrete baseline information and data on the well-being of children and young people during the economic crisis in the country, while also offering policy proposals to address these problems in periods of global and national economic constraints.





PART ONE: THE ECONOMIC AND SOCIAL DIMENSIONS OF THE CRISIS

The economic dimension of the crisis and its impact on households

The global financial crisis increased economic insecurity in the country. This had both a general negative impact in terms of the reduced macroeconomic stability of the country and specific negative impacts at the level of households in terms of increased uncertainty as to future income, purchasing power and financial capacity.

Although GDP growth in 2008 amounted to a substantial 5%, quarterly analysts shows growth dropped significantly in the last quarter of 2008 to 2.1%. In 2009 GDP continued to decline and the year ended with a negative growth of -0.7%. The rate of inflation for 2009 was -0.8%.¹

While it is widely recognized that a decline in GDP leads to an overall worsening of household welfare, not all households are equally affected. Sahn (2002), for example, argues that the welfare of the poor in such situations is reduced much less than the welfare of

the middle and upper income groups, mainly due to the higher demand for less-skilled workers on lower wages. However, a study of social spending during economic crises in seven Latin American countries has shown that every 1 percent decline in GDP was associated with a decline in spending per poor person of about 2 percent (De Ferranti et al., 2000; Alderman and Haque, 2006). Comparative forecasts of real GDP growth rates for 2011 put the country's growth rate close to that of Romania, higher than that of Croatia, but lower than the rates of Bulgaria and Turkey (Table 1).

Monetary policy was tightened during 2008 by raising the reference interest rate on several occasions. As indicated by the NBRM (2009), such upward pressure on interest rates combined with increased inflationary pressure, especially on prices for food and energy products, had an adverse effect on the purchasing power of households

¹ State Statistical Office official data

Table 1: Comparative real GDP growth rates of the former Yugoslav Republic of Macedonia, other EU candidate countries, and the EU-27

	2007	2008	2009	2010	2011
Former Yugoslav Republic of Macedonia	5.9	4.9(f)	-0.8 ^(f)	1.5(f)	2.5(f)
European Union (27 countries)	2.9	0.8	-4.2	0.7(f)	1.6(f)
Croatia	5.5	2.4	-5.8(f)	0.2(f)	2.2(f)
Turkey	4.7	0.9	-5.8(f)	2.8(f)	3.6(f)
Romania	6.3	6.2	-7.1	0.5(f)	2.6(f)
Bulgaria	6.2	6.0	-5.0	-1.1(f)	3.1(f)

(f) = forecast Source: Eurostat, 2010

and restricted their ability to negotiate the servicing of existing debts or the arrangement of new loans from the banks.

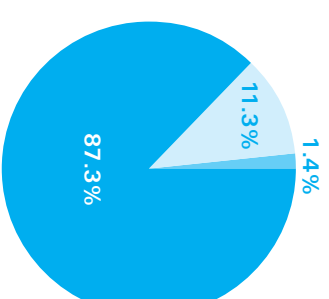
The expenditure of households on personal consumption exceeded their disposable income in 2008. Essential products accounted for approximately 73% of such expenditure in this period, almost half of which comprised expenses for food and beverages. This finding is mirrored by the average value of the consumer's basket for food and beverages in December 2008, at 72.4% of the average net salary in the same period. Bearing these figures in mind, together with the fact that changes in food prices accounted for some 70% of average inflation in 2008, it is clear that any future rise in the prices of essential products will trigger an increase in household expenditure with the potential to decrease standards of living and reduce household funds set aside as savings (NBRM, 2009, p. 27).

Tightened conditions of lending introduced by domestic banks resulted in a lower demand for credits on the part of households in late 2008 and early 2009. This tightening of credit conditions weakened the coping strategies of some categories of the population—e.g. middle income groups—who use loans as a means of paying essential bills and for services (household mortgages, utility bills and summer holidays). In addition, the NBRM financial

report for 2008 suggests that the tendency of banks to transfer interest rate and currency risks to their clients represents an additional risk for the household sector in terms of increased indebtedness and reduced capacity to repay debts (2009, p. 31). The changes in interest rates directly contribute to an increase in the financial liabilities of households, leading to a decline in the wealth and standard of living of households and a threat to their credit worthiness.

Many households suffered a loss of capital in this period due to negative annual rates of return on pension fund assets and, to a lesser extent, reduced capital gain from securities traded on the official market and the market for public companies. Annual rates of capital gain on securities were negative for almost every month of 2008. The annual nominal rate of return on pension funds became negative from May 2008 and registered the most negative level of 9.9% toward the end of 2008. In 2009, members of the NPF private pension fund lost all the profits they had gained over the preceding three years. According to data from March 2009, insured persons from NPF suffered a loss in the amount of -0.05%, while persons insured by the other private pension fund, KB, increased their deposits by only 2.16%. The duration and severity of the financial crisis will continue to impact upon and probably

Graph 1: The structure of household loans in 2008 (by type of interest rate)



- Fixed Interest Rate
- Variable Interest Rate
- Adjustable Interest Rate

Source: NBRM (2009), on the basis of data submitted by the banks

further decrease the profits of both private pension funds. The risk to financial stability and the threat to the household sector from negative rates of return on investments in pension funds is currently mitigated by the fact that the first important liabilities for payment out of these funds will only fall due in twenty to thirty years. However, this is an important signal for pension policy which should be taken into consideration so as to diminish risks to future pensioners.

Although there are no reliable statistics on the precise percentage of the Macedonian population working abroad, the reduced inflow of private transfers during 2008 indicates that the global recession resulted in a loss of jobs for a large number of Macedonian citizens working abroad and a reduction in the incomes of those who remained employed. Research from other countries shows that the largest percentage of received remittances is spent on elemental needs such as food and clothing, while a significant share is also spent on education and healthcare.² The inflow of private transfers was especially low during 2008, falling by 5.8% compared to 2007, with a worsened

outlook for their improvement (NBRM, 2009, p.21). Furthermore, private transfers covered only 53.6% of the trade deficit in 2008, as opposed to 84.1% in 2007, with a tendency for further decline. The lower inflow of private transfers has an impact on the primary sources of existence for many families and their children. This impact is especially strong among certain ethnic communities, such as Albanian and Turks, who rely on these transfers more than other ethnic communities in the country. A statement by the president of the Chamber of Commerce of North-Western Macedonia confirms this observation: referring to the impact of the financial crisis, he stated that the two major problems in the region were the low demand for services and the reduced transfer of funds from abroad.³

Particularly exposed to the negative impacts of the crisis were those households with members employed in the sectors most affected by the economic downturn, such as the metal and textile industries. Low demand has affected all industrial sectors, especially those which are export-oriented, but it is the metal industry that was hit hardest as

² For more information please see: "Dynamics of Remittance Utilization in Bangladesh" (2005), IOM; Acosta, A. (2005), Remesas de la Emigración y su Impacto Socioeconómico, minneo, Ecuador; Field Office, UNICEF; Bryant, J. (2005), Children of International Migrants in Indonesia, Thailand, and the Philippines: A review of evidence and policies, Innocenti Working Paper, UNICEF; Coronel, E. & Unterreiner, F. (2005), Social Impact of Remittances on Children's Rights, The Philippines case, UNICEF, Manila.

³ Interview on TV – A1, 29.04.2009

a result of last year's fall in the prices of metals on international markets—a fall which led to many companies being unable to cover their production costs. The companies in this sector attempted to avert the need to lay off workers by sending over 2,000 employees on mandatory leave of absence while maintaining the production process at minimum capacity and working to complete deals commissioned before the start of the global economic downturn. The situation is similar in all export-oriented sectors, such as the textile and food industries. The construction sector, meanwhile, has suffered from falling investments and the restrictions placed by banks on access to loans.

Overall analysis of the economic conditions in the country in 2008/2009 implies that the global economic crisis has worsened the economic position of households by limiting their sources of income, increasing their difficulties in servicing household debts, reducing their possibilities for borrowing, and exacerbating already difficult conditions for employment. Analysis of the official data shows that the worst-affected households are those with at least one member employed in one of the export-oriented industries, such as the metal, mining, textile, and food industries, and those households whose income depends mostly on remittances. Similarly, the crisis has exacerbated

the already difficult social conditions of those households which are generally considered the most vulnerable, such as households with no employed members, multi-member households, and those living on subsistence agriculture. It may be assumed that children from these types of households experienced difficulties in terms of regular school attendance, regular health check-ups, lower possibilities for extra-curricular activities, as well as increased demand for extra household work.

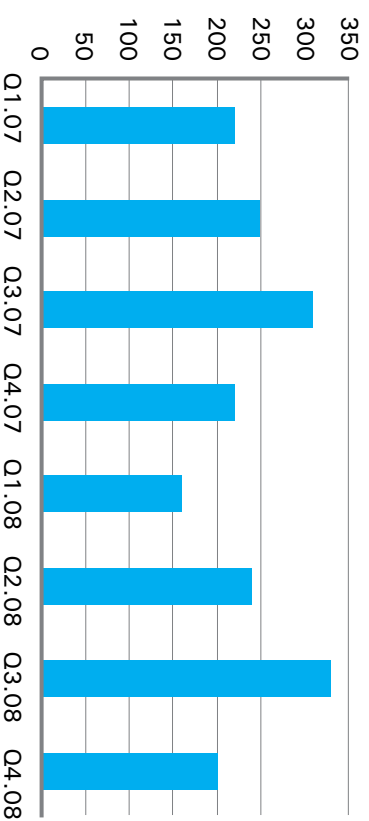
The social dimension of the crisis and its impact on households and children

Unemployment

Although there is a very thin line between the economic and social dimensions of the crisis, with a number of overlapping features, this part of the study seeks to outline the additional effects of the global economic crisis on the labour market, poverty, social welfare, the living standards of vulnerable groups, housing, and other factors.

One of the major threats arising from the global economic crisis is the risk of a rise in the already high rate

Graph 2: Private transfers (in Millions of Euro)



Source: NBRM, 2009

Table 2: Activity, Employment & Unemployment Rates among Youth in the country in the 2nd Quarter of 2009

2009/II	Activity rate	Employment Rate	Unemployment Rate
Total (15-24)	35.7%	16.1%	54.9%
Female (15-24)	28.2%	11.4%	59.4%
Male (15-24)	42.8%	20.5%	52.2%

Source: State Statistical Office, 2009

of unemployment in the country. Although high unemployment affects all age categories, it is particularly devastating among young people aged between 15 and 24. Rates of youth participation in the labour market show that young females are the category most affected by high unemployment: their rates of activity, employment and unemployment are not only lower than average but also lower than these rates among males aged 15–24. The reasons for this may be connected to ethnic and cultural factors, as young females of Roma, Albanian and Turkish origins tend to be more included in family obligations at a much younger age than ethnic Macedonian females. Lower educational attainment among women, particularly from the minority ethnic communities, may be an additional factor in their lower employment and unemployment rates.

According to official statistics, unemployment rose by only 0.1 percent in the first quarter of 2008 compared to the last quarter of 2007 (Table 3). After a more stable period in the 2nd and 3rd quarters of 2008, probably due to season-

al employment, the unemployment rate rose again in the 4th quarter of 2008 to 0.5 percent more than the 3rd quarter of 2008. In these two critical quarters of 2008, the first and fourth, the majority of jobs were lost by workers in the 50–64 age-group. In the last quarter of 2008, a rise in unemployment is also noticeable among young people aged 15–24. However, it seems that the overall unemployment rate stabilized thereafter, remaining at 31.9% in the second quarter of 2009.

According to ethnicity, and on the basis of data given by the Employment Agency, the majority of jobs losses in the period between January and April 2009 were among Bosniacs, Roma and Albanians (Table 4). The educational status of the registered unemployed shows that the rise in the number of unemployed from January to April 2009 was highest among those with secondary education, and also among those with university degrees.

Despite the stabilisation of unemployment figures in 2009, the critical peri-

Table 3: Unemployment rates in selected quarters of 2007 and 2008

Age	Unemployment rate		Unemployment rate	
	2007 / IV	2008 / I	2008 / III	2008 / IV
15-24	61.3	58.4	53.9	57.4
25-49	32.1	32.5	31.2	31
50-64	28.3	28.6	26.5	28
65+	1.2	11.7	3.5	8.2
Total	34.7	34.8	33	33.5

Source: Employment Agency 2009

Table 4: Numbers of registered unemployed at the Employment Agency in January and April 2009, according to ethnic affiliation

	January 2009	April 2009	Growth / decline in absolute numbers	Growth / decline in %
Total	343,369	349,879	1,510	0.43
Macedonians	220,232	219,798	-434	-0.20
Albanians	84,787	86,356	1,569	1.85
Turks	13,665	13,758	93	0.68
Roma	17,929	18,208	279	1.56
Serbs	2,850	2,892	42	1.47
Vlachs	377	380	3	0.80
Bosnians	352	384	32	9.09
Other	8,177	8,103	-74	-0.90

Source: Employment Agency 2009

ods of late 2008 and early 2009 show that the economic crisis mostly affected the jobs of the following social groups: older workers; those affiliated with ethnicities other than Macedonian; and those living in these types of education. Children living in these types of households are more likely to experience increased tensions and problems in their everyday lives due to reductions in their families' financial capabilities and resources brought about by one or both of their parents losing employment. The economic crisis also increased youth unemployment, thus contributing to a greater exclusion of young people from the labour market. Young women were particularly affected by these factors – especially young women from Albanian and Roma ethnic backgrounds.

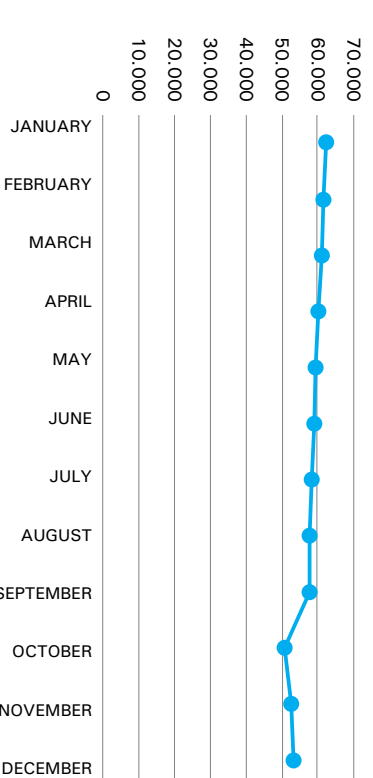
The rise in the number of people applying for unemployment benefits at the end of December 2008 and in early 2009 further indicates that the impact of the global economic crisis was at its most severe in these months. There were 300 more unemployment beneficiaries in December 2008 than in November, making a total of 23,565. Following a brief stabilisation of these figures in January 2009, an additional increase was noted during the months of February and March 2009, when the number of beneficiaries rose to 24,515 and 25,380 respectively. The majority of these were people who had lost their jobs due to redundancy.

Social Assistance

A similar trend was noticeable in the number of people receiving social assistance in the same period. While this number fell from 62,019 in January to 50,714 in October 2008, the figure rose again in November and December to 52,507 and 53,105 respectively, representing 9.4 % of all households in the country. This rise is consistent with the increase in the number of registered unemployed for the same period (see Tables 4 & 5). In addition, it can be estimated that the social protection scheme does not fully cover a number of social categories, such as the unemployed and the elderly. Comparing the numbers of registered unemployed people (343,363 in December 2008) with the numbers of social financial assistance recipients (53,105 in December 2008), it seems that almost 85 percent of those who are registered unemployed are not covered by the social protection system. Even if the number of recipients were double (presuming that there are two unemployed persons per household receiving social financial assistance), the figure still implies that around 70% of the registered unemployed do not receive social financial assistance.⁴ In addition, older individuals are not covered by the social protection system, as only 2.9% of the recorded beneficiaries are above 61 years of age.

⁴ According to the Law on Social Protection, those eligible for social financial assistance include persons who are fit to work but are not socially provided for.

Table 5: Social financial assistance recipients during 2008
NUMBER OF RECIPIENTS OF SOCIAL FINANCIAL ASSISTANCE IN 2008



Source: Ministry of Labour and Social Policy, 2009

The actual amount of money provided in the form of social assistance is also a very important factor, both in terms of the extent to which it enables recipients to maintain an adequate standard of living in difficult economic periods and the extent to which it potentially contributes towards the reduction of poverty. Judging by the amount of social financial assistance currently provided in the country, however, it is difficult to claim that such assistance prevents poverty or helps substantially improve the living standard of its beneficiaries. The monthly amount of social financial assistance is low, amounting to 35.5 EUR for an individual in 2009, equivalent to 10% of the average net salary paid in May 2009 (20,112 MKD; equivalent to 329 EUR) and 22% of the average pension in January 2009 (9,865 MKD, equivalent to 161 EUR). This amount of social financial assistance is much lower than the poverty threshold. In 2008, the poverty line (calculated as 70% of median equivalent household expenditure) was set at 65,398 MKD, equivalent to 1,066.79 EUR per year. A comparison between the poverty line (5,449 MKD or 88.83 EUR) and the amount of social financial assistance provided for individuals per month in 2008 (1,825 MKD or

29.70 EUR) shows that social financial assistance is almost three times lower than the official poverty threshold. Such low amounts of social financial assistance certainly do not serve to alleviate poverty or help people out of poverty. Efforts thus need to be made to increase the amount of social financial assistance so as to enable those living below the poverty line to attain an adequate standard of living. This is especially important in times of economic crisis when vulnerable groups are even more exposed to the negative effects of increased prices for essential goods and services as well as reduced employment opportunities.

