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**“PROMOTING ACTIVE INCLUSION OF DISADVANTAGED PERSONS  
EXCLUDED FROM THE LABOUR MARKET”**

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Authors list	
Author	Partner
Nikica Mojsoska Blazhevski	Finance Think
Blagica Petreski	Finance Think

Peer Reviewers	
Reviewer	Partner
Despina Tumanoska	Finance Think

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## Contents

<b>INTRODUCTION.....</b>	<b>2</b>
<b>1. FINDINGS FROM THE FOCUS GROUPS DISCUSSIONS.....</b>	<b>3</b>
<b>2. CURRENT ACTIVE MEASURES AND PROGRAMS FOR INDIVIDUALS AT RISK OF SOCIAL EXCLUSION .....</b>	<b>11</b>
<b>3. PROPOSALS FOR MEASURES AND SOME KEY RECOMMENDATIONS.....</b>	<b>19</b>
3.1. Enhancing the cooperation between SWCs and ESA	19
3.2. Specific new measures for the people at risk of poverty	20



## Introduction

This report investigates the involvement of the vulnerable unemployed persons into the employment programs and services and provides options for changes in the system and measures as to provide a better, tailor-made support to those unemployed persons. Vulnerable unemployed are defined as those unemployed persons who are also socially excluded, such as: recipients of the social assistance (mainly the social financial assistance-SFA), single parents, homeless people, Roma population, women victims of family violence, etc.

The background analysis in this report is based on a qualitative research, which is then supplemented by a documentary analysis of the government documents, operational plans for active employment policies, etc. The qualitative research was conducted through focus group discussions with professionals working in the Employment Service Agency (ESA) and Social Work Centres (SWC). In particular, two focus group discussions were organized with professional from the: i) local employment office in Kumanovo (with five employees of the office, on 7<sup>th</sup> December) and ii) SWCs in Skopje and Tetovo (organized on 9<sup>th</sup> December, 2016, with 7 employees of those SWCs).

The documentary analysis is based on the planned and implemented active labour market policies (ALMPs) in the recent past, with a focus on the measures that specifically target vulnerable unemployed persons (especially the recipients of social assistance).

The last part of the report focuses on some new or upgraded measures and services which can improve the labour market outcomes of the vulnerable unemployed persons.



## 1. Findings from the focus groups discussions

In December 2016 and in May 2017, three focus groups and one interview were held with representatives from the local employment offices (LEO) and social work centres (SWCs). In particular, the focus group discussions were organized with professional from the: i) local employment office in Kumanovo (with five employees of the office, on 7<sup>th</sup> December), ii) SWCs in Skopje and Tetovo (organized on 9<sup>th</sup> December, 2016, with 7 employees of those SWCs) and iii) SWCs in Kratovo and Kumanovo (organized on 3<sup>rd</sup> May 2017, with 5 employees of those SWCs). An interview with an employee in LEO in Ohrid, was conducted on 22<sup>nd</sup> March 2017.

The aim of the focus groups was to:

- To get insight into the experience and perceptions of the participants into their work and activities in the field of active employment policies and delivery of services to the vulnerable citizens;
- To learn about the challenges that the employees of the employment offices and SWCs are facing in their everyday work tasks;
- To hear the ideas and suggestions of the professionals, i.e. those who work on daily basis with the vulnerable citizens, for some new measures or services that can improve the integration and inclusion of the vulnerable citizens into the labour market (and preferably, employment).

The focus group discussions were based on a guidance note prepared a priori. The Guidance note included three sets of questions for discussion:

- 1) Current practices and experience of the employees of the local employment office-Kumanovo in terms of implementation of active measures for employment of the vulnerable unemployed persons;
- 2) Management of the services and measures targeting the vulnerable citizens and suggestions for some measures that can improve the integration of the social excluded citizens into the labour market;
- 3) Discussion on the potential evaluation and monitoring of the employment policies targeting vulnerable citizens.

A representative from the research organization Finance Think moderated the discussion within the focus groups. The analysis below is based on the answers provided by the participants on the questions, where we combine the discussions held in the two separate focus groups.

### Topic 1: Current practices and experience in implementation of ALMPs for the vulnerable unemployed persons

This part of the discussion identified the current experiences and perceptions of the participants in their everyday work, in the following areas:

- Implementation of the ALMPs,
- Delivery of services for the vulnerable citizens;
- Challenges and problems that they face in their everyday work;
- Ideas and suggestions for measures or services for the vulnerable unemployed persons that are potentially effective in their labour market (and social) integration.

According to the focus group' participants, the following active measures are in highest demand by the unemployed persons:

- Self-employment,
- Self-employment for persons with disabilities,
- Internship program,
- Training in general skills, particularly in English language and IT.



Participant: Some of my clients have used the self-employment program for different types of businesses, such as crafts, personal services (hairstylist, etc.).<sup>1</sup>

Participant: Some of my clients have also used the possibility for self-employment with grants, and these were unemployed persons with disabilities, who were beneficiaries of the permanent financial assistance. In addition, I have involved about 15 of my clients who are with some disabilities in subsidized employment programs, through the active measures of the Employment Agency.

Participants, almost unanimously, held a view that there is in general low interest among the unemployed persons as well as the employers for the ALMPs. These are some of the reasons for such low interest that were reported by the focus groups' participants:

- The Operational Plan (OP) for ALMPs includes measures which are only targeting employment in the private sector, whereas in their opinion the unemployed persons are also interested into employment in the public sector. Although at first sight it seems logical that the OP covers only private sector, still it leaves some room for discussion as the marginalized or vulnerable groups are bound to stay at the margins of the society with no access to public sector jobs.

