MATERIAL DEPRIVATION, POVERTY AND SOCIAL EXCLUSION IN MACEDONIA

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MATERIAL DEPRIVATION, POVERTY AND SOCIAL EXCLUSION AMONG HOUSEHOLDS IN MACEDONIA

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CONTENT

EXECUTIVE SUMMARY

Measuring poverty and social exclusion presents a difficult task due to the multidimensionality of these problems as well as due to lack of commonly accepted operationalizations and indicators. In this respect, Europe 2020 framework offers concrete indicators for such assessments, providing European Union member and candidate countries with opportunity for synchronized and comparative methodological approach. The contribution of the EU2020 indicators in the social field complements Macedonia's statistical tools for measuring poverty and social exclusion, and enables more quantitative approach towards social policy creation and targeting. This study provides data and analysis of conditions of poverty and social exclusion among household in Macedonia, based on the Europe2020 framework. The study analyzes the extent and profile of households faced with material deprivation, poverty and social exclusion in Macedonia.

At risk of poverty and social exclusion, measured according to the Europe 2020 indicators, reveals that 44.5% of the households in the country are affected with one of these three risks: at risk of poverty, material deprivation and/or joblessness. Comparative analysis shows that while Macedonia's rate is double than that in the European Union (23.5%), still similar high rates of risk of poverty and social exclusion can be found in Bulgaria (41.6%), Romania (41.4%) and Latvia (38.1%). If poverty and social exclusion is measured as cumulative sum of all three risks, than 7.2% of the households are those that are most affected in Macedonia (6% in the European Union).

Material deprivation is widely present in the country. According to the affordability of certain items among households in Macedonia, 494 households or 30.8% of all surveyed households are materially deprived, as they cannot provide 4 and more out of 9 basic items. Majority of all households primarily cannot provide one week away from home (54.2%), than to pay for unexpected expenses (49.9%), and the third most frequent item which households cannot provide is a meal with meat, chicken or fish every second

day (39.3%). This last aspect indicates a condition of food poverty among one third of the households in the country.

Measurement of poverty defined as less than 60% of the national median equivalised household income, indicates than 22,9% of the analyzed households in Macedonia can be defined as living at risk of poverty. If other thresholds are applied, i.e. 40% of the national median equivalised household income (usually defined as moderate poverty) than 13.7% of the households fall in this group, while the 50% threshold (near poverty) gives 17.1% of households living near poverty. The Gini index, which measures the extent to which the distribution of income among households within an economy deviates from a perfectly equal distribution, shows that there is moderate to high inequality between disposable income among households in Macedonia (37.83). Analysis of the responses on most important sources of income among households, reveals that half of the households or 53,1% have incomes from regular, permanent job. Pensions represent second most important source of income, characteristic for 24.3% of the households. Third most frequent source is income from the agriculture (6,4%), followed by incomes from temporary jobs (5.8%), social assistance (5.2%), and remittances (3.9%).

In relation to social exclusion, the study provides a variety of measurements. Rate of jobless households or those with low work intensity in the country is 17%. In addition to the labor market exclusion, an indication for social exclusion may be seen among those excluded from the social protection system. Data show that in 54.4% of the households there are unemployed members that are not in receipt of any public benefit or service i.e. are excluded from the social protection system, while exclusion among elderly people (above 65) from the social insurance system (pensions) reveals that in 9.3% of the households none of the elderly persons above 65 is in receipt of pension.

Apart from exclusion from the formal public services and benefits, the research also analyzes the access and participation of households in different forms of social life. Feedback related to participation in cultural life (measured according to frequency of visiting theatre, movies, ballet, opera etc.) suggests that 70.5% of the households do not attend these events – indicating a condition of cultural poverty among prevailing majority of the households in the country. Similar responses were given in relation to participation in civil society organizations, as 76% of the households do not participate in any type of organization. Those that do participate are mainly engaged in religious organizations (8.9%) or in political parties (7.9%).

The profile of households faced with at risk of poverty and social exclusion in this study suggests following factors to be main contributors: living in region with low GDP per capita (Northeast region), belonging to less represented ethnic community (Roma), living on social assistance, lack of basic education (households where household head is without primary or completed primary education), lack of employment (household head unemployed) as well as household size and structure (couples and household with

children are more affected with poverty, while household without children and elderly households are more affected with material deprivation).

These findings should be taken into careful consideration when creating national targets in relation to poverty and social exclusion. They can also serve as an important tool for more concrete targeting of social policy measures and instruments.

INTRODUCTION:

NATIONAL AND COMPARATIVE ASPECTS OF MATERIAL DEPRIVATION, POVERTY AND SOCIAL EXCLUSION

Problems of poverty and social exclusion present most serious obstacle for the economic and social development of countries. Efforts for their effective tackling must be based on comprehensive research and analysis of the population and regions affected with these issues. However, identification and targeting of these problems is not always an easy task, due to the complexity of their definition and operationalisation. As noted by Donevska, poverty has many dimensions and the material aspects are mostly analyzed, but lack of skills and possibilities of individuals necessary for their prosperity and contentment should also be taken into consideration (2011, p. 79). Agreeing with this statement, the starting point of this study is providing data not only on distributional dimensions of poverty and social exclusion, but also on disadvantages from the distributional dimension (i.e. lack of affordability of goods), as well as its participatory (or relational) aspect, i.e. lack of access to services by households in the country.

In doing so, the study provides detailed data and analysis on the issue of poverty and social exclusion among households in Macedonia, based on the latest European Union (EU) approach which includes three different dimensions. Namely, according to the Europe 2020 Strategy, poverty and social exclusion should be measured according to a combination of three indicators: at risk of poverty, material deprivation and low work intensity (or joblessness). Hence, this study provides detailed account of the scope of households faced with these three types of risks as well as their socio-economic, ethnic, spatial and other important characteristics.

Current official data on EU2020 indicators in Macedonia are partially available through the State Statistical Office[1]. The only available official indicator focused on social exclusion is the number of people who are severely materially deprived, although its calculation is not based on the full list of 9 items. According to these data, the number of

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[1] http://www.stat.gov.mk/Dokumenti/strategii/Evropa2020strategija.htm

people who are severely materially deprived is slowly decreasing since 2005, from 55.9% to 41% in 2010. Other official data on poverty and jobless households (not based on the EU2020 calculation) indicate that 30.9% of the population is poor (State Statistical Office, 2010), while the rate of jobless households (by age group) is 21.4% (0-17) and 16.6% (18-59).

Table 1: Official data on poverty, material deprivation and joblessness in Macedonia

	2006	2010
At risk of poverty	29,8	30,9
Severe materially deprived	51,0	41,0
People living in jobless households	29,4 (0-17)	21,4 (0-17)
		16,6 (18-59)

Source: State Statistical Office from various releases – Poverty line (2006 and 2010), Republic of Macedonia 2020, Labour Force Survey (2010)

Comparison between official data on poverty, material deprivation and joblessness in the country (although calculated differently than the EU approach) with those from the EU member and candidate countries shows, that Macedonia is facing much higher rates of population at risk by all three indicators. Comparative analysis reveals that poverty rate in Macedonia (30.9%) is almost double than that in the EU27 (16.4%), as well as higher than poverty rates in Bulgaria and Romania (20.7 and 21.1 respectively) and Croatia (20.5). Although rates in relation to material deprivation are also much higher in Macedonia than in all of the EU member and candidate countries, there are some similar trends which can be observed. Namely, similarly as in Macedonia, some EU member states face much higher deprivation than poverty rates. For example, unlike other countries material deprivation rates in Latvia, Hungary, Bulgaria and Romania are much higher than their poverty rates (see table 2 below). This indicates that incomes in these countries does not provide for a decent living standard of the households.

Table 2: Poverty, material deprivation and joblessness in EU, and selected EU member states and EU candidate countries, 2010

	Severely materially deprived people	At risk of poverty (after social transfers)	People living in households with very low work intensity	People at risk of poverty and social exclusion
EU 27	8,1	16,4	10,0	23,5
Belgium (BE)	5,9	14,6	12,6	20,8
Bulgaria (BG)	35,0	20,7	7,9	41,6
Czech Republic (CZ)	6,2	9,0	6,4	14,4
Denmark (DK)	2,7	13,3	10,3	18,3
Germany (DE)	4,5	15,6	11,1	19,7
Estonia (EE)	9,0	15,8	8,9	21,7
Ireland (IE)	7,5	16,1	22,9	29,9
Greece (EL)	11,6	20,1	7,5	27,7
Spain (ES)	4,0	20,7	9,8	25,5
France (FR)	5,8	13,5	9,8	19,3
Italy (IT)	6,9	18,2	10,2	24,5
Cyprus (CY)	9,1	17,0	4,0	24,0
Latvia (LV)	27,4	21,3	12,2	38,1
Lithuania (LT)	19,5	20,2	9,2	33,4
Luxembourg (LU)	0,5	14,5	5,5	17,1
Hungary (HU)	21,6	12,3	11,8	29,9
Malta (MT)	5,7	15,5	8,4	20,6
Netherlands (NL)	2,2	10,3	8,2	15,1
Austria (AT)	4,3	12,1	7,7	16,6
Poland (PL)	14,2	17,6	7,3	27,8
Portugal (PT)	9,0	17,9	8,6	25,3
Romania (RO)	31,0	21,1	6,8	41,4
Slovenia (SI)	5,9	12,7	6,9	18,3
Slovakia (SK)	11,4	12,0	7,9	20,6
Finland (FI)	2,8	13,1	9,1	16,9
Sweden (SE)	1,3	12,9	5,9	15,0
United Kingdom (UK)	4,8	17,1	13,1	23,1
Iceland (IS)	1,8	9,8	5,6	13,7
Croatia (HR)	14,5	20,5	15,4	31,3

Source: Eurostat, 2012

http://epp.eurostat.ec.europa.eu/tgm/table.do?tab=table&init=1&plugin=1&language=en&pcode =t2020_50

Similar condition may be observed when we compare the rate of jobless in Macedonia and other EU member and candidate countries (despite the difference in calculation), with Macedonia having higher rates of those living in jobless households in both age cohorts than for example in United Kingdom (13.1) or Croatia (15.4). Comparison between the rate of those defined as living at risk of poverty or social exclusion in Macedonia and EU is not possible, as Macedonia lacks this type of calculation. The new approach towards calculating poverty and social exclusion produces much higher rates of population at risk in EU, from 15% in Sweden to 41.6% in Bulgaria.

The official recognition and acceptance of this new methodology of calculation of poverty and social exclusion by all EU member states did not came without criticism in the academic literature. According to Bradshaw and Mayhew (2010) data collected on deprivation may be unreliable because it may be a life- style choice not a signal of purchasing power; also deprivation items may be possessed but broken and finally policy can not generally intervene at the level of deprivation (p.180). Daly also provides critical arguments, by indicating that giving multiple definitions and indicators contributes to different interpretations of income poverty. She also emphasizes the linguistic change from poverty to at risk of poverty, which "destabilises the meaning of poverty and renders it a function of measurement rather than a condition that exists for real people in real life" (2010, p.154-155). However, there were also scholars who outlined positive elements of this new approach, such as Bongardt, who said it can contribute to a structured and coordinated response to current problems as well as to adapting the social welfare to meet new risks (2010). Gugushvili also pointed that the new tendencies in recent European poverty and social exclusion research and the greater role attributed to the material deprivation analysis paves way to a more sociologically-oriented research which has been missing in the past, when monetary dimension and its determinants were studied primarily by looking at standard economic explanations (2011, 39).

In the same positive spirit, we hope that this study will contribute to complement some of the official data on poverty in the country, but also more importantly that it will provide most recent, more detailed and more structured information's on households in Macedonia faced with problems of poverty, material deprivation and social exclusion. The data from this study may serve as an important tool in updating current strategies, policies and services in Macedonia aimed at poverty and social exclusion, though more effective targeting of households identified as poor and socially excluded.

INSTITUTIONAL AND LEGISLATIVE FRAMEWORK FOR ADRESSING MATERIAL DEPRIVATION, POVERTY AND SOCIAL EXCLUSION IN MACEDONIA

Although there are extensive reports and reviews of institutional and legislative basis of social protection system in the country (Amitsis, 2004; Donevska, Gjorgjev, Gerovska-Mitev and Kalovska, 2007; Dimitrijoska, 2012), for the purpose of this study it is important to outline the framework through which identified problems can be tackled or enhanced. As mentioned by Percy-Smith "how social exclusion is defined can determine the scope of the policy response – what issues are to be addressed, which groups or areas are to be targeted (2000, p. 15)? Also, the "relational nature of deprivation emphasizes the need to address the social processes and institutions that underlie deprivation" (de Haan, 2001, p.34).

