



Eurofound

Trends in quality of life

Former Yugoslav Republic of Macedonia:
2007–2012



European Quality of Life Survey (EQLS)

Trends in quality of life

Former Yugoslav Republic of Macedonia: 2007–2012

Abbreviations used in this report

ASISP	Analytical Support on the Socio-Economic Impact of Social Protection Reforms
CPI	Corruption perception index
EBRD	European Bank for Reconstruction and Development
EQLS	European Quality of Life Survey
EPR	Environmental performance review
ERDF	European Fund for Regional Development
EU-SILC	European Union Statistics on Income and Living Conditions
FDI	Foreign direct investment
GDP	Gross domestic product
HIF	Health insurance fund
ICT	Information and communications technology
IPA	Instrument for Pre-Accession
ISCED	International standard classification of education
MICS	Multiple Indicator Cluster Survey
NEET	Not in employment, education or training
OECD	Organisation for Economic Co-operation and Development
OFA	Ohrid Framework Agreement
RIA	Regulatory impact assessment
SAA	Stabilisation and Association Agreement
SSO	State Statistical Office
UNDP	United Nations Development Programme
UNICEF	United Nations International Children's Emergency Fund
WHO	World Health Organization



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Country groups and codes used in the report

Country groups

EU27	EU Member States (as at the time of the survey, 2012)
EU28	EU Member States (as at the time of reporting, including Croatia)

Country codes

28 EU Member States

AT	Austria	FI	Finland	NL	Netherlands
BE	Belgium	FR	France	PL	Poland
BG	Bulgaria	HR	Croatia	PT	Portugal
CY	Cyprus	HU	Hungary	RO	Romania
CZ	Czech Republic	IE	Ireland	SE	Sweden
DE	Germany	IT	Italy	SI	Slovenia
DK	Denmark	LT	Lithuania	SK	Slovakia
EE	Estonia	LU	Luxembourg	UK	United Kingdom
EL	Greece	LV	Latvia		
ES	Spain	MT	Malta		

Candidate countries

MK	Former Yugoslav Republic of Macedonia ¹
TK	Turkey

¹ This is a provisional code that does not prejudice in any way the definitive nomenclature for this country, which will be agreed following the conclusion of negotiations currently taking place under the auspices of the United Nations (http://www.iso.org/iso/country_codes/iso_3166_code_lists.htm).

Executive summary

Introduction

This report highlights changes in quality of life in the former Yugoslav Republic of Macedonia on the basis of the European Quality of Life Survey (EQLS) conducted in 2007–2008 and 2011–2012. It analyses areas of quality of life most relevant to the country's dynamics: standard of living and deprivation, job security and work–life balance, education, housing and neighbourhood, health and healthcare, quality of public services, quality of society and subjective well-being. Survey results from other countries in the region and the European Union (EU) are used to provide a comparative context. The analysis refers to the extensive legislative work and policy developments of the last decade, and uses EQLS findings for assessing achievements and identifying possible future concerns.

Policy context

Since independence in 1991, the country has experienced significant economic changes (privatisation, liberalisation), social concerns (poverty, unemployment) as well as political challenges (ethnic tensions). A violent conflict between the country's security forces and Albanian armed groups ended with the signing of the internationally brokered Ohrid Framework Agreement in 2001. This Agreement made use of the Albanian language official in government institutions, and also initiated a decentralisation process, in which devolution of authority and resources was tied to capacity and preparedness at the local level.

From the governance perspective, weak democratic consolidation, limited effectiveness of policy implementation and lack of policy impact monitoring are key challenges. EU membership remains one of the government's goals, and the country's commitment to a gradual alignment with the *acquis communautaire* – the cumulative body of EU laws – and Europe 2020 priorities has been influencing several of the sectoral policy reforms undertaken so far.

Structurally, the country has a significantly lower proportion of older people than on average in the EU. However, the population is ageing, and this is being accelerated by emigration, which has continuously risen over the last two decades.

Key findings

- Good progress is noted in many dimensions of quality of life, at a higher pace than that of most other surveyed countries. However, the country baseline in 2007 was particularly low and some of the EQLS indicators are still at worrying levels.
- Improvements sometimes hide increasing inequalities between social groups, as is the case for material deprivation and making ends meet. Depending on the indicator, vulnerability is determined by living in rural areas, being materially deprived, being older, having a lower level of education, or belonging to specific ethnicities.
- Non-monetary indicators improved substantially since 2007. The proportion of respondents who are materially deprived or who are making ends meet with difficulty decreased by 13 and 22 percentage points, respectively. However, satisfaction with standard of living, although on the rise, remains low (5.8) with respect to the EU average (6.9).
- There are positive signs regarding labour. People's satisfaction with their job increased significantly (+1.3) and a larger share of women were employed with a permanent contract in 2012 (81%) than five years earlier (72%). However, only one out of every two respondents felt they had good job security.
- There is an increased level of satisfaction with the education system (+0.9), which probably suggests that people appreciate the changes in this sector. Findings suggest that higher education levels of respondents imply a more critical view regarding the quality of society and of public services.

- Very high levels of home ownership (91%) contributed to improving security of, and satisfaction with, accommodation. Housing quality is critical for the poorest people, the unemployed and those who are deprived, as they are probably unable to either maintain or upgrade their home.
- Some 61% of the respondents report problems in their immediate neighbourhood, a share that is among the highest across Europe. The incidence of environment-related problems is high.
- Access to common services such as post offices, banks, cultural centres or green areas is not easy for a significant proportion of people, ranging from 15% to 26%, depending on the type of service. The proportion varies from 23% to 46% for people living in rural areas.
- There is a substantial improvement in all health-related indicators but people aged 65 years and over are significantly worse off with respect to the other social groups. Distance, besides cost, is an important country-specific constraining factor in accessing healthcare services.
- A sense of fairness in the way housework is shared among household members prevails, despite the higher amount of unpaid work performed by women. However, lack of work–life balance is likely to become a concern in the future. Preference for more flexible arrangements is reported by between 78% and 91% of respondents, depending on the arrangement, while availability of care facilities or infrastructure, both for children and older people, is scarce.
- Family ties and relationships are treasured but trust in people is very low (3.6 versus the EU28 average of 5.1) and the society suffers from significant levels of tension. As many as 89% of Macedonians and 76% of Albanians think there is at least some racial or ethnic tension, while 83% of the respondents think there is at least some religious tension.
- Overall, well-being indicators (life satisfaction, happiness and optimism) are on the rise.

Policy pointers

- There is the potential to further enhance quality of life in the country. EQLS findings reveal a general positive attitude of citizens towards the future along with an appreciation for some of the sectoral reforms which occurred in recent years, in pension policy and the education system, for example.
- Tailored measures are needed to address the critical situation of the most fragile social groups, such as those who have low education levels and older people, in terms of standard of living and material deprivation.
- Some evident weaknesses, such as the vulnerability of those with low education levels, the high levels of unemployment and the low proportion of young people employed with a permanent contract, may be partially addressed by taking advantage of the funding opportunities available within the new EU programming period 2014–2020.
- The scarce availability of care facilities, both for children and older people, needs to be addressed as a matter of priority to facilitate the participation of women in the labour market.
- Supporting schemes addressing housing quality should be considered, with a special emphasis on dwellings occupied by vulnerable social groups.
- Environmental education work, through curricula and awareness campaigns, is necessary to mitigate the negative impact of environment-related problems, such as water quality and air pollution, on health.
- Good health is at the basis of well-being and is one of the drivers out of poverty. The decentralisation of public healthcare provision and management of this needs to be accelerated with a view towards providing quality, more locally accessible healthcare services that are more affordable for citizens.

- Because low trust in individuals undermines the relationship between service providers and users and, ultimately, the quality of the service, there is a need to further strengthen a merit-based system for employment and promotion within public institutions, along with the implementation of anti-corruption legislation at all levels.
- In a society marred by ethnic and other tensions, it is essential that the administrative and political systems provide the balance and fairness necessary to diffuse those tensions. Access to and provision of unbiased information would, for example, meet the higher expectations of an advancing society as well as transparency principles.
- Including well-being indicators in the shaping and monitoring of policies would help to frame the country's development path within a European perspective, in an attempt to move towards a sustainable and inclusive society.

Scope of the research

The scope of this research is to provide a comprehensive analysis of the change of quality of life in the former Yugoslav Republic of Macedonia on the basis of data from the second and third waves of the European Quality of Life Survey (EQLS). EQLS information is complemented by external data and information sources with a view to framing the analysis within existing knowledge and to make it relevant to policymakers, academics and civil society stakeholders.

These two waves of the EQLS were conducted in the country in 2008 and 2012, respectively. This time lapse enables consideration of social processes and policies that affect change over time. In virtually all domains investigated by the EQLS there have been policy developments in the last five years. In particular, the country's overarching objectives as set by the Government Programme 2008–2012 include: integration into the EU; increasing investment in education; economic growth and improved competitiveness; public administration strengthening, including transparency and rule of law; and preservation of good inter-ethnic relations (World Bank, 2010).

The analysis of the drivers of change makes use of well-being and life quality concepts. Wherever possible, the country's strengths and potential to enhance the quality of life of its citizens are highlighted. Furthermore, the analysis is performed through an equity lens: the assessment of social disparities and of the situation of the vulnerable groups. This often relates to specific ethnicities, geographically constrained populations (rural households), people living below the poverty line or who are materially deprived, older people and other socially excluded categories (for example, the less well educated).

The analytical work provides the basis for outlining policy messages. These messages are framed within a national and EU perspective to acknowledge the commitment of the country towards EU membership as well as its gradual alignment with the *acquis communautaire* – the cumulative body of EU laws – and Europe 2020 priorities for smart, sustainable and inclusive growth.

Data and methods

The main data sources used in this research work are the second and third waves of the EQLS carried out by Eurofound in 2007–2008 and 2011–2012, respectively. 'Quality of life' is a multidimensional concept that refers to the overall well-being of individuals in a society. It is shaped by living and working conditions, behaviours and preferences, the quality of the immediate neighbourhood, the availability and quality of services, the perceived quality of public institutions, and community as well as family relations. The EQLS documents and analyses the multidimensional nature of quality of life through the objective and subjective assessment of its various components. Information is gathered by interviewing persons aged 18 and over.

In the former Yugoslav Republic of Macedonia, 1,008 interviews took place in February 2008 for the second EQLS and 1,006 in May–July 2012 for the third EQLS. The response rate as a percentage of the gross sample was 61% in 2008 and 77% in 2012. The 2011 questionnaire included some revised and some new questions with respect to the 2007 version; nonetheless, most of the questions remained identical across the two waves, enabling comparison over time.² The questionnaire was made available in both Macedonian and Albanian languages, reflecting the country's ethnic structure; these two groups constitute almost 90% of the population.

² Information about the second EQLS, including the questionnaire, is available in Eurofound (2009); for additional background information on the third EQLS in enlargement countries, see Eurofound (2013a); the third EQLS questionnaire is in Eurofound (2012a).

The analytical work on distribution and change of EQLS data is complemented by an extensive desk review of other data sources, studies, policy documents and legislation. Furthermore, for some of the EQLS indicators, country data are compared with data from the EU28 and also from Bulgaria, Croatia and Romania. This comparison is beneficial because it places the EQLS findings in a sub-regional context. In addition, it shows the level of convergence of national values with EU28 averages to inform policymakers and other stakeholders on where the need for action is more urgent.

Different statistical methods have been applied. They are described in Annex I and include the imputing of missing values, regression analysis, and variance estimation of composite indicators. Composite indicators are constructed on the basis of a multidimensional approach to quality of life known in advanced statistics as ‘fuzzy set theory’. This approach allows for considering the quality of life of an individual with respect to various aspects as a matter of degree, avoiding a simplistic dichotomy of presence/absence. For the scope of this report, the different aspects considered are those investigated through the EQLS questionnaire; for example, subjective well-being, health and trust in people and institutions. These aspects are constructed into ‘composite indicators’ of quality of life ranging from 0 to 1 with respect to various control and output variables (such as age, gender, employment status, being optimistic or being deprived). The closer to 1 the value of the composite indicator is (for example, on subjective well-being), the higher the positive contribution of that aspect (subjective well-being) to the quality of life of the variable considered (for example, females). As these indicators provide very concise information, they are occasionally used in the report to support and complement the findings of the distribution analysis. More information on composite indicators is included in Tables A2 – A6 in Annex I.

Country-specific aspects

The identification of exogenous and endogenous factors that affect societal perception and behaviours in the country is indispensable for understanding the changes in people’s quality of life, especially for the readers that are not familiar with the country context. These factors are briefly discussed below to set the background of the analytical work.

Strained inter-ethnic relations

The country’s population estimate for 2012 is 2.06 million. The last available census data date back to 2002. A planned 2011 census was initiated but discontinued due to the identification of irregularities in the way people living abroad were counted. This is a major point of contention between the two largest ethnic groups in the country and has led to the indefinite postponement of the census. The 2002 data revealed a mixed ethnic population composed of Macedonians (64.2%), Albanians (25.2%), Turks (3.9%), Roma (2.7%), Serbs (1.8%), Bosniaks (0.8%), Vlachs (0.5%) and others (1%) (State Statistical Office (SSO), 2005).

In 2001, the already strained inter-ethnic relations culminated in a six-month violent conflict between the country’s security forces and pockets of ethnic Albanian armed groups demanding greater rights. The conflict ended with the signing of the internationally brokered Ohrid Framework Agreement (OFA) in August 2001. The Agreement made official the use of Albanian language in the government institutions, as well as in municipalities, where at least 20% of the population was Albanian. Ethnic tensions are still present, although they are not expected to spiral out of control and lead again to an armed conflict. Tension is further strained by the dispute between the country and Greece regarding the use of the name Macedonia (see also footnote 5) and by the existence of income and social inequalities.

Lengthy EU accession process

In the spring of 2001, the country signed the Stabilisation and Association Agreement (SAA) with the EU. It was the first country in the western Balkans to sign this type of agreement, the ultimate goal of which was EU membership through gradual convergence of economic, political and social conditions. In 2005, the country was granted candidate status. Since 2009, the European Commission has been recommending to the European Council to open accession

negotiations. As the Council has not yet given the green light in this sense, the implementation of the policy framework for reforms towards accession is provided through a high-level accession dialogue opened in March 2012.

Policy reforms and implementation of the *acquis communautaire* are supported through the Instrument for Pre-Accession (IPA) and fuelled by the prospect of full EU membership. Research from Gerovska Mitev (2013) indicates that the candidate status potentially contributes to the strengthening of social policies in the country. Still, a slightly increasing ‘enlargement apathy’ due to the uncertain duration of the accession process and limited leveraging effect of EU conditionality on democratic reforms is noted (Mihaila, 2012).

Relatively young and mobile population

As is the case in most European countries, the age structure of the population in the former Yugoslav Republic of Macedonia is changing. Between 2002 and 2012, the country’s young population (under 15 years) constantly decreased, falling to 17.2% of the total population in 2012, a value comparable with the EU28 average of 15.6%. A substantial difference is found in the proportion of the population aged 65 years and over, which grew from 10.4% in 2002 to 11.8% in 2012, compared to the EU28 where it rose from 16.0% to 17.9% over the same period (Eurostat). In 2012, the old-age dependency ratio for the country was 16.6, versus 26.9 for the EU28 (Eurostat data), implying the country faces less pressure related to an ageing population, for example in terms of public expenditure on pensions, healthcare and long-term care.³ However, the ageing of the population is evident and is also being accelerated by emigration.

The country has been experiencing growing emigration rates, particularly in the last two decades. The migrant stock increased from some 95,000 people in 1990 to almost 140,000 in 2013 (United Nations Population Division). This, in turn, generated an increase in remittance payments made to family and relatives staying behind. Since 2008, remittance inflows have remained at over USD 380 million a year, reaching a peak of USD 434 million in 2011 (World Bank data on migration and remittances). Research shows that around 21% of families benefited from private transfers from abroad in 2012, up from 16% in 2008, and suggests that these transfers are an important coping mechanism for families during an economic recession, ensuring access to essential goods and services such as health and education (Petreski and Jovanovic, 2013). Internal migration from rural to urban areas dominated in the period 1950–1990, to such an extent that rural areas, also due to emigration, were depopulated and drained of their migration potential (Bornarova and Janesca, 2012). According to the World Bank’s online data, over the last two decades, the urban population has remained at 59% of the total population. Both emigration and internal migration have affected territorial and family cohesion, influencing the social situation of those left behind.

Dynamic policymaking, weak democratic consolidation

Since independence in 1991, the country has undergone several policy developments leading to marked economic changes (privatisation and liberalisation) and social challenges (poverty and ethnic tensions). On the positive side, this has led to a stable parliamentary democracy, where the parliament reflects the ethnic composition of the country and the outcome of proportional party voting. The last decade saw intensive legislative work, with 601 laws produced between 2003 and 2006, and 995 between 2007 and 2010. In addition, since 2005 and as a key principle of the OFA, a decentralisation process has begun to be implemented in the 80 municipalities. This process ties the devolution of authority and resources to agreed indicators of capacity and preparedness at the local level.

³ The old-age dependency ratio is the ratio between the total number of people of an age when they are generally economically inactive (65 years and over) and the number of people of working age (from 15 to 64 years).

On a less positive note, following the proportional representation of ethnic minorities, the public administration has remained largely politicised. In addition, the implementation of strategies and plans and enforcement of laws and regulations has been somewhat limited. For example, despite a law on equitable regional development being passed in 2007, a programme for decentralisation and strengthening of local self-government, and an action plan covering the 2011–2014 period (Ministry of Local Self-Government, 2011), the multi-level governance approach has not been matched by sufficient administrative and financial capacities. The process is therefore still some way from achieving its ultimate aim of a more responsive and effective local social service delivery system that, among other tasks, takes into account the needs of vulnerable groups.

Structure of the report

The presentation of findings in this report is structured around individual dimensions of quality of life, in particular those that are deemed most relevant to the country's dynamics. Relevance of dimensions was assessed during a validation meeting with national experts, which took place in Skopje in February 2014.

The domains considered for the analysis include: standard of living and deprivation; job security and work–life balance; education; housing and neighbourhood; health and healthcare; public services; tensions, trust and quality of society; and subjective well-being. Community and family relations are addressed horizontally whenever appropriate.

Chapters 1 to 8 report on individual life domains, outlining the context, main findings and implications of change. In addition, the equity lens is used to focus on the situation of vulnerable social groups according to EQLS results. Chapter 9 draws conclusions on the monitoring of change over the two EQLS waves and outlines policy messages.

Standard of living and deprivation 1

Context

The former Yugoslav Republic of Macedonia was generally not divorced from the general economic and financial conditions prevailing in Europe between the second and third EQLS waves. In line with the trend observed in the western Balkans, the impact of the crisis had a time lag of one year with respect to the EU, with the worst drop in GDP rates and several other macroeconomic indicators recorded in 2009.⁴ The first signs of slow recovery became visible in 2010. According to some studies, western Balkans citizens suffered the most from the impact of the crisis between 2008 and 2009 (Jeleva, 2012).

The country's economy is significantly integrated with the EU market. In 2012, around 60% of all trade was with EU countries (SSO, 2013a). This facilitated the transmission of the economic crisis and of its negative effects through various vectors such as exports and foreign direct investment (FDI). Exports of goods and services accounted for some 52% of the country's GDP in 2007, only 39% in 2009 and for over 53% in 2012 (World Bank online data). FDI levels decreased from €506 million in 2007 to €72 million in 2012 (Ministry of Finance, 2013).

The country's per capita GDP is 35% of the EU average, and if it were to join today it would be its poorest member (at 2012 values), trailing behind Bulgaria at 47% and Romania at 53% (Eurostat). Consistently high poverty rates are reported in the country for the last decade.⁵ The peak of poverty was in 2009 (31.1%) while the latest published data by the SSO indicate a poverty rate of 30.4% in 2011 (see Annex 2 for the time series).

The internationally comparable Laeken poverty indicators are based on the European Union Statistics on Income and Living Conditions (EU-SILC) data, which are currently available for the former Yugoslav Republic of Macedonia only for 2010 and 2011. These data highlight a high level of inequality of income distribution in the country and significant differences between this country's average and that of the EU28 (Table 1).⁶

Table 1: *Statistics on poverty and social exclusion*

	MK 2010	MK 2011	EU28 2011
Share of persons with an equivalised disposable income below the at-risk-of-poverty threshold	27.3%	27.1%	16.9%
Share of persons with an equivalised disposable income, before social transfers, below the at-risk-of-poverty threshold	42.8%	47.1%	26.3%
s80/s20 - Income quintile share ratio (EU-SILC)	10.3	12.0	5.1
Gini coefficient	40.8	39.2	30.8

Note: EU-SILC poverty and social exclusion data in MK (2010, 2011) compared to EU28 data (2011)

Sources: SSO (2012); SSO (2014); Eurostat data online.

⁴ Main macroeconomic data for the country are included in the country fact sheet in Annex 2.

⁵ Until 2011, poverty in the country was measured using the consumption expenditure, with the relative poverty line set at 70% of median equivalent expenditure. This measurement was deemed more accurate in a society where underreporting of income is a serious concern. Since 2012, the calculation of the relative poverty threshold, by the SSO, is based on income and is set at 60% of median income levels, in line with the methodology used by Eurostat.

⁶ The name 'The former Yugoslav Republic of Macedonia' is indicated in tables and figures by the two-letter code MK, MK being ISO code 3166. This is a provisional code that does not prejudice in any way the definitive nomenclature for this country, which will be agreed following the conclusion of negotiations currently taking place under the auspices of the United Nations (http://www.iso.org/iso/country_codes/iso_3166_code_lists.htm).

Recent research has investigated the social impact of the economic crisis in the country (Bartlett, 2010) and has deepened the analysis of material deprivation, poverty and social exclusion among households (Gerovska Mitev, 2012). In both cases, field surveys including questions for subjective living standard assessment were implemented. In particular, Bartlett's work provides evidence of the effect of the crisis on the increasing inequality of income over 2008–2009, with greater poverty found principally among Albanian and Roma communities.

Main findings

EQLS data add to previous research by gathering information on changes taking place over a five-year period for a comprehensive set of non-monetary indicators that are essential to a full understanding of the economic situation of households. As outlined in previous Eurofound research (Eurofound, 2011; Eurofound, 2013b), factors other than income affect the economic situation of families. In the former Yugoslav Republic of Macedonia, these include, but are not limited to, the existence of a substantial informal economy, remittances and external support by family or friends.

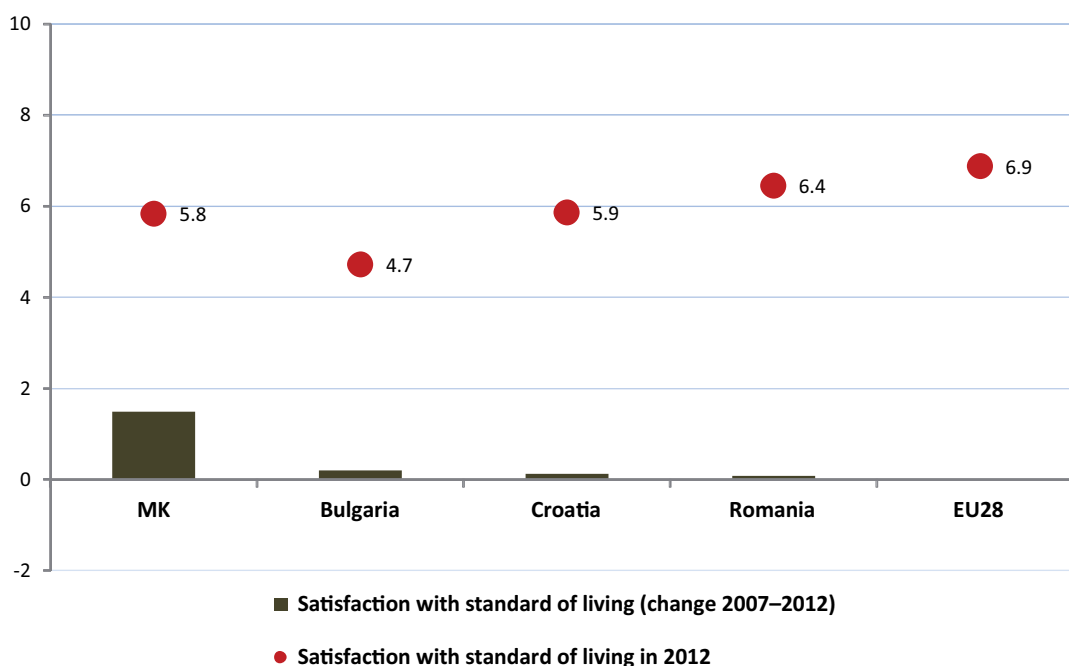
Standard of living and financial situation

Satisfaction with standard of living is a subjective measure of people's situation, also determined, among other factors, by people's specific context and by the comparison with others (Eurofound, 2012b). In 2007, average satisfaction in the country was lower than anywhere else in the EU28 but in 2012 the country's score grew more than all surveyed countries to 5.8 (Figure 1). Nonetheless, satisfaction with standard of living, although on the rise and comparable, within the region, with the level of Croatia, is low with respect to the EU average (6.9).