Participant: The Operational Plan is constrained to the private sector. That has a disadvantage because it limits the possibilities of the vulnerable groups (including the disabled persons) to get a job in the public sector. For instance, I am not aware of any person who has been receiving social assistance that found a job in the public sector.

- The Operational Plan (OP) does not include quotas for participation of the vulnerable groups of unemployed as it does for the youth (young people up to the age of 29). It might be useful and more effective if such quotas are introduced and guarantee that more marginalized persons are subject to the active employment measures.

Participant: The OP does not include quotas for participation of the marginalized groups. It means that the marginalized unemployed persons are competing for the active measures with the other unemployed persons, leaving them with low chances. There can be some targets for the marginalized groups, for each active measures, for instance for Internships, Self-employment, etc. We know that the requirement that 30% of the participants are youth comes from the EU, but why not to include say a target of 10% for the vulnerable groups? The usual answer to this is that by setting such target we will discriminate, that that is unfair...

- Although the OP for 2016 includes specific measure for the unemployed persons who are at risk of social exclusion (this group is nationally refereed as group at social risk), which is the measure for conditional cash transfer for subsidised employment of persons at social risk, there are some difficulties in the implementation of the measure.<sup>2</sup> For instance, there is a low interest for this measure by the employers. Moreover, employers misuse this measure. Some of the participants held a view that employers use this (and similar measures) just to get some benefit from the state, regardless of whether they really need an additional worker or not.

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<sup>1</sup> This are no direct quotes from the participants, but are slightly changed as the original quotes are in Macedonian. We try to keep them as original as possible.

<sup>2</sup> This measure is a continuation of the conditional cash transfers program which was introduced in the country for the recipients of the SFA, and is conditional on the secondary school attendance of the children of the SFA beneficiaries. Both programs are financed by a World Bank loan.



*Participant:* There is low interest for this measure. We have visited employers twice to inform them about this measure, but they are not interested. They say that they do not need workers.

*Participant:* On the other hand, even once a firm hires a worker using this measure, they replace the hired worker several times. They say that the hired worker does not work well, then they replace him/her, and the beneficiaries fear that they may lose the right to the SFA. And employers always find ways or reasons to replace one worker with another one.

*Participant:* The financial payment that employers get for this measure are relatively high, 14,000<sup>3</sup> denars for persons with low level of qualifications and 17,000 denars for those with higher qualifications; still, this is a good support for the employers. But, they want to use these funds and then, when they [employers] need to pay wage and contributions on their own, then they want to dismiss the worker, or replace him/her...

*Participant:* We distinguish firms into white and black firms.

- White firms are those that recruit workers on their own. Once they announce vacancies, they get plenty of applicants; s/he makes the selection because there are many interested applicants.
- Black companies, they come to us [here the participant gave an example for a well-known company, so we would not like to disclose the name of the company].

So, the companies are the problematic part, they search for employees through the Agency, saying that there are no available workers. Well, there are no workers because they do not take care of their workers; they search for slaves. Those employers that take care of their employees, pay wages on time, they have workers. If there is no wage, who will work?

In addition, the criteria that the unemployed have to fulfil to be engaged in this active measure are too complex and strict, so that the unemployed who are in real need cannot be engaged in the program.

*Participant:* The eligibility criteria have been made more stringent now, compared to the first announcement for the measure. For instance, an employer was interested into employing one recipient of the SFA, and then there was a check of the income of the recipient done through the Public Revenue Office, which is done not only for the recipient but also for all members of the household. And then they found that the income per household member is higher than the limit set in the program. So, although the employer wanted to employ this SFA recipient, and it was a single mother, he could not do so. Criteria are really made very complex. On the other hand, there was a delay in the transfer of the money to the employers at the beginning of the program... all the time I get questions on when the payment will be made.

- The widely held view among the focus groups' participants is that the SFA recipients are not interested into active involvement in the labour market. They noted several reasons for that:
  - In most cases, the SFA beneficiaries do not want to lose the right to the SFA, holding a view that it is something "stable" and a "privilege".

*Participant:* He is not interested as she receives a STABLE social assistance, she is not paying electricity bills, does not pay some other utilities and has some additional benefits... and all that sums up to about 8,000 denars. And we try to persuade him, like why don't you accept a job, you will work in a shoe producing company, there are no problems .... He really started the job, and in one month time the employer fired him and he was left with no wage and no SFA.

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<sup>3</sup> The actual amount is 13,500 denars, for the gross wage of the worker.



- Most of the SFA beneficiaries have additional, informal income.

Participant: The recipients of the SFA are really privileged. They receive SFA, they come to us to register in a hurry, because he has to go back to the work. And, you cannot say anything to them. They reply that they fight for life. But they are more privileged than the workers who work on minimum wage: they work and receive income and plus they receive the social assistance that is almost as the minimum wage.

Participant: Oh, we know that they work, they have wages of 300 EUR and have houses on three floors.

- It is very difficult to convince the beneficiaries of some social assistance to give up the right to the assistance (mainly the SFA), since as beneficiaries of the SFA they also have additional monetary and in-kind benefits such as conditional cash transfers, exemptions from paying electricity bills, health insurance and other benefits. Homeless people and Roma population are most difficult to be motivated and involved in the programs.