LEGISLATIVE FRAMEWORK

The system of social protection on the basis of the corresponding legislative acts provides most comprehensive coverage of persons facing problems of material deprivation, poverty and social exclusion in the country. Main laws, according to which people at risk of these problems can acquire certain social rights, include: Law on Social Protection and its subsequent changes (79/2009, 11/2011), Law on Employment and Unemployment Insurance and its subsequent changes (37/97, 51/2011 и 11/2012), Law on Minimum Incomes (11/2012), Law on Pension and Disability Insurance and its subsequent changes (80/93, 51/2011, 11/2012), Law on Employment for disabled people (44/2000) as well as separate by-laws and other "soft" legislation such as strategies, national action plans, annual programs and other governmental decisions and measures. There are also other important legislative acts (i.e. in the field of health, social housing etc.), but here only those comprising part of the social protection system will be discussed.

Although the risk of material deprivation is not explicitly mentioned, the main social risks according to which the Law on Social Protection guarantees access to rights and services include: health risks (illness, injury and invalidity); risks of old age and aging; risks of single parenting; risk of unemployment, loss of income; risk of poverty and other risks of social exclusion (art. 2). It is important to emphasize that recent Law amendments have increased the number of risks (i.e. risk of poverty) which the Law supports and have also redefined some risks (i.e. other risks of social exclusion), indicating a greater need

for targeting poverty and social exclusion within the legislation. In addition, a positive trend may be seen in the introduction of new categories of vulnerable population eligible for social financial assistance, such as: blind persons, children without parents and parental care and mothers with a fourth child.

Main social rights and services which can be obtained through the Law on Social Protection are provided through: social prevention, institutional support, day care services and financial assistance. Financial assistance in particular includes 10 different rights, among which 3 are general benefits programs - social financial assistance (for those capable of work); permanent social assistance (for the incapable of work); and one-time financial assistance and compensation in-kind, and 7 are categorical benefits such as: financial assistance to persons who until the age of 18th had the status of child without parents and parental care; financial assistance to a mother with a fourth child; financial assistance to support and care from a third person; wage supplement for shortened working hours due to care for child with physical or mental disabilities; financial assistance for social housing; right to a health protection; and supplement for blindness and mobility (art. 44). Despite comprehensiveness of rights covered by the Social Protection Law, other important aspects such as criteria, eligibility, duration and amount of these rights were subject of increased scrutiny and limitation in the past decade. In this respect, some of the changes included: introduction of public work conditionality for beneficiaries of social financial assistance, decrease in the amount of social financial assistance to 50% after the third year (previously this decrease was stipulated after the 5th year), interruption of the social assistance right for 6 to 12 months in cases where beneficiaries do not provide accurate, or timely information, or refuse job offer. Additional issues in this Law, which may potentially contribute towards discrimination between different categories of social assistance beneficiaries, may be seen in differentiation between "materially unprovided persons" of those capable and those incapable of work, whereby those incapable of work are defined as "materially unprovided" if they have incomes less than 5000 MKD (€81), while those capable of work are "materially unprovided" if they have incomes lower than the amount of the social financial assistance or 2140 MKD per person (€35). Similarly, the amount of the social financial assistance increases proportionally with every additional household member but only up to 5 members, thus equalizing the needs of multi-member households with more than 5 members, which are usually more at risk such as Roma households, with those of the smaller sized households.

Law on Employment and Unemployment Insurance (37/97, 51/2011 и 11/2012) among other rights, provides those who have lost job with financial compensation, as well as right to training, retraining etc. In relation to jobless households, this provides opportunity for its members to acquire income support before resorting to the social assistance scheme. However, it is important to emphasize that this Law provides financial compensation only of the unemployed who have at least 9 months of social insurance contribution record, but also workers who have lost job without "their fault". This implies

that mainly redundant workers or laid-off workers can be subjects of this financial compensation. Restrictions in the past decade have involved reduction of the maximum duration of benefit (from 15 to 12 months), as well as reduction of the amount of the financial compensation for unemployment. Most recent restriction (11/2012) involves reduction of the duration of unemployment compensation to redundant workers who have 5 years till their retirement and at least 15 years of working record from 5 years to18 months.

In the field of employment, there is also National Strategy for Employment as well as National Action Plans. These soft legal acts present a significant complementation to the existing labor market legislation, primarily through more concrete identification of national targets and actions related to employment of vulnerable groups. They are also structured according to the priorities and aims of the European Union strategies. Hence, the latest Strategy for Employment (2010-2015) identifies national targets in relation to the Europe 2020 strategy. Analysis of the recent National Action Plan (2011-2013) shows that there is a lack of more concrete measures targeted towards majority of the registered unemployed, namely those without completed primary education.

Law on Minimum Incomes (11/2012) presents a positive development in relation to adequate income support, important particularly for improving the conditions of those faced with in-work poverty, as well as those materially deprived. The Law stipulates a minimum net and gross wage, determined as a 39,6% of the average gross wage in the previous year. The amount for 2012 is already agreed and set at 8050 MKD (132 EUR) for net wage and 12265 MKD (201 EUR) for the gross wage. The minimum wage will be applied with 3 year transitional period for those employed in the textile, clothing and leather industry. It is anticipated that the minimum wage will improve the level of wages among 65.000 workers, who currently receive wages below this amount. The determination of the minimum wage as a percentage of the average paid salaries is a positive development, implying that the minimum wage can rise with the overall increase in the average salaries. However, an important challenge remains in relation to how this Law will be implemented in the practice. Anecdotal evidence suggests that even currently (with the stipulated minimum level for paying social contributions) there is massive number of cases where employer asks (takes) part of the paid salary (the difference between the agreed amount with the worker and the required minimum level for social benefits). Such cases were particularly evidenced among disabled workers and their employers, implying existence of discrimination, and requiring more rigorous supervision from the State Labour Inspectorate regarding protection of workers' rights.

Law on Pension and Disability Insurance (80/93, 51/2011, 11/2012) provides financial compensations to retired workers in the form of old-age pension, disability pension and survivors (or family) pension. Additional two forms of pensions provided by the Pension and Disability Fund are minimum agricultural pensions and veteran (or military) pensions. Taking into consideration the tradition of multi-generational households in the

country, the pension system does not only provide significant income support for older people in Macedonia, but it also compensates the needs of unemployed household members living with the pensioners. Main reform in the pension system in the country involved the introduction of the mandatory fully funded pensions insurance, but this reform only concerns young employees, with no particular impact to those more vulnerable categories. Those who are not in position to benefit from the pension system are undeclared workers with no social insurance contributions. Similarly, members of their families are potentially also deprived of benefiting from the survivors pensions. Different studies of those excluded from the pension system in the country (Donevska, M., Gjorgjev, D., Gerovska-Mitev, M. and Kalovska, T., 2007, Bornarova and Gerovska-Mitev, 2009) imply a significant number of older population not covered with pensions, ranging from 31% to 48% of those aged 65 and above. Additional change affecting the social protection system involves the introduction of the Law on Contributions for Mandatory Social Insurance (142/2008,64/2009,156/2009) which reduces the contribution rates to all three forms of social insurance, namely reduction of the pension contribution from 21% to 18% of the gross wage , reduction of the health insurance contribution from 11% to 7.3% and contribution for unemployment insurance from 1.6% to 1.2% in 2011. These reductions have a significant impact upon the solvency of the Insurance Funds i.e. the Pension and Disability Insurance Fund and the Health Insurance Fund. In relation to vulnerable categories, these reductions also imply potential reduction of the quality of the care and services they receive, like vulnerable categories who cannot afford the private health care services, as well as those who live in the rural and distant areas, where this reduction may lead to closure of public health centres.

Law on Employment for disabled people (44/2000) stipulates support measures to ensure the equal position of the disabled persons on the labor market. According to this Law disabled persons are those with damaged sight, damaged hearing, with handicap in the voice, speech, tongue, a physically disabled person, a person with mental handicap and persons with combined handicap. Main support is given through: awarding irretrievable funds to employers that employ disables persons (for employment, for adaptation of the work place, for purchasing equipment); tax emption and provision of means for social contributions and financial support. One of the main obstacles for greater inclusion of the disabled people in the labor market is lack of precise statistics on their numbers and profile. According to the Employment Agency, in December 2011 there were 2165 disabled persons registered as unemployed, majority of which were persons with developmental disability (or cognitively impaired), closely followed by veteran invalids. Taking into consideration the scarcity of job demand on the labor market in the country, it may be concluded that this Law cannot be fully effectuated in the practice, making disabled people more vulnerable to social exclusion.

National Strategy for alleviation of poverty and social exclusion 2010-2020, is the first systematic governmental document, tackling both poverty and social exclusion. Previously the Government had an interim version of the Poverty Reduction Strategy

created in 2001, which did not have any practical implementation. This was followed by the Programme for Social Inclusion (2004) which identified four categories of socially excluded population: drug users and their families; street children/children on the streets and their parents; victims of family violence; and homeless people. These categories were identified on the basis of their higher vulnerability and lack of organized social welfare tailored to their needs. This programme initiated the process of definition and précising the social exclusion categories, although the documents was criticized as arbitrary, narrow and too strict. In this respect, the National Strategy for alleviation of poverty and social exclusion presents a comprehensive outline of different domains (13 areas) with specific targets, measures and preconditions for each of these domains. It may be said that this wide-ranging approach fails to provide more concrete identification of at risk of poverty and social exclusion groups, as well as more concrete indicators on the basis of which it can be further operationalized and implemented.

Another recent document in the field of social inclusion is the Strategy for intensifying the Social Inclusion of Roma in the national system of social protection for the period 2012-2014. This document identifies the strategic priorities as well as areas in which action should be undertaken, including: intensive promotion and adoption of preventive measures for reducing the numbers of Roma who are long-term beneficiaries of the social protection, providing social services for Roma at the local level, strengthening the non-residential care and new forms of day care services, as well as improving the quality of services for Roma within the institutional protection. Despite the fact that there is a separate Roma Strategy as well as separate National Action and Operation Plans for Roma in the fields of: education, employment housing and health, still this document as a most recent initiative fails to include relevant aspects identified by the EU Framework for National Roma Integration Strategies, such as: disadvantaged micro-regions or segregated neighbourhoods; strong monitoring methods, as well as allocation of sufficient funding from the national budget.

In addition to these main legislative acts and documents, the Government has adopted a number of additional programs aimed at population at risk of poverty and social exclusion. These include: Conditional Cash transfers; Energy poverty subsidy Public kitchens; free school-text books; Pre-school support for Roma children etc. Majority of these programs are aimed at beneficiaries of social financial assistance and their children, although some of them are universal (free school text books) or aimed at particular categories (Roma children).

INSTITUTIONAL FRAMEWORK

Governance and administration of social protection and social inclusion in the former Yugoslav Republic of Macedonia is being done mainly through the Ministry of Labour and Social Policy, although other Ministries such as Health and Education share some responsibility too. Within the Ministry of Labour and Social Policy there are 11

departments (labour; pension and disability; equal opportunities; social welfare; inspection over laws and other acts in the field of social protection; child protection; European integration; legal, normative and general affairs; budget, finances and accounting; coordination and technical assistance to the Minister, strategic planning), 2 organizational units (internal revision; human resources) as well as 2 internal bodies: Direction for affairs of war veterans and veteran invalids; as well as State Labour Inspectorate. The Ministry is also in charge for the supervision over Pension and Disability Fund and the Employment Agency. Within the social protection department there is a separate Unit for social inclusion, which deals with governance of policies and programs for people at risk of poverty and social exclusion.

The Centres of Social Work (CSW) are the first focal points where the citizens can ask for assistance when faced with certain social risks. The CSW are units of the central government, although they're well dispersed locally, with total of 30 inter-municipal centres in the country. The Centres of Social Work provide both professional and administrative services, including provision of financial assistance as well as professional counselling and field visits. Overwhelming number of professional tasks and high number of welfare beneficiaries served by the Social Work Centres has contributed towards recent debates in relation to division of their work and forming a separate body that will deal only with the financial benefits of the welfare recipients.

Employment Centres (Employment Agency) are also units of central government, although their local representation functions though 30 branches dispersed in every city of the country. Employment Centres mainly provide services for unemployed, such as: training and retraining; professional orientation; work clubs (open office, workshops, individual job plans etc.); incentives for employment of disabled people. Similarly as the SWC, the employees at the Employment Centres are overloaded, making the matching of labour demand and supply more difficult. In addition, there seems to be lack of more efficient coordination between central Agency for Employment and local centres, as well as lack of delegated authority to the local centres when creating and operationalizing local action plans for employment.

Since passing the Law on Local Self-Government in 2002 and the Law on financing the units of Local self-government in 2004, municipalities have also responsibilities for providing services regarding social protection and social inclusion on the local level. However, this transfer has only meant local responsibility over kindergartens and public homes for elderly (in municipalities where they exist). Other municipal activities in the social field depend on their fiscal capabilities. Main unit in charge fo local strategies for vulnerable population is the Unit for social and child protection. However, in many cases this Unit lack sufficient financial or human resources in order to provide more comprehensive measures towards categories at risk of poverty and social exclusion.

