

## 2019 NATIONAL PLATFORM ON ROMA INTEGRATION IN THE REPUBLIC OF NORTH MACEDONIA

11 September 2019, Skopje

**:: POLICY RECOMMENDATIONS ::**

### THE 2019 NATIONAL PLATFORM ON ROMA INTEGRATION

The Government of the Republic of North Macedonia, represented by the Minister without portfolio responsible for the implementation of the Strategy for the improvement of the situation of Roma, who is also the National Roma Contact Point, together with the Regional Cooperation Council's Roma Integration 2020 Action Team, organised the second National Platform on Roma Integration in the Republic of North Macedonia on 11 September 2019 in the Government building in Skopje.

The National Platform was attended by around 60 participants, representatives of the central institutions responsible for the implementation of the Strategy, of the civil society organisations and Roma communities, of the local self-governments, of international organisations, including the Delegation of the European Union, as well as of media.

The National Platform on Roma Integration mirrors similar annual meetings organised at the EU Member States that serve the purpose of presenting the annual progress in the implementation of the National Roma Integration Strategy and the impact that the policy has on the lives of Roma, and of discussing challenges, priorities, possible solutions and recommendations. Since the Government of the Republic of North Macedonia is still in the process of preparing the 2018 annual report on the implementation of the Strategy, the focus of the discussions at the National Platform was put on the issues raised with the [Roadmap 2019-2021](#) prepared jointly by the RCC's Roma Integration 2020 Action Team and the Government of the Republic of North Macedonia.

### INTRODUCTORY REMARKS

The Minister without portfolio opened the second National Platform on Roma Integration by sharing the good news that the Government allocated additional 7 million Macedonian denars (somewhat above 110 000 EUR) for the implementation of the Strategy for Roma, with the rebalance of the public budget. This is on the top of the 23 million Macedonian denars allocated for the adaptation of the military barracks into social housing in the municipality of Kocani, for housing of Roma, expected to be completed by 2020. Additionally, the Minister announced doubling of the funding for infrastructure projects in Roma settlements from 20 to 40 million Macedonian denars in 2020.

The Minister noted that the key challenges in implementing infrastructure projects are that many of the settlements are not included in the General Urban Plan (GUP) or are not projected with a Detailed Urban Plan (DUP), both needed for building permits and urban development, and that, consequently, many dwellings of Roma are not being legalised or even when legalised (positive decision on legalisation) are not properly registered and documents are not issued.

In the area of employment, the Minister expressed disappointment that only 393 Roma have used the active employment measures in the previous period, which is very limited number, and that the Roma are still not adequately represented as public servants in the public sector. According to the Minister, the digital tool for proportional representation in the public sector "Balance", instead of securing equitable representation, contributes to further disparities. It is also worrisome that the majority of the Roma in the public sector are supporting staff, particularly physical workers at the communal services, and much less at higher and managerial positions. There are still institutions with no Roma employed.



The Team Leader of the Roma Integration 2020 Action Team commended the Government of the Republic of North Macedonia on the successful initiative that the Prime Minister launched at the EU-Western Balkans Summit in Sofia, Bulgaria in May 2018. The initiative was crowned by the Western Balkans Prime Ministers adopting the [Declaration of Western Balkans Partners on Roma Integration within the EU Enlargement Process](#) (Regional Declaration). The key achievement with the Declaration is that it set the targets for the Western Balkans governments to be achieved in regards to Roma integration before gaining EU membership.

The Team Leader emphasised the need to prioritise the areas of employment and housing, as areas where least progress is made, and even in certain aspects the situation deteriorated. The Roadmap 2019-2021 is therefore focused on these two areas, and the Roma Integration 2020 Action has the mandate and resources to provide technical assistance to the governments, including of the Republic of North Macedonia, to help the achievement of the set objectives with the Roadmap and the Regional Declaration. The assistance to the government in maintaining proper institutional arrangements, monitoring the progress and Roma responsive budgeting shall continue. Particularly important for the Republic of North Macedonia is the initiative that the Roma Integration 2020 launched with the National Roma Contact Point, the State Statistical Office and the European Union for formulating and piloting a Roma integration survey that would be included in the regular 5-year programme of the State Statistical Office.

