# **SITUATION REPORT #12** COVID-19



12 JUNE 2020

**3,701** confirmed COVID-19 cases in the country.





# COVID-19 employment impact in North Macedonia

More than 11,900 people in Macedonia have lost their job between 11 March and 31 May 2020: 5,703 (47.9%) due to the expiration of their fixed-term employment contract, 3,082 (25.9%) based on agreed termination of employment, 1,169 (9.8%) were let go by their employer, 1,112 (9.3%) have resigned, 380 (3.2%) lost their jobs due to business reasons (technological, economic, organizational and similar changes) and 104 (0.9%) due to bankruptcy of companies they worked for. Most of the workers whose employment was terminated (4,230 or 35.5%) are from the manufacturing industry, 2,324 (19.5%) worked in the wholesale and retail trade sector, and 1,432 (12%) worked in the accommodation facilities and food service activities sector. Of those who lost their jobs. 6,961 (58.5%) have secondary education, 3,128 (26.3%) have no or primary education, and 1,815 (15.2%) have higher or high education. The total number of unemployed people registered with the Employment Agency in the period March-May 2020 has increased by 12,297.



Photo credit Kristina Mukoska Zaturovska

# Interview with Daniela Zampini, ILO Employment Specialist

Some 48 per cent of the current workforce in the country is employed in sectors that are medium-high or highly vulnerable to the shock generated by the crisis, according to the Rapid Assessment of the Employment Impacts of COVID-19. What can be done in terms of policy change or measures — both, in medium and long term — to increase the resilience among workers and enterprises in these sectors, and to reduce further labour market shocks?

In the Rapid Assessment, the relative labour vulnerabili-

ty of each sector is determined by several factors that we know, both from theoretical research and empirical evidence, would amplify the ripples casted by the Covid-19 crisis and affect both workers and enterprises. These include the incidence of own-account workers and informal employment, the precariousness of contracts (with special consideration to part-time and precarious work), wage levels, and the presence of micro-enterprises. The algorithm used in the study takes into consideration that these workers and economic units are less likely to have formal work arrangements, and are therefore more likely to lack decent working conditions, adequate social security, and 'voice' through effective representation by trade unions and employers' organizations. Vulnerable employment is often characterized by inadequate earnings, low productivity, and difficult conditions of work that undermine workers' fundamental rights and their resilience to shocks. In the long-term, the ability of workers and enterprises in specific sectors to respond to shock depends on the national economic structure, and how the level of integration in global and regional markets is managed through policies and institutions. In the nine sectors that are singled out in the Rapid Assessment as highly vulnerable and highly impacted by the Covid-19 crisis, there are almost 27,000 own-account workers, over 33,000 informal workers, around 30,000 with atypical contracts, and 50,000 workers in micro-enterprises. This is to name but a few of those (workers and enterprises) who are at high risk of losing their livelihood, where risk is a combination of vulnerability and severity of the impact. In the medium term, investments in productivity improvements, better

## IN THE FOCUS

many online businesses and increased presence by a number of enterprises which haven't been active online previously. What role can increased digitalization on the public and on the private side have for the domestic economy, and especially for the workforce (considering that there is growing number of freelancers – part-time contractors working entirely in the digital world)?

One of the characteristics of the Covid-19 crisis is that the virus' transmission modalities brought human terms of making better use of digital tools. At the same time, the enterprise survey, which was run by the Macedonian employers' organizations during the lockdown, highlighted the plea of enterprises to have more e-services and better e-governance as part of making their business continuity planning more efficient in times of crisis. Not all public institutions, and particularly those extending much needed administrative and support services to businesses, were ready to maintain the level and quality of services when enterprises needed support and assistance even more promptly to

### Daniela Zampini, ILO Employment Specialist

working conditions, and labour market and social protection institutions, among other factors, can make the difference as to whether a sector or sub-sector of the economy will survive or give in. This unprecedented crisis highlights even more the importance of protecting the jobs and incomes of those who were already vulnerable or may become vulnerable due to loss of jobs and income. This is the right thing to do from a solidarity and social justice perspective, but it is also the right thing to do from an economic perspective. Incomes and aggregate demand must be sustained, through social protection and job opportunities, lest enterprises will attempt a recovery when no one (or very few) have resources available to purchase their goods and services, thereby inducing as second dip in the economic crisis.

