

Employment of Persons with Disabilities in the Former Yugoslav Republic of Macedonia¹

1. Labour market in the Former Yugoslav Republic of Macedonia and position of persons with disabilities

The Former Yugoslav Republic of Macedonia faces similar problems and challenges as other economies in the Western Balkans with regard to labour market conditions in general as well as the position of persons with disabilities (PWDs). Unemployment rate, despite the decreasing trend registered over the last few years (e.g. 31.4% in 2011 to 26.1% in 2015), has remained over 20%, accompanied with the activity rate constantly under 60%². According to the State Statistical Office of the Former Yugoslav Republic of Macedonia, the unemployment rate in the last quarter of 2017 was 21.9%³, which is almost three times higher than the EU average of 7.6% in 2017⁴. High unemployment rates reduce possibilities for employment of disadvantaged groups such as PWDs, thus calling for urgent actions in the field of employment policy and measures to enhance their employability while enabling their further integration and equal opportunities on the labour market.

In similar manner as in the rest of the region, statistical data on PWDs are generally quite limited. While the official statistics do not provide disaggregated data on PWDs, some estimates indicate that from 4,000 to 400,000 persons, i.e. 0.2% to 21% of the total population belong to this vulnerable group⁵. PWDs are regarded hard-to-employ population due to many obstacles they have been facing over a long period of time. Historically, PWDs were treated mostly as objects of charity or social care primarily based on institutionalization and segregation. Social stigma affected many families having members with health impairments by not placing them in special institutions or reducing their social contacts and keeping them inside homes. In their young age, many have been excluded from mainstream education and enrolled in so called *special schools* providing education for manual work, crafts and other low paid jobs. As a consequence, PWDs are generally low qualified, low skilled, all of which negatively affects their employability and reduces their labour market opportunities. Expectedly, many PWDs stay inactive and don't participate in the labour market. Activity, employment and unemployment rates for PWDs are not available, however LFS data (2016) show rather high abstaining from work due to disability (9,138 persons) and illness (23,371) as yet another aspect of self-perceived

¹ Prepared by Galjina Ognjanov, independent expert appointed by RCC

² Petreski, B., Tumanovska D, Active Labour Market Policies – Challenge for the Macedonian Labour Market, Finance Think Economic Research and Policy Institute, Skopje, 2016, Online at <https://mpra.ub.uni-muenchen.de/75879/> MPRA Paper No. 75879, posted 3 January 2017 11:25 UTC

³ Source: State Statistical Office, at http://www.stat.gov.mk/KlucniIndikatori_en.aspx

⁴ Source Eurostat at <http://ec.europa.eu/eurostat/>

⁵ Velichkovski R., Towards the Rights of Persons with Disabilities in Health in Macedonia, TAIEX Workshop on Rights of Persons with Disabilities in Health, Skopje, 2012, <http://ec.europa.eu/enlargement/taieux/>

disability⁶. On the other hand, at the end of 2016 only 1,490 PWDs were registered unemployed at the Employment Service Agency of the Former Yugoslav Republic of Macedonia (ESA).

ESA is the official labour market institution responsible for the implementation of annual operational plans for active programmes and measures for employment. It is the core institution responsible for monitoring and evaluation based on the data recorded in its information system. Therefore, most accurate and reliable information on registered unemployed, number of employed as well as on number of unemployed PWDs by age, educational attainment and type of disability are available on ESA web site. Table 1 below shows relevant information on registered unemployed overall and PWDs in 2016.

Table 1: Number of registered unemployed/PWDs at ESA in 2016			
	number of registered unemployed	number of registered unemployed PWDs	% PWDs
overall	104,523	1,490	1.43
women	43,408	483	1.11
% women	41.53	32.42	na

Source: ESA

The table above clearly shows a rather small share of registered PWDs in the overall number of registered unemployed at ESA in 2016, as well as even smaller share of women PWDs. In 2016 women PWDs accounted for 32.42% among registered PWDs in comparison with 41.53% women in overall unemployed registered at ESA. The weak position of PWDs on the local labour market is particularly evident from their low educational attainment as 56.44% of those registered at ESA belong to no/low qualification category in comparison with 42.22% of the overall registered at ESA⁷.