Being satisfied with the standard of living does not seem to be correlated with household size, gender or urban–rural location of the household. Instead, the level of satisfaction is directly proportional to the education level of respondents and inversely proportional to age, with the exception of those aged 65 years and over, who showed the largest growth since 2007 (+2), up to 5.8 in 2012.

Increasing satisfaction with standard of living is accompanied by a rather optimistic assessment of one's household financial situation if compared to the other countries in the region. In fact, some 10% of the respondents considered their household's financial situation to have improved over the past year, while 66% reported no change, and 24% reported a worsening of the situation with respect to 12 months ago. In Romania, 44% reported that their situation has worsened, the share being 52% in Bulgaria and Croatia. When asked whether their household's financial situation would improve in the next 12 months, 25% of the people responded positively, 58% reported no change, while only 16% believed that their financial situation would worsen in the future. Pessimism regarding personal finances is more widespread in Croatia, where as many as 43% expected their situation to worsen, compared to 36% in Romania and 32% in Bulgaria.

Figure 1: Satisfaction with standard of living by country (scale 1–10)



Notes: Q40: Could you please tell me on a scale of 1 to 10 how satisfied you are with each of the following items, where 1 means you are very dissatisfied and 10 means you are very satisfied? Item c: Your present standard of living.

Figure 1 compares levels of satisfaction with standard of living across western Balkan countries and the EU. This type of chart is used throughout the report to show EQLS country results in comparison with results from Bulgaria, Croatia, Romania and the EU28. In the chart, the 2007–2012 changes are represented with bars and the 2012 values with data points.

Sources: *EQLS, 2007; EQLS, 2012.*

Material deprivation

Material deprivation is a non-monetary indicator that measures what people can afford in terms of certain essentials. Within the EQLS, it refers to the extent to which a respondents' household can afford six items, from house heating to holidays, buying furniture or clothes to having a fish-based or meat-based meal, or inviting people for a drink or a meal. On the basis of these six variables, a 'deprivation index' is considered, ranging from 0 to 6. Along with previous analysis on candidate countries (Eurofound, 2011), the focus is on the proportion of people who cannot afford two or more of the six items considered (referred to as 'deprived').

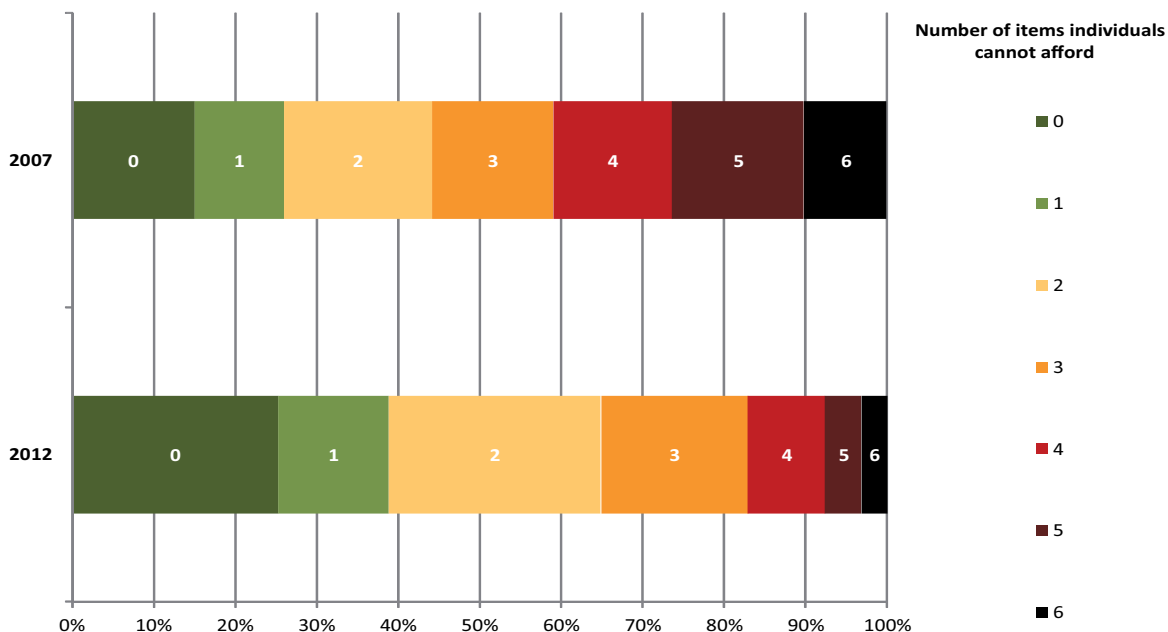
EQLS data show a substantial improvement in the deprivation index of the country in 2012 compared to five years earlier (Figure 2). The number of respondents who could not afford five to six items on the list fell to one-third of its rate in 2007, from 26% to 8%. In addition, the number of respondents who could afford all items increased from 15% to 25%.

In 2012, the item people were least likely to afford was replacing worn-out furniture (66%), closely followed by paying for a week's annual holiday (62%). Furthermore, 31% of respondents were unable to pay for new clothes. The most important improvements since 2007 occurred regarding being able to invite friends or family for a drink or meal at least once a month and having a meal with meat, chicken or fish every second day, if desired; the proportion of respondents who could not afford the former decreased by 25 percentage points to 11% in 2012, while those who could not afford the latter decreased by 22 percentage points to a share of 18% in 2012.

Severe material deprivation in the country is also captured by the 2011 EU-SILC, with some 41% of the population considered severely materially deprived, which means they lack at least four out of nine items in the 'economic strain'

and ‘durables’ dimensions. Gerovska Mitev (2012), using definitions comparable to those of Eurostat, reports that 31% of all surveyed households could not provide four or more items on a list of nine basic items. Geographically, she indicates that deprivation is more widespread in small cities and villages, and in the north-east and eastern regions, while according to ethnicity, material deprivation affects 69% of Roma households, 33% of Albanian households and 28% of Macedonian households.

Figure 2: Deprivation index (%)

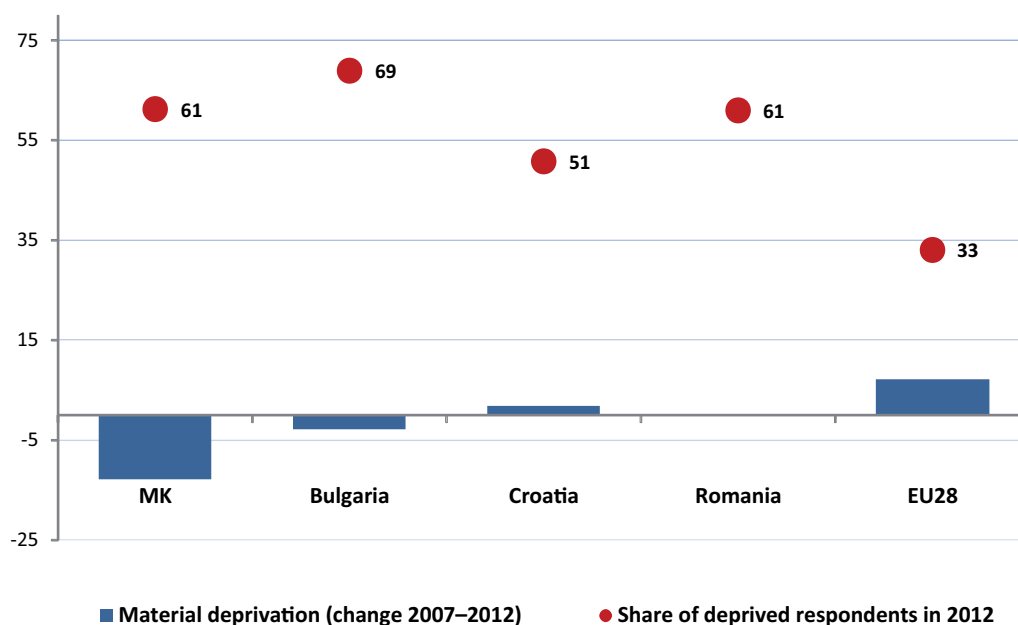


Notes: Q59: There are some things that many people cannot afford, even if they would like them. For each of the following things on this card, can I just check whether your household can afford it if you want it? Items: a) Keeping your home adequately warm; b) Paying for a week’s annual holiday away from home (not staying with relatives); c) Replacing any worn-out furniture; d) A meal with meat, chicken, fish every second day if you wanted it; e) Buying new, rather than second-hand, clothes; f) Having friends or family for a drink or meal at least once a month.

Sources: *EQLS, 2007; EQLS, 2012.*

The high proportion of people in deprivation (61%) in this country is similarly found in other countries in the region but the dynamics are significantly different (Figure 3). In fact, much higher rates of deprivation than the EU28 average (33%) are found in Croatia (51%), Romania (61%) and Bulgaria (69%). Nonetheless, while in these countries, as in the EU28, there has been no or limited improvement since 2007, material deprivation in the former Yugoslav Republic of Macedonia dropped by 13 percentage points over the period.

Figure 3: Material deprivation: Country comparisons (%)



Notes: Q59 (See Figure 2). Shows share of people who cannot afford two or more items out of six.
Sources: *EQLS, 2007*; *EQLS, 2012*.

Disaggregated analysis of EQLS data shows that deprivation is significantly higher in rural than in urban areas (Table 2). In 2012, 71% of the respondents living in rural areas were deprived against 51% of those living in urban areas; the 2007 gap of eight percentage points had widened considerably. In fact, most of the improvement observed since 2007 is due to better conditions in urban areas. Deprivation in rural areas affects more men (74%) than women (69%), with women experiencing a higher (-15%), and statistically significant, improvement than males across the country. Deprivation is also related to age, with people aged 50 years or over being more deprived than others. When analysed by age, the highest share of deprived respondents is found among women aged 65 years or over (77%). Deprivation is related to the employment status of the respondent and it evidently decreases as educational attainment increases, with uneducated men being more deprived than uneducated women.

Table 2: Material deprivation by group, 2007–2012 (%)

	2007	2012	Change		2007	2012	Change
MK	74	61	-13	Employed	63	52	-11
Rural	78	71	-7	Unemployed	88	81	-8
Urban	70	51	-19	Retired	84	69	-15
Male	73	62	-11	HH size: 1	81	63	-18
Female	76	60	-15	HH size: 2	80	68	-12
18–24 years	55	52	-3	HH size: 3	69	61	-9
25–34 years	65	52	-12	HH size: 4+	74	58	-15
35–49 years	75	57	-17	Low education – at most primary	91	88	-3
50–64 years	85	71	-14	Mid-level education – second level	74	65	-10
65+ years	86	71	-15	High education – tertiary	44	47	+3

Notes: Q59, see Figure 2. Showing share of people who cannot afford two or more items out of six by location, gender, age group, employment status, household size and education level, 2007–2012.

Education level categories (Q48) are defined as: ISCED 0 + ISCED 1 = low education (at most primary); ISCED 2 + ISCED 3 + ISCED 4 = mid-level education (second level); ISCED 5 + ISCED 6 = high education (tertiary).

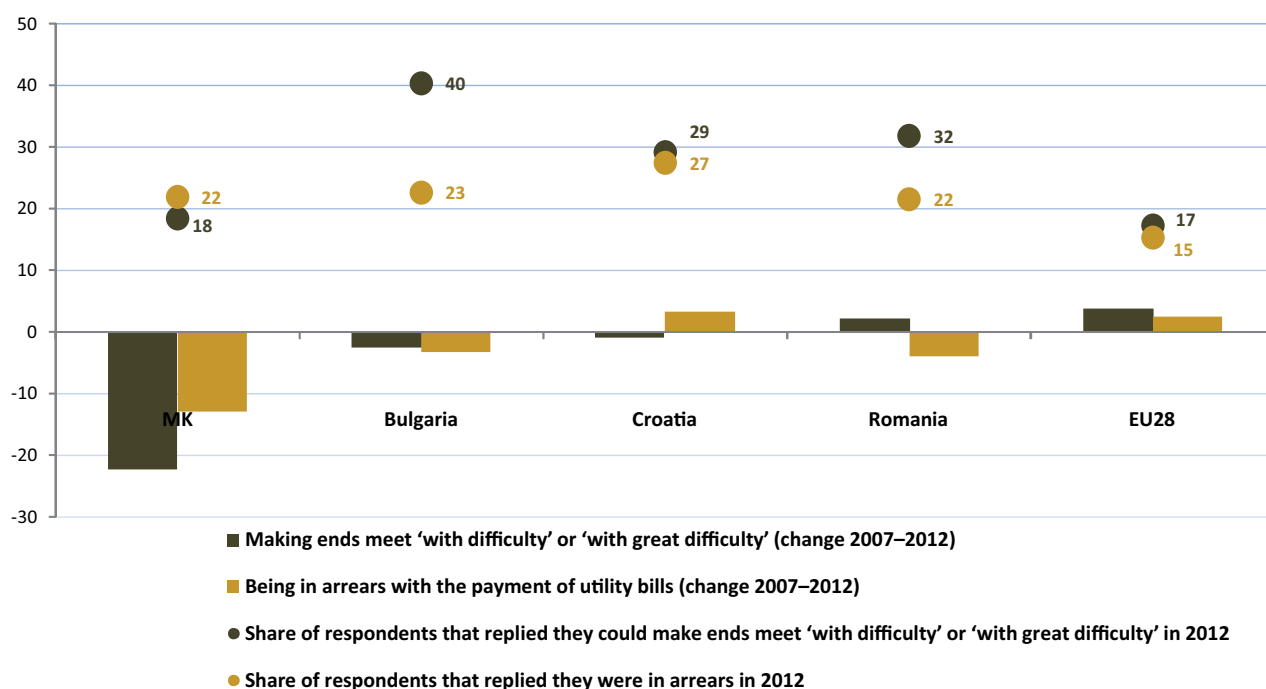
In all tables reporting EQLS data, the rounding of figures affects some of the differences (change). In addition, bold type indicates statistically significant values with $p < 0.05$.

Sources: *EQLS, 2007*; *EQLS, 2012*.

Ability to make ends meet

Along with the falling levels of deprivation, EQLS data show a significant improvement in the economic situation of households through the use of another non-monetary indicator: ability to make ends meet. This indicator is meant to capture all the different sources of income available to the household. In line with Eurofound (2013a), the analysis groups together respondents saying their household can make ends meet ‘with difficulty’ or ‘with great difficulty’. EQLS data show that in the EU28, the share of respondents making ends meet with (great) difficulty had, by 2012, risen by four percentage points since 2007. In the former Yugoslav Republic of Macedonia the tendency is the opposite, with a drop of 22 percentage points observed in the same period, the largest reduction across all surveyed countries (Figure 4). In fact, at 18%, the country has the lowest proportion of respondents making ends meet with (great) difficulty in 2012 if compared to Bulgaria, Croatia and Romania.

Figure 4: Making ends meet and paying utility bills: Countries comparisons (%)



Notes: Q58: A household may have different sources of income and more than one household member may contribute to it. Thinking of your household’s total monthly income: is your household able to make ends meet...? The figures are based on the responses ‘with difficulty’ and ‘with great difficulty’.

Q60: Has your household been in arrears at any time during the past 12 months, that is, unable to pay as scheduled any of the following? Item b: Utility bills, such as electricity, water, gas. The figures are based on the response ‘Yes’.

Sources: EQLS, 2007; EQLS, 2012.

As for deprivation, EQLS disaggregated data confirm the positive correlation of making ends meet with (great) difficulty with age and its inverse correlation with educational level (Table 3). Respondents living in rural areas, in particular female respondents, make ends meet with more difficulty than those living in urban areas. In particular, gender disaggregated data highlight two critical groups: women living alone and women aged over 50 years, with some 34% and 27% respectively of these groups making ends meet with (great) difficulty. Similarly to deprivation, a much higher share of uneducated men (71%) than uneducated women (40%) experience problems in making ends meet.

Data sources external to the EQLS do not confirm an increased ability in making ends meet in this country. The regularly conducted Household Expenditure Survey, also known as Household Budget Survey, shows that between 2007 and 2012 drastic changes did not occur in the way people felt about their ability to make ends meet. Nevertheless, it is worth noting

that the country already suffered from high rates of unemployment and poverty before the crisis and that continuously difficult economic times are likely to have enabled people to develop strong coping strategies that helped when going through periods of economic recession. As noted previously, remittances from emigrants to their relatives left behind remained high over the period under review, and the number of families benefiting from such payments increased.

Table 3: *Making ends meet by group, 2007–2012 (%)*

	2007	2012	Change		2007	2012	Change
MK	41	18	-22	Employed	25	11	-15
Rural	40	22	-18	Unemployed	64	38	-27
Urban	42	15	-27	Retired	46	21	-25
Male	39	17	-22	HH size: 1	51	22	-28
Female	42	20	-23	HH size: 2	38	17	-22
18–24 years	29	12	-17	HH size: 3	35	17	-18
25–34 years	35	14	-20	HH size: 4+	42	19	-23
35–49 years	44	18	-26	Low education – at most primary	61	50	-11
50–64 years	42	25	-17	Mid-level education – second level	40	19	-21
65+ years	52	20	-31	High education – tertiary	12	10	-2

Notes: Q58, see Figure 4.

Share of respondents making ends meet ‘with difficulty’ or ‘with great difficulty’ by category.

Sources: *EQLS, 2007; EQLS, 2012.*

Financial support and arrears

Another coping mechanism is the reliance on other sources for additional funds in a case of urgency. Regarding formal lending, the level of indebtedness of households to banks has been relatively constant for the past five years (National Bank of the Republic of Macedonia, 2013). Even if the crisis caused a reduction in the debt servicing capacities of households, this quickly improved in 2010 and has remained stable since then. In this area, EQLS data show an increasing reliance on family and relatives, from 67% in 2007 to 72% in 2012, and, to a much lesser extent, on friends, neighbours or other sources (from 21% in 2007 to 23% in 2012). Those who have nobody to help them should they need support decreased by six percentage points over the period under review, to 5% in 2012.

Disaggregated data show that the high reliance on family and relatives prevails across all social groups. The categories most supported by family or relatives are students, people aged 65 years and over, and retired people. This reflects the country’s family law, which envisages financial support by children to parents in critical financial situations (Apostolka and Gulija, 2012). Finally, some 13% of the people with low educational attainment levels have nobody to help in case of need. This may reflect a status of marginalisation due to a lack of awareness of available resources and/or of procedures to access support.

EQLS results further show that the payment of rent or a mortgage is not a major problem in the country. In 2007, only 5% of respondents faced such a problem, a figure that further reduced to 3% in 2012, due mostly to the reduction of difficulties in paying by respondents living in urban dwellings (-5% over the period under review).

Payment of utility bills, however, is still problematic for some 22% of the respondents. Above average rates of difficulty occur here among the unemployed (36%), those with a low level of education (34%) and people aged 50–64 years (28%). These are also the three groups that are facing most difficulty in making ends meet. Since 2007, improvements for these categories were limited (ranging from -3% for those with a low level of education to -10% for unemployed people) due also to an ever increasing consumer price index (see Chapter 4 on ‘Housing and neighbourhood’ for more details). On a comparative basis, the country shows the biggest reduction of respondents (from 35% in 2007 to 22% in 2012) being in arrears regarding utility bills across all surveyed countries (Figure 4).

Equity lens

People with low levels of education face the greatest challenges in terms of material deprivation, making ends meet and paying utility bills. They are also among the least satisfied with their standard of living. In addition, they show a limited positive change since 2007. Unemployed people are also particularly badly off when compared to other social groups but their situation has more evidently improved over the last five years.

Living in a rural area and being over 50 years old both imply considerably higher deprivation and more difficulty in making ends meet. People aged 65 years and over rely significantly on support from families or relatives in case of financial need. Older women are particularly vulnerable.

Fuzzy analysis confirms these results. The composite indicator for ‘standard of living’ shows the lowest levels of quality of life for people with low education levels, those who are deprived and those with accommodation problems. By contrast, those who are not deprived and those who are highly educated show the highest levels of quality of life. Living in a rural area implies lower standards of living, as does being aged 50–64 years and not being in employment. In addition, the analysis of this ‘standard of living’ indicator points to optimism as an important factor positively associated with satisfaction with the standard of living.

Implications of change

The European Commission has confirmed the economic recovery of the former Yugoslav Republic of Macedonia in the first three quarters of 2013. Part of this recovery is due to an increase in private consumption, which is in line with EQLS findings. In particular, the Commission notes that ‘household consumption is likely to post resilient growth rates over the horizon, in line with expectations for disposable income, deriving from a positive employment trend, higher social transfers, and stable remittances’ (European Commission, 2014). The opposite tendency to that of the EU28, regarding both deprivation and making ends meet, indicates the potential of the country for improving life quality with respect to financial and material aspects. This potential is further strengthened by the rather positive attitude of respondents towards their future situation as opposed to a more widespread pessimism across the region.

Nonetheless, positive results and the encouraging change of EQLS indicators do not override the fact that living standards in the country are very low compared to the EU28 average. In addition, there is evidence that positive change for some social groups has been modest since 2007, a trend that leads to an increase in inequalities. Policymaking must focus on these more vulnerable groups in order to promote territorial and social cohesion.

Job security and work–life balance 2

Context

The policy environment in the sphere of employment has been shaped by the economic crisis. A number of measures were taken to maintain or stimulate employment. For example, in December 2008 the government adopted a law on freezing employee health contribution payments for the period 2009–2012 (Official Gazette No. 161/2008). It also secured a €100 million loan from the European Investment Bank to support small and medium enterprises, provided they do not lay off any employees for the duration of the credit line (Government of Macedonia). Other counter-cyclical measures include incentives for foreign investment through the creation of technical and economic development areas and the reduction of social contributions; pension contributions were reduced from 21.2% in 2008 to 18% in 2012, health insurance from 9.2% to 7.3%, and unemployment insurance from 8.6% to 1.2%. These are free economic zones where investors benefit from construction subsidies, flat tax rates and various other exemptions (Official Gazette No. 142/2008 and No. 185/2011; Invest Macedonia).

The stubbornly high unemployment rate (31% in 2012), a major contributory factor to poverty, is not just an outcome of the economic downturn as it has been at this level for more than a decade. Earlier trends show that economic growth is decoupled from unemployment levels, that unemployment is structural and is not being addressed by the country's development process. However, the existence of a substantial informal sector means that actual unemployment may be overstated.

A number of strategic documents and action plans have been adopted to deal with unemployment. Since 2006, the government has been endorsing biennial national employment action plans. The Action Plan on Gender Equality 2007–2012 is also particularly important for this policy area, as for some considerable time the labour market has been characterised by a gender imbalance. In fact, while the unemployment rates for women and men are quite close, women show a much higher inactivity rate and a much lower employment rate than men (see Annex 2). The situation for the Roma community raises even more concern. While the government has adopted measures in the framework of the Decade of Roma Inclusion to increase the number of employed Roma people, in 2011 the gaps in unemployment rates between Roma and non-Roma people were 23 percentage points for men and 35 percentage points for women (Centre for Policy Studies, 2012).

Main findings

The focus of EQLS data relates to qualitative aspects of employment, in particular job stability, security and mobility, as well as work–life balance and/or reconciliation (Eurofound, 2012b).

Job stability, security and mobility

Partly as a result of the stimulating measures discussed earlier, job stability, understood as having a permanent work contract, and job security indicators both improved between the two EQLS waves. For those with paid work, job stability increased by five percentage points between 2007 and 2012, with most of the increase experienced by women (Table 4). Since 2007, the proportion of permanent contracts increased significantly for people aged 25–34 years. Respondents living in rural areas also experienced a statistically significant increase in the proportion of stable jobs. Almost 92% of workers living alone have a stable job, as it is common for people with temporary or seasonal work to remain with their family or in households with other income recipients. However, only one out of two young workers (aged 18–24 years) is employed with a permanent contract.

