An Evaluation Report on the Community Works Programme in the Former Yugoslav Republic of Macedonia

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An Evaluation Report on the Community Works Programme in the Former Yugoslav Republic of Macedonia

Executive Summary

This report aims to provide an evaluation of the Community Works Programme (CWP) in the former Yugoslav Republic of Macedonia (fYRM) in terms of its impact on unemployed workers as an active labor policy measure and its impact on the end-users as an intervention for social inclusion. The evaluation is based on a review of published programme documents, the CWP database as well as focus group discussions with participants engaged as service providers (particularly to the elderly and people with disabilities), service receivers and their families, and programme implementers.

The findings of this evaluation show that the impact on the service-receiving end is overwhelmingly positive, with service content and quality highly valued by the end-users. The programme has an extensive outreach in terms of numbers of service receivers given its relatively modest budget. It also displays an innovative diversity of social care activities that speaks to concrete local community needs of disadvantaged groups. Contributing to this successful project design are certain aspects of the CWP implementation such as its institutional framework (a partnership between the municipalities, NGOs and social work centres at the local level, the Ministry for Labour and Social Policy (MLSP), Employment Service Agency (ESA) at the national level and UNDP at the international level); the participatory process of project design requiring local assessment of user needs as well as survey of unemployed workers; plus a strong training and certification component which contributes to improving service quality.

Yet continuation of services is dependent on sustained employment of service providers, while the programme by its very design entails temporary employment. There is strong willingness on part of the end-users to continue to demand the services and when possible cover some of the costs subject to their ability to pay. Public subsidies to households on a sliding income scale as well as earmarking part of social payments to people with disabilities and to the elderly for purchase of services would support end-users sustained demand and access to social care. Nevertheless, for the lowest-income groups, services would need to be entirely subsidized.

The impact of the CWP on employment is more mixed with some encouraging outcomes as well as a need for strengthening the post-CWP transition component. The programme has substantial success at providing participants with valuable training, on-the-job learning and work experience, enhancing their skills, increasing their self-confidence and improving their employability. The CWP performs particularly well in recruiting women as well as long-term unemployed as participants, and boosting their motivation to enter the labor market. Nevertheless,

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the transition rate to post-CWP employment, currently at around 30 per cent, needs improvement through additional measures.

Such improvement can come through a number of interventions. A post-CWP component can be developed to support participants in developing and assessing feasibility of business plans for self-employment and entrepreneurship in the social care services sector. This component can be linked to other on-going active labor market programmes by the MLSP, namely the self-employment programme and pilot programmes on social care services. The self-employment and entrepreneurship options would be strengthened also through enhanced consumer demand as per the above-mentioned measure of public subsidies to end-users. In addition, improving the institutional and financial capacity of the municipalities for providing social care to disadvantaged, low-income households would enable a venue for permanent employment and sustained service provisioning.

The CWP constitutes a unique example of active labor market policy intervention which promotes social inclusion of different vulnerable groups at once, through a double pronged strategy of social care service provisioning while simultaneously supporting access of unemployed workers to paid employment. As such the Macedonian CWP intersects with two lines of current, on-going global policy discussions at the intersection of economic, development and gender policies, and constitutes an inspiring example of policy intervention from an international perspective. One line of policy discussion is on the increasing use of ‘employer of last resort’ (ELR) or job guarantee (JG) programmes’ as an active labor market measure against high chronic unemployment. The other policy discussion pertains to the calls for rebalancing of fiscal expenditures and public investments from their traditional concentration on physical infrastructure to social care service infrastructure, in view of evidence that the latter can serve as an accelerator for multiple goals of gender equality, employment generation and poverty reduction at once.

The CWP in the FYRM is a programmatic intervention that brings these two policy responses together. It is a unique ELR programme because unlike its conventional counterparts in other countries, where the projects are predominantly in physical construction and environmental maintenance (and hence employment exhibits a male dominated profile), the Macedonian CWP focuses exclusively on social care service projects. This results in its positive outcomes on gender equality. Moreover, the Macedonian CWP avoids the common critiques of ELR programmes for non-transparency, populism and inefficiency. The evaluation finds that the funds are spent on worthwhile projects identified in line with community needs, which also contributes to the CWP employees acquiring valuable work experience and job skills in need; and that the participants are selected in a transparent manner.

The national context in the FYRM is characterized by high long-term unemployment, low female labor force participation and gender disparities in the labor market plus limited accessibility and quality of social care services for children, disabled and elderly. Given this background, a community works programme focusing on generation of jobs in the social care sector seems to be a perfect policy intervention. The CWP should be scaled up in terms of its employment target and budget, in view of the fact that it is as cost-effective as other labor market programmes, which nevertheless enjoy much larger budget allocations than CWP; and also in view of the
The Community Works Programme (CWP) of the former Yugoslav Republic of Macedonia (fYRM), is an active labor market policy intervention implemented through a collaboration between the United Nations Development Programme (UNDP) and local municipalities, and funded centrally by the Ministry of Labour and Social Policy (MLSP) since 2014. Under the programme the participating municipalities, with the support of the Employment Services Agency (ESA) and UNDP, train and employ workers from a pool of long-term unemployed to serve as social care providers to different target groups in the local community, namely the elderly, adults or children with disabilities or pre-school children.

The CWP targets selective employment of unemployed workers registered in the ESA Register, particularly vulnerable population groups, including social benefit recipients and long-term unemployed. Those selected are employed by the local municipalities at a part-time job (20 hours per week) for a period of six months, in the provision of services according to the needs of local community citizens. The type of services to be provided are determined through a local needs assessment. Monthly remuneration is at MKD 6,200 in 2016 prices (corresponding to approximately half the minimum monthly wage of MKD 13,986),\(^2\) which includes personal income tax and insurance against accidents at work and occupational diseases. Social benefit recipients are entitled to use social benefit during their work engagement.

The CWP foresees that while the employed workers provide services to local communities, they also gain work experience and professional skills that will increase their employability in the future. Hence the intervention is justified on two grounds: improving the quality, efficiency and inclusiveness of public services by supporting local governments to fulfill their responsibilities for social care, education and healthcare towards vulnerable groups in disadvantaged regions; while at the same time encouraging inclusion of long-term unemployed workers in the labour market.

The programme was piloted by UNDP in 4 municipalities in 2012. Given its popularity, it was expanded initially to 14 municipalities in 2013, 30 municipalities in 2014, reaching a maximum of 42 municipalities in 2015, and back to 30 municipalities in 2016. In this period, it is reported that over 17 thousand people

\(^2\) [https://countryeconomy.com/national-minimum-wage/macedonia](https://countryeconomy.com/national-minimum-wage/macedonia)
benefitted from the programme as service receivers (pre-school children, children and adults with disabilities and elderly people), while over 800 workers were employed, majority (80%) being women. Since 2015, the training component of the implementation has been strengthened through introduction of comprehensive certificate training programmes for elderly care and provisioning of services to children with disabilities. By 2014, CWP was acknowledged as an integral part of the country’s employment strategy and named as one of the active labour market measures stated in the Operational Employment Plan of the Government (MLSP 2017).

While the programme responds to assessed social and economic needs at the national level for Macedonia, it also sets an interesting example from an international perspective, in the context of emerging development policy debates on investing in social care services. These debates point out to social care service expansion as an accelerator of multiple Sustainable Development Goals (SDGs) all at once; namely gender equality, jobs generation, poverty alleviation and reduction of socioeconomic inequalities.

This report aims to provide an evaluation of the Community Works Programme in the FYRM in terms of its impact on unemployed workers as an active labor policy measure and on the service receivers as an intervention for social inclusion. The evaluation focuses on quality of employment as well as service provisioning and sustainability of the policy intervention. The assessments are based on published programme documents, the CWP database as well as focus group discussions with employed service providers, service receivers and their families as well as programme implementers. While the CWP contains a whole range of services, the report focuses particularly on care services for the elderly and for children and people with disabilities.

The report is structured as follows: Sections II and III provide a background to the programme evaluation from an international as well as a national perspective. Section II places the CWP as a unique example of programmematic intervention in the context of emerging debates on social care service provisioning as a priority in development policy. Section III places the programme in the national context in terms of the current situation in labor market, social care service provisioning and gender equality. Section IV introduces the material and methodology upon which the evaluation is based. Section V presents a discussion of the findings. The final section concludes with a summary of the findings and recommendations.
II. Community Works Programmes and Investing in Social Care Services: A Global Integrated Perspective

The CWP in the fYRM intersects with two lines of current, on-going global policy discussions at the intersection of macroeconomic and labor market policies, and development and gender policies. One strand pertains to role of the government, the extent and the mechanisms of public intervention in the face of high and chronic unemployment. One of the active labor market policy proposals under debate pertains to temporary public employment interventions, which are called ‘employer of last resort’ (ELR)’ or ‘job/employment guarantee’ (JG/EG) programmes. Since generation of jobs are predominantly in projects that target the common good, these interventions are also known under the names of ‘public works’ or ‘community works’ programmes. The CWP in the fYRM constitutes a typical example of ELR or JG programme in that it involves municipalities providing publically subsidized temporary employment opportunities to unemployed workers.

The other relevant policy discussion entails an emerging discourse on gender and economic policy which focuses on how investing in social care expansion has the potential to promote gender equality through multiple channels: by alleviating women’s unpaid domestic work burden and easing their time restrictions, while simultaneously promoting pro-women job creation. The CWP in the fYRM sets an interesting example from this perspective in terms of its focus on social care service provisioning and also the fact that the majority of employed workers are women. The discussion below attempts to summarize these two lines of policy discussions and situate the CWP in the fYRM therein.

‘Employer of last resort (ELR)’ or job/employment guarantee (JG/EG) are terms which are often used interchangeably. ELR are employers in an economy to whom workers go for jobs when there are no other employers with open suitable jobs. The term is by analogy with "lender of last resort", the term used to describe one of the primary functions of the Central Bank, i.e. the financial institution that other banks revert to when there are no other sources that they can borrow from. The employer of last resort is either the government (central or local governments) or publically subsidized private employers. Job/Employment Guarantee (JG/EG) is a policy whereby the government guarantees jobs (mostly public jobs) to unemployed workers at a decent wage. The more recent policy proposals called Basic Income Guarantee, in turn, has developed as an analogy to the JG/EG terminology.