You have pointed out the need of increased digitalization of services provided by public institutions as a mean to support enterprises. One of the positive sides of the crisis was the drastic increase in turnover of behaviour under the spotlight, from washing one's hands to individual preferences in terms of frequency and intensity of human contact during economic activities. That is to say that, in spite of governments' recommendations, people may remain hesitant to consume certain products and services, particularly if they require high-intensity of contact with other people, or sharing confined spaces with a crowd. This may prolong the negative impacts of the crisis in certain high-contact sectors or high-contact occupations. At the same time. Macedonians are imaginative and innovative. During the crisis, businesses rediscovered the importance of an online presence to maintain sales; others started to bundle services to reduce exposure and ensure delivery; others became extremely creative in terms of converting their business into a viable operation in spite of the lockdown and other restrictions. Collectively, we all found out that we could do things differently, and, sometimes, in a smarter way. Thus, there may be lessons to be drawn from this temporary 'new normal' during the Covid-19 crisis, in face up to a new challenge. So, the digital dimensions of both public and private sector jobs are bound to intensify. This transformation will require new skills for new digital tasks, but also new job profiles. Not all jobs in the digital economy enjoy the necessary protections, however. While digital labour platforms, for instance, are a product of technological advances, work on these platforms resembles many long-standing work arrangements, merely with a digital tool serving as an intermediary. Crowd-workers and platform-based workers, for instance, often have precarious contracts as (somewhat fictitious) self-employed, which has had the effect of depriving workers of the protections of labour and social security law. Improvements in this dimension will require a concerted effort by government, enterprises, and organizations capable of giving a voice to workers in order to identify suitable mechanisms to extend social protection (for instance) also to these areas of the world of work. In many ways, the Covid-19 crisis clearly showed us that if there is a will. there is a way.

## **IN THE FOCUS**

# Policy recommendations from ILO's Rapid Assessment of the Employment Impact and Policy Responses

Options for expanding worker and family protection measures:

1. Introduction of temporary unemployment assistance, paid monthly at a flat rate for a maximum of six months.

2. Introduction of an intermediate category of eligible firms for the job retention measures (between 10 and 30 per cent turnover loss) to smoothen the sudden leap from complete ineligibility to complete eligibility and significantly broaden the share of protected employees in total employment.

3. Extension of the job retention programme's eligibility period to include the second half of March and until the end of June.

4. Further extension of the GMI eligibility rules by temporarily removing the remaining means testing conditions except for rental property, while retaining the income test.

5. Introduction of a lump-sum utility cost / energy subsidy for those who can prove that their household income has been reduced by more than 50% due to the

#### crisis.

#### Options for active employment measures:

6. Promotion of in-work intergenerational solidarity, through job sharing schemes, job rotation, extensive trainee schemes and apprenticeship programmes, building on the existing Youth Guarantee but vastly expanding it.

7. Investment in the digital economy, as part of an intergenerational solidarity strategy, a proactive industrial strategy and a strategy for improved service provision to citizens and enterprises.

#### Options to support enterprises:

8. Strengthen and diversify the package of measures according to specific needs and based on dialogue with relevant stakeholders. For instance, facilitate micro-enterprises' access to (subsidized) liquidity loans: they have been hardest hit (measured by the decline in their revenues), but are also least likely to have their own funds to overcome the period of reduced activity.

Specific measures may be introduced, where considered appropriate, for large exporters. In the enterprise survey, companies asked for VAT deferrals for six months, particularly for companies not able to access other government support programmes.

9. Accelerate the return to normalcy in terms of the services and administrative functions that institutions need to provide to support business. This may require investments in digital solutions to facilitate efficiency and quick turnaround time that would not impose additional burdens on enterprises.

# Options for better legal protection of some categories of vulnerable workers:

10. Extension of certain forms of protection to workers with fixed-term and part-time contracts, as well as other particularly vulnerable workers.

11. Prevention of the misuse of termination of employment by agreement.

# **UN COVID-19 Response Framework (CRF) for North Macedonia**

## Pillar 3 – Economic recovery: Protecting jobs, small and medium-sized enterprises and the most vulnerable productive actors

#### Impact overview

- 86% of surveyed companies significantly affected by the crisis, 50% of micro companies reporting halved revenues. 19% closed business (ILO/EBRD).
- Women particularly vulnerable: overrepresented in economically hard-hit sectors and health-care workforce along with disproportionally increased home responsibilities.
- Informal workers (1/5 of the country's workforce) at greatest risk of poverty: 40,000 jobs are at immediate risk and without adequate measures, the employment may immediately fall by ~5%.
- Seasonal labour in agriculture (~170,000 in farm holdings) strongly affected as dependent on free movement. Border closures reduced opportunities for seasonal migration, decreasing remittances.

	Immediate response recommendations						
1	Rapid, gender-responsive assessments to obtain detailed and disaggregated, data at sectoral and municipal level.						
	Design immediate focused policy responses that						
2 Stimulate economy and employment.							
3	Support enterprises, jobs and incomes						
4	Protect workers in the workplace with occupational safety and health measures and adapted work arrangements.						
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5	Stimulate green economy.						
5 6 7	Stimulate green economy. Recovery recommendations						
5	Stimulate green economy. Recovery recommendations Invest in care economy dominated by women workers.						