The increased rate of inflation was not accompanied by a corresponding increase in the amount of social financial assistance. From the beginning of 2008, year-to-date inflation grew steadily, reaching 10.2 percent in March before fluctuating and finishing at 8.6 percent in August. Higher prices for food and fuel were the greatest contributing factors to this rise in inflation. In this context, it is important to note the effects of inflation on living standards in 2008. Although nominal salaries increased for some sections of the population, real salaries did not keep up with inflation;

thus higher inflation eroded real disposable household incomes, causing a deterioration in average living standards and potentially pushing some families into poverty. Under these circumstances, the affordability of basic services, particularly for poor families with children, is an issue of concern (UNICEF 2009, New York)

Poverty

The rate of poverty in the country is exceptionally high. Calculated by relative method as 70% of median equivalent household expenditure, this rate stood at 28.7% in 2008, which is higher than poverty rates in Romania (18.6%), Turkey (17.8%), Croatia (17.4%) and Bulgaria (14.1%).

Despite the fact that official data for 2008 shows a 0.6 percent decrease in the poverty rate compared to 2007, an analysis of poverty by type of households reveals that there was actually an increase in poverty in 2008 among the category of 'Other households with children' (see Table 6). This 'Other' group is also the largest, representing 46.7% of the poor population. If one adds couples with children, who constituted 10.2% of the entire poor population in 2008, then the total number of households with children living in poverty is 56.9%, implying that the majority of poor people in the country are households with children.

Poverty amongst multi-member households also increased in 2008 compared to 2007. Thus, the poverty rate amongst households consisting of five persons in 2008 reached 33.2%, an increase of 2.6% over the previous year. A slight increase of 0.1 percent was also noticed among households with 6 persons and more.

Furthermore, the poverty level increased amongst households in rural areas and in urban locations outside of Skopje. A comparison with the data for 2006 shows that the households most affected were those in rural areas (an

increase of 7.6% in 2008), followed by households in urban locations outside of Skopje (an increase of 6.2% in 2008).

Other sources also indicate an increase both in poverty among certain types of households and in the overall poverty rate. For example, figures from the last two UNDP People-Centred Analysis Reports (2008 and 2009) imply a slight increase in the total poverty rate. The first research undertaken in December 2007 showed an income-based poverty rate (as 60% of median equivalent income) of 26%, with an increase of 2 percent to 28% recorded six months later in July 2008. Moreover, the report in 2009 noted the exceptionally high number of children under 15 who are at risk of poverty, noting a deteriorating trend compared to the PCA report from 2008.

Access to Basic Services

Taking into account the lack of available and up-to-date national data on other social aspects that might be negatively affected by the economic crisis, it can be speculated on the basis of an alternative analysis of the effects of the crisis in the Western Balkans (Stubbs, 2009), that the following additional social impacts may be expected in the country:

- A reduction in public expenditure which may in turn lead to a reduction in expenditure on children (child benefits, kindergarten services, etc.);
- An increase in pressure on young people to drop out of secondary or higher education in order to support their families;
- Increased pressure on family relations due to poverty and unemployment, linked to higher incidences of depression, alcohol abuse, and violence—all of which may lead to higher levels of child abandonment;

- A potential increase in the small but significant group of children who are under-nourished and/or fail to thrive;
- A potential increase in the number of street children.

There are some indications that these negative effects of the crisis are already underway. For example, there has been an increase in the number of public kitchen beneficiaries and an increase in the number of SOS phone calls reporting abuse and violence against children. According to Megjashi - The First Children's Embassy, the year 2009 saw an increase of 9% over the previous year in the number of phone-calls reporting violence and abuse against children. While the economic crisis may not be the primary cause, it is certainly an exacerbating factor which increases the probability of the occurrence of these negative social trends.

All of the above suggests that there will be an increased demand for social protection benefits and services in times of economic crisis. The social protection system needs to respond to such increased demand in a timely and proactive manner. The duration and amount of social protection benefits should be temporarily increased in order to mitigate the negative effects of the crisis. The pension system should also be revised and the governmental pension supervision agency should pro-

tect the contributions paid into private pension funds. The government should also pay more attention to addressing the problems faced by the following high-risk social categories: households with children, particularly those with 5 or more members elderly workers; unemployed people who have no education or only incomplete education; households amongst certain ethnic groups whose members are not in paid employment and who are not part of the social protection system; as well as households living in urban centres outside of Skopje, and those in rural areas. In times of economic crisis, these categories should be supported by increases in the amount and duration of direct social transfers, but also by the adoption of a greater number of active measures to increase employment opportunities.

The Government's response to the economic crisis

Economic Anti-crisis Measures

The initial impact of the global economic crisis in November–December 2008 coincided with national pre-election campaigns for presidential and municipal elections, with the consequence

Table 6: Relative poverty by type of household (70% of median equivalent expenditure)

	2007		Composition of poor	2008		Proportion of poor population
	Headcount index	Poverty gap index		Headcount index	Poverty gap index	
Total	29.4	9.7	100.0	28.7	9.2	100.0
Elderly	26.7	7.9	4.6	22.8	7.3	4.9
Couples with children	27.1	9.6	10.4	25.5	9.9	10.2
Other households with children (single parents, unmarried couples)	33.4	11.1	48.5	33.7	10.6	46.7
Households without children	26.3	8.4	36.4	25.8	8.0	38.3

Source: State Statistical Office, 2009

that the Government spent significant time and energy on the election agenda. However, in this period, the Government adopted **two anti-crisis packages**: one focused on writing off the debts of insolvent companies, the other announcing plans to invest eight billion EUR in public works. However, as these measures do not target the real 'losers' from the economic crisis, their impact on the most vulnerable social groups was negligible.

A third 'anti-crisis' package was announced after the elections in April 2009. This package focused on more realistic measures, including:

- 1) a new and re-balanced budget, reduced by 9% and adjusted according to the macro-economic projections of 1% GDP growth and 1% inflation for 2009;
- 2) the provision of credit support for firms and enterprises in the amount of 100 million EUR through the European Investment Bank; and
- 3) additional measures for supporting firms and enterprises, including measures for simplifying the export of goods, cost reductions, etc. As with the previous package, this did not include any direct social measures; nor did the economic measures focus on the most vulnerable groups in society.

Social Anti-crisis Measures

The first specific social anti-crisis measure directed towards vulnerable groups was announced at the beginning of September 2009, when the Government decided to adopt an **Energy Poverty Action Plan**. This measure sought to provide direct financial support to the poor and most vulnerable sector who are unable to keep up regular payments on their constantly increasing electric bills every month. According to the Government, this social measure will amount to between 250 and 450 million MKD (between 4 and 7 million EUR) annually. Its implementation is planned for early 2010, after previous identification of the beneficiary categories and support levels. Initially, this programme is envisaged

to cover between 50,000 and 60,000 socially vulnerable households. Once implemented, this measure may prove quite beneficial for many households who lack sufficient resources to service their household debts. Its main disadvantage is that its realization was planned for the following year and thus the negative effects of the crisis were felt for longer, especially as the heating season begins in mid-October. Moreover, given that a significant proportion of the vulnerable population use wood as their main heating resource rather than electricity, their needs should also be taken into account as part of the social anti-crisis measures.

A second anti-crisis measure with a direct social impact was announced only a few days after the Energy Poverty Action Plan. This measure is entitled **'SOS Shops'** and envisages governmental subsidies for beneficiaries of permanent financial assistance, enabling them to purchase essential products with a 30% discount. Social assistance beneficiaries can buy discounted products up to the amount of the social assistance they receive, but not more than 5000 MKD (81 EUR) per month. These shops are planned only for Skopje initially, while additional shops may open in other cities in future according to levels of interest in the scheme. The measure is planned to cover approximately 15,000 households that are beneficiaries of permanent financial assistance, or approximately 55,000 to 60,000 individuals in Skopje. Given that Skopje is the region least affected by the economic crisis, the 'SOS Shops' measure appears to be directed towards supporting those beneficiaries who are least vulnerable to the effects of the crisis. This measure would thus be more appropriate if it were directed towards those cities and regions where the majority of jobs have been lost and towards those households with members employed in the worst affected sectors of the economy.

Before taking into consideration some of the other anti-crisis measures that have been adopted in the field of social

welfare, it must be emphasised that these governmental activities undertaken in 2009 had been planned and announced long before the onset of the global economic crisis. Hence they cannot be accurately defined as measures taken against the crisis, although their effect in certain cases may prove beneficial in times of increased economic constraints.

Other Relevant Ongoing Child-focused Initiatives

In 2008, the Government adopted a Law on Textbooks whereby **textbooks were issued free** of charge to all students in primary and secondary schools. This measure was seen as providing support in the implementation of the government's previous legislation on compulsory secondary education which came into effect in the school-year 2008/09. The textbook project will be implemented in three phases and will cost the Government over 1 billion MKD (16 million EUR). However, at the beginning of the school-year 2009/10 there were still problems with the full implementation of this project due to a lack of contractual arrangements with the authors of the textbooks: problems which delayed both the distribution of the textbooks as well as the commencement of regular study activities. In addition, the Government has announced that all damage done to textbooks will be paid for by parents at the end of the school year. This was described by some as effectively introducing 'delayed' payment for textbooks. Despite criticisms and initial problems with its implementation, however, this measure—while not adopted directly as a result of the crisis—may yet prove the most important step to have been taken by the government towards supporting household budgets with a direct bearing on the needs of children.

An additional measure planned since 2007 and supported through the World Bank's 'Social Protection Implementation Loan' is a project entitled **Conditional Cash Transfers (CCT)**. After

a period of broad consultation as to which groups were to be covered and to which domains it was to be applied, this project was finally initiated in September 2009 with the adoption of the Government Programme for Conditional Cash Transfers for Secondary Education. The beneficiaries of this programme are to be high-school students living in families which receive social financial assistance, as well as students in families where one of the parents is briefly engaged in a socially beneficial public works project, and has therefore had their social financial assistance temporarily halted. The main condition attached to this programme is that high-school students should demonstrate regular school attendance, i.e. at least 85% of the total number of classes (hours) according to the school programme. Families will receive an amount of 12,000 MKD (196 EUR) annually, to be paid in four separate instalments. The total amount of money provided through the World Bank for this project is approximately 19,300,000 EUR. It is estimated that this programme will cover around 18,800 high-school students from households receiving social financial assistance. In addition, this project should also cover health protection—i.e. regular pre-natal visits as well as immunization—but this has yet to be specified in detail.

As was the case with the programme for free textbooks, the CCT project is complementary to the Law on obligatory secondary education. This measure will support the financial costs of households with children who do not attend school regularly, as this irregular attendance is attributed primarily to economic factors.

Experiences from other countries suggest that there are certain risks associated with this programme which must be taken into consideration during its implementation. Some of these risks include obstacles associated with certain traditions and customs within particular ethnic groups, e.g. early marriages amongst Roma, the unavailability of

schools where teaching is given in the languages of all ethnic communities, stigmatisation of CCT recipients, and others.

Social housing is an additional measure undertaken by government aimed at providing affordable housing for vulnerable categories. The provision of social flats as a social policy measure is not a novelty in the country, although there is no unified law regulating this area. Currently, the government is planning the adoption of a new Law on Housing which will regulate non-profit housing more strictly and will also grant more rights for municipalities in this field. In 2009, according to the 'Programme for the Construction and Maintenance of Apartments in Public Ownership', the Government has announced two calls for applications to rent social flats (102 flats in Skopje and 29 in Makedonska Kamenica).⁵ According to the new law, vulnerable categories of people residing in social apartments will have a right to government subsidies to help them pay their rent. The call in Skopje resulted in more than 700 applications, of which a majority were from individuals who were children growing up without parents and parental care. This category was also the prime target of the government's call, meaning that the majority of the flats will be given to adults who grew up parentless. Although this measure was not taken directly in response to the economic crisis, it is a very important measure as it directly contributes towards improving one of the biggest problems in the national social protection system, i.e. the lack of sufficient support for young people without parents and parental care who are leaving institutional care.

Also in the area of housing, the Government recently announced a reduction in the VAT rate from 18% to 5% on the purchase of new apartments, a measure that should bring about several positive effects in the housing sector. Firstly, it should stimulate construction companies to increase their volume of building in response to the expected

rise in demand for new housing. In addition, it is anticipated that this measure will have a positive effect on lowering the prices of apartments by approximately 10 to 13%. While positive in terms of increasing the affordability of housing for the general population, however, this measure is not expected to contribute towards satisfying the needs of the most vulnerable sectors of the population who lack adequate standards of housing.

One other measure implemented since January 1, 2009, is the reform popularly referred to as the 'gross wage reform', which was introduced as an amendment to the previously enacted Law on Contributions for Compulsory Social Insurance (Official Gazette, 142/08). Among other changes, this reform changed the previous 'net wage' system by:

- 1) Integrating net salary within gross salary and calculating social contributions on the basis of the gross salary;
- 2) Introducing a gradual reduction of the social contribution base for pension, health and unemployment insurance by 10 percentage points from the current 32% to 22% between the period 01.01.2009 and 01.01.2011.

This measure resulted in an 'artificial' increase in the average gross salary: a 17.7% jump in the first half of 2009 compared to the same period from the previous year.

Although this reform was welcomed by employers and employer associations as it reduces social contribution costs and thus total labour costs, it nevertheless carries certain risks. These risks are associated with the way in which the reform is implemented and with the overall context of informal economy in the country. The first problem arises from the calculation of social contributions: this calculation is supposed to be made on the basis of the employee's

entire salary, but this rule is not fully respected in practice. Specifically, employers in the private sector frequently exploit the legal stipulation of a minimum and maximum basis for calculating social contributions, registering the salaries of their employees at the minimum base and thus paying lower social contributions while paying the other part of the wage to employees 'under the table'. This practice jeopardises the current and future living standards of employees as their lower social contributions may later mean they stand to receive only minimum amounts of social transfers in the event of their becoming unemployed or after their retirement. The consequent reduction in living standards amongst households also impacts upon children and young people by reducing these households' capacity to finance their children's essential needs, such as health, education, etc.

The overall decrease in the amounts paid as social contributions for pensions, health and unemployment insurance generated additional problems. Although this measure was meant as an incentive to generate new employment, it has not produced the expected results. On the contrary, bearing in mind the financial crisis and its impact on a growing number of unemployed people, as well as the previously reformed PAYG⁶ system and the privatisation of primary healthcare, the main impact of this reform will be to lower the contributions paid into social insurance funds, thus decreasing the total financial assets available for important public services and benefits such as health, unemployment insurance and pensions. Children and young people are also affected by the lowering of social contributions as many of them depend upon the social benefits received by their parents or grandparents.

Finally, agricultural workers are a target group that has been continually supported by governmental subsidies since 2008. In 2009, 70 million EUR were allocated for different kinds of subsidies

aimed at agricultural workers. However, many of those living on small plots of land (subsistence agriculture) are not able to benefit from these measures because they are usually not insured/registered, while priority is given to agricultural workers who are officially registered. As a consequence, children and young people living in such households are also negatively affected, as this problem contributes to a reduction in young people's employment opportunities, as well as increased mistrust in a public system that does not equally benefit all agricultural households.

Conclusion

In conclusion, it may be asserted that the government's response to the global economic crisis has not been sufficiently targeted at alleviating the effects of the downturn for the main 'losers' in this process. Government measures only rarely focused on the individuals and regions most directly affected by the crisis. Of all the anti-crisis measures, only two had a direct social impact: the Energy Poverty Action Plan and the introduction of SOS shops. These measures also lacked appropriate and additional targeting necessary to make them more effective. Furthermore, of all the measures announced in 2009, none were directly focused towards children. This highlights the absence of a child-friendly approach which could be adopted in times of economic constraints. The only measures that may have had a direct positive effect on children and young people during 2009 were those related to the provision of free textbooks and preferential access to social housing for individuals who grew up without parental care. To alleviate the problems faced by children and young people during periods of economic crisis, governments need to undertake more public measures focussed on helping vulnerable households to meet their overall costs of living, specifically in the fields of housing, education and health.

⁵ The size of the apartments is 35–45 square metres and their rent will be 20 MKD (0.32 EUR) per square metre.

⁶ The Pay-as-You-Go (PAYG) is a system whereby contributions from currently employed workers are used to pay the pensions of the retired employees.



PART TWO: THE WELL-BEING OF CHILDREN AND YOUNG PEOPLE DURING ECONOMIC CRISIS - RESEARCH RESULTS

Objectives

This study has the following general and specific objectives:

- **General Objectives**
 - To identify the threats arising from the current economic crisis to the well-being of children and young people throughout the country.
 - To assess the socio-economic circumstances of the most vulnerable groups of children and families during periods of economic crisis.
- **Specific Objectives**
 - To assess the potential reductions in families' living standards and levels of consumption which impact upon the well-being of children and young people. To provide an analysis of the threats and risks posed to children and young people by
 - the reduced economic capacities of households.
 - To assess any increased irregularities in school attendance or deterioration of school performance among children and young people over the 12-month period. To assess the causes of such irregular attendance or diminished performance.
 - To assess the health status, attendance at regular health check-ups, and nutritional habits of children over the past 12 months. To explore the reasons for any decrease identified in the quality of children's health in this period.
 - To assess the amount of free quality time spent by parents with their children over the past 12 months. To explore the reasons for any reduction in such quality time.