Over the last decade, the Government of the Former Yugoslav Republic of Macedonia has initiated actions to assure social inclusion of PWDs and their equal opportunities at the labour market, including setting up an adequate regulatory framework and developing employment policies and ALMS directed at enhancement of employment of PWDs. These are all explained in more details further in the text.

2. Assessment of regulatory framework with regard to employment of PWDs

Prevailing medical model in understanding of disability has started to change in favour of accepting the social definition of disability emphasizing social barriers that affect exclusion of PWDs only after the Assembly of the Former Yugoslav Republic of Macedonia ratified the UN Convention for the Rights of Persons with Disabilities in 2011. In addition, the Former Yugoslav Republic of Macedonia has ratified the EU Directive on Equal Treatment in Employment and

⁶ Labour Force Survey 2016, Statistical Review: Population and Social Statistic, Skopje, 2017, available at <http://www.stat.gov.mk/Publikacii/2.4.17.02.pdf>

⁷ Calculations made based on data available from <http://www.avrm.gov.mk>

Occupation prohibiting any discrimination in the field of work and employment on various grounds including disability, thus making the two international documents part of domestic legislative framework.

In the Former Yugoslav Republic of Macedonia, the right to work is considered one of the fundamental human rights guaranteed by the Constitution (Article 32).⁸ Regulatory framework in the field of work and employment comprises a number of legal acts, bylaws as well as strategic documents built upon the principle of non-discrimination integrated within ratified international documents and the Constitution. Special provision in main legal documents related to labour market (the Labour Law⁹ and the Law on employment and insurance in case of unemployment¹⁰) promote enhancement of employment of numerous vulnerable groups, including PWDs. However, the employment of PWDs is regulated by the Law on Employment of Disabled Persons (the Law), which defines PWDs as persons with visual, hearing and verbal deficiencies, physical and mental impairments as well as persons with a combination of disabilities who due to the level of disability may have special needs with regard to employment (Article 2).¹¹ Implementation of the Law is further assured through the *Rulebook on the criteria and the manner of granting non-returnable funds from the Special Fund for improvement of the conditions for employment and work of disabled persons* and *Rulebook on vocational training of disabled persons*.

In addition, a number of strategic documents has been prepared to promote equal opportunities for PWDs, while setting specific actions directed at assuring their social integration and improving their position in the labour market, including: *National Strategy on Alleviation of Poverty and Social Exclusion 2010-2020*, *The National Equality and Non-discrimination Strategy 2016-2020* and *National Strategy On Achieving Equal Rights for the Persons with Disabilities 2010-2018*. The most important strategic document in the field of labour market is the National Strategy for Employment 2016-2020 (the Strategy) implemented based on annual operational plans issued by the Ministry of Labour and Social Policy (MLSP) and carried out by ESA. As one of the main objectives, the Strategy envisages improvement of efficiency and effectiveness of employment policies through strengthening support directed at vulnerable groups (including PWDs) and their increased participation in active labour market programmes (ALMPs). On the other hand, the operational plan sets specific programmes and measures, target groups and quotas to be achieved over the planning period. While in accordance with the operational plans, PWDs may be included in all listed programmes and measures, there are also a few programmes specially created for this target group, financed through the Special Fund for PWDs.

⁸ Constitution, Official Gazette of RM, No. 2/91.

⁹ Labor Law - Consolidated Text (Official Gazette of RM no.167 of 09.28.2015)

¹⁰ Law on employment and insurance in case of unemployment - Consolidated Text (Official Gazette of RM 112/2014)

¹¹ Law on Employment of Disabled Persons - Consolidated text, Official Gazette of RM No. 87/2005.

3. Assessment of employment policy and ALMPs for PWDs

In general, employment policy in the Former Yugoslav Republic of Macedonia favours implementation of active measures (directed primarily at enhancement of labour market participation, employability and employment). However, passive measures (based on assistance programs, such as social finance assistance, non-institutional care, institutional care etc.) have also been applied to cope with the high risk of poverty affecting most vulnerable groups including PWDs¹². In accordance with the Law, a Special Fund for PWDs has been established to support implementation of the main policy measures with regards to 1) employment and improvement of working conditions and 2) professional rehabilitation of PWDs.

