



# COVID-19 and the labour market

**Authors:**

Goran LAZAROV, Diana ZUPANOSKA, Andreja  
STOJKOVSKI and Jovana PETKOVSKA



IMPROVED  
PRODUCTIVITY  
THROUGH  
BETTER LABOUR  
LEGISLATION  
IN MACEDONIA



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**Editor:** Uranija Pirovska, Executive Director of the Helsinki Committee for Human Rights

**Authors:**

Goran Lazarov, , Coordinator  
Andreja Stojkovski, MA

Jovana Petkovska,  
Diana Zhupanoska, MA

**Translation:**

Angela Jankoska, LL.M.

**Proofreading:**

Fani Dimoska, LL.M.

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1. Lazarov, Goran [автор] 2. Stojkovski, Andreja [автор] 3. Petkovska,  
Jovana [автор] 4. Zhupanoska, Diana [автор]

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## LIST OF ACRONYMS

- | **COVID-19** – Disease of a new variation of the corona virus from 2019
- | **COVAX** – Mechanism of the World Health Organisation for faster access to aid in dealing with the coronavirus
- | **ILO** – International Labour Organisation
- | **EU** – European Union
- | **WHO** – World Health Organisation
- | **PCR** – Polymerase Chain Reaction
- | **CPD** – Continuous Professional Development
- | **VAT** – Value Added Tax
- | **FITD** – Fund for Innovation and Technological Development
- | **GDP** – Gross domestic product
- | **BFP-IP** – Request for financial aid for payment of salaries
- | **TP** – Taxpayer
- | **EARM** – Employment Agency of Republic of North Macedonia
- | **BFS-SVD** – Request for financial aid for payment of financial resources to natural persons performing independent activity
- | **FA** – Financial aid
- | **BS-PZSO** – Request for subsidizing the payment amount for compulsory social insurance contributions
- | **MLSP** – Ministry of Labour and Social Policy

## RESUME

The analysis entitled "COVID-19 and the labour market" was prepared within the project "Increasing productivity by improving the legal framework for labour relations in North Macedonia" funded by the Fund for Good Governance of the United Kingdom and aims to determine the consequences of the health crisis and the impact on the labour market of the measures adopted as a response to the crisis. The research question that the team is trying to answer is the following: ***"How did the health crisis affect the labour market and how should the legislation be amended in order to make a more resilient labour market which is prepared for the coming economic crisis?"***

The analysis included the measures adopted by the Government of the Republic of North Macedonia to tackle the pandemic. This was followed by the relevant national legislation on labour relations and protection of public

health, but also international regulations and standards, adopted by the International Labour Organisation and the European Union. The analysis also examines the experience of the European Union and the countries of the former Yugoslavia, Croatia, Montenegro, Slovenia, Bosnia and Herzegovina, Serbia and Kosovo. Finally, the analysis considers the views of three groups of stakeholders, public officers, workers and employers through qualitative research, as well as analysis of citizens' attitudes and perceptions regarding the pandemic and how to deal with it, provided through quantitative research.

Finally, the analysis draws conclusions and gives recommendations aimed at analysing the segments and dealing with the pandemic, and could contribute to improving the labour market and reducing the negative effects of the pandemic in the following period.

# I. INTRODUCTION

This report is a result of the research conducted by the team of the PRESPA Institute from Skopje in the period from August to November 2020. The research was conducted for the project **"Increasing productivity by improving the legal framework for labour relations in North Macedonia"** of the Helsinki Committee for Human Rights. Through the research, the team consisting of: **Goran Lazarov**, coordinator, **Diana Zhupanoska** and **Andreja Stojkovski**, as researchers and **Jovana Petkovska** as assistant researcher, tries to determine the consequences of the health crisis and the impact of the measures to tackle it on the labour market. The research question that the team is trying to answer is the following: ***"How did the health crisis affect the labour market and how should the legislation be amended in order to make a more resilient labour market which is prepared for the coming economic crisis?"***

The analysis reviews the measures adopted to tackle the coronavirus epidemic, as well as the relevant national regulations in the existing labour legislation. This includes relevant international regulations, i.e. International Labour Organisation (ILO) regulations on crisis management - in order to review ILO recommendations and the established occupational safety standards, and to overcome the economic and social impact of COVID 19. The research document also reviews the response of North Macedonia and conducts a brief analysis of international standards and EU legislation on labour market and crisis management - in order to analyse the SURE<sup>1</sup> program, as a joint response of the European Union in combating the effects of COVID-19. In doing so, all additional directives and decisions in various areas that were adopted in response to the pandemic were reviewed<sup>2</sup>. Finally, the analysis covers national regulations and the crisis responses of Slovenia, Croatia, Bosnia and Herzegovina, Montenegro, Serbia and Kosovo to compare the effects through their instances.

The analysis was conducted with the aim of assessing the impact of the measures for protection of workers, in order to determine the practical application and the degree of satisfaction among workers in dealing with the crisis. The results of the analysis and research are summarized, and conclusions and recommendations are made to improve the protection of workers' rights during and after the pandemic caused by COVID-19.

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<sup>1</sup> Support to mitigate Unemployment Risks in an Emergency (SURE), Program scheme for support of short-term employment - European Commission, available at the following link: <https://rb.gy/t9wivo>.

<sup>2</sup> An overview of European Union legislation adopted in the various chapters as a result of COVID-19 is available at the following link: <https://eur-lex.europa.eu/content/news/Covid19.html>.



## II. METHODOLOGY

The conduct of the research implied a combination of several research methods, and the survey was the basis for obtaining information on dealing with the consequences of the health crisis on the labour market and the improvement of the Macedonian legislation. The preparation of the research questionnaire was preceded by several steps that enabled it to cover all relevant issues related to the topic.

At the commencement of the research period, as a first step, the team of the PRESPA Institute started office research. During the research, the team made a detailed analysis of the relevant domestic and international documents related to the health crisis. Special attention in the analysis was paid to the following information:

1. Measures adopted to tackle the virus and relevant national legislation;
2. National regulations, select international regulations, crisis responses and comparison of effects;
3. ILO regulation on crisis management.

The analysis of the national regulations included the **Law on Labour Relations** (*Official Gazette of the Republic of Macedonia No. 62/2005 and subsequent amendments*)<sup>3</sup>; **Law on Occupational Safety and Health** (*Official Gazette of the Republic of Macedonia No. 92/2007 and subsequent amendments*)<sup>4</sup>; **Law on Protection of the Population from Infectious Diseases** (*Official Gazette of the Republic of Macedonia No. 66/2004 and subsequent amendments*)<sup>5</sup>; all decrees with force of law adopted during the state of emergency<sup>6</sup> and the conclusions and recommendations of the Government for the manner of organizing work (such as the measures and conclusions of the Government from the session held on 19 March 2020).<sup>7</sup>

The office research also used the mechanism for free access to public information for the purposes of determining and analyzing the number of workers who lost their jobs, received significant reductions in salaries or otherwise faced a gross violation of their labour rights in the period before, during and after the state of

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<sup>3</sup> Law on Labour Relations, Official Gazette of the Republic of Macedonia No. 62/2005 and subsequent amendments, available at the following link: <https://rb.gy/mj8p7w>.

<sup>4</sup> Law on Occupational Safety and Health, Official Gazette of the Republic of Macedonia No. 92/2007 and subsequent amendments, available at the following link: <https://rb.gy/vb3q31>.

<sup>5</sup> Law on Protection of the Population from Infectious Diseases, Official Gazette of the Republic of Macedonia No. 66/2004 and subsequent changes, available at the following link: <https://rb.gy/xszpdn>.

<sup>6</sup> Decrees with force of law adopted by the Government of the Republic of North Macedonia during the state of emergency – Outline, Macedonian Young Lawyers Association – Skopje, available at the following link: <https://myla.org.mk/wp-content/uploads/2020/07/Sistematiziran-pregled-Uredbi-so-zakonska-sila.pdf>.

<sup>7</sup> Overview of measures and conclusions adopted by the Government of the Republic of North Macedonia for dealing with the health crisis at the session held on 19 March 2020, available at the following link: <https://koronavirus.gov.mk/vesti/211176>.

emergency, as well as for determining and analyzing the number of employers and citizens who have used the measures to tackle the coronavirus.

During the next phase, through a **qualitative research**, the team of PRESPA Institute conducted 33 structured interviews with the following categories of citizens:

1. **Civil and public servants**;
2. **Employers from the most affected industries** (textile industry, manufacturing, catering industry etc.), representatives of small, medium and large enterprises;
3. **Workers** employed in the manufacturing and textile industry, workers with disabilities, workers at social risk and workers from rural areas.

The interviews were conducted according to the rules of anonymity and protection of personal data. At the beginning, before each interview, the interviewees were asked for consent to participate and for the conversation to be recorded. Each of the interviewees can be identified only by demographic data for: gender, age and age group, where they live and their highest level of education. The questions in the interviews were open-ended and adapted to the personal story of the interviewee. The information obtained from the interviews with the employers indicates how the companies have implemented the measures and standards for safety and protection at work, how much the measures of the Government have helped them and so on. While, the information from the interviews with the workers indicates: how much and how the recommendations for safety and health at work were followed, what was the attitude of the employer, the manner of organizing the employment and premises, whether they were allowed to work from home and so on. Finally, data from interviews with public and civil servants shows the experience these citizens have had with occupational safety and coronavirus management. For the needs of the research, two focus groups were planned with workers from the most affected industries, but due to the health crisis and the risk that all participants would have to be exposed to, both groups were canceled.

The data obtained from the interviews have an additional purpose and along with the preparation of this report, they also helped in the preparation of the survey questionnaire. The conducted public opinion poll was conducted through a computer-assisted telephone survey of a representative sample of workers whose number was defined according to the standards for a representative sample. Namely, the national representative sample is placed on the latest available data issued by the State Statistical Office, the so-called "Standard". Based on several parameters (region, nationality, village / city), a special method was used to determine how many surveys will be conducted in a municipality and so on. The survey was conducted with the so-called "**Unknown population**" i.e. it was unknown where and how many citizens are employed, i.e. unemployed or found or lost their jobs during the pandemic. There are no official data on these parameters at the state level or at the municipal level. Hence, the closest "standard" was the available official data, and the main assumption was that losing or finding a job during a pandemic and that citizens who have been employed and working since the pre-pandemic period are symmetrically distributed throughout the country. Therefore, the number of targeted respondents in the survey corresponds

to the number of respondents according to the population, ie. according to data from the State Statistical Office.

The telephone survey was conducted by the BRIMA agency between 15 October and 5 November 2020, and the sample was determined on 1,007 respondents who found a job, or were fired during the epidemic, i.e. were previously employed. The respondents belong to all ethnic communities, live in all urban or rural areas and in all statistical and planning regions. The margin of error in the survey was set at +/- 3.08% with a confidence interval of 95%.

Considering the fact that the survey was conducted on an "**unknown population**", the analysis should make a comparison within the sample itself: for instance, what percentage of the citizens in one region lost a job compared to the percentage of those who lost a job in another region and so forth due to the fact that the standard error for a particular segment will be determined depending on the sample size and its variability. For instance, if a measured parameter (for instance people who answered "YES" to a question) is 30% or 70%, the standard error for these percentages for the sample of n = 1007 respondents is 2.83%.

For the needs of understanding and analysis, we include an orientation table below:

Measured percentage	Margin of error
50%	+/- 3.08%
40% or 60%	+/- 3.02%
30% or 70%	+/- 2.83%
20% or 80%	+/- 2.47%
10% or 90%	+/- 1.85%

Finally, the conducted survey contained the following sets of questions:

- Set 1 - Physical presence in the workplace or work from home;
- Set 2 - The impact of the health crisis (COVID-19) on the volume and profitability of companies;
- Set 3 - Working conditions during the health crisis (COVID-19);
- Set 4 - Labour rights and discrimination in the workplace;
- Set 5 - Government measures to tackle the health crisis (COVID-19);
- Set 6 - Favoring and / or discriminating against certain sectors, companies or groups of workers.

### III. CHRONOLOGY

For the purposes of understanding the developments and for simpler monitoring of the adopted measures, the report includes the chronological framework of the health crisis starting from the first cases in Wuhan, People's Republic of China, until November 2020. In the framework, we will not use links and footnotes, in order to facilitate reading, especially considering that in the analysis of each of the measures and their impact we indicate the source of information used, or the literature used.

#### JANUARY

8 January

The World Health Organisation (WHO) announced that the new coronavirus could be the cause of an outbreak of pneumonia of unknown origin in December in the Chinese city of Wuhan.

11 January

The first death as a result of the new coronavirus in China has been reported, and the first infections outside China have been reported.

24 January

The first cases in Europe were registered in France.

25 January

Following Wuhan, almost the entire central province of Hubei in China has been isolated

28 January

The first two direct transmissions of the infection outside China have been reported in Japan and Germany, with several countries returning their citizens from Wuhan.

30 January

The WHO declares an international state of emergency, although it does not recommend restricting travel and trade with China.

#### FEBRUARY

16 February

The Parliament dissolved itself and discontinued its activities.

26 February

The first case of the new coronavirus (SARS-CoV-2) at the University Clinic for Infectious Diseases and Febrile Conditions in Skopje has been confirmed.

## MARCH

### 6 March

Two new cases were confirmed in Centar Zhupa.

### 10 March

The first restrictive measures have been adopted, including a two-week closure of all educational institutions, a ban on travel to high-risk countries and a ban on holding public and sports events with audience.

### 11 March

The WHO declares a global pandemic.

### 13 March

A crisis situation has been declared on the territory of the municipalities of Debar and Centar Zhupa, and all movement in and out of these municipalities is prohibited.

A ban on foreign citizens coming from high-risk countries has been issued.

### 14 March

All catering facilities that prepare and serve food are closed to visitors.

### 16 March

All land border crossings are closed, as well as the border crossing at the airport in Skopje.

### 18 March

A state of emergency has been declared. Considering the fact that the Parliament dissolved itself, the Government, in accordance with the Constitution, took over the legislative power.

### 19 March

The first package of economic measures has been adopted.

### 21 March

A curfew was declared as an additional measure valid from 21:00 pm to 06:00 the next morning.

### 22 March

The first death from COVID-19 has been registered.

### 31 March

The second package of economic measures has been adopted.

A curfew was declared for the weekend which started on Friday at 16:00 and ended on Monday at 5:00 in the morning.

## APRIL

### 3 April

A curfew was declared for the weekend which started on Friday at 16:00 and ended on Monday at 5:00 in the morning.

### 8 April

It has been determined that the curfew on weekends will start on Friday at 16:00 and will last until Monday at 5:00 in the morning.

### 17 April

It has been determined that the curfew on the holiday weekend will start on Friday, 17 April at 16:00, and will end on Tuesday, 21 April at 05:00 in the morning.

### 23 April

It has been determined that the curfew will start at 19:00 and will last until 5:00 the next morning. On weekends, the curfew will start at 15:00 on Saturday and will last until Monday, 5:00 in the morning.

## MAY

### 17 May

The third package of economic measures has been adopted.

### 24 May

It has been determined that the curfew in the long weekend will start on Sunday, 24 May at 11:00 in the morning, and will last until Tuesday, 26 May until 5:00 in the morning.

### 27 May

It has been determined that the curfew ceases to be in force.

### 28 May

It was decided that all catering facilities will be open for work with guests-visitors, as well as to work with working hours from 8:00 to 22:00.

## JUNE

### 17 June

All border crossings are open, and entry into the country is allowed only for those who have a negative PCR test that is not older than 72 hours.

Macedonian citizens can travel only to Albania and Serbia.

### 23 June

The state of emergency has ended.

## **JULY**

### 15 July

The elections scheduled for 12 April 2020 were postponed for this date due to the state of emergency.

### 26 July

Entry to and from Albania is allowed without the previously required negative PCR test, as well as without the required quarantine.

## **AUGUST**

### 31 August

The Parliament elected the new Government.

## **SEPTEMBER**

### 26 September

The fourth package of economic measures has been adopted.

## **OCTOBER**

### 6 October

Entry into and from Serbia, Kosovo, Montenegro and Bosnia and Herzegovina is allowed without the previously required negative PCR test, as well as without the required quarantine.

### 10-12 October

The VAT-free weekend was held, which was one of the Government's measures to support the domestic producers and the citizens.

### 20 October

It has been decided to extend the working hours of the catering facilities until 23:00, except for those which provide delivery of food.

### 29 October

The Parliament adopted the Law on Amendments to the Law on Protection of the Population from Communicable Diseases which stipulates for mandatory wearing a protective mask on open spaces.

## **NOVEMBER**

### 06 November

It has been decided that the working hours of the catering facilities will be shortened until 21:00, except for those which deliver food.

A recommendation was adopted for all national citizens, as well as foreign citizens living on the territory of the country, not to move in public space after

21:00 if they do not have important and necessary needs, as well as a recommendation for citizens not to group in homes for family celebrations, religious celebrations or other gatherings in groups of more than four people who do not live in the same household.

20 November

A state of crisis has been declared on the territory of the state for 30 days.

The declaration of a state of crisis on the territory of the state is a consequence of the sharp increase in new cases and for the protection of public health. The decision to declare a state of crisis on the territory of the entire country was brought by the Government. The Government's decision was based on the proposal of the Administration Committee for Coordination and Administration of the Crisis Management System, as well as the Assessment Group. This procedure was preceded by a session of the Security Council, which recommended declaring a state of crisis on the territory of the state. The state of crisis was declared for 30 days, starting from 20 November 2020.



## IV. ANALYSIS

### 1. ANALYSIS OF THE RELEVANT DOMESTIC REGULATIONS AND MEASURES OF THE GOVERNMENT<sup>8</sup>

Managing the health crisis and its challenges, as well as the protection of the population began with the measures adopted by the Government on 11 March and on 18 March 2020, followed by the declaration of a state of emergency on the territory of the state. The state of emergency, in accordance with Article 125 of the Constitution of the Republic of North Macedonia, was declared by the President of the Republic of North Macedonia because the Parliament dissolved itself. The state of emergency ended on 22 June 2020 after being declared five times: twice for 30 days, twice for 14 days and once for 8 days.

The declaration of a state of emergency, in addition to protecting the population from infectious disease, was intended to help the government deal more quickly and effectively with the health and economic risks posed by the pandemic. This was especially significant considering the fact that the Parliament dissolved itself. Having in mind the constitutional competencies of the Government and the declared state of emergency, in this period the Government acted as a legislator by adopting **decrees with force of law**. Therefore, during the state of emergency, a total of 250 decrees with force of law were adopted, most of which refer to the areas: *economy and finance* (54) and *health care* (22), and for the area of labour relations (14). Considering the topics of this research, it is important to note that of total 250 decrees with force of law, 7 were related to social protection and pension and disability insurance, and 18 were related to economy, trade and catering and tourism.<sup>9</sup>

This part of the analysis aims to review the existing provisions of the relevant legislation for protection of the population from infectious diseases and occupational safety, as well as to analyse the measures, recommendations and decrees with force of law adopted by the Government that have a direct impact on worker during a pandemic. In general, two aspects will be considered: protection of workers' health, i.e. financial aid for easier management of the crisis for workers and employers.

Before moving forward, we must keep in mind that not all workers are equally affected by the health crisis. Different categories have and/or feel different

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<sup>8</sup> The regulations, for the purpose of this research and report, include the existing laws and bylaws of the Republic of North Macedonia that regulate labour relations, while the measures include all acts, protocols, rulebooks, recommendations that were adopted as a result of the pandemic and were aimed at the worker and the protection of his rights.

<sup>9</sup> Decrees with force of law adopted by the Government of the Republic of North Macedonia during the state of emergency – Outline, Macedonian Young Lawyers Association – Skopje, available at the following link: <https://myla.org.mk/wp-content/uploads/2020/07/Sistematiziran-pregled-Uredbi-so-zakonska-sila.pdf>, p. 28.

consequences. According to the International Labour Organisation (ILO) public policy document, *"the crisis has different effects on companies, workers and their families, although in any case it deepens existing disparities."* The ILO recommends that special attention be paid to: women, workers in the informal economy and temporary workers, young workers, older workers, refugees and migrant workers, as well as micro-entrepreneurs and the self-employed.

The arguments for this recommendation are numerous, for instance, **women** represent almost 70% of the workers in the health and social sector and often, they are the first in charge of dealing with the crisis.<sup>10</sup> Also, women are most present in the informal service sector and in the intensive manufacturing sector, and thus are seriously affected by the effects of the crisis or are subject to high health risk.<sup>11</sup> On the other hand, young workers are sensitive to fluctuations in labour market demand, while older workers have extremely limited opportunities to find a new job and are further exposed to health risks.<sup>12</sup> Finally, micro-entrepreneurs and the self-employed are mainly those who work in an informal economy and are disproportionately less economically resilient to the risks of a health crisis and its consequences for the economy and the labour market.

According to Article 42, paragraph 1 of the Law on Labour Relations,<sup>13</sup> the employer has an obligation to guarantee safe working conditions to the employee. Considering this provision, it is expected that the provision would have a stricter application in times of epidemic. The Government of Republic of North Macedonia acted in accordance with the law and decided for an approach that promotes and guarantees the safe working conditions. Regarding the protection of workers, the Government mainly regulated the work process and adopted recommendations and measures for certain categories of workers, as well as protocols that adjust or ensure public health in the work process.

Moreover, according to the Law on Safety and Health at Work<sup>14</sup>, both the Government and the employer have obligations to ensure protection of the health of the

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<sup>10</sup> Decrees with force of law adopted by the Government of the Republic of North Macedonia during the state of emergency – Outline, Macedonian Young Lawyers Association – Skopje, available at the following link: <https://myla.org.mk/wp-content/uploads/2020/07/Sistematiziran-pregled-Uredbi-so-zakonska-sila.pdf>.

<sup>11</sup> "COVID-19 had an impact on jobs, most unemployed persons are women", Cariera.MK, available at the following link: <https://rb.gy/iict8n>.

<sup>12</sup> Decrees with force of law adopted by the Government of the Republic of North Macedonia during the state of emergency – Outline, Macedonian Young Lawyers Association – Skopje, available at the following link: <https://myla.org.mk/wp-content/uploads/2020/07/Sistematiziran-pregled-Uredbi-so-zakonska-sila.pdf>.

<sup>13</sup> LLR, Article 42, Paragraph 1: *"The employer shall ensure the safety and health of the employees in line with the special occupational safety and health regulations and shall undertake all necessary measures to ensure that each employee is provided sufficient training that is appropriate for the special characteristics of the job, taking into account his professional qualifications and experience."*

<sup>14</sup> LOSH, Article 5: *"The employer has an obligation to ensure occupational safety and health for its employees from every aspect related to work. As part of its responsibilities, the employer must take measures necessary for the occupational safety and health of the employees, including protection against occupational risks, provision of information and training, and provision of appropriate organisation and*

employee in the work process. In doing so, the Government determines the "strategy for development of occupational health and safety in relation to the protection of life, health and work ability of employees and prevention of injuries at work and occupational and other diseases related to work"<sup>15</sup>. In accordance with the established regulations and rules, the employer has to follow the established standards, as well as to "take the necessary measures for occupational safety and health of the employees."<sup>16</sup> Considering its responsibilities and competencies, the Government established several recommendations<sup>17</sup> regarding the protection of the health of workers who were at highest risk of coronavirus. The following sectors were included:<sup>18</sup> 1) workers working in production facilities;<sup>19</sup> 2) carriers traveling to medium and high risk countries, during their trip, and upon returning to the country;<sup>20</sup> 3) food producers;<sup>21</sup> and 4) farmers<sup>22</sup>.

At the session held on 12 May 2020, the Government adopted a Plan to reduce restrictive measures, implemented in three phases<sup>23</sup>, in order to process the proposals and conclusions of the General Coordination Committee for Ensuring Full Coordination Regarding the Prevention of Introduction and Spread of Coronavirus COVID-19. The phases of this plan include the functioning of the economic activities in a time of declared state of emergency and limited movement of the population on the entire territory of the country with a gradual reduction of the time for prohibition of movement. The second phase is in fact a transitional phase of initial commencement of work activities by respecting the recommended measures and strict protocols for work in conditions of prevention and prevention of introduction and spread of COVID-19. While, the third phase envisages a complete return to the regular work process by respecting the basic preventive, anti-epidemic measures for maintaining personal hygiene and physical distancing.

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*necessary resources. (2) The employer has the obligation to introduce such protective measures and to choose such working and production methods that will improve the level of occupational safety and health, and will be included in all activities of the employer and at all levels of the organisation."*

<sup>15</sup> LLR, Article 4, paragraph 2

<sup>16</sup> LLR, Article 5, paragraph 1

<sup>17</sup> The recommendations introduced by the Government mostly referred to the organisation of the work process, as well as the rules for maintaining personal hygiene and reducing personal contacts with other persons.

<sup>18</sup>Work place recommendations, Government of the Republic of North Macedonia, available at the following link: <https://koronavirus.gov.mk/merki>.

<sup>19</sup> Recommendations for the workers in the production processes, Government of the Republic of North Macedonia, available at the following link <https://koronavirus.gov.mk/vesti/214845>.

<sup>20</sup> Recommendations for carriers for traveling to medium and high risk countries as well as upon returning to the country, Government of the Republic of North Macedonia, available at the following link:<https://koronavirus.gov.mk/vesti/214850>.

<sup>21</sup> Recommendations for the workers in the production facilities that produce food products and butcheries, Government of the Republic of North Macedonia, available on the following link:<https://koronavirus.gov.mk/vesti/214848>.

<sup>22</sup> Rules for movement of farmers during a ban on movement, Government of the Republic of North Macedonia, available at the following link: <https://koronavirus.gov.mk/vesti/214831>.

<sup>23</sup> Minutes from the 51st session of the Government of the Republic of North Macedonia, available at the following link: <https://vlada.mk/sednica/2020-51>.

The plan contained the recommendations of the Commission for Protection against Contagious Diseases, and was the basis for 69 protocols<sup>24</sup> for work, conduct and organisation of various situations and events. The first of the protocols refers to preventive measures for all workplaces<sup>25</sup>, which recommends conduct in a manner that ensures hand hygiene and respiratory hygiene, physical distancing and reduction of work-related travel, regular cleaning and disinfection of the workplace, communication and education on the risks and managing people with COVID-19 and their contacts.

In addition to recommendations and protocols for preventive measures in the workplace, the Government has adopted special measures for the chronically ill and pregnant women, for workers on maternity leave and for parents with children up to 10 years of age and for employers.

The special measures for the chronically ill and for pregnant women introduced a furlough for all those who would provide confirmation from a family doctor that they suffer from one of the prescribed diagnoses of chronic conditions, as well as for all pregnant women.<sup>26</sup> These measures lasted until 23 September 2020, with the exception of pregnant women, for whom the special protection and special measures continued to apply.<sup>27</sup>

Special measures for workers on maternity leave introduced an extension of paid leave from work. Thereby, the measure was adopted with the Decree with force of law for application of the Law on Labour Relations.<sup>28</sup> This measure was applicable until 23 September 2020.

The special measures for parents with children up to 10 years old, applied only to public sector employees and meant that they would be furloughed from work due to the interruption of the educational process. At the same time, the Government recommended to the private sector to introduce this measure as well.<sup>29</sup> This measure lasted until 23 September 2020.

Finally, the special measures for employers referred to the organisation of the work process when the Government recommended to all employers, i.e. to all

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<sup>24</sup> Overview of the protocols arising from the Plan for reduction of restrictive measures to prevent the spread of coronavirus, Government of the Republic of North Macedonia, available at the following link: <https://vlada.mk/protokoli-koronavirus>.

<sup>25</sup> Recommendations for carriers for traveling to medium and high risk countries as well as upon returning to the country, Government of the Republic of North Macedonia, available at the following link: <https://koronavirus.gov.mk/vesti/214850>.

<sup>26</sup> Minutes from the 17<sup>th</sup> session of the Government of the Republic of North Macedonia, available at the following link: <https://vlada.mk/node/20489>.

<sup>27</sup> The measure for furlough of chronically ill people, pregnant women, single parents and other vulnerable categories of citizens, continues to apply, Ministry of Labour and Social Policy, available at the following link: [https://www.mtsp.gov.mk/covid-19-ns\\_article-mtsp-merkata-za-osloboduvanje-od-rabota-na-hronicno-bolnite-lica-bremenite-zeni-samohranite-roditeli.nsp.x](https://www.mtsp.gov.mk/covid-19-ns_article-mtsp-merkata-za-osloboduvanje-od-rabota-na-hronicno-bolnite-lica-bremenite-zeni-samohranite-roditeli.nsp.x).

<sup>28</sup> Decree with force of law for application of the Law on Labour Relations, Official Gazette of the Republic of North Macedonia No. 113/2020, available at the following link: <https://rb.gy/rn0dh5>.