- To assess any increased engagement of children and young people in labour as a result of the economic crisis.

- To assess the housing conditions of children and young people and to provide an insight into any reduction in their housing standards and needs over the past 12 months.

Methodology

The analysis in this study is based on a combined qualitative and quantitative approach. The quantitative research method involved a primary field survey based on a nationally representative stratified sample of family households. The survey was conducted through a questionnaire as an instrument for obtaining relevant data.

Notwithstanding the availability of a significant amount of relevant official statistics and additional research related to child well-being and child poverty in the country, a need was identified for acquiring fresh data that would specifically provide information on the most recent impact of the global economic crisis. The rationale for undertaking primary research included the following key considerations:

- The scarcity of relevant national data (both official statistical as well as research data) on socio-economic developments in 2009, i.e. the period in which the economic crisis was manifested most strongly.

- The absence of any statistical evidence or empirical research regarding the specific impact of the economic crisis on children and families.

- The possibility offered by primary research to assess the extent of the socio-economic effects of the crisis in relation to household expenditure

on the needs of children in areas such as education, health, and nutrition.

- The possibility offered by primary research to analyse the economic effects on the most vulnerable children according to ethnicity, region, location, household type, etc.

- The possibility offered by primary research to analyse the groups and families most affected by the crisis, i.e. families with members who lost jobs in the past 12 months; families relying exclusively on remittances; families living from agriculture; dependent on child benefit; and multi-member families.

- The possibility offered by primary research to analyse the strength of the social protection system to provide support to vulnerable groups in periods of crisis through social assistance, education, healthcare, etc.

- The opportunity afforded on the basis of primary research to provide relevant policy proposals for improving the conditions of vulnerable children, and to recommend policy measures aimed at vulnerable children and families during economic crisis.

Sampling

The sample used for the purposes of primary field research comprised a nationally representative sample of family households (excluding married couples without children). The sample included 1,042 households with children and young people. The units of analysis were households with children and young people. Within this study, 'children' are defined as persons aged between 0 to 18, while 'young people' are defined as being from 19 to 25 years of age. Although official statistics define young people as persons up to the age of 24, this study included

those aged 25 since many people of this age are still involved in the educational process and continue to live with their parents.

The sample type was stratified in approximately equal parts according to ethnicity, region and place of residence. This manner of stratification was applied for two reasons: firstly, because it allowed for comparative analysis across these variables; secondly, because it enabled the study to highlight the needs of the population most affected by the adverse impacts of the financial crisis, as well as those groups generally considered most vulnerable.

The ethnic groups included in the sample were Macedonians, Albanians, Turks and Roma.¹ According to official statistics, these are the ethnic groups within which there is the greatest number of registered unemployed,² the greatest number of social assistance recipients,³ and amongst whom social exclusion of youth is most evident.⁴ An equal number of respondents was selected from each ethnic group in order to allow for more in-depth analysis of the most vulnerable ethnic groups – i.e. primarily the Roma, but also Albanians and Turks.

The stratification of the sample according to regions, i.e. the inclusion of an equal number of families with children and young people per region, was applied due to the fact that the largest statistical region, Skopje, is also the wealthiest region and is considered to have been least affected by the economic crisis. The number of households per region in the sample is thus approximately equal in order to allow for a more accurate assessment of the

impact of the crisis on households in less populous and affluent regions that may be presumed to have suffered more from the economic downturn.

Finally, the sample included an equal distribution of households living in urban and rural areas. This allowed the study to focus on a sufficient number of respondents from rural households, as such households are considered more vulnerable to the effects of the crisis than urban households.

The structure and size of the stratified sample were as follows:

- According to ethnicity: 261 Macedonians; 261 Albanians; 264 Turks; and 256 Roma.
- According to geographical location: 8 statistical regions, i.e. (1) Polog; (2) Skopje; (3) the North-East region; (4) The South-West region; (5) Vardar; (6) the East region; (7) Pelagonija; and (8) the South-East region. The sample included approximately 130 respondents per region.

- According to location of residence:
 - Urban locations: Veles, Stip, Kocani, Kicevo, Radovis, Strumica, Bitola, Gostivar, Kumanovo, and Skopje (Suto Orizari). The sample included 521 respondents from urban locations, with approximately 130 respondents per ethnic group.

- Rural locations: Caska, Krivolak, Karbinci, Zajas, Dolno i Gorno Kosovra, Osolj, Rastani, Bosilovo, Dolnani Crniliste, Debreste, Ropotovo, Tearce, Gorna Banjica, Pcinja, Romanovce, Bedinje, Lipkovo,

¹ Other ethnic groups present in the country but not analyzed in this study include: Serbs, Vlachs, Bosniaks and others (Source: National Census Data 2002, State Statistical Office)

² Unemployment according to ethnicity in April 2009 was as follows: ethnic Macedonians, 62.8%; ethnic Albanians, 24.7%; Roma, 5.12%; and ethnic Turks, 3.93%. Source: National Employment Agency 2007

³ Social assistance recipients according to ethnicity in 2007: ethnic Albanians, 37%; ethnic Macedonians, 33.5%; Roma, 14.1%; and ethnic Turks, 6.4%. Source: Verne, P., "Review of the Social Protection System in the Republic of Macedonia", Ministry of Labour and Social Policy, 2008 (unpublished)

⁴ Novkova, B., "The socio-economic status of the family as a factor in social exclusion from education and employment amongst persons aged 15 to 19." Unpublished MA thesis (in Macedonian), Faculty of Philosophy, Ss. Cyril & Methodius University, Skopje (2009).

Studenticani, Zelenikovo, Saraj, Novo Selo and Jurumleri. The sample included 521 respondents from rural locations, with approximately 130 per ethnic group)

From tables 7–9 below it can be seen that, in addition to groups stratified according to ethnicity, region and location, the sample included mainly married couples with children, mainly unemployed people and predominantly those with primary and secondary education.

It is important to emphasise that preference was given whenever possible to conducting the survey with mothers rather than fathers of families. This preference was applied because it was deemed that mothers would prove the most relevant source of information regarding the well-being of their children.

Overall, 582 female respondents (55.9% of the sample) and 460 male respondents (44.1% of the sample) were interviewed.

Qualitative method

The qualitative methods applied in this study consisted of literature review and discussions with focus groups. The discourse analysis was conducted mainly through a review of policy and research literature, as well as a review of the statistical data available on the socio-economic effects of the crisis on children and young people. The sources for the data considered in the discourse analysis were primarily government institutions: the State Statistical Office, the National Bank of the Republic of Macedonia, the Ministry of Labour and Social Policy and the Employment Agency. The timeframe of the analysis was mid-2008 to mid-2009.

The focus group discussions provided further information about the effects of the crisis on those groups of the population perceived to be most vulnerable

to the economic crisis. The responses gathered in these focus group discussions complement the primary research survey and serve to provide greater clarification of the findings. Five focus groups discussions were conducted, each involving 7–10 participants from the following categories:

- Newly unemployed workers from the textile and metal industries from the eastern part of the country.
- Families living from remittances in the western part of the country.
- Agricultural families in the southern part of the country.
- Multi-member families of 5 or more members from the north-eastern part of the country.
- Families receiving child allowance in the northern part of the country.

The focus groups were not as strictly selected along the lines of the statistical regions as the population selected for the survey. However, adequate geographic coverage was ensured in order to assess the effects of the crisis throughout all geographical regions. In addition, the participants in the focus groups were selected according to the problems most evident during the crisis, such as rising unemployment, reductions in remittances, and reduced demand for agricultural products. Participants from households with multiple members and from households receiving child benefits were selected in view of their long-term vulnerability.

Special guidelines consisting of 10 to 15 questions were elaborated in order to guide the focus group discussions and enable the gathering of short, clear and unambiguous responses and explanations.

The focus group discussions were recorded and the audiotapes and transcripts were subsequently analysed to identify the most characteristic positions and opinions of the households affected by the economic crisis as well the impact of this crisis upon children

Table 7: Sample structure according to family type, gender, ethnicity and location

Family type	Gender	Ethnicity and Rural-Urban split								Total
		Macedonians		Albanians		Roma		Turks		
		Rural	Urban	Rural	Urban	Rural	Urban	Rural	Urban	
Single parents	Men	2	3	0	1	1	2	0	7	16
	Women	1	6	2	5	9	11	4	3	41
Total	Men	3	9	2	6	10	13	4	10	57
	Women	52	53	48	34	48	53	69	72	429
Married couples with children	Men	73	68	78	89	57	47	56	45	513
	Women	125	121	126	123	105	100	125	117	942
Unwed couples with children	Men	0	1	0	0	4	6	1	2	14
	Women	0	1	2	1	12	5	1	3	25
Total	Men	0	2	2	1	16	11	2	5	39
	Women	0	0	0	0	0	1	0	0	1
Other	Men	0	1	0	1	0	0	1	0	3
	Women	0	1	0	1	0	0	1	0	3
Total	Men	0	1	0	1	0	1	1	0	4
	Women	128	133	130	131	131	125	132	132	1,042

Table 8: Sample structure according to ethnicity, gender and employment status

Ethnicity	Gender	Employment status of parents						Total
		Employed in the private sector	Employed in the public sector	Self-employed	Unemployed	Pensioner	Other	
Macedonian	Men	47	11	9	34	8	1	110
	Women	40	10	8	88	3	1	150
Albanian	Men	87	21	17	122	11	2	260
	Women	16	18	18	24	4	3	83
Turkish	Men	12	12	8	142	3	1	178
	Women	28	30	26	166	7	4	281
Roma	Men	47	15	24	60	1	4	151
	Women	17	1	8	86	0	1	113
Total	Men	64	16	32	146	1	5	264
	Women	29	4	7	71	2	1	114
Total	Men	2	1	5	132	0	1	141
	Women	31	5	12	203	2	2	255
Total	Men	210	105	87	637	21	13	1,040
	Women	20.2	6.9	8.4	61.3	2.0	1.3	100%

Table 9: Sample structure according to ethnicity, gender and education

Ethnicity	Gender	Education of parents						Total	
		No education	Incomplete primary education	Primary education	Incomplete secondary education	Secondary education	Higher education		Tertiary education
Macedonian	Men	0	2	14	1	75	9	9	110
	Women	1	2	31	0	92	9	15	150
Albanian	Men	1	4	45	1	167	18	24	260
	Women	1	3	28	2	35	5	9	83
Turkish	Men	10	29	117	3	71	9	22	261
	Women	13	16	52	0	51	6	13	151
Roma	Men	23	34	43	0	11	0	2	113
	Women	36	50	95	0	62	6	15	284
Total	Men	16	24	54	1	19	0	0	114
	Women	49	45	39	0	7	1	0	141
Total %	Men	85	69	93	1	26	1	0	255
	Women	112	152	350	5	326	34	61	1,040
		10.8	14.6	33.7	0.5	31.3	3.3	5.9	100%

and young people. The information gained from these focus group discussions does not replace the quantitative survey; rather, this information offers in-depth, complementary data from the selected groups of respondents.

The following sections of the study present an analysis of the data gathered through the quantitative and qualitative methods described above. Where possible and appropriate, data obtained from our research will be compared to official statistics and other relevant national sources to assess whether they provide any new information regarding threats to the well-being of children and young people.

Finally, the results from this study will also serve as the basis for developing a set of policy recommendations for improving the well-being of children and young people in times of economic crisis.

Table 10: Composition of focus group participants

	Recently unemployed		Receiving remittances		Agricultural households		Multi-member households		Child/benefit beneficiaries	
	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women
Macedonian	6	4	/	/	7	2	/	1	2	1
Albanian	/	/	3	3	/	/	/	/	3	/
Turks	/	/	2	/	/	/	/	/	/	/
Roma	/	/	/	/	/	/	4	2	2	1
Other	/	/	/	/	/	/	/	/	/	1(Serb)
Total	6	4	5	3	7	2	4	3	7	3

however, reported a **reduction in income**, while 2.6% reported having experienced irregular payments of their income. Of those whose incomes declined, the majority were Roma (28.1%), followed by ethnic Turks (26.1%), ethnic Albanians (23.8%) and Macedonians (22.1%). The regions most affected by the decline were the South-East and Polog regions. According to family type, income decline was most evident among single-parent families (mother) and unwed couples with children. A significant reduction in income was also reported among households with five or more members and families with four children or more. According to employment status, a reduction of income was reported predominantly by self-employed and unemployed people. Finally, according to monthly income per household, a decline in income was

reported primarily by families in which the father had a monthly income of up to 5,500 MKD (89 EUR) and the mother had no income.

The above results suggest that the economic crisis contributed towards reduced incomes amongst families generally considered more at risk, such as multi-member households, single-parent families, vulnerable ethnicities (i.e. Roma), households living on low incomes or no incomes, and amongst the self-employed and unemployed. In addition, the research results confirm the official figures with regard to the regions most affected by the economic crisis. Thus the South-East region, where the textile and metal industries are most present, was found to have suffered the worst affects of the downturn. Other regions, such as

Standards of living

Standards of living tend to decline during periods of economic crisis as a result of various cuts in public spending, reduced employment opportunities, reduced incomes, irregular payments of wages, increased prices for essential goods, and other factors. All these factors place pressure on households to reorganise their spending habits. Plans to continue education may be postponed and regular health checkups may cease, for example, in addition to the adoption of other cost-saving measures. This section will analyse the extent to which economic developments over the twelve-month period under consideration impacted the living standards of different types of households in the country, thus enabling an assessment of the risks and threats to the well-being of children and young people.

Of the 1,042 respondents from households with children, 50.4% reported no change in their income levels over the previous twelve months. A significant number of the interviewees (38.3%),

Graph 3: Children, young people and family types most affected by reduced parental income

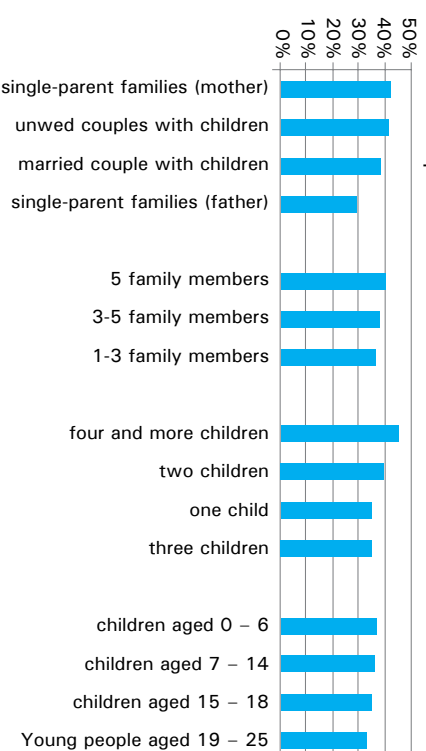


Table 11: Households with children and young people below the poverty line according to monthly household income

Households with children and young people according to their children's age	Households with no income	Households with incomes up to 5,500 MKD	Total	% of households living below the poverty line
0-6	60	64	124	11.9%
7-14	38	54	92	8.8%
15-18	15	15	30	2.8%
19-25	44	15	59	5.6%
combination of all ages	70	128	198	19%
TOTAL	227	276	503	48.1%

Polog, suffered from higher-than-average numbers of individuals losing their jobs (at home or abroad) and/or experiencing a loss or reduction in their regular incomes or remittances.

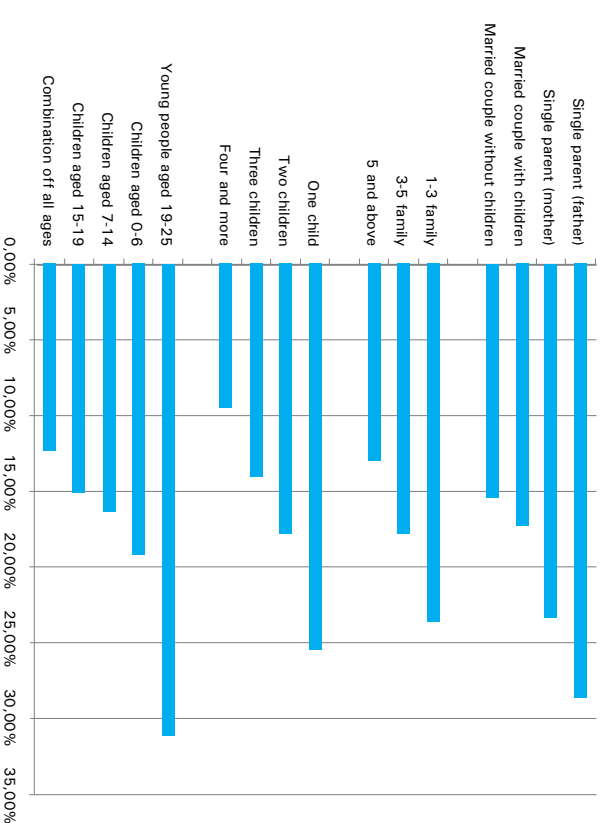
Analysis of household incomes can also serve as an indicator of the numbers of children living in poverty. Although poverty is officially calculated according to household expenditure, the analysis presented here is based upon household incomes (Table 11). (This method of calculating poverty on the basis of household incomes is an important step in the process of harmonizing national statistics with EU standards.)