#### EMPLOYMENT: ACTIVE EMPLOYMENT MEASURES 2019

At the opening of the session on employment, the part on employment from the Roadmap 2019-2021 was presented. The key points from the Roadmap are the following:

- The employment rate of Roma is 22%.<sup>1</sup> While this rate is promising in terms of achieving the target of 25% set with the Regional Declaration, the Republic of North Macedonia should aim higher and achieve more, particularly in view of the general employment rate of around 40% in the economy.
- The proposed targets are the following: 25% by 2021, 30% by 2025 and 35% by the time the economy becomes an EU Member State.
- The most efficient way to achieve the set target is to transform the undeclared work among Roma into declared, since undeclared Roma workers are already engaged in the labour, and it is simply an issue of recognising such work through a programme that shall yield benefit both for the Roma and the economy at large. Additionally, a programme enabling Roma to transform their work into declared has the potential to cover many more beneficiaries than any other measure in employment.
- 39% of the Roma are engaged in undeclared work, compared to the 15% of their neighbours. The sectors in which most of the Roma undeclared workers are engaged are: waste collection and management, agricultural or construction seasonal works, street / open air market vendors, housekeepers / cleaners (particularly for women).
- The proposed targets are the following: 33% Roma engaged in undeclared work by 2021, 25% by 2025 and 15% by obtaining EU membership.
- A programme to transform the undeclared work among Roma should be based on the existing legal framework including:
  - Strategy for Roma 2014-2020 (measure 2.4. Transforming informal economy)
  - Operational Conclusions on Roma Integration (currently envisaging novelty effective programme for employment)
  - Annual operational plan for the active employment measures
  - Strategy for formalising the informal economy 2018-2022
  - Law on banning and preventing engagement in undeclared work
  - Law on one-off write-off of debts of citizens.

The Ministry of Labour and Social Welfare representative presented the newest data from the administrative register on unemployment, noting that the unemployment is decreasing, but is still

<sup>1</sup> According to the 2017 Regional Roma Survey of the European Commission, UNDP and World Bank.

high in general terms. Among the 101 000 registered active employment seekers, there are 8 718 Roma, representing 8.6% of the total active employment seekers (which is evidently over-representation of Roma among the unemployed). The education distribution among those active employment seekers is unfavourable, with 92% with completed primary school or less, 3.2% with incomplete secondary and 4.2% with complete secondary school, 0.27% with university education. The Operational plan for active programmes and measures for employment and services on the labour market for 2019 has a budget of 1.1 billion Macedonian denars for active employment measures, and includes vulnerable groups and long-term unemployed. The operational plan has been developed with consultations of interested parties - the employers, who are identifying the inadequate qualification of unemployed as the main obstacle for their employment. A range of active employment measures exist, although those are clearly not sufficient to tackle the unemployment among Roma. The active employment measures are the following: self-employment support with 4-5 000 EUR per beneficiary (specifically for Roma self-employment as taxi-drivers and agricultural workers is allowed); subsidised salary (19 000 MKD per month per beneficiary for 3, 6 or 12 months); growth of legal entities (92 000, 768 000 and 1 million MKD per beneficiary) with new jobs; trainings: for known employer, for professional qualifications, for deficit professions and crafts, for digital skills and a specific pilot project in Strumica region; internship (new Law on Internship has been adopted to add a possibility for internships paid by the employers); work engagement programme: on municipal community service and on public works.

The Ministry of Labour and Social Policy representative also briefly presented the four objectives of the Strategy for formalising the informal economy 2018-2022, including: 1) improved monitoring of the informal economy; 2) improved environment for development and growth of companies; 3) stimulating formalisation of informal work; 4) tax discipline / culture promotion. While the whole third objective is relevant for Roma, it is particularly relevant that the Strategy envisages a voucher system for formal selling of services, such as housekeeping for instance. An IPA funded action has been approved to analyse the context and develop a model for the voucher system, which should be implemented in the following period, and should include the aspects relevant for Roma.