<sup>29</sup> Minutes of the 15<sup>th</sup> session of the Government of the Republic of North Macedonia, available at the following link: [https://vlada.mk/sites/default/files/zakluchoci\\_covid-19.pdf](https://vlada.mk/sites/default/files/zakluchoci_covid-19.pdf).

responsible officer of state institutions, to organise the work process and the manner of working of the employees as "work from home".<sup>30</sup>

All measures were aimed at preventing the spread of the virus, as well as to protect certain vulnerable categories of citizens and to ensure that they will continue to work. The measures were also aimed at ensuring that the economy would continue to grow, although they imposed obligations for employers. The employers had responsibility to appoint a "COVID-19 Coordinator". This responsibility derived from the ILO Employers' Guide for Managing a Workplace during COVID. The main task of the coordinator is to be informed about the introduced measures and issued recommendations and to provide regularly updated and reliable information for workers, suppliers and customers. The task of the coordinator is also to study and then clarify and announce the company's procedures and policies, including those for flexible working arrangements, work from home, leave, sick leave, vacation and so on."<sup>31</sup>

## **2. ANALYSIS OF EFFICIENCY OF CONDUCTING THE MEASURES**

Despite all efforts to organise the work process and to protect the vulnerable categories of workers, the news of layoffs<sup>32</sup>, workers with children up to 10 years who were not furloughed, chronically ill workers who had to go to work, workers from the textile industry who fell ill due to non-compliance with the recommendations for protection of the workplace and similar news continued to appear.

Overall, the measures and recommendations of the Government that were adopted in the period after 11 March can be divided into three categories:

1. measures and recommendations aimed at ensuring the normal functioning of the economy in times of emergency state and health crisis;
2. measures aimed at protecting the worker in the workplace and organizing the work process; and
3. measures designed as financial incentives and subsidies to mitigate the negative financial implications for the citizen and the economy in general.

We will measure the effectiveness of all measures adopted by the Government for the purpose of this analysis through two parameters. The first perimeter is the number of citizens whose employment was terminated from March to December 2020.

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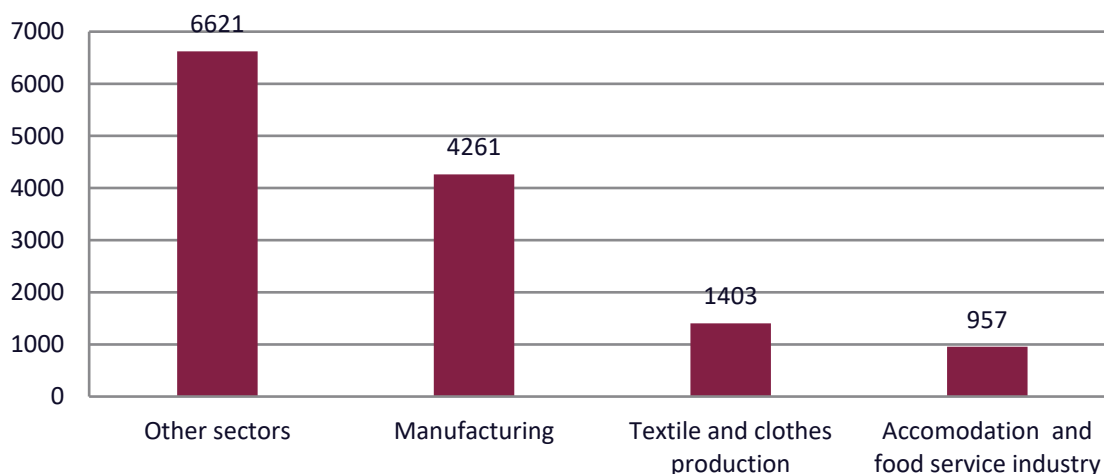
<sup>30</sup> Minutes of the 19<sup>th</sup> session of the Government of the Republic of North Macedonia, available at: <https://rb.gy/ixut1j>.

<sup>31</sup> An employers' guide for managing your workplace during COVID-19, International Labour Organisation, available at the following link: <shorturl.at/gjqH4>.

<sup>32</sup> Unemployment rate in the second quartal 16,7%, Suzi Koteva-Stoimenova, Macedonian Information Agency, available at the following link: <https://mia.mk/vo-vtoriot-kvartal-stapkata-na-nevrabotenenost-16-7-otsto/>.

During the preparation of the report, we worked with the hypothesis that the employment of these people stopped as a result of the health crisis. The second is by monitoring the proactive role of the state in protection of the workers, measured through inspections of employers. Finally, an additional parameter is reviewing and monitoring the implementation of economic measures to tackle the crisis and the number of applications for financial aid, the number of approved applications, the scope of the applications and the amount of the granted aid.

## Unemployed persons in the period March-September 2020



**Chart 1.** Overview of the number of unemployed persons in the period 18 March – 18 September 2020 in the sectors of interest and other sectors.

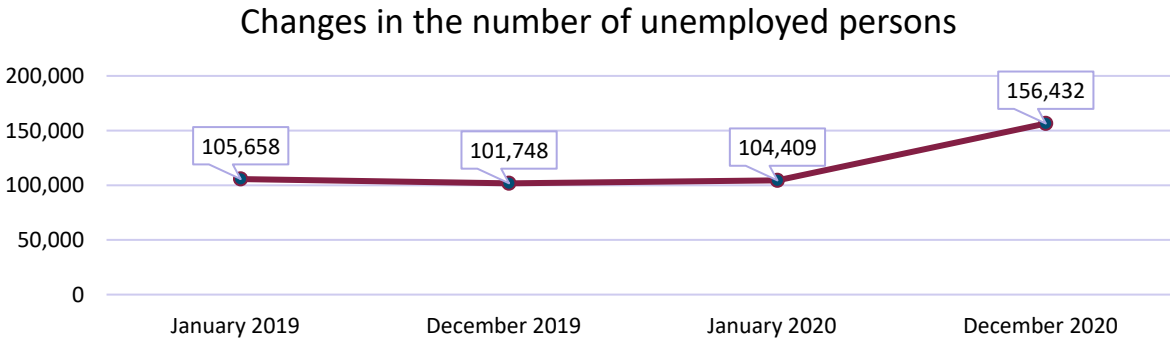
Based on the data received from the Employment Agency, from 18 March 2020 to 18 September 2020, termination of employment, i.e. termination of compulsory social insurance was registered for 11,478 persons, of which 4,261 persons are from the manufacturing industry, and 1,403 of them from the textile and clothes production sector and 957 in the sector for activities of accommodation facilities and food service facilities.<sup>33</sup>

It should be taken into account that this data refers to workers in the formal economy, and there is still a large number of workers that were part of the informal economy who also lost their jobs. The consequences of the health crisis is most noticeable in the increase of the number of unemployed persons in 2020 from March to October by at least 49,390 people. Unlike 2020, 2019 shows a stable trend in the number of unemployed persons, i.e. from 105,658 in January 2019, in December 2019 it decreases to 101,748, and while in January 2020 the number of unemployed persons is 104,409 and in December 2020 it is 156,432 unemployed persons.

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<sup>33</sup> Decision for access to public information number 2747/2.





**Chart 2.** Changes in the number of unemployed persons in the period January 2019 to December 2020, for the beginning and the end of each year.

During the pandemic with the increased measures and recommendations of the Government for safety at the work place, there was/is a possibility for increased violation of workers' rights, and in order to reduce the possibilities for abuse and violations, the state needed to conduct intensified control. According to the State Labour Inspectorate, a total of 15,078 inspections were conducted between 18 March and 18 September 2020, or an average of 742 inspections per day (a total of 155 days, including Saturday and Sunday). During the inspections, 394 decisions for violation were determined and issued, which represents 2.6% of the total conducted supervisions that were finalized with a decision<sup>34</sup>.

Abuses were also reported in the implementation of economic measures for the payment of salaries to workers. The measure of financial aid for salaries was aimed at preventing the dismissal of workers and retention of jobs, and although disbursed to companies directly, it was supposed to reach the bank accounts of the most affected, i.e. workers. However, there are many news reports that the salaries from the aid were not paid to the workers.<sup>35</sup> According to the Public Revenue Office: "As of 2 February 2021, 13,160 employers were paid a total of 961,709,306.00 MKD for payment of the December salary to 60,974 employees. Of these, 306 employers did not pay the received financial aid in the amount of 16,305,020.00 MKD to 992 employees." This news includes only the abuses of the fourth package of measures, but such abuses also occur from the disbursement of this measure as part of the first package.

<sup>34</sup> Response to a request for access to public information from the Ministry of Labour and Social Policy.

<sup>35</sup> "The measure of 14,500.00 MKD retained the workers but some did not receive salaries, the employers kept the money, sanctions are expected Suzi Koteva-Stoimenova, Macedonian Information Agency, available at the following link: <https://mia.mk/merkata-14-500-denari-gi-zadrzha-rabotnicite-no-del-ne-dobi-a-plati-parite-zavrshi-a-ka-rabotodavachite-e-sledat-sankcij/>.

Inspections COVID 19						
Months	Number of inspections	Total number of workers in the companies subject to inspection	Number of absent workers due to a child up to 10 years and being a single mother	Number of absent workers due to chronic diseases	Number of absent workers due to pregnancy	Decision
March	2,506	170,467	4,488	1,862	746	34
April	2,925	73,653	2,059	1,051	326	53
May	2,536	46,114	818	345	265	42
June	2,857	56,795	1,655	859	264	85
July	1,842	33,319	330	244	127	76
August	1,373	113,158	902	686	69	58
September(1-18)	1,039	10,627	11	4	22	46
Total	15,078	504,133	10,263	5,051	1819	394

In order to avoid such abuses in the future, it is necessary for the Public Revenue Office to pay the funds directly to the bank accounts of the workers. At the moment, in order to prevent such abuses, the Public Revenue Office may reprimand or, sanction the violators, or initiate criminal liability proceedings as a last resort. Thus, the PRO first submits a reprimand for unpaid salary and after the expiration of the reprimand conducts a procedure for forced collection of salary by blocking the funds on their transaction accounts and transfer of funds to the accounts of workers and payment accounts for public revenues. Those who did not pay salaries and used subsidies from the first package, i.e. salaries for April, May or June, the PRO has submitted data to the Public Prosecutor's Office to initiate criminal proceedings, and they have been subject to inspection carried out in coordination with the State Labour Inspectorate. The seriousness of the fight against such abuses will be proved by a final decision of the courts and the action of the Public Prosecutor's Office in these cases.

During the pandemic, in order to provide protection of the workers, the Government decided to adopt measures for "saving jobs" through which the payment of 14,500.00 MKD per month was provided as a minimum salary for workers and for coverage of up to 50% of contributions. The financial aid for individuals who perform independent activity, as well as for employees in companies in the sectors of tourism, transport and catering was provided within this category. These were measures 1 (*The state saves jobs, 14,500 MKD per month per employee for April and May, for companies affected by the crisis or 50% of the cost of contributions for each employee*), 20 (*Financial aid for the months of April and May 2020 in the amount of 14,500 MKD per month for self-employed individuals*), 21 (*Subsidizing 50% of the contributions for*



employees in companies from the sectors of tourism, transport and catering and other companies affected by the corona virus) and 26 (Support for payment of salaries, which continues to be valid for the last quarter of the year, i.e. for the months of October, November and December). The four measures covered a total of 464,048 employees and self-employed persons, while the granted aid amounted to a total of MKD 5,145,866,715.00 or approximately 84 million EUR. This practically means that each of the workers or the self-employed who were included in these four measures received approximately 180 EUR, or MKD 11,089.00.

**Measure 1 - The state saves jobs, 14,500 MKD per month per worker for April and May, for companies affected by the crisis or 50% of the cost of contributions for each employee**<sup>36</sup>

Period	Number of approved requests BFP-IP	Number of TP who received financial aid	Number of employees who received financial aid	Amount of financial aid
April 2020	21.363	19.826	128.165	1.796.282.702,00
May 2020	21.087	19.999	119.114	1.671.755.264,00
June 2020	19.235	18.172	101.585	1.420.066.089,00

**Measure 20 - Financial support for the months of April and May 2020 in the amount of 14,500 MKD per month for self-employed individuals**<sup>37</sup>

Period	Number of ZVD-BFS for paid FA to individuals	Amount
April 2020	5818	84.361.000,00
May 2020	6022	87.319.000,00
June 2020	5964	8.647.800,00

**Measure 21 - Subsidizing 50% of the contributions for employees in companies from the sectors of tourism, transport and catering and other companies affected by the corona virus**<sup>38</sup>

Period	Number of approved requests BS-PZSO	Number of TP based on orders submitted to the MLSP for payment of subsidies	Number of employees for whom contribution subsidies have been used	Amount of subsidized contributions
April 2020	2.532	1.652	11.669	36.608.376,00
May 2020	2.465	1.868	12.915	40.822.665,00
June 2020	2.137	1.655	12.096	38.198.174,00

<sup>36</sup>. Public Revenue Office of the Republic of North Macedonia, decision No: 02-6911/2.

<sup>37</sup> Public Revenue Office of the Republic of North Macedonia, decision No: 02-842/1.

<sup>38</sup> Public Revenue Office of the Republic of North Macedonia, decision No: 02-6903/2.

**Measure 26 - Support for payment of salaries, which continues to be valid for the last quarter of the year, i.e. for the months of October, November and December** <sup>39</sup>

Period	Number of approved BFP-IP	Number of TP which received financial aid	Number of employees that used financial aid	Amount of financial aid
October 2020	13.796	12.368	60.700	945.210.474,00

For a similar purpose, the Government has identified measures 31 (*Refund of the tourist tax for 2019 to support the tourism sector, as one of the most affected in the crisis*), 32 (*Grants for travel agencies from 3,000.00 to 7,000.00 EUR*), 34 (*Grants for wedding restaurants*) and 36 (*Grants for playgrounds for children*). Namely, considering the closed border crossings, reduced local travel, bans on gathering and grouping and curfew, the tourism and catering sector survived its most difficult year. Hence, the measures of the Government were supposed to help the employers from these sectors and at the same time to guarantee the end users, i.e. workers in these sectors that they will be able to keep their jobs. According to the available data and the response from the Ministry of Economy, for the use of the measures, out of the 109 applicants, only 78 tourist guides received salary support. The remaining 31 applicants did not meet the requirements.

**Measure 30 – Salary aid for tourist guides**

Applied	Received
109	78

According to the information received from the Ministry of Economy, through other measures of this group a total of 1403 employees in 409 business entities received aid. The total aid awarded in grants to travel agencies, wedding restaurants and playgrounds for children is 148,420,000.00 MKD or approximately 2.5 million EUR. It is noteworthy that out of the financial aid granted to 81 playgrounds for children, only 3 employees were included.

**Measure 32 - Grants for travel agencies from 3,000 to 7,000 EUR:**

	Applied	Received
	339	276
How many employees did this measure include?		1000 employees
How much funds were allocated		79.690.000,00 MKD

<sup>39</sup> Public Revenue Office of the Republic of North Macedonia, decision No: 02-6906/2.

### Measure 34 – Grants for wedding restaurants:

	Applied	Received
	238	133
How many employees did this measure include?		400 employees
How much funds were allocated?		55.440.000,00 MKD

### Measure 36 – Grants for playgrounds:

	Applied	Received
	119	81
How many employees did this measure include?		3 employees
How much funds were allocated		13.290.000,00 MKD

Independent artists were one of the categories of employees who suffered the consequences of the pandemic and restrictive measures. In order to support them, the Government adopted measure 3, through which aid for pop, film and cultural artists was provided in the amount of 2 gross minimum salaries or 21,776.00 MKD. The Government estimated that the measure will cover 731 people, but according to the data of the General Secretariat of the Government and the Ministry of Culture, a total of 487 people applied, and only 122 people received aid<sup>40</sup>.

### Measure 3 – Aid for artists

	Applied	Received
Pop artists	379	58
Film artists	87	61
Cultural artists	21	3

Each of the measures processed so far shows a large discrepancy between the envisaged scope and the submitted requests for financial aid. The number of workers covered with these measures compared to the previously planned coverage is disproportionately small. When the information on the abuses of the received aid is included in this data, it shows that the best aid was the one from measure 4 (*Cash compensation for the citizens who lost their jobs due to the crisis, according to the duration of service*) where for the envisaged scope (11 March – 30 April), 3,794 people applied and 3,123 people received aid.<sup>41</sup> This actually means that as many as 82% of the

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<sup>40</sup> General Secretariat of the Government of the Republic of North Macedonia, decision no:49-11183/2.

<sup>41</sup> Employment Agency of Republic of the Republic of North Macedonia, decision No: 03-3439/2.

submitted requests received a positive feedback. However, the most successful, at least in the scope, was Measure 27 (*Payment cards for citizens for bigger consumption and support of domestic economic activities*) where as many as 283,000 citizens distributed 27.6 million EUR.<sup>42</sup>

Abuses must not be committed, and violations of workers' rights must not go unpunished. Therefore, the intensive inspection of the execution of these obligations is completely justified. By applying direct measures, the state must act preventively, i.e. to contribute to the preservation of jobs, preservation of workers' health and guarantee of human rights, precisely from the corpus of employment.

### **3. ANALYSIS OF FINANCIAL IMPLICATIONS OF MEASURES AND PACKAGES FOR CRISIS MANAGEMENT**

The pandemic had extremely negative effects on the economy, with reduced economic activity leading to changes in the labour market, reduced supply, demand and production of goods and services, reduced investment, but also reduced consumption and so on. The effects of the pandemic will be long-lasting and far-reaching; they will make structural changes and adaptations in the labour market and economy, supply and demand, production of goods and services and so on. Some of the consequences may not be visible enough yet, but they can be assumed. Restrictive measures such as the declared state of emergency, social isolation, curfew, reduced business and private travel, general uncertainty, as well as investment uncertainty, reduced purchasing power of citizens are just some of the reasons for the slowing economy in North Macedonia, as well as on international level. Of course, the financial crisis has not affected all sectors equally. Some sectors are much more affected than others, and according to World Bank estimates, the most affected sectors in North Macedonia are: wholesale and retail, catering and tourism and arts, entertainment and recreation.<sup>43</sup>

The slowdown in the economy will certainly not be the last of the consequences of the crisis. Even more frightening consequence that awaits us will be the increase in poverty.<sup>44</sup> The World Bank simulations predict that the poverty rate will rise from approximately 17% in 2019 to around 20-23% in 2020.

In absolute terms, this means that the number of people living below the poverty threshold will increase from 55,000 to over 130,000 citizens of the Republic of North Macedonia.

Nevertheless, such forecasts of the World Bank take into account the length of the crisis period and

<sup>42</sup> General Secretariat of the Government of the Republic of North Macedonia, decision No: 49-11182/2.

<sup>43</sup> "The Economic and Social Impact of COVID-19 – Poverty and prosperity of households" Regular Economic Report on Western Balkans, World Bank Group, p. 13, Table A1, available at the following link: <http://pubdocs.worldbank.org/en/419241590709526138/WBRER17-08-Poverty-%D0%9C%D0%9A.pdf>.

<sup>44</sup> As a result of COVID-19, rise of poverty threatens to Macedonia, Free Europe, available at the following link: <https://rb.gy/oqfnf>.

whether it will last one, two or three quarters.<sup>45</sup>

In order to reduce the negative effects of COVID-19 on the economy, and thus prevent further increase of unemployment and poverty, the Government adopted 4 packages of measures or a total of 57 measures<sup>46</sup> divided into five categories:

1. Financial aid for the citizens;
2. Direct support to the Macedonian economy - for innovation and development, for preservation of existing and new jobs;
3. Support for farmers;
4. Direct support for unemployed persons – for athletes, for artists and tourist guides and
5. Tax relief and debt deferral.

According to official data<sup>47</sup>, the four packages amount 1.02 billion EUR, of which between 200 and 500 million EUR are the first and second packages, 335 million EUR is the third package, and the fourth package is 470 million EUR. However, the utilization of the four packages and how much these measures will achieve the desired effect is yet to be determined.

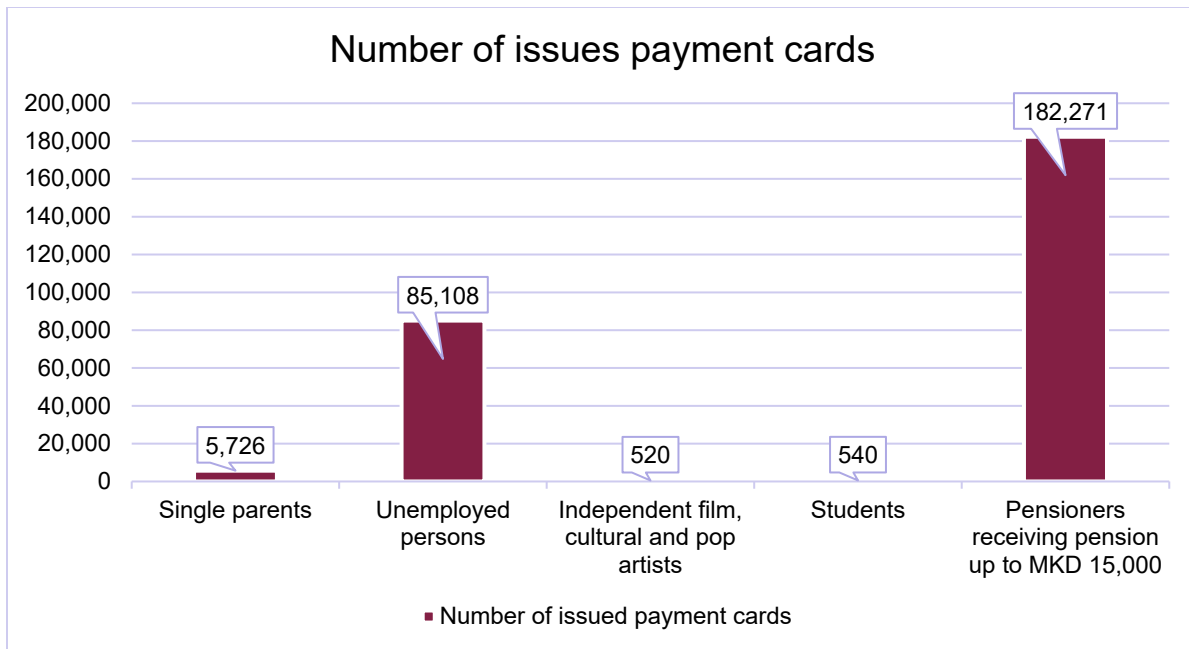
The first category of measures envisaged issuance of payment cards for citizens, in order to increase consumption and development of the domestic economy. The payment cards were in the amount of 6,000 MKD. The cards were issued to 5,726 single parents, 85,108 unemployed persons and 520 independent film, cultural and pop artists. Such aid was also given to 540 students, who were not included in the beginning, as well as 182,271 pensioners with a pension of up to 15,000 MKD.

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<sup>45</sup> Minutes from the 17th session of the Government of the Republic of North Macedonia, available at the following link, page 11.

<sup>46</sup> <https://vlada.mk/ekonomski-merki-covid19>.

<sup>47</sup> Economic measures to deal with the consequences of COVID 19  
<https://koronavirus.gov.mk/merki/ekonomski-merki>.



**Chart 3.** Overview of the number of issued payment cards to each of the categories of citizens.

Students and pupils received additional aid for support of the student standard in the amount of 44 million MKD. Beneficiaries of this measure were 884 students and 347 pupils. Citizens older than 64 who do not have a pension or state social pension and have incomes lower than 15,000 MKD or have no income at all also received state aid. A similar measure was envisaged for all employed citizens who in the period from January to April 2020 did not receive total net salary income and salary allowances in amount of at least 60,000 MKD according to data from the Public Revenue Office. The measure of tourism voucher was determined in order to support the citizens and to strengthen the domestic tourism. The voucher could be used in domestic hotels and other accommodation facilities. This measure covered about 115,000 citizens, and the total value was set at 16 million EUR. A support for employment of young people was also envisaged, providing an opportunity to them to gain new knowledge and skills in information technology and similar skills. Thereby, the measures covered training costs up to a maximum amount of 30,000 MKD. The measure included between 7,000 and 10,000 young people under 29 and with a total value of 3 million EUR. In order to support the domestic economy, this category included the measure "**weekend without VAT**", which covered more than 350,000 citizens, users of the application "*MojDDV*". The government's projections were that a turnover of 170 million EUR would be made, money that would be an injection for the economy, and about 17 million EUR would be returned to the citizens through VAT refunds.

Each citizen who scanned bills spent, on average, 44.50 EUR, and received in return, on average, 5.50 EUR.

The result of this measure showed that in the three days 204,088 citizens made a turnover in the amount of 558,176,715.00 MKD, or approximately 9 million EUR, and 66,853,929.00 MKD or approximately 1 million EUR were returned.<sup>48</sup>

Finally, the category included aid for the most vulnerable during the health crisis, doctors and other medical staff at infectious disease clinics and departments, institutes and public health centres, as well as ambulance staff for which a reward in amount of 40% of the basic salary was envisaged.

The second category envisaged several measures for direct aid to the economy. An interest-free credit line with total value of 31 million EUR was planned for micro and small enterprises. It also offered non-refundable funds in the amount of up to 31% of the total amount determined by it, for those companies that are run or founded by women or employ young people, and are export-oriented or introduce innovation and digitalisation in their operations. For the same reason, as well as to provide the companies with easier access to finance, the Government established a state credit guarantee in the amount of 10 million EUR, which opens access to additional 65 million EUR, and a customs guarantee for securing the customs debt and providing export and import support was established. In addition, 25 million EUR in financial aid was provided through the program for strengthening the industry competitiveness, and aid was provided to those industries that will create a platform on which they can market their products, as well as those that will develop innovative products. The Development Bank and the Fund for Innovation and Technological Development took part in providing support, and the Macedonian tourist village in Nerezi- Skopje was transformed into a Macedonian Start up village. This category also includes support for domestic tourism by subsidizing the organisation of events, trainings, seminars, conferences and other events in domestic tourism facilities. The support for the economy through payment of salaries was developed as part of this category. During the crisis, the measure was

With this measure, and according to the new methodology, support was provided for **250,000** salaries. The total value of this measure is **70 million EUR**, and the requirement was that the companies that will apply to keep the number of employees until 31 July 2020.

amended by introducing the gradual determination of support payments.

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<sup>48</sup> "PRO: Weekend without VAT was successful" Republika.MK, available at the following link: <https://republika.mk/vesti/ekonomija/ujp-vikendot-bez-ddv-uspeshen/>



The measures from COVID 1 and COVID 2 credit lines worth a total of EUR 12.7 support the businesses which are unable to work due to the crisis and the protection measures. The credit line for fresh capital to support new projects, new jobs and increased liquidity of the economy has the same aim. To support tourism and hospitality, the measures in this category envisage a refund of the tourist tax for 2019, as well as grants covering approximately 500 travel agencies, grants for wedding restaurants and support of about 120 discotheques and nightclubs. Approximately 7000 transporters were supported through the measure for extension of the license for 2021 without compensation. Finally, in this category of users are 9,360 registered accountants to whom in 2020 the condition for collecting points from continuous professional development for license renewal will not apply.

To support agriculture, the third category of measures identified several aspects in which the state can provide aid to agriculture workers. Primarily with EUR 5 million soft loans, through the Development Bank, micro, small and medium enterprises that perform primary production, processors and export of primary and processed agricultural products were supported, and EUR 3 million were used for support of family wineries and farms. Finally, a EUR 50 million loan from the World Bank enabled the modernization of Macedonian agriculture in order to increase competitiveness and profitability. As part of the measures, the subsidy for the consumption of green oil was provided to 50,000 farmers. In this category, grape processors and wineries for the production of alcoholic distillate were stimulated, and support was provided for the purchase of grapes from the 2020 harvest. Additionally, aid was provided for the modernization and commissioning of facilities for the production of tobacco products and grapes in order to further develop the viticulture and tobacco sector, as agricultural branches that are increasingly exporting. Finally, through this category, the long-term lease of pastures e was envisaged and supported, with which the cattle breeders receive at their disposal about 500,000 hectares of pastures.

In an effort to ensure that no one is neglected, the fourth category of measures provided aid to all those who lost their jobs from 11 March to 30 April 2020. This measure is perhaps the most important for workers because it directly affects the most vulnerable category of citizens who were directly affected by the crisis and lost their jobs. The amount of the monthly monetary benefit during unemployment was determined based on the calculated and paid salaries of the employer and is 50% of the average monthly net salary of the worker for the last 24 months for a person entitled to monetary benefits up to 12 months. The received aid cannot be higher than 80% of the average monthly net salary per worker published for the last month. In this category, aid was provided to all sports clubs that have registered a minimum of 15 young athletes under 18 in individual sports, i.e. a minimum of 50 young athletes under 18 in team sports. Also in this category 141 independent artists were provided with the minimum salary for the months of April and May, as well as contributions. Finally, in this category, 150 registered tourist guides received a minimum gross salary as aid for the crisis period.



Finally, in the fifth category, as a general aid for the citizens, a postponement of the payment of the instalments of the loans for 3 to 6 months was envisaged, as well as a freeze or a grace period for the repayment of the loans. The payment of the rent for the social apartments was postponed, and the Law on Enforcement was suspended until the end of June. In this category, it was decided to postpone the payment of capital income tax advances until March 2021 for companies that have a revenue decline of more than 40%, and the VAT rate for restaurant services and food and beverage service was reduced to 10%.