The ELR (or JG/EG) is a response to long-term chronic unemployment and inability of market economies to provide full employment (Wray 1998; 2005). The proposal originates from a Keynesian economic approach (as developed by John Maynard Keynes in an analysis of the Great Depression of the 1930’s), which argues that market economies have a built-in tendency to suffer from lack of so-called “effective demand” for goods and services, and hence stay short of full employment. A wide
array of events beyond control (such as various forms of social/political/economic instability, a natural or human-made disaster) can trigger consumer pessimism leading to cuts in consumption spending which then end up negatively affecting firms’ production and employment decisions. As unemployment increases people’s spending ability decreases, leading to further cuts in consumption, fulfilling consumers’ (and firms’) pessimistic expectations and hence a deepening recession. The Keynesian approach therefore emphasizes the need for public intervention through expansionary fiscal (and also monetary) policy to stimulate effective demand and counteract the macro tendency towards deepening recessions and rising unemployment.

Keynes warns that in the absence of such active government intervention in the market, chronic long-term unemployment may result in what he calls the “unemployment hysteresis effect”. This refers to the process by which the long-term unemployed suffer a deterioration of job skills, adjust themselves to lower standards of living, have higher likelihood of engaging in negative experiences such as substance abuse or crime. Hence, when economic recovery kicks in, the pool of unemployed will have a weakened ability and desire to reintegrate themselves to remerging job opportunities. Tcherneva (2017) describes this vicious cycle of events as long-term unemployment “behaving like a disease” triggering pecuniary and non-pecuniary costs.

The primary policy intervention proposed to counteract such unemployment hysteresis effect effects of economic recessions is expansionary fiscal policy, i.e. increasing public spending, also called stimulatory spending. An increase in public spending is expected to stimulate effective demand for goods and services and support an economic recovery. As such the government uses fiscal policy as a tool to stabilize the economy; i.e. stabilize aggregate demand and employment. Unemployment payments, for example, are considered to serve a similar function of macroeconomic stabilization by providing workers who have lost their jobs with some ability to continue purchasing goods and services.

A conventional target of stimulatory fiscal spending is physical infrastructure projects. ELR is a specific form of expansionary fiscal policy; and as far as the employment objective is concerned it is the most straightforward fiscal intervention. Tcherneva (2017) distinguishes ELR from conventional fiscal expansion by defining it as “a policy response whose merits include much more than its macroeconomic stabilization features … a method of inoculation against the vile effects of unemployment.” The expectation is that creation of temporary public employment will not only boost effective demand and support economic recovery through income generation and multiplier effects, but also it will prevent unemployment hysteresis by keeping workers actively in the labor market.

An early, much studied example of ELR is the New Deal job creation programmes implemented in several phases in the USA from the 1930’s to the early 1940’s as a response to the Great Depression. The programmes were almost entirely geared
towards public works in construction and maintenance of physical infrastructure including in addition to transport networks and housing also environmental maintenance projects such as national forests and public parks. The beneficiaries were predominantly male, and in many cases gender was specified as a criterion for becoming a programme participant.³

A well-known large-scale example of ELR from developing economies is India’s Maharashtra Employment Guarantee Act of 1977, which guaranteed provision of work to every adult in rural areas who are willing to do manual work. More recently in 2005, India adopted the National Rural Employment Guarantee Act (NREGA) as an extension of the Maharashtra Programme. The programme scale is large in line with India’s rural population; by some reports creating as much as 148 million person days of work, with expenditures accounting for 10-14% of the state’s total development budget (Wray 2005). The programme differs from typical implementation of ELR elsewhere in that it acknowledges the basic human right to work and is treated as a permanent programme rather than temporary in response to an economic crisis. While originally the programme was geared more towards male workers, female participation is reported to have increased over time to dominate that of men (Hirway 2006). The jobs are created predominantly in rural infrastructure and natural resource management.

An assessment of the programme by Wray (2005) points out that the Indian ELR programme reduces unemployment and underemployment by as much as 10% to 30%, while providing other secondary benefits namely,

“enhancement of agricultural production (through provision of infrastructure); improvement of agricultural labor market conditions (increasing wages, decreasing discrimination) due to increased labour bargaining strength and reduction of labour supply; enhanced social life by increasing social interaction; raising the confidence of women; stabilizing family incomes so that they do not have to sell assets at depressed prices during bad harvests (it is estimated that income variability is reduced by half); reduction of malnutrition during droughts; and perhaps more equality of distribution of food within the family (because women bring money income to the family, their status rises and they can protect female children)”.

A more recent well-known national level ELR implementation in a developing economy context is the Jefes de Hogar Plan in Argentina, which was developed in response to the economic crisis in the early 2000’s. The objective of the Plan was to provide jobs to poor heads of households for a minimum of 4 hours of work daily. Tcherneva and Wray (2005) report that the programme created jobs for 2 million workers corresponding to about 5% of the population and 13% of the labor force. The projects were designed to cater to community needs, but once again focusing on physical or rural infrastructure and environmental maintenance such as road and bridge repair, cleaning and environmental support in the agricultural sector, improving the sewer systems and water-drainages. Jefes de Hogar Plan included also,

³ http://www.ushistory.org/us/49b.asp
however, a number of alternative projects such as support to agricultural micro-enterprises, food kitchens, family attention centres to address domestic violence issues, health promotion programmes, maintenance of public libraries.

The critiques of ELR programmes point out to several problematic areas. Foremost is the question of public budget deficits and financial sustainability; i.e. the consequences of government funding for large-scale public employment programmes, particularly for extended periods. Advocates of ELR respond by pointing out that the programmes have growth stimulatory effects, in that they generate income, boost effective demand and at the same time enhance labor skills. This enables fiscal feasibility of the programme both through increased tax revenues as well as gradual phasing out of programme participants to non-ELR forms of employment. In addition, such an intervention has the benefit of preventing unemployment hysteresis effects.

The other main critique of ELR programmes pertains to inefficiencies of government involvement in markets, namely potential for corruption in administration and also for spending on unsuccessful projects. Advocates of ELR emphasize successful examples of ELR, which has avoided such shortcomings through transparent administration and local community needs based participatory project design and implementation. They also point out that anti-poverty cash transfer schemes are prone to similar problems of corruption and inefficiency, while they do not have the advantage of labor skills enhancement.

The CWP in the fYRM constitutes an example of an ELR intervention, albeit at a much smaller scale than the few examples discussed above. What distinguishes the Macedonian ELR from its counterparts elsewhere, however, is its exclusive sectoral orientation on social care service jobs. Such orientation is unheard of in previous implementations elsewhere, which conventionally promote jobs in physical or rural infrastructure, environmental maintenance or natural resource management projects. This exclusive sectoral orientation of the Macedonian ELR results in a distinct aspect of the programme in that it promotes social inclusion in more channels than just employment generation for disadvantaged workers. The programme promotes social inclusion of children and people with disabilities and the elderly through enhancing the diversity and quality of social care services they are able to access. It also entails a strong gender equality component in that it alleviates women’s unpaid care work burden on the service-receiving end while simultaneously creating ample opportunities for female employment.

This brings us to an intersection between the Macedonian CWP and another emerging policy discourse, one on investments in social care service infrastructure and gender-equal, inclusive growth. Increasing availability of time-use data from around the world shows gross gender imbalances in unpaid work time, whereby women assume a much larger share of the domestic household and family care responsibilities. This is mirrored in gender imbalances in paid work time such that men dominate the world of paid work. It is by now a well-acknowledged fact that this gender based division of
labor constitutes a fundamental source of gender inequalities in the labor market in the form of the gender employment gap, gender jobs segregation and the gender wage gap. Increasing number of policy evaluations emphasize affordable, good quality social care facilities as the most effective way to increase female employment levels in the region (UNECE 2014). Following from these assessments, one of the six targets specified under SDG 5 on gender equality (“achieve gender equality and empower all women and girls”), target SDG 5.4 calls to “recognize and value unpaid care and domestic work through the provision of public services, infrastructure and social protection policies and the promotion of shared responsibility within the household and the family as nationally appropriate” and indicator 5.4.1 specifies “proportion of time spent on unpaid domestic and care work, by sex, age and location” as a measure of progress.4

A recent series of policy simulation studies show that actions to reduce women’s unpaid work burden through the provisioning of social care services goes beyond meeting SDG 5.4 (Ilkkaracan 2016). Public spending on social care services also has the potential to create substantial number of decent jobs contributing to SDG 8 (decent work and inclusive economic growth), promotes labor force participation of lower skilled women while providing access of poor children to early childhood development services contributing to SDG 1 (reduced poverty) and SDG 10 (reduced inequalities).5

A departure point of these studies is questioning public spending priorities from a gender perspective. As the above discussion has shown, a conventional target of stimulatory fiscal policy (whether through specific ELR programmes or generally expanded government spending) is physical infrastructure and construction projects. A recent Beijing +20 regional assessment by the United Nations Economic Commission for Europe (UNECE) warns that such focus on male-dominated sectors is likely to further exacerbate gender inequalities. The report underlines the need for gender-sensitive fiscal policies and recommends that stimulatory spending must not only target male-dominated sectors such as construction or infrastructure but be directed towards sectors that would enable women to benefit from the resulting job creation as well (UNECE 2014, p. 29).

Indeed recent policy simulations on different countries compare impact of fiscal spending on physical versus social care service infrastructure, and find that the latter,

4 https://sustainabledevelopment.un.org/?menu=1300
5 Investing in social care contributes to SDG 8 on inclusive and sustainable economic growth, full and productive employment, and decent work for all, which includes the specific target of “full and productive employment and decent work for all women and men” (target 8.5). It also speaks to SDG 10, which addresses the need to reduce inequality within and among countries by 2030 using the strategy outlined in SDG 10.1, which is to “progressively achieve and sustain income growth of the bottom 40% of the population at a rate higher than the national average”; SDG 10.3, which calls for equal opportunity and reduced inequalities in outcomes, including the elimination of discriminatory laws, policies, and practices and the promotion of appropriate legislation, policies, and actions in this regard; and SDG 10.4 recommending the adoption of “policies, especially fiscal, wage, and social protection policies and progressively achieve greater equality.”
not only has a much higher jobs generation potential being more labor intensive sector, but also the composition of employment is strikingly pro-women, plus the poverty alleviation and inequality reduction outcomes are substantially stronger (Antonopoulos and Kim 2010; Antonopoulos et.al. 2014; Ilkkaracan, Kim and Kaya, 2015; ITUC 2016). Since the late 1990’s one of the proposals for stimulatory fiscal spending and ELR programmes have come from environmentalists who call for public investments in green infrastructure and fiscal spending for creation of green jobs. More recently, feminist economists have suggested an analogy with public investments in social care service infrastructure for creation of ‘purple’ jobs; ‘purple’ being the symbolic color adopted by women’s rights movements in different countries (Ilkkaracan 2015).\(^6\)

A joint UNDP-UN Women Regional policy brief on social care service expenditures and linkages to SDGs in the context of Eastern Europe, the Balkans and Central Asia identifies three conditions under which public spending on social care becomes most relevant to the context and likely to create the highest development impact ( Çağatay, Ilkkaracan and Sadasivam 2017):

- Low female labor force participation (along with gender disparities in the labor market such as gendered jobs segregation and gender wage gap);
- High chronic (long-term) unemployment; and
- Low levels of social care service provisioning.

