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# MACEDONIA<sup>1</sup> AT A GLANCE AND COUNTRY BACKGROUND

Location	Central Balkans, in south-central Europe
Neighbours	Serbia and Montenegro, Bulgaria, Greece, and Albania
Area	25,713 square kilometers
Population	1,936,877 (according to the 1994 Census)
Population growth	0.5%
Population per s/km	79.4
Life expectancy	73 years
Proportion of people below the poverty line	22.3
GNP per capita	USD 1,690
GDP (2000)	USD 3.4 billion
GDP per capita	1,678
GDP growth	-4.6
Languages	Macedonian
Alphabet	Cyrillic
Religion	Orthodox, Muslim, Catholic
Political organization	Parliamenatry democracy
Monetary unit	Denar
Time	GMT+1 (September–March); GMT+2 (March–September)
Capital	Skopje
Other bigger towns	Kumanovo, Bitola, Prilep, Tetovo, Veles, Ohrid, Stip, Gostivar, Strumica

World Bank 2003

Macedonia negotiated its way out of the break-up of Yugoslavia without being caught up in the maelstrom of ethnic violence that raged in the region at the time. Yet, since its emergence as an independent nation-state in 1991, Macedonia has faced numerous challenges. The ethnic Albanian boycott of the 1991 official referendum on the independence of Macedonia, in combination with the unofficial referendum in 1992 on whether Western Macedonia should be proclaimed an autonomous “Republic of Illirida” gave substantial reason for pessimism about the future at the time. Also, Greece, Serbia and Bulgaria during the first years of independence have disputed the existence of Macedonia and its name, its church and its language respectively, although subsequently, these problems have subsided.

The two trade embargoes that Greece imposed as a punitive measure over use of the country’s name, as well as international economic sanctions against Yugoslavia dealt a harsh blow to the Macedonian economy. The refugee influx in 1999 as a result of the Kosovo crisis has been an additional challenge to the country’s economic and social stability. A number of events involv-

ing ethnic Macedonian police and ethnic Albanian individuals have remained engraved on local memory (in different ways for ethnic Macedonians and ethnic Albanians).

The armed conflict between ethnic Albanian insurgents and the Macedonian authorities in 2001 has presented the biggest challenge to the state so far. The conflict lasted for almost seven months before it ended with the signing of the Ohrid Framework Agreement by Macedonian and ethnic Albanian politicians in August 2001. The Framework Agreement, endorsed by representatives of the international community, preserves the unitary character and territorial integrity of the state, and provides for the decentralization of government, equitable representation of ethnic Albanians and other communities in public administration, the use of the language of those communities which make up more than 20% of the population, both at central and local level, introduction of special mechanisms for the protection of non-majority communities in Parliament and enhanced opportunities for education in the language of the communities in order to preserve their cultural, ethnic and religious identity.

Above all, unemployment and criminality are the problems that currently preoccupy the citizens of the country the most.<sup>2</sup> The current government, elected in September, 2002, has identified both as current priorities.

According to the 1994 official census, ethnic Macedonians form 66.6% of the population, ethnic Albanians 22.7%, Serbs 2.1%, Turks 4.0%, Roma 2.2%, Vlachs 0.4% with 1.9% listed as “other.”<sup>3</sup> The 1994 census was boycotted by ethnic Albanians who have subsequently questioned its results. A new census, agreed upon as part of the Framework Agreement was conducted at the end of 2002. Results from this census are expected at the end of 2003 and should provide clarity on the demographic structure of the country, but is unlikely to completely resolve the ongoing disputes on ethnic composition.

1 The UN-recognized name for the country is the Former Yugoslav Republic of Macedonia. However, for the purpose of simplification and without any prejudice to the name related dispute with Greece the name ‘Macedonia’ will be used throughout the text.

2 According to the Early Warning Report (April 2003) commissioned by UNDP and conducted by the Kapital Center for Development Research.

3 National Human Development Report Macedonia, 1999.



THE FORMER YUGOSLAV  
REPUBLIC OF  
**MACEDONIA**

- International boundary
- Opstina boundary
- National capital
- Opstina centre
- Town, village
- Airport
- Super highway
- Main road
- Secondary road
- Railroad
- Canal

United Nations  
Department of Public Information  
Cartographic Section

The boundaries and names shown  
and the designations used on this map  
do not imply official endorsement  
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# EXECUTIVE SUMMARY

The Common Country Assessment (CCA) analyses the national development situation of Macedonia and seeks to identify the country's key development issues.

The CCA analysis is made against the background of the transition from a centrally planned socialist economy to a market oriented system. The CCA analysis indicates that a limited historical experience of modern statehood, capitalism and democracy have been and continue to be the greatest impediment in the management of the transition in Macedonia.

Macedonia has set one post-Yugoslav precedent by seceding without war. However, disrupted cultural, social and ethnic traditions led to violence and destruction in 2001. Albeit abating, they are still contributing to potential destabilization and tension in the country.

Macedonia's attempt at political pluralism has been compromised after independence by a young democracy, weak legal order and general insecurity. All of these factors have fuelled inter-ethnic tensions and have ultimately weakened

Macedonia's ability to manage the transition process.

Currently, the government, which came to power in September 2002, is making progress towards addressing many of these issues, as reflected in its current policy framework. The government is also committed to fulfilling those international commitments to which the country is signatory. An overview of this progress is reflected in Annex C of the CCA. Under the present leadership it appears that political parties are slowly turning away from ethnic issues to focus on the common good of the country.

In the CCA analysis, the transition is seen as a three-dimensional phenomenon: economic, political, and institutional. In analyzing each of these dimensions, an important fourth, social dimension becomes clear. This dimension plays an important role in understanding the growth of inequality and poverty, the reasons for decreasing living standards, and decreased accessibility to quality services.

In addition to the economic and institutional implications, the disintegration of the socialist system has had important social impacts and costs, which must be considered when analyzing the key challenges of the country. Understanding these implications will also bring the underlying causes of poverty in better focus and will play an important role in identifying policies and programs to mitigate it.

A people centred approach has been used to conduct the analysis of Macedonia's main development challenges, and has influenced the choice of the thematic areas. In other words, a deeper understanding of the problems of the country is impossible without a clear knowledge of how these problems affect people, their immediate environment, and their perceived human security.

A human rights based approach has also been applied to the CCA to emphasize





Photo: Vlaho Brandoljica

ze that human rights and development are not distinct or separate spheres. Therefore, the question is not how to identify points of actual or potential intersection but to accept that development should be seen as a subset of human rights.

Realization of economic and social rights in the development process is often limited by a tendency of governments to overlook all of the necessary steps towards actions that are needed to realize these rights. "The centrality of the human person in the development process"<sup>4</sup> is an essential aspect of the 'Right to Development'.

Based on the 'Right to Development' approach, three areas were chosen for analysis: Governance, Basic Services, and Environment. Two reasons determined this choice. Firstly, the problems related to these three areas are of such gravity and broad scope that they affect the whole society and are representative of the main development challenges faced by the country. The second reason is because these problems affect the poor disproportionately.

Three core factors influenced the focus of the analysis on how and to what extent these problems affect the poor. The first factor is that the number of poor is increasing. This negative trend is continuing. The armed conflict in 2001 has also added potential for an increase in poverty.

The second factor is the level of disparity within the poor, pointing at an extreme vulnerability of several groups, and adding to their exclusion and insecurity. While the interaction with gender, age and ethnicity was a key component of the analysis in this context, the interaction is often difficult to make as there is a lack of reliable disaggregate data at the national and sub-national level. The CCA indicates where data is limited or not available, inconsistent, or poorly disaggregated.

The third factor is the increasing gap between the rich and the poor, fuelling inequality, with a built-in potential for inequity and destabilization.

The key problems related to each thematic area are examined in their specific context and in their interlinkages. Also, main data, existing and possible trends, and cause and differentiated effects are examined for selected key problems.

The CCA has established that the main root causes of the development problems identified in Macedonia are: the collapse of the former socialist system and the resulting vacuum, affecting the capacity of the country to effectively manage the transition. These problems in the specific context of Macedonia were aggravated by interethnic problems affecting all areas of economic and social life. The CCA recognizes and underlines that the collapse of the socialist system has been accompanied by an erosion of the system which has affected not only the economic system but also values, identity and statehood.

The findings of the CCA analysis represent the building block for the suggested areas of cooperation which are presented

in the concluding section. Institution-building emerges as the key priority across the diverse sectors of international assistance and development cooperation as being relevant to all areas examined.

A solid institutional framework is a prerequisite for the exercise of public power, for continued free and fair elections and for a representative and accountable government. The rule of law for effective protection of human and non-majority community groups' rights can only be implemented in the presence of capable and solid institutions. A favourable climate for business enterprise can only flourish if promoted by stable economic regulatory structures. Only then can privatization or trade liberalization generate sustainable economic growth. Access to services, and environmental protection can be guaranteed only by capable and solid institutions which enjoy the trust of their citizens.

Against this background, the CCA has identified the country's aspiration towards EU accession as the most important opportunity for lasting peace, stability and prosperity. The CCA also reconfirms that the Millennium Declaration and the Millennium Development Goals (MDGs) can play a role, both nationally and globally, in engaging the government, development partners and donors as well as the broader society in a dialogue on development issues. Ultimately, this dialogue will have to transcend the UN-EU-Government dialogues in summits, declaration and plans of actions to engage stakeholders at the grassroots level on the path to global sustainable development within the EU integration process.

#### **The Government of Macedonia, The United Nations Country Team Skopje 2003**

<sup>4</sup> In A Rights Based Approach to Development by Jorge Daniel Taillant Presentation to the World Social Forum Seminar on Globalization and Human Dignity March 2, 2002 Porto Alegre.

# INTRODUCTION

The Common Country Assessment of the United Nations System in Macedonia is the outcome of a collaborative process involving all the members of the UN Country Team (UNCT) in Macedonia, the Bretton Woods Institutions, the Government and a number of national and international organizations. The CCA is one of the major tools for the implementation of Secretary General's Reform Programme for the United Nations system, launched in 1997. Its main use is to bring greater coherence to UN activities at the country level.

The Millennium Development Goals (MDGs) are eight agreed-upon and time-bound goals, with 18 targets and 47 indicators. In the context of Macedonia, the main reason for providing an overview of current status of the MDGs at the country level is to highlight the role that the CCA plays in Macedonia and to begin the preparatory ground for the Millennium Development Goal Report, (MDGR) thus serving as a preliminary reference for monitoring the future progress towards achieving the MDGs.

**Preparation process.** The CCA preparation process in Macedonia coincided

with the first three months of the UN Humanitarian Strategy. This strategy was prepared as an interim assessment of humanitarian challenges and main vulnerable groups, after the UNCT decided that a Consolidated Interagency Appeal would not be issued, given growing stability and post-conflict progress on implementing the Framework Agreement—the 'peace contract' for Macedonia—which marked the end of the 2001 conflict.

The CCA process also coincided with the review by the government of the National Poverty Reduction Strategy document, prepared in partnership with the World Bank. The CCA preparation benefited from the National Human Development Report of 2001 and equally from many other strategic and planning documents quoted and referred to within the CCA. The CCA document draws liberally on the mutually reinforcing findings of these documents. It compares, analyzes and scrutinizes data obtained from these documents and validates them in the analysis through a participatory process.

The CCA benefited from UNDP's Early Warning Report and relies heavily on the

National Human Development Report, the Poverty Strategy of the Government and the Living Standard Survey of the World Bank. Because these documents are based on the active participation and involvement of civil society actors, the CCA becomes to a direct extent representative of the perceptions of different groups in society, especially the poor, disadvantaged and marginalized.

Participatory methods used in the preparation of the CCA included problem and casualty analysis and small UNCT workshops. Key Government ministries have been informed and consulted about the process, and consultations with civil society organizations, international and national development partners and stakeholders will continue after its finalization.

The CCA/UNDAF process is a new endeavour for the UN Country Team in Macedonia. Early in 2003, representatives from the two Ex-Com agencies (the UNICEF Representative and the UNDP Resident Representative) and the Coordination Officer from the Office of the Resident Coordinator attended a training session in Tarrytown, New York. These individuals then formed a small working group to manage the process. The CCA/UNDAF process was presented to the UN Country Team. Next, the working group met with the Sector for European Integration, under the office of the Deputy Prime Minister, outlining the CCA process. A letter was then sent from the Resident Coordinator to the Ministry of Foreign Affairs and the National Aid Coordinator, requesting clarification on government partners for the process. The letter also requested the formation of a government advisory body to inform the CCA. An experienced consultant was recruited to facilitate dialogue between the various stakeholders, assist in developing the CCA indicator framework and compile and format the final document.



**Scope.** The CCA bears testimony to the country's progressive move to a development context after the conflict of 2001, and the willingness to analyze the country's key development challenges openly and frankly. This is particularly commendable after a period of major upheaval and crisis. The commitment made by the country in adopting the Millennium Declaration in 2000 together with all member states of the UN General Assembly has added new value to this analysis. The CCA is also the first step in tracking the progress made in achieving the Millennium Development goals and in the identification of areas of cooperation for a future common UN strategy in the country, the United Nations Development Assistance Framework (UNDAF).

**Findings.** The major findings of the CCA are summarized in a matrix for easy reference (Annex A). They can be broken down into three main categories: a) Findings related to key problems; b) Findings related to root causes; c) findings related to underlying causes and manifestations of those problems.

In the area of governance, increased poverty and the reordering of the state first, during the post-independence transition and then the conflict, have created tensions which have weakened social cohesion and integration, resulting in the exclusion of some ethnic and linguistic groups. The traditional link between poverty and unemployment has also been revisited by the analysis, to find that while the unemployed account for the majority of the poor, the poor also include those who are employed but receive low wages, or are paid late or intermittently.

In the area of basic services, it has emerged that despite their availability, it is becoming increasingly difficult for the poor to access basic services. This is the case with primary education and basic health care. The quality of these services is also

deteriorating, as a consequence of the economic crisis and the inability of the poor and the institutions to maintain them. This decreased quality and the inability to pay for good services has hit poor households harder. Higher fees combined with informal payments prevent poor people from accessing the services.

In the area of environment, it has emerged that industrial pollution is seriously threatening environmental quality and the quality of human life, with an especially strong impact on those households who are dependent on the natural environment for their survival, for example, in the agricultural and industrial sector. Coping mechanisms against poverty may resort brutally against those very poor who are resorting to them for their own survival. For example the 38% rate of soil erosion resulting from unsustainable agricultural practices tells a long story of poverty, dispossession and deprivation.

**Nature.** The CCA is the tool by which the UNCT, in consultation with its national counterparts, has adopted to analyze the country's key challenges and to identify areas of cooperation on which to base a common strategy. It supports the development of national plans for poverty reduction and human development. By incorporating the MDGs in the analysis, the CCA for Macedonia takes a first step towards assisting the Government in their systematic monitoring. The CCA process has facilitated consensus within the UNCT on the data and analysis required to prepare the Millennium Development Goals Report and expects to make a valid contribution to stabilization and integration programmes.

**Partners.** The UNCT has worked in close collaboration with the World Bank, the international community and a number of local and international non government organizations in the preparation of this document.

**Follow up.** For the future, the UNCT and the government intend to refer to the CCA to ensure that research needs and data gaps will be systematically addressed through project and programme-specific components. The CCA will be also used to consolidate the process of MDG monitoring at the country level (Annex B) and identify the ongoing need for data, which can be addressed in the National Human Development Report (NHDR) for 2003. The UNCT will also use the CCA for their country programmes either as a basis (UNICEF and UNDP notably), reference and to follow up on the status of implementation of United Nations Conventions and Agreements (Annex C).

**Key expectations.** The analysis of the CCA rests on the concept that it will be relevant to complement government strategies and the Government's vision behind national policies, that is, the achievement of a climate conducive to economic growth and poverty reduction. The strategy defines poverty as "a multidimensional problem... therefore poverty reduction cannot rely exclusively on economic policy... but also on well coordinated measures" in different areas<sup>5</sup>. The CCA aims at placing itself strategically within and beyond the transitional process from emergency, relief and rehabilitation to sustainable human development in the pursuit for human security. The CCA can then play a role in identifying areas of cooperation and coordination of transitional priorities and in fostering linkages between relief assistance and longer term development priorities.

Ultimately, the CCA's main purpose is to be a strategic analytic tool to examine root causes of poverty based on national development issues and trends including progress made towards the national and the international goals.

<sup>5</sup> Poverty Strategy Reduction in the Republic of Macedonia, the Government of the Macedonia, 2002.

# THE CCA OVERARCHING ISSUE

**“The main objective of the Community development policy must be to reduce and eventually to eradicate poverty”**

The European Community Development Policy Statement, November 2000

The overarching issue for the development of Macedonia that has emerged from the CCA analysis is the country's eventual integration into the European Union. The analysis has ascertained that presently, this issue has tremendous potential for shaping the future direction of the country. It is the key to the choices that the county will need to make at a national, regional and local level and will require bold decisions to scrutinize problems and arrive at sustainable solutions. Peace, democracy, stability and finally, integration can be the county's reward for promoting polices and regulations in line with those of the European Union. EU integration is a strategic tool in the hands of those who are duty bound to act for change. Making this transition means rebuilding, reform and global integration, rather than disintegration and destruction

The Stabilization and Association Agreement, signed in 2001 was a historical event for Macedonia at the beginning of the 21<sup>st</sup> century, marking a new beginning. It represents a big step towards stability, prosperity, democracy and economic stabilization. The agreement focuses on four main priority sectors: democracy and the rule of law, economic and social development, justice and home affairs and environmental resources. While the central theme is to integrate South East Europe (SEE) into the wider Euro-Atlantic zone of stability, the Agreement emphasizes regional cooperation with SEE countries and encourages them to conclude free trade agreements with their neighbours. The ultimate aim is to create a stable institutional framework of cooperation in areas where of mutual interest and value, e.g. energy issues, freedom of movement, environmental concerns and the fight against drugs and organised crime.

The ability to fulfil the long term objective of integration into the EU will require enormous efforts to bring existing legal

regulations in line with that of the EU. Lessons from EC cooperation to date indicate that improvements are required towards greater ownership of governance and in civil society, as well as improved donor co-ordination to achieve the goals of the Stabilization and Association Agreement (SAA). The SAA provides a yard stick against which to measure the degree of political willingness and the institutional ability to ensure the conditions for peace and stability and, through that, sustainable development are in place.

International assistance, including assistance from the EU, can only be effective where it supports credible domestic reforms that are equitable and pro-poor. Thus, areas of cooperation identified within the CCA can be a catalyst to strengthen and nurture policy consensus behind reforms, which stress the benefits of the reform while, at the same time, fostering realistic expectations. Where reforms involve short term costs, decisions are transparent and support mechanisms are included to mitigate the impact on poor, marginalized and vulnerable communities<sup>6</sup>.

Objectives such as social and sustainable development, the fight against pov-

erty and global development cooperation through accession are to be pursued within the framework of the international commitments made by the EU and Macedonia. For example, within the framework of the MDGs, and more specifically the goal of developing global partnership for development, this particular commitment acquires special relevance in the area of development cooperation and trade and requires the efforts of the EU to ensure that its policies are run parallel to and complement the development policy targets outlined in the MDGs.

In view of the trade-offs and choices to be made along the path to integration, the CCA argues that development with a “human face” in Macedonia is human development that reflects the spirit of the Millennium Development Goals (MDGs) in accordance with the EU principles of coherence, complementarity and coordination. The ultimate objective of development cooperation between Macedonia and the EU is sustainable development and poverty eradication. The MDGs and the targets set in the UN International Conventions and Declarations remain the best road map not only to poverty reduction strategies, but also and in the specific context of Macedonia, to integration with the EU.

In principle, institutions, civil society, communities and individuals are empowered by the Stabilization and Association Agreement. It can play a crucial role in holding the government accountable for its actions, can be instrumental in promoting ethnic dialogue and promoting non-majority community groups' rights, thus reducing the potential for ethnic tension and destabilization. It can promote good governance, and can improve basic service and environmental standards.



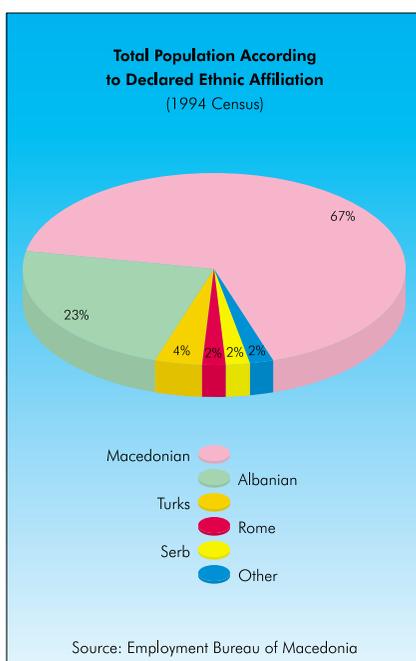
6 In : Democracy Security and the Future of the Stability Pact for South Eastern Europe. A Framework for Debate by the East West Institute in partnership with the European Stability Initiative, 2001.



# THE RIGHT TO GOOD GOVERNANCE

## BACKGROUND

Macedonia is a parliamentary democracy governed by a government coalition between SDAM (Social Democratic Alliance of Macedonia), DUI (Democratic Union for Integration) and LDP (Liberal Democratic Party)<sup>7</sup>. The political context is dominated

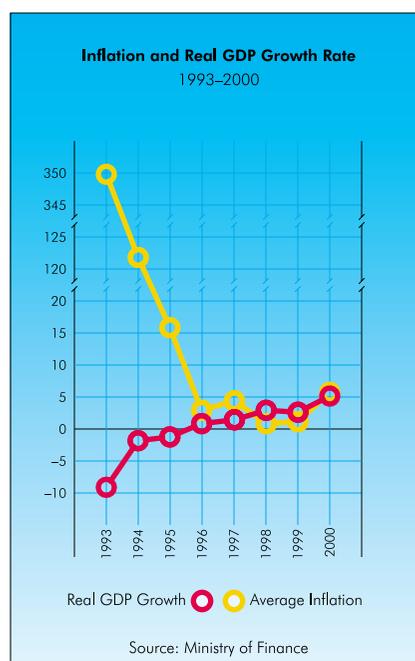


almost exclusively by ethnic politics with parties mostly established along ethnic lines. With the exception of the largest urban centres, the majority of ethnic Albanians live in the West and the Northwest while ethnic Roma, Vlachs, Turks and other minorities are dispersed throughout the country.

Macedonia was one of the least developed republics of the former socialist Yugoslavia. Despite normalization of the political and security situation after the end of the internal conflict in 2001, macroeconomic stability in Macedonia is fragile and the social burden heavy.

The 2001 political and security crisis was also a setback for the country's economic development. GDP declined by 4.1% in 2001 and the forecast for 2002 growth has been

revised downward to 0.3%. Largely as a result of security related expenditures, the 2001 budget deficit grew from an estimated 1.2% to 6.4% of GDP. Economic pressures continued during 2002 both because of global economic decline and the ongoing perception of Macedonia as a high-risk country.



The 2002 GDP growth rate of 0.3% has postponed hopes for recovery of the Macedonian economy during 2003 while the escalation of unemployment, social insecurity and the growing poverty have seriously worsened the quality of life of the citizens<sup>8</sup> (see table 1).

Additionally, negative development tendencies such as the continuation of (historical) geographically unbalanced development are widening the gap between rural and urban areas as well as the social gap among citizens.<sup>9</sup> In turn, these factors contribute to a lower level of economic security and exacerbate social exclusion.<sup>10</sup>

Comparatively, Macedonia seems to have escaped the legacy of earlier regimes' abuses and the neglect of fundamental

principles of democratic governance, human rights and the systematic marginalization of ethnic groups. Despite this, the country's long term stability prospects have seriously been impaired by the 1999 Kosovo crisis, followed by the internal crisis in 2001 in the North West region, between ethnic Albanian armed groups and Macedonian authorities, which ended in August 2001 with the signing of the Ohrid Framework Agreement.

The problems related to governance and the national responses to them will be scrutinized in light of the relevant MDGs and a number of international declarations and conventions. While reference to the conventions will be made as appropriate, the MDGs used in the analysis for Governance are the following: a) Eradicate Extreme Poverty and Hunger; b) Promote Gender Equality and Empower Women, and c) Combat HIV/AIDS and Other Diseases.

## Past Dynamics Influencing Present Development

As in other countries in the former socialist system, the state system in Macedonia provided wide opportunities for employment and guaranteed child allowances, free education and health care, and pensions upon retirement. The high rate of literacy (94% according to the 1994 Census) and life expectancy (72 years) compared favourably with many higher income transition economies. Despite these achievements, prior to 1990 Macedonia was one of the poorest Yugoslav republics, receiving significant subsidization and transfers from the Federation Budget (Belgrade), and greatly reliant on internal markets for trade. Infant

<sup>7</sup> Parliamentary Elections, September 2002.

<sup>8</sup> UN Office for the Coordination of Humanitarian Affairs (OCHA), 2002, in ReliefWeb at [www.reliefweb.int](http://www.reliefweb.int).

<sup>9</sup> Macroeconomic Policy and Ministry of Finance of the Republic of Macedonia, 2003.

<sup>10</sup> See also: National Human Development Report, (NHDR), UNDP, 2001.

mortality rates were high, according Central and Eastern Europe (CEE) norms and were particularly high in rural areas and among ethnic minorities<sup>11</sup>. Open unemployment was also high compared to regional norms and was concentrated among new entrants to labour force<sup>12</sup>.

Rural overpopulation and underdevelopment were critical phenomena which shaped the history of the Balkan Peninsula over the first half of the last century<sup>13</sup>. In the period following World War II (WW II) and into the early 1990s, the socialist planning primarily supported infrastructure development, with employment creation mainly revolving around the needs of the urban population.

The consequences of these politics are still playing a critical role in the problems and imbalances in the country. They have influenced and continue to influence the pace of political, institutional and economic transition. The impact of this transition and the disintegration of neighbouring economic space were also affected by the conflict in Kosovo.

Rural poverty is an evident phenomenon regardless of ethnicity—i. e. it is the division between urban and rural (and the consequent imbalances) that is a crucial determinant of poverty, leaving less urbanized communities exceedingly vulnerable to poverty. Today, as a half century ago, poor households are primarily rural and derive their income mainly from agricultural sources<sup>14</sup>. Rural villages continue to be trapped in a vicious cycle of continued poverty and high unemployment.

The consequence of the collapse of the former socialist system and the uneven transition towards a market economy make Macedonia vulnerable to social and political instability. This instability fosters mistrust between ethnic groups, feeding distrust of and alienation from political institutions, across the complex ethnic board.<sup>15</sup>

## ANALYSIS OF KEY GOVERNANCE ISSUES AND CAUSES

The lack of sufficient and disaggregated data makes an analysis of the root causes and differentiated impact of poverty in the context of governance particularly complex in Macedonia. Also, little is known of how ethnic divisions influence the economic sphere, with information being particularly limited where it could be most useful: for example, data on access to and equity in public service delivery, environmental impact, the role of the informal economy and the disparities between rural and urban areas, is limited or unavailable.

Despite these limitations, the purpose of this analysis is to look at governance from a poverty perspective and focus the analytical tool on how poverty is affected or is a direct consequence of the main problems relating to governance. Poverty is seen in the context of this analysis both as a cause and effect.

For the purpose of this analysis governance is understood as a *“broad range of issues that support the ability of the government and the public to make sound decisions about and act in the interest of promoting sustainable development. Anti-corruption measures and the creation or enhancement of a legal framework of transparent, democratic, non-discriminatory and accountable institutions are prerequisites for sustainable development”*<sup>16</sup>.

The key problems related to governance identified in the analysis are inter-related and so are their causes, thus making it difficult to clearly distinguish cause and effect relationships. The manifestations of the problems may appear as key problems and vice versa, but broadly range from dissatisfaction of the public with key governmental institutions; increased political polarization between ethnic groups, increased perception of human insecurity and unequal human develop-

ment amongst ethnic groups and in urban and rural areas.

The analysis has identified that the main problem related to governance is the structural inability of political, economic and social institutions to respect, protect and fulfil human rights, democracy and good governance within the difficult period of transition. As a result, the state obligations emerge clearly as spelt out under the Covenant on Economic, Social and Cultural Rights<sup>17</sup>. The MDGs and the Millennium Human Rights commitments provide an excellent framework, both quantitative and qualitative, for assessing the response to the key challenge by the State and society in Macedonia.

There are two main root causes of the governance problems as identified in the analysis. The first is the weak management of the transition caused by a structural unpreparedness of the new Macedonian state to assume full responsibility for solving the social, economic and environmental problems inherited from the former socialist system. The second is the economic

11 The Joint Country Assistance Strategy, Memorandum of the President, the World Bank, 1998.

12 Report No. 19411-MK, Former Yugoslav Republic of Macedonia, Focusing on the Poor, Volume I, Main Report, The World Bank, 1999.

13 See also: The Metamorphosis of Greece since World War II, University of Chicago Press, Chicago, 1978.

14 The Household Budget Survey, 1990.

15 See also: The Other Macedonian Conflict, Discussion Paper, European Stability Initiative (ESI), 2002 and Democracy, Security and the Future of the Stability Pact for South East Europe, A Framework for Debate, by the EastWest Institute in partnership with the European Stability Initiative, 2002.

16 “Governance and Sustainable Development” submitted by United States Delegation to the United Nations Economic Commission For Europe, Regional Ministerial Meeting for the World Summit on Sustainable Development, September 24–25, 2001 in [www.state.gov](http://www.state.gov).

17 Effective in the Macedonia since 1991, The Covenant states that states parties are obliged to take steps, utilizing their maximum available resources to progressively achieve the realization of the rights contained in the Covenant, adopting appropriate legislative and other measure to this end (Article 2.1).

distress resulting in unfavourable economic trends occurring after the collapse. This economic distress was mainly caused by the fragmentation of the market, the break in trade relations with the other republics of the Former Yugoslavia and the loss of transfers from the federal budget.