### *i. First economic package*

The first package of economic measures was adopted on 18 March 2020, i.e. on the day of the declaration of the state of emergency in the country. Considering the legislative role of the Government in case of state of emergency, the first package was adopted at the first opportunity to adopt decrees with force of law. Therefore, the Government used the first opportunity to combat the negative economic consequences of the health crisis.

The measures adopted with this package are primarily aimed at citizens, but also at the most affected sectors: catering, tourism and transport:<sup>49</sup>

1. *Exemptions from advance payments of income tax;*
2. *Postponement and restructuring of loan repayments for companies and citizens;*
3. *Subsidizing 50% of the contributions for April, May and June per employee, up to average salary in the country;*
4. *Interest free loan to protect the liquidity of micro, small and medium enterprises affected by the coronavirus;*
5. *Fund for support of tourism for recovery of Covid-19;*
6. *Price freeze of basic products as of the price on the day of announcement of pandemic i.e. 11 March;*
7. *Interest-free loan for protection of jobs through Development bank for companies that will struggle to pay salaries;*
8. *Subsidizing contributions for employees in tourism, transport and catering and other affected companies;*
9. *Reduction of the default interest by 50%;*
10. *Reduction of the penalty interest for public fees – from 0,03% to 0,015%;*

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<sup>49</sup> Package of economic measures to tackle the corona crisis, Government of the Republic of North Macedonia, available at the following link: <https://www.finance.gov.mk/mk/node/8597>

## *ii. Second economic package*

The second package of economic measures was adopted with a delay of two weeks in comparison to the first one, i.e. on 31 March 2020. The package "provided liquidity and financial injection for the economy through measures to help workers and the economy",<sup>50</sup> and sought to guarantee as many jobs as possible.

The second package included the following measures:

- 1. Payment of workers' salaries at employer- applicant for financial aid for April and May 2020;*
- 2. Aid for athletes;*
- 3. Aid for artists;*
- 4. Monthly salary (monetary contribution) for citizens who lost their jobs due to the crisis, in amount of 50% of the average salary of the worker;*
- 5. Reduction of salaries of all elected and appointed official in amount of minimal salary for months April and May 2020;*
- 6. Abolition of the remuneration of the presidents and members of the executive and supervisory boards of the public institutions during the crisis;*
- 7. Measures for persons in informal economy;*
- 8. Suspension of the Law on Enforcement until the end of June 2020;*
- 9. Postponement of the loans in banks;*
- 10. Reduction of instalments and reprogramming loans at financial companies and leasing companies;*
- 11. Postponement of rent payment for users of social apartments;*
- 12. Additional interest-free loans for companies in value of another EUR 8 million;*
- 13. Cheap loans in amount of EUR 50 million from Development bank, placed through commercial banks for protection of liquidity of companies;*
- 14. Ban on initiating bankruptcy;*
- 15. Mandatory use of the first part of annual leave;*
- 16. Establishment of a solidarity COVID-19 fund;*
- 17. Reduction of remuneration for persons engaged by public institutions.*

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<sup>50</sup> Presentation of the second package of economic measures for dealing with the Covid crisis, Government of the Republic of North Macedonia, available at the following link:<https://vlada.mk/node/20813>

### *iii. Third economic package*

The third package of economic measures was intended for the revitalisation, recovery of the economy and stimulation of consumption and industry, and was adopted on 17 May 2020, the day of relaxing the restrictive measures.<sup>51</sup>

The package contains the following measures:

1. *Payment card in the amount of 9,000 MKD for Macedonian products and services;*
2. *Voucher for domestic tourism in amount of 6,000 MKD and domestic payment card in the amount of 3,000 MKD;*
3. *Financial support for young people in amount of 6,000 MKD, domestic payment card in the amount of 3,000 MKD and vouchers for co-financing trainings for IT and digital skills;*
4. *Weekend without VAT for all citizens;*
5. *Monetary contribution for all persons who lost their jobs between 11 March and 30 April 2020;*
6. *Interest-free loans for companies in support for women, young people and digitalization in business, through Development Bank in the amount of 31 million EUR;*
7. *State guarantee for commercial loans and securing the customs debt;*
8. *Support for new markets, competitiveness and modernization of private sector in the amount of 25 million EUR;*
9. *Digital platform for new markets for textile companies;*
10. *Support for development of domestic start-up products and services through FITD;*
11. *Co-financing events and conferences with 50% financial support from the state up to 30,000 MKD;*
12. *Support for companies through subsidizing 50% of the costs for organisation of events, trainings and conferences, up to 30,000 MKD, in total amount of 245 thousand EUR;*
13. *Support to the agriculture sector in amount of 5 million EUR through the Development Bank;*
14. *Support for micro, small and medium enterprises which perform primary production, processors and exporters of primary and processed agricultural products in the amount of EUR 5 million;*
15. *Subsidizing 50% of the consumption of green oil;*
16. *Stimulating grape farmers for production of new products;*

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<sup>51</sup> Presentation of the third package of economic measures for dealing with the Covid crisis, Government of the Republic of North Macedonia, available at the following link <https://vlada.mk/node/21424>.

17. *Providing public-private partnership in viticulture and tobacco industry;*
18. *Introduction of long-term lease of pastures;*
19. *Agricultural land consolidation for greater competitiveness of the Macedonian agriculture;*
20. *Program for financing micro agriculture companies.*

#### *iv. Fourth economic package*

The fourth economic package was the most extensive one, and it was aimed at ensuring the sustainability of domestic economic activities and jobs, as well as at recovering certain industries, i.e. to ensure the stability of social transfers.<sup>52</sup> The fourth package was adopted at the beginning of the second wave, on 27 September 2020.

Measures included in the fourth package:

1. *Support for payment of salaries, which continues to apply in the last quarter of the year;*
2. *Payment cards for citizens for increased consumption and development of domestic economy;*
3. *Increasing the grace period for interest-free loans from COVID-19;*
4. *Soft loans from the Development Bank of the Republic of North Macedonia in the amount of 100 million EUR;*
5. *Salary support for tourist guides;*
6. *Refund of the tourist tax for 2019;*
7. *Grants for tourist agencies*
8. *Reduction and/or abolition of para-fiscal taxes;*
9. *Grants for wedding restaurants;*
10. *Renewal of the licenses for work for discotheques, night clubs and transport companies;*
11. *Grants for playgrounds;*
12. *Support for artisans;*
13. *State credit guarantee;*
14. *State customs guarantee;*
15. *Postponement for loan repayment for companies until the end of the year;*
16. *Reduction on half of the penalty interest for public fees from 0,03% to 0,015% until the end of the year;*
17. *Postponement of advance payment of income tax;*
18. *Exemption from VAT for public donations, for another 12 months;*

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<sup>52</sup> Presentation of the fourth package of economic measures for dealing with the Covid crisis, Government of the Republic of North Macedonia, available at the following link <https://vlada.mk/node/22629>.

19. *Reduction of VAT rate for restaurant services and food and beverage service, by which these services will be taxed with a new preferential VAT rate of 10% instead of the current regular rate of 18%;*
20. *Delayed VAT payment;*
21. *Deletion of the requirements for collecting points from Continuing Professional Development (CPD) for renewal of the accountant license;*
22. *Increasing the period for covering losses on the account of future profits;*
23. *Increasing the threshold based on which the entities would be part of the non-taxation regime for income tax and increasing the threshold for entering the regime of total income;*
24. *Recognition of the cost for private health insurance as recognized expense;*
25. *Recognition of the expenses for COVID- 19 tests for recognized expense;*
26. *Reduction of import costs for raw materials;*
27. *Support for development of human capital;*
28. *Support for purchase of grapes from the 2020 harvest;*
29. *Exemption in the amount of 2/3 of the legally prescribed amount for organizers of games of chance;*
30. *Change in the calculation of the basis for financing the Local Self-Government Units;*
31. *Weekend without VAT for all citizens.*

## **4. ANALYSIS OF THE INTERNATIONAL RULES, RECOMMENDATIONS AND MEASURES**

### *i. International Labour Organisation*

The International Labour Organisation,<sup>53</sup> as a promoter and guarantor of workers' rights, as well as a fighter for standards, decent work and social dialogue, in the midst of the crisis issued minimum recommendations to be followed to simplify overcoming or mitigating the consequences of COVID-19. According to the organisation, the measures proposed by any government should focus on achieving four main goals, and policies should be based on the following four pillars:

1. *Stimulating the economy and employment;*
2. *Protecting the health of workers in their workplaces;*
3. *Relying on social dialogue for solutions.*

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<sup>53</sup> The ILO is a specialized agency of the United Nations and the only "tripartite" UN agency that brings together government representatives, employers and workers to co-create policies and programs. The ILO is a global body responsible for drafting and monitoring international labour standards. In its work with 179 member states, the ILO guarantees compliance with labour standards in practice and in substance.

#### 4. *Support enterprises, jobs and incomes.*<sup>54</sup>

In order to be successful and achieve the goal, the measures need to have a long-term impact, to be comprehensive and built on the basis of trust and social dialogue. In its recommendations, the ILO points to a list of measures, such as models, from several countries.

In regards to the **protection of workers' health at work**, according to the ILO, the most important measure is remote work and flexible working hours. This measure was implemented by the country, and the Government at the beginning of the crisis issued a recommendation to employers to organize the work process by working from home. Some companies implemented this recommendation in its entirety and worked i.e. are still working from home. Some companies have partially implemented this measure, i.e. they have introduced a rotation system in which on certain days the workers work from home, and in others they are in the office or they have introduced shift work. This pillar also contains measures to guarantee access to health care for all, prevention of discrimination and exclusion, i.e. increasing the scope of paid leave from work.

In the area of **stimulating the economy**, according to the ILO, it is necessary to pursue an active fiscal and adjustable monetary policy, and to provide loans and other financial support for certain sectors, including the health sector. The ILO cites interest rate cuts in Australia, Canada, New Zealand, the United Kingdom and the United States as positive examples.<sup>55</sup> The provision of financial support for certain sectors is another measure proposed by the organisation for dealing with the negative consequences of the crisis. In this pillar, in terms of employment support, the ILO points out employment retention, financial support and employment tax incentives, including small and medium-sized enterprises. Finally, the ILO points to the need for successful implementation and a broad scope of social protection for all.

Regarding the pillar of **social dialogue** for solutions, the ILO states that the measures should focus on increasing the capacity of trade unions and other workers 'and employers' associations, increasing the capacity of governments and strengthening social dialogue.<sup>56</sup> According to the organisation, regardless of the announced policies that a country will choose to reduce the consequences of the pandemic, they should address the following challenges:

- To strike a balance between the health, economic and social aspects of intervention policies;
- To guarantee effectiveness and efficiency;
- To introduce intervention policies for vulnerable categories of citizens;

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<sup>54</sup> A policy framework for tackling the economic and social impact of the COVID-19 crisis, International labour organisation, page 4, available at the following link: <https://rb.gy/legvr6>.

<sup>55</sup> Social dialogue on safety and health at work in the context of COVID-19, International Labour Organisation, available at the following link: <https://socijalendijalog.mk/wp-content/uploads/2020/10/Kratok-pregled-na-politiki-final.pdf>

<sup>56</sup> Ibid 48, page 7

- To support social dialogue as an effective mechanism for policy making and
- To ensure greater international solidarity with developing countries, in order to encourage investment.<sup>57</sup>

In its work, the International Labour Organisation, in addition to making recommendations to governments, has also provided recommendations to employers on how to organize the work-from-home process,<sup>58</sup> how to answer frequently asked questions about the challenges of COVID-19 and the conventions already in place,<sup>59</sup> and how to build policies with a focus on the family, i.e. how employers to organize the work process during the pandemic.<sup>60</sup>

## ii. European Union

Considering the structure of the European Union, it should be noted that the measures the Union will take are complementary to those implemented by the member states on their own.<sup>61</sup> The statement by the President of the European Commission, Ursula von der Leyen, declares the strong motivation of the Union to contribute to reducing the consequences of the COVID crisis. In a statement, she stated: "*The COVID pandemic is testing us all. This is not only a huge challenge for our health systems, but also a major shock to our economies. The economic package introduced today addresses the situation. We are ready to do more as the situation develops. We will do whatever it takes to support all Europeans and the European economy.*"<sup>62</sup> Namely, the European Commission, in addition to the economic packages for reducing the consequences of the coronavirus, adopted measures that "**loosened**" its rules to allow governments to be quick in their interventions regarding the fiscal policy and granting state aid through rapid approval from the European Commission.

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<sup>57</sup> ILO Monitor: COVID-19 and the world of work. Sixth edition, page 2, available at the following link: <http://kss.mk/wp-content/uploads/2020/09/ILO-COVID19-Monitor-6th-Edition-1.pdf>

<sup>58</sup> Family-focused policies and other workplace practices related to COVID-19: Key steps employers can take, International Labour Organisation.

<sup>59</sup> ILO standards and Covid-19 (coronavirus) - frequently asked questions, International Labour Organisation, available at the following link: <https://socioendijalog.mk/wp-content/uploads/2020/07/Standardi-na-MOT-i-Kovid-19.pdf>.

<sup>60</sup> Family-focused policies and other workplace practices related to COVID-19: Key steps employers can take, International Labour Organisation, available at the following link: <https://www.unicef.org/northmacedonia/mk/media/5841/file>.

<sup>61</sup> Policy measures taken against the spread and impact of the coronavirus – 16 November 2020, European Commission, Directorate General for Economic and Financial Affairs, available at the following link: [https://ec.europa.eu/info/sites/info/files/coronavirus\\_policy\\_measures\\_16\\_november.pdf](https://ec.europa.eu/info/sites/info/files/coronavirus_policy_measures_16_november.pdf).

<sup>62</sup> Statement by the President of the European Commission Ursula von der Leyen at a joint press conference with the Executive Vice Presidents of the Commission, Margaret Vestaja and Vladis Dombrovskis, from 13 March 2020, available at the following link: [https://ec.europa.eu/commission/presscorner/detail/en/statement\\_20\\_465](https://ec.europa.eu/commission/presscorner/detail/en/statement_20_465)



One of the first decisions of the Commission together with the Council was the activation of the "**escape clause**" of the Stability and Growth Pact,<sup>63</sup> given that the crisis is something that is beyond the control of Governments.<sup>64</sup> In particular, support was provided through the relaxation of fiscal rules and fiscal monitoring of Member States. Furthermore, the Commission has adopted an Interim State Aid Framework allowing Member States full flexibility in state aid rules, as well as other necessary procedural facilitation to enable a speedy state aid notification procedure.<sup>65</sup>

The Union provides the main aid through the **SURE** program or **Temporary Support for Unemployment Risks in an Emergency**,<sup>66</sup> worth EUR 90 billion. This program is intended for the Member States most affected by the crisis and is an expression of the Union's solidarity. In doing so, Member States agree to support each other through the Union by making additional funding available through loans. The contribution of each Member State to the total amount of the guarantee corresponds to its relative share in the total GDP of the Union based on the 2020 budget. Under the program, 31 billion EUR have already been paid to Italy, Spain, Poland, Greece, Croatia, Lithuania, Cyprus, Slovenia, Malta and Latvia. The SURE instrument acts as a second line of defence, supporting short work schemes and similar measures to help Member States protect jobs, and thus employees and the self-employed, from the risk of unemployment and loss of income.

The European Strategic Investment Fund has provided EUR 8 billion in liquidity to the hard-hit small and medium-sized enterprises, and the European Investment Initiative has provided help in a total value of EUR 65 billion. This amount is distributed in the European Structural Fund with 29 billion EUR, in the Union budget with EUR 7.9 billion and EUR 28 billion of unspent and unallocated funds from the structural funds.<sup>67</sup>

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<sup>63</sup> The Stability and Growth Pact is a set of rules for EU countries that enable coordination of member states' fiscal policies and stable public finances.

<sup>64</sup> The Commission proposes to activate the general clause for avoiding the obligations of the Stability and Growth Pact, European Commission, available at the following link: [https://ec.europa.eu/commission/presscorner/detail/en/ip\\_20\\_499](https://ec.europa.eu/commission/presscorner/detail/en/ip_20_499)

<sup>65</sup> "Temporary Framework for State aid measures to support the economy in the current COVID-19 outbreak", European Commission, available at the following link: [https://ec.europa.eu/competition/state\\_aid/what\\_is\\_new/sa\\_covid19\\_temporary-framework.pdf](https://ec.europa.eu/competition/state_aid/what_is_new/sa_covid19_temporary-framework.pdf)

<sup>66</sup> The European instrument for temporary Support to mitigate Unemployment Risks in an Emergency (SURE), European Commission, available at the following link: <https://rb.gy/ebhlkd>

<sup>67</sup> An overview of the response from the European Commission for Coronavirus management, European Commission, available at the following link: [https://ec.europa.eu/info/sites/info/files/eu\\_coronavirus\\_response.pdf](https://ec.europa.eu/info/sites/info/files/eu_coronavirus_response.pdf)



# 1. ANALYSIS OF THE EXPERIENCE OF REGIONAL COUNTRIES

## *i. Croatia*

The Croatian economy is significantly affected by COVID-19. Considering that Croatia is largely dependent on tourism, and its largest trading partner is Italy, this conclusion is quite obvious and expected. During the early stages of the pandemic, Croatia took particular measures to deal with it. Namely, on 17 March 2020, the Croatian government adopted 63 economic and other measures in order to preserve jobs and reduce the negative impact of COVID-19. The total value of the economic measures was EUR 3.9 billion<sup>68</sup>. In addition to the financial injection, the Croatian government has taken steps to facilitate and smooth the functioning of the economy, i.e. postpone the payment of public duties for three months with the possibility of extension for an additional three months and temporarily suspend the payment of selected para-fiscal taxes.<sup>69</sup>

The comparison of the data from from the end of the first quarter of 2020 with December 2019 shows that the number of unemployed persons was increased by 8%, and the rising trend of unemployment continues. However, from the point of view of the labour market, this reaction is relatively mild, given the extremely strong decline in economic activity. Among other things, this mild reaction on the labour market reflects

According to the State Statistical Office of the Republic of Croatia, in July 2020, there were 1,528,500 unemployed people in Croatia, which is 1.1% more than the previous month.

the Government's measures aimed at preserving jobs. By the end of 2020, employment is expected to decrease by a total of 3.2%, which will be a reflection of the significantly lower intensity of seasonal employment, while in 2021 it is expected that the labour market will gradually recover. The projections of the Croatian Statistical Office are that in 2021 employment could increase annually by 2%, while the expected unemployment rate could be 7.8%.<sup>70</sup>

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<sup>68</sup> Overview of Policy responses to COVID-19, International Monetary Fund, available at the following link: <https://www.imf.org/en/Topics/imf-and-covid19/Policy-Responses-to-COVID-19#C>

<sup>69</sup> Overview of Policy responses to COVID-19, International Labour Organisation, available at the following link: <https://www.ilo.org/global/topics/coronavirus/regional-country/country-responses/lang-en/index.htm#HR>

<sup>70</sup> "How much will the pandemic affect the (un)employment in Croatia?" Privredni.HR, available at the following link: <https://privredni.hr/hnb-do-kraja-godine-zaposlenost-ce-pasti-3-2-posto-a-2021-rasti-za-2-posto>

EUR 5 million were provided for the payment of salaries to employees in the tourism sector in a period of 2 months.

## ii. *Montenegro*

Montenegro started the fight for stability and preservation of the economy against the pandemic at an early stage. As a response, the Government of Montenegro adopted 3 packages of measures<sup>71</sup> to maintain economic stability and preserve jobs. With the measures, the Government provided subsidies to the most affected sectors, such as tourism and agriculture, by covering from 50 to 100% of the minimum salary of employees, depending on the degree of impact of the sector and industry. The packages also included postponement of public duties, VAT refund within 45 days, credit lines to improve the liquidity of the economy and many other measures.<sup>72</sup>

The labour market in Montenegro notes growth in the number of unemployed persons compared to the beginning of 2020. This trend occurred regardless of the efforts of the Government and employers to retain employees, using all measures, including reduced working hours, work from home, salary subsidies and so on. Since the introduction of the measures to deal with the coronavirus on 15 March the number of unemployed persons has increased by 24%, i.e. 8,436 new people were registered as unemployed. In the period from March to October 2020, the Employment Bureau of Montenegro registered 20,596 new unemployed persons or 8,157 persons more than the same period last year, which is an increase of 70.4%.<sup>73</sup>

## iii. *Slovenia*

During the first wave of COVID-19, Slovenia took timely steps to protect workers, i.e. to guarantee the stability of economy and jobs. Slovenia decided to introduce part-time work, subsidised by the state by payment of 90% of the workers' salary<sup>74</sup>, and also undertook

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<sup>71</sup> <https://www.imf.org/en/Topics/imf-and-covid19/Policy-Responses-to-COVID-19#M>

<sup>72</sup> Overview of Policy responses to COVID-19, International Labour Organisation, available at the following link: <https://www.ilo.org/global/topics/coronavirus/regional-country/country-responses/lang--en/index.htm#ME>

<sup>73</sup> "The Covid-19 epidemic has led to an increase in unemployment in Montenegro by almost 19 percent", PVInformer.ME, available at the following link: <https://www.pvinformer.me/epidemija-covid-19-dovela-je-do-povecanja-nezaposlenosti-u-crnoj-gori-za-skoro-19-odsto/>

<sup>74</sup> <https://www.ilo.org/global/topics/coronavirus/regional-country/country-responses/lang--en/index.htm#SI>

full payment to all workers who were infected with the corona virus in the period from 11 April to 31 May 2020.

Considering the new situation, with budget rebalance EUR 3 billion were reallocated to help employers, workers, families (according to the number of members), and pensioners and other citizens.<sup>75</sup>

Since the beginning of the pandemic the unemployment in Slovenia has been rising. Namely, at the end of the first quarter of 2020, the unemployment was 4.6%, while at the end of the second quarter, an increase was determined, and the total unemployment was 5.2%. This tendency stops in the third quarter when a slight increase in employment was actually noted, with 5,100 new people starting employment. Compared to the beginning of the quarter, it is 0.6% increase in employment. Compared to the same period in 2019, it is a decrease of 1.1%.

Due to the large increase in the number of newly infected people, the Government of Slovenia on 11 November 2020 declared a state of emergency in the country. The state of emergency was declared for a period of 30 days, and the decision

The sixth package envisages EUR 1 billion in support for the private sector.

was followed by the 6th package of economic and financial measures.

Currently, as economic experts have determined that many employers will not be able to cope with the new situation and the crisis may lead to an increase in the number of unemployed persons by another 10,000, the Slovenian Government is considering the option of delaying the implementation of the Law on raising the minimum salary<sup>76</sup>

1,000,000,000.00 convertible marks = 3% of GDP

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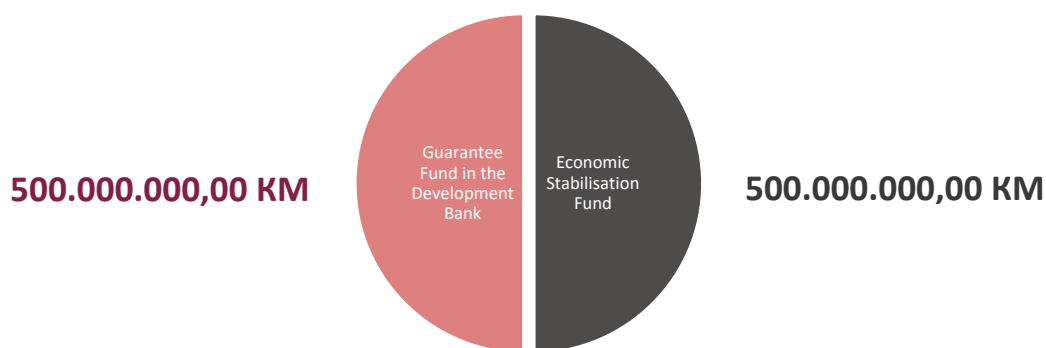
<sup>75</sup> <https://www.imf.org/en/Topics/imf-and-covid19/Policy-Responses-to-COVID-19#S>

<sup>76</sup> "Worse conditions on the labour market in the 2nd quarter of 2020, unemployment rate at 5.2%" Labour Force Survey, State Statistical Office of Slovenia, available at the following link: <https://www.stat.si/StatWeb/en/News/Index/8975>

#### *iv. Bosnia and Herzegovina*

The introduction of the first restrictions on citizens and businesses was followed by the first package of measures by the Government of Bosnia and Herzegovina. The closure of a large number of companies, bars, schools, etc. posed a serious threat to rising unemployment that forced the government to rebalance the budget and allocate 50 million convertible marks to fight the pandemic and provide medical equipment.

At the same time, 30 million convertible marks were distributed to the country's hospitals, and the government announced that the total amount of economic aid of approximately 1 billion KM would be provided to support the economy.



This fund entirely serves to maintain and improve the liquidity of companies.<sup>77</sup>

Besides the introduction of economic measures and identifying aid packages and guaranteeing the stability of the economy, rising unemployment was observed in Bosnia and Herzegovina. At the end of July 2020, 426,252 people were registered as unemployed. Compared to the previous month, this represents an increase of 1.18%, i.e. 4,952 persons. If the data from July 2020 are compared with those from the same period in 2019, then the number of unemployed in 2020 is higher by 4.7%. In total, since the beginning of the pandemic, unemployment has increased by 23,364 people or 5.8%.<sup>78</sup>

#### *v. Serbia*

The Republic of Serbia, like other countries in the region, adopted the first package of measures to tackle the pandemic in early March 2020. The measures aimed at protecting public health and preventing the spread of the infection were similar to those adopted in our country, i.e. curfew, quarantine, closure of public buildings,

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<sup>77</sup> Overview of Policy responses to COVID-19, International Monetary Fund, available at the following link <https://www.imf.org/en/Topics/imf-and-covid19/Policy-Responses-to-COVID-19#B>

<sup>78</sup> "Unemployment growth caused by reduced economic activity due to the Covid-19 pandemic ", Ministry of Civil Affairs of Bosnia and Herzegovina, available at the following link: <https://bit.ly/2LmTbu6>

restrictions on grouping of citizens, mandatory wearing of masks, closure of border cross and so on.<sup>79</sup>

RSD 100 billion	• Postponement of payment of taxes and contributions for all employees in the private sector
RSD 21 billion	• Postponement of advance payment of income tax in the second quarter of 2020
RSD 93 billion	• Minimum salary subsidies for all employees in micro, small and medium enterprises
RSD 4 billion	• Payment of 50% of the net minimum salary for all employees in large private companies and the unemployed persons

At the same time, the Government of the Republic of Serbia adopted several packages of financial measures in order to facilitate the functioning of the economy, i.e. an initial 3-month delay in the payment of taxes and contributions for employees in all private companies and their deferred payment in 24 instalments starting from 2021. Subsequently, deferral of advance payment of income tax during the second quarter of 2020, as well as salary subsidies, which included the payment of minimum salaries to all employees in micro, small and medium enterprises for a period of three months and the payment of 50% of the net minimum salary for all employees in large private sector companies and for the unemployed persons.<sup>80</sup> Other measures include a 3-month moratorium on enforcement and tax debt interest under rescheduling agreements and a 10 percentage point reduction in the tax debt interest rate. Finally, a state guarantee scheme for bank loans to small and medium-sized enterprises worth RSD 240 billion was approved as a measure, as well as new loans to small and medium-sized enterprises from the Development Fund (RSD 24 billion).<sup>81</sup>

Employment statistics show that in the third quarter of 2020, the number of employees was 2,936,600 and the number of unemployed persons was 292,000. Expressed in percentage, the employment rate for the given period is 49.9%, while the unemployment rate is 9%. According to the labour market research conducted by the State Statistical Office of the Republic of Serbia, in the third quarter of 2020, the number of unemployed persons decreased by 16,300 or 5.3%. The total number of employed persons decreased by 2,100 people, or -0.1% compared to the third quarter of 2019.<sup>82</sup>

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<sup>79</sup> Overview of Policy responses to COVID-19, Organisation for Economic Cooperation and Development, available at the following link: <https://www.oecd.org/coronavirus/country-policy-tracker/>

<sup>80</sup> Overview of Policy responses to COVID-19, International Labour Organisation, available at the following link: <https://www.ilo.org/global/topics/coronavirus/regional-country/country-responses/lang-en/index.htm#RS>

<sup>81</sup> Overview of Policy responses to COVID-19, International Monetary Fund, available at the following link: <https://www.imf.org/en/Topics/imf-and-covid19/Policy-Responses-to-COVID-19#S>

<sup>82</sup> "Labour Force Survey, III quarter 2020", Republic Statistical Office, Republic of Serbia, available at the following link: <https://publikacije.stat.gov.rs/G2020/Pdf/G20201320.pdf>

## vi. Kosovo

The new Government of Kosovo also adopted a new economic recovery program worth a total of EUR 365 million and envisioned more fiscal packages. On 30 March 2020, the Government adopted a large package of urgent support to individuals, companies and municipalities affected by the crisis of about EUR 180 million, or ~ 2.5% of GDP. A few months later, on 18 May 2020, an additional EUR 10.9 million was included in the emergency support package, of which EUR 9.4 million was allocated to the Ministry of Economy, Employment, Trade, Industry, Entrepreneurship and Strategic Investments, and EUR 1.5 million to the Ministry of Finance and Transfers. Finally, on 19 June 2020, a new EUR 53 million was set through the agricultural support program, providing direct payments to farmers.<sup>83</sup>

Some of the key measures adopted by the Government of Kosovo are:

1. EUR 6 million allocated to the Ministry of Health;
2. Deferral of payment of income tax, personal income tax and VAT;
3. Increase of payments from social aid schemes with an additional amount of one month to support families in need of aid;
4. Removal of VAT on import of wheat and flour; and
5. Delay of payments towards public utility companies.<sup>84</sup>

In 2019, Kosovo was the Balkan employment record holder. The growth for the year was as high as 6.7%.<sup>85</sup> This success was marred by a pandemic. According to the Kosovo Institute for Advanced Studies, it is estimated that the pandemic left more than 37,000 Kosovo citizens without jobs.<sup>86</sup> The employment rate in the Labour Force Survey for the third quarter of 2020 is 30.1%. According to the same research, in the same period the unemployment rate was 24.6%.<sup>87</sup>

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<sup>83</sup> Overview of Policy responses to COVID-19, Organisation for Economic Cooperation and Development, available at the following link: <https://www.oecd.org/coronavirus/country-policy-tracker/>

<sup>84</sup> Overview of Policy responses to COVID-19, International Monetary Fund, available at the following link <https://www.imf.org/en/Topics/imf-and-covid19/Policy-Responses-to-COVID-19#K>

<sup>85</sup> „ The Economic and Social Impact of COVID-19 – Poverty and prosperity of households” Regular Economic Report on Western Balkans, World Bank Group, available at the following link: <http://pubdocs.worldbank.org/en/322591590708746523/WBRER17-03-Labour-BOS.pdf>

<sup>86</sup> “Kosovo unemployment rate 24.6 per cent, women more vulnerable” KosovoOnline.COM, available at the following link: <https://www.kosovo-online.com/vesti/ekonomija/stopa-nezaposlenosti-na-kosovu-246-odsto-zene-ugrozenije-5-1-2021>

<sup>87</sup> “Labour Force Survey, Q3 2020” Kosovo Agency for Statistics, available at the following link: <https://ask.rks-gov.net/sr/agencija-za-statistiku-kosova/add-news/anketa-radne-snage-k3-2020>

## 2. ANALYSIS OF THE QUALITATIVE RESEARCH DATA

The qualitative research was based on interviews with: 1) **civil and public servants**; 2) **employers from the industries that were most affected** (textile industry, processing industry, catering, etc.), representatives of small, medium and large enterprises; 3) **workers employed in the processing and textile industry, workers with disabilities, workers at social risk and workers from rural areas**.

