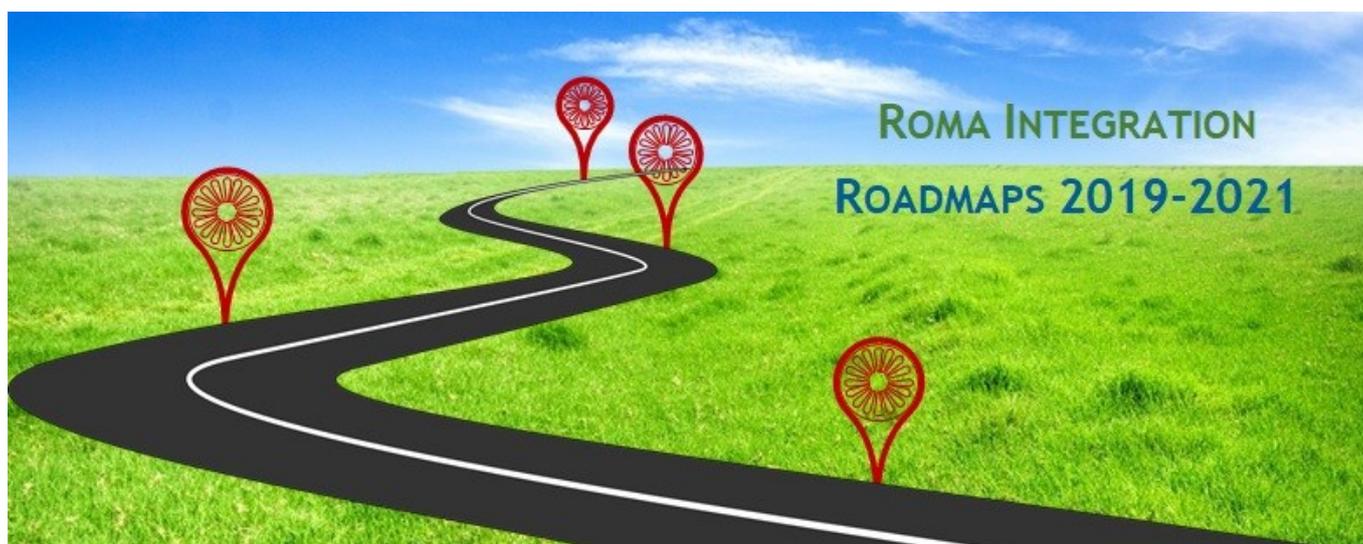




ROMA INTEGRATION ROADMAP 2019-2021

REPUBLIC OF NORTH MACEDONIA



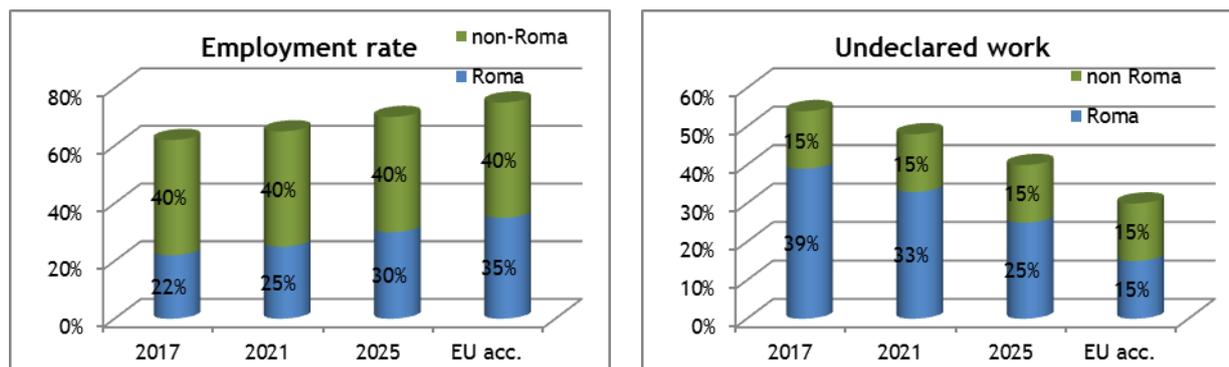
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Employment