Despite the well developed network of agencies both at the central and local level

dealing with social inclusion issues, still there seems to be an inadequate institutional approach. Namely, at the central level there is only a minimal coordination among responsible institutions, which results in partial policies and measures, which do not always correspond to the needs of the vulnerable population. At the local level, problems arise due to lack of adequate financing, lack of adequate human resources and lack of prioritization attached to the social inclusion issues.

Taking into consideration the nature and substance of legislative and institutional changes that have happened in the past 10 years in the field of social protection, employment, income support and social insurance, we may observe a dual trend. Namely, judging by the duration of rights and amounts of benefits provided by the social protection system pre-2000, there is a noticeable trend of reduction, rigidity and conditionality attached to the services and benefits currently provided (i.e. reduction in the duration and amount of social assistance, reduction in the duration and amount of unemployment insurance, introduction of work requirement for the social assistance recipient and for the unemployed, reduction of social insurance contributions, etc.). On the other hand, another visible trend is introduction of new rights and services which are focused on more vulnerable and socially-excluded population, which lacked systematic treatment in the social protection system in the past (i.e. day care services for victims of family violence or trafficked persons, shelters for homeless and street children, subsidies for energy for social assistance recipients, etc.). These trends are not unique for Macedonia alone, and they can be identified in other countries in the region as well as within the European Union. International debates among academics have contributed towards analysis depicting this welfare state trend as: growth to limits (Flora, 1986), welfare state retrenchment (Mishra, 1990), dismantling the welfare state (Pierson, 1994). Reasons for these particular changes in the case of Macedonia may be seen in several factors, which can be divided in three groups:

1) Concrete socio-economic problems, such as: continual high rate of unemployment, high level of informal economy, continual large numbers of social protection beneficiaries, etc.

2) Impact of the international organizations, among which financial institutions, such as the World Bank and the International Monetary Fund, and their loan and credit conditioning, have succeeded in steering the social policy reform towards more neo-liberal discourse and

3) Lack of national social policy lobbyists as well as low profile of social policy on the national political agenda in the post-90 transition period.

All these enabled different governmental compositions in Macedonia to accept the neo-liberal approach when reforming the social protection system, as the only viable policy option by providing only economic and budgetary arguments for subsequent legislative changes and policy innovations. In this respect, we may estimate that the current social protection system tends to provide services towards those most at risk, towards those most marginalized, and those facing severe poverty, while the preventive

and supply character of the social protection system is slowly ceasing to exist.

Hence, this study aims to provide data on numbers and profile of households in Macedonia who are not only those most at risk, but also who despite incomes and work still face the risk of poverty and social exclusion. A contemporary social protection system must take into consideration such categories and provide adequate legislative and institutional support which may benefit the society as a whole in the long-term.

METHODOLOGY OF THE FIELD RESEARCH

The achievement of the main goal of this study – assessing the scope and profile of households in Macedonia that are at risk of poverty, materially deprived and jobless, and through that gaining the insight of the extent and profile of the socially excluded households, was only possible through the incorporation of the quantitative research, which provided these data. Parallel with the quantitative method, this study also employed qualitative techniques, such as desk review and comparative analysis for the purposes of providing full and comprehensive understanding of the issue of poverty, material deprivation and social exclusion in the country.

The quantitative research was realized with 1602 households in Macedonia, which is representative sample for the whole country. The research was conducted in all eight statistical regions in Macedonia, and it also involved all ethnic communities based on their official representation in the country.

The method and the procedure for selection included multi-level random sample, interview face to face, as well as questionnaire. The sample was prepared using the data of the State Statistical Office (last Census of the population from 2002 and last available population forecast from 31.12.2009) for the population above 15, according to the structure of the population, location of living and ethnic affiliation.

Household sample
In the first phase of the sample design, the number of respondents for each region is defined as a proportion of the size of the population above 15 which lives in that region.

In the second phase, the achieved sample consisted of 237 starting points in 70 municipalities. Generally there were 6-7 respondents per starring point throughout the whole territory in the country.

The starting points were located according to:

- City/village division (according to the size of the place of living)
- The size of the municipality and accordingly the number of respondents in the sample
- Ethnic distribution

In the third phase, selection of the household was based on a random method, where selected household is every third house from the left side of the street in the urban areas. In the rural areas, selected household is every 4th house from both sides of the road.

Respondent sample

For the purposes of this research the respondent was the household head. If household head is not present, than respondent is one of the parents, or person that is competent to respond to questions relevant for the economic position of the household.

The achieved sample is 1602 respondents, from which:

- 1235 men (77.1%)
- 367 women (22.9%)

The sample according to ethnicity, included: 1058 ethnic Macedonians (66.1%), 399 ethnic Albanians (24.9%), 50 ethnic Turks (3.1%), 27 ethnic Roma (1.7%), and 13 other (0. 7%).

The field work was conducted between 7th of September and 14th of September 2011, with 71 surveyors and 15 supervisors.

Refusal and response rate

- The number of refusal for this research is 230 cases. Majority of these, 148 identified as main reason lack of time for the interview. According to regions, the greatest number of refusals was in the Skopski region (90), and lowest in Vardar region (5).

The total response rate of 0.81 is described in detail in the table below:

Response rate		
A. Eligible households visited (including those where nobody home)	1969	
B. Eligible respondents contacted	1832	
I. CONTACT RATE (B/A)		0.93
C. Respondent refusals	230	
D. Agreed to interview	1602	
II. COOPERATION RATE (D/B)		**0.87**
E. Interrupted interviews	0	
F. Complete interviews	1602	
III. COMPLETION RATE (F/D)		1.00
RESPONSE RATE (I*II*III)		0.81

Definition of concepts

For the purpose of analysis of data achieved through the quantitative survey, main concepts that are subject of this study were mainly defined and analyzed according to the European Union definitions and EUROSTAT method of calculation.

- At risk of poverty: The persons with an equivalised disposable income below the risk-of-poverty threshold, which is set at 60 % of the national median equivalised disposable income (after social transfers).
- Material deprivation: People whose living conditions are severely constrained by a lack of resources. They experience at least 4 out of 9 deprivations. People cannot afford:

i)   to pay their rent or utility bills
ii)   keep their home adequately warm
iii)   face unexpected expenses
iv)   eat meat, fish, or a protein equivalent every second day
v)   a week of holiday away from home once a year
vi)   a car
vii)   a washing machine
viii)   a colour TV or
ix)   a telephone

- People living in households with very low work intensity (in our study defined as jobless households): People aged 0-59 living in households where the adults work less than 20% of their total work potential during the past year.

Due to the fact that our research was focused on households and household head as a unit, the operationalization of this definition included calculation of households where the household head is from 0-59, and where no one works.

- People at risk of poverty or social exclusion: This indicator corresponds to the sum of persons who are: at risk of poverty or severely materially deprived or living in households with very low work intensity. Persons are only counted once even if they are present in several sub-indicators .

In addition to this, our study also analysis the number of households, who are facing multiple social exclusion, i.e. they are affected with all three risks: at risk of poverty plus materially deprived plus jobless households.

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[2]EUROSTAT short description of At risk of poverty or social exclusion:
http://epp.eurostat.ec.europa.eu/tgm/table.do?tab=table&init=1&plugin=1&language=en&pcode=t2020_50
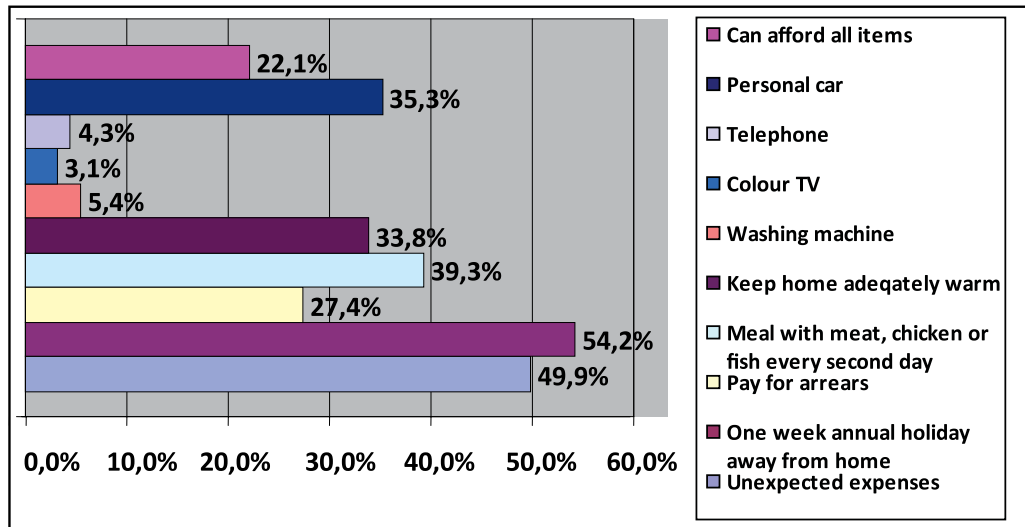
RESEARCH RESULTS

MATERIAL DEPRIVATION AMONG HOUSEHOLDS IN MACEDONIA

The focus of the section related to material deprivation was mainly on the assessment of the household's affordability to provide (purchase and pay) for certain existential items, as well as to assess their housing conditions in relation to its quality, size and ownership. In addition to this, the research strived to determine primary reasons which prohibit households from paying or obtaining the basic amenities. Instrumental in this research was the idea to assess the number of households in Macedonia which can not provide elementary items necessary for a decent living standard, such as: i) to pay for unexpected expenses; ii) one week annual holiday away from home; iii) pay for arrears (mortgage or rent, utility bills); iv) a meal with meat, chicken or fish every second day; v) keep home adequately warm; vi) a washing machine; vii) a colour TV; viii) a telephone; ix) a personal car. If the households lack 4 out of 9 listed items, than they're defined as materially deprived households.

According to the household responses, it may be estimated that 494 households or 30.8% of all surveyed households are materially deprived, as they can not provide 4 and more out of 9 basic items. Households that can provide all of the 9 items represent minority – or 22.1% of all interviewed households, indicating that 78% of the households in the country have problems providing some of the necessary items for decent living.

Analysed according to types of items, majority of all households primarily can not provide one week away from home (54.2%), than to pay for unexpected expenses (49.9%), and the third most frequent item which households can not provide is a meal with meat, chicken or fish every second day (39.3%).
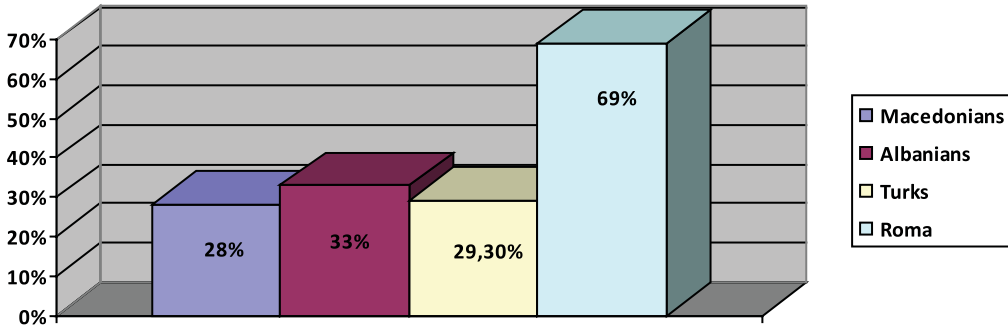
Chart 1: Most frequent items which can not be provided / obtained by households

■ Can afford all items	22,1% / 35,3%
■ Personal car	
□ Telephone	4,3%
■ Colour TV	3,1%
■ Washing machine	5,4%
■ Keep home adeqately warm	33,8%
□ Meal with meat, chicken or fish every second day	39,3%
□ Pay for arrears	27,4%
■ One week annual holiday away from home	54,2%
■ Unexpected expenses	49,9%

(Values shown in chart: 22,1%; 35,3%; 4,3%; 3,1%; 5,4%; 33,8%; 39,3%; 27,4%; 54,2%; 49,9%. Horizontal axis: 0,0% 10,0% 20,0% 30,0% 40,0% 50,0% 60,0%)

Spatial analysis reveals that majority of materially deprived households live in the Northeast region (43.8% of the households in this region), closely followed by those that live in the East region (38.6% of the households in this region). It was interesting to note, that Polog region (officially region with the lowest GDP per capita and region with the highest percentage of social assistance beneficiaries) is the last (or best performer) among the regions in relation to number of households that are materially deprived (22% of all households in the Polog region). Locality wise, materially deprived households are more represented in the smaller cities (34% of the population in the small cities) as well as in the villages (39% of the population living in villages).