In 2008, the poverty threshold (calculated as 70% of median equivalent household expenditure) was set at 65,398 MKD, or 1,066.79 EUR (the annual expenditure per adult equivalent). This means that the poverty line in 2008, calculated as monthly expenditure per adult equivalent, was 5,449 MKD, or 89 EUR. The number of households with no incomes or with incomes up to 5,500 MKD indicates that 48.1% live below the poverty line. Excluding households with children in the age-range 'combination of all ages', the children living in poor households were predominantly aged between 0 and 6. Of all the households interviewed, it is alarming to note that 21.7% live with no income or in conditions of extreme poverty. Again, the age-group most affected is that from 0-6 years of age.

Job losses during the period of the economic crisis were reported by 17.5% of the households interviewed. Recent research undertaken with similar representative sample (FES, 2009) produced a similar finding regarding the number of jobs lost during the crisis, at 19%. One can thus conclude that the economic crisis has contributed to an increase in the already high level of unemployment and to a lowering of living standards. Our research shows that the majority of job losses (58.2%) were among households living in urban areas, predominantly in the Eastern region (20.9%), Skopski region (17%); and Polog region (14.3%). By ethnicity, the majority of job losses were registered among Macedonians (35.7%), followed by Turks (23.1%), Roma (22.5%) and Albanians (18.7%). In terms of types of family, the majority of households that experienced job losses were single-parent families, families with one to three family members, families with only one child, families with young people between the ages of 19 and 25, and families with children aged between 0 and 6 (Graph 4). This is also confirmed by analysis of the age of parents, according to which the majority of job losses were recorded in the age group 50-65, followed by younger couples aged 18-29.

The results of the study show it was single-parent families who were hit hardest by the economic crisis in terms of reduced income and job losses.

Graph 4: Family types where job losses occurred during the period under consideration

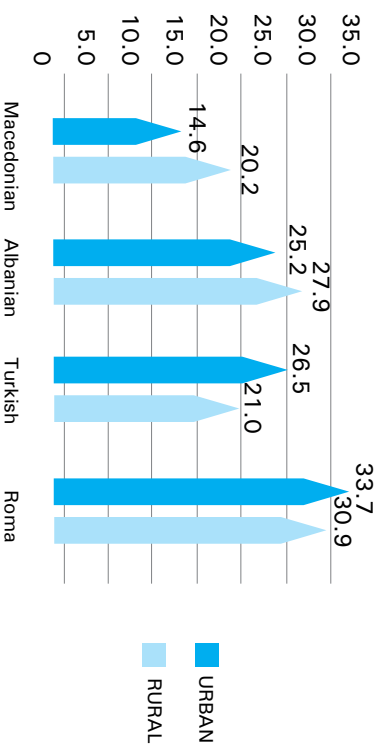


Among other family types, notable differences are apparent. For example, while reduced income was mainly evident among households with four or more children, job losses were mainly evident among families with one to three family members and families with only one child. This suggests that younger couples and older parents – i.e. the category registering the highest proportion of job losses – tend to have more insecure types of employment (e.g. part-time employment or employment with fixed-term contracts) and/or jobs associated with the industries most directly affected by the crisis. It may further be concluded that households with more family members and more children tend to be employed either in types of jobs which, while more secure, are also more susceptible to changes in market demand (e.g. self-employed) and/or rely on financial resources which were reduced during the crisis (e.g. remittances). From this it may be conjectured that two categories of children were affected more than any other category by the

reduced living standards of their parents and/or other family members. The first category includes children whose parents suffered the loss of a job, that is, those living in single parent families; young people between 19 and 25; and children between the ages of 0 and 6. The second category includes children whose parents experienced reduced incomes, or children living in multi-member households (with 4 or more siblings).

Analysis of the discussions held with focus groups, which included five different types of households, indicates that those most affected by the economic crisis were families with members working in agriculture and families of five or more members. These households were particularly badly affected not only because of reductions in their income and, in some cases, job losses over the twelve-month period, but also because their standard of living was already low prior to the crisis, i.e. they had no savings, lacked adequate housing conditions, etc.

Graph 5: Households suffering financial exclusion (possessing no bank account), according to ethnicity and location



As well as placing jobs at risk and lowering incomes, the economic crisis also impacts upon **household expenses**. The quantitative research results show that higher prices for food, energy and other essential products over the 12-month period increased the expenses of 89.3% of all households, with no significant variations according to location, region, ethnicity or family types.

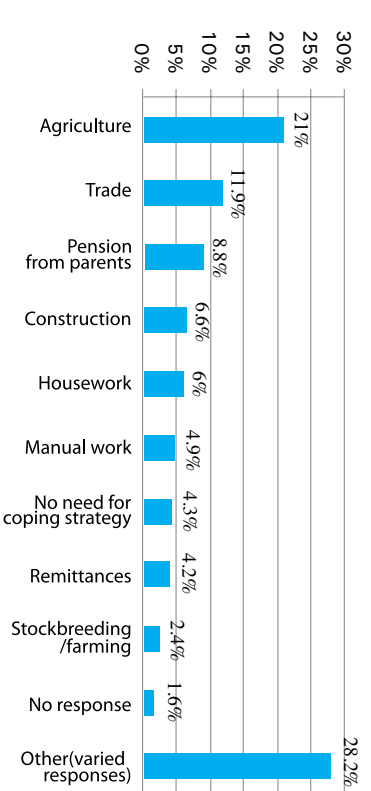
Of the households surveyed in this study, 79.7% responded that they had experienced greater difficulty paying their monthly bills for electricity, water and food compared to the previous year. In terms of ethnicity, this problem was reported by a slightly higher proportion of households from the Roma and Turkish population than other ethnicities, with 27.1% of Roma households and 26.6% of Turkish households reporting difficulties paying such bills. In terms of family types, this problem was observed to be greatest among single-parent families (where the mother is head of the household) and families with three children.

In terms of employment and educational status, the groups with the highest proportion of households reporting problems paying bills were those with members either self-employed or unemployed and those with members possessing only incomplete secondary education. This finding is not surprising

given that employment opportunities for unskilled labour with lower levels of education are scarce in times of crisis, thus increasing the pressure on these types of family. This may explain why Roma and Turkish households, as well as single-parent families, experience increased problems in paying their utility bills during times of economic crisis.

Regarding the ability of households to **service bank loans** and/or mortgages in this twelve-month period, 48.7% of respondents reported that they did not have any loans or mortgages. This indicator, taken together with the fact that 65.7% of the respondents reported not possessing a bank account, highlights the condition of financial exclusion that plagues the majority of the population (Graph 5). Various causes have been advanced to explain this state of financial exclusion, such as a lack of required documentation, a lack of education or knowledge, the rigidity and conservatism of the country's banking system, and the low level of trust placed in the financial sector (Bonarova, Gerovska-Mitev, 2009). Irrespective of the causes, this problem is of great concern since the lack of a bank account severely limits the possibilities available to households to accumulate savings, undertake bank transactions or access credit and insurance. The scale and seriousness of this problem

Graph 6: Coping strategies among households with children during economic crisis



is indicated by the fact that 90.1% of respondents to the survey reported not having any savings. Moreover, the majority of households participating in the study's focus group discussions (with the exception of those receiving remittances) also declared that they did not have any savings. This problem constrains parental choices in terms of their coping strategies during economic crisis and limits the means available to them to provide for their children's needs.

Of the respondents interviewed for this study, 20.3% reported having experienced greater problems servicing their loans and mortgages in the twelve-month period under consideration. The majority of those reporting such problems were households of Macedonian ethnic origin living in urban areas in the Eastern region. Most were from households with three to five family members and with young people aged between 19 and 25. Most had higher (two years or more) university education and worked in the public sector with a monthly income of 18,000 MKD (300 EUR) or above. These types of households generally do not belong to the more socially vulnerable population of the country. During the economic crisis, however, their existing incomes proved insufficient to withstand the effects of increased rigidity on the part of the banking system, e.g. higher inter-

est rates, decreased time-intervals for paying, etc. On the other hand, those who do not have any loans or mortgages typically belong to the category of more vulnerable households as they constitute a higher-risk category in the view of banks. This latter category primarily includes households of Albanian and Roma ethnic origin from rural areas in the North-East region with parents aged between 50 and 65 and with five or more members and three children.

Finally, the living standards of households were also measured according to their **coping strategies** during times of economic crisis. As can be seen from Graph 6, only 4.3% of all households interviewed said they had not experienced any need to seek additional income to support their standard of living as a result of decreased household income due to job losses or other effects of the economic crisis. Of the households that specified their coping strategies, most reported having engaged in agriculture or trade as a means of maintaining their living standards, while some reported using the pensions of their parents to cope with their financial difficulties. Others said that they usually engaged in construction work, housekeeping or other manual work during periods when they had no formal source of income or received reduced incomes.

As shown in Graph 6, most households responded 'Other' to the question regarding their coping strategies. Analysis of the responses in this category indicate that the coping strategies adopted by the majority of these households included the following: taking out loans or arranging credits; working in the private sector (in unspecified jobs); producing craft work; and performing various other types of work. The remaining respondents coped by engaging in the informal economy or by subsistence farming.

Analysis of the discussions held with focus groups indicates that the coping strategies commonly adopted by all types of households include the following: borrowing from relatives; delaying repayment of debts and loans; making use of social assistance; taking up part-time work; and, in rare cases, making use of bank credits and loans.

Conclusions

Overall, the results of this research into living standards during economic crisis indicate that households are exposed to important threats and risks which may have a direct impact on the well-being of children and young people. The main threats apparent over the twelve months under consideration included the following: reduced incomes (38.3% of households); irregular incomes (2.6%); loss of jobs (17.5%); increased family expenses (89.3%); and problems paying monthly bills for electricity, water, and food (79.7%). In addition, 65.7% of households with children were unable to mitigate these problems to any significant extent because of their financial exclusion, i.e. their lack of a bank account, while 90.1% lacked any financial savings to fall back upon in this period. The majority of these households are thus forced to employ additional coping strategies, mainly involving some type of informal economic activity, or have to cope by dramatically reducing expenses even on some essential goods.

These economic constraints undoubtedly affect the lives of children and young people throughout the country. One of the most common risks is a reduction in the regularity of children and young people's access to goods such as books, clothes, and computers. Among poorer households, economic constraints may even cause changes in the quantity and quality of food available to children. Access to the basic services that children need for their development may also be hindered, including reduced access to schooling, childcare and healthcare, as well as a decrease in housing standards (e.g. lack of heating). In some cases, economic constraints may force children to join the labour force or to undertake more household tasks. Severe economic hardship can result in depression and violence which can damage the emotional well-being and long-term development of children and young people. Finally, the risk of trafficking and street-begging may also increase, especially among the lower income quintiles and in particular among some ethnic groups (Roma). The effect of these risks on the well-being of children and young people in the country during the last twelve months will be assessed in the following sections.

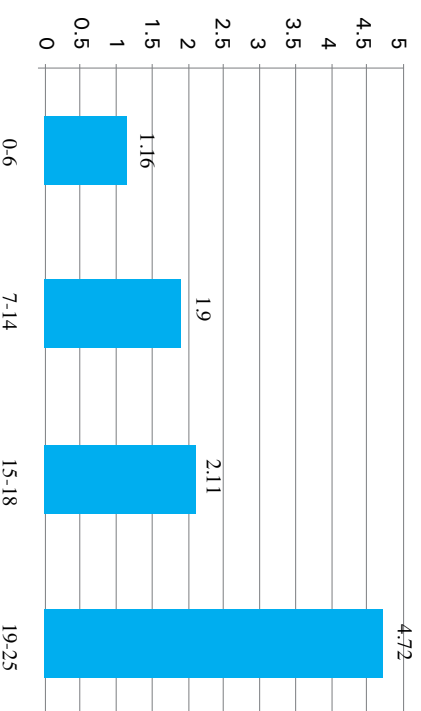
"My husband has gone abroad to earn money and now the situation is better. We have made that sacrifice for the sake of our children."

"All workers are subject to dismissal, but the first to be dismissed are those that aren't 'suitable', the ones that are more 'rebellious'. You are constantly in a fear of being dismissed."

"We've worked extra hours without being paid. If I report the case to the labour inspectorate, I'm afraid the inspectors will report it to my employer. They're all connected. The problem is in the system."

"In some ways, the economic crisis can have a positive effect as children

Graph 7. Children and young people excluded from education, according to age groups



"gain the economic habit of saving." "My household has obtained a loan, but the conditions are very strict. You have to provide impossible guarantees, such as two people who work in public administration or provide a mortgage, all of which is very difficult. The most frightening are the interest rates."

"We used to have more, but now we are unemployed and our incomes are lower. I'm a laid-off worker and I don't receive anything from the Employment Agency."

Statements from focus group discussions with recently unemployed parents and families receiving remittances:

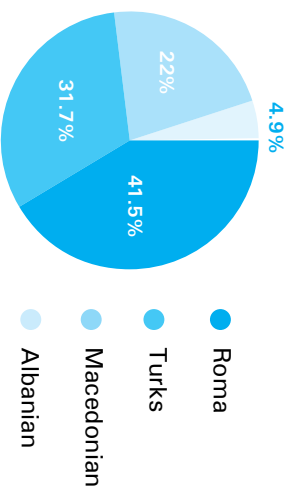
EDUCATION

Access to education is a vital factor in the cognitive and social development of children, enhancing their prospects in terms of their future employment status and economic position in society.

Official figures and identified trends relating to educational attainment at all

levels in the country suggest cause for concern. According to UNICEF's 2007 Child Poverty Study, only 10.7% of children aged 3 to 5 were attending some form of organised pre-school activity in 2005. The latest data from the State Statistical Office show a 5.6% increase in the number of children attending pre-school education compared to 2007: the total number of children in public institutions for childcare and education – e.g. kindergartens—is 21,711. Enrolment rates in primary education, however, show a downward trend. According to the State Statistical Office, the number of pupils attending regular primary schools at the end of the school year 2007/2008 was 220,833, a decrease of 3.2% from the previous school year. In secondary schools, although the enrolment rate is generally rising, official figures show that the number of students in upper secondary schools at the end of the school year 2007/2008 was 92,753, a decrease of 1.1% from the previous school year. The exact reasons for these negative trends remain unexplored and it is beyond the scope of this study to identify them all. It is, however, important to note that these negative trends are most evident among children from certain vulnerable groups, such as Roma children, children from socially deprived families, children living in rural

Graph 8: Children and young people not regularly attending education



areas, and children with disabilities. This section aims to determine whether the economic crisis has led to deterioration in educational attainment and performance. It further seeks to assess the impact the crisis has had on the schooling costs of particular groups of households and on the future educational prospects of children from these households.

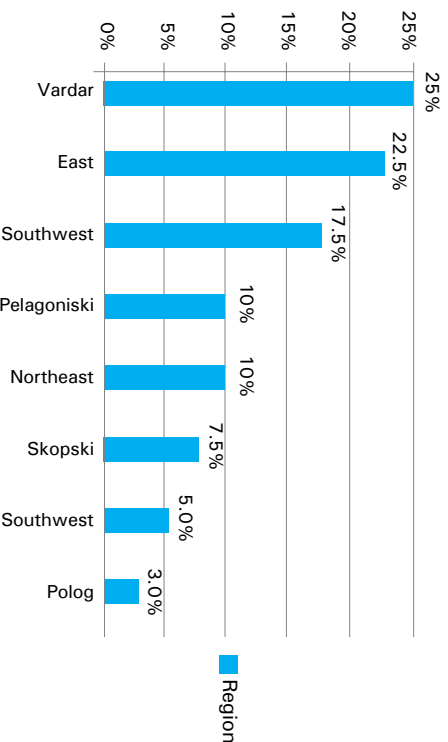
Of the 1,042 respondents in our survey, 76.3% have children within the school-age bracket. From this group of 794 householders, 68.5% have children who regularly attend formal education, while 4.2% do attend irregularly and another 4.5% do not attend school at all. Analysis according to the age of children and young people excluded from education indicates that

this problem is most evident among young people aged 19–25, followed by children aged 15–18.

These findings on **educational exclusion** among certain age groups are in line with official statistics on school drop-out rates. Our study indicates that educational exclusion among children aged 15–18 affected 2.11% in 2009, while educational exclusion among children aged 7–14 affected 1.9%. According to the National Strategy for Employment (2005), the yearly drop-out rate from primary schools is 1.42%, while the yearly drop-out rate from secondary schools is 2.4%.

The majority of children and young people who do not attend school regularly are from households in rural areas,

Graph 9: Children and young people completely excluded from formal education according to region

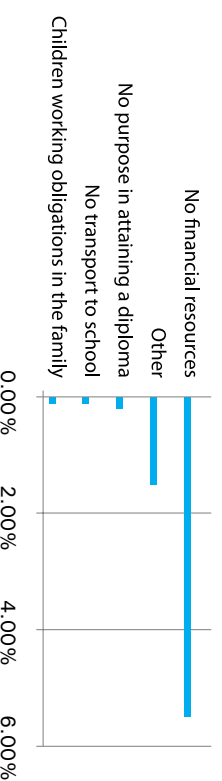


predominantly from the Eastern region. 73.20% are of Roma and Turkish ethnic origin. In terms of family type, the majority of these children are from the households of unwed couples or from households with five or more members, or families with three children.

The majority of these children belong to households in which the parents have no education or incomplete primary education and work either in the private sector or are unemployed.

