
IDEOLOGY AND WELFARE STATE: HOW POLITICAL PARTIES INFLUENCE SOCIAL POLICY? THE CASE OF NORTH MACEDONIA

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Abstract: With the collapse of the former SFRY¹¹⁵, citizens, vulnerable groups in particular and the overall Macedonian society had to face the first decade of a prolonged transition, characterized by continuous reforms and rapid changes as a result of the newly emerging social conditions, ideological, political and economic challenges. The first decade of transitional period resulted in chaotic changes not only in the economic system, but in weaker measures of social protection and social security. With increased rates of unemployment, pensions and social security declining, health care services weakened, a number of legislative changes were introduced, both in terms of funding, administration and delivery of social policy services and institutional arrangements of social protection system. However, it has been shown that these policies and laws have not improved the overall situation of social beneficiary users nor have they helped to include them in the labor market.

Since the independence of the country, social policies have undergone many changes broadly influenced by demographic factors, low economic growth and ideological ‘preferences’ of political parties governing the country so far. The question that naturally arises is: how much the measures applied have given rise to a positive change for the existence of the welfare state and to what extent it can be estimated that the social policies undertaken were influenced by ideological preferences? What is the legacy with the former state-socialist welfare tradition? Which were the main influences in the establishment of the welfare state in North Macedonia? Methodologically, this research is mainly characterized by literature review with the aim to analyze the social context in which reforms have undergone and being implemented. A document analysis of social policy documents will be used as well.

Keywords: Social Policy; Political Parties; Social Protection;

INTRODUCTION

After the independence of the country in 1991 North Macedonia entered in a very depressing socio-economic situation. Compared to other former SFRY countries, North Macedonia resulted the less developed, with high rates of unemployment (20%), poor infrastructure etc. Firstly, the transition process was reflected in the economic system which additionally directly impacted social security systems. Among the economic consequences of the new system could be listed the bankrupting of many factories, the loss of jobs, the pessimistic economic position [the Greek embargo 1994-95, the war crisis in Kosovo] etc. On the other hand the very often political crises have even deteriorated the situation. Left and right-centered political parties have been in process of reforms as well, causing a non-stable political environment and even accompanied with conflicting situations between opposite sides.

The Republic of North Macedonia has experienced vigorous economic growth since 2001, after that with two minor contractions in 2009 and 2012 (under the rule of VMRO-DPMNE), and a significant decrease in absolute poverty since 2009 (to 24.8 percent in 2014 and further to 21 percent in 2017). Among 188 countries, North Macedonia ranked 82nd in 2016 (stepping back from the 81st kept in 2014 and 2015) and is in the group of the countries with high human development¹¹⁶. In 2016, employment rate of persons between 15 and 64 years of age was 49,1%, which is an increase of 11% compared to 2009. Still, the employment rate for youth (between 15 – 24 years of age) is small and up to 16,2%¹¹⁷. Employment growth and increases in salaries, especially in labour-intensive sectors, have driven most of poverty reduction in 2017. The labour market is relatively flexible by global standards, yet the employment rate stood at 44.4% in 2017 (lower than in any of the 28 EU countries where on average two-thirds of the working-age population are employed) and the unemployment rate was 22.6%, while in the second quarter of 2018 it decreased to 21.1%¹¹⁸. The unemployment rate has decreased from 32,3% in 2009 to 23,4% in 2016; it is twice as

¹¹⁵ The Socialist Federal Republic of Yugoslavia

¹¹⁶ National strategy for deinstitutionalization in Republic of Macedonia 2018-2027 ‘Timjanik’ pg 13, http://mtsp.gov.mk/content/pdf/strategii/Strategii%202018/Strategija_deinstitucionalizacija_Timjanik_2018-2027.pdf

¹¹⁷ State Statistical Office, Labour Force Survey 2016, available on http://www.stat.gov.mk/PrikaziPoslednaPublikacija_en.aspx?id=3

¹¹⁸ <https://tradingeconomics.com/macedonia/unemployment-rate>

high for young people (46,4%). The average time of transition from education to work among young people is 6 years (71,6 months)¹¹⁹.