Table 4: *Employment with a permanent contract by group, 2007–2012 (%)*

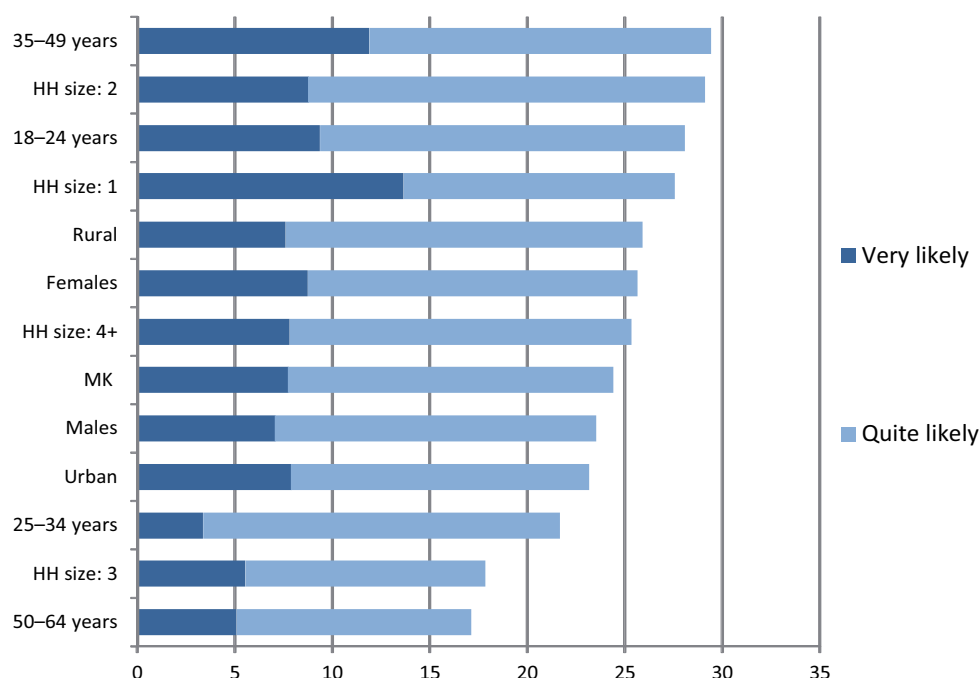
	2007	2012	Change		2007	2012	Change
MK	69	75	+5				
Rural	61	75	+14	Male	67	70	+3
Urban	76	74	-2	Female	72	81	+9
18–24 years	53	54	0	HH size: 1	81	92	+11
25–34 years	50	71	+21	HH size: 2	76	77	+1
35–49 years	66	75	+10	HH size: 3	70	77	+7
50–64 years	83	84	+2	HH size: 4+	66	71	+5

Notes: Q3 (asked if respondent had paid work): In your job, are you...
 The figures are based on the response ‘On an unlimited permanent contract’.
 Sources: *EQLS, 2007; EQLS, 2012.*

In addition, the EQLS data show that more people believed their jobs were secure in 2012 than in 2007. While in 2007, 45% believed that it was ‘quite unlikely’ or ‘very unlikely’ for them to lose their jobs in the next six months, in 2012 this share rose to 52% (57% for those with a permanent contract and 35% for those with a temporary job). Despite the positive change over the period under review, only one out of every two respondents felt they had job security.

Furthermore, when asked about the probability of finding a job with a similar salary, should they lose or leave their current job (from now on referred to as ‘job mobility’), only about one out of four respondents (24%) considered it ‘quite likely’ or ‘very likely’. Workers aged 50–64 years perceive the lowest level of job mobility (Figure 5).

Figure 5: *Perceived job mobility prospects in 2012 (%)*



Notes: Q16 (asked if respondent had paid work): If you were to lose or had to quit your job, how likely or unlikely is it that you will find a job of similar salary? The figures are based on the responses ‘very likely’ and ‘quite likely’.
 Source: *EQLS, 2012.*

Work–life balance

According to EQLS findings, work–life balance is a potential area of concern for workers. Working hours seem to fit with family and social commitments for nearly three-quarters of employed people. However, one-third (33%) said they return home from work several times a week too tired to do some household chores and about one-fifth (21%) face difficulty in fulfilling family responsibilities several times a week because of the amount of time spent at work. These rates are much higher than the EU averages but are comparable to those of the other countries in the region.

Working time arrangements appear to be quite inflexible, with precisely defined starting and finishing hours. The country's average of 26% of workers who say they enjoy flexible working hours is significantly lower than the EU28 average of 43% but it is comparable to rates in Croatia (24%), Bulgaria (28%) and Romania (30%). This rate can be explained by the high number of employees in the public administration and civil service, which usually adheres to strict working times.⁷ However, flexibility in the public sector is much higher in terms of accumulating hours off work and for taking a day's leave at short notice than it is regarding working time (Table 5).

Table 5: *Time flexibility according to type of employer in 2012 (%)*

	Central, regional or local government administration	Other public sector	Private sector	Other
I can vary my start and finish time	14	12	30	35
I can accumulate hours for time off	36	36	31	46
I can take a day off at short notice when I need to	57	65	64	50

Notes: Q13 (asked if respondent had paid work): In your current job, are the following working time arrangements available to you? The figures are based on the response 'Yes'. The type of employer is categorised according to Q6.

Source: *EQLS, 2012*.

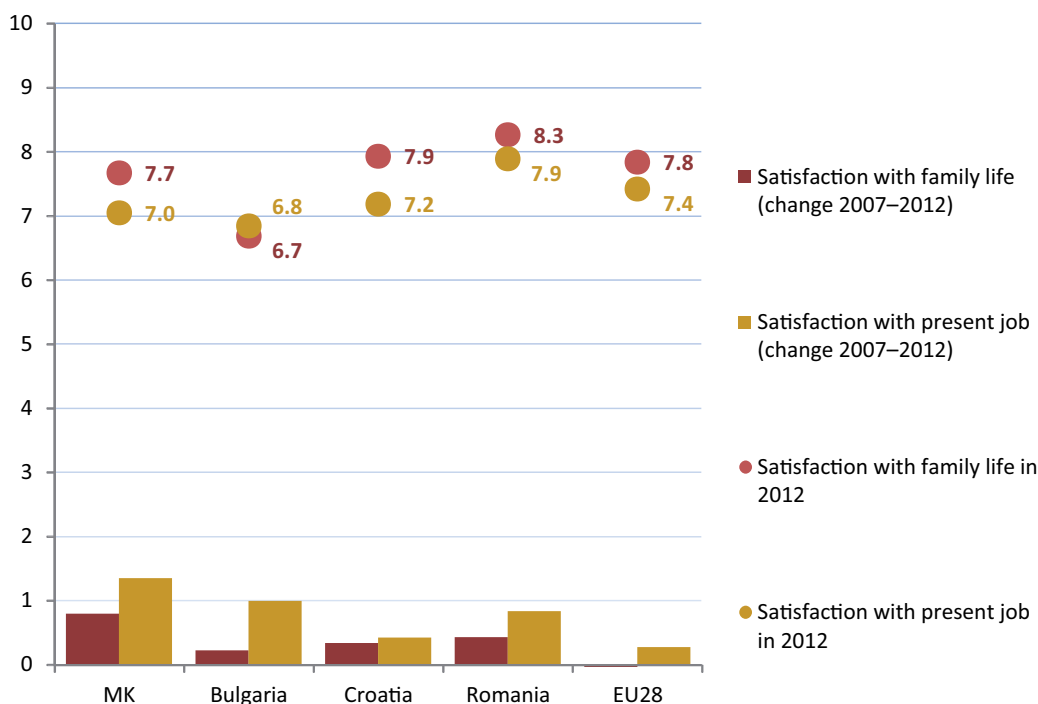
A very high proportion of respondents consider it either 'quite useful' or 'very useful' to have more control over starting and finishing work times (87%), to change the number of weekly working hours (78%), to be able to take a day off at short notice (91%), or to have better access to support services such as childcare, care for older people or long-term care (80%).

Tradition and family values cause individuals to place a high premium on time spent with their family, thus many consider flexible working hours to be important. In this respect, EQLS data show a high and growing level of contact between children and parents and relatives living outside the household. The increase in the number of parents who maintain regular contact with their children every day or almost every day was higher in this country than all other surveyed countries, going from 55% in 2007 to 69% in 2012. This was counterbalanced by an equivalent decrease in the proportion contacting their children one to three times a month or on a weekly basis, pointing to an overall increase in the frequency of contact with children for parents aged between 35 and 49 years. Every day, or almost every day, contact with parents increased from 45% in 2007 to 53% in 2012, with only Greece, Cyprus and Montenegro showing higher levels of parental interaction across all surveyed countries. Finally, 'almost daily contact' increased by eight percentage points regarding other relatives and by four percentage points regarding friends/neighbours, over the period under review.

⁷ Estimates of public employees differ according to the source. Media citing official sources report that public sector employment is anywhere between 20% and 30% of total employment.

The fact that family ties are treasured is reflected in increasing satisfaction with family life. Figure 6 shows both satisfaction with family life and with work, demonstrating the similar patterns of change. The level of satisfaction with family life in the country rose from 6.9 to 7.7 since 2007, reaching a similar level to the EU28 (7.8), well above Bulgaria but still below Croatia (7.9) and Romania (8.3). Satisfaction with one’s present job has recorded the biggest increase with respect to all other surveyed countries (+1.3) although a positive change is evident in all the countries in comparison. Unfavourable job market conditions can partly explain why people are generally satisfied by simply remaining in employment. In addition, the introduction in several sectors of a minimum wage since 2012 has improved the situation of low salary workers.

Figure 6: Satisfaction with present job and family life: country comparisons (scale 1–10)



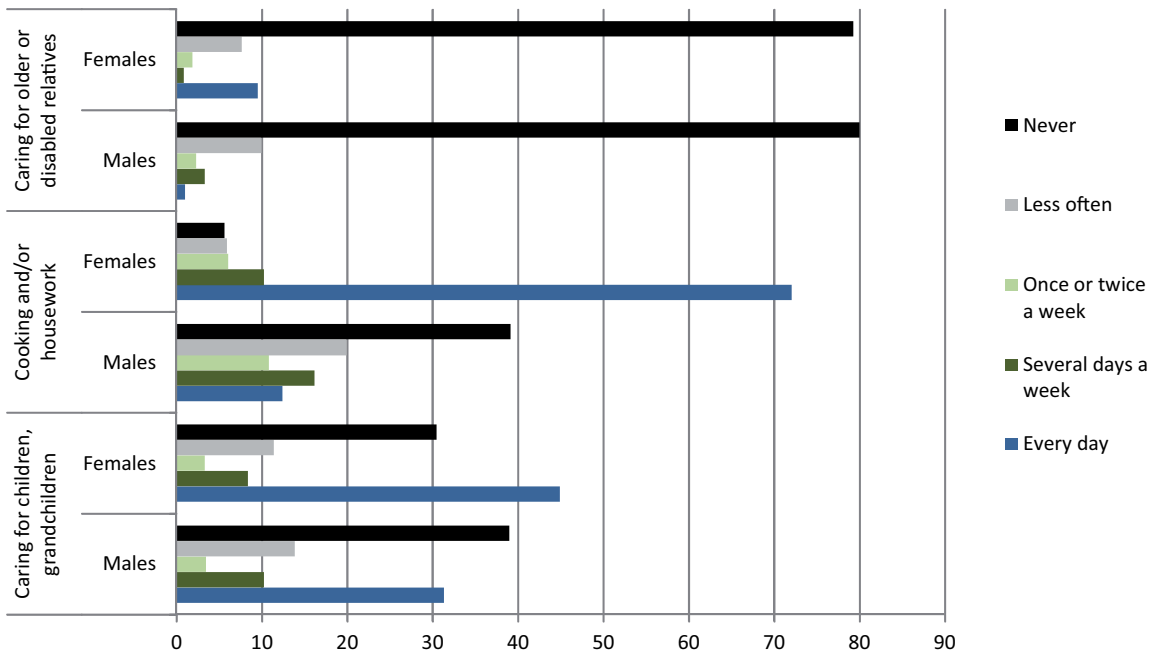
Notes: Q40, see Figure 1. Item b: Your present job (asked if respondent has paid work). Item e: Your family life. Source: *EQLS, 2007; EQLS, 2012*.

Different patterns emerge for unpaid work, depending on the type of activity concerned. While in 2012 more respondents were involved in caring for children and cooking and housework compared to 2007, fewer people looked after older or disabled relatives. In particular, in 2012 and on a daily basis, 39% of the respondents cared for children, 43% did cooking or housework, while only 5% cared for older or disabled relatives.

Disaggregation of unpaid work data by urban or rural location does not highlight significant differences, meaning that traditional roles have not remained rooted to rural contexts. Disaggregation by gender, however, confirms that the workload of unpaid activities mostly remains with women, in particular with regard to cooking or housework, and caring for older or disabled relatives (see Figure 7).

Despite the higher amount of unpaid activities performed by women, in general there is a perception of fairness regarding the share of housework one does. The proportion of people in 2012 who believed they were doing more than their fair share represented a decrease, across all social groups, from the 2007 figures. In fact, the majority of respondents (70% in 2012, with an increase of 11 percentage points since 2007) considered the share of their housework to be just about fair.

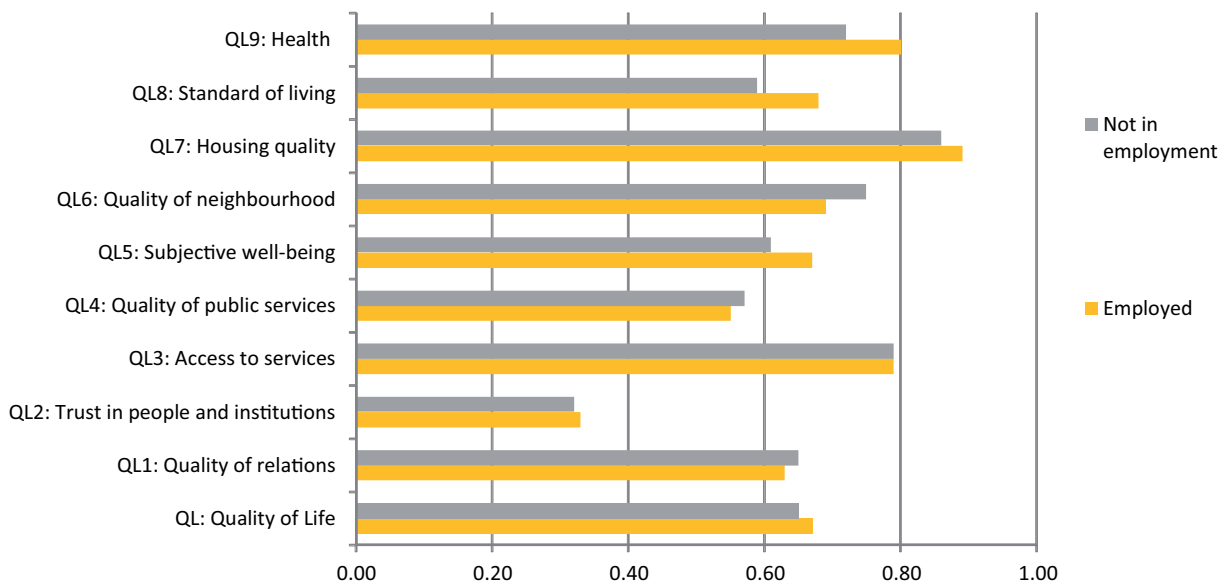
Figure 7: Unpaid work by gender in 2012 (%)



Notes: Q36: In general, how often are you involved in any of the following activities outside of work?
Source: *EQLS, 2012*.

In Figure 8, employment status is presented as a horizontal variable across the composite indicators that were constructed through the fuzzy approach. The closer the value of each composite indicator is to 1, the higher the positive contribution of each of the variables – ‘employed’ and ‘not in employment’ – is to quality of life for the aspects considered.

Figure 8: Composite indicators versus employment status, 2012 (scale 0–1)



Source: *EQLS, 2012*.

Results show that being employed increases life quality with regard to health, standard of living, quality of housing and subjective well-being but constrains it in terms of environmental problems and tension in society. These last two aspects are probably due to the concentration of employed people in urban areas and the level of stress that can be associated with working relationships.

Equity lens

Unemployment is directly related to low levels of education, which implies that those with a lower education level are among the most vulnerable. Young people aged 18–24 years in employment are also a cause for concern. This is because they mainly have temporary work contracts and, according to Eurostat statistics, a high proportion are not in employment, education or training (NEET). People aged 50–64 years are also vulnerable; people in this age group face the greatest difficulties in finding work should they become unemployed.

Implications of change

The EQLS data provide evidence of increasing job stability and security since 2007. Although flexibility and availability of working time arrangements are well below the EU28 average, they are in line with the situation of countries in the region to which it is compared here. Overall, work–life balance does not seem to be a major problem yet. Nevertheless, it is a potential issue for the future, in particular regarding employment rates for women. This is because women take responsibility for most unpaid, household work. In order for women to be able to afford professional care for children and older people, the existing gender pay gap needs to be addressed and more care facilities need to be made available (Avlijaš et al, 2013; see Chapter 6 on public services).

There is evidence of a decreasing gender imbalance in the labour market, possibly demonstrating that some of the policies put in place, such as the Action Plan on Gender Equality 2007–2012, produced positive results and that more actions in this area could improve the quality of life of women even further.

Context

A national strategy for the development of education was adopted in 2005 for a 10-year period. Since 2007, a number of reforms in the education sector have taken place, with education being one of the strategic priorities of the Government Programme 2008–2012. Secondary education became mandatory in the country for the first time in 2008 and strict fines have been introduced for families who do not send their children to school, thereby positively influencing attendance rates. The introduction of the concept of ‘dispersed’ tertiary education in 2008 allowed state universities to open faculties in the smaller municipalities, thus making tertiary education more locally accessible. Increased private investments in education also led to the opening of several private universities and postgraduate institutions.

Tuition and textbooks are provided free of charge to primary and secondary school students. Those who travel longer distances are entitled to free transportation. In addition, conditional cash transfers for families who receive social financial assistance have been introduced to facilitate school attendance for their children.

Informal education is provided by a number of workers’ universities (*Rabutniski Univerzitet*) and civil society organisations that will soon be regulated by the Law on Institutions, following the adoption in 2009 of the Law on Open Civil Universities for lifelong learning. Informal education and vocational training are important precursors of lifelong learning, mobility of workers and improved matching of skills with labour market requirements. Reforms have brought evident progress in quantitative terms but ‘the quality and relevance of learning outcomes remain a problem’ (Nikolovska, 2013), especially with a view towards improving employability.

Main findings

EQLS data focuses on assessing the satisfaction of individuals with respect to their level of education, and on the subjective assessment of the quality of the education system. The evidence provided by the EQLS on these two aspects is extremely valuable for policymaking. Education is an important dimension of quality of life, horizontally influencing, to various degrees, several other life dimensions, as demonstrated by regression and fuzzy analyses. Furthermore, it is one of the main drivers of development at the national level.

Satisfaction with education

Some quantitative differences occur between SSO data and EQLS data on educational attainment levels. Notwithstanding this, both sources highlight a decrease since 2007 in the number of people with low levels of education (no education and primary only) and an increase in the number with completed tertiary education.

One of the findings of the third EQLS suggests that ‘in terms of educational attainment, it seems that it is having a degree that matters’ (Eurofound, 2012b). This finding fits particularly well with the former Yugoslav Republic of Macedonia, where an increasing demand for tertiary education is supported by the increase in the number of private universities, as well as by the decentralisation and diversification of public university programmes. By disaggregating EQLS data on educational attainment, a shift from a lower to a higher level of education is evident across all social groups.

Disaggregated data also show that all social groups experienced a positive change since 2007 in terms of satisfaction with education (Table 6). Satisfaction is higher for employed people, students, those aged 18–24 years and people in the highest income quartile.

Table 6: Satisfaction with education by group, 2007–2012 (scale 1–10)

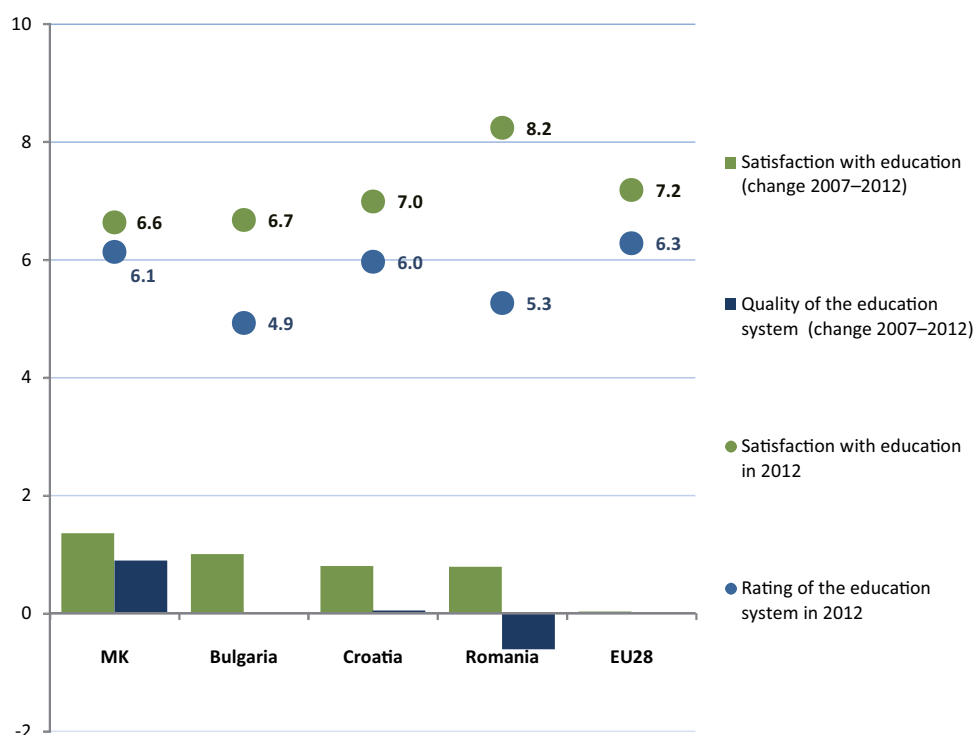
	2007	2012	Change		2007	2012	Change
Rural	4.7	6.4	+1.7	18–24 years	6.3	7.5	+1.2
Urban	5.8	6.9	+1.1	25–34 years	5.8	7.0	+1.2
Male	5.6	6.7	+1.1	35–49 years	5.1	6.4	+1.4
Female	4.9	6.5	+1.6	50–64 years	5.1	6.3	+1.2
Employed	5.9	7.1	+1.2	65+ years	4.2	6.2	+1.9
Unemployed	4.8	6.0	+1.2	HH size: 1	5.0	6.4	+1.4
Retired	4.7	6.4	+1.7	HH size: 2	5.0	6.5	+1.5
Homemaker	3.8	4.5	+0.6	HH size: 3	5.4	7.0	+1.6
Student	7.6	7.8	+0.1	HH size: 4+	5.3	6.6	+1.3
Lowest income quartile	4.4	5.6	+1.2	3rd per capita income quartile	5.2	6.8	+1.6
2nd per capita income quartile	5.0	6.0	+1.0	Highest income quartile	6.4	7.6	+1.2

Notes: Q40a, see Figure 9.

Sources: *EQLS, 2007*; *EQLS, 2012*.

Since 2007, the country has shown the biggest increase across all surveyed countries regarding satisfaction with education (+1.4). Despite this positive change, its average in 2012 (6.6) is still below that of other countries in the region, revealing that there is ample room for further improvement in this area (Figure 9).

Figure 9: Satisfaction with education and quality of the education system, by country (scale 1–10)



Notes: Q40, see Figure 1. Item a: Your education. Q53: In general, how would you rate the quality of each of the following public services in [country]? Please tell me on a scale of 1 to 10, where 1 means very poor quality and 10 means very high quality. Item b: Education system.

Source: *EQLS, 2007*; *EQLS, 2012*.

Quality of education

Rating the quality of the education system yielded similar positive results. It also increased more than in all other surveyed countries (+0.9) since 2007, bringing the country's average (6.1) closer to the EU28 level (6.3) (Figure 9). Students particularly appreciate the system, adding value to the overall assessment (Table 7). The changes in the education system and related large-scale reforms mentioned above explain this important shift in perception of quality.

