



Faculty of Philosophy



ERSTE Stiftung

SOCIAL EXCLUSION, ETHNICITY AND OLDER PEOPLE IN MACEDONIA

Suzana Bornarova
Maja Gerovska-Mitev



**SOCIAL EXCLUSION, ETHNICITY AND OLDER PEOPLE
IN MACEDONIA**

Suzana Bornarova

Maja Gerovska-Mitev

Skopje, 2009



Publisher
Faculty of Philosophy

Authors

Suzana Bornarova:

LABOUR MARKET – Active Labour Market Programmes, Public Works
EDUCATION – Formal, Non-formal, In-formal Education

Maja Gerovska-Mitev:

SOCIAL PROTECTION – Pension and Disability Insurance, Social Assistance
LABOUR MARKET – Unemployment Benefits

Joint chapters:

INTRODUCTION
RESEARCH METHODOLOGY

This research has been supported by ERSTE Foundation:



ERSTE Stiftung

Within the Social Research Fellowship 2008/2009 “Generations in Dialogue”

Polling House:



Preparation and Printing: ALMA

No. of copies: 300

CIP – Каталогизација во публикација
Национална и универзитетска библиотека “Св. Климент Охридски”, Скопје

316.614-053.9(497.7)

BORNAROVA, Suzana

Socijal exclusion, ethnicity and older people in Macedonia / Suzana
Bornarova, Maja Gerovska-Mitev. – Skopje: Faculty of Philosophy,
2009. – 82 стр.: граф. Прикази, табели; 24см.

Фусноти кон текстот. - Библиографија: стр. 79-82

ISBN 978-608-4508-24-3

Gerovska-Mitev, Maja (автор)

а) Стари лица - Социјална инклузија - Македонија

COBISS.MK-ID 79059210

CONTENTS:

CHAPTER 1. INTRODUCTION	5
1.1. Older people and exclusion – literature review	7
CHAPTER 2. RESEARCH METHODOLOGY	9
2.1. Objectives	9
2.2. Research Methods and Sampling	10
CHAPTER 3. EXCLUSION FROM THE SOCIAL PROTECTION SYSTEM ..	13
3.1. Pension and disability insurance	13
3.1.1. <i>Legal framework and governance</i>	13
3.1.2. <i>Trends: Pension beneficiaries and pension amount</i>	14
3.1.3. <i>Research results: Pension exclusion - scope, reasons and coping strategies</i>	15
3.1.4. <i>Research results: The living standard of those included in the pension system</i>	19
3.2. Social assistance	21
3.2.1. <i>Legal framework and governance</i>	21
3.2.2. <i>Trends</i>	22
3.2.3. <i>Research results: Scope and reasons for social assistance exclusion</i> ..	23
3.2.4. <i>Research results: Scope and duration of social assistance receipt among older people</i>	25
CHAPTER 4. EXCLUSION FROM THE LABOUR MARKET	27
4.1. Unemployment benefits.....	27
4.1.1. <i>Legal framework and governance</i>	28
4.1.2. <i>Trends</i>	29
4.1.3. <i>Research results: Scope and reasons for exclusion from the unemployment insurance (benefits)</i>	29
4.1.4. <i>Research results: Scope and duration of unemployment benefits use among older people</i>	32
4.2. Active labour market programmes	33
4.2.1. <i>Legal framework and governance</i>	33
4.2.2. <i>Trends</i>	34
4.2.3. <i>Research results: Participation of older people in ALMP</i>	36
4.3. Public Works	39
4.3.1. <i>Legal framework and governance</i>	39
4.3.2. <i>Trends</i>	40
4.3.3. <i>Research results: Participation of older people in public works</i>	41

CHAPTER 5. EXCLUSION FROM THE EDUCATION SYSTEM	43
5.1. Formal education	43
5.1.1. <i>Legal framework and governance</i>	43
5.1.2. <i>Trends: Educational attainment of the population in Macedonia</i>	45
5.1.3. <i>Research results: Educational attainment of older people and exclusion from the formal education system</i>	47
5.2. Non-formal education.....	51
5.2.1. <i>Legal framework and governance</i>	51
5.2.2. <i>Trends: Participation of older people in non-work related training</i>	52
5.2.3. <i>Trends: Participation of older people in work-related training</i>	53
5.2.4. <i>Research results: Exclusion of older people from work-related training after the age of 50 and causes of exclusion</i>	55
5.2.5. <i>Research results: Exclusion of older people from non-work related training after the age of 50 and causes of exclusion</i>	59
5.3. In-formal Education.....	62
5.3.1. <i>Legal framework and governance</i>	62
5.3.2. <i>Trends</i>	63
5.3.3. <i>Research results: Access to in-formal education resources</i>	65
 CHAPTER 6. CONCLUSIONS.....	 69
6.1. Social protection	69
6.1.1. <i>Pension exclusion and pensioners living standard</i>	69
6.1.2. <i>Social assistance exclusion and living standard of the non-beneficiaries and beneficiaries</i>	70
6.2. Labour market.....	70
6.2.1. <i>Labour market exclusion and living standard of the unemployed</i>	70
6.2.2. <i>Exclusion from the active labour market programmes</i>	71
6.3. Education	72
6.3.1. <i>Formal education exclusion and educational attainment</i>	72
6.3.2. <i>Non-formal education exclusion: work and non-work related training participation</i>	72
6.3.3. <i>In-formal education exclusion: accessibility of educational resources</i>	73
 CHAPTER 7. RECOMMENDATIONS	 75
7.1. Social protection and labour market.....	75
7.2. Active Labour Market Programmes	75
7.3. Education	76
7.3.1. <i>Formal education</i>	76
7.3.2. <i>Non-formal education</i>	77
7.3.3. <i>In-formal Education</i>	78
 8. REFERENCES.....	 79

CHAPTER 1. INTRODUCTION

The concept of social exclusion has regained international focus due to increase in social problems that are multi-faceted, interconnected and require interdisciplinary approach to prevent and fight against them. The evolution of policies which tackle social exclusion have also grown in number in the last thirty years, both on a national and supranational level. However, despite the growing trend of both the problem and policies, there are still many uncertainties related to the social exclusion, making difficult its assessment, quantification and finally its eradication. In that respect, the social exclusion among older people follows the same lines. It is widespread, yet not well analyzed and assessed. According to Walker et al. (2006), the complexity of social exclusion among older people is not only multidimensional but, also, the risk factors vary across the different dimensions. In their study, they outline risks with widest influence on exclusion among older people, such as: low incomes, living alone, non-white ethnic group membership, being female, renting accommodation, not having access to a private car or van as well as depression and poor health (ibid. p. 7). However, these factors do not come isolated. In many cases they are combined and make the problem of social exclusion even more difficult to tackle.

Similarly to the international trends, Macedonia also faces pressures of demographic ageing and increased need of social services in condition of retrenching social policies, making the problem of social exclusion among older people more pertinent.

The gradual but certain process of *demographic ageing* in the country has only given more weight to the already existing problems. According to the last census data, the share of older people 65+ in the total population in Macedonia has risen from 8.46% in 1994 to 10.6% in 2002 (State Statistical Office, 2003). This demographic trend of population aging is also supported by the data evidencing that in the period from 1996 to 2006, the participation of young people (0-14 years of age) in the total population in the country has reduced from 24.1% to 18.9%, while the participation of older people 65+ has increased from 9.0 to 11.2% (State Statistical Office, 2008). According to the demographic forecasts given by the UN Population Division in 2004, the total number of population in Macedonia could fall from 2,034,000 in 2005 to 1,884,000 in 2050. The number of working age population (15-64) was projected to fall from 69.3% in 2005 to 60.0% in 2050 (Donevska, 2007). The number of older people above 65 in Macedonia is much lower than that in the EU member states as well as than that in some of the EU candidate and potential candidate countries. According to the Eurostat statistics for 2007, the percent of older people above 65 in Macedonia was 11.2%, which is for 5.2% lower than that in EU 27 (16.9%). Also the number of older people in Macedonia is lower than that in Croatia (17.0), Serbia (17.2), Bosnia and Herzegovina (14.1%) and Montenegro (12.7%) (Eurostat, 2008).

In this context, when *policy-making* is concerned, in Macedonia the tradition of egalitarian social welfare and Bismarckian social insurance has slowly given room to more residual and individualized social protection, facing the challenges of taking up targeted and means-tested welfare. However, until recently, social welfare reforms predominantly focused on the forms of protection of children and youth, thus overlooking the social welfare needs and problems of the growing population of older people. Despite the fact that the process of demographic aging is taking place and that the share of older people in the total population is growing, there is still lack of recognition by policy makers of its importance and the challenges it brings for the social protection system in the country. So far, legislative changes and anticipation of a wider range of social services for older people within the law, were the first steps taken in the reform process. Herein, no particular emphasis is placed on social inclusion issues as regards older people at risk. The lack of separate ageing legislation and a national body that would be established to deal with the aging-related issues, is additional impediment.

Prior research carried out already reveals some of the existing problems older people in Macedonia face in their access to benefits and services. Within a recent study supported by the European Commission about the Social Protection and Social Inclusion in Macedonia, some elements of exclusion of older people from the *social protection system* were analyzed. The study reveals that despite general and official estimations about the high coverage of the pension system, more than 70,000 (or 31.1%) older people above the age of 65 (majority of them women and members of ethnic communities) are not covered with pension benefit (Donevska et al, 2007).

Participation in the *labor market* is one of the biggest socio-economic challenges in Macedonia. According to the 2002 Census, the ethnic Macedonian population has the highest activity rate of 63.2%, followed by Vlachs (62%), Serbs (59.8%), Roma (50.4%), Bosniaks (47.8%), and ethnic Turks (42.4%). Ethnic Albanians have the lowest participation rate of 32.3%, which is mainly due to the extremely low activity rate among women of Albanian ethnicity, as well as the prevalence of undeclared forms of work among this ethnic group. Overall employment rate of older workers (55-64) in 2005 was 26.2% which represents a small decrease compared to 2001 when the same rate was 27.7%. According to the 2002 Census ethnic dimension of unemployment revealed that the highest unemployment rate was evident among Roma with 78.5%, followed by Albanians with 61.2%, Bosniaks with 60.3%, Turks 58.2%, Macedonians with 32%, Serbs with 30.9% and Vlachs with 25.3%. Undeclared work is also a persistent phenomenon in the country, which according to some calculations represents an estimated 33–37% of GDP (State Statistical Office, 2003).

Situation of exclusion of older people from the *education* system is additional challenge. Life-long learning facilities seem to be out of reach for most of the older people in the country. According to the preliminary results from the LFS the life-

long learning rate was 2.4% in 2005, whereas the average for the EU25 is above 19% and for the post-communist new members 7% (Donevska et al, 2007). In 2007, the proportion of the population aged 25-64 years having participated in education and training (at any time within a four week period prior to being surveyed) was much higher (more than three times) in the EU-27 (EU27 average- 9.7%) than in the candidate and potential candidate countries (2-3%) (Eurostat, 2009). In Macedonia the participation rate in 2005 was 2.4% (ETF, 2005).

1.1. Older people and exclusion – literature review

In Macedonia there is limited number of carried out researches in aging issues in general and in particular in the domain of social exclusion. Perhaps the first more significant national research targeting older people that drew the attention of both academic and professional circles was the MA thesis "*Trends in Social Policy and Social Services for the Elderly - Conditions and Perspectives in R. Macedonia*", based on mixed qualitative/quantitative methodology carried out in the course of 2004. Focusing predominantly on social services (institution, home and community-based) and the impact of global social policy trends towards pluralism, decentralisation and deinstitutionalisation on the development of social services for older people in the country, the research did not specifically address social inclusion problems in the domains of pensions, labour market or education. However, pointing out the scarcity and the lack of access to social services as equally important domain for the wellbeing of older people, it is considered as being among the first more comprehensive researches that called attention to the existence of the social exclusion problem among older people and set the floor for elaborating this problem in other domains as well (Bornarova, 2004).

The social inclusion aspect has been incorporated in the older people research only in the last several years. Donevska and collaborators in the Report prepared for the European Commission in 2007, "*Social Protection and Social Inclusion in the Former Yugoslav Republic of Macedonia*", address social inclusion perspective of social service users in general. The Report points out older people as one of the vulnerable groups, but does not contain a separate chapter that would analyze specificities of social inclusion of older people in terms of access to social services in the Country (Donevska et al, 2007).

The social services and social inclusion link was brought in by Gerovska within the publication "*Policy Priorities for Social Inclusion in Macedonia*", financially supported by Friedrich Ebert Stiftung. The author emphasizes that it is increasingly recognized that social services and benefits should not only serve as a safety net and be applauded only for its efficiency and good targeting, but also provide basic support which will improve the inclusion of vulnerable groups and enable access to services and benefits according to the applicant's needs. However, because of the limited scope of the publication the problem of exclusion of older people from social services is only briefly referred to (Gerovska et al, 2007).

2) *Labour market*

- Employment status among older workers (55-64 years of age)
- Take-up of unemployment benefits and/or remittances
- Participation in active labour market programmes

3) *Education*

- Educational attainment of older people
- Participation in life-long learning opportunities:
 - on-the-job/off-the-job training (for those aged 55-64)
 - formal/non-formal/in-formal forms of education
- Factors behind educational involvement in later life.

2.2. Research Methods and Sampling

The research applied a mixed qualitative/quantitative methodology.

1) Within the **quantitative methods** a survey with older people was carried out to provide for immediate data about the problem of exclusion of older people specified within the concrete objectives.

Sampling

To this end, nationally representative targeted sampling of the population 55+ was used. The sample size targeted 1.339 respondents which represent 0.3% of the total population aged 55+ in R. Macedonia (446.583). The sample was prepared using the State Statistical Office data (2008b) on population 55+ estimates, at 31st of December 2007¹, considering the following variables:

- *Age*: (55-64 – 656 respondents and 65+ - 683 respondents).
- *Gender*: (653 male respondents, 686 female respondents).
- *Ethnicity*²: Macedonians, Albanians, Turks and Roma. Our prior research and knowledge indicates that the problems of vulnerability and social exclusion are most present among these ethnic groups as compared to others. To ensure sufficient and equitable representation, almost equal number of respondents was selected from each ethnic group (see Table 1. below).
- *Urban/rural split*: 672 respondents from rural areas; 667 respondents from urban areas

¹ At 31st of December 2007, population estimate for Macedonia was 2.045.177, of which 1.025.239 or 50.1% men, and 1.019.938 women or 49.9% (State Statistical Office, 2008).

² According to the 2002 National Census, Republic of Macedonia has a population of 2,022,547 inhabitants. The ethnic picture of the Republic of Macedonia is diverse, with 64.18% Macedonians, 25.17% Albanians, 3.85% Turks, 2.66% Roma, 1.78% Serbs, 0.84% Bosnians, 0.48% Vlachs and 1.04% of other nationalities (State Statistical Office, 2003).

- *Geographic location*³: 8 statistical regions in Macedonia were used as basis: Polog, Skopje, Northeastern, Southwestern, Vardar, Eastern, Pelagonija and Southeastern, targeting a total of 19 municipalities⁴ and 35 local communities⁵.
- *Family status*: married, divorced, widowed, common-law marriage, single.
- *Education*: no education, incomplete primary, primary education, incomplete secondary, secondary education, higher education, tertiary education.

The sample is proportional per age groups, geographic regions and gender.

Table 1. Sample structure per ethnicity, age, gender and rural/urban split

Age	Gender	Ethnicity/rural-urban split								Total
		Macedonians		Albanians		Roma		Turks		
		Rural	Urban	Rural	Urban	Rural	Urban	Rural	Urban	
55-64	Men	36	32	50	12	10	87	41	30	298
	Women	46	43	64	25	12	84	55	29	358
65+	Men	46	57	69	18	8	63	64	30	355
	Women	39	44	68	26	9	60	55	27	328
Total		167	176	251	81	39	294	215	116	1339
		343		332		333		331		1339

³ Based on data from the "Regions of the Republic of Macedonia 2007" (State Statistical Office, 2007a).

⁴ Brvenica, Vasilevo, Gostivar, Debar, Karbinci, Kriva Palanka, Lipkovo, Lozovo, Mariovo, Petrovec, Pehcevo, Plasnica, Prilep, Radovis, Saraj, Sv. Nikole, Studenici, Centar, Cair.

⁵ Argulica, Beloviste, Vasilevo, Vitoliste, Gostivar, Debar, Dorfulija, Erdzemija, Zdunje, Kaluzlija, Karbinci, K.Palanka, Kucica, Lipkovo, Lisicani, Lozovo, Matejce, Meckuevci, Milino, Opaе, Oeovec, Otlja, Odzalija, Parnalija, Petrovec, Pehcevo, Plasnica, Prilep, Radanje, Radovis, Saraj, Sv.Nikole, Skopje, Studenici, Tarinci.

Table 2. Sample structure per age, gender and education

Age	Gender	Education							Total
		Without education	Uncompleted primary	Primary	Uncompleted secondary	Secondary	Higher	Tertiary	
55-64	Men	24	54	109	13	70	16	12	298
		8,1%	18,1%	36,6%	4,4%	23,5%	5,4%	4,0%	100,0%
	Women	86	71	108	14	55	10	14	358
		24,0%	19,8%	30,2%	3,9%	15,4%	2,8%	3,9%	100,0%
65+	Men	41	87	112	16	69	15	15	355
		11,5%	24,5%	31,5%	4,5%	19,4%	4,2%	4,2%	100,0%
	Women	102	81	96	8	27	8	6	328
		31,1%	24,7%	29,3%	2,4%	8,2%	2,4%	1,8%	100,0%
Total		253	293	425	51	221	49	47	1339

2) Apart from the primary quantitative research the study also applied **qualitative methods** to analyse existing structure, legislation and policies in the fields of pensions, labour market and education. This information complements the primary research findings and provides for a broader overview of the current conditions regarding social inclusion of older people. In addition, policy context analysis and current trends serve the purpose of interpretation of findings and drawing conclusions and recommendations.

CHAPTER 3. EXCLUSION FROM THE SOCIAL PROTECTION SYSTEM

The system of social protection in the Republic of Macedonia encompasses contributory and non contributory services and benefits. Contributory part of the system is referred to as social insurance and includes: pension and disability insurance, health insurance and unemployment insurance. The non-contributory or tax-financed part of the system referred to as social welfare, encompasses: social assistance, child protection, institutional and non-institutional care and social prevention. Financing of the contributory part of the social protection system has recently changed with the introduction of the Law on contribution for compulsory social insurance (Official Gazette, 142/08), and its implementation from 1st of January 2009. Among other changes, this Law introduced gradual reduction of the social contribution base for pension, health and unemployment insurance for 10 percentage points, namely from previous 32% to 22%, between the period 01.01.2009 till 01.01.2011. The next sections will give more detail to the pension and disability insurance as well as the social assistance, as these domains formed a part of the primary research according to which social exclusion among older people was analyzed. Unemployment insurance (although formally part of the social protection system) will be introduced in a separate chapter, as part of the labour market analysis.

3.1. Pension and disability insurance

Pension and disability insurance in the country before 2006 used to belong to the Pay As You Go System (PAYG), based on inter-generational solidarity and financed through workers salary contributions. However, due to the high unemployment as well as continual demographic ageing of the population, this PAYG system was transformed. The new system kept the PAYG go principle only in the first pillar, while the other two newly introduced pension pillars are financed through individual savings accounts. The pension reform has not encompassed the older people, as they continued to (contribute) benefit only (to) from the first PAYG system.

3.1.1. Legal framework and governance

The new three pillar pension system is legally based on three different Laws. The first PAYG public pension pillar is based on the Law on Pension and Disability Insurance and its many subsequent changes since 1994⁶. The second pension pillar was initiated with the adoption of the Law on Mandatory Fully Funded Pension

⁶ Law on Pension and Disability Insurance, "Official Gazette of the Republic of Macedonia" No: 3/94, 14/95, 71/96, 32/97, 24/2000, 96/2000, 5/2001, 50/2001, 85/03, 50/04, 4/05, 84/05, 101/05; 70/06; 153/07; 152/08).

Insurance in 2002⁷ and its subsequent changes. Additionally, recently introduced voluntary third pension pillar is regulated with the Law on Voluntary Fully Funded Pension Insurance adopted in 2008⁸.

The first pension pillar covers the risk of old-age, disability and survivors pensions, as well as minimum amount of benefit. It encompasses all employees and all other beneficiaries covered by the pension scheme, including self employed and agricultural workers. A person is entitled to an old-age pension when 64 (man) or 62 (women) and minimum 15 years of service.

The second pillar is a mandatory individual capitalized savings system. This insurance provides right from pension insurance in case of an old age, i.e. payment of old age benefit. Mandatory fully funded pension insurance covers persons that started working for the first time after January 1, 2003, i.e. younger generations, which provides gradual introduction of this system. Agricultural workers are not covered with the second pillar since their contributions are registered according to their cadastral income, which is too low, and can not be divided in the two pillars.

In addition to the mandatory entrants in the new pension system, there is a possibility for voluntary entrance of current contributors but also others (not covered in the first two pillars) to the third voluntary pension pillar.

Governance of the pension and disability insurance is split between several institutions. The Pensions and Disability Insurance Fund (PDIF) is in charge for the collection of the contributions from the first public pension pillar. The contributions in the second pension pillar currently can be paid only in two private pension companies (Nov Penziski Fond/NPF and KB Prvo Penzisko Drustvo). The private pension companies and pension funds are under direct supervision of the public Agency for Supervision of Fully Funded Pensions Insurance (MAPAS). The National Bank of the RM has had the role of a custodian of pension assets in the first five years since the beginning of the reform, while afterwards it is in charged for issuing the permit to an elected commercial bank. For the voluntary pension funds, the custodian can be a commercial bank that meets the requirements prescribed in the law. Finally, the Ministry of Labour and Social Policy is in charge for creation and supervision of the policy for pension and disability insurance. It is also responsible for the supervision of the work of MAPAS and PDIF.

3.1.2. Trends: Pension beneficiaries and pension amount

The total number of pension contributors (insured persons) in the Republic of Macedonia is 451.491 people. According to the statistics from the Pension and

⁷ Law on Mandatory Fully Funded Pension Insurance, Official Gazette, No. 29/2002; 85/2003; 40/2004; 113/2005; 11/2006; 29/2007)

⁸ Law on Voluntary Fully Funded Pension Insurance, Official Gazette, No. 7/2008; No.88/2008; No. 48/2009).

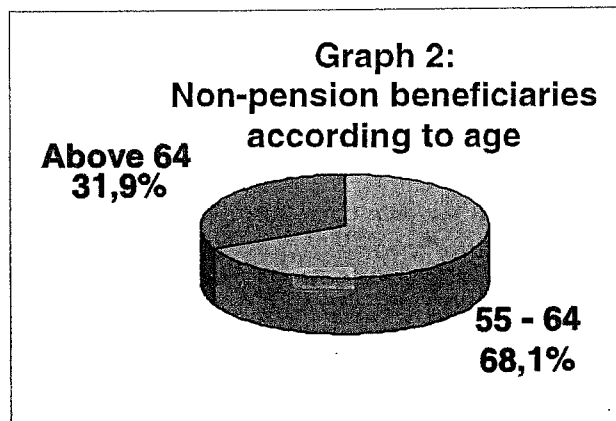
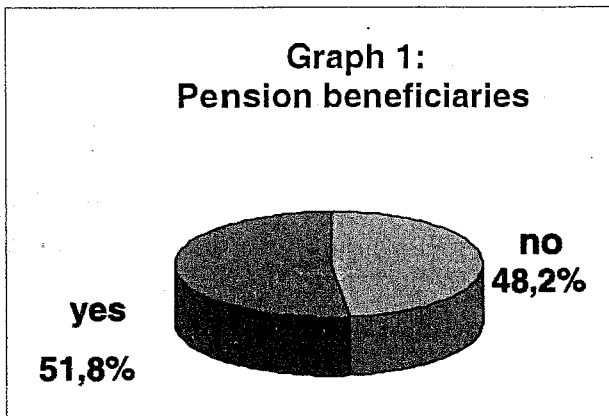
Disability Insurance Fund,⁹ in April 2009 there were 273.092 pension beneficiaries. The average pension amount for all three types of pensions (old-age, disability and survivor pensions) was 9 862 MKD (159 Euro). The majority of pension beneficiaries (54.7%) receive old-age pension with average amount of 11.131 MKD (179 Euro). The second largest group (27.6%) are the survivor's pension beneficiaries with average pension of 7.989 MKD (128 Euro). Finally, 17,7% of pension beneficiaries receive disability pension with average amount of 8.867 MKD (142 Euro). There are also 2.545 minimal agricultural pension beneficiaries, whose average pension is 3.649 MKD (59 Euro). The comparative statistical data on the number of pensioners in the country show that there is a constant increase of pension beneficiaries, starting from 166.224 in 1990, rising to 241.221 in 2000 and 273.092 in 2009 (April).

Having in mind the overall trends of unemployment, informal economy, patriarchal traditions concerning the role of the women in the family among different ethnic groups, as well as remittances as the main financial source for many families, it can be speculated that there are large number of people excluded from the pension system. Previous research studies (Donevska, Gerovska, Gjorgjev, Kalovska, 2007) based on estimations between the total number of population aged 65 and above and the number of pension beneficiaries, suggested that more than 70,000 (or 31.1%) people above the age of 65 are not covered with pension benefit in the Republic of Macedonia. The same study implied that this group of older people not in receipt of pension, social assistance, or not working or having family support is the most exposed to the risk of poverty. It also suggested that among this group there are a large number of women, especially those belonging to ethnic communities, who have no work experience (ibid., p. 122). Hence, the main aim of the primary research in this study is to analyze these trends and to assess the extent of exclusion among older people of different ethnic communities from the public pension system.

