



ROMA INTEGRATION 2020
Regional Cooperation Council

Roma Responsive Budget Brief



The Republic of North Macedonia I

Roma Responsive Budgeting Brief

Employment – Wage Subsidies Measure

KEY MESSAGES

- The wage subsidies measure from the Operational Employment Plan contributes to the fulfilment of the strategic objective of the National Action Plan (NAP) for employment of Roma and the outcome 2.1 for stimulating employers to employ Roma people. This outcome aims at employing 100 Roma people for the Strategy duration and constitutes 15.7% of the total budget estimate for achieving the NAP strategic objective in employment.
- 80% of the target to employ 100 Roma people has been met through the wage subsidies measure up to year 2019. In terms of the budget estimate, it goes beyond the planned amount. The budget estimate was set at 12.5 million MKD, whereas the amount spent was 16.1 million MKD. This points out to **underestimation of the budget in the NAP for employment against the actual needs.**
- Gender representation is in line with the NAP objective, meaning that **two thirds of the total number of beneficiaries are women.**
- For the period 2016-2019, Roma on average constitute 2.7% of all beneficiaries of the measure. This share is smaller than the share of Roma in the total number of applications. The difference is 2019 when the share of Roma benefitting from the measure was higher than the share of applications submitted by Roma.

KEY RECOMMENDATIONS

- It is recommended to **increase public spending on the wage subsidies measure intended for Roma people.**
- In 2020, **employ at least 20 Roma individuals** in order to meet the employment target set in the NAP.
- The Strategy for the Roma 2020-2024 and the National Action Plans to be planned in accordance with the needs of Roma people by **envisaging measurable and suitable target indicators, as well as a budget that matches the needs.**

Roma Employment in the Republic of North Macedonia

Roma people in the Republic of North Macedonia are in an unfavourable situation in the labour market. **Unemployment rate among Roma people is two times higher than the national average. It is estimated that unemployment among Roma women reaches even 70%** (2017 Regional Roma Survey). Potential causes of such situation include difficulties to enter the labour market; and engagement of Roma people in the informal economy.

Active employment measures generally include Roma as a target group due to falling under the vulnerable and long-term unemployed category of population. From the perspective of Roma responsive budgeting, these measures indirectly include Roma. However, only one measure is directly aimed at Roma, the measure titled Activation of Unemployed Roma.

Objective

The objective of this analysis is to provide an overview of the use of Roma responsive budgeting related to the wage subsidies measure.

Methodology

The methodology used is developed in the [Guidelines on Roma Responsive Budgeting](#), consisting of several steps including the categorisation of a budget programme, analysis of compliance with the content of the policy, budget analysis and evaluation of budget execution.

Data used are the information obtained from the Employment Service Agency of the Republic of North Macedonia, the Ministry of Labour and Social Policy and the 2017 Regional Roma Survey Data.

Results

The overall objective of the National Action Plan for Employment (NAP) is to increase employment opportunities for Roma people in decent job positions. The estimated costs amount to 79.4 million MKD. In order to achieve this objective, various active employment measures have been developed in the Operational Employment Plan and are budgeted within the sub-programme Stimulating Employment. The strategic objectives of the budget sub-programme and the Roma integration policy are interlinked.

The two objectives differ in the following aspects:

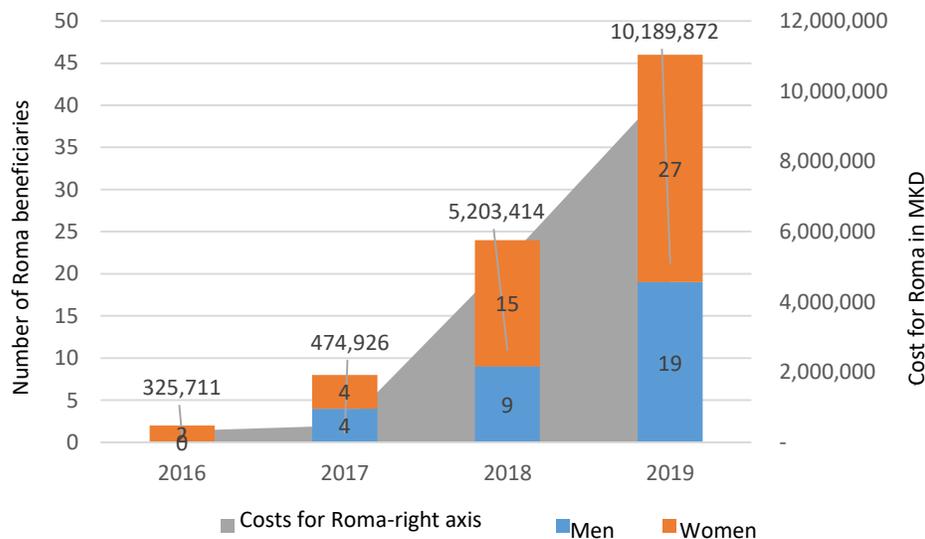
- The general objective is aimed at retention on the labour market but this is not the case with the Roma integration policy.
- The Roma integration policy envisages decent work for Roma people but the general programme does not envisage it.