Of those children who do not attend school at all and are thus completely excluded from the education system, the majority live in the Vardar region and are of Roma ethnic origin. Most either live in single-parent families in which the mother is the head of the household, or in households with 5 and more members. The majority are from households with fathers who have incomplete secondary education and mothers with incomplete primary education. The typical educational status of the parents of these children indicates that the problem of school exclusion or early exit from the school system is repeated across generations: children from these families usually do not attain higher educational levels than their parents. The reasons for this may be found not only in the educational backgrounds of such households, but also in the lack of better-targeted educational policies aimed at supporting these families, as well as in the lack of investment in education in the regions/places where these children live. These survey results correspond with previously generated knowledge and official data.

Graph 10: Reasons for poor school attendance or non-attendance

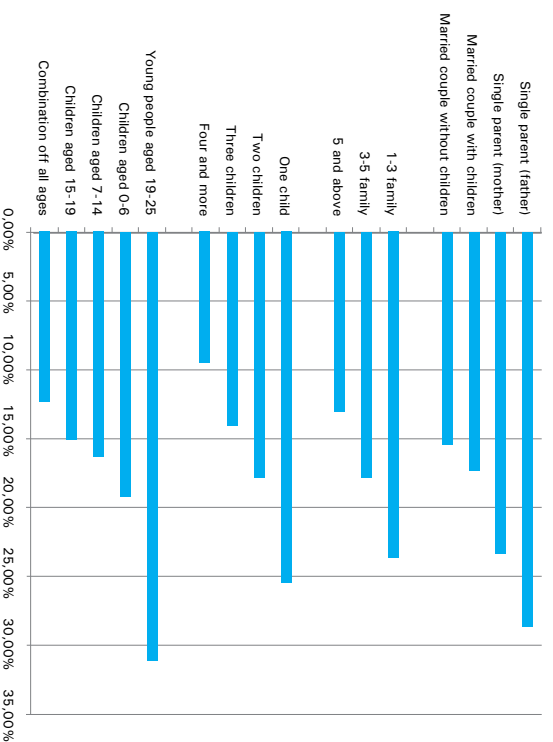


Given that only 0.6% of households reported that their children's irregular attendance or non-attendance at school began within the 12 months under consideration in this study, it is clear that the causes behind these children's exclusion from education cannot be directly linked to the recent economic crisis. The socio-economic and educational profile of the households to which these children and young people belong thus appears to be the main reason for their low educational attainment.

The study further analysed the reasons for irregular school attendance or lack of attendance among these particular categories. Lack of sufficient financial resources stands out as the main reason given for irregular attendance or non-attendance at school. This problem was particularly evident in the Vardar region and was especially pronounced among rural households, predominantly among Roma but also among Turkish households. The majority of children partially or completely excluded from education live in single-parent families with an average of three children. Analysis of the types of households to which the majority of these children belong indicates that lack of financial resources, together with other elements such as location, ethnicity, and the number of children in the family, all contribute towards increasing the risk of excluding children from education.

Among the 7.7% of households whose children either did not attend education regularly or did not attend school at all, 5.2% reported that this problem had

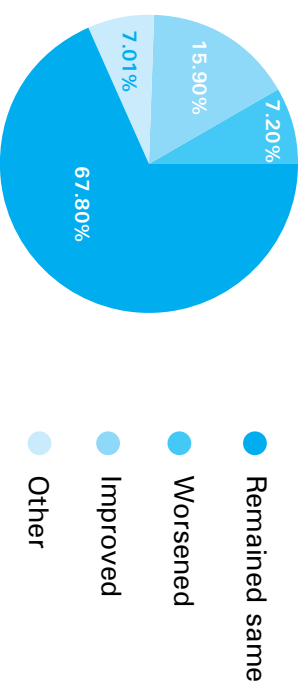
Graph 11: Profile of children and young people who stopped attending school during the period of analysis



become evident prior to the economic crisis, while only 0.6% reported that the onset of the problem had occurred in the previous 12 months. Of this latter group of children, the majority are from urban areas in the East and Peloponnese regions and are mainly of Turkish ethnic origin. Most come from the following types of households: unwed families with children, households with three to five family member, and households with three children or more. This profile of children excluded from education in the twelve months under consideration corresponds with the profile of households which experienced a decrease in living standards as a result of the economic crisis.

The research also assessed changes in the average **school performance** of children and young people during the twelve-month period. According to household responses, only 7.01% noted poorer school performance amongst their children during the previous year. Although this deterioration in school performance may have occurred for reasons not directly connected with

Graph 12: Changes in the school performance of children and young people



Note: The category 'Other' comprised households with children in 1st grade education or below to whom comparative evaluation of school performance was inapplicable.

either job losses or reduced income during the economic crisis.

the crisis, the profile of those with lower school grades proved to be similar to that of children excluded from education in the same period and to the profile of children and young people from families whose living standards had deteriorated as a result of the crisis. The only exception found in this case is related to ethnicity: namely, households of Albanian ethnic background were the most affected by the problem of lower educational performance in this twelve-month period. In addition, the study found no evident correlation between lower school performance and those households unable to fully provide for the educational needs of their children, except in the case households of Turkish ethnicity.

While only a small percentage of children and young people were found to be affected by the problem of poorer educational performance in this period, it is important to note the correlation between the economic crisis and the risk among certain households of lowered school performance. Households most at risk include those that experienced

- Remained same
- Worsened
- Improved
- Other

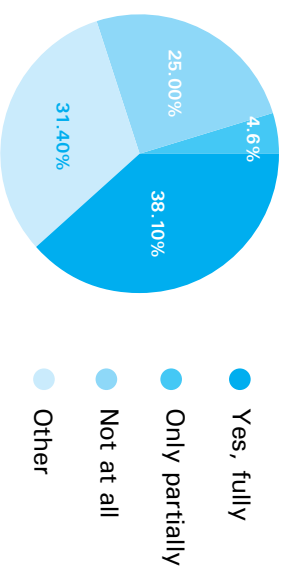
As this study has shown, the economic crisis was an exacerbating factor in the difficulties faced by households in meeting increased expenses and utility debts. Given that **educational costs** are not a negligible item on the household expenditure list, the respondents were asked whether they had managed to cover all school necessities (school equipment, notebooks, school bags, etc.) for the school year 2009/2010. Of the 791 households with children of school age, only 38.1% reported having been able to fully satisfy their children's school needs. 31.4% of households were only able to provide partially for their children's school needs, while 25% were not able to satisfy those needs at all. This is an important indicator as it shows the economic crisis exacerbated the risk of reduced school attendance in addition to reducing children's regular access to goods such as educational equipment.

The majority of households unable to provide at all for their children's school equipment were from the Vardar region, predominantly of Roma ethnic origin. Most were single-parent families, though some were unwed couples with children, have multi-member households with four and more children. The children of these households were

In the focus group discussions, the participants from households with more children suggested that the needs of older children and girls were greater and that these children were therefore the most affected by economic hardship. However, these participants also reported that their children's needs with regard to regular educational attendance had not been deprived as a result of the economic crisis.

The results from the quantitative research show that the most visible impact of the economic crisis on education was a reduction in the ability of households to pay for the necessary school equipment of their children. 55% of families with school-age children reported this to have been a problem. This implies a need for greater government support, not only in terms of providing free textbooks, but also through the provision of additional support to ease the burden of household expenditure on education, particularly during times of economic crisis.

Graph 13: The ability of households to provide necessary school equipment in times of economic difficulties



Finally, a crucial question concerned the ability of households to provide their children with **further education** (i.e. continuation to the next educational level). 50.1% of respondents stated that they would be able to provide for such future educational needs, while the remaining participants said they would face difficulties in providing their children with uninterrupted access to further education.

Those households who reported being unable to support their children through their next level of education due to financial constraints exactly matched the profile of those households with children who either attend school irregularly or not at all. This suggests that children from socially vulnerable categories are even more at risk during times of economic constraints and may potentially dropout of the school system completely.

Conclusions

The study shows that there is no direct correlation between the impact of the economic crisis upon children's educational attendance and performance and the capacity of households to provide their children with further education. The only exception found to this lack of correlation concerns the provision of school equipment: a majority of households reported having experienced problems providing such equipment during economic crisis. From the data on the small group of households who experienced problems providing their children with regular access to school, mainly due to financial reasons, it can be seen that they fall in the same categories of households who already faced these problems prior to the crisis. Children in this category face the risk of multiple school problems, such

as irregular school attendance, school exclusion, and dropping out of school. In times of economic crisis, therefore, educational policies should provide more substantial and targeted support with particular attention to the following groups of children: children from rural regions; children who live in families most at risk, i.e. single-parent families and multi-member families with three or more children; children from particular ethnicities (such as Roma, but also Turkish); and children in families living on incomes below the poverty threshold.

“We face a lot of problems. We don't have enough money for the children's education, for example. They say everything is free, but you still need a lot of money for extra school supplies. The books they give out are not good quality. Our unemployment affects our children. We used to give 50 MKD to each of our children. Now those 50 MKD are shared among three children.”

“For children it's more difficult as their needs are greater than ours. In our day those needs weren't so great. At school, for example, the teachers would read and we would take notes. Now they have a lot of books and that costs a lot of money.”

Statements from focus group discussions with recently unemployed parents and parents receiving child benefits:

Health and nutrition

The country is on track to achieve the Millennium Development Goals for health (National Progress Report on MDG, 2009). The under-five mortality rate in the country dropped from 33.3 per 1,000 live births in 1990 to 10.9 in 2008 (SSO, 2009). A similar trend is evident in the infant mortality rate, which decreased from 31.6 per 1000 live births in 1990 to 9.7 in 2008 (SSO, 2009). Despite this progress, the country still has a very high perinatal

mortality rate of 14.6 per 1,000 births (2008, SSO) as compared to the European Union average of 6 per 1,000 live births (WHO, 2007) and the European Region average of 7.62 per 1,000 live births (WHO, 2007). Significant variations can be seen, moreover, in the under-five and infant mortality rates according to ethnicity, socio-economic conditions and place of residence.

A relatively high vaccination coverage of between 90 and 95% has been sustained in the past 10 years. This is confirmed by a steady decrease in the incidence of vaccine-preventable diseases. The positive correlation between immunization coverage and the incidence of measles also indicates that the country will be able to achieve the second target of the MDG4 by 2015, i.e. the elimination of measles. However, a small number of children do still lack immunization and outreach work should be intensified in order to identify unvaccinated or unregistered children. The latter category is important because birth registration is a problem in some areas, especially within the Roma community (National Progress Report on MDG, 2009).

The former Yugoslav Republic of Macedonia is not a country with a serious problem of malnutrition amongst children. However, 2% of children under the age of five are moderately underweight and 0.5% are seriously underweight. Children whose mothers have no education are exposed to a higher risk of malnutrition. Among Roma children, this risk is two times higher (National Progress Report on MDG, 2009).

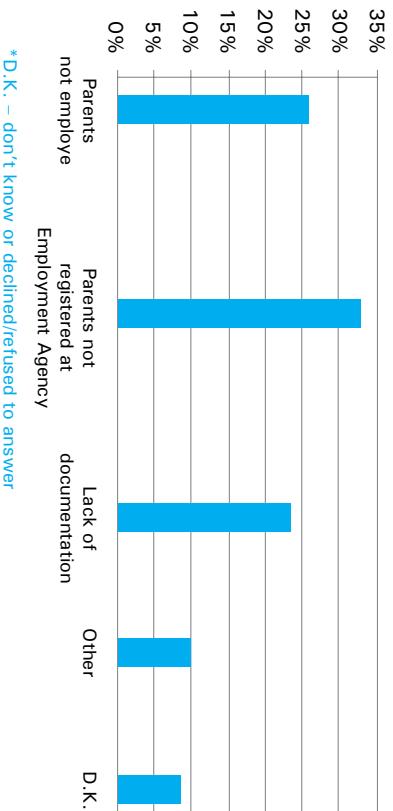
Children and young people should have unhindered access to healthcare through the **health insurance** of their parents. Even in cases when parents are not employed, the state provides free health coupons for certain categories such as the unemployed, pensioners, and social assistance beneficiaries. Access to free basic primary healthcare should be universal. Our study indicates

Graph 14: The ability of households to provide their children with further education



- Yes, for all children as long as they show interest
- Yes partially but not for all children
- No, due to finances
- No, due to family obligations
- Maybe, depending on finances
- Other

Graph 15: Reasons for exclusion from health insurance and healthcare among children and young people

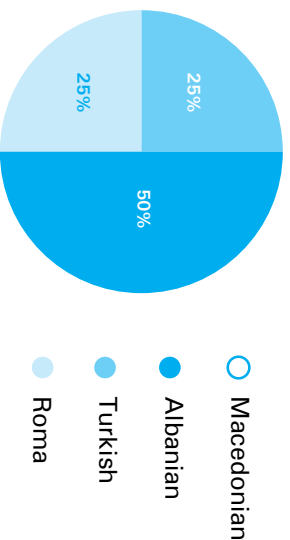


that 92.3% of households with children and young people are covered by health insurance. Nevertheless, 7.7% remains a significant proportion of households with children and young people not covered by national health insurance. Of these households, 1.8% have only partial insurance, i.e. not all of their children are covered due to lack of birth certificates and other registration documents. Analysis of the reasons given by householders for the exclusion of children and young people from health insurance suggests that they are primarily excluded due to their parents being unemployed or because they are not registered with the relevant institutions that provide access to insurance, such as the Employment Agency and the Centres for Social Work.

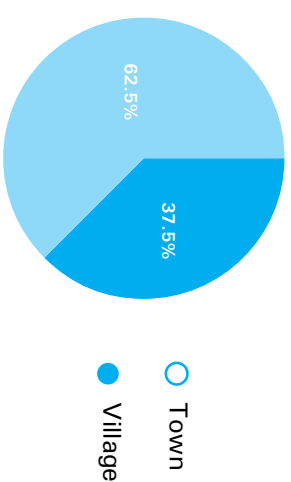
The majority of those excluded from the health insurance system are aged between 0 and 6 years old and are mainly located in rural areas in the Pollog region. Most are of Roma and Turkish ethnic origin. Most live in single-parent families, though a significant proportion lives in households of unwed couples. The parents of these children have either no education or only primary education and most are either pensioners or are self-employed.

It is a matter of concern that even some of those in categories who should be protected under the health insurance system (such as the unemployed) are not covered. The fact that the majority of those not covered are also not registered as unemployed with the Agency

Graph 16: Unvaccinated children aged 0–6 during the economic crisis, according to ethnicity



Graph 17: Unvaccinated children aged 0–6 during the economic crisis, according to location



for Employment implies either the existence of institutional gaps in the social protection system or a lack of knowledge about the system on the part of potential beneficiaries. The next most significant reason given for exclusion from health insurance was that of a lack of required documentation, which again indicates that potential beneficiaries, especially those with no education or lower education and those living in remote locations, should be provided with further support in accessing their rights to health insurance. This could be achieved through the adoption of a more user-friendly and pro-active approach, including the provision of direct support in writing applications and gathering required documentation.

The possible impact of the economic crisis upon the health of children and young people was analysed by surveying the regularity of children's **health check-ups and immunisations** over the twelve-month period. The survey results show that 90.1% of children did have regular annual health check-ups, while 9.3% lacked access to such regular health check-ups. In the same period, 2.1% of children aged 0–6 did not have regular immunisation. Of those parents whose children had no regular health check-ups, some 26% cited their lack of financial means as the reason for their children not having check-ups, while an additional 19.5% stated that they lacked other resources such as access to transportation or health insurance coupons.

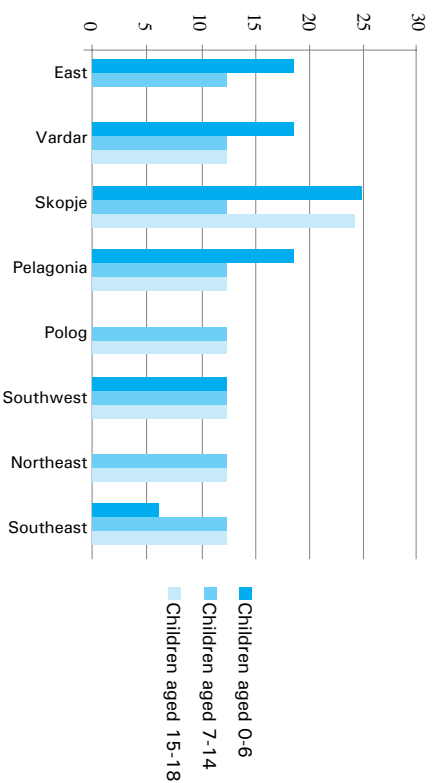
The majority of those lacking regular health control are aged 7–14 and come from the Eastern region. Most live in single-parent households with four or more children and are mainly of Turkish ethnic origin.

Analysis of the profile of unvaccinated children in the period of economic crisis shows these children are mainly from rural households of Albanian ethnic origin. The majority of the parents of these children have incomplete primary education or primary education. These findings correlate with the MICS data, according to which low immunisation coverage is strongly associated with lower levels of education amongst mothers; coverage rates for Roma and Albanian children are lower than average rates for ethnic Macedonian children; and urban children are more likely to be vaccinated than rural children.

The householders participating in the focus group discussions indicated that their children's needs in relation to regular healthcare and check-ups had not been affected by the economic crisis. However, a small number of respondents did report that the crisis had had a negative impact upon their children's mental health, making them insecure and introverted as these children blamed themselves for the financial predicament of their families.