As the next section will argue, the FYRM meets all three conditions and as such constitutes such a context for potentially high benefits from social care service expansion.

### III. Background on the Macedonian Context

The labour market in Macedonia is characterized by high unemployment and low labour force participation. The overall unemployment rate is 27.9%, with a higher rate for women at 29.8% than men at 26.7% (World Bank 2017). This high rate of joblessness sets an environment more conducive to gender inequalities. The gender gap in labor force participation is as high as 24.4 percentage points (43.2% participation rate for women vs. 67.6% for men) (ILO 2017). This overall gender gap remains similar for the prime working age population (15-64) at 25 percentage points (53% participation rate for prime working age women vs. 78% for men). This is more than twice the EU-28 average gender labor force participation gap for prime working age population (11.6% in 2014) (UN Women 2017).

\(^6\) See Appendix I for a summary of this literature.
The gender inequalities in labor force participation rates intersect with wide disparities in women’s participation by socioeconomic class (using education level as a proxy for class). While men’s labor market activity remains high across all education groups, there are huge differences in women’s participation rates by education. There is a drastic decline in the gender participation gap with increasing level of education. For women with primary education and less, their labor force participation rate is 40 percentage points lower than that of men, while the gap at the tertiary level is only 3.5 percentage points (UN Women 2017). Hence lower skilled women constitute the primary disadvantaged group in terms of labor market activity.

For those women who are already in the labour market and employed, the evidence shows that they suffer from a persistent gender wage gap. An ILO study finds that after controlling for a range of demographic and job-related factors, female wage workers in Macedonia earn 18-19% less than male wage workers. Interestingly the study does not find evidence of a motherhood pay gap and cites only limited evidence of a “glass ceiling” effect for highly paid (but not the highest-paid) jobs. Still the study reports that mothers receive on average 7-8% lower wages than fathers (ILO 2017). The relatively lower gender wage gap amongst parents can be due to the fact that most women who persist to stay in employment after childbearing (i.e. employed mothers) are those with tertiary education. Given limited accessibility of childcare, it is likely that majority of lower skilled women drop out of the labor market upon childbearing since it is impossible for them to afford childcare given their lower wages and household incomes.

A recent national survey finds that the unpaid work burden and associated gender norms around women’s care taking responsibility constitutes a significant source of women’s low labor force participation rate (UN Women 2017). More than half (52.8%) of the women surveyed agree that the household responsibilities prevent women from having a paid job. Of the various factors cited by women outside the labor market as the reason for their non-participation, ‘household duties and providing care for children and the elderly’ ranks as the top reason (34.5% of non-participant women). Work-family reconciliation poses a significant barrier to sustained labor market activity. The survey finds that 68.4% of non-participant women believe that it is very hard for employed women to balance work and family responsibilities. About one third of women believe that their primary role is to take care of the home and family, rather than paid work.

Time-use data also shows that women on average spend as much as 281 minutes daily on unpaid domestic work vs. 87 minutes daily for men. By contrast, women on

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7 UN Women (2017) also suggests an alternative share whereby it states 60.3% respondents agreed that household chores (including child care) are the main barriers to their activity; and 55% of women report that they believe they do not possess the right skills / qualifications to find a job.
average spend 120 minutes daily on paid work time daily vs. 216 minutes for men (UNDP 2015). Adding up, in terms of total work time (401 minutes for women vs. 303 minutes for men), the average woman in Macedonia performs 1.3 times the amount of work performed by the average men. Interestingly, employed women are observed to spend almost equal amounts of time on unpaid domestic work as women outside the labor market (UN Women 2017).

The survey finds that availability and quality of childcare services poses some constraint to labour market activity of women yet an important number of families (43%) report receiving support from the grandparents. The net childcare centre enrolment rate for children aged 0-2 in 2014 was only 12%; and for children aged 3-5, it was 28.7% (OECD 2017). UN Women (2017) reports that in 2014 there were 57 public kindergartens in 46 municipalities (out of 80 municipalities and City of Skopje) in the country pointing to low access to childcare. Nurseries that provide care for children under 2 years old are scarce and geographically concentrated; availability being particularly low in rural areas. The study suggests that the cost of the childcare facilities should not pose an important impediment to access, “with monthly costs for full board at 5.7% of the average net wage, or 14% of the minimum wage; though it becomes significant in households with more children”.

As for the care of elderly and disabled, the provision of facilities is limited and this might pose even more of a constraint on women’s labor supply than does childcare.8 Upon these findings, the study concludes that “supporting women’s participation in the labour market would in all instances involve improvement of the overall provision of childcare services and services for care of the elderly.”

Following household and family care duties, other reasons reported by women for non-participation in the labor market are health problems (17.4%); no hope of finding a job (16.3%) and low self-esteem due to lack of qualifications (10.3%). The survey also finds that 21.7% of the women would like to work if offered a job, even though they did not look for a job. More than half (54%) the non-participant women responded that if they were offered a job, they would have been able to start working in two-weeks time (UN Women 2017). These findings are indicative of a strong ‘discouraged worker effect’ amongst women. So-called ‘discouraged workers’ are those who do not participate in the labor market, not even seek jobs, because they have lost hope about finding a suitable employment opportunity. The effect is mainly prevalent in contexts of prolonged high unemployment (joblessness) and particularly for workers with lower qualifications. Regarding joblessness and the discouraged

8 The report also refers to an earlier study by Viertel (2008) which finds that low availability of care for elderly and disabled persons poses an important constraint to female participation in the labor market in Macedonia (UN Women 2017).
worker effect, the UN Women (2017) study suggests conventional active labor market interventions to improve women’s skills and qualifications through formal or informal education and training; but does not offer a solution as to where the jobs will come from.

Hence the national context in the FYRM is one that is characterized by high chronic unemployment, low female labor force participation and gender disparities in the labor market plus limited accessibility and quality of social care services for children, disabled and elderly. As such an employer of last resort programme focusing on generation of jobs in the social care service sector seems to constitute a perfectly appropriate policy intervention.

A review of the operational plan of the MLSP on active labor market programmes for 2016 shows that CWP is one of the five main measures undertaken by the Ministry (MLSP 2015). In addition to the conventional active labor market measures of training and employment services (vocational guidance, support for job search and placement), the Plan includes a self-employment programme, a subsidized jobs programme and the CWP. Interestingly, the Plan also proposes a series of pilot programmes, which seem quite complimentary to the CWP, namely:

- Subsidized employment of unemployed individuals in providing childcare to and looking after children up to age 6 at home;
- Financial support for setting up private kindergartens;
- Financial support for opening of nursing homes.

The MLSP Operational plan for 2016 specifies women and youth as a specific target group:

“All unemployed active job-seekers registered in the Employment Service Agency Register shall be entitled to access the Services and Employment Programmes set out in the 2016 Operational Plan. Participation priority shall be given based on the requirements and criteria stipulated in each individual Service/Programme. As a general rule, all Services and Employment Programmes listed in the Operational Plan will strive to achieve equal representation of men and women, and a participation rate of young people (under 29 years of age) of at least 30 percent.”

In addition all programmes are required to report on participants disaggregated by gender along with age, education, length of unemployment and vulnerable group. Yet it is interesting that the word “women” thereafter appears only twice in the 86-page document: Once because “women” are listed (along with young and long-term unemployed) as one of the three targets of training programmes; and for a second time as women are pointed out as a target for the entrepreneurship programme particularly in female atypical activities.
IV. Methodology

The evaluation of CWP, which is presented in the following section, is based primarily on focus group discussions held in Skopje in June 2017. In addition to the focus groups, the assessments in this report also derive from a review of relevant programme materials and an analysis of descriptive statistics derived from the CWP database on the employed workers under the programme in the period 2012-2016.

The programme materials include hitherto published documents about CWP and reports by the MLSP, ESA and/or UNDP in English. These include the following:

- Booklet entitled “Community Works Programme: Building Communities, Changing Lives” (by UNDP, MLSP and ESA, Skopje 2017a): Contains some statistics on programme coverage 2012-2016 as well as summary description of the programme implementation in eight municipalities;\(^9\)

- Booklet entitled “Strong Women, Strong Communities” (by UNDP, MLSP and ESA, Skopje 2017b): Contains summary case studies of five women employed under the programme;

- Operational Plan on Active Employment Programmes and Measures and Labour Market Services for 2016 (by MLSP 2015);

- Operational Guidelines for the Community Work Programme (by MLSP, ESA and UNDP, 2014).

The CWP database covers all the 848 workers engaged under the programme in the five-year period 2012-2016. It provides information on the year and location of employment (municipality, the specific employment centre, urban/rural settlement), age, education, gender, nationality, duration of unemployment prior to CWP, number of times of CWP engagement, job content, current status of employment.

The three focus group discussions held in Skopje in June 2017, focused on elderly and disabled care. They were organized by type of social care service as follows:

1. Focus group on services to children and people with disabilities;
2. Focus group on services to children with educational challenges;
3. Focus group on services for elderly-care.

\(^9\) The eight municipalities and type of services covered in the brochure includes Resen for children and people with disabilities; Pehcevo for early childhood development; Stip for elderly care; Bitola for support of Roma children; Kumanovo for community support to the Roma; Brevenica for elderly education in rural areas; Demir Kapija for food kitchens catering to kindergartens and social welfare recipients; and Kocani for organization and effective operation of the donations centre).
The participants included service providers (workers trained and currently or previously employed under the programme), family members of service receivers (predominantly mothers of children with disabilities or educational challenges), programme coordinators representing the municipalities or the partnering social service centres and NGOs. Each group consisted of approximately a dozen participants.

The group discussions focused on the following:

- impact of the programme on employment as reflected by the work experiences as well as the pre- or post-CWP unemployment/work experiences of the participating service providers;
- impact of the programme on service receivers and their families/households;
- effectiveness of programme administration/implemention in terms of transparency, success of projects and sustainability.

V. Findings

V.1. Impact on Service Receivers as End Users of CWP

*Impact on the service-receiving end constitutes probably the most impressive aspect of the CWP. The emphasis on service provisioning starts from the outset of programme design* as the beneficiaries of the CWP are defined under three groups: Service receivers, vulnerable groups of unemployed and the local municipalities who have the responsibility of service delivery to citizens at the local level. Accordingly, of the three programme objectives, while one addresses the employment outcome (objective 2), and the other two (objectives 1 and 3) address service outcomes (UNDP, MLSP and ESA 2014):

“The Programme objectives are to:

1. Assist citizens on the territory of the local self-government, by providing social services.
2. Assist and provide social inclusion by part-time work engagement for the unemployed people who face difficulties in being included in the labor market so that they will receive certain skills and their gradual inclusion on the labor market.
3. Increase the social service offer of the local self-government in line with the citizen’s needs.”