Material deprivation according to ethnicity shows that majority of the Roma population in the country (69% of the Roma) are faced with lack of necessary elements for decent living. Number of materially deprived Roma households is almost double than the number of Albanian households living in material deprivation (33% of all Albanian households). Deprivation of material standards among the Turkish and Macedonian population in the country is characteristic for 29.3% and 28% respectively.

Chart 2: Material deprivation according to ethnicity

Chart legend: Macedonians, Albanians, Turks, Roma. Values shown: 28%, 33%, 29,30%, 69%

❖ Reading note: 69% of all interviewed Roma households live in material deprivation, compared to 28% of all interviewed ethnic Macedonian households.

According to the type of household, material deprivation mostly affected households without children (49% of all households with children), as well as elderly households (above 65) without children (37.4% of all elderly households above 65). The ranking of households without children among those mostly concerned with the issue of material deprivation is in contrast with the common findings in the country which indicate that households with children (couples or other households) are usually those that are mostly faced with issues of poverty and low standards of living. In relation to age of the children, material deprivation was more characteristic for the youngest children aged 0 to 6 (31.1% of all children aged 0 to 6), closely followed by those aged 15 to 18 (30.3% of all children aged 15 to 18). These data correspond with the official data of child poverty according to age, where the same age cohorts are those most affected with the issue of poverty.

Table 3: Material deprivation according to type of household and age of children
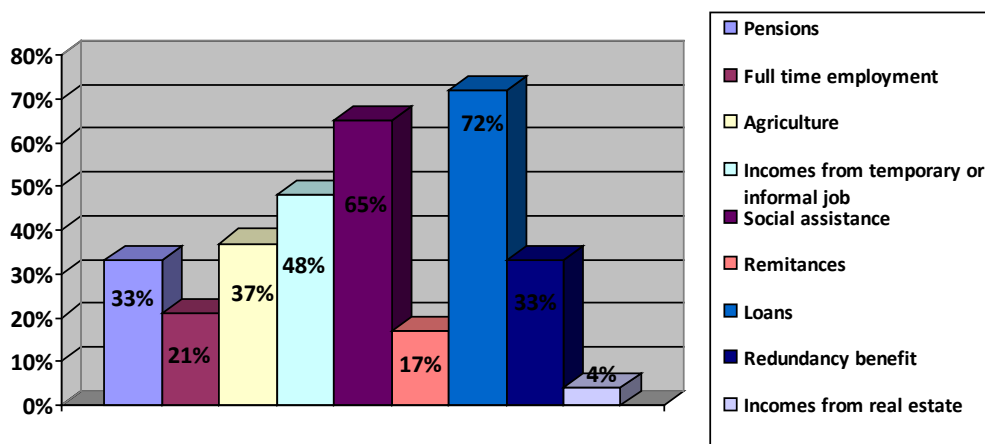
	Type of household				Age of children			
	Couple with children	Other households with children	Households without children	Elderly households (65+)	0-6	7-14	15-18	19 and above
Total	228	88	11	67	107	109	82	145
%	27.1%	35%	49%	37.4%	31.1%	27%	30.3%	28%

Reading note: 49% of all households without children are materially deprived, compared with 27.1% of couples with children who are materially deprived.

Material deprivation shows strong correlation with the low levels of education. The research data indicate that material deprivation decreases in households with higher educational attainment. Namely, 69.4% of households whose head is without education face the problem of material deprivation compared with 24.3% of the households whose head are with secondary education. According to the economic status of the household head, most affected households include: the unemployed (46.1% of all unemployed), pensioners (35% of all pensioners), and the employed but without social insurance contributions (30%).
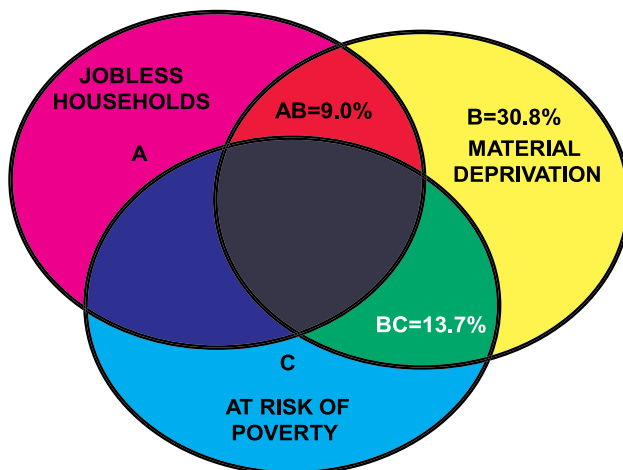
Correlation between average monthly incomes of the households and material deprivation, quite expectedly shows higher proportion of affected households among those with lower incomes. Namely, 68% of households that have average monthly income of up to 3000 MKD (48 Euro) live in material deprivation, followed by 61% of households with monthly income between 3000 to 6000 MKD (48 to 97 Euro). Material deprivation drops significantly among households with higher incomes, as only 20% of those with incomes between 21.000 and 24.000 MKD (between 338 and 387 Euro) are affected with this problem. The source of income was also analysed as a factor contributing towards material deprivation. The data indicate that those living on loans are most affected with material deprivation (72% of households living on loans), followed by households whose main source of income is the social assistance (65% of all households receiving social assistance). In the group of most affected households are also those living on incomes from temporary job (48% of all household with temporary job).

Chart 3: Material deprivation according to source of income

Comparison between different problems faced by the households indicated existence of social exclusion. Namely, 9% of the interviewed households that live in material deprivation also belong to the group of jobless households (where the household head is from 0-59 years). In addition, 13.7% of the households that are materially deprived also live at risk of poverty (calculated as 60% of the median equivalent income).

Diagram 1: Materially deprived households, who are jobless and live at risk of poverty
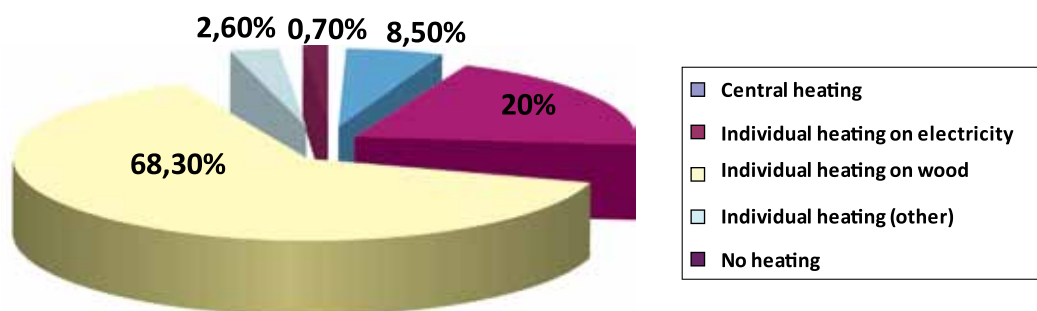

AB= 9.0% =materially deprived + jobless
BC=13.7% = materially deprived + at risk of poverty

It was not a surprise to find out that the major reason for material deprivation among households was due to their financial inability (95% of the households). Only small proportion – 2.8% responded that they lack these items because do not require or do not want them. People that belong to the category who voluntary lack some of the basic items include: pensioners, mainly people from the Macedonian and Albanian ethnic origin, majority of people that live in the Polog region and those living in the rural places.

Housing conditions also give an indicative picture of the housing standards and quality of living in the country. According to the respondents answers, prevailing majority – 89.1% have an ownership status of their houses and apartments. Also, majority of the households - 77.3%, have 3 to 4 room apartments or houses. However, it was worrying to see that not all children have their own individual space in their houses, as 35.7% lack own room. Majority of these children – 22.5% lacked individual room due to the fact that these are multi-member family households. According to ethnicity, majority of them are Roma, Albanian and Turkish children.

Chart 4: Type of heating used by households

Among the positive aspects from the household living conditions was the access by the majority of households – 93% to the public water system as well as own toilet and bathroom in their houses. Yet, it was intriguing to find out that 68.3% of all households have individual heating with wood, 20% use electricity for heating, while 0.7% does not have any heating in their homes. Half of the households using individual heating on wood – 53% live in villages, while their dispersion according to regions is highest in East and Pelagoniski region (around 95% of the households) and lowest in the Skopski region (39.7% of the households). The small proportions of households that lack heating in their homes are mainly located in the Polog region, and belong to the Albanian ethnic population.

POVERTY AMONG HOUSEHOLDS IN
MACEDONIA

The section on poverty represents an analysis of the responses given by the interviewed households in relation to their living standard. The questions not only aimed at finding the amount, source and trends in relation to the household incomes, but also strived to assess main reasons for change in incomes, household subjective opinions on decent living standard, whether incomes provide a decent living standard, as well as household's needs in relation to loans and credits. Information's received regarding the average households incomes also provided a possibility for calculation of income poverty (based on the EUROSTAT method – as 60% median equivalent income), as well as the gaps in income distribution, i.e. the GINI index and the Lorenz curve, among the households in Macedonia.
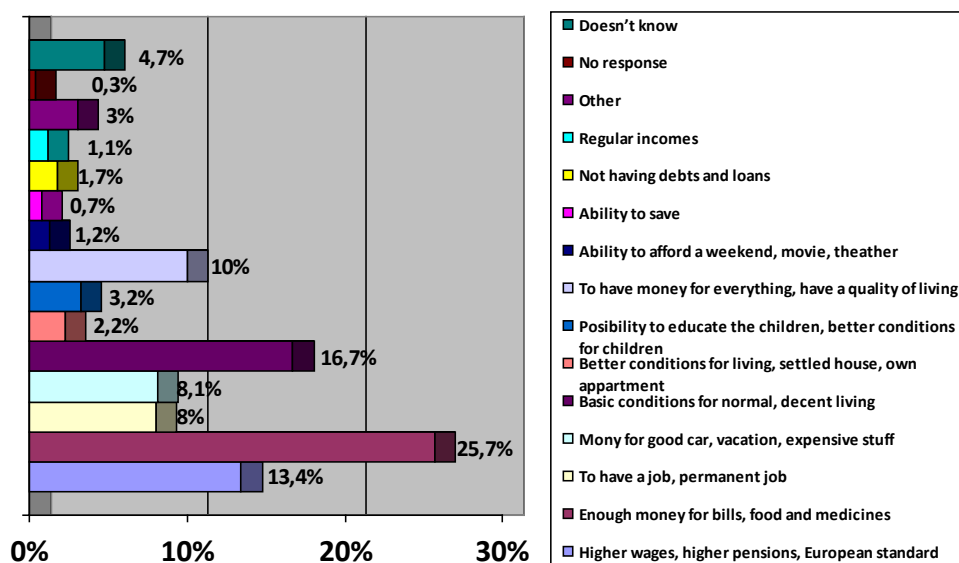
If the households are divided in four income groups, (i) up to 12.000 MKD (193 Euro), (ii) between 12.001 and 24.000 MKD (193 and 387 Euro), (iii) between 24.001 and 45.000 MKD (387 and 725 Euro) and (iv) above 45.000 MKD (725 Euro), then most of the interviewed households or 33.4% belong to the lowest income group receiving up to 12.000 MKD (193 Euro). Second larger group or 32.5% represent households receiving between 12.001 and 24.000 MKD (193 and 387 Euro), followed by 21.1% of households receiving between 24.001 and 45.000 MKD (387 and 725 Euro). The smallest group of households or 6.3% are households that receive monthly income of above 45.000 MKD (725 Euro). Out of 1602 interviewed households – 5.1% refused to reveal their average monthly income and 1.5% responded that they do not know their average monthly income. Households belonging to the lowest income group are mostly concentrated in the Southwest region (11.9% of all households from this region are in this income group), Southeast region (10.3%) and the East region (9.3%). It is interesting to note that the Southeast region also has a largest group (12%) of households receiving monthly incomes above 45.000 MKD (725 Euro) indicating a high income distribution gap in this region.

Responds in relation to change in incomes in the past 2-3 years, indicate that 41% of the households experience reduction of their incomes. Out of these households, 77% experienced reduction due to changes on the labour market, while 6.3% experienced it due to health reasons. Other reasons (or variety of different reasons) were a factor for 15.2% of the households. Subjective opinions of the households regarding their incomes and possibility for a decent living standard reveal that overwhelming majority or 63.6% of the households can not provide for a decent living standard with their incomes.

Asked what the concept of decent living standard means (in an open question, without having to choose an offered option) most frequent response or 25,7% of the households

responded "to have enough money for bills, food and medicines". Similar response was found among the second largest group or 16.7% of the households who indicated "basic conditions for normal, decent living". The third largest group or 13.4% of the households emphasized that for them a decent living standard is "higher wages and pensions, and a European standard".