The representative of the Public Employment Service stated that the target of 200 unemployed Roma included in the active employment measures has been achieved in 2018 with 230 Roma (unlike 170 in 2017). In 2019 189 Roma have been included so far, and it is expected that the total number by the end of the year will be even greater than in 2018. The participation of Roma in the active employment measures is the following:

- Self-employment: 46 Roma applicants (still not completed); the measure include specific possibilities for formalisation;
- Salary subsidy: 28 Roma (the criteria for participation are high thus prevent larger number of Roma to participate);
- Growth of businesses: 19 Roma;
- Trainings:
  - Known employer: 4 Roma;
  - Professional qualification: ongoing;
  - Deficit professions and crafts: 74 Roma applicants, 34 concluded contracts;
- Work programme:
  - Municipal community work: 27 Roma;
  - Public works: 79 Roma.

Additionally, 109 Roma are involved in motivational workshops, 578 individual employment plans are developed and 377 persons have been involved in professional orientation. There is a specific UNDP project for activation of unemployed Roma. The newly introduced “youth guarantee” is proving to be a very successful programme.

The project implemented by UNDP was briefly presented by the UNDP representative. 45 Roma have been employed through that project besides those that have gained employment through the active employment measures. The project is providing adult education in order to soften the

problem of lack of qualifications. The programme that is going to be implemented based on the “ACCEDER” programme from Spain will include: mediation between Roma and the employers; explicit but not exclusive targeting; mentoring support; municipal communal work.

The representative of the Roma Entrepreneurship Development Initiative (REDI) identified numerous challenges related to the transformation of undeclared work, including the monitoring of the informal economy as a particular challenge also from the aspect of sensitivity towards socially deprived and vulnerable groups. The policy for transformation of undeclared work focuses mostly on the existing registered businesses, rather than individual persons who practice undeclared work as an existential strategy. A survey performed by REDI with 100 Roma entrepreneurs shows that 90% of them are involved in undeclared business, mainly micro or small, because of the following: lack of trust in the system; lack of courage to enter the formal sector (fear); lack of stimulation and support; lack of transition opportunity (immediate effects of formalisation); lack of access to financial instruments and finances. Particular challenges are faced by the waste collectors (REDI can provide much more information on this issue), that also need specific forms of organising as legal entities, such as social entrepreneurship. The recommendations are to facilitate the transition and make it gradual, lower the tax requirements (in variety and amounts), provide access to finances, lower the basic capital and registration requirements for trade companies within the law, introduce social entrepreneurship by law, open business incubators and centres for promotion of entrepreneurship, take into consideration the needs of the young Roma potential and current entrepreneurs.

The representative of Romalítico warned that the new social package is pushing Roma into active employment seekers category in order to benefit from the social services, but without much prospect to actually gain employment within the current circumstances. Also, the absolute numbers of Roma participants in the employment measures are growing, but the relative numbers are most probably the same, as there is very limited impact. The education structure of the unemployed Roma has not changed much from 2005, thus the effectiveness of the education policies should be examined, and the more adult schooling opportunities should be made available. However, each year there are around 30 newly Roma university graduates that have difficulties finding jobs. The active employment measures are largely ineffective in terms of resulting in actual employment, particularly because 40% of the Roma participants in the measures are in public works, which only have short-term effects. Additionally, budgets allocated for various employment measures are often underspent. Romalítico recommends introduction of quotas for Roma in the active employment measures, consultations with Roma civil society when employment policies (including projects funded by donors) are formulated. As for the transformation of the undeclared work, it is recommended to make a difference between undeclared workers working in registered legal entities and those working as individuals that are socially deprived. The proposed law on social entrepreneurship should be brought and it should include grant scheme for civil society to promote social entrepreneurship and start such businesses. The Law on Trade Companies should enable that a waste collector is registered as such; the basic capital needed to register a company should be lowered from 5 000 EUR to 1 EUR. The Strategy for formalisation of the informal economy, particularly the third strategic objective, should be developed in a way to respond to the needs of those that are completely outside the formal sector, such as waste collectors. The voucher system should include the types of works that Roma are usually doing.