Participant: I am working with the homeless people, mainly Roma population. First thing to be done is to change their mentality... it is very difficult to motivate them, to start working, to think about the future. The main issue for them is housing. Even if we manage to put them into jobs and to start earning, they will again come to us and say that they do not have a place to live in. And, they usually have two, three and even four-five children. I am not being sceptical, but their motivation is very low..., and they give up every assistance just to get a free housing, since one of the conditions for free housing is that they do not receive a monetary support from the state. And, then they earn in any possible way... we have such clients with years, we talk to them, we inform them on possibilities, but they are simply not interested. They say: "What can I do with that [support]? Where would I live tomorrow? How much is to rent an apartment? I will pay rent and nothing will be left from my wage."

Participant: Yes, we can motivate them, but the problem is that they immediately lose the right to social assistance, and all the other accompanying benefits. There was one project, in some municipalities, through UNDP, where they were getting a job and 6,200 denars, and they were not losing the social assistance. So, then, there were interested people to involve into the program. Otherwise, they feel fear that they will lose the SFA, and all the accompanying benefits ... if they make simple calculation, they are better-off not to accept a job, just for additional 1,000-2,000 denars.

The moderator then asked the participants whether there are differences between the measures in which specific types of the marginalized people are interested (for instance, whether unemployed mothers have different interest relative to unemployed fathers, whether they seek part-time employment, or maybe more trainings instead of work, etc.). These are the opinions of the participants:

- Some of the participants noted that single mothers are the most specific category of marginalized unemployed, who have different requirements, but also who need more targeted and multi-dimensional support. One participant also mentioned that there is some interest among employers for employing single mothers, which can be viewed as a positive thing. However, the single mother usually need additional support services as to help them integrate better in the job (such as care services, etc.).

*Participant:* Yes, there are specific requirements by specific vulnerable groups, such as those with health issues, with small children, with sick dependents ... as well as single mother, quite often.



*Participant:* Single mothers.

- Focus groups' participants held different views regarding the gender differences in the behaviour and interest for specific programs. The moderator sought for their opinion if the traditional family structure affects the behaviour of women.

*Participant:* [the interest between the genders] is different. Men are more likely to apply for an [active labour market] program. There are women who are interested in finding a job, even for self-employment, but that is rare.

*Participant:* I think that in Kumanovo more women are employed than men. For certain occupations for which women are not fit, men dominate in employment, but otherwise, it is women who dominate.

*Participant:* No, [the gender] it does not have any importance. *If the men is not working, then it is the women; it is important than someone brings money to the home.*

*Participant:* No, gender does not have any impact ...

*Participant:* Town and village. That is what matters. There are mountain villages. Women from those villages are very unlikely to work... There are more jobs in towns, regardless of the nationality, but the distance matters, also the mentality, and other factors like education, culture, etc., all this matters.

*Participant:* In the municipality of Derven, villages around Grupcin, now main applicants for measures are women because the firm guarantees two things: transportation and lunch. The motivation for women has always been a problem, and not just for woman from ethnic Albanian community, but also for Macedonians; unemployed and single mothers, ..., transport is expensive. I think that these two elements – transportation and lunch – being offered by an employer, give positive results. 200 women from Zelino applied for a job, they do not even care about working in three shifts, just to have a safe transport.

*Participant:* In the municipality of Zelino in which there is an industrial zone and there will be a new company thee involving some sewing [textile industry], for cars. Based on the information that I received, most of the job applicants are women from the surrounding villages. You know, their husbands are working abroad in Western countries ...

The participants noted that what makes a difference in the interest and actual participation of the vulnerable groups in the active measures is the education of a person.

*Participant:* Those with higher levels of education do not accept ... They accept training when they do not have any other choice, but they know that that is not a long-term solution.

*Participant:* Most of those [with higher education] are participating in the Internship program, which can be useful for them for the future, three months is the program and the employer is not obliged to hire them ...



*Participant:* The social assistance beneficiaries that register once per month in the Agency for employment, as active job-seekers, and have some vocational education are usually being offered employment that does not match their education, and that is why they are in disagreement with the Agency.

- Depending on the completed education, it is common that man within a household has the entitlement to the social assistance, and that is almost like a rule in order to prevent misuse of the assistance.

*Participant:* I have worked for eight years in Suto Orizari. Within the Roma population they usually ask the women [within the household] applies for the social assistance. Why? So that the men can work.

*Participant:* The women [can hold the entitlement] only if the spouse is sick or unable to visit the centre and register. Otherwise, the man has to hold the right/entitlement. We prefer that that is the man since we know why they want that the woman is entitled – she will come and register/sign ..., and the man will work abroad.

The focus groups' discussions lead to some interesting suggestions on how to better identify the people at risk of social exclusion. This will help to find out more realistically who needs the social assistance and, afterwards, can even lead to increase of the amount of the assistance. Participants noted that currently there are main recipients of the SFA who are not really in need of the assistance, whereas many other are left out of the system.

*Participant:* ... we have a serious problem stemming from a large, unrealistic number of beneficiaries of financial rights and services within the social protection, who disguise the people who are in true need of the assistance. We need to make serious selection, which is currently lacking. In we do not do that, it is meaningless whether men or women are more likely to take up the active programs, or it is the single parents ... There are 5,000 SFA beneficiaries in Skopje. That is very unrealistic. We cannot see the big picture.