Chart 5: Subjective opinions on what "decent living standard" represents

Related to the standard of living was the assessment what household can provide with their income. More than half of the households or 57.6% responded that they can provide only the basic and necessary items, while 20.5% indicated that they can not buy even the essential living items/services. Faced with increasing living expenses, 23.6% of the household had to take loans or credits in the past two to three years.

Analysis of the responses on most important sources of income among households, reveals that half of the households or 53,1% have incomes from regular, permanent job. Pensions represent second most important source of income, characteristic for 24.3% of the households. Third most frequent source is income from the agriculture (6,4%), followed by incomes from temporary jobs (5.8%), social assistance (5.2%), and remittances (3.9%).

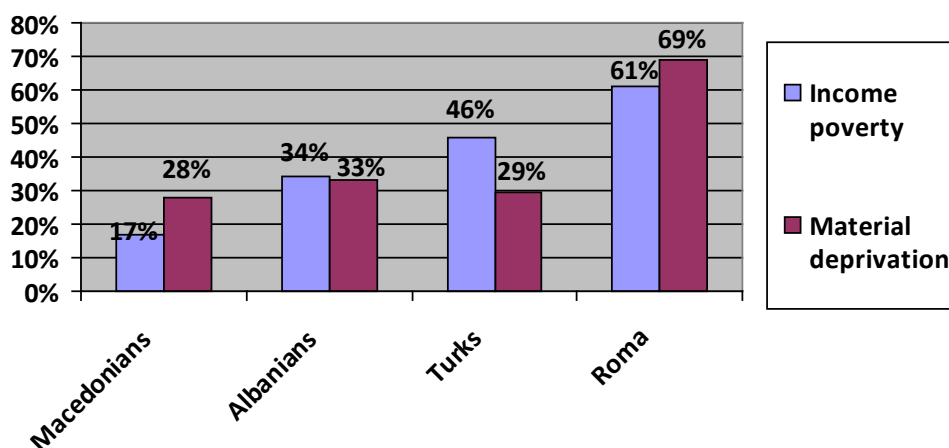If we apply the EUROSTAT standard of calculating poverty, that is to define poor as those with incomes less than 60% of the national median equivalised household income, than 22,9% of the analysed households can be defined as living at risk of poverty. If other thresholds are applied, i.e. 40% of the national median equivalised household income (usually defined as moderate poverty) than 13.7% of the households fall in this group,

while the 50% threshold (near poverty) gives 17.1% of households living near poverty.

Spatial analysis of the households living at risk of poverty rate (less than 60% of the national median equivalised household income) indicates that Northeast region is most affected with number of poor people (36.1%). In contrast, Pelagoniski region has the lowest number of at risk of poverty households, or 11.9% of all households living in this region. According to the place of living, most endangered with poverty are households living in villages (31.2%), followed by those living in smaller cities (20.8%). Skopje as a capital has the lowest number of poor households or only 8.6% of all household in this city.

Ethnic characteristics of households living in poverty show that number of Roma households living at risk of poverty is highest - 61.3%, compared with other ethnicities: Turks – 45.6%, Albanians – 34.3% and Macedonians – 16.9%. If we compare the number of households living in material deprivation and at risk of poverty according to ethnicity then it may be seen that the Turkish ethnic community in Macedonia is more affected with the problem of material deprivation rather (45.6% of Turkish households) than income poverty (29.3% of Turkish households). Similar comparisons among other ethnicities show that Roma and Macedonian households are more affected with income poverty than material deprivation, while among Albanian ethnic community there is almost no difference between the number of households affected with income poverty and material deprivation.

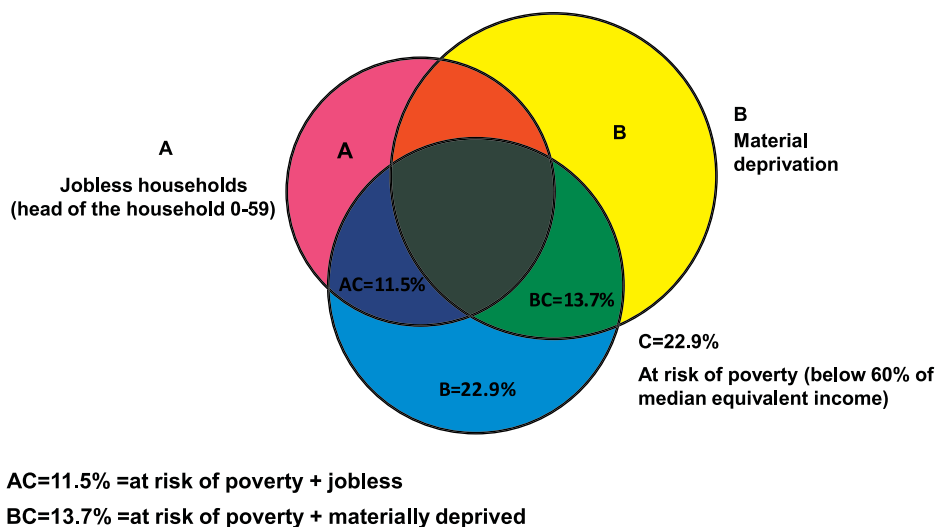Chart 6: Income poverty and material deprivation according to ethnicity

Analysis of poverty according to type of household, number of household members and number of employed within households gives some obvious trends as well as results which are in line with the official statistics. Namely, higher rates of poverty are evident

among couples with children (26.9%), and other households with children (21.1%), than among households without children (20.7%) and elderly households (10.5%). Also, the rate of poverty raises with every additional member of the household, only exception being one-member households where the poverty is higher (18.8%) compared with households with two members (13.4%). Similarly, the rate of poverty is highest among jobless households (41.6%) compared with other households where there is one employed (17.5%), two employed (3.1%) or three and more employed (4.7%).

Other type of poverty analysis among households indicates that according to the economic status of the household head poverty is mostly present among unemployed (53.7%), then among unpaid family workers (43%), among employed without contributions for social insurance (18.7%) and among pensioners (15.8%). The level of education of the household head is in direct correlation with the rate of poverty. Hence, those without education have the highest rate of poverty (49.4%), followed by those with elementary education (40.9%). Rate of poverty significantly drops among those with higher educational attainment, thus the rate of poverty among households with higher education is 4.4%. According to the source of income among households, poverty is highest among those living on social assistance (90.6%), followed by those with incomes from agriculture (57.4%) and those with incomes from temporary job (57.3%).

Comparison between households at risk of poverty, but also experiencing other social problems (i.e. joblessness and material deprivation), show that 11.5% live at risk of poverty but are at the same time jobless households, while 13% of the households live at risk of poverty but are also at the same time materially deprived.

Diagram 2: Households at risk of poverty, who are jobless and materially deprived

AC=11.5% =at risk of poverty + jobless

BC=13.7% =at risk of poverty + materially deprived

In addition, household's responds in relation to their average incomes provided a chance for calculation of differences in distribution of income, through a Gini index and a Lorenz curve. The Gini index, which measures the extent to which the distribution of income among households within an economy deviates from a perfectly equal distribution, shows that there is moderate to high inequality between disposable income among households in Macedonia (37.83).

Diagram 3: Lorenz curve – Cumulative participation among households according to income
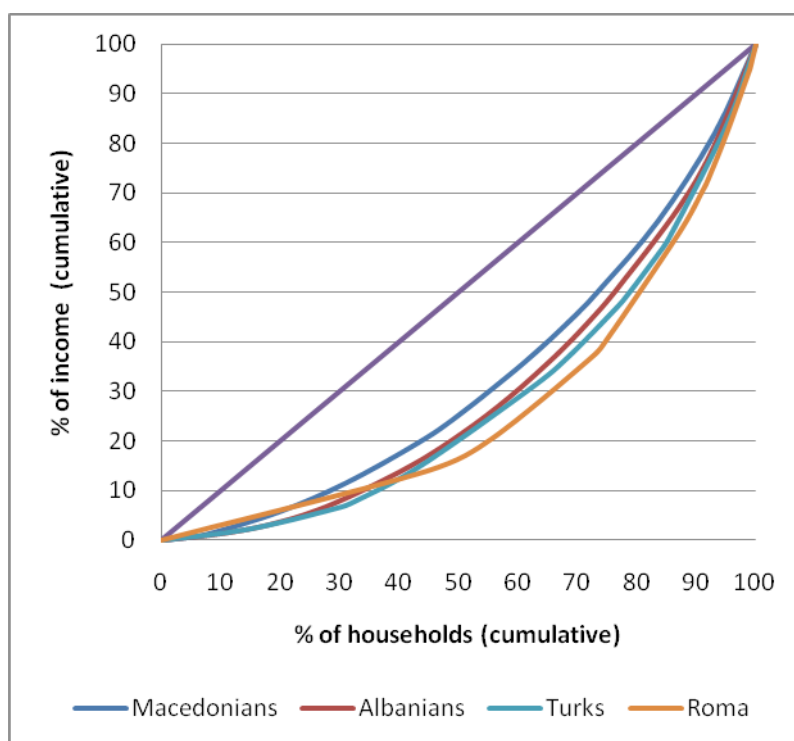

Regional analysis of Gini indicates that the Northeast regions has the highest degree of income inequality (46.58), while the lowest (but still high) inequality is recorded in Pelagoniski region (33.68)

Table 4: Gini index according to regions

Total	Vardar	East	Southwest	Pelagoniski	Southeast	Polog	Northeast	Skopski
37.83	36.05	36.64	38.76	33.68	37.27	35.52	46.58	34.70

Differences in income distribution among households according to ethnicity reveal highest degree of inequality among Roma households (48.52), followed by households of Turkish etnicity (44.46). Inequality among ethnic Albanian household is also quite high (40.93), while inequality among ethnic Macedonian households is lowest in comparison to all other ethnicities (35.23).

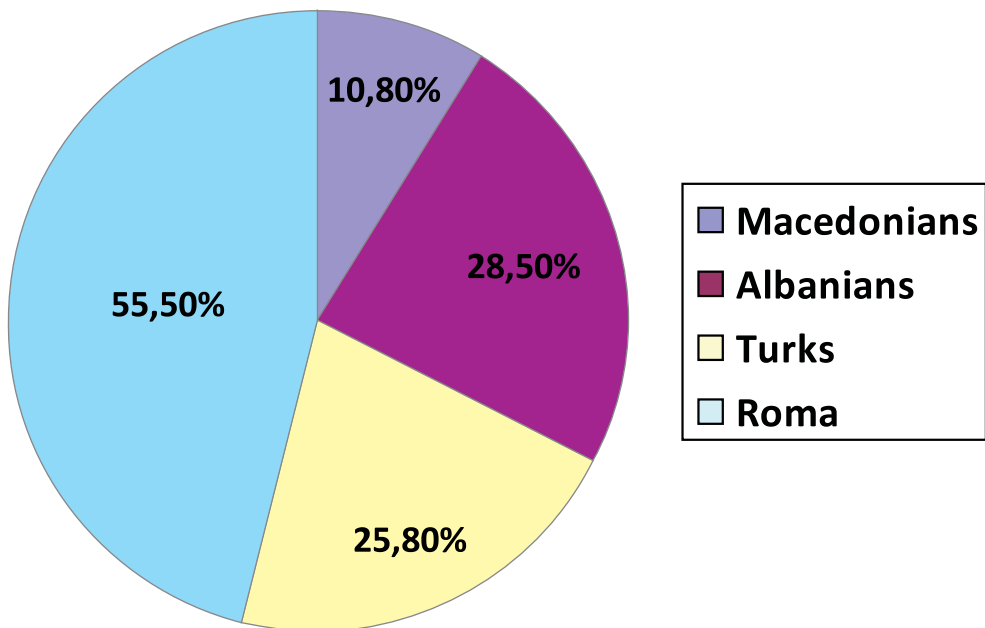Diagram 4: Lorenz curve – Income distribution according to ethnicity

SOCIAL EXCLUSION AMONG HOUSEHOLDS IN MACEDONIA

This section besides aiming to provide the scale of social exclusion in the country according to the EU standards (sum of all households that are at risk of poverty, plus jobless, plus experiencing material deprivation), it also aims to identify exclusion among household members (in particular among unemployed and elderly) according to lack of labour market participation and lack of social protection service/benefit (social insurance, social assistance, education and health). In addition, it also strives to assess the participation of households and particular household members (elderly) in social life (culture, civil organizations and humanitarian activities) as well as their use of services (transport, internet).