### The Wider Development Impact

The above problems are having a profound impact on the life of the Macedonian people and on how they experience the economic, social and political transition. In general, and irrespective of ethnicity and residential status (urban and rural), for many of the citizens of Macedonia the transition is synonymous with a collapse in living standards, job loss and the general rise in economic insecurity and poverty.<sup>18</sup> This perception in turn influences and shapes people's degree of participation in the public and political life of the country.

For the population living in rural areas, the negative impact of the transition is exacerbated by an historic exclusion from the state and state sponsored development (mainly urban) of the former socialist system. For the population living in urban areas, the negative impact is epitomized by the rise in unemployment fuelled by the plans to restructure, divest and privatize loss-making public sector industries. The impact of a perceived "failed transition" and the subsequent legacy of exclusion have brought about an acute crisis of confidence among citizens in their leading institutions and thus in the legitimacy of the political process.

This crisis is affecting citizen confidence (more and more often irrespective of ethnicity) in the institutions and in the capacity of these institutions to address people's main concerns<sup>19</sup>. The 1999 Kosovo conflict and the 2001 internal conflict have multiplied the effects of these negative

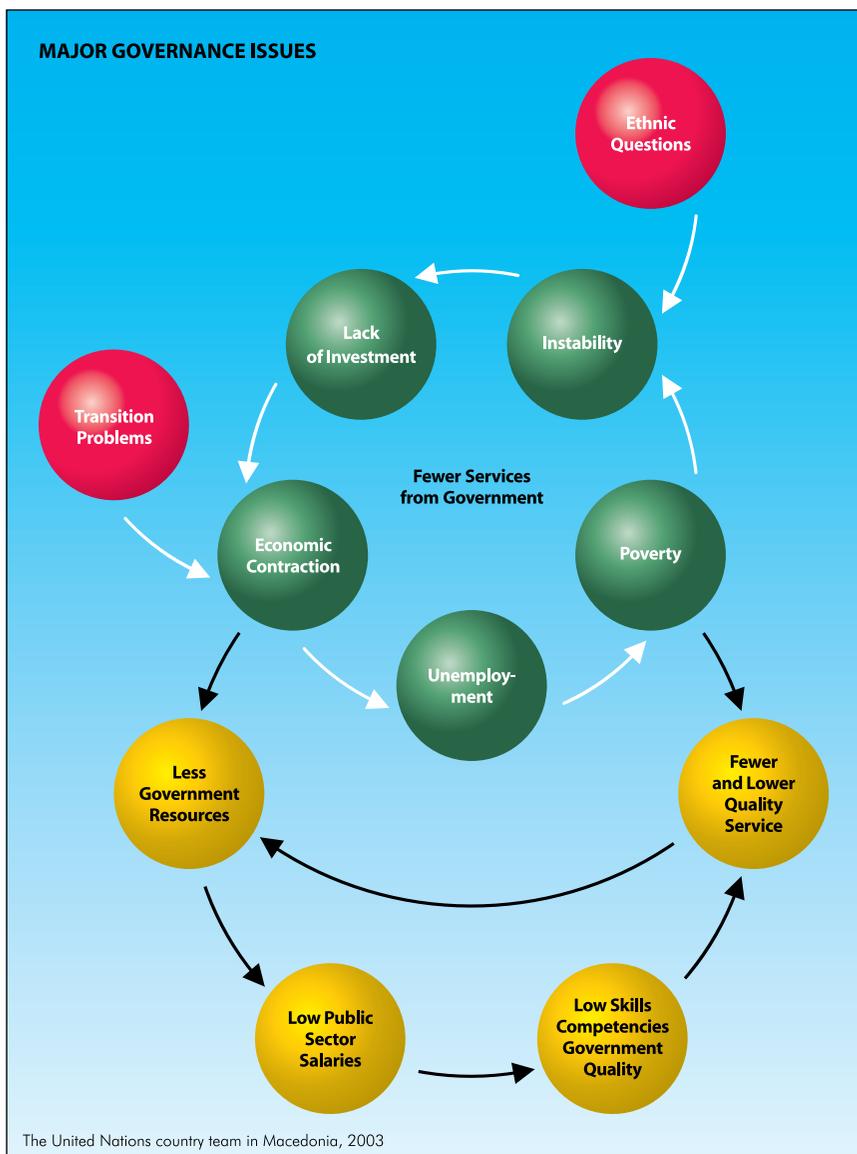
trends. They have also brought to the fore simmering ethnic tensions. This has had a particularly nefarious impact on youth, now without an economically sound future and with easy access to weapons, and increasingly vulnerable to ethnic polarization, as sometimes perpetuated by the media and radical politicians.

People's perceptions as represented in the opinion poll undertaken as a methodological tool of the Human Development Report, 2001<sup>20</sup> and of the UNDP Early Warning Report 2003 clearly reflect feelings of social exclusion, insecurity and alienation from institutions. Findings also reveal people's willingness to re-establish certain dialogues, in recognition that peace and stabilization come first. There is a need to rebuild broken links and ensure citizen participation, without which governance remains an empty concept.

### INCREASING INCIDENCE OF POVERTY

*"It is now widely accepted that on the one hand, poverty should be seen not only as a lack of income, but also as a deprivation of human rights (to sustainable livelihoods for example) and on the other hand, that unless the problems of poverty are addressed, there can be no sustainable development."<sup>21</sup>*

The transition has increased poverty rates for all households irrespective of their location, occupation, demographic composition or major source of income. According to available figures, 22.6 % of the population is in a status of poverty. According to the definition of poverty, individuals with and

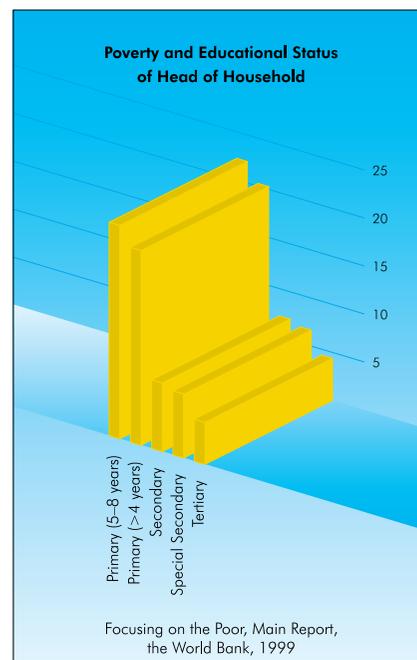
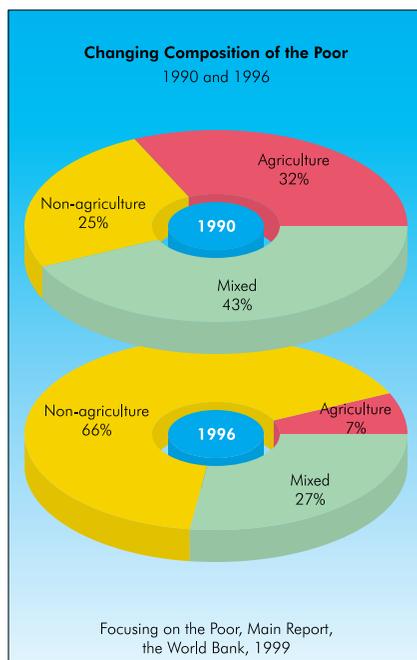
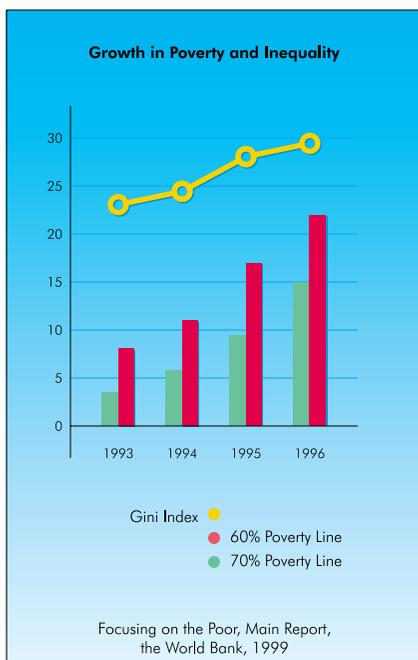


18 The official relative poverty line adopted by the Government of Macedonia is approximately USD 50 per month. According to the definition of poverty individuals with an income (consumption below 60% of median monthly 1996 consumption or 33,061 Denars per year and 2,755 Denars per month are defined poor. "Focusing on the Poor" Main Report, the World Bank, 1999. This official poverty line approximates USD 50.00 per month or USD 1.7 per day.

19 Early Warning Report, FYR Macedonia, March 2003, UNDP—United Nations Development Programme Kapital Centre for Development Research, UNDP.

20 "Summarizing—the different poll results obtained in 2000 unequivocally indicate that almost every citizen of Macedonia feels some kind of insecurity derived from a complicated set of societal circumstances at the national, community and individual level." From National Human Development Report 2001, UNDP.

21 Human Rights, Poverty Reduction and Sustainable Development: Health Food and Water. A Background Paper, World Summit on Sustainable Development, Johannesburg, 26/VIII–4/IX, 2002, The Office of the High Commissioner for Human Rights.



income (consumption) below 60% of median monthly 1996 consumption or 33,061 Denars per year and 2,755 Denars per month, are defined as poor.

The main reason for the increase in poverty over the transition is the decline in the level of real consumption. The growing inequality in the distribution of consumption is also an important factor in explaining the overall increase in poverty growth over time. As indicated in the trends presented below, the increase of poverty has not been uniform, varying greatly across socioeconomic groups. The two groups with the highest incidence of poverty are households where the head is unemployed or for whom social benefits are the main source of income. Seasonal workers and farmers (with no fixed income) have the second highest poverty rates followed by wage earners and pensioners.

**Trends**

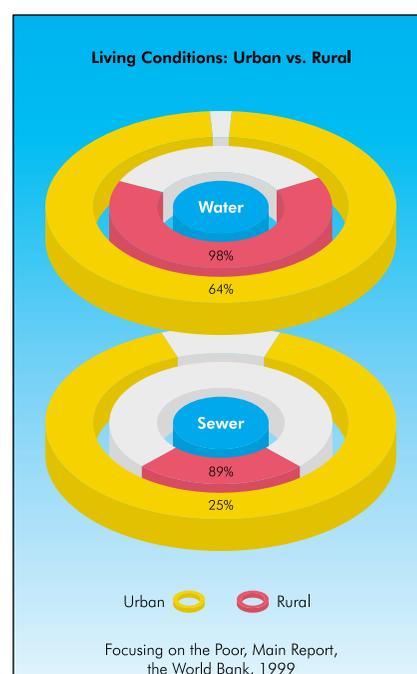
Four major trends can be observed: First the highest incidence of poverty persists among rural agricultural households and households with three or more children (see table 2). Second, there has been a major shift in the composition of poverty over the transition period. The majority of the poor are still in rural areas with increasing number of mixed agricultural households to non agricultural households. This trend suggests that it is the source of income (agricultural vs. non agricultural) rather than the location of the household (rural vs. urban) responsible for the increase in poverty during the transition period. Third, the socioeconomic composition of

poverty has changed, with the sharpest incidence of poverty registered in households headed by an unemployed individual or by an individual receiving social assistance<sup>22</sup>. Fourth, the age composition of poverty has changed, with growing poverty rates amongst younger households (see table 3).

**Common Characteristics**

The most common determinant of poverty is a low level of education (see table 4). The education status of the head of a given household plays a fundamental role in determining the household's poverty status and labour force status. 80% of the poor live in households headed by individuals with primary education or less. Multivariate analysis indicates that education has a very large positive impact in households' welfare in the country<sup>23</sup>. It was observed that the majority of heads of poor households are in their early fifties with primary education or less. Thus it is unlikely they will realize any real gains in income to escape poverty in the near future. Clearly, this will directly and negatively affect future generations' ability to escape the poverty trap.

The differences in rural and urban poverty are mainly in education and employment status. Although average education is lower in rural areas, it has a greater impact on welfare in urban areas. Living conditions are worse in rural areas and among members of the ethnic Roma community. Both rural and urban poverty is linked with low paying jobs, but only urban poverty is associated with high unemployment rates.

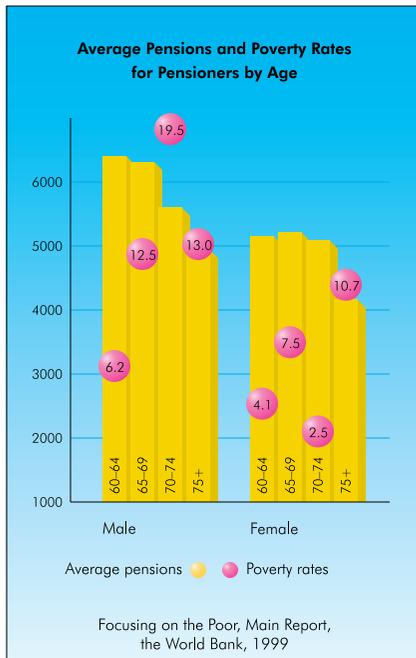


Differences in the incidence and level of poverty are associated with poor people's capacity/capability to access and afford certain services and their status in

<sup>22</sup> Unemployment per se is a difficult phenomenon to analyse as actual unregistered unemployment (or under-employment) is estimated to vary from 32% to 40% nationally with variations across regions and sectors. The high rates of officially recorded unemployment may also be explained by the incentive related to the access to unemployment benefits. Hidden unemployment is also a phenomenon that deserves more analysis and for which actual data are unavailable. Hidden unemployment consists in workers remaining registered with their employer partly to access the health insurance fund and pension and partly because it facilitates their activities in the second unofficial economy.

<sup>23</sup> Report No. 19411-MK, Former Yugoslav Republic of Macedonia, Focusing on the Poor, Volume I, Main Report, The World Bank, 1999.

society (see table 5). The urban poor tend to be low income slum dwellers caught in the poverty trap for a long period. Newly

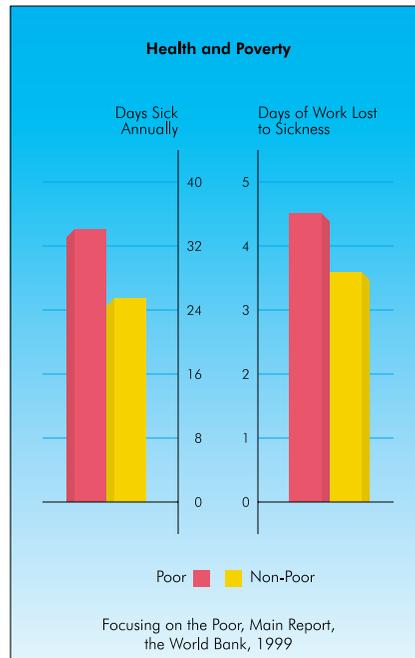


impoverished households are those who have become poor as a consequence of economic structural changes. They tend to be pensioners living alone, young unemployed people, and families with three or more children with elderly people living in the household. Refugees, and other displaced victims of the recent conflict are adding to the number of the poor in urban areas. Traditional poor rural agricultural households migrating to the towns still add to the existing number of the poor living in urban slums.

A lack of data exists on the dynamics that push people in urban areas to live in slums, it is impossible at this stage to report on any improvement in the lives of slum dwellers.<sup>24</sup> With regard to poverty within the pensioned groups poverty appears to be shaped around gender dynamics. As in contrast to other countries, the incidence of poverty is much lower in female headed pensioner households<sup>25</sup>.

Unemployment has doubled since the beginning of the transition to more than 30 percent, cutting across all social and ethnic groups with nearly half of those under 30 years of age having never held formal employment, despite their high levels of education (see table 6). For those still employed, salaries have been compressed and are often heavily in arrears, with 90 percent of employed feeling some level of anxiety about losing their jobs. Social welfare programmes are failing to

provide an effective safety net—49 percent of social welfare beneficiaries report that social benefits are inadequate. Also



of concern is the reported incidence of child labour under 15 (no official data available) which may prevent working children from attending primary school, and is particularly prevalent among certain non-majority community groups<sup>26</sup>.

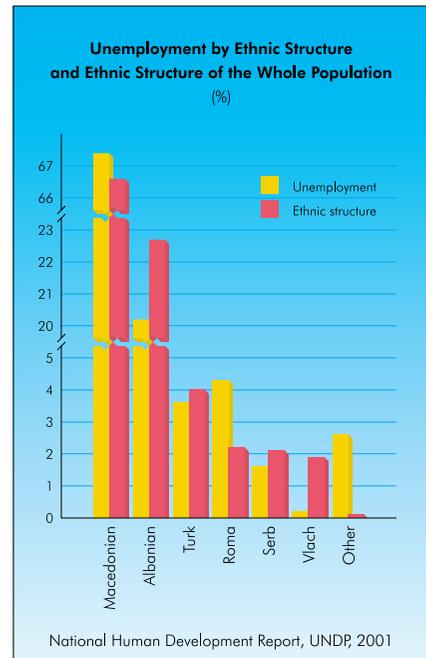
### CONTINUED POTENTIAL FOR ETHNIC TENSION AND DESTABILIZATION

*“The poor are usually victims of discrimination based in various and often multiple grounds such as birth, property, national and social origin, colour, gender and religion.”<sup>27</sup>*

The final version of the new Preamble to the Constitution, adopted in the aftermath of the signing of the Framework Agreement, defines the country as a state made up by specific communities: Macedonians, as well as ethnic Albanians and other communities. Analysis shows that the inherent fractures within Macedonia’s economy and society are the main indicators for the country’s vulnerability to ethnic conflict. The recent ethnic conflict is the manifestation of a number of problems. They are:

- An historical uneven development of rural areas, resulting in a vicious cycle of persistent poverty and high unemployment. This state of affairs has had an historically greater impact on the significant-

ly less urbanized population and is now providing fertile ground for political and social discontent;



- Delayed privatization/restructuring and lack of transparency in the privatization process of some large state enterprises which used to employ large portions of the population, compounded with a lack of inflow of foreign direct investment (FDI). This is causing growing economic insecurity among the urban population, which in its destabilizing effect, is a replica of the phenomenon in rural areas;

- The low capacity of Macedonia’s public institutions to address these problems compounded by a weak public administration resulting in a growing crisis of public confidence in the political elites;<sup>28</sup>

- The “one nation” nature of the constitution of the country as opposed to a “citizen

<sup>24</sup> Millennium Development Goal 7: “Ensure environmental Sustainability” target 3: “Achieve significant improvements in the lives of at least 100 million slum-dwellers by 2020.”

<sup>25</sup> Report No. 19411-MK, Former Yugoslav Republic of Macedonia, Focusing on the Poor, Volume I, Main Report, The World Bank, 1999. (This is probably due to demographic differences and the higher life expectancy of women which, as women receive a higher share of minimal and survivor pension than men but a commensurate lower share of old age and agricultural pensions—by the authors of the CCA).

<sup>26</sup> See also: Committee On The Rights Of The Child Twenty-Third Session Consideration Of Reports Submitted By States Parties Under Article 44 Of The Convention Concluding Observations Of The Committee On The Rights Of The Child: The Former Yugoslav Republic Of Macedonia (FYROM).

<sup>27</sup> Human Rights, Poverty Reduction and Sustainable Development: Health Food and Water. A Background Paper, World Summit on Sustainable Development, Johannesburg, 26/VIII–4/IX, 2002, The Office of the High Commissioner for Human Rights.

<sup>28</sup> “The Other Macedonian Conflict”, Discussion Paper, European Stability Initiative, 2002.

focused" constitution plays a role in impinging on the identification of all citizens in the state regardless of their ethnicity;

- A secessionist state building process marked not only by self determination for rights defences and guarantees motives but also by vested (apparent in the non transparent process described above) and by outright criminal interests (such as illicit arms trade, petrol embargo violations, drugs and human trafficking).

While the first three underlying causes may be typical of many transition economies, the second two are specific to the Macedonian context. The armed conflict of 2001 made use of an historic built up tension between ethnic Albanians and Macedonians as a spark. The conflict related to basic non-majority community groups' rights, citizenship, ownership, education, language and representative government and was mainly contained locally. It highlighted the constitutional dimension and secessionist self determination within the process of state building that had taken place over a long period. These dynamics will continue to affect the nature of the political debate in the country and may contribute to increasing the rate of polarization and thus influence the stance of political parties.

As a consequence, polarized ethnic tensions and their destabilizing effects continue. The picture of governance seems to be characterized by political alienation, community mistrust, continued ethnic sensitivity and a strong nationalist based political agenda. The continued increase in poverty, a decline in living standards, increased disparities and further deterioration of basic social services, especially in rural areas may also contribute in an increase in the level of latent tension. It may fuel inter-ethnic frictions and increased competition over declining public and natural resources, if not immediately, in the long run. Against this background there is enough room and scope for criminal interests to articulate themselves within the "self-determination illusions" among impoverished societies that have not benefited from the transition.

Analysis suggests that by and large, the general public seems unsupportive of radical solutions or activities that may lead to destabilization and seem to favour the evolution of a political system (and of governance) democratically to suit citizens more and a national state building agenda less. This, however, implies changes both within the Macedonian majority (accepting a less na-

tional oriented state) and minorities (ruling out the secessionist policy). This evolution of the political system would lead to a sustainable and lasting disarming of the ethnic bomb. However, the analysis has shown that this may be, unfortunately, a somewhat premature conclusion. Analysis has shown that equally important is the opposite perception of the legitimacy of resorting to radical and destabilizing solutions as a means to address inter-ethnic relations by a minor portion of both the Macedonian and ethnic Albanian population.<sup>29</sup>

Peace keeping actions and high level diplomatic attention have certainly been instrumental in providing a security framework and fostering a political dialogue in Macedonia. In this light, the Framework Agreement signed in 2001 appears to create the framework within which some of Macedonia's structural problems may be addressed<sup>30</sup>. It holds out the promise of empowering municipalities and delegating competencies from central to local levels in general and establishes 20% of the population as a threshold for official recognition of their language. It also revises voting rules in the parliament to protect the rights of groups in non-majority communities, allows for proportional representation in the police and public administration, recognizes Albanian as an official language in central institutions and promotes state funding for tertiary education.

It carries with it a great potential towards poverty eradication and reduction through the promotion of human rights and provides a framework for redressing past human rights abuses and institutionalized discrimination against ethnic minorities which has contributed to political instability. To work effectively, it will have to be complemented by programmes that are directed at the root causes of insecurity and poverty, such as discrimination and inequality which remain potential triggers for tension and destabilization.

### DECREASED SECURITY OF PERSON

There are different perceptions of the degree of personal security among the population. There is an increasingly low confidence that personal security is guaranteed by institutions. This perception is closely related with the shocks experienced during the recent conflict. Analysis has identified that the main causes of the perceived decreased security of person are: weak rule of law and law enforcement as well as in-

creasing proliferation of small arms and drugs, fear of HIV/AIDS, increased crime rates and drug abuse.



However, there are also positive perceptions, especially with regard to the recent steps taken by the Government to fight crime and corruption, as indicated in the UNDP Early Warning Report (see table 7).

A human rights perspective is particularly relevant, if not a pre-requisite, of the analysis of the specific issues related to decreased security of person and abuse of human rights among those vulnerable groups such as children and juveniles, victims of sex work and trafficking, and internally displaced people and refugees. Reports of human rights violations have been increasing after 2001 with reports of police brutality towards ethnic non-majority community groups.

### Weak rule of law and enforcement of law

*"I will enforce the law in a humane and adequate manner, without any fear, corruption, or bad intent and I will never use any unnecessary force or violence."<sup>31</sup>*

<sup>29</sup> Early Warning Report, FYR Macedonia, UNDP—United Nations Development Programme Kapital Centre for Development Research, UNDP, March 2003.

<sup>30</sup> The Framework Agreement that was concluded at Ohrid in August 2001 aims at "securing the future of Macedonia's democracy and permitting the development of closer and more integrated relations between the Republic of Macedonia and the Euro-Atlantic community. This Framework will promote the peaceful and harmonious development of civil society while respecting the ethnic identity and the interests of all Macedonian citizens".

<sup>31</sup> Macedonian Police Code of Conduct.

The lack of a fully functioning rule of law framework and respect for human rights, (especially non-majority community groups' rights) and diminished access to justice by the poor are increasingly perceived as threatening the quality of citizens' life. The main cause of this problem is weak democratic institutions perpetuating a weak system of accountability and slow implementation of democratic laws. The low salaries of civil servants, including those of the law enforcement officers (USD 200 per month) are also seen as determinant factor in encouraging corruption.<sup>32</sup>

The perceived lack of protection of human rights emerges overwhelmingly in an analysis of the judiciary system. The perception of lack of protection of human rights, the slow pace and the inefficiency and slowness of the system are eroding citizen confidence and faith in the state. The inefficiency of the judiciary is mainly due to the weak capacity of support staff (inefficient allocation of competencies) and slow procedures, but also its unaccountability to society at large. This is an area which is targeted for reform by the EU under the Stabilization Programme, for a harmonization of the current legislation with that of the EU, and retraining of judges. The overall objective of EU assistance is to contribute to strengthening the country's judicial system and helping it improve internal and regional security through the development of an Integrated Border Management strategy and the improvement of its capability to fight organized crime. A total of over EUR 42 million are earmarked under the CARDS programme for this sector during the period 2001–2004<sup>33</sup>. Against this background, strengthening the position and the capacity of national organizations as non-governmental watchdogs is equally important to ensure openness and accountability within the court system and should be pursued accordingly<sup>34</sup>.

### Illicit Drugs

Increased drug trafficking and drug abuse play a crucial role in people's perception of decreased security of person. Macedonia has never been a major producer or transit point for illicit drugs. However, after the break up of the socialist system and the subsequent weakening of border control management, Macedonia's vulnerability to become a transit point on the Balkan drug road between Turkey and Western Europe increased exponentially<sup>35</sup>. The vo-

lume of the trade of drugs through East-West connection transiting through Bulgaria and Albania doubled in the late 1990s as a result of a number of regional destabilizing exogenous factors which imposed a change of trafficking routes. These factors were two: the attacks by NATO on Yugoslavia and the internal crisis in 2001. The increased flow of drugs has resulted in an increase in local drug trafficking in Macedonia (see table 8). During the past two years, the rate of crime related to illegal production and trafficking in drugs, psychotropic substances and precursors has been decreasing in parallel with the efforts of the government and international community to strengthen border control techniques. Reportedly, the drug business in the country is run by organized groups, families and clans and involves mediation, transport and resale.

Increased flow of illicit drugs has also affected national consumption patterns. Drug abuse is becoming an important development issue affecting the security of person as well as the well being of the population (see table 9, 10). With an increasing number of drug users, the official statistics do not seem to capture the magnitude of the problem and underestimate the number of drug users estimated about 5,222 registered intravenous drug users<sup>36</sup> (see table 11). As noted above the number of minors abusing drugs has been increasing in 2001 alone. A negative trend is the prevalence of intravenous heroin abuse. This may be related to a fall in drug prices which makes heroin now more easily affordable and widely available.

Special attention is required in providing and maintaining local capacity of police and customs in drug law enforcement for an effective fight against drug trafficking and organized crime. Assistance to the government in drafting an appropriate and multi-sectoral drug legislation and the provision of basic and specialist investigative training as well as modern technical equipment are issues that require the attention of the donor community. However, in order to be effective, policies and assistance require an increased participation of all stakeholders and especially of youth, medical professionals and teachers as well as civil society at large. Appropriate utilization in drug demand reduction of the basic services (health and education) could be explored, for example through complementary links between demand reduction and school based drug abuse and HIV prevention.

### HIV/AIDS

The security of person is increasingly being threatened by the spread of HIV/AIDS. The prevalence of HIV/AIDS in Macedonia is officially recorded as low and therefore may hardly appear as an immediate priority compared with political and social priorities, economic difficulties and fiscal restraint<sup>37</sup>. However HIV/AIDS provides a striking example of the interrelationship between human health, human rights and sustainable human development. AIDS and poverty are mutually reinforcing. Despite a lack of data it does not take a great accuracy and disaggregation of data and statistics to understand how the disease is undermining the security of person as shown by its clear connection with economic, political and institutional instability factors such as criminality and drug trafficking.

Various factors have contributed to create a scenario where an HIV/AIDS epidemic is possible.<sup>38</sup> This scenario is characterised by the regional/internal conflict and instability, and a number of highly mobile internal displaced people as a result (internal/external migration); the geographic position of Macedonia at a main crossroad for drug trafficking routes connecting Turkey and Bulgaria to the west; an increasing in numbers of injection drug users; an increase in domestic commercial sex workers and trafficking of women; regional trends indicating a fast growing HIV/AIDS epidemic (Russia, Ukraine, Romania, Moldova, Central Asia); as well as the presence of large numbers of international organizations, aid workers and military (friendly) troops in the region<sup>39</sup>.

32 Police Violence in Macedonia, Report, Human Rights Watch, 1998 in Global Beat <[www.nyu.edu/globalbeat/kosovo/](http://www.nyu.edu/globalbeat/kosovo/)>.

33 In: The EU relations in South-eastern Europe <<http://europa.eu.int/>>.

34 See also recommendations from: Assessment of the Potential for an Expanded Role for the United Nations in Preventive Development, UNDP, 2001.

35 Macedonia is a party to the 1988 UN Drug Convention.

36 Source: Sector for Analytic and Research of the Ministry of Interior, 2002.

37 All the official numbers are from the Republican Institute of Health Protection. The latest information is from 2003.

38 The total cumulative number of registered cases is 64 (46 AIDS and 18 HIV+). Of the 46 persons diagnosed with AIDS, 41 have died. There are officially 5 persons living with AIDS and 16 with HIV. Five new AIDS cases were detected in 2003. In contrast with this low recorded incidence, in Eastern Europe, HIV is spreading at the fastest rate in the history of the epidemic. In: Situation Analysis for HIV/AIDS in The Former Yugoslav Republic of Macedonia, United Nations Theme Group on HIV/AIDS, 2003.