The wage subsidies measure is not a direct category where the exclusive target group are Roma. Roma women and persons from Roma ethnic community are in fact part of the wider target group which allows for further analysis. The specific objective of the wage subsidies measure in the Operational Plan is to: **support the employment of unemployed persons which have difficulties entering the labour market**. This objective is directly linked with the NAP outcome 1 “**Improved access** for Roma people to the Government Employment Programmes by 2020, especially for Roma women” and outcome 2 “**Higher income and sustainable employment** for Roma people by 2020, with the focus on women”.

The wage subsidies measure 2019 target is to cover 1000 unemployed persons. The allocated budget is 228 million MKD. **The measure does not include a specific Roma target in terms of number of beneficiaries or percentage of the total budget**. On the other hand, the NAP for Roma employment envisages the employment and inclusion of at least 800 Roma in all employment measures, with at least 100 Roma in subsidised jobs. The targeted budget is 12.5 million MKD for the period 2016-2020. The budget estimate of 12.5 million MKD constitutes 15.7% of the total budget estimate for achieving the strategic objective of the NAP.

Graph 1 shows the number of Roma beneficiaries disaggregated by sex, and the total cost for Roma employment (an average cost per beneficiary multiplied by number of Roma beneficiaries) for the NAP duration. During the analysed period, 80 Roma individuals participated in the wage subsidies measure. More than half of total number used the measure in 2019. The target of 100 people from the NAP will probably be achieved during 2020. **This might indicate that the target has been relatively low**. The expenditure by 2019 (16.1 million MKD) seems to confirm this conclusion, as the amount significantly exceeds the budget planned in the NAP for Roma Employment. The other potential explanation is that other measures were insufficiently used, that led to compensation with increased use of this measure. **Gender representation is in line with the objective of the NAP, meaning that two thirds of the total number of beneficiaries are women**.

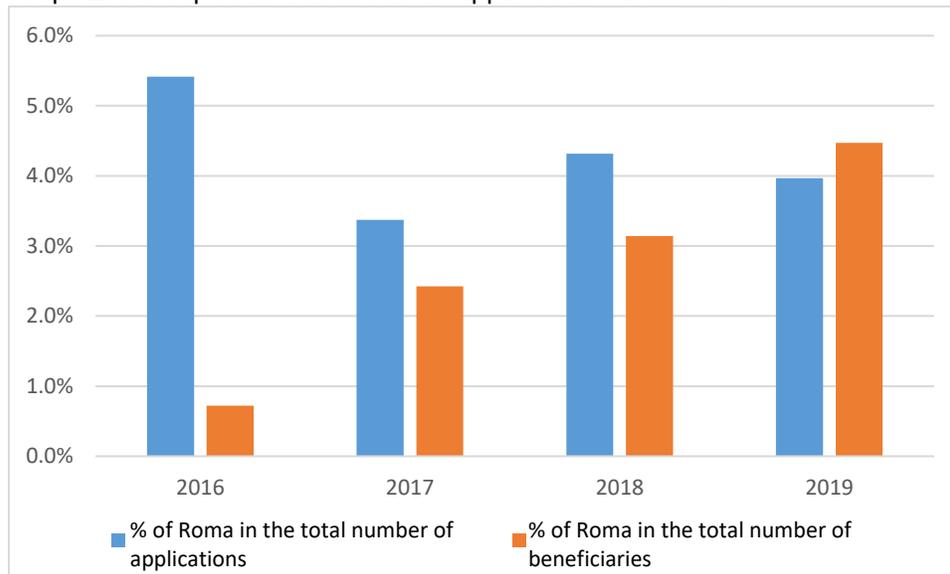
Graph 1: Roma beneficiaries of the wage subsidies measure 2016-2020, by sex