Table 7: *Quality of the education system by group, 2007–2012 (scale 1–10)*

	2007	2012	Change		2007	2012	Change
Rural	5.4	6.4	+0.9	18–24 years	5.4	6.3	+1.0
Urban	5.0	5.9	+0.9	25–34 years	5.3	6.2	+0.9
Male	5.2	6.1	+1.0	35–49 years	4.9	5.9	+1.0
Female	5.3	6.1	+0.9	50–64 years	5.4	6.1	+0.7
Employed	5.2	6.0	+0.8	65+ years	5.4	6.3	+0.9
Unemployed	5.1	6.2	+1.1	HH size: 1	5.8	6.3	+0.2
Retired	5.4	6.1	+0.7	HH size: 2	5.4	6.4	+1.1
Homemaker	5.4	6.3	+0.9	HH size: 3	4.8	6.1	+1.3
Student	5.2	6.4	+1.2	HH size: 4+	5.3	6.1	+0.8
Lowest income quartile	5.2	5.9	+0.7	3rd per capita income quartile	5.5	6.1	+0.5
2nd per capita income quartile	5.2	6.2	+1.0	Highest income quartile	5.0	5.8	+0.8

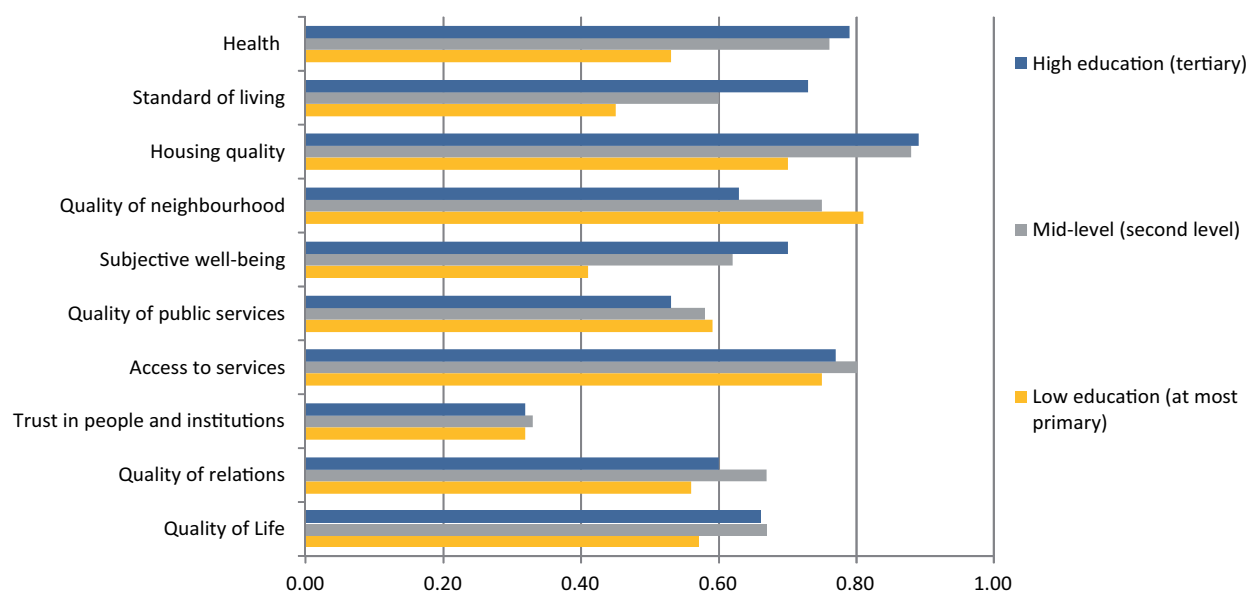
Notes: Question 53b, see Figure 9. Rating of the quality of the education system by location, gender, employment status, age group, household size and income level over the period 2007–2012.

Sources: *EQLS, 2007; EQLS, 2012.*

EQLS data reveal that, within the region, personal satisfaction with education fluctuates more than the rating for the education system in general. While progress in satisfaction is common across the countries being compared here, improvements in perception of the quality of the system is specific to the former Yugoslav Republic of Macedonia.

In Figure 10, the education level is considered as a horizontal variable across the composite indicators constructed through the fuzzy approach. The closer the value of each composite indicator is to 1, the higher the positive contribution of each of the variables – ‘high education’, ‘mid-level education’ and ‘low education’ – to quality of life for the aspects considered.

Figure 10: *Composite indicators versus education level, 2012 (scale 0–1)*



Source: *EQLS, 2012*

Results show that having tertiary, rather than primary, education increases life quality with regard to health, standard of living, quality of housing and subjective well-being. Nonetheless, being highly educated constrains quality of life in terms of quality of public services and of the neighbourhood. This is most likely a consequence of increased awareness of the standards of public services in other countries and of the problems related, for example, to the environment.

Equity lens

There has been a general improvement in perceptions regarding education in the former Yugoslav Republic of Macedonia. The few indicators dealing directly with education in the EQLS questionnaire yield positive increases over the period under review, with no significant diversity noted across social groups.

Implications of change

The EQLS data provide evidence of a positive response at country level to the reforms undertaken in the education sector in the last decade. They also suggest ample room for further improvement. Notably, the country stands out among other countries in southeast Europe, having made the most remarkable progress since 2007. This encouraging reaction to change strengthens the potential of education as an important mechanism in addressing poverty in the country.

Housing and neighbourhood 4

Context

In 2007, the government adopted a housing strategy and an accompanying action plan for its implementation. Some of the most important initiatives regulated by the strategy include: enacting a law on social housing to ensure adequate dwellings are made available to vulnerable groups; establishing a separate fund for building apartments; and providing rental subsidies for vulnerable tenants (Ministry of Transport and Communications, 2012).

Since 2009, the government has been implementing a programme to build 1,753 apartments throughout the country for socially vulnerable groups (ethnic minorities, social welfare recipients and unemployed people). To date, close to 500 apartments have been built and allocated to tenants. In 2011, the government introduced legislation that extends credit to individuals or married couples with insufficient means to buy an apartment. This was done both to encourage home ownership and to stimulate demographic growth. In 2010, a new housing law allowed tenants in state-owned apartments to buy their homes over a 25-year period without interest payments (Official Gazette No. 57/2010). In addition, in 2011 the government enabled the legalisation of over 300,000 illegally constructed buildings, many of which were used for housing purposes (Official Gazette No. 23/2011).

The National Strategy to Reduce Poverty and Social Exclusion estimates that the share of substandard dwellings in the country is around 12%, although it notes that unofficial estimates are much higher. The average age of apartment buildings is approximately 30 years, which contributes significantly to the overall poor housing conditions. In terms of overcrowding, the SSO reports that almost 90% of families live in homes with at least two rooms, 33% of homes have four or more rooms, while homes with one room are reported to make up 5.4% of the total.

Main findings

The EQLS data provide information on a unique set of indicators related to accommodation security issues (ownership, occupancy), housing quality (accommodation problems) and living environment in the immediate neighbourhood (environmental problems, safety and access to services). These aspects affect a number of quality of life domains such as standard of living, life satisfaction and social participation.

Home ownership and security of accommodation

Home ownership is common in the country. Data from the two EQLS waves highlight an overall (with or without a mortgage) increase of 14% in home ownership over the period 2007–2012, with up to 91% of respondents owning their house in 2012. National data from the Household Expenditure Survey show more stable ownership rates, from 90% in 2007 to 89% in 2012. Nevertheless, 2012 figures from both sources sufficiently converge.

The change captured by EQLS data enables understanding of the impact of several policies and laws put in place to facilitate the transfer of ownership. A much higher proportion of the population own their home than in the EU28, but its rate is comparable to those for neighbouring countries Bulgaria (87%) and Romania (86%).

In 2012, some 92% of respondents felt their accommodation status was secure. Since 2007, EQLS disaggregated data indicate a small positive change in this area among respondents in the lowest income quartile (Table 8). This may reflect a positive impact of social housing policies. By contrast, those within the mid-level income quartiles seemed to feel most insecure about whether they can stay in their home. However, only 10% of those in the second and third income quartiles felt they were ‘quite likely’ or ‘very likely’ to lose their accommodation. In terms of affordability, this may be explained by the fact that only about 3% of respondents were in private rented accommodation and that the impact of increasing housing-related costs probably relates more to maintenance than occupancy costs.

Table 8: Security of accommodation by location and income, 2007–2012 (%)

		2007	2012	Change		2007	2012	Change	
Rural	Very likely	2	1	0	2nd income quartile per capita	Very likely	0	2	+1
	Quite likely	5	5	0		Quite likely	4	7	+2
	Quite unlikely	9	8	-1		Quite unlikely	6	10	+4
	Very unlikely	85	85	+1		Very unlikely	89	81	-8
Urban	Very likely	6	3	-3	3rd income quartile per capita	Very likely	3	2	-1
	Quite likely	4	6	+2		Quite likely	4	8	+4
	Quite unlikely	5	18	+13		Quite unlikely	4	16	+12
	Very unlikely	85	74	-11		Very unlikely	89	74	-15
Lowest income quartile per capita	Very likely	7	3	-4	Highest income quartile per capita	Very likely	3	0	-3
	Quite likely	8	4	-3		Quite likely	5	6	0
	Quite unlikely	8	8	+1		Quite unlikely	6	14	+9
	Very unlikely	77	84	+7		Very unlikely	86	80	-6

Notes: Q20: How likely or unlikely do you think it is that you will need to leave your accommodation within the next six months because you can no longer afford it?

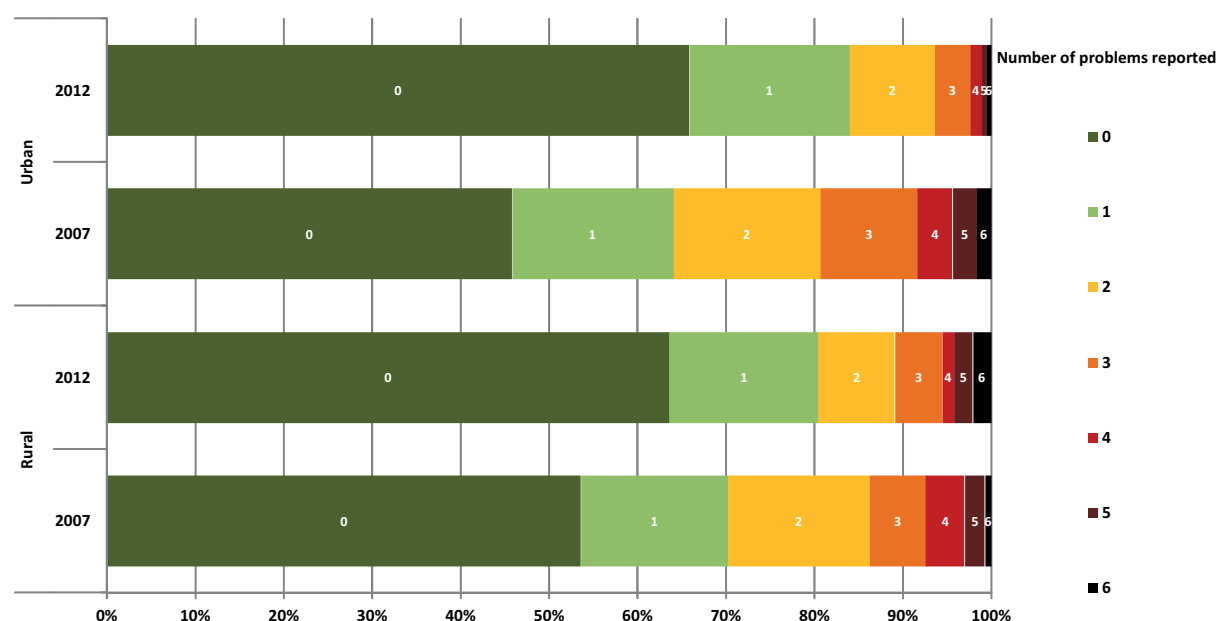
Source: EQLS, 2007; EQLS, 2012.

Quality of accommodation

Quality of accommodation is assessed with reference to six specific problems: shortage of space; rot in windows, doors or floors; damp or leaks in walls or roof; lack of indoor flushing toilet; lack of bath or shower; and lack of place to sit outside. Based on these six problems, an index ranging from 0 to 6 is defined by Eurofound (2011).

EQLS data show a substantial improvement in the accommodation problem index over the period under review. Respondents reporting no problems with their accommodation increased by 16 percentage points since 2007, with the biggest progress (20 percentage points) being reported by those living in urban dwellings (Figure 11). About two-thirds of the respondents do not have accommodation problems.

Figure 11: Accommodation problem index in rural and urban dwellings (%)

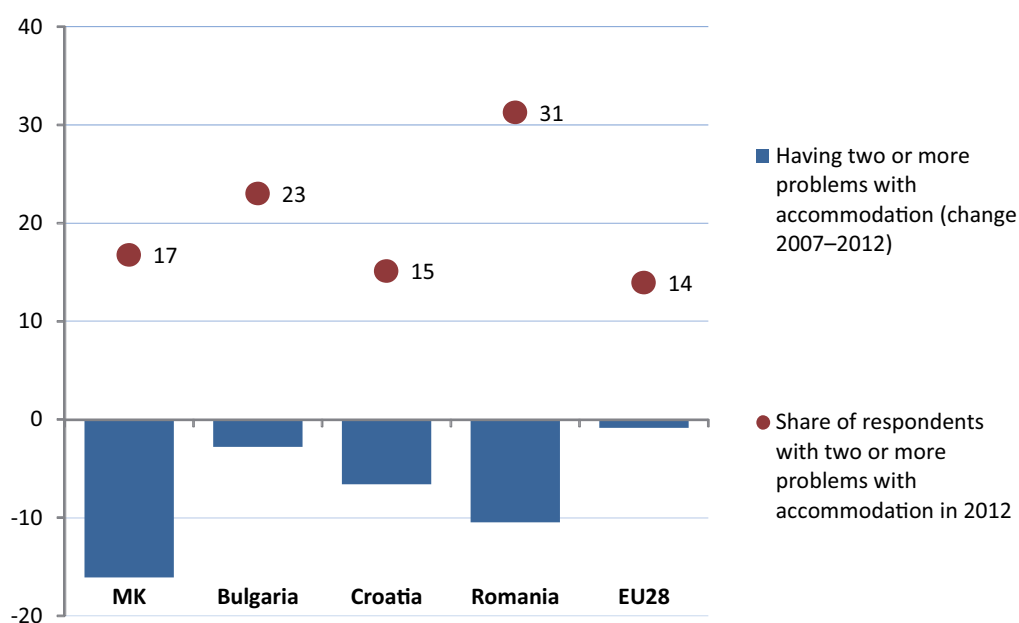


Notes: Q19: Do you have any of the following problems with your accommodation? Problems: a) shortage of space; b) rot in windows, doors or floors; c) damp or leaks in walls or roof; d) lack of indoor flushing toilet; e) lack of bath or shower; f) lack of place to sit outside (e.g. garden, balcony, terrace).

Sources: EQLS, 2007; EQLS, 2012.

In 2012, the most common problems in the country were related to damp or leaks in the walls or roof (affecting 18% of respondents), shortage of space and rot in windows, doors or floor (both affecting 17% of respondents). All the other problems listed in the questionnaire affect smaller proportions of people (from 3% to 5%). The most important improvements in housing quality since 2007 relate to: internal space, with a drop of 12 percentage points in people affected by such a problem; lack of indoor flushing toilets, with a decrease of nine percentage points; and rot and lack of outside space, which decreased by eight percentage points each.

Figure 12: *Housing quality by country (%)*



Notes: Question 19, see Figure 11. Share of respondents reporting two or more accommodation problems.
Source: *EQLS, 2007; EQLS, 2012*.

In 2012, 17% of respondents reported two or more accommodation problems. This was comparable to Croatia (15%) and the EU28 (14%), while Bulgaria and Romania had considerably higher rates (see Figure 12). In addition, the country yielded the highest reduction (by 16 percentage points) across all surveyed countries between 2007 and 2012. The incidence of problems in the country is similar to the EU average regarding sanitation facilities (bath or shower and toilets) and internal space. On average, more outside space is available to people, but rot and damp or leaks affect a significantly higher proportion of people than in the average figure for the EU.

Disaggregating the data shows that accommodation problems are clearly correlated to low income levels (Table 9). A general improvement over the period under review is noted across all social groups; in several cases the positive change is significant. Nonetheless, the share of respondents with accommodation problems is high among the poorest, the unemployed and the deprived. This is probably due to the increase in housing-related costs and the subsequent lowered capacity to renovate or maintain buildings. The consumer price index for housing, water, electricity, gas and other fuels for domestic purposes rose by a substantial 41% over the period 2007–2012 (MAKStat, where 2005 is the reference year).

Table 9: Accommodation problems by group, 2008–2012 (%)

	2007	2012	Change		2007	2012	Change
MK	33	17	-16	Deprived	41	21	-20
				Not deprived	9	7	-1
Rural	30	18	-12	Employed	28	15	-13
Urban	36	16	-20	Unemployed	41	22	-18
18–24 years	32	11	-21	Retired	32	18	-15
25–34 years	36	12	-24	Lowest income quartile	51	25	-26
35–49 years	35	20	-14	2nd income quartile	37	23	-14
50–64 years	27	18	-10	3rd income quartile	27	12	-15
65+ years	35	20	-14	Highest income quartile	18	15	-3

Notes: Q19, see Figure 11. Share of respondents with two or more accommodation problems.
Sources: *EQLS, 2007; EQLS, 2012*.

A more subjective assessment of accommodation quality is measured through the level of satisfaction with accommodation. The positive correlation between satisfaction with accommodation and home ownership is confirmed (Eurofound, 2009). The country shows the largest growth (+1.4) in satisfaction with accommodation across Europe although its average (7.5) is still slightly below the level of the EU28 (7.7), Croatia and Romania (7.8 each).

Satisfaction with accommodation is not significantly correlated to the rural or urban location of the dwelling, gender, household size or age. However, it is correlated to the level of education, with the poorly educated being much less satisfied (5.9) than the highly educated (7.8). It is also correlated to deprivation status, although the satisfaction level of both the deprived (7.1) and not deprived respondents (8.4) is relatively high. In addition, Macedonian-speaking respondents are more satisfied (7.7) than Albanian-speaking respondents (6.7).

Quality of the immediate neighbourhood

Local surroundings influence both well-being and satisfaction with overall housing situation (Eurofound, 2011).

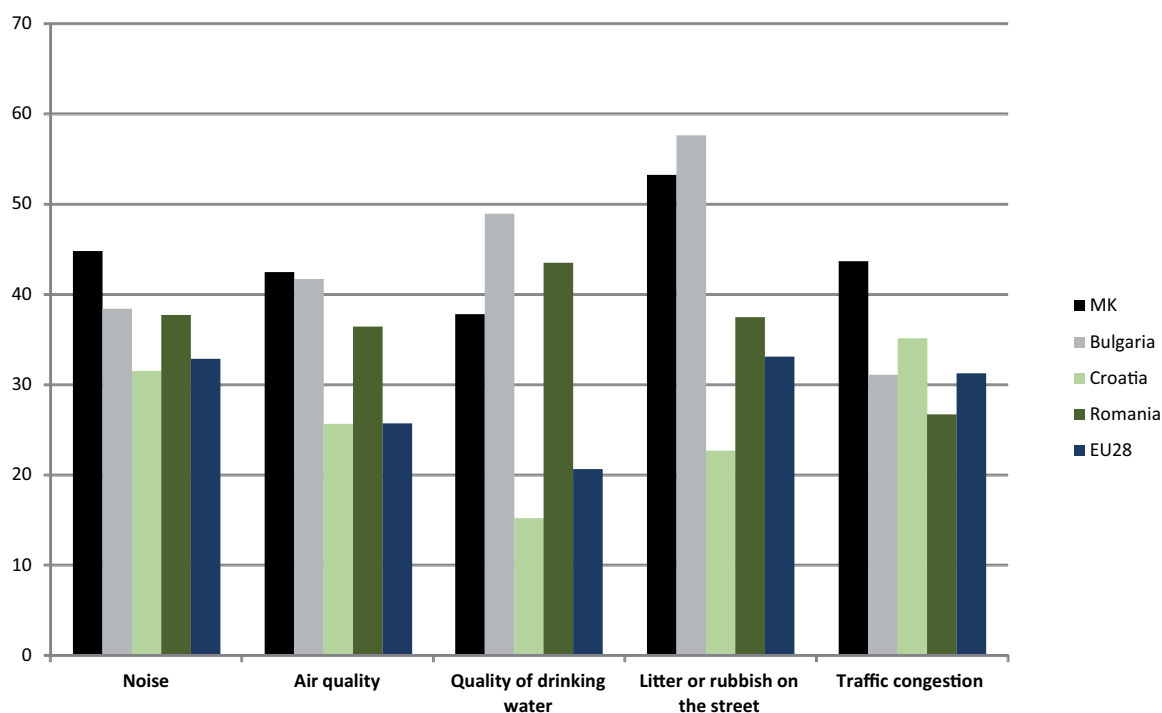
The analysis in this section considers perceived problems by respondents and accessibility of certain facilities (postal services, for example) in the immediate neighbourhood. Because of changes in variables in the two EQLS waves regarding the type of perceived problems, the data analysis is conducted by aggregating replies into a variable called 'problems / no problems'. On the basis of the six items listed in the 2007 and 2012 questionnaires, an index from 0 to 6 is considered. A problem status within the immediate neighbourhood is determined by the existence of at least two problems. This is coherent with the approach defined in Eurofound research (2011).

Despite the fact that the proportion of respondents with no problems in the immediate neighbourhood almost doubled from 2007 (13%) to 2012 (24%), the proportion of those with two or more problems is among the highest (61%) across Europe. Similar or much higher levels are found in Bulgaria (61%), Italy, Malta and Kosovo only, while the proportion of people having two or more problems in Croatia (41%) is lower than the EU28 average of 45%.

Unsurprisingly, in 2012 substantially more respondents living in urban areas (70%) reported immediate neighbourhood problems than respondents living in rural areas (52%). In addition, reporting of problems is evidently correlated to the education level of the respondents. In 2012, 41% of the respondents with low levels of education reported problems in the immediate neighbourhood. This share was 56% for those with a mid-level education and 77% for those with a high level of education.

Major improvements are noted regarding problems related to the environment. There was a decrease in perceived problems regarding air quality (16 percentage points), water quality (19 points) and litter on the street (23 points). Only noise continues to be perceived as a problem in 2012 at almost the same level as in 2007. Nonetheless, data from 2012 revealed higher shares of people reporting environment-related problems than in the EU28, Croatia, and, to a lesser extent, Romania (Figure 13). However, rates are comparable to those of Bulgaria, with the exception of traffic congestion, which is much less reported in Bulgaria, and problems with quality of drinking water, which is much more reported in Bulgaria.

Figure 13: *Environment-related problems by country, 2012 (%)*



Notes: Q50: Please think about the area where you live now – I mean the immediate neighbourhood of your home. Do you have major, moderate or no problems with the following? a) Noise; b) Air quality; c) Quality of drinking water; d) Crime, violence or vandalism; e) Litter or rubbish on the street; f) Traffic congestion in your immediate neighbourhood.

The figures are based on the responses ‘major problems’ and ‘moderate problems’.

Source: *EQLS, 2012*.

In terms of development of the legislative framework and policymaking related to environmental protection and sustainable development, there has been substantial progress in the country in the last decade. This progress is documented by environmental performance reviews (EPR), which took place in 2002 and 2011. However, as noted in the second EPR (UNECE, 2011), implementation and enforcement of environmental laws and policies need to be improved, including the production of an evidence base between health and environmental risks. To this end, EQLS data show that respondents assessing their health as ‘very good’ report fewer environment-related ‘major’ problems than people assessing their health as ‘good’, ‘fair’ or ‘bad’.

Access to services

Accessibility of services in the neighbourhood provides a measure of how easily facilities can be reached with respect to distance, physical access, opening hours or similar variables. On average, access to services in the country is ‘easy’ or ‘very easy’ for over three-quarters of respondents, regardless of the service, with a peak of accessibility reported for recreational and green areas (Table 10). Disaggregated data show that access to services in urban areas is, in general,

much easier than in rural areas, especially for cultural activities. In addition, people with low levels of education do not show difficulties in accessing recreational areas but do show more constraints than the other social groups in accessing other services. People on lower incomes are also more constrained; in this case, affordability is likely to play a role even though, importantly, it does not seem to impact access to cultural activities. Finally, Albanian-speaking respondents report significantly lower levels of ‘easy’ or ‘very easy’ access to all services when compared to Macedonian-speaking people. This may be due to physical barriers as some towns with a large Albanian population lack public transport networks.

Table 10: Access to services in 2012 by group (%)

	Postal services	Banking services	Public transport facilities	Cinema, theatre or cultural centre	Recreational or green areas
MK	80	74	78	74	85
Rural	72	60	71	54	77
Urban	87	87	83	85	89
Male	79	72	77	72	83
Female	81	77	78	76	86
18–24 years	75	73	73	69	80
25–34 years	82	75	74	77	85
35–49 years	80	72	80	75	86
50–64 years	82	79	81	66	82
65+ years	78	73	77	84	90
Low education: at most primary	63	54	42	46	86
Mid-level education: second level	81	73	80	72	86
High education: tertiary	79	80	77	76	81
Lowest income quartile	73	68	77	76	83
2nd income quartile	76	69	75	65	84
3rd income quartile	79	78	81	69	77
Highest income quartile	83	80	81	84	90
Macedonian language	83	76	80	75	88
Albanian language	59	67	66	69	66

Notes: Q51: Thinking of physical access, distance, opening hours and the like, how would you describe your access to the following services? Can you access a) postal services; b) banking services; c) public transport facilities (bus, metro, tram, train etc.); d) cinema, theatre or cultural centre; e) recreational or green areas.

The figures are based on the responses ‘easily’ and ‘very easily’.

Source: *EQLS, 2012*.