10 Climate friendly actions and integrated support to green jobs.

# **UN SUPPORT FOR RESPONSE**

United Nations in North Macedonia has collectively supported the Government and international partners with the overview of needs and procurement of urgent medical and protective supplies, and equipment for immediate response, as well as conducting the analysis and framing the broader response to the socio-economic impact of the crisis.

The UN agencies, funds and programmes in North Macedonia are - in close coordination with its Government counterparts - have reported the following activities since the issuance of the previous Situation Report #11 (28 May):

**United Nations Children's Fund (UNICEF)** delivered 44 contactless thermometers to the Ministry of Labour and Social Policy, first batch of a total of 330 pieces, as a prerequisite for the upcoming opening of the kindergartens across the country. UNICEF is leading the discussion with Ministry of Health and E-Health Directorate for establishment of telehealth counselling for home visitors, in partnership with Macedonian Association of Nurses and Midwifes. Establishment of electronic reporting will significantly improve data collection (which for some segments of primary healthcare is still paper-based), allowing for real time data collection, aggregation and disaggregation, as well as timely analysis for evidence-based policy and decision making.

The International Organization for Migration (IOM) continued with provision of medical assistance to the migrants in the Transit Reception Centres. In close cooperation with the Ministry of Health, the COVID related screenings are also being implemented.

United Nations Office for Project Services (UNOPS) has delivered eight devices for artificial ventilation (respirators), 10 oxygen reducers, 10 perfusors, 10,000 protective scafanders, 20,000 shoe covers and over 3,000 protective gowns to the Ministry of Health as part of the "EU Assistance to COVID-19 Response of the Government of North Macedonia" project. Additional 20 devices for artificial ventilation (respirators), donated by the Kingdom of Norway were delivered to the 8 September Hospital and the clinical hospitals in Tetovo, Bitola and Shtip, and the general hospitals in Struga, Ohrid, Prilep and Strumica.

**United Nations Development Programme (UNDP)** supported Ohrid's juvenile detention center in continuing the primary education of inmates with a donation of ICT equipment intended to enable a transition to distance learning, as part of UNDP's Swiss-funded programme for increasing the employability of vulnerable groups. Some 20 inmates/students will benefit from this initiative by being able to complete their education without delay, even with the restrictions imposed due to COVID-19.

UNDP published two reports on education that relate to the COVID-19 crisis. Inclusive Education, Learning & Distance Learning in North Macedonia - Analysis Post COVID-19 estimates the impact of COVID-19 on inequalities in access to education in the country, especially in terms of distance learning, and to provide recommendations on closing the digital divide. In 2016, based on latest official data, only 75.3% of households in North Macedonia had internet access and, of those, only 74.7% had access to broadband internet connectivity. Only 6.4% of all respondents attended online courses.

The Educational and Personal Assistants: Now and Here - Open Perspectives report provides an assessment of the current state of activities related to the educational/personal assistants in the country as introduced through UNDP's Community Works Programme and provide recommendations for strengthening the policies and implementation of these services, both of which are vulnerable to the new circumstances brought on by the COVID-19 crisis United Nations Office on Drugs and Crime (UNODC) donated personal protective equipment to the Border Police and Customs officers of North Macedonia at the Skopje International Airport as part of the COVID-19 response and support to the national authorities. Donation included masks, gloves and hand sanitizing gels and was handed over in a formal ceremony at the Airport, during which UNODC had the opportunity to reiterate their support to the national authorities. The authorities' representatives expressed appreciation for UNODC support and expressed willingness to resume cooperation with UNODC in the coming months. This donation is part of the UNODC initiative on enhanced border security in South Eastern Europe aimed at promoting rule of law and good governance through targeted border control measures at ports and airports, funded by the European Union.

**United Nations High Commissioner for Refugees (UNHCR)** continues to inform the persons under its mandate on all the vital information regarding COVID-19 through their Help Page and the Hotline +389(0)70229001. Furthermore, UNHCR printed laminated posters and business cards with information about the Help Line and the Help Page, to be displayed at Reception Centers Vizbegovo and Gazi Baba, Transit Centers Tabanovce and Vinojug, as well as Macedonian Young Lawyers Association - MYLA's offices.

UNHCR translated the "Practical Recommendations and Good Practice to Address Protection Concerns in the Context of the COVID-19 Pandemic" and the European Commission's "COVID-19: Guidance on the implementation of relevant EU provisions in the area of asylum and return procedures and on resettlement" into Macedonian language and shared them with the authorities to serve as guidance for navigating protection issues and optimizing the asylum system during the pandemic.

UNHCR also translated into Macedonian the IASC's children's storybook "My hero is you", designed as a children's guide for COVID-19. It was printed in liaison with UNICEF and will be distributed further to be available for asylum-seekers and their children, as well as the children's teachers.