- Participants argued that there have to be greater efforts to find and stop the informal employment of the SFA recipients. In their opinion, the number of the SFA users will be reduced by 30-40% if there are more rigorous checks on the true employment. That can lead to a great saving and then, professionals from the SWCs can more provide better services to the remaining, true vulnerable persons. They also pointed that the main goal of the SFA is to help the beneficiaries to be able to materially provide for themselves and not to create a dependency on the system. This should go hand in hand with changes in the system, so that if a person again becomes at risk of social exclusion, s/he can again come to the SWC and be eligible for a support.
- Focus groups' participants held a view that the SFA beneficiaries (i.e. the workable people who are at risk of social exclusion) should be mainly targeted by the employment services and not by the social assistance system. They referred to some legislation which was in force up to 1992, by which all able-bodied unemployed persons (including those at risk of social inclusion) were under the responsibility of the employment agency and not the social assistance system.
- In the view of the participants, there should be a change in the measurement of the poverty and defining people (households) who are at risk of poverty and/or social exclusion. They presented different examples of households, showing that if they apply the legislative rules, some individuals or households who are in real need of a social



assistance will be actually left out of the system (will be ineligible). In their view, the definition of people at risk of social exclusion is vague, not clear and not straightforward.

- They argued for the need for field visits and filed work with the applicants and the beneficiaries of the social assistance, directly, but also within the local community.

*Participant:* Filed visit is the main tool and methodology in our social work. But the SFA users are our clients by default, until they find a job, or if they refused to take up an offered job; we work with them strictly in administrative way. But we need to offer them some support on field. I work in an Albanian community and people there know who gets the support and who does not (but is in need of that) and then the community helps these latter households for Bajram or some other holidays. We have to identify those poor people on filed; we cannot do that from our offices.

- Most of the participants held a view that there is no sufficient cooperation between the local employment offices (LEO) of the ESA and the SWCs. They identified several problems and potential remedies for increased cooperation.
  - The LEOs' employees stated that the cooperation can improve if the employees of the SWCs are better informed about the ALMPs offered by the ESA. Apparently, there is a missing better communication between the SWCs and LEOs which is especially strange in cases where the two offices are place in same building. It seems that better informal cooperation between the staff from the two institutions can bring large benefits. If that cannot be achieved, then some formal communication letters between the two institutions should be introduced. The discussion also showed that there is no clear division of responsibilities regarding the employment prospects of the SFA beneficiaries and expectation of the two institutions that the other one would perform the job for them.

*Participant:* Well they need to refer those people [people at risk of social exclusion] to us...

*Participant:* They know those individuals better than we do. They can refer them to us. Why should they give social assistance to an able-bodied person, fit to work whereas there is these call for applicants for employment and/or training? They can find a job the first today after the end of the training. But, they do not send applicants to us. That is my opinion ...

*Participant:* They are not informed about these measures. I can see that when they are informed, for instance, one of our colleagues is informed, they refer the SFA users to us, for instance for training in English language, for internships program ... and she know exactly which program has an active call for applications and refers them to those measures. But, they are not all like that. Well, I can also inform the colleagues from the SWC when there are open calls for applications.

*Participant:* They [the staff of the LEOs] should provide some counselling for the unemployed SFA beneficiaries, like you have this level of education, you should enter this active program ... I suppose that is their responsibility, and they should not pass that work to us. It will also be beneficial for the SFA users.

*Participant:* In order to have better cooperation, only those people in real need of social assistance should stay with us [SWCs], and the others should be a responsibility of the LEOs. There are some individuals earning even 500 EUR and still they are registered as being at risk of poverty and social exclusion. And, when I will be left with the real 100 beneficiaries, then I can cooperate with the Agency for employment ...



- The participants of the focus groups think that there should be various training programs for active engagement of the SFA recipients in the labour market.
  - There is a need for more trainings for soft skills for these categories of individuals. The participants pointed some very good trainings that were already held, such as those for job-searching skills, CV preparation, how to present in front of the employers, etc.

*Participant:* It would be nice that the training ends with networking with employers and possible employment. The clients usually ask me if there will be any job after the training.

- There is a need for training for completing the education level (for the school drop-outs or those with low levels of education), for literacy and for the general behaviour of the SFA users. The participants state that it is most appropriate that these trainings are organized on local level, in cooperation of the local community, Ministry of Education and Science, Ministry of Labour and Social Policy and the NGO sector. In their opinion, the local community has best knowledge on who are those people who are at risk of social exclusion.

*Participant:* There should be training programs starting from personal behaviour, a psychologist should also be involved ... we cannot take those people back to the school, in first year of primary education ...

*Participant:* There should be teams on local level, for instance: psychologist, lawyer, social worker, sociologist ... there should be that type of cooperation, and on local level.

*Participant:* I also think that with individual work, starting with few households, and on local level, we can get the trust of the beneficiaries. And, we need to work on field to motivate them and to place them into jobs.

- Social mentorship is important and needed as a measure that can speed up the inclusion of the vulnerable groups into the labour market.

*Participant:* So, 100% we need mentorship. This is my personal example. One of my clients was women from Albanian ethnicity, single parent of four children, widow. I was fascinated by her character. I worked closely with her for six months, I visited her home, and she really got motivated for work. She now works, and I was very surprised and excited when she told me that she started to work. There are such cases, you can see that only on field. So, we do not really work with our clients, we are just like administrative workers. We cannot help them only with administrative work.

## Topic 2: Findings related to the management of the services and measures for the vulnerable citizens (suggestions for measures for greater inclusion of the vulnerable citizens into the labour market).

In this part of the focus group discussion, the participants were asked to write down their suggestions for some measures and activities that can help to improve the situation of the vulnerable groups of citizens in the labour market (based on a pre-defined template). Here we present a short summary of the suggestion and then we get back to the specific proposals in section 4 of the report. These are the suggestions and comments provided by the participants:

- There should be better labour market analyses that should give direction for the ALMPs;
- There should be greater cooperation between the employees of the ESA, better information flow to the employees of the LEOs, to the employers, more meetings, clear presentation of all measures, and also better information provided to the individuals at risk of social exclusion.