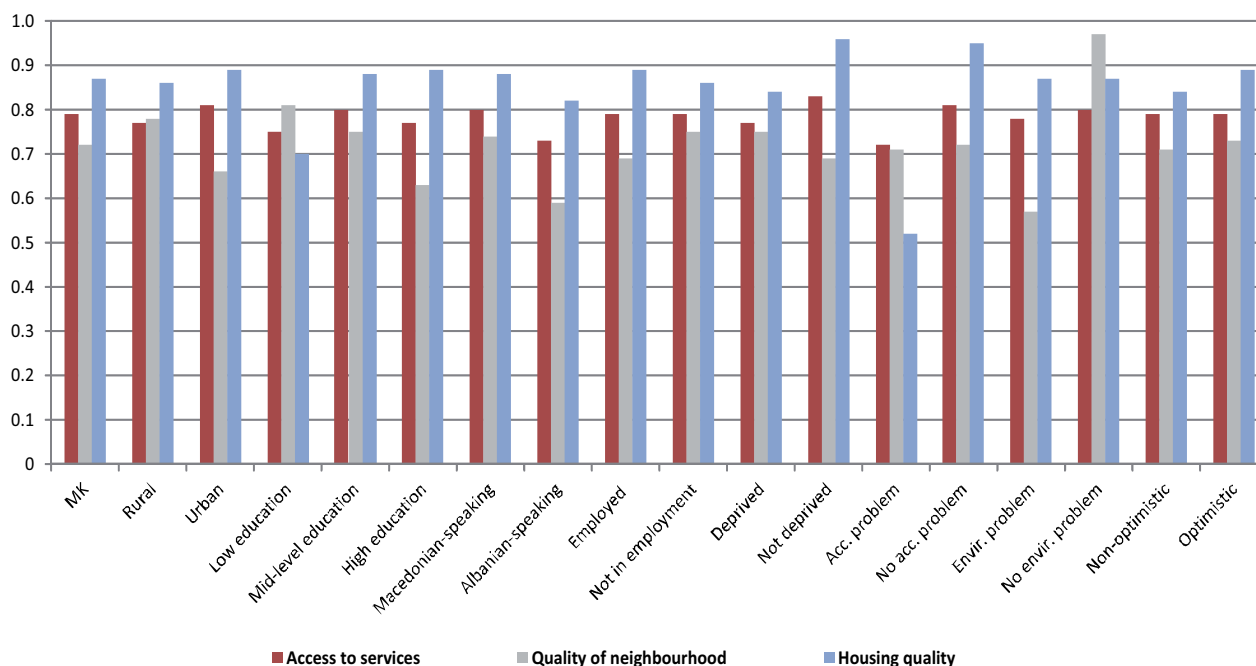
Equity lens

Income is the most influential factor on people’s vulnerability to housing problems; this includes monetary (income quartiles) and non-monetary (being materially deprived or unemployed) measurements. All but the highest income quartiles are vulnerable in terms of security of accommodation or accommodation problems. Deprived or unemployed respondents are among those most affected by accommodation problems.

Regarding immediate surroundings, vulnerable groups are determined by location and education level. Thus, rural location implies the highest constraints in terms of access to services, while urban location implies the highest exposure to environmental problems. A higher education level amplifies the perception of problems related to the immediate neighbourhood, while a lower education level makes accessing services more difficult.

Three of the composite indicators constructed through the fuzzy approach are relevant to the domain of housing and immediate neighbourhood: access to services (QL3), quality of neighbourhood (QL6) and housing quality (QL7). Figure 14 shows the level of these indicators by a series of selected control and output variables.

Figure 14: Composite indicators for access to services, quality of neighbourhood and housing quality, 2012 (scale 0–1)



Source: *EQLS, 2012*.

Composite indicators confirm the findings of the disaggregated analysis. For example, living in a rural area, as opposed to an urban one, constrains access to services and negatively impacts quality of housing. Environmental problems have more of an affect on quality of life for urban dwellers. In addition, being optimistic mitigates the effect of poor quality housing on life quality but has no influence when access to services or presence of environmental problems are considered. Ethnicity also counts, with the three indicators having more of a constraint on the quality of life of Albanian-speaking people than Macedonian-speaking people.

Implications of change

The EQLS data confirm that home occupancy is secure for a high proportion of respondents. There is also evidence of improvements in housing conditions and satisfaction with accommodation, to levels comparable to the EU28 average. However, low results were found for the quality of the immediate neighbourhood, possibly demonstrating insufficient attention by administrators to environmental issues, such as noise, air quality and drinking water quality, or urban planning issues, such as waste disposal and traffic regulation. Access to services is reasonable but still constrained by physical factors like distance or lack of transport networks, income and low educational attainment levels.

Context

The path of reforms that the national health system has taken since independence has been recently reviewed (Dimeski, 2011; Lazarevik et al, 2012). Research highlights waves of reforms since 1991, which are characterised, overall, by a lack of continuity and an excessive dependence on ruling political parties. Developed along two major strategies (in 1999 and 2010) and corresponding action plans, the effectiveness of the reform process has apparently been affected by the absence of appropriate impact and evaluation frameworks.

The health system grants to all citizens, by constitution, the right to free universal access to health protection. It is characterised by: a mixed provision of services by the public and private sector, with privatisation and concessions in primary healthcare; a centralised health insurance fund (HIF) along decentralised procurement procedures; a referral system; the co-payment for health services together with the implementation of exemptions granted according to age, sex and disease criteria; and a solidarity principle aimed to guarantee basic health rights to uninsured and vulnerable or disadvantaged groups. Despite the adoption in 2002 of a law on local self-government, local authorities do not yet play a major role in healthcare provision or management.

The period from 2006 to 2011 is defined as ‘manifesto-driven’ (Lazarevik et al, 2012). This is because high expectations were created (for example, on the reduction of co-payments) for a positive change in the sector. From 2006 onwards, the emphasis of reforms was on governance and management issues, as well as on the reorganisation of infrastructure, purchasing and pricing mechanisms. E-health was also at the top of the policy agenda.

Main findings

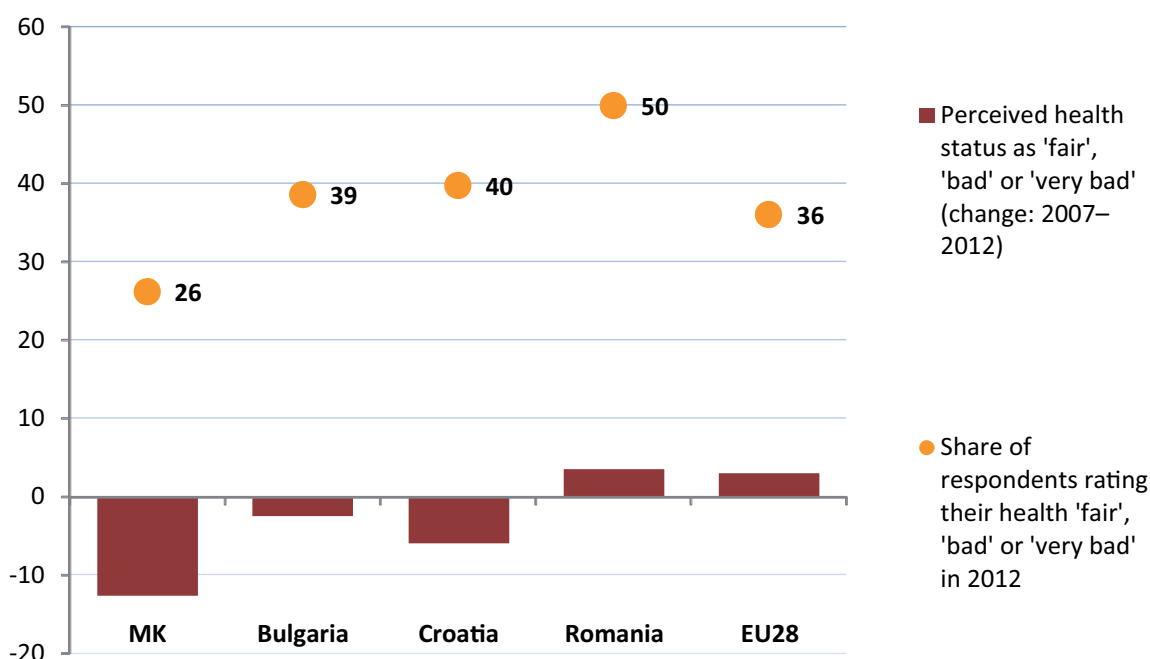
EQLS data contribute to the identification of the social determinants of health. These are ‘the conditions in which people are born, grow, live, work and age’ (World Health Organization, WHO). They are considered to be strictly linked to, and responsible for, health inequities and include, among other factors, housing, health services, education, water and sanitation, employment status, social and community relations. Health is one of the most important influencing variables of well-being. Therefore, the information provided by EQLS data, in the absence of similar national surveys, is extremely valuable for policymaking, primarily in assessing progress on subjective health and mental well-being.

Health status, health problems and mental well-being

Either due to enthusiasm generated by promises of change, or as a consequence of actual progress in health conditions, 2012 data on all the EQLS indicators related to perception of physical and mental health showed great improvement on 2007 figures.

Regarding health status, the country has the lowest proportion, across all compared countries, of respondents assessing their health fairly or negatively, with a decrease of 13 percentage points since 2007 (Figure 15). This positive pattern is the opposite of that for the EU28 but is in line with Bulgaria and Croatia.

Figure 15: Perceived health status by country, 2012 (%)



Notes: Q42: In general, would you say your health is...? The figures are based on the responses 'fair', 'bad' and 'very bad', in line with Eurofound, 2011.

Sources: *EQLS, 2007*; *EQLS, 2012*.

Improvement is uniformly reported across rural and urban areas (Table 11). In addition, disaggregated data confirm that the situation of women is worse than that of men (Eurofound, 2011) with a gender gap that is reducing in rural but not in urban areas. The share of people feeling 'fair', 'bad' or 'very bad' about their health status increases steadily with age and is negatively correlated with income. Furthermore, larger households have lower shares of respondents feeling 'fair', 'bad' or 'very bad' but this may just be a direct consequence of the higher average age of people living in one-member or two-member households. Finally, perceived health status is evidently correlated with life satisfaction, happiness and optimism, that is, subjective well-being (see Chapter 8).

Table 11: Perceived health status by group, 2007–2012 (%)

	2007	2012	Change		2007	2012	Change
MK	39	26	-13	Rural	37	26	-12
18–24 years	4	5	+1	Urban	40	26	-14
25–34 years	18	8	-10	Female, rural	43	32	-11
35–49 years	35	15	-20	Female, urban	46	32	-14
50–64 years	60	43	-17	Male, rural	32	26	-7
65+ years	77	64	-14	Male, urban	35	21	-14
Lowest income quartile	47	34	-13	HH size: 1	66	53	-13
2nd income quartile	45	32	-13	HH size: 2	64	39	-25
3rd income quartile	38	30	-8	HH size: 3	35	24	-10
Highest income quartile	32	28	-4	HH size: 4+	33	17	-16

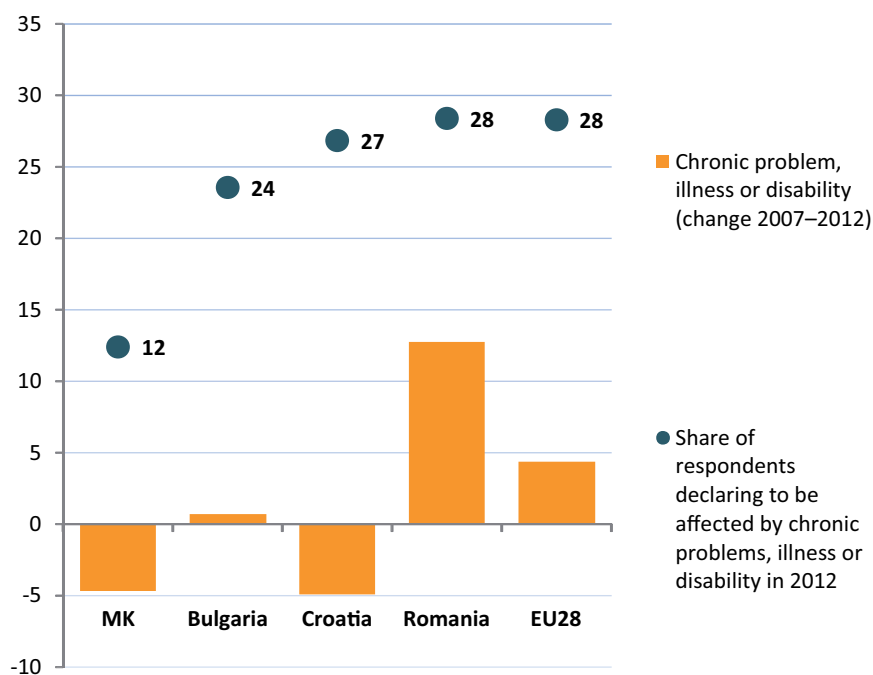
Notes: Q42, see Figure 15.

Share of respondents rating their health status as 'fair', 'bad' or 'very bad'.

Sources: *EQLS, 2007*; *EQLS, 2012*.

EQLS data show a reduction in chronic problems, illness or disability, with the sharpest decrease (by 11 percentage points) occurring for the age group 50–64 years and one-member households. This change is possibly due to the overall reduction in the cost of medicines, improvements in treatments and/or improved access to healthcare. Cultural or societal norms that impede reporting of disability status may also have contributed. Social groups most affected by chronic physical or mental health problems, illness or disability include one-member and two-member households (30% and 21%, respectively) and people aged 65 years and over (41%), with the two conditions often coinciding. Similar to the subjective assessment of health, income is slightly related to the incidence of illness and disability and women (16%) are more affected than men (9%).

Figure 16: *Incidence of chronic problems, illness or disability by country, 2007–2012 (%)*



Notes: Q43: Do you have any chronic (long-standing) physical or mental health problem, illness or disability? By chronic (long-standing) I mean illnesses or health problems which have lasted, or are expected to last, for 6 months or more. The figures are based on the response 'Yes'.

Sources: *EQLS, 2007*; *EQLS, 2012*.

Not surprisingly, and probably due to the country's population age structure, the respondents feel healthier than all compared countries in terms of declared chronic problems, illness or disability, with an average incidence of 12% (Figure 16). The country's rate is actually the lowest across all surveyed countries in Europe, after Kosovo (11%).

The country also shows one of the highest mental well-being indices in Europe: 68, with an increase of 14 points since 2007. The average index for the EU28 is 63, with Denmark outperforming all other countries with an index of 70. Mental well-being, as measured by the WHO's mental well-being index, has been found to be constrained by unemployment, poverty and social exclusion (Eurofound, 2013c). Indeed, in the former Yugoslav Republic of Macedonia, the poorest individuals have a low index score. This is probably due to the limited affordability of healthcare and medicines. However, ageing is also an important influencing factor, with the index decreasing steadily with increasing age (Table 12).

Table 12: *Mental well-being index by group, 2007–2012 (scale 1–100)*

	2007	2012	Change		2007	2012	Change
MK	54	68	+14	Rural	54	67	+13
18–24 years	67	83	+15	Urban	55	69	+15
25–34 years	61	73	+12	Female, rural	53	65	+12
35–49 years	52	70	+18	Female, urban	51	67	+17
50–64 years	50	62	+12	Male, rural	55	70	+14
65+ years	43	56	+13	Male, urban	58	71	+13
Lowest income quartile	48	60	+12	HH size: 1	42	60	+18
2nd income quartile	51	67	+17	HH size: 2	51	65	+14
3rd income quartile	57	68	+11	HH size: 3	55	70	+15
Highest income quartile	63	71	+8	HH size: 4+	56	70	+15

Notes: Q45: Please indicate for each of the five statements which is closest to how you have been feeling over the last two weeks: a) I have felt cheerful and in good spirits; b) I have felt calm and relaxed; c) I have felt active and vigorous; d) I woke up feeling fresh and rested; and e) My daily life has been filled with things that interest me. Each of the items has a six-point answer range from ‘all of the time’ (5) to ‘at no time’ (0). The total score is then multiplied by four to report it to a 0–100 scale, where 0 is the worst well-being and 100 the best well-being.

Sources: *EQLS, 2007; EQLS, 2012.*

Satisfaction with health

The country shows the highest level of satisfaction with health (7.7) across the compared countries and the EU28 average (7.3). In addition, the increase between 2007 and 2012, at 0.9, is the highest across all surveyed countries. Data from the 2010 EU-SILC on the level of satisfaction with health confirm these results; over 74% evaluated their health condition as ‘very good’ or ‘good’, and an additional 17% replied that their health condition was ‘satisfactory’.

Age is the most important factor influencing satisfaction with health (Table 13). Women show significantly lower levels of satisfaction than men, and women living in rural areas are less satisfied with their health than women living in urban areas. The correlation with income is not linear, though people in the highest income quartile are the most satisfied with their health.

Table 13: *Satisfaction with health by group, 2007–2012 (scale 1–10)*

	2007	2012	Change		2007	2012	Change
MK	6.8	7.7	+0.9	Rural	6.6	7.5	+0.9
18–24 years	8.7	8.8	+0.1	Urban	6.9	7.9	+1.0
25–34 years	8.2	8.7	+0.5	Female, rural	6.3	7.2	+0.9
35–49 years	6.8	8.2	+1.3	Female, urban	6.6	7.6	+1.0
50–64 years	5.9	6.9	+1.0	Male, rural	6.9	7.7	+0.8
65+ years	4.4	5.7	+1.3	Male, urban	7.2	8.2	+1.0
Lowest income quartile	6.5	7.1	+0.7	HH size: 1	4.8	6.3	+1.4
2nd income quartile	6.6	7.5	+0.9	HH size: 2	5.6	7.1	+1.5
3rd income quartile	6.6	7.1	+0.6	HH size: 3	6.9	8.1	+1.2
Highest income quartile	7.4	7.8	+0.4	HH size: 4+	7.1	8.0	+0.9

Notes: Q40, see Figure 1. Item f: Your health.

Sources: *EQLS, 2007; EQLS, 2012.*

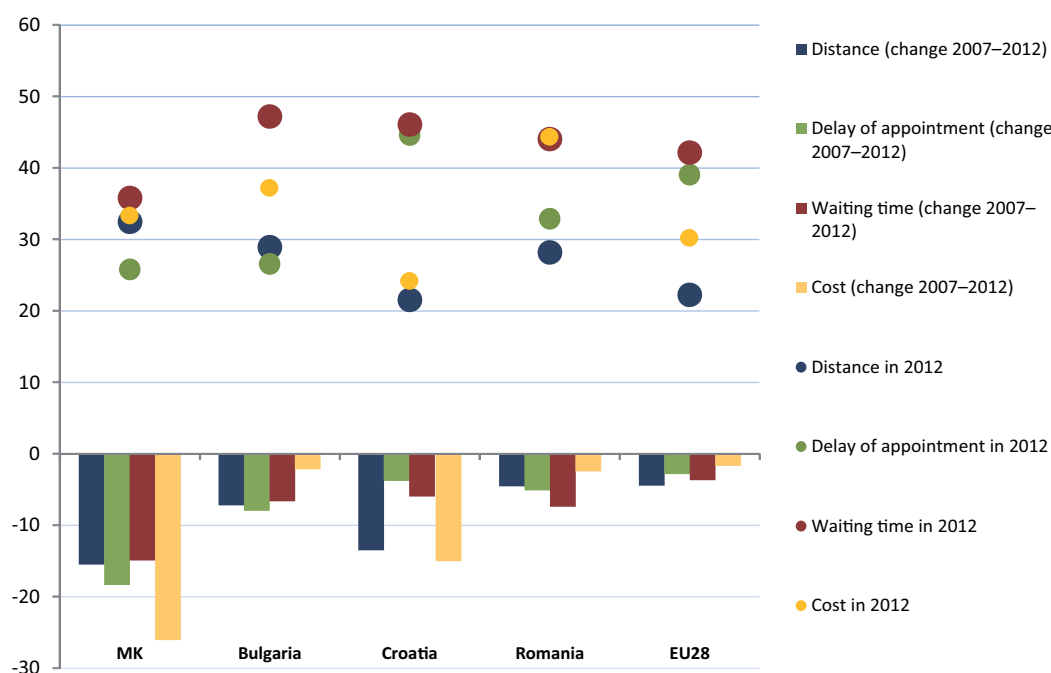
Health services: quality and access

While 2012 data show the country's level of satisfaction with health is high, perceived quality of health services is still significantly below the EU28 average of 6.3, despite the high increase of 0.8 in the quality rating since 2007. However, the country's score (5.6) is the highest across the countries to which it is compared in the region. Assessment of health quality does not differ significantly if disaggregated data are considered for gender, location, household size or age. A correlation between health quality assessment and household size and age exists, but differences in rating are limited.

Access to healthcare in the country improved substantially. Improvements are noted across all compared countries as well as in the EU28 but changes in the former Yugoslav Republic of Macedonia are by far more significant (Figure 17).

The share of those assessing access as 'a little difficult' or 'very difficult' decreased for all considered factors, namely distance, delay, waiting time and cost. In 2012, waiting time, cost and distance almost equally limit access to health services for approximately one-third of the respondents (from 32% to 36%, depending on the factor). Within the region, the country performs well in terms of waiting times and delays in getting an appointment. Cost is a problem commonly shared with Bulgaria and Romania, but distance is a country-specific constraining factor as respondents in all the other compared countries are not so affected by it. Privatisation and concession of primary healthcare, as well as an increase in the number of healthcare workers, are likely to have contributed to the lessening of distance as an obstacle since 2007. However, the cost of private healthcare is undermining its accessibility to all citizens. In addition, secondary and tertiary care services continue to be concentrated in the capital, Skopje.

Figure 17: Factors constraining access to healthcare by country (%)



Notes: Q47: On the last occasion you needed to see a doctor or medical specialist, to what extent did each of the following factors make it difficult or not for you to do so? Factors: a) distance to doctor's office / hospital / medical centre; b) delay in getting appointment; c) waiting time to see doctor on day of appointment; and d) cost of seeing the doctor. The figures are based on the responses 'a little difficult' and 'very difficult'.

Sources: *EQLS, 2007; EQLS, 2011.*

The proportion of respondents indicating cost as a constraining factor decreased significantly, by 26 percentage points, between 2007 and 2012. Several initiatives may have contributed to this improvement: the prices of medicines were made public, a reference price system for pharmaceuticals was introduced, and the list of medicines, the cost of which is covered by the HIF under the mandatory health insurance, increased to include virtually all chronic diseases (Ministry of Health). In addition, the government enabled patients who benefit from mandatory health insurance to obtain medical care in private institutions and be compensated for the amount spent at the cost of the same intervention in a public healthcare facility. However, according to the WHO's global health expenditure database, out-of-pocket expenditure as a share of total health expenditure increased from 35% in 2007 to 36% in 2012. This is possibly because the number of insured people steadily decreased between 2007 and 2012, despite changes in the law to introduce universal citizenship-based health insurance (Milevska Kostova, 2013).

The use of information and communications technology (ICT) has been an important factor in the positive change regarding health services accessibility. An online platform has made it possible to schedule medical check-ups and specialist exams. According to the website for the HIF, the introduction of e-health cards is expected to bring about even greater improvement in processing and administration practices as well as in waiting times.

Equity lens

Within this domain, people aged 50 years and over shared the poorest perceptions regarding health conditions (health status, mental health and satisfaction with health). Health conditions are age-related, with people aged 65 years and over being worse off compared to other social groups. In fact, these individuals show the lowest levels on the mental health index and regarding satisfaction with health; a substantial gap exists between their satisfaction and that of other groups. Older people also have the highest share of people negatively perceiving their health status and being affected by chronic problems, illness or disability. Nevertheless, older people also experienced important improvements between 2007 and 2012, the only exception here being a slight increase in the incidence of chronic problems, illness or disability. Women, in general, have a more negative perception of their health than men.

The influence of age is confirmed by analysing the composite indicator for 'health' according to a series of control and output variables. Those aged 65 years and over are among the most vulnerable, together with people with low education levels and one-member households. Low scores for this indicator also characterise people who are not optimistic and those with accommodation problems. Gender differences are also captured here.

Implications of change

Some of the main challenges identified in the white paper *Together for health: A strategic approach for the EU 2008–2013* do not seem to apply to the country as they do to several EU Member States, in particular with regard to ageing-related problems or increasing (declared) incidence of chronic diseases. Cost is limiting access to healthcare but distance also plays an important role. This is relevant information as physical barriers to healthcare are often worse for disadvantaged groups or people in vulnerable situations. As highlighted by the European Commission's *Social investment package – Investing in health*, 'healthcare coverage can help reduce poverty' (European Commission, 2013a).