*Such emphasis on the project end, i.e. what goods and/or services will emerge out of the ELR jobs, is a distinguishing aspect of the Macedonian CWP from the conventional ELR programmes.* This distinguishing aspect contributes in fact to CWP avoiding a common critique of ELR programmes for wasting money on
unnecessary projects. By contrast, given the emphasis on the project end-users, the funds are spent on worthwhile projects identified in line with community needs. Consequently, this also ensures that the CWP employees acquire valuable work experience and job skills, which cater to end-user (consumer) needs.

The programme has an extensive outreach in terms of numbers of service receivers despite its relatively limited budget. A report by the implementing partners of the programme shows that in a period of five years in action (2012-2016), over 17 thousand people benefitted from the programme as service receivers; peaking in 2015 and 2016 at almost 7 thousand service receivers annually (UNDP, et.al. 2017a). Of these close to half (49%) are pre-school children, a quarter are people with disabilities (equally divided between adults and children with disabilities or educational challenges), about one-fifth (18%) are elderly people, and the rest (3.5%) are socially excluded families such as the Roma.10

CWP is also reported to have supported provisioning of an impressive diversity of social care service projects entailing 215 different types of service activities (UNDP 2017a). This wide-ranging array of services include early childhood development programmes and childcare, music, arts, crafts and sports activities for adults and children with disabilities, expert specialist care for children with specific challenges such as speech specialist or autistic care, assistance for physical care of adults and children with disabilities, shopping for, reading to, conversing with elderly people or accompanying them to healthcare visits, adult education including literacy classes for the elderly living in remote rural areas, education and social inclusion support for Roma children and adults, palliative healthcare and social work, food kitchens catering to kindergartens and social welfare recipients, organization and effective operation of the donations and service centres; as well as services provided by mobile psychologists, physiotherapists and social workers, domestic violence informators, health mediators, doctors, nurses, assistant health workers UNDP 2017a and b; and CWP database).

Feedback from participants of the focus group discussions and review of the programme brochure shows that the CWP services respond to concrete needs of disadvantaged groups at a local level, supporting their social inclusion and decreasing the unpaid care burden in their households. As such the services are much valued by the direct service receivers and their families, particularly by the women who undertake much of the care work.

In some cases the CWP introduced services, which were effective in upgrading existing social work centres and improving their effectiveness. In many cases, however, the services introduced are completely new, prior inexistent services. A municipal coordinator, who is also the parent of a disabled boy child attending a day centre for disabled children, states that they were using the centre for quite a few

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10 Shares calculated based on the numbers provided in UNDP (2017a).
years prior to the CWP, but that with the diversification of activities and introduction of specialists, the centre became much more attractive:

“The programme of the day care centre contains lessons in music, art and physical activity, but the persons employed in the daily care centres established by the state are pedagogues psychologists and rehabilitation specialists. These centres do not employ people who can provide specialized music or art lessons. These specialists are employed through the Community Works Programme. So now we have a diverse group of professionals who work with the children; music specialists who can actually play some of the instruments and they can make some practical work, the same is with art and gym. In all three programmes they do some practical related activities which was not a case previously.” (Parent of beneficiary disabled child and previous municipal coordinator)

In addition to art, music and sports teachers who can work with the children with disabilities, the new specialists introduced to the social service centres also included social workers, speech therapists, dance and rhythm teachers. Along with these new staff, it became possible not only to undertake new activities but also improving the quality of the services: such as transporting children to a full-fledged gym rather than having them engage in exercise in the restricted physical space available at the premises of the social service centres:

“One of the most important activity is the physical – gym activities, because our centre is small and we don’t have such facility, so we work together and combine activities. It’s always better to work out in a real gym rather than in a 3m²; so we work together and cooperate as we are specialists in one field like psychologist, rehabilitation and development specialists, and they have specialists in art, music and physical education specialist.” (Social worker at day care centre)

or such as organizing shows and performances by children with disabilities:

“We organize shows and performances; children carry out the activities, but we join them and help them.” (Dance and rhythm teacher at day care centre)

Introduction of these new specialized activities present stronger developmental possibilities for children and people disabilities. Hence an important outcome of the CWP on the service-receiving end is to promote social inclusion of these disadvantaged groups:

“We have to be honest that children with disabilities have not attended schools before, and they are now older. At the time they were to go to school, there was no law for inclusive education; there was no obligation for the children to be involved in the schools. That’s why we want to compensate it for them now (through the CWP), to have opportunity to have lessons in art, music, physical activity “ (Municipal Coordinator of programme for children with disabilities)

Beyond the service receivers with disabilities, their families are also important beneficiaries of this expanded support towards social inclusion. The mother of two
disabled adult sons, expresses her appreciation of the programme and how it made a
difference for their lives:11

“I’m a parent of two children at the centre, my older son is 37 and the younger is 35. We use
services every day. Sometimes we miss them, but in general they are very satisfied with the
centre, as well as the possibility that now they can socialize with other people.” (Mother of
disabled adults attending the day care centre)

Some of the service providers also state that they have been able to rid themselves
also of their own prejudices:

“I am very happy to have the opportunity to work with these children; before this experience
we used to see them as victims of stereotypes. Before I started working here I used to be very
scared, but know I now and I feel very happy working with these children.” (Speech specialist
at day care centre for persons with disabilities).

The programme is also reported to have the impact of decreasing discrimination by
local communities against persons with disabilities through a variety of social
events, which helped to raise public awareness (UNDP 2017a).

CWP goes beyond specialized services and also alleviates the daily, standard unpaid
work burden of the families:

“The beneficiaries can stay at the centre from 7:00 o’clock in the morning until 16:30 and
they get two meals per day.” (Psychologist employed at the day care centre for disabled
persons)

This outcome has a strong gender equality component because it is predominantly
women who undertake the unpaid domestic care work. It should be noted that
virtually all of the family members of direct service receivers attending the focus
groups were women. Also there were quite a few them, who were able to become
employed through the programme because their children with disabilities could attend
the day care centres.

The CWP for elderly care entails both professional services such as nursing and
healthcare, and assistance services with daily tasks such as shopping, cooking,
cleaning and also supporting their mobility outside of the house. While the latter set
of tasks seem simple and straightforward, feedback from programme participants
shows that they make an important difference in terms of quality of life:12

11 Mother of a 16-year old girl with disabilities underlines the progress her daughter made through the
programme, improving her physical mobility and also psychologically inclination to leave the home
and enter social settings: “Before these activities started she did not like leaving home at all. Once they
began she could hardly wait for the people from the association to come around.” (UNDP 2017a,
p.10)

12 An elderly recipient of CWP services states: “The assistance we received was wonderful…. We (my
husband and I have problems walking and it was really a breath of fresh air to come and visit three
“We visited usually for four hours a day, twice or three times a week to help with food, shopping and cooking, with hygiene. They were very satisfied and imagine how satisfied they would be if somebody could come everyday.” (Elderly care worker)

**An important component of CWP is training** of the unemployed in areas as professional services to elderly or services to children with disabilities (see more under Impact on Employment below). This component supports skills upgrading of the unemployed while at the same **continuously improving the quality of service provided to end beneficiaries**. Hence the training integrated to CWP employment is also factor that contributes significantly to the high satisfaction reported by end-users of the services.

While the **service provisioning by CWP** has the above-discussed positive outcomes, participants have also noted a **number of problematic issues that needs improvement**. One important aspect relates to the periodic change of service providers as required by programme design. The rule that employment is only for a maximum of one year and that each person can participate in the programme only once is meant to maximize the number of people who can benefit from the programme. Yet this means that **the service providers have to change on an annual basis and this is found to be problematic by participants particularly in the case of work with children** and people with disabilities:

“We do not to have the same service providers for more than one year. Well, it has both good and bad sides. More citizens to be given a chance to participate, to get experience from the programme ... (Yet) every year service providers have to be changed, but I believe this might not be a good thing especially because we are working with children with disabilities and not all parents are free and willing to be involved. I think that in such cases the Ministry needs to do exceptions.” (Parent of beneficiary disabled child and previous municipal coordinator)

**In the case of elderly care a problem** that was brought up had to do with identification of appropriate end users in need. Some service providers suggested that some of the **home visits were not welcome by some of the elderly people because they had family members taking care of them** and also because they had not been appropriately briefed about the programme prior to the visit:

“When we were given the ten persons to take care of, some of those people were not quite welcoming so to say they did not want to be assisted. Some of those people really needed the assistance, while others were living with their daughter/son, or with their daughter-in-law. So, if this programme is once again implemented I think that it really should be focused on persons who really need assistance because not all of them really needed assistance so maybe the selection process for the beneficiaries of the services could be better. Because usually in Macedonia the mentality is as such that elderly usually live with their son or their daughter and they don’t want somebody else to come and give assistance to them. And also they were not informed that I would come so I had to explain all this from the beginning. So first we times a week and help us get to get out and about. We really hope the support will continue.” (UNDP, et.al. 2017a, p.15).
need to maybe establish a registry where persons would volunteer that they want somebody to come and let’s say would apply that they want assistance.” (Elderly care worker)

**An important problem concerns sustainability of service provisioning.** This was raised particularly in terms of elderly care services which were discontinued due to termination of the programme cycle and non-renewal of funding. Elderly care workers and municipal representatives mentioned that they received requests from service receivers for service continuation. The question of programme sustainability is problematic from both the service receiving as well as the employment sides. Hence this issue comes up again in the following section on the impact of CWP on employment. Here we present the findings from focus groups from the end-user perspective as one channel for continuation of service provisioning independent of (or less dependent on) public funding would be if the end users would be willing and able to pay for at least some of the service costs.