The transition from a closed and centralized economy in an open and liberal market system generated various types of problems that constantly affected the policies and emerged reforms in the field of social security. In terms of welfare reforms, ideological preferences (liberal, neo-liberal, social-democratic, conservative etc) in particular have affected the process in all welfare policy domains. The state, which represents an organized structure of responsible institutions, has the duty to provide well-being to its citizens. The typology of social security system; social service provision; employment policies; health care services model etc, are a product of policies undertaken by left or right wing parties based on their ideological orientations. Conceptually, with the state concept there are two elements which must be directly considered: governments and political parties. Both of them define the political environment of a specific state and express their will for reforms and stability. Should the state provide basic welfare to every citizen or not, is an issue directly related to the political parties ruling the state. The 'way' those governments lead is related to the specific ideology they sustain. According to Pierson (1966) parties from the political left may have a "gentle" advantage in formulating policies that cut back on welfare needs.

POLITICAL ENVIRONMENT AND ITS INFLUENCE IN SOCIAL POLICY MAKING

At a theoretical level, this paper relies on the political approaches/conflict theories which perceive political parties that participate in social policy design as highly significant, where in fact a political struggle over the allocation of resources exists.

With the beginning of pluralism, numerous political parties were created, contributing to a nowadays multi-party system. Due to multiethnic composition of the political environment, these parties were obligated to work with each other in order to form coalition governments which in most cases have caused various political crises. In May 2001 the major political parties joined the "Broad Government Coalition" in order to stop the crisis in the country but in the last years, many other crises have been encountered. As Bornarova (2011) on her work emphasizes, Macedonia inherited a lack of experience in democratic political organization and functioning. As a result, the political processes were frequently turbulent, violent and often far from free and democratic. Only in the last several rounds of political elections North Macedonia has demonstrated that it has finally gained the minimum level of political maturity required of a country that is guided by and nurtures democratic values¹²⁰. Subject of this analysis in this research are the major political parties shaping the Macedonian political environment in the period of transition: VMRO_DPMNE¹²¹, SDSM¹²², DUI¹²³; DPA¹²⁴.

Knowledge of ideologies is a prerequisite for a better understanding of political processes and political dialogue that develops around social welfare issues, as well as in the practical implementation of social policies. A certain model of welfare is primarily result of polity and not economic growth and that ideological orientations of the political parties determine the model of welfare state. In North Macedonia, as in many other Balkan countries, there are no clearly defined orientations of political parties. In the period of transition, right-centered political parties, (as VMRO-DPMNE) have undertaken left orientated policies, and not rarely SDSM which has been declared as a left-side orientated party, to have undertaken right orientated policies. For example: The introduction of a parental allowance for the third child in 2010 denoted a different pattern of child benefits and it was initiated by a right-centered political party, which was a universal flat rate transfer with no income threshold or condition. While policies towards families and children have always typically been initiated by left orientated political parties.

¹¹⁹ National Employment Strategy of the Republic of Macedonia 2016-2020, available on

<http://mtsp.gov.mk/content/pdf/strategii/Nacionalna%20Strategija%20za%20Vrabortuvane%20na%20Republika%20Makedonija%20za%20Vlada%2016102015.pdf>

¹²⁰ S. Bornarova (Ed.), *Development of the Social Protection System in Post-Communist Macedonia: Social Policy-Making and Political Processes*. (pp. 135 – 165). Skopje: Friedrich Ebert Foundation, Sofia, Bulgaria.

¹²¹ VMRO_DPMNE, abbreviation used for Internal Macedonian Revolutionary Organization – Democratic Party for Macedonian National Unity, which is represents one of the major political parties of Macedonia. It's a right Political party and describes itself as a Christian Democratic party.

¹²² SDSM - Social Democratic Union of Macedonia which represents one of the two major political parties of Macedonia. It's a left political party and the successor of the League of Communists of Macedonia.

¹²³ DUI - Democratic Union for Integration which represent the major political party of ethnic Albanians in the Republic of Macedonia

¹²⁴ DPA - is the second major political party of ethnic Albanians in the Republic of Macedonia.

Assessing the impact of political parties on the dynamics of social expenditure, Kittel and Obinger (2002) found that the share of conservative parties in a government restrains the growth of social expenditure.

WELFARE SYSTEM IN TRANSITION

When we refer to the welfare state notion, in North Macedonia as in most of the countries in the region we have to deal with a ‘small welfare state’, term used for less developed countries. As Matkovic, G (2017) stresses out on her work, the choice of a small welfare state is considered appropriate for less developed countries, in the interest of the competitiveness afforded by low tax burden and/or the creation of budgetary scope for expenditures conducive to development opportunities (investment in infrastructure, environment, research and development and the like). In the case of the Western Balkans, in most countries this choice imposes itself also owing to high budgetary deficit levels and high debt-to-GDP ratios. Small welfare states also prevail among new EU Member States¹²⁵.