The employment rate among Roma in North Macedonia is at 22%, compared to the employment rate among non-Roma of 40. With its National Roma Integration Strategy, North Macedonia pursues reduction of the gap in the employment rate gradually. The target may be set to at least 35% employment rate among Roma by the time North Macedonia acquires European Union (EU) membership. Assuming stable employment rate among non-Roma, such commitment means that North Macedonia will achieve only 5% gap in the employment rate between Roma and non-Roma at the time of EU accession. To achieve the target at the time of EU accession, the milestones may be set at 25% employment rate among Roma in 2021 and 30% in 2025. By achieving these targets, North Macedonia will establish a steady trend of reducing the gap in employment between Roma and non-Roma.

The most effective and efficient way to achieve the set targets is by transforming undeclared work among Roma into declared work. The starting point regarding undeclared work is that 39% of Roma are engaged in such work, compared to 15% non-Roma. The target is set to transform at least 24% of the undeclared work into declared work among Roma, effectively reaching the same level of undeclared work among Roma and non-Roma by the time North Macedonia acquires EU membership (assuming the undeclared work rate among non-Roma remains stable). To achieve the set target, the milestones for North Macedonia are to reduce the undeclared work among Roma to 33% in 2021 and to 25% by 2025 by transforming it into declared work.

The reduction of the undeclared work is foreseen with the North Macedonia's [Economic Reform Programme 2019-2021](#), and specifically with the [Strategy for formalisation of informal economy 2018-2022](#). Both the plans are focusing largely on reducing undeclared work within registered companies, and to much lesser extent on reducing the undeclared work outside of registered companies, without any consideration of the social situation of the workers performing undeclared work. In employment, North Macedonia is largely relying on the active measures for employment, planned annually within an operational programme, including for [2019](#). The implementation of the active policy and measures for employment, besides the public budget, is funded through regular EU funding - the fourth Instrument for Pre-accession Assistance (IPA) direct grant "Support for the active measures for employment" is currently being defined, and it focuses exactly on the vulnerable groups such as Roma. Additionally, the [Law on Debt Write-off](#) is relevant in relation to the undeclared Roma workers, as well as the [Law on Social Protection](#) and other legislation in the sphere of social protection.

The [Strategy for Roma 2014-2020](#) (Strategy) specifically envisages the measure 2.4. Transformation of informal economy into formal, in the scope that may be controlled and is acceptable for the market economy, which, according to the Strategy is in line with the "[Strategy for Social Inclusion and Poverty Reduction](#)". Under this measure, the strategy lists the following activities:

- Study on the informal economy among Roma;
- Developing at least one policy at the level of a law or active measure that includes benefits for Roma that will register their businesses;
- Application of models from other countries and different methods of transformation of informal into formal economy;
- Giving a chance to persons working in the informal economy to work in the formal economy;
- Creating possibilities for registering activities by paying minimum taxes or lump taxes;
- Implementation of gradual period in registering informal businesses and work on the formal market, including phases necessary for the "new" participant on the labour market to deal with the financial burdens, which are the real expenses of the formal market;
- Financial stimulations for Roma, as: gradual payments, delay of payment of liabilities for a certain period, loans according to "state-fixed" rates; subventions (grants) for formalising the business, etc.

¹According to the 2017 Regional Roma Survey of the European Commission, United Nations Development Programme and the World Bank

²Ibid

These activities and the strategic measure 2.4. in employment have not been implemented.

The Operational Conclusions from the latest Roma Seminar held in Skopje on 23-24 November 2017 (not available online) stipulates 3 conclusions in employment, 2 of which are relevant for the employment in the public sector:

- Activation of Roma on the labour market through a specific programme for employment measures for Roma using the existing active employment measures (including study on employment, internal and external co-ordination, local governments engagement, monitoring and evaluation, employment of Roma at the national employment services, using targeted approach);
- Motivating Roma for using the active employment measures, including by offering specific measures for Roma, particularly those with multiple vulnerability (including field work).