In order to have as relevant questions as possible in the interviews, we have adjusted the same questionnaire for all three categories of citizens.

The survey questionnaire is divided into two parts. The first part of the questions is focused on the views of the respondents how the health crisis (COVID-19) affected the productivity of the company in which they work and whether it affected their workplace. The second part of the questions is focused on the manner in which the respondents perceive the measures adopted by the Government for managing the health crisis (COVID-19) and how they affected their work place.

The first two questions from the first set, which we ask in the interviews, were related to whether the health crisis affected the reduction of workload and income. Most of all respondents indicated that the workload was significantly reduced. As expected, the owners and employees in the catering and tourism sector were the most affected. They point out that the financial losses are so great that some of them are considering whether they will be able to overcome the health crisis at all or will be forced to close their facilities because, as they say, the crisis is still going on.

"The crisis affected us hard. Considering that we are a small catering facility per square meter, we are used to hosting parties, working with many people, standing at a bar and most of the turnover was made using that principle of work. Now, since the corona crisis, with the restrictive measures, a mandatory seating of a maximum of 4 people, we are facing a huge decline "- **Co-owner of a catering facility in Skopje.**

*"I can say that we work minimally, i.e. with 1% compared to this time last year. Considering that our market is tourists or foreigners who come to the country, and the borders are closed, that 1% is from conferences, press conferences and so on. "- **Owner of a hotel in Skopje.***

The workload was also severely reduced among state / public sector employees. However, some of them who went to work regularly point out that they personally had increased workload due to the fact that many of their colleagues covered by the measures of the Government abused the measure and did not work from home at all.



*„There were colleagues covered by the measures (i.e. chronically ill, parents with small children, pregnant women, etc.), but they did not work from home and therefore our workload was significantly increased" - Public servant at PHI Psychiatry.*

We asked the next two questions to the three categories of citizens and the questions refer to *"Did they face a reduction in salaries due to the health crisis, i.e. a reduction in the number of employees?"*. As expected, in this section we received different answers, especially if we analyse the employees in the public sector and the employees / owners in the private sector. As it is known, despite the fact that the workload was significantly reduced in most of the state/public institutions, the number of employees and the size of salaries remained the same. The situation in the private sector is completely different, ie in most of them the salaries were drastically reduced, while in some of them there were dismissals of some of the employees. This is especially prevalent in the textile industry and in catering and tourism.

On the subject of possible violation of their right to annual leave, the prevailing opinion among the employees in the public sector is that their right to annual leave was not reduced; however, some of them stated that the days when they stayed at home were considered as part of their annual leave.

*„Our right to annual leave was not reduced, but the leftover annual leave from the previous year was calculated for us at the time when we were not coming to work. I am not objecting it because we were sitting at home and that leave should mandatorily be used until the end of June when the situation was still going on " - Civil servant in the municipality of Gjorce Petrov.*

The experience of the employees in the private sector is different, i.e. they have faced different practices. Some of them point out that they have fully used their annual leave, while some point out that it has been completely or partially reduced by their

*Partly yes, but not completely. There is no social distance, to this day it is not respected, masks are partially worn by workers, because there are some who do not believe in the virus, so they do not wear masks. Nobody can force them to wear masks. " - Textile worker from Stip*

employers. It is peculiar that the answers of the owners do not indicate that there has been a reduction in annual leave of their employees.

Our next question was whether the institutions/companies in which they work complied with all the recommendations of the health authorities. All respondents confirm that the hygiene measures (disinfectants and so on) were fully complied with, but some private sector respondents complain that some of their colleagues did not wear masks and that they worked in rooms where due to the conditions they were not able to keep a distance of two meters.



Work from home was very common during the health crisis, but the general opinion from the interviews is that productivity while working from home was much

*„ It was necessary for the authorities to propose measures much more timely and for the measures to be much more specific. Since they published the measures at the beginning, at least for our sector, those salary aids for each employee were terribly unclear, no one knew what to do or how to obtain them, and within a few days they were constantly amended and changed. The government had heard about some requests, but in general I think it was too little for the whole blow that was inflicted " - Owner of a restaurant in Skopje.*

lower. Some respondents from the public sector point out that those who were covered with the measures from the Government, abused them and did not work from home at all. In the private sector, those who worked from home were often forced on such work by their owners, and their productivity was significantly reduced compared to the period when they went to work regularly. However, we must note that the interviews were conducted with employees in the textile industry, manufacturing and catering where the opportunities to work from home are significantly reduced compared to other sectors.

**The second set of** questions is related to how familiar the respondents are with the measures taken by the institutions to help the economy. The dominant answer is that most of all three categories of respondents are familiar with the measures. This is especially common among owners of private companies. Most of them were informed

*„The institutions should have ensured that the money went directly into the hands of the workers, and not into the hands of the employers, they did not need so much help from the institutions " – a worker who lost her job during the health crisis in Skopje*

about the measures through the media outlets, internet and press conferences of the Government of the RNM.

In terms of how satisfied they are with the measures, there are again mixed

*„We are not satisfied, especially the catering was left on the sidelines. The restaurants and bars received protocols and started working, hoteliers are yet to receive a protocol. The Government had to make a classification of which companies and sectors are most affected and appropriately distribute the aid. As a consequence, those who were most in need are left on the sidelines " - Operational manager of a hotel in Skopje*

thoughts among all categories of citizens. The level of satisfaction among the company owners is different, but everyone confirms that the measures were adopted with a delay of at least one month and at the same time the measures were not fully explained, which significantly complicated the process.

*„In Serbia, there were online applications for financial assistance of 100 EUR which covered everyone, regardless of social status and financial means. I think that we should have followed the Serbian model where each applicant receives assistance. “- Professor in a high school in Skopje.*

The employees have mixed feelings on this issue, some of them think that the measures were excellent, some of them were not enough or that the owners of the companies abused the measures.

The last question we asked all respondents was if they are aware of any measure that was implemented in any of the other countries (with special focus to neighbouring countries) that they think would be really useful to apply in our country. On this issue, many of the interviewed persons were not at all familiar with the measures in other countries, but those who were partially familiar have opposing views. Some believe that the institutions have taken similar measures as other countries, while some of them

*„As far as I am aware, we are following the European trends while adapting them to our situation, so this is the result“ – Owner of a textile factory in Stip..*

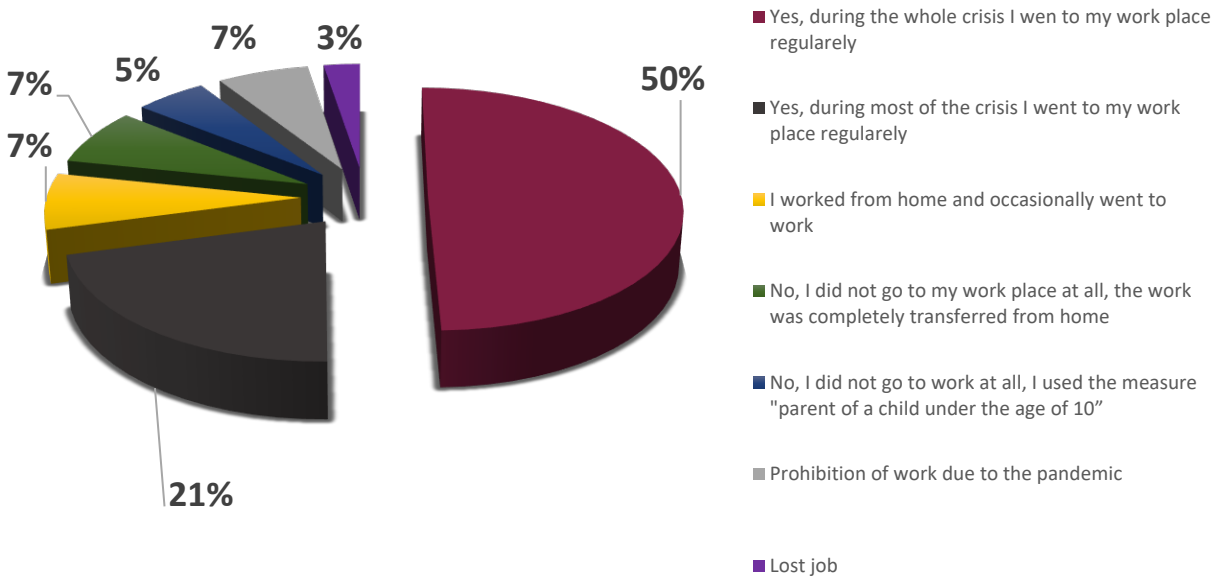
pointed out measures that could be used in our country.

### 3. ANALYSIS OF THE QUANTITATIVE RESEARCH DATA

**The first part** of the questions was focused on the views of the respondents how the health crisis (COVID-19) affected the productivity of the company in which they work and whether and in what way it affected their workplace. **The second part** of the questions was focused on how the respondents perceive the measures adopted by the Government of the Republic of North Macedonia for dealing with the health crisis (COVID-19) and how they affected their working position. In order to get a broader picture of the perception of different categories of citizens, in addition to the general analysis, we crossed the six questions with 5 demographic data (age, level of education, personal income, sector and industry where the respondent is employed). It is important to note that depending on the nature of the issue, some of them were cross-referenced with all of the listed demographic data, while some of them only with those demographic data that are relevant to those issues.

#### Set 1. Physical presence at the work place or work from home

The first set of questions consists of three questions and two sub-questions. To **the first question** *"During the health crisis (COVID-19), in the period when the state introduced emergency measures, did you go regularly to the premises of your workplace?"*, 49.7% answered that during the whole crisis they went to their work place regularly, 21.2% responded that most of the crisis went to their work place regularly, while 26.6% answered that they did not go to work at all or only occasionally went to work.

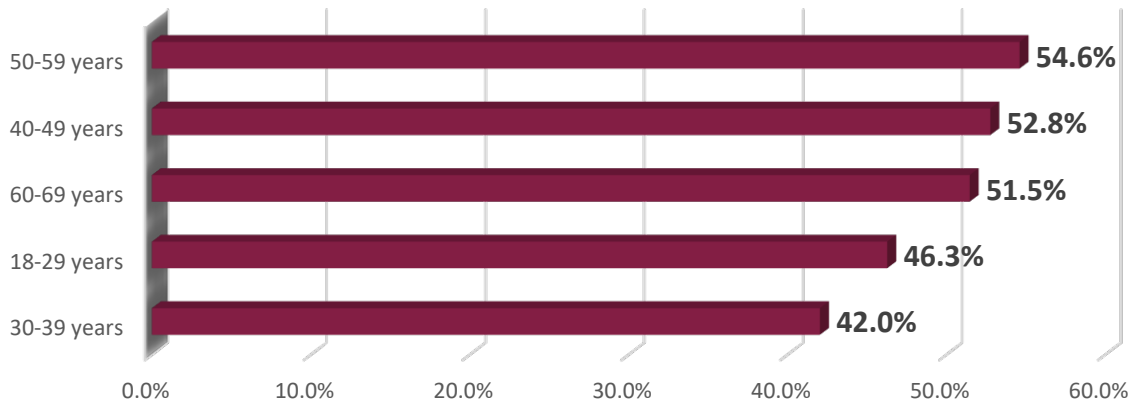


**Chart 4.** During the health crisis (COVID-19), in the period when the state introduced emergency measures, did you go regularly to the premises of your workplace?

The analysis of the answers by **age** shows that the elderly went to their jobs more regularly during the health crisis, i.e. 54.6% of the respondents between 50-59 years and 52.8% of the respondents between 40-49 years stated that they regularly went to their jobs. Among the younger ones, the percentage who stated that they went to work regularly is lower, i.e. 46.3% among the respondents between 18-29 years and 42% among the respondents between 30 and 39 years.

There is a difference on this question according to the **level of education**, i.e. the percentage of regular attendance at work is lower among the respondents with high education. Thus, 56.9% of the respondents with basic education, 53.9% of those with secondary education and significantly less 40.7% of those with high education, went to their jobs regularly.

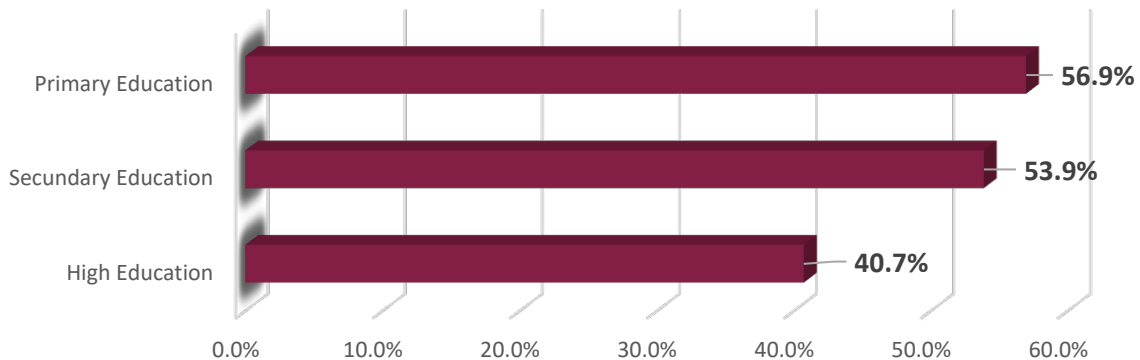
### Regularly went to work (Age)



**Chart 5.** During the health crisis (COVID-19), in the period when the state introduced emergency measures, did you go regularly to the premises of your workplace? - (crossed with the age of the respondent)

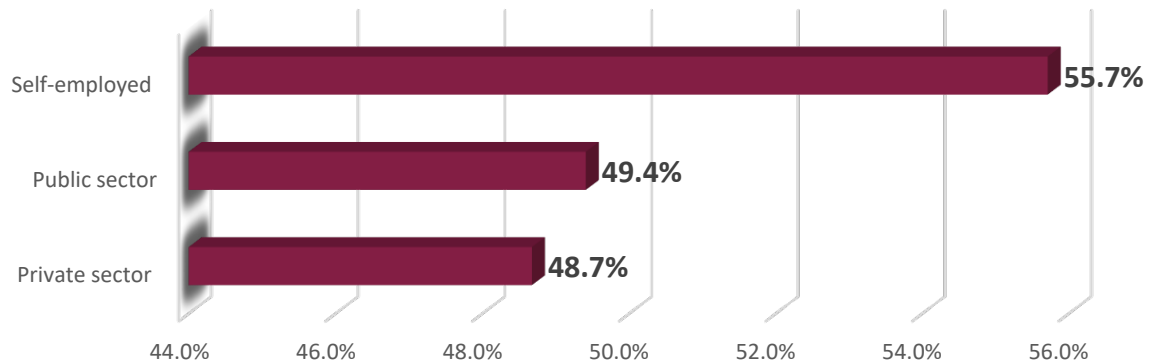
There is a small difference on this issue in terms of the **sector** in which the respondents work. Among the respondents who are employed in the public and private sector, the percentage who went to work regularly is slightly less than 50%, while among the respondents who are self-employed is higher and is 55.7%.

### Regularly went to work (Level of Education)



**Chart 6.** During the health crisis (COVID-19), in the period when the state introduced emergency measures, did you go regularly to the premises of your workplace? - (crossed with the level of education of the respondent)

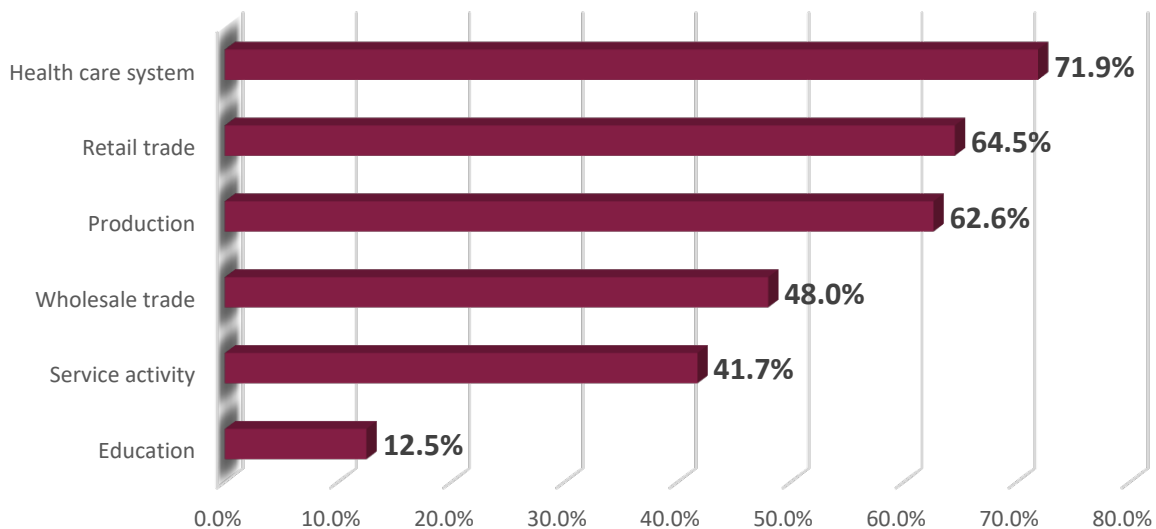
**Regularly went to work**  
*(Sector of workplace)*



**Chart 7.** During the health crisis (COVID-19), in the period when the state introduced emergency measures, did you go regularly to the premises of your workplace? - (crossed with the sector of the workplace of the respondent)

There are big differences on this issue if analysed according to the **industry** in which they work. The highest percentage of 71.9% of the workers in the health care system regularly went to their jobs, followed by the workers in the retail 64.5% and production 62.6%. The percentage is much lower among the respondents working in the service industry 41.7% and the lowest among the workers in education, only 12.5%.

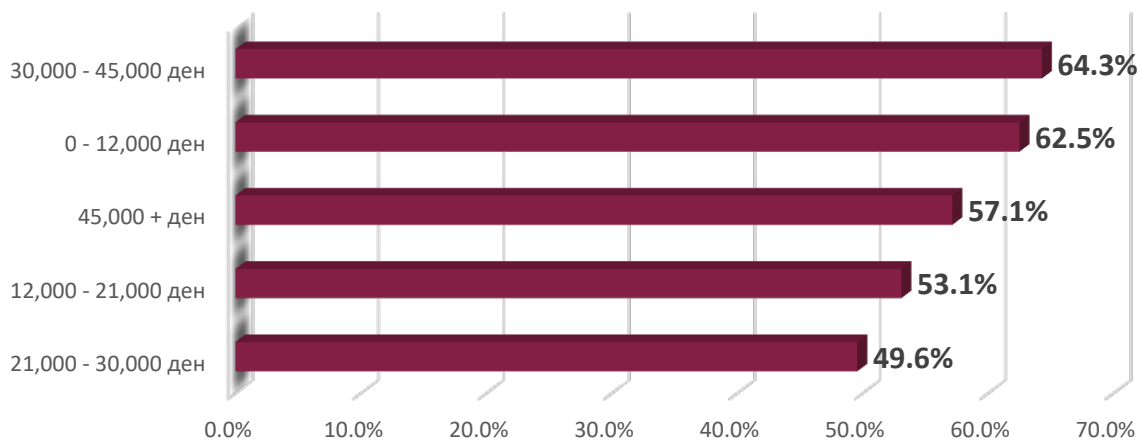
**Regularly went to work**  
*(Industry of workplace)*



**Chart 8.** During the health crisis (COVID-19), in the period when the state introduced emergency measures, did you go regularly to the premises of your workplace? - (crossed with the industry of the workplace of the respondent)

Finally, we analysed this issue according to **the personal income on monthly basis**. The respondents with monthly incomes between 30,000 - 45,000 MKD went to the workplace most regularly with 64.3%, followed by the respondents with the lowest incomes with 62.5%, i.e. with monthly incomes from 0 to 12,000 MKD. The most irregular in the premises of the workplace were the respondents with monthly incomes between 21,000 - 30,000 MKD with 49.6%.

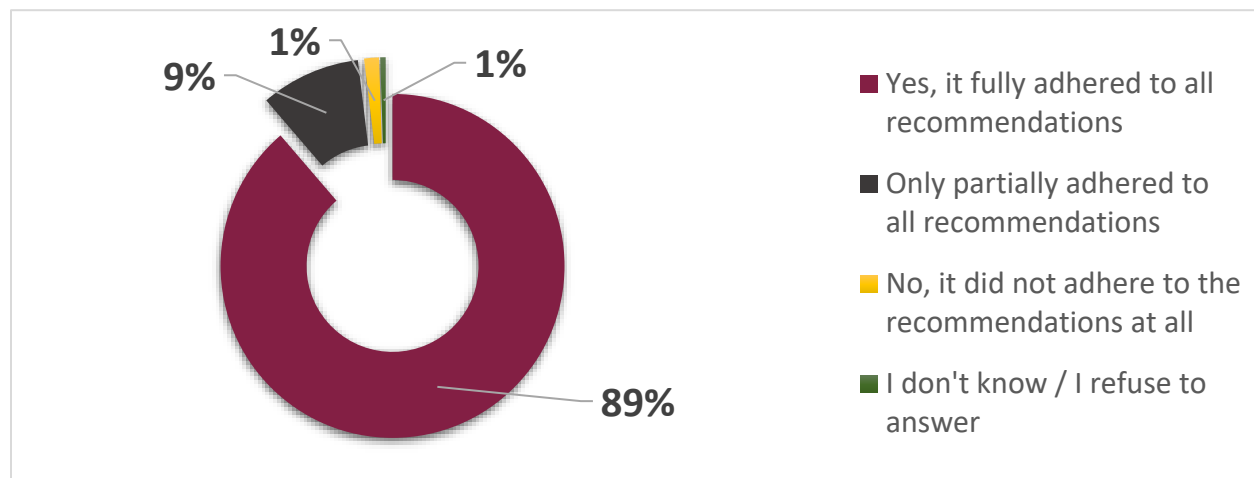
**Regularly went to the premises of the workplace**  
(Monthly income)



\*Ден = den

**Chart 9.** During the health crisis (COVID-19), in the period when the state introduced emergency measures, did you go regularly to the premises of your workplace? - (crossed with the monthly income of the respondent)

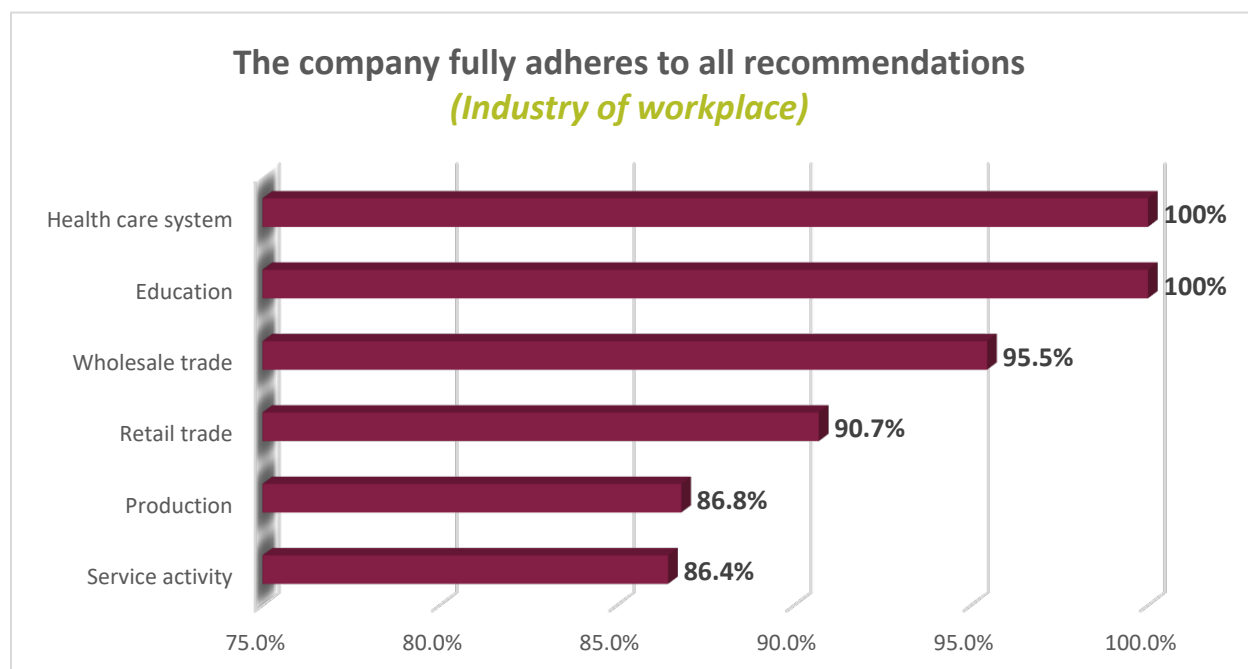
**The second question** was intended for the respondents **who went to work regularly or occasionally**, i.e. whether the companies adhered to all the recommendations (regular disinfection, adapted distance between employees and so on) that were imposed during the COVID-19 crisis. A high 88.7% of the respondents answered that the companies where they work fully adhered to all the recommendations, 9.4% that they partially adhered to the recommendations, while only



1.4% that the companies did not adhere to the recommendations at all.

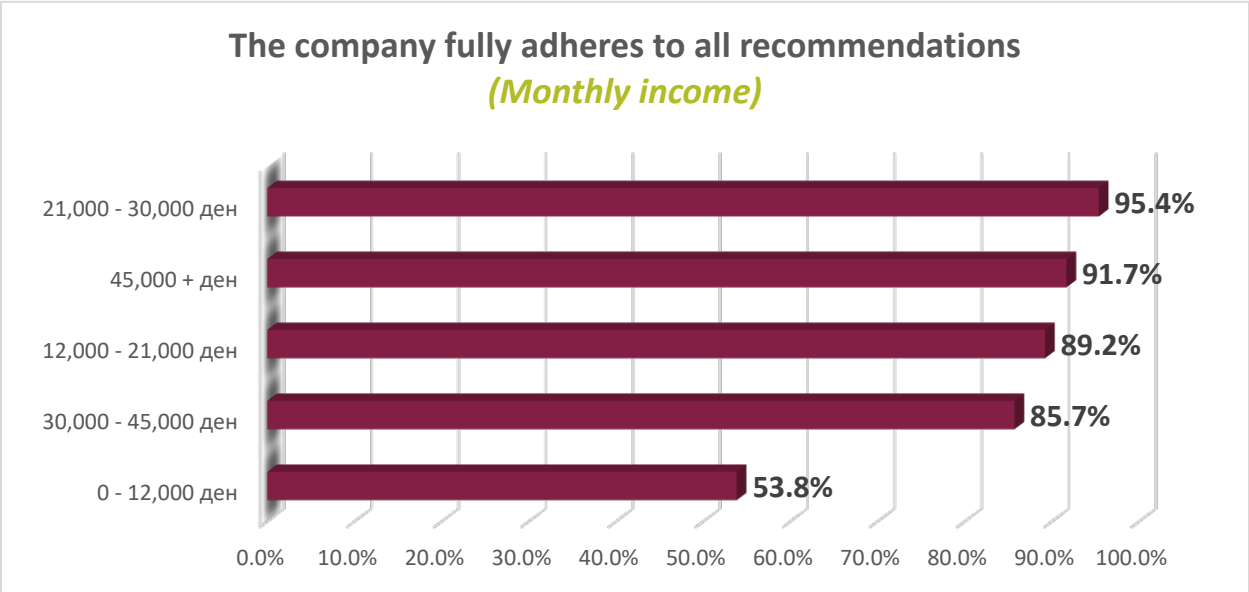
**Chart 10.** Does your company adhere to all the recommendations (regular disinfection, adapted distance between employees, etc.) that were imposed during the Covid-19 crisis?