- To increase the level of cooperation and coordination between the local authorities, SWCs and the ESA (employment offices) in the design and implementation of measures targeting the vulnerable citizens.
- The demand for workers for certain occupations has to be analysed on local level, not nationally. The OP for ALMPs sets the deficient occupations on national level, but it rarely happens that those deficient occupations are representing the needs of the specific regions and municipalities. These can be easily changed, the trainings last about 3 months, so they can take into account the need of specific municipalities.
- There should be some measure like “First chance for employment” with no obligation of employers to hire the participants after the program end. This measure can include all unemployed, for three months, for example.
- There should be measures involving training and social mentorship, which should include greater field work and engagement of the professionals from the institutions.

### Topic 3: Findings regarding the evaluation of measures and services for the vulnerable citizens.

In this part of the discussion, the SWCs and LEOs staff provided some suggestions on how to monitor and evaluate the measures and services that would aim at increasing the labour market inclusion of the vulnerable citizens. These are the main findings from that part of the discussion:

- Some of the focus groups’ participants thought that evaluation should be provided regularly, either quarterly or annually. Some others held a view that the frequency of the evaluation should depend on the type of the program. They all agreed though that early monitoring and evaluation will give important information of whether the program design should be amended as to work better.
- Some representatives from the SWCs gave an idea that they should prepare individuals plans for their clients and then regularly follow whether the plan is fulfilled. They can pay field visit to the client, talk to the employers (if the SFA beneficiary is placed on job), etc. Some participants believe that the evaluation should be conducted by some committee (including representatives of the ESA, SWC, NGOs, company that provide the training or job, etc.), and some by the SWCs. Main performance indicators should include the success of the measure (number of employed individuals at the program end), or the impact of the program (for instance, whether the person is still in employment after some period of the time).

## **2. Current active measures and programs for individuals at risk of social exclusion**

This section is based on the planned measures within the OP for active labour market policies which are specifically targeting the individuals at risk of social exclusion. Given the high unemployment in the country and high long-term unemployment (about 80% of the unemployed are without a job for more than 1 year), virtually all registered unemployed persons can be defined as being vulnerable. In particular, the OP 2016 defines vulnerable unemployed people as: young people up to the age of 29 with low levels of qualifications, victims of family violence, children without parents or parental care, homeless people, former drug abusers, parents of street children, single parents, Roma, former convicts, unemployed people who are registered at the ESA for more than a year, young unemployed people who are unemployed for more than 6 months, parents of children with mental disabilities, and parents of children with three and more children (p.30). Such wide definition of vulnerable unemployed leads to a fierce competition between all active jobseekers (for jobs or training), hence reducing the chances of the most marginalized groups of unemployed (including the SFA users) to successfully transition into a job.

In recent years, the focus of the OP has been put on the young people (aged up to 29 years) for which there are also special quotas within each measure, but that is not the case for the people at risk of social exclusion (here we mainly refer to the SFA beneficiaries). Notwithstanding the



difficulties into motivating these individuals to get into jobs (mainly due to losing the entitlement to the SFA), only recently the Government designed specific employment program(s) targeting these category of unemployed people. In the OP for 2016 there are four measures which directly target exactly the unemployed persons who are at risk of social exclusion. Table 1 presents some details of such measures as defined in the OP 2016:

Table 1: Specific active programs targeting people at risk of social exclusion

Program title	Program aim	Target group	Program description	Planned number of participants	Status of the SFA/other benefit
Program for conditional cash transfer for subsidized employment of persons at risk of social exclusion	To motivate companies to employ persons at risk of social exclusion	<p>There are three target groups:</p> <p>1. Priority target groups:</p> <ul style="list-style-type: none"> <li>- Beneficiaries of the SFA in the age group 16-29 years,</li> </ul> <p>Persons who until the age of 18 had a status of children without parents or parental care (beneficiaries of a financial assistance),</p> <p>Former beneficiaries of the conditional cash transfers for secondary education.</p> <p>2. Beneficiaries of the SFA regardless of the age.</p> <p>3. Other groups:</p> <ul style="list-style-type: none"> <li>- family members of the beneficiaries of the permanent financial assistance, and child allowance,</li> <li>- victims of family violence who live in shelters; persons who were using state scholarships in the previous 15 years; young persons up to age of 29 (for all</li> </ul>	<p>The program is related to subsidised employment of the target groups, in different forms, such as 6 months of subsidised employment (gross wage) followed with obligation of the employer to keep them on the job in the next 6 months (6+6); 6 months of subsidized net wage and 60 months of subsidized social contributions; etc.</p> <p>There are two levels of the subsidy depending on the education and qualification level of the unemployed, at 13,500 denars gross wage (which is about at the minimum wage level) and 17,000 denars for more education individuals.</p> <p>In addition, the employers receive a net amount of 5,000 denars per worker in the first 6 months of the subsidised employment, for covering the costs for training and working materials.</p>	166 of which 60 should be young people up to the age of 29	The right to the SFA is put on hold while the unemployed are engaged in this program (meaning they will automatically re-gain the access if they lose their job).