The focus groups provided mixed feedback in this respect. Participants pointed to a segment of service receivers who would have the willingness to pay but not the ability:

“Well, there are elderly people in our village but they cannot afford to pay. Yes, because taken into consideration that this is not an easy job to do, to take care of elderly people, so in order to find persons to do it, of course the salary needs to be decent. Let’s say and unfortunately the persons elderly receive pension of 100 EUR so they cannot really afford to pay anybody to help them. Although our village is filled with elderly because everybody who is young has left the village.” (Elderly care worker)

At the same time, it was also pointed out some of this care service provisioning already occurs on a paid basis but in the informal economy through unregistered work. From this perspective, one of the outcomes of the CWP is to support transitioning of this already existing service work into the formal economy:

“And of course we have a situation where young people are going to bigger towns or cities, old people are left behind in the villages, nobody is there to take care of them. So, from our point of view as a municipality, there are several issues. First that we have, let’s say a grey economy where such services are provided in an undeclared way, so there are no standards, service provisioning is not systematized.” (Municipal representative)

Yet the reverse is also true, i.e. following the termination of CWP employment, care workers continue to work on an informal, unregistered basis. In response to the question of end-users’ willingness and ability to pay for services, an ex-employee under CWP responds:

“Yes, I have some elderly people that I take care of, but these are not the same ones that were taken care of in the programme. I’ve received calls from those that I have taken care of while in the programme. They wanted to know whether the programme will continue, whether they will receive care once again. I actually attend two women at the moment now, privately. But I’m not employed I’m just paid like that. For example, I receive 5 EUR from one woman and for those 5 EUR I go one day in a week, I buy things, for her, what she needs and bring them
back. Or they would give me 500 dinars, which is a little less than 10 EUR to clean the house a little bit, to change the linens, things like that. So there are situations like that but they are not institutionalized.” (Elderly care worker)

Quite a few of the service providers in the case of the elderly felt that there would some possibility for the end-users to pay for the services. An NGO worker suggested that in some cases there was demand for paid services for elderly care, supply of skilled caregivers was problematic:

“The new project we are working on is funded through the European Union. It aims to train 40 long term unemployed women in Skopje in elderly care. We found them through the Employment Service Agency. At the Red Cross we receive calls from elderly people who are willing to pay for this type of service; so our idea was actually train them and then offer their services not for commission but for those women to be able to employ themselves as caregivers.” (NGO worker)

An interesting observation was that the CWP also seems to have instigated hitherto inexistent demand simply by introducing a new type of service to the community and thereby created new willingness to pay:

“The programme also provided some new services that are now requested by the citizens. Elderly care is requested by the citizens because now they think, they know that it is possible for somebody to actually come and give them assistance.” (Municipal representative)

One of the related proposals for encouraging the willingness to pay by end-users was to improve the diversity and quality of the services:

“Taking into consideration that the elderly people also have some chronic diseases maybe additional training could be given for CPR or for treatment, not for treatment but for mitigating the conditions of elderly in some situations. So this is how they could improve their service, they could provide better services and this way they will motivate the beneficiaries to pay for the service and even ask for the service.” (Elderly care worker)

The general consensus amongst the participants seemed that beyond willingness there would also be ability to pay for some of the service costs if an appropriate organizational form would be provided, such as allocation of part of the pensions towards hiring of caregivers:

“Maybe we need to start a co-operation with the Association of Pensioners and see whether they can provide some funds because to be honest the women who were involved in the Community Works Programme would not continue to do this for the same amount of money so additional funds need to be found. Maybe a solution should be found, the funds that are provided by the state to the families, for the families to pay for somebody to take care of the elderly person, if those funds could be redirected through the system so that they can be directly paid to the person who provides assistance but also the receiver of the service to pay a certain fee as well, a certain percentage, not to be absolutely free of charge for the elderly person, that might be a good solution.”
And in some cases, such as in the Pechevo municipality, such new structures based on ability to pay have actually been introduced:

"After the programme ended in Pechevo, the municipality saw an opportunity and continued the programme with several varieties. They introduced three different levels of services depending on the amount of the pension of the pensioners." (Programme coordinator)

The above presentation of findings from focus groups indicates that there is ample evidence of end-users’ satisfaction with services and their willingness to pay, yet that the problematic issue pertains to the limits of their ability to pay. Participants nevertheless seem to be hopeful that an appropriate organizational form based on public subsidies on a sliding income scale can solve the problem.

V.2. Impact on Employment

Based on the CWP database, we find that a total of 848 people were employed as service providers through the programme; the highest annual number of employees being 318 workers employed in 2015.\(^{13}\) Hence the programme’s quantitative impact in terms of employment numbers is only on a small-scale (unlike its outreach in terms of service receivers which is in the thousands annually; and ten thousands over the entire programme span as reported in the previous sub-section).

The smallness of scale is actually planned from the outset by design of employment target numbers and the programme budget. As mentioned earlier, the CWP is one of the six active labor market programmes foreseen in the 2016 national plan by the MLSP. Of these six programmatic interventions, the CWP has the lowest employment target aiming to employ 200 workers in 2016, and the lowest budget at MKD 8.9 million (in 2016 prices). By contrast, the self-employment programme, for example, targets 1,207 workers through a budget of MKD 257.2 million and the subsidized employment programme targets 5,716 workers through a budget of MKD 240.2 million.

Women constitute 75% of the total of 848 workers employed under the CWP in the period from 2012 to 2016 (Table 1). Although the programme design does not necessarily target women’s employment, women have been in the majority from the outset of the programme in 2012 when their share was 65%. The female share of

\(^{13}\) UNDP (2017a) reports total employment as 769 people while the ESA and UNDP database on CWP contains 848 employed workers due to the fact that the first figure refers to the total number of unemployed involved in CWP, and the second number to the total number of contract signed by unemployed. The differences result in the possibility unemployed people to get employment while engaged in the CWP. The numbers cited in this section of the report are based on descriptive statistics obtained from the CWP database unless otherwise noted.
employment has been on a steady increase over the years to as high as 81% in 2016. **Women’s much higher rates of participation in the Macedonian CWP is an outcome of the programme’s focus on social care services, a predominantly female sector.** It is also *in line with the findings of the policy simulation studies in other countries* as referenced in Section II above, *which find that* employment generated through *social care service expansion has a pro-women jobs profile* (see also in Appendix I).

The **CWP workers have predominantly high levels of education; 42% are secondary school graduates while 43% have university level education** (Table 1). Only 15% has primary level diploma. As for duration of unemployment, *majority (57%) fall into the category of long-term unemployed*, defined as unemployment, which lasts longer than a year (Table 2). About 42% of the participants report being unemployed for less than 12 months; one fifth (21%) were unemployed for 1-2 years, while more than a third (36%) were unemployed for longer than 2 years.

### Table 1: CWP Participants by Gender and Education

<table>
<thead>
<tr>
<th>Education</th>
<th>Male</th>
<th>Female</th>
<th>Total by education</th>
<th>Share by education level (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary</td>
<td>48</td>
<td>85</td>
<td>133</td>
<td>15.68</td>
</tr>
<tr>
<td>Secondary</td>
<td>85</td>
<td>278</td>
<td>363</td>
<td>42.81</td>
</tr>
<tr>
<td>University</td>
<td>76</td>
<td>276</td>
<td>352</td>
<td>41.51</td>
</tr>
<tr>
<td>Total by gender</td>
<td>209</td>
<td>639</td>
<td>848</td>
<td>100</td>
</tr>
<tr>
<td>Share by gender (%)</td>
<td>24.65</td>
<td>75.35</td>
<td>100</td>
<td></td>
</tr>
</tbody>
</table>

Source: CWP Database

### Table 2: CWP Participants by Unemployment Duration

<table>
<thead>
<tr>
<th>Unemployed for:</th>
<th>Male</th>
<th>Female</th>
<th>Total</th>
<th>Share by unemployment duration (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;12 months</td>
<td>102</td>
<td>260</td>
<td>362</td>
<td>42.69</td>
</tr>
<tr>
<td>12-24 months</td>
<td>47</td>
<td>130</td>
<td>177</td>
<td>20.87</td>
</tr>
<tr>
<td>&gt;24 months</td>
<td>60</td>
<td>249</td>
<td>309</td>
<td>36.44</td>
</tr>
<tr>
<td>Total by gender</td>
<td>209</td>
<td>639</td>
<td>848</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: CWP Database

*The programme’s ability to encourage participation of this latter group of chronically unemployed workers (unemployed for over two years) at such a rate is commendable. This is a particularly difficult group to integrate into the labor market, as they are likely to have both lower motivation and skills*, i.e. prone to the
unemployment hysteresis effect explained in Section II. A programme coordinator explained the difficulties:

“It’s very difficult for people who have been unemployed for a long time to enter the labor market and to actually start something. We contacted more than three hundred unemployed people through the agency, we had informative sessions where we informed them about the possibility, but it was difficult to find people who agreed to participate in the Programme. Some of them didn’t want because they said they had children to take care of, some of them didn’t want to go because at home the husband would say they’d better stay home than go somewhere for four hours (referring to part-time jobs under CWP). And it was not easy to recruit even ten people because at the beginning we wanted to recruit more but we saw that it was difficult to recruit people. ... some of them receive social protection money but not all of them, not all unemployed people are receiving assistance from the state. And some of them would say they are more interested to stay at home.” (NGO representative, Programme Coordinator)

Hence recruitment of employees from amongst the long-term unemployed poses a challenge to implementation and the administrative staff of CWP put intensive effort towards informing the potential employees of the content and potential benefits of programme involvement. Once they start participating in the programme, however, there is a transformation in the attitudes of the long-term unemployed workers:

“They didn’t understand the value of the Programme, although we went and had informative sessions with the people. My colleague here knows because we were doing it together, we were talking to them explaining the benefits, but it was difficult for them at the beginning to realize that this is really beneficial because of the experience. But once they were part of the Programme all of them stated that this was really something that they didn’t expect, that they will gain such experience, such a positive experience and have the opportunity to stay on their jobs.” (NGO representative, Programme Coordinator)

Of the total CWP employment, the highest share was in elderly care with 42% of total employment. This was followed by early childhood development (23%), care of children and people with disabilities (15%), ill care (2%) and other types of community care (18%) such as working with Roma adults and children (Table 3). The professional vs. assistant position breakdown shows that 45% were employed as professionals and 55% in assistant positions. Majority of the assistant positions (76%) were in elderly care, while almost half of professional positions (48.4%) concentrated in early childhood development.
### Table 3: CWP Participants by Type of Job

<table>
<thead>
<tr>
<th>Sector and Position</th>
<th>Total by Sector</th>
<th>% by Sector</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Early Childhood Development</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Professional</td>
<td>183</td>
<td>197</td>
</tr>
<tr>
<td>Assistant</td>
<td>14</td>
<td></td>
</tr>
<tr>
<td><strong>Elderly Care</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Professional</td>
<td>0</td>
<td>355</td>
</tr>
<tr>
<td>Assistant</td>
<td>355</td>
<td></td>
</tr>
<tr>
<td><strong>Disabled Care</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Professional</td>
<td>68</td>
<td>130</td>
</tr>
<tr>
<td>Assistant</td>
<td>62</td>
<td></td>
</tr>
<tr>
<td><strong>Ill Care</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Professional</td>
<td>14</td>
<td>16</td>
</tr>
<tr>
<td>Assistant</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td><strong>Other</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Professional</td>
<td>86</td>
<td>111</td>
</tr>
<tr>
<td>Assistant</td>
<td>25</td>
<td></td>
</tr>
<tr>
<td><strong>Unclassified</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Professional</td>
<td>27</td>
<td>39</td>
</tr>
<tr>
<td>Assistant</td>
<td>12</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>848</td>
<td>848</td>
</tr>
<tr>
<td><strong>Total Professional</strong></td>
<td>378</td>
<td></td>
</tr>
<tr>
<td><strong>Total Assistant</strong></td>
<td>470</td>
<td></td>
</tr>
</tbody>
</table>

Source: CWP Database

The CWP is of a temporary nature, with the expectation that the training and work experience will facilitate the workers to make a transition to some form of permanent employment; either other wage employment or self-employment. The transition rate from CWP employment to other forms of employment would be an indicator of the programme success in this regard. This can be derived from the CWP database, which entails important information on post-CWP employment status. Accordingly, only about 27% of the workers are in employment in the post-CWP period; 64% are registered as unemployed and 9% have other status (retired or other non-participant) (Table 4).