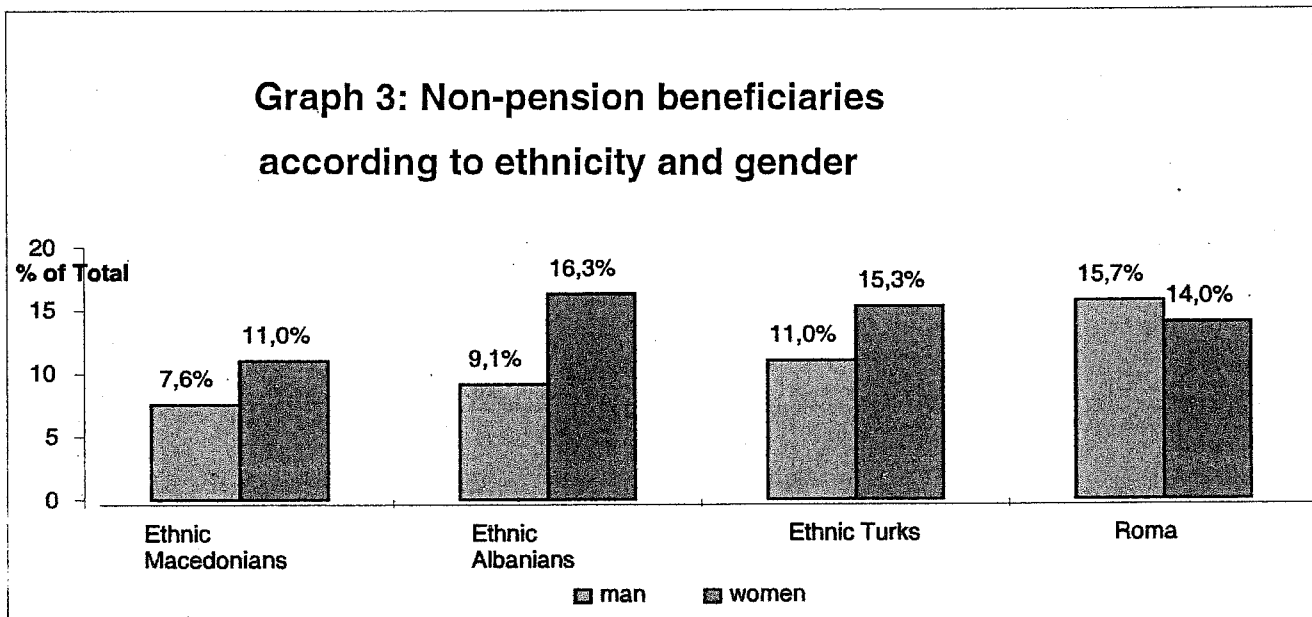
3.1.3. Research results: Pension exclusion - scope, reasons and coping strategies

This section will aim to give more detail to the research questions: who are the excluded, what are the reasons for their exclusion and what is the level of living standard of those excluded from the pension system. According to the primary research undertaken for the purposes of this study, out of 1339 respondents between the age of 55 and above, 645 respondents or 48.2%, which is almost half of the interviewed population, are not pension beneficiaries (Graph 1). Majority of the non-pension beneficiaries or 68.1% are from the age group 55-64, while 31.9% are above 64 (Graph 2). Out of 8 statistical regions in Macedonia, Skopje (with 26.8%) and Pelagonija region (15.8%) are mostly populated with those not receiving pension benefits.

⁹ Source: Pension and Disability Insurance Fund , Statistics:
<http://www.piom.com.mk/?idPage=128>



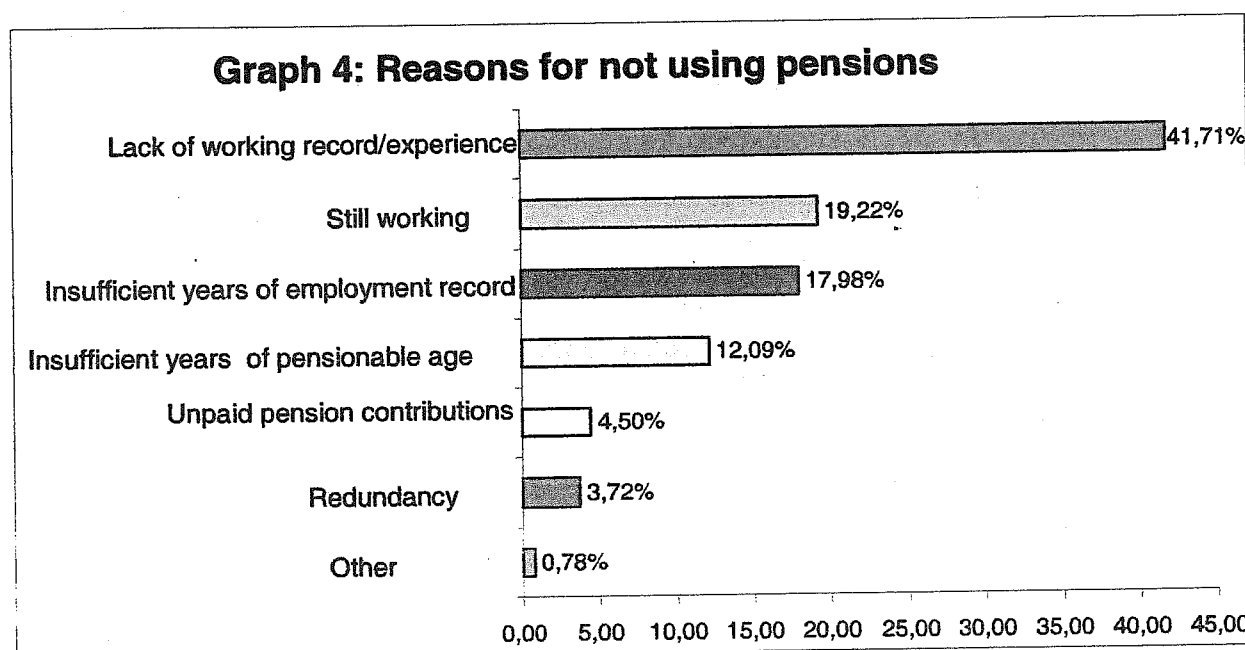
There is no bigger urban/rural divide, as 51.6% live in the city and 48.4% of the non-pension beneficiaries live in the village. Out of 35 interviewed local communities, those mostly affected with the pension exclusion are: Vasilevo, Opae, Otlja, Lipkovo, Kaluzlija and Odzalija, where the percentage of the pension-excluded population varies from 85,7% (Vasilevo) to 66,7% (Odjalija). According to the ethnic affiliation (Graph 3), majority of the non-pension beneficiaries are Roma (29.7%), followed by the ethnic Turks (26.3%), ethnic Albanians (25.4%) and ethnic Macedonians (18.6%).



This finding can be explained with the fact that majority of the Roma are not involved in formal employment and thus do not pay social contributions which prevents them from participation in the pension system. This is also similar for the members of Albanian ethnic community, but among them as well as among the Turks the traditional position of the women in the family prohibits its more visible inclusion in the labour market and accordingly in the pension system. This is in line with the finding regarding gender division of non-pension beneficiaries which shows that majority of the excluded from pensions are women (56.6%). Finally, the educational status of the respondents signals that majority of those not in

receipt of pension (77.7%) are with only primary education (31.3%), without no education (23.9%) or with incomplete primary education (22.5%). This implies that a higher educational status secures more easily the chance of a formal employment which in turn guarantees inclusion in the pension system.

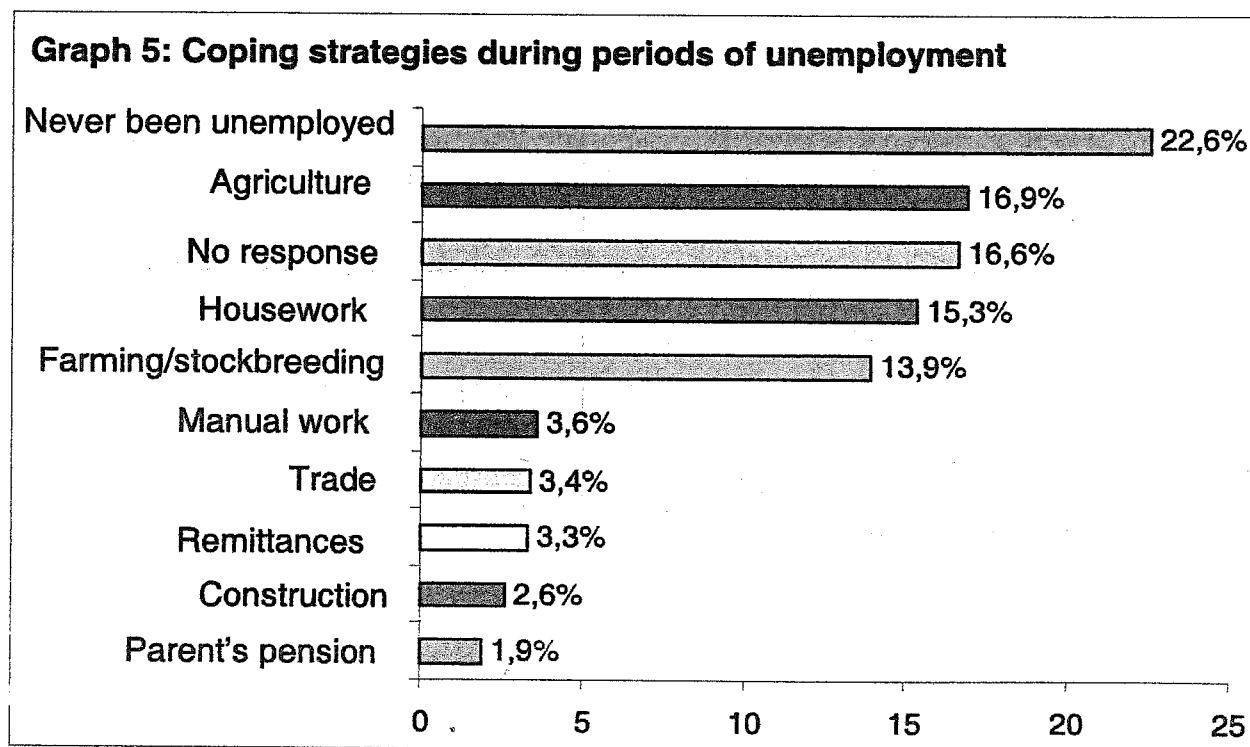
In addition to the assessment of the extent and characteristics of those excluded from the pension system, one of the major goals of this study was to examine the reasons behind pension exclusion. Hence, the research results show that the primary reason for not receiving pension benefits is the lack of any working record/experience, i.e. lack of participation in the formal labour market (see Graph 4). Going further, the study analyzed why older people have not had any employment (regardless if formal or informal), and two leading reasons explained their exclusion from the labour market: family obligations and the lack of education. This is not surprising as Macedonia is predominantly a traditional patriarchal society, thus family obligations (especially among certain ethnic communities) such as raising and educating children, and all additional house work has been a responsibility of women, thus leaving them without much chance for any real employment. Also having in mind that the interviewed population belongs to the age-group of 55 and above implies that the period when they were supposed to complete their formal education was during 40ties, 50ies or 60ties from the 20th century, a period when higher education in Macedonia was in its formative years (the first faculty initiated its work in 1946), but also a period in which education attendance on all other levels was beginning to increase (i.e. the number of illiterate in the year 1945 was almost 67.5% of the population, while in 1961 it was 24.5%).



The living standard of those excluded from the pension system was also among the main research goals. How they survive and what are their coping strategies? Before

looking at the results, it must be emphasized that in this section answers are analyzed for all respondents, i.e. combining those receiving and those not receiving pensions. The research results show that slightly more than half of the respondents (50.1%) do not have additional incomes in the family. This implies that for majority of those included in the pension system the pension benefit is the only financial source of living, while those not in receipt of pension, do not have any formal source of income. Overall, this gives a very worrying picture for the living standard of those not receiving pensions, as the lack of any formal source of income defines them as poor (and in some cases extremely poor), and makes them excluded from the society as a whole.

The study also analyzed whether remittances (as inconsistent source of living) improve the living standard of pensioners and more importantly of non-pension beneficiaries. However, 84.6% of all respondents replied that they do not receive financial transfers from abroad. Among those receiving remittances, majority were from Albanian and Turkish community, while Macedonians and Roma were less characterized with this trend. As shown in the Graph 5, for the majority of older people in Macedonia the coping strategies, when not employed and lack formal sources of income, include: agriculture (16.9%), housework (15.3%), farming/stockbreeding (13.9%), manual work (3.6%), trade (3.4%), remittances (3.3%), construction (2.6%) and pensions from parents (1.9%). Majority of these activities are part of the informal economy.



Additional worrying factor among older people in Macedonia is the presence of financial exclusion. Namely, the research reveals that 63.7% of all respondents do not possess a financial/bank account. This situation is most evident among Roma

community, and least among the Macedonian ethnic community. Non possession of any bank account may be interpreted with the: a) lack of required documentation among the older people as well with b) existence of rigid (conservative) banking system in the country. Other reasons may also play a role, such as: digital/technical divide, lack of education/knowledge, low trust in the financial sector etc. However, the consequences of this suggest that older people do not have savings, can not undertake any bank transactions and are excluded from credit and insurance possibilities. In comparison, in the older EU member states (EU 15) 2 in 10 adults do not have a bank account while many more have no savings and lack access to credit. This situation is even more problematic in the newer member states (EU 10), where almost half of the adults (47%) lack access to basic financial services (European Commission, 2008). In order to combat this condition, the European Commission announced its intention to ensure that, by a certain date, nobody is denied access to a basic bank account. As stated by Vladimír Špidla, Commissioner for Employment, Social Affairs and Equal Opportunities:

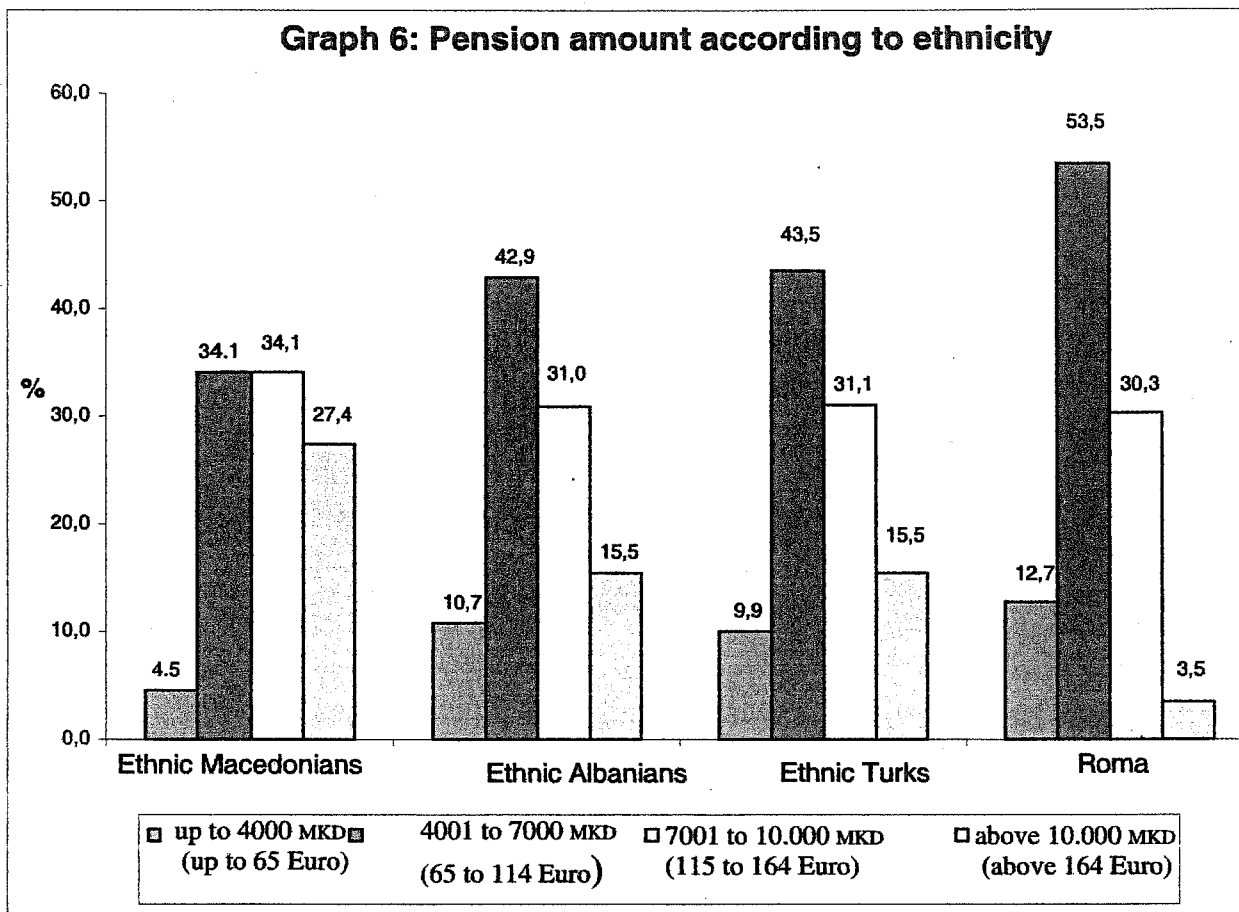
"Financial exclusion – a lack of access to adequate financial services – can stop people from participating fully in society, for example by preventing them from getting a job, if they cannot receive bank transfers. Hence, public authorities – both at national and European level – have a responsibility to guarantee that all Europeans can access and adequately use the financial services they need."¹⁰

This initiative should also be taken into consideration in Macedonia, especially since majority of older people are experiencing financial exclusion.

3.1.4. Research results: The living standard of those included in the pension system

Apart from the problem of pension exclusion among older people, this study also acknowledges the low living standard of pension beneficiaries. Namely, majority of the respondents - 42.4% receive pension in amount of 4001 to 7000 MKD monthly (from 65 to 114 Euro), 31.8% receive pension in amount of 7001 to 10.000 MKD (from 115 to 164 Euro), 16.9% receive pension in amount above 10.000 MKD (above 164 Euro), while 8.9% receive (almost) minimum pension in amount of up to 4000 MKD (up to 65 Euro). Majority of those receiving pensions with minimum amount are Roma (see Graph 6). For comparison, the average net salary in Macedonia paid in March 2009 was 19.746 MKD (324 Euro). This implies that 83.1% of the pensioners receive (at least) twice less than the average net salary. Consequently, it can be concluded that for the majority of pension recipients the pension does not represent a sufficient source of income for maintaining decent living standard.

¹⁰ Source: Opening speech at the conference: Financial inclusion: improving access to basic financial services, Brussels 28 May 2008, http://ec.europa.eu/employment_social/spsi/events_en.htm



Therefore, it is not surprising, that majority of the older people - 87% assess their financial condition to have been better before the retirement. In addition, 69.5% of the respondents acknowledge that the pension benefit does not provide them with the adequate living standard. Low living standard among majority of the pensioners implies that even pension beneficiary's might face the risk of poverty and social exclusion. The pension benefit which provides recipients to satisfy only their basic needs (food, clothes, house maintenance), signals that it prevents pensioners to be included in other aspects of the societal life – i.e. culture, education, sport etc.

Finally, the research reveals that trend of activation after the retirement is almost non-existent among older people, as 84.4% of the pensioners are not included in any form of work (for salary or income). Those that do continue to work are mainly involved in agriculture (11.4%). Most common reasons for non-activation after retirement were the health reasons (57.2%) and lack of will (24.4%). The trend of no work activation among older people after retirement should be taken into consideration when trying to improve the overall employment and activity rates in the country, as this category of population can also bring additional improvement in the continuously negative labor market trends. As an additional incentive, it should be taken into account that employment of older workers will be less costly – both for the potential employers and for the social protection system.

3.2. Social assistance

Social assistance in Macedonia is part of the non-contributory, tax-financed social welfare scheme, and it consists of several services and benefits. The means-tested benefits encompass: social assistance (including 6 different sub-categories) and child benefits, which are managed through the SWCs (the social assistance) and the Child Protection Department of the MLSP (child benefits). Parallel with the financial assistance, the system of social welfare also provides social services, which according to the Law on Social Welfare are categorized as: (1) social prevention; (2) institutional care; and (3) non-institutional care. These services are predominantly organized and administered by the state, but recently with the trends of pluralisation and de-institutionalization, there are many other non-residential forms of protection offered also by NGOs and private organizations. For the purposes of our study, only the financial social assistance will be a subject of more detailed scrutiny.

3.2.1. *Legal framework and governance*¹¹

According to the Law on Social Protection, there are several categories of (monetary) social assistance benefits: (1) permanent financial assistance - for persons who are unfit to work and/or are socially not provided for; (2) social financial assistance - for persons who are fit to work but are socially not provided for; (3) personal care allowance; (4) one-off financial assistance and assistance in kind; (5) reimbursement of salary for shortened working hours due to care of a disabled child and (6) financial assistance for children without parents and parental care - between 18 and 26 years of age (Law on Social Protection, 21/06).

The right to social assistance is being estimated in percentage amount according to the average monthly net salary per employer in the country, realized in the previous year. Hence the percentage amount per different categories varies and in 2009, is:

- Per person – 13.50%
- Families and households with two members – 17,46%
- Families and households with three members – 22,23%
- Families and households with four members – 28,58%
- Families and households with five and more members – 33,34%

According to the Law on Social Protection, the amount of social assistance is being determined in relation to the duration of the period of use of this right, in a following manner:

- the first two years – 100 % of the amount
- during the third, fourth and fifth year – 70% of the determined level;
- after the fifth year – 50% of the determined level.

¹¹ The text for this section (including trends) is initially written by the author for the purposes of the Social Protection and Social Inclusion Study in the former Yugoslav Republic of Macedonia (2008), and here it is amended according to the new legislative and statistical developments.

The social assistance is being delivered after a means testing procedure, which involves selection, based on the documentation checklist, as well as estimation of household income and needs, which is realized upon a household visit.

The newly proposed Law on Social Welfare (expected to be adopted in 2009) introduces for the first time conditional cash transfers. These transfers assume that social assistance beneficiaries will have to respect certain conditions, such as regular health check up's for the children etc., otherwise their social assistance (or additional financial benefits that they receive), may be terminated.

The main responsibility for the administration and organization of public social welfare rests with the Ministry of Labour and Social Policy. The wide scope of its professional competencies is managed by 10 departments, out of which 7 are in charge of professional matters in the field of social policy and social welfare, such as: labour, pension and disability insurance, social protection, child protection, social inspection, equal opportunities and international cooperation. In addition, there are two other administrative bodies within the MLSP - the Office for Veterans and War Disabled Affairs and the State Labour Inspectorate. The Ministry is also in charge of supervising the work of: the Employment Agency, the Pension and Disability Insurance Fund and the Agency for Supervision of Mandatory Fully Funded Pension Insurance. The Social Protection Department within the Ministry is in charge of administering and supervising the work of the Institute of Social Affairs; the Centers for Social Work and the Social Protection Institutions. Apart from the central role of the MLSP in the planning and supervision of social welfare policies, other ministries also contribute in the coverage of supplementary needs and risks in social protection. These include the Ministry of Health (which is in charge of health care as well as supervision of the Health Insurance Fund), the Ministry of Local-self Government, the Ministry of Education, the Ministry of Justice and the Ministry of Finance.

The Centers of Social Work are the main units for social welfare provision. They were created in the early 1960s, and since then function as the key public providers of professional services in social work (with individuals, groups and families), as well as administrators of social assistance payments. Currently, there are 27 inter-municipal SWCs, dispersed in all bigger cities in the country with 660 employees. In the capital Skopje, there are 6 sub-offices of the SWC, located in different territorial units, with 158 employees. The process of decentralization has not yet resulted in transfer of the responsibilities of the SWCs to the local level. Thus, SWC still represent deconcentrated units of central government.

3.2.2. Trends

In 2009, the monthly amount for social financial assistance per person is 2.173 MKD (36 Euro), 2810.50 MKD (47 Euro) per two-member households/families, 3578 MKD (59 Euro) per three-member households/families, 4600 MKD (76 Euro) per four-member households/families, and 5366,50 MKD (89 Euro) for

households/families with five and more children. These limits indirectly discourage large families, among which members of ethnic groups such as Roma and Albanian who have families with many children are particularly affected. In December 2008, there were 53.105 households/families beneficiaries of the social financial assistance, which is 9.4 % of all households in the country¹².

The amount of the permanent financial assistance is adjusted according to the increase of the average paid salary in the country. In 2009, the ceilings for this benefit were: for a single person – 3219 MKD (53.4 Euro) for a couple – 4507 MKD (74.7 Euro) and for families with three or more members – 6438 MKD (106.8 Euro). In December 2008, there were 5190 beneficiaries of the permanent financial assistance, which represents an increase of 4.05% since 2006.

The amount of the financial reimbursement and care depends on the average income of the family, as well as on the scope of need and care, and in 2009 for those on lowest income it amounts 5022 MKD (83 Euro). The number of beneficiaries of the financial reimbursement and care in December 2008 was 23832 persons, and compared with 2006 it has increased for 10.3% recipients.