39 In: Situation Analysis of HIV/AIDS in Macedonia UN Theme Group on HIV/AIDS, 2003.

## Juvenile crime

Out of the total population of approximately 2 million, 32% of the population is under the age of 18 and 24% are under the age of 15. The constitution defines a juvenile as a person less than 18 years of age. Juvenile crime, substance abuse, thievery and sex work are often linked to drug abuse and behavioural problems. These phenomena are on the increase among children and youth. Their share of total criminality is also increasing. The seriousness of this trend is illustrated in the table which registers an increase in juvenile crime from 3,572 cases in 1990 to 4,127 in 1999 (see table 12).

Approximately 15% of the people registered as drug addicts are under 19 years of age. The number of cases increased from 29 cases in 1971 to 4,569 in 2000. Unregistered figures make the share of drug abusers among children higher. The age of use is lowering, with children 12–13 years old taking drugs for the first time. It is of particular concern that heroin is the drug most commonly used by young addicts. The risk of contracting and spreading HIV/AIDS is clearly high. The double impact of drugs and HIV/AIDS on the well-being of those very people who are the country's potential engine for development will jeopardize (with a cumulative and incremental effect) the efforts to eradicate poverty and prevent the spread of HIV/AIDS.

The root causes of the problem of juvenile delinquency are: the economic crisis and changing family and societal values accompanying the transition. The ensuing economic stress, poverty and increased incidence of family breakdowns are the underlying causes of the problem. Unfortunately, there is no information on the legal framework for Juvenile Justice and no analysis has been performed on the functions and capacity of the social protection system, police and judicial system in dealing with the issue of juvenile justice. The problem is compounded by a general lack of information on institutions and facilities for children involved in juvenile justice institutions.

Children particularly at risk are those with asocial behaviour and educationally neglected and abused children (see table 13). Also, Roma children are particularly at risk of poverty, abuse and arrest because of the underlying and root causes of their vulnerability i. e. that they are from a marginalized group whose children are excluded and kept in poverty.

Children whose parents are unable to cope with the stress of the country's difficult economic situation are also particularly vulnerable<sup>40</sup>.

The majority of drug users are aged 15–25 (55.8%). Of registered drug users, 93.9% are unemployed and 28.7% have committed some form of criminal offence. Macedonia is committed to fulfilling international rights guidelines and treaty obligations for the promotion the well-being of children and for the fight against illicit drugs<sup>41</sup>. Measures taken include the election of an Ombudsman for children. Most importantly for the purpose of this analysis is the necessity of setting up an appropriate set of national child protection indicators to measure the effectiveness of the present institutions in charge of preventing children's delinquency and substance abuse (including alcohol) with the protection of children from abuse, exploitation and neglect. In the administration of juvenile crime, of particular concern is the little information on principles of judicial sentencing of juveniles and data on the existence and use of alternatives to imprisonment as a sentencing option for Juvenile Councils<sup>42</sup>.

## Child Protection

The Convention on the Rights of the Child (CRC) underscores the fact that all children everywhere have the right to protection from violence, abuse, neglect, exploitation and discrimination. Violations of the child's right to protection are widespread but are generally under recognised and underreported. Harmful consequences include poor physical and mental health, reduced access to education, homelessness, displacement, and a sense of hopelessness.

Despite a positive framework of child protection laws, standards and infrastructure existing in Macedonia, no comprehensive situation analysis has been undertaken to measure the extent of the problem. However, it is recognised that many of the obstacles to child protection complicate assessment and analysis. Violence, exploitation, abuse and neglect, and discrimination are often associated with criminality, corruption and have a degree of private tolerance and public denial. Victims of abuse often experience deep shame, and may be stigmatized, prosecuted or persecuted if their experiences become known.

The growing number of children dropping out of school and "living" on the streets in Macedonian cities is an indication of paren-

tal neglect and lack of care. Recent data estimates that approximately one thousand children are on the streets during the day begging and selling cheap goods. Mostly, these children are from Roma communities. Children on the streets are more exposed to exploitation and violence.

Domestic violence, particularly against women, has a negative affect on children living in such an environment making them more likely to engage in violent behaviour in school or on the streets. Recent estimates indicate that domestic violence against women is prevalent throughout Macedonian society. A survey conducted in 2000 among 850 victims of domestic violence reported that almost 25 percent of the women had been physically abused, in most cases by an intimate partner.

Many disabled children face social exclusion and discrimination. National data on the number of children with disabilities is lacking. The education system records the enrolment of 1,500 children with disabilities, while the total estimated number is near to 5,000. There is a growing awareness in the country of the need for wider inclusion and better protection of children with disabilities. Measures are being made to mainstream disabled children into the schooling system. Previously, a large proportion of children born with severe disabilities were placed in state institutions. It is estimated that 700 children without parental care and having disabilities or behavioral problems are still in institutional care. Various programmes are being implemented to remove disabled children from institutions by providing alternative community-based solutions and family-based care.

The establishment of an Ombudsman for Children in 1999 has gone some way in addressing child protection issues in the country. In addition to dealing with

<sup>40</sup> Survey on the Status of Children and Youth in the System of Juvenile Justice, second revised edition, UNICEF, 2003. The recommendations of the survey to the Macedonian government on the current juvenile justice system and the action Plan are multi-sectoral (i.e. focus on the legislation, institutions, education, treatment and training) and are the fruit of an active dialogue and engagement with civil society.

<sup>41</sup> Declaration on Guiding Principles of Drug Demand Reduction to achieve significant results in demand reduction and promote measures to enhance international cooperation to counter the drug world problems against illicit manufacture, traffic and abuse by 2008.

<sup>42</sup> Committee on the Rights of the Child Twenty-third Session: Consideration of Reports submitted by States Parties under Article 44 of the convention Concluding Observations of the Committee on the Rights of the Child: The Former Yugoslav Republic of Macedonia (FYROM)

specific child protection cases, the office is involved reviewing legislation particularly the Law on Child Protection and Social Protection. Additionally, an inter-ministerial National Child Rights Committee was formed in 2000 to consider the 40 concluding observations made by the UN Committee on the Rights of the Child on Macedonia's first National CRC Report and to develop a National plan of Action for Children.

### Victims of violence, trafficking and sex work

Gender based violence (domestic and non-domestic) and discrimination, and trafficking in human beings for sex work remain a problem with the overwhelming majority of the victims being women and girls<sup>43</sup>. The current legislation is being reviewed to include anti-trafficking provisions. Sex work in Macedonia is illegal and so are mediation and exploitation of sex work. The Criminal Code contains articles on human trafficking (articles 418 and 418-a) and trafficking can be prosecuted against those two articles. Mediation in performing sex work is punishable under article 191 from the Criminal Code. Trafficking can be prosecuted under various other articles of the criminal codes, including illegal crossing of state border (art. 402), illegal deprivation of freedom (art. 140) and mediation in performing sex work etc.<sup>44</sup>

Women and children (and drugs and weapons) trafficking have been facilitated by the porous borders between Kosovo and Macedonia, along the route through north-western Macedonia and Kosovo to Albania and to the markets of Western Europe. An unstable regional situation has resulted in an added value for those concerned not only with ethnic issues, but also with profit accruable through trafficking in human beings, drugs and arms. The involvement of women in trafficking is increasing. Unfortunately no quantitative data is available. Qualitative data however seems to point to a link between human and drug trafficking. Trafficking victims are vulnerable to HIV/AIDS and sexually transmitted diseases.

Data and statistics on violence, trafficking and sex work are difficult to obtain and not enough is known or understood of the problem of human trafficking. However, data recently collected shows that there has been an increase in the trafficking of people in the country<sup>45</sup>. This lack of data leads to inadequacies in identifying and addressing abuse, thus failing to protect those most vulnerable.<sup>46</sup> Equally difficult to obtain is information and data on sexual abuse (suffered by children and women) and family violence. According to various sources the estimated number of women in Macedonia who may be victims

of trafficking varies from 1,500 to 2,500<sup>47</sup>. The immediate causes of an increase in violence, trafficking and sex work are:

- a) Increased poverty and economic insecurity as a consequence of the inadequate management of the transition to a market economy;
- b) An increase in organized crime as a consequence of increased instability in the region;
- c) The breakdown of border control throughout Eastern Europe;
- d) The Kosovo crisis and the consequent deployment of foreign soldiers.<sup>48</sup>

Despite a number of protocols and conventions signed by the government, more remains to be done in the area of human trafficking. This is especially the case in meeting international and EU standards and incorporating changes in the legislation as well as harmonizing that legislation to EU standards. It also calls for further support of the Macedonia-wide NGO network for a cross sectoral integrated strategy at the national level.<sup>49</sup> This need for an integrated and coherent approach is a hallmark of the assistance being provided by the EU within the integrated border management approach in countering trafficking, money laundering and organized crime.

### Internally displaced people and refugees

Of the almost 170,000 persons displaced during the conflict, over 95% have returned home. Although the number of refugees and internally displaced people (IDPs) is relatively small if compared to the figures registered during the Kosovo crisis,



43 Helsinki Commission's Annual Report, 2002.

44 Helsinki Commission's Annual Report, 2002.

45 Between 1,500 to 2,500 women might be victims of trafficking in Macedonia. Also during the first nine months of 2001, approximately 7,490 persons were accused of illegally crossing the border. In: Trafficking in Human Beings in South Eastern Europe. UNICEF, UNOHCHR, ODIHR, data 2002.

46 Committee on the Rights of the Child—Twenty-third session Consideration of Reports Submitted by States Parties under Article 44 of the Convention Concluding Observations of the Committee on the Rights of the Child: The Former Yugoslav Republic of Macedonia (FYROM).

47 Local NGOs and The New York Times, 28 July 2001 quoted in Trafficking of Human Being in Southern East Europe, IOM/UNICEF, 2002.

48 UNPREDEP-United Nations Preventive Development and UNPROFOR United Nations Protection Force; two missions present in Macedonia until 1999, when KFOR-Kosovo Force arrived in Kosovo and Macedonia, quoted in: Trafficking of Human Being in Southern East Europe, IOM/UNICEF, 2002.

49 Trafficking of Human Being in Southern East Europe, IOM/UNICEF, 2002. National governmental and non-government efforts led to the establishment of a referral system and Transit Centre for the victims of trafficking in 2001. Information provided by IOM Office in Skopje, 2003.

their continued presence is a reminder of a population displaced by conflict and still far from reconciliation within and between communities. Damaged infrastructure, destroyed livelihoods and continued lack of confidence and security are the main causes of the continued presence of refugees and IDPs in Macedonia.<sup>50</sup>

Particularly vulnerable within the IDP community are children who have been affected by missed schooling, separation from their families and trauma brought about by the conflict. The rights of children affected by the crisis and their integration and recovery is being increasingly taken into account and form an important part of NGO supported programmes. The need for revision of curricula and school texts acquires a particular importance in this context for a long term strategy to avoid social exclusion, conflict and ethnic divisions in the future.<sup>51</sup> The abridged minimum curriculum resorted to by the government and UNICEF during the Kosovo crisis in 2001 seems to be a particularly appropriate model in this context. Notwithstanding the need for a revision of texts and curricula the harmonization and integration of laws (i.e. law on primary and secondary education and the recent law on asylum seekers and refugees) should be seen as a priority, as it would create a more conducive institutional protective environment.

### FRAGMENTED CIVIL SOCIETY

NGOs are still relatively new in the country. The NGO sector in Macedonia is mainly organized on ethnic principles, a factor which makes it difficult for many NGOs to transcend ethnic lines and work with other ethnic communities – in short, to be truly participatory within the democratic process<sup>52</sup>. Problems facing NGOs are mainly the lack of legal regulations, inadequate access to information, lack of education and training. Compounding these factors are the general weakness of civil society and a lack of cooperation among NGOs, meaning that their capacity to deliver key services at the local level and provide a forum for the resolution of local conflicts is minimal. Despite the rapid growth of civil society organizations after independence and the support provided by the international community, almost half of Macedonian NGOs (41 percent) suffer from insufficient financial resources<sup>53</sup>.

More recently, however, NGOs have begun to take a more active role in the life of

the country. Cooperation with central and notably with local governments has been facilitated through the Stability Pact Project, conducting and analysis of the needs and priorities for the development of an implementation strategy of the Aarhus Convention.<sup>54</sup> Also, NGOs in Macedonia have begun to work more with youth in matters that are directly relevant in the lives of young people. The relevance of a youth voice in Macedonia has been central in a recent country-wide initiative where NGOs active in the field of HIV prevention make use of new communication and information technologies<sup>55</sup>.

The opportunity of addressing social exclusion problems and promotion of interethnic dialogue and improvement of life skills, for example, through the entry point of child rights is one way by which civil society can monitor the performance of emerging democratic institutions and ensure their accountability in conflict resolution and ethnic harmony<sup>56</sup>. Similar successful efforts in a dialogue with civil society include the preparation of the National Human Development Report, the findings of which derive from a poll survey on exclusion and insecurity and the Early Warning Report<sup>57</sup>.

### WEAK MEDIA

Freedom of expression is enshrined in law and practice but the quality of information produced by the public and private media is generally biased by political control which also a factor examined within the issue of weak capacity of institutions and their high degree of politicization. The majority of the printed media are in Macedonian and Albanian languages.<sup>58</sup> The media is still divided linguistically, with little ethnic inclusive journalism or mixed language programmes or newspapers. Regardless of the languages in which they are broadcast or written, media suffer from weak financial situations, poorly motivated staff with low salaries and low professional expertise. Often communities tend to work in isolation with the notable exception of Romani language broadcast media, where ethnic Roma and ethnic Macedonian communities work together.<sup>59</sup> Public information campaigns are perceived to be useful tools to promote tolerance towards minorities and inter ethnic dialogue.<sup>60</sup>

The lack of libel law contributes to embitterment in the political arena and jeopardizes interethnic dialogue<sup>61</sup>. An assessment of the media situation in Macedo-

nia has shown that a combination of interethnic and bilingual or multilingual TV programmes in the form of cross border regional programmes may be well received.

Broadcast media seem to be closely linked with political interference, especially during election periods, and the danger remains that media become a propaganda tool in the hands of politicians. Also, unprofitable ventures may continue if they are influenced by political donations or development aid from international organizations. One of the positive aspects of the Ohrid agreement was the cessation of "hate speeches" that had become common during the conflict in 2001. However neither politicization nor polarization has ceased in the media. Presently, the media

50 There are approximately 9,013 internally displaced persons (IDPs) and another 3,658 refugees still in Kosovo. Return for the majority of the 3,500 refugees from the 1999 Kosovo crisis is still not viable due to continued insecurity and restricted access to basic services and economic opportunities for non-majority community groups in Kosovo. In: Macedonian Red Cross Statistics, 2002 quoted in relief web <www.reliefweb.int>.

51 Interagency Transition Framework: From Relief to Recovery and Sustainable Development for the Former Yugoslav Republic of Macedonia, United Nations, 2002.

52 It is estimated that their number is approximately 4,500. Most of them are less than seven years old, and most (61%) are located outside the capital of Skopje. Thirty-six percent are located in Skopje, and another 1.8% operates out of other large urban centres. Environmental NGOs in Macedonia vary in size: 58% have less than 100 members, while 32% consist of 100 to 500 members in: The Regional Environment Centre for Central and Eastern Europe (REC) <www.rec.org>.

53 Many of these NGOs are loose associations with limited means and capacity. Almost half of Macedonian NGOs (40%) have annual budgets of less than USD 500, and almost one-quarter (24%) have annual budgets ranging from USD 5,000 to USD 50,000.

54 See also: Environmental Performance Reviews, UN New York and Geneva, 2002.

55 Refers to: Right to Know project H.E.R.A, HOPS, M.I.A, Art Forum, Theatre Youth of Macedonia and Dream Factory Production Company in partnership with UNICEF, 2002.

56 BABYLON project: Young People's Development for Participation in a Multi-Cultural Society, founded by ECHO NGO in collaboration with UNICEF and funded by The World Bank (Post Conflict Grant), 2000.

57 National Human Development Report, 2001, UNDP and UNDP Early Warning Report, UNDP, 2003.

58 The Agency of Information registers 926 printed media. Majority are in Macedonian, 73 in Albanian, 8 in Turkish, 4 in Vlach, 2 in Serbian and 15 multilingual) in: Media in Multilingual Society the Former Yugoslav Republic of Macedonia by: Tanja Popovic in: Report of the Media in Macedonia (commissioned by OSCE), 2003.

59 Media in Multilingual Society the former Yugoslav Republic of Macedonia by: Tanja Popovic in: Report of the Media in Macedonia (commissioned by OSCE), 2003.

60 CARDS Assistance Programme Former Yugoslav Republic of Macedonia 2002–2006, The European Commission, 2002.

61 In CARDS Assistance Programme, Former Yugoslav Republic of Macedonia, 2002–2006, The European Commission, 2002.

are far from fulfilling their role as independent and democratic “watch dogs” of public policy and as channels for the expression of citizens’ view on the critical issues of development, governance, rights and services. On the positive side, the flow of information to the public through mass media has reportedly increased over the past two years.<sup>62</sup>

## **WEAK CAPACITY OF INSTITUTIONS AND A HIGH DEGREE OF POLITICIZATION**

*“A crucial contribution of the human rights approach is the emphasis it places on the accountability of policy makers and other actors whose actions have an impact on the rights of people.”<sup>63</sup>*

The weak capacity of institutions lies in the insufficient degree of accountability that they offer to the citizen and in their limited capacity in dealing with the interrelated crisis of public sector transformation. A weak administration and the shortcomings in the judiciary aggravate these problems and contribute to the growing crisis of public confidence in the political elites. These factors affect the ability of the state to restore the public trust in the political process and in turn contribute to the creation of serious legitimacy problems as well as a widening alienation from the political process. Politicians in the past have often sought a census of “their” percentage of the population rather than a real vote over issues. The ethnic circle is kept closed, and so is political debate. The population remains divided and ethnic politics seek to profit on the strife.<sup>64</sup>

The main reasons for this institutional lack of capacity are: a) heavy structure of institutions still reshaping to meet the new requirements of a modern and efficient state administration along the lines of western economies; b) politicization of the public administration institutions and employment patterns in the public administration which privilege membership of and loyalty to political parties, nepotism and favoritism, rather than a merit based system; c) inadequate capacities of civil servants, especially manifested at local level; d) the growing gap between the state and the majority of its citizens.

Another threat against restoring public trust in the system lies in the uncertain readiness of the local authorities to take

over the new responsibilities relating to the process of decentralization and de-concentration of power.

Such modest confidence in the leading institutions puts the country at risk of destabilization especially if compounded by fear of poverty and unemployment which have reached such proportions and critical levels to be of a serious concern in their possible destabilizing effects<sup>65</sup>. The real challenge lies in reorienting Macedonia’s public institutions to be closer and more directly accountable to the people.

## **OVERCENTRALIZED POLITICAL SYSTEM**

Macedonia has traditionally suffered from uneven territorial development with large disparities in the level of development amongst regions and a greatly varying size of municipalities.<sup>66</sup> Since independence, the centralized system and central budgetary allocations have contributed to imbalances resulting in an over-centralization of the political systems. These imbalances are:

- The overlap between the municipalities and the central government (causing duplication);
- The uneven distribution of powers between the central and local levels, keeping the municipalities “de facto” dependent on central government, including on powers that are recognized as delegated;
- No financial independence of municipalities, leaving no incentive for municipalities to save or raise their own resources, and no complementary with the central allocation, leading to implications on the degree of transparency in the utilization of any “additional resources”;
- The slow pace of the decentralization process and development of an adequate legislative framework.

The end result is an excessive disparity between municipalities and micro-regions, the weakness of institutional management at the municipal level, and the lack of interest and insufficient participation and empowerment of citizens in the decision-making process at the local level. Over-centralization can also be seen as a response mechanism by the political system to the unresolved long-standing structural problems outlined above.

In addition to the issue of over-centralization, there is seen to be insufficient cooperation on multisectoral issues. Although the program for decentralization has established mechanisms for coordi-

nation at three levels (technical, professional, and political) they are not seen to be working in practice or showing concrete results.

The law on local self government provides for decentralization of power to municipalities<sup>67</sup>. Through this law, significant freedom has been granted to Macedonian municipalities in determining social and environmental issues, language and education. However, this freedom is not matched with a corresponding level of financial independence<sup>68</sup>. Efforts to assess the municipalities include those supported by the EU. The main objective of this EU assistance programme worth EUR 2 million is to strengthen the capacity of the Ministry of Local Self-Government to manage the process of decentralisation, and to enhance the dialogue between the different levels of government: central and local.<sup>69</sup>

Generally speaking, efforts have been fragmented and uncoordinated. Non cohesive information has led to a lack of targeted programming to promote equitable local development in the country. The over-centralization disables governments to play a meaningful, legitimate and cohe-

<sup>62</sup> The Environmental Press Centre (an NGO established in 1999 to serve the journalist and mass media in South Eastern Europe and other initiatives such as the Campaign for the Protection of the Ozone Layer, the Black and White Eco List and the Eco-Caravan project are examples in this regard which promote the use of the country’s ecological areas for eco-tourism and eco-agriculture in: Environmental Performance Review, UN New York, Geneva, 2002).

<sup>63</sup> Human Rights, Poverty Reduction and Sustainable Development. Health Food and Water. A Background Paper, World Summit on Sustainable Development, Johannesburg, 26/VIII–4/IX, 2002, The Office of the High Commissioner for Human Rights.

<sup>64</sup> Macedonia in Question, by Slobodan Casule and Iso Rusing. In: Institute for Peace and War Reporting, London, 2002.

<sup>65</sup> Early Warning Report, UNDP, 2003.

<sup>66</sup> With the most scarcely populated municipality having less than 1 inhabitant per square kilometre and the most densely populated one has more than 800 inhabitants per square kilometre. Some 60% of the municipalities have less than 10,000 inhabitants, and 46 municipalities have less than 5,000 inhabitants.

<sup>67</sup> The Law on Local Self-Government was approved in February 2002 (Official Gazette No.5/02) as part of the Framework Peace Agreement signed in August 2001. 17 municipalities have developed Local Environment Action Plans (LEAPs) with the support of GTZ, the Institute for Sustainable Communities and the Regional Environmental Centre (REC). An association of local self-governments (ZELS) has been created to act as a platform for the sharing of experience and information.

<sup>68</sup> This mismatch is best reflected by a national budget allocation of less than 1.8% to local level. Also managerial and technical skills are lacking as a result of lack of consolidated multi-sectoral disaggregated and objective information on the status of social economic and human development in the municipalities and on per capita income by municipalities.

<sup>69</sup> Main Areas of Ongoing Support In: EU Relations with South Eastern Europe, <www.europa.eu.int>.

rent role at all levels of public life in the country.

### NATIONAL PRIORITIES AND THE MILLENNIUM DEVELOPMENT GOALS

Quoting from the World Bank's Country Overview, "At the end of 1994 the Government initiated and successfully implemented a stabilization program, with the assistance of international donors including the World Bank and the International Monetary Fund. As a result, macroeconomic stability was established and inflation remained modest, while in 2000 the fiscal balance registered a substantial surplus for the first time."<sup>70</sup> In 2002, the poverty rate continues its upwards trend. Regardless of the ability of the MDG indicator of "one dollar a day"<sup>71</sup> to capture the extent and acuteness of poverty in the country, 22.6% of the people are poor and will continue to be poor in the next future.

Within the context of this analysis, it has emerged that macroeconomic policies that favour solely economic growth are not enough to reduce chronic poverty. Thus, there is a need to analyze and understand the complex phenomenon of transition in the country-specific context. Analysis shows that poverty is a multidimensional phenomenon which is difficult to capture by measurement of income and expenditure alone<sup>72</sup>.

Thus, poverty measurements in Macedonia must go beyond using the classic 50 percent of the median household income threshold as a guide. Thus, the poverty concept ought to be broadened to include vulnerability, social isolation and insecurity. This requests a broader range of qualitative and quantitative indicators based on gender, nutrition, ethnicity, geographic distribution, education, access to social service and household composition<sup>73</sup>. An approach with a "human face" will give a greater insight into the real situation of social exclusion and poverty.

For example, nutritional factors and the indicators on child malnutrition, like micronutrient deficiencies and their impact on wellbeing, should be taken into a more country specific account, especially in the measurement of poverty, as for example in the monitoring of the MDGs. Although acute forms of malnutrition are not a public health problem, marginal forms, particularly as far as micronutrients are of concern and occur in vulnerable population groups.<sup>74</sup>

Presently, and given the lack of data, the multidimensional approach has its limitations. For example, lack of data disaggregated at the level of household composition does not necessarily point out at a higher incidence of poverty among vulnerable groups such as female heads of household.<sup>75</sup> Poverty and fertility and their linkages shed more light in understanding and measuring poverty. However, there is no conducive evidence for a straight link between poverty and fertility in Macedonia and more data and study is required.

With regard to the achievement of the MDG 'Combat HIV/AIDS,' despite the low rates of HIV/AIDS and its recorded limited incidence, the present environment within governance is not conducive to a reduction of HIV/AIDS and the establishment of national policies to achieve this reduction. The lack of a multisectoral strategy to cross cut with the protection of human rights, the intrinsic respect for human rights, the rights of persons belonging to national minorities, along with the lack of data impinge greatly on the monitoring of this goal.

### CONCLUSIONS

During the past decade, Macedonia has consistently been pursuing the implementation of national policies for macroeconomic stability. Much less consistent and comprehensive analysis has been devoted on how to integrate the socioeconomic aspects into sustainable human development policies at national level. The macroeconomic policy in Macedonia seems not to have focused much attention on the problems generated by the inequitable distribution of public resources within the national context as well as on the problems and opportunities of the country's different communities. As the reshaping of the Macedonian state is a gradual process, there is a very concrete danger for the ongoing efforts on decentralization to sink. This is particularly the case now, sometime after the signing of the Framework Agreement as the inevitable concerns and disappointments over the speed of institutional change are beginning to emerge.

In the context of a perceived lack of concrete results or palpable changes, ethnic leaders may pull out of the political game and resort to extra-constitutional means, thus undermining the prospect of long term security. In the absence of effective inter-ethnic co-operation among local authorities and the pursuance of good governance, there is a particular danger that



the promise of strengthening local government will fade away given the political and technical challenges which lie ahead.

The present Poverty Reduction Strategy (PRS) requires the active and informed participation of the poor. Only in this light it can be seen as a step forward in empowering the poor and making their voices heard. Poor people's meaningful participation in the preparation and review of the PRS is just one of the prerequisites for the strategy's success in mitigating poverty. Ultimately, it is the human rights approach that the strategy is required to embrace that will make the difference and will tilt the balance towards eliminating poverty.

<sup>70</sup> In Former Yugoslav of Macedonia Country Overview in <[www.worldbank.org](http://www.worldbank.org)>.

<sup>71</sup> Refers to MDG1 "Eradicate extreme poverty and hunger."

<sup>72</sup> Thus the EU for example assists the Ministry of Labour and Social Policy to develop social welfare policies that better capture the social aspects of poverty in line with EU best practice.

<sup>73</sup> With reference to children's nutritional status, it was observed that there is a particularly elevated prevalence of low height-for age in vulnerable groups such as ethnic Roma children (32%) followed by ethnic Albanian (11%); the other ethnic groups showed prevalence lower than 5% and one fourth (24%) of the children with low birth weight continued to be small up to 5 years of age. The percentage of children with low birth weight who remain small was particularly higher in the traditionally poorer rural areas (31%) than in urban areas (19%).

<sup>74</sup> A clinical study on 100 infants aged 1–12 months showed a 25.6% prevalence of mild/moderate anaemia, attributed to improper child feeding habits, i.e. use of cow's milk feeding from the first few months of life. In: Gocevaska L., Ivanovska N., Trenevaska N., Lazova D.

<sup>75</sup> Poverty rates are lower for female vs. male headed households in: Report No. 19411-MK, Former Yugoslav Republic of Macedonia, Focusing on the Poor, Volume I, Main Report, The World Bank, 1999.

# THE RIGHT TO RELEVANT EDUCATION AND A HEALTHY LIFE



Photo: Vlaho Brandoljica

## BACKGROUND

Despite the achievements of the Socialist Federal Republic of Yugoslavia, the education and health of the population are now lagging behind that of countries in Eastern Europe and inequities are emerging.<sup>76</sup> For example, the country's present gross enrolment rates are lower relative to regional norms at all levels of education and health standards. Most importantly, in the context of this analysis, they are deteriorating for the poor, the unemployed and vulnerable groups, with low levels of education coupled with poor living conditions contributing to the low health status of the poor.

Though the reform process has begun, it has been piecemeal and sectoral. Inadequate consideration was given to growth-oriented policies enabling a favourable investment climate and policies aimed at empowerment of citizens. Also, inadequate consideration was given to issues related to the implementation of policies towards decentralization of services to municipalities. This pertains mostly to "granting" decentralized local financial autonomy in a country with a limited public sector capacity. Such oversights have led in many cases to erosion of physical infrastructure, quality of teaching and health personnel and availability of materials.

## ANALYSIS OF KEY EDUCATION ISSUES AND CAUSES

The education and health services share a number of fundamental problems. They are: weak institutional capacity, inadequate access, and declining quality and relevance. These problems have a major impact on human development, quality of life, economic and social stability of the population. They have their roots in the highly centralized and "politicized" state and in

<sup>76</sup> Report No. 19411-MK, Former Yugoslav Republic of Macedonia, Focusing on the Poor, Volume I, Main Report, The World Bank, 1999.

unresolved institutional issues from the former socialist system. The root cause of these problems lies in the inability of the state to manage the transition through a balanced approach. This incapacity has “de facto” favoured the economic and political dimension over the social dimension. The end result is that basic services, despite the strengths inherited at independence, are deteriorating and ill prepared to meet the new challenges of transition and to cater for the poor. Although there is a will to achieve the goal of “Education and Health for All”, policy formulation is weak while the institutional framework in the sector of education and health is still not designed to safeguard the particular needs of the poor in a country in transition, nor to guarantee its successful integration in the European Union.