		these categories the requirement is that the total family income is lower than 50% of the average wage in the economy).			
Work-place training with subsidized employment	To support the vulnerable groups of unemployed citizens to acquire professional qualifications and work skills and ethics, and hence to increase their employment chances	<p>Priority will be given for the following categories of registered unemployed:</p> <ul style="list-style-type: none"> <li>- who are aged 50-55,</li> <li>- persons with primary and less than primary education,</li> <li>- young people with primary education,</li> <li>- long-term unemployed,</li> <li>- beneficiaries of social assistance, and persons from vulnerable groups facing labour market barriers</li> </ul>	The work-place training lasts 3 months. The employer has to implement the training program based on previously prepared plan and has to issue a certificate of training completion to the successful participants. Participants receive 6,200 denars monthly during the training. The employer is obliged to employ all trained workers, and will receive a subsidy of 19,000 denars per worker (14,000 as a wage for the worker and 5,000 for himself, to compensate the costs for training). The employer afterwards has to keep the workers at the job for additional 12 months (and not to reduce the number of employees at the company).	333 of which 100 should be young people up to the age of 29	SFA beneficiaries will receive the financial assistance during the program, but up to 18 months of the program start. Those participants that will be fired before the program end can return to the register of the social assistance beneficiaries
Program for community-based work	To increase the social inclusion of the vulnerable unemployed persons, to help them gain some work experience and to gradually increase their labour market inclusion	Registered unemployed persons from vulnerable groups, including the social assistance beneficiaries	6 months of part-time (20 hours weekly) engagement of unemployed persons. Unemployed persons will provide some community services for the citizens in the municipalities. This will help the unemployed persons to gain some work experience and	200 of which 60 should be young people up to the age of 29	The entitlement to the social assistance will be active during the program duration.



			professional skills that will increase their employability. The unemployed persons will receive a financial support of 6,200 denars within the duration of the program. A person can engage in the program only once.		
Services for activation of individuals at risk of social exclusion	Program aims at increasing the access and participation of persons at risk of poverty exclusion in the active measures and services of the ESA	Priority group for this measure are the beneficiaries of social assistance (especially Roma persons), followed by long-term unemployed and other vulnerable citizens, prior to referral to active measures	The measure will be implemented on field, in local communities. Mentors and trainers will be engaged to identify unemployed/inactive persons who are interested into labour market inclusion, and will work on their motivation, provision of information, additional training, etc. Moreover, candidates will be closely monitored and advised even after their potential employment, or self-employment. The job search process of these persons will be improved by preparation of individual employment plans. The teams will identify the qualifications and skills of the participants and will refer them to most suitable ALMPs.	1000 of which 300 should be young people up to the age of 29	

While there has been a progress in terms of targeting the unemployed persons at risk of social exclusion (or social assistance beneficiaries), the main deficiency of the programs is that they are still focused on addressing only one barrier to labour market participation or employment. On the other hand, those most hard-to-place workers are usually facing multiple barriers to labour market inclusion, asking for a set of services and programs including individualized approach rather than a one-fits-all solution. In addition, we cannot expect that those people will find and stay at a job with the first intervention/program that they participate in. On contrary, institutions should provide them a longer-term care and counselling, monitoring and support.

The new program, services for activation of people at risk of social exclusion, is a first program that provides a comprehensive approach to the multiple barriers faced by the most disadvantaged unemployed persons. It has several positive, novel elements:

- the program involves trained mentors and trainers who will be in regular contact with the vulnerable citizens;
- it includes several interventions and not only one (provision of information about labour market opportunities, increasing the motivation of those people, assessment of the skills and qualifications, preparation of individual employment plan, referral to ALMPs based on the individual situation of a person, etc.;
- longer-term monitoring, support and care for the situation of the participants, even after they find a job; and
- the program is implemented on local level, where people know each other well, and hence they can easily identify and support those in need of this measure.

This program has a wider social dimension and rational, but it also implies that we cannot expect large effects of the program in short period of time, in terms of the employment gains of the program participants. In other words, there should not be a society pressure towards large cost-effectiveness of this type of program. The OP does not set any outcomes or performance targets so we cannot draw any conclusion of the expectations about the success of this program.

As we previously stated, the most vulnerable persons also have an opportunity to engage in the other ALMPs and services, but there they compete with the other unemployed persons.

### 3. Proposals for measures and some key recommendations

#### 3.1. Enhancing the cooperation between SWCs and ESA

Social services need to be viewed as a key partner of employment policy (LEOs) (and for the education) for those unemployed who are furthest from the labour market, and who are in most need of support. In addition, given their role of providing support and protection for those at risk of poverty, they need to actively engage in activation and inclusion of their clients in the labour market, and potentially, employment. They are the ones that best understand the (multitude) needs and real situation of the social assistance recipients. Hence, the cooperation between the employment and social policy institutions have to be on a very high level, both at the management level, legislative level, but also on a more practical, day to day level. It is crucial for the success in supporting social assistance recipients to become capable to materially provide themselves. On contrary, the focus group discussions showed that there are several problems in the communication between the social and employment services in the country:

- lack of regular, daily cooperation, for the best interest of their clients;
- lack of cooperation on more strategic level, in determining policy, practices, procedures, etc.;
- inconsistency in the implementation of the regulation related to the rights of the recipients



of the social assistance (for instance, different opinion on what “active status” means when a recipient of social assistance is involved in some active labour market measures);

- there are very rare, but still existent, informal practices where some staff are self-motivated to try to learn more about what the other institution works and hence to be able to provide better support to the clients.