Context

The public administration suffers from low levels of accountability and transparency. There is a high politicisation of public and civil servants at both central and local levels along with a low public awareness of the right to access information (European Commission, 2013b). Adopted in 2001, the Code of Ethics for Civil Servants is not fully enforced. As the decentralisation process is still incomplete, it is mostly ineffective in improving service delivery, with the possible exception of education. Constraints relate to both service delivery infrastructure and human resource capacities.

Main findings

EQLS data focus on the subjective assessment of the quality of services that can have a significant impact on the quality of life of citizens. Childcare and long-term care are essential to fair and equal access to the labour market by active people, women in particular. Also, social housing and the pension system are critical to ensuring a basic standard of living for vulnerable categories and retired people. EQLS information adds to existing, complementary sources that also explore governance and public service delivery, such as the life in transition surveys by the EBRD and the World Bank.

Between 2007 and 2012, there was a significant improvement in the country in terms of overall perception of quality of public services. Chapter 5 discussed perceived quality of health services and Chapter 3 addressed the education system; both highlighted an increase in perceived quality. The same pattern applies to the quality of childcare services, long-term care services and the state pension system (Table 14).

Table 14: *Perceived quality of services by group, 2007–2012 (scale 1–10)*

	Quality of childcare			Quality of long-term care			Quality of pension system			Quality of social housing
	2007	2012	Change	2007	2012	Change	2007	2012	Change	2012
MK	4.9	6.2	+1.4	4.6	5.2	+0.6	4.6	6.0	+1.5	4.8
Rural	4.8	6.1	+1.3	4.8	5.1	+0.3	4.5	6.0	+1.5	4.6
Urban	4.9	6.3	+1.5	4.4	5.3	+0.9	4.6	6.1	+1.5	4.9
Male	4.9	6.2	+1.3	4.6	5.3	+0.8	4.6	6.1	+1.5	4.8
Female	4.8	6.3	+1.4	4.6	5.1	+0.5	4.6	6.0	+1.5	4.7
18–24 years	5.2	6.1	+0.8	5.1	5.4	+0.3	5.0	5.9	+0.9	5.2
25–34 years	5.1	6.3	+1.2	4.6	5.3	+0.7	4.6	5.9	+1.3	4.8
35–49 years	4.4	6.0	+1.6	4.3	5.0	+0.7	4.2	5.9	+1.7	4.7
50–64 years	5.1	6.4	+1.3	4.7	5.4	+0.7	4.5	5.9	+1.4	4.6
65+ years	4.8	6.7	+1.9	4.5	5.1	+0.6	4.9	6.6	+1.8	4.8
HH size: 1	5.6	6.6	+1.0	4.1	5.4	+1.3	5.0	6.6	+1.7	4.5
HH size: 2	5.3	6.7	+1.4	4.6	5.0	+0.3	4.6	6.4	+1.7	4.6
HH size: 3	4.8	6.2	+1.3	4.4	5.2	+0.8	4.5	5.8	+1.3	4.7
HH size: 4+	4.7	6.1	+1.3	4.6	5.3	+0.6	4.5	5.9	+1.3	4.9
Low education: at most primary	4.4	6.3	+1.9	5.2	5.1	-0.1	4.3	7.1	+2.8	4.9
Mid-level education: second level	4.9	6.4	+1.4	4.5	5.3	+0.8	4.6	6.2	+1.6	4.8
High education: tertiary	5.1	6.0	+1.0	4.4	5.1	+0.7	4.9	5.6	+0.7	4.6

Notes: Q53, see Figure 9. Items: d) Childcare services; e) Long-term care services; f) Social/municipal housing; g) State pension system.

Sources: *EQLS, 2007*; *EQLS, 2012*.

Childcare services

The average rating for the quality of childcare services had improved by 1.4 points to 6.2 in 2012, the same level found on average in the EU28. As was the case with education, the country started with a very low quality rating of the system in 2007 (4.9) (Table 14).

Some of the social groups that are more likely to use childcare services, in particular people aged 18–49 years and households with three or more members, rate quality of childcare around or below the average level. Regarding using childcare services, EQLS data show that in 2012 only 10% of the respondents used them directly while another 10% knew someone who was close to them but outside their household who used them. In fact, the country has one of the lowest pre-school education enrolment rates: in 2012, the enrolment rate for children aged 3–6 years was 26%, and while the number of kindergarten staff increased, the number of kindergarten facilities remained largely unchanged (UNICEF unpublished data obtained by I. Talev). The 2011 Multiple Indicator Cluster Survey (MICS) data online show that access to early childhood development centres increased from 11% in 2005 to 22% in 2011, but for Albanian and Roma children enrolment rates in early childhood care are only 3% and 4%, respectively. Finally, EQLS data indicate that availability, cost and quality constrain reliance on childcare services more than accessibility (Table 15).

Table 15: *Factors constraining access to childcare and long-term care, 2012 (%)*

	Childcare services			Long-term care		
	Very difficult	A little difficult	Not difficult at all	Very difficult	A little difficult	Not difficult at all
Cost	17	38	45	31	47	22
Availability (e.g. waiting lists, lack of services)	18	38	44	37	41	22
Access (e.g. because of distance or opening hours)	11	36	54	21	43	37
Quality of care	12	41	46	22	54	25

Notes: Q55: To what extent did each of the following factors make it difficult or not for you, or someone close to you, to use childcare services?

Q56: To what extent did each of the following factors make it difficult or not for you, or someone close to you, to use long-term care services?

Source: *EQLS, 2012*.

Long-term care services

Long-term care in the country is provided through an institutionalised system and community-based assistance (Apostolka and Gulija, 2012). It is available for older people, people with disabilities and deprived social groups. Provision of services to these vulnerable categories is framed within the National Strategy for Elderly People 2010–2020, adopted in 2010 and focusing on those aged 65 years and over.

The average rating for the quality of long-term care increased from 4.6 in 2007 to 5.2 in 2012. The 2012 value is the same as that found in Croatia, which is below the EU28 average (5.8) but above the average ratings for Bulgaria (3.8) and Romania (4.6). The highest improvement is for respondents living in urban areas (+0.9) and for one-member households (+1.3). There are no major differences in the 2012 rating across the society. Since 2010, social policies were adopted focusing on the older population in general and on long-term care in particular. This may explain the slight increase in the level of satisfaction with these services, even if the full implementation of the 2010 policies is yet to come.

EQLS data further show that in 2012, only 5% of respondents used long-term care services directly, while another 5% knew of someone close but outside the household who used such services. As was the case with childcare services, availability, cost and quality constrain reliance on long-term care services more than accessibility (Table 15). Unlike childcare services, however, these three factors limit a much higher proportion of respondents as regards long-term care

(ranging from 76% to 78%, based on the responses ‘very difficult’ and ‘a little difficult’), which may explain the very low levels of use of the service.

Pension system

The last report by ASISP (Analytical Support on the Socio-Economic Impact of Social Protection Reforms), the independent expert network set up by the European Commission, indicates that ‘pensions provide an important buffer against poverty, helping around 11% of the population to stay above the poverty line’ (Apostolka and Gulija, 2012).

Data from the EQLS show a significant improvement in the quality rating of the pension system since 2007 (+1.5). The average score at country level in 2012 (6.0) is much higher than in all countries to which it has been compared here, as well as the EU28 (4.8). This positive assessment by respondents may be explained by the fact that there have been a number of changes in the state pension system through the new regulations on investment funds (Official Gazette No. 29/2007) and the creation of a mixed-pillars system. The reform was initiated in 2000 but implementation began in January 2006 (Center for Research and Policy Making, 2007). Therefore, at the time of the second EQLS, the main benefits were probably not yet felt and knowledge and expectations regarding the reform process were probably lower than they were in 2012. The net pension earnings per household increased by nearly 41% between 2007 and 2012 while the average pension increased by some 39% over the same period.

Social housing

The country’s average score for quality of social housing in 2012 was lower (4.8) than the EU28 average (5.4) but higher than values found in the compared countries (3.4 in Bulgaria, 4.1 in Romania and 4.3 in Croatia). As noted in Chapter 4, social housing has been addressed by policy reforms, with new dwellings built since 2009. This may explain the relatively higher score in the region.

Equity lens

Highly educated people rank quality of public services lower than most of the other groups. In general, however, for each service considered, scores are rather even between social groups. Analysis of the composite indicator QL4, ‘quality of public services’, which includes health services and the education system, confirms that perceived quality is not affected by gender or location. Employment status and experience of deprivation have a limited influence on the subjective assessment of quality of services. Level of education and quality of the immediate neighbourhood do make a difference but what counts most is the ethnicity of respondents. Albanians perceive the quality of public services as being significantly lower than other social groups.

Implications of change

With the exception of Albanian-speaking people, no other vulnerable group has not experienced an improvement in the perceived quality of public services. However, there is evidence that basic services such as childcare and long-term care are in short supply. The fact that people with a higher education level give a lower score to the quality of public services implies that this group are more critical. This may potentially lead to the further improvement of the delivery system as it will become driven by demand.

Tensions, trust and quality of society 7

Context

Inter-ethnic relations are a source of tension in the daily life of citizens. Another problem that has plagued the country over the years is that of corruption, though the situation has been steadily improving. In Transparency International's most recent corruption perceptions index (2013), the country came 67th out of 177 on this factor, with a score of 44 out of 100. The country's position has improved since 2007 when it was ranked 84th with a score of 33 out of 100. There have been a number of changes in anti-corruption legislation, several high-profile corruption-related trials, and efforts have been made to raise the profile of the anti-corruption watchdog agency. However, the progress that has occurred since 2007 has stalled and expectations for further improvement in the ranking have not materialised.

On fairness and functioning of the society, in 2006, as part of the reform of the public administration, the country committed itself to introducing and implementing the regulatory impact assessment (RIA) methodology, with a view to improving effectiveness of regulations, measuring impact of policies, increasing transparency through consultation, and enabling government accountability. The legal framework for RIA was approved in early 2008 and since 2009 ministries have been obliged to apply RIA when proposing legislation (Analytica, 2010). But it is only since July 2013 that the assessment process has been harmonised with EU and OECD member practice, leaving the measurement of the impact of improved governance on enterprises, civil society and citizens to future assessments.

Main findings

EQLS data complement existing information on tension though data on the more general attitude of the population towards foreigners. Trust is assessed among people and with respect to some main institutions. As a measurement of the engagement of individuals within the society, EQLS data provide insights into the level and type of involvement, for example through volunteering or activism, as well as into feeling socially excluded and satisfaction with one's social life.

This comprehensive picture on perceptions related to societal relationships adds to other existing and complementing sources, which also explore the fields of corruption and trust, such as the Life in Transition surveys by the EBRD and the World Bank.

Tensions

Tensions in society have diminished greatly between most social groups. Decreases in the proportion reporting at least some social tension were found regarding tension between the rich and the poor, which dropped by nine percentage points, between workers and management, which dropped by 11 points, between men and women, which dropped by 16 points, and between young and older people, which dropped by 11 points. However, little was done to quell ethnic tension in the country, between the two EQLS waves. In fact, this tension continues to be high and increased by four percentage points between 2007 and 2012. As many as 89% of Macedonians and 76% of Albanians think there is at least some tension, but more Albanians think that there is a lot of tension (56%) compared to Macedonians (41%). Given that there is a religious difference between the ethnic communities, religious tensions are expectedly high with 83% of respondents thinking there was at least some tension in 2012, an increase of almost two percentage points since 2007.

Tolerance seems to have decreased slightly. When asked about people coming from other countries, only 16% approve of letting anyone who wants to come to the country (with a decrease of seven percentage points since 2007). In addition, 45% consider the arrival of new people subject to availability of jobs, while 39% of respondents are either in favour of strict limits on the number of foreigners willing to work and live in the country, or of an outright prohibition. Immigrants are also considered to be somewhat of a burden on the welfare system of the country; here there was an average score of 4.2 on a scale of 1–10 where 1 means that immigrants are a strain to the welfare system and 10 means that immigrants contribute more to the system than they take out. Furthermore, some feel that immigrants undermine the culture of the country; here, the average score was 4.6 on a scale of 1–10 scale, where 1 means that the country's culture is undermined by immigrants and 10 means that that the country's culture is enriched by immigrants.

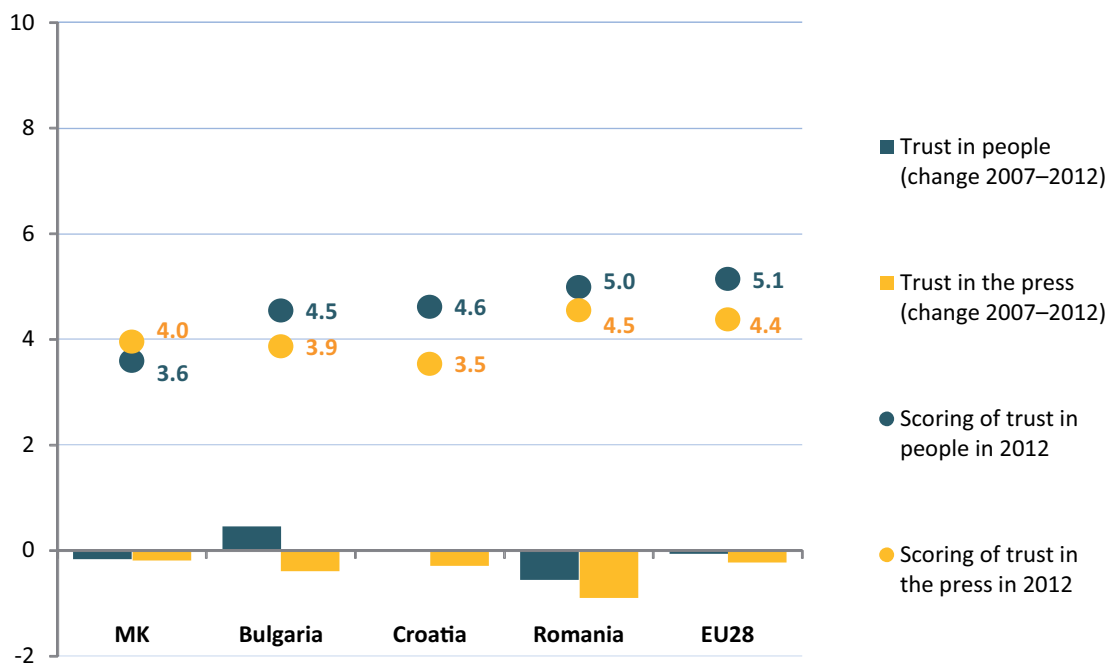
Trust

As summarised in Eurofound (2011), the research literature clearly points to trust as an aspect of social capital that relates to people’s ‘fair behaviour in obeying rules’ or to institutions’ capacity to function effectively and hence to deliver services. Levels of trust in people and in the press are decreasing in the country, while trust in institutions is increasing. The latter, including the significant size of the change, is not aligned to what is observed in the countries to which it is compared.

Trust in people has decreased since 2007, down to 3.6, widening the gap with Bulgaria (4.5) and Croatia (4.6), where trust in people increased. It remains well below the level of the EU28 (5.1), where trust in people also decreased (Figure 18). Disaggregated data confirm that the level of trust in people is low across all sections of society (Eurofound, 2013c) but the unemployed and uneducated people as well as those aged 50–64 years show lower levels (in the range of 3.2 to 3.3). These are, in fact, among the vulnerable categories identified in the analysis of previous quality of life domains. It may therefore be hypothesised that a certain degree of pessimism is causing distrust.

The decrease in the level of trust in the press is common to all compared countries and to the EU28. However, in the former Yugoslav Republic of Macedonia it was probably influenced by an alleged attack by the ruling coalition on private media that led, in 2011, to a parliamentary crisis.

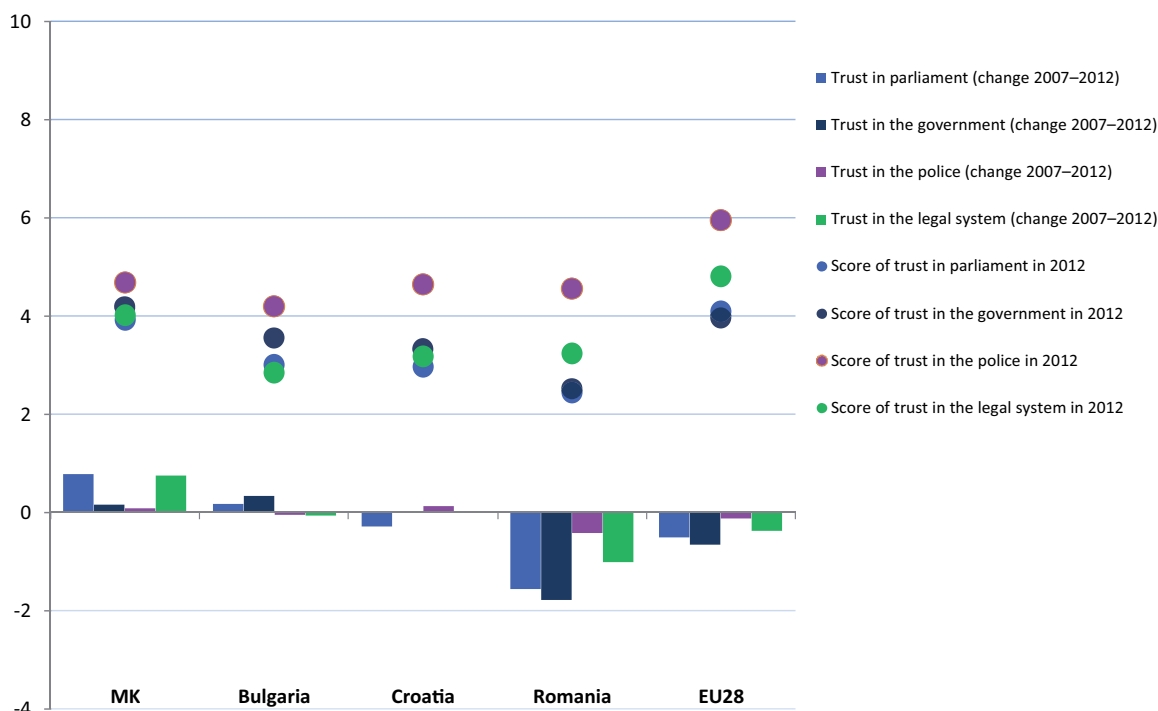
Figure 18: Trust in people and in the press: country comparisons (scale 1–10)



Notes: Q24: Generally speaking, would you say that most people can be trusted, or that you can’t be too careful in dealing with people? Please tell me on a scale of 1 to 10, where 1 means that you can’t be too careful and 10 means that most people can be trusted. Q28: Please tell me how much you personally trust each of the following institutions. Please tell me on a scale of 1 to 10, where 1 means that you do not trust at all, and 10 means that you trust completely. Item c: The press. Sources: *EQLS, 2007; EQLS, 2012.*

The positive change in trust in institutions (Figure 19) is in line with the increasing positive perception of quality of public services (Chapter 6). In particular, the country experienced the highest increase across all surveyed countries for trust in the parliament (+0.8) and in the legal system (+0.8); regarding the parliament, its trust level of 3.9 was comparable to the EU28 average of 4.1. Trust in government (4.2) is above the levels of all other countries in comparison, including the EU28 (4.0). However, it is to be noted that in 2012 Albanian-speaking respondents reported much lower levels of trust in institutions than the country’s average. Trust in government for Albanians was as low as 2.8 versus the country’s average of 4.2; trust in the parliament was 3.0 (the average being 3.9), in the police 3.1 (the average being 4.7) and in the legal system 2.8 (the average being 4.0).

Figure 19: Trust in institutions: country comparisons (scale 1–10)



Notes: Q28, see Figure 18. Items: a) Parliament; b) The legal system; d) The police; e) The government.
Sources: *EQLS, 2007*; *EQLS, 2012*.

Participation and social exclusion

The country's society is characterised by low levels of activism with participation varying according to the type of activity. In fact, the use of the internet is almost a daily activity for 72% of respondents. Physical activity is also recurrently practiced by a fair share of people (24%) while only 9% attend religious activities and 13% attend social activities. Additionally, there are low levels of volunteerism in community and social services (less than 15%) as well as in social movements or charities (less than 13%). Notably, 18% of the population performed some volunteer work for political parties or trade unions, which is the highest share across all surveyed countries except Kosovo. This is presumably due to the existing high degree of politicisation and the linking of employment and job promotion to political party affiliation and political activism. This politicisation is reported on regularly in the European Commission's progress reports.

Perceived social exclusion in the country decreased between 2007 and 2012, with the average social exclusion index reaching 2.4 in 2012. This level is similar to those found in Croatia and Romania but above the EU28 average of 2.2 (Bulgaria has a relatively high index of 2.7). Disaggregated data show that social exclusion is significantly higher for the unemployed people, those in the lowest income quartile and those with lower education levels (Table 16). No clear relations exist between social exclusion and age or household size.

Table 16: *Perceived social exclusion by group, 2007–2012 (scale 1–5)*

	2007	2012	Change		2007	2012	Change
MK	2.7	2.4	-0.2	18–24 years	2.2	2.2	0.0
Rural	2.5	2.5	-0.1	25–34 years	2.6	2.4	-0.2
Urban	2.8	2.4	-0.4	35–49 years	2.9	2.5	-0.4
Male	2.7	2.4	-0.3	50–64 years	2.7	2.5	-0.2
Female	2.6	2.4	-0.2	65+ years	2.6	2.4	-0.2
Employed	2.6	2.3	-0.2	HH size: 1	2.9	2.4	-0.5
Unemployed	3.1	2.8	-0.3	HH size: 2	2.8	2.3	-0.5
Retired	2.6	2.4	-0.2	HH size: 3	2.7	2.4	-0.3
Homemaker	2.5	2.6	+0.1	HH size: 4+	2.6	2.5	-0.1
Student	2.0	2.2	+0.1	Lowest income quartile	3.1	2.8	-0.3
Low education: at most primary	2.7	3.0	+0.3	2nd per capita income quartile	2.6	2.4	-0.2
Mid-level education: second level	2.7	2.4	-0.3	3rd per capita income quartile	2.6	2.4	-0.3
High education: tertiary	2.3	2.4	+0.1	Highest income quartile	2.5	2.2	-0.3

Notes: The social exclusion index is calculated as an average score based on an assessment of four statements found in Q29: 1) I feel left out of society (item 'e' of the question); 2) Life has become so complicated today that I almost can't find my way (item f); 3) I feel that the value of what I do is not recognised by others (item g); 4) Some people look down on me because of my job situation or income (item h). The index ranges from 1 to 5, where 1 means the maximum integration and 5 means the maximum exclusion (Eurofound, 2013a).

Sources: *EQLS, 2007; EQLS, 2012.*

Satisfaction with social life

Satisfaction with social life also increased substantially (by 1.2 in 2007 to 6.8 in 2012), to a level comparable with Croatia (6.9) but below the EU28 (7.3) and Romania (7.4). The country's increase is the highest among all countries surveyed in Europe. Men (7.0) are slightly more satisfied than women (6.7), as are respondents living in urban areas (7.0) compared to those living in rural areas (6.7). In addition, the level of satisfaction with social life is inversely proportional to age and directly proportional to education level, with poorly educated respondents having a very low level of satisfaction (4.8). Finally, one-member households show a lower than average satisfaction level (6.3), as older people tend to live in such households.