This study also assessed the potential effects of the economic crisis on **children's nutrition**. The risk of undernutrition was assessed according to the

Graph 18: Undernutrition among children in the analysed period, according to region and age group



number of meals with which children were provided. The quality of children's food was assessed by asking families whether they provided cooked meals for their children.

According to the householders' responses, the majority of children and young people had regular daily meals, including at least one cooked meal. However, a small proportion of children and young people (5.3%) were deprived of regular nourishment, while 2.5% had only cold meals during the day. The reasons given by householders for providing their children with only cold meals indicate that these families lack sufficient financial resources and essential equipment to offer their children a more diverse diet.

Of those children deprived of regular nourishment, the majority are Roma children aged 0–6 from the Eastern and Vardar regions. Of those children whose households were only able to provide them with cold meals, a majority belong to single-parent families in rural areas. Most of the children whose parents were unable to provide them with any regular meals at all were from families of unwed couples in urban areas. The majority of children deprived of regular nourishment live in households in which at least one parent is unem-

ployed. Most of the parents of these children have either no regular income or have an income of below 5,500 MKD (89 EUR). The dire socio-economic status of these parents is sufficient by itself to explain the undernourishment of their children in the 12-month period under consideration. This is confirmed by the most common reasons which these parents gave themselves for their inability to provide their children with adequate nourishment, i.e. their lack of finances and cooking facilities.

The results of this research into the health status and nutrition of children and young people show that the economic crisis has not affected the majority of children in terms of their regular access to healthcare, health check-ups, immunization, and provision of regular nourishment. Only a small proportion of children experienced difficulties related to their health and nutrition in the twelve-month period. The profile derived of these children and young people from the results of this study confirm the profile indicated in official data and other research, i.e. that those children most at risk live in rural and remote locations in households with parents whose socio-economic status is low.

"The lack of money causes tensions in the family. Because of our lack of resources, my children go to school without breakfast, only a cup of cocoa."

"Five children, a sick husband, and all of us living in one room borrowed from a relative. We don't have the most basic housing and living conditions and the children always lack food."

Comments from focus group discussion with recently unemployed parents and multi-member families.

Housing

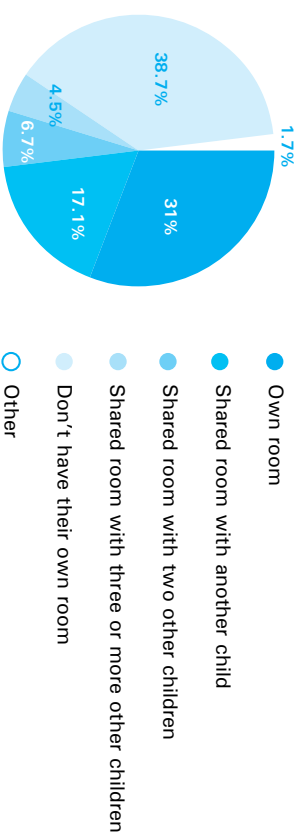
The purpose of the analysis in this section is twofold. It aims both to depict the housing conditions of children in the country and to assess the extent to which the economic crisis has contributed towards a reduction in household expenditure on housing comforts and the needs of children.

Poor housing during childhood can have an extremely negative impact on many areas of a child's life and prospects, including their health, education and future economic opportunities. Living in unfit housing or overcrowded homes can result in poor health among children and young people, especially in terms of respiratory problems such as chest infections, breathing difficulties, asthma and bronchitis. Research undertaken by Solari and Mare (2007) indicates that crowded housing conditions affect both the physical and psychological wellbeing of children. Moreover, children living in bad housing are more likely to perform poorly at school or to dropout completely from formal education. Goux and Maurin (2005) have shown that the probability of children being held back a grade at primary or junior high school increases very significantly the more persons there are per room in the child's home. (See also Evans, Saegert, & Harris 2001).

There are currently no relevant national statistics or research results available regarding housing conditions among children and young people in the country. However, it is common knowledge that there are a large number of informal/illegal settlements in the country, most of them populated by the most vulnerable ethnic groups, a high number of substandard houses without regulated property rights or housing titles and lacking adequate access to water, sewage networks and solid waste collection. According to the Centre for Regional Policy Research and Cooperation (2004), 12% of the dwelling stock in the country is of substandard quality and the number of families living in substandard conditions is much higher. The UNICEF Situation Analysis (2008) indicates that 95% or 47,408 persons of Roma origin live in informal settlements located on the outskirts of towns and cities, implying that those most affected by the problem of substandard housing are Roma children.

The survey results show that 32.2% of respondents live in houses or apartments with only one or two rooms. The majority of those with only one room (9.6%) live in the Vardar and Skopje regions and more than half (56%) are of Roma ethnicity. In terms of family status, most are unwed couples with children in households of three to five family members. The majority of children who live in households with only one room are from families with three children, followed closely by those who live in families with five children. The predominant age of children living in such conditions is between 0–6. Socio-economic profiling indicates that the majority of parents in these households possess either no education or only incomplete primary education and that they are typically pensioners, unemployed or self-employed. In terms of income, these are mostly households living below the poverty line with an income of less than 5,500 MKD per month (89 EUR).

Graph 19: The housing conditions of children and young people



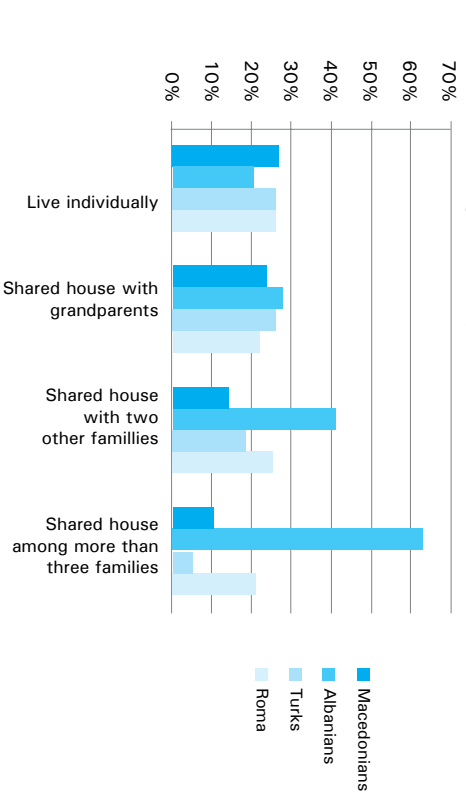
A substantial number of respondents (38.7%) reported that their children did not have their own room in which to sleep and study. This mostly applies to children of Roma ethnicity (40.4%), though the situation among other ethnicities is also worrying: 24.3% of ethnic Albanians and 22.6% of ethnic Turkish children do not have their own room. The majority of these children are between 0 and 6 years old. Lack of sufficient rooms – and lack of separate personal space, in particular – inhibits the development and learning capacities of children.

Households were additionally assessed as to whether they occupied their dwellings individually or shared their living-space with other families. The majority of households interviewed (58.1%) live as parents and children separate from other family members or other households. The remaining families share their dwellings as follows: with their extended family, i.e. grandparents (32.7%); with two other households (6.7%); or three other households (1.8%). The vast majority of families who live in dwellings shared with three or more other families are of ethnic Albanian ethnicity. Such housing arrangements, whereby more than one family share a dwelling, partly reflect traditional/patriarchal types of family relations in the country, and partly result from the socio-economic difficulties experienced by a significant

number of families. With regard to the needs of children, research has shown that the sharing of houses and rooms among different families is generally disadvantageous, negatively affecting school performance, health and emotional well-being of children.⁵

In addition to assessing housing conditions, the study sought to assess the economic constraints experienced by households in relation to their expenditure on the housing needs of their children and on home products over the twelve-month period. According to the survey results, 35.8% of households did not need to reduce their expenditure in the last twelve months. The remaining majority of households were forced to cut at least one item from their household needs. Most cut several items from amongst the following household needs: entertainment, furniture, utility bills, personal hygiene products and house-cleaning products. Those that made the greatest number of cuts in expenditure are mainly from the South-Eastern region and are mainly of Roma ethnicity, though many Turkish respondents also belong in this category. In terms of family type, the households which made the most cuts were as follows: families with three to five members; families with four or more children; and families with children aged between 0 and 6. These cuts were mostly evident among households with at least one unemployed parent.

Graph 20: The proportion of families living in separate or shared dwellings, according to ethnicity



The economic crisis also had a negative impact on the ability of households to provide for the **essential needs** of children and young people. The survey results indicate that 57.4% of respondents made such cuts in the twelve-month period under consideration. These cuts mostly related to expenditure on children's clothes and shoes, money for entertainment, pocket-money, school equipment and extra-curricular activities such as foreign-language classes and computer courses. Those that made cuts in most or all of the above-mentioned items are predominantly from rural areas in the South-East region and of Roma or Turkish origin. Most of these households are families with five or more members. Most such households reported a monthly income of less than 5,500 MKD (89 EUR).

The focus group discussions further revealed that the economic crisis negatively affected the ability of households to meet their children's needs for clothes, educational equipment, and various non-essential items such as entertainment, mobile phones, and excursions. In a small number of cases, predominantly among multi-member households, and especially Roma households, the economic crisis also led to a reduction in expenses on children's food and nutrition.

The results of our research into housing conditions served to confirm existing data and statistics regarding the high risk of housing poverty among Roma children. In addition, our data indicates that one third of households live in dwellings with only one to two rooms, which is insufficient space for families with children. Furthermore, 38.7% of all children do not have their own room, while more than 40% live in overcrowded dwellings, i.e. share dwellings with several other families. Overcrowding is particularly evident among children of ethnic Albanian origin.

In addition, the results imply that households have primarily reduced their expenditure on entertainment, furniture, utility bills, personal hygiene products and house-cleaning products. Household cuts were also evident in relation to children's needs for clothes and shoes, pocket-money, and school equipment. The reduction of expenditure on housing essentials during the 12-month period implies that the economic crisis has exacerbated the housing conditions of children and young people. This data should serve as an important signal of the need for increased government activities aimed at improving the housing standards of the

⁵ See for example: Reynolds, L. "Full House?: How overcrowded housing affects families", Shelter 2005", or "Harker, L. "Chance of a Lifetime – The impact of bad housing on children's lives" Shelter, 2006

most vulnerable households and their children.

“We can’t afford to pay for electricity and water. I know people who live in the dark because of these problems. We don’t have wood for heating, not only because it’s expensive but because there’s no one to buy it from. Our electricity is always cut off when we don’t pay the bills –there’s no tolerance.”

“We always make plans about how to earn and how to spend. We always think of our children first. But once you’ve paid your bills, there’s nothing left in the end. You can’t have a strategy when there’s no income.”

Comments from focus group discussions with multi-member families

Leisure time

The aim of this section is to analyze the impact of the economic crisis upon the leisure time of children and parents. In particular, it seeks to assess whether economic constraints lead to a reduction in the time spent by children with their parents and the extent to which such constraints force children into performing various tasks in order to contribute to household income. Unlike previous sections, the results of our survey in this section cannot be compared with official statistics or other relevant research undertaken in the country as such data does not exist. The only official statistics available in this domain are those produced by the State Statistical Office for the Time Use Survey undertaken in 2004. With regard to the relationship between parents and children, however, this official survey limited itself to asking respondents how much time they spent on the physical care and supervision of children and how much time they spent teaching and playing with their

children. According to that data, the average time spent on these activities per day was much greater amongst women as compared to men, amongst the unemployed as compared to the employed, and amongst rural households as compared to urban households (State Statistical Office, 2005).

Our study also asked parents about the **average amount of time they spent per day with their children**. According to the results, 57.7% of households spend more than six hours per day with their children. Of those parents that spend less than one hour a day with their children, the majority are ethnic Macedonians from urban areas in the Pelagonia region. Most are married couples, typically with two children in households of three to five family members. The majority of parents who spend less time with their children have higher education (two years post-secondary education) degrees. This profile implies that those parents who spend the least time with their children are typically from households not considered to be particularly socially vulnerable or directly affected by the economic crisis. It may be speculated that the reasons for parents in these households spending comparatively less time with their children relates to the higher pre-occupation of both of the parents with their work, as well as to the financial capacity of these households to provide their children with extra-curricular activities such as language classes, computer courses and sports. Together with home entertainment activities (computers, games, etc.), this greatly contributes to diminished interaction between parents and children.

Of all the households interviewed in the survey, 13% reported that the economic crisis had led to a reduction in leisure time spent between parents and children. The main reason given for this reduction was that the parents in these households had experienced an increase in their workload. This explanation seems to be confirmed by the fact that both parents are employed

in the majority of these households, with the father typically working in the public sector or in some form of self-employment, and the mother typically working in the private sector. Most have secondary education or higher education. The average monthly income of each parent in these households is 18,000 MKD (294 EUR) per month.

A related task of this study was to assess the extent to which the economic crisis had led to a **reduction in the amount of support given by parents to their children in fulfilling their school assignments**. Asked whether they had had time to assist their children in completing their school assignments in the twelve-month period, 60.2% of households answered positively. However, it is significant that 26.5% reported that they had not been able to assist their children in such tasks in this period. The most common reason given by parents for not having had time to help with their children’s homework was that of an increase in their work obligations.

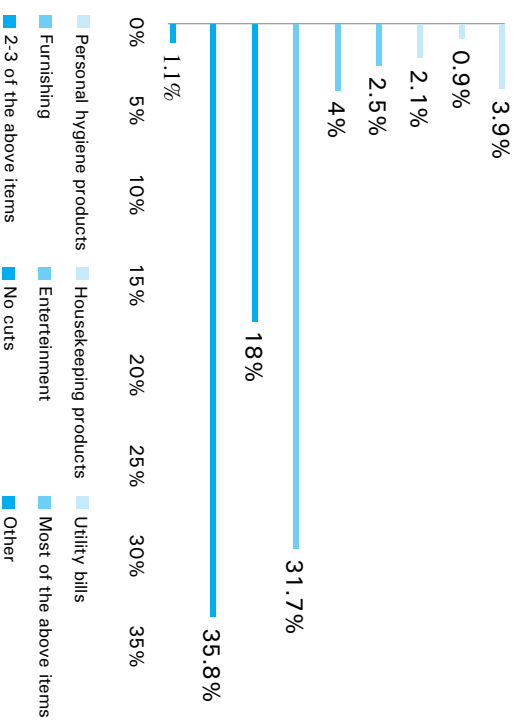
A significant result of this part of the survey was that 14.5% of the respondents stated that they did not know why

they had not been able to assist their children with their homework. This result is possibly a matter of concern in that it may indicate a lack of interest amongst these parents in helping their children with school assignments.

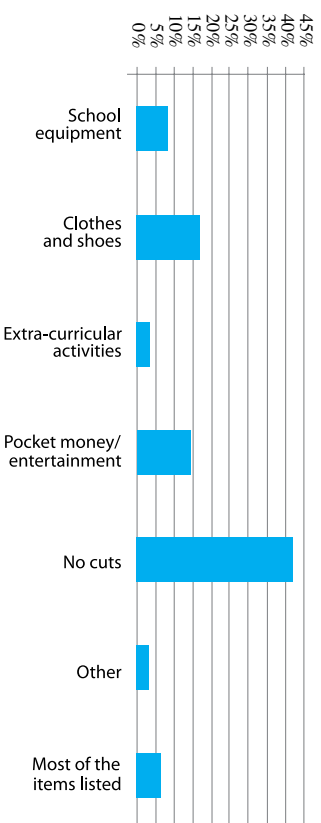
Other reasons given by respondents for not assisting children with schoolwork included the following: increased time spent seeking and applying for jobs; increased obligations outside of the family; the delegation of responsibility for such assistance to the other parent; as well as variations and combinations of these reasons.

The children most affected by such lack of assistance, regardless of the reasons given, are mainly in the age range of 15 to 18 and come from single-parent families in households with two children. This suggests that single parents may suffer from insufficient time and energy to fully support their children’s needs. The fact that lack of parental support in schoolwork applies primarily to older children also suggests that some parents may not provide significant educational support once their children have completed primary school or become more independent.

Graph 21: Cuts in household expenditure, according to particular items



Graph 22: Cuts in household expenditure on the needs of children and young people



This can be potentially dangerous for certain categories of children, especially as those in transition from one level of education to another (e.g. from primary school to secondary school) may require additional assistance, not less.

Mutual leisure time spent between parents and children on **recreational or cultural activities** was also assessed. The results indicate that the majority of parents (57.3%) did spend quality time with their children on at least two occasions per week over the twelve-month period, including trips to parks, concerts, plays, and visits to relatives. However, 35.4% of parents reported that they had not had time to spend with their children on such activities. The majority of these parents (63.4%) cited a lack of financial resources as their main reason for not spending time with their children on recreational or cultural activities. These reductions reported in the amount of time and finances available to parents over the twelve-month-period can be linked to the impact of the economic crisis.

The economic crisis negatively affected the ability of households to provide their children with a range of activities and opportunities. **Summer holiday vacations** are amongst the activities most valued by children and were thus included in the study's assessment of how the economic crisis has affected children's leisure time. The results of

our research indicate that the prevailing majority of children and young people (76.2%) did not go on summer vacation this year. While this confirms our assumptions as to the general standard of living of households throughout the country, the research results also show that the economic crisis had an impact on the ability of some households to provide their children with summer vacations. Thus, 4.5% of households reported that they had been able to provide their children with a summer vacation in the previous year but had not been able to do so in the twelve-month period under consideration. In the current socio-economic context, summer vacations have come to be a luxury for most families.