Taking into account the findings of the focus groups’ discussions and the importance of the communication of the two institutions, we propose the following:

- **Establish an institution that will undertake the role of coordination of the Social Work Centres (SWCs).** The lack of such institution generates inconsistencies in the implementation of the legislation across the SWCs, creates difficulties in the communication between SWCs and LEOs, etc. Although participants reported that there were so far initiatives to strengthen the cooperation between the two institutions (headed by the Ministry of Labour and Social Policy), the lack of the central office of the SWCs makes it very difficult, if not impossible, to achieve.
- To **develop standard operational procedures (SOP)** for cooperation between the LEOs and SWCs. Every employee of the centres working with clients have to undertake a training in the procedures, to make sure that everyone is well informed and will adhere to the principles of the SOP.
- Organize more focus group discussions involving staff from locally close SWCs and LEOs. As most of the problems and needs of the vulnerable groups are specific to the community (i.e. local), the staff of the two institutions have to learn more about the challenges and practices of the other institution and to try to coordinate among themselves. **While generally following the SOP, the local offices may further develop both formally (through some agreement) and practically their cooperation.** Focus should be put on how to tackle the multitude needs of the clients, as well as how to ensure effective referral from one to the other service.
- The enhanced discussion should also change the way of thinking of the staff, whereby in the current situation the staff of the two institutions sees the other one working less, i.e. as they are performing the work of the colleagues from the other institution. They have to **understand and to be motivated to jointly assist the recipients of the social assistance** to become more integrated into the society and to find a job that will provide materially for them.

These latter two recommendations can be achieved by establishing teams of counsellors from the SWCs and LEOs, on local level, who will jointly mentor a specific number of clients. Initially, this will be implemented as a pilot project and they will have the opportunity to choose the clients they will serve (although some creaming will be involved here). A system of bonuses should be established as a motivational tool for greater success. If this pilot implementation proves effective, it should be gradually introduced in the other local offices.

### 3.2. Specific new measures for the people at risk of poverty

Table 2 below presents in detail suggestions about new programs targeting vulnerable people, drawing on the focus group discussions, but also example of other countries and programs. Before presenting those proposals, we would like to suggest few elements that can improve the current programs and better support people at risk of social exclusion. These are:

- Any program that involves social assistance beneficiaries should involve some accommodating period for the participants. This means that they should not lose the right to the assistance right away, from the start of the program (for those programs that involve



some payment). We suggest that the social assistance (mainly SFA) is gradually taken away: it should be reduced to 50% of the original amount if a person stays in employment for 12 months; and then completely halted if a person stays additional 6 months on the job. This is important, as we need to provide enough incentive for the beneficiaries to participate in the programs, and to provide enough protection and security for them on long-term, not just short-term.

- LEOs and SWCs can be given some possibility (based on grants competition) to propose and implement specific employment programs on local level.
- Any program that seeks to support greater activity and employment of females should involve organized transport to the work and back home. This has been shown to be a very important factor incentivizing women to take on jobs.

Table 2: Specific active programs targeting people at risk of social exclusion

Program title	Program aim	Target group	Program description	Planned number of participants	Status of the SFA/other benefit
<p>Joint mentorship program - Integration of social and employment services for people at risk of poverty in one-stop-shop reintegration system</p>	<p>The program has three aims:</p> <ul style="list-style-type: none"> <li>- to support social inclusion of most vulnerable citizens, i.e. social assistance beneficiaries with low educational attainment;</li> <li>- to raise aspirations and motivation of vulnerable citizens and contribute towards their self-sufficiency;</li> <li>- to assist vulnerable citizens in acquiring some non-formal education and hence increasing their employability;</li> <li>- to establish close collaboration between the Social Work Centres (SWCs) and local employment offices of</li> </ul>	<p>Beneficiaries of social financial assistance (SFA) including ethnic minorities (especially Roma) aged 19-40 that are registered as unemployed in the ESA and have low educational attainment (below secondary education). Priority will be given to young members of the households, up to age of 40.</p>	<p>The one-stop-shop reintegration service/system will be established as pilot project in 3 municipalities where employment and social services are situated in same premises. They will involve staff from the SWC (those working with the clients), and staff from the local employment office (LEOs) of the ESA. Some of the SWC staff (mentors) will select 20 SFA beneficiaries (mainly Roma, with low education and homeless), and then they will work with them along with the colleague from the ESA, to increase their employment chances, serving as mentors. These will be a long-term relationship, until the person finds a job and stays in the job for a minimum of 18 months. The team will provide any additional support required for the SFA beneficiary, such as childcare, counselling, training, etc. In other words, the team will try to lift the multiple barriers for activation and</p>	<p>180 participants (in 3 municipalities municipality, 3 teams will be established, each of them working with 20 persons).</p>	<p>Those participants who are successfully employed will keep their status of social assistance beneficiaries, and will receive the SFA. If they stay in work for 12 months, their SFA will be reduced by 50%, and if they manage to stay at the job for additional 6 months, only then their SFA will be withdrawn.</p>



	the ESA.		<p>employment.</p> <p>Specific support has to be provided to homeless people, for which some new arrangement has to be made as not to lose the right to housing once they find a job.</p> <p>For single mothers, also, specific support has to be provided, mainly for the childcare and other support services (doctor visits for the children and similar).</p> <p>After the model is developed, protocols will be developed for reintegration services and the one-stop-shop system will be “integrated” in the SWC.</p>		
Services for activation of the NEETs (young people neither in employment nor not in education and training) who are inactive in the labour market	Program aims at activation of the inactive NEETs, providing tailor-made programs to them that will boost their employment probabilities. A recent study by Mojsoska-Blazevski (2016), published by the ILO, showed that there are above 50,000 inactive NEETs in the country	Priority group for this measure will be young people (15-29) who are inactive NEETs. This young people are currently not covered by any active program, as they are not registered in the ESA and are not searching for a job. However, they are most likely discouraged, demotivated, face multiple barriers to activation and employment, etc.	The measure will be implemented on field, in local communities, starting with pilot 5 municipalities. The program will involve local youth NGOs who will have a role in identifying the NEETs. They will organize the first counselling with thee NEETs, which will include motivation boosting training. Those NEETs that will show some interest in activation in the labour market will then undergo a personal counselling session, in which an individual action plan will be developed (based on the	30 youth in each municipality	Not applicable. In case the NEETs are beneficiaries of social assistance, or are members of families who receive social assistance, their involvement into training or subsidised employment will not impact the eligibility for the assistance. Only in case they find a job and stay within the job for a year,