In North Macedonia, since the independence of the country, social policies have undergone many changes broadly influenced by demographic factors, the multiethnic composition of the population and in particular the low economic growth and ideological ‘preferences’ of political parties governing the country so far. Since social policy is more popularly known as the response of societies to social problems through state interventions, the model ideologically chosen by ‘the state’ needs to be explored in order to offer new insights towards the most appropriate and fruitful model. As Gerovska Mitev (2019) emphasizes: “*Social policy in Macedonia has always evolved through an indirect process, depending on economic and political conditions and priorities. In addition, the trajectory of social policy during the post-independence phase (1991–2000) followed the reform requirements of the international financial institutions (IFIs), which undermined the legacies of the previous social policy (e.g. generational solidarity in the pension system and universality of the social protection system)*”.

In the Constitution of the Republic of North Macedonia it is envisaged that the state should take care of the protection and social security of citizens in accordance with the principles of social law. It is also foreseen that the state guarantees the right of assistance to the disabled persons and unable to work and to provide special protection and conditions to the invalids so as to enable them to be involved in social life. Since its independence in 1991, the Republic of North Macedonia has undertaken activities to create a modern, stable and functional system of social protection that will respond to the new needs of the users/residents. The system of social protection inherited from the former Yugoslavia has adapted to the new social context and the newly created social problems imposed by the transition period. Namely, during this period unemployment increased, the living standard dropped, the gross domestic product decreased and the social vulnerability of many citizens increased who were directly affected by the transformation of the socio-economic system in the process of privatization of social capital and other social developments. This situation has imposed the need for implementation of a series of reform processes in the field of social protection, as well as the adoption of new principles and methods of work¹²⁶.

The basic guidance in the development of the social protection system in the Republic of North Macedonia is given also by the following international documents: Universal Declaration of Human Rights, the International Convention on the Elimination of All Forms of Racial Discrimination, the International Covenant on Economic, Social and Cultural Rights, the Convention of elimination of all forms of discrimination against women, the Convention against Torture and other cruel, inhuman or degrading treatment or punishment, the Convention on the Rights of the Child and the Convention on the Rights of Persons with Disabilities. Also, the Republic of North Macedonia as a member state of the United Nations has an obligation while planning policies to be guided by Millennium Development Goals and to take into consideration the documents adopted at the UN conferences aiming to achieve the globally established social goals: The Rio de Janeiro Declaration and Agenda 21 of the United Nations Conference on Environment and Development (UNCED), the Copenhagen Declaration and the Action Program adopted at the World Summit on Social Development, the UN Millennium Declaration derived from the Millennium Summit of the UN General Assembly, the Johannesburg Declaration and the Implementation Plan of the World Summit for Sustainable Development.

The Republic of North Macedonia as a member of the Council of Europe shares its efforts to ensure an adequate level of social protection especially for the most vulnerable categories of citizens. In that sense, determining the directions of social protection development and the implementation of the reform processes is directly conditioned from the obligations and standards set by the European Social Charter and the additional protocols. In the following

¹²⁵ Matkovic, G. (2017). *The Welfare State in Western Balkan countries – challenges and options*. Center for Social Policy Kralja Milana 7, 11000 Belgrade (pg.50)

¹²⁶ National Programme for Development of Social Protection 2011-2021, available on <http://mtsp.gov.mk/dokumenti.nspix>

decade, the system of social protection continuously developed and is increasingly being harmonized with European regulations. The creation of a contemporary social protection system that will respond to the challenges of the new era is at the same time in line with the clearly defined objectives of the Republic of North North Macedonia for membership in the European Union. The process of European integration imposes the harmonization of legislation in this area, promoting the principles of good governance, whereas transferring good European practices and standards. Although European experiences show a wide traditional variety in the field of social service in terms of ways of financing, regulation, governance, structuring, organizing and managing, most of the European countries share the same vision and principles of the social protection system¹²⁷.

The Republic of North Macedonia during the reform processes was guided by these instructions, taking into account the real socio-economic context, needs and opportunities. In that sense, it aligns its strategic documents with the standards set in: the Charter of Fundamental Rights of the European Union, Directives 2000/43 / EC, 2000/78 / EC, 2004/113 / EC with who prohibit discriminatory practices and promote the right on equal treatment. In this direction, all strategic documents in the area of social protection are harmonized with the National Program for the Adoption of the Acquis of the European Union and the European Partnership Action Plan.