Given this rather low rate of transition to post-CWP employment, sustainability arises as an important problem:

“We are subsidizing let’s say the beneficiaries, we’re giving them services which are free of charge. In that way we are trying to create employment but I think that a lot of work should be done for empowering the women; in order for them to become aware and look or create job opportunities for themselves in this environment. Not that much focusing on just creating services because this is not sustainable in the long run. We cannot always be there in order to find jobs and to subsidize let’s say with salaries and other types of because we are a small municipality and these negative aspects of all the processes in the country are quite visible in our municipality.” (Municipality representative)
Table 4: CWP Participants by post-CWP Employment Status

<table>
<thead>
<tr>
<th>CWP Job Type</th>
<th>Childcare</th>
<th>Elderly Care</th>
<th>Disabled Care</th>
<th>Ill Care</th>
<th>Other</th>
<th>Unclassified</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Post-CWP Labor Market Status</td>
<td>Professionals</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employed</td>
<td>39</td>
<td>0</td>
<td>22</td>
<td>6</td>
<td>25</td>
<td>10</td>
<td>102</td>
</tr>
<tr>
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<td>0</td>
<td>37</td>
<td>7</td>
<td>52</td>
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<tr>
<td>Other</td>
<td>13</td>
<td>0</td>
<td>9</td>
<td>1</td>
<td>8</td>
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<td>10</td>
<td>0</td>
<td>5</td>
<td>4</td>
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<tr>
<td>Unemployed</td>
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<td>215</td>
<td>49</td>
<td>1</td>
<td>18</td>
<td>6</td>
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<tr>
<td>Other</td>
<td>1</td>
<td>30</td>
<td>3</td>
<td>1</td>
<td>2</td>
<td>2</td>
<td>39</td>
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<tr>
<td>Total</td>
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<tr>
<td>Employed (%)</td>
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<td></td>
<td></td>
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<td>(27.37)</td>
</tr>
<tr>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(63.74)</td>
</tr>
</tbody>
</table>

Source: CWP Database

While the transition rate to post-CWP employment seems rather low, an accurate assessment would depend upon a comparison to similar transition rates of other active labor market programmes by MLSP and ESA, such as the self-employment programme, subsidized employment programme or the many training programmes with substantially higher budgets. Another criterion is per worker cost of the programme as compared to the other active labor market programmes. A comparison of employment targets to budget allocations as reported by MLSP (2015) shows that the CWP has one the lowest per worker cost amongst the five major active labor market interventions. This will be discussed further in the following sub-section.

While the quantitative indicators provide a mixed assessment in terms of programme success in promoting sustainable employment, qualitative feedback from the focus groups shows that participants rate their CWP work experience rather highly. Most participants indicate that the training and the work experience they have gained helped to enhance their labour market skills. Indeed for many, CWP employment constitutes the first work experience: It was either either the first job they ever had (this the case for many mothers who were out of the labor market as they were involved in raising children and wanted to get a job after their kids have grown up) or the first professional job in which they used enhanced skills. Learning on the job through work experience is an important component of ELR programmes distinguishing them from other active labor market training programmes. Many participants stated that CWP work experience has helped to improve their labor market skills as well as their self-confidence:
“I want to express my gratitude to the municipality and to UNDP for giving me the opportunity to work with these children with disabilities; and now I can see I’m capable of doing this work.” (Social worker at day care centre for children with disabilities).

“I think profession of speech specialist opens opportunities to work with children, such as work in pediatric clinics, so there is a wide range of jobs that I could find. It will be easier now because I worked with specific diagnosis that I had not worked before. I didn’t have any practical work and this is very important for me. So I’m sure I can find a job somewhere. I would first try to find a job, and not to be self-employed. If I do not find job in a state institution then I’ll start my own business” (Speech therapist at day care centre for children with disabilities).

“I am satisfied with this project; I became familiar with taking care of the elderly and I would like to continue to work in this area. I have been offered to go abroad with the same activity. With my experience here I can go and work in another country.”(Elderly care worker)

“Well, in Radovish, this is a small town in Macedonia and recently they have opened a Centre for elderly. This is like a full time Centre for elderly people where they are accommodated, they live there and sleep there and everything. Once I receive the training certificate I will apply for a job there. So I think I’m in a better position than before. Because if I want to find other type of employment I will have to travel to another town and I have a small child, I cannot leave him for a longer period of time so basically I have to find employment in my town, in Radovish. I believe that this training will help me to get a job at this new centre in town.” (Elderly care worker)

Another participant pointed out that independent of post-CWP employment, the experience helped her to gain skills that she can use in her private and family life:

“I don’t see this training as unsuccessful, because even if we don’t work, we all have elderly persons in our family so this was very useful. Of course if an opportunity comes we will have experience and I’m sure that this will help us find a new employment.” (Elderly care worker)

Yet participants’ expectation to move onto post-CWP employment also depended upon the specific circumstances of the labour market in their locality:

“In Resen, where I come from, I don't think I'll be able to find other job because there's no institution neither centre for children with disabilities, nor any centre for elderly people. It will be a pity to finish this work because children are connected to us; we have a vehicle to transport the children from their homes to the centre and back, and they like it. But there is not much for me to do unless a similar centre would be opened, then I could work there. I attended a training to obtain international certificate for caregivers; it lasted for two months and I'm waiting to get the certificate, so we can find job. And if I leave the country I could use the certificate abroad also.” (Social worker at day care centre for children with disabilities)

“I’m thinking of opening a private business but I’m not very enthusiastic because the town that I come from, people have low salaries, they always try to get something free of charge, if the State can pay for it. Otherwise I’m thinking about providing services for elderly and engaging other women. But we don’t know whether this will be successful, because sometimes there are two old persons in the household and only one of them receives a pension so it’s
even more difficult for them to set aside a given amount and pay for the service.” (Elderly care worker)

A municipality representative stated that in rural or small town settings where labour market opportunities are limited and consumer purchasing power is low, sustained public interventions and subsidies is a must:

“We tried to promote social entrepreneurship in our municipality but it's not quite understood by the people, I have to say. But we also think that we should invest in this because the effects are even strong and clear in a small community and I think that it should be given a chance. It has to be supported by the state because Esma comes from a village where she could never find employment of any other kind, so it has to be supported by the state and she need to receive the salary from the state.

Another thing is that as I see in villages, I mean you cannot really revive the labour market because nothing is going on there, I mean it’s very passive and there are no entities that can generate economic activity or employment for the citizens who live there; so there is a need for state involvement. The needs are different and the situation is different in urban areas and in rural areas so this has to be taken into consideration when implementing the programme. And, mostly we have, let’s say women who have been inactive for many years and it is very difficult to find employment for them because they have no appropriate experience, nobody wants to hire them so they are in a way stuck in this situation where they cannot find anything to do.” (Municipality representative)

There is also scope for continued employment through collaboration with different institutions and programmes:

“Maybe this programme should be connected to the self-employment programme of UNDP and some opportunities need to be given to the people that have already provided services through the Community Works Programme to become self-employed and options to be offered to them in this regard. Because it’s not fair to just leave them like this, after the six months the programme is finished and now that’s it. Because as the lady said even if you want to be self-employed it’s not that easy when you’re fifty, when you have pressure from the environment, from the surrounding when you live in a town where you don’t know how many customers you will have. So it’s difficult.” (Programme coordinator)

Nevertheless, as mentioned in the background section II, an important critique of ELR programmes, pertain to the effectiveness of programme administration by the state on several grounds. One of the critiques is that emerging projects might have little worth from the end-user perspective resulting in allocation of scarce resources to inefficient production. Another critique is that the programmes can be administered in a non-transparent, corrupt fashion fostering clientelism. Moreover, the critiques point out that employment dependent on continuous public funding can result in increasing public budget deficits and become financially unsustainable. Next sub-section presents an evaluation of the CWP in these respects.
V.3. Effectiveness of CWP Administration

The CWP rests upon well-developed and detailed Operational Guidelines announced by MLSP and implemented by the ESA with active involvement of UNDP’s Macedonia Country Office. The Operational Guidelines are focused on “providing transparency in the process and clear overview of the roles and obligations of all stakeholders” including the Ministry of Labour and Social Policy, the Employment Service Agency and its Employment Centres, Social Work Centres (SWC), LSGUs and Skopje City, the local institutions, UNDP and other stakeholders involved in the project activities.” (MLSP, et.al. 2014)

The Guidelines provide a clear description of the criteria, preconditions, procedures and activities that need to be undertaken in programme implementation. There is a detailed listing of the rules that need to be applied in every stage of the project cycle, including the forms that should be used in the process.

Accordingly programme implementation is foreseen of the following stages:

- Promotion of the Community Work Programme
- Submitting Community Work Proposals
- Establishment of administrative structure in order to begin the implementation of activities of the approved project
- Application and selection of beneficiaries and unemployed people
- Monitoring and reporting on the project (MFSP, et.al. 2014)

UNDP is actively involved in all stages of the project in cooperation with ZELS, representatives of LSGUs, the local municipalities and NGOs. The first stage (Promotion of CWP) entails dissemination of information and organization of informative meetings targeting the municipalities and local institutions. Through these activities, the concept of community work is introduced, objectives and scope of the programme is explained and local implementers are briefed about the rules and regulations to abide by. This process of exchange is also used to identify needs at local and regional levels. Consequently, the municipalities and cooperating NGOs are invited as potential applicants, to submit proposal of the programmes with activities eligible under CWP.

The CWP proposal requires a survey/analysis of potential beneficiaries to be undertaken, in order to assess their needs and potential readiness to participate in the programme. In addition, applicants are also asked to prepare an analysis of the profile of the unemployed people in the municipalities in line with the target groups who are envisaged to be included in the programme. This participatory methodology for designing CWP projects is a very important component of
programme implementation in ensuring that the consequent projects speak to local priorities and conditions.