The one-off financial assistance could amount to a maximum of two average net salaries on the national level. The reimbursement of salary for shortened working hours due to care of a disabled child is calculated as 30% of the average national salary, while the amount of the financial reimbursement for children without parents and parental care amounts to 25% and 35% (for those in regular education) of the average salary.

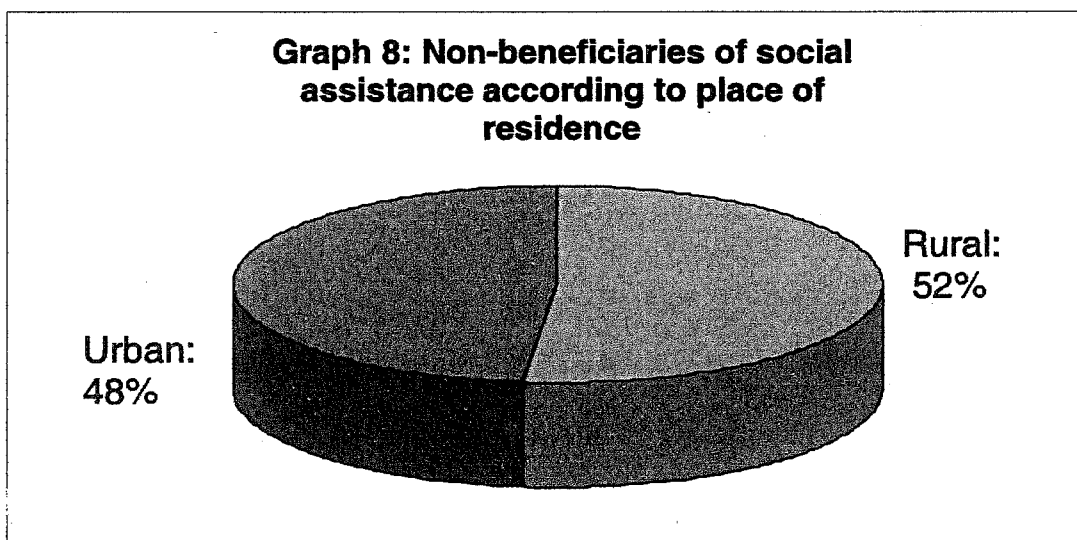
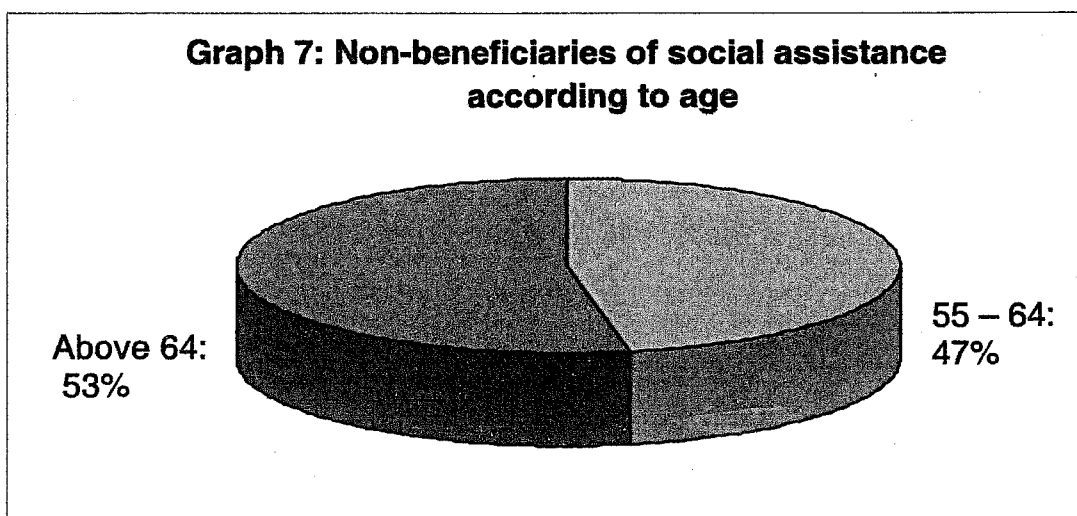
According to the Social Protection and Social Inclusion Study for Macedonia (2008) in 2005 out of all social financial assistance beneficiaries, there were 11.9% beneficiaries in the age group 51-60 and 2.9% beneficiaries above 61 years of age. This study implies that the older people seem to lack coverage in the social protection system, as only 2.9% were beneficiaries of social financial assistance which were above 61 years of age. Additionally, a look into the total numbers of permanent financial assistance beneficiaries (4988 in 2006) does not significantly contribute to the increase of the numbers of older people in receipt of the social assistance.

3.2.3. Research results: Scope and reasons for social assistance exclusion

If older people are not receiving pensions (as majority of our respondents aren't), then they can apply for financial resources available from the social welfare system – such as the social assistance. Hence, our research tried to analyze whether older people rely on social assistance, if they do - for how long and if not – what are the reasons that contribute to it. Out of all 1339 respondents, 78.5% have never used the social assistance scheme. The age structure shows that people older than 64 use social assistance less than those aged 55-64 (see Graph 7). The reason for this may

¹² The number of households in Macedonia according to the 2002 Census was 564.296

be that older people from the upper 65+ age group are more frequently pension beneficiaries. There is no bigger difference regarding gender as there is an equal distribution among non-social assistance beneficiaries among men and women. As shown in the Graph 8, the place of living also makes a difference regarding use of benefits, as the research shows that people living in rural areas use social assistance less than those living in the urban areas. This may be due to lack of access to social work centres in more remote and rural locations. The ethnic affiliation shows that older people from the Macedonian ethnic community use social assistance less in comparison to other ethnic communities, however among the Macedonian ethnic community the respondents who have no need for such an assistance was greater in comparison to other ethnic groups.



Reasons for not using social assistance can be grouped in three sets: 1) rejection of applications; 2) entry barriers and 3) stigma. Out of 78.5% of older people who are not social assistance recipients, only 6.5% replied that they didn't have the need to apply. However, majority of the remaining respondents who applied for social assistance were declined (11.7%). The next few types of replies involve lack of knowledge among applicants but also entry barriers to the social assistance scheme.

This grouping includes: lack of information about social assistance rights (10.9%), lack of knowledge of how to apply for social assistance (6.7%), lack of required documentation (5.4%), as well as lack of support in preparation of required documentation (1.9%). Additional reasons for which older people have not applied for social assistance were that they were not entitled (4.9%) and due to embarrassment and stigma (4.1%).

Majority of the reasons given above imply that the social assistance scheme is not easy to access and that there is a need for more support and facilitation from the social workers and administrative staff to make social assistance more user-friendly. This support can be in form of assistance in compiling required documentation or filling in the required forms. The respondents also signal the need for less complicated and voluminous requirements and documentation, which can be costly and time consuming for poor and particularly older and illiterate people. The required documentation can be gathered from the public officials with improvement of coordination among governmental institutions and immanent databases, thus easing the process for majority of applicants. Our research results also imply that Social Work Centres (SWC) or the Ministry of Labour and Social Policy should make the social assistance rights more visible to the potential beneficiaries, who at this point seem to be not fully aware of their entitlements. In doing so, local communities and SWC can provide more informative points especially in the languages of different ethnic communities, so that potential beneficiaries can gain knowledge regarding social assistance rights, procedure and required documentation.

3.2.4. Research results: Scope and duration of social assistance receipt among older people

The respondents that use (or have used) the social assistance benefits – 21.5%, predominantly live in the cities – 55.2%, mostly belong to the age group 55-64 (55.3%), slightly more frequently are women - 51.7%, majority of them live in the Skopje region – 26%, and most of them are Roma (43.4%). Prevalent use of social assistance among those aged 55-64 implies that older people of this age are probably unemployed, redundant workers or with low incomes, and do not have additional financial resources. Although there is no bigger difference according to gender, still prevailing use of social assistance among women is in accordance to their overall lower participation rate in the labour market. Finally, most frequent use of social assistance among Roma goes along with the fact that the members of this ethnic community are mostly unemployed, or mainly rely on informal economy which in combination to other factors such as having multi-children families makes them more socially vulnerable and dependent on social assistance use.

The duration of social assistance use was also analyzed, as it can reveal acute cases of social assistance dependence as well as more severe cases of poverty among

older people. Overall, the research results show that the majority of social assistance beneficiaries use the benefit between 2 to 5 years (34%), but even more worrying is the fact the next most frequent period of use is for more than 10 years (25.7%). This implies that older people are highly dependent on the social assistance and taking into account the modest amount of this benefit it also signals a very low living standard among this population. This condition is most alarming among Roma population, as among recipients of social assistance within this ethnic community, the largest number (32%) use this benefit for more than 10 years. Similarly, beneficiaries from the Turkish ethnic community have a higher dependency to social assistance as 30.2% among them use the benefit between 2 to 5 years, and 28.6% use this benefit for more than 10 years.

Overall it can be stated that the social assistance scheme is in need of reform, so that it can be more accessible to the population in need. Additional modifications of this scheme are needed in relation to its amount and duration, which will allow for more flexible entry and exit from the scheme.

CHAPTER 4. EXCLUSION FROM THE LABOUR MARKET

The labour market in Macedonia suffers from continuous high rate of unemployment (33.8% in 2008), which is a product of combination of factors. Although there are no official estimations, the high rate of unemployment can be attributed to the large informal economy existing in the country. On the other side, the unemployment is also a result of a high number of workers with no or incomplete education, who find the inclusion into the labour market more difficult.

The situation of high unemployment in the country makes the employment of older workers even more difficult to sustain. According to the Eurostat data (for 2006) regarding trends in the EU member states and EU candidate and potential candidate countries, it can be concluded that employment rate of older workers (55-64) in Macedonia - 27.9% is much lower than that in EU 27 (43.5%), and lower than that in Croatia (34.3%), Turkey (30.1%), Serbia (32.6%) and Bosnia and Herzegovina (30.6%).

According to the State Statistical Office, in 2008 there were 609.015 employed people in the country (37.3%), among which 139.876 were from the age group 50-64 (or 39.5%), and 7.132 were above 65 years of age (or 3.6%). The employment of women from these age groups was almost less than that of man. According to the same source, in 2008 the unemployment among older workers aged 50-64 was 28% and among those aged 65 and more the unemployment rate was 8.8%. The rate of activity among older workers aged 65 and more is extremely low - 3.9%, while participation rates of women of this age is even smaller - 2.3%

The financial crisis has also had an effect of the employment of older workers. According to the Agency of Employment, the age of the registered unemployed reveals that a rise of unemployment is mostly evident among workers in the age group above 60 (rise of 4.19% in April compared to January 2009), as well as among the age group 55-59 (with unemployment rise of 1.56% in the same period).

4.1. Unemployment benefits

The right to cash compensation in case of unemployment is part of the social insurance system and is given to an unemployed person that has been working and paying contribution continuously at least 9 months or 12 months with interruptions in the last 18 months. Labour market new entrants are excluded *a priori* from unemployment insurance although they may register as unemployed and claim health insurance.

*4.1.1. Legal framework and governance*¹³

According to the Law Amending the Law on Employment and Unemployment Insurance¹⁴ (Article 5), the duration of receiving unemployment benefit is:

- three months if the unemployed person was insured continuously at least 9 months or with interruptions 12 months within the last 18 months;
- four months if the unemployed person was insured continuously at least 24 months or with interruptions 36 months within the last four years;
- six months in the case of being insured for more than 5 and less than 10 years;
- eight months in the case of being insured for more than 10 years and less than 15 years;
- 12 months in the case of being insured for more than 15 years.

In the case that the unemployed person was insured for more than 15 years and lacks not more than 5 years to fulfill the criteria for receiving a pension (57 years of age - women and 59 years of age – men), then the length of receiving the unemployment benefit is extended permanently until retirement age.

The benefit level is set at:

- 50% of the average monthly net wage calculated over the last 12 months of employment for a person that has the right to a cash compensation up to 12 months;
- 40% of the average monthly net wage for a person that has a right to compensation longer than 12 months.

In any case, unemployment benefit cannot be higher than 80% of the average wage in the country. The minimum amount of the unemployment benefit is not set.

Although the Ministry of Labour and Social Policy is in charge for the creation and supervision of the employment policy in Macedonia, the main responsibility for administering and governing the unemployment insurance benefits lies within the Employment Agency (EA). Within its scope of activities, the EA monitors employability, employment and unemployment on the national and local levels, provides training and consultations for the unemployed, acts as a mediator in the employment process between the employer and the unemployed, and also carries

¹³ The text for this section (including trends) is initially written by the author for the purposes of the Social Protection and Social Inclusion Study in the former Yugoslav Republic of Macedonia (2008), and here is amended according to the new legislative and statistical developments.

¹⁴ "Official Gazette of the RM" no. 14/2005

out payments for financial assistance to the unemployed, i.e. to those who fulfill the specified criteria. The Employment Agency has 30 employment centres on local level, thus covering almost every bigger city in the country.

4.1.2. Trends

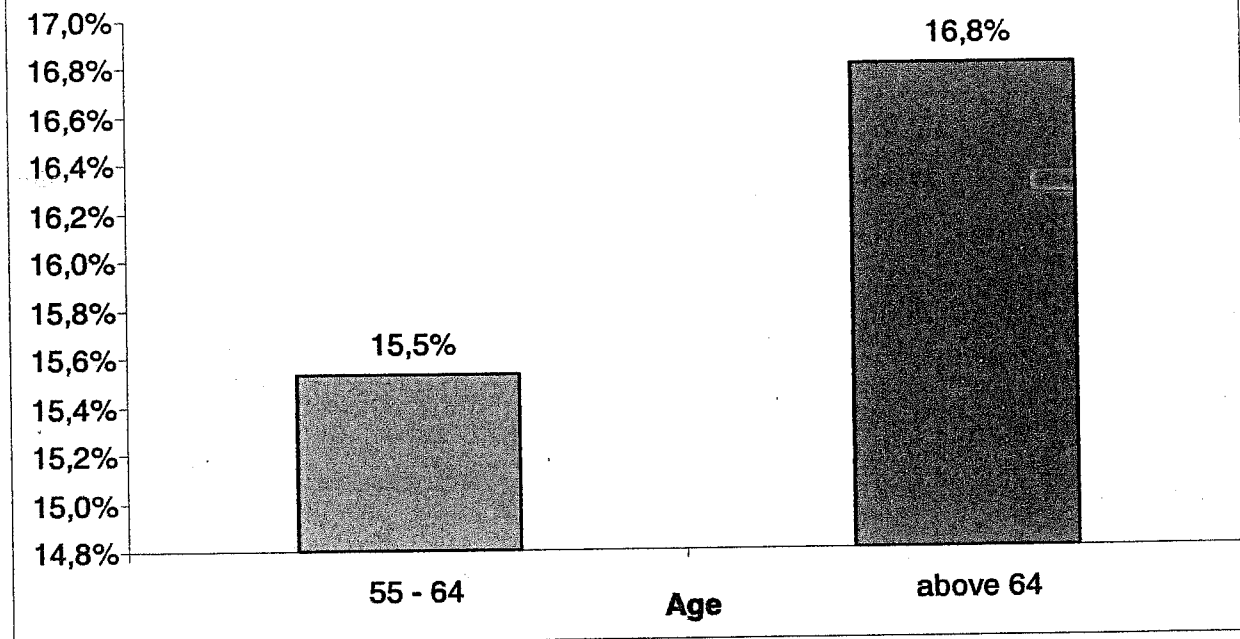
The Agency for Employment statistics gives data for unemployment insurance benefits recipients only regarding their total number and according to the reasons/basis for using the benefit. According to this, in March 2009 there were 25.380 beneficiaries of this right. The majority of the beneficiaries – 15.715 or 61.9% are those that have lost their job due to redundancy, while the second biggest group are the seasonal workers – 4254 or 16.8%. There are no disaggregated data on additional characteristics of the beneficiaries regarding age/gender or ethnicity. Hence, our research results will give an important indicator of the scope and characteristic of the unemployment beneficiaries.

The practice shows that some of the problems associated with access to unemployment benefits arise from the need to prove ownership of land, required by the EA to determine whether potential unemployed benefit recipients have arable land which can be used for economic purposes. This is required from those that are registered without any educational certificate. Since many of the unemployed (mainly Roma and Albanian) do not have settled property rights, they cannot fulfill this criterion and are prevented from fully realizing their social rights. These problems can be resolved with improved coordination between the EA (centers for employment), SWCs, revenue offices and cadastre (land registry) offices. A mutual data base could resolve the problems of requiring unnecessary documents, and improve the efficiency of delivering these services: Also on the client side, it would be less time consuming and less costly to obtain the needed service.

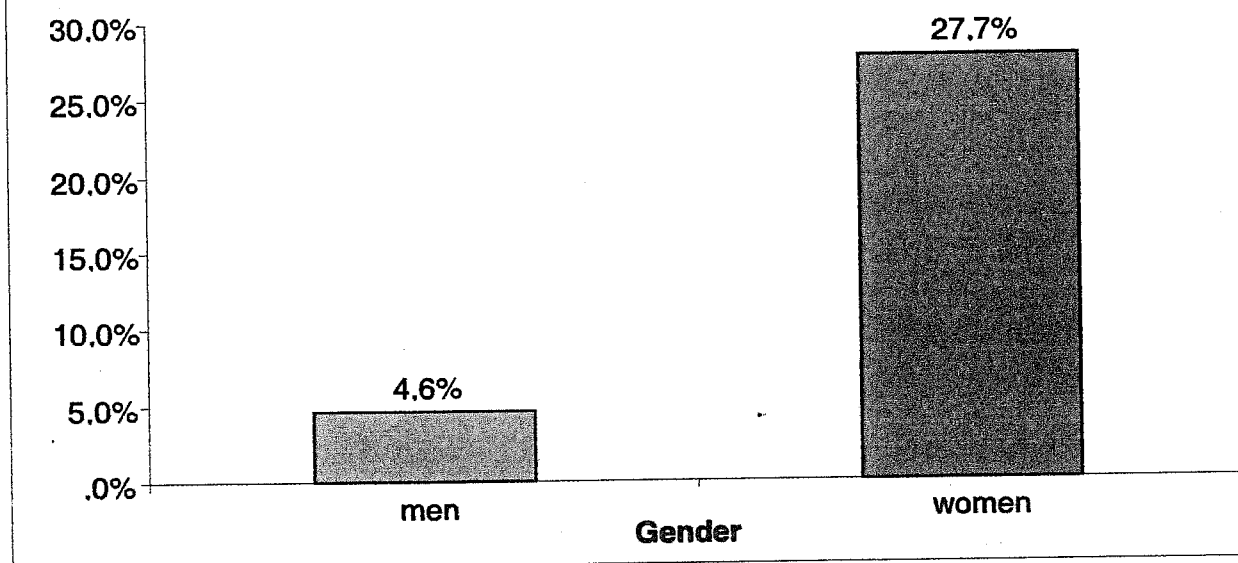
4.1.3. Research results: Scope and reasons for exclusion from the unemployment insurance (benefits)

Before looking at the results regarding unemployment insurance use among older people, we should remind again that from the interviewed sample, 32.3% have never worked. Out of this number 16.8% are aged above 64 (Graph 9), while overwhelming majority of them – 27.7% are women (Graph 10). Also among the population that has never worked 10.5% are Albanians, 8.9% are Turks, 7.8% are Roma and 5.1% are from the Macedonian ethnic community. Respondents also gave reasons why they've never been employed and the two leading reasons were because of family obligations – 37.4% and because of no education – 37.2%.

Graph 9: Older people that have never worked

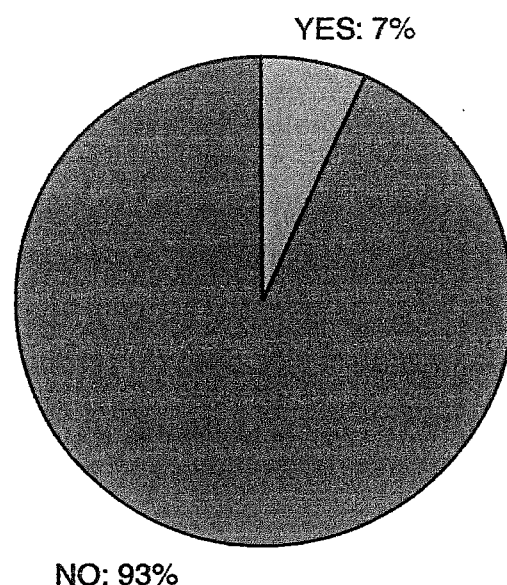


Graph 10: Older people that have never worked according to gender



The category of older people who have never worked (32,3%) and also those that have been working in the informal economy and have not been registered – 3,8% are not entitled to the unemployment insurance benefits due to no contribution record.

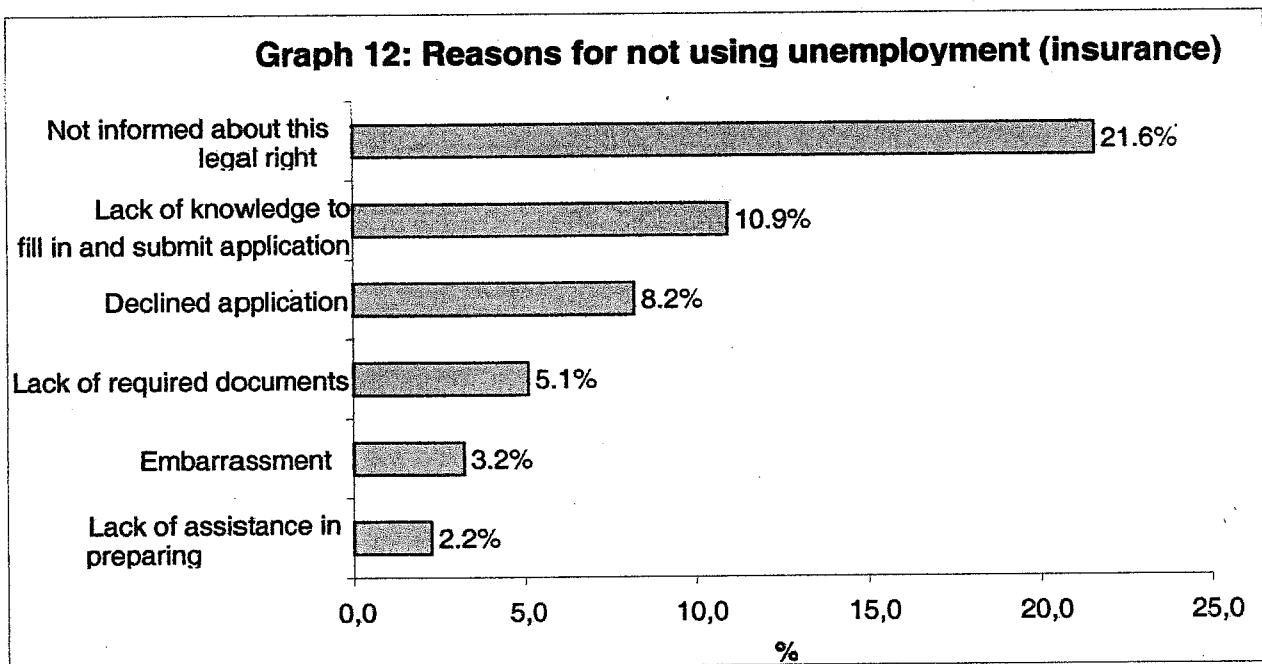
Graph 11: Non-beneficiaries of unemployment (insurance) benefit



As seen in the above graph 11, out of all 1339 respondents, 1246 or 93 % have never used the unemployment insurance benefit. Out of this number (of 93%), a higher proportion – 48,5% belongs to the age group above 64, somewhat more are women – 48,3%, majority are located in rural areas – 48,3%, and according to ethnicity prevail ethnic Albanians (23.7%) and ethnic Turks (23.7%). The presence of exclusion from unemployment insurance among those aged above 64 can be probably explained with the fact that this group is more frequently using the pension benefit, but where there is a combination of lack of pension and unemployment insurance this can also be attributed to the lack of formal employment. It is not surprising that women are more excluded from the unemployment insurance, as they are frequently less formally employed, but also other factors, such as education/knowledge as well as specific cultural factors may have prevented women from applying to unemployment benefits. Although there is no bigger urban/rural divide, still the prevailing number of non beneficiaries among those living in rural areas implies that the lack of physical access to the Employment centers might also be taken into consideration, in addition to the lack of information on available benefits they could use. Finally, the bigger representation of Albanians and Turks among non-beneficiaries is probably due to a higher number of women among these communities that have never worked, but also due to a prevailing informal economy within these ethnic groups.

The research results concerning the reasons for not using the unemployment insurance benefits may be grouped in few categories. The first group will not be part of a more thorough analysis as 41.2% of the respondents a) were not entitled (probably those never working or not insured), b) had no need of the benefit and have not used the benefit for c) other reasons. The remaining part of the

respondents that have never used the benefit can be categorized in two groups: 1) those that had difficulty accessing the benefits and 2) those with rejected applications (see Graph 12). Among the first group of respondents, the most frequent reason for not using the unemployment benefit is lack of awareness for this right (21.6%). The next reason is the lack of knowledge of how to apply for the benefit (10.9%), followed by the lack of required documentation (5.1%). Finally, some of the respondents have not applied due to embarrassment/stigma (3.2%) and due to lack of assistance in preparing the required documentation (2.2%). The second group is comprised of those respondents whose application has been declined (8.2%).