The Roma Member of the Parliament (MP) of the Republic of Macedonia commended the Ministry of Labour and Social Policy for having 5.8% of Roma employees, but also commented on the inadequate criteria for participation in the active employment measures preventing Roma from participation and noted that the participation of Roma among the total number of employed in the Republic of North Macedonia has dropped from 1.4% in 2017 to 1.3%. The MP expressed readiness to present and defend legal proposals in the Parliament that would benefit Roma in the ways discussed at the National Platform.

Other discussions suggested the need for a particular law on individual waste collectors, demopolisation of the waste collection sector that has been promoted by the law, small lump sum payment of contributions for employees in individual trade businesses (similar as in agriculture),

stop forcing payments to the voluntary pension funds, applying the universal basic health insurance regardless of employment status and differentiating social protection from status rights. One discussion pointed out that the Law on waste management envisages individual waste collectors, but the problem is in the taxation, and that there is a need for de-monopolisation, intervention in the regulation on public procurements related to waste collection, and exemption from payment of personal tax before reached 100 000 MKD annual profit.

#### HOUSING: LEGALISATION AND SOCIAL HOUSING

The discussion on housing was opened by the representative of the Ministry of Labour and Social Policy moderating the session, by reminding that the census data are outdated, and thus there is a lack of data in housing. It was also shared that the social mapping of Roma with an [interactive map](#) has been completed and is available online.

The part on housing from the Roadmap 2019-2021 was presented, starting from the baseline data. The Strategy for Roma estimates that 70% of the Roma dwellings were illegal when the Strategy was drafted. The abovementioned social mapping states that 49% of the dwellings of Roma are legalised, 21% are in the process of legalisation, while for the rest 30% the status is not stated, but it is assumed that these are either dwellings that are in need for legalisation or dwellings that cannot be legalised at all. For both the groups there is a need for intervention: for the first the law on treatment of illegally constructed buildings should be reactivated (the deadline for application should be renewed), and for the rest legal solution should be established in order to gain housing. The law on treatment of illegally constructed buildings does not envisage triggering any social procedures, including social housing, in cases where legalisation is not possible. The Law on housing is vaguely regulating social housing, and there is no proper regulation and obligation to provide social housing, particularly for socially deprived persons, being homeless or evicted. Since legalising existing dwellings is the most cost effective way to make the first step towards resolving the housing issues, the targets are set at: decrease the rate of illegal dwellings from 70% to 55% in 2021, 40% in 2025 and 20% by the time the economy becomes an EU member. As the social mapping result show, the 2021 target has been achieved, which is highly commendable. Further efforts are being made through the IPA II interventions. The Roma Integration 2020 will cooperate with the Romacted programme in initiating local initiatives to identify unused buildings in the municipalities that may be adapted for living and developing funding proposals for their adaptation into social housing buildings, besides proposing a methodology for housing mapping.

The representative of the Ministry of Transport and Connections stated that the homeless persons are the most difficult category that needs social housing. The legislation has not provided for social housing until 2008, when it is only said that the social housing shall be provided through a specific programme. The specific programme is funded by a loan from the CoE Social Development Bank in Europe, but it is rather a programme for housing for those with low income, rather than for the most socially deprived. From the 1 800 apartment units built with the programme, 10% is allocated to Roma, according to a specific priority given to Roma within a list of other prioritised groups. The key challenges to provide social housing are the financial requirements for building social housing and the lack of data both on the needs and the availability of the housing stock. It is, however, interesting to note that in the Republic of North Macedonia the estimation is that there are more empty dwellings than households, thus there is also a need for re-distribution. The Law on Social Housing is being drafted currently, and the key issues are the types of dwellings to be provided (new buildings, reconstructed buildings, individual houses, shelter centres, etc.), and models of social housing agreements (temporary, permanent, subsidised, etc.). It is important to ensure that the social housing that is provided is up to the housing standards (the current situation is not quite such, for example because of overcrowding).