If we analyse this issue according to **the industry**, the percentage is high in all industries. However, it is highest in health and education with 100%, and lowest in the service sector with 86.4%.



**Chart 11.** Does your company adhere to all the recommendations (regular disinfection, adapted distance between employees, etc.) that were imposed during the Covid-19 crisis? – (crossed with the industry of workplace of the respondent)

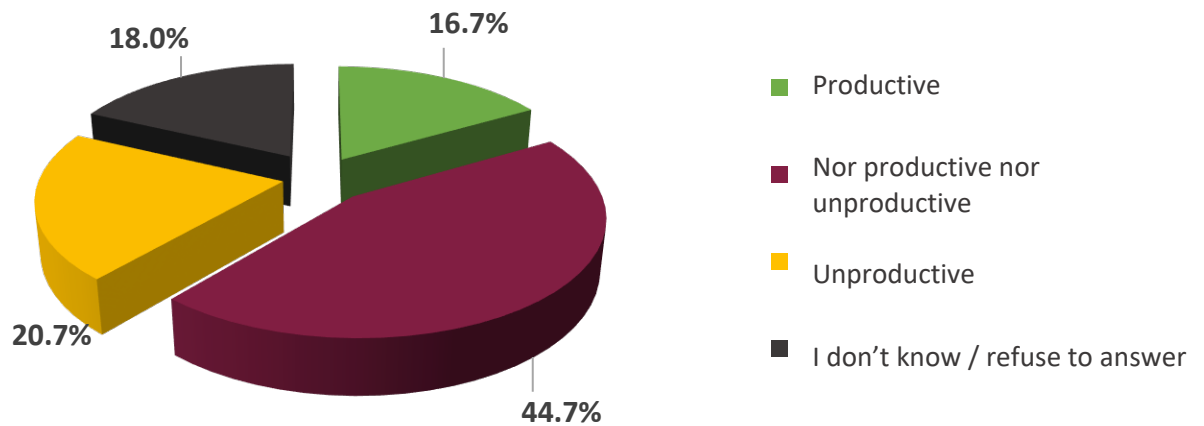
In terms of the **monthly income** there is a bigger difference in the respondents' answers. The companies in which work the respondents with the lowest incomes from 0 to 12,000 MKD, least adhered to the recommendations imposed during Covid-19 with only 53.8%, while the companies in which work the respondents with incomes from 21,000 to 30,000 MKD, mostly adhered with 95.4 % and +45,000 MKD with 91.7%.



\*ден= den

**Chart 12.** Does your company adhere to all the recommendations (regular disinfection, adapted distance between employees, etc.) that were imposed during the Covid-19 crisis? - crossed with the monthly income of the respondent)

**The third question** from this set was intended for the respondents who worked from home during the health crisis and stated "What is your experience of working from home?" Rank it on a scale of 1 to 5, where 5 means completely productive and 1 means completely unproductive." 16.7% of them rated the work from home as productive, 44.7% neither productive nor unproductive, while 20.7% rated the work from home as unproductive.



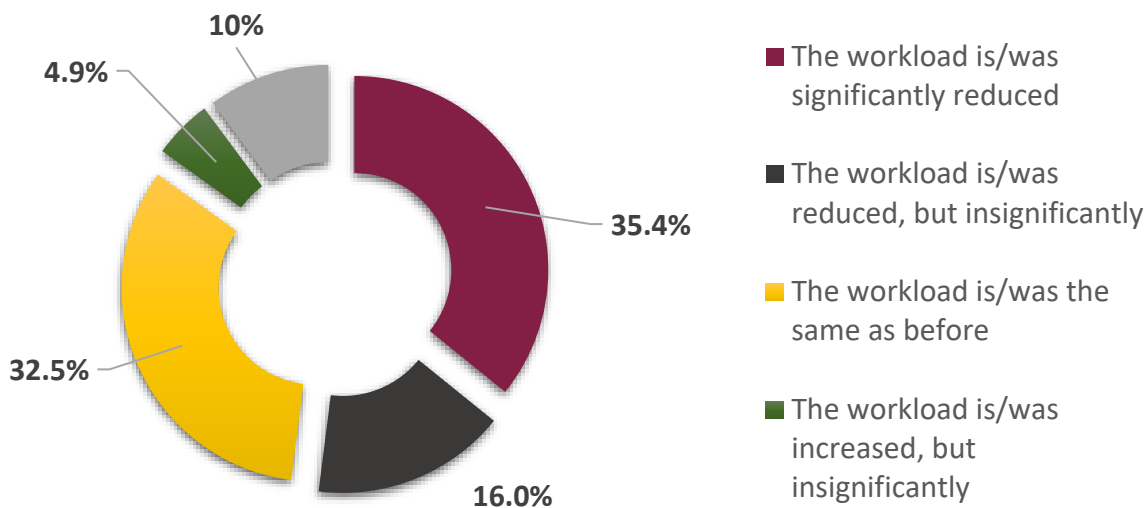
**Chart 13.** What is your experience of working from home? "Rank it on a scale of 1 to 5, where 5 means completely productive and 1 means completely unproductive"

The respondents who rated the work from home as productive, as the biggest benefits indicated the protection against the Corona virus and more work time by 36%,



followed by lower work pressure by 24%. The respondents who rated the work from home as negative, slightly more than half of them (51.6%) as the biggest negativity indicated *"the unpreparedness for online classes for their children"* followed by *"the lack of adequate conditions for work from home"* with 29%, as well as the *"the inability to cooperate with colleagues"* with 19.4%.

**Set 2. The Impact of the health crisis (COVID-19) on the workload and the profitability of the companies**

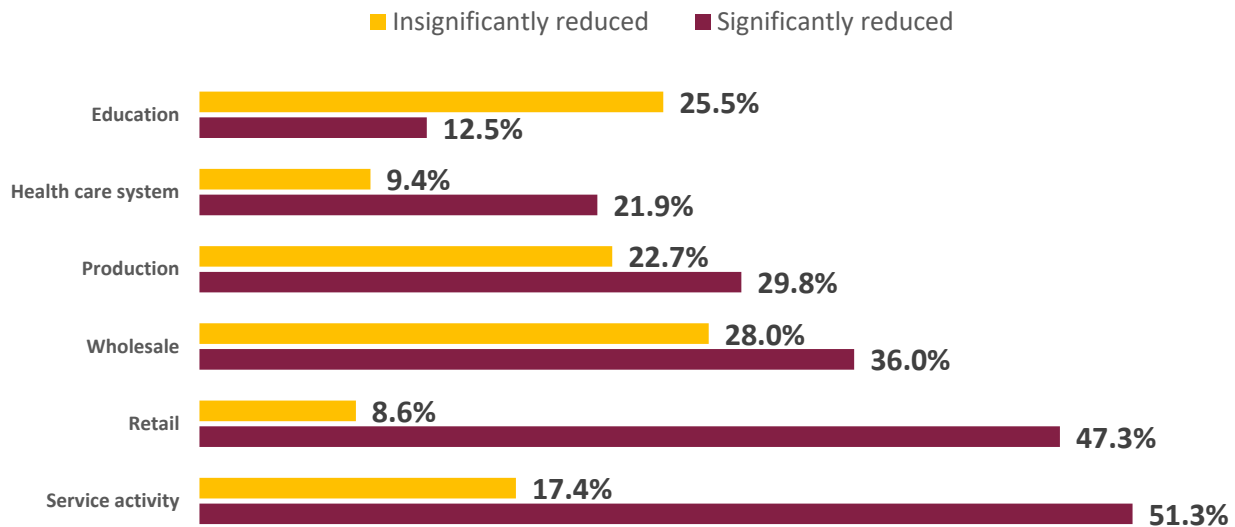


**Chart 14.** *How the health crisis (COVID-19) affects/affected the workload in your company?*

**The first question** from this set that we asked the respondents was *"How the health crisis (COVID-19) affects /affected the workload in your company?"* As many as 35.4% of the respondents stated that the workload in their company was significantly reduced, while 16% stated that it was reduced, but insignificantly. 32.5% answered that the workload remained the same as before, while only 4.9% stated that the workload was significantly or insignificantly increased from before the beginning of the health crisis.

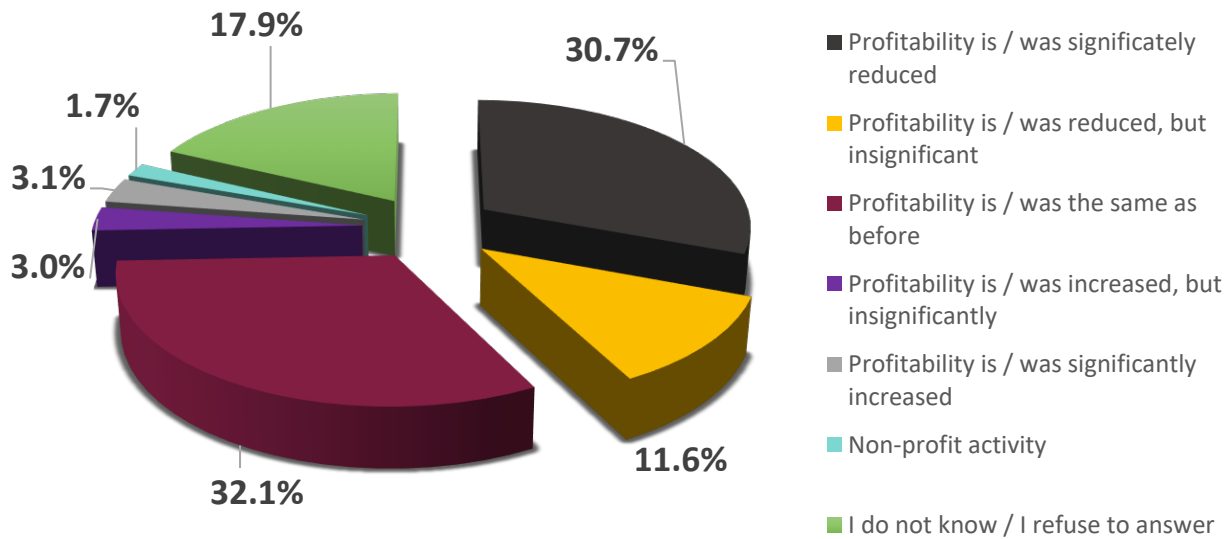
Regarding **the industry**, the highest percentage of the respondents which said that the workload was significantly reduced were the workers in the service industry 51.3% and retail with 47.3%. As expected on this issue, the lowest percentage is among the respondents who are part of the health system with 21.9%, as well as in education with 12.5% who stated that the workload was significantly reduced.

*The workload in your company was...  
(Industry of the workplace)*



**Chart 15.** How the health crisis (COVID-19) affects/affected the workload in your company? – (crossed with the industry of the workplace of the respondent)

The next question we asked the respondents is related to the profitability of companies, i.e. "How the health crisis (COVID-19) affects/affected the profitability of your company?" As in the previous question, a high 30.7% stated that the profitability was significantly reduced, while 11.6% said that profitability was reduced, but insignificantly. That the profitability remained the same as before the beginning of the health crisis stated the highest 32.4%, while only 6.1% stated that the profitability was significantly or insignificantly increased.



**Chart 16.** How the health crisis (COVID-19) affects/affected the profitability in your company?

Again on this question, the companies that work in the service industry and retail are most affected. A high 47.8% of the workers in the service industry believe that the profitability was significantly reduced during the health crisis, while among the workers in the retail this perception is 45%. Among health care workers, the views are again the most positive and only 22% indicated that profitability was significantly reduced during the health crisis.

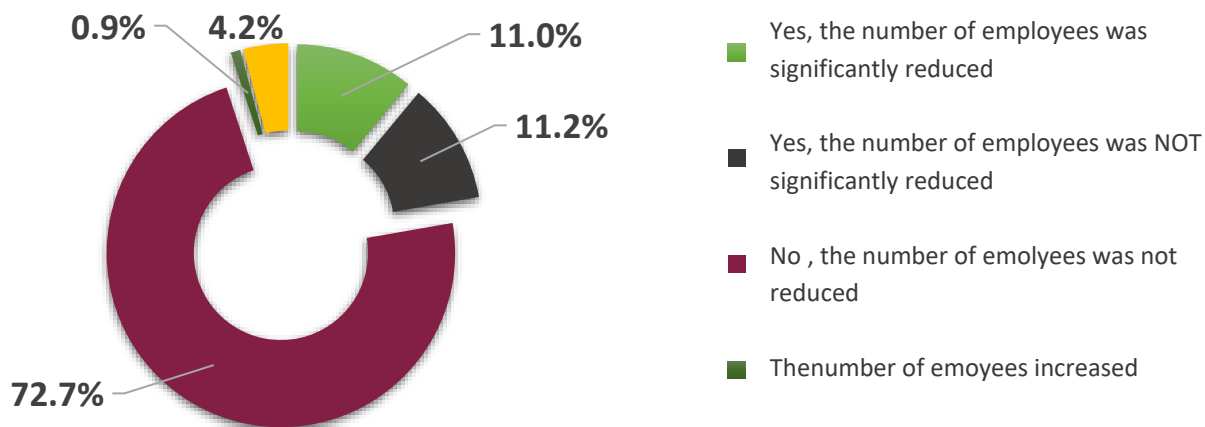
*The profitability of the work in your company was...  
(Industry of workplace)*



**Chart 17.** How the health crisis (COVID-19) affects/affected the profitability in your company? – (crossed with the industry of the workplace of the respondent

### Set 3. Working conditions during the health crisis (COVID-19)

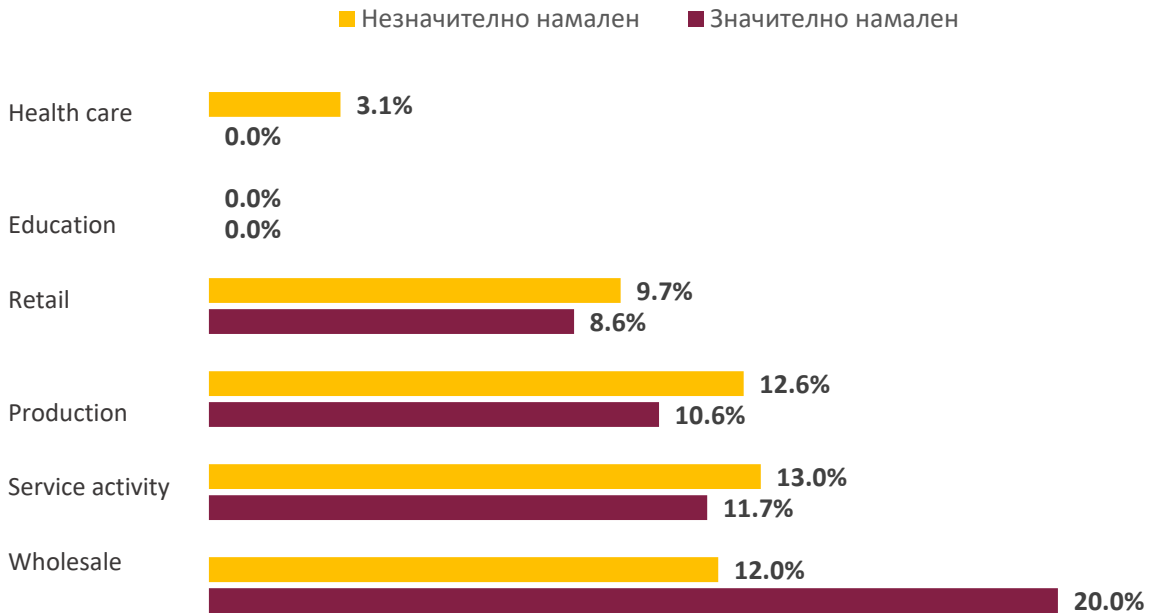
The third set of questions focuses on changes in the working conditions imposed by the health crisis (COVID-19). **The first question** from this set of questions that we asked the respondents was "Did the health crisis (COVID-19) contribute to reducing the number of employees in your company?" The highest 72.7% said that the number of employees remained the same as before the beginning of the health crisis, while 22.2% stated that the number of employees was significantly or insignificantly reduced. Only 0.9% of the respondents stated that the number of employees was increased during the crisis.



**Chart 18.** Has the health crisis (COVID-19) contributed to reduction in the number of employees in your company?

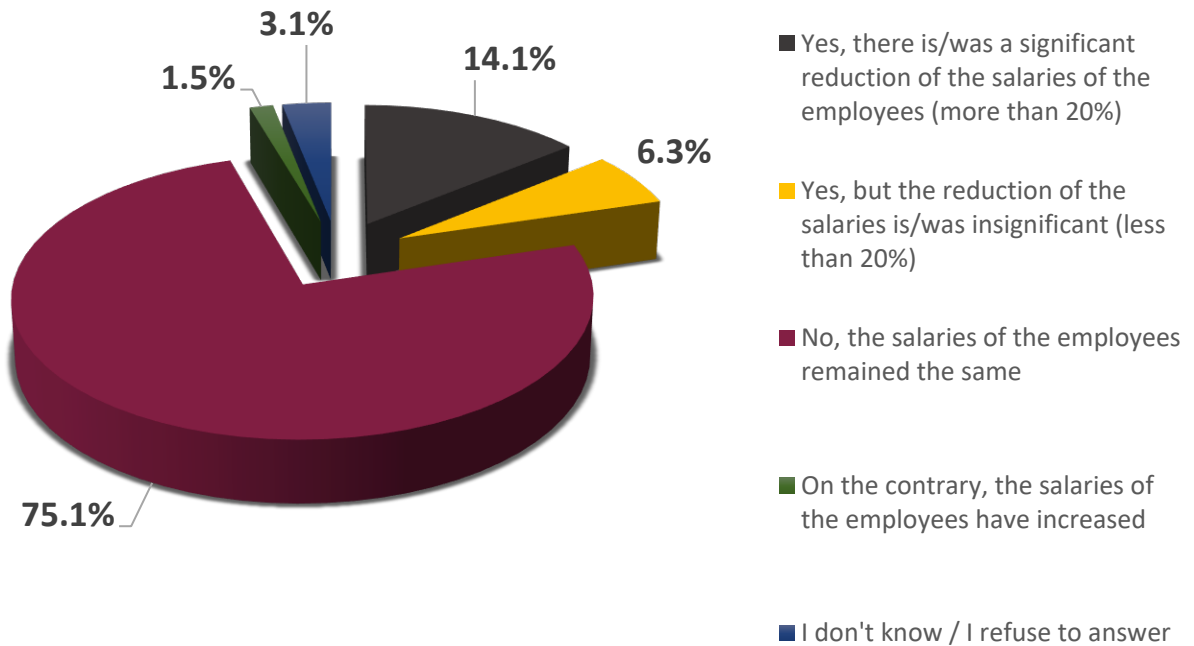
We analysed this question according to **the industry** in which the respondents work. Wholesale is most affected, i.e. 20% stated that the number of employees was significantly reduced, followed by the service industry, where 12% stated that the number of employees was significantly reduced. Employees in health and education believe that the number has remained the same or increased slightly since the beginning of the health crisis.

**Number of employees in your company was...**  
**(Industry of the workplace)**



**Chart 19.** Has the health crisis (COVID-19) contributed to reduction in the number of employees in your company? (crossed with the industry of the respondent at the workplace)

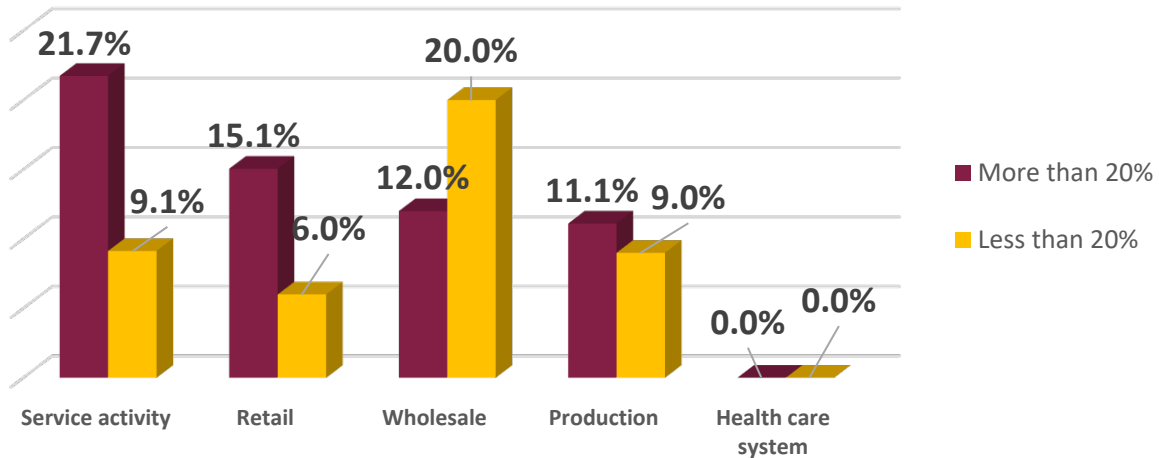
The next question is related to the salaries of the respondents, i.e. "Is there/was there a reduction in the salaries of the employees in your company due to the health crisis (COVID-19)?" Again the highest percentage 75.1% answered that the salaries of the employees remained the same as before the beginning of the health crisis. However, a high percentage of 14.1% of the respondents stated that their salaries were significantly reduced (more than 20%), while 6.3% that their salaries were slightly reduced (less than 20%) during the health crisis. Only 1.5% said that their salaries were increased during the health crisis.



**Chart 20.** Due to the health crisis (COVID 19) is there / was there a reduction in the salaries of the employees in your company?

If this question is analysed by **the industry** in which the respondents work, the most affected were the employees in the service industry since 21.7% stated that there was a significant reduction in the salaries of the employees (more than 20%), while 9.1% indicated that there was insignificant reduction of employees' salaries (less than 20%). The percentage is high with the employees in retail too, out of which 15.1% indicated that there was a significant reduction in salaries of employees (more than 20%), while 6% said that there was a slight reduction in salaries of employees (less than 20%).

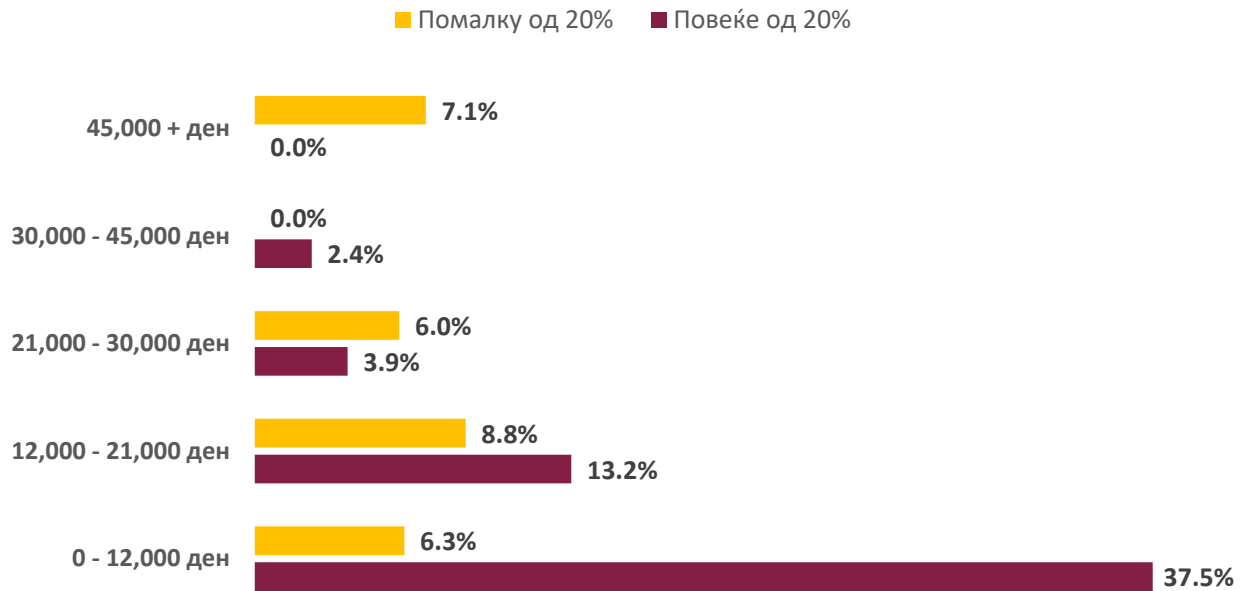
**Reduction of the salaries of the employees**  
*(Industry of workplace)*



**Chart 21.** Due to the health crisis (COVID-19), is there/was there a reduction in the salaries of the employees in your company? (Crossed with the respondent's industry)

Regarding the average **monthly income**, there are significant differences on this question, i.e. among the respondents with lower monthly income, the reduction of salaries during the COVID-19 crisis is more pronounced. As many as 37.5% of the respondents with the lowest incomes from 0 - 12,000 MKD stated that in their company there was a significant reduction in salaries of employees (more than 20%), followed by respondents with monthly incomes between 12,000 - 21,000 MKD with 13.2%. The picture is completely different among the respondents with higher monthly incomes, i.e. 0% of the respondents whose monthly incomes are + 45,000 MKD stated that there was a significant reduction in salaries (more than 20%), while among the respondents with monthly incomes from 30,000 to 45,000 MKD, only 2.4% said so.

## Reduction of the salaries of the employees (Monthly income)



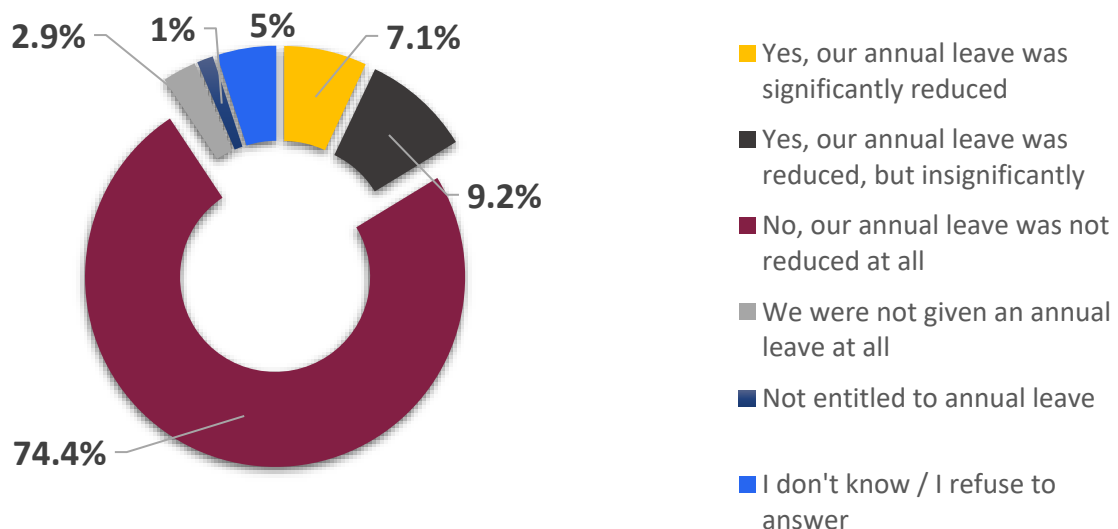
\*Less than 20%

\*More than 20%

**Chart 22.** Due to the health crisis (COVID-19) is/was there a reduction in the salaries of the employees in your company? (crossed with the monthly income of the respondent)

### Set 4. Labour rights and discrimination in the workplace during the health crisis (COVID-19)

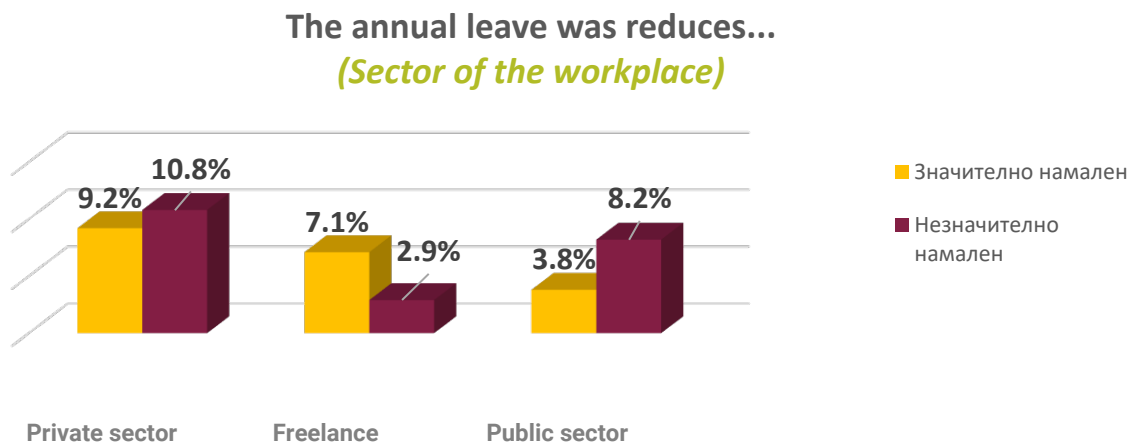
**The first question** from the fourth set of questions is related to the annual leave of the respondents, i.e. "whether due to the health crisis (COVID-19) their right to annual leave was reduced". Most of the respondents 74.4% stated that their annual leave was not reduced at all, while 16.3% stated that their annual leave was significantly or insignificantly reduced. Only 2.9% of the respondents stated that they had not been given an annual leave at all since the beginning of the health crisis.