Similarly as in the part of the social assistance, the above given reasons which prevented older people from using the unemployment benefit imply that this benefit is not well known among the old-age population and the application process is also not quite clear. Additionally, the acquiring of the unemployment insurance benefit involves preparation of many documents, which for many of the older people is not an easy process. Hence, the Employment Agency as well as the local employment centres should promote this right more visible on a local level and in the language of ethnic communities. The EA should make the application procedure easier for older people, enabling also professional assistance in filling the necessary documentation.

4.1.4. Research results: Scope and duration of unemployment benefits use among older people

Among the old-aged beneficiaries of unemployment benefit (6.9% of all respondents), the prevailing number - 63.4% are those aged 55-64, majority of them are man - 58.1%, overwhelming number are those that live in the city - 73.1% as well as those that live in the Pelagonija region - 2312%, majority are of

Macedonian ethnic origin 38.7%, and according to their educational attainment slightly more are those with incomplete primary education (28.0%). The profile of the unemployment insurance recipients signals that mostly excluded from this benefit are women, people in rural and remote locations and majority of the members from ethnic communities other than Macedonian. These categories are also those that mainly do not participate in the formal labour market (informal economy, subsistence work, agriculture) which contributes to their non-visibility among unemployment benefit recipients.

The duration of the use of unemployment benefit does not show such high dependence as that of the social assistance use, but this is probably due to the more strict criteria associated with this benefit. However, despite the fact that the majority of the recipients used this benefit up to 2 years (46.2%), still there are people that rely on this benefit between 2 to 5 years (30.1%), from 6-10 years (16.1%) and for more than 10 years (7.5%). Majority of the people that used this benefit for more than 10 years (out of this 7.5%) are those aged above 64 (85.7%), mainly are women (57.1%), more represented are those from Macedonian and Albanian ethnic origin (42.9% in both groups), and mainly live in the village (57.1%). Those that use this benefit for more than 12 months probably are part of the so-called retirement scheme, and receive the unemployment benefit until their retirement.

Overall, the exclusion from the unemployment benefit use among old-age population in comparison to exclusion from other benefits is less present and for that matter less burning/pressing in comparison to exclusion from other benefits from the social protection/insurance system. Among the reasons for this is the fact that the unemployment benefit (according to the latest legal changes) is received for only a short-period of time (12 months mostly), and thus can not provide a long-term support to the living standard of the older people. However, certain improvements in regard to easier administrative access to this benefit as well as its improved availability and promotion among people from remote/rural locations should be considered.

4.2. Active labour market programmes

4.2.1. Legal framework and governance

The key actors involved in planning and implementation of the **active labour market programmes** (ALMP in further text) in Macedonia are: Ministry of Labour and Social Policy (Employment Agency of R. Macedonia as a central service with 30 Local Employment Centres, 27 Centres for Social Work), the Chamber of Commerce of R. Macedonia, the Employers' Organisations, Ministry of Local Self-Government, the Association of the Local Self-government Units "ZELS" as well as a number of foundations that according to their programme activities and mission support ALMP in the country (such as UNDP, USAID).

The institution with primary responsibility for implementation of the ALMP in addition to the passive labour market measures is the *Employment Agency of Macedonia*. Professional, organisational and administrative work related to ALMP is under the jurisdiction of the Employment Agency, that is the separate Department for Active Labour Market Measures. The following active measures are applied as part of the regular activities of the Agency: employment preparation (training, re-training, re-qualification); professional orientation; work clubs; analysis of the employers' needs for specific skills; employment of disabled; stimulation of employment.

Having in mind that passive measures mostly serve the purpose of neutralisation and mitigation of the situation of unemployment in the country, rather than resulting in success in terms of fighting unemployment, the emphasis is increasingly being placed on expansion and application of the ALMP. The Government of the Republic of Macedonia within its Working Programme for the period 2006-2010 (2006) committed to pursuing active measures. Based on that Working Programme, a National Employment Strategy 2010, was developed in 2006. Within the chapter on *Prevention of Long-term Unemployment and Supporting Employment of the Long Term Jobless* a goal is set 15% of the long-term unemployed to be involved in active measures through re-training, re-qualification, practical work or other employment measures until 2010, all in order Macedonia to come closer to the EU average of 25% participation of the long-term unemployed in active measures (Ministry of Labour and Social Policy, 2006).

In addition, Operational Plans for active labour market measures and programmes have been prepared and implemented on annual basis, following the goals set within the Governmental Working Programme. The primary institution in charge of implementation of the Operational Plans is the Employment Agency of Macedonia, in cooperation with the relevant Ministries and local self-government units (Ministry of Labour and Social Policy, 2007, 2008, 2009b). Considerable financial contribution to the implementation of the Plans has been provided by UNDP and USAID.

4.2.2. Trends

As it will become evident from the presented data below, the Employment Agency presents data on involved people in different ALMP disaggregated by age for only a limited number of programmes. This does not allow us to have insight and draw conclusions on the actual scope of involvement of older people in the programmes. According to the latest official Annual Report of the Employment Agency of Macedonia (2007), the following had been achieved in regards regular ALMP engagement of the Agency:

- *Employment preparation - training, re-training, re-qualification*: 3866 persons were involved in 2007 (even 90% of them in the domain of textile

and leader industry). There was a 20.21% increase in number compared to 2006. Of the 3866 persons that underwent some form of training, 2751 successfully completed employment preparation (91.82% of them were employed, which was again an increase of 16.14% compared to the same percentage of employed in 2006)

- *Professional orientation*: 15.996 involved in professional information (63%), 6486 in professional orientation (26%) and 2639 in professional selection (11%).
- *Work clubs*: 14.422 unemployed targeted. 9% of these were 45-55 years of age. Only 2% are aged 55+. Of the total number of 26006 who have used the different services of the work clubs during 2007, 60% managed to find employment.
- *Employment of disabled*: In the course of 2007, 152 applications were submitted by employers, of which 139 employments were approved and a total of 205 disabled were employed (no available data in the report on the age structure of involved and employed) (Employment Agency of Macedonia, 2007).

The Employment Agency of Macedonia has also been intensively engaged in implementation of the Operational Plans for the Active Labour Market Policies in 2007, 2008 and 2009. *The Operational Plan for Active Labour Market Measures and Programmes for 2007*, focuses on following active measures: 1. Active employment policies - public works within the local self-government units; 2.A. Support to self-employment (family businesses)¹⁵; 2.B. Support to first employment of youth up to 27 years of age (implemented by UNDP in cooperation with the local self-government units and employment centres); 3. Engagement of unemployed from least developed regions in performing construction works, ecological project¹⁶; 4. Subsidised employment of single parents, disabled, children without parents 5. Training and counseling of unemployed regarding re-training, contacts with employers, upgrading of their knowledge and skills, computer training (Employment Agency of Macedonia, 2007).

The role of UNDP in implementation of the Operational Plan is significant. Dimovska and Medok point out that social inclusion is a key pillar of the UNDP assistance in Macedonia, with support to ALMP being the most important element. UNDP has invested much in creation of job opportunities. Since 2003, actions that generate sustainable jobs have been prominent. These include wage-subsidies, internships, preparation of individual employment plans, vocational education, and

¹⁵ In cooperation with UNDP, 500 unemployed people were supported in development of business plans and self-employed (83.80% of them Macedonians, 8.60 Albanians, 3% Roma...and others). Of the 500 people, 73.80% were long-term unemployed, 24.80% young people up to 27 years of age, and 1.40% unemployment beneficiaries.

¹⁶ 52 projects in 45 municipalities were implemented: 418 unemployed persons were targeted, with significant variations in terms of their monthly engagement

most recently, support to self-employment. All actions have been in partnership with the Ministry of Labour and Social Policy and the Employment Agency. In fact, there has until fairly recently been limited use of ALMP in Macedonia, and indeed, between 1996 and 2002, expenditure on ALMP was only 0.05% of GDP, as compared to 0.7% in OECD countries. This percentage has increased since 2002, largely due to funding from donors (Dimovska, Medok, 2008).

The Operational Plan for Active Labour Market Measures and Programmes for 2008, within one of its Programmes for Subsidised Employment, incorporated ALMP for older people (55-64 years of age) for the first time. *The Operational Plan for Active Labour Market Measures and Programmes for 2009* is an extended version of the 2008 Plan. This Plan, in addition to the one for subsidised employment of older people (55-64 years of age), within the Programme for subsidised employment of redundant workers (many of whom are older people), once again extends coverage over this population group in the country. Unlike the above strategic guidelines and plans, the next section contains primary research data analysis on the actual scope of involvement of older people in ALMP.

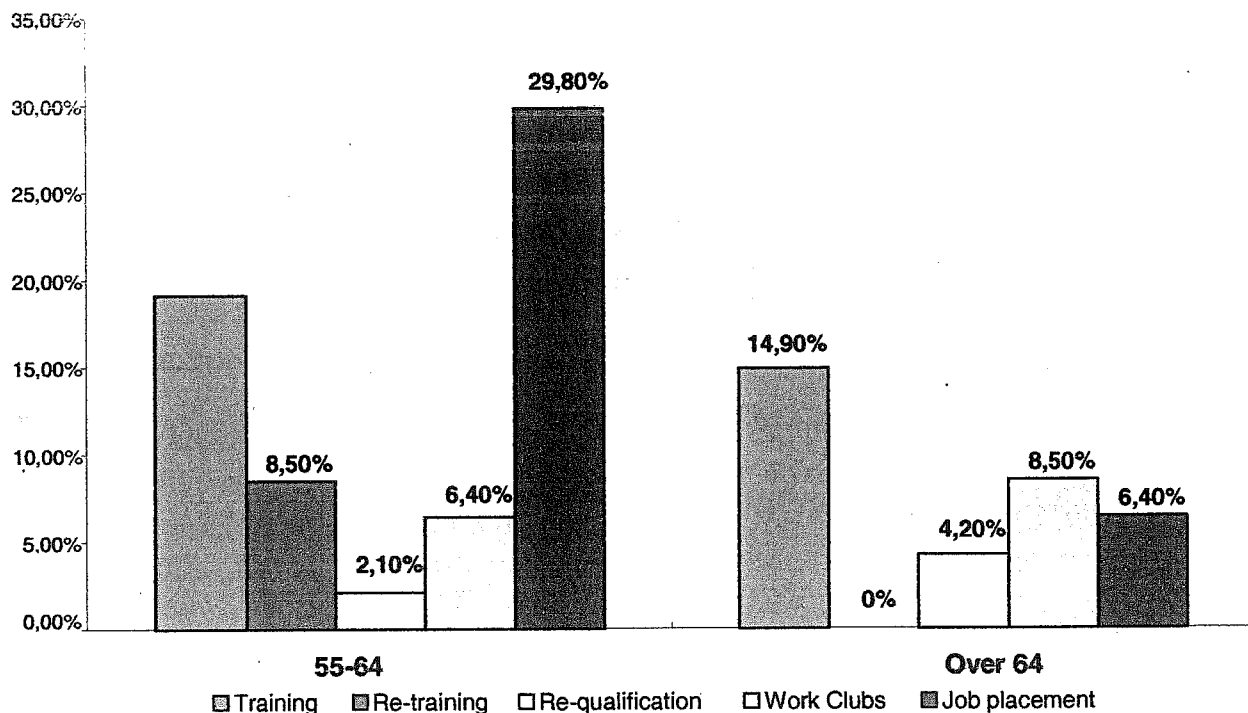
4.2.3. Research results: Participation of older people in ALMP

One of the objectives of the quantitative research was to analyse the extent to which older people from different ethnic communities in Macedonia have been involved in ALMP. Overall, the engagement of older people in these programmes is currently at so low level in comparison to other age groups, that allows us, even at this entry point to this section, to conclude that age is without doubt the key cause of exclusion from the measures that could actually assist or facilitate their participation in the labour market.

Only 47 older people (3.5% of 1339) have been involved in ALMP. The ALMP in which they have been predominantly involved in are the job placement assistance and training. Namely, of those involved in ALMP, 36.2% have received a job placement assistance, while 34% some form of training organised by the Employment Agency of Macedonia (in both cases, majorities are from the age group 55-64).

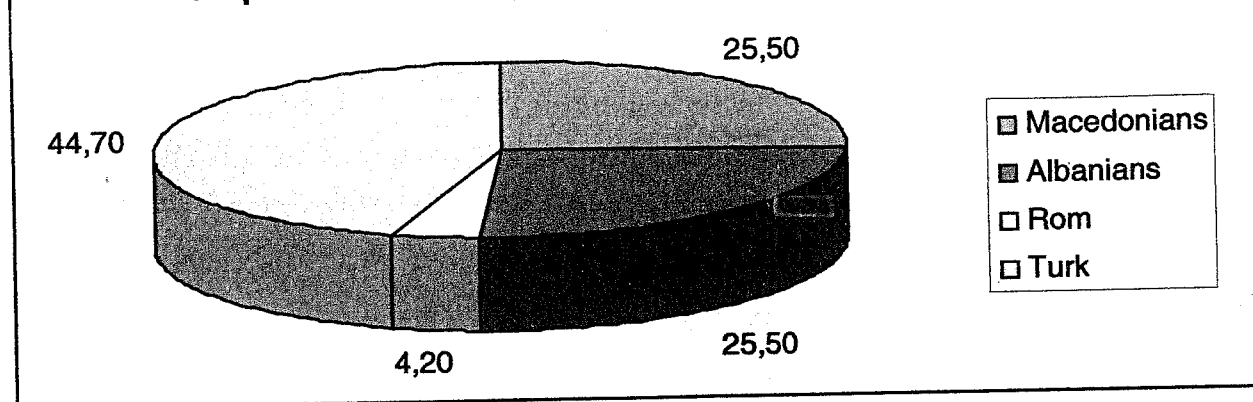
As shown in Graph 13 below, older people from the age group 55-64 reported more cases of ALMP involvement as compared to the age group over 64 (65.9% of those involved in ALMP from the 55-64 age group, 34.1% from the age group 65+). This was to be expected as ALMP seem to be primarily needed, required for and most effective when they target younger population groups, unlike those aged 65+ who are already in retirement and who were actually asked to report on any ALMP they have been involved in earlier in their lives.

Graph 13: Involvement in ALMP per age and type of ALMP



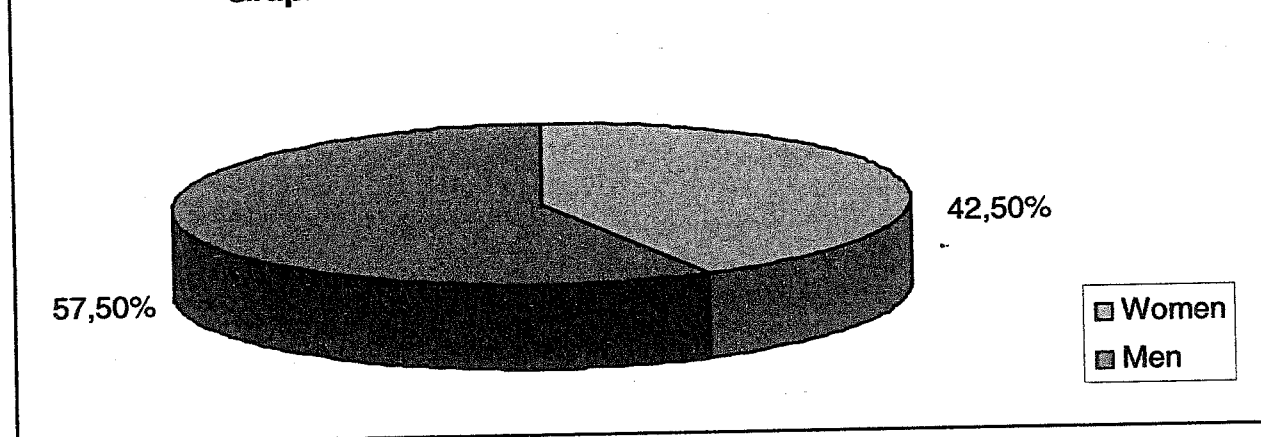
When involvement in ALMP is analysed from ethnic perspective, data evidence that of all involved (47=100%), majority are Turks (21 or 44.7%), while least involved are Roma (only 2 or 4.2%) (Graph 14). As presented in the previous chapters, Roma seem to be an ethnic group that goes ahead in comparison with others in terms of usage of social assistance and unemployment benefits (As a reminder, unemployment benefits distribution among ethnic groups was: 39% Macedonians, 31% Roma, 16% Albanians and 14% Turks; social assistance distribution among ethnic communities was: 43.4% Roma, 21.9% Turks, 20.1% Albanians, 14.6% Macedonians). If this is taken into consideration, it would be reasonable to expect that Roma beneficiaries' involvement in ALMP should be equally extensive. However, the fact that this doesn't seem to be the case, can not be contributed solely to their exclusion from the ALMP on the basis of ethnicity. Information coming from the field that speaks of the higher level of Roma participation in unregistered employment or informal economy compared to other ethnic communities (in particular Macedonians and Turks), and the poor targeting of ALMP by the institutions in charge, should also not be disregarded as relevant factors in the search of explanations for the significantly lower participation rate in ALMP by Roma.

Graph 14: Involvement in ALMP per ethnicity



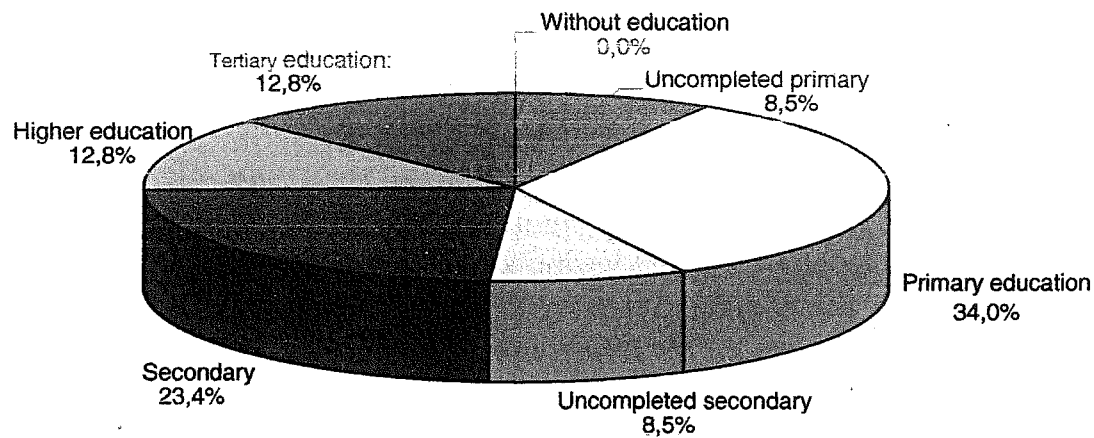
Findings on the involvement in ALMP from a gender perspective show that the percentage of men involved in ALMP (57.50%) is higher than that of women (42.50%) (See Graph 15 below). Herein, we could not speak about gender as a cause for exclusion of women from ALMP, simply because of the lower labour market participation of women where ALMP's take place. To support this, we will recall on the gender distribution of unemployment beneficiaries registered with the Employment Agency of Macedonia who are in fact the ones primary targeted with ALMP (of 1339 older people, a total of 93 reported to have been in receipt of unemployment benefits: 58% of them men, and 42% women). The assumption is that these older people (with the given share between men and women) are for the

Graph 15: Involvement in ALMP per gender



Educational attainment of ALMP participants is also of relevance. As shown in Graph 16 below, ALMP seem to target predominantly those with primary and secondary education (57.4%). Least involved are older people without any education, or with uncompleted primary or secondary education. Older people with lowest educational achievements belong to the category of the most difficult to serve, this being sufficient reason for them to be excluded by the system and the responsible institutions from ALMP.

Graph 16: Involvement in ALMP per education



4.3. Public Works

4.3.1. Legal framework and governance

One of the ALMP that gains increased attention both in the policy and practice agenda is public works. Given this, and the fact that its regulation extends beyond the one for ALMP, it is elaborated separately. The Law on Changes and Amendments of the Law on Social Protection (2007) stipulates the measures for work engagement of social financial assistance beneficiaries in public works. This measure is implemented in mutual cooperation between municipal majors, public enterprises, public institutions and the centres for social work or the employment centres. Beneficiaries may be engaged in seasonal work as longer-term work engagement, or in short-term public works up to 5 days. If the beneficiary refuses the public work engagement, the household loses the right to social financial assistance for the next 24 months. During their work engagement, beneficiaries are not entitled to social financial assistance (except for those engaged only for up to 5 days), which they regain after termination of the work engagement.

Another legislative act that regulates work engagement in public works of unemployment compensation beneficiaries registered with the Employment Agency is the Law on Employment and Unemployment Insurance (1997). The managers of the public works (municipalities or public sector employers) prepare a special programme for this purpose. Those managers of public works who engage beneficiaries in public works in excess of 30 days, are entitled to monthly compensation by the Employment Agency (during the unemployment compensation spell of the unemployed) in amount up to, but not higher than the unemployment compensation to which the unemployed is entitled (Law on Employment and Unemployment Insurance, 1997).

The role of the Centres for Social Work in the design and implementation of ALMP is limited to making data on potential social assistance beneficiaries who could be involved in public works available to the Employment Agency of Macedonia and local employment centres. The Centres for Social Work are not

involved in policy making, working groups or organs in charge of planning of measures, as well as in the Management Board of the Employment Agency.

4.3.2. Trends

According to the last officially published Annual Report for 2007, the Employment Agency has managed to sign 990 **public works** contracts in 2007 (during the period from April to December). Of these, 976 unemployed persons were paid for public works in cooperation with the municipalities (Employment Agency of Macedonia, 2007). In May 2009, to contribute to the increase in implementation of this measure, the Ministry of Labour and Social Policy enacted an Operational Plan for Amendments and Changes of the Operational Plan for the Active Labour Market Measures and Programmes for 2009 (2009c) within which Public Works Programme extends in addition to the long-term unemployed, to older unemployed people over 55 years of age for a period of up to 6 months.

With an attempt to fill in the data and analysis gap concerning public works in Macedonia, a comparative qualitative research on welfare-to-work policies and programmes in Macedonia, Serbia and Bosnia and Herzegovina was carried out in 2007, with support from the SPARK Association (Formerly Academic Training Association-ATA) from Netherlands. In terms of implementation of public works, the situation in all three countries is similar, with Serbia appearing to have progressed a bit further in this respect. In Macedonia referrals to public works are not that common, nor there is precise evidence on the number of beneficiaries being engaged thus far. Besides the lack of institutional coordination during implementation of these programmes, beneficiaries often resist such engagement because of fears that they might lose their entitlement to social financial allowance or unemployment benefit and unregistered employment among many of them, while on the other hand, the legislative regulation that imposes time limits on public works, have caused administrative obstacles to organise such engagement (Bornarova, 2007).

The implementation of the public works in Macedonia was also recently subject of a quantitative survey supported by the Open Society Institute Macedonia. The research results showed that engagement of social assistance beneficiaries in public works is actually a rare practice. Of the 543 social assistance beneficiaries involved in the research, even 97.61% have never been engaged in any public works, neither in a form of short-term engagement up to 5 days, nor in a form of a long-term engagement due to performing seasonal work. Of the total number of those engaged in public works, 72.7% belonged to the age group 40-49, while only 9% to the age group 50-59 (Bornarova et al, 2008).

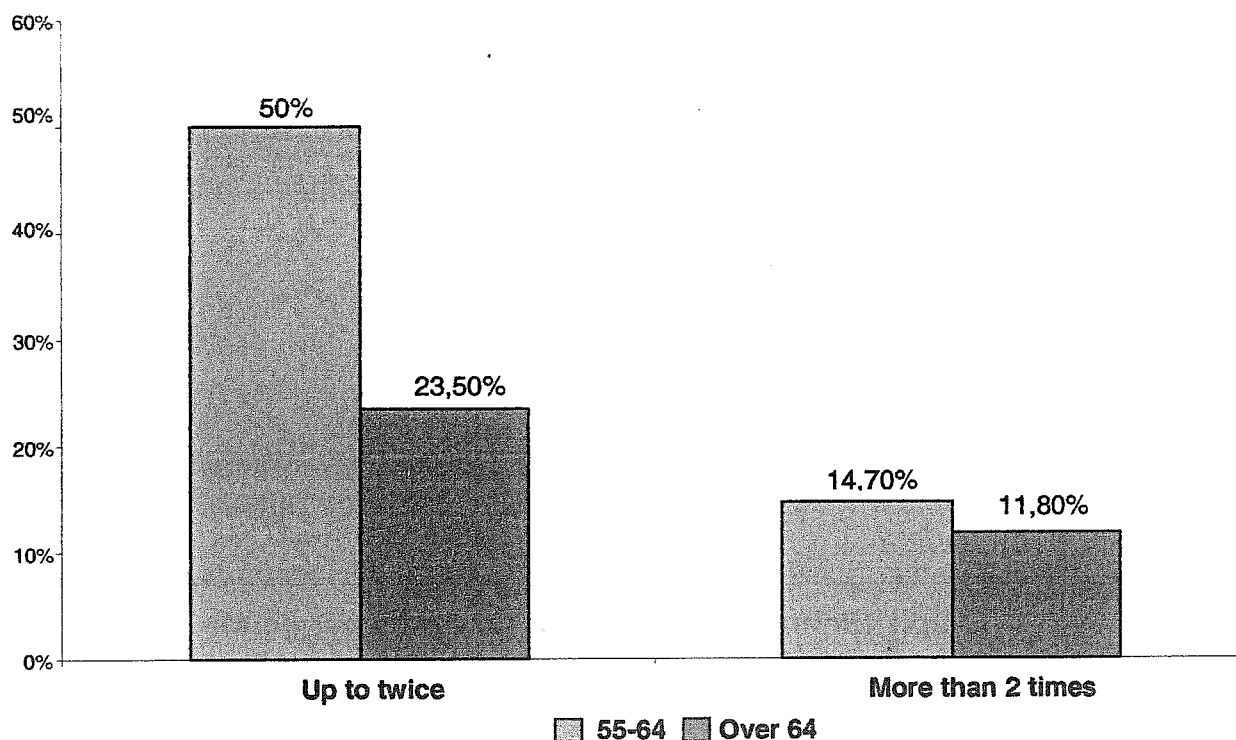
Overall, only recently the Employment Agency has intensified its activities to upgrade the practical implementation of this measure, by extending media information and promoting it to interested parties from the municipalities and the wider public. Still, no evidence of increased and improved implementation as of yet, and most importantly, no improvements in data generation systems to make

data available officially and publicly on the scope of involvement of older people in public works. In line with this, the research results that follow are an attempt to fill in this shortage of available data on the actual scope of involvement of older people in public works, we were continuously emphasising throughout this section.