The Special Budget for PWDs (sub-account of ESA Budget for ALMPs) is funded from the obligatory contributions for employment as 10% of the total amount collected. Funds from the Special Budget are directed into allocation of non-refundable allowances for employment of person with disabilities based on permanent contract, adaptation of workplace for the need of PWDs as well as purchase of special equipment and/or technical aids. In addition, the funds are also used to cover expenses of professional rehabilitation of registered unemployed PWDs. In 2018, the allocated budget for PWDs is 231,200,000 MKD (approx. 3.8 million EUR) which makes 22% of the total ESA Budget (1,045,794,835 MKD, or about 17 million EUR)¹³. The share of Special Budget for PWDs decreased from 30% in 2015 as a result of the substantial increase of ESA Budget (659,826,037 MKD in 2015) followed by moderate increase of the Special Budget (200,000,000 MKD in 2015).

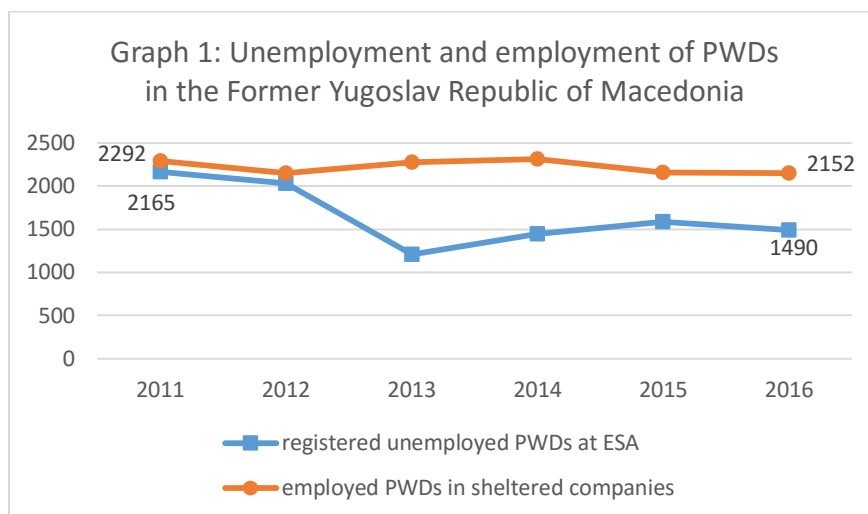
The Special Budget for PWDs is mainly used for subsidies for employment of PWDs based on permanent contracts. Apart from this measure, other ALMPs targeted at PWDs include self-employment of PWDs as well as training to meet the demand at the labour market for deaf and blind registered unemployed. According to operational plan for 2018, subsidies for employment will cover employment contributions for 260 PWDs which is slightly lower than in previous years¹⁴. Apart from the three ALMPs targeted at PWDs, a wide array of other programmes and measures is also available. However, no specific targets for PWDs have been set and no evidence is available on their actual participation in ALMPs and employment. In consequence, neither the participation of PWDs in ALMPs nor the employment outcomes can be calculated. Therefore, participation of PWDs in the labour market could only be assessed based on the number of registered persons at ESA since 2011 as well as the number of employed at sheltered companies (see graph 1 below). As the graph clearly shows, the number of registered PWDs has been

¹² Petreski, B., Tumanovska D, Active Labour Market Policies – Challenge for the Macedonian Labour Market, Finance Think Economic Research and Policy Institute, Skopje, 2016, Online at <https://mpra.ub.uni-muenchen.de/75879/> MPRA Paper No. 75879, posted 3 January 2017 11:25 UTC

¹³ Total ESA Budget refers to overall funding of programmes and services implemented by ESA, including Special Budget for PWDs as well as donations, directed at ALMPs (95% of the total Budget) and other employment services, source: Operational plan for ALMPs in 2018, available at: <http://www.avrm.gov.mk/operativen-plan.nspix>

¹⁴ Planned participation of PWDs in this programme was 317, 300 and 316 persons in 2015, 2016 and 2017, source: Operational plans for ALMPs, available at: <http://www.avrm.gov.mk/operativen-plan.nspix>

constantly decreasing (from 2,165 in 2011 to 1,490 in 2016) thus hardly reflecting the set objective to increase their participation in ALMPs.