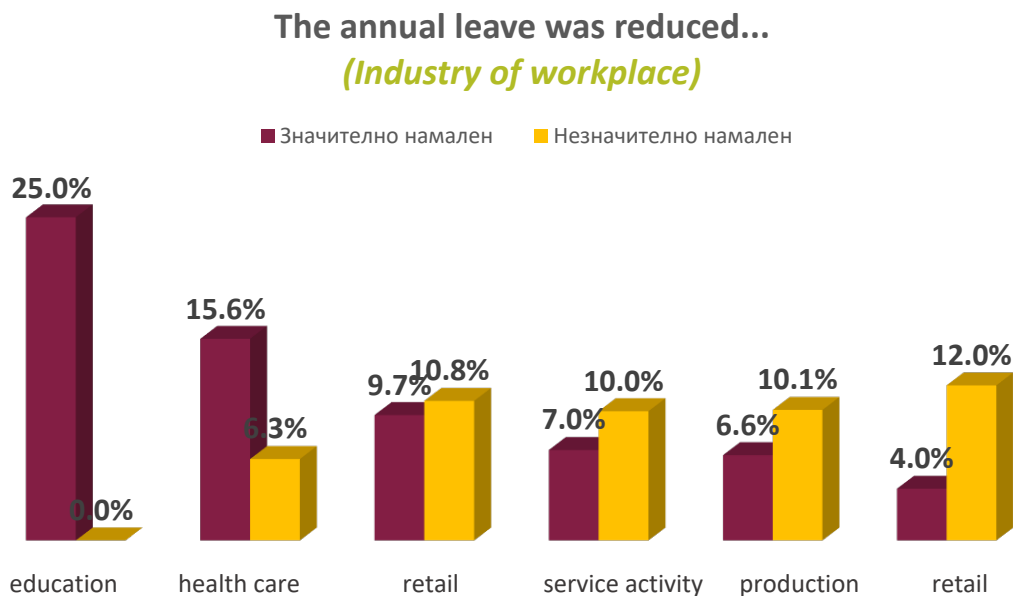
**Chart 23.** Was your right to annual leave reduced due to the health crisis (COVID 19)?

Again, we made an analysis according to **the sector** in which the respondents work. 20% of the respondents that work in the private sector stated that their annual leave was significantly or insignificantly reduced, while 12% of the employees in the state/public sector stated the same.



**Chart 24.** Was your right to annual leave reduced due to the health crisis (COVID 19)? (crossed with the sector of the respondent's job)

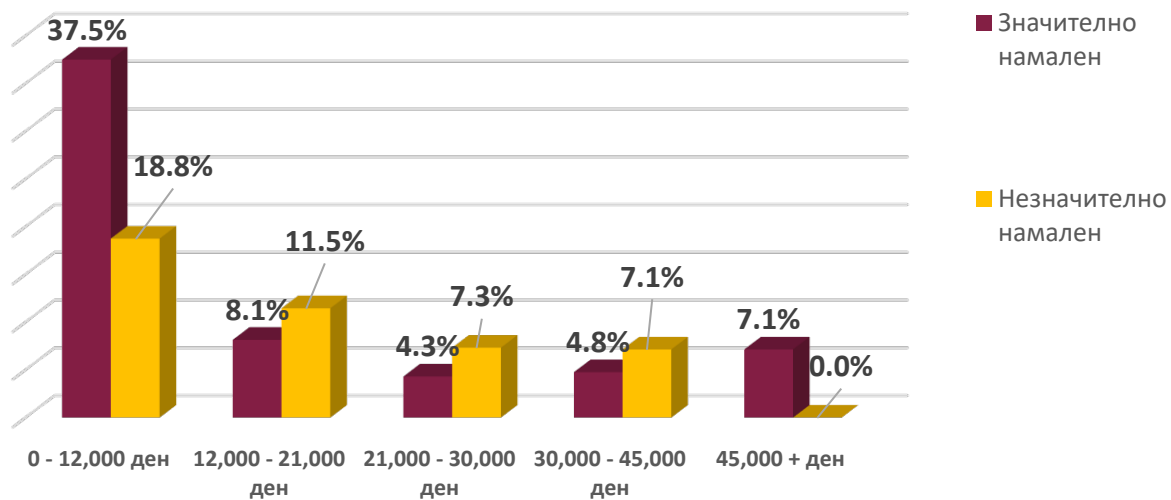
Regarding **the industry** in which the respondents work, there is no big difference on this question, in all activities the percentage is between 15% and 25%.



**Chart 25.** Was your right to annual leave reduced due to the health crisis (COVID 19)? (crossed with the respondent's industry)

The analysis on this issue based on the average **monthly income** shows that the right to annual leave of the respondents with lower incomes was significantly reduced during the COVID-19 crisis. Thus, 56.3% of the respondents who have a monthly income between 0 - 12,000 MKD stated that their annual leave was significantly or insignificantly reduced, while 7.1% of the respondents who have a monthly income over 45,000 MKD said the same.

**The annual leave was reduced...**  
*(Monthly income)*

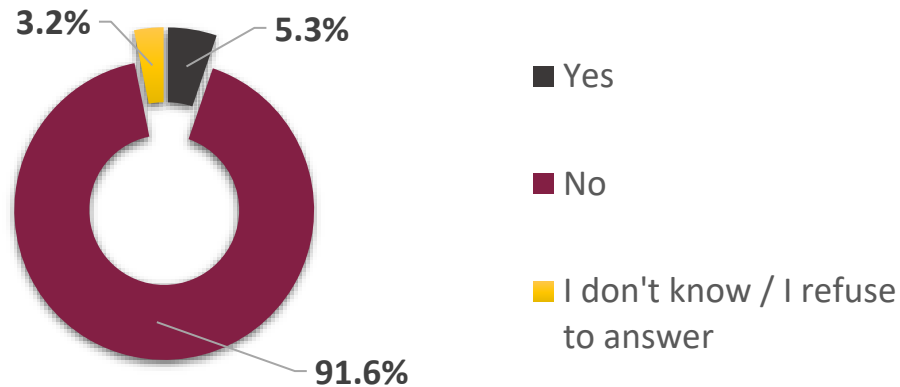


**\*Significantly decreased**

**\* Slightly decreased**

**Chart 26.** Was your right to annual leave reduced due to the health crisis (COVID 19)? (crossed with the monthly income of the respondent)

**The second question** from this set that we asked the respondents was "Did you feel discriminated by the employer in any way due to the health crisis?" A high 91.6% stated that they were not discriminated in any way in their workplace during the health crisis.



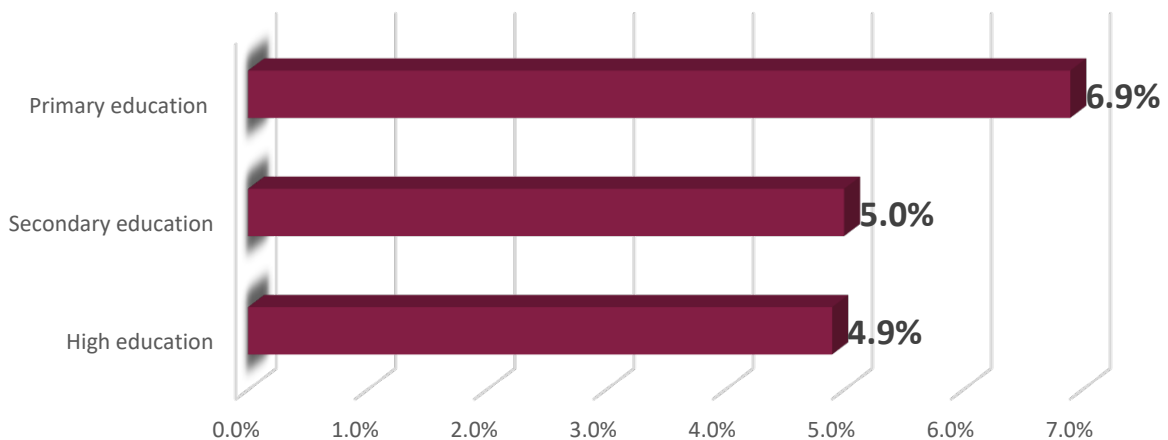
**Chart 27.** Did you feel discriminated by your employer in any way due to the health crisis?

Of the respondents who reported being discriminated (5.3%), the most common forms of discrimination were:

- Non-compliance with measures/recommendations;
- Reduced annual leave / were not given annual leave at all;
- Reduced salary;

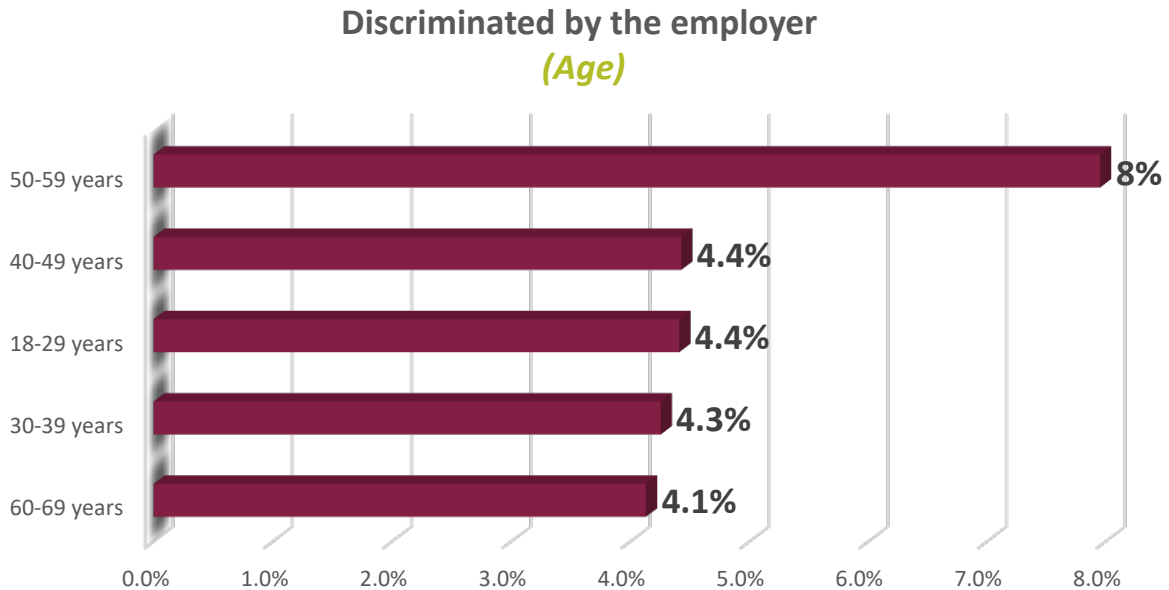
If we analyse this issue by age, mainly at all ages, the percentage that is considered to have been discriminated during the health crisis is the same around 4%, only higher among respondents between 30-39 years with 8%.

### Discriminated by the employer (Level of education)



**Chart 28.** *Did you feel discriminated by your employer in any way due to the health crisis? (crossed with the age of the respondent)*

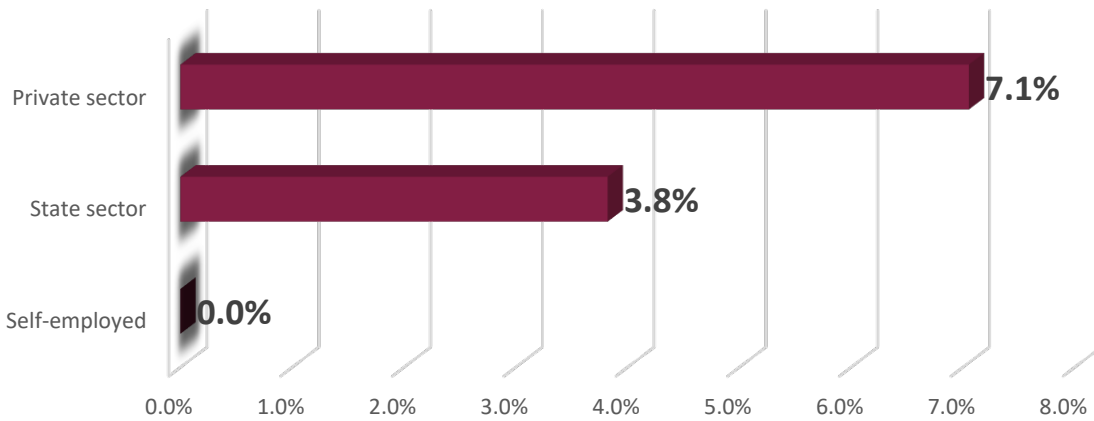
The same applies to the **level of education**, where the respondents with primary education simply stand out with 6.9% who think that they have been discriminated by their employers during the health crisis.



**Chart 29.** *Did you feel discriminated by your employer in any way due to the health crisis? (crossed with the level of education of the respondent)*

Regarding **the sector**, the feeling that they were discriminated is more pronounced among the employees in the private sector with 7.1%, while among the employees in the public/state sector it is 3.8%.

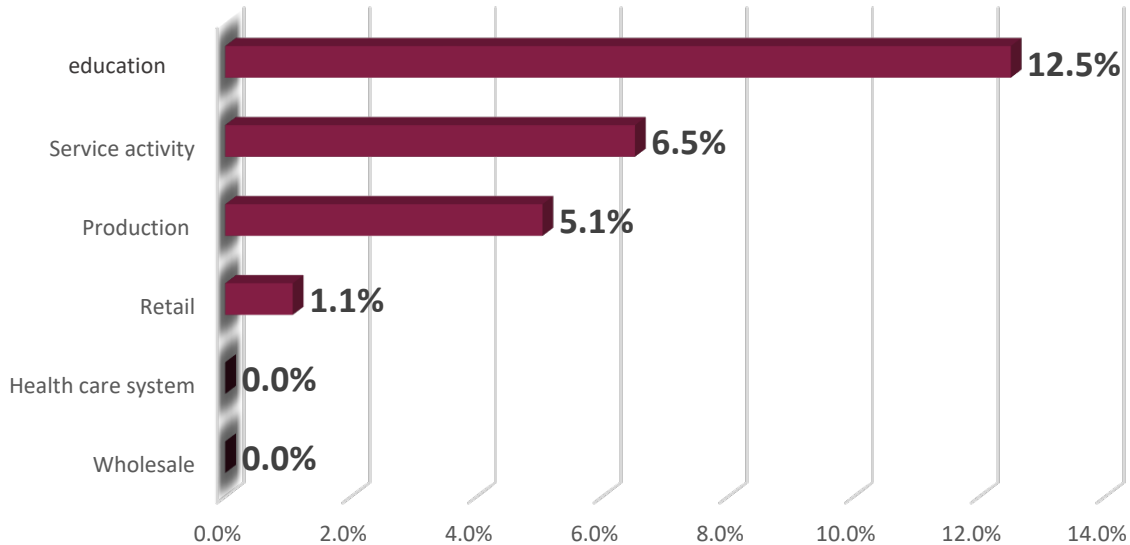
**Discriminated by the employer**  
*(Sector of workplace)*



**Chart 30.** Did you feel discriminated by your employer in any way due to the health crisis? (crossed with the sector of the respondent's job)

There is a small difference on this issue in terms of the **industry** in which the respondents work. However, it is most pronounced among employees in education with 12.5% and service industry with 6.5%.

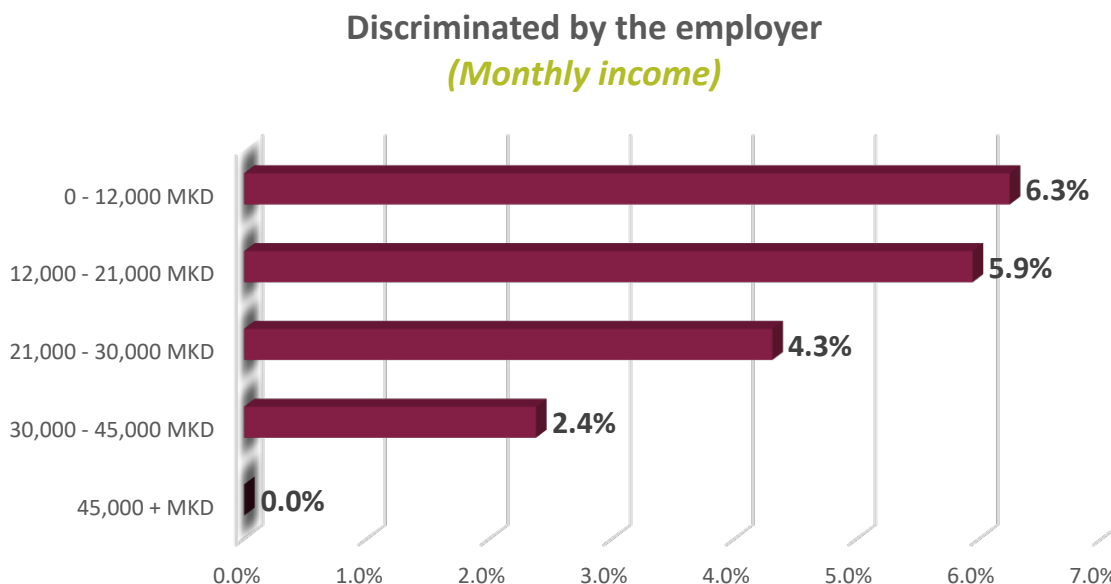
**Discriminated by the employer**  
*(Industry of workplace)*



**Chart 31.** Did you feel discriminated by your employer in any way due to the health crisis? (crossed with the industry of the respondent's job)

According to their **monthly income**, there is a small percentage of people who felt discriminated in all categories, but still among the respondents who have lower

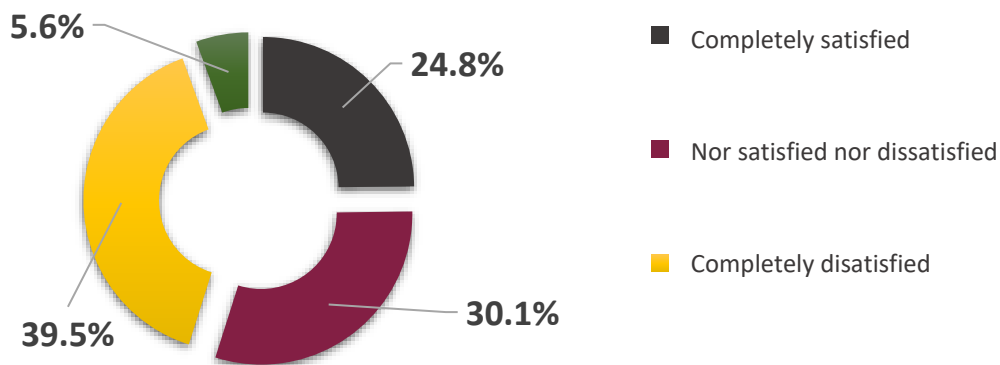
monthly income, the perception that they have been discriminated by employers is more pronounced.



**Chart 32.** Did you feel discriminated by your employer in any way due to the health crisis? (crossed with the monthly income of the respondent)

### Set 5. Government measures for dealing with the health crisis (COVID-19)

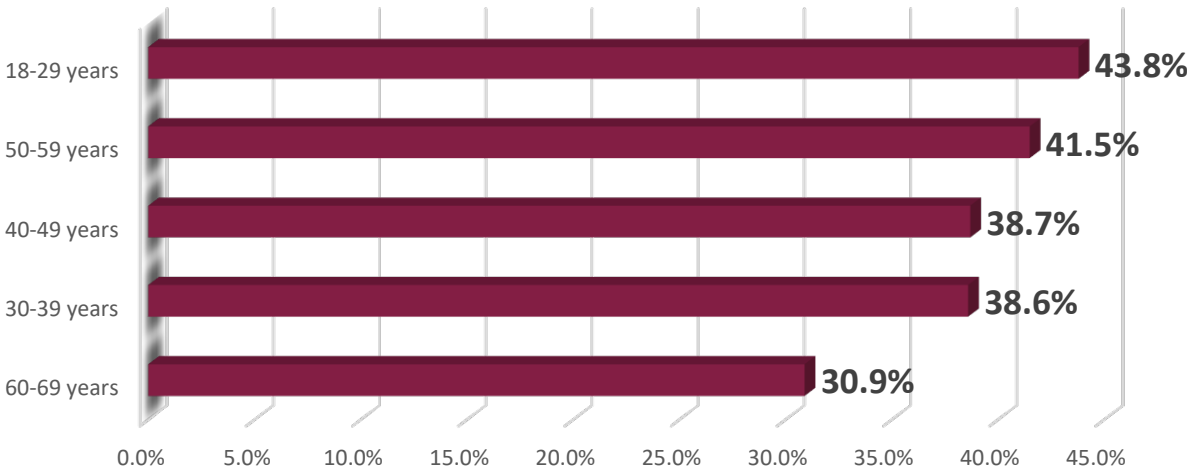
This set of questions is aimed at how satisfied the citizens are with the measures undertaken by the Government to help companies in dealing with the health crisis and the perception of citizens compared to the measures undertaken in other countries in the region. To the first question "On a scale from 1 to 5, where 5 means completely satisfied and 1 completely dissatisfied, how would you assess the measures taken by the Government of the Republic of North Macedonia to help companies in dealing with the health crisis?", only 24.8 % of the respondents stated that they are satisfied (answered with 4 or 5), while 39.5% are dissatisfied (answered with 1 or 2) with the measures taken by the Government. Almost one third, or 30.1% of the respondents stated that they are neither satisfied nor dissatisfied with the stated measures of the Government.



**Chart 33.** On a scale from 1 to 5, where 5 means completely satisfied and 1 completely dissatisfied, how would you assess the measures taken by the Government of the RNM to help companies in dealing with the health crisis?

This is one of the issues in which there are the biggest differences in terms of demographic issues. In terms of **age**, the most satisfied with the measures undertaken by the Government are the younger, i.e. the respondents between 18-29 years with 43.8%, while the most dissatisfied with the measures are the oldest respondents aged 60-69 with 30.9%.

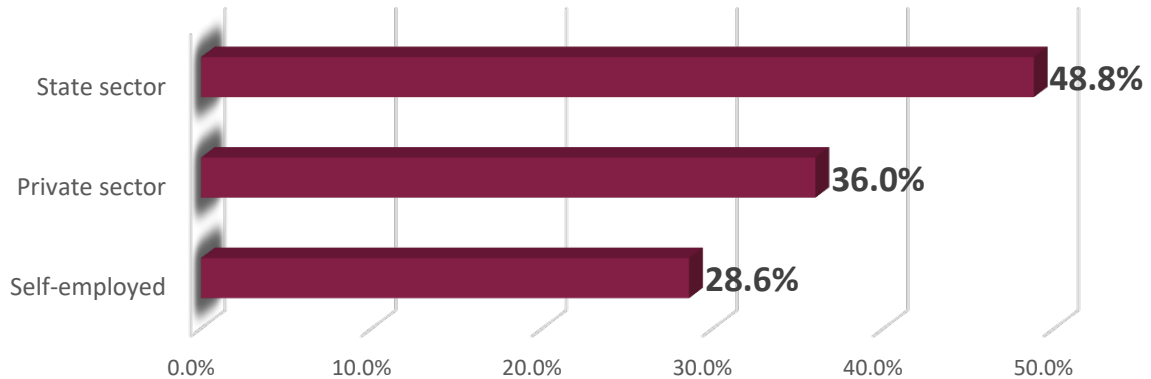
**Satisfaction by the Government's measures - Grade 4 and 5  
(Age)**



**Chart 34.** On a scale from 1 to 5, where 5 means completely satisfied and 1 means completely dissatisfied, how would you assess the measures taken by the Government of RNM to help companies in dealing with the health crisis? (crossed with the age of the respondent)

There is a significant difference between the employees in the **public/state sector** compared to the **private sector**, i.e. 49% of the employees in the public/state sector are satisfied with the measures of the Government of RNM, while only 36% of the employees in the private sector have the same attitude on this question.

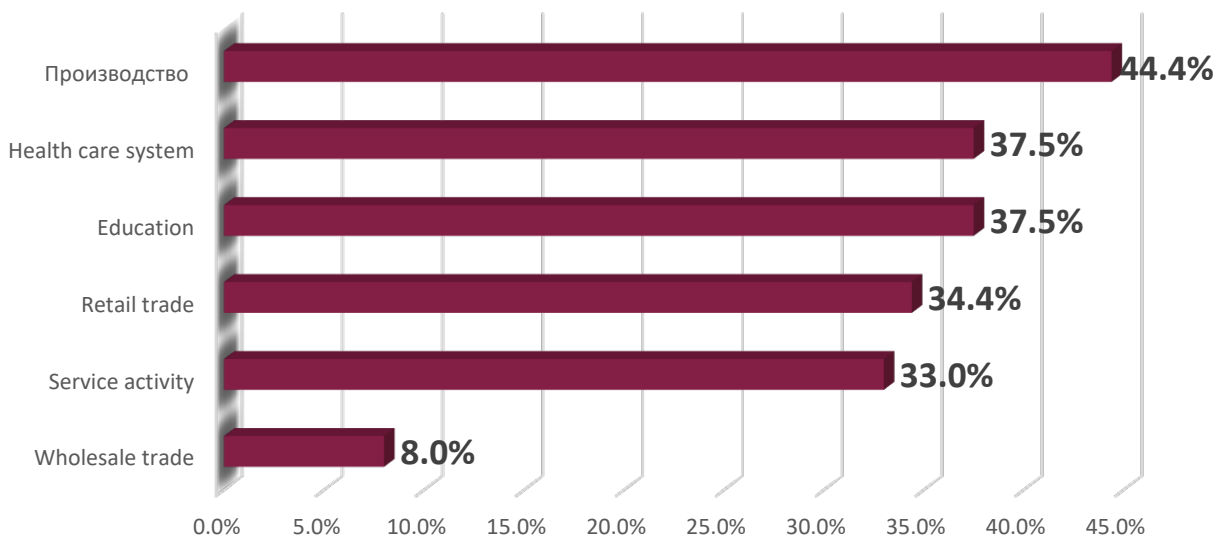
**Satisfaction of the Government's measures - Grade 4 and 5**  
*(Sector of the workplace)*



**Chart 35.** On a scale from 1 to 5, where 5 means completely satisfied and 1 means completely dissatisfied, how would you assess the measures undertaken by the Government of RNM to help companies in dealing with the health crisis? (crossed with the sector of the respondent's job)

Regarding the **industry** in which the respondents work, the highest satisfaction with the measures of the Government is expressed among the employees in production with 44.4%, while the lowest is among the respondents working in the wholesale, with only 8%.

**Satisfaction of the Government's measures - Grade 4 and 5**  
*(Industry of workplace)*

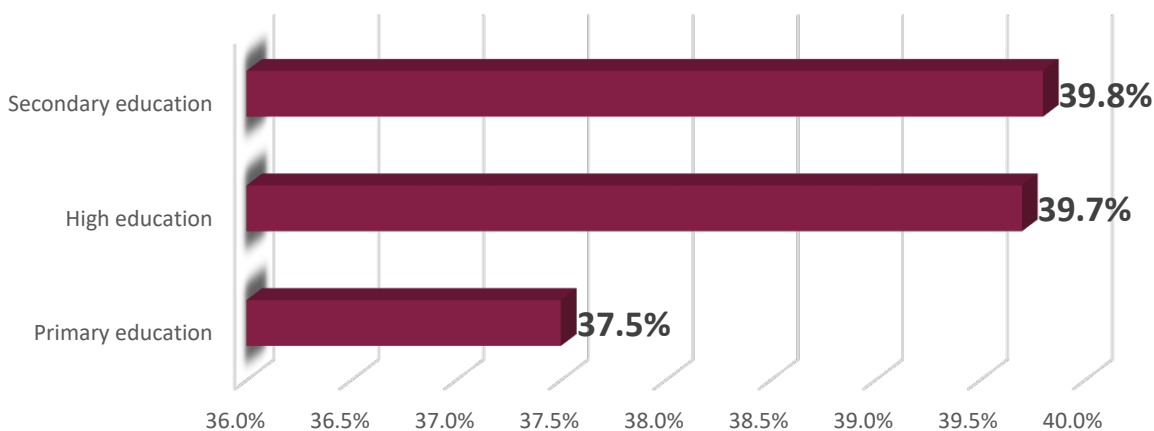


**Chart 36.** On a scale from 1 to 5, where 5 means completely satisfied and 1 completely dissatisfied, how would you assess the measures taken by the Government of RNM to help companies in dealing with the health crisis? (crossed with the industry of the respondent's job)



If we analyse this question according to the **level of education**, the level of satisfaction with the measures is almost identical at all levels of education, i.e. the satisfaction is around 40%.