### **WEAK INSTITUTIONAL CAPACITY**

The low efficiency and lack of effectiveness of public resources management is a common problem of both the health and education system and will be analysed as such. This problem, accompanied by weak policy formulation, budget management and accountability, contribute to policy performance well below the potential of Macedonia. Central level capacity, although improving, remains weak. The central agencies that play a role in coordinating health and education policies and planning lack strategic focus and coordination. Policy volatility, lack of continuity and consistency, inefficient and ineffective budget management and accountability are the results of weak institutional capacity. Severe understaffing in central agencies such as in the Ministry of Finance play a particularly critical factor when it comes to sector allocation social expenditures and budget allocations.

The analysis has identified a number of underlying and interrelated causes for weak institutional capacity. Those most relevant

to this analysis are a weak central management system (leading to an over politicization of services and a lack of institutional and policy capacity formulation framework and service delivery). This lack of a framework is also reflected by imbalances in budget composition which have contributed to lower productivity of the administration and efficiency of the budget (for example poor maintenance in school buildings) inefficient budget allocation that, by merely being inefficient, carries in itself the potential of increased inequity for the poor.

All of these factors undermine the credibility of the central government and reflect a low users’ confidence at the sectoral level. Because the government reacts to short term pressures, policy making lacks both consistency and continuity and no strong policy framework is guiding government choices. Budget preparation, allocation and execution are disjointed, showing a weak link between policy commitments and available resources. Lack of transparency is most acute in the health system where no reliable financial information is available. There is a high level of politicisation in both the health and education sectors and the use of public sector as a tool of patronage has led to an overstaffed and at times inefficient public sector<sup>77</sup>.

Decentralization in health and education is a complex issue and not without potential problems. Underdeveloped structures outside the capital have exacerbated urban/rural disparities and reinforced the role of the central government. Successful implementation of decentralization depends heavily on proper policy design. In the health care and education sectors, the general argument for decentralising services is to cater to local preference in order to improve quality and coverage. Within the social sectors, safeguarding national health, education and welfare priorities while also providing a safety net of pro-



Photo: Vlaho Brandjolica

tection for particularly vulnerable groups, must be balanced with devolved responsibilities for service provision and local revenue collections.<sup>78</sup>

Improving human capabilities by protecting their education and health status with the ultimate aim of preventing impoverishment is intrinsically connected both with an improved institutional capacity and the political will of the government, both at central and local level. Weak central level institutions and the unresolved institutional problems created by the transition are the root cause of the inability to do so. The lack and the slow pace of a country tailored basic service reform that gradually shift expenditure on pro-poor services (as analyzed in the section on Governance) are the primary cause for the inefficiency, ineffective care, and variable access to the insurance services, especially for the poor.

<sup>77</sup> Evaluation of EC Country Strategy FYR Macedonia, 2001.

<sup>78</sup> Transition Discussion Paper the Former Yugoslav Republic, United Nations Office for the Coordination of Humanitarian Affairs, OCHA, Skopje, 2003.

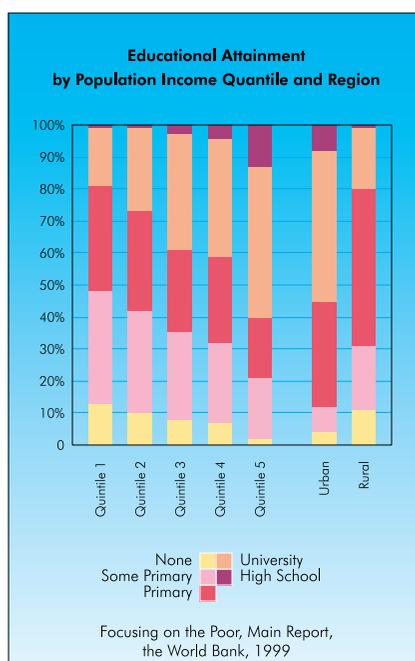
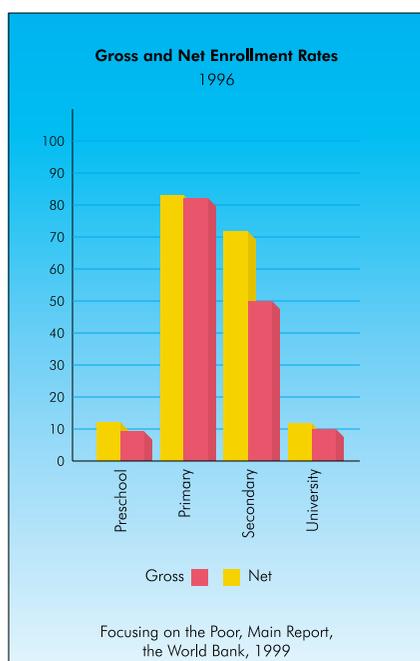
# EDUCATION

The Macedonian education system funded and provided by the state guarantees the constitutional right of all children to be educated in their own languages. It is comprised of pre-school (3–6 years), compulsory (7–14 years) and two streams of secondary education (15–18 years), special-

training, curriculum development and maintenance, with salaries accounting for 80 percent of education spending.<sup>79</sup> Students are expected to pay for school supplies and text books. Budget allocation and public spending on education is not uniform and varies across primary, secondary and higher

quires serious consideration in education reform efforts<sup>81</sup>.

The main problems related to participation in the education system during the transition are uneven access and decreased quality. These two main problems are compounded by a number of aggravating factors such as geographic disparities, gender, ethnicity, marginalization and stigma.



## UNEVEN ACCESS

Uneven access to education services is the direct cause of an increasing gap in the education attainments in the population and drop of enrolment rates at all levels of education. The underlying causes of this problem lie mainly in a decline in real household income and an increase in direct costs of obtaining an education. (i.e. books and supplies). Enrolment rates in education have been falling at all ages with an increasing number of drop outs among certain vulnerable groups. Thus, uneven access to education as much as low quality is intimately connected to increasing regional, ethnic and gender disparities.

The national indicator of 10% of “uncovered” children and one fifth of the primary school leavers, who do not continue their education, suggests that the primary education system in the country is not “sufficiently efficient.” In general, the biggest drop-off occurs at the switch from lower primary to upper primary. The main causes for an uneven access are: the lack of effective and rational pro-poor public spending and its equitable distribution, as well as a decline in real household income across the social board, and an increase in the direct costs of obtaining an education.

ized vocation and general secondary and tertiary education. Despite some differences in the comparative level of literacy of the urban and rural population (see table 14), the achievements of 95% literacy rate is indeed a major achievement, likely attributable to the changes in education policy of compulsory education, thus making access universal. However, there have been major negative changes that deserve scrutiny in the analysis. In primary education, the gross enrolment rates are approximately 84%, dropping to 72% in secondary school and 12% in post secondary education. The gross enrolment is 13% for pre-school education.

Fiscal problems have reduced public spending on education at the costs of teacher

education. Spending seems to be most cost effective and “poor oriented” in at the primary education level rather than at the secondary and at the higher education level.

Primary education spending represents the main bulk of the education budget and does not appear to have undergone the same sustained cuts as the health sector.<sup>80</sup> It appears to be roughly “egalitarian” at the primary level while public spending on both secondary and higher education is strongly non-poor. Public education transfer spending on education is received by higher income tertiary education students. Scholarships are also received disproportionately by higher income groups. The participation of the poor at secondary and higher levels, particularly in rural areas, re-

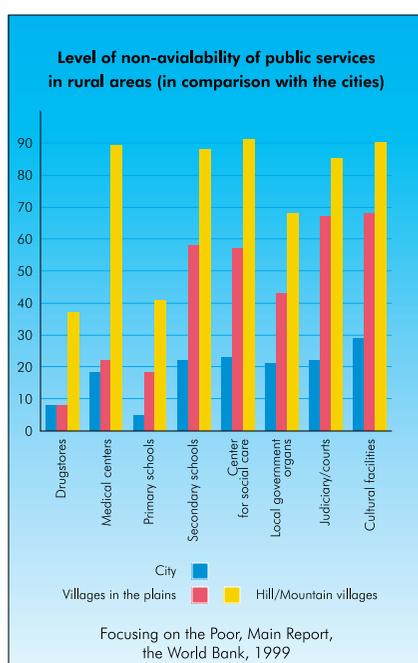
<sup>79</sup> Report No. 19411–MK, Former Yugoslav Republic of Macedonia, Focusing on the Poor, Volume I, Main Report, The World Bank, 1999.

<sup>80</sup> This is mainly because of the long duration and the number of children attending school.

<sup>81</sup> World Bank Report No. 19411–MK The Former Yugoslav Republic of Macedonia Focusing on the Poor, Main Report, 1999.

The low participation rates of children in poorer rural areas (with less educated heads of households) are particularly worrisome and indicate that poverty may be perpetuated amongst these groups.

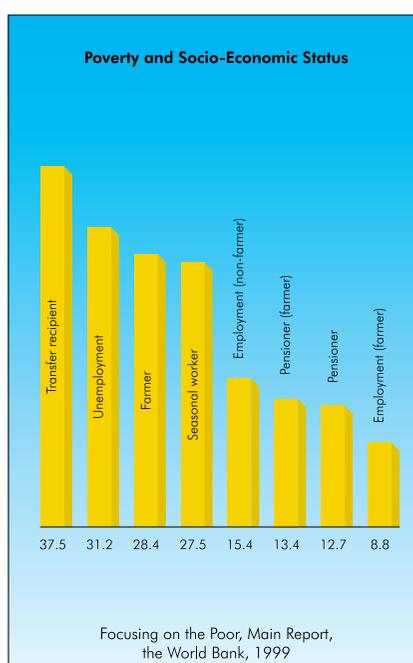
While there have been substantive improvements in eliminating gender



disparities from schooling in both urban and rural locations, net and gross secondary and tertiary enrolment rates vary considerably across income groups and regions. The enrolment rates of the poor are much lower in secondary and higher education. Analysis shows that there are gender based differences in educational attainment which are more pronounced in certain social strata and ethnic groups (see table 15).

Both ethnic Albanian and Roma women and girls have comparatively lower levels of education than their Macedonian counterparts and less ability to access services and information outside their immediate families as reflected by the pattern of girls in secondary education according to ethnic

groups (see table 16). Rural women are also excluded from education and services. In secondary education, 51.1% of all ethnic Macedonian students are girls, as compared to 39.4% — the ethnic Albanians, 32.43% — ethnic Turks and 33.33%—Roma girls.<sup>82</sup> Every third rural woman over the age of 15



(31.22%) has not finished elementary education. Statistics indicate that the highest proportion of dropouts from primary education occur amongst ethnic Albanian and Roma girls. The illiteracy rate of young Roma women is 20%<sup>83</sup>.

Ethnicity plays a considerable role in education attainments. According to the 2001 UNDP National Human Development Report for Macedonia, of the total number of employed ethnic Roma, only 2% are skilled<sup>84</sup> and 74.5% have only elementary levels of education. Of Roma persons over the age of fifteen, 24% are illiterate and 30% have not completed elementary education<sup>85</sup>. A UNICEF/World Bank study in 1999 in the municipality of Suto Orizari illustrated the plight of Roma youth: 27%

live in temporary makeshift housing with minimal facilities, 48% are without indoor plumbing, 55% of Roma mothers had not completed primary school and 31% of Roma children did not attend school<sup>86</sup>. Despite the absence of specific investigation and lack of data disaggregation, it was also observed certain groups (for example, members of the Roma communities) because of their lower level of education have less access to education services and information outside their immediate environment.

Unequal access to education, especially for those who are minorities in their communities as well as for children with special needs poses a significant challenge in the present education context.<sup>87</sup> The language of education at primary, secondary and higher levels is also a factor which determines access for those who are minorities in their own communities and shape patterns of enrolment into higher education and consequently access to employment and social mobility (see table 17 and 18). The issue of language of education clearly has a built-in potential for sparking interethnic tensions. For example, while 95% of students that had completed primary education in the Macedonian language continue onto secondary education, only 52% of those that had completed their education in Albanian, and 29% of those who had completed primary school in Turkish

<sup>82</sup> From: Republic of Macedonia Ministry of Education, Education for All Report, 2000.

<sup>83</sup> Status of Women in Macedonia, UNDP, 2001 quoted in Situation Analysis of HIV/AIDS in Macedonia.

<sup>84</sup> "Skilled" refers to those individuals with any education higher than primary.

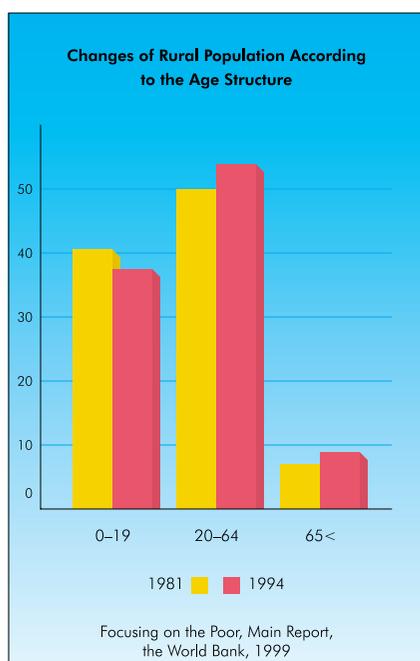
<sup>85</sup> National Human Development Report: Social Exclusion and Human Insecurity in FYR Macedonia. UNDP, 2001. Quoted in: Situation Analysis of HIV/AIDS in Macedonia.

<sup>86</sup> Situation Analysis of Children and Families in FYR Macedonia 2000 quoted in: Situation Analysis of HIV/AIDS in Macedonia.

<sup>87</sup> From: Former Yugoslav Republic of Macedonia: Humanitarian Strategy—2003 UN Office for the Coordination of Humanitarian Affairs, 2002.

do so (see table 19). Dissemination of information technology acquires a special value in an ethnically diverse country such as Macedonia. Information technology is transversal to all disciplines and non-sectarian. It is an inter-ethnic Esperanto, a tongue of images (still or moving), alphanumeric or aural. It is also well received by young people as a means of communication and learning.

Physical accessibility to schools is becoming a problem particularly in certain depopulated areas of the country.<sup>88</sup> Demographic changes associated with the rural exodus to urban areas have “de facto” brought many village schools to the threshold of viability with a number of schools having to close down. This leaves the com-

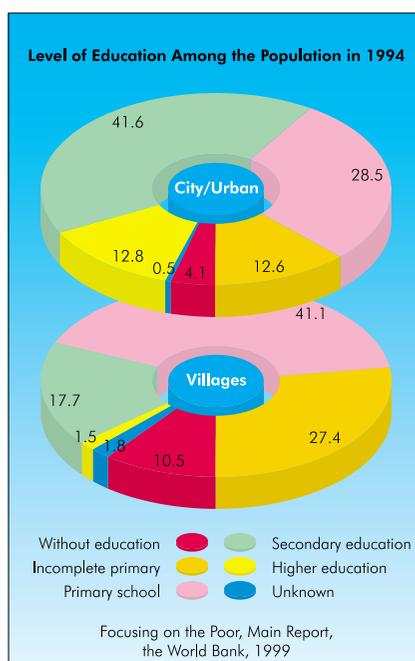


munity with the added onus of meeting the cost of transporting children to school. Also, access to primary education may soon be problematic when the rationalisation of the school network comes on the decentralisation agenda and primary schools may not be in easy reach of rural families. The physical distance of the school and poor infrastructure play an increased role in a determining accessibility especially by the poor. Notwithstanding the above, data disaggregation in relation to the rate of drop outs shows that ethnicity and gender plays a greater role than physical accessibility as the highest proportion of drop-outs are mostly recorded amongst ethnic Albanian and Roma girls (see table 20).

### Decline in real household income

The decline in enrolments overall reflects a decline in real household income and an

increase in direct costs of obtaining an education (as a result of the increased fees and reduced subsidies on text books). Differences between urban and rural areas and within level of education are also recorded. The close correlation of education status with the level of household consumption or wealth is the most determinant factor in showing that nearly 80% of the poor versus 60% of the rich have less than primary school education<sup>89</sup>. Only 20% of the poor have completed secondary school. In addition, gender disaggregation shows that only half of all women versus nearly two thirds of all men in the top income bracket have an educational level of secondary school or higher.<sup>90</sup>



The low rate of participation of the poor in the rural area in secondary and higher education is worrisome because of the crucial links and direct effect of secondary and higher education on employment skills and social mobility in a society that requires more than a primary level education to compete in a modern world of knowledge economies. Moreover the decreasing enrolment rate in primary education will have a cascade effect on the enrolment rates in secondary and tertiary education.

This difference in education status is even more pronounced in lower income groups living in rural areas. Women in particular have the lowest education amongst poor households. Also, the correlation between educational levels and poverty shows that the highest poverty rates were mainly observed amongst households where the breadwinner has only a primary education<sup>91</sup>.

Almost all university education graduates are from the top income quintile and are from urban areas. An evaluation of the enrolment rates shows that these differences may remain.<sup>92</sup>

### INCREASED COSTS OF EDUCATION

Private spending on education is regressive: poor households spend more on education relative their income compared to the rich. Books and supplies are the most important components of private costs in primary and pre-school school education while at pre-primary level it is the monthly contribution that is most costly. Transportation costs dominate private spending at the secondary and post secondary levels.

The correlation between educational levels and poverty is also strong, with the highest poverty rates observed amongst households where the breadwinner has only a primary education. The analysis noted that there is a significant difference in the educational attainment of different income groups, between men and women and between rural and urban residents.<sup>93</sup>

Also, a close correlation of education status with the level of household consumption or wealth has been observed. Similarly, for certain groups of children, access to education is a key vulnerability criteria including young children with no access to early learning and stimulation programmes; children, particularly girls, who have dropped out of school without completing primary education and children with special needs, especially those in institutional care, children with disabilities, abandoned and orphaned children and children in conflict with the law.<sup>94</sup>

### DECREASED QUALITY

The issue of inappropriate quality of the education system is particularly relevant to adolescents and youth to prepare them

<sup>88</sup> For example, in eastern Macedonia where the rural population has been declining steadily for some time.

<sup>89</sup> Report No.19411 The Former Yugoslav Republic of Macedonia focusing on the Poor: Statistical Annexes, the World Bank 1999.

<sup>90</sup> UNICEF, 2003.

<sup>91</sup> Government's Interim Poverty Reduction Strategy, November, 2000.

<sup>92</sup> World Bank Report No. 19411-MK The Former Yugoslav Republic of Macedonia Focusing on the Poor, Main Report, 1999.

<sup>93</sup> World Bank Report No. 19411-MK The Former Yugoslav Republic of Macedonia Focusing on the Poor, Main Report, 1999.

<sup>94</sup> UN Office for the Coordination of Humanitarian Affairs (OCHA), 2002 The Former Yugoslav Republic of Macedonia: Humanitarian Strategy—2003.

with the skills which they need to lead a healthy and successful life—avoiding pitfalls such as drugs, alcohol abuse, AIDS and teenage pregnancy and to earn their livelihoods in today's rapidly changing world. There is little flexibility from the system to incorporate the needs of adolescents and youth in current curricula, text books, formal and informal education programmes. Equally, the needs of children from minorities and children with disabilities should be further explored and form the basis for future assessments of the quality of education.<sup>95</sup> Furthermore, there is a general lack of youth friendly services where adolescents can obtain counselling and advice on

internally or relative to international standards.<sup>96</sup> A “redefinition” of the role of education in forming the individual and the school as one of the promoters of human development, also through social inclusion, should be integrated as a component of any assessment of the education system. The causes for the decreased quality of education services as identified in this analysis lie in inappropriate budget allocations and public spending which become, “de facto,” conducive to inequity.

The general attitude towards disabled people tends to be negative. Mainstreaming of disabled children into regular schools is resisted, often on the pretext that

Empower Women” with their targets of “ensuring that all boys and girls complete a full course of primary schooling and gender disparity in primary education is eliminated” is practically achieved in Macedonia. But a closer look reveals that the education status of minorities and poorer sections of society is low. The worrying trend in terms of decreased service provision and quality also disproves this assumption.

The Government carries the ultimate responsibility for ensuring that the Convention on the Rights of the Child is implemented in Macedonia, and so must take the lead in changing attitudes and changing systems; for example, in drawing up and implementing a National Plan of Action, including new legislation and the allocation of sufficient resources to put the Convention into effect throughout the country. Also, the Convention on the Rights of the Child provides a solid common framework for all organisations working with children, a touchstone on which all can agree; organisations should ensure that their policies are in line with the Convention, truly focussed on the best interests of the child, and that their staff are trained and kept aware of the implications of the Convention in their particular field.<sup>98</sup>

Sustaining and further promoting full access to primary to education for all girls and boys and youth including the poor and those with special needs, as enshrined in the constitution of the country, is indeed a priority for the country. This is a complex task in the face of a drop in the gross enrolment rates at all levels, but especially in the enrolment rates of the poor showing gender and ethnical disparities, especially at the secondary and higher education levels. The picture of access to education services that emerges from the analysis is one that borders upon inequity. It requires improvement and a more equitable resource allocation of education spending from rich to poor and from wage costs to investment in the quality of education system and educational facilities. The goal should be to fulfil the commitment made at the Education For All Dakar Declaration to which the country is signatory.



Photo: Vlaho Brandolica

their reproductive health problems in a friendly and non-threatening environment.

Low salaries, poor organisation and shortage of many basic supplies and essential tools have reduced morale and motivation to an all-time low, with education professionals having to seek alternative sources of income. In some cases, this situation leads the service users to having to make formal or informal payments to receive quality treatment. This is a common problem with many government services, which suffer from the downward spiral of “low salaries—low motivation”. In addition, a lack of management skills coupled with inflexible line budgeting and the absence of service frameworks, formularies and guidelines militate against effective and efficient delivery.

The quality of the education system has not been yet formally assessed either

resources are lacking or buildings are unsuitable. This contributes to the marginalisation of children with special needs. Ethnic Roma children, who because of their vulnerability often become street children and primarily among all disadvantaged children, are more vulnerable to discrimination and stigma. There is project evidence<sup>97</sup> that in some high-Roma-impact schools, the retention rates are as low as 20%. This reinforces social prejudice, marginalization and puts children at great risk of exploitation and physical and psychological harm.

### **NATIONAL PRIORITIES AND THE MILLENNIUM DEVELOPMENT GOALS**

At a first superficial glance, it could be assumed that the Millennium Development Goals of “Achieving Universal Primary Education” and “Promote Gender Equality and

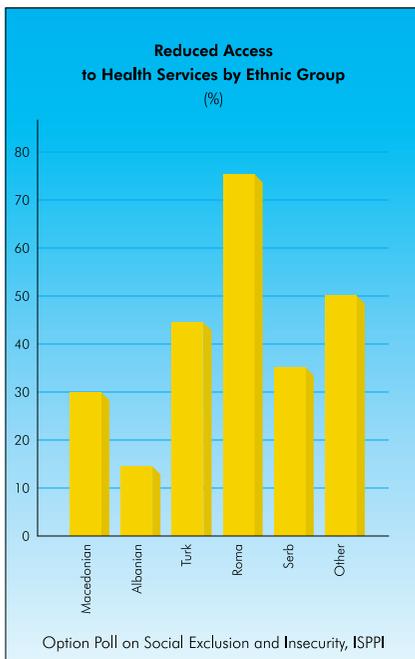
<sup>95</sup> The EU provides advice and assistance to the Ministry of Education in order to establish a school curriculum which is better adapted to the needs of the labour market (Vocational Education and Training—VET).

<sup>96</sup> In: Focusing on the Poor: Volume I, Main Report World Bank, 1999.

<sup>97</sup> From: Republic of Macedonia Ministry of Education: Education for All Report 2000.

<sup>98</sup> Situation Analysis 2000, UNICEF.

The health care system is organized on three conventional levels: primary, secondary and tertiary. The health system has achieved considerable results in the improvement of life indicators as measured against reduced child mortality (infant and under five) as well as maternal mortality. Analysis has ascertained that infant mortality and perinatal mortality rates have declined sharply over the ten year period and the success can be attributed to the high immunization coverage (see table 21).

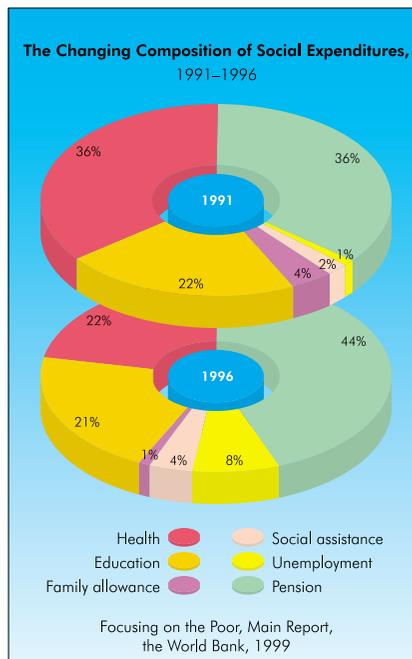


However, analysis also shows that the highest mortality rate caused by perinatal complications such as short gestation period, low birth weight, and congenital malformation among infants from mothers without education compares starkly with the lower rates registered in children from mothers with higher education. After scrutiny of a number of factors, the analysis identified that the main problems identified in the analysis are those related to uneven access and decreased quality.

## UNEVEN ACCESS

Shrinking budgets, ethnic division and geographic inequities are negatively impacting on access to essential services, often for those who are most vulnerable. In the health sector, a strong urban bias of health personnel exacerbates these problems and has resulted in several underserved rural areas. Surveys and opinion polls show that respondents in general perceived access to health service as inadequate.

Thirty-eight percent (38%) of respondents to a survey conducted in 2000<sup>99</sup> de-



scribed basic health services as inadequate. Resource distribution is slanted towards secondary and tertiary care in Skopje, with access to basic services in some rural areas being limited and of very poor quality. The network of hospitals and clinics exhibits fragmentation and duplication. Relative to typical EU ratios there are 700 surplus doctors and 400 surplus dentists; primary care doctors see only one-fourth as many patients as the EU norm and the bed occupancy rates in hospitals remain mark-

edly higher than in EU or Eastern European Countries. Age standardized death rates for cardio and cerebral vascular diseases are 20–40 percent higher than in wealthier neighbouring countries.

The health system does not appear to offer improved access to basic health services and remains inefficient and inequitable. Relative to the European Union and the Organization for Economic Cooperation and Development countries, there is a surplus of doctors and an under utilization of primary health care doctors. Patterns of utilization of basic health services show high immunization coverage and use of antenatal care by most income groups. However, differences were noted in the access and utilization by income groups and location. The higher infant maternal mortality rates in rural versus urban areas, for example indicates that this problem is usually more severe in rural areas.<sup>100</sup>

Health services are unprepared to deal with the many of the pressing problems of today's Macedonia. This is most apparent in the case of HIV/AIDS. An under-developed surveillance system, low testing rates and lack of counselling in place make it difficult to measure prevalence and incidence of HIV/AIDS. The services are failing to provide a multi-sectoral response (at the preventive, harm reduction and treatment level) that would meaningfully and effectively involve health and education services. There is a lack of life-skills based education offered through health and education services, necessary to be integrated into school curricula in order to foster non-discrimination and non-stigmatization attitudes at school and in the community. The absence of adequate research and studies in Mace-

<sup>99</sup> Opinion Poll on Social Exclusion and Insecurity, ISPP, 2000 in National Human Development Report, 2001.

<sup>100</sup> World Bank Report No. 19411-MK The Former Yugoslav Republic of Macedonia Focusing on the Poor, Main Report, 1999 (III Poverty Trends and Characteristics subchapter).



donia on vulnerable groups and risk factors, limited access to health services and limited access to effective means of protection will impact on human as well as financial resources in the country.

### DECREASED QUALITY

The main cause for the decreased quality of the health system has been ad hoc adjustment in public spending for health imposed by the post independence macro-economic policies. This has undermined the availability (and quality) of basic health services. Capital expenditure cuts have affected the real wages of health workers as well as capital investments in the health sector, purchases of pharmaceuticals and consumables. This reduction has hit hardest in rural areas at the primary health care level. As a result, patients have turned to use high-cost hospitals for basic care, a situation resulting in inefficiency and low cost effectiveness of resource use (see table 22).

Service standards are rare. There are neither transparent performance evaluations nor a performance measurement system in place. The conjunction of these weaknesses contributes to low government

performance which in turn affects the delivery of services. For example, the formulation of a national health policy has been a long, frequently interrupted and at certain points a non-transparent process. It was also influenced by exogenous factors such as the security situation created by the war in Kosovo, which have slowed down the process and diverted resources considerably.

The lack and slow pace of reforms are the primary causes for the inefficiency, ineffective care and variable access to insurance services, especially for the poor. There is the risk that financial pressure may be shifted to predominantly public sector providers and patients in an unsustainable way. The cost effectiveness of the Health Insurance Fund, the rationalization of the hospital network and the organizational restructuring of primary health care, and privatization and decentralization are objects of reforms which require immediate implementation.

The quality of care has also been compromised by weaknesses in the registration, pricing, procurement and reimbursement of drugs, which have limited the competitiveness of the pharmaceutical

market and raise drug prices unnecessarily. The existing health insurance system places inadequate limits on public sector liability, undermining fiscal sustainability and "de facto" offers no incentives to health care providers to increase efficiency and improve the quality of services. Also, there seems to be no clear distinction between provision of primary and secondary health care and many institutions provide both, sometimes at the cost of quality and relevance. Despite the continuous decrease in incidence of communicable diseases, the situation of poor hygiene and sanitation of health infrastructure and dated surveillance systems, in combination with economic deprivation, may lead to an increase in the incidence of communicable diseases.

