

Profile on economic inclusion for people with disabilities and older workers: Republic of North Macedonia

Purpose and scope: This profile responds to the three pillars of the EBRD's *Economic Inclusion Strategy* (access to employment and skills, finance and entrepreneurship, and services) and aims to provide targeted support to the efforts of the EBRD and its partners to better understand the needs of people with disabilities (PWD) and older workers. It is not intended to be an exhaustive overview of all issues affecting people with disabilities and older workers in this country. It was prepared for the EBRD using publicly available sources.

<p>Country context</p>	<ul style="list-style-type: none"> • Population: North Macedonia has a population of just over 2 million (World Bank, 2020). According to the latest census, the main minority ethnic groups are Albanians, Turks and Roma, Serbs and Vlachs (Minority Rights, 2020) • Economy: North Macedonia is classified as an upper middle-income country, with a GDP of US\$ 12.7 billion and a GDP per capita of US\$ 6,102 (World Bank, 2020b). Average annual economic growth reached 2.7 per cent in 2018 and 3.6 per cent in 2019. The estimated unemployment rate for the first half of 2019 was 17.5 per cent (RESRP, 2020). As a result of Covid-19, the country is facing its deepest recession in two decades, with economic activity forecast to decline by 5 per cent in 2020 (EBRD, 2020) and the unemployment rate rising to 16.7 per cent, despite government attempts to cushion the impact on the labour market (World Bank, 2020c). • Prevalence/ responses to Covid-19: As of 21 January 2021, North Macedonia had recorded 89,392 confirmed cases of COVID-19 and 2,726 deaths (WHO, 2020). Government responses primarily aimed at preserving jobs and preventing layoffs (BalkanInsight, 2020; OECD, 2020; Seenews, 2020).
<p>People with disabilities (PWD)</p>	<ul style="list-style-type: none"> • No official data or statistics are available on disability prevalence or inclusion of PWD in the open labour market. In 2018, the Employment Agency registered 1,328 unemployed PWD, 440 of whom were women (Reliefweb, 2019). There are a number of policy instruments aimed at strengthening economic inclusion of and preventing discrimination against PWD, including: The National Strategy (NS) on Achieving Equal Rights for the Persons with Disabilities in the Republic of North Macedonia; The 2016-2020 National Strategy for Equality and Non-discrimination; The Revised Employment and Social Reform Programme (RESRP) 2022 and the National Employment Strategy of the Republic of Macedonia 2020 (ILO, 2019). • Employment and skills: National law provides a comprehensive legal and institutional framework for supporting the economic integration of PWD. Most PWD are employed in “protection companies” or sheltered workplaces – companies set up by a PWD or employing at least 40 per cent PWD for 90 days continuously (Art 9, Law on Employment of Persons with Disability 44/200 (LEPD)). A key challenge and policy objective has been to further integrate PWD in the open labour market (RESRP, 2020). Quotas for the employment of PWD (in the public and private sectors) have been in place since 2014, ranging from 2 per cent to 6 per cent of the total workforce depending on the activity (up to a maximum of 20 PWD workers for companies employing more than 1,000 employees) (Civica Mobilitas, 2015). State financial support is available for employers to fulfil these quotas, in the form of a Special Fund for the Improvement of Employment Conditions and Work of Disabled People (Special Fund), which allocates non-refundable funds of 200,000 denars (approximately US\$ 3,900) to employers to make necessary adjustments such as purchasing equipment (Art. 4) and providing training (Art. 13) and various tax exemptions (LEPD, Art. 7). Despite these incentives, many employers reportedly risk a fine rather than comply with the law (DW, 2014). • Finance and entrepreneurship: The LEPD (as amended in 2016), stipulates that PWD can submit a grant application to the Special Fund to support self-employment and business projects. There is ongoing discussion to develop a legal framework for social entrepreneurship, which was a priority of the Strategy for Cooperation of the Government with Civil Society (2012-17) (Interreg, 2019). The ability of PWD to access financing may be limited by the provision in national law of a guardianship system, which has been deemed too restrictive by the UN CRPD (2018).

	<ul style="list-style-type: none"> • Services: The Law on Construction requires inclusive design of public and business buildings, with specific accessibility standards mandated for new buildings. Existing public structures were required to be made accessible for PWD by the end of 2015 (USDoS, 2020). The Sustainable Urban Mobility Plan adopts an inclusive lens to improve accessibility of urban spaces to PWD, and refers to an official rulebook on accessibility for PWD. Public transport is state-subsidised for people with moderate and severe disabilities (Mobility Macedonia, 2020). However, NGOs report implementation gaps, in particular in relation to physical barriers to accessing public buildings and information services (Scoop, 2019). • Covid-19: At the onset of the crisis, the government declared that moderately and severely disabled people (including completely blind persons and wheelchair users) should be relieved of their work duties (MTSP, 2020), while retaining their full salary (ILO, 2020). This was a mandatory requirement for state bodies and institutions and a recommendation for the private sector.
<p>Older workers</p>	<ul style="list-style-type: none"> • North Macedonia has an ageing population (MG Gov, rESRP 2020). Older workers (50-64) comprise 23.6 per cent of the working age population (ILO LFS, 2019). The government has announced its intention to make retirement compulsory at the age of 64 for men (with some exceptions, though it is unknown at this stage how it will apply to female workers (MNA, 2020; Makfax, 2020). • Employment and skills: Discrimination on grounds of age is explicitly prohibited in labour relations by the Labour Code (Art. 6). The Labour Code requires the consent of older workers for overtime (Art. 120) and night work (Art. 179). Older workers are also entitled to three additional days of annual leave (Art. 137). There is a 22 percentage-point gap between the labour force participation rate of older workers (50-64) and other adults (24-49), and a nine-percentage point gap in the employment rate (ILO LFS, 2019). The 2016 labour force survey found that informal employment is more widespread among older workers (ILO, 2019). The right of older workers to develop skills and gain qualifications in line with labour market demands is outlined in the Law on the Training of Older Workers – which also makes provisions for the establishment of a Council for Adult Education in charge of designing and implementing adult education policy and an adult education centre. However, a recent study found that older workers are often resistant to further training and retraining (ESPN, 2019). • Finance and entrepreneurship: Self-employed older workers fall under the definition of PWD under the LEPD and are therefore eligible to submit grant applications to the Special Fund. General support for entrepreneurship and access to finance exists in the form of the Law on Financial Support of Investments, which established a Fund for Innovation and Technological Development under the Economic Growth Plan (with no indication of age restriction) and the prioritisation of the development of a social economy under the Strategy for Cooperation of the Government with the Civil Society (2012-17) (Interreg, 2019). However, there is limited information regarding eligibility criteria and potential adverse impact on older workers. • Services: The National Strategy for the Elderly includes a component to improve access to transportation for the elderly in rural and urban areas and reduced transportation costs, but otherwise there is limited policy focus on access to services for older workers specifically. It is not clear how provisions of the National Strategy for the Elderly have been implemented in practice. • Covid-19: There is no evidence of measures targeting older workers specifically in Covid-19 responses, as opposed to older people in general, though the difficulties in accessing social protection schemes reported by some workers laid off during the crisis may disproportionately impact older workers – who are more often in informal work (ILO, 2019; ILO, 2020b).

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