The number of those excluded from the labour market within this research will be analyzed according to: a) household members and b) households. Analysis of economic position of all household members indicates that 19.8% of them lack employment or any formal participation in the labour market. However, as this research is focused on households as units, more detailed analysis will be provided for the households excluded from the labour market. Data on households that have no employed members indicate that 37.6% of all households in the survey are excluded from the labour market. If we try to apply the EU approach of analyzing joblessness (share of population aged 0 to 59 living in jobless households[3]), than the rate of exclusion from the labour market among households, or rate of jobless households is 17%. The profile of these households indicates that they are mainly concentrated in the Southwest region (31.9%), mainly belong to Roma ethnicity (55.5%), the predominant type are the households without children (35%) and the household head is mainly with only primary education (30%).
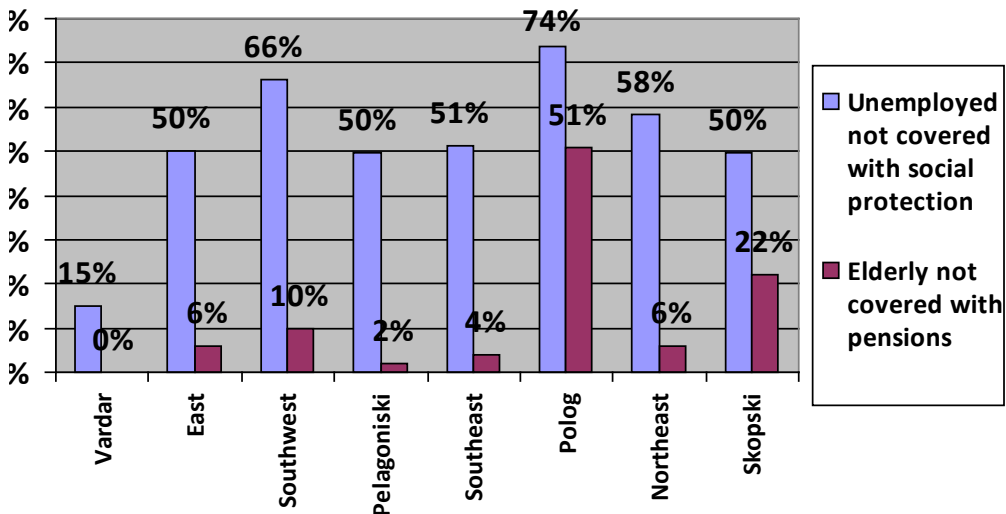
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[3]Modified according to the age of the household head 0-59

Chart 7: Jobless households according to ethnicity

Apart from the labour market exclusion, an indication for social exclusion may be seen among those excluded from the social protection system. Data show that in 54.4% of the households there are unemployed members that are not in receipt of any public benefit or service i.e. are excluded from the social protection system. Most of these unprotected unemployed are concentrated in the Polog region (73.5% of all unemployed in this region are not covered with public protection) and Southwest region (66.2%). In addition, analysis of exclusion among elderly people (above 65) from the social insurance system (pensions) reveals that in 9.3% of the households none of the elderly persons above 65 is in receipt of pension, while among 44% of the households not all of the elderly persons are in receipt of pension. Majority of these households are located in the Polog region (51% of all households in this region with elderly above 65), while Varardski region has the most complete coverage of the elderly within social insurance system (only in 8% of the households some of the elderly are not covered with pension).

Chart 8: Excluded from the social protection system

More positive outcomes maybe seen in relation to educational inclusion, as only 1% of the interviewed households reported that their children do not attend education (0.3%) or that not all of their children attend education (0.7%). These households are mainly located in Polog, Southwest and East region, and belong to households of Albanian and Roma ethnicity.

Access to public health and health insurance is almost universal, as only 3.6% of the households reported lack of health insurance coverage. Additional 3% of the households indicated use of health services that do not require health insurance. Majority of these households (56%) live in villages, one third of them live in the Polog region, and this issue is more pronounced among couples with children (37.5%).

Apart from exclusion from the formal public services and benefits, the research also analysed the access and participation of households in different forms of social life. Here the responds of the households show more worrying trends. Feedback related to participation in cultural life (measured according to frequency of visiting theatre, movies, ballet, opera etc.) suggested that 70.5% of the households do not attend these events, while 21.7% attend them only once or twice a year. Households that do not attend cultural activities are mainly pensioners (33%) and the unemployed (31.1%), and households where the head is without primary or incomplete primary education (40%). Similar responses were given in relation to participation in civil society organization, as 76% of the households do not participate in any type of organization. Those that do participate are mainly engaged in religious organizations (8.9%) or in political parties (7.9%). Identical situation is regarded among elderly people (above 65), as only 10% of them
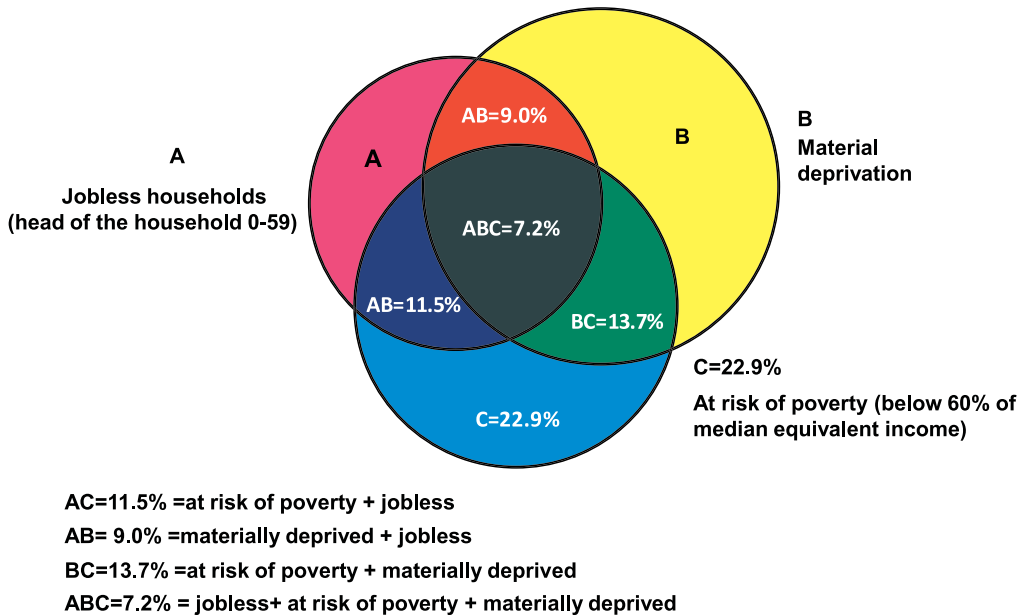
attend religious organizations, 3% pensioners clubs, 2.5% political parties and 3.2% other types of organization. Greater involvement was only evident in relation to participation in humanitarian activities as 46% of the households are engaged in this type of activities throughout the year.

Use of services, such as public transport and internet access is prevailing among majority of the households. However, it is indicative that 10.3% of the households do not use public transport due to lack of financial means, while 8.5% of the households do not have access to the public transport. Those that lack money to use the public transport are mainly households from the Vardar region (25% of the households in this region), households whose head is mainly of Roma ethnicity (16% of all Roma households), and the jobless households (15.2%). Those with lack of access to the public transport are households concentrated in the Southwest (20.9%) and East region (20.1%).

Access to internet in household's homes is characteristic for 53.2% of the respondents, while 23.8% indicated that they do not use it because they do not have a need for it. Among the remaining 22.5% of the households internet can not be financially afforded. These households are those mostly living in Pelagoniski region (32.5% of all households in this region), live in villages (29.4%), households with 6 and more members (31.4%) and households where the head is unpaid family worker (51.1%) or unemployed (42.7%).

Finally, analysis of the three types of most serious social risks faced by the households - poverty, material deprivation and joblessness and their interconnection may also indicate a condition of multiple social exclusion among these households. On the basis of the cross-tabulation of numbers of households that are faced with poverty, social exclusion and joblessness (all three dimensions), it can be seen that 7.2% of all households that are those most deprived in the society.
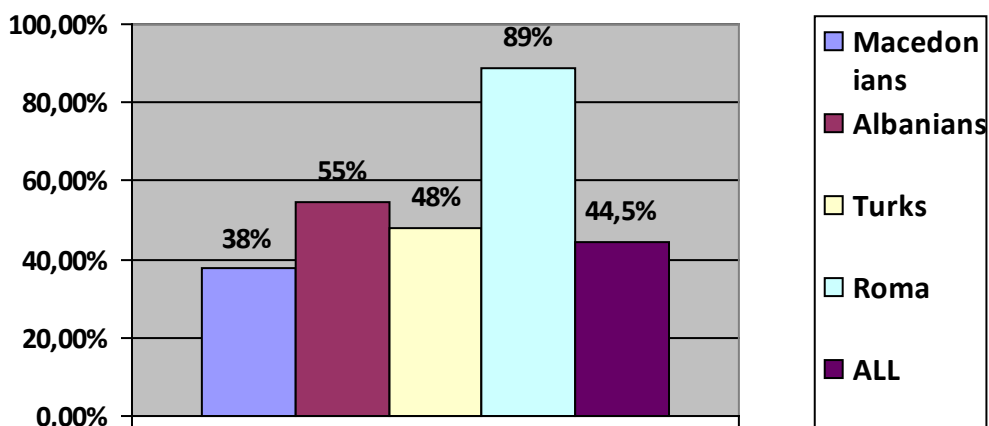
Diagram 5: Households faced with poverty, material deprivation and joblessness

A

Jobless households
(head of the household 0-59)

AB=9.0%

A

B

B
Material
deprivation

ABC=7.2%

AB=11.5%

BC=13.7%

C=22.9%

At risk of poverty (below 60% of
median equivalent income)

C=22.9%

AC=11.5% =at risk of poverty + jobless
AB= 9.0% =materially deprived + jobless
BC=13.7% =at risk of poverty + materially deprived
ABC=7.2% = jobless+ at risk of poverty + materially deprived

Analysis of the profile of households who are most deprived and affected with all three dimensions – poverty, material deprivation and joblessness (or households facing multiple social exclusion) indicate that they are mainly concentrated in the Southwest region (12,1% of all households in this region) and Northeast region (11%). There is no bigger difference in relation to their rural/urban distribution (between 7% and 8% of the households). Ethnic background of these households signals that most affected are Roma households (37.7%), followed by Turkish households (19%). According to other household characteristics, most impacted are households without children (12% of these households), households whose head is without education or incomplete primary education (17%), households whose head is unemployed (24%), households whose average is income is up to 3000 MKD (58%) and those with incomes up to 6000 MKD (32%), and households whose main source of income is social assistance (65%), incomes from temporary (not reported) job (36%) and incomes from agriculture (22%).

If we analyze households at risk of poverty or social exclusion according to the EU and Eurostat approach (households are counted only once even if they belong to more than one category – at risk of poverty, materially deprived and jobless), than we see that 713 households or 44.5% of all households belong to this category.

Chart 9: Households at risk of poverty or social exclusion according to ethnicity

Most affected households with at risk of poverty or social exclusion are identical to those facing multiple social exclusion, with only difference being that larger numbers of households are experiencing this problem.

Chart 10: Households at risk of poverty or social exclusion according to region

DISCUSSION

The richness of data from this study provides possibility for detailed analysis of poverty and social exclusion in the country, based on comparative methodology used by the European Union. In this section the aim will be to discuss and compare the trends in poverty and social exclusion with the existing official national statistics, but also to provide international comparisons. In discussing the results, the goal will also be to identify the effects of poverty and social exclusion on and from the social protection system in the country, as well as to point critical factors contributing to poverty and social exclusion. Consequently, the discussion will aim to contextualise study results with the current debates and paradigms in the academic literature on poverty and social exclusion.

As argued, by Guio and Maquet (2007) the use of material deprivation as an indicator for poverty and social exclusion has been valuable in complementing the income-based indicator of the risk of poverty in order to capture the people missed by the latter. Initial proposition for calculation of material deprivation provided by Townsend (1979) has been largely redefined in relation to lack of resources for minimum acceptable way of life (Callan et al. 1993, Whelan et al. 2002) as well as lacking necessities required by the society as essential (Bradshaw and Finch 2003). The current EU approach regarding ability of households to afford certain consumer items, cover financial costs and so on, seems of high importance for Macedonia, taking into consideration problems with reporting of incomes, undeclared work etc. In this respect, material deprivation indicator provides possibility to assess the value of the disposable income among households in Macedonia, taking into account also current prices and costs in the country.

Results in relation to material deprivation show that the use of this indicator provides much greater population at risk than the income poverty indicator. However our study gives lower percentage of households faced with material deprivation (30.8%), compared with the national official data (41%). Reasons for such difference may occur due to the fact that the official data were not based on a complete list of 9 items (only 8), but also dissimilarity may arise due to time differences. Namely, the official data are based on assessments in 2010 (year when the effects of the global economic crisis were mostly felt in Macedonia), while our study was conducted at the end of 2011.