Finally, this study sought to determine whether the economic crisis had contributed to an increase in **child labour** in the country. Asked about the economic activities of their children over the previous twelve months, most households responded that their children had not been included in such activities. However, a significant number of households (37.5%) reported that their children had indeed become engaged in such activity since the beginning of the period, while 8.2% said their children had already been economically engaged before the period under consideration. This increase of 29.3% between 2007 and 2008 can undoubtedly be related to the economic crisis.

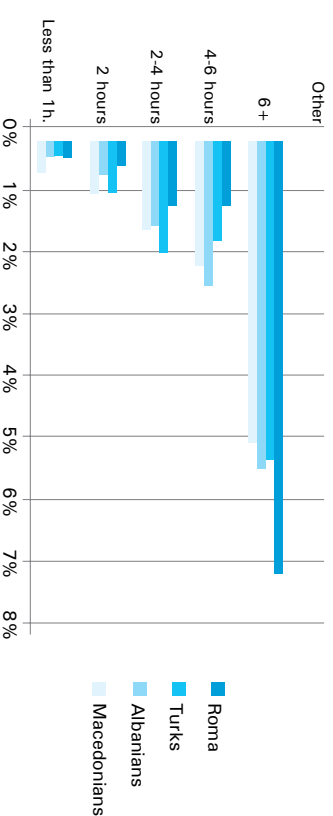
The majority of those compelled to take up work in this period were young people aged 19–25, followed by children aged 15–19. Most are of Albanian ethnicity and live in urban areas in the South-East region in households with five or more members. In general, the involvement of children in economic activities is prohibited unless it is ensured that such activities do not affect their education and are not detrimental to their physical, cognitive, or psychological development. A disturbing finding from our study, however, is that 4.2% of the households surveyed included young children aged 0 to 6 who were economically engaged in 2009. These results imply that the economic crisis and the associated reduction in family incomes has not only contributed to an increase in the number of children and young people undertaking economic activities but has also forced some very young children to engage in work. Working at so early an age can be particularly harmful for children in socially vulnerable families, increasing the risk of their school performance deteriorating and of their eventually dropping out of school altogether. The majority of children engaged in such work are from households in which the father is typically employed in the private sector or self-employed, while the mother is unemployed. The average monthly income of the households to which these children belong is between 5,000 and 8,000 MKD (81 and 130 EUR).

Analysis of the focus group discussions also suggests that the economic crisis has increased the incidence of child labour in the country, especially among agricultural households. The representatives of multi-member households in these discussions reported that, although their children had not been engaged in economic activities, the needs of their households might eventually require such extra work to be undertaken by children.

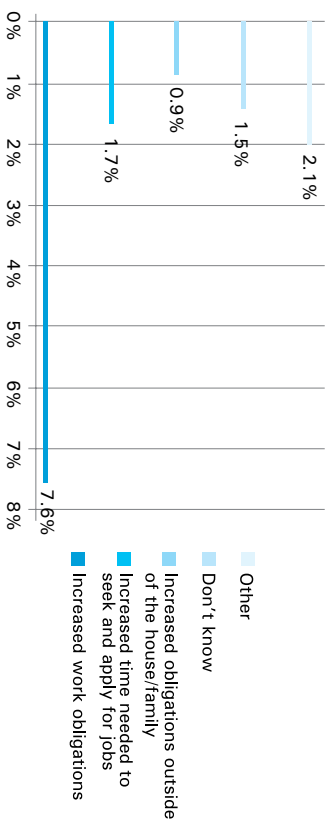
Conclusions

The results of the survey concerning the relationship between the economic crisis and the amount and quality of leisure time spent by parents with their children suggests that only a small proportion of children have suffered a reduction in the time they spend with their parents and that this reduction was mainly due to the economic constraints imposed on their parents and the increased amount of work engagements of their parents outside the household. However, this section has also signalled some of the threats arising from the economic crisis in terms of lack of parental time. This can be seen in the following findings: the decrease in the average number of hours parents spend with their children; the lack of support given by parents to their children in completing school assignments; and the lack of mutual visits to cultural or other events out-

Graph 23: Average time spent per day by parents with their children, according to ethnicity



Graph 24: The main reasons for parents reducing the leisure time they spend with their children



"My daughters are working in their free time because there's not enough money to go round."

"My children are still very young, but if they were a little older I would put them to work."

Statements from focus group discussion with families engaged in agricultural activities:

side of the household. Besides the issue of less frequent mutual interaction between children and parents amongst certain households, additional threats arising from the economic crisis include the foregoing of summer vacations by the majority of households as well as the engagement in economic activity by some children in order to support the income of their households. These threats present risks to the overall well-being of children, including those of alienation between children and parents, misbehaviour at school, social exclusion and child labour. Parents and the competent state institutions alike should take heed of these risks in order to prevent the onset of further negative family or socially destructive trends.

"Young people have no jobs because the economic crisis isn't only happening here but everywhere in the world. So there's no work for parents, let alone their children."

Graph 25: Summer holiday vacations of children and young people



- Didn't have a summer vacation this year
- Didn't have a summer vacation this year, only previous
- Had a summer vacation this year, not previous
- Had a summer vacation both this and last year





PART THREE: KEY FINDINGS AND RECOMMENDATIONS

This study has sought to identify and outline the ways in which the main socio-economic consequences of the global economic crisis have affected households in the country and, above all, to assess the impact of the crisis on the well-being of children and young people in the country.

Our analysis of the data and information gathered in this study has shown the difficulty of separating the effects of the recent economic crisis from pre-existing socio-economic conditions and processes in the country at both society-level and at the level of particular types of households. In light of this difficulty, the main findings of the study are based on changes reported by households in the period mid-2008 to mid-2009 while also taking into account the previous socio-economic status of these households as important factors determining their ability to mitigate the effects of the crisis.

The following sections outline the most important conclusions of this study.

The Impact of the Economic Crisis on Standards of Living

Households in Difficult Economic Times

The economic crisis has led to a reduction in the incomes of approximately one third (38.3%) of households in the country. The regions most affected by this decline in the period mid-2008 to mid-2009 were the South-Eastern and Polog regions. Income reduction was most prevalent amongst the following types of households: families of single mothers; families of unwed couples with children; families with five or more members; and families with four or more children. In terms of employment status, this decline was predominant among self-employed and unemployed people, while in terms of household income the problem was most evident amongst families in which the father earns a monthly income of below 5,500 MKD (89 EUR) and the mother receives no income at all. Thus

it can be seen that reductions in income brought about by the economic crisis have served to exacerbate the difficult economic conditions of those households already under financial strain due to low and irregular incomes.

Job losses during the period of economic crisis were suffered by 17.5% of the households interviewed, further increasing the already high rate of unemployment in the country. The majority of job losses (58.2%) were among households living in urban areas, predominantly in the following three regions: the Eastern region (20.9%); the Skopje region (17.0%); and the Polog region (14.3%). In terms of ethnicity, the majority of job losses were recorded among Macedonians (35.7%), while the types of household most affected by job losses included the following: single-parent families; families with one to three family members; families with only one child; families with young people between the ages of 19 and 25; and families with children aged between 0 and 6.

Almost ninety per cent of the households interviewed reported having experienced increases in their family expenses in the previous 12-month period. These increases were evident among all households, with no significant variations according to location, region, ethnicity, or family type. In addition, 79.7% of households reported that they had faced greater problems paying their monthly bills for electricity, water and food, etc., than they had experienced in the previous year.

Financial exclusion is evident among the majority of households in the country. 65.7% of all respondents do not possess a bank account, while 90.1% reported not having any financial savings. The lack of a bank account limits the ability of households to accumulate savings, prevents them from undertaking bank transactions and excludes them from credit and insurance opportunities. A lack of savings, moreover, severely restricts the options available to households to mitigate the effects of economic crisis.

Children in Difficult Economic Times

The risk of poverty among children is heightened during economic crisis by reductions in household income and job losses amongst parents. This study indicates that almost half of all households – 48.1% – live below the poverty threshold in terms of their monthly income. Excluding those households with children in the age range ‘combination of all ages’, the majority of children living in poor households are aged 0–6. It is also disconcerting to notice that no less than 21.7% of all households interviewed live with no income and in conditions of extreme poverty. Again, the age group most affected by such poverty are children between 0 and 6 years of age.

Amongst the various ways in which reductions in household income have a negative impact upon children and young people are the restrictions these reductions place on their regular access to goods and services such as books, school equipment, toys and computers, etc. These restrictions hinder children’s learning capabilities as well as their overall intellectual development.

Education

Our study found that the current economic crisis did not severely affect regular school attendance among children. However, 8.8% of children and young people did have problems with access to education in 2009, with 4.2% not attending school regularly and 4.5% not attending school at all. The results of the study regarding educational exclusion among certain age groups correspond to official statistics on drop-out rates. This problem was most evident among young people aged 19 to 25, those living in rural areas, those living in single parent or multi-member families, and those of Roma ethnicity. The study results also confirm that these children and young people typically come from households in which the parents have incomplete or low levels of education

and are either unemployed or in private employment.

With regard to the impact of the crisis on educational performance, the study found that average school grades were not generally affected in the twelve months under consideration. However, 7.5% of children did experience lower educational performance during this period. Those most affected with this problem were children from the East and Pelagonia regions, children living in urban areas, children of Albanian ethnicity, and children from the following types of households: other unwed couples with children; households with three to five members; and household with three children.

More than half of the households (56.4%) surveyed and interviewed for this study reported that they had been unable to fully provide for the school needs of their children in the school year 2008/09. This applied primarily to the needs of children and young people for school equipment, but also to travel expenses and other items. This finding is an important indicator that the economic crisis has led to a reduction in the level of children’s preparedness for school.

Finally, our study found that just under half of the households consulted ex-

pect to face difficulties providing their children with uninterrupted school access, i.e. continuation to the next level of education. The majority of potential school drop-outs match the household profile of children who attend school irregularly or not at all.

Children’s Health and Nutrition

Access to primary healthcare is not universal in the country. This study found that 7.7% of households with children are not covered by health insurance. It was further discovered that the majority of children and young people excluded from the health insurance system belong to households in the following categories: those located in the Polog region; those in rural areas; those of Roma and Turkish ethnicity; single-parent families; families of unwed couples with children; families in which the parents have either no education or only primary education; and those with parents whose employment status is either that of pensioner or self-employed. The majority of children excluded from the health insurance system are between 0 and 6 years old.

The majority of children and young people (90.1%) had regular health check-ups in the period under study. However, a significant number – 9.3%



– lacked access to regular health check-ups. This problem primarily affected children aged 7–14 and was most prevalent in the Eastern region. The majority of children lacking regular health check-ups belong to households with four or more children and are mainly of Turkish ethnic origin. Most are from single-parent families.

The study also found that 2.1% of children aged 0–6 lacked regular immunisation in the 12-month period under consideration.

Our analysis of the reasons why households had been unable to provide health-insurance coverage, regular health check-ups and/or immunization for their children suggests that the main cause of this problem lies with parents' lack of financial resources and means of transport necessary to fulfil these requirements.

Undernutrition affected 7.8% of children and young people in this 12-month period. Of these children, 5.3% were deprived of regular nourishment, while 2.5% had only cold meals during the day. These children are primarily from the Eastern and Vardar regions. The majority of children reported to have been provided with only cold meals were those living in rural areas, while the majority of children suffering from no regular meals at all were from urban areas. The prevailing majority of these children are of Roma ethnicity. Amongst those provided with only cold meals, most are from single-parent families, while those lacking provision of any regular meals are predominantly from families of unwed couples.

Housing

One third (32.2%) of the households consulted in our study live in dwellings of only one or two rooms. 9.6% of these households have only one room, of whom the majority live in the Vardar and Skopje regions and more than half of whom (56%) are of Roma ethnicity.

In terms of their family status, most are households of unwed couples with children and with three to five family members. The average number of children living in dwellings with only one room is three, followed closely by the category of three to five children. The predominant age range of children living in these conditions is between 0 and 6 years old. The parents of households suffering such confined dwellings are typically unemployed, self-employed, or pensioners, and most of them have no education or only incomplete primary education. These are mostly households living below the poverty line with an income of less than 5,500 MKD per month (89 EUR).

More than one third of children and young people (37.7%) in this country do not have their own room. Most of those without their own rooms are of Roma ethnicity (40.4%), although the situation among other ethnicities is also worrying: 24.3% of ethnic Albanian children and 22.6% of ethnic Turkish children do not have own rooms. The majority of these children are between 0 and 6 years old. A lack of sufficient rooms in household dwellings, and particularly children's lack of separate personal space, may inhibit their development and learning capacities. More than 40% of children and young people live in overcrowded dwellings, i.e. share premises with several other families. One third of households live in houses with only one to two rooms, indicating improper or insufficient housing space for children (as well as for all family members).

In the 12-month period under consideration, economic constraints forced the majority of households to cut at least one item from their expenditure on household needs. Most families reduced several items from the following categories: entertainment, furniture, utility bills, personal hygiene products and house-cleaning products. Those households that made the greatest number of cuts live in the South-East-

ern region of the country. The majority are of Roma ethnicity, though ethnic Turks constitute a comparable proportion. Most are families with three to five members and families with four or more children. The most common age range of children in such households is between 0 and 6 years old. Cuts in expenditure on household goods were most evident among households with at least one unemployed parent.

The study shows that around 57% of households reduced their expenditure on the needs of their children during this period. Most of these households made reductions in their expenditure on one or more of the following items: their children's clothes and shoes, money for entertainment and pocket money, school equipment, and extra-curricular activities such as foreign-language lessons and computer courses. Those households that made cuts in most or all of these items are predominantly from the South-Eastern region and most live in rural areas. The majority are of Roma and Turkish origin and belong to families with five or more members. The typical monthly income of such households is below 5,500 MKD (89 EUR).

Leisure Time

Thirteen per cent of households interviewed indicated that the economic crisis had led to a reduction in the amount of time spent between parents and children. The main reason given by parents for this reduction was their increased workload in the twelve months between mid-2008 and mid-2009.

While the majority of parents reported that they had been able to help their children with their homework in this period, 26.5% reported that they had been unable to do so.

The leisure time spent by parents with their children on recreational or cultural activities was also assessed. A significant proportion of parents (35.4%) re-

ported that they had not had time to spend with their children on such activities. The majority of these parents (63.4%) attributed this problem to their lack of financial resources.

Seventy-six per cent of children and young people did not have a summer vacation in 2008/9. This figure alone is an indicator of living standards amongst the majority of households. In the present socio-economic conditions, a summer vacation is a luxury for most families. With regard to the specific impact of the economic crisis on the ability of families to afford a summer vacation in this period, our study found that 4.5 of children who had had a summer vacation in 2008 did not have a holiday in 2009.

A significant number of children and young people (37.5%) participated in some form of economic activity in the 12-month period under consideration. Prior to this period, only 8.2% of them were engaged in such activities. This increase of 29.3% can undoubtedly be connected to the current economic crisis. Our study further reveals that 4.2% of the households interviewed included children aged 0 to 6 who were engaged in economic activities in 2009. The majority of these children are from the South-East region and most live in urban areas. Most are of Albanian ethnicity and belong to households with five or more members.

The threats to quality time spent by parents with their children, or by children performing non-economic activities, arising as a consequence of difficult economic periods, pose certain risks to the overall well-being of children: alienation between children and parents, for example, educational misbehaviour, social exclusion, and child labour. Parents and state institutions should take heed of these risks in order to prevent more negative family or socially destructive behaviour.

RECOMMENDATIONS

On the basis of the findings of this study, this section recommends a number of policies and measures to alleviate the impact of the current economic crisis, and the impact of difficult economic times in general, on the well-being of children and young people. These measures mostly fall within the competence of government and state institutions. However, they are also relevant for other important actors such as non-governmental organizations, private firms – e.g. banks and insurance companies – and international organisations. These recommendations are mainly focused on households and children, and are intended to improve child well-being in times of economic crisis.

stances. Those worst affected by job losses and reduced incomes in mid-2008 to mid-2009 were households with five or more members, single-parent families, and households with an average monthly income of below 5,550 MKD. These households would benefit from indirect governmental support through temporary subsidies for their utility and housing costs.

- Official statistics on households should be improved to ensure up-to-date data on health, housing and leisure time. Having accurate data can help monitor the impact of further deterioration of economic conditions on the well-being of children.
- Government support should be given to tackle the high level of financial exclusion among households in the country. Such support should include information and education programmes; measures to facilitate access to bank accounts; simplified soft loans and face-to-face counselling; as well as reinforced services for debtor advice and guidance.
- The duration and amount of social assistance benefits – including child benefits – should be increased. This should contribute towards covering increases in household expenses and help enable the unemployed to actively seek jobs.
- Direct financial support to combat child poverty during times of economic crisis should be provided for households living in extreme poverty and households living below the poverty line, i.e. those with no income and those with a monthly income of under 5,500 MKD. These families should also benefit from better access to free healthcare and
- Child-friendly economic policies should be designed and implemented during difficult economic times. This would involve the adoption of an expansionary fiscal policy including investments to generate employment, enhance basic services and provide incentives to increase consumption in housing, goods and services. Fiscal and monetary policy stimuli aimed at protecting employment and economic activity should have important beneficial impacts on growth. Prior to enacting, all policies should be analysed to take into account and maximize the positive impact on children.
- Any package of measures to be adopted by governments during difficult economic times should include measures directly aimed at the households most severely affected by the difficult economic circum-

medicine, as well as direct aid in the form of food and clothing.