A working group composed of representatives from the MLSP, the ESA and UNDP undertake the evaluation and selection of the best quality applications in line with the established detailed selection criteria for the CWPs. This is followed by signing of a contract between UNDP and ESA and the local municipality specifying the terms of implementation and the budget expenditures. The organizational structure entails a Municipal Project Coordinator and a Municipal Committee for project monitoring.

The identification of CWP employees takes place through a transparent process whereby there is an open call for unemployed people (active job seekers, registered as such at the Employment Centres prior to the call) and social work centres are given a role for motivating unemployed people from the vulnerable groups to apply to the programme. Interested unemployed people are invited to attend information meetings and also provided with an information leaflet about the Programme, modified according to the specific of the municipalities and their selected CWP.

Once applications are received, a list of suitable candidates is prepared based on their qualifications and readiness to work. The selection is made in several stages, first by the Municipal Committee for project monitoring in cooperation with the local government. The list is forwarded for verification to the Working Group that is in charge of programme implementation. In the last stage, the municipality makes the final decision on the selection based on this verified list. Finally the programme implementation is monitored regularly through monthly submission of written reports by the Municipal Project Coordinator in consultation with the local Municipal Committee, the UNDP appointed responsible officer and where applicable, a representative of the Social Work Centres or NGOs.

This detailed framework for programme implementation including a clear description of procedures and guidelines ensures the transparency of the CWP. The involvement of UNDP goes beyond funding also as a guarantor of such transparent and effective implementation, a provider of know-how as well as a provider of some necessary administrative human resources. In addition, UNDP also supports quality improvement through trainings towards certification and standardization of services. For example, facing the demand for skilled workers elderly care services, UNDP supported a training programme in 2015 for interested CWP participants in professional services to elderly. The certificate programme consisted of 280 hours of training for 65 participants from 9 municipalities. A similar certificate programme was organized in 2016 for provision of services to children with disabilities, involving 62 participants from 10 municipalities. At the end of the training, participants receive a certificate and a license to work. This is expected to further improve the quality of services provided to end beneficiaries, and also to increase the chances of the unemployed to get full-time employment in the labour market.
**Financial sustainability of CWP**

The issue of sustainability of CWP has already been approached in the preceding discussion on two levels: Service receivers’ ability to pay and CWP workers’ ability to transition to non-CWP options of paid employment. Feedback from focus groups and CWP data indicate that there is some scope to be explored for transition of workers to paid employment in wage employment by private or municipal employers or to a lesser degree to self-employment. Yet the transition rates seem to be about one quarter of participants. On the receiving end, there is substantial satisfaction with the services provided and hence strong willingness to continue but the ability to pay is limited. Hence the continuity of employment and service provisioning will depend upon availability of continued public subsidies to a large extent. This calls into question the financial sustainability of an expanded and extended CWP.

Recent studies on social care service provisioning based on public subsidies show that such interventions demonstrate substantial short-run fiscal sustainability through increased tax revenues (see Appendix 1). The increase in tax revenues derive from the new employment generated by CWP, the associated increase in direct income tax as well as indirect taxes from newly generated consumption spending. In the case of CWP, it is also possible that as some of the programme participants (about 27-28% currently) move onto other post-CWP forms of employment, this will allow for a reduction in social cash benefits or unemployment compensation.

Moreover, the two objectives, which the CWP serves, namely provisioning of social care to disadvantaged groups and their social inclusion plus supporting employment of long-term unemployed, are fundamental functions of the social welfare state. Hence, the question should also be approached as a matter of fiscal prioritization. As such the programme goes far beyond serving as an active labor market measure to also serve as an intervention to promote social inclusion of women, children and people with disabilities, the elderly, the poor and minority groups such as the Roma.

Indeed comparing the budgets and employment targets of the different active labor market programmes run by the MLSP shows that CWP might be the most effective programme in terms of planned per worker costs. The 2016 Operational Plan on Active Labor Programmes by MLSP foresees five channels of intervention under active labor market measures totaling up to 25 sub-programmes with specific employment targets plus four training programmes with no specified employment targets. The plan states the planned as well as realized employment targets (number of workers) and budgets for all interventions.
Table 5: Active Labor Market Programmes: Comparing Budgets, Targets and Per Worker Costs

<table>
<thead>
<tr>
<th></th>
<th>a. Budget (MKD)</th>
<th>b. Planned employ. target (no. workers)</th>
<th>c. Realized employment (no. workers)</th>
<th>d. Planned per worker cost (a/b)</th>
<th>e. Realized per worker cost (a/c)</th>
</tr>
</thead>
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<tr>
<td>Subsidized jobs for disabled people</td>
<td>200,300,000</td>
<td>300</td>
<td>300</td>
<td>667.667</td>
<td>667.667</td>
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<tr>
<td>Self-Employment Programme for People with Disabilities</td>
<td>49,400,000</td>
<td>300</td>
<td>180</td>
<td>164.667</td>
<td>274.444</td>
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<tr>
<td>Training to meet the needs for occupations demanded at the labour market (for the deaf and blind)</td>
<td>6,200,000</td>
<td>100</td>
<td>25</td>
<td>62.000</td>
<td>248.000</td>
</tr>
<tr>
<td>Support for fast-growing companies - Gazelles</td>
<td>6,642,000</td>
<td>30</td>
<td>30</td>
<td>221.400</td>
<td>221.400</td>
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<tr>
<td>Self-Employment Programme</td>
<td>207,818,300</td>
<td>970</td>
<td>970</td>
<td>214.246</td>
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<tr>
<td>Training in advanced IT skills</td>
<td>21,423,000</td>
<td>332</td>
<td>100</td>
<td>64.527</td>
<td>214.230</td>
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<tr>
<td>Financial support for the opening of private nursing homes</td>
<td>7,500,000</td>
<td>40</td>
<td>40</td>
<td>187.500</td>
<td>187.500</td>
</tr>
<tr>
<td>Financial support for the opening of private kindergartens</td>
<td>6,000,000</td>
<td>40</td>
<td>40</td>
<td>150.000</td>
<td>150.000</td>
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<tr>
<td>Community works Programme</td>
<td>8,940,000</td>
<td>200</td>
<td>60</td>
<td>44.700</td>
<td>149.000</td>
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<td>Training to meet the needs for occupations demanded at the labour market</td>
<td>35,236,400</td>
<td>643</td>
<td>257</td>
<td>54.800</td>
<td>137.107</td>
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<td>Training for obtaining qualifications according to the current labour market needs (service sector and industry)</td>
<td>2,806,000</td>
<td>30</td>
<td>24</td>
<td>93.533</td>
<td>116.917</td>
</tr>
<tr>
<td>Programme of Conditional Cash Compensation for Subsidized Employment of Individuals at Social Risk</td>
<td>16,882,200</td>
<td>166</td>
<td>145</td>
<td>101.700</td>
<td>116.429</td>
</tr>
<tr>
<td>On-the-job training with subsidized employment</td>
<td>44,181,000</td>
<td>435</td>
<td>435</td>
<td>101.566</td>
<td>101.566</td>
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<tr>
<td>Subsidized employment - Project “Macedonia Employs”</td>
<td>507,540,000</td>
<td>5000</td>
<td>5000</td>
<td>101.508</td>
<td>101.508</td>
</tr>
<tr>
<td>Support for new jobs in micro and small enterprises</td>
<td>18,400,000</td>
<td>200</td>
<td>200</td>
<td>92.000</td>
<td>92.000</td>
</tr>
<tr>
<td>Financial support for labour mobility</td>
<td>4,600,000</td>
<td>50</td>
<td>50</td>
<td>92.000</td>
<td>92.000</td>
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<tr>
<td>Training in the area of tourism</td>
<td>620,000</td>
<td>20</td>
<td>8</td>
<td>31.000</td>
<td>77.500</td>
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<tr>
<td>Subsidized employment for unemployed people, childcare and care of children up to age 6 at home</td>
<td>3,780,000</td>
<td>60</td>
<td>0</td>
<td>63.000</td>
<td>unknown</td>
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<tr>
<td>Driver training for C and E categories</td>
<td>2,172,000</td>
<td>60</td>
<td>36</td>
<td>36.200</td>
<td>60.333</td>
</tr>
<tr>
<td>Training in skills of old crafts</td>
<td>1,119,600</td>
<td>20</td>
<td>20</td>
<td>55.980</td>
<td>55.980</td>
</tr>
<tr>
<td>Training in the area of security</td>
<td>420,000</td>
<td>20</td>
<td>8</td>
<td>21.000</td>
<td>52.500</td>
</tr>
<tr>
<td>Internship I</td>
<td>18,600,000</td>
<td>1000</td>
<td>400</td>
<td>18.600</td>
<td>46.500</td>
</tr>
<tr>
<td>Training for a known employer</td>
<td>6,785,100</td>
<td>300</td>
<td>150</td>
<td>22.617</td>
<td>45.234</td>
</tr>
<tr>
<td>Training of employed people</td>
<td>270,000</td>
<td>30</td>
<td>30</td>
<td>9.000</td>
<td>9.000</td>
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</table>

Source: Calculated from MLSP 2015.
Comparison of the 25 sub-programmes (Table 5) shows that the CWP has a substantially lower realized per worker cost at MKD 149,000 per worker than the larger-scale interventions such as the self-employment programme, some subsidized jobs programmes or pilot programmes such as support for fast-growing companies. The self-employment programme, for example, has a projected cost of MKD 214,246 per worker or pilot programmes has a projected cost of MKD 221,400 per worker. As far as the planned per worker cost is concerned, the CWP has one of the lowest per worker costs of all the measures, at only MKD 44,700 per worker (ranking at 18th place amongst the 25 measures).

Nevertheless, the CWP has one of the lower budget allocations at MKD 8.9 million, ranking it at 12th place. Some of the measures, which have higher or similar realized per worker costs such as trainings or self-employment support have much higher budget allocations.

VI. Conclusion and Recommendations

The CWP in the fYRM constitutes a unique example of public programme intervention which achieves four important policy objectives at once:

- support integration of unemployed (particularly long-term unemployed) to the labor market through training, on-the-job learning and work experience;
- promote social inclusion of the disabled and elderly (as well as early childhood development and minority groups as the Roma) through provisioning of quality social care and support services;
- improve gender equality by relieving women’s unpaid care work burden while simultaneously enabling their access to job opportunities;
- improve socioeconomic equality by providing social services as well as jobs to the vulnerable population groups who are most at risk of social exclusion.

These policy targets speak to urgent economic and social needs which emerge within the current national context of the fYRM; they also address multiple SDGs as defined by the international community. The CWP in its current design, focusing on social care service jobs and disadvantaged groups at the local level, acts as an accelerator, promoting several SDGs simultaneously, namely SDG 1 (poverty), 5 (gender equality), 8 (jobs generation and inclusive growth) and 10 (socioeconomic equality).