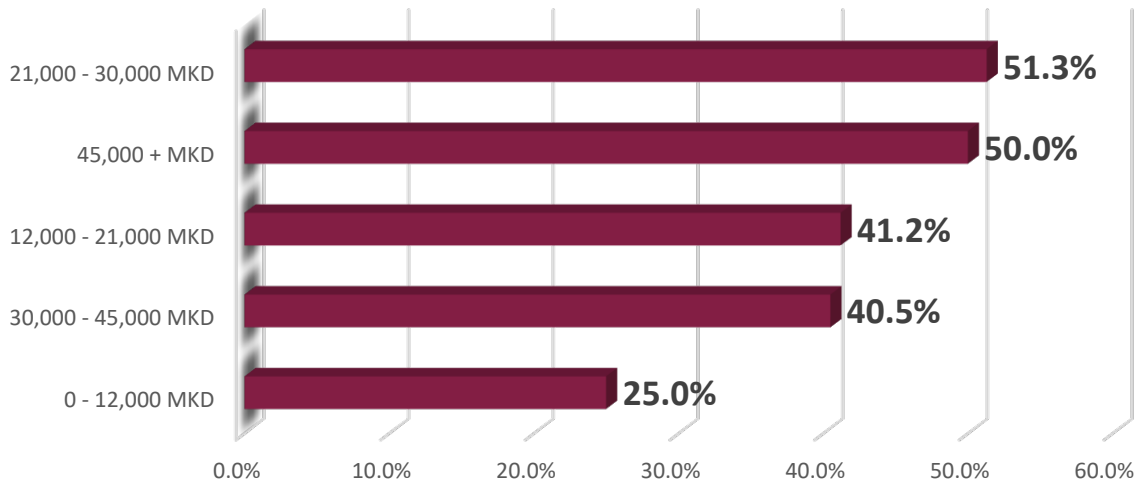
### Satisfaction by the Government's measures - Grade 4 and 5 (Level of education)



**Chart 37.** On a scale from 1 to 5, where 5 means completely satisfied and 1 completely dissatisfied, how would you assess the measures taken by the Government of the RNM to help companies in dealing with the health crisis? (crossed with the level of education of the respondent)

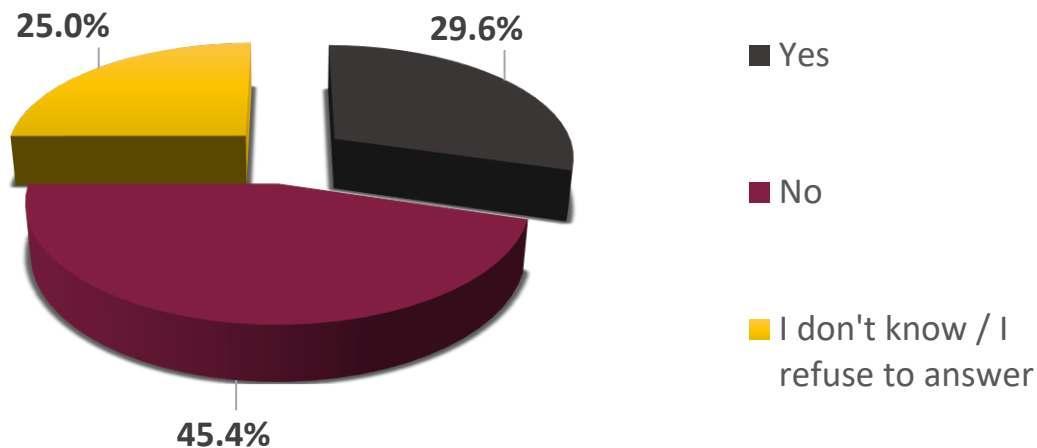
Regarding the average **monthly income**, the highest satisfaction with the measures of the Government is with the respondents who have a monthly income from 21,000 to 30,000 MKD with 51.3% and with the respondents with +45,000 MKD with 50%, while the satisfaction with the measures is lowest among the respondents with the lowest monthly income from 0 to 12,000 MKD with 25%.

**Satisfaction by the Government's measures - Grade 4 and 5  
(Monthly income)**



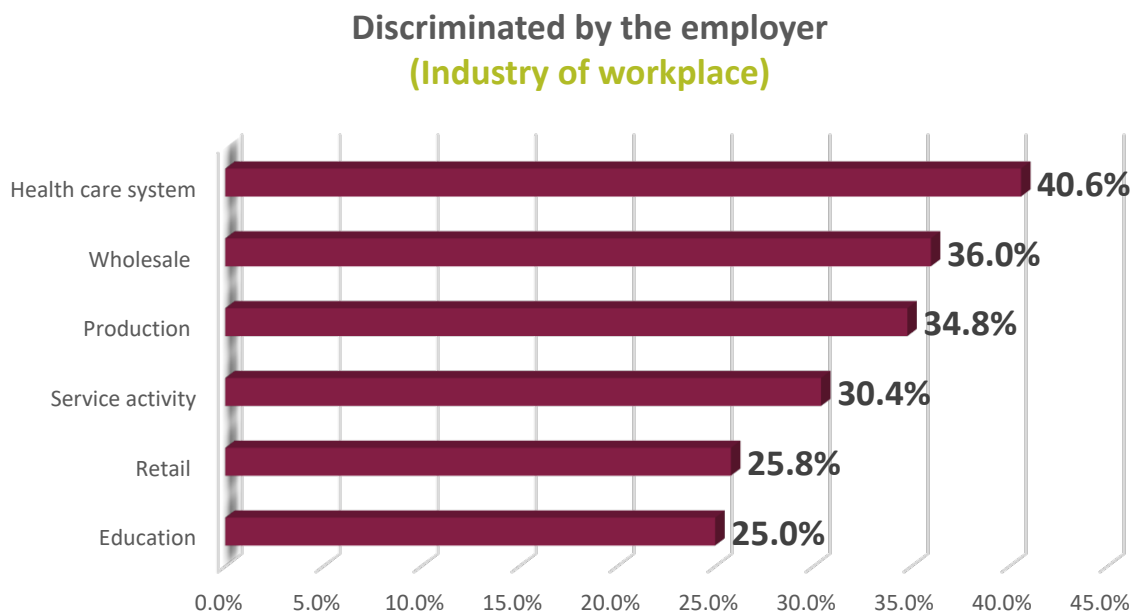
**Chart 38.** On a scale from 1 to 5, where 5 means completely satisfied and 1 completely dissatisfied, how would you assess the measures taken by the Government of RNM to help companies in dealing with the health crisis? (crossed with the monthly income of the respondent)

To the next question "Did the company where you work use part of the measures of the Government of the Republic of North Macedonia?", 29.6% of the respondents answered positively, while 45.4% stated that the companies where they work did not use the measures of the Government. The percentage is high (25%) of those who do not know if their company has used measures from the Government.



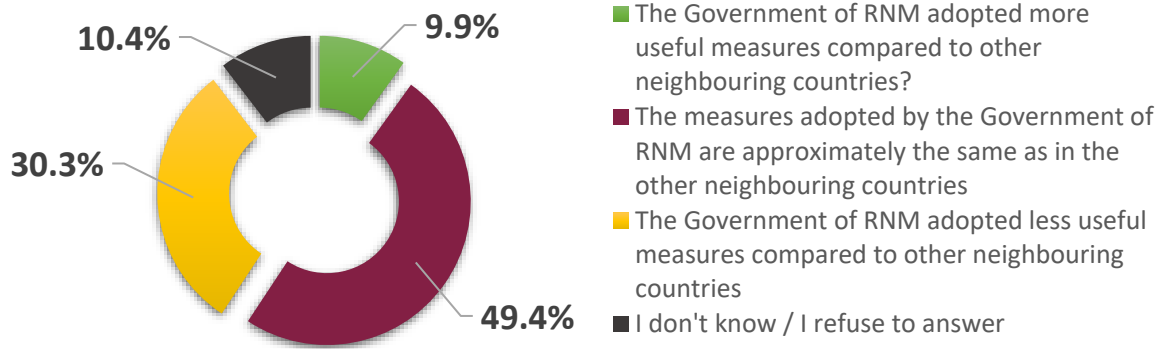
**Chart 39.** Did the company where you work use part of the measures of the Government of the Republic of North Macedonia?

An analysis of this issue was made in relation to **the industry** in which the respondents work. According to the respondents, this measure was mostly used by the companies whose primary industry is health 40.6% and wholesale with 36%.



**Chart 40.** Did the company where you work use part of the measures of the Government of the Republic of North Macedonia? (crossed with the industry of the respondent's job)

The third question in this set is a comparison with the measures undertaken by the other neighbouring countries, i.e. "Do you think that the Government of the Republic of North Macedonia has adopted more useful or less useful measures to overcome the health crisis for private companies compared to other neighbouring countries?" Most of the respondents, almost half (49.4%), think that the measures adopted by the Government are approximately the same as in the other neighbouring countries, while 30.3% believe that the measures adopted by the Government are less useful compared to other neighbouring countries. Only 9.9% of the respondents believe that the Government has adopted more useful measures than the other neighbouring countries.

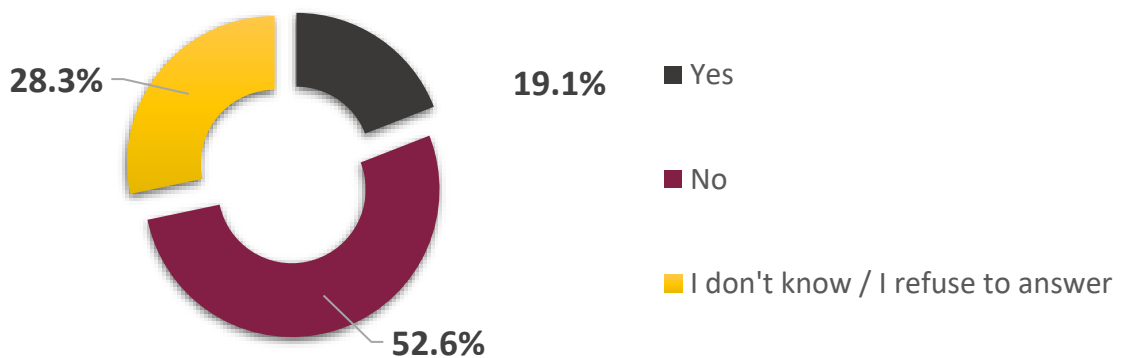


**Chart 41.** Do you think that the Government of the Republic of North Macedonia has adopted more useful or less useful measures for easier overcoming of the health crisis for private companies compared to other neighbouring countries?

In terms of **age, level of education, sector, average monthly income and the industry** in which the respondents work, there are no major differences on this question, i.e. all are dominated by the answer that the measures adopted by the Government are approximately the same as in other neighbouring countries.

**Set 6. Favouring and/or discriminating against certain sectors, companies or groups of workers**

To the question "Do you think that the Government with the measures undertaken to deal with the pandemic favoured certain sectors, companies or groups of workers?", 19.1% answered positively, while 52.6% believe that there was no favouritism in the adoption of the measures.

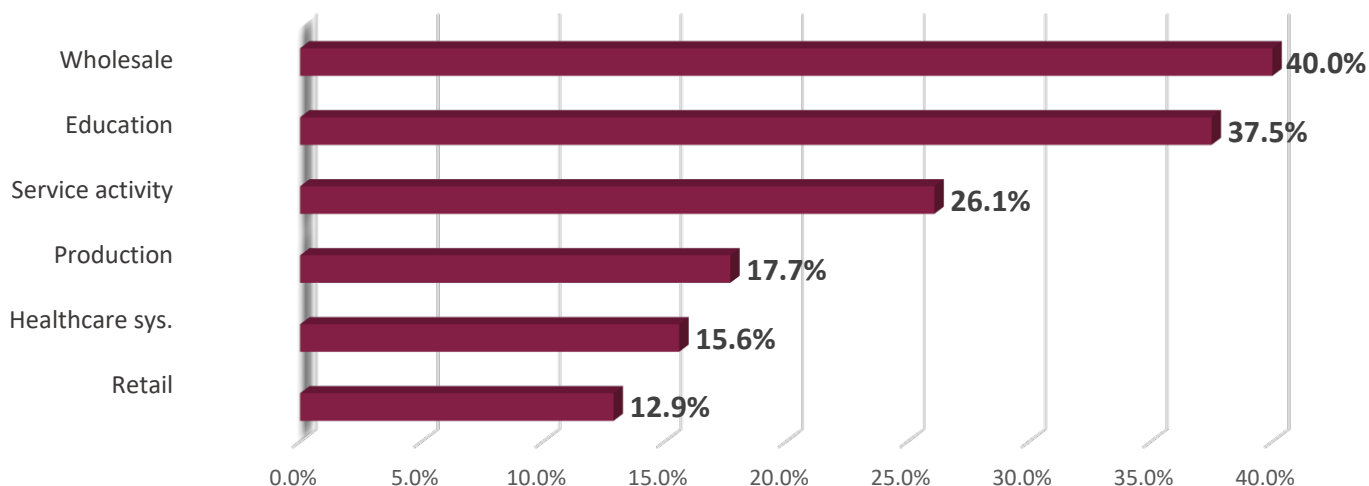


**Chart 42.** Do you think that the Government has favoured certain sectors, companies or groups of workers with the measures taken to deal with the pandemic?

Most of those who think that certain sectors, companies or groups of workers were favoured think that it is the private sector with 17.2%, followed by public administration with 15.1% and catering and tourism with 11.5%.

Regarding the **industry**, the employees in the wholesale have the highest perception (40%) that the Government with the adopted measures favoured certain sectors, companies or groups of workers, while among the employees in the retail that attitude is the least expressed, with 12.9%.

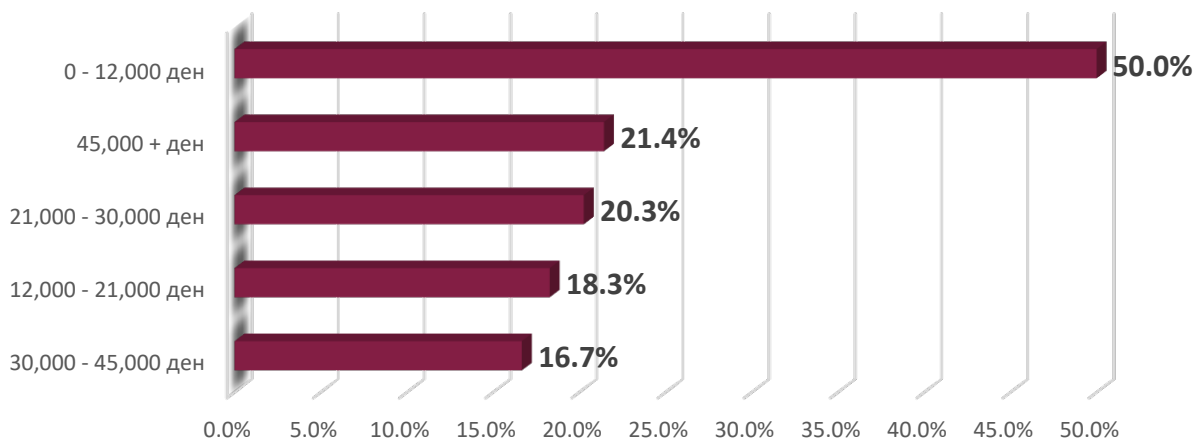
**Did the Government with the adopted measures favoured certain sectors, companies or groups of workers?  
(Industry of the workplace)**



**Chart 43.** Do you think that the Government with the adopted measures for dealing with the pandemic favoured certain sectors, companies or groups of workers? (crossed with the respondent industry)

If we analyse this question according to the **average monthly income** of the respondents, the opinion that certain sectors, companies or groups are favoured by the Government is most pronounced between the respondents with monthly income between 0 - 12,000 MKD with 50%, while least pronounced is among the respondents with monthly income from 30,000 to 45,000 MKD with 16.7%.

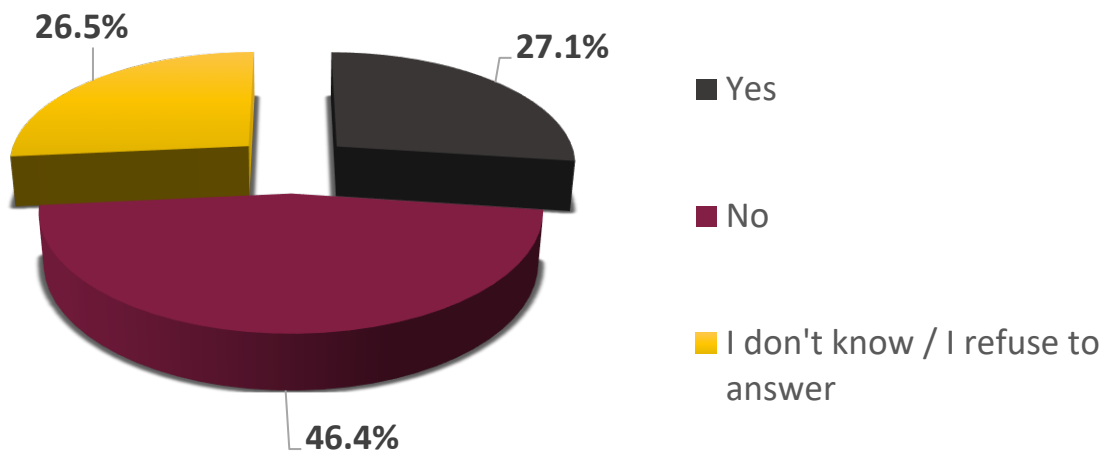
**The Government with the adopted measures favoured certain sectors, companies or groups of workers?  
(Monthly income)**



\*ден = den

**Chart 44.** Do you think that the Government has favoured certain sectors, companies or groups of workers with the measures taken to deal with the pandemic? (crossed with the monthly income of the respondent)

The next question is about discriminating certain sectors, companies or groups of workers with the adopted measures. Almost half of the respondents 46.4% do not think that certain sectors, companies or groups of workers were discriminated by the measures, while 27.1% think that such a thing existed.

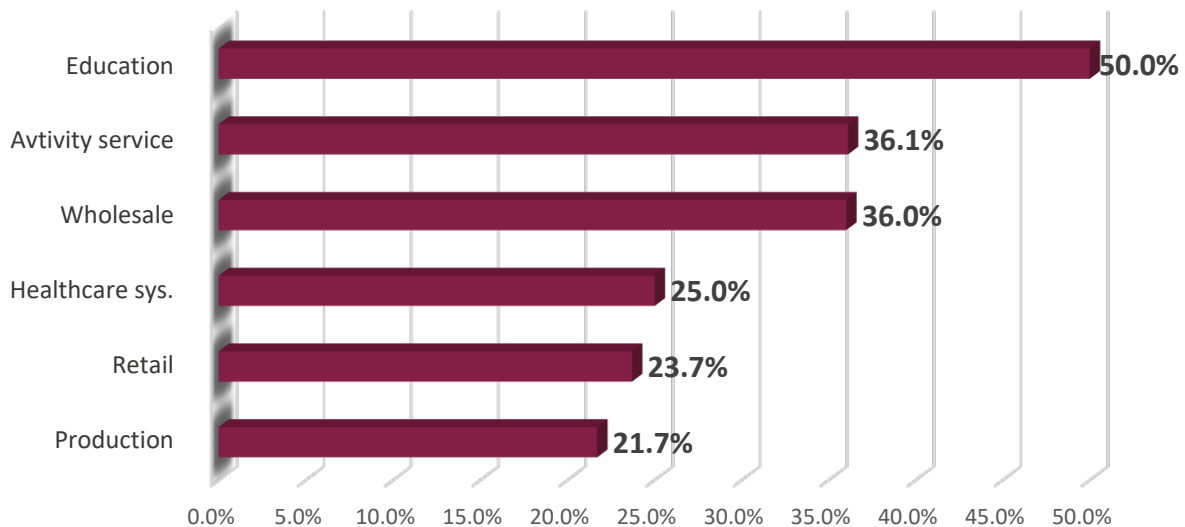


**Chart 45.** Do you think that the Government has favoured certain sectors, companies or groups of workers with the measures undertaken to deal with the pandemic?

Among the respondents who answered positively to this question, most of them or 50.9% think that the most discriminated sector is catering and tourism, followed by the legal sector 11.7%.

We also analysed this issue according to the **industry** and the average monthly income. According to industry, employees in education mostly believe that certain sectors, companies or groups of workers were discriminated by the undertaken measures with 50%, while the lowest percentage is among employees in production with 21.7%.

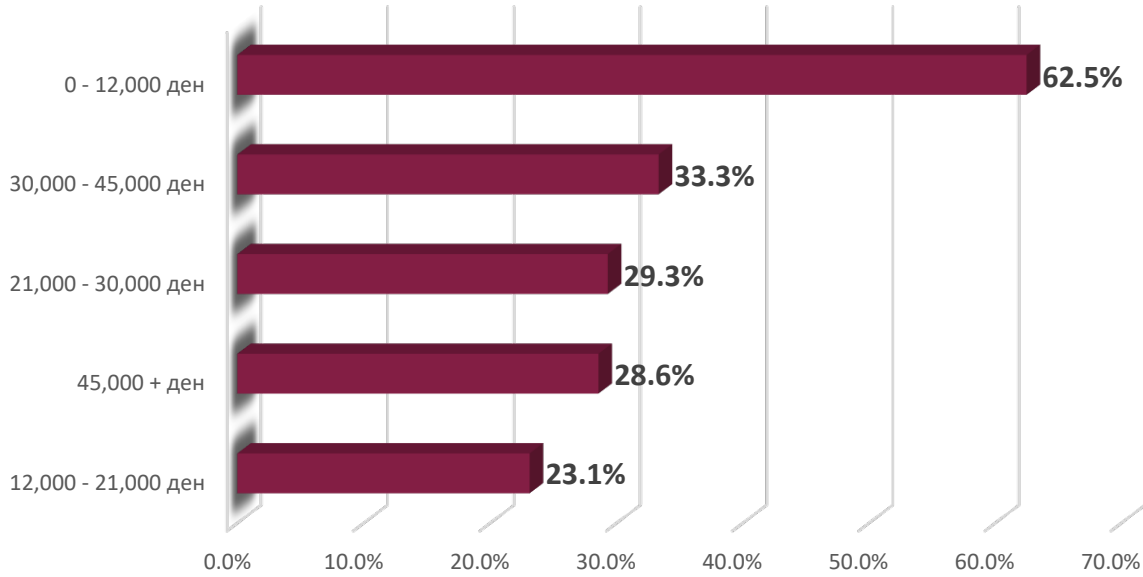
**The Government with the adopted measures discriminated certain sectors, companies or groups of workers?**  
**(Industry of workplace)**



**Chart 46.** Do you think that the Government has favoured certain sectors, companies or groups of workers with the measures taken to deal with the pandemic? (crossed with the industry of the workplace of the respondent)

Regarding the average **monthly income**, the perception of the respondents who believe that certain sectors, companies or groups of workers were discriminated by the undertaken measures is most pronounced between the respondents with monthly income between 0 - 12,000 MKD, while is least pronounced among the respondents with monthly income from 12,000 to 21,000 with 23.1%.

**The Government with the adopted measures discriminated  
certain sectors, companies or groups of workers?  
(Monthly income)**



\*ден=den

**Chart 47.** Do you think that the Government has favoured certain sectors, companies or groups of workers with the measures taken to deal with the pandemic? (crossed with the monthly income of the respondent)



## CONCLUSIONS AND RECOMMENDATIONS

During the COVID-19 pandemic, 58,655 people have already been infected and 20,961 are in the process of active treatment. If we take as accurate the data of the total number of the population from the last census, then the number of active cases is 1% of the population, while the number of infected is almost 3%. The crisis is an unprecedented shock to the economy and the labour market, and the prospects, as well as the quantity and quality of employment are deteriorating. Currently, the official data speaks of rising unemployment in the formal economy. The projections are extremely bad and there is already talk of a global economic crisis. The only consolation may be the fact that the consequences will be felt by all, not just our citizens.

Timely, comprehensive and coordinated policy efforts are needed to provide support for employment and income, as well as to stimulate the economy. The measures must not only protect the companies, but also the workers from immediate job losses and incomes. What is needed is an approach based on proactive, comprehensive and integrated measures in all areas, as well as a well-organized tripartite dialogue and approach in the implementation that will reduce the abuses and will ensure that the provided aid is used effectively and efficiently. Therefore, building security through trust and dialogue is crucial for the effectiveness of measures and policies.

This health crisis is unique in many ways. It is the first global pandemic since the Spanish flu in 1920 and the past experiences point to the central role of the employment, the social protection and the social dialogue in the mitigation and recovery policies. Having in mind the experience, as well as the analysis, the following conclusions can be made:

1. The health authorities, the Ministry of Health and the Commission for Infectious Diseases, through their constant presence in the media, through the sharing of information about the spread of the virus and through the responses they are giving, have contributed to strengthening the citizens' trust in them. Despite this approach, the strong connection and trust of the citizens, they remained aware of the fragility of the system. This approach was improved with an

appropriate response from most of the other institutions and information on the undertaken measures, as well as with the sharing of always up-to-date information on economic measures, the labour market situation, the spread of the infection and so on. The opening of a special website dedicated to the pandemic and the economic response was a step further in this direction, although not every one of our citizens can access the Internet and recognize the correct information in the influx of

fake news from many sides and especially among the attempts of some who wanted to use the pandemic for political gain.

Hence, **accurate, consistent, timely and transparent information is necessary not only to combat the pandemic, but also to reduce uncertainty and strengthen the trust at all levels.**

- The Government of the Republic of North Macedonia should continue to collect, systematize and publish all information related to the coronavirus and the pandemic, and should make available data on the effects of the pandemic on the economy.

- The Ministry of Health and the Commission for Infectious Diseases should return the practice of regular briefing for journalists and the public in which they will share the latest information on the spread of the infection, the undertaken measures, tests and analyses for new strains of the virus and especially tests and evidence for the effects of the vaccines found so far.

- The Ministry of Health, in particular, should share information on a regular basis regarding the functioning of the COVAX mechanism, access to vaccines and the availability of vaccines for our citizens.

- The Government of the Republic of North Macedonia, the Ministry of Economy, as well as the Ministry of Finance and their bodies should collect, systematize and publish all information related to the economic measures, their implementation, but also the identified abuses.

2. **The workplace is the main point for disseminating information, communication and sensitization for safety and health at work, including preventive and protective measures.** In this way, it effectively helps to reduce the social and economic impact of the pandemic. Therefore, following the recommendations of the International Labour Organisation and instructing the companies to appoint "corona coordinators" who will be able to constantly receive timely information to share with other employees was a step in the right direction. Despite the efforts to organize the work process, the impression remains that **there is a lack of oversight by the state in order to ensure consistent and full compliance with all recommendations and measures.**

- The Government of the Republic of North Macedonia by the end of the pandemic, and especially for the needs of the process of protection of workers' health and implementation of the vaccination process, should modify the measure of financial aid for payment of salaries. The modified measure should directly cover the appointed "corona coordinators", obliging the business entities where they work to keep them employed until the end of the pandemic.

3. The Government responded to the health crisis in a timely manner, despite its seriousness, and successfully dealt with the pressure on the economy. The adopted economic measures guaranteed support for the most severely affected sectors and included various methods in the approach. Although the impressions

about the use of the measures have not been settled yet, so final conclusions cannot be drawn. However, one thing is clear: **dealing with the pandemic and its consequences requires major interventions, aided by maximum resources and innovative solutions.** Only in this way it will be possible to support the standard of living and encourage recovery. Despite all the efforts, the change in the labour market and the serious trend of job reduction in North Macedonia is visible. Therefore, **there is a need of a more serious approach in the implementation and creation of the Government's economic measures.**

- The Government of the Republic of North Macedonia should make a detailed analysis of the effects of the use of the measures, in order to improve the future packages of economic measures, as well as to publish the full results of the analysis so that all citizens and businesses can be acquainted.

- In planning the future packages of economic measures, the Government of the Republic of North Macedonia should use the analyses and its findings for adjusting the measures and packages to the needs of the end users.

- In planning the future packages of economic measures, the Government of the Republic of North Macedonia will adjust the volume of the provided aid according to the needs of the end users.