- More active measures should be taken to generate youth employment during times of economic crisis through investment youth employment schemes and support for youth volunteering, youth internships and youth entrepreneurship programmes.

- In addition to free textbooks, additional school supplies should be provided free of charge to lower household expenses related to education. Organised transport should be provided to help ensure access to education for all children, especially those living in remote locations.

- Awareness-raising schemes should be adopted to help socially vulnerable households claim the social protection rights to which they are entitled, e.g. their right to free health insurance if registered at the Employment Centre.

- Food and regular free meals should be provided in schools and through the opening of more “public kitchens” to reduce the risk of undernutrition amongst the most vulnerable children in society, particularly those in households of Roma ethnic origin who depend on social assistance and have no other family income.

- Specialized “shops for the poor” should be opened where low-income families could purchase essential products such as food and clothing at lower (subsidized) prices.

- Support should be given to meet the housing costs of poor households who have problems paying their rent and mortgages. For those living in overcrowded dwellings,

facilities should be provided where organised courses could be held to enable them to complete their home assignments

- Policies to prevent child labour during times of economic crisis should be integrated into the Conditional Cash Transfers (CCT) scheme. In addition, specialized support should be given to families where child labour most frequently occurs, such as agricultural households, households with five or more members, and Roma households.

These recommendations should be implemented through co-operation between the public and the private sector with the involvement of agencies and organisations engaged in promoting child welfare and child well-being.

Finally, the participants in the focus group discussions for this study offered the following recommendations for improving their conditions during difficult economic times:

- The duration and amount of social benefits should be increased.
- Additional benefits and free services should be provided for children living in households receiving social assistance.
- Government supervision should be increased to ensure that the rights of workers are respected in cases of dismissal from employment.
- Government subsidies should be distributed more fairly and without any discrimination against any socially vulnerable groups.

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SURVEY QUESTIONNAIRE

Surveyor: _____

Location: _____

Date: _____

QUESTIONNAIRE
(To be completed by one of the parents in the household)

Dear Mr./Mrs.

I would like to introduce myself and the survey that we are conducting. My name is and I would like to invite you to participate in this research into the impact of the economic crisis upon families in Macedonia, and especially upon children. This survey is being conducted by the Centre for Research and Policy Making, together with the local office of UNICEF. The survey will take 30 minutes at most and the information collected will serve as a basis for improving the quality of life of Macedonia's children.

Are you a parent?

Would you like to participate?

[If the respondent answers NO, then that interview is terminated and you move on to the next house. If he/she answers YES, then you continue with...]

Can we please speak with the mother?

[If she is not present, you can interview the father.]

All the information gathered through this questionnaire is anonymous and your name will not be connected with any of it. For quality-control purposes, we would like to ask you to give us your home phone number. It is possible that you may be contacted during the course of the day by the Centre for Research and Policy Making and asked a few questions regarding the course of the survey.

Telephone number of respondent _____

If you are ready, we may start with some basic demographic information.

A) DEMOGRAPHIC INFORMATION

1. Age:

1. 18-29
2. 30-49
3. 50-65
4. Above 65

2. Sex:

1. Male
2. Female

3. Ethnic identity:

1. Macedonian
2. Albanian
3. Turkish
4. Roma

4. Family type:

1. Single parent (mother)
2. Single parent (father)
3. Married couple with children
4. Unmarried couple with children
5. Other _____

5. Number of family members:

1. Between one and three
2. Between three and five
3. Above five
4. _____

6. Number of own children in the family (including children from other marriages or adopted children) :

1. One
2. Two
3. Three
4. Four or more

7. Number of children according to age (if there are more children of a similar age, add the number inside the parentheses):

1. 0-6 ()
2. 7-14 ()
3. 15-18 ()
4. 19-25 ()
5. A combination of the ages above

8. Parents' education (the education of the respondent and his/her partner):

8a. Father:

1. None
2. Unfinished elementary
3. Elementary
4. Unfinished secondary
5. Secondary
6. 2-year tertiary
7. 4-year tertiary

8b. Mother:

1. None
2. Unfinished elementary
3. Elementary
4. Unfinished secondary
5. Secondary
6. 2-year tertiary
7. 4-year tertiary

9. Employment status of parents (employment status of the respondent and his/her partner):

9a. Father

1. Employed private sector
2. Employed state sector
3. Own business
4. Unemployed
5. Retired
6. Other _____

9b. Mother

1. Employed private sector
2. Employed state sector
3. Own business
4. Unemployed
5. Retired
6. Other _____

10. Monthly income of the family:

10a. Father

1. No income
2. Up to 5,500 MKD
3. 5,501 – 8,000 MKD
4. 8,001 - 13,000 MKD
5. 13,001 - 18,000 MKD
6. Above 18,000 MKD

10b. Mother

1. No income
2. Up to 5,500 MKD
3. 5,501 – 8,000 MKD
4. 8,001 - 13,000 MKD
5. 13,001 - 18,000 MKD
6. Above 18,000 MKD

C) INFORMATION REGARDING THE LIVING STANDARDS OF THE FAMILY

11. Has your income changed in the past 12 months?

1. Yes, it increased
2. Yes, it decreased
3. Yes, it became irregular
4. No, it remained the same
5. Other _____

12. Has any member of your family lost his/her job (permanent, temporary, part-time) in the course of the last 12 months?

1. Yes
2. No
3. Other _____

13. Did the family expenses increase during the course of the past 12 months?

1. Yes
2. No
3. Other _____

14. During the course of the past 12 months, have you had greater problems covering monthly expenses (electricity, water, food)?

1. Yes
2. No
3. Other _____

15. During the course of the past 12 months, have you had greater problems servicing your debts connected to loans?

1. Yes
2. No
3. I have no outstanding loans
4. Other _____

16. Do you have a bank account?

1. Yes
2. No

17. Does your family have any financial savings?

1. Yes
2. No
3. Other _____

18. How do you make ends meet during times of reduced family income? (unemployment, times of financial crisis) Pick one (the biggest source):

1. Small trade
2. Construction
3. Physical work, loading, transport
4. Agriculture
5. Herding cattle
6. Housework
7. Assistance from relatives abroad
8. Parents' retirement income
9. I have never had reduced family income
10. Other _____

C) INFORMATION REGARDING THE EDUCATION OF CHILDREN

19. Do your children regularly attend school?

1. Yes, kindergarten (move on to question no. 22)
2. Yes, elementary (move on to question no. 22)
3. Yes, secondary (move on to question no. 22)
4. Yes, tertiary (move on to question no. 22)
5. No, some of the children do not attend regular education (move on to question no. 20)
6. No, they do not attend any education (move on to question no. 20)
7. No, they are not of school age (younger than 1 year and older than 25) (move on to question no. 25)

20. What are the reasons for your children not attending school regularly or at all?

1. No financial means
2. No transport to the school
3. My child/children has/have to work in and outside of the family
4. There is no benefit to be gained from attending school
5. Other _____

21. Is this lack of regular attendance a new occurrence that began during the past 12 months?

1. Yes
2. No
3. Other _____

22. Were you able to fulfil all the school-related needs of your children (books, notebooks etc.)?

1. Yes, fully
2. Yes, partially
3. No
4. Other _____

23. Compared to the year before, have the average grades of your child changed during the course of the past 12 months?

1. No, they have remained the same
2. Yes, they have become worse
3. Yes, they have become better
4. Other _____

24. Will you be able to provide your child with opportunities to continue his/her education?

1. Yes, for all my children as long as they are interested
2. Yes, but only partly
3. No, due to financial reasons
4. No, due to family obligations
5. Other _____
6. Maybe, depending on our financial means

D) INFORMATION REGARDING THE HEALTH AND NUTRITION OF CHILDREN

25. Do your children have health insurance?

1. Yes, all of them (move on to question no. 27)
2. Yes, partially (move on to question no. 26)
3. No (move on to question no. 26)
4. Other _____

26. Why don't all of your children have health insurance?

1. The parents are not employed
2. We are not registered with the unemployment office
3. We do not have the necessary documents (birth certificates, citizenship certificates, etc.)
4. Other _____

27. Have your children had regular health check-ups (including dental check-ups) in the course of the past 12 months?

1. Yes
2. No
3. Other _____

28. Did your children receive regular inoculation shots during the past 12 months?

1. Yes
2. Yes, but not all of the children
3. No
4. No, there was no need (it was not a vaccination period)
5. No, they are not of the age for inoculation shots
6. Other _____

29. Did your children's nourishment include regular meals (at least one cooked), during the course of the last 12 months?

1. Yes
2. Yes, but only cold meals
3. No
4. Other _____

30. Why did your child not have regular health check-ups and nourishment during the past 12 months?

1. They had regular health check-ups and nourishment
2. The financial means were lacking
3. The conditions were lacking (equipment, health insurance coupons, transport)
4. There was not enough time
5. Other _____

E) INFORMATION REGARDING THE LEISURE TIME OF PARENTS AND CHILDREN

31. How many hours per day do you spend together with your child?

1. Less than 1 h
2. 1 - 2 h
3. 2 - 4 h
4. 4 - 6 h
5. More than 6h

32. Has the amount of time you spend together changed during the last 12 months?

1. Yes, it decreased (move on to question no. 33)
2. Yes, it increased (move on to question no. 34)
3. No, it remained the same (move on to question no. 34)
4. Other _____

33. Why did the amount of time you spend together change during the last 12 months?

1. My/our work related obligations increased
2. My/our obligations connected to looking for work increased
3. My/our obligations outside of the family increased
4. Don't know
5. Other _____

34. Did you have time to work together with your child on his/her homework and other school-related responsibilities?

1. Yes (move on to question no. 36)
2. No (move on to question no. 35)
3. Other _____

35. Why didn't you have time to work together with your child on his/her homework and other school-related responsibilities?

1. My partner is responsible for this
2. I had increased work related obligations
3. I had increased obligations regarding job-seeking related activities
4. I had increased obligations outside of the family
5. Don't know
6. Other _____

36. During the past 12 months, did you have the opportunity to go with your child at least once a week to the park, to see friends, a show, a concert, or other types of entertainment?

1. Yes (move on to question no. 38)
2. Yes, they went with the other parent but I did not join them (move on to question no. 37)
3. Yes, but without the parents (move on to question no. 37)
4. No (move on to question no. 37)
5. Other _____

37. For what reasons were you unable during the past 12 months to go at least once a week with your child to the park, to see friends, a show, a concert, or other types of entertainment?

1. Due to financial reasons
2. My partner is responsible for this
3. I had increased work related obligations
4. I had increased obligations regarding job-seeking related activities
5. I had increased obligations outside of the family
6. My child is already mature enough and we do not spend a lot of time together
7. Don't know
8. Other _____

38. Did your children go on summer vacation?

1. Yes, this year and last year
2. Yes, last year but not this year
3. Yes, this year but not last year
4. No

39. During the past 12 months, did your child help or perform any work-related activities in or outside of the family?

1. Yes
2. Yes, they have done so for several years now
3. No
4. Other _____

40. Did your children spend more time outside of the home during the past 12 months (playing, visiting friends etc.)?

1. Yes
2. No
3. Do not know
4. Other _____

E) INFORMATION REGARDING THE CONDITIONS AND QUALITY OF HOUSING

41. How many rooms does your home have?

1. One
2. Two
3. Three
4. Four
5. Five or more
6. Other _____

42. Do your children have their own room or place where they sleep/study?

1. Yes, their own room
2. Yes, but they share it with one sibling
3. Yes, but they share it with two siblings
4. Yes, but they share it with three siblings
5. No
6. Other _____

43. Does your family live independently or do you share housing premises with another family?

1. We live independently
2. We live together with our parents (grandfather, grandmother)
3. We live together with two other households
4. We live together with more than three households
5. Other _____

44. During the course of the last 12 months, did you reduce your expenditure on some house related items?

1. Yes, personal hygiene (soap, toothpaste)
2. Yes, house cleaning products
3. Yes, utility bills (electricity, water)
4. Yes, furniture
5. Yes, entertainment
6. Yes, several of the above
7. Yes, 2-3 of the above
8. No
9. Other _____

45. During the course of the past 12 months, did you reduce your expenses on fulfilling the needs of your children?

1. Yes, school-related expenses
2. Yes, clothes and shoes
3. Yes, additional after-school activities (language courses, etc.)
4. Yes, entertainment allowance
5. No
6. Other _____
7. Yes, several/all

FOCUS GROUP QUESTIONS

Focus Group 1:
Families that live off remittances from abroad

1. During the course of the last 12 months, has your family received fewer or more remittances from your relatives who work abroad?
2. Do these financial means from abroad arrive in regular intervals or irregularly?
3. Are they equally high each time around or different?
4. How important are these financial means in comparison to the total family income? Are they the sole income or only an additional income for the family budget?
5. Does your family have any savings?
6. What are the strategies for surviving when the family has a reduced income or complete lack of income from outside?
7. How does this influence the children? Which of their needs are not adequately fulfilled?
8. Are there any workers in your household who used to work abroad but have returned in the last 12 months?
9. How has this influenced their families?

Focus Group 2:
Families that receive child benefit

1. Has the amount of child benefit changed in the last 12 months?
2. Did the amount of child benefit represent a vital/significant financial income, or was it only a supplement to your family income?
3. Which products/services are usually procured through child benefit?
4. During the last 12 months, did you receive – in addition to child benefit – any other services (goods) from the Centre for Social Work (e.g. books, clothing, food, donations, utility cost discounts, etc.)?
5. In the course of the last 12 months, did your family face difficulties paying utility bills, credits, debts etc.?
6. What are the main problems that you have encountered during the past 12 months?
7. What are the survival strategies that you have employed in times of reduced family income?
8. During the course of the last 12 months, did you have to reduce your expenditure on any of your children's needs (education, health, etc.)?
9. Are the children participating in some kind of work/ assistance in order to supplement the family income?
10. Do you think that child benefit should be increased due to the economic crisis? If so, why?

Focus Group 3:
Recently unemployed individuals from the textile and metal industry sectors

1. Did you receive a termination notice before being laid off? If so, how long was the period of notice?
2. Before being laid off, did you receive all outstanding back wages and benefits (retirement, healthcare, etc.)?
3. Which of the following categories of employees were laid off in your company?
 - employees who had worked at the company for shorter periods
 - Older workers (aged over 55)
 - Younger workers
 - Women
 - Others _____
4. Did your family have any savings when you were laid off?

5. Do you currently receive any supplement from the Employment Agency arising from prior insurance? Do you receive any social assistance from the Centre for Social Work if you had no prior insurance)?
6. If you receive no supplements from the Agency or the Centre, what are the reasons why you do not receive such supplements?
7. Do any other members of your family work or otherwise receive an income?
8. Are those in your family who have recently been laid off now actively looking for work?
9. How are you managing to cope in this period of unemployment?
10. Are you optimistic that you will find work again?
11. In what ways has your lack of employment affected your children?
12. Are your children active in working or otherwise helping to contribute to the family income?

**Focus Group 4:
Multi-member families (5 + members)**

1. Has your income changed – decreased or increased – over the past 12 months?
2. What were the main sources of income for your family (salary, black-market labour, social support, other state benefits, help from family and friends, etc.) over the past 12 months?
3. What are the main problems that your family has faced over the last 12 months?
4. What have been the priority expenditures of your family over the last 12 months?
5. Have you had problems paying the utility or other expenses of your family over the past 12 months?
6. What methods have you used to manage or survive during times of reduced family income?
7. Do your children regularly attend school? If not, what are the reasons why?
8. Do your children have regular health insurance, regular health check-ups and inoculation shots? If not, what are the reasons?
9. Do your children have their own room in your house where they can sleep and study? If not, with how many other individuals do they share their sleeping quarters?
10. During the course of the past 12 months, have your children had to experience any reduction in the satisfaction of their needs for education, healthcare, food, leisure, clothing, etc.? Which of their needs were not fully met?
11. Have you had sufficient means to satisfy the needs of all of your children equally – both boys and girls, younger and older, at different stages in their education?
12. Do your children participate in any work to supplement the family income?

**Focus Group 5:
Agricultural families**

1. Has the income of your family changed during the last 12 months?
2. Have sales of your products decreased during the last 12 months?
3. Have you applied for a loan over the past 12 months? Was your application successful? If not, what were the reasons for your application being rejected? (If you have not applied for a loan over the past 12 months, what are the reasons you did not do so?)
4. Have there been any changes in the conditions for receiving a credit or loan compared to a year ago? If yes, what are the changes? Is it easier or more difficult to procure a loan now?
5. Has your family expenditure decreased over the past 12 months? If your family has reduced its expenditure, which sector(s) of goods or services saw the greatest reduction?
6. Is there any mutual assistance amongst farmer families? If yes, what type of assistance?
7. Have you taken advantage of any subsidies for farmers over the last 12 months? If yes, which subsidies did you make use of?
8. In what ways, if any, has the economic crisis affected your children?
9. During the course of the past 12 months, have your children had to experience any reduction in the satisfaction of their needs for education, healthcare, food, leisure, clothing, etc.? Which of their needs were not fully met?
10. Have you had sufficient means to satisfy the needs of all of your children equally – both boys and girls, younger and older, at different stages in their education?
11. Do your children participate in any work to supplement the family income?

¹ This figure was taken from the SSO official statistics for 2009, and not from Eurostat