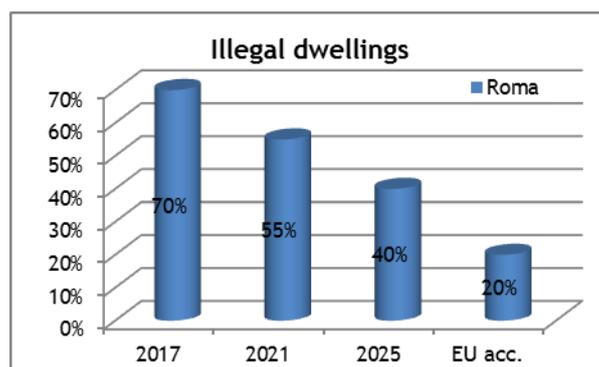
The operational conclusions in the field of employment are not specific in terms of the nature of the programmes for Roma that should be developed and implemented, thus developing a programme for transformation of undeclared into declared work may be considered in line with the conclusions.

The key considerations in formulating the policy of transforming undeclared into declared work among Roma in North Macedonia are the following:

- The majority of Roma undeclared workers are engaged in: waste collection, open-market or street trade, seasonal agricultural work, and cleaning services (particularly relevant for Roma women). The policy of transforming the undeclared work should consider different approach for the different types of economic activities, because of the particular characteristics and context in each economic area.
- The social aid received by the families engaged in undeclared work is considerable portion of their income. In order to avoid the risk of pushing the workers and their families into deeper poverty, the transformation of the work into declared should be coupled by gradual reduction of the social aid instead of its immediate cut.
- Current social contributions and taxes on the wages are considerable and not affordable for poor workers engaged in low-income (undeclared) work, as the remaining net wage from the gross earning is insufficient to provide for decent life. The social contribution and taxes should be strongly subsidised at the beginning of the transformation of the undeclared work into declared work. The subsidies should be decreased gradually.
- The work of the undeclared workers transformed into declared workers should be organised (possibly into cooperatives, social enterprises, public-private partnerships at local level, or similar), supported, protected and developed until it is sufficiently competitive and profitable to allow for income providing decent life (exit from poverty), and eventually eliminating the dependency from social aid. On-the-job safety should be ensured and in cases of jobs with hazardous effects on the health, reduced conditions for retirement should be envisaged. Modalities to include time of undeclared work into the retirement conditions may be considered with caution.
- Large portion of the undeclared Roma workers have outstanding debts (with banks, communal services or similar) and are faced with executive orders for payment as soon as the social aid is discontinued. The policy for transformation of the undeclared into declared work should include provisions that would allow reduction or even annulment of debts wherever possible and gradual and affordable payment of debts where not possible.
- Undeclared workers need to receive comprehensive and understandable information on all the aspects of declared work, including labour rights, job contracts, social contributions, taxes, mechanisms for protection of labour rights, trade unions, etc.

The Roma Integration action shall work with the government of North Macedonia to develop comprehensive policy and the accompanying legislation and funding proposals for transformation of undeclared into declared work, with particular focus on Roma, in order to contribute to achieving the set targets. Technical expert assistance shall be provided in order to work with the relevant state institutions and civil society to develop the comprehensive policy, including representatives responsible for the above mentioned laws and strategies. The policy shall aim to address the specific needs of Roma in the informal labour market as listed above, and make use of the existing provisions. Necessary amendments to the laws shall be proposed and formulated (such as, for example, extension of the scope of the Law on Debt Write-off, if necessary). The formulated policy shall include the required funding for implementation and a concrete proposal for funding from the state (and local) budget and donors.

Housing



There is no reliable information in North Macedonia on the illegal dwellings where Roma families live, or on the various aspects of their status (condition, safety, year of building, connection to communal infrastructure, land ownership, alignment with the urban plans, etc.). The best available information is that 70% of the dwellings where Roma live are illegally built (an estimation found in the Strategy for Roma). At the same time 87% of the Roma face severe material deprivation (according to the [2017 Regional Roma Survey](#) of the EC/UNDP/World Bank). Combined with the marginalisation that entails lack of opportunities, facing with prejudice, lack of knowledge and capacities, as well as the costs related to housing, it is necessary to provide support to Roma to ensure secure and adequate housing.