The International Labour Organization (ILO), with the financial support of the European Union, piloted the concept of local employment partnership (LEP) in the Municipality of Bitola. In the aftermath of COVID-19 crisis, with a forecast of approximately 40,000 job losses, LEP can be a tool to restart the labour market bottom-up, with local solutions to the specific challenges faced by local communities. LEP can be an effective mechanism through which local labour market governance is improved, and the effectiveness of active labour market measures is enhanced. This entails challenging the pessimistic attitudes, facilitating the emergence of innovative ideas for job creation in the community, and raising awareness on the shared responsibilities of all stakeholders concerning the achievement of employment objectives.

LEPs are a novelty in the country, and still raised significant interest at the local level. To bring it closer to the relevant local stakeholder, the ILO undertook to revitalize the local Economic and Social Councils (to serve as coordination and monitoring platforms), train the relevant parties, and develop territorial diagnostics, so that the LEPs can reach full potential. The LEP can boost the local job creation, as a tailor-made intervention, agreed by the local stakeholders.ILO provided the "Practical guide for the prevention and mitigation of COVID-19 in agriculture" to the Trade Union of agriculture workers. This guide aims to provide practical guidance for the prevention and mitigation of coronavirus transmission (COVID-19) in agricultural activities. These recommendations should be considered as a complement to any rules, regulations or directives issued by the country.

## UN SUPPORT FOR RESPONSE

ILO-UNESCO-WBG survey for Technical and Vocational Education and Training providers, policy-makers and social partners on addressing the COVID-19 pandemic was closed on May 15, 2020. The final weekly analysis of early results is now available on ILO webpage. These results benefited from 1,349 responses from 126 countries (including N. Macedonia).

The United Nations Population Fund - UNFPA, in partnership with the Ministry of Health and implementing partner HERA, has prepared and published Interim recommendations for treatment of pregnant women during COVID-19 pandemic. The document refers to healthcare professionals who come in contact with this category of patients – family gynaecologists. gynaecologists responsible for maternity care, paediatricians, midwives and nursing care during the antenatal and peripartum period, as well as all the other health personnel involved in the monitoring and treatment of pregnant women.

Within the framework of these recommendations, translated in Macedonian and Albanian, several algorithms for facilitating the procedures review are included. Thus, to be implemented with patients with suspected or confirmed Coronavirus infection, during antenatal care, triage of patients with symptoms of COVID-19, hospitalization of patients at risk, delivery and postpartum period.

Video sessions training for all levels of healthcare gynaecologists to prepare them for treatment of pregnant women during COVID-19 have been undertaken in partnership with the Ministry of Health. The sessions have been held by the obstetricians/gynaecologists from the University Clinic for Gynaecology and Obstetrics in Skopje.

Food and Agriculture Organization of the UN (FAO) continues to monitor the impact of COVID-19 pandemic on agri-food chains and food markets through the Survey of Food Supply Chains by collecting evidence directly from key informants of farmers, food processors and traders in 15 countries in Europe and Central Asia (ECA), including North Macedonia. As countries ease lockdown measures, to mitigate COVID-19 impacts and to open new opportunities, countries need practical solutions on a range of issues including food supply, food and nutrition security, trade and markets. To provide the countries and partners a platform for information sharing to address impacts of COVID-19 and challenges in the food and agriculture sector, as well as ways of cooperation to address these issues, FAO initiated a series of regional COVID-19 webinars. The webinar Lifting lockdowns – what next for food systems took place on 28 May and the next one is scheduled for 10 June to discuss the role of extension and advisory services in the response for resilient and sustainable food systems. FAO policy briefs on how COVID-19 pandemic is impacting not only food trade, food supply chains and markets but also people's lives, livelihoods and nutrition, are constantly updated here.

# MAIN LINKS

Government https://koronavirus.gov.mk/

Ministry of health http://zdravstvo.gov.mk/korona-virus/ https://www.facehook.com/zdravstvomk/ Institute of public health www.iph.mk

WHO North Macedonia https://www.facebook.com/WHOMKD https://twitter.com/WHOMKD

## PORTANT NUMBERS

If symptoms (fever, tiredness, dry cough) occur, individuals should contact health care provider or the designated epidemiological contact telephones service and inform about their travel history and symptoms; they should not visit the health facility unless told to do so.

In case of symp CPH Bitola CPH Veles CPH Gevgelija CPH Kochani	otoms and asyr 071 261 330 071 219 278 078 545 444 071 373 913	mptomatic trave CPH Skopje CPH Strumica CPH Tetovo BU Gostivar	071 289 614 Parents of (pre)school children	072 912 676 072 919 009 070 241 807	
CPH Kumanovo CPH Ohrid	070 215 851 070 723 029	CPH Shtip IPH Skopje	078 365 613 078 387 194	General information "Alo Doctor" Call Center	02 15 123
CPH Prilep	076 475 747				