4.3.3. Research results: Participation of older people in public works

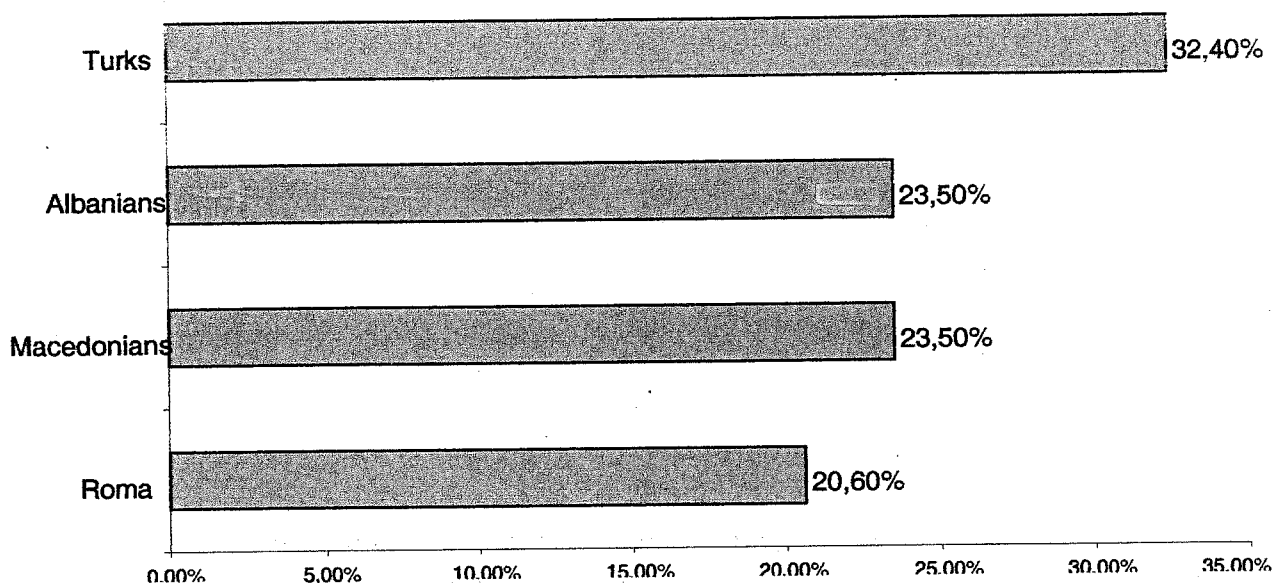
Involvement in public works proved to be even lower than that in ALMP. Only 34 older people (2.5% of 1339) have been engaged in public works at some point in their lives. Here again, majority of cases of involvement in public works are reported by the older people from the age group 55-64 (64.7%), while those aged over 64 reported on their involvement before retirement or at an earlier age. What is worth mentioning is that most of the older people (73.5%) have only been involved in public works once or twice, while only 26.5% more than two times (Graph 17).

Graph 17: Involvement in public works per age and number of engagements



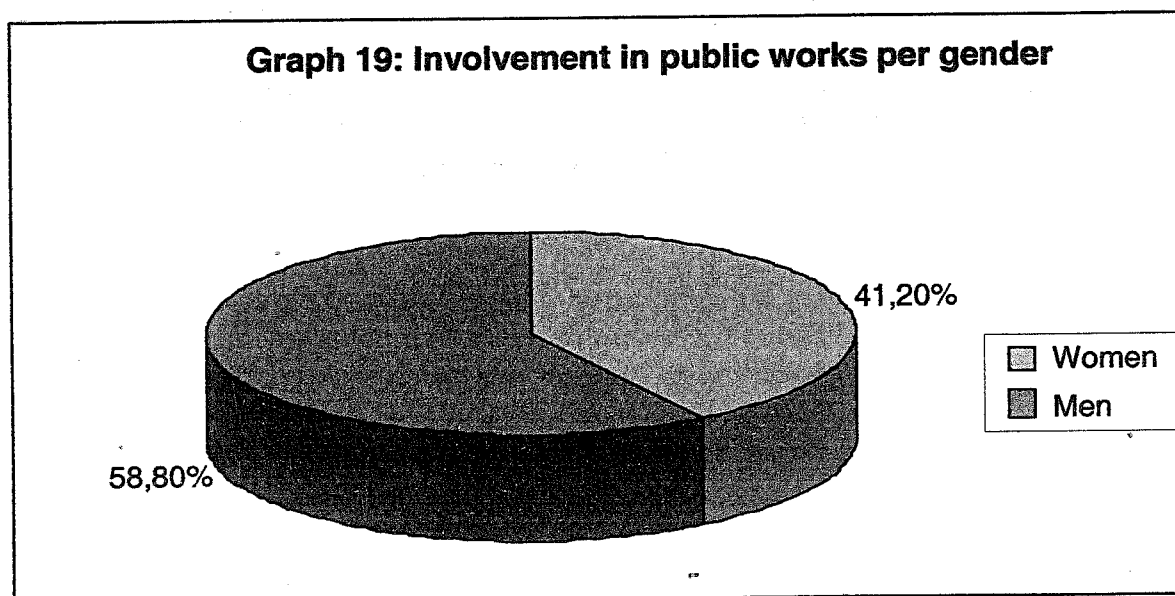
The ethnic structure of older people who have been engaged in public works indicates only small differences, meaning that ethnicity does not appear here as significant factor determining exclusion. As it can be seen from Graph 18, of 34 (100%) older people who have experienced public works, majority are Turks – 11 (32.4%), while least involved are Roma – 7 (20.6%). This data adds to the previous statement in the section on ALMP explaining the reasons behind the smallest share of Roma older people among those involved.

Graph 18: Involvement in public works per ethnicity



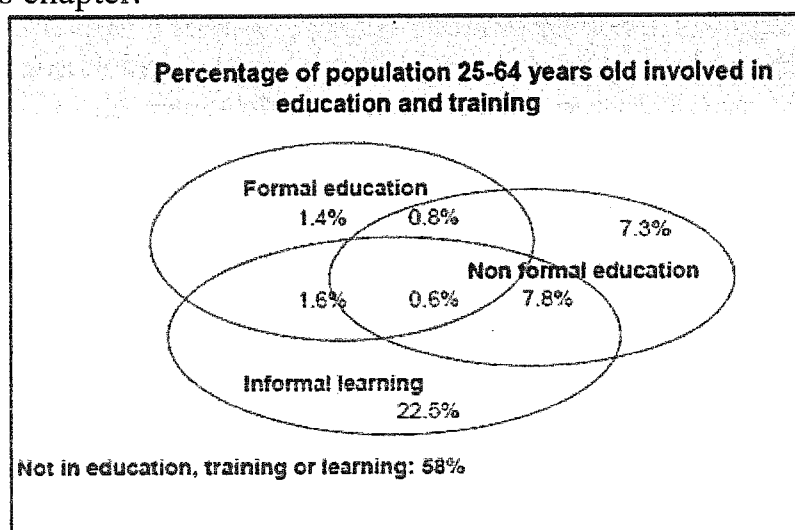
Public works can be analysed in terms of other relevant indicators as well. Of 34 older people involved in public works (100%), majority are with primary education (12 or 35.3%), which corresponds to the widespread belief that public works are indeed intended to target those with lower educational attainments. In terms of the geographic indicators, of those involved in public works, 55.9% (19) are from urban areas, 44.1% (15) are from rural areas. Furthermore, most public work engagements appear in the Vardar and Southwest region of Macedonia (per 8 in each), which can be an indicator of the activities of local employment centres or centres for social work located in these regions. Similarly as in the case of ALMP, 41.2% of the involved are women, while 58.8% men (Graph 19), which can be attributed to the physically-demanding character attached to public works that makes men more suitable for such an engagement, in addition to the overall lower labour force participation of women.

Graph 19: Involvement in public works per gender



CHAPTER 5. EXCLUSION FROM THE EDUCATION SYSTEM

This Chapter contains the policy framework, tendencies and primary research results on 3 types of education: formal, non-formal and informal. At first, research findings regarding exclusion of older people from the formal education will be presented, followed by the section on non-formal education within which the results are presented separately for the non- and work-related training, to end with the section on informal education of older people that currently gains increased attention. At the outset, an Eurostat figure presenting participation levels in these 3 types of education is offered¹⁷, to inform and serve as a basis for comparisons further in this chapter.



Source: Eurostat LFS. Ad hoc module on lifelong learning 2003
Target population: 25-64 years old

5.1. Formal education¹⁸

5.1.1. Legal framework and governance

The education system in Macedonia is a 5 pillar composed of: 1) pre-school education, 2) primary education, 3) secondary education, 4) higher education, 5) tertiary/university education. The institution responsible for the educational system in the country is the Ministry of Education and Science. Within the Ministry the

¹⁷ From an ad hoc survey on participation in lifelong learning over the 12 months preceding the survey attached to the LFS in 2003.

¹⁸ **Formal (regular) education** is the education that is in accordance with the laws for education in our Country (Laws for Primary, Secondary and Tertiary education), institutionalised education as regular and part-time education. To be included in the regular (formal) education, the educational activity should lead towards a qualification recognised by the national authorities and be part of the hierarchically structured scale of education and training, i.e. to be part of educational system of the country. By completing a certain level of education, the person obtains a degree, diploma or other type of certificate (State Statistical Office, 2007).

following organs operate: Pedagogical Service; Bureau for Development of Education (with a capacity of a legal entity); Department for Development and Improvement of the Education in the Languages of Ethnic Minorities, and State Education Inspectorate (Law on the Organization and Operation of the State Administration Bodies, 2000).

The foundation for many of the Ministry's activities in the last few years has been the *National Strategy for the Development of Education in the Republic of Macedonia 2005-2015* prepared in 2004 by a team of experts, based on wider participation of relevant stakeholders in the country. Its purpose was to establish the guidelines for educational development in Macedonia until 2015. Constituent parts of this Strategy are the programmes for: pre-school and primary education, secondary and post-secondary education, higher education, adult education, ICT in education, funding, legislation and professional development.

The National Strategy for the Development of Education aims to provide a greater compatibility of the national standards with those of the European Union and beyond with a mission to assist Macedonia's efforts for its equal and respected membership in the global, and most of all European, political and economic integration processes in the era of globalisation. The Strategy helps in developing an effective education system with mechanisms for preparing both the young and adults for all the forthcoming challenges and changes they are going to be faced with. It is expected that one of the key challenges for the creators of the education policy and education system on the whole will be *rising of the educational level among young people and adults*, with a focus on improving the quality of their professional and social competencies. One of the key areas for intervention identified within the Strategy is the development of *educational opportunities for all*, providing opportunities to gain an appropriate level of education for everybody and for all ages and to ensure that people possess knowledge, skills and attitudes that correspond with the requirements of the society and the labour market. Thus, the Strategy further states that *education must be available to everybody who lives in the Republic of Macedonia, regardless of their age, sex, religious or ethnic affiliation, health condition and financial circumstances*. The specific contribution of the Strategy is in the part devoted to *linkages between the education and research with the labour market*. The dynamic of changes in the educational system should follow the dynamic of changes in required competencies dictated by the labour market. The Strategy devotes particular attention to the importance of education for *prevention of exclusion*. It is recognised that the growing social and economic crisis and class division of the society increase the degree of social exclusion of certain groups of citizens and that at the same time, the number of such groups is also on the rise (Ministry of Education and Science, 2004).

As opposed to the above strategic endeavors, the following section presents information and data that will give an overview of the educational population status and trends in the country, with focus on older people.

5.1.2. Trends: Educational attainment of the population in Macedonia

The Government of Macedonia has committed itself to rising the educational status of the Macedonian population through campaigns for increased enrollment in formal education for the population in general and vulnerable population groups in particular, as well as through increased investments in the educational sphere. This may be supported by the gradual increase in expenditures for education. In 2003 the budget for education was 3.49% of the GDP (Ministry of Education and Science, 2004). In 2005 the costs for education as % of GDP were 3.6%, in 2006-4.6%, in 2008-5.1% (Ministry of Finance, 2008).¹⁹ Furthermore, the recent legislative change making secondary compulsory education in addition to the compulsory primary education, as well as expanding tertiary education institutions in the country, were in line with this commitment. As a result, in 2007/2008 the number of students enrolled in secondary schools increased for 9.9% as compared to 1997/1998, while the number of students entering tertiary education has increased for a remarkable 100.5% (State Statistical Office, 2008).

Despite this, and the fact that effects of the Governmental reforms in education are to be felt in the long-run, the educational attainment of the Macedonian population in general, and of adult population in particular, is still very low. Analysis of changes in educational attainment of the population 15+ per years displays no significant improvements. On the contrary, as evident from Table 3 below, both in 2003 and 2007 the analysis of the population's educational structure in Macedonia shows that of the total number of persons aged over 15, about half (49.4% in 2003 and 45.2% in 2007) were persons who do not have any or have a low level of education (illiterate, with uncompleted primary or with primary education only).

Table 3. Population over 15 years of age per level of education (%)

Level of education	Years	
	2003	2007
Without education	3.8	3.5
Incomplete primary	10.8	9.9
Primary education	34.8	31.8
Secondary education	40	43.6
Higher education	3.2	2.9
Tertiary/university education	7.3	8.4

Source: State Statistical Office, 2003, 2007

¹⁹ As a comparison, in 2005, OECD average expenditure on educational institutions as a percentage of GDP was 5.8%, for the EU19 the average was 5.5% (OECD, 2008), while for the EU27 public sector investment in education was equal to 5% of GDP (Eurostat, 2009).

Likewise, educational attainment among older people in Macedonia is very low. This is of particular concern for older women whose educational attainment is considerably lower as compared to that of older men (Table 4).

Table 4. Population in Macedonia per age, gender and educational attainment in 2002

Education	Age groups/gender			
	40-59		60+	
	Women	Men	Women	Men
Without or with incomplete primary	20%	9%	68%	42%
Primary	36%	30%	18%	24%
Secondary	31%	44%	10%	21%
Higher/University	13%	17%	4%	13%

Source: State Statistical Office, 2002

Distribution of population illiteracy also shows that illiterate concentrate in the upper population groups. Of the total illiterate population, 62% belong to the age group 65+ for women, and 49% for men. Data about gender differences in illiteracy is even more alarming. The distribution in terms of illiteracy is 80% for women and 20% for men for both age groups: 50-64 and 65+ (State Statistical Office, 2008a).

The trends in terms of the educational attainment of population are of particular importance especially for a country like Macedonia with high unemployment rate (according to ILO 33.5% in 2008-4th quartile). Namely, highest unemployment rates are evidenced with people with secondary or less than secondary education (a total of 46.1% in 2004). In contrast, lowest unemployment rate is evidenced with people with high education (a total of 18.3% in 2004). Herein, unemployment most seriously affects the Roma population. According to OECD 90% of Roma are unemployed. According to UNDP 2001 research, only 2% of the total number of employed Roma has education higher than primary, while 75% has incomplete primary education (ETF, 2005).

Moreover, education and poverty are mutually dependent. Most vulnerable groups in terms of poverty are: the group of unemployed, followed by those without education as well as those with uncompleted primary school or only with primary school. Over 40% of all households in which the head of the household is a person without education, are households living in poverty. The same percentage is 34.2% for heads of households with uncompleted primary school, and 30.4% with primary education. Basic characteristic of these households is that they are rural households, with limited possibilities to change their economic status and at a high risk of social exclusion (Ministry of Finance, 2002).

To conclude with, this state of the population's educational structure in Macedonia is worrying and it does not encourage optimism for the future economic and social status of the country. In correlation with the reduced economic power of the country, it is a real generator for increased unemployment and for the weak economic progress of the country. The reasons behind low educational attainments are many, but the most dominant are the unsatisfactory intake of students and high drop-out rates, the dominance of traditional values present among certain ethnic communities which marginalise the importance of education, the level of the technological development in the economy that still tolerates workers with a lower level of education, the decreased financial power of the population, the weak educational intake from marginal groups, etc (Ministry of Education and Science, 2004). The impact of some of these factors on the educational attainment of older people as one of the most vulnerable population groups will be explored further within the findings from the quantitative research.

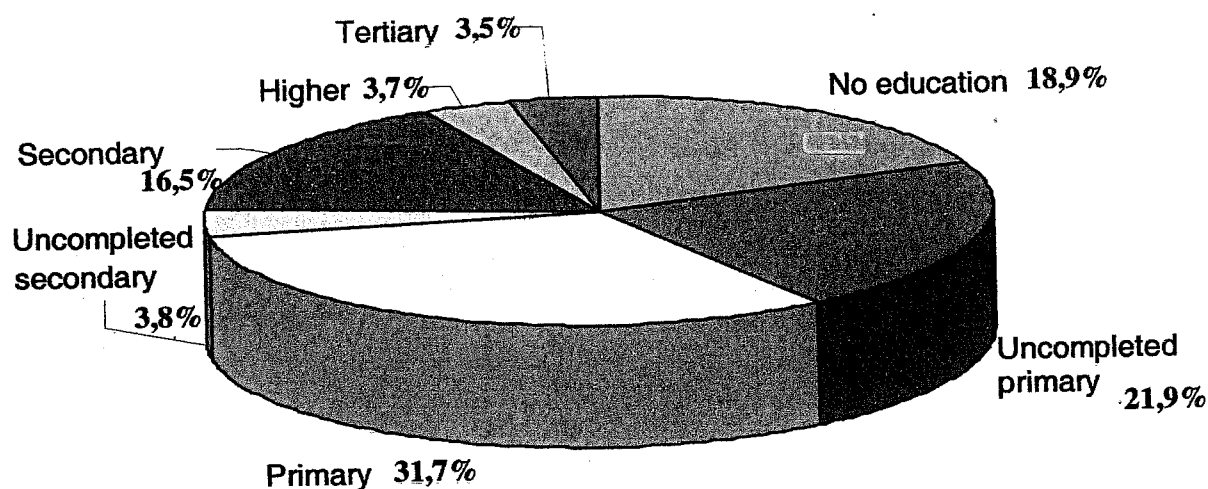
5.1.3. Research results: Educational attainment of older people and exclusion from the formal education system

Having in mind the educational milieu in Macedonia, and the lack of disaggregated data per ethnicity, the research was also aimed at analysis of the educational attainment of older people and identification of differences in educational attainment among ethnic communities. The intention was to draw conclusions on eventual exclusion of older people from educational services in the country.

Expectedly, findings from the research correspond with the overall educational trends in Macedonia presented above. Of older people targeted with the research (1339=100%) majority are with primary education only (31.7%), although the share of those with uncompleted primary (21.9%) or without any education at all (18.9%) should not be overlooked as well. Only 3.7% have higher and 3.5% tertiary education (Graph 20).²⁰

²⁰ Level of education attained for the age group 40-65 in EU27 in 2006 was: 34.8% low (pre-primary, primary and lower secondary education), 45.3% medium (upper secondary and post-secondary non-tertiary education), 19.8% high education (tertiary) (Eurostat, 2007).

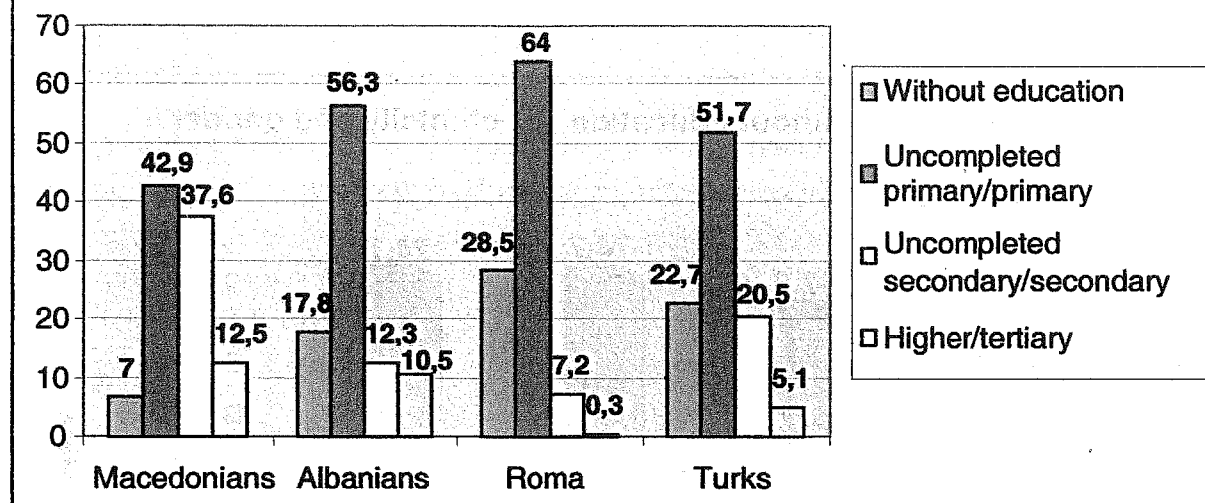
Graph 20: Educational attainment of older people



Educational attainment decreases with age and is in general higher for the age group 55-64. Namely, 56.2% of the illiterate and 57.3% of those with uncompleted primary belong to the age group 65+. Educational attainment of women is significantly lower than that of men when it comes to categories: without any education or with uncompleted primary education. Of those without any education large majority - 74.3% are women, while of those with uncompleted primary education 51.88% are women. The educational attainment of women however improves slightly in the upper educational levels.

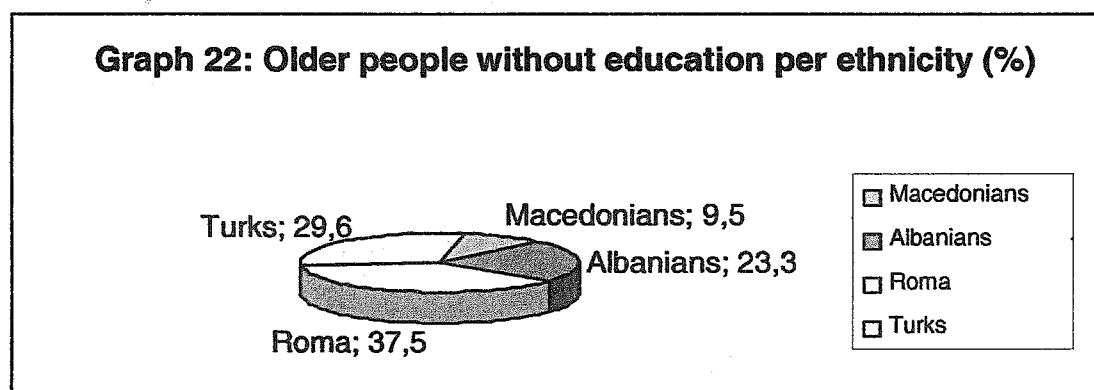
Analysis of educational achievements per ethnic communities shows highest educational attainment among Macedonian older people, lowest among Roma. Majority of Macedonians have uncompleted primary or primary education (42.9%) while significant is also the number of those with uncompleted secondary or secondary education (37.6%), which is at the same time highest percentage compared to other ethnic groups. Only 7% of Macedonian older people are without any education (in this case, smallest percentage compared to other ethnic groups), while 12.5% are with higher or tertiary education (highest percentage compared to other ethnic groups). Majority of Albanians, Roma and Turks are with uncompleted primary or primary education (this percentage being highest among Roma - 64%). Smallest percentage of older people with higher or tertiary education (0.3%) and secondary education (7.2%) is evidenced among Roma (See Graph 21 below). The obtained results were expected, if taken into consideration that the educational status of Roma and Turks in Macedonia is in general lower than the rest of the population. This situation was simply reflected with older people subject of this research as well.