Legalisation of dwellings is the most efficient way to ensure secure housing (without the risk of eviction), since it prevents the need for the cost of demolishing houses and for building social housing for persons rendered homeless after evictions. The housing legalisation should be seen as the first step in improving the conditions in housing. Further efforts will be required to ensure Roma have sufficient income to maintain their house, to reduce the overcrowding and ensure social housing for those whose houses cannot be legalised, to ensure the necessary communal and social infrastructure within the settlements, to upgrade the houses to the minimum living conditions, etc.

Therefore, the targets for housing legalisation are set at reducing the illegal dwellings of Roma to at least 20% by the North Macedonia's accession to EU, by gradual reduction to 55% in 2021 and 40% in 2025. On one hand the target seems ambitious because reduction of 50% is required by the time of accession. However, through coordinated actions whole settlements may be legalised, making the process more efficient. On the other hand, still having 20% illegal dwellings of Roma at the time of EU accession seems much, but having the trend of rapid reduction of illegal dwellings would indicate the positive direction. Thirdly, since the starting point is an estimate, the targets should also be considered as estimates, and more realistic and reliable data need to be collected.

The housing sphere is regulated with the [Law on Housing](#) and the [Law on Treating Illegally Built Objects](#) that are relevant for the housing of Roma. The legalisation, regulated with the Law on Treating Illegally Built Objects, does not contain sufficient specific provisions to facilitate the legalisation of dwellings of socially and materially deprived persons, and does not regulate the procedures for cases when legalisation is not possible. The deadline for applications was the end of 2018. The Law on Housing regulates social housing in the most general terms. The capacities for social housing are very limited. Apartments for families with low incomes are regularly built with loans from foreign banks (usually the Council of Europe Development Bank), and Roma are prioritised as potential beneficiaries, but this is not catering for the existing housing needs.

The Roma housing legalisation is prioritised by the Delegation of the European Union, and consequently, IPA II funding (Euro 1 million) is made available for this purpose from [IPA II 2017](#) and from IPA II 2019 (Euro 3.5 million) is planned for the next period. Through these efforts it is expected that the Roma housing will be improved. The support includes revision of urban planning and adoption of detailed urban plans of Roma settlements as well as renovation of legalised Roma homes. The Ministry of Transport and Connections also regularly supporting local infrastructure projects in Roma settlements, based on Roma Housing Action Document and in coordination with Minister without Portfolio responsible for Roma issues.

The Strategy for Roma envisages legalisation of as many as possible of the 70% illegal dwellings where Roma live by 2020, and alternative/permanent accommodation for at least 50% of those whose dwellings cannot be legalised. The planned measures include adoption of urban plans, monitoring of the illegal dwellings, securing social and private housing for Roma by the local self-governments, and comprehensive package of services for legalisation provided by a mobile team to the Roma.

The Operational Conclusions from the Roma seminar held in 2017 include continuation of the existing efforts in housing related to infrastructure and social housing, urban plan for Suto Orizari, mapping of the housing of Roma (social mapping), linking housing support with other public services, joining the Regional Housing Programme,

and introducing monitoring system for the legalisation. The social mapping is currently done by an EU funded action and it is expected to be published in May 2019 (covers 14 municipalities).

Considering the above mentioned developments related to the housing of Roma, there are certain gaps that have not been tackled comprehensively, including:

- Proper comprehensive housing monitoring system with regular data collection;
- Social housing for those Roma whose dwellings cannot be legalised at local level;
 - Funding for the legalisation of settlements that will not be covered by EU funding.
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The Roma Integration action shall provide expert support to the government of North Macedonia in establishing a proper housing monitoring mechanism that will include all the Roma settlements and relate to the data from the cadastre on the legality and ownership of the land and buildings. It will also work with the interested municipalities in identifying buildings that may be used for social or private housing after proper adjustment, and preparing funding proposals for this purpose, in order to ensure accommodation of homeless and those Roma whose dwellings cannot be legalised. Support for developing additional funding proposals for legalisation of dwellings where Roma live for those settlements that will not be covered by the EU funding may also be considered, after the results of the current EU funded actions can be estimated and data on the housing needs (from the first intervention) are available. The Roma Integration action shall also provide support for formulation of the needed legal changes, such as extending the deadline for legalisation, as deemed necessary in the process.