Adequacy of training and lack of management skills as well as financial systems coupled with line item budgeting, the absence of service framework, formularies and guidelines militate against rational service configuration and under cut quality. Medical equipment and vehicle stock is often in a poor state of repair. This is particularly true in primary health care where there are difficulties to secure funds necessary for ongoing maintenance.<sup>101</sup>

Analysis has shown that the quality of health services influences the rate of maternal mortality. The rate of maternal mortality has increased from 8 in 1997 to 14.8 per 100,000 live births in 2001 in parallel with decreasing quality of the services.<sup>102</sup> In spite of the unavailability of data on the causes of maternal deaths, this trend shows that such differences in maternal mortality are in direct correlation with the quality and level of development of the health service, the training of medical and paramedical personnel and the overall development of the country. Furthermore, there has been noted a decreasing trend in the availability of counselling on family planning women for women of reproductive age, especially in rural areas, that may also be in direct correlation with an increased maternal mortality.

Low birth weight and children's feeding practices may be responsible for the nutritional problems observed. In 1994, 78% of infants under the age of 4 months were predominantly breastfed, but only 8% of children were exclusively breastfed. After



101 In: Health Care Systems in Transition, The Former Yugoslav Republic of Macedonia. In: European Observatory on Health Care System, 2000.

102 Presumably, Institute for Mother and Child Health Care, Republican Institute for Health Protection .

consideration of the unavailability of recent data on the nutritional status of children, UNICEF and the Government promoted a survey on the health and nutrition of mothers and children. The information collected in a nation-wide survey by the Ministry of Health in 1999 were used for the preparation of an Action Plan for children's nutrition and as a baseline for Nutrition Monitoring Activities. A multi-sectoral approach is most likely to yield sustained improvements in tackling the nutrition problems identified by the analysis. For maximum effect, this approach must include the mitigation of relative poverty which plays a key role as a root cause of nutritional problems.

### **NATIONAL PRIORITIES AND THE MILLENNIUM DEVELOPMENT GOALS**

In an attempt to review the global progress towards the relevant MDGs during the 1990's, the picture that emerges shows a very uneven pattern across rural and urban areas and between socio-economic groups within the country. Although the picture is mixed, indicators show a continued decrease in infant mortality rate, but a worrisome increase in maternal mortality, possibly attributable to the decreasing quality of health services. In the field of basic services, it emerges clearly that access to good quality of health service, equality, (related to gender, ethnicity, race, sexuality and social status) protection, and fulfilment of human rights and sustainable development are requirements to be achieved through the promotion of a coordinated multisectoral approach.

At the global commitment level, and on meeting the agreed MDG targets of reducing infant and under five mortality, improving maternal health and combating HIV/AIDS, it seems that one of key problems for Macedonia lies in the overall decreasing quality of and accessibility to health services. This is well reflected in the increase in maternal mortality. Also, the gap between what the education system can provide at all levels of education and the user's need for today's global context is increasing.

Child nutrition and its key role in measuring poverty should also be seen in strong correlation with a reduction in maternal mortality. The commitment made to fulfil the MDGs of reducing child mortality, improving maternal health and promoting gender equality are the government's and society's most powerful allies to stop the

vicious circle that starts with poor maternal health and education and perpetrates itself through child mortality.

Accurate data on the incidence of HIV/AIDS is not available, thus making monitoring against the relevant MDG very difficult. Also little concrete information exists and/or is being gathered, particularly on vulnerable groups. It should not be surprising that analysis has ascertained that vulnerable groups to HIV/AIDS are the same groups who are vulnerable to poverty, discrimination and marginalization. The analysis has shown that the features of their vulnerability are also related to their capacity to access and afford social services as well as to their status in society. In the CCA, we argue that this status is inevitably and directly influenced by inequitable policy choices. The vulnerability correlation with the qualitative indicators of malnutrition among the same vulnerable groups in education is indeed revealing of a pattern that sees disadvantaged groups captured in a trap of poverty on both the health and education fronts.<sup>103</sup>

### **CONCLUSION**

From this analysis it has emerged that basic services do not work well and hence fail to adequately meet the needs of users, especially among the young, poor, and other vulnerable groups. The private cost of education has gone up, so that "education," as a commodity, competes with other consumption goods in shrinking household budgets.

While the government does seem to care about the most disadvantaged and the provision of basic services to the poor, there is a lack of well designed government public policies to effectively target poor and vulnerable segments of the population. Social policies are an essential ingredient of a successful transition process of the transition. Capacity and willingness of the government to pursue these policies are a pre-requisite for improved accessibility by the poor and improved and relevant quality of services. Growth oriented policies that support a favourable investment climate and people's participation are still lacking and hamper the process of transition, making it harder for the poor and the vulnerable. Much needed reforms are difficult to formulate and implement, and also require strong political support and tradeoffs in the financial and political context. When initiated, as in the case of decentralization of the education

system, the reforms have not been supported by an appropriate policy framework.

In the future, it would be promising if there was a more articulated knowledge of the characteristics and geographical location of vulnerable groups through capacity building for better services and the use of GIS based mapping systems. Increased attention should be paid by policy makers and development organizations to non-traditional sources of information (supported by a broader range of qualitative and quantitative methods) upon which to base recommendations on the choice of policies and programmes, as for example, for the Poverty Reduction Strategy or individual development organizations' country programmes.

The perception continues among policy makers that education and health are expenditures, and not investments in the human capital of the country and an integral part of the overall strategy for poverty reduction. The perceived benefits of education (in terms of higher wage earning and as a determinant in being a) well-off or b) poor) are still low. This undermines long-term incentives to invest in health and education. In this context, the risk of low-income groups dropping out of the education system and falling irreversibly into poverty becomes higher. Thus, a focus on people's development as an investment and in the strengthening of a protective environment acquires a particular importance as an entry point for a more equitable society facing the risk of further ethnic violence. This is particularly true in the case of HIV/AIDS, which is still not a full blown problem. Its prevention would be more cost effective through early investments.

To conclude, trends are emerging that see the poor marginalized on two fronts: that of access to quality health and education services. The most apparent weakness of today's education and health services in Macedonia lies in the decreasing relevance of these basic services and their ability to protect vulnerable people's health and ensure a relevant education. This state of affairs also bears on the capacity to set standards for education and health policies based on basic elements and principles of the education and health systems in Europe and thus jeopardizing the accession of Macedonia into the European Community.

<sup>103</sup> See also CCA Chapter "The Right to Good Governance: Increasing Incidence of Poverty."

# THE RIGHT TO A HEALTHY AND CLEAN ENVIRONMENT

## BACKGROUND

Macedonia is located in the central part of the Balkan Peninsula, sharing a border to the north with Serbia and Montenegro, to the east with Bulgaria, to the south with Greece and to the west with Albania. The country's mainly mountainous territory covers a total area of 25,713 square kilometres. There are three large natural lakes in the south of the country—Ohrid, Prespa and Dojran. The population is approximately two million people, of which about 1.2 million, or 60%, live in urban areas.

Agriculture, combined with forestry, fishing, and the service sector accounts for 22% and 30% of the GSP, respectively. About 37% of the total territory of Macedonia is classified as forest lands which is high in comparison to other countries in Europe. Nearly half of the total area of the country is used by agriculture, split equally between cultivated areas and pastures. Forest cover plays an important ecological function in terms of watershed protection and soil conservation.

Due to regional geologic and tectonic characteristics, Macedonia is in a high seismic area and prone to severe earthquakes. The main earthquake zones are on the borders between Bulgaria and Macedonia, central Macedonia including Skopje, and to the west, along the border with Albania. There have been 14 strong earthquakes with magnitudes of 6 to 7.8 in the Richter scale in Macedonia since 1900.

## Past Development Policies

In general the environmental situation in Macedonia is comparable to that of other Central and Eastern countries. Within the framework of the centrally planned economies of the region's former socialist states, development was seen largely in terms of increasing production in the industrial and energy sectors. This resulted in the over exploitation of natural resources and severe environmental degradation where short-term economic growth took precedence over environmental management and longer term sustainable development.

In short, the policy of industrialization pursued by the country did not include environmental protection measures, since negative externalities such as deteriorating air and water quality and other social costs were not taken into account. Furthermore, not much attention was paid to developing and strengthening the environmental management system. As a result, there was little incentive for industries to reduce the pollution which was contributing to environmental degradation.

Presently, one of the great challenges facing Macedonia is ensuring that ongoing economic and social reforms will not be at the expense of the environment. This requires a careful balance (and trade offs) between protection of environmental resources and the development of a strategy for economic growth which is sustainable and respects the environment.

## ANALYSIS OF KEY GOVERNANCE ISSUES AND CAUSES

This section seeks to identify those environmental problems which are of such significance that they can be classified as main development challenges in the Macedonian context. Environmental problems have direct negative impacts on human health and quality of life. They directly bear on the potential for human security and development, social stability and economic growth. Thus, the highest priority in this analysis has been given to how problems related to water and air pollution, waste management, agricultural land, biodiversity and forest management affect people in general and the poor in particular. The human rights dimensions of environmental problems and their impact on people's dignity and effective exercise of their human rights have also been highlighted with the objective of showing that the protection of the environment represents a pre-requisite for the full



exercise and enjoyment of human rights and self preservation.

The government has recognized the right of the citizen to a healthy environment. Thus, the protection of human rights is treated as an integral part of the overall strategy for economic and social development during the transition to a market economy. One of the basic human rights determined by the Constitution is the right to live and work in a healthy environment. This recognition represents a good basis to strengthen the concept of sustainable development as an integral approach to pursuing the objective of a human development. Thus, in the specific context of Macedonia, environmental concerns offer an entry point to considerations of improved governance with respect to the human rights of the present communities, ethnic groups, and minorities whose human rights are particularly affected by environmental degradation and future generations.<sup>104</sup> The degree of how much poor people are affected is not uniform throughout the territory and depends on rural and urban location, proximity to a pollution source and level of awareness of the problem. Environmental degradation resulting from past development practices and the present weak institutional and regulatory framework are high costs that are ultimately borne by the whole society.

In this context the key problem thus appears to be the inability of institutions and individuals to respect, protect and fulfil the right of advancing environmental quality. The fact that institutions (as well as individuals) do not frame their policies and actions from a human rights perspective enable us to see *"why advancing health or education quality, or environmental quality, is generally not seen as a protecting a right. Of even further concern is that rarely do cases of human rights violations regarding, for example, violations of the right to*

*health, or education, ever make it the court systems."*<sup>105</sup>

Within this framework, it may be more revealing to analyse the key manifestations of the problem. In the context of Macedonia, they are five. As identified in the in the National Environmental Action Plan (1998) and other environmental assessments are: 1) poor air quality, 2) water concerns, 3) inadequate solid and hazardous waste management system, 4) unsustainable agriculture practices, and 5) loss of biodiversity. The underlying causes of these problems are interrelated and mutually reinforcing. They can be clustered as follows:

**Insufficient institutional capacity and inappropriate or inadequate legislation** are ineffective in providing the necessary regulatory framework or legal tools for efficient environmental management. The lack of a strategic vision streamlining environmental legislation and environmental management policies has a negative influence and limits donors' interest in environmental development assistance. There is insufficient capacity within state institutions in charge of environmental protection and a failure to undertake specific measures for resolving problems caused by direct polluters (such as the lead and zinc smelter in Veles). Expenditures on environmental protection are very limited. This factor impinges on the financial capacity of the state to implement specific projects for the improvement of basic qualitative environmental indicators. Enforcement efforts suffer from a lack of communication and coordination among different inspectorates at the national and municipal levels. Limited enforcement is also hampered by a judiciary that is not adequately informed about environmental laws and regulations. These in turn are fragmented and ad hoc without an allocation of competencies, i. e., rights and responsibilities.

Weak institutions and administration capacity are the result of a combination of

different factors, including limited finances and budgets that are woefully inadequate in comparison with the scale of the environmental challenges facing the country (see table 23).

A strong institutional hierarchy biased towards production sectors that overrule environmental concerns is compounded by weak enforcement of regulations and legislation for environment impact assessment. Over-stretched, under-resourced and a politically vulnerable inspectorates with divided responsibilities are unable to guarantee enforcement. The absence of training for judges and law students in environmental law and policy is an aggravating factor.

**Fragmented information programmes and monitoring systems** result in major Government decisions being made without the benefit of adequate supporting data which is often not publicly available. The lack of monitoring programmes to establish the link between quality of health and environmental conditions is particularly worrisome in view of the fact that the link between poor health and the environment has been established in two cities. The lack of nationwide environmental quality-monitoring (air, water and waste) has had a negative impact on the ability of the country to meet EU environmental standards and impinges on the ability of the country to join the EU. Monitoring of air and water quality falls under the jurisdiction of multiple administrations and is poorly coordinated. Monitoring equipment and techniques are inadequate and there is a lack of resources to purchase modern equipment. Untrained personnel and the monitoring conducted often

<sup>104</sup> See also Human Rights, Poverty Reduction and Sustainable Development. A Background Paper, Officer of the high Commissioner for Human Rights, United Nations, 2002.

<sup>105</sup> A Human Rights Based Approach by Jorge Daniel Taillant, Executive Director of the Centre for Human Rights and Environment in Córdoba Argentina <[www.cedha.org](http://www.cedha.org)>.

do not include important parameters and is inadequately linked to public health monitoring in other institutions. The data resulting from monitoring is rarely applied towards enforcement and policy decisions.

**Limited awareness and participation:**

Limited awareness across the board (general public, decision makers and natural resource users) of environmental issues and their economic, health and other impacts perpetrates poor transparency and absence of appropriate mechanisms for public consultation (i.e. environmental impact assessments processes or the development of new legislation).

The root causes of these problems are essentially twofold: Inappropriate past economic policies which placed too much emphasis on production sectors and too little on sustainability and protection of natural resources, and a weak environmental management system with an inadequate legal, technical and institutional capacity to effectively regulate and control natural resource use and environmentally damaging activities by the production sectors.

The recent conflict cannot be considered a root cause of the environmental problems of the country, but it has been catalytic in bringing some of them to the forefront and in exacerbating them. In 1999 and 2000, population pressures resulting from influxes of refugees from conflict zones was a factor that strained natural resources, water and sanitation infrastructures.

**The Wider Development Impact**

Twelve years have passed since gaining independence in 1991 and much has been accomplished by the government in addressing environmental concerns. The scale and the magnitude of the damage inflicted on human and natural ecosystems however, is so pervasive and intimately connected with the livelihood and human security of the population to remind us that the legacy of the socialist past and the weak capacity to govern in the present are in fact the root causes of the present environmental problems of the country.

Most of the country's environmental problems are mainly impacting the poor who, because of their status in society, are most negatively influenced by inequitable policies. However, these problems in the long run represent a long standing threat for the whole society. In the same way educational attainments of the nation are keys for long term productivity and growth; good health for economic performance,

and so the protection and equitable management of environment are key to achieving sustainable development.

All the environmental problems identified above have a major impact on the environment, the quality of health and the quality of life of citizens, and the social stability and economic growth of the population. The extent of the damage on the environment is not uniform. The official categorization of the areas with environmental/ecological problems is based on the level of environmental hazard (moderate, significant and critical). The areas with few or no environmental hazards lie in national parks and reserves. The areas considered most endangered and insecure from the environmental quality viewpoint in the country are the urbanized areas.

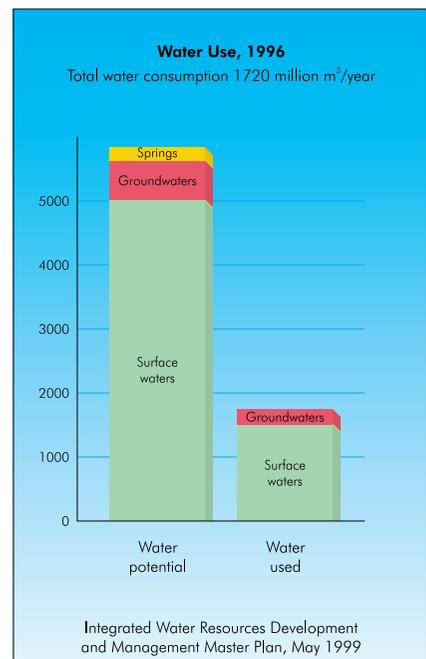
The health and quality of life of people living in large urban areas is at risk with increased traffic and urban emissions. Studies have associated air pollution with respiratory diseases in large urban centres, especially among children. At risk is also the health of factory and mine workers, families and children living in or close proximity to polluted industrial areas, including refugees and hosting communities who are living and working near air, soil and water polluting factories. Current health records and data on population health condition are insufficient and incomplete and do not allow to draw a more accurate picture, but it is known that large "hot spots" municipalities, have higher rates of air pollution than the national average, and a link between poor health and pollution has been recognized<sup>106</sup> (see table 24).

Social stability and the potential for economic growth are also compromised for farmers and agricultural workers, especially those living in the poorer eastern part of the country, which geographically suffers from a shortage of water with continued tension arising over access to water. This "geographical state of affairs" is made explosive by an historically uneven development of the rural areas which over time has resulted in a vicious cycle of persistent poverty and high unemployment, also a fertile ground for political and social discontent among segments of the rural population.<sup>107</sup>

With a high average rural household size (4.2 persons) and the limited size of land available for agriculture, rural populations are forced away from rural areas into towns, contributing to a trend of over-urbanization. In turn, the high speed of the

urbanization process and the resulting strain over urban infrastructures is contributing to the creation of specific problems in many cities especially related to adequate water supply and proper solid waste management.<sup>108</sup>

The loss of natural resources, for example forest and flora biodiversity depletion resulting from human intervention (harvesting of fuel wood and medicinal herbs) may be linked to increased economic hardship, thus turning "de facto" exploitation of the environment for commercial purposes into a coping mechanism against hard-

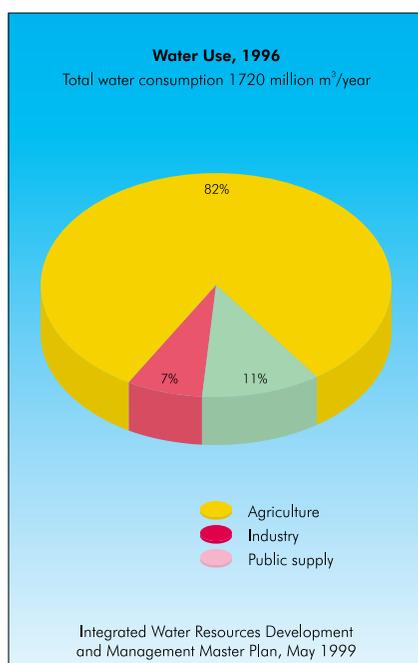


ship and the effects of increasing poverty, especially in the hill regions. Water level fluctuation, due to poor irrigation practices combined with low rainfall have seriously affected the aquatic biodiversity of Lake Dojran in the eastern part of the country, while overgrazing, deforestation and poor farming practices have damaged the soil. With regard to land and biodiversity loss, the analysis revealed that it is difficult to provide a clear profile of those directly affected with these problems. This is mainly because the effects on the environment and the people are long term and may not be immediately evident.

Particularly vulnerable to natural disasters and especially earthquakes are people living near regional infrastructure systems (roads, railways, power lines, pipelines etc.)

<sup>106</sup> See National Environmental Action Plan (NEAP), 1997.  
<sup>107</sup> See also The Other Macedonian Conflict, ESI Discussion Paper, European Stability Initiative 2002.  
<sup>108</sup> National Environmental Plan (NEAP), 1997.

because these infrastructures are located along routes with frequent seismic activity. Also at particular risk are displaced people from the recent conflict. Even while there is little immediate damage after an earthquake, there is danger of longer term economic and environmental damage with repercussions on human development. With the exception of parts of Skopje, physical and housing infrastructure in other towns are not designed to withstand medium to severe earthquakes. The Government is currently considering proposed legislation to strengthen the mandate of



the Crisis Management Centre to include coordination of natural disaster preparedness and response along with the current conflict related mandate.

### POOR AIR QUALITY

The main causes of poor air quality are two: industrial pollution and car emissions, mainly limited to major urban areas with the major causes of air pollution being industrial and car emissions. (see table 25) The problem affects 30% of the population in the county. Industrial production remains pollution intensive and environmental management in order to control production is not adequate.

The problem is compounded by a lack of clear policies and weak monitoring to reduce car and industrial emissions and low enforcement. The main air polluters are well known and are "de facto" permitted to continue their environmental damage without paying for it. The principle of "the polluter pays" is not properly imple-

mented.<sup>109</sup> The lack of application of this principle, transfers the costs of environmental pollution to the state budget and away from the polluter. But ultimately, air degradation is a cost borne by the whole society and those who suffer most are the poor trapped in the vicious circle of poverty-ill health-poverty. Some of the "polluters" play a vital role in the life of the country, thus making accountability difficult to monitor and achieve. In addition, the lack of incentives, for example to install better air pollution control equipments allows air pollution to continue and endanger the lives of the populations in large cities.

### WATER CONCERNS

Water resources are scarce, unevenly distributed, used by many and not managed properly. Water resources are unevenly spread, with the western part of Macedonia having more water than the rest of the country. The highest portion of water sources is allocated to irrigation and overuse of water for agricultural purposes has also caused decreased water level in lakes, thus affecting biodiversity and natural resources. The complex institutional arrangements are too fractioned and communication and coordination related to water management and planning are too limited to ensure an integrated approach.<sup>110</sup>

Limited water management capacity is often the cause of conflict arising over access and use of water among the different user groups. Evident inequalities between urban and rural areas are visible in the pattern of availability of water with regional and urban rural disparities.<sup>111</sup> To conclude, the key issues in the area of water in Macedonia are basically those related to access to water and its equitable distribution. Clearly, the possibility for tension among users increases when water is in short supply (in times of droughts and dry periods) especially in the poorer eastern part of the country. The problem of accessibility is compounded by a still weak and fractioned water resource management system unable to ensure more efficient and equitable use of water sometimes dangerously in short supply.

**Quality of Water.** With regard to water quality, the main trend emerging from the analysis is that by and large the quality of drinking water is good, since most of the drinking water sources are unpolluted mountain springs. About 65% of the rural population has access to municipal piped

water compared to the 100% connection of urban population. While water pollution is displaying a decreasing trend related to the drop in industrial production (see also air pollution), water pollution is still evident in rivers and ground water (see table 26). The main source of ground and surface water pollution in Macedonia is industrial, and represents a serious hazard to the population and the environment. Wastewater treatment facilities are limited. The effects of agricultural sources on water pollution are not known but a decreasing trend in the use of pesticides and fertilizer has been noted. Groundwater monitoring stopped in 1981 due to the lack of financial resources.

### INADEQUATE SOLID AND HAZARDOUS WASTE MANAGEMENT

*"Human rights cannot be secured in a degraded or polluted environment. The fundamental right to life is threatened by soil degradation and deforestation and by exposure to toxic chemicals, hazardous wastes and contaminated drinking water."*<sup>112</sup>

**Solid and toxic wastes.** The extent and the lack of regulations regarding solid waste management in the country are the main problems related to waste. Every water disposal facility in the country poses a serious threat to the environment because they cause soil degradation, pollution of surface and ground water and emission of toxic and explosive vapours. Therefore, the immediate vicinity of any waste disposal facility poses a direct risk to the environment, human health and li-

<sup>109</sup> According to the Law on the Environment and Nature Protection and Promotion, financial resources should be provided by the State Budget, donations and fines paid by polluters. However, these sources have never reached the special fund established for this purpose. In: Environmental Performance Reviews, UN New York and Geneva, 2002.

<sup>110</sup> Ministry of Agriculture, Forestry and Water Economy; Ministry of Environmental and Physical protection; the Ministry of Health; the Ministry of Transport and Communication; the Ministry of Economy.

<sup>111</sup> Nearly all urban households have running water (compared to two thirds of rural) and a sewage disposal system (compared to one quarter of rural households). Report No. 19411-MK, Former Yugoslav Republic of Macedonia, Focusing on the Poor, Volume I, Main Report, The World Bank, 1999.

<sup>112</sup> Klaus Toepfer, Director UNEP addressing the 57 session of the Commission on Human Rights quoted in Human Rights, Poverty Reduction and Sustainable Development health, Food and water a background paper, the Office of the High Commissioner for Human Rights, United Nations, 2002.

ving and working space. No uniform policy exists in the country on waste management, collection, transportation, or storage or treatment of wastes. There is no programme for water recycling and handling of special toxic and medicinal wastes. Of direct concern to human health is the large quantity of industrial and hazardous wastes generated in the mines, metallurgical, fertilizer and chemical industries as well as from those same power plants which also play a large role in air pollution too (see table 27).

Human rights obligations related to environmental hygiene as expressed in the International Covenant on Economic, Social and Cultural Rights, to which the Macedonia is a signatory, require Macedonia as a state party to undertake immediate steps to prevent threats to health from unsafe and toxic contamination.

### UNSUSTAINABLE AGRICULTURAL PRACTICES AND MANAGEMENT ISSUES

Large areas of irrigated and rain-fed arable land have been degraded. About half of the population in Macedonia lives in rural areas and their well being is closely linked to agriculture. Thus, any alteration in this relation has a direct impact on the wellbeing of the rural population and may mean the difference between poverty and their well being. The main economic impact of degraded lands is declining productivity and downstream sedimentation. Soil degradation and unsustainable agricultural practices are linked in mutually reinforcing ways. The main causes of arable land degradation are inappropriate agriculture practices.

**Soil erosion.** The greatest threat to the productivity of irrigated agriculture and the environment as a whole is soil erosion<sup>113</sup> (see table 28). Poor arable farming, overgrazing and deforestation have directly contributed to wide-spread erosion. Most of the agricultural system is dependent on irrigation and it faces critical problems in terms of irrigated lands productivity, environmental and rural socio-economic impacts (see table 29). Irrigation systems are old, poorly maintained and managed with high water losses with an average efficiency of 68.5%. Irrigation is seen as a basis for restoration of the country's agricultural potential, thus priority is given to the rehabilitation and reconstruction of the obsolete system. Despite the decrease in the use of fertilizers, their use remains quite high for an increasingly fragile environment sys-

tem. Little thorough analysis of the impact of fertilizer use on soil and water quality has been done so far (see table 30).

**From unsustainable land use to rural poverty.** Rural populations have been particularly affected by economic, political and social changes over the past decade. The main causes for this have been inadequate mechanisms to support economic growth, a decline in the importance of the agricultural sector, lack of employment, low quality or insufficient communal infrastructure and limited institutional capacity. Poor management, lack of incentives and land degradation have undermined the competitiveness of the agricultural sector. This state of affairs has had an impact on some 40% of the population who live in rural areas. Lacking regular sources of income, these households constitute a burden to the state's budget and social funds. The socioeconomic status of this sector of the population is below average in housing conditions, educational level, health and nutrition. Poor access to public services and low incomes are important contributions to their poverty.<sup>114</sup>

Over recent decades and largely due to the poor economic and social infrastructure and migration to urban centres, the total rural population has declined. Depopulation affects mostly the south, central and north-west regions of the country, posing a threat to balanced economic development. It has a particularly negative impact on the agricultural sector and consequently on the livelihoods of rural people. There is generally a low level of understanding amongst politicians and decision makers of the linkages between land degradation, its severity, the loss of ecological services and ultimately, its connection to poverty.

This low level of understanding is the cause of the lack of an integrated approach to management and planning of environmental resources. It is also connected with fragmented information programmes and monitoring systems. Government's decisions are thus sometimes made without the benefit of adequate supporting data. The fact that the data is often not publicly disclosed also affects the ability of the poor who are directly affected with environmental degradation to participate in public life.

**Climate change, CO<sub>2</sub> emissions and energy savings.** Macedonia ratified the UN Convention on Climate Change in December 1997.<sup>115</sup> With regard to climate change, land use management could have significant impact on green house gas emis-

sions (see table 31). The agricultural and forestry sectors are very vulnerable to anticipated climate changes. Improvement in land cover and land use (forestry and pasture land) could lead to almost double net CO<sub>2</sub> absorption increases between 1990 and 2020.<sup>116</sup> Overall energy efficiency is low if measured in terms of GDP per unit of energy use and an increase in efficiency of at least 21 per cent would be feasible against the modest 8% currently achieved if Macedonia is to fulfil international obligations and achieve energy efficient levels as countries at similar levels of development. Subsidy cuts would also be imperative.<sup>117</sup>

### LOSS OF BIODIVERSITY AND ECOSYSTEM SERVICES

Approximately 18% of the territory is classified as having significant natural heritage with natural riches and rarities with relatively high environmental quality. This includes 6.6% belonging to preservation areas. Macedonia ratified the UN Convention related to biodiversity in 1997 (see table 32).

According to the NEAP, the main threats to biodiversity are the loss of and changes in habitat, for which human activities are mainly responsible. Three sets of human activities are responsible for this: a) irrigated agriculture (overuse of fertilizers, pesticides and herbicides and drainage of wetlands for agricultural purposes); b) mining and energy industries (industrial pollution); and c) uncontrolled exploitation of natural resources, such as collecting of medicinal plants for the pharmaceutical industry; cutting forests for firewood; hunting, overfishing and poor fishing practices. Local communities are not involved in protected

<sup>113</sup> Taken as a whole, 36.65% of the territory of Macedonia is subjected to medium to very high erosion rates. The economic cost of soil erosion has not yet been calculated, but the annual average loss of arable soil layer 20 cm deep on an area of 8,500 hectares 0.33 percent of the total surface of the country) gives an approximation of the considerable cost of erosion and its impact on the livelihoods in the rural areas dependent on agriculture. In: Environmental Performance Reviews, UN New York and Geneva, 2002.

<sup>114</sup> Decentralization and Health Care in the FYROM, internship by Sonia Mennon, for Office of the coordination of Humanitarian affairs, 2003, OCHA, Skopje.

<sup>115</sup> As Party to the Convention, the country recently produced its First National Communication. This document contains the Inventory of Green House Gases Emissions (GHG), GHG Abatement Analyses and Projections of Emissions and Vulnerability Assessment and Adaptation Measures. Macedonia has not ratified the Kyoto Protocol yet, but more comprehensive assessment is needed in order to estimate the benefits/constraints for its ratification and use of financial mechanisms related to the Protocol.

<sup>116</sup> Initial National Communication to UNFCCC, 1999.