The representative of the UN Habitat informed that from 2012 the organisation is working on assisting Roma in housing. The assistance in legalisations consists of information, financial support in the form of loans and legal support. The organisation identifies as a problem that the deadline for applying for legalisation has passed on 31 December 2018, without all potential beneficiaries in need being able to apply. Out of the 1 200 beneficiaries of the UN Habitat legalisation initiative,

530 are legalised (around 40%), while 700 are in process. The procedure is overly long. Another challenge is that even with positive decisions on legalisation the owners sometimes cannot obtain ownership documents because the dwellings are not included in the urban plans yet. UN Habitat cooperates on a revolving fund for housing for Roma from 2007, with 1 800 Roma beneficiaries so far that have obtained loans for interventions (renovation) of their dwellings. The loan returning rate is as high as 95-97%. UN Habitat considers legalisation highly important because besides security of tenure, it promotes access to financial instruments for any other need.

The representative of the Delegation of the European Union to the Republic of North Macedonia presented the two IPA II actions in housing of Roma, whereby urban planning, infrastructure, and various housing interventions including legalisation are envisaged. Contracts for interventions in Vinica (renewal of 20 legal dwellings and GUP/DUP development), Suto Orizari (GUP/DUP development and renewal of dwellings), and Veles (support wall and waste containers) are in process of concluding. It is important that after the pilot phase of 1 million, the next phase allocates more funding: 3.5 million for this purpose. The EU Delegation prioritises concrete actions for the benefit of the people on the ground rather than studies and meetings, and in this sense, the housing is priority for the integration of Roma.

According to the representative of the Romacted programme, all the municipalities have Roma settlements that are outside of the general and/or detailed urban plans, making impossible legalisation (obtaining ownership documents), infrastructure interventions, urban development, etc. Legalisation is a particular problem for unregistered persons (there is a legal loop requiring address for civil registration, and requiring ID for legalising a dwelling), and for returnees that have missed the deadline for applying for legalisation, or even previous for applying for citizenship. The key problem among Roma is the outstanding debts and often executive orders for payment for outdated debts.

The Roma member of the parliament of the Republic of Macedonia, noted that the budget for infrastructure projects have been increased from 10 to 40 million denars.

The Mayor of Veles expressed regret that the municipalities do not have the mandate for the key areas for Roma integration: employment, social protection and housing, as social housing is central government responsibility. Many of the municipalities face serious financial difficulties, with 20% of them with blocked bank accounts. The Association of Units of Local Self-Governments is preparing and will propose a new Law on treatment of illegally constructed buildings for those buildings constructed after 2011 (that were not the subject of the previous law). The key challenges in the urban planning is that the procedures are too long (sometimes take years) and that there is a lack of good civil engineers to be engaged to develop such plans.

Other discussions on this topic revealed that there is underspending of the funds for building social housing (50%), that the funding for urban planning from the central level is also underspent by the municipalities (40%), that the infrastructure interventions promoted by the Minister without portfolio often stop where the Roma settlements begin, and that the interest rate of the revolving fund is as high as 20% and should be covered by the Ministry of Labour and Social Policy.

## CONCLUSIONS AND RECOMMENDATIONS

- It is highly commendable that the Government of the Republic of North Macedonia is gradually and significantly **increasing the budgetary allocations** for the integration of Roma.
- The Government of the Republic of North Macedonia should **communicate** the [Declaration of Western Balkans Partners on Roma Integration within the EU Enlargement Process](#) with the public and with all the relevant institutions, and **incorporate** it in its policy for Roma integration as part of the EU integration.
- The Government of the Republic of North Macedonia should **complete and make public the 2018 annual report** on the implementation of the Roma integration policy as a matter of urgency.