Graph 21: Educational attainment per ethnic communities



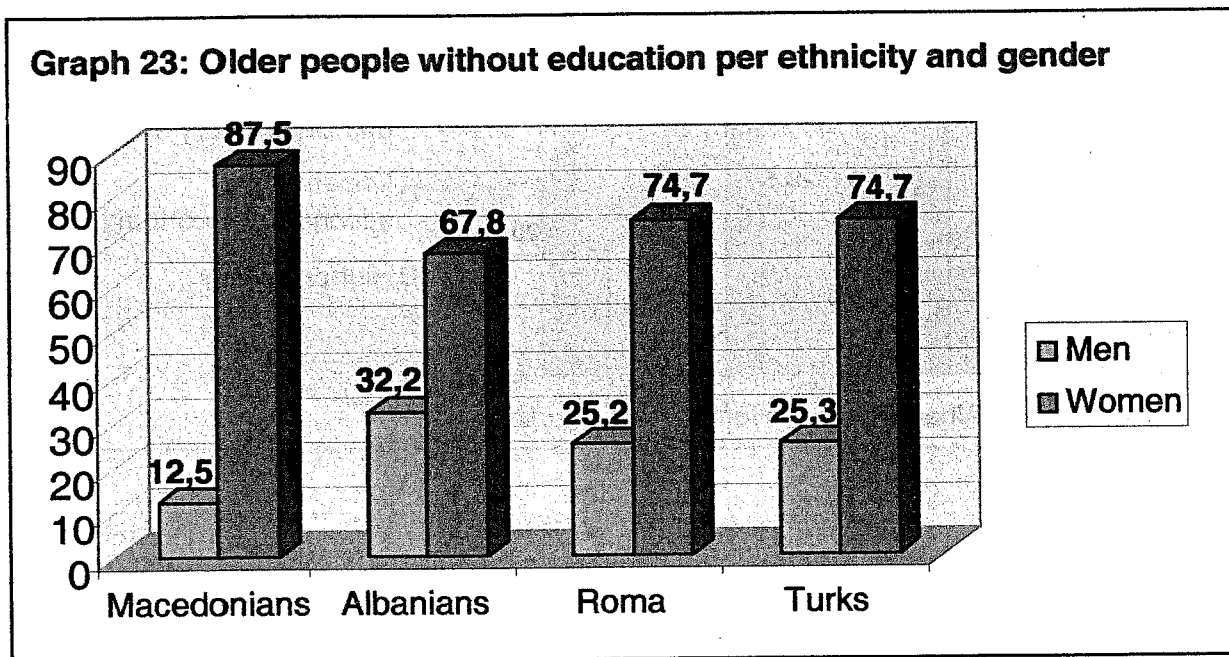
Of older people without any education (253=100%), majority or 37.5% are Roma, 29.6% are Turks, 23.3% Albanians and 9.5% Macedonians (Graph 22). On the other side of the education continuum, in opposite order, of the older people with higher or university education, 44.8% are Macedonians, 36.5% are Albanians, 17.7% are Turks and only 1% Roma. This shows that ethnicity appears as an important indicator of the educational exclusion of older people. The situation is most alarming with Roma who are increasingly outside the educational system in the country as they age. The situation with Turks and Albanians is also concerning. Herein, the traditional family patterns and the rural belonging of older people also appear as factors on which educational exclusion is heavily dependent on.

Graph 22: Older people without education per ethnicity (%)



When analysed from a gender perspective, data on educational attainment are alarming. In every ethnic community the number of illiterate women is significantly higher than that of men, meaning that older women are considerably more excluded from formal education services compared to men. The difference between illiteracy of men and women is biggest among Macedonians (12.5% men vs. 87.5% men). The highest is the percentage of illiterate Albanian men (32.2%) and lowest is the percentage of illiterate Macedonian men (12.5%). The distribution of illiteracy between men and women among Roma and Turks is

almost equal (Graph 23). Of 686 (100%) older women involved in this research, only 5.5% have higher/tertiary education, while of 653 (100%) older men, the percentage of those with higher/tertiary education is slightly higher-8.9%.²¹



The situation of low educational attainment of older women deserves particular attention. Most disadvantaged in this respect are older women of smaller ethnic communities, living in rural areas. The presence of still strong traditional practices in families, especially among the ethnic communities such as Roma, Turks and Albanians, is a strong cause of exclusion from the formal education system. In such traditional families it is most often typical for women to depend on their husbands and have their key roles as housewives and care-givers of dependent family members, while men are the bread-winners who are responsible to provide for the family's existence. As a consequence, in these families priority for educational development is most often given to male, rather than female children. We will recall here that the key reason for exclusion from the labour market pointed out by both Albanian and Roma was exactly the lack of education. At the end, we should also take into consideration that the population group target of this research is the generation born in the decade after the Second World War when attitudes towards education and the value system were considerably different than those of today.

²¹ EU27 average higher/tertiary educational attainment of the female population 40-64 years of age is slightly below 20%, and slightly above 20% for men (Eurostat, 2007).

5.2. Non-formal education²²

5.2.1. Legal framework and governance

Until recently there was no consistent and integrated non-formal education policy in Macedonia, as well as a strategic plan for development of human resources that would include the adult education²³ component. This resulted into a chaotic milieu characterised by many system's gaps and shortcomings in terms of: uncoordinated delivery of non-formal education services, differences in applied approaches, unbalanced quality of training, lack of transparency and access to services, huge diversity in non-formal education suppliers, inadequacy of educational supply to the demands of adults and societal labour market needs, lack of track and evidence base on people who underwent non-formal education etc. Moreover, education of adults was linked to and regulated only within the formal education legislation (i.e. Laws on Primary and Secondary Education). Due to the complexity of the situation, along with the reform education processes in general, the need to separate non-formal from the formal education legislation was acknowledged. As a result, within the National Strategy for the Development of Education in the Republic of Macedonia 2005-2015 the importance of life-long learning²⁴ was recognised and a separate sub-programme for adult education was prepared.

The Strategy specifically emphasised the *promotion of life-long learning* and increased possibilities for educational mobility of youth and adults, as well as the dynamic cooperation between educational institutions and labour market. In this context, the mobilisation of those population groups with obsolete knowledge, lack of appropriate competencies or education, such as: unemployed, illiterate and marginalised groups was emphasised as of particular importance. The part of the Strategy dedicated to *adult education*, accentuated the need to increase work-related and social competencies of adults. In the future period, it anticipated measures to allow: reduce in the adult illiteracy rate, especially the gaps between the illiteracy-rate of men and women; provision of educational choice and possibilities for gaining knowledge, skills and values by adults; making education and training responsive to the expectations, aspirations and the needs of different

²² **Non-formal education** is institutionalised education (in workers' universities, foreign language schools, computers, music, dances, participation in seminars, conferences, workshops etc.) carried out by professionally qualified teachers or instructors and educational programmes, and which contributes to the increase of knowledge and skills of individuals, but is outside the formal educational system's competencies (State Statistical Office, 2007).

²³ **Adult education** is an all-inclusive term that covers anything not counting as school or university education or initial vocation training for young people or adults. Delayed acquisition of school-leaving qualifications, postgraduate courses and vocational in-service training are therefore regarded as borderline areas (EurActiv, 2006).

²⁴ **Life-long learning (LLL)** in accordance with the European Union regulation No.1313/2002, encompasses all purposeful and unpurposeful learning activities, whether as formal or non-formal learning, undertaken on an ongoing basis towards the aim of improving knowledge and skills of individuals (State Statistical Office, 2007).

groups within the existing and potential work force. The Ministry of Education and Science also committed to focus on carrying out activities and providing support to all initiatives directed towards *prevention of professional and social exclusion*. By promoting lifelong learning and job security, the wellbeing of the population was expected to be promoted at the same time (Ministry of Education and Science, 2004). Four years after the preparation of the Strategy, and highlighting the problems in the adult education sphere in a more opened and organised manner, the Adult Education Law was enacted, as an attempt to set order in these sphere. Since then, the basic legislative document for the non-formal education in Macedonia is the Law on Adult Education (which in addition to the non-formal, also regulates the formal education of adults).

The Law on Adult Education set the policy framework for improvements in terms of responsibilities, management and organisation in this domain. It assigned the following institutions specific jurisdictions in the adult education system in the country: Ministry of Education and Science, Ministry of Labour, the Adult Education Council (with a mission to propose strategic objectives for development of adult education policy), the Centre for Adult Education (with a mission to synchronise and integrate public interests with the interests of social partners in the adult education domain and coordinate international cooperation in adult education and life-long learning), the local self-government units and social partners. The Law also incorporates regulations on training provision, service providers, certification and quality assurance of adult education (Law on Adult Education, 2008).

The list of institutions/organisations involved in non-formal adult education in Macedonia is lengthy: specialised institutions for adult education, workers' universities, foreign languages centres, computer training centres, counseling work centres, houses of culture, chambers of commerce. Additionally, non-formal education courses are also organised by the trade unions, employment agencies, universities and non-governmental organisations. Herein, domestic non-governmental organisations are focused predominantly on the non-formal education, providing adults general and cultural training, although the coordination and cooperation with governmental institutions in this respect is poor. International organisations extend their programmes to both formal and non-formal sector. Within the formal education they support training of adults (teachers, school directors, state administration employees), while in the non-formal sector they are focused on general and cultural education of adults (Ministry of Education and Science, 2004).

5.2.2. Trends: Participation of older people in non-work related training

The importance of non-formal education in Macedonia is only recently more extensively recognised and participation rates increased, although the highest concentration of participants is observed in foreign languages courses and computer training. However, this is in the main true for the younger generations.

The need of older people to engage in life-long learning is still not sufficiently recognised, resulting in their insignificant involvement in the various forms of non-formal education. This is especially the case with those of retirement age. The reasons behind low non-formal education participation are diverse. The market of non-formal education providers is chaotic and hard to access, for the older population in general and older people from rural Macedonia where the presence of such providers is either limited or non-existent, in particular. The state provides insignificant support to move situation upwards in this domain, while possibilities for self-financing by older people due to the low living standard are minimal.

Yet, a prove that Macedonia can progress in the light of life-long learning was the establishment of the Third Age University in 1999, as educational and non-governmental organisation of persons of third age, part of the life-long learning system and first of its kind in the country, with headquarters in Skopje. However, only older people from Skopje where Third Age University is located have mostly benefited from its educational activities.

5.2.3. Trends: Participation of older people in work-related training

Similar tendencies apply regarding non-formal education that is work-related. This type of training provided by enterprises is a crucial part of lifelong learning: it benefits not only the enterprises in improving competitiveness but also benefits employees by keeping up their employability and enhancing their quality of working life. The ageing of the population and the demand for skills associated with new technologies, globalisation and organisational changes are among the main reasons why work-related training occupies a prominent place on today's policy agenda. Changes in workplace organisation are leading to shifts in the demand for different types of skills and to greater emphasis on continuing professional education and training.

In Macedonia the focus today is again on vocational courses for employment, favoring young people. State and private firms haven't developed sufficient consciousness of the need for educational involvement of employees, even less of older workers, and are rather focused on their initial training, still guided by the principle "one education for a life-time employment". Moreover, due to the lack of incentives for education and training of employees (financial benefits, tax relieves), most employers find investment in employees' training unprofitable, especially in the case of older workers because of the short period from training to retirement for investments returns. Similar is the situation with employees who on the other side lack incentives to participate in training, due to the absence of a system for validation of qualifications obtained through non-formal training. Furthermore, the inherited practices of devaluing older workers' learning capacities and the contribution they can give to passing the knowledge and experience to younger workers, is reflected in employers' practices to most often exclude older workers from any training event organised either on or off the job.

The lack of a national system for data generation in the domain of non-formal education in general hinders any attempt to sustain the above statements with precise statistical data. As a result, it is not possible to determine the exact scope of involvement of adults and older people in non-formal education, the types of non-formal education they have participated in, the efficiency and impact. Most importantly, the absence of a data-base impedes transparency of information about existent non-formal education providers and services offered at the non-formal education market. Reliable data that can be used comes from the statistical evidence of the State Statistical Office. The 2007 Labour Force Survey presents data on attending learning activities outside regular education²⁵ of the 15+ population in Macedonia. According to this data, of the total population aged 15+ in Macedonia, only 1.5% attends non-formal educational activities. Of these 43% are men and 57% women, which indicate higher involvement of women in this type of education. Of those who attend non-formal educational activities 47.7% are employed, 12.4% are unemployed and 40.1% are active population. The Survey also contains data on the age structure of attendees. Only 4.2% of the 15+ population who attends non-formal education belongs to the age group 55-59 (of these again majority-65.6% are women), while only 3.9% to the age group 55-59. Not a single attendant is reported for the age group 60+, which clearly indicates how distant non-formal education is to the older population in Macedonia. It is also worth mentioning in this context that reasons for participation in non-formal education were either personal or job-related. None of the attendees have been participating in non-formal education organised by the Employment Agency of Macedonia (State Statistical Office, 2007). However, although in the beginning of the chapter on life-long learning the Labour Force Survey uses the EU definition, it actually presents data on 15+ population participation which makes this data incomparable to existing EU data on life-long learning participation focusing on 25-64 population group (participation in lifelong learning activities in the four weeks prior to the survey). According to EUROSTAT data, in 2004 the average EU participation rate of 25-64 year-old adults was 9.9 %, with wide differences between member states (EurActiv, 2006). Comparable data are available through the Education and Training Foundation Survey in Macedonia, according to which adult participation rate (age 25-64) in education and training in Macedonia was only 1.9% in 2003 and 2.4% in 2005, which is far below the EU-27 average of 9.7% in 2007 and the Lisbon target of 12.5% (ETF, 2005).

Due to the above trends, in a recently published document on public policies by the Foundation Open Society Institute – Macedonia (FOSIM), the Macedonian education and training system was marked with low achievements in regard of the five key education benchmarks of the EU, including the participation of adults at the age of 25 to 64 years in the lifelong learning programs. Authors further state

²⁵ Participation in courses, seminars, conferences and other educational activities outside regular education.

that... Macedonia has no strategy for lifelong learning, no national qualifications framework, and the implementation of the Law on adult education is running late....At the end, among other recommendations, creation of a sustainable adult education system and preparation of a comprehensive lifelong learning strategy is proposed (Pecakovska S., Lazarevska S., 2009).

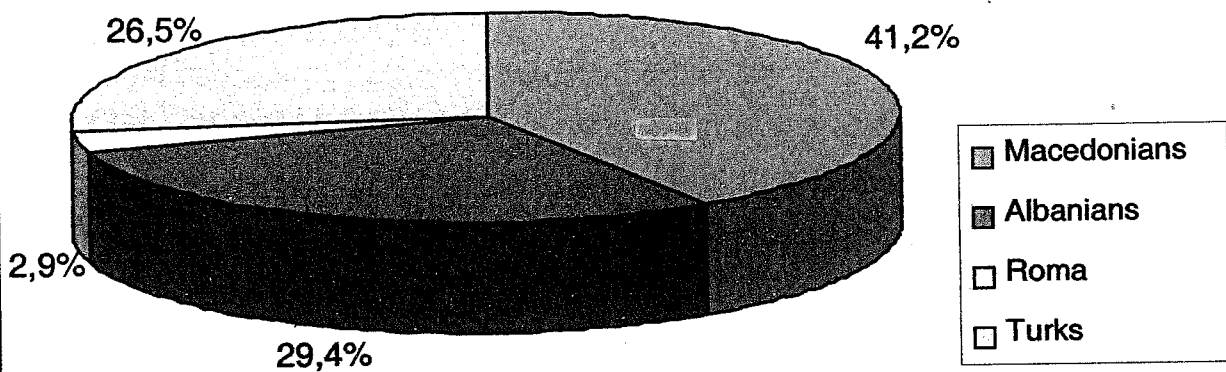
5.2.4. Research results: Exclusion of older people from work-related training after the age of 50 and causes of exclusion

Research results are for the most part in compliance with the above general trends in this domain. Still, given the fact that subject of this research are older people, results are even more concerning. Only 68 older people (5.1% of 1339 respondents) have participated in **work-related training** after the age of 50, majority of them or 47% in only 1-2 training events, 28% in 3-5, and 25% in over 6 work-related training events. Of the older people who have underwent such training (68=100%), 45.6% are from Skopje and Northeastern region in Macedonia, indicating a concentration of non-formal education in this part of the country. Participation in work-related training declines with age. Of 68 (100%) training participants, 36 (52.9%) are from 55-64 years of age, 32 (47.1%) are over 64 years of age. Being asked to report on their work-related training experiences earlier in their lives, one would expect that the number of reported training events by older people over 64 would be higher, or in other words, it would increase as people age. However, here we have the opposite tendency, evidencing that as older people age they are less involved and more excluded from work-related training.²⁶

When ethnic perspective is brought into the analysis, research findings disclose considerable differences. Of 68 participants involved in work-related training after the age of 50, majority are Macedonians (28 or 41.2%), followed by Albanians (20 or 29.4%), and Turks (18 or 26.5%), while least involved are Roma with only 2 older people (2.9%) (Graph 24). The low participation rate among Roma and Turks can not be interpreted as exclusion from the work-related training, but rather as exclusion from the labour market in general, which can be seen from their highest unemployment rate and lowest participation in the labour market compared to other ethnic communities.

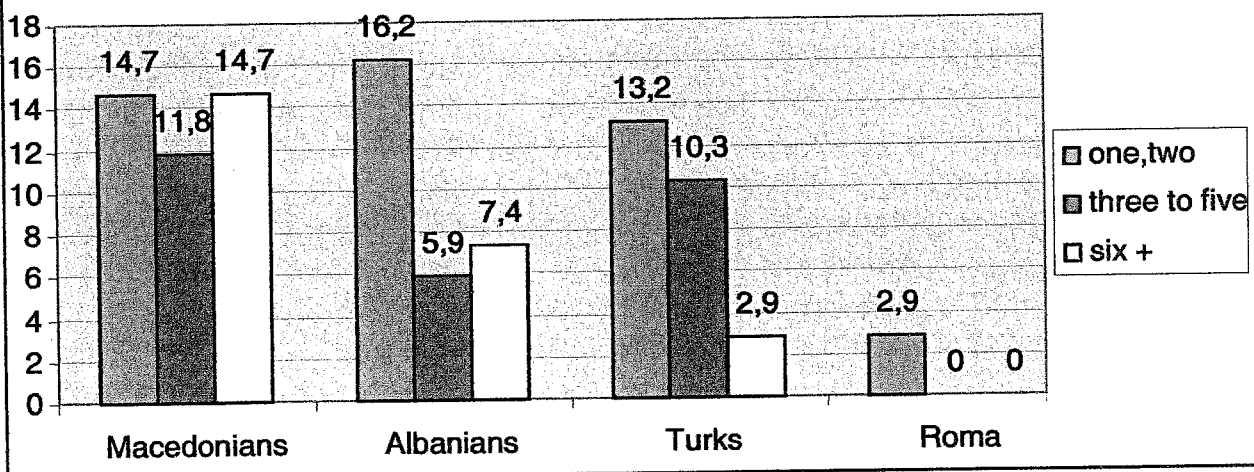
²⁶ The results of the second European survey of continuing vocational training (CVTS2 - 1999) reflect a pronounced gap between the North and the South of Europe regarding the participation rates in continuing vocational training (courses). Whereas in the Scandinavian countries at least half of the employees of all enterprises participate in courses, in Greece and in Portugal this value is less than one fifth. At the EU-level, participation rate is a spot higher for men (41%) than for women (38%) (European Commission, 2008a).

Graph 24: Participation in work-related training per ethnicity



In terms of the number of work-related training events after 50 years of age among different ethnic communities, the situation is diverse. Of 68 older people (100%) who have attended such training only once to twice, highest percentage (16.2%) is identified among Albanians. Highest percentage of those older people who have attended work-related training more than twice is evidenced among Macedonians (11.8% for the group 3-5, and 14.7% for the group 6+ work-related training events) (Graph 25).

Graph 25: Participation in work-related training per ethnicity and number of training events



Of particular importance to the subject of this research were the reasons why older people haven't participated in work-related training, assuming that the response to this question would lead towards identification of the causes of exclusion (See Graph 26 below).

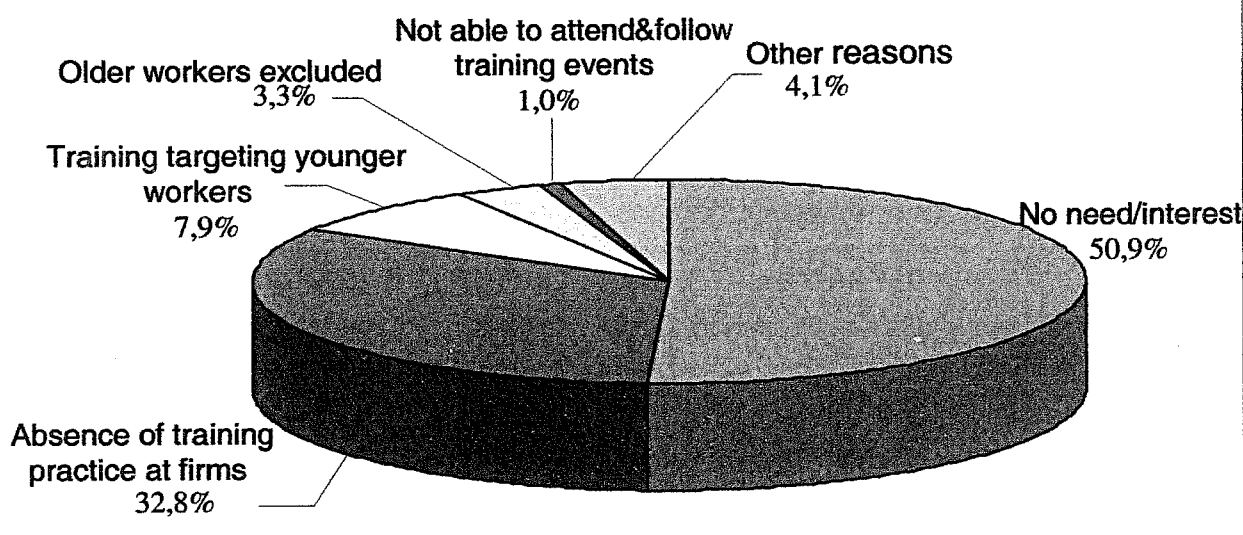
Among the older people who haven't had work-related training experience after the age of 50 (838 older people), majority (50,9%) reported that the main reason for non-participation is the *lack of interest* on their part, or the fact that they didn't feel the need to be additionally trained during working life after 50 years of age. If we take into consideration that older people subject of this research have spent the whole or a significant part of their working life in the previous system of planned economy (this in particular for the age group 65+), in which the formal education was sufficient for a life time, the obtained results would make sense in a research trying to disclose factors behind educational exclusion of older people. Herein, it would be perhaps more suitable to speak about self-exclusion because of the older people's attitudes toward training or exclusion caused as a consequence of a system they worked in. What is important is to recognise that older people themselves can be resistant to training opportunities, especially if they have remained employed performing the same job in the same industry for many years. This may stem from a fear of having to learn something new. Men in particular tend to resist learning new skills. Therefore, programmes targeting older workers should take these concerns into consideration and develop measure and incentives that are adequate for addressing them. In addition, the fact that in Macedonia there is still no system of validation of qualifications obtained through non-formal training (neither in terms of wage benefits, nor in terms of career development) that would serve as an incentive for older workers' increased interest to participate, should not be underestimated as well. However, irrespective of the voice of majority, other causes of exclusion deserve attention too.

The following on the list of major reasons for non-participation is the *absence of training practices in firms*. Considerable 32.8% of non-participants (838=10%) have pointed out this as a cause of exclusion. Here again, the explanation is linked to the deep-rooted disvaluing of continuing education and training in the previous societal system and it's persistence in today's society, even though the society is trying to promote life-long learning and achieve a change in the value system and attitudes of both employers and employees. Furthermore, most of the employees see investments in older workers who are soon to exit the labour market highly unprofitable.

Perhaps the key evidence of the exclusion of older workers in the work place are the responses pointing out that non-participation has been present because *work-related training only targeted younger workers, or older workers were deliberately excluded* (a total of 11.2% of non-participants reported on such practices). Such exclusion (either hidden or direct) occurs because employers are less interested in raising the knowledge base and skills of older workers and as a result older workers are considerably less frequently targeted (in light of the shorter time available for capturing returns from such an investment). It seems that much should be done in this respect to eradicate such discriminatory practices and change the system of beliefs among both employers and employees on the valuable contribution that older people can give to the work place, with enhanced skills and refreshed

knowledge. Namely, training among older workers constitutes an important indicator of skill acquisition and potential employability up to retirement age and beyond. Even so the complex relation between education and training, employment rates, and national retirement and pension systems makes it difficult to disentangle statistically the effect of investing in training of older workers, employers in Macedonia should be increasingly aware that the acquisition of new skills becomes critical for all workers, and most likely, with age, this will become not less but more important for employment and productivity of the ageing work force. For the growing number of workers nearing retirement age, it is important to continue to invest in updating their knowledge and skills. Increasing life expectancy means that there is mounting pressure to continue to work beyond the current retirement age. However, as in most countries in Macedonia too, employment rates drop long before the stipulated retirement age, in part, because older workers' knowledge and skills are in less demand, and largely, because ageing work force is still not a pressing issue.