Different aspects of analysis of material deprivation give many reasons for concern. Starting from the list of items which households in Macedonia can least afford, it is worrying to see that among the three most frequent items is the lack of possibility for a

decent meal, which is characteristic for more than one third of the households. According to the European Public Health Alliance (EPHA) as well as the European Commission, people who can not afford a meal with meat, chicken or fish every second day are people faced with food poverty[4]. Comparative data regarding this item show that in EU 9% can not afford a decent meal, with highest rate being in Bulgaria, 30% (Eurostat, 2010).

The main factor for material deprivation among households in Macedonia, according to their subjective opinion is their financial inability. Analysis of the main source of income among households indicates that 65% of all households receiving social assistance are materially deprived. This is a discouraging factor for the effectiveness of the current social protection system in Macedonia, as benefits paid to social assistance recipients do not provide them with possibility to exit the condition of material deprivation.

Profile of households affected with material deprivation (in this study) is also indicative when compared with the profile of households affected with poverty, according to the official statistics. In particular, the "traditional poor households" such as households with children, are not those most materially deprived. Our study shows that half of the households without children in the country are involved in material deprivation. The reasons for this may be in the fact that childless households are not necessitated to consume or acquire products, which in many cases result from the primary needs of the children (healthy diet, adequate heating, vacation etc.). Other factor (which results from cross-tabulation of variables in this study) is that majority of the childless couples are also jobless households, contributing towards their financial inability for acquiring necessary items for decent living. Differences in the profile of people affected with income poverty and material deprivation have been widely researched in the literature (Eurostat, 2010a; Nolan and Whelan, 1996; Perry, 2002). Discussing factors contributing to these differences, Perry outlines that not just the reported income, but also: ability to borrow, savings levels, support from family, friend or neighbours, different life skills are also among important aspects to look for when trying to understand the relationship between poverty and material deprivation. (2002, p. 106).

Geographical dispersion of material deprivation among regions in the country shows that access to alternative sources of income (i.e. undeclared work or remittances), contribute to a lower rate of material deprivation. Indication of this is the Polog region, which according to official statistics has among the lowest rates of GDP and highest rate of social assistance beneficiaries, but in terms of material deprivation according to this study Polog has the lowest rate of those who can not afford particular items and goods. .

Housing standards among households indicate the quality of living in the country. The study found out that one third of the children in the analyzed households lack individual room, which may be unfavourable for their social and physical development. This finding is similar to previous studies in the country (Gerovska-Mitev, 2009), which also

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4 Blaming without actions for the poor, http://reportingeu.mediajungle.dk/2011/11/16/blaming-without-actions-for-the-poor

emphasized that lack of own individual space, inhibits proper children development, as well as their learning capacities (p.52). In addition, an intriguing finding of this study in relation to housing reveals that prevailing majority of the households in the country (68.3%) use wood as a source of heating. The particularity of this finding may be associated with the rising prices of the central heating in the last years in Macedonia, due to which many households have resorted to individual heating.

Comparative analysis shows that Macedonian households are more affected with material deprivation than with income poverty or joblessness. This indicates lower purchasing power which is below the level of living costs in the country. Country comparisons show that Macedonia's rate of material deprivation is lower than that in Bulgaria and almost similar to that in Romania, but quite above the material deprivation rate in Croatia and almost three times higher than the average EU rate of material deprivation. The extend of population faced with problems of material deprivation in Macedonia also shows completely different picture to that in the European Union of 27, where material deprivation compared to the other two risks (at risk of poverty and joblessness) is least present, or affects smaller proportion of population.

Problems of material deprivation are most difficult to be tackled as generally, policy intervention does not have a direct effect. However, indirect measures, such as social protection subsidies, financial subventions for the social assistance recipients, as well as more generous tax policies towards population at risk (affordable loans and credits), may contribute to improvement of lower living standard and material deprivation.

This research showed that when "at risk of poverty" is measured according to the income approach and with a lower threshold (60% as opposite the 70%) the result is a lower rate of "at risk of poverty". However, the main aim of such measurement in this research is not producing a lower poverty rate, but providing assessment of poverty which is methodologically and conceptually comparative with that of the European Union. Taking into consideration the conditions of unreported income, as well as undeclared work in the country, the concept of measuring poverty according to expenditure also provides valuable information on the profile and extent of poverty in the country. In addition, one also have to be aware that the relative income measure also has its limitations, and as argued by Bradshaw and Mayhew any median threshold is arbitrary and not related to understanding of need, but merely a line drawn on income distribution (2010, p.173).

Another added value of this research is the calculation of the Gini coefficient and the Lorenz curve or the assessment of differences in distribution of income among households in the country. As such calculation is not officially available by the State Statistical Office, previous assessments were only made through the researches supported by the international governmental organizations in the country (the World Bank, UNDP 2009, 2010). According to the first Poverty Reduction Strategy (2001) Gini index in 1997 was 31.5, while in 2000 it escalated to 34.7 (in UNDP, 2009). According to the World Bank,

gap in differences among incomes continued to rise and in 2003 the Gini index was 37.3 (2003). According to the latest assessment by the UNDP (2010), the Gini index in 2009 was 35%. Our study shows that in 2011 inequality in income distribution has increased compared to previous years and stands at 37.8. Regional analysis in the country shows that there is a high variation in income distribution between regions (between 33.6 and 46.5), as well as high variation between different ethnicities (inequality among Roma 48.5 and inequality among ethnic Macedonians 35.2). Comparisons with different countries are not beneficial, due to differences in size and population. However, the high gap of income distribution in addition to the high level of material deprivation revealed in this study signal a need for more effective redistributive policies which will benefit those most marginalized.

Analysis of the most important sources of income in this study show that 24.3% of the households in the country exist primarily of pensions. This is an important indicator for the social protection scheme, particularly for the policy of social insurance. Namely, taking into considerations recent policy choice for reductions of social protection contribution in the country (i.e. reduction of pension contributions from 21.2% to 18 % of the gross salary), the amount of pension is being put at risk. In the same way, the destiny of those who exist solely from the pension income (not only the elderly households, but also multi-member households) is being jeopardized.

Additional particularity in relation to findings related to poverty is that different ethnic households are affected more by income poverty than by material deprivation. This mainly stands for Roma and Macedonian households, whose rate of income poverty is much higher than their rate of material deprivation. Literature on poverty/deprivation (Eurostat, 2010) outlines "absence of highly educated individuals in the household increases significantly the risk of cumulating income poverty" (p. 34). In addition it lists other factors such as: level and type of work attachment of household members (i.e. self-employed), household composition (i.e. single parent, single-earner), as factors impacting more income poverty than material deprivation.

Finally, the analysis of social exclusion among households in the country provided possibility for assessing exclusion from the labor market, social protection and social insurance systems, as well as lack of use of services, such as health, transport, internet, and lack of participation in organizations within the civil society. In this respect, it was not a surprise to reveal that the highest rate of exclusion can be associated with the labor market (37.6% of all households). However, more alarming is the finding that among majority of the households in which there are unemployed members (54.4%), there is no coverage by the social protection scheme. Apart from the unprotected unemployed, the study also finds that 9.3% of the elderly above 65 are not covered with the pensions system. These are all striking features of the social protection scheme. Despite endeavors for its reformation towards greater efficiency and responsiveness, it shows that it fails to provide basic support for the categories most in need (unemployed, elderly). As suggested

by Cain, social protection does not only intervene in breaking the intergenerational transmission of poverty, but it also ensures that individual instruments complement one another to progressively achieve universal coverage and predictable and cumulative benefits to individuals and households as to promote pro-poor growth and reduce social exclusion" (2009, p.1).

Apart from access to formal public services, the study also indicates worrying results in relation to participation of households in the social life. Namely, the study indicates that a large majority (70.5%) lacks participation in the cultural events throughout the whole year. This finding leads us to the conclusion of the existence of cultural poverty and cultural exclusion in the country. Despite the fact that many may underestimate the impact of culture on decreasing poverty and social exclusion, still many case studies and experiences confirm this correlation. For example, local projects, such as drama workshops in France and training in digital media in UK have contributed towards employments in these creative industries. Local history groups in Denmark have provided opportunities for elderly people to meet and reduce their risk of social exclusion. In this respect, access to cultural life can have positive effect on reducing poverty and social exclusion, mainly though: building skills and self-confidence, enhancing self-esteem and identity, overcoming cultural diversity and discrimination, creating employment opportunities as well as promoting social integration (Centre for Public Policy, Northumbria University, 2004).

The study finishes with estimations on people living in poverty and social exclusion, analyzed according to: a) cumulative sum of those household faced by all three risks – material deprivation, poverty and joblessness as well as b) sum of households who are faced with at least one of the three risks. The former category provides analysis of households who are most deprived in the society (7.2%), and may be defined as households faced with extreme poverty and social exclusion. Comparisons with the European Union show that the same category (those faced with all three risks) represents 6% of the total population in the Union. While we may estimate that there is small proportion of households affected with extreme poverty and social exclusion in Macedonia, still the proportion of households affected with at least one of the three risks indicates that almost half of the population or 44.5% are at risk of poverty or social exclusion. Comparative analysis with the European Union shows that the proportion of the same group represents 23.5% at the level of EU 27, with highest rates in Bulgaria and Romania (41%). Factors contributing towards risk of poverty and social exclusion in Macedonia, according to the affected sample group in this study, mainly involve: living in region with lower GDP, households size, lower education, unemployment status, as well as living on social assistance.

CONCLUSIONS AND RECCOMMENDATIONS

The findings in this study provide new and in-depth information's on material deprivation, poverty and social exclusion among households in Macedonia, based on harmonized methodology, which allows international comparisons.

Measurement of poverty and social exclusion according to Europe2020 indicators shows that in Macedonia the risk of poverty and social exclusion affects almost half of the population. More concretely, 44.5% of the households in the country are faced with at least one of the three risks – material deprivation, poverty or low work intensity. Analysis between these three different risks indicates that prevalent is the risk of material deprivation (30.8%), followed by the risk of poverty (22.9%). The risk of low work intensity or joblessness affects 17% of the households. Assessment of households affected with all three risks suggests that 7.2% suffer from severe cumulative disadvan¬tage, and can be defined as the most poor and excluded group in the society.

Apart from the data calculated according to the EU2020 indicators, the study also shows a moderate to high inequality of income distribution among households in Macedonia (0.38). In addition, analysis of households lacking access to social protection system reveals that in 54.4% of the households the unemployed members are not in receipt of the social protection benefit (neither unemployment benefit nor social assistance), while among 9.3% of the households none of the elderly persons above 65 is in receipt of pension. Study also finds concerning degree of cultural poverty and exclusion, as 70.5% of the population in the country lack participation in cultural life throughout the year.

The profile of households faced with at risk of poverty and social exclusion in this study suggests following factors to be main contributors: living in region with low GDP per capita (Northeast region), belonging to less represented ethnic community (Roma), living on social assistance, lack of basic education (households where household head is without primary or completed primary education), lack of employment (household head unemployed) as well as household size and structure (couples and household with children are more affected with poverty, while household without children and elderly households are more affected with material deprivation).

Taking into consideration that low education, lack of employment and low incomes are generic factors, the following table indicates other specific variables of poverty and social exclusion in Macedonia, such as ethnicity, region and type of households, which based on this study are most affected with the analyzed problems.

Table 5: Profile of most affected households in Macedonia with poverty, material deprivation, joblessness and social exclusion

| | Highest Income Poverty | Highest Material Deprivation | Highest Joblessness | Highest exclusion from social protection | | Highest risk of poverty and social exclusion |
				Unemployed without coverage from social protection	Elderly without coverage with pensions	
Region	Northeast	Northeast	Southwest	Polog	Polog	Southwest
Ethnicity	Roma	Roma	Roma	Macedonian	Albanian	Roma
Type of household	Couples with children	Household without children	Household without children	Other households with children	Other households with children	Household without children

The profile of households most affected with risk of poverty and social exclusion offers possibility for more targeted policy approaches in specific domains. Roma ethnicity stands out as most affected with issues of poverty and social exclusion, which mainly results from their high rates of joblessness and low incomes. While Roma seem to have adequate coverage with the social protection system, elderly Albanians and unemployed Macedonians are mostly lacking coverage with pensions (Albanians) and social assistance or unemployment benefit (Macedonians). Taking into consideration anecdotal evidence of prevalence of informal and undeclared work among Albanians (in the past), lack of contributory-based pensions seems obvious. Less clear is the prevalence of Macedonians among those lacking coverage with unemployment and social assistance protection, but reasons such as increased rigidity in the social protection system and living in multi-generational household may lay behind some of the explanatory factors. Spatial dispersion of poverty and social exclusion indicates three regions as most affected – Northeast, Southwest and Polog. These are also the regions with the lowest GDP per capita in the country, which may explain some of the reasons for their prevalence among those most affected. The type of the household as a variable for poverty and social exclusion confirms previously discussed literature debates that there is no clear connection between the size and structure of the household and poverty and social exclusion. Personal, socio-economic and environmental characteristics, as well as different needs such as health status of household members, their needs for transport or child care can explain why individuals with the same levels of resources can have different levels of accomplishments.