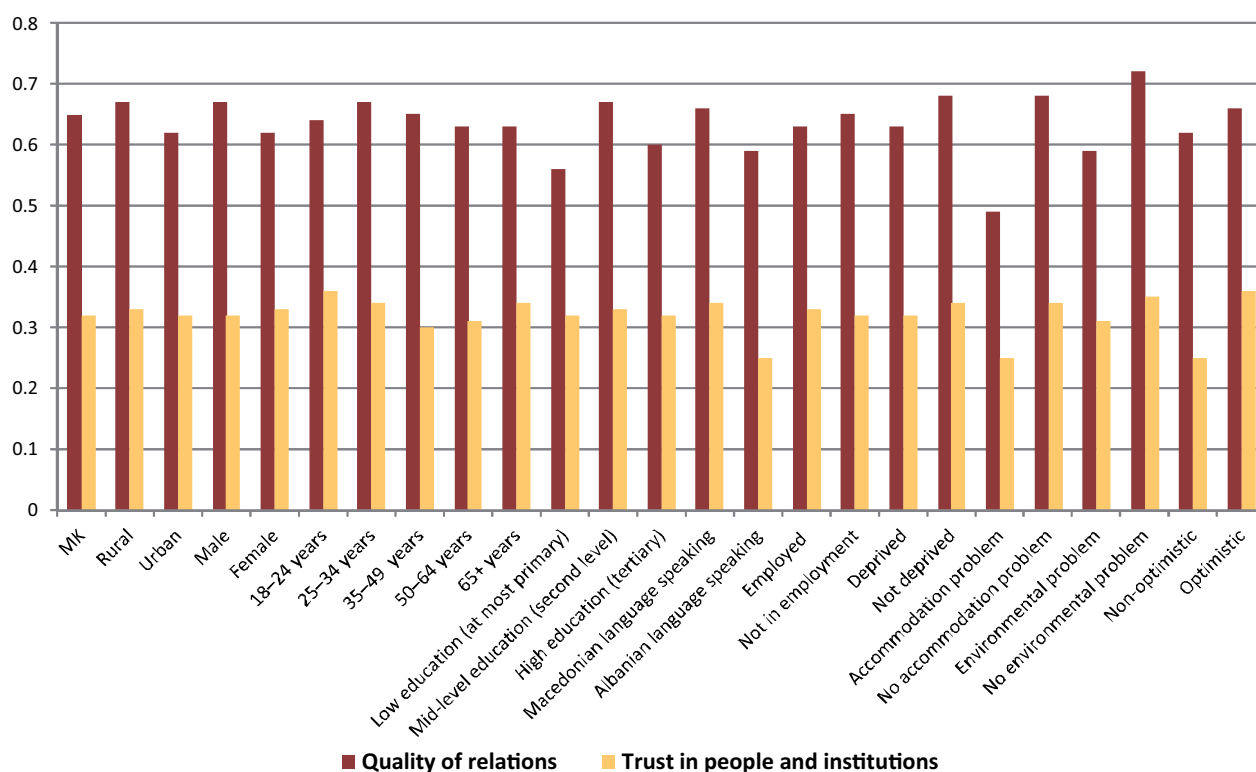
Equity lens

Social exclusion has more of an affect on individuals with low levels of education, the unemployed and the poorest people. A low educational attainment level also negatively influences the level of satisfaction with social life.

Tension and trust aspects have been constructed into two composite indicators: QL1, 'quality of relations' and QL2, 'trust in people and institutions' (Figure 20). In general, it is noted that quality of life in the country is constrained more by low levels of trust than by the quality of relations among different social and ethnic groups (reference is to the lower values of QL2).

The analysis of QL1 according to a series of selected control and output variables provides further insights into which social groups are more affected by the quality of relations. Strained relations (tension) are perceived by people living in urban areas more than those in rural areas, by Albanian-speaking more than Macedonian-speaking people, and by people with low levels of education or with problems with their accommodation and the quality of the immediate neighbourhood more than others. The analysis of QL2 shows that the following social groups have their life quality constrained the most by low levels of trust: Albanian-speaking people, people with accommodation problems and those who are not optimistic.

Figure 20: Composite indicators for quality of relations and trust in people and institutions (scale 0–1)



Source: EQLS, 2012.

Implications of change

Social tension appears to be embedded in society in the former Yugoslav Republic of Macedonia. This is reflected not only in the high levels reported but also in a rather negative attitude of respondents towards foreigners or immigrants. Conflicts at policy level between representatives of the different ethnicities add to this problem. Trust is another sensitive issue in the country and according to EQLS findings it affects more Albanian-speaking than Macedonian-speaking people. On average, relationships between people are viewed as more problematic than people's relationships with institutions. This may appear to be a contradiction but in fact it reflects the generally positive perception of reforms and changes that are occurring within institutions. The decreasing level of trust in the press is important for policymakers to consider since it could cause increased dissatisfaction among citizens.

Subjective well-being 8

Context

Subjective well-being is not on the government agenda. Neither is happiness explicitly part of the government rhetoric. Following the European Commission's 2007 'Beyond GDP' conference, a high-level political consensus was reached internationally on the need for change in measuring progress and development in a modern society, where non-economic factors, such as social and environmental aspects, also add to well-being. From the EU perspective, the policy framework is set by the European Commission Communication 'GDP and beyond: Measuring progress in a changing world', released in 2009, which outlines a roadmap towards the development or improvement of indicators able to capture citizens' concerns. From a policy perspective, measuring subjective well-being is expected to become increasingly central to public policymaking and to the appraisal of policy interventions.

Main findings

Subjective well-being is one way to measure society's progress. In line with previous Eurofound reports, it is analysed by means of three indicators: life satisfaction, happiness and optimism (Eurofound, 2011; Eurofound, 2013c). UNICEF's MICS survey measured these aspects for the first time in 2011 but with a limited focus on women aged 15 to 24 years. Since 2008, the UNDP has also financially supported the regular undertaking of surveys related to, among other social areas, life satisfaction. However, EQLS data remain the most comprehensive reference for subjective well-being indicators.

Overall, EQLS data reveal a positive change in the country's subjective well-being since 2007. In addition, it is confirmed from previous research (Eurofound, 2013a) that health, income, unemployment and age have the most significant association with subjective well-being (Table 17).

Table 17: *Well-being indicators by group, 2007–2012 (scale 1–10, %)*

	Life satisfaction (1–10)			Happiness (1–10)			Optimism (%)		
	2007	2012	Change	2007	2012	Change	2007	2012	Change
MK	5.2	6.7	+1.5	6.3	7.2	+0.9	58	65	+8
Rural	5.2	6.7	+1.5	6.1	7.0	+0.9	57	66	+10
Urban	5.3	6.7	+1.5	6.4	7.3	+0.9	59	64	+6
Male	5.3	6.6	+1.3	6.3	7.1	+0.8	59	68	+8
Female	5.2	6.7	+1.6	6.2	7.2	+1.0	56	63	+7
Employed	5.7	6.9	+1.2	6.8	7.5	+0.6	62	72	+10
Unemployed	4.0	5.7	+1.7	5.5	6.6	+1.1	52	55	+3
Retired	5.1	6.4	+1.3	6.0	6.5	+0.4	52	51	-1
Homemaker	5.1	6.6	+1.5	5.5	6.8	+1.3	46	55	+9
Student	7.1	7.6	+0.5	7.8	8.2	+0.4	86	86	0
18–24 years	6.2	7.5	+1.2	7.1	8.1	+1.0	76	83	+6
25–34 years	5.5	7.1	+1.6	6.9	7.7	+0.8	65	77	+12
35–49 years	5.0	6.6	+1.7	6.0	7.3	+1.3	53	68	+15
50–64 years	4.8	6.1	+1.3	5.8	6.6	+0.8	47	51	+4
65+ years	5.0	6.4	+1.4	5.6	6.2	+0.6	53	50	-3
HH size: 1	5.1	6.1	+1.0	5.2	6.1	+0.9	45	51	+6
HH size: 2	5.2	6.8	+1.6	5.9	6.9	+1.0	52	65	+13
HH size: 3	5.1	6.7	+1.7	6.2	7.4	+1.2	60	69	+9
HH size: 4+	5.3	6.7	+1.4	6.4	7.4	+1.0	59	67	+8

	Life satisfaction (1–10)			Happiness (1–10)			Optimism (%)		
	2007	2012	Change	2007	2012	Change	2007	2012	Change
Lowest income quartile	3.9	5.4	+1.5	5.3	6.1	+0.8	51	51	+1
2nd per capita income quartile	5.2	6.4	+1.1	6.3	7.0	+0.7	56	63	+7
3rd per capita income quartile	5.3	6.9	+1.6	6.3	7.3	+0.9	59	69	+10
Highest income quartile	6.3	7.2	+0.9	7.2	7.5	+0.2	65	71	+6

Notes: Q30: All things considered, how satisfied would you say you are with your life these days? Please tell me on a scale of 1 to 10, where 1 means very dissatisfied and 10 means very satisfied.

Q41: Taking all things together on a scale of 1 to 10, how happy would you say you are? Here 1 means you are very unhappy and 10 means you are very happy.

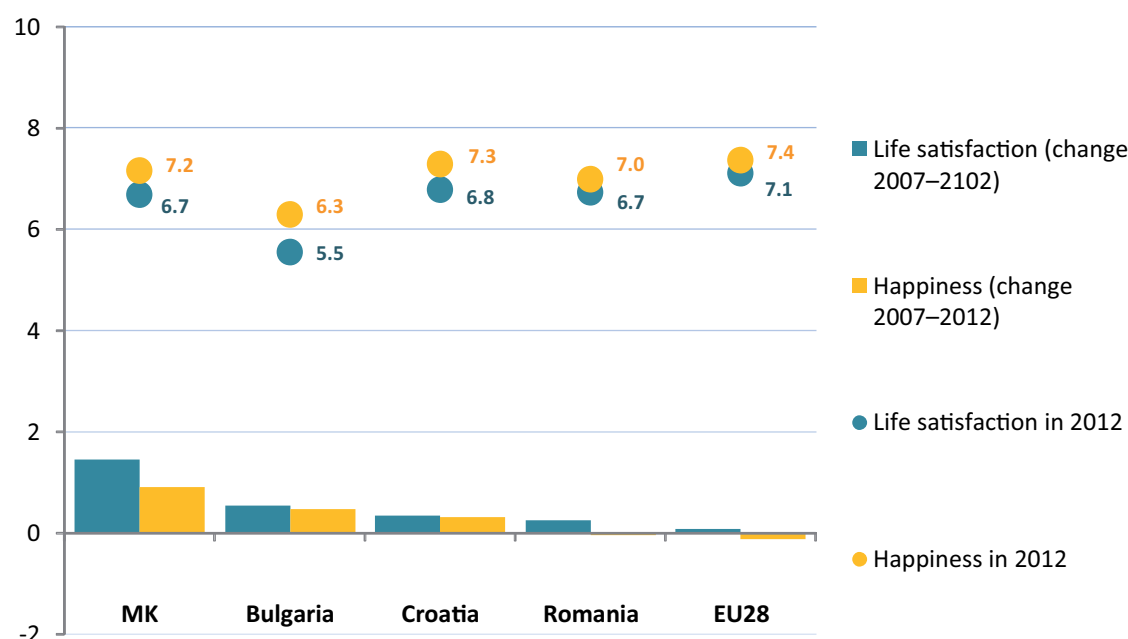
Q29a: Please tell me whether you strongly agree, agree, neither agree or disagree, disagree or strongly disagree with each statement. Item a: I am optimistic about the future. The figures are based on the responses ‘agree’ and ‘strongly agree’.

Sources: *EQLS, 2007; EQLS, 2012.*

Life satisfaction

Life satisfaction in the country has improved by 1.5, which is the largest increase across all surveyed countries. The 2012 score of 6.7 is comparable to the level of life satisfaction in Croatia (6.8) and Romania (6.7). However, despite a clear improvement, all countries in comparison find themselves below the EU28 average of 7.1 (Figure 21).

Figure 21: *Life satisfaction and happiness: country comparisons (scale 1–10)*

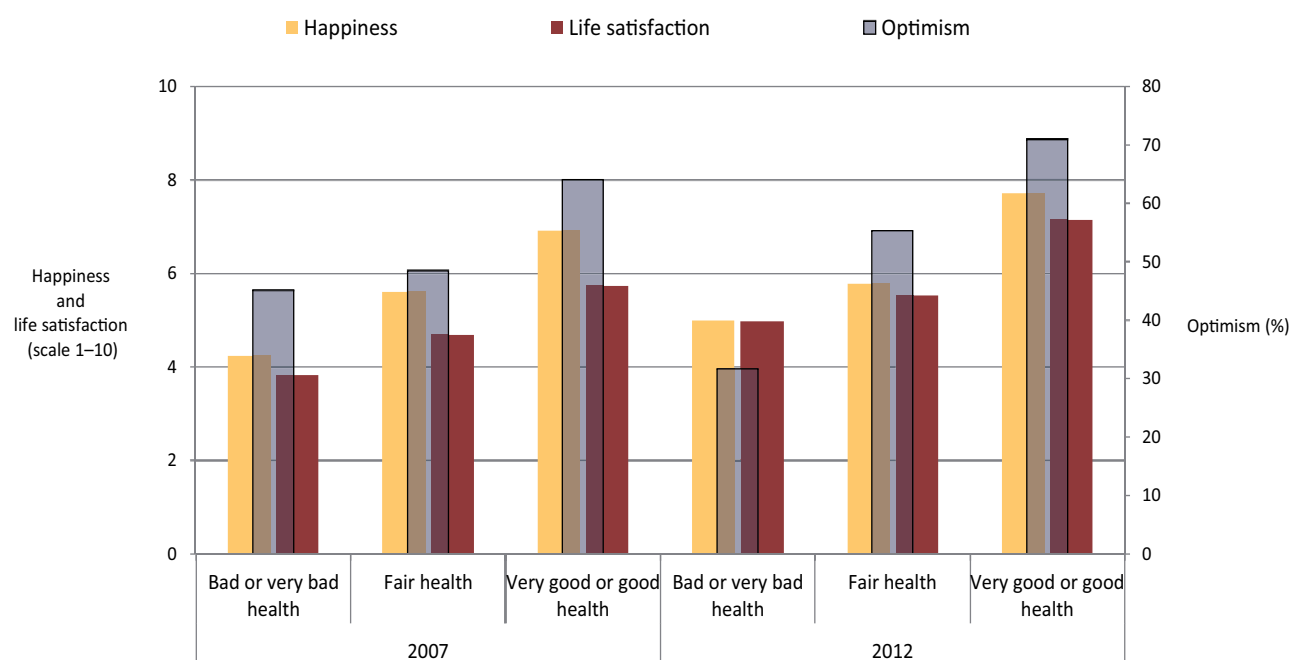


Notes: Q30 and Q41, see Table 17.
Sources: *EQLS, 2007; EQLS, 2012.*

Life satisfaction has increased homogeneously across the country: respondents living in rural and urban areas show the same level of satisfaction, despite a higher incidence of material deprivation in rural areas (Table 17). Since 2007, women experienced a higher increase than men, reaching a slightly higher level of satisfaction in 2012 (6.7). Life satisfaction is significantly correlated to age, with the youngest being the most satisfied (7.5). It is also clearly correlated with health status. In fact, respondents reporting ‘very good’ or ‘good’ health show an average level of life satisfaction of 7.1, while those reporting ‘bad’ or ‘very bad’ health have a satisfaction level of only 5.0 (Figure 22).

The analysis has already shown a positive change in the reduction of unemployment rates and an improvement in health-related indicators, both of which play a significant role in life satisfaction. As shown earlier, income levels did not increase and poverty and material deprivation levels as reported in the official statistics have not changed much in the period under review. Despite this, EQLS data show that even among the deprived and those making ends meet with difficulty, life satisfaction improved by 1.4 and 1.0, respectively. At the same time, there is a positive correlation between being optimistic and being satisfied with one's life. One could assume therefore that life satisfaction is somewhat linked to positive expectations for the future. Material wealth however does play a major role, as the life satisfaction gap is 1.6 between the not deprived (7.7) and the deprived (6.1) and is 2.2 between those that have no difficulty making ends meet (7.1) and those that have difficulty (4.9).

Figure 22: Well-being indicators by perceived health status (scale 1–10, %)



Notes: Q30, Q41 and Q29a: see Table 17. Q42: see Figure 15. Happiness and life satisfaction on a scale of 1–10; optimism in %. Sources: EQLS, 2007; EQLS, 2012.

Happiness

Happiness levels increased considerably, from 6.3 in 2007 to 7.2 in 2012, the highest increase across all countries surveyed (Table 17). The happiness level in the country is exceeded only by that in Croatia (7.3) in the countries under comparison, and has become comparable to the EU28 average of 7.4 (Figure 21). The EQLS data show that respondents living in urban areas feel happier than those living in rural areas. In addition, happiness is not related to gender but, as it is for life satisfaction, younger people are generally happier, though all age groups exhibit higher happiness levels compared to 2007.

The *World happiness report 2012* discusses the link between income and happiness and notes that higher incomes are not necessarily equated with more happiness as ‘while higher income may raise happiness to some extent, the quest for higher income may actually reduce one’s happiness’ (Helliwell et al, 2012). EQLS data show that the gap between the lowest and the highest income quartile is ‘only’ 1.4, meaning that happiness is indeed related to income but low income does not fully jeopardise happiness. For life satisfaction, the gap between the lowest and the highest income quartile is 1.8, while for optimism it is 20 percentage points.

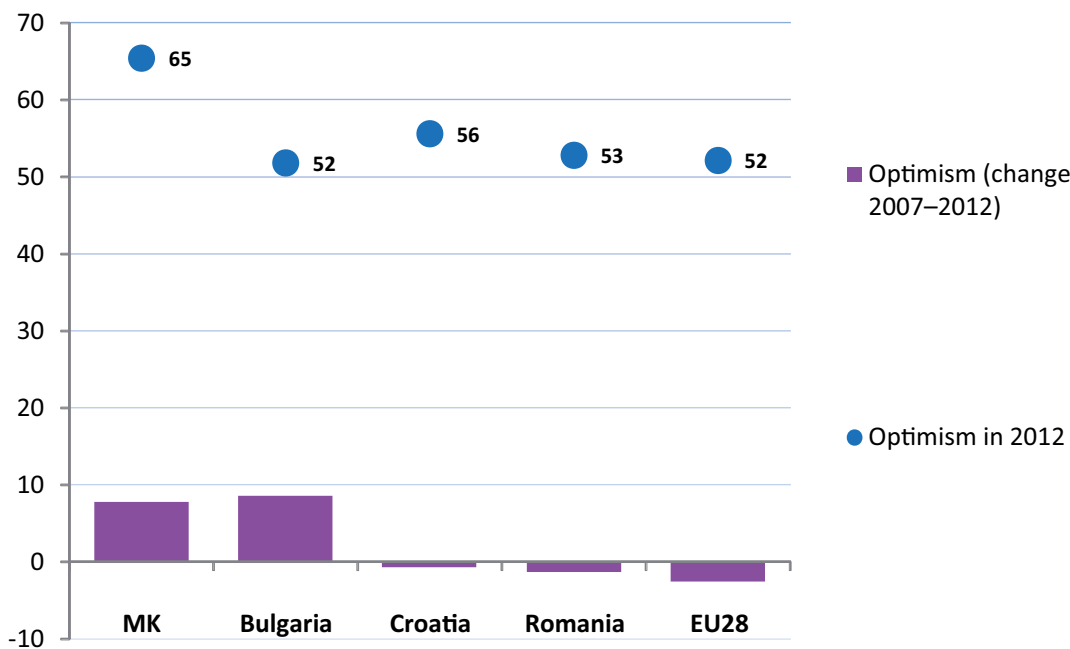
Optimism

In general, the EQLS data show an improvement in the average optimism level from 58% in 2007 to 65% in 2012 (Figure 23). Only Hungary and Bulgaria have seen their optimism levels grow faster over the last five years. For this indicator, the country is well above the level of the EU28 (52%), which worsened since 2007.

The sharpest increases are recorded for respondents aged 25–49 years and those living in two-member households (Table 17). By contrast, optimism among people who assessed their health status negatively (as ‘bad’ or ‘very bad’) dropped significantly since 2007, by 13 percentage points (Figure 22). Other results fully confirm previous research by Eurofound (2013c) showing that optimism decreases steadily with age, increases steadily with income and is positively correlated with level of satisfaction with the country’s economic situation and with the level of trust in institutions.

Household size and family also seem to be relevant. It has already been observed that in 2012 more people living alone are making ends meet with difficulty compared to people living in households of two or more members. Single-member households are also less satisfied with their life compared to the average figure, have lower happiness levels, and are less optimistic. Given the traditionalist nature of Macedonian society and the strong family ties that characterise it, this effect is an expected one. In addition, one-member households mainly involves older people living alone.

Figure 23: *Optimism: country comparisons (%)*



Notes: Q29a, see Table 17. The figures are based on the responses ‘agree’ and ‘strongly agree’.
Sources: *EQLS, 2007*; *EQLS, 2012*.

The country-level change in optimism is remarkable, especially considering the negative economic and employment conditions at the time of the third EQLS. This inevitably leads to the assumption that optimism is unconnected to financial and material status and is related to other factors. Optimism about the future is a measure of positive expectations. Causes for variation in the level of optimism are complex and variable. Optimism has been linked to physical and mental well-being (Conversano et al, 2010) as well as to improved health conditions (Peterson et al, 2012; Peterson and Bossio, 2001). Both relations seem to be confirmed by EQLS findings linking perceived health status with well-being indicators (Figure 22).

Equity lens

The perceived health status is by far the most influential variable, drastically impacting the level of well-being across the three considered indicators. The second most important influencing factor is income, but while its effect on well-being is evident for life satisfaction and optimism, it seems to have less of an effect on happiness. Being unemployed, retired or over 50 years old are limiting factors to subjective well-being either because they imply monetary and non-monetary problems or because they generate a more negative attitude.

The analysis of the composite indicator for ‘subjective well-being’ according to a series of control and output variables provides results that are in line with the analysis of disaggregated data. In addition, this indicator shows that subjective well-being is also clearly and positively correlated to the education level of the individuals, with the lowest level of quality of life reported for those with a low level of education.

Implications of change

Surveys collecting information on aspects related to subjective well-being are limited in number and frequency but EQLS evidence of increasing life satisfaction, happiness and optimism in the country indicates that the broad societal changes that are occurring are having some positive effects. This is a good reason for policymakers to start including well-being considerations in policy design and appraisal, and to consider ‘qualitative targets’, such as those that may be derived from EQLS information, in policy discussions. By benchmarking progress against these targets it would be possible to better ‘guide’ the broad societal changes referred to above, especially towards the progress of the most marginalised social groups.

Conclusions and policy messages 9

Monitoring change over the two EQLS waves

The comparative analysis of the data from the EQLS 2007 and 2012 shows that the former Yugoslav Republic of Macedonia made good progress in several quality of life aspects considered, at a higher pace than that of most other surveyed countries. For many aspects, such as housing quality, quality of public services, life satisfaction, happiness and optimism for the future, the improvement is significant. This progress provides justification for the policies and changing socioeconomic circumstances that have occurred over the past decade. Despite the length of the EU accession process, the country's candidate status and the sectoral reforms initiated towards gradual integration have undoubtedly contributed to quality of life improvement.

However, this progress should not overshadow the fact that the country's baseline in 2007 was particularly low, that some EQLS indicators are still at worrying levels compared to other countries and that in some cases, improvements actually hide increasing gaps between different social groups. In addition, there are areas where the country is evidently weak, such as in terms of standard of living, tension among ethnic groups and levels of trust (in people, in general and in institutions for Albanian-speaking respondents). Poverty is still widespread regardless of the positive change since 2007 in several non-monetary aspects. A few social groups are largely affected by material deprivation, either because they have no education or no job. Older people and older women in particular are especially vulnerable to deprivation. In addition, living in rural areas still implies important shortcomings, for example in terms of access to services.

People's appreciation of their occupation, for those with paid work, has strengthened. A few other positive signals in the employment sector exist, such as the increasing share of women employed with a permanent contract. However, the labour market is characterised by significant job insecurity and low job mobility. As a country where migration is on the rise, 'brain drain' may become an even larger problem in the future if attractive employment prospects are not provided.

Education has occupied a prominent role in the country's reform agenda and people's appreciation of this is captured by the EQLS results. However, this has caused further marginalisation of some of social groups due to low education levels. Importantly, findings suggest that higher education implies increased awareness of problems and a more critical attitude, for example towards the quality of public services. This implies the need to introduce reforms to meet the expectations of an advancing society.

Very high levels of home ownership contributed to improved security of, and satisfaction with, accommodation. However, housing quality is highly dependent on income; some vulnerable categories are unable to either maintain or upgrade their home. Respondents' assessment of their immediate neighbourhood is less positive. Actually, the reported incidence of environment-related problems is high across the country. Access to common services such as post offices, banks, cultural centres or green areas is not easy for a significant number of people living in rural areas. However, if higher income implies higher access, income does not seem to be the major constraint. A low level of education is also important in limiting the use of services.

There is a substantial improvement in all health-related indicators. Average declared incidence of chronic problems is low, while perceived health and mental health status are relatively high compared to other countries in the region. These positive results hide inequalities, however, as people aged 65 years and over are worse off with respect to the other social groups, having the lowest scores on the mental health index and lowest satisfaction levels with health. This group also has the highest share of respondents negatively perceiving their health status and being affected by chronic problems, illness or disability. In the country, access to healthcare is still difficult compared to European average figures and distance is as important as cost.

There is a prevailing sense of fairness in the way housework is shared among household members, despite the higher amount of unpaid activities performed by women. Family life is increasingly satisfactory and even if work-life balance

is not perceived as a major problem yet, increasing requests for flexible working arrangements may indicate a future area of concern. This should be considered alongside the scarce availability of care facilities and infrastructure both for children and older people.

Family ties and relationships are treasured but trust in people is very low and the society suffers from significant levels of tension, in particular across different ethnicities. A slightly growing intolerance towards immigrants is also noted.

Overall, well-being indicators are on the rise. Well-being seems to be related to aspects other than income, demonstrating that coping strategies for dealing with monetary and non-monetary deprivation are working, although this is not the case for everyone, as demonstrated by the vulnerability of one-member households.