Graph 26: Reasons for non-participation in work-related training after the age of 50



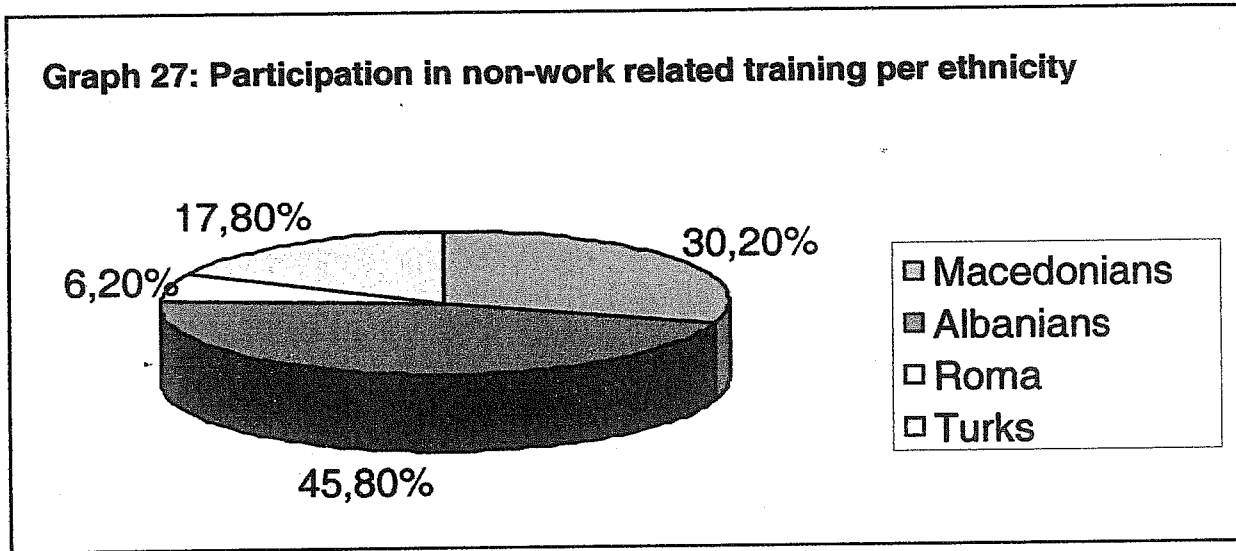
Of the 32.8% where absence of training practices in firms was indicated, 8.1% are from Pelagonija region and 7.8% from the Eastern Region of Macedonia. Of the 7.9% who said that the reason for non-participation is targeting training to younger workers, 2.4% are from Skopje and 2.9% from Pelagonija region. These indicators are convenient as they point out regions in Macedonia where such exclusive practices take place more compared to other regions.

Additional indicator that shows that there is also exclusion on the basis of educational attainment of older employees is the one pointing out that out of 68 (100%) participants in work-related training, majority are older people with high school or higher education – 35 (51.5%). Evidence of the exclusion on the basis of age is the 7.9% older people who reported non-participation in work-related training because priority for participation in training events is given to younger

workers. Gender exclusion is not to be overlooked as well. Of 68 (100%) participants in work-related training after the age of 50, 56% are older men, 44% are older women.

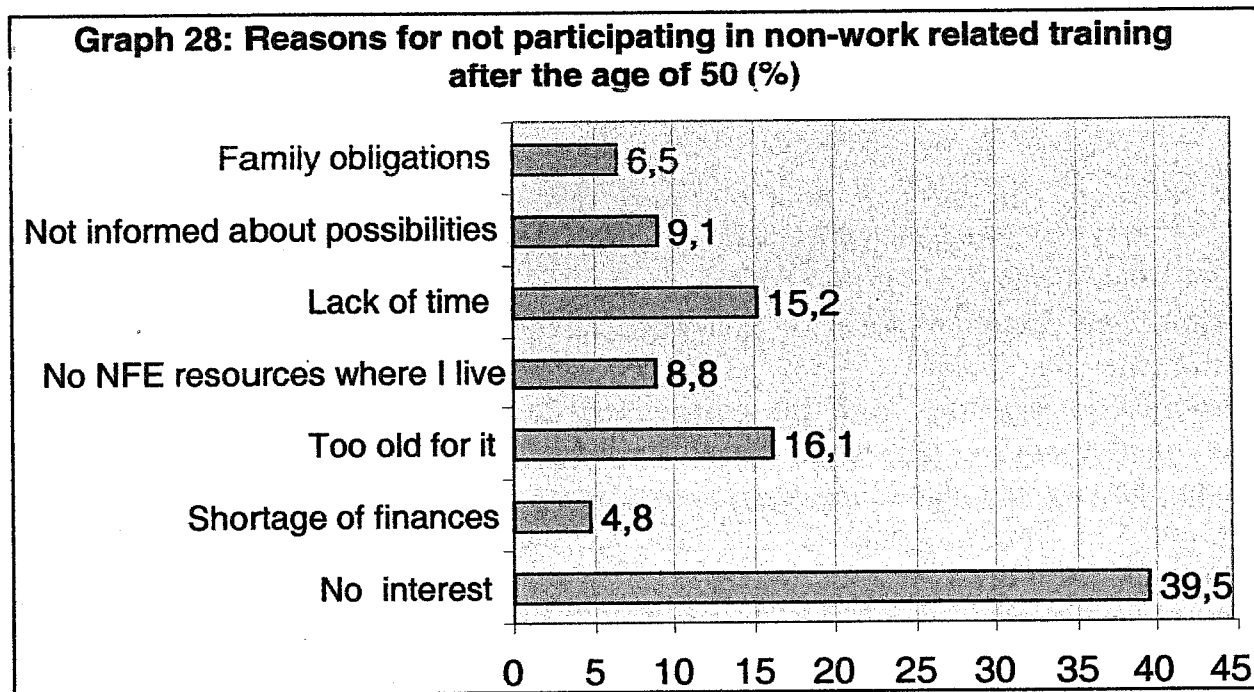
5.2.5. Research results: Exclusion of older people from non-work related training after the age of 50 and causes of exclusion

Non-work related training through courses, seminars and other training modalities, due to obtaining skills not directly linked to the labour market, was also subject of the research. Similarly as with the work-related training, only 96 older people (7.2% of 1339 involved in the research) have participated in some form of non-work related training. Of 96 (100%), majority - 16 (17%) are from the Southwest region. The dominant form of non-work related training in which older people participate are courses (58.3% vs. 41.7% seminars). The tendency is also that participation increases with the educational attainment - majority of those who have participated in non-work related training are with higher education (28.1%). None of those who are illiterate have participated in any non-formal education. As presented in Graph 27 below, of 96 (100%) older people who have participated in non-work related training after the age of 50, majority are Albanians (44-45.8%), then Macedonians (29-30.2%), followed by Turks (17-17.8%). Least involved are again Roma with only 6 older people who have participated in non-work related training, or 6.2%.



In terms of age, older people from the age group 65+ are significantly less involved in this form of non-formal education. Namely, of the 96 (100%) older people involved in non-work related training, 65.6% are aged 55-64, 34.4% are aged 65+. Regardless of ethnicity, older people after retirement are passive when it comes to life-long learning, but quite active when it comes to doing housework, housekeeping and informal care of grandchildren, activities to which they spend most of their time.

Responses to the question on reasons for non-participation in non-work related training after 50 years of age, revealed worthy of note results. Each of the pointed out reasons that impedes older people's participation in non-work related training deserves separate attention (Graph 28).



As in the case with work-related training, *lack of interest* in education and learning in later life takes the lead. Of 1241 (100%) older people non-participants, 479 (39.5%), pointed out this as a reason. The lack of interest was dominant reason among all ethnic communities. Of 479 (100%) older people who pointed it out, 253 (52.8%) are from rural areas, highlighting rural belonging at the very beginning of the analysis as one of the key causes of exclusion.

The *believe that they are too old* to participate in training, is the second reason emphasised by 16.1% of the older people non-participants (majority 56.6% women, 43.4% men). Here also, notwithstanding ethnicity, older people in Macedonia seem to believe that involvement in non-formal education and life-long learning is something that is more suitable for the younger generations.

The following reason for non-participation is *lack of time* (emphasised by 184-15.2% of older people who haven't participated in this form of non-formal education). Of 184 (100%) older people who pointed out lack of time as an obstacle, 107 (58.2%) are from rural areas. The fact that older people living in rural areas are mostly engaged in agricultural or cattle-breeding activities that absorb most of their time and energy, explains the obtained results.

The strongest evidence of exclusion from possibilities for non-formal education after the age of 50 comes with the next 2 reasons. Namely, 9.1% of older people pointed out *lack of info about existing possibilities* as a reason for non-

participation. Lack of information is mostly emphasised as obstacle by Roma (31.5%) and Turks (26.1%). Low educational attainment among these two ethnic communities, high illiteracy rates, and in particular living in remote areas in the case of Turkish older people, are key explanatory elements for these participation rates.

Of 1241 (100%) non-participants, considerable number of older people (8.8%) reported that they haven't participated in any non-work related training because of the *absence of non-formal education facilities in the communities* where they live. Of 107 (100%) older people who pointed out absence of non-formal education resources in the place of living, majority again (66 older people or 61.7%) live in rural areas. This only confirms that older people living in rural Macedonia lack access to available non-formal education facilities and are consequently much more vulnerable to exclusion than those living in urban areas.

Family obligations were reported as an obstacle by 6.5% of the older people. Of all older people who pointed out family obligations as obstacle to participation (79=100%), 84.8% (67) are women, 15.2% (12) are men. The considerably higher exclusion of women when compared to men in this respect is not surprising, given the fact that within families in Macedonia, irrespective of the ethnicity and even rural/urban belonging, women still bear the largest burden of family-related obligations, which hinders their participation in educational activities outside the family setting. Family obligations as an obstacle were mostly emphasised by Roma (26 or 32.9%) and Albanians (21 or 26.6%). Traditional patterns of life in many of the families of smaller communities in Macedonia in which women are the ones expected to look after children, older dependants and household keeping, support the obtained results.

Finally, *lack of finances* presented as an obstacle among 4.8% of the older people who haven't participated in this form of non-formal education after the age of 50, can not be unnoticed as it refers to another important cause of exclusion. Considering the overall lower living standard among older people (especially from the upper age groups), and the low level of pensions, it is understandable why older people don't give priority to life-long learning and non-formal training. Majority of them would probably not be able to afford non-formal training as in most cases they would have to pay for it. Majority of those who pointed out lack of finances are Roma (20 or 34.5% of total 58 older people who reported financial obstacles). The simplest explanation to this research finding is the highest poverty level present among Roma people in Macedonia compared to other ethnic communities, that prevents their access to non-formal education services, among the other cause of exclusion discussed previously.

5.3. In-formal Education²⁷

5.3.1. Legal framework and governance

Long before mass schooling was introduced, in-formal education was part of family, work and social life of every individual. Ideas were shared, skills developed, knowledge transferred and values tested, long before education became formal and structured. Therefore, in-formal education is not a new practice. What is new is the increased awareness of the importance of this type of education for the human development, in Macedonia, as anywhere in the world. This above all having in mind that the informal education system assumes major importance in promoting technological literacy.

The key institutions having exclusive or partial responsibilities for the management, development and supervision over the in-formal educational resources in Macedonia are the Ministry of Culture, Ministry of Education and Science as well as the Ministry for Information Society.

The National Strategy for the Development of Education in the Republic of Macedonia 2005-2015 recognises the importance of in-formal education. It emphasises that it is impossible to expect that the total responsibility for strengthening the intellectual capacities of the country will be left to formal education alone. Therefore, in the forthcoming period, it anticipates *measures to strengthen cooperation between the institutions of formal education and all forms and institutions of in-formal education*. Within these measures, establishment of an efficient link with the non-governmental sector and its promotion to a *key partner* in the process of the development of the education in the country is considered as an important assumption. The links between formal and informal learning are constantly increasing. The fact that, beside their formal and organised education, people learn at work, at home, via their hobbies and through voluntary activities must be respected. Reinforcing this link contributes to the improvement of our abilities to control our personal lives, intellectual progress and wellbeing. Therefore, it is emphasised that formal education system will be developed in such way that it will provide greater understanding of in-formal education as well (Ministry of Education and Science, 2004).

Given the above strategic guidelines, the Government of Macedonia has in the last few years increased its investments in the sphere of culture and IT technology.

²⁷ **Informal education** is a general term for education beyond classrooms and outside courses and standard school setting, not tied to an age or client group. It can refer to various forms of alternative education, the mass media, museums, libraries, theatres and other community-based organizations. Therefore, it is often defined as the learning that flows from the conversations and activities involved in being members of youth and community groups and the like in our everyday life. Synonyms are: incidental, acquisition, self-education (Jeffer, Smith, 2005).

Within the governmental projects for reconstruction, modernisation and building new cultural resources in the country (theatres, museums, opera houses), it attempts to make these institutions closer and more accessible to its citizens of all ages. When investments in the domain of ICT technology are concerned, of particular importance are: the ongoing project for computerisation of formal education in the country, the voucher project for improved access to computer technology for university students and the project "Macedonia - a Country of Computer Scientists" within which there is an ongoing open call for application of interest by citizens of any age to receive free of charge computer training. Although computer literacy training is an activity that as a form belongs to the non-formal education, it is of relevance here because of its function to bring computer technology closer to citizens. Unfortunately, there is no available data on the number of older people who have applied for and underwent this training.

Unlike the situation before the start of this century, mainly as a result of the impact of the global spread of the ICT, and more recently as a direct impact from the governmental investments, the analysis of trends below will in deed show some positive developments in this domain.

5.3.2. Trends

According to the State Statistical Office in 2008, 29.4% of households had internet access at home (12.9% increase compared to 2007)²⁸. Internet was predominantly used for communication, access to information and on-line services. In the first quartile of 2008, 78.7% used mobile phones (11% increase compared to 2007), 50% used computers (9.1% increase compared to 2007), 41.5% used internet (11.8% increase compared to 2007). The number of people aged 15-74 who have used internet in the first quartile of 2008 increased for 41.3% compared to 2007, while the number of those who had internet access at home increased for a remarkable 114.7% (State Statistical Office, 2008).

When usage of ICT is analysed in terms of educational attainment, the tendency is that computer and internet usage increases with education. Also, men use computers more than women, but this difference significantly decreases with education. Among the people with higher/tertiary education, use of computer/internet technology is almost equally distributed between the genders (Table 5).

²⁸ By mid-2002, 40 % of EU households had Internet access, up from 18 % in March 2000 (European Commission, 2003). In 2006, 49% of households in EU27 had internet access from home (Eurostat, 2007)

Table 5. Computer and Internet users aged 15-74, per education, 2006 - (%)

	Primary		Secondary		Higher/tertiary	
	Women	Men	Women	Men	Women	Men
Computer users	13%	24%	34%	44%	66%	69%
Internet users	12%	20%	20%	34%	48%	47%

Source: State Statistical Office, 2008a.

Analysed per age groups, the tendency is that youth uses computer and internet more, when compared to other age groups. Usage of internet among the older people from the age group 55-74 is considerably lower, with older men using ICT technology more than older women (Table 6).

Table 6. Computer and Internet users per age groups, 2006 (%)

	15-24		25-54		55-74	
	Women	Men	Women	Men	Women	Men
Computer users	54	74	29	38	5	11
Internet users	50	69	16	25	4	5

Source: State Statistical Office, 2008a.

Unlike availability of data on ICT usage in Macedonia, data about usage of other in-formal resources is scarce. In the period 2006/2007 (in comparison to 1996/1997) there is no increase in the number of theaters in Macedonia. Here, we notice some negative tendencies. The number of theatre plays reduces for 25.9%, while the number of visitors for 22.1%. Same negative tendencies are noticeable with cinemas. In 2007 (compared to 1997) there is a decrease in the number of cinemas, films and visitors (State Statistical Office, 2008).

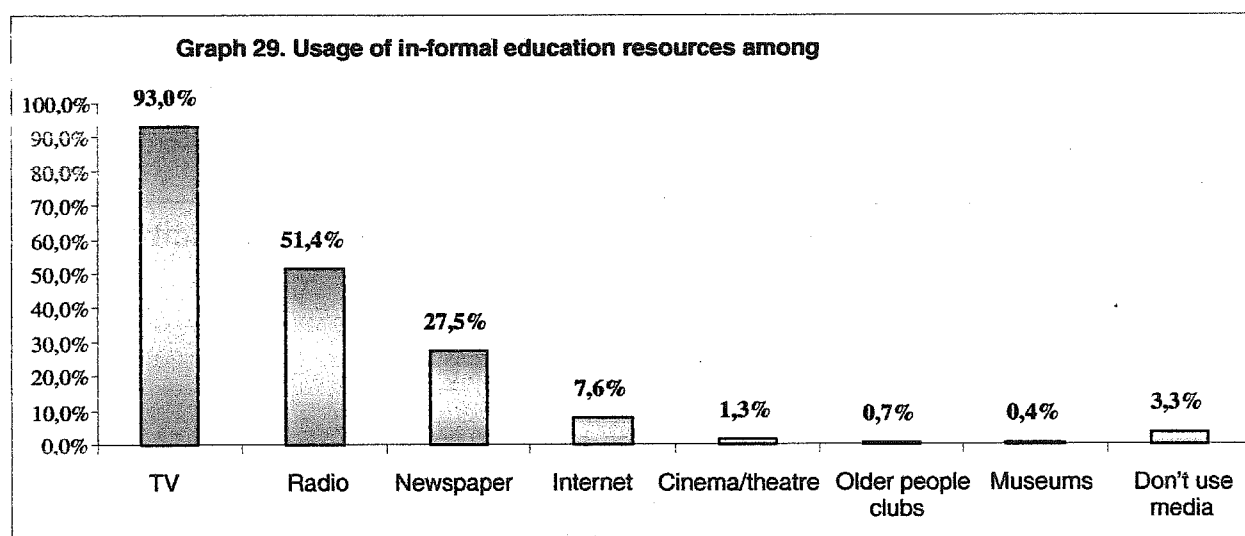
The poor conditions in the sphere of culture and cultural institutions in Macedonia as well as the low living standard are the most dominant reasons for the decreased interest among the population to attend these events. To support this, the State Statistical Office in its Statistical Review on household consumption in Macedonia in 2007, presented the result obtained from 515.420 assessed households on their average monetary expenditures. Average household in Macedonia spends 60% on meeting its needs related to housing, food and clothes. According to this data, households in Macedonia spend in average only 1.3% on education, 3.5%²⁹ on

²⁹ Share of cultural expenditure in total households expenditure for the EU15 is 4.5% (Eurostat, 2007).

recreational/cultural activities and 4.0% on communication costs (postal/internet) (State Statistical Office, 2008c). This only confirms why access to in-formal education resources is limited for an average family in Macedonia, not to mention those living in poverty, vulnerable or marginalised groups.

5.3.3. Research results: Access to in-formal education resources

Lastly, the research aimed at assessing access to in-formal education resources among older people. Expectedly, the results showed that limited usage of media and other cultural resources by older people in Macedonia is a real concern.³⁰



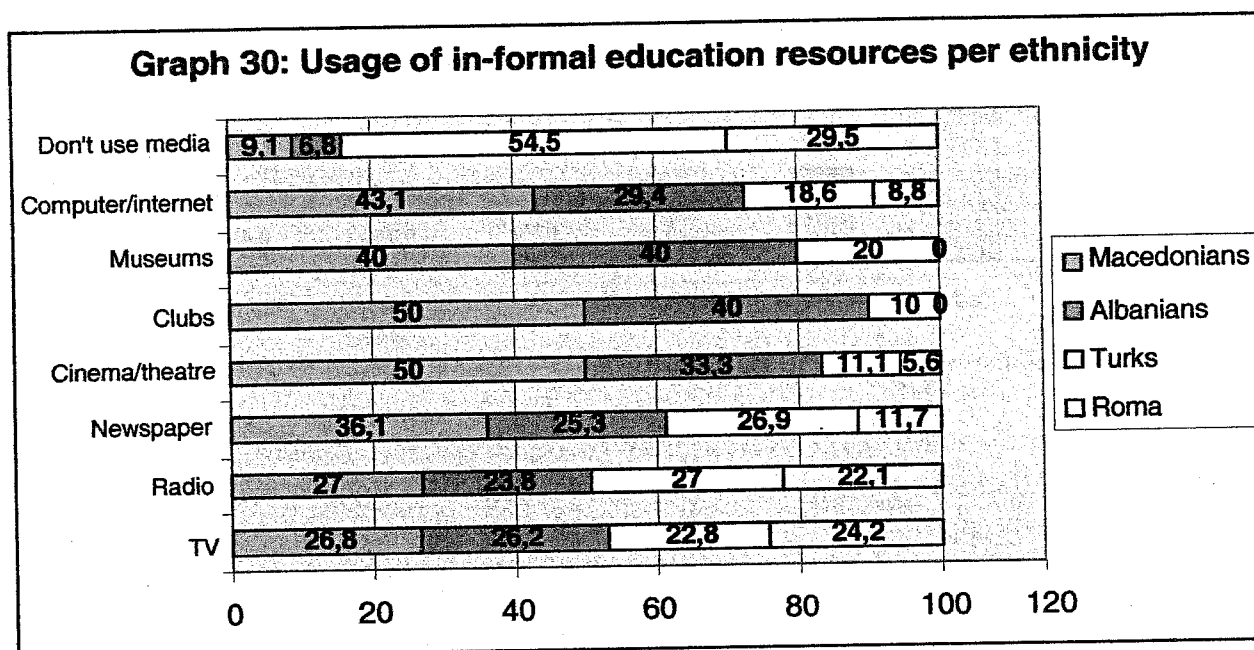
TV and radio are media used by majority of older people, meaning that majority have access to these in-formal education resources in their homes. While printed media is used by approximately one third of older people (27.5% of the 1339 respondents), 7.6% use internet (102 respondents), although many of them have internet access probably as a result of sharing a household with their children or other relatives (just as a reminder, 66.7% of older people involved in this research live in joint households, while only 33.3% live in separate households). Access to internet at the work place (for those older people who are still employed) is also a factor that contributes to the 7.6% internet usage. Of those who use internet, majority are from the age group 55-64 (73.5% of internet users are aged 55-64, 26.5% are aged 65+), from the group of those living in urban areas (57% of internet users live in urban, 43% in rural areas), or have secondary, higher or

³⁰ In EU27, in 2007, participation in cultural activities at least once in the last 12 months among older people 55+ was: 45% visited historical monuments, 34% visited museum or gallery, 27% had been to a theatre, 27% had been to a library, 24% had been to cinema....(Eurostat, 2007)

tertiary education (73.5%)³¹. In other words, internet is still out of reach for the oldest-old, the poorest, the rural and the least educated older people.

Furthermore, except for the TV and radio as media, for all the other in-formal education resources, majority of older people who use them are from urban areas. Here also, rural belonging appears once again as a strong cause of exclusion, only this time from the in-formal education resources that are unlikely to be accessible for many older people.

Gender perspective adds another interesting point to this analysis. Namely, older women seem to watch TV more than older men (56.5% women vs. 43.5% men). Contrary to this, men read newspapers more than women (60% men vs. 40% women), which is reasonable given the lower educational attainment of older women.



Of particular importance for this research is the analysis of access to in-formal education resources among the different ethnic communities (Graph 30 above). Data reveal that Macedonians in the first place, followed by Albanians have access and use more of the in-formal resources compared to other ethnic communities. TV and radio are used almost equally by all ethnic groups. Of those older people who use newspapers and attend cinemas/theaters majority (36.1% and 50%) are Macedonians, while the same in-formal education resources are least used are by Roma (11.7% and 5.6%). Not a single Roma attends older people community clubs or museums. Computer/internet technology is again mostly used by Macedonian older people (43.1%), followed by Albanian (29.4%), Turks (18.6%) and Roma

³¹ Results of the Older Population Survey in Europe targeting 9661 respondents 50+ show that 98% of older people have access to TV, while 22% access to internet (European SeniorWatch, 2002).

(8.8%). Interesting results were disclosed when significant number of older people reported that they do not use media at all. Of these, prevailing majority - 54.5% are Turks, 29.5% Roma, 9.1% Macedonians and 6.8% Albanians. Majority of those who do not use media are over 64 years of age (63.6%), and older people living in rural areas (59%). The latter perhaps partially explains why majority of older people who do not use media are Turks, as considerable number of Turks in Macedonia live in rural areas (65% of the Turks involved in this research are from rural areas). In other words, while Roma settlements in Macedonia are usually attached to urban settlements or are even located in the city centres (as in the case of Skopje) enabling their facilitated access to societal resources and services, considerable number of Turks in Macedonia live in isolated and remote villages where there are almost completely excluded and detached from modern courses of life. Moreover, many of the in-formal education resources (especially cinemas, theatres, museums, community clubs) are almost non existent in rural Macedonia in general, which explains why their usage among all ethnic communities is lowest.

To end with, it would be appropriate to emphasise, irrespective of the differences presented above, that the situation in terms of usage of in-formal education resources by older people is heavily dependant on one additional factor. Namely, those who are well familiar with the characteristics of older people in Macedonia regardless of their ethnicity would probably instantly accept the image of an older, retired person living in Macedonia as often passive, submissive, unwilling, dispassionate on activities outside their household, and thus primarily attached to his/her home and only closest social network of families and friends. In the search for different causes of exclusion throughout this report we've faced this image that refers to self-exclusion so many times that we could not avoid posing the question: Who is to be hold responsible for exclusive practices that are taking place – Macedonian society they live in or older people themselves? Perhaps the fairest and closes to the reality answer would be – both!