Source: ESA

While the data on the overall number of employed PWDs is not available, the number of those employed in sheltered companies is published in Statistical Reviews of the State Statistical Office. Sheltered companies are registered trade companies (*Zastitna drustva*) established in accordance with the Law aiming at employment of PWDs. In 2016, sheltered companies provided employment for 2,152 PWDs¹⁵. The number of employed in around 393 sheltered companies¹⁶ has remained more or less constant since 2011, whereas the number of registered unemployed PWDs shows decreasing trend in the same period (see graph 1 above). Although they provide opportunities to work for more than 2,000 PWDs, sheltered companies are still remnants of the times when PWDs were facing social stigma and segregation. Therefore, employment policy should be directed into promoting other forms of employment that will provide opportunities for their social integration through work and employment.

4. Assessment of success factors and transferability

The success factors listed in the Host Economy Case Study include **1) recognition of rights to work and employment and assuring equal opportunities for PWDs based on recognized status of PWDs and assessment of working capacities, 2) development of four pillars of**

¹⁵ Social Welfare for Children, Juvenils and Adults 2016, available at <http://www.stat.gov.mk/Publikacii/2.4.17.11.pdf>

¹⁶ According to Ramadani, N. and Madzova, V., (2013) *Employment challenges for persons with disabilities (PWD) A case study of Macedonia*. In: ICMBE 2013-UBT International Conference on Business, Technology and Innovation, 1-2 Nov 2013, Dures, Albania

employment policy and 3) proper implementation of ALMPs for PWDs through NES. In the same regard, the approach of MLSP and ESA as the two core institutions responsible for the development and implementation of employment policy in the Former Yugoslav Republic of Macedonia is similar but only at a certain level. Namely, medical approach in the assessment of capacities is still prevailing and even the Law on Employment of PWDs doesn't define disability in the context of social barriers causing incapacities of a person to perform a job. On the other hand, in a similar manner, the Special Budget has been established to support employment of PWDs, yet the employment policy is focused primarily on programmes and measures for employment and self-employment. Moreover, sheltered companies still seem to keep the major role in employment of PWDs. Although PWDs may also be included in many other programmes and measures as well as services (e.g. job search, motivational workshops and the like) delivered by ESA, there are neither set targets nor data on their actual participation available. Therefore, monitoring and evaluation of participation and employment outcomes referring to PWDs as one of the core prerequisites for effective planning and managing the implementation of ALMPs appears among the most urgent issues to be settled in the near future. Other relevant issues described in the Host Economy Case study worth considering in the Former Yugoslav Republic of Macedonia include putting stronger emphasis on education and training rather than on employment subsidies. Such programmes are aimed at enhancement of employability thus increasing their possibilities to be employed in various enterprises other than sheltered companies. Promotion of employment besides sheltered companies will need to be strongly supported by social partners, while policy makers may think of introducing a quota scheme in support of employment of PWDs.

References:

1. Constitution, Official Gazette of RM, No. 2/91.
2. Eurostat at <http://ec.europa.eu/eurostat/>
3. Labour Law - Consolidated Text (Official Gazette of RM no.167 of 09.28.2015)
4. Labour Force Survey 2016, Statistical Review: Population and Social Statistic, Skopje, 2017, available at <http://www.stat.gov.mk/Publikacii/2.4.17.02.pdf>
5. Law on employment and insurance in case of unemployment - Consolidated Text (Official Gazette of RM 112/2014)
6. Law on Employment of Disabled Persons - Consolidated text, Official Gazette of RM No. 87/2005.
7. Operational plan for ALMPs in 2018, available at: <http://www.avrm.gov.mk/operativen-plan.nsp>
8. Petreski, B., Tumanovska D, Active Labour Market Policies – Challenge for the Macedonian Labour Market, Finance Think Economic Research and Policy Institute, Skopje, 2016, Online at <https://mpra.ub.uni-muenchen.de/75879/> MPRA Paper No. 75879, posted 3 January 2017 11:25 UTC

9. Ramadani, N. and Madzova, V., (2013) Employment challenges for persons with disabilities (PWD) A case study of Macedonia. In: ICMBE 2013-UBT International Conference on Business, Technology and Innovation, 1-2 Nov 2013, Dures, Albania
10. Social Welfare for Children, Juvenils and Adults 2016, available at <http://www.stat.gov.mk/Publikacii/2.4.17.11.pdf>
11. State Statistical Office, at http://www.stat.gov.mk/KlucniIndikatori_en.aspx
12. Velichkovski R., Towards the Rights of Persons with Disabilities in Health in Macedonia, TAIEX Workshop on Rights of Persons with Disabilities in Health, Skopje, 2012, <http://ec.europa.eu/enlargement/taix/>