- The **employment rate among Roma**, found to be 22% in 2017 (as a baseline), should be increased to the following targets: **25% in 2021**, **30% in 2025** and **35% when the economy enters the EU**.
- The **rate of undeclared work among Roma**, found to be 39% in 2017 (as a baseline), should be decreased to the following targets: **33% in 2021**, **25% in 2025** and **15% when the economy enters the EU**.
- The **over-representation of Roma** of 8.6% among the active employment seekers **should be decreased** by ensuring Roma are employed.
- The digital tool for **equitable representation in the public sector** “Balance” should be checked and corrected in consultation with the Roma representatives in order to make sure it serves its purpose. Equitable representation should be pursued also in terms of **distribution of Roma horizontally** (all relevant institutions) **and vertically** (all levels in the hierarchies of the institutions).
- More Roma should be included **in the active employment measures**.
- The **criteria for participation in the active employment measures** should be reviewed from the perspective of obstacles for Roma for participation, and adjusted in order to ensure Roma benefit. A specific recommendation is to add long-term unemployed to the list of eligible for participation in public works.
- **Participation quotas** for Roma in the active employment measures should be considered.
- Provide more **adult schooling** opportunities.
- The Ministry of Labour and Social Policy should **involve Roma** in the process of establishing the **voucher system** for formalisation of the informal work, in order to respond to the needs and circumstances of Roma. Additionally, the Strategic objective 3 of the Strategy for formalisation of the informal economy should ensure Roma will benefit.
- To **transform the undeclared work** into declared among Roma there is a range of recommendations including:
  - Make difference between workers engaged in the formal private sector and socially deprived individuals engaged in economic activities as an existential strategy.
  - Facilitate the **transition** from undeclared to declared work and make it **gradual**;
  - **Lower the tax** requirements (in variety and amounts);
  - Provide **access to finances** to socially deprived persons involved in undeclared work;
  - Amend the legislation on trade companies: **lower the basic capital** requirement for registration (a concrete proposal is from 5 000 EUR to 1 EUR); **lower the requirements for registration** in general;
  - Adopt legislation on **social entrepreneurship** in consultation with Roma, including a grant scheme for the civil society to promote social businesses;
  - Establish **business incubators** and entrepreneurship promotion facilities;
  - Elaborate the third strategic objective of the **Strategy for formalisation of the informal economy** with a view to **benefit as many Roma** as possible and in **consultation with the Roma** civil society, including regarding the envisaged **voucher system** (that should include the **types of jobs** Roma are engaged in);
  - Introduce **small lump sum** payment for employment/social contributions (as in agriculture), gradually cut **social aid**, and activate **debt write-off** for socially deprived persons that transform their undeclared work;
  - Investigate executive orders for payment of outstanding debts for outdatedness and annul such orders.
  - Make the **voluntary pension fund** actually voluntary instead of an obligation;
  - Particularly for the **waste collection sector**: **de-monopolise** the sector (including by reviewing the legislation), **lower the specific taxes**, intervene in the **public procurement** regulation to promote the work of individual waste collectors, exempt from **personal tax** those with a profit smaller than 100 000 MKD;
  - Comprehensive programmes in this regards should be developed and possibly included in the **IPA II 2020** programme.

- The **increase of the budget** for infrastructure interventions in Roma settlements, along with the significant IPA funding for Roma housing is highly commendable.
- The Law on treatment of illegally constructed buildings should be amended to allow for a **new deadline for application** and both these amendments and the proposed similar law for buildings constructed after 2011 should be brought in **consultation with the Roma**.
- The interventions for adopting general and detailed urban plans (GUP/DUP) in the municipalities with Roma settlements with **IPA funding** are **commendable**. The interventions should continue to **cover all such municipalities** and ensure all the Roma settlements are in the GUP/DUP. Where necessary provide **additional financial** support to this end. The procedures for bringing GUP/DUP should be shortened to **reasonable time**.
- The funds in housing should be used more efficiently and the **absorption capacities** should be increased, particularly in terms of **building social housing and formulating GUP/DUP**.
- The **infrastructure interventions** promoted by the Minister without portfolio should ensure that **Roma benefit**.
- The legislation on **legalisation** should be **linked** to the **social housing** legislation and other social services in case of negative decisions on legalisation. The **Law on Social Housing** that is currently being drafted should ensure **Roma homeless and evicted** households are among the highly prioritised beneficiaries, it should provide for a **holistic approach**, and should be brought in **consultation with the Roma**.
- Further programmes for **urban development**, infrastructure, community services, social services, housing upgrade and similar should be developed after the issues with legalisation and social housing are resolved. The existing revolving funds for this purpose should cover the whole economy and either **lower the interest rate** significantly or connect to other social provisions in order to take off the burden of the interest (currently of 20%) from Roma.