During the first decade of the transition in North Macedonia the main reforming activities were focused on changes of the legal framework and privatization, coupled with the efforts, especially characteristic for the first half of that decade, for overcoming the negative consequences from the political problems which the country faced at that time (non-recognition due to the “name-dispute”; embargo on the south border; abiding to the UN-imposed sanctions to the northern neighboring country, etc.); more radical reforms of the social system actually started in the second transition decade, after 2002 (Uzunov, 2011).

Social protection measures and activities are largely organized and administered by the state, but recently, with the trends of pluralism and de-institutionalization, there are many other non-residential forms of social protection provided also by the civil society and private sectors.

The nowadays welfare model in North Macedonia is categorized as an hybrid model which seems to borrow different elements from almost all other models: the Yugoslav, the Nordic, the liberal and the Southern European.

A” TO DO” AGENDA FOR POLITICIANS

North Macedonia is committed to the processes of Euro-Atlantic Integration and the process of accession to the European Union. The country concluded the Stabilization and Association Agreement in 2001 and the candidate status was awarded in December 2005. In addition, the Government adopted in 2017 a set of measures aimed at accelerating the process of European Union and NATO accession and the 3-6-9 Action Plan to be implemented in the next three, six, and nine months in order to strengthen the perception of the Council of Europe that North Macedonia is a serious candidate for EU membership. According to the EC’s “The former Yugoslav Republic of Macedonia 2018 Report”, the new government has made significant progress in moving forward the EU reform agenda, including the "Urgent Reform Priorities", by reaching out to the opposition, civil society and other stakeholders. Its "3-6-9 plan" prioritizes measures to be adopted in the initial phase of reforms, ahead of this enlargement package, but challenges remain for coordinating the reform processes. In June 2018, EU set June 2019 as a date for starting negotiations with North Macedonia, provided that key reforms are intensified.

The social reform system in the Former Yugoslav Republic of Macedonia was based on several new principles for social protection designed to adapt the country system to European and international standards. These fundamental principles are decentralization, inclusion, pluralism, and deinstitutionalization, and the goal has been to modernize the system and politics in this area through social protection reforms¹²⁸. While, nowadays the North Republic of Macedonia has developed a well-functioning system of social and child protection to tackle the challenges of poverty, reforms are needed to improve the coverage, effectiveness, efficiency, and overall delivery of social benefits and services in a more inclusive manner.

CONCLUSIONS

The post independence North Macedonian welfare state and the typology of social policy implemented are mainly shaped by struggles over politics and not directly by economic growth or other (external) factors. The welfare state is determined by the structure and interests of the state or polity. Ideology of the political party in power determines

¹²⁷ National Programme for Development of Social Protection 2011-2021, available on <http://mtsp.gov.mk/dokumenti.nspix>

¹²⁸ Research paper, “Non-institutional centres for social services in RM”, Damovski A, Hrvatska revija za rehabilitacijska istraživanja 2017, Vol 53, br. 1, pg. 160

which model of welfare to establish and develop. From the analysis, it is seen that in the period of transition, right-centered political parties, (as VMRO-DPMNE) have undertaken left orientated policies, and not rarely SDSM which has been declared as a left-side orientated party, to have undertaken right orientated policies. For example: The introduction of a parental allowance for the third child in 2010 denoted a different pattern of child benefits and it was initiated by a right-centered political party, which was a universal flat rate transfer with no income threshold or condition. While policies towards families and children have always typically been initiated by left orientated political parties. Assessing the impact of political parties on the dynamics of social expenditure, Kittel and Obinger (2002) found that the share of conservative parties in a government restrains the growth of social expenditure. Civil society organizations in former Yugoslav Republic are trying to contribute to the improvement of the situation of persons through various activities. Many projects from different donors have been implemented or are still undergoing which offered various approaches and solutions on how to increase the inclusion of these persons in the local community and socio-economic activities. However, taking into consideration the existing challenges and problems, it is evident that systematic and more sustainable approaches are necessary, especially in the standardization of the services and monitoring process of the social care system. These issues also will be a challenge even for the new de-institutionalization model which requires further efforts and sustainable solutions. With de-institutionalization, potentially all social services could also be provided by civil society organizations. This in particular opens up the possibility of introducing the so-called social agreements that are considered to be a progressive building system of long-term public-private partnerships. From the abovementioned facts, it might be concluded that currently, in the Republic of North Macedonia, the system of social protection is quite comprehensive for a country with a lower-middle-income economy, but still faces major challenges in terms of satisfying the growing social needs. Ongoing reforms, such as decentralization, de-institutionalization as well as promotion of social inclusion and antidiscrimination concepts and practices within the social protection system, are sometimes undermined due to frequent political changes that influence all levels of social policy governance and administration.

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