<sup>117</sup> Environmental Performance Reviews, 2002.

area management, thus limiting ownership of interventions and policies. The role of NGO's is minimal in an area where NGO's could be particularly effective in facilitating the dialogue between municipalities and the central government.

It is perhaps in the areas of biodiversity and agriculture where the vicious circle of poverty-environmental-degradation—poverty manifests itself at its clearest. As an added irony, it is the copying mechanisms that the poor use to overcome their poverty (collection of firewood, herbal plants for sale, and intense cultivation of land) that in the end are the immediate causes for their poverty and contribute towards keeping them poor. Commercial interests and uncontrolled exploitation of natural resources, for example, and decreasing quality standing/volume per hectare in the country's forests over the past 50 years indicates constant forestry degradation.

### **NATIONAL PRIORITIES AND MILLENNIUM DEVELOPMENT GOALS**

Macedonia has achieved results and is providing its people with access to safe drinking water adequate for daily individual requirements (drinking, household, sanitation, food preparation and hygiene). The EU is helping the relevant Ministries in the development of national strategies for waste water and solid waste and support is given to the Ministry of Environment to manage and enforce national environmental policy. The stakes are high: on one hand, the harmonization of environmental policies with those of the EU will facilitate the country's accession to trans-European markets. On the other hand, the effects of economic restructuring may not be favourable for the environment, and could potentially compromise economic gains through further loss of environmental resources and opportunities. Environmental degradation, including the decline of natural resources and ecosystems is clearly, and in the long run, a problem for the whole society.

The biggest challenge to meeting environmental targets, however, remains in the area of water and sanitation, especially in rural areas. Although the level of access by people in the country to an improved water supply and basic sanitation has been increasing, the state of water supply and sewage systems has not. This represents a major problem as deterioration of rural services impinges directly on empower-

ment, security and social inclusion, as for example reflected in the national priorities and in the CAP. There are concerns over the sufficiency of water as well as its accessibility in parts of the country which have been traditionally poorer and have suffered from a chronic scarcity of water, now compounded by the fact that water is diverted for irrigation and agriculture purposes. Thus, poor water resource management lack is directly impinging on the achievement of the MDG to Ensure Environmental Sustainability.

In order to guarantee the efficiency and cost effectiveness of water distribution and utilization, there are intentions to increasingly move towards a privatized system of public services and utilities. The privatization of public services and utilities must however transcend pure economic considerations. In the case of water, an equitable balance must be struck between the rights to safe drinking water of the people of Macedonia with the principles of sustainability so that the right to water can be realized for present and future generations.

Regarding targets of energy consumption and carbon emissions, despite substantial progress there is still significant unexplored potential for energy saving in the country through low cost measures and the rational use of energy.

To achieve the MDG targets on forests and protected biodiversity areas, sounder managerial methods, including adoption of sustainable forest management practices, are required to reverse the loss of environmental resources and preserve biodiversity.

### **CONCLUSIONS**

The Government of Macedonia is committed to address the country's environmental issues as part of an overall strategy for economic and social development. Since independence, the government has taken significant strides toward developing its environmental protection capacities, sometimes along multi-sectoral lines or with a lateral approach. The creation of the Ministry of Environment and Physical Planning is a positive step.<sup>118</sup> Furthermore, by signing the Stabilization and Association Agreement with the EU, Macedonia is obliged to harmonize its legislation with EU legislation. The Institute of Earthquake Engineering and Seismology has conducted a mapping project of all primary schools in the country in which all schools are des-

cribed and ranked according to their infrastructure and resistance to earthquakes. Information materials about the roles of the teaching staff in an emergency situation are being developed and will be distributed to schools.<sup>119</sup>

Notwithstanding these developments, the capacity of state institutions responsible for environmental protection is still weak, a fact which "de facto" hampers the improvement of existing legal regulations and the adaptation to EU legislation, a factor which has regional and national as well as political, economic and social repercussions as it heavily determines the ability of Macedonia's goal to move towards integration with the EU.

Also, the implementation of the new legislation requires more information to be collected and analysed and made accessible and disseminated broadly. The country is a party to number of relevant conventions where information and dissemination is one of the components of the compliance.<sup>120</sup> However, as seen for example in the analysis of the problems related to governance, public participation in and understanding of environmental matters is low. The absence of a law on environmental impact assessment and integrated pollution and prevention worsens the problem.<sup>121</sup>

The legacy of the socialist past and a widespread lack of accountability compounded to a degree by private short term interests make environmental sustainability in Macedonia a still elusive goal. These interests dilute and limit the very powerful incentives provided by integration in the EU. The end result is a substantive slow down of the process of national legislation which hampers the integration with the EU.

118 In 1996 the Act on Environment and Nature Protection and Promotion was adopted. The Act requires the Government to create a National Environmental Action Plan (NEAP), and municipalities to establish Local Environmental Action Plans (Leaps). In 1997, the NEAP was developed as a most comprehensive report on the environmental situation in Macedonia, providing overview of economic policy and the environment, environmental conditions, environmental management and policy and priorities for action. The NEAP establishes the following national environmental policy goals for 1997–2001: air quality improvement, water quality improvement, biodiversity conservation.

119 The project was developed and supported by UNICEF Education Cluster, UNICEF, Skopje.

120 See Environmental Performance Reviews, UN New York and Geneva, 2002.

121 See Environmental Performance Reviews, UN New York and Geneva, 2002.

## LESSONS LEARNED AND PROPOSED AREAS FOR COOPERATION

The CCA concludes that social policies (health and education reform, including decentralization, social protection, growth oriented policies and empowerment of citizens) are an important component of the management of transition and complement policies aimed at macroeconomic stability and institutional reform. The CCA also acknowledges the overarching development role played by the process of EU accession and its intrinsic support to institutional building.

This support should be aimed at strengthening the capacity of the state to advance the vision of democratization, regional integration and ultimately Europeanization. The vision to translate into reality must be shared and owned by a large public at all levels in the country, the region

and in the European Union. The vision will succeed only if it delivers concrete benefits to the citizen and wins popular loyalty at all of these levels.

Integration in the European Union, regional security and the spread of democracy are the cornerstones of conflict prevention and economic development in today's Macedonia. The importance of the European Union and its leading role in development trade, investment and aid cooperation is well known in Macedonia. Integration will require efforts by the country to change and align itself to meet the EU requirements. These requirements are bound to influence the economy and the overall country development. They may also impose hard choices and trade offs.

Within this context, the CCA maintains that there are concrete possibilities to streamline the MDGs and EU accession processes in Government efforts especially at the level of good governance, (particularly in poverty reduction and access to basic services) costing of implementing the MDGs, (particularly in the environmental and energy sector) and development of global partnerships (particularly in development cooperation and trade and financial systems).

Thus, the CCA identifies the opportunities for development cooperation within the framework of European integration by focusing on a number of areas where developmental actors have demonstrated comparative advantages and where globally recognized measurements such as international conventions and declarations and the Millennium Development Goals targets can be meaningfully utilized in pursuance of the country development goals.

### LESSONS LEARNED

Building on active discussion in the area of municipalities, especially in the area of environment, is an important lesson learned, including in the view of focusing resources on sustainable development and municipal development within the context of decentralization. The importance of the National Human Development Report as well as that of the Early Warning Report as widely utilized tools to ensure and foster participation and dialogue with national institutions and civil society was recognized as an example of best practice. It was also felt that appropriate legislation can be a powerful means of achieving goals for development and thus should be advocated.<sup>122</sup> It was also seen that practical programmes and interventions which set concrete incentives and deadlines that

<sup>122</sup> For example, the elimination of IDD was essentially achieved through the passage and implementation of legislation on salt iodization.



meet public expectations are better understood and generate larger ownership and participation.

Careful targeting of resources can lead to significant progress for development even when the economy is not performing, as illustrated by the infusion of Consolidated Interagency Appeal funding that enabled a number of small-scale projects to move rapidly to scale in 2001. The main lesson from the Kosovo crisis was that focusing on vulnerable groups (i.e. school children), not only enabled a sense of continuity in their life through a continued access to basic services, but also played a major role in helping them to cope with the psychosocial pressure of displacement. It also counteracted the threat of discrimination, marginalization and dispossession and paved the way for future interventions. Finally, visibility and friendly interactions with key authorities and with international cooperation agencies were viewed as a very important factor for cooperation and effective division of responsibilities.

## AREAS FOR COOPERATION

Bearing in mind the lessons learned and in line with the findings of the CCA, the very preliminary and tentative areas of cooperation between the government and the development partners can be broadly and categorized as follows:

- Development of an early warning system for monitoring of human security levels and systematic human rights issues.
- Sustainable development and poverty mitigation including management of environmental resources.
- Safe and equal access to basic services (health and education) and improved quality of basic services including human rights education through investment in human resources capabilities.
- Favourable investment climate for sustained growth and raise in income.

- Contingency planning and advocacy for poverty reduction among vulnerable groups and concerns of systematic human rights issues especially of non-majority community groups.
- People's participation in governance.

The analysis has highlighted the necessity to have a stronger focus on relevant areas and comparable sets for monitoring the socio-economic status of marginalized groups in areas in which UN organizations have comparative advantage. These areas are outlined below:

**Area 1. Human Development:** improve human security, eliminate violation of human rights, especially of non-majority community groups; support the rule of law and good governance ensuring civil society participation.

**Area 2. Environmental protection:** Ensure that the principles of sustainable development will be integrated into country policies and programmes, support the efforts of the responsible institutions to address the problems in the areas of air and water quality, land degradation, solid waste management, and unemployment as well as the process of decentralization of environmental responsibilities at the local level.

**Area 3. Safe and equal access to quality basic services:** support the reorganization of the health and the education systems and the process of decentralization; support investments human resource capabilities, promote peace, tolerance and respect through better quality of services and multisectoral systems for HIV/AIDS and drug prevention, treatment and counselling. Advocacy for human rights as a component of improved quality; Increased relevance of basic services (i.e. education) for awareness raising and the acquisition of health promoting skills for safe and res-

ponsible youth adulthood, including the use and promotion of ICT.

**Area 4. Favourable investment climate for sustained growth:** support for legislation for SME development, investment promotion, facilitating business incubators and including the use and the promotion of ICT for e-business.

**Area 5. Contingency planning and advocacy for poverty reduction, among all community groups, conflict prevention and HIV/AIDS and drug prevention:** support interagency coordination and information activities for the reduction of human rights violation of ethnic non-majority community groups

**Area 6. People's participation in governance:** support reform of the judiciary and support NGOs for openness and accountability in the court system and increase accountability and participation in local management of basic services institutions (e.g. schools) including the use and the promotion of ICT for good governance.

## CONCLUSIONS

The above outline presents the main components of a tentative strategy and the overall objectives to be pursued through joint, complementary efforts, interagency cooperation and involvement of the private sector, when possible and of added value (both quantitatively and qualitatively).

The strategy to pursue this cooperation is medium to longer term and developmental in nature. It is to be validated with all partners, including the civil society. It is contingent on the ability of all partners to mobilize resources to ensure its sustainability and long term impact, stability and growth. The above outline is very broad in terms and merely suggests possible areas for dialogue and formulation to be finalized within the UNDAF.

## SECTION IV

## INDICATOR FRAMEWORK

## GOVERNANCE: ECONOMY 1990–2000

Indicator	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
1. GDP Growth													
Industry													
Agriculture													
Services													
2. GDP per capita	2,235.0	2,083.0	1,937.0	1,785.0	1,742.0	1,705.0	1,709	1,732	1,781	1,848	1,924	1,830	<sup>A</sup> 1,835
2. GDP per capita annual growth rate		-6.2	-6.6	-7.5	-1.8	-1.1	1.2	1.4	3.4	4.3		-4.5	
3. GDP per capita annual growth rate (1990–2001)													-0.9
4. GDP per capita highest value during 1975–2001, PPP USD		6,990.0											
5. FDI per capita, USD											75		
6. FDI/GDP													
7. Employment index	98.2	92.3	95.2	94.4	94.0	90.1	95.3	94.0	97.1	101.8	98.7	95.5	94.0
8. Employment <sup>B</sup>							537,591	512,301	539,762	545,222	549,846	599,308	561,341
9. Average monthly salary of men and women, in denars	32	59	635	3,782	7,754	8,581	8,817	9,063	9,394	9,664	10,193	10,552	11,279
10. Percentage of total unemployment SMEs account for													
11. Unemployment rate <sup>B</sup>							31.9	36.0	34.5	32.4	32.2	30.5	31.9
12. Unemployment <sup>B</sup>							251,489	288,213	284,064	261,451	261,711	263,196	263,483
13. Growth rate of GNP per capita													
14. Special state allowances by age, buy disability and by loss of breadwinner													
15. Special state allowances from central and local budgets													
A Estimation													
B Source: Labour force survey													

## GOVERNANCE: POVERTY AND SOCIAL INDICATORS

Indicator	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
1. Poverty headcount index								19.0	20.7	21.0	22.3	22.7	
2. Poverty gap index								4.6	5.1	5.7	6.0	5.4	
3. Poverty Depth													
4. Poverty Severity index													
5. Population living below USD 1 a day													
6. Population with income below subsistence minimum													
7. Population with Income Below Food Basket Cost													
8. Population with Income Below Food Basket Cost by region													
9. Poverty headcount ratio													
10. Share of poorest 20% in national income consumption									8.4				
11. Children under weight for age under age 5													
12. Children malnutrition by region													
13. Undernourished people													
14. Poverty indicators by region/municipalities													
15. Population growth								1,997	2,008	2,017	2,026	2,035	

## GOVERNANCE: HUMAN SECURITY AND GENDER EQUALITY

Indicator	1990	1992	1994	1995	1996	1997	1998	1999	2000	2002
1. Proportion of ODA for basic social services (basic education, primary health care, safe water and sanitation)										
urban										
rural										
2. Seizures of illicit drugs										
3. Prevalence of drug abuse										
4. Number of homicides per 100,000 inhabitants										
5. Crime statistics disaggregated by crime										
6. Periodicity of free and fair elections										
7. Number of independent NGOs/CSOs operating in the country										
8. Existence of independent broadcasting and printing media										
9. Proportion of seats held by women in parliament										
10. Male-female employment by status and types of economic activity										
11. Number of cases involving trafficking of human beings and fire arms offences										
12. Status of ratification of, reservation to and reporting obligations under international human rights										
13. Number of registered crimes against women										
14. Status of follow up to concluding observations of UN human rights treaty body										
15. No asylum seeker and mandate refugee detained for illegal stay and /or deported to home country										
16. Refugee population reduced by ...% through voluntary repatriation supported by Government										
17. Status of ratification and reporting under international human rights instruments										

## BASIC SERVICES: HEALTH

Indicator	1990	1992	1994	1996	1998	2000	2002
1. Under-Five Mortality Rate	34.9%	37.4%	25.5%	19.0%	18.7%	13.6%	11.8%
2. Infant Mortality Rate by region, ethnic and income group <sup>A</sup>							
Macedonian	19.6%		15.4%		12.8%	9.9%	8.6%
Albanian	47.7%		28.2%		17.0%	10.8%	9.8%
Turkish	88.8%		21.6%		9.9%	9.5%	8.3%
Roma	50.3%		21.8%		28.4%	16.8%	10.7%
Infant Mortality Rate	31.6%	30.6%	22.4%	16.4%	16.3%	11.8%	10.2%
3. Morbidity rate of children 0–14 and 15–17 years							
4. Proportion of 1 years old immunized against measles (immunization data as reported nationally either for infants or up to 2 years of age)	93.6%	66.9%	100.0%	91.0%	96.3%	97.1%	97.8%
5. Maternal mortality rate among women by region, ethnic and income group <sup>B</sup>	11.3%	9.0%	11.0%	0	3.4%	14.0%	10.8%
6. Contraceptive prevalence rate	6.7%	6.6%	5.1%	4.0%	4.1%	3.1%	3.0%
7. Contraception prevalence among women by regions, ethnic and income groups							
8. Percentage of births attended by skilled health personnel by regions <sup>D</sup>	88.9%	89.9%	93.4%	95.0%	96.6%	97.7%	98.2%
9. Rate of abortions	84.7%	65.0%	49.0%	45.1%	41.0%	32.0%	28.3%
10. HIV data for specific age-range (15–24 years old, % of all newly registered cases)							
11. Dynamics of HIV Infections (per 100,000 tested persons)							
12. Level of awareness of youth on HIV/AIDS threat (% of women aged 15–49 who know at least one way of preventing HIV)							
13. Officially registered HIV cases by gender							
14. STIs incidence							
15. Death rates associated with tuberculosis (per 100,000 population)							
16. TB incidence							
17. Mortality from TB							
18. Proportion of TB cases detected and cured under Directly Observed Treatment Short Course (DOTS)							

Indicator	1990	1992	1994	1996	1998	2000	2002
19. Health care expenditure in national currency							
20. Ratio of per capita health care expenditure by region							
21. Number of health personnel per population							
A Data available only by ethnic group							
B Data non segregated by groups but only as a general MMR							
C The used data is from 2001 "Annual Information for Mother and Child Health Protection in Macedonia" prepared by IMCH							
D Data are not segregated by region							

Annual Information for Mother and Child Health Protection in Macedonia

## BASIC SERVICE EDUCATION

Indicator	1990	1992	1994	1996	1998	2000	2002
1. Net Primary Enrolment Rate (NEPR) and attendance rates							
urban	NA	NA	95.0%	95.0%	96.2%	NA	NA
rural	NA	NA	NA	NA	NA	NA	NA
2. Percentage of pupils starting 1 <sup>st</sup> grade who reach 5 <sup>th</sup> grade and ratio of girls to boys	93.2%	NA	NA	NA	NA	NA	NA
3. Ratio of girls to boys in primary, secondary and tertiary school population							
Primary	NA	NA	NA	NA	48.25%	NA	NA
Secondary	NA	NA	NA	NA	48.62%	NA	NA
Tertiary	NA	NA	NA	NA	55.05%	NA	NA
4. Adult literacy							
Total	NA	NA	5.4%	NA	NA	NA	NA
Female	NA	NA	76.6%	NA	NA	NA	NA
Male	NA	NA	23.4%	NA	NA	NA	NA
5. Primary Schools by language of instruction (total number does not correspond to sum of individual language schools, as many offer more than one language)							
Total	1,067	1,050	1,048	1,045	1,041	1,036	NA
Macedonian	828	809	807	802	795	792	NA
Albanian	279	280	282	283	284	284	NA
Turkish	55	54	54	55	54	55	NA
Serbian	15	13	14	14	14	14	NA
6. Secondary Schools by language of instruction (total number does not correspond to sum of individual language schools, as many offer more than one language)							
Total	90	90	89	91	95	96	NA
Macedonian	90	90	89	89	92	92	NA
Albanian	5	11	14	19	22	22	NA
Turkish	2	2	2	4	4	4	NA
7. Primary School Students by language of instruction							
Total	266,813	258,955	258,671	258,587	255,150	252,212	NA
Macedonian	188,057	183,044	182,185	178,705	172,374	168,526	NA
Albanian	72,121	69,952	70,320	73,352	76,099	76,752	NA
Turkish	5,432	5,172	5,368	5,865	5,990	6,307	NA
Serbian	1,209	787	798	665	687	627	NA
8. Secondary School Students by language of instruction							
Total	70,696	70,243	72,248	80,903	87,420	89,775	NA
Macedonian	67,975	65,855	66,638	70,345	73,566	74,632	NA
Albanian	2,535	4,169	5,350	9,930	12,973	14,093	NA
Turkish	186	219	260	522	584	602	NA
9. Number of students graduating from secondary education							
Total	NA	17,625	16,673	NA	20,515	21,510	NA
Girls	NA	8,344	8,226	NA	10,066	10,458	NA

1. Education for all report 2000
2. Education for all report 2000
3. Thematic Review of National Policies for Education - fyRoM, OECD, Sept. 2001.
4. 1994 Census (Male & female ratio is part of the 5.4%)
5. Statistical Yearbooks (the numbers record data from respective school years, and thus cover two calendar years)

## ENVIRONMENT

Indicator	1990	1992	1994	1996	1998	1999	2000	2001	2002
1. Percent of population who connected to the water supply	92.6	92.6	92.6	92.6	92.6	92.6	92.6	92.6	
2. Percent of population who has access to safe water in rural areas (piped water)	64.0	64.0	64.0	64.0	64.0	64.0			
3. Percentage of the population connected to sewage system	72.4	72.4	72.4	72.4	72.4	72.4	72.4	72.4	72.4
4. Proportion of land area covered by forest, ha							134,128		
% of the whole territory (not changed in a decade)							36.7		
5. The total protected areas to maintain biodiversity, ha							237,420		
% of its territory (numbers are the same for all years)							9.23		
6. Carbon dioxide emission per capita, tonnes per person	7,648		7,225	6,946	7,514				
7. Total arable agricultural land, ha							612,000		
8. Irrigated land of agricultural holdings, ha	84,879	68,632	60,686	51,677	43,259		45,095		
9. Percent of eroded (as % of total)							38%		
10. Total emissions, tn									
SO <sub>2</sub>							105,596		
CO							75,094		
Nox							28,832		
Dust							27,528		
11. Water used for production purposes, 1,000,000 m <sup>3</sup>							1,645.6		
12. Strictly protected areas, ha									12,730

1 Statistical year book of Republic of Macedonia, 2002

2 Misc Survey, UNICEF, 1999

3 Statistical year book of Republic of Macedonia, 2002

4 State of the Environment Report 2000

5 State of the Environment Report 2000

6 First National Communication on Climate Change, 2003

7 Ministry of Agriculture, Forestry and Water Economy

9 Statistical yearbook of the Republic of Macedonia 2002

10 State of the Environment Report 2000

12 The indicator is not well defined; no data in this form

## SECTION V

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## MAJOR FINDINGS OF THE COMMON COUNTRY ASSESSMENT OF THE REPUBLIC OF MACEDONIA

### AREA: GOVERNANCE

Key problems	Structural inability of the political, economic and social institutions to respect, protect and fulfil human rights, democracy and good governance
Underlying causes	Macroeconomic policies targeted to secure monetary stability and low inflation
	Unemployment and under employment
	Decreased protection of the human rights of the vulnerable groups
	Underdeveloped civil society's participation
Manifestations	Weak rule of law and enforcement of law
	Increasing incidence of poverty
	Continued potential for ethnic tension and destabilization
	Decreased security of the person (including increased insecurity resulting from perceived lack of respect for basic human rights, increased rates of HIV/AIDS, criminality, trafficking and abuse of drugs, trafficking in arms, human beings)
	Weak capacity of institutions compounded by a high degree of politicization
	Fragmented civil society
	Over-centralized political system
	Increased dissatisfaction of the public with key governmental institutions
	Increased political polarization amongst ethnic groups
	Unfavourable economic trends
	Unequal human development amongst ethnic groups and urban and rural areas
	Low people's participation in their state's affairs
	Limited effectiveness of NGOs and other civil society organizations
	Low consultation and participation of people and NGOs in policy formulation and programme design
Inability to meet EU standards for accession	
Root causes	Legacy of unequal development extending back to the former socialist Macedonia (unequal development, political and territorial subdivision)
	Collapse of the former socialist system
	Weak management of the transition resulting from a structural unpreparedness to manage the change

### AREA: BASIC SERVICES

Key problems	Weak institutional capacity
	Inadequate access to basic services
	Declining quality and relevance of basic services
Underlying causes	Inadequate country tailored education and health reforms
	Weak central management system (leading to an over politicization of services)
	Inappropriate institutional and policy formulation, framework and service delivery
	Lack of an effective and rational pro-poor public spending and its equitable distribution
	Lack of sustained investment in the quality of the education and health services
	Decline in real household income across the social board
Manifestations	Increase in direct costs of obtaining an education
	Low credibility of central government, low confidence at sector level and a high level of politicization and slow development of a national health policy
	Weak pro-poor policies
	Variable quality of care within the state healthcare and education systems
	Higher costs of health and education for the poor and increasing disparities between “haves and have nots”
	Low moral among teachers and health professionals/workers and poor school and health management
	Increasingly inadequate education and health physical facilities and lack of equipment and tools, inappropriate and superseded curricula, lack of effective and relevant teaching and learning material (esp. in rural areas)
Limited ability for school and health institutions for self-financing and limited community participation	
Root causes	Highly centralized and “politicized” state
	Unresolved institutional issues from the former socialist system

### AREA: ENVIRONMENT

Key problems	The inability of the institutions and individuals to respect, protect and fulfil the right of advancing environmental quality directly resulting into:
	Poor air quality
	Water concerns (limited access to water, polluted surface and ground water)
	Inadequate solid and hazardous waste management system
	Unsustainable agricultural practices and management issues
Underlying causes	Loss of biodiversity
	Insufficient institutional capacity, inappropriate or inadequate legislation
	Weak institutions and administration capacity
	Fragmented information programmes and monitoring systems
Manifestations	Limited awareness and participation
	Lack of strategic vision and low inadequate financial budget
	Weak poor institutional and policy framework
	Strong institutional hierarchy and “politicized” institutions
	Ill health of the population
	Environmental depletion and degradation
	Competition over access to resources (especially regional/rural)
	Low degree of transparency and low enforcement
	Absence of environmental monitoring programme and lack of data
	Inability to meet EU standards for accession EU
Root causes	Inappropriate past economic policies
	Weak environmental management system

## PROGRESS TOWARD THE MILLENNIUM DEVELOPMENT GOALS AND TARGETS FOR MACEDONIA

### GOAL 1: ERADICATE EXTREME POVERTY AND HUNGER

Target 1	Halve, between 1990 and 2015, the proportion of people whose income is less than USD 1 per day.
Country Status	The Government of Macedonia uses the double method i.e. combination of the “relative and subjective” methods of poverty line assessment. Poverty is referred as “individuals, families and groups of people are considered poor the resources of which (material, cultural and social) are on such level which excludes them from the minimum acceptable way of living in the country they live” <sup>A</sup> . Officially poverty incidence data is reported as 22.6% (2002) <sup>B</sup> . The MICS Survey, UNICEF, 1999, reported incidence of low-birth weight of 6%. 24% of these children continued to be small until age of 5. This percentage is particularly high in rural areas 31% vs. urban (19%), and in Roma children, followed by Albanian children, during the period 1991–2001 (Human Development Report, 2003).
Target 2	Halve, between 1990 and 2015, the proportion of people who suffer from hunger.
Country Status	Specific targets for reducing nutrition-based poverty are yet to be defined. There is no reported hunger in the country.

A National Strategy for the Reduction of Poverty in the Republic of Macedonia  
B National Statistical Office Poverty Survey, 2002

### GOAL 2: ACHIEVE UNIVERSAL PRIMARY EDUCATION

Target 3	Ensure that, by 2015, children everywhere, boys and girls alike, will be able to complete a full course of primary schooling.
Country Status	In 1997 the primary school (aged 7–14) gross enrollment rate was 98% (2002 data is unavailable, as the school year is still ongoing; it will also not be possible to provide separate data for the age-group 7–10); The illiteracy rate is high as 5.4% of the total population, and the female proportion within this percentage is 76.6% (1994 Census).

### GOAL 3: PROMOTE GENDER EQUALITY AND EMPOWER WOMEN

Target 4	Eliminate gender disparity in primary and secondary education, preferably by 2005, and in all levels of education no later than 2015.
Country Status	Despite official figures which still show that there is no gender disparity in enrollment at any level in general, cross-referencing gender with ethnic data reveals that in secondary education 51.10% of all Macedonian slav students are girls, as compared to 39.04% among ethnic Albanian girls, 32.43% among Turkish girls and 33.33% among Roma girls. <sup>C</sup>

C Towards An Education Strategy For The Twenty-First Century, (Draft), World Bank, 2001

### GOAL 4: REDUCE CHILD MORTALITY

Target 5	Reduce by two thirds, between 1990 and 2015, the under-5 mortality rate.
Country Status	Officially reported infant mortality rate declined from 31.6 per 1,000 live births in 1990 to 11.9 per 1,000 live births (12.3 urban and 11.3 rural) in 2001.

### GOAL 5: IMPROVE MATERNAL HEALTH

Target 6	Reduce by three quarters, between 1990 and 2015, the maternal mortality ratio.
Country Status	Mortality rate (per 100,000 live births) grew from 8 in 1997 to 14.8 in 2001.

### GOAL 6: COMBAT HIV/AIDS<sup>D</sup>, MALARIA, AND OTHER DISEASES

Target 7	Have halted by 2015, and begun to reverse, the spread of HIV/AIDS.
Country Status	Total number of HIV/AIDS cases officially documented 64 as of December 2002 higher than 10 cases in 2000.
Target 8	Have halted by 2015, and begun to reverse, the incidence of malaria and other major diseases.
Country Status	No malaria.

D HIV/AIDS = human immunodeficiency virus/acquired immunodeficiency syndrome.

## GOAL 7: ENSURE ENVIRONMENTAL SUSTAINABILITY

Target 9	Integrate the principles of sustainable development into country policies and programmes and reverse the loss of environmental resources.
Country Status	Integrate the principles of Sustainable Human Development into country Policies and Programmes: The principles were integrated in the National Environmental Action Plan (1997) and the Local Environmental Action Plans, National Strategy for Economic Development of the Republic of Macedonia (1997), National Strategy for Poverty Reduction (2002).
Target 10	Halve, by 2015, the proportion of people without sustainable access to safe drinking water.
Country Status	Reduce by half the proportion of people without sustainable access to safe drinking water and sanitation: In 2001 the percentage of households connected to the water supply system was 92.6, and percentage of households connected to the sewage system was 72.4 (Statistical Year Book of the Republic of Macedonia, 2002). According to MICS survey, UNICEF, 1999, 90% of households have access to piped water. In rural areas, this number is 64%.
Target 11	By 2020, achieve a significant improvement in the lives of at least 100 million slum dwellers.
Country Status	Achieve significant improvements in the lives of at least 1000,000 slum dwellers by 2020: There is no available data that slum dwellers exist in the country. However, in year 2001, only 1.4% of households live in room of 20 m <sup>2</sup> or less.