4. The pandemic will end eventually, but many of the most vulnerable categories will still lose their jobs or have significantly reduced incomes. Although the most vulnerable categories belong to several sectors, in the designing of the economic measures,

**the Government approached only to support in the form of information technology and digital skills training, forgetting about the other vulnerable categories and the real support for their future employment.**

- The Government of the Republic of North Macedonia should modify the employment measures in order to recognize that young people, women and people over 55 years are most at risk. In addition, the aid and the access should be dimensioned for them and their future employment, without being limited to trainings in information technology and digital skills.

- When planning future packages of economic measures, the Government of the Republic of North Macedonia should use the analyses and the findings in order to adjust the measures and packages to the needs of the end users.

- When planning future packages of economic measures, the Government of the Republic of North Macedonia should adjust the volume of the provided aid according to the needs of end users.

5. The first to be hit in the crisis were the health workers, because all the success in dealing with the crisis depended on their commitment. Even in conditions of serious increase of the number of patients, as well as in conditions of extreme exhaustion, the health workers still successfully dealt with the crisis. The only thing that is clear is that **the long-term neglect of the sector and the poor valuation of these workers is the reason for the large migration and brain drain which costs**

**human lives. Even the neighbouring countries, where the crisis had extremely explosive periods, have better indicators than us.**

- The Government of the Republic of North Macedonia, the Ministry of Health and the Ministry of Finance should be aware that the infrastructure and services are an important tool for immediate job creation in crises. They should therefore focus their efforts on increasing investment in healthcare. The measures should guarantee increased employment in the health care system, full and modern equipment, as well as investments in water management, sanitation and hygiene.

- The Secretariat for European Affairs should lead and direct the process of programming and coordination of foreign aid, in order to use all open funds from various donors to achieve the previously set goals.

6. The workers are exposed to the virus and are probably most strongly affected by the crisis, but still they are not the only ones. The unemployed, the job seekers, the self-employed are equally at risk and will still feel the impact of the pandemic. **The social protection system and the infrastructure for social services increase the resilience of the economy and society. Lack of social protection measures in the context of health epidemics increases poverty, unemployment and informality.** Therefore, it is crucial to undertake economic measures aimed at these groups, which will not only consist of social help during the crisis, but also of support for future employment.

- The Government of the Republic of North Macedonia, the Ministry of Labour and Social Policy and the Employment Agency should continue to undertake economic measures and direct them to support the named categories of persons, in order to improve their employability through professional training for career change and career development, funds for development of new business initiatives, etc.

7. The importance of dealing with crises, risks and investments will not pass with the end of the pandemic. To help the economy, the Government must have a system of aid and support, and it must be recognized by the chambers. **It is necessary for the Government to seriously invest in preparedness and ability to identify and manage risks, because only in this way the future negative impacts will be mitigated and the resilience of the businesses will increase.**

- The Ministry of Economy should start a process of consultation with the chambers and other representatives of the employers, regarding the need to develop and implement programs for preparation and risk management.

- The Ministry of Economy, the Ministry of Finance and the Secretariat for European Affairs should start a process of coordination with the various donors to provide financial support for the implementation of the programs.

8. Even the best designed measures will not give the desired result, if they do not reach those who need help the

most. ***The constructive and continuous social dialogue has an essential role in the preparation of the measures, but also in their implementation. Governments cannot cope with the crisis or provide stability and recovery unilaterally. Social dialogue is an indispensable tool for balanced crisis management and accelerating recovery.***

- The Government of the Republic of North Macedonia, the Ministry of Economy and the Ministry of Labour and Social Policy should use the mechanisms of social dialogue to consult and determine the next steps and economic measures in the packages for dealing with and recovering from the pandemic.

When planning future packages of economic measures, the Government of the Republic of North Macedonia should use the analyses and findings in order to adjust the measures and packages to the needs of end users.

- When planning future packages of economic measures, the Government of the Republic of North Macedonia should adjust the volume of the provided aid according to the needs of the end users.

9. The crisis will affect the structure of the labour market in many ways, for example, more workers will continue to work from home, there will be an increasing digitalization of the public and private services, the categories of workers needed in the labour market will change and so on. Therefore, ***there is a need of a detailed analysis and full preparation for creating policies (educational, social) in light of the***

***expected changes.*** Such policies will aim to retain as many jobs as possible.

- Using the mechanisms of social dialogue, as well as the analysis of market conditions and the effects of the protective measures, and in cooperation with the Ministry of Education and Science, the Government of the Republic of North Macedonia should approach the analysis and change the educational policies and programs, in order to take on and adapt to the changes that have occurred since the pandemic.

- Using the mechanisms of social dialogue, as well as the analysis of market conditions and the effects of protection measures, and in cooperation with the Ministry of Labour and Social Policy, the Government of the Republic of North Macedonia should approach the analysis and change the social policies and programs for social aid, in order to take on and adapt to the changes that have occurred since the pandemic.

10. ***Greater transparency and publicity*** of the economic measures of the Government are needed in order to deal with the crisis. For instance, ***it is necessary to divide the measures into categories*** intended for small and medium enterprises, sole traders, big companies and so on. Then, ***division of the measures into sectors***, such as textile industry, agriculture, catering, tourism, manufacturing and so on, so that citizens, companies and other interested parties can easily and simply find what help is intended for them. ***Finally, it is necessary to develop a system for simple searching and browsing the necessary documents and***



***procedures for utilising the measures, prepared and available in one central place.***

- The Government of the Republic of North Macedonia should continue to collect, systematize and publish all information related to the coronavirus and pandemic, and should make available data on the effects of the pandemic on the economy.

- The Government of the Republic of North Macedonia, the Ministry of Economy, as well as the Ministry of Finance and their bodies should collect, systematize and publish all information related to the economic measures, their implementation, and also the identified abuses.

- The Government of the Republic of North Macedonia by the end of the pandemic, and especially for the needs of the process of protection of workers' health and implementation of the vaccination process, should modify the measure of financial aid for payment of salaries. The modified measure should directly cover the appointed "corona coordinators", obliging the business entities where they work to keep them employed until the end of the pandemic.

- The Government of the Republic of North Macedonia by the end of the pandemic, but also after its completion should modify the measures that provide financial aid for the payment of salaries, in order to reach the end users, the workers. The modified measures should oblige the business entities where the users work to keep them employed, as well as to continue servicing the rest of their obligations to them.

- Although the Government planned and adopted significantly developed sets of economic measures, the measures correctly recognized the need to protect jobs, protect businesses and maintain the stability of the economy. However, the measures did not respond adequately and did not have the desired effect on the workers and the labour market. The provided financial aid was mainly targeted at businesses and the abuses further exacerbated the effect. ***Given that the economic crisis is yet to come, it will not be wrong if the economic measures in the future are targeted and paid directly to the workers.***

11. The pandemic with its economic consequences hit the workers the hardest. The consequences were very wide, such as work in difficult conditions, exposure to the virus, and also job losses, economic losses, cuts in workers' rights, etc. Those with the lowest incomes felt the most serious consequences of the crisis. ***Serious control is needed to monitor the implementation of laws and economic measures, as well as better planning of economic policies in order to ensure the protection of workers and workplaces.***

- The Government of the Republic of North Macedonia, all institutions in charge of the implementation of the measures from the economic packages, but also the measures for protection of public health, as well as the inspectorates, should continue with regular controls on the implementation of the measures.

- Using the mechanisms of social dialogue, as well as the analysis of

market conditions and the effects of protection measures, and in cooperation with the Ministry of Labour and Social Policy, the Government of the Republic of North Macedonia should approach

the analysis and change the social policies and programs for social aid , in order to take on and adapt to the changes that have occurred since the pandemic.

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6. Review of measures and conclusions adopted by the Government of the Republic of North Macedonia for dealing with the health crisis
7. "A policy framework for tackling the economic and social impact on workers", International Labour Organisation
8. "Economic and Social Impact of COVID-19 - Poverty and Household Welfare", Regular Economic Report on the Western Balkans, World Bank Group
9. Social dialogue on safety and health at work in the context of COVID-19, International Labour Organisation
10. Family-focused policies and other good workplace practices related to COVID-19: Key steps the employers can take, International Labour Organisation
11. Analysis of the situation of persons with intellectual disability and combined disabilities in the Republic of Macedonia
12. Analysis of the situation of persons with physical disabilities in the Republic of Macedonia
13. Analysis of the situation of women in rural areas, more obstacles than opportunities
14. Analysis of public policies for Roma rights in the Republic of Macedonia
15. Analysis of the costs and effectiveness of the educational policy for transfer of Roma children from special primary schools to regular education in Macedonia
16. Analysis of the patronage team for health, social and legal protection of women from rural areas
17. Analysis of labour rights standards and their application in the Republic of North Macedonia
18. Analysis of the level of satisfaction with the mechanisms for protection of workers' rights in the Republic of North Macedonia



## V. ANNEX – SURVEY QUESTIONNAIRE

M1. Questionnaire number (Ordinal number of the respondent)

M2. Phone number of the respondent?

M3. Municipality (from sample): \_\_ \_\_

M4. REGION (from sample):

- 1: Vardar
- 2: East
- 3: Southwest
- 4: Southeast
- 5: Pelagonija
- 6: Polog
- 7: Northeast
- 8: Skopje

**For the interviewer:** Confirm that the respondent lives in the municipality defined in the sample (settlement and rural/urban)

- 1- Urban
- 2- Rural

M5. Name of place of residence

### START OF THE SURVEY

Good morning / day / evening.

My name is \_\_\_\_\_ and I work for the BRIMA agency - part of the KANTAR group. We are currently conducting a telephone survey on the effects of the Corona virus on the labour market in the Republic of North Macedonia.

Your phone number was randomly selected. Your participation is very important because the participation of as many respondents as possible will enable obtaining accurate results on the consequences of the Corona virus on the labour market in the Republic of North Macedonia. Of course, your answers are completely anonymous and are treated as strictly confidential and will only be used for statistical analysis along with the answers of other respondents.

**ELIGIBLE RESPONDENT:** I need to do this survey with a member of your household aged 18+. Priority for participation in this research have citizens who have found or lost a job since the beginning of the COVID-19 pandemic (from March 15, 2020 until today) or are previously employed (employed before March 15, 2020). If there is more than one

eligible member in the household to participate in this survey, the rule "first next birthday" is used to select the respondent.

AFTER THE CONTACT IS MADE, CONTINUE, DOES THE RESPONDENT:

**1: ACCEPTS THE SURVEY**

2: Rejects the survey (for any reason)

3: Scheduling a survey (first attempt)

4: Scheduling a survey (second attempt)

5: Scheduling a survey (third attempt)

6: No one (first attempt)

7: No one (second attempt)

8: No one (third attempt)

9: Interrupted survey

10: The phone number does not exist, fax signal, company

11: The phone number is temporarily switched off

\*\*\*\*\*SCREENING QUESTION\*\*\*\*\*

S1. You are a member of your household who:

1. Found a job during the COVID-19 pandemic (period from March 15, 2020 until today)
2. Lost his job during the COVID-19 pandemic (period from March 15, 2020 until today)
3. Employed before the beginning of the COVID-19 pandemic (employed before March 15, 2020)

**1. Demographics**

To begin with, we would like to ask you a few general demographic questions.

**D1. Respondent's gender**

1. Man
2. Woman

**D2. How old are you?**

1. Under 18 - stop the survey
2. 18-29
3. 30-39

4. 40-49
5. 50-59
6. 60-69
7. More than 70
8. Refuses to answer (CANNOT BE READ)

**D3. What is your ethnicity?**

(For the Interviewer: read the answers - ONLY ONE ANSWER)

1. Macedonian
2. Albanian
3. Serb
4. Turk
5. Roma
6. Vlach
7. Bosnian
8. Croat

**D4. Where do you live?**

(For the Interviewer: read the answers - ONLY ONE ANSWER )

1. In an urban environment (in a city)
2. In a rural area (in the countryside)

**D5. What is the highest level of education you have completed** *(if you are currently in school - the highest level of degree obtained)?*

(For the Interviewer: read the answers - ONLY ONE ANSWER)

1. Unfinished primary education
2. Primary education
3. Secondary education
4. High education
5. Master's degree
6. Doctor of Science

**D6. Are you at the moment ...?**

(For the Interviewer: read the answers - ONLY ONE ANSWER))

1. Employed for salary in the public sector
2. Employed for salary in the private sector
3. Employed for salary in the civil sector
4. Self-employed
5. Unemployed, looking for a job
6. Unemployed, not looking for a job - stop the survey
7. Student - stop the survey
8. Retired - stop the survey
9. Persons with physical or sensory disabilities - interrupt the survey
10. Other, state \_\_\_\_\_

11. Registered farmer

**D7. What was your employment status before the beginning of the health crisis (COVID 19)?**

(For the Interviewer: read the answers - ONLY ONE ANSWER)

1. Employed in the public sector
2. Employed in the private sector
3. Employed in the civil sector
4. Self-employed
5. Unemployed, looking for a job
6. Unemployed, not looking for a job
7. Student
8. Retired
9. Persons with physical or sensory disabilities
10. Other, state \_\_\_\_\_
11. Registered farmer

**D8. (If question D6 was answered under 2 or 4) In which industry do you work (primary industry)?**

(For the Interviewer: read the answers - ONLY ONE ANSWER)

1. Service industry (write primary activity) \_\_\_\_\_
2. Production (write primary activity) \_\_\_\_\_
3. Wholesale (enter primary business) \_\_\_\_\_
4. Retail (enter primary activity) \_\_\_\_\_
5. Education
6. Health care system
7. Army / Police
8. Refuses to answer

**D8\_1. Service industry (write primary activity)?**

1. Hospitality and tourism
2. Transport and distribution
3. Telecommunications and IT
4. Media and marketing
5. Insurance
6. Auto industry
7. Games of chance
8. Administrative affairs
11. Shops and markets
12. Construction
13. Financial sector

- 14. Individual craftsman
- 17. Sanitary maintenance
- 18. Carpentry
- 22. Other

**D8\_2. Production** (*write primary activity*)?

- 1. Hospitality and tourism
- 2. Transport and distribution
- 3. Telecommunications and IT
- 4. Media and marketing
- 6. Auto industry
- 9. Agriculture
- 10. Textile industry
- 12. Construction
- 13. Financial sector
- 14. Individual craftsman
- 15. Pharmaceutical industry
- 17. Sanitary maintenance
- 18. Carpentry
- 19. Food industry
- 20. Metal industry and mines
- 22. Other

**D8\_3. Wholesale** (*Write primary business*)?

- 2. Transport and distribution
- 6. Auto industry
- 8. Administrative affairs
- 9. Agriculture
- 10. Textile industry
- 11. Shops and markets
- 12. Construction
- 15. Pharmaceutical industry
- 19. Food industry
- 22. Other

**D8\_4. Retail** (*write down primary activity*)?

- 6. Auto industry
- 9. Agriculture
- 10. Textile industry
- 11. Shops and markets
- 12. Construction
- 14. Individual craftsman
- 15. Pharmaceutical industry
- 16. Trade in oil derivatives

18. Carpentry
19. Food industry
22. Other

### **9. The role of the health crisis (COVID 19) in your company and your workplace**

We are all familiar with the health crisis (COVID 19), so now we want to ask you a few questions about how it has affected your workplace.

#### **Q1. During the health crisis (COVID 19), during the period when the state introduced emergency measures, did you go to your workplace regularly?**

(For the Interviewer: read the answers - ONLY ONE ANSWER)

1. Yes, I went to work regularly during the whole crisis
2. Yes, I went to work regularly for most of the crisis
3. I worked from home and only occasionally went to work
4. No, I did not go to work at all, the work was completely transferred from home
5. No, I did not go to work at all, I used the measure "parent of a child under the age of 10"
6. Other (write) \_\_\_\_\_
7. Prohibition of work due to pandemic
8. Lost his job
9. I do not know / I refuse to answer (DO NOT READ)

#### **Q2. (If the Q1 question was answered under 1, 2 or 3) Did your company adhere to all the recommendations (regular disinfection, adapted distance between employees, etc.) that were imposed during the COVID-19 crisis?**

(For the Interviewer: read the answers - ONLY ONE ANSWER)

1. Yes, it fully adhered to all recommendations
2. Only partially adhered to all recommendations
3. No, it did not adhere to the recommendations at all
4. Other (write) \_\_\_\_\_
9. I do not know / I refuse to answer (DO NOT READ)

#### **Q3. (If they answered question Q1 under 3 or 4) What is your experience at home? Rate it on a scale of 1 to 5, where 5 means completely productive and 1 means completely unproductive.**

(For the Interviewer: read the answers - ONLY ONE ANSWER)

1. Completely unproductive
- 2.
- 3.

- 4.
5. Fully productive
9. I do not know/ I refuse to answer (DO NOT READ)

**Q4. (If Q3 was answered under 1 or 2) List the biggest negatives that make you think working from home is unproductive?** (Open question (*write*))

---

**Q4\_rec. (If the Q3 question was answered below 1 or 2) List the biggest negatives that make you think working from home is unproductive?**

1. Lack of preparedness for online teaching
2. Lack of adequate working conditions from home
3. Inability to cooperate with colleagues
4. I do not know/ I refuse to answer

**Q5. (If they answered question Q3 under 4 or 5) List the biggest benefits that make you think working from home is more productive** (Open Question (*write*))

---

**Q5\_rec. (If you answered question Q3 under 4 or 5) List the biggest benefits that make you think working from home is more productive?**

1. Protection from Corona virus
2. More time for work
3. Work without pressure
4. I do not know/ I refuse to answer

**Q6. How has the health crisis (COVID 19) affected the workload in your company?**

(For the Interviewer: read the answers - ONLY ONE ANSWER )

1. The workload is/was significantly reduced
2. The workload is/was reduced, but insignificantly
3. The workload is/was the same as before
4. The workload is/was increased, but insignificantly
5. The workload is/was significantly increased
6. Other (*write*)\_\_\_\_\_
7. Termination of work
8. I do not know / I refuse to answer (DO NOT READ)

**Q7. How has the health crisis (COVID 19) affected the profitability of your company?**

(For the Interviewer: read the answers - ONLY ONE ANSWER )

1. Profitability is/was significantly reduced

2. Profitability is/was reduced, but insignificantly
3. Profitability is/was same as before
4. Profitability is/was increased, but insignificantly
5. Profitability is/was significantly increased
6. Other (write)\_\_\_\_\_
7. Non-profit
8. I do not know/ I refuse to answer (DO NOT READ)

**Q8. Has the health crisis (COVID 19) contributed to a reduction in the number of employees in your company?**

(For the Interviewer: read the answers - ONLY ONE ANSWER)

1. Yes, the number of employees is / was significantly reduced
2. Yes, the number of employees is / was slightly reduced
3. No, the number of employees is not / was reduced
4. Other (write) \_\_\_\_\_
5. The number of employees has increased
6. I do not know / I refuse to answer (DO NOT BE READ)

**Q9. Is there / was there a reduction in the salaries of the employees in your company due to the health crisis (COVID 19)?**

(For the Interviewer: read the answers - ONLY ONE ANSWER)

1. Yes, there is / was a significant reduction in employee's salaries (more than 20%)
2. Yes, but the reduction of employees' salaries is / was insignificant (less than 20%)
3. No, the salaries of the employees remained the same
4. On the contrary, employees' salaries have increased
5. Other (write) \_\_\_\_\_
6. I do not know / I refuse to answer (DO NOT READ)

**Q10. Was your right to annual leave reduced due to the health crisis (COVID 19)?**

(For the Interviewer: read the answers - ONLY ONE ANSWER)

1. Yes, our annual leave was significantly reduced
2. Yes, our annual leave was reduced, but insignificantly
3. No, our annual leave was not reduced at all
4. Other (write) \_\_\_\_\_
5. We were not given an annual leave at all
6. He is not entitled to annual leave
7. I do not know / I refuse to answer (DO NOT READ)

**Q11. Did you feel discriminated by your employer in any way due to the health crisis?**

(For the Interviewer: read the answers - ONLY ONE ANSWER)



1. Yes
2. No.
3. I do not know / I refuse to answer (DO NOT READ)

**Q12. (If he answered question Q11 with YES) Can you give an example?** (Open question (write))

---

**Q12\_rec. (If he/she answered question Q11 with YES) Can you give an example?**

1. Reduced salary
2. Increased obligations
3. Failure to adhere to measures / recommendations
4. Shortened annual leave / did not get an annual leave
5. Mobbing
6. Cancellation
7. I do not know / I refuse to answer

#### **10. Government measures to deal with the health crisis (COVID 19)**

**Q13. On a scale from 1 to 5, where 5 means completely satisfied and 1 completely dissatisfied, how would you assess the measures taken by the Government of the Republic of North Macedonia to help companies in dealing with the health crisis?**

(For the Interviewer: read the answers - ONLY ONE ANSWER)

1. Completely dissatisfied
- 2.
- 3.
- 4.
5. Completely satisfied
6. I do not know / I refuse to answer (DO NOT READ)

**Q14. Did the company where you work used part of the measures of the Government of the Republic of North Macedonia?**

(For the Interviewer: read the answers - ONLY ONE ANSWER)

1. Yes
2. No.
3. Other (write) \_\_\_\_\_
4. I do not know / I refuse to answer (DO NOT READ)

**Q15. Do you think that the Government with the adopted measures for dealing with the pandemic favoured certain sectors, companies or groups of workers?**

(For the Interviewer: read the answers - ONLY ONE ANSWER)

1. Yes
2. No.

3. Other (write) \_\_\_\_\_
4. I do not know / I refuse to answer (DO NOT READ)

**Q16. (If Q15 was answered YES) What are those sectors, companies or groups of workers? (Open question (write))**

---

**Q16\_rec. (If Q15 was answered YES) What are those sectors, companies or groups of workers?**

1. Hospitality and tourism
3. Pharmaceutical industry
6. Health care
10. Public administration
11. Political gain
12. Private sector
13. Education
22. Other
99. I do not know

**Q17. Do you think that the Government has discriminated certain sectors, companies or groups of workers with the measures undertaken to deal with the pandemic?**

(For the Interviewer: read the answers - ONLY ONE ANSWER)

1. Yes
2. No.
3. Other (write) \_\_\_\_\_
4. I do not know / I refuse to answer (DO NOT READ)

**Q18. (If Q17 was answered YES) What are those sectors, companies or groups of workers? (Open question (write))**

---

**Q18\_rec. (If Q17 was answered YES) What are those sectors, companies or groups of workers?**

1. Hospitality and tourism
2. Transport and distribution
3. Pharmaceutical industry
6. Health care
7. Pop artists

8. Textile industry
9. Farmers
10. Public administration
11. Companies of political opponents
12. Private sector
13. Education
17. Craftsmen
18. Construction
22. Other
99. Refuses to answer

**Q19. Do you think that the Government of the Republic of North Macedonia has adopted more useful or less useful measures for easier overcoming of the health crisis for private companies, compared to other neighbouring countries?**

(For the Interviewer: read the answers - ONLY ONE ANSWER)

1. The Government of the Republic of North Macedonia has adopted more useful measures compared to other neighbouring countries
2. The measures adopted by the Government of the Republic of North Macedonia are approximately the same as in other neighbouring countries
3. The Government of the Republic of North Macedonia has adopted less useful measures compared to other neighbouring countries
4. Other (write) \_\_\_\_\_
5. I do not know / I refuse to answer (DO NOT READ)

## **END OF THE CORE**

D10a. Approximately, what is your PERSONAL average monthly income?

You do not need to specify the exact amount, just tell me which of the following categories you belong to.

(ONE ANSWER ONLY)

- 01: 0-3,000 MKD
- 02: 3,001-6,000 MKD.
- 03: 6,001-9,000 MKD
- 04: 9,001-12,000 MKD
- 05: 12,001 - 15,000 MKD
- 06: 15,001 - 18,000 MKD
- 07: 18,001 - 21,000 MKD
- 08: 21,001 - 24,000 MKD
- 09: 24,001 - 27,000 MKD
- 10: 27,001 - 30,000 MKD
- 11: 30,001 - 45,000 MKD

12: 45,001 + MKD

97: I have no personal income (DO NOT READ)

98: Refuses to answer (DO NOT READ)

99: Does not know (DO NOT READ)

Thank you for participating in this survey. Have a nice day.

# VI. ANNEX – THEMATIC GUIDE FOR QUALITATIVE RESEARCH

## Public servants

Duration: up to 30 minutes

### I. Introduction

1. **What are you currently doing** **2-3 minutes**
  - What do you do? / Where do you work?
  - How long have you been in this job?
  - Is your job a challenge? Are you satisfied?
2. **Care and priorities** **2-3 minutes**
  - What are your priorities in life?
  - What worries you the most?
  - Who / what prevents you from meeting your priorities and dealing with your worries?

### II. The health crisis (Covid-19), your company and government measures

1. **How did the health crisis (Covid-19) affect the work in the institution where you work / worked?** **7-10 minutes**
  - Did the health crisis affect the reduction of the workload?
  - Has the health crisis caused a reduction in the number of employees?
    - If yes, was it due to illness (Covid-19 positive, chronic patients belonging to the risk category, others)
    - If not, was it due to reduced workload?
    - If yes, what percentage, which sectors were most affected?
  - Does the institution in which you work adhere to all the recommendations of the health authorities?
  - Do you practice work from home? What is your experience with working from home? (Here is a special review of those who live with small children)
  - Was your right to annual leave reduced due to the health crisis?
2. **Are you familiar with the measures undertaken by the institutions to help the economy?** **7-10 minutes**
  - Where did you hear about the measures?
  - As a citizen, did you use some of the measures?
  - Are you satisfied with the measures?
    - If yes, which of the measures do you consider most useful and which

- less useful?
  - If not, what do you think the institutions (Government) should have done to make companies more sustainable during the health crisis?
  - Where do you place the blame more, on the owners of the companies or in the state institutions?
- Do you know of a measure that was implemented in one of the other countries that you think would be really useful to be applied in our country (With a special focus on the neighbouring countries)?

### **III. Conclusions and recommendations**

#### **Employers**

**Duration: up to 30 minutes**

#### **IV. Introduction**

##### **3. What are you doing at the moment? 2-3 minutes**

- What does your business do?
- How long have you been in the sector?
- Is your business recognized by customers and gaining value? Are they satisfied?

##### **4. Cares and priorities 2-3 minutes**

- What are your priorities in life?
- What worries you the most?
- Who / what prevents you from meeting your priorities and dealing with your worries?

#### **V. The health crisis, your company and Government measures**

##### **3. How did the health crisis (Covid-19) affect the operation of your business?**

**7-10 minutes**

- Did the health crisis affect the reduction of the workload?
- Has your income been reduced due to the health crisis?
  - If yes, how many months did it last?
  - Was the entire business venture covered?
- Did you face a reduction in the number of employees due to the health crisis?
  - If yes, was it due to illness (Covid-19 positive, chronic patients belonging to the risk category, others)
  - If not, was it due to reduced workload?
  - If yes, what percentage, which sectors were most affected?
- Did you follow all the recommendations of the health authorities in your business venture?
- Did you ask employees to go to work regularly during the health crisis?

- Have you reduced your employees' right to annual leave due to the health crisis?

**4. Are you familiar with the measures undertaken by the institutions to help the economy? 7-10 minutes**

- Where did you hear about the measures?
- Did your business use some of the measures?
- Are you satisfied with the measures?
  - If yes, which of the measures do you consider most useful and which less useful?
  - If not, what do you think the institutions (Government) should have done to make companies more sustainable during the health crisis?
  - Where do you place the blame more, on the owners of the companies or in the state institutions?
- Do you know of a measure that was implemented in one of the other countries that you think would be really useful to be applied in our country (With a special focus on the neighbouring countries)

**VI. Conclusions and recommendations**

**Workers**

**Duration: up to 30 minutes**

**VII. Introduction**

**5. What are you doing at the moment 2-3 minutes**

- What do you do? / Where do you work?
- How long have you been in this job?
- Do you get value from your work? Are you satisfied?

**6. Cares and priorities 2-3 minutes**

- What are your priorities in life?
- What worries you the most?
- Who / what prevents you from meeting your priorities and dealing with your worries?

**VIII. The health crisis (Covid-19), your company and government measures**

**5. How did the health crisis (Covid-19) affect the work in the company where you work / worked? 7-10 minutes**

- Did the health crisis affect the reduction of the workload?
- Were your salaries reduced due to the health crisis?
  - If yes, how many months did it last?
  - Were all sectors in the company covered?
- Has the health crisis caused a reduction in the number of employees? If so,

- what percentage, which sectors were most affected?
  - Does your company follow all the recommendations of the health authorities?
  - Did you go to work regularly during the health crisis? Did you practice work from home? What is your experience of working from home? (With a special focus on those who live with small children)
  - Was your right to annual leave reduced due to the health crisis?
- 6. Are you familiar with the measures undertaken by the institutions to help the economy? 7-10 minutes**
- Where did you find out about the measures?
  - Did the company where you work use some of the measures?
  - Are you satisfied with the measures?
    - If yes, which of the measures do you consider most useful and which less useful?
    - If not, what do you think the institutions (Government) should have done to make companies more sustainable during the health crisis?
    - Where do you place the blame more, on the owners of the companies or in the state institutions?
  - Do you know of a measure that was implemented in one of the other countries that you think would be really useful to be applied in our country (With a special focus of neighbouring countries)

## **IX. Conclusions and recommendations**