Qualitative analysis of the study results also point to worrying trends as well as certain risk factors that are associated with the coverage and amount of national social protection benefits. Namely, large group of those living in poverty and social exclusion are social assistance beneficiaries, indicating that social protection system does not significantly supports a decent living standard of its beneficiaries. Hence, reliance to the social protection system increases the chances of poverty and social exclusion among households.

The results presented in this study aim to contribute to the ongoing redefinitions and impact assessments of the national social policy as well of the current social protection system. More concretely, the study results can be used as evidence based resource in the process of defining national targets in relation to poverty and social exclusion. In addition, indicated profile of vulnerable households can also be tackled with the ongoing redefinition of the National Strategy for alleviation of poverty and social exclusion. In this direction, the study also provides list of concrete recommendations which should be taken into consideration by the advocates, creators and administrators of social policies in the country.

⌘   Disaggregatation of current national target stipulated in the national Strategy for Employment – 2015 related to people below poverty line, into three different national targets – people at risk of poverty, people with low work intensity and people faced with material deprivation. Stipulation of national targets should be based on evidence based data as well as upon integrated approach with other national targets (employment, education).

⌘   Redefinition of socially excluded categories in the national strategic documents through incorporation of households faced cumulatively with risks of poverty, material deprivation and joblessness.

⌘   Tackling material deprivation through combination of measures, such as: public provision of loans and credits with lower interest rates and grace periods, mainly aimed at categories such as employed with incomes below average, in-work poor, social assistance recipients, and other; increasing the amount of social (financial) assistance accompanied with improved targeting towards vulnerable categories lacking coverage by the social protection system and preventing access to those working in undeclared jobs.

⌘   Reducing income poverty, joblessness, poverty and social exclusion among Roma through greater emphasis on tailor-made programmes for employment and education that reflect their socio-economic, cultural and traditional particularities.

⌘   Introducing income support for those above 65 not covered with the pensions system. This may take a form of social pensions or other type of benefit from the social protection system.

⌘   Provision of targeted assistance and social services to people living at risk of poverty and social exclusion in the most disadvantaged regions and locations.

⌘   Increasing active measures for employment (within National Actions Plans for Employment) targeted towards registered unemployed without basic education. Such measures can either have a form of elementary or vocational classes based on previous assessments of labor market needs.

⌘   Introducing possibility of free attendance to cultural events to vulnerable categories in order to tackle cultural poverty and exclusion.

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ANNEX: QUESTIONNAIRE

SECTION 1: BASIC HOUSEHOLD INFORMATIONS

D1. Gender of the household head
1. Man
2. Woman

D2. Age of the household head: _____

D3. Nationality of the household head

1. Macedonian
2. Albanian
3. Turkish
4. Roma
5. Vlach
6. Serbian
7. Bosniac
8. Other _____

D4. Which language do you use in your household in the everyday communication?

1. Macedonian
2. Albanian
3. Turkish
4. Roma
5. Vlach
6. Serbian
7. Bosniac
8. Other

D5. How would you define the structure of your household? Is it:

1. Couple with children
2. Other household with children
3. Household without children
4. Elderly household without children (65+)

D6. Total number of household members:
1. One member
2. Two members
3. Three members
4. Four members
5. Five members
6. Six members and more

D7. Number of children in household

D7a.   Total number of children in the household on the age 0 - 6 years: __ __

D7b.   Total number of children in the household on the age 7 - 14 years: __ __

D7c   Total number of children in the household on the age 15 -18   years: __ __

D7d.   Total number of children in the household on the age 19 and above: __ __

D8. Education of the household head

1. Without education
2. Incomplete primary education
3. Primary education
4. Secondary education three years
5. Secondary education four years
6. Higher education
7. University education
8. Postgraduate degree - MA/MSC
9. Postgraduate degree - PhD

D9. Economic status of the household head

1. Employed (with paid social insurance contributions)
2. Employed (without paid social insurance contributions)
3. Unemployed
4. Student
5. Unpaid family worker
6. Pensioner
7. Unemployed due to illness or disability

D10. Number of employed members in the household

1. Without employed
2. One employed
3. Two employed
4. Three and more employed

SECTION 2: MATERIAL DEPRIVATION

Q1. Please indicate the home tenure status?

1. House/apartment owner with a legal title
2. House/apartment owner without a legal title
3. Rented apartment with a market price
4. Rented apartment below the market price, or without any price
5. Improvised home/shack

Q2. According to you, which of the listed items below cannot be afforded by the household?

Q2_1 1. to pay their rent or utility bills
Q2_2 2. keep their home adequately warm
Q2_3 3. face unexpected expenses
Q2_4 4. eat meat, fish, or a protein equivalent every second day
Q2_5 5. a week of holiday away from home once a year
Q2_6 6. a car
Q2_7 7. a washing machine
Q2_8 8. a colour TV or
Q2_9 9. a telephone
Q2_10 10. i can afford all of the times

Q3. According to you, what is the main reason due to whih the household cannot afford the items listed above?

1. Due to lack of financial possibilities
2. We don't want them/don't need them
3. Other _____

Q4. How many rooms you have in your house/apartment?

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

Q5. Do your children have their own room?

1. Yes
2. No, because we are many people
3. No, because of other reasons

Q6. Do you have a bathroom in your house/apartment?

1. Yes, toilet and a bathroom
2. Yes, just toilet without bathroom
3. No, we don't have a toilet and bathroom in our house, but in our backyard
4. No, we don't have a bathroom at all

Q7. Do you have heating in your home?

1. Yes, central heating
2. Yes, individual electric heating
3. Yes individual heating on wood
4. Yes, individual heating (other)
5. No, we don't have a heating

Q8. Do you have access to a water in your home?

1. Yes, from the public supplier
2. Yes, from individual sources (individual electric water pumps, water well)
3. We don't have an access to water in our home

SECTION 3: LIVING STANDARD

Q9. Please indicate the average monthly income of your household in the last year?

01.   0-3,000 **MKD**
02.   3,001-6,000 **MKD**
03.   6,001-9,000 **MKD**
04.   9,001-12,000 **MKD**
05.   12,001 - 15,000 **MKD**
06.   15,001 - 18,000 **MKD**
07.   18,001 - 21,000 **MKD**
08.   21,001 - 24,000 **MKD**
09.   24,001 - 27,000 **MKD**
10.   27,001 - 30,000 **MKD**
11.   30,001 - 45,000 **MKD**
12.   45,001 **MKD** +

Q10.   Is your household faced with reduction of incomes in the last 2-3 years?
   1.   Yes, our incomes are reduced
   2.   No, our incomes are the same
   3.   No, our incomes have increased

Q11.   What are the reasons for income reduction in your household?
   1. Changes in the labor market (job loss, reduction of salary, temporary job, etc.)
   2. Health reasons
   3. Other reasons

Q12.   Do current incomes in the household provide you with a decent living standard?
   1.   Yes
   2.   No

Q13. What is your perception of a decent living standard of your household?

_____
_____
_____

Q14a. What are the sources of the monthly income in your household?

Q14b. What is the most important source of the monthly income in your household?

	Q14a (multiply answers)	Q14b (just one answer)
Incomes from permanent job	Q14a_1.....1	1
Incomes out of permanent job (seasonal work, undeclared work, etc.)	Q14a_2.....2	2
Incomes from pensions	Q14a_3.....3	3
Incomes from abroad	Q14a_4.....4	4
Incomes from agriculture	Q14a_5.....5	5
Incomes from ownership (renting, selling)	Q14a_6.....6	6
Loans	Q14a_7.....7	7
Social Assistance	Q14a_8.....8	8
Other	Q14a_9 _____	_____

Q15.   Please indicate the average monthly income of the household head?

01.   0-3,000 **MKD**
02.   3,001-6,000 **MKD**
03.   6,001-9,000 **MKD**
04.   9,001-12,000 **MKD**
05.   12,001 - 15,000 **MKD**
06.   15,001 - 18,000 **MKD**
07.   18,001 - 21,000 **MKD**
08.   21,001 - 24,000 **MKD**
09.   24,001 - 27,000 **MKD**
10.   27,001 - 30,000 **MKD**
11.   30,001 - 45,000 **MKD**
12.   45,001 **MKD** +

Q16.   Is your household using loans or credits from banks or other financial isntitutions in the last 2-3 years in order to sustain the current living standard?
   1.   Yes
   2.   No

Q17. Which of the following describes your household purchasing possibilities best?

1. I can buy everything I want
2. I can buy little more than the necessary
3. I can buy only the existential items
4. I cannot buy/afford neither the necessary/existential items

SECTION 4: SOCIAL EXCLUSION

Q18. How frequent during the year you or your household members visit cultural events (theater, cinema, opera, ballet, etc.)?

1. None
2. Rarely, once or twice a year
3. Once to twice monthly
4. Every week

Q19. In which of the listed organization you or your household members participate in?

Q19_1 1 Political parties
Q19_2 2 Church and other religious organizations
Q19_3 3 Sport organizations
Q19_4 4 Humanitarian organizations
Q19_5 5 Other types of organizations
Q19_6 6 We don't participate in any organization

Q20. How frequently you or your household members participate in some form of voluntary work, like: assistance for the poor, elderly, disabled, ecological activities, etc.)

1. Every day
2. Every week
3. Few times a month
4. Once a month
5. Once a year
6. Never

Q21. Do you or your household members use public transport?

    1. Yes
    2. We don't use public transport (we don't have access to it)
    3. We don't use public transport (because we use our own or private transport)
    4. We don't use public transport (due to lack of finances)

Q22. Do you or your household members use the public health services?

    1. Yes, because we have health insurance
    2. Yes, but only those services that do not require health insurance (immunization, free health check-ups)
    3. No, because we do not have health insurance
    4. No, because we use private health insurance
    5. Other _____

Q23. Do you or your household members use internet in your home?

    1. Yes
    2. No, because we don't need it
    3. No, because we cannot afford it
    4. Other _____

Q24. Do household members in your home older than 65 use any type of pension (old-age pension, disability pension, survivor's pension, minimal pension)?

    1. Yes, all elderly household members
    2. Yes, but not all of the elderly household members
    3. No, none of the elderly household members
    4. We don't have household members older than 65

Q25. Do household members in your home older than 65 participate in any of the listed organizations?

    Q25_1 1 Political parties
    Q25_2 2 Church and other religious organizations
    Q25_3 3 Sport organizations
    Q25_4 4 Humanitarian organizations
    Q25_5 5 Pensioners clubs

Q25_6   6   Voluntary organizations
Q25_7   7   Other forms of organizations
Q25_8   8   Do not participate in any organization

Q26.   Are unemployed members in your household beneficiaries of any type of income support?

Q26_1   1   Unemployment assistance
Q26_2   2   Training services
Q26_3   3   Health protection
Q26_4   4   Pension and disability insurance
Q26_5   5   Social assistance
Q26_6   6   They're not beneficiaries of any kind of public support
Q26_7   7   We don't have unemployed members

Q27.   Are children (up to 18 years of age) in your household included in the educational system?

Q27_1   1   No, they are not on school age
Q27_2   2   Yes, in pre-school education
Q27_3   3   Yes, in primary school
Q27_4   4   Yes, in secondary school
Q27_5   5   Yes, but not all children
Q27_6   6   No, none of the children is included in the educational system

Q28. What is the main reason due to which the child/ren is/are not included in the educational system?

1.   Lack of financial possibilities
2.   Health reasons
3.   Home related responsibilities
4.   Lack of official residential documents
5.   Other _____

"The findings of this study provide a very good contribution to the academic debate by making the dimensions of poverty in Macedonia accessible and by enabling the readers to understand the conclusions and needed consequences for policy development. One would wish that the policy makers of social policy in Macedonia would carefully study the final Chapter "Conclusions and Recommendations". The author succeeds in drawing concrete and relevant conclusions from the rich qualitative and quantitative data. Especially the recommendations of the study are of high relevance for a policy development that aims at reducing poverty levels in Macedonia".

Dr. Heinz Bongartz, Friedrich Ebert Stiftung, Macedonia

"Greatest attention in this research study deserve two very precise developed scientific theses: for the first time in our academic literature there is an identification of profile of households living at risk of poverty, as well as the calculation of the composite indicator for households living in poverty and social exclusion in Macedonia. This study is an excellent example of a scientific research in which there is: a consistent methodological approach; comparative analysis on national and European level; analysis of the legislative framework and the institutional governance, individual and critical interpretation of the public measures; as well as analysis and discussion of the policies and measures of the Europe 2020 agenda.

Prof. Maria Donevska, PhD, Faculty of Philosophy, Skopje