			<p>qualifications and skills). With the plan, they will be directed to: i) further education, and/or ii) some active measures. Mentors (preferably trained members of the youth NGO) will support the participants on regular basis, through every step of application, during the program period and afterwards. They will also assist the NEETs in providing some other public services, if needed (for instance, childcare, etc.).</p>		<p>then their income will be considered in terms of the eligibility for assistance.</p>
<p>Internship program for the SFA beneficiaries</p>	<p>The program should improve the working skills of the SFA (and other social assistance programs) beneficiaries, as to enhance their employment chances</p>	<p>Priority group for this measure will be young people (15-29), who are either recipients of social assistance or members of households receiving some type of social assistance. The requirement is that they have completed secondary school (3- or 4-year VET programs, or general secondary school) or tertiary level education</p>	<p>The government will ensure that each year 1,000 young people at risk of social exclusion are involved in an internship program. The program will last 3 months and participants will receive food and travel allowance of 6,200 denars per month (plus insurance in case of injury). In order to motivate employers to take on these vulnerable group (instead of the other groups of unemployed), a payment of 8,000 denars per intern will be made to employers to cover the costs of the material and any other expenses. There will not be any obligation for employers to employ the interns. However, if the same employer takes on intern for the same</p>	<p>1,000 young people</p>	<p>All right pertaining from the social assistance will be active and will continue</p>



			position/task for two times (not necessarily the same intern), s/he will have to employ an intern afterwards		
Work preparedness program	The aim of the program is to provide some general work skills to the social assistance beneficiaries	All recipients of social assistance where the condition for the assistance is that they are able to work. The program will be mandatory.	This measure should include training in three domains: <ul style="list-style-type: none"> <li>- Motivation,</li> <li>- Job search skills (including interview skills and similar),</li> <li>- Work ethics and behaviour</li> </ul>	All recipients of social assistance where the condition for the assistance is that they are able to work	All right pertaining from the social assistance will be active and will continue
Supporting rural women to team up and start an economic activity	The aim of the program is to support rural unemployed women to organize themselves in providing some economic activity	Registered unemployed women, preferably those from rural areas (although the program should not be limited only to rural women)	The government (ESA) will support financially groups of 3-8 unemployed women to team up and start a joint economic activity. The focus will be put on rural women or women from small town around the country. Women will be required to start some economic activity (it can also be a service). Initially, in order to avoid risks of failing, they can offer the activity through establishing an NGO. They will be entitled to a grant of EUR 2,000 from the central government. In addition, the local community will be obliged to provide some physical space (either to be used as an office, or for selling some	All registered unemployed women (focus on women from rural areas and small towns)	Not applicable. Still, in case some of the women are beneficiaries of SFA, they should keep the right to (and payment of) the SFA



			<p>products) for a period of one year. In case the NGO has successful results, they will be offered additional grant of 2,000 to open up a business. In case the business needs larger investment (buying some equipment) they may use some additional funds.</p> <p>This project should be started as a pilot, in 3 municipalities and then, based on the initial results, it can be widespread across the country. It will offer females some flexibility in their “employment”, allowing them to balance work and private life and can overcome one of the barriers to female employment in rural areas and small towns, that is the unavailability of childcare. At the same time, if women as engaged occasionally in farming, they will also be able to combine the two activities.</p>		
Support to companies for opening up of kindergartens	The aim of the program is to financially support companies to open kindergartens	Companies with 50+ employees, which are located in areas where there are no kindergartens in a radius of 5 km	Companies will be entitled to a grant for opening kindergartens, conditional upon unavailability of kindergartens nearby. The grant will be in amount of EUR 15,000. They will be required to employ 50% of the staff from the register of unemployed persons. Companies will be able to use the	Up to 5 grants per year	Not applicable



			subsidised employment program for the staff hired from the register o unemployed persons. They will also be obliged that 70% of the new hired staff are women. Companies will have to return the grant in case they close the kindergarten in less than 2 years.		
Promoting registration of unpaid family workers as farmers	The aim of the program is to support women who are engaged in farming as unpaid family workers to register themselves as farmers	Women engaged as unpaid family workers, registered as unemployed persons)	The program will support women who are engaged as unpaid family workers to register themselves as farmers under special conditions (paying lump sum contributions). In particular, the state will subsidise the payment of social contributions for two years, but then women farmers will be obliged to pay the contribution for additional two years.	30 women in the first year (as a pilot project)	In case the women (or their households) are recipients of SFA, they should keep the right to (and payment of) the SFA
Introduction of an Activation bonus - an in-work benefits for most vulnerable unemployed persons	The aim of the program is to motivate most disadvantaged unemployed workers to search more intensively for a job and to accept job offers	Registered unemployed persons who will be categorized as "most difficult to employ" within the profiling services of the ESA	The program will provide a one year top up amount to the wage earned by most disadvantaged unemployed workers when they find a job, in a form of so-called activation bonus for the unemployed. The activation bonus will be in an amount of 50% of the minimum wage and will last one year (if the worker keeps the job for that period of time). An unemployed person cannot use the bonus more than once.	100 unemployed persons in the first year	The bonus cannot b combined with other benefits.