CHAPTER 6. CONCLUSIONS

The undertaken research of the exclusion of older people from different ethnic communities in Macedonia from the social protection, labour market and education systems has given important information regarding scope, duration and reasons for this problem. The findings imply a large-scale exclusion of older people from these systems, which results from factors, such as:

- a) *Individual exclusion or self-exclusion* – characterized by the specifics of certain ethnic communities in regard to their non- participation in the labour market, the traditional role of the women in the family, inclination towards home-based child-care which prohibits labour mobility among women in these groups, illiteracy etc.; and
- b) *Institutional exclusion* – characterized by the lack of interventions from governmental (central/local) institutions in regard to: information's on legal rights in relation to social protection, employment/unemployment and education; complicated application procedures; and lack of assistance to potential applicants.

Although lack of participation of older people in certain social protection/labour/education programmes was characterized by either individual or institutional exclusion, the study also showed existence of cases where a combination of these factors/reasons is present. The combination of both individual and institutional reasons for exclusion contributes to a condition of severe social exclusion, where older people do not receive support neither from their own family/local community nor from the institutions in charge.

6.1. Social protection

6.1.1. Pension exclusion and pensioners living standard

The scope of pension exclusion within our research implies that almost half of the population in Macedonia older than 55 are not pension beneficiaries. Among those not receiving pensions, most excluded are women; members of ethnic communities'- majority of which are Roma, followed by the ethnic Turks and ethnic Albanians; as well as those with lower educational attainment, i.e. with primary or incomplete primary education.

The major reason for not receiving pensions (as stated by the respondents in the research) is lack of any working record/experience, i.e. lack of participation in the formal labour market.

For majority of the old-age people the coping strategies when they lack formal source of income include: agriculture, housework as well as farming/stockbreeding. Income from remittances is characterized only for smaller group of older people - particularly those belonging to the ethnic communities of Albanians and Roma.

Financial exclusion among older people is widespread, as large majority do not possess any bank account, which indirectly implies lack of savings, credit and insurance possibilities as well as lack of any bank transactions.

The living standard of slightly more than half of the pensioners is very low. Half of the pensioners do not have additional incomes in the family and majority of them receive pension in amount of 65 to 114 Euro. This implies that majority of pension recipients receive (at least) less than a double of the average net salary in Macedonia.

6.1.2. Social assistance exclusion and living standard of the non-beneficiaries and beneficiaries

Social assistance use among older people in Macedonia is not a common phenomenon, as only small percentage has used it. The exclusion from the social assistance is more widespread among those living in villages and remote locations.

Social assistance scheme is not easy to access for majority of older people, and the reasons, which may be characterized as both institutional and personal barriers include: lack of information about social assistance rights, lack of knowledge of how to apply for social assistance, lack of required documentation, lack of support in preparation of required documentation as well as embarrassment and stigma.

According to the characteristic of the prevailing majority of the social assistance beneficiaries, a profile of an old-aged social assistance recipient is: aged 55-64, woman, lives in the city, lives in the Skopski region and belongs to the Roma ethnic community.

Duration of use of social assistance benefits implies a dependency from this benefit, as majority of the recipients use it from 2 to 5 years, but also a large proportion use this benefit longer than 10 years. This condition (use of more than 10 years) is most alarming among the Roma population. The modest amount of the social assistance benefit signals a very low living standard among this population

6.2. Labour market

6.2.1. Labour market exclusion and living standard of the unemployed

The inclusion of older workers/people in the labour market in Macedonia is modest. Almost one third of those aged 55 and above has never worked (regardless if in formal or informal economy), majority of which are women and also members of the Albanian ethnic community. Also the trend of activation after the retirement is almost non-existent among older people, as 84.4% of the pensioners are not

included in any form of work (for salary or income). Those that do continue to work are mainly involved in agriculture.

The reasons for exclusion from the labour market (regardless if formal or informal) among the old-aged, include: family obligations and the lack of education. Most common reasons for non-activation after retirement are the health reasons and lack of will.

Unemployment (insurance) benefit use among older people is virtually non-existent (only 7% have used it). The non-use of this benefit is more characteristic for those aged above 64, for women, for those located in rural area, and for the ethnic Albanians and ethnic Turks.

The reasons for not using the unemployment benefit (excluding those whose application has been rejected or who were not eligible or did not have a need) include: lack of awareness for this right, lack of knowledge of how to apply for the benefit, lack of required documentation, embarrassment/stigma and due to lack of assistance in preparing the required documentation.

Among the old-aged beneficiaries of unemployment benefit, the prevailing are those aged 55-64, majority of them are man, overwhelming number are those that live in the urban areas, as well as those that live in the Pelagonija region. Also majority are of Macedonian ethnic origin and according to their educational attainment slightly more are those with incomplete primary education.

The duration of the use of unemployment benefit in Macedonia is quite strict and does not allow for high dependence to this benefit as that of the social assistance. Still, there are people who use this benefit for more than 10 years (the so-called retirement scheme), majority of them are those aged above 64, mainly women, from Macedonian and Albanian ethnic origin, who live in the rural areas.

6.2.2. Exclusion from the active labour market programmes

Macedonia have recently progressed in terms of developing and diversifying ALMP (largely due to foreign support), but their actual implementation in practice is still unsatisfactory with unknown effectiveness. This due to policy-making without prior analysis, weak targeting and evaluation practices. There is a tendency ALMP to focus on younger population groups, largely on the easy-to-employ. The same low level of involvement in these programmes was reflected within the findings of the primary research (3.5% participation rate for ALMP and only 2.5% for public works) among older people. Participation in both ALMP and public works is higher with older men than women. Majority of those involved in both types of programmes are the Turks, while least involved are the Roma. Access to ALMP is facilitated for older beneficiaries with primary and secondary education, while older people without education have only limited access. Public works target mostly beneficiaries with primary education.

6.3. Education

6.3.1. *Formal education exclusion and educational attainment*

Overall, education policy in Macedonia is inconsistent, while policy decisions and reforms often hasty and ill-advised. Educational system at all levels of formal education is not adjusted to the labour market needs, thus contributing in part for the high unemployment rate in the country. Investments in human capital through better education and skills are still at a low level, so too many people fail to enter or to remain in the labour market because of lack of skills, or due to skills mismatches.

As a result, educational attainment of the Macedonian population is concerning, same being reflected with older people as well. Low educational attainment as such becomes a cause of exclusion from many aspects of the societal life. Research results fully confirmed these statements. Older people have alarming low education status (18.9% without any education, 31.7% primary, and only 3.5% high/tertiary education), which in general decreases with age. Analysis of educational achievements per ethnic communities showed that Macedonians have highest educational attainment, while most excluded from the formal education are Roma and Turks who at the same time compose the majority of illiterate older people.

Women are significantly more excluded from the formal education system compared to men. In every ethnic community the number of illiterate older women is significantly higher than that of men.

6.3.2. *Non-formal education exclusion: work and non-work related training participation*

The *non-formal, work-related training* has gained recognition and acceptance only in the last decade in Macedonia. Policymakers often fail to recognise the importance of investing in the education and skill development of people as they are. Given the almost half a century long experience of almost exclusive valuing of formal education under the communism, after its independence Macedonia had to abandon these policies. In the process of developing new policies, it faced numerous challenges: to do it in the light of linking formal and non-formal education and acknowledgement of the concepts of <life-long learning> <continuing education> <learning society>, to make training and education responsive to labour market needs, and perhaps most challenging of all, to transfer these concepts and convey them closer to the population in general. This proved to be a demanding task, evidence of which is the still confusing arena of non-formal education in the country in terms of diversity of providers, lack of data on beneficiaries and service providers, the still only paper-based legislation and alike...

The general lack of interest among the employers to invest in training and skills development of workers, and the conformity to this practice among workers inherited from the previous system, contributes to the above state of affairs. The same shortage of training practices in firms was reflected in the research focused on older people, showing participation in work-related training with only 5.1% of respondents. Majority of the work-related training is concentrated in the lower age group (55-64 years), on older workers with higher or tertiary education, mostly occurs in Northern, more developed part of Macedonia, and in principle happens once or twice after the age of 50. Among the ethnic communities, Roma and Turks are most excluded from work-related training, this however partially because of their lower labour attachment levels. Three dominant reasons for exclusion are: lack of interest, or self-exclusion (50.9%), lack of training practices in firms (32.8%), as well as deliberate exclusion of older people from training events or targeting training to younger workers only (11.2%).

Participation in *non-work related training* is also not a common practice among older people in Macedonia. Only 7.2% of older people have participated in some form of non-work related training in the course of their lives. Majority of older people who have participated in such training attended courses, are with higher education, and belong to the lower age group 55-64 years of age, meaning less and less non-work related training as people age.

Rural belonging appears as a key cause of exclusion from non-formal education. Lack of interest, perceiving themselves as too old to learn and the lack of time were pointed out as the three leading reasons for non-involvement (39.5%, 16.1% and 15.2%). This is understandable given the complex role of older people in families in Macedonia irrespective of ethnicity, as caregivers, those who have a primary responsibility to look after the household (especially in cases when they live in joint households with their children) or provide for the family existence through engagement in agriculture or cattle-breeding (for those older people living in rural areas). However, the key evidence of exclusion emerges with responses about the lack of information about available education opportunities (9.1%), about absence of non-formal education facilities in the community (8.8%) and responses pointing family obligations as a dominant obstacle for participation in non-formal education (6.5%). In the latter, perhaps most concerning case, largest majority are Roma and Albanian women.

6.3.3. In-formal education exclusion: accessibility of educational resources

In Macedonia the significance of in-formal education is increasingly recognised. Overall tendency is the improved access to in-formal education resources, although predominantly and most intensively by younger generations and urban population. As to the older people, except for the electronic media-TV and radio, access to all the other in-formal education resources (cinemas, theatres, operas, community clubs and alike) is still limited. Printed media is used by approximately one third of older people, mostly men (given the high illiteracy rate among older women).

Internet access is available to 7.6% of the older people (some due to life in joint households with their children, others due to accessing internet at the work place). A profile of an older internet user would thus be: a person aged 55-64, who lives in urban areas and has secondary or higher than secondary education. Here again, Roma and Turks are the most excluded among the ethnic communities targeted with the research. In other words, internet is still out of reach for the oldest-old, the poorest, the rural and the least educated older people belonging to smaller ethnic communities.

CHAPTER 7. RECOMMENDATIONS

7.1. Social protection and labour market

- Due to a high number of old-age population excluded from the pension system, an introduction of the so-called 'social pension' is recommended. This pension would cover the category of old-age population above 55 that does not work, does not have any income (personal or within the family/household) and is not a recipient of any social benefits from the state. This pension can be provided within the first 'public' pillar based on PAYG, and its amount should be correlated with the minimum agricultural pensions. In this way, the extreme poverty among the older people may be prevented.
- The evident financial exclusion of older people in Macedonia should be reduced and prevented through introduction of bank account for every citizen. This should serve as an incentive among older people for increased use of financial services, such as savings, credit and insurance possibilities.
- Social assistance scheme should be reformed to be more user-friendly, especially in relation to the needs of the older population. The representatives of the local municipalities as well as the Centres of social work should engage administrative staff who will provide assistance on a daily basis to the older population, and those living in remote locations in relation to: a) informative brochures in the language of the ethnic community regarding the rights and procedures related to social assistance; b) filling in forms and compiling required documentation for illiterate, uneducated and disabled old people.
- The Government should engage in active promotion of work after retirement among older people, in order to improve their financial possibilities, but also to reduce costs in the social protection system.
- The unemployment (insurance) benefit should be reformed similarly as the social assistance benefit, to provide for user-friendly access for the older workers. The Employment Centres and Centres of Social Work should coordinate their work and automatically transfer unemployment insurance recipients to the social assistance scheme (when they lack work or other source of formal income).

7.2. Active Labour Market Programmes

- ALMP should be equally targeting hard-to-employ unemployment beneficiaries, such as long-term unemployed, social assistance beneficiaries and other vulnerable population groups, older people being one of them. This could be achieved by introducing participation requirements and making involvement in ALMP conditional on the receipt of benefits. This differs from

the current policy, according to which the decision on whether unemployment beneficiaries will be involved in ALMP and the choice of those who will be required to do so is in the hands of the Employment Agency, entailing only sanctioning policies in terms of temporary cessation of the receipt of the benefits for those who refuse to participate. This especially if considered that there are many older workers from the age group 50+ who were made redundant due to technological restructuring of enterprises or bankruptcy and could use assistance in re-attachment to the labour market. Most importantly, this change would equalise access to ALMP for all registered unemployed regardless of age, gender, ethnicity or other status.

- Cooperation between the relevant stakeholders (Employment Agencies, Centres for Social Work, Employers) should be intensified at all levels, memorandums of cooperation or protocols should be developed, computer networking and joint data-bases introduced, internal and external evaluation and record-keeping practices established, extension of information to vulnerable beneficiaries such as older people on existing ALMP possibilities facilitated, all this in order to improve the quality of delivered services.
- Given the current lack of criteria and the often arbitrary selection of ALMP participants, separate data-bases could be established on vulnerable population groups such as older people and tailor-made programmes developed to address their specific labour market needs.
- Organisation of education and training for occupations in deficit on the labour market should be intensified. In this respect, older people who have remained detached from employment for various reasons (redundancy, bankruptcy of enterprises, restructuring) and still have a go until reaching retirement age, could be increasingly targeted with this measure.

7.3. Education

7.3.1. Formal education

- To avoid educational attainment becoming a cause of exclusion from social, economic, cultural and other resources in older age, governmental efforts should be increasingly directed towards improvements of educational attainment of all, of smaller ethnic communities in particular. To this end, programmes for increased entry into formal education should be implemented, accompanied by sub-programmes within the education policy for support during school age to avoid high drop-outs typical for the most vulnerable population groups, such as the poor, the children of the unemployed, disabled as well as children belonging to smaller ethnic communities.
- With the principle <it is never too late for education> in mind, adult education literacy programmes should attempt to extend its coverage over older people as well.
- Given the fact that low educational participation of Roma, Turks, but also Albanian women as well, is very much linked to the specificities of their cultures, local programmes and campaigns to raise the awareness about the

importance and benefits of participation in formal education, in a manner adjusted to the ethnic community and respective of values and norms of its culture, would contribute to gradual change of the situation.

7.3.2. Non-formal education

- Education and training systems should be integrated and much better coordinated to ensure their labour market relevance, their responsiveness to the needs of the economy, and better tailoring to the needs of employers and employees.
- Within the existing structural reforms of education and training systems in Macedonia the practice of investments in human capital and lifelong learning should be increasingly promoted at all levels. Development of a strategic paper on lifelong learning within which the learning needs of older people are adequately included, could smooth the progress in this domain.
- To improve the situation of exclusion of older people from work-related training, implementation of work place campaigns for employers and employees equally, would be an appropriate measure, given the fact that in the time to come work force will also age as it does population in general today. The objectives of this approach are multiple: to raise the awareness of the age-discriminatory practices taking place, to value older worker's contribution in the work-place, especially in age-diversified teams, to explore opportunities for engagement of older workers in training of younger workers or new entrants in the labour market etc.
- Age-management programmes should be introduced in both public and private firms, to replace existing age-discriminatory practices. These programmes would enable employers to benefit from the functional age diversity of the work force, and even profit from the returns in investments in well planned, designed and implemented training, re-training or re-qualification of the older workers.
- Meaningful non-formal training strategies should be adopted and training centres established in the work place with a mission to engage in enhancing participation in continuous training of all employees, especially the low-skilled, disadvantaged and older workers.
- Given the low level of interest among older employees for participation in work-related training events, system of validation of non-formal education qualifications should be established to raise their motivation levels.
- To ensure participation in training of older people of different ethnicity, training should be organised and delivered as such to do not interfere with the older people's customs, traditional values and cultural practices.
- National legislation, or at minimum work-based regulations, that would prevent and sanction discriminatory practices on the basis of age, gender or ethnicity in the work place, would be an effective instrument in the fight of exclusion.
- To fight exclusion from non-work related education, most of the activities should be grass-roots based. Local campaigns could be organised to facilitate

access to information among older people about the available educational resources and potential benefits of their involvement.

- Considering the scarcity of non-formal education opportunities, especially in rural and remote areas, the existing institutions that are involved in delivery of non-formal education should diversify their programmes, extend coverage over older people as well, while new ones should be established in most excluded regions relying on the joint efforts of the central and local authorities, non-governmental, religious and other organisations.
- To make non-formal education more accessible to women, local campaigns can be used to influence change of attitudes and contribute to gradual involvement of women. Local Women's Associations should be supported and encouraged to engage in preparation of non-formal education projects within which they would target older women of different ethnic background. They could significantly contribute to attracting ethnic minorities women in non-formal education, being well familiarised with their culture and traditions, and thus being able to adjust training contents and making them culturally-sensitive and appropriate.
- Foreign organisation and foundations active in Macedonia could use a shift in priorities in term of support to training projects they provide for vulnerable population groups, giving this time older people a chance to be trained, acknowledged and their voice heard.

7.3.3. In-formal Education

- In order to establish a learning culture, learning should not be seen and 'marketed' predominantly in a functional, labour market-related way, as it is the case today. To build wide-reaching esteem for learning it is necessary for learning for personal growth also to enjoy social prestige. In this context the validation and recognition of informal learning remains a policy priority.
- Central and local governments should increase their investments in enriching and upgrading the cultural life in communities around Macedonia.
- Specific emphasis should be placed on rural communities where in-formal education resources are scarce. Investments in establishment of such resources where they are lacking, improved extension of information to older people and access to the already existing ones by older people as well, would be more than justifiable. The role of non-governmental or religious sector that could influence and arrange not only individual but also organised engagement in cultural activities in the local communities, is again indispensable here.
- Extended in-formal learning could take place if municipalities, local NGO's, centres for social work and others who work with older people, invest efforts to help them self-organise and establish self-help groups. The benefits of self-help groups are multiple and they are certainly an appropriate modality to be considered when thinking about how to engage older people in in-formal learning.

8. REFERENCES

1. Bornarova S. (2004), *Trends in Social Policy and Social Services for the Elderly - Conditions and Perspectives in R. Macedonia*, Faculty of Philosophy, Skopje, (MSc thesis).
2. Bornarova S. (2007), *From Welfare to Workfare States on the Balkans - Promotion of the Role of the Private Sector in Providing Employment Opportunities in Macedonia, Serbia and Bosnia*, Academic Training Association (ATA), Netherlands: Amsterdam.
3. Bornarova S. (2008), *Social Exclusion of Older People from the Social Protection System in R. Macedonia*, in "Social Policy Review", No 1, Faculty of Philosophy, Friedrich Ebert Stiftung, Skopje, June 2008.
4. Bornarova S. et al (2008), *Assessment of the Good Governance Potential in the Domain of Social Protection in R. Macedonia*, Open Society Institute, Ministry of Labour and Social Policy.
5. Dimovska M., Medok N., (2008), *Active Labour Market Policies: Activities of UNDP in Macedonia*. In Gerovska M. M. (2008). *Reframing Social Policy: Actors, Dimensions and Reforms*, (ed.), Faculty of Philosophy, Friedrich Ebert Stiftung Office, Skopje.
6. Donevska M., Gerovska M., Gjorgjev D., Kalovska T. (2007), *Social Protection and Social Inclusion in the Former Yugoslav Republic of Macedonia*, European Commission.
7. Employment Agency of R. Macedonia (2007), *Annual Report*.
8. ETF (2005), *Macedonia Labour Market Report*.
9. EurActiv (2006), *Adult Education Trends and Issues in Europe*, Documentation of Activities.
10. European SeniorWatch (2002), *Older Population Survey: Older People and Technology*, EU Information Society Technology Programme.
11. Eurostat (2003), *Labour Force Survey, Ad hoc Module on Lifelong Learning*.
12. Eurostat (2007), *Cultural Statistics*, European Commission.
13. Eurostat (2008), *Candidate and potential candidate countries - population and social conditions*, Luxembourg.
14. Eurostat (2009), *Pocketbook on Candidate and Potential Candidate Countries*, European Commission.

15. European Commission (2003), *Towards a knowledge-based Europe-The European Union and the Information Society*, Directorate General Press and Communication.
16. European Commission (2008), *Financial Services Provision and Prevention of Financial Exclusion*, Directorate-General for Employment, Social Affairs and Equal Opportunities, http://Ec.europa.eu/employment_social/spsi
17. European Commission (2008a), *The Social Situation in the EU*, Directorate-General for Employment, Social Affairs and Equal Opportunities.
18. Gerovska M. M., et all, (2007), *Policy Priorities for Social Inclusion in Macedonia*, Friedrich Ebert Stiftung.
19. Gerovska M. M. (2008), *Reframing Social Policy: Actors, Dimensions and Reforms*, (ed.), Faculty of Philosophy, Friedrich Ebert Stiftung Office, Skopje.
20. Government of R. Macedonia (2006), *Working Programme of the Government of R. Macedonia for the period 2006-2010*.
21. Jeffs T., Smith K. M. (2005), *Informal Education - Conversation, Democracy and Learning*, Educational Heretics Press.
22. Law on Employment and Unemployment Insurance, (1997), Official Gazette of R. Macedonia (37/97; 25/2000; 101/2000; 50/2001; 25/2003; 37/2004; 4/2005; 50/2006; 29/2007; 102/08; 161/08).
23. Law Amending the Law on Employment and Unemployment Insurance, "Official Gazette of the RM" no. 14/2005.
24. Law on Mandatory Fully Funded Pension Insurance, Official Gazette, No. 29/2002; 85/2003; 40/2004; 113/2005; 11/2006; 29/2007.
25. Law on Pension and Disability Insurance, "Official Gazette of the Republic of Macedonia" No: 3/94, 14/95, 71/96, 32/97, 24/2000, 96/2000, 5/2001, 50/2001, 85/03, 50/04, 4/05, 84/05, 101/05; 70/06; 153/07; 152/08.
26. Law on Social Protection, Official Gazette of the Republic of Macedonia, No.16/2000.
27. Law on Social Protection (2006), Official Gazette of R. Macedonia 21/06.
28. Law on Changes and Amendments of the Law on Social Protection, (2007), Official Gazette of R. Macedonia 40/07.
29. Law on Voluntary Fully Funded Pension Insurance, Official Gazette, No. 7/2008; No.88/2008; No. 48/2009.

30. Law on Adult Education (2008), Official Gazette of R. Macedonia 7/08.
31. Law on the Organization and Operation of the State Administration Bodies (2000), Official Gazette of the Republic of Macedonia No 59/2000.
32. Ministry of Education and Science (2004), *National Strategy for the Development of Education in the Republic of Macedonia 2005-2015*, Government of R. Macedonia.
33. Ministry of Finance (2002), National Poverty Reduction Strategy, Government of R. Macedonia.
34. Ministry of Finance, (2008), *Review 11/12*.
35. Ministry of Labour and Social Policy (2006), *National Employment Strategy 2010*, Government of R. Macedonia.
36. Ministry of Labour and Social Policy (2007), *Operational Plan for Active Labour Market Measures and Programmes*.
37. Ministry of Labour and Social Policy (2008), *Operational Plan for Active Labour Market Measures and Programmes*.
38. Ministry of Labour and Social Policy (2009), *Amounts for social assistance benefit in 2009*, www.mtsp.gov.mk
39. Ministry of Labour and Social Policy (2009a), *Statistics on recipients of social assistance in 2009*, www.mtsp.gov.mk
40. Ministry of Labour and Social Policy (2009b), *Operational Plan for Active Labour Market Measures and Programmes*.
41. Ministry of Labour and Social Policy (2009c), *Operational Plan for Amendments and Changes of the Operational Plan for the Active Labour Market Measures and Programmes for 2009*.
42. OECD (2008), *Education at a Glance, 2008*. OECD Indicators.
43. Pecakovska S., Lazarevska S., (2009), *Long Way to Knowledge Based Society-Macedonian Education in the Light of the EC Education and Training 2010 Work Program Benchmarks and Indicators*, Foundation Open Society Institute Macedonia.
44. Pension and Disability Insurance Fund (2009), *Statistics*: <http://www.piom.com.mk/?idPage=128>

45. Spidla V. (2008), Opening speech at the conference: *Financial Inclusion: Improving Access to Basic Financial Services*, Brussels, 28th of May 2008, http://ec.europa.eu/employment_social/spsi/events_en.htm
46. State Statistical Office (2002), *Census of the Population, Households and Dwellings in the Republic of Macedonia*.
47. State Statistical Office (2003), *Statistical Yearbook of the Republic of Macedonia*, No, XXXVII.
48. State Statistical Office (2003a), Labour Force Survey.
49. State Statistical Office (2004), *Statistical Yearbook of the Republic of Macedonia*.
50. State Statistical Office (2007), *Labour Force Survey 2007*, 593, Skopje, June, 2008.
51. State Statistical Office (2007a), *Regions of the Republic of Macedonia 2007*, Regional Yearbook.
52. State Statistical Office (2008), *Macedonia in numbers*.
53. State Statistical Office (2008a), *Women and Men in Macedonia*.
54. State Statistical Office (2008b), *Statistical Review: Population and Social Statistics*, 601, Skopje, August, 2008.
55. State Statistical Office (2008c), *Statistical Review: Household Consumption in the Republic of Macedonia, 2007*.
56. State Statistical Office (2008d), *News Release: Information Society*, 8.1.8.15.
57. State Statistical Office (2009), *News Release: Labour Marker*, 2.1.9.08 www.stat.gov.mk
58. UNDP (2008), *People-Centered Analyses Report*.
59. UNDP (2009), *People-Centered Analyses Report: Regional Development, Local Governance and the Quality of Life*.
60. Walker A., Barnes M. and Lessof C. (2006), *Social Exclusion of Older People: Future Trends and Policies*, Department for Communities and Local Government: London.