Sources:

Human Development Report, New York, 2003; Government Estimates; World Bank Estimates

## LIST OF AGREEMENTS CONCLUDED BETWEEN THE REPUBLIC OF MACEDONIA AND THE UNITED NATIONS

### AREA: CHARTER OF THE UN AND STATURE OF THE INTERNATIONAL COURT OF JUSTICE

#### AREA: PRIVILEGES AND IMMUNITIES, DIPLOMATIC AND CONSULAR RELATION

Convention	Signed	Ratified
Convention on the Privileges and Immunities of the UN	Yes	Yes, 11/17/1991
Convention on the Privileges and Immunities of the Specialized Agencies	Yes	Yes, 11/17/1991
Vienna Convention on Diplomatic Relations	Yes	Yes, 11/17/1991
Optional Protocol to the Vienna Convention on Diplomatic Relations Concerning Acquisitions of Nationality	Yes	Yes, 11/17/1991
Optional Protocol to the Vienna Convention on Diplomatic Relations Concerning the Compulsory Settlement of Disputes	Yes	Yes, 11/17/1991
Vienna Convention on Consular Relations	Yes	Yes, 11/17/1991
Optional Protocol to the Vienna Convention on Consular Relations Concerning Acquisition of Nationality	Yes	Yes, 11/17/1991
Optional Protocol to the Vienna Convention on Consular Relations Concerning the Compulsory Settlement of Disputes	Yes	Yes, 11/17/1991
Convention on Special Missions Protocol	No	No
Vienna Convention on the Representation of States in their Relations with International Organizations of a Universal Character	Yes	Yes, 11/17/1991
Vienna Convention on Succession of States in Respect of State Property, Archives and Debts	Yes	Yes, 09/02/1991

#### AREA: HUMAN RIGHTS

Convention	Signed	Ratified
Convention on the Prevention and Punishment of the Crime of Genocide	Yes	Yes, 11/17/1991
International Convention on the Elimination of All Forms of Racial Discrimination	Yes	Yes, 11/17/1991
International Covenant on Economic, Social and Cultural Rights	Yes	Yes, 11/17/1991
International Covenant on Civil and Political Rights	Yes	Yes, 11/17/1991
Optional Protocol to the International Covenant in Civil and Political Rights	Yes	Yes, 11/17/1991
Convention on the Non-Applicability of Statutory Limitations to War Crimes and Crimes Against Humanity	Yes	Yes, 11/17/1991
International Convention on the Suppression and Punishment of the Crime of Apartheid	Yes	Yes, 11/17/1991
Convention on the Elimination of All Forms of Discrimination Against Women	Yes	Yes, 11/17/1991
Convention Against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment	Yes	Yes, 11/17/1991
International Convention Against Apartheid in Sports	No	No
Convention on the Rights of the Child		Yes
a. Amendment to Article 43(2) of the Convention on the Rights of the Child	a. Yes	a. effect from 10/16/1996
b. Optional Protocol to the Convention on the Rights of the Child on the Involvement of Children in Armed Conflict	b. No	b. No
c. Optional Protocol to the Convention on the Rights of the Child on the Sale of Children, Child Sex Work and Pornography	c. No	c. No
Second Pptional Protocol to the International Covenant on Civil and Political Rights Aiming at the Abolition of the Death Penalty	Yes	Yes, 1/26/1995
International Convention on the Protection of the Rights of All Migrant Workers and Members of their Families	No	No
ILO 182 Convention on the Worst Forms of Child Labour	Yes	Yes, 5/30/2002

**AREA: REFUGEES AND STATELESS PERSONS**

Convention	Signed	Ratified
Convention Relating to the Status of Refugees	Yes	Yes, 11/17/1991
Convention Relating to the Status of Stateless Persons	Yes	Yes, 11/17/1991
Convention on the Reduction of Statelessness	No	No
Protocol Relating to the Status of Refugees	Yes	Yes, 11/17/1991
Protocol Relating to a Certain Case of Statelessness	Yes	Yes, 11/17/1991

**AREA: NARCOTIC DRUGS AND PSYCHOTROPIC SUBSTANCES**

Convention	Signed	Ratified
Single Convention on Narcotic Drugs	Yes	Yes, 11/17/1991
Convention on Psychotropic Substances	Yes	Yes, 11/17/1991
Protocol Amending the Single Convention on Narcotic Drugs	Yes	Yes, 11/17/1991
Single Convention on Narcotic Drugs, 1961	Yes	Yes, 11/17/1991
UN Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances	Yes	Yes, 11/17/1991

**AREA: TRAFFIC IN PERSONS**

Convention	Signed	Ratified
International Convention for the Suppression of the Traffic in Women and Children	Yes	Yes, 11/17/1991
Convention for the Suppression of the Traffic in Persons of the Exploitation of the Sex Work of Others	Yes	Yes, 11/17/1991
Protocol to Prevent, Suppress and Punish Trafficking in Persons Especially Women and Children, Supplementing the United Nations Convention Against Transnational Organized Crime (The Palermo Trafficking Protocol)	Yes, 12/12/2000	No
United Nations Convention Against Transnational Organized Crime (The Palermo Convention)	Yes, 12/12/2000	No
Annex II - Protocol to Prevent, Suppress and Punish Trafficking in Persons Especially Women and Children, Supplementing the United Nations Convention against Transnational Organized Crime (The Palermo Trafficking Protocol)	Yes, 12/12/2000	No
Conventions from the Hague Conference		
Hague Convention # 28 on Civil Aspects of International Child Abduction	Yes, 09/27/1991	Yes, 09/27/1991; entry into force 12/1/1991
ILO 182 Convention on the Worst Forms of Child Labour	Yes	Yes, 05/30/2002

**AREA: TRANSPORT AND COMMUNICATIONS**

Convention	Signed	Ratified
<b>A. Customs Matters</b>		
Customs Convention on the Temporary Importation of Private Road Vehicles	Yes	Yes, 11/17/1991
Customs Convention on the Temporary Importation of Commercial Road Vehicles	Yes	Yes, 11/17/1991
Customs Convention on the International Transport of Goods under Cover of TIR Carnets (TIR Convention)	Yes	Yes, 11/17/1991
International Convention on the Harmonization of Frontier Controls of Goods	Yes	Yes, 11/17/1991
<b>B. Road Traffic</b>		
Convention on the Contract for the International Carriage of Goods Road (CMR)	Yes	Yes, 11/17/1991
European Agreement Concerning the International Carriage of Dangerous Goods by Road (ADR)	Yes	Yes, 11/17/1991
Agreement Concerning the Adoption of Uniform Technical Prescriptions for Wheeled Vehicles, Equipment and Parts Which Can Be Fitted and/or be Used on Wheeled Vehicles and the Conditions for Reciprocal Recognition of Approvals Granted on the Basis of These Prescriptions		Yes, 11/17/1991

Convention	Signed	Ratified
Convention on Road Traffic	Yes	Yes, 11/17/1991
Convention on Road Signs and Signals	Yes	Yes, 11/17/1991
European Agreement Concerning the Work of Crews of Vehicles Engaged in International Road Transport (AETR)	Yes	Yes, 11/17/1991
Agreement on the International Carriage of Perishable Foodstuffs and on the Special Equipment to Be Used for Such a Carriage (ATP)	Yes	Yes, 11/17/1991
European Agreement Supplementing the Convention on Road Traffic	Yes	Yes, 11/17/1991
European Agreement Supplementing the Convention on Road Signs and Signals	Yes	Yes, 11/17/1991
Protocol on Road Markings, Additional to the European Agreement Supplementing the Convention on Road Signs and Signals	Yes	Yes, 11/17/1991
European Agreement on Main International Traffic Arteries (AGR)	Yes	Yes, 11/17/1991
C. Transport by Rail		
European Agreement on Main International Railway Lines (AGC)	Yes	Yes, 11/17/1991

#### AREA: EDUCATIONAL AND CULTURAL MATTERS

Convention	Signed	Ratified
Agreement for Facilitating the International Circulation of Visual and Auditory Materials of an Educational, Scientific and Cultural Character	Yes	Yes, 11/17/1991
Agreement on the Importation of Educational, Scientific and Cultural Materials	Yes	Yes, 11/17/1991
International Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organizations	Yes	Yes, 3/2/1998
Convention for the Protection of Phonograms Against Unauthorized Duplication of their Phonograms	Yes	Yes, 12/2/1997
Protocol to the Agreement on the Importation of Educational, Scientific and Cultural Materials of 22 November 1950	Yes	Yes, 11/17/1991
Statutes of the International Center for Genetic Engineering and Biotechnology	Yes	Yes, 11/17/1991

#### AREA: STATUS OF WOMEN

Convention	Signed	Ratified
Convention on the Political Rights of Women	Yes	Yes, 11/17/1991
Convention on the Nationality of Married Women	Yes	Yes, 11/17/1991
Convention on Consent to Marriage, Minimum Age for Marriage and Registration of Marriages	Yes	Yes, 11/17/1991

#### AREA: PENAL MATTERS

Convention	Signed	Ratified
Slavery Convention	Yes	Yes, 11/17/1991
Supplementary Convention on the Abolition of Slavery, the Slave Trade and Institutions and Practices similar to slavery	Yes	Yes, 11/17/1991
International Convention for the Suppression of Terrorist Bombings	Yes	
International Convention Against the Taking of Hostages	Yes	Yes, 11/17/1991
Convention on the Prevention and Punishment of Crimes Against Internationally Protected Persons, Including Diplomatic Agents	Yes	Yes, 11/17/1991
Convention on the Safety of UN and Associated Personnel		
Rome Statute on International Criminal Court		
International Convention for the Suppression of the Financing of Terrorism		
Convention Against Transnational Organized Crime		
United Nations Convention Against Transnational Organized Crime (The Palermo Convention)	Data available under Area: Traffic in Persons	

#### AREA: MAINTENANCE OBLIGATIONS

Convention	Signed	Ratified
Convention on the Recovery Abroad of Maintenance	Yes	Yes, 11/17/1991

#### AREA: MARITIME LAW

Convention	Signed	Ratified
UN Convention on the Sea	Yes	Yes, 11/16/1994
Protocol on the Privileges and Immunities of the International Seabed Authority	Yes	Yes, 09/17/1998
Convention on the International Maritime Organization, Geneva	Yes	Yes

**AREA: COMMERCIAL ARBITRATION**

Convention	Signed	Ratified
Convention on the Recognition and Enforcement of the Foreign Arbitral Awards	Yes	Yes, 11/17/1991
European Convention on International Commercial Arbitration	Yes	Yes, 11/17/1991
Protocol on Arbitration Clauses	Yes	Yes, 11/17/1991
Convention on the Execution of Foreign Arbitral Awards	Yes	Yes, 11/17/1991

**AREA: LAW OF TREATIES**

Convention	Signed	Ratified
Vienna Convention to the Law of Treaties	Yes	Yes, 11/17/1991
Vienna Convention on Succession of States in Respect of Treaties	Yes	Yes, 11/17/1991

**AREA: TELECOMMUNICATIONS**

Convention	Signed	Ratified
Convention Relating to the Distribution of Programme-Carrying Signals Transmitted by Satellite	Yes	Yes, 11/17/1991
Tampere Convention on the Provision of Telecommunication Resources for Disaster Mitigation and Relief Operations	Yes	Yes, 12/3/1991

**AREA: DISARMAMENT**

Convention	Signed	Ratified
Convention on Prohibitions or Restrictions on the Use of Certain Conventional Weapons Which May Be Deemed to Be Excessively Injurious or to Have Indiscriminate Effects	Yes	Yes, 11/17/1991
Convention on the Prohibition of the Development, Production, Stockpiling and Use of Chemical Weapons and of Their Destruction	Yes	Yes, 5/22/1991
Comprehensive Nuclear-test-Ban Treaty	Yes	Yes, 1/26/2000
Convention on the Prohibition of the Use, Stockpiling, Production and Transfer of Anti-Personnel Mines and Their Destruction	Yes	Yes, 7/3/1998

**AREA: ENVIRONMENT**

Convention	Signed	Ratified
Convention on Long-range Trans-Boundary Air Pollution	Yes	Yes, 11/17/1991
Vienna Convention for the Protection of Ozone Layer	Yes	Yes, 11/17/1991
Basel Convention on the Control of Trans-Boundary Movement of Hazardous Wastes and Their Disposal	Yes	Yes, 1997
Convention on Environmental Impact Assessment in a Trans-Boundary Context	Yes	Yes, 11/29/1999
Convention on the Protection and Use of Trans-Boundary Watercourses and International Lakes	No	No
UN Framework Convention on Climate Change	Yes	Yes, 1998
Convention on Biological Diversity	Yes	Yes, 3/2/1998
UN Convention to Combat Desertification in Those Countries Experiencing Serious Drought and/or Desertification, Particularly in Africa.	Yes	Yes, VI/2002
Convention on Access to Information, Public Participation in Decision-Making and Access to Justice in Environmental Matters	Yes	Yes, 7/6/1999
Rotterdam Convention on Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade	No	No

**LIST OF AGREEMENTS CONCLUDED BETWEEN THE REPUBLIC OF MACEDONIA AND SPECIALIZED ORGANIZATIONS OF THE UNITED NATIONS THAT ARE NOT SUBJECT TO RATIFICATION**

UNPROFOR
Basic Agreement with UNICEF
Memorandum of Understanding with UNHCR
Document on regional Project for Border-Crossing Kafasan of UNDP
Memorandum of Cooperation with UNESCO

# TABLES

**TABLE 1. ECONOMIC AND SOCIAL INDICATORS**

Unemployment (2000)	32.20%
Inflation (2000)	5.80%
External debt as % of GDP	43%
Trade deficit	USD 760 million (3.1%)
Population living in poverty	20%

Adapted from The World Bank, 2003

**TABLE 2. RELATIVE POVERTY IN THE REPUBLIC OF MACEDONIA**

	1997	1998	1999	2000
Total	19.0	20.7	23.3	22.6
Skopje	12.5	13.9	24.3	22.0
Urban	20.3	21.6	18.8	17.8
Rural	23.3	25.8	28.1	29.4

State Statistics Bureau

**TABLE 3. POVERTY BY AGE OF THE HEAD OF HOUSEHOLD IN THE REPUBLIC OF MACEDONIA**

Age	1997	1998	1999	2000
15–24	n/a	n/a	n/a	n/a
25–34	23.4	23.0	23.7	23.8
35–44	19.8	23.0	23.7	23.8
45–54	17.4	17.3	18.5	21.2
55–64	16.7	24.1	19.0	22.7
65+	20.8	18.7	31.0	24.7

State Statistics Bureau

**TABLE 4. RELATIVE POVERTY IN THE REPUBLIC OF MACEDONIA BY REGIONS AND EDUCATION (1997, 2000)**

Education	Total	Skopje	Urban	Rural
Total in 1997	19.0	12.5	20.3	23.4
Without education	34.9	46.7	20.0	34.2
Uncompleted primary education	26.6	27.3	32.4	24.6
Primary education	28.0	21.3	36.8	23.5
Secondary education	11.2	7.9	13.4	12.7
Higher education	8.2		8.8	4.0
University education	1.3		2.6	
Total in 2000	22.6	22.0	17.8	29.4
Without education	52.5	64.3	62.5	41.9
Uncompleted primary education	35.3	39.1	38.3	32.7
Primary education	31.9	39.1	22.3	35.1
Secondary education	12.1	16.4	9.4	9.1
Higher education	62.0		5.7	4.3
University education	3.4	2.0	2.9	2.0

State Statistics Bureau

**TABLE 5. VULNERABLE GROUPS, SOURCES OF VULNERABILITY AND THEIR COVERAGE WITH SOCIAL PROTECTION MEASURES**

Vulnerable group	Indicator	Reason (source)	Coverage within the current system
Unemployed	90 percent of all the welfare beneficiaries	The period of transition and the collapse of entire industrial branches	Compensation for unemployed persons due to structural changes Welfare Public works Re-employment and retraining programs
People with low level of education	60 percent of all the beneficiaries	Mostly exposed to the transition and the loss of jobs	Welfare Re-employment and retraining programs
Retired people and elderly		Weak pensions system, low and irregular pensions	Budgetary transfers to the Pensions Fund Pension system reforms
Large households	56 percent of all the beneficiaries (45,000 families have been using child allowance in 1997)	Often found among the low educated people and some nationalities (Albanians, Roma)	Child allowance Welfare
A new category: casualties of war	Several tens of thousands of people temporary left their homes	Movement of large numbers of people due to the war conflict	

Poverty Reduction Strategy

**TABLE 6. UNEMPLOYMENT**

	1996	1997	1998	1999	2000
Unemployed people	237,572	252,979	284,064	261,452	261,711
Unemployment rate (%)	31.9	36.0	34.5	32.4	32.2
male	29.1	33.0		31.9	30.5
female	36.2	40.8		33.3	34.9
Youth unemployment rate (15–19 age)	76.7	80.4	76.6	66.3	60.7
male	73.8	72.0		60.9	
female	80.5	77.5		60.4	
Youth unemployment rate (20–24 age)	66.6	71.9	68.8	61.7	59.6
male	65.3	72.0		57.2	
female	68.5	77.5		63.8	
Incedence of long term unemployment	44.5	43.6	55.4	59.3	60.4
6 months or more	10.9	9.1	9.3	7.6	7.2
male	10.7	9.5	9.5	7.8	7.1
female	11.2	8.5	8.9	7.1	7.3
12 months or more	7.9	7.3	5.9	5.2	4.6
male	8.2	7.1	6.0	5.3	4.8
female	7.6	7.5	5.6	4.9	4.4
Involuntary part-time workers (as % of total labour force)			4.9	3.0	4.9

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**TABLE 7. SAFETY OF THE CITIZENS AND URBANIZATION, BY SIZE OF URBAN CENTER**

Category	Up to 10000	10001–50000	50001–100000	Over 100000	Rural
Very safe	37.5	11.4	12.3	10.9	29.7
Somewhat safe	55.0	41.4	39.9	30.0	41.7
Somewhat unsafe	7.5	32.3	23.8	18.1	19.1
Very unsafe		11.4	22.4	40.0	6.4
Unknown		3.4	1.3	0.9	2.9
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Opinion Poll on Insecurity and Social Exclusion, ISPPi, 2000

**TABLE 8. ILLEGAL PRODUCTION AND TRAFFICKING OF DRUGS, PSYCHOTROPIC SUBSTANCES AND PRECURSORS**

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Crime acts	18	24	36	60	92	119	117	152	156	229	346	287	216
Crime offenders	37	56	71	104	153	171	176	213	219	355	514	400	307

Sector for Analysis and Research of the Ministry of Interior

**TABLE 9. COMMITTED CRIMES DRUGS ABUSE, ABUSE OF PSYCHOTROPIC SUBSTANCES AND PRECURSORS**

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Crime acts	8	5	13	17	24	33	18	51	45	64	86	61	66
Crime offenders	8	9	18	22	27	40	20	57	49	72	91	70	71

Sector for Analysis and Research of the Ministry of Interior

**TABLE 10. REGISTERED DEATH CASES CONNECTED WITH DRUG ABUSE**

	1997	1998	1999	2000	2001	2002
Number of death cases	7	9	21	24	30	23

Sector for Analysis and Research of the Ministry of Interior

**TABLE 11. REGISTERED DRUG ABUSERS**

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Registered drug abusers	337	357	395	457	837	1377	1700	2566	3000	3480	4569	5030	5222

Sector for Analysis and Research of the Ministry of Interior

**TABLE 12. CHILDREN SENTENCED OR REPORTED TO THE POLICE**

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Total number	3,572	3,734	4,336	4,749	4,525	4,512	4,326	4,127	4,367	4,127

Survey of the Status of Children and Youth in the System of Juvenile Justice, 2001

**TABLE 13. CHILDREN WITH EDUCATIONAL AND SOCIAL PROBLEMS**

Year	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Total number	3,876	3,902	4,039	4,162	4,346	5,161	5,119	5,317	5,320	5,280

Survey of the Status of Children and Youth in the System of Juvenile Justice, 2001

**TABLE 14. COMPARATIVE LEVEL OF LITERACY OF URBAN AND RURAL POPULATION, 1994**

Literacy rate	
Urban population (%)	96.7
Rural population (%)	91.4
<b>Difference</b>	<b>-5.3</b>
Women in urban areas (%)	94.8
Women in rural areas (%)	86.9
<b>Difference</b>	<b>-7.9</b>

Statistical Office of Macedonia, 1996

**TABLE 15. POVERTY AND INEQUALITY INDICATORS, 1996**

	Poverty Rate	Poverty Gap Index	Poverty Severity Index	Poverty Gap	Composition of Poor	Composition of Population
<b>Type of Settlement</b>						
Total	18.1	3.9	1.3			
Urban	10.2	1.9	0.6	18.6	32.1	54.5
Rural	25.7	5.8	2.0	22.6	67.9	45.5
<b>Region</b>						
Northwest	18.4	5.2	1.9	28.3	21.6	20.2
Northeast	23.5	5.2	1.8	22.1	36.7	26.9
Southwest	13.9	2.0	0.5	14.4	15.0	18.5
Southeast	6.8	1.2	0.3	17.6	4.6	11.5
<b>Socio-economic Category</b>						
Agricultural	25.3	4.1	1.0	16.2	10.8	7.3
Mixed	15.2	4.3	1.6	28.3	23.4	26.6
Non-agricultural	17.2	3.4	1.1	19.8	65.9	66.1
<b>Children &lt; 18 years</b>						
0	9.1	2.0	0.7	22.0	14.1	26.6
1	11.7	2.3	0.6	19.7	13.5	20.0
2	14.6	2.5	0.8	17.1	28.6	33.8
>3	38.6	9.5	3.4	24.6	43.8	19.6
<b>Gender of Members</b>						
Male	17.7	3.9	1.3	22.0	51.6	50.2
Female	16.8	3.5	1.2	20.8	48.4	49.8
<b>Age of Members</b>						
0 to 5	22.3	4.7	1.6	21.0	10.0	7.8
6 to 18	20.9	4.5	1.5	21.5	26.8	22.1
19 to 29	20.6	4.8	1.7	23.3	20.0	16.7
30 to 39	17.0	3.5	1.2	20.6	14.3	14.5
40 to 49	12.4	2.7	0.8	21.8	9.9	13.8
50 to 59	11.0	2.5	1.0	22.7	6.7	10.6
>60	14.5	2.8	0.8	19.3	12.2	14.6
<b>Education of Head</b>						
Primary (<4 years)	22.9	5.4	2.0	23.6	36.8	27.7
Primary (5–8 years)	25.1	5.7	1.9	22.7	44.4	30.5
Specialized Secondary	8.2	1.2	0.3	14.6	14.6	30.5
High School	8.5	1.1	0.2	12.9	2.6	5.3
University	4.9	0.7	0.1	14.3	1.6	5.5
<b>Socio-economic Status of Head</b>						
Employed (non-Farm)	15.4	3.1	1.0	20.1	33.9	37.9
Farmer	28.4	5.3	1.4	18.7	15.9	9.6
Unemployed	31.2	7.7	2.5	24.7	12.7	7.0
Pensioner	12.7	2.2	0.7	17.3	16.5	22.4
Employed (Farmer)	8.8	2.7	1.1	30.7	5.1	10.1
Pensioner (Farmer)	13.4	4.7	2.1	35.1	6.1	7.8
Seasonal Worker	27.5	3.9	1.0	14.2	4.0	2.5
Other	37.5	9.8	4.5	26.1	5.8	2.7

World Bank estimates in: CARDS Assistance Programme, Former Yugoslav Republic of Macedonia, 2002–2006, The European Commission

**TABLE 16. PARTICIPATION OF GIRLS IN SECONDARY EDUCATION ACCORDING TO ETHNIC GROUP**

	Macedon.	Albanians	Turks	Serbs	Muslims	Roma	Vlachs
Percentage of ethnic group among total pupils population	79.8%	14.8%	1.6%	1.4%	1.3%	0.5%	0.2%
Participation of girls within given ethnic group	50.6%	37.3%	33.5%	40.4%	30.4%	32.5%	83.0%

Situation Analysis of Women and Children in the Republic of Macedonia, Skopje, UNICEF, 1999

**TABLE 17. NUMBER OF PUPILS IN SECONDARY EDUCATION ACCORDING TO LANGUAGE OF INSTRUCTION**

	1991/92	1992/93	1993/94	1994/95	1995/96	1996/97	1997/98
Total pupils	70,250	70,243	72,348	74,803	79,908	82,977	86,296
Macedonian	67,182	65,855	66,638	67,202	70,630	72,337	73,605
% of total	95.6	93.7	92.1	89.8	88.4	87.2	85.3
Albanian pupils	2,875	4,169	5,350	7,377	8,812	10,397	12,114
% of total	4.1	5.9	7.4	9.8	11.0	12.5	14.0
Turkish pupils	193	219	260	230	465	548	577
% of total	0.3	0.3	0.4	0.3	0.6	0.7	0.7

Situation Analysis of Women and Children in the Republic of Macedonia, Skopje, UNICEF, 1999

**TABLE 18. NUMBER OF SCHOOLS AND PUPILS WITH RESPECT TO THE LANGUAGE OF INSTRUCTION**

	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96	1996/97	1997/98
Macedonian language								
schools	828	814	809	807	806	806	802	801
pupils	188,051	185,085	183,044	182,185	182,465	181,049	178,705	175,534
Albanian language								
schools	279	281	280	282	281	282	283	282
pupils	72,121	69,950	69,952	70,320	71,490	72,124	73,352	74,122
Turkish language								
schools	55	54	54	54	54	54	55	55
pupils	5,432	5,084	5,172	5,368	5,491	5,612	5,865	5,938
Serbian language								
schools	15	15	13	14	14	14	14	14
pupils	1,209	1,008	787	798	751	730	665	681

Kamberski K., Velkovski Z., Popovski K., Gerovska L., Damovska L., Kosev G., Pre-primary and Primary Education in Macedonia : Development, Conditions and perspectives, Skopje, May 2000

**TABLE 19. PARTICIPATION OF ETHNIC GROUPS BY LEVEL, 1998/99**

Ethnic group	Primary education		Secondary education		Tertiary education	
	#	%	#	%	#	%
Macedonian	150,566	59.00	69,183	79.20	31,095	89.20
Albanian	77,035	30.20	13,648	15.60	1,916	5.50
Turkish	10,602	4.20	1,378	1.60	371	1.10
Roma	7,602	3.00	450	0.50	48	0.10
Vlach	429	0.20	227	0.30	329	1.00
Serbian	2,887	1.10	1,154	1.30	666	1.90
Other	5,940	2.30	1,339	1.50	408	1.20
Unknown	89	0.03	41	0.05	17	0.05
Total	255,150	100.00	87,420	100.00	34,850	100.00

Thematic Review of National Policies for Education—fyRoM, OECD, September 2001

**TABLE 20. STUDENTS' DISTRIBUTION BY ETHNICITY AND GENDER**

	Basic education		Upper secondary		Tertiary
	1992	1999	1992	1999	1999
Macedonians	63.64	59.01	87.71	78.97	89.20
Females	49.27	48.70	51.45	51.10	
Albanians	27.02	30.19	6.68	15.75	5.50
Females	47.13	47.92	31.03	39.04	
Turks	3.78	4.16	1.04	1.59	1.10
Females	46.58	47.43	30.23	32.43	
Roma	1.90	2.98	0.43	0.52	0.10
Females	43.74	45.12	21.90	33.33	
Vlachs	0.10	0.17	0.14	0.26	1.00
Females	52.75	44.29	42.16	46.70	
Serbs	1.48	1.13	2.17	1.31	1.90
Females	46.05	47.56	42.86	38.73	
Other	2.06	2.36	1.90	1.55	1.20
Females	45.45	46.41	28.35	38.53	

Towards An Education Strategy For The Twenty-First Century, (Draft), World Bank, 2001

**TABLE 21. CHILD SURVIVAL AND DEVELOPMENT**

	1996	1997	1998	1999	2000
Life expectancy at birth (years)	72.16	72.38	72.49	72.4	72.68
Infant mortality rate (per 1000 births)	16.4	15.7	16.0	15.2	11.4
Under five mortality rate (per 1000 live births)	19.0	18.5	18.3	17.1	13.6
Maternal mortality rate reported (per 100,000 live births)		3.4	3.4	7.3	13.6
Low birth rate infants (up to 2500 gr.)	11.1	5.7	6.6	7.2	19.2
Births attended by trained personnel (%)	95.0	95.6	96.6	97.0	97.7
Pregnant women aged 15–49 with anemia (%)				6.2	

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**TABLE 22. INPATIENT FACILITIES UTILIZATION AND PERFORMANCE**

Inpatient	1990	1991	1992	1993	1994	1995	1996	1997	1998
Hospitals per 100,000 population	2.5	2.7	2.7	2.6	2.6	2.6	2.7	2.7	2.5
Total beds per 100,000 population	595.0	579.0	570.0	560.0	555.0	541.0	520.0	516.0	469.0
Admissions per 100 population (all hospitals)	9.7	10.0	10.3	9.8	9.9	9.8	10.0	10.0	8.9
Average length of stay in days (all hospitals)	15.4	14.4	16.6	17.6	14.0	14.3	14.0	13.4	12.7
Occupancy rate (% acute hospital beds)	69.0	64.9	68.2	68.2	68.0	67.4	67.1	63.9	66.5

WHO Regional Office for Europe Health For All database

**TABLE 23. PLANNED PUBLIC INVESTMENT PROGRAMME EXPENDITURES BY SECTOR, IN MILLION USD**

Sector	2001	2002	2003	Total
<b>Total</b>	<b>392.2</b>	<b>364.4</b>	<b>274.2</b>	<b>1030.8</b>
Energy	71.6	53.6	46.3	171.5
Transport	122.2	139.6	131.7	393.5
Water management	11.3	8.1	7.6	26.9
Municipal services & housing	51.5	81.5	35.5	168.4
Environment	6.3	5.8	0.8	12.9
Other economic sectors	20.2	19.5	14.8	54.5
Education & science	19.7	10.6	3.9	34.1
Health	30.5	11.4	3.9	45.8
Non-economic sectors	59.1	34.5	29.7	123.2

The former Yugoslav Republic of Macedonia. Public Investment Programme 2001–2003

**TABLE 24. SOME ENVIRONMENTAL "HOT SPOTS" IN THE FORMER YUGOSLAV REPUBLIC OF MACEDONIA**

Hazardous Site	Hazards	Possible Health Effects	Potential Number of People Exposed	Measures to Reduce Exposure
Jegunovce (ferro-alloy plant)	Groundwater contamination by chromium (III); air pollution; chromium slag contaminating River Vardar (and Rasce Spring)	Chromium (IV) is carcinogenic, lung diseases	2,000 workers; 7,000 inhabitants	Removal of chromium; thoroughly monitor wells, the Rasce Spring and mapping of Cr in groundwaters; introduce secure waste handling methods; apply the Basel Convention
Skopje (organic chemical plant)	Organic chemical plant; HCH isomers are stored; waste water into Vardar River; SO <sub>2</sub> in flue gases	Carcinogenic (liver), liver, kidney and immune system diseases; SO <sub>2</sub> affects lung function	444,000 inhabitants	Urgent short-term measures: covering storage area with durable materials, monitoring wells. Long-term: renewal of the waste-water treatment plant, continuous monitoring and control of health parameters, separate collection of hazardous waste
Bitola (electric power plant)	Emissions of fly ash containing heavy metals and uranium compounds, and SO <sub>2</sub> ; possible soil and water contamination by heavy metals in the ash	Health checks among workers: Potentially uranium compounds could cause lung cancer and tumours of the lymphatic and bone tissues Effects from exposure to particulate matter (respiratory and cardiovascular diseases)	77,500 inhabitants; 1,400 workers	Technological; separation into compartments with different layers of fly ash and slag; waste-water treatment plant; Informing the residents and workers
Veles (lead and zinc smelter "MHK Zletovo")	Air emissions of SO <sub>2</sub> , lead, cadmium. An assessment of contamination by heavy metals conducted in 2001 indicates a higher level of lead contamination in soil, agricultural products and waste water from the smelter than in soil and agricultural products sampled in a control area	Toxic and carcinogenic effects in pregnant women and children; central nervous system damage; increased risk of lung, bladder and pleura cancer mortality. Preliminary results from 239 children indicate a significantly higher lead blood level and anaemia in the study group than in the control group	46,800 inhabitants; 1,000 workers	Filters, air monitoring should be done closer to the site; reconstruction of waste-water treatment plant; soil and groundwater monitoring. Provide the residents and workers with reliable and consistent information on the level of environmental contamination
Probistip (zinc and lead mine)	Zinc and lead	Ingestions of zinc in high quantities might lead to nausea and vomiting. Lead: toxic and carcinogenic effects in pregnant women and children; central nervous system damage	12,950 inhabitants; 1,500 workers	Construct waste-water treatment plant, monitoring and investigating wells downstream, monitoring private wells

Post Conflict Environmental Assessment—FYR of Macedonia, UNEP, 2000

**TABLE 25. INDICATIVE AIR POLLUTION LEVELS**

Locality	Pollutant	Yearly Average Up to	Maximum Daily Value	
Skopje	SO <sub>2</sub>	63.0	162.0	tropical year 1998
	SPM	87.0	213.0	tropical year 1998
	NO <sub>2</sub>	48.0	132.0	tropical year 1998
	CO	2.4	6.8	tropical year 1998
	O <sub>3</sub>	39.0	71.0	tropical year 1998
	Pb	0.7	1.4	calendar year 2000
Veles	SO <sub>2</sub>	111.0	380.0	calendar year 2000
	SPM	128.0	495.0	calendar year 2000

CO expressed in mg/m<sup>3</sup>, all other pollutants in µg/m<sup>3</sup>.