Source: Employment Service Agency of the Republic of North Macedonia

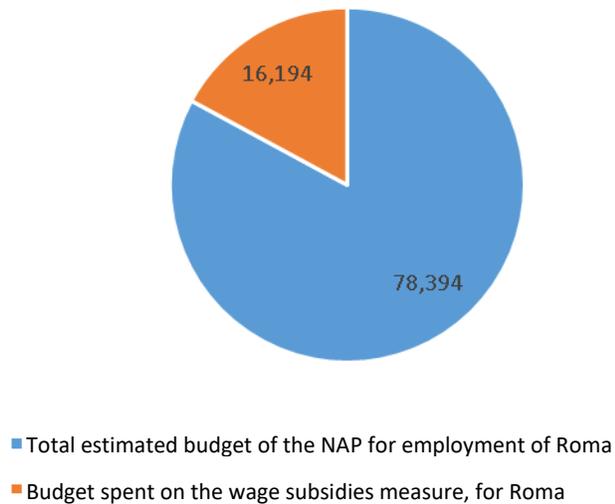
Graph 2 shows the participation of Roma people in the wage subsidies measure as the number of applicants and beneficiaries. For the period 2016-2019, 4.3% of the total applications on average were submitted by Roma. Averagely, 37.5% of all applications were successful. **However, 2019 has seen significant upward trend, as 73% of all applications submitted by Roma were accepted and financed through the measure. Nevertheless, Roma represent 2.7% of the total number of beneficiaries. This beneficiary participation ratio is lower than participation in the number of applications, except for 2019.** In 2019, the ratio of applications versus the ratio of beneficiaries was in favour of Roma, meaning that average participation in the measure was higher than the average participation in the number of applications. This can be a result of the improved quality of the applications submitted by Roma, the increased total number of applications by Roma (from 17 in 2016 to 63 in 2019), thus, better choice for employers, as well as due to workforce shortages on the labour market.

Graph 2: Participation of Roma in the applications submitted

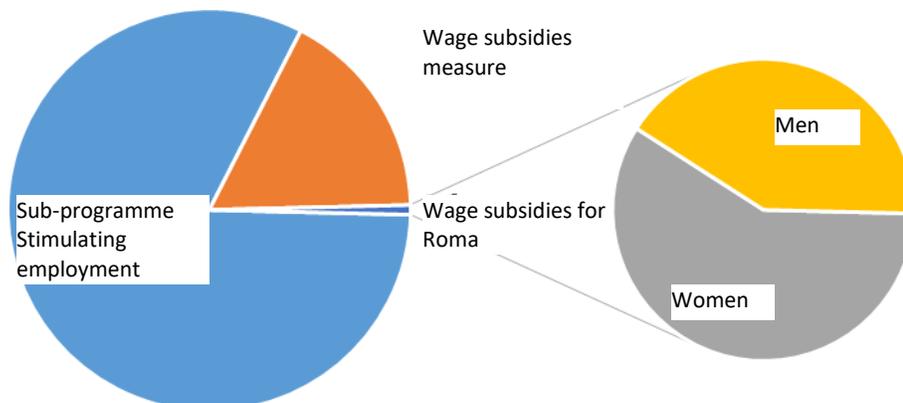


20% of the estimated budget in the NAP for employment has been executed through the wage subsidies measure by 2019 inclusive (Graph 3). Wage subsidies for Roma constitute 4.5% of the total wage subsidies measure budget. However, this is only 0.9% of the total budget of the budget sub-programme for stimulating employment in 2019 (Graph 4).

Graph 3 – Estimated budget of the NAP for employment of Roma people and funds spent for the wage subsidies measure, in thousands of MKD



Graph 4: Percentage of wage subsidies of Roma in the total wage subsidies measure and a budget programme for stimulating employment



Conclusion

The general conclusion is that the wage subsidies measure from the Operational Employment Plan is **in line with the objective of the National Action Plan for Employment of Roma**, which means higher income and sustainable employment for Roma people by 2020, with focus on women. However, although wage subsidies measure targets and includes Roma, **it does not**

define targets in terms of percentage of Roma in the total number of beneficiaries or a budget that will be allocated to this part of unemployed population. 80% of the NAP for Roma employment target value of 100 persons – beneficiaries of this measure has been achieved in the period 2016-2019. In terms of the budget estimate, the amount spent goes beyond the estimate. This might point out to underestimation of the budget in the NAP for employment against the actual needs.

The recommendations for improving budgeting of the wage subsidies measure to make it better responsive to the needs of unemployed Roma include:

- The wage subsidies measure should set a target value for Roma beneficiaries or a budget allocated for Roma people;
- By 2020 to have at least 20 persons from the Roma ethnic community employed in order to meet the target value from the NAP on employment;
- The Strategy for the Roma 2020-2024 and the National Action Plans to be planned in accordance with the needs of Roma people by envisaging measurable and suitable target indicators, as well as a budget that matches the needs;
- More active involvement and strengthening of Roma Information Centres (RIC) in the process of informing and raising awareness among employers;
- Organising information meetings for the RICs to present the operational employment plan;
- Collecting data about Roma in accordance with the developed methodology to be a regular exercise of the institutions in order to enable further analysis and developing evidence-based policies;
- National Roma Contact Point to increase the capacities for budget analysis.