The findings of this evaluation show that the programme has an overwhelmingly positive outcome in terms of its end-users who report high levels of satisfaction with services. They demonstrate strong willingness to continue receiving these services, yet
face limits to their ability to pay. Participants nevertheless seem to be hopeful that appropriate organizational forms based on public subsidies to consumers for privately produced services and/or public provisioning of services can solve the problem.

On the employment end, the CWP implementation has a mixed record. It performs well at the hard task of motivating long-term unemployed to become programme participants, but their transition to post-CWP employment needs improvement. Participants with higher levels of education, living in regions with better labour market conditions and higher purchasing power, seem to have higher likelihood of transition to post-CWP employment. Yet those with lower levels of education, living in small, low-income settings, need continued support with some form of subsidized employment.

The institutional framework of CWP implementation is well developed with detailed procedures, transparent and clearly defined guidelines. Implementation by municipalities and requirements of a priori local needs assessment plus survey of unemployed workers ensures that the projects are designed in a well-informed manner responding to end-user needs. Close partnerships by MLSP, ESA and UNDP, on the other hand, strengthens the programme through more effective monitoring and administration, improves its quality by enabling a comprehensive training component and ensures transparency.

The areas for improvement and further development of CWP are as follows:

1. **Develop a post-CWP component to support participants’ transition to other forms of employment** (self-employment, entrepreneurship or other wage-employment) through close co-ordination with currently on-going active labour market measures under the MLSP and the ESA, primarily the self-employment programme and pilot programmes on child and elderly care, as well as programmes on subsidized jobs and trainings.

Participants can be supported through their training and capacity building to develop business plans and undertake feasibility assessment of self-employment and/or entrepreneurship in the social care services sector. The on-going Self-Employment Programme of the MLSP can serve as an important tool in this respect, since it includes “entrepreneurship training, assistance in developing a sustainable business plan and registering a business, non-refundable grants in the form of equipment and materials, and mentoring at the time of commencement of business” (MLSP 2015). Using these mechanisms, interested CWP participants can be supported to set up service businesses in the social care sector. The types of businesses supported can be further expanded to include day centres or personal services agencies (see below).

In addition three of the pilot programmes in the operational plan of 2016 (MLSP 2015) have high complimentarity with the CWP:

- subsidized employment for unemployed individuals to care for and look after children under age 10 at home;
• financial support for opening of kindergartens;
• financial support for opening of nursing homes.

These pilot programmes should be directly coordinated with CWP to channel interested participants either to entrepreneurship or to wage employment at the newly founded businesses. Similar coordination possibilities between the CWP and MLSP/ESA’s core training and subsidized employment programmes should also be explored. For example the subsidized employment can be further expanded to include elderly, disabled and ill care.

2. Support development of business plans and feasibility assessments in the social care services sector through,

• collection and dissemination of information on different types of innovative business models in the social care service sector in different countries, such as personal services agencies providing home-based or location-based (social work centre based) services at demand; or active living day centres for the elderly or people with disabilities;

• conduct of end-user surveys to serve as a basis for feasibility studies, exploring consumer demand and willingness to pay for currently available as well as new innovative social care services of households of different income groups;

• inclusion in the end-user surveys of also households with an expressed need for services but no ability to pay, in order to establish a basis for interventions 3 and 4 below.

3. Support end-user ability to pay for needed social care services through

• consumer subsidies (vouchers) provided on a sliding income scale;

• ear-marking part of social payments such as pension pay or disability pay for purchase of social care services (based on careful assessment of end-user willingness for this option).

4. Allocate funds to municipalities from the central budget or other possible/potential sources and build their institutional capacity in social care service provisioning, primarily to low-income, disadvantaged groups but also to those who have some ability to pay. The services should sustain the current diversity as foreseen under the CWP (including institutional day centre services and non-institutional home-based services; professional and assistant services for the elderly and ill, children and people with disabilities).

5. Continue strengthening the programme through further training and certification programmes, possibly in collaboration with MLSP/ESA’s core training and subsidized employment initiatives.

6. Improve the CWP monitoring and evaluation component through upgrading of database on collection of post-CWP labour market experience (the types of paid jobs
that participants move onto after completing the programme as well as the reasons for inability to make a transition);

7. **Extend the length of project duration** (participant engagement) **particularly in work with children and adults with disabilities** as this particular type of service provisioning embodies a strong personal and relational aspect, and frequent turn over of service providers can be difficult from the perspective of end-users;

8. **Ensure that end-users are fully informed a priori about the content of the services and are willing to receive them**;

9. **Encourage men to become CWP participants**, particularly in assistant positions, in order to challenge the gendered norms around care provisioning being a female domain.

10. **Scale up the CWP through an increased budget, enabling higher employment targets** in view of its per worker costs and effectiveness yet small budget as compared to the other active labour market measures; and also in view of its positive outcomes in addition to employment.

Two final notes are in place here: First, the recommendations above pertain to further improvements. Yet as it stands, the CWP seems to have performed very well in its current structure. Its final impact goes well beyond serving as an active labour market measure, to also promote social inclusion through social care service provisioning to disadvantaged groups and improve gender equality as well as equalities by socioeconomic status. The programme’s focus on social care service provisioning at a local level makes it a unique example of “employer of last resort” initiatives and has the potential to serve as an inspiring example for development of similar programmes in other countries.

Second, this evaluation has only focused on CWP services for the elderly and persons with disabilities. Yet the programme has as large a component in early childhood development plus a smaller, yet very important component in social inclusion services for the Roma minority. Most of the recommendations above can also be applied with some revisions to these components as well. In particular, the low enrollment rates in early childcare in the fYRM indicate that there is substantial space for public investments in this sector and hence potential for intensive employment creation.
Appendix I

Multiple Economic and Social Benefits of Investment in Social Care Service Infrastructure: A Summary of Recent Applied Studies

A number of recent policy simulations on different countries focus on the economic and social outcomes of social care service expansion including early childhood development services, elderly and disabled care and ill care. The findings show multiple benefits in the form of employment generation, higher economic growth, poverty alleviation, reduction of gender and socioeconomic inequalities and social inclusion. The following presents a summary of these studies and their findings.

The study on Turkey by Ilkkaracan, Kim and Kaya (2015) is exemplary. Turkey has the lowest (female) labor force participation rate along with lowest rate of early childhood care and preschool education (ECCPE) amongst the OECD counties. The study estimates that in order for Turkey to catch up with the average OECD preschool education enrollment rate among children under age 6, there is a need for 3.27 million additional places in preschool education programmes. This corresponds to an estimated increase of 20.7 billion TRY (in 2014 prices) in expenditure on this sector corresponding to 1.18% of GDP. The simulation shows that an expenditure of this magnitude on ECCPE has the potential of generating 719 thousand new jobs directly in ECCPE and through backward linkages, indirectly in other sectors. Investing the same amount in the construction sector (including physical infrastructure and housing), however, would create a total of 290 thousand new jobs in construction and other sectors. While 73% of the new jobs created via an ECCPE expansion are estimated to go to women, as little as 6% of the new jobs created via a construction boom go to women. Nevertheless, in terms of absolute numbers, ECCPE still creates a substantial number of jobs for men (195 thousand male jobs). The ECCPE expansion targeting prime-working-age poor mothers of small children is also found to have a significant poverty reduction impact; reducing relative poverty rate by as much as 1.14 percentage points (vs. only a 0.35 p.p. decrease in the case of construction). Furthermore, investing in social care also performs better in terms of short-run fiscal sustainability of public expenditures: an ECCPE expansion is likely to recover 77% of expenditures through increased government revenues, while for construction the same ratio stands at 52% Ilkkaracan, Kim and Kaya (2015).

A number of recent empirical studies provide evidence similar to that of the Turkish study. A policy simulation on South Africa by Antonopoulos and Kim (2010) shows that a 13.3 billion rand (equivalent to 3.5% of public expenditures and 1.1% of GDP in 2007 prices) investment in home-based health care and early childhood care services generates 772,000 new direct and indirect jobs, with 60% going to women. Furthermore, the national growth rate increases by 1.8%, and growth is pro-poor in that income of ultra-poor households increases by 9.2%, poor households by 5.6%, and non-poor households by 1.3%. An investment of similar magnitude in physical infrastructure (i.e. the construction sector), on the other hand, generates about half the total number of jobs generated by social care (approximately 400 thousand jobs), with only 18% going to women. In addition, the distribution of jobs is less pro-poor than in social care, hence with less impact on poverty reduction. A parallel policy simulation on the USA finds that a hypothetical 50-billion-dollar investment in home-based health care for the elderly and the chronically ill, and early childhood development services is likely to generate
approximately 1.2 million jobs (over 90% going to women), versus 556,000 jobs created by an equivalent investment in physical infrastructure (88% going to men). The simulation also shows that almost half of the social care jobs would go to poor households below the fourth decile of the income distribution, while half of the jobs created in physical infrastructure would go to middle-income households (Antonopoulos et.al. 2014).

A macrosimulation of the eurozone countries and the UK, finds that “a gendered investment plan” designed to expand public child-care services would lead to 2.4% GDP growth and create 4.8 million new jobs in five years, and that more than half of these jobs (2.7 million) would be held by women (Hansen and Andersen 2014). Another estimation on Austria shows that with an initial government financing of 200 million euros per year over five years, targeting creation of 35,000 new places for small children (under 3 years old) and better operating hours for 70,000 existing kindergarten places, 14,000 new jobs in child care would be created, as well as another 2,300 in other sectors due to enhanced demand. Furthermore, it is estimated that 14,000 to 28,000 parents who could not participate in the labor market due to their care responsibilities could find employment. The study also shows that taxes from the new employment opportunities and the savings in unemployment benefits would create public revenue that would exceed the costs of the initiative beginning in the fifth year of the initial investment and continuing thereafter (AK Europa 2013). For similar findings, see also ITUC (2016) on seven advanced OECD economies and ITUC (2017) on select developing economies.

Another important economic and social effect of social care service expansion emerges particularly from early childhood care and preschool education services, which is a form of investment in children, enhancing human capital and productivity. Recent research studies find that preschool education yields the highest returns formalized in terms of higher future earnings and that the positive effects are particularly large for children from disadvantaged households. Heckman, Pinto and Savelyev (2013) find that preschool education yields the highest returns formalized in terms of higher future earnings and that the positive effects are particularly large for children from disadvantaged households. A universally accessible childcare and preschool system also helps to decrease inequalities amongst children by socio-economic status through two supply-side channels: by supporting equal opportunities for children from disadvantaged households, enhancing school success and adult earnings and by improving the viability of dual-earner households, particularly for lower skilled couples, and hence the poverty-alleviation and additional equality-improvement outcomes for children from disadvantaged households (European Commission 2013).
References