The Ministry of Environment and Physical Planning. Air quality in Skopje—Annual Report, 1999. Health Protection Institute. Report to EPR team, 2002

**TABLE 26. POLLUTION LOAD FROM WASTE WATERS DISCHARGED INTO RIVERS, 1996**

Unit	Waste-water Volume	Suspended Matter	BOD5	Nitrogen	Phosphorus
	m <sup>3</sup> /day	kg/day	kg/day	kg/day	kg/day
Total	293,394	218,309	62,048	14,702	2,642
Vardar	265,557	193,974	55,130	13,064	2,347
Strumica	10,616	9,168	2,606	618	111
Crni Drim	17,221	15,167	4,312	1,022	184

Final Country Report, Macedonia, REC, 2000.

**TABLE 27. ESTIMATED QUANTITIES OF INDUSTRIAL WASTE, 1996**

Sector of Industry	Primary Process Waste	Other Technological (Industrial) Waste
Total (rounded)	65,000	130,000
Petroleum and chemical processing	1,000	5,000
Secondary processing of metal ores	1,000	20,000
Metal working and general manufacturing	5,000	60,000
Textile manufacturing	1,750	12,500
Food and drink processing	50,970	12,500
Other industrial sectors	5,000	20,000

Environment Office, 2001

**TABLE 28. SOIL EROSION**

Erosion Process Category	Area (km <sup>2</sup> )	%
Extremely high	698	3
High	1,832	7
Medium	6,893	27
Low	7,936	32
Very low	7,463	31

Environmental Performance Reviews, UN New York and Geneva, 2002

**TABLE 29. STATUS OF IRRIGATED LAND**

	in 1000 ha	in % of arable land
"Suitable for irrigation" <sup>A</sup>	421	76
"Total irrigation" (system extension) <sup>A</sup>	370	67
"Optimistic" prediction 2020 <sup>A</sup>	266	48
"Optimal" prediction 2020 <sup>A</sup>	136	25
Theoretical potential (if current systems completed)	173	31
Actual potential of irrigation	126	23
Irrigated 1987	82	15
Irrigated 2000	42	8

A Efreinov, G. et al. Academy of Sciences and Arts. Agricultural Development Strategy in the Republic of Macedonia to 2005. Skopje, 2001

Environmental Performance Reviews, UN New York and Geneva, 2002

**TABLE 30. USE OF AGROCHEMICALS, IN TONS**

	1996	1997	1998	1999	2000
Fertilizers	10,339	17,021	21,617	18,270	16,416
Pesticides	556	506	529	462	308

State Statistical Office. Statistical Yearbook 2001

**TABLE 31. CO<sub>2</sub>-EQUIVALENT EMISSIONS FOR ALL SECTORS**

	1990	1991	1992	1993	1994	1995	1996	1997	1998	Average
Total	14,695	13,691	13,246	13,504	13,109	13,215	12,927	13,938	14,509	13,648

United Nations Framework Convention on Climate Change, 2001

**TABLE 32. LIST OF COLLECTED HERBS AND PLANTS TO BE PUT ON THE RED LIST, 2002**

Arctostaphylos uva-ursi
Digitalis grandiflora
Gentiana lutea
Hypericum perforatum
Hyssopus officinalis
Juniperus coramunis
Origanum vulgare
Primula veris
Pulmonaria officinalis
Salvia officinalis
Sambucus nigra
Sideritis scardica

Brajanoska, R., The Ministry of Environment and Physical Planning, 2002

# OTHER STATISTICS

## GOVERNANCE: ECONOMY AND POVERTY

### BASIC INDICATORS FOR EXTERNAL SECTOR

Items	1997	1998	1999	2000	2001	I-VIII/2002
Current account balance						
in million USD	-286.0	-269.0	-32.0	-75.0	-235.0	-198.0
as % of GDP	-7.7	-7.5	-0.9	-2.1	-6.8	-7.1
Trade balance in million USD	-386.0	-515.0	-496.0	-690.0	-523.0	-474.0
External debt, end of period, in million USD	1,141.0	1,380.0	1,438.0	1,436.0	1,378.0	1,423.0
Foreign reserves, end of period, in million USD	287.0	367.0	478.0	714.0	775.0	833.0
Direct investments, net, in million USD	16.0	118.0	32.0	176.0	442.0	62.0

State Statistical Office

### DEPTH OF THE FINANCIAL MARKET AND TOTAL ASSETS OF THE BANKS

	1998	1999	2000	2001	2002
Assets in million USD	1,140.0	1,970.0	1,996.0	1,889.0	1,883.0
Share of assets, in GDP in %	31.0	53.6	55.5	54.5	51.0
Share of M1, in GDP in %	7.6	8.3	8.9	10.1	11.2
Share of M2, in GDP in %	12.8	14.2	16.0	23.7	27.8

State Statistical Office

### NUMBER OF FINANCIAL INSTITUTIONS

	1998	1999	2000	2001	2002
Banks	24	23	20	21	21
Saving houses	18	17	17	17	17
Credit unions	1	1	1	1	1
Deposit insurance funds	1	1	1	1	1
Insurance companies	9	9	9	9	10
Stock exchange	1	1	1	1	1

State Statistical Office

### REVENUES AND EXPENDITURES OF THE CONSOLIDATED BUDGET, % OF GDP

Items	1997	1998	1999	2000	2001	~2002
Revenues	34.8	33.3	35.4	36.6	34.1	33.8
Expenditures	35.5	35.0	35.2	34.1	40.3	37.4
Balance	-0.8	-1.7	0.2	2.5	-6.1	-3.6

State Statistical Office

## CONVICTED PERPETRATORS OF CRIMINAL OFFENCES, 1990-2001

### Convicted Adult Perpetrators by Types of Criminal Offences

	1990	1992	1994	1996	1998	2000	2002
Total	7,704	6,660	6,724	6,341	6,128	6,496	
Crimes against life and body	1,398	1,073	977	1,014	775	724	
Crimes against the freedoms and rights of humans and citizens	153	115	96	97	90	37	
Crimes against honour and reputation	468	259	177	176	165	132	
Crimes against sexual freedom and sexual morality	77	52	56	58	48	54	
Crimes against marriage, family and youth	132	123	124	123	149	158	
Crimes against public finances, payment operations and the economy	965	700	691	578	136	191	
Crimes against property	1,677	1,801	2,347	2,052	2,136	2,495	
Crimes against general safety of people and property	105	79	61	61	69	63	
Crimes against safety in public traffic	1,415	1,432	1,050	1,176	1,080	1,077	
Crimes against the judiciary	32	49	35	39	29	46	
Crimes against the state	12	-	-	-	1	2	
Crimes against the official duty	697	357	256	170	49	61	
Other crimes	467	535	767	718	1,316	1,385	

Sector for Analysis and Research of the Ministry of Interior

## CONVICTED JUVENILES BY TYPES OF CRIMINAL OFFENCES

	1990	1992	1994	1996	1998	2000	2002
Total	1,238	1,453	1,542	1,162	934	939	
Crimes against life and body	47	52	75	73	63	39	
Crimes against the freedoms and rights of humans and citizens	-	1	2	-	-	-	
Crimes against honor and reputation	2	-	-	-	-	-	
Crimes against sexual freedom and sexual morality	8	14	11	15	12	7	
Crimes against marriage, family and youth	-	-	-	-	3	3	
Crimes against public finances, payment operations and the economy	17	16	27	10	2	12	
Crimes against property	776	1,325	1,361	993	778	786	
Crimes against general safety of people and property	3	1	5	3	6	4	
Crimes against safety in public traffic	31	32	35	39	30	39	
Crimes against the judiciary	1	1	-	3	-	1	
Crimes against the state	10	-	-	-	-	-	
Crimes against the official duty	1	-	-	-	-	-	
Other crimes	28	11	26	26	40	48	

Sector for Analysis and Research of the Ministry of Interior

## GOVERNANCE: HUMAN SECURITY INDICATORS

### COMMITTED OFFENCES UNDER ARTICLE 23 (DRUG ABUSE)

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Total number of offenses	4	7	5	18	33	120	214	403	351	663	699	478	552
Offenders	13	9	5	22	70	141	244	440	371	722	742	498	564
Sex													
male	11	7	5	22	65	137	237	410	341	668	695	464	528
female	2	2			5	4	7	30	30	54	47	34	36
National structure													
domestics	11	8	5	22	70	141	244	439	371	715	741	498	562
foreign	2	1						1		7	1		2
Social structure													
employee	5	2	1	3	12	11	28	17	5	68	58	54	33
unemployed	8	7	4	16	42	112	199	367	320	472	61	61	399
students				3	13	15	16	54	33	151	145	27	122
others					3	3	1	2	3	31	16	356	10
Age													
of age	13	9	5	17	52	124	229	393	333	643	647	449	479
juvenile				5	18	17	15	47	38	79	95	49	95

Sector for Analysis and Research of the Ministry of Interior

### TABLE FOR QUANTITIES AND TYPES OF SEIZED DRUGS AND PRECURSORS

	<sup>A</sup> 1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Heroin, gr	27,973	31,103	38,000	78,263	104,112	110,340	29,155	15,425	91,672	14,375	90,789	110,882	28,572
Raw Opium, gr	3,347	20,804	22,000	1,807	20,500	9,964	2,000	44,783	19,985	12,239	27,395	3,494	22,930
Marijuana, gr	76	13,100	12,000	10,425	18,094	10,107	131,400	57,989	1,136,752	698,098	1,333,399	99,115	29,234
plants									1,457	151,262	264	606	815
seeds										10,103		120	156
Cocaine, gr		39,000					13,740	11	40	2,955	4,689	5,860	342
Hashish, gr									1,165	89	427,519	309,846	258,407
Tablets Ecstasy, gr							65	184	787	5,532	280	45	18,341
Acetic Anhydride, gr								13,000,875		6,000,540	10		
Amphetamines, litre													7,015
A 8,200 gr of Morphine base													

Sector for Analysis and Research of the Ministry of Interior

## BASIC SERVICES: EDUCATION

### FINANCING OF EDUCATION BY LEVEL AND TYPE OF EXPENDITURE, IN DENARS

Education level	Student numbers	Salaries	Goods & Services	Subsidies	Capital expenditures
Basic education (grades 1–8)	252,212	3,926,650,559	339,348,088	201,711,532	76,651,075
Upper secondary (general + VET)	99,775	1,652,667,926	150,849,554	70,500,376	73,605,788
Tertiary education (unit. + post-sec)	36,922	1,128,051,439	136,655,814	235,941,510	29,997,062
Total	388,909	6,707,369,924	626,853,456	508,153,418	180,253,925

Thematic Review of National Policies for Education—fyRoM, OECD, September 2001

### PER-PUPIL EXPENDITURES BY EDUCATIONAL LEVEL, 1999–2000<sup>A</sup>

	Totals	Preschool (0–6)	Primary School	Secondary School
Number of pupils	363,987	22,000	252,212	89,775
Total expenditures	7,205,705,898	713,721,000	4,544,361,254	1,947,623,644
Expenditures per pupil		32,442	18,018	21,694
% in relation to primary		180%	100%	120%
% of education budget	100%	10%	63%	27%
% of pupils	100%	6%	69%	25%

A Own calculations on the basis of data from Ministry of Labour and Social Policy and OECD Report, Thematic Review of National Policies for Education—FYRoM

Preparing for Education Decentralization in Macedonia: Issues, Directions, Actions, Macedonian Local Government Reform Project, USAID/DAI, June 2002

### DISTRIBUTION OF PUBLIC TOTAL EDUCATION EXPENDITURE AMONG LEVELS OF EDUCATION

	Expenditure share			Enrolment share		
	1994	1995	1996	1994	1995	1996
Primary	55.1	54.9	51.5	70.6	70.1	69.1
Secondary	23.2	22.9	25.1	21	21.5	22.2
Tertiary	21.7	22.2	23.4	7.9	7.9	8.1

Towards An Education Strategy For The Twenty-First Century, (Draft), World Bank, 2001

### PUBLIC SECONDARY EDUCATION EXPENDITURE PER STUDENT, AS PERCENTAGE OF PER CAPITA GNP

	1994	1995	1996
Macedonia, FYR	29.68	26.71	27.31
Central Europe	18.17	21.10	
Baltic States	37.60	48.27	37.13
EU	24.84	25.01	25.82
OECD	23.66	24.71	

Towards An Education Strategy For The Twenty-First Century, (Draft), World Bank, 2001

### PUBLIC VS. PRIVATE SPENDING ON EDUCATION, 1996

	Household		Government		Total	
	(Per capita spending)		(Per capita spending)			
	Denars	Percent	Denars	Percent	Denars	Percent
Poor	396	10	3,664	90	4,061	100
Non-poor	1,202	21	4,512	79	5,713	100
Total	748	16	3,964	84	4,712	100
Urban	902	17	4,427	83	5,329	100
Rural	520	13	3,411	87	3,931	100

Towards An Education Strategy For The Twenty-First Century, (Draft), World Bank, 2001

### PRIVATE EXPENDITURES ON EDUCATION FOR THE POOR AND NON-POOR, BY LEVEL OF EDUCATION, 1996

Expenditure Categories	Primary education		Secondary education		Tertiary education	
	Poor	Non-poor	Poor	Non-poor	Poor	Non-poor
Admission fee	0%	0%	0%	1.10%	0%	26.20%
Coaching	0%	13.30%	0%	8.60%	0%	5.60%
Transport	1.10%	3.10%	36.30%	36.20%	64.40%	33.70%
Books/supplies	95.80%	75.80%	61.90%	50.60%	31.10%	33.40%
Other expenditures	3.10%	7.70%	1.90%	3.50%	4.50%	1.00%
Total expenditures on education (denars)	1,953	5,274	3,683	7,968	6,371	13,782
Total as % of per capita consumption	6.62%	4.22%	12.49%	6.38%	21.60%	11.04%

Towards An Education Strategy For The Twenty-First Century, (Draft), World Bank, 2001

## DISTRIBUTION OF PUBLIC SUBSIDIES TO EDUCATION

(per capita denars and as a percentage of education expenditure) by level of education, 1996

	Poor	Non-poor	Total	Urban	Rural	Capital	Other
<b>Primary</b>							
per capita denars	2,464.0	1,363.0	1,941.0	1,781.0	2,131.0	1,614.0	2,048.0
% of exp.	13.0	1.5	3.9	3.2	5.0	2.6	4.5
<b>Secondary</b>							
per capita denars	625.0	1,105.0	990.0	1,099.0	858.0	1,002.0	985.0
% of exp.	3.3	1.2	2.0	2.0	2.0	1.6	2.1
<b>Tertiary</b>							
per capita denars	284.0	1,838.0	799.0	1,229.0	287.0	1,414.0	598.0
% of exp.	1.5	2.0	1.6	2.2	0.7	2.2	1.3
<b>All levels</b>							
per capita denars	3,664.0	4,512.0	3,964.0	4,427.0	3,411.0	4,389.0	3,825.0
% of exp.	19.3	5.0	7.9	8.0	8.0	6.9	8.3

Towards An Education Strategy For The Twenty-First Century, (Draft), World Bank, 2001

## PREPRIMARY EDUCATION DATA, 1991–2000

Pre-school education (age group 0–6)

	1991/92	1995/96	1998/99	1999/2000
Enrolment	35318	38245	37766	38348
Full cohort			204714	
Enrolment as % of cohort			18.45	
No. of State Pre-schools			<sup>A</sup> 52	
Teachers, qualified			3190	
Teachers, unqualified			1366	

A with over 180 facilities

Thematic Review of National Policies for Education—fyRoM, OECD, 2001

## SHARE OF STUDENTS ATTENDING PRE-PRIMARY BY ETHNIC GROUP

	1993	1994	1995	1996	1997	1998	1999
Total (excl. other minorities)	25,555	25,816	26,458	26,444	26,735	26,709	27,153
Macedonian (%)	87.10	87.46	81.83	79.79	77.80	76.68	74.71
Albanian (%)	11.43	10.88	16.54	18.45	20.53	21.47	23.51
Turkish (%)	1.12	1.29	1.35	1.43	1.38	1.48	1.40
Serb (%)	0.35	0.37	0.28	0.32	0.29	0.37	0.37

Towards An Education Strategy For The Twenty-First Century, (Draft), World Bank, 2001

## SHARE OF PRIMARY SCHOOL STUDENTS (FIRST-GRADERS) THAT HAVE ATTENDED PRE-PRIMARY BY ETHNIC GROUP (PERCENT)

	1995	1996	1997	1998	1999
Macedonian language	84.80	85.84	89.66	90.42	90.87
Albanian language	39.01	43.48	50.42	52.03	54.76
Turkish language	35.88	38.18	36.67	42.54	36.91
Serbian language	51.13	72.90	80.00	106.98	83.78

Towards An Education Strategy For The Twenty-First Century, (Draft), World Bank, 2001

## EMPLOYEES IN KINDERGARTENS AND PRE-SCHOOL DIVISIONS IN PRIMARY SCHOOLS, 1998

Total number of employees	4,556
in nurseries	560
in kindergartens, youngest group	1,470
in kindergartens, middle group	413
in kindergartens, older group	384
in half-day programmes in kindergartens	231
in half-day programmes in primary schools	798

Thematic Review of National Policies for Education - fyRoM, OECD, 2001

## PRIMARY SCHOOLS AND NUMBER OF PUPILS

	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96	1996/97	1997/98
Total primary schools	1,067	1,053	1,050	1,048	1,045	1,046	1,045	1,043
Up to 20 pupils	286	278	271	272	267	275	283	284
21–50	194	193	205	201	201	195	192	195
51–100	154	152	140	143	143	138	131	123
101–300	174	174	177	177	178	182	183	181
301– 800	142	137	145	141	141	139	141	150
801–1200	73	79	74	72	72	78	77	70
Over 1200	44	40	32	43	43	39	38	40

Kamberski K., Velkovski Z., Popovski K., Gerovska L., Damovska L., Kosev G., Pre-primary and Primary Education in Macedonia: Development, Conditions and Perspectives, Skopje, 2000

## NUMBER OF FIRST-GRADERS ATTENDING A PRE-PRIMARY INSTITUTION, ACCORDING TO THE LANGUAGE OF INSTRUCTION

	1992/93	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99
Macedonian language							
1 <sup>st</sup> grade	–	–	23,539	22,653	21,402	20,877	20,605
Pre-primary	20,450	20,757	19,962	19,446	19,189	18,877	18,724
Albanian language							
1 <sup>st</sup> grade	–	–	10,346	10,343	10,044	10,158	10,762
Pre-primary	2,683	2,583	4,036	4,497	5,064	5,285	5,893
Turkish language							
1 <sup>st</sup> grade	–	–	917	914	930	858	951
Pre-primary	263	306	329	349	341	365	351
Serbian language							
1 <sup>st</sup> grade	–	–	133	107	90	86	111
Pre-primary	83	88	68	78	72	92	93

Statistical year-books of the RM; the Ministry of Education and Sports

## NUMBER OF PUPILS COMPLETING PRIMARY SCHOOL AND ENROLLING INTO SECONDARY SCHOOL

	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96	1996/97	1997/98
Completed primary school										
No. of pupils	29,732	30,235	29,697	28,679	28,782	29,071	29,494	29,871	30,522	30,741
	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99
Enrolled in secondary school										
No. of pupils	22,530	22,687	20,505	20,302	21,361	22,840	23,083	23,687	24,692	
% of progression	75.77	75.03	69.04	70.74	74.21	78.56	78.26	79.29	80.89	

Kamberski K., Velkovski Z., Popovski K., Gerovska L., Damovska L., Kosev G., Pre-primary and Primary Education in Macedonia : Development, Conditions and Perspectives, Skopje, 2000

## BASIC SERVICES: HEALTH

### DEMOGRAPHIC INDICATORS

	2000		2001	
	Livebirths	Birth rate	Livebirths	Birth rate
Health				
Urban	15,579	12.9	14,761	12.2
Rural	13,729	16.7	12,249	14.8
Age of mother below 19 years	3,641	10.5	2,202	8.1

### INFANT MORTALITY RATES

	1987	1991	1994	1997	2001
Livebirths	38,672	34,830	33,487	29,478	27,010
Early neonatal rate	12.7	11.6	10.5	8.3	6.0
Perinatal mortality rate	21.6	19.2	20.3	18.4	16.4
Postneonatal mortality rate	22.4	12.0	9.0	5.4	2.3
Total infant deaths	1,617	984	752	463	321
Infant mortality rate	41.9	28.3	22.4	15.7	11.9

### MATERNAL AGE WHEN HAVING FIRST BORN CHILD IN SELECTED COMMUNITIES

	Below 12		12-14		15-18		Over 18		Total	
Dispersed Roma community	0	0%	49	3.24%	547	36.13%	918	60.63%	1,514	100%
Suto Orizari	1	0.03%	102	3.43%	1,216	40.87%	1,656	55.66%	2,975	100%

### URINARY IODINE EXCRETION (MICROGRAMS/LITRE)

	1995/96	1999	2000	2001	2002
No. of samples	2,380	1,142	1,211	929,000	1,216,000
Median	117.0	116.7	154.1	164.5	198.5
Middle value	132.0	131.9	169.0	182.7	206.8
Stand. Deviation		76.9	97.1	91.4	95.8
more than 100 µg/l	59.0%	61.0%	81.0%	84.0%	88.2%
at most 100 µg/l	41.0%	39.0%	19.0%	16.0%	11.8%
less than 50 µg/l	11.0%	11.0%	3.8%	3.2%	2.4%
more than 300 µg/l	3.1%	4.0%	7.4%	8.5%	12.3%

## BASIC SERVICES: ENVIRONMENT

### WATER SUPPLIED TO MINING AND INDUSTRY, 2001, IN 1000 M<sup>3</sup>

Total	1,731,822
Ground water	12,329
Springs	149,712
Water courses	70,121
Reservoirs	874,952
Lakes	548,997
Public water supply	51,756
Other	23,955
Mining and quarrying	12,371
Manufacturing	136,140
Electricity, gas and water supply	1,583,311

Statistical Yearbook 2002

### CONTRIBUTIONS OF CITIES AND INDUSTRIAL CENTRES TO WATER AND AIR POLLUTION, 2001

Waste water from mining and industry, 2001	
Total	199,947
Production	153,895
Cooling water	31,590
Sanitation	13,115
Other	1,347
Discharge of waste water from mining and industry, 2001	
Total	1,649,597
To ground	2,320
Public sewer system	34,730
Water courses	1,179,742
Reservoirs	18,431
Lakes	414,374

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### TOTAL PROFIT OF AGRICULTURAL BUSINESS IN PURE, MIXED AND TOTAL NUMBER OF AGRICULTURAL HOUSEHOLDS

000 den./household

Income	1996			1998		
	Total	Pure	Mixed	Total	Pure	Mixed
Cash farmer	47	109	34	62	99	51
In-kind farmer	44	69	39	50	69	45
Total agricultural business	91	178	73	112	168	96
% of total business	38	70	31	40	67	37
Total business	239	253	236	280	249	263

Agricultural Development Strategy in the Republic of Macedonia to 2005, Skopje, July 2001; Macedonian Academy of Science and Arts and the Ministry of Agriculture, Forestry and Water Economy

### TOTAL FARMING POPULATION

	1991	1994
Total population (TP) (000)	2,034	1,946
Of which, the agricultural population		
Total (000)	300	226
% from TP	14.7	11.6
% of total population living in rural areas	32.0	39.0

Agricultural Development Strategy in the Republic of Macedonia to 2005, Skopje, 2001; Macedonian Academy of Science and Arts and the Ministry of Agriculture, Forestry and Water Economy

### DRAINAGE EQUIPMENT

	1997	1998	1999	2000	2001
Channels, in km	1,972	2,226	2,153	3,557	1,621
Pump stations					
Number	12	10	10	27	5
Capacity, '000l/sec	4	10	10	15	4
Installed capacity, kW	92	93	96	65	34

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## TRENDS OF ACTIVE AND SUPPORTED AGRICULTURAL POPULATION

	1991	1994
Agricultural population (000)		
Total	300	226
Active	180	91
Supported	120	135
Structure (%)		
Active	60.0	40.3
Supported	40.0	59.7

Agricultural Development Strategy in the Republic of Macedonia to 2005, Skopje, 2001; Macedonian Academy of Science and Arts and the Ministry of Agriculture, Forestry and Water Economy

## INFORMATION ON PRIVATE FARMING SECTOR

Number and structure of individual agricultural economies

Land surface (ha)	1981	1994
0–2	68%	
2–5	24%	
5–10	7%	
>10	1%	
Average surface (ha)	2.07	1.28
Number of economies (000)	176.30	w178.10

Agricultural Development Strategy in the Republic of Macedonia to 2005, Skopje, 2001; Macedonian Academy of Science and Arts and the Ministry of Agriculture, Forestry and Water Economy

## IRRIGATION, DIFFERENCE BETWEEN STATE OWNED AND PRIVATE LAND

Irrigated land of agricultural holdings

	1990	1992	1994	1996	1998	2000	2001
Method of irrigation							
total	84,879	68,632	60,686	51,677	43,259	45,095	28,722
areal	44,940	35,672	27,413	20,289	25,888	31,576	12,155
artificial rain	39,939	32,960	33,273	31,328	17,371	13,519	16,576
arable land and gardens	66,984	53,546	43,810	36,958	29,547	31,773	18,623
Categories of usage							
orchards	5,444	3,947	4,902	3,534	5,911	5,474	2,551
vineyards	9,958	9,262	9,425	9,977	4,915	6,248	6,685
meadows and pastures	2,493	1,877	2,549	1,148	2,887	1,600	863

Statistical Yearbook 2002

## FLOODS AND DRAINAGE

Protection from floods

Communications, km	1997	1998	1999	2000	2001
Settlements	54	106	112	106	106
Railroads	36	61	61	61	61
Roads	200	200	200	200	200
Land, in '000 ha	93	82	92	92	68
Embankments, ln km	403	673	430	473	336

Statistical Yearbook 2002

## HUNTING

Shot number

	1998	2000	2001
Chamois	2	30	55
Bear	–	12	20
Hare	957	6,152	4,095
Wild boar	745	737	663
Partridge	875	13,599	7,635
Hazel grouse	41	–	10
Pheasant	354	317	277

Statistical Yearbook 2002



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