Finally, according to fuzzy and distribution analyses, Albanian-speaking people have lower than average levels of quality of life with respect to several aspects, including tension, trust, access to services, housing quality, quality of the immediate neighbourhood and quality of public services.

Policy pointers

Standard of living and deprivation

Economic and EQLS data confirm that part of society is being left behind in the country's development process. Growing income inequalities, very high levels of material deprivation, poverty and unemployment contribute to a low average level of satisfaction with the standard of living across the country and affect the well-being of concerned individuals. EQLS data reveal that the poorly educated and people aged 50 years and over, women in this age group in particular, are among the most vulnerable groups in this respect.

- Policymaking in the social sector needs to be guided by evidence provided by social research in order to increase its adequacy, effectiveness and impact.
- The social protection system should focus on supporting the most vulnerable groups in terms of standard of living and material deprivation. Tailored measures should be used to address critical situations determined, among other factors, by geographic location, ethnicity, education level and age.

Employability and education

Education is one of the drivers being used by the government to bring people out of unemployment and, as a consequence, poverty. Education has become an important value in the country but EQLS data provide evidence that those with lower levels of education are among the most deprived and socially excluded groups. EQLS information points to the following main priorities for policymakers.

- The education system should become radically more effective in addressing the needs of adults. Hence, it is essential to have close monitoring of the impact that the new legislation on civil universities will produce in terms of basic adult education, informal education and vocational training for low-skilled workers.
- Systematic support for those with low levels of education is needed, including face-to-face assistance for information and/or awareness raising or facilitation of access to services and benefits.
- There is a need to create a strong link between education and the labour market in order to take advantage of the evident synergy between employment and education attainment. Improving the match between educational skills and labour market requirements and offering re-training opportunities is especially important for some of the most vulnerable groups such as young people and those aged 50 years and over.

The country is eligible to participate in the new Erasmus+ Programme (2014–2020). As well as adult education and vocational training, Erasmus+ focuses on youth well-being and social inclusion, especially through the creation of employment opportunities. In addition, Erasmus+ and several other EU programmes are open to direct participation by local authorities. Enhancing the capacities of local administrators is an important step in facilitating the country's decentralisation process with a view towards making the provision of quality services closer and more affordable for citizens.

- The country should strive to take advantage of the new opportunities available within the EU programming period 2014–2020 and to benefit from these opportunities as much as possible.
- The country's devolution process should benefit from the important experience gained in this respect by several EU Member States over the last two decades; capacity building of local administrators, sharing of experience and implementation of best practices may be accomplished, for example, within territorial cooperation, twinning and partnering opportunities.

Positive signs are noted regarding the labour situation of women but EQLS data also point to work–life balance as a possible area of concern for the near future.

- The scarce availability of care facilities or infrastructure for both children and older people needs to be addressed as a matter of priority in order to ease the participation of women in the labour market.

Housing and neighbourhood quality

Enough attention seems to be paid to housing issues by existing policies. In particular, the needs of the most vulnerable are addressed by both the Housing Strategy 2007–2012 and the Strategy to Reduce Poverty and Social Exclusion. EQLS data provide evidence of a positive change since 2007 but confirm that the focus on the most vulnerable social groups needs to be maintained, especially in terms of housing conditions and quality.

- Building on the effective combination of policies and laws facilitating the transfer of house ownership, supporting schemes that address housing quality should be considered for systematic implementation across the country and with a special emphasis on the dwellings occupied by the poorest, the unemployed and the deprived.

The same improvement is not noted in terms of quality of the immediate neighbourhood. The share of those affected by environment-related problems is high and even if EQLS data are not meant to establish a link between poor environmental conditions and health status, experience from other EU Member States should be taken into account in this sense. EQLS data confirm the limited progress achieved in the sphere of environment and sustainable development, as evidenced by the European Commission progress reports. They also provide important evidence on the link between education and the level of awareness of the problems.

- If the enforcement of environmental legislation is lagging behind, environmental education (curricula in primary and secondary schools, and awareness campaigns) is necessary to mitigate the negative impact of environment-related problems, such as low-quality drinking water and air pollution, on health.

Health and healthcare

All EQLS health-related indicators show an important positive change since 2007. The country's path in this policy area is well defined as in September 2012 the government adopted the Health 2020 policy framework for the WHO European Region. This framework sets actions and overarching targets towards the better health and well-being of Europeans. In

fact, well-being is at the core of the framework, with its subjective and objective dimensions implying a series of challenges related to definition, measurement and assessment.

- As individual countries are called to set national targets towards the achievement of Health 2020 objectives and to use indicators for quantifying progress, including for measuring well-being, EQLS results represent a great opportunity for policymakers to start developing a reference framework for monitoring progress. EQLS data are also supportive of more evidence-based interventions that, along with cost-effectiveness, have been debated while developing a public health action plan as part of the National Health Operational Plan 2020.

Good health is at the basis of well-being. It is also a driver out of poverty as it increases employment opportunities. EQLS data clearly show that distance and cost affect access to healthcare. Data also reveal some concerns on quality.

- The decentralisation of public healthcare provision and management, which has been formalised by law but has not occurred in practice, needs to be accelerated with a view towards providing quality healthcare services that are closer and more affordable for citizens.

Quality of society

Public administration reforms are lagging behind in the development process of the country. Although EQLS data provide evidence of increasing satisfaction with the quality of public services and increasing trust in institutions, the society is still characterised by low levels of trust in people and high levels of social tension. These two factors will continue to affect the actual delivery of services as they implicitly relate to awareness or direct experience of corruption and/or low transparency. Decreasing trust in the press reflects the general public's need for more objective information and is indeed an important sign for policymakers that dissatisfaction is growing.

- Because trust in individuals is low and this is likely to undermine the relationship between service providers and users and, ultimately, the quality of the service, there is a need for further strengthening a merit-based system for employment and promotion within public institutions. The anti-corruption legislation also needs to be implemented at all levels.
- In a society marred by ethnic and other forms of social tension, it is essential that the administrative and political systems provide the balance and fairness necessary to diffuse those tensions. Existing attitudes at high policy levels on unsolved issues such as the conducting of the census, for example, continue to strain relations among different ethnicities at lower levels of administration and within the population.
- To cope with higher expectations of an advancing society, access to unbiased information should be made easier and more transparent.

Subjective well-being

Complementing GDP and other major economic indicators with information on the societal and environmental dimensions of development is a long-term process, and is particularly important in capturing social exclusion aspects that are not directly linked to monetary considerations. Several difficulties are embedded in this process, including the development of consistent data frameworks at national accounts level for social and environmental information, and the feasibility of translating the knowledge gathered into policymaking. The process is ongoing at the EU level and is meant to be shared with candidate countries in order to create territorial comparability within the European region.

The analysis presented in this report provides the opportunity to increase knowledge on policies that have the most influence on the subjective well-being and quality of life of citizens. This is done in a comparable way with insights drawn from other statistical data and research.

- EQLS findings and the accompanying analysis provided in this report represent an opportunity for policymakers to start referring to the well-being of citizens in their debates and, possibly, to follow up by including well-being considerations on the government agenda and well-being indicators in the shaping and monitoring of policies. This would contribute towards framing the progress of the former Yugoslav Republic of Macedonia within a European perspective, in an attempt to move towards a sustainable and inclusive society.

Cross-cutting issues

Urban and rural disparities still characterise societal development in several important domains, such as access to services and standard of living, thereby affecting territorial cohesion. Gender disparities continue to exist but EQLS data provide evidence that the gap between men and women is decreasing for several indicators; this progress needs to be closely monitored in order to continue. Ethnicity differences are only captured occasionally, yet they seem to be essential in shaping the life quality of communities. It would therefore be desirable to assess them more comprehensively and systematically.

- There is a need for disaggregated data from official sources to be regularly collected, made publicly available and used for policy planning. Disaggregation should at least consider administrative regions, rural and urban areas within each region, ethnicity, gender, age and income level.

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Annex I: Methodological notes

Analysis of distribution and change, regression analysis

Statistical analysis is based on weighted frequency distribution (SAS *procedure freq*) and weighted means (SAS *procedure univariate*) using the variable ‘w5_total’ of the 2007–2012 integrated EQLS dataset. Statistical analysis on fuzzy groupings uses the 2012 integrated EQLS dataset where missing values are imputed for a selected number of EQLS variables. Regression analysis is based on traditional regression models and regression models with variance components. Regression models with a satisfactory goodness of fit are reported in Table A1.

Table A1: *Variance component models*

	Deprivation index		Accommodation problem index		Happiness	
	Coeff	p-value	Coeff	p-value	Coeff	p-value
Intercept	3.9590	<.0001	0.3231	0.0005	7.3535	<.0001
Y11_ISCED_cat_low (ref= mid-level)	0.3246	0.0479	0.09727	0.2477	-0.3949	0.1488
Y11_ISCED_cat_high (ref= mid-level)	-0.03609	0.6682	-0.02551	0.5516	-0.06075	0.6624
age_young (ref= middle-aged)	-0.3397	<.0001	0.01019	0.8042	0.3857	0.0039
age_old (ref= middle-aged)	0.03139	0.8262	-0.1638	0.0300	-0.5023	0.0406
rural (ref= urban)	0.1390	0.1446	-0.00798	0.8670	0.01630	0.9140
female (ref= man)	0.06384	0.3481	-0.01087	0.7548	0.2477	0.0288
deprived (ref= not deprived)			0.03045	0.4624	-0.3272	0.0151
Y11_inc_pc_quart	-0.1803	<.0001	-0.00681	0.6949	-0.01601	0.7761
fin_sit_worse (ref= normal)	0.2865	0.0054	0.007496	0.8864	-0.5033	0.0032
fin_sit_better (ref= normal)	-0.5967	<.0001	0.05576	0.2509	0.3115	0.0484
makeendsmeet_easily (ref= not easily but without difficulty)	-0.4824	<.0001	0.004485	0.9298	<i>0.3221</i>	<i>0.0512</i>
makeendsmeet_diff (ref= not easily but without difficulty)	0.2446	0.0308	-0.04225	0.4630	-0.3748	0.0453
enough money for food (ref= nomoneyforfood)	-1.9353	<.0001	-0.1684	0.0014	0.4920	0.0040
accproblems (ref= less than two problems)	0.3182	0.0015	2.3146	<.0001	-0.5673	0.0005
discriminated (ref= not discriminated)	0.1199	0.1293	0.1468	0.0002	<i>-0.2202</i>	<i>0.0878</i>
fair_bad_health (ref= good or very good health status)	0.4633	<.0001	0.02301	0.6154	-1.4212	<.0001
unemployed (ref= (self-)employed)	0.1577	0.1397	-0.05633	0.3054	-0.2020	0.2583
retired (ref= (self-)employed)	-0.00686	0.9604	0.09835	0.1789	0.3388	0.1545
inactive_other (ref= (self-)employed)	-0.1049	0.3237	0.08083	0.1341	0.2796	0.1109
job_contract_temporary (ref= permanent)	-0.06403	0.5912	0.003691	0.9513	0.002018	0.9918
language_Albanian (ref= Macedonian)	-0.4076	0.0102	0.04108	0.5726	-0.09360	0.6852
<i>-2 res log likelihood</i>	<i>2694.3</i>		<i>1666.0</i>		<i>3966.4</i>	
<i>AIC (Akaike's Information Criterion)</i>	<i>2698.3</i>		<i>1670.0</i>		<i>3970.4</i>	
<i>AICC (finite-sample corrected version of AIC)</i>	<i>2698.3</i>		<i>1670.0</i>		<i>3970.4</i>	
<i>BIC (Bayesian Information Criterion)</i>	<i>2703.5</i>		<i>1675.2</i>		<i>3975.6</i>	

Notes: Excluding the regressor ‘deprived’ for the deprivation index. Data weighted. The table shows the coefficients of linear regression models with variance components (bold: $p < 0.05$; italic: $p < 0.1$). Coefficients are interpreted as the amount by which each indicator increases if the considered variable increases by one unit. Ref = reference group; Coeff = coefficient.

Source: *EQLS, 2012*.

Imputing of missing values

With a view to performing more complex statistical analyses using 2012 EQLS data, missing values are imputed for a selected number of EQLS variables. Imputing procedures are based on the ‘sequential regression multivariate imputation’ (SRMI) approach used by the imputation software (IVEware) and proposed by its authors (Raghunathan et al, 2001).

Factor analysis and fuzzy set theory

Originally proposed by Cerioli and Zani (1990), this methodology has been developed by Cheli and Lemmi (1995) and Betti and Verma (1999) and implemented in Eurostat’s report *European social statistics: Income poverty and social exclusion: 2nd report*. Primarily applied to research on social exclusion and living conditions, the ‘portability’ of this methodology has been demonstrated by the positive results achieved in other areas (see, among others, Aassve et al, 2007; Betti et al, 2011; Betti et al, 2012). For the purpose of this study, the fuzzy approach is used to construct composite indicators of quality of life. Main methodological steps include:⁸

1. Identification of items or questions

The analysis is based on a subset of questions from the 2012 EQLS questionnaire. Items or questions are selected on the basis of several criteria such as relevance and completeness of replies. The selection has identified a total of 68 questions.

2. Conversion of the items or questions into a [0, 1] interval

Each item/question, whether it consists of a number of subitems or whether it is a dichotomy, is converted according to the following:

$$d_{j,i} = \frac{1 - F(c_{j,i})}{1 - F(1)}; j = 1, 2, \dots, k; i = 1, 2, \dots, n$$

where $c_{j,i}$ is the value of the subitem of the j-th item for the i-th individual and $F(c_{j,i})$ is the value of the j-th item cumulation function for the i-th individual. In case of a dichotomy, the index d is 1 when the item corresponds to the presence of a positive aspect of quality of life or when it corresponds to the absence of a negative aspect of quality of life.

3. Exploratory and confirmatory factor analysis

The construction of a summary index of quality of life by using different items starts with the identification and investigation of the latent factors pointing to groupings, where groupings are well-defined sets of individual items or questions. Investigation of the latent aspects of quality of life is done following Whelan et al (2001). Accordingly, exploratory and confirmatory factor analyses are performed. The exploratory factor analysis provides a preliminary framework of the groupings. In some cases, it confirms that all items within a question are highly correlated to a specific dimension: for example, all the items of Question 25 (‘tension between social groups’) are correlated to quality of society. In other cases, the exploratory analysis outlines that some items within a question do not have a good correlation with the corresponding dimension: for example, Question 19a ‘shortage of space’ is not well correlated to other items or questions related to housing.

⁸ A full description of the methodological approach is found in Betti and Verma (2008); details on the statistical, economic, mathematical and sociological aspects of the theory are summarised in Lemmi and Betti (2006).

Nine groups are determined according to the latent factors observed in the exploratory analysis and after re-allocating some of the items to different groupings on the basis of the correlations calculated across all variables through a 68 x 68 matrix. Each of the 68 items or questions is assigned to one of these groups: Group 1: Quality of relations; Group 2: Trust in people and institutions; Group 3: Access to services; Group 4: Quality of public services; Group 5: Subjective well-being; Group 6: Quality of neighbourhood; Group 7: Housing quality; Group 8: Standard of living; Group 9: Health.

Groups are ordered according to the order of latent factors identified by the factor analysis. Statistically, it means that QL1 (at least in the exploratory factor analysis) contains items that are more correlated between them, compared to items in QL2, and so on.

Finally, the confirmatory factor analysis determines the goodness of fit that proves to be very good:

▪ Goodness of Fit Index (GFI)	0.7085
▪ Pr > Chi-Square	<.0001

4. Calculation of weights within each group

The weights assigned to the items are determined within each group separately and are item-specific, meaning that for a given item they are common to all respondents in the population. Weights have been calculated according to Betti and Verma (1999), using a ‘prevalence-correlation’ approach that addresses the problems of errors measurement and of redundancy and gives less importance to items not widely diffused in the population. In this approach, weights comprise two factors: the dispersion of the item and its correlation with other items in the group, that is, $w_{hj} = w_{hj}^a \cdot w_{hj}^b$, $h = 1, 2, \dots, m$; $j = 1, 2, \dots, k_h$, where h is a specific group and j a specific item. The first factor is the coefficient of variation of the item (prevalence weights); the second factor is a measure based on correlations among items, which gives less weight to items more highly correlated with others (correlation weights) so as to reduce the effect of redundancy and arbitrariness in the choice of original items.

5. Calculation of indicators for each group and for the overall measure of quality of life

For individual i , aggregation over a set of items in a particular group h ($h = 1, 2, \dots, m$) is given by a weighted mean taken over j items: $QoL_{hi} \sum w_{hj} \cdot d_{ji} / w_{hj}$, where w_{hj} is the weight of the j -th item or question in the h -th group. An overall quality of life indicator for the i -th individual is calculated as the unweighted mean:

$$QoL_i = \frac{\sum QoL_{hi}}{m} s_i = \frac{\sum_{h=1}^m S_{hi}}{m}$$

This is the overall (combined over all groups) multidimensional score of quality of life.

Results of the fuzzy analysis are reported in Tables A2 and A3. Regression models on composite indicators are reported in Tables A4, A5 and A6.

Table A2: Basic statistics on composite indicators (Mean, standard error (SE) and confidence interval (CI) (95%))

		Mean	SE	CI_inf	CI_sup
QL	Overall indicator of quality of life	0.6600	0.0068	0.6467	0.6732
QL1	Group 1: Quality of relations	0.6452	0.0204	0.6052	0.6852
QL2	Group 2: Trust in people and institutions	0.3240	0.0104	0.3037	0.3444
QL3	Group 3: Access to services	0.7912	0.0086	0.7742	0.8081
QL4	Group 4: Quality of public services	0.5639	0.0094	0.5454	0.5823
QL5	Group 5: Subjective well-being	0.6343	0.0092	0.6162	0.6525
QL6	Group 6: Quality of neighbourhood	0.7210	0.0156	0.6903	0.7516
QL7	Group 7: Housing quality	0.8747	0.0122	0.8509	0.8985
QL8	Group 8: Standard of living	0.6299	0.0087	0.6129	0.6469
QL9	Group 9: Health	0.7556	0.0075	0.7409	0.7703

Table A3: Composite indicators by selected control and output variables

	QL	QL1	QL2	QL3	QL4	QL5	QL6	QL7	QL8	QL9
MK	0.66	0.65	0.32	0.79	0.56	0.63	0.72	0.87	0.63	0.76
Rural	0.66	0.67	0.33	0.77	0.56	0.62	0.78	0.86	0.59	0.75
Urban	0.66	0.62	0.32	0.81	0.57	0.65	0.66	0.89	0.67	0.76
Male	0.67	0.67	0.32	0.79	0.57	0.64	0.73	0.87	0.63	0.78
Female	0.65	0.62	0.33	0.79	0.56	0.63	0.72	0.88	0.63	0.73
18–24 years	0.69	0.64	0.36	0.79	0.57	0.70	0.74	0.90	0.67	0.88
25–34 years	0.68	0.67	0.34	0.78	0.56	0.67	0.71	0.91	0.67	0.83
35–49 years	0.66	0.65	0.30	0.80	0.55	0.63	0.71	0.87	0.62	0.79
50–64 years	0.63	0.63	0.31	0.79	0.56	0.59	0.71	0.86	0.58	0.68
65+ years	0.64	0.63	0.34	0.79	0.60	0.59	0.76	0.85	0.62	0.60
Low education – at most primary	0.57	0.56	0.32	0.75	0.59	0.41	0.81	0.70	0.45	0.53
Mid-level education – second level	0.67	0.67	0.33	0.80	0.58	0.62	0.75	0.88	0.60	0.76
High education – tertiary	0.66	0.60	0.32	0.77	0.53	0.70	0.63	0.89	0.73	0.79
Macedonian	0.67	0.66	0.34	0.80	0.58	0.64	0.74	0.88	0.63	0.76
Albanian – MK	0.60	0.59	0.25	0.73	0.46	0.60	0.59	0.82	0.64	0.74
HH size: 1	0.63	0.57	0.31	0.81	0.57	0.58	0.71	0.85	0.64	0.63
HH size: 2	0.67	0.68	0.36	0.81	0.60	0.64	0.74	0.87	0.63	0.71
HH size: 3	0.66	0.63	0.31	0.78	0.56	0.65	0.72	0.89	0.64	0.78
HH size: 4+	0.66	0.65	0.32	0.78	0.55	0.64	0.72	0.87	0.63	0.78
Employed	0.67	0.63	0.33	0.79	0.55	0.67	0.69	0.89	0.68	0.80
Not in employment	0.65	0.65	0.32	0.79	0.57	0.61	0.75	0.86	0.59	0.72
Permanent contract	0.67	0.61	0.33	0.80	0.55	0.68	0.69	0.88	0.69	0.81
Temporary contract	0.67	0.70	0.33	0.78	0.55	0.64	0.69	0.89	0.66	0.78
Deprived	0.63	0.63	0.32	0.77	0.56	0.58	0.75	0.84	0.49	0.72
Not deprived	0.72	0.68	0.34	0.83	0.58	0.74	0.69	0.96	0.86	0.81
Acc_problem	0.53	0.49	0.25	0.72	0.51	0.47	0.71	0.52	0.47	0.66
No acc_problem	0.69	0.68	0.34	0.81	0.58	0.67	0.72	0.95	0.66	0.78
Envir_problem	0.63	0.59	0.31	0.78	0.53	0.63	0.57	0.87	0.64	0.75
No envir_problem	0.71	0.72	0.35	0.80	0.63	0.65	0.97	0.87	0.61	0.77
Non-optimistic	0.61	0.62	0.25	0.79	0.53	0.55	0.71	0.84	0.57	0.60
Optimistic	0.69	0.66	0.36	0.79	0.58	0.68	0.73	0.89	0.66	0.84

Notes: Bold means statistically significant with $p < 0.05$.

Table A4: Variance regression on QL, QL1, QL2 and QL3

	QL – Quality of Life		QL1 – Quality of relations		QL2 – Trust in people and institutions		QL3 – Access to services	
	Coeff	p-value	Coeff	p-value	Coeff	p-value	Coeff	p-value
Intercept	0.6848	<.0001	0.7164	<.0001	0.3353	<.0001	0.8630	<.0001
Y11_ISCED_cat_low (ref= mid-level)	-0.01886	0.0920	0.01406	0.7630	0.009241	0.7262	-0.00678	0.7478
Y11_ISCED_cat_high (ref= mid-level)	-0.00493	0.3896	0.008406	0.7245	-0.01860	0.1684	-0.02933	0.0067
Age_young (ref= middle-aged)	0.007439	0.1762	-0.03078	0.1790	0.01143	0.3779	-0.00645	0.5336
Age_old (ref= middle-aged)	0.02066	0.0385	0.009360	0.8220	0.07287	0.0020	0.006992	0.7098
Rural (ref= urban)	0.01320	0.1069	0.03683	0.2552	0.005331	0.7718	-0.04478	0.0039
Female (ref= man)	-0.00566	0.2193	-0.03889	0.0433	0.005861	0.5901	-0.00494	0.5697
Deprived (ref= not deprived)	-0.03924	<.0001	-0.01327	0.5665	-0.02347	0.0735	-0.01288	0.2193
Y11_inc_pc_quart	0.005205	0.0259	-0.01867	0.0548	0.01574	0.0043	-0.00836	0.0577
Fin_sit_worse (ref= normal)	-0.01807	0.0102	-0.01999	0.4941	-0.02281	0.1683	0.01239	0.3493
Fin_sit_better (ref= normal)	0.009515	0.1433	-0.03851	0.1548	-0.01193	0.4361	0.02540	0.0382
Makeendsmeet_easily (ref= not easily but without difficulty)	0.01837	0.0077	0.004095	0.8862	0.002693	0.8679	0.01605	0.2161
Makeendsmeet_difficult (ref= not easily but without difficulty)	0.01837	0.0003	-0.03795	0.2359	-0.02415	0.1828	-0.04871	0.0008
Nomoneyforfood (ref= enough money for food)	0.02977	<.0001	<i>0.05694</i>	<i>0.0525</i>	-0.00784	0.6367	<i>0.02450</i>	<i>0.0654</i>
Accproblems (ref= less than two problems)	-0.08100	<.0001	-0.1036	0.0003	-0.04333	0.0072	-0.04185	0.0012
Discriminated (ref= not discriminated)	-0.03332	<.0001	-0.09318	<.0001	-0.01963	0.1161	-0.02693	0.0071
Fair_bad_health (ref= good or very good health status)	-0.05721	<.0001	<i>-0.04807</i>	<i>0.0609</i>	-0.02074	0.1530	-0.05096	<.0001
Unemployed (ref= (self-) employed)	0.005848	0.4224	0.06717	0.0273	<i>-0.02866</i>	<i>0.0959</i>	0.006383	0.6422
Retired (ref= (self-) employed)	-0.00251	0.7952	0.02003	0.6196	-0.02681	0.2405	-0.00467	0.7977
Inactive_other (ref= (self-) employed)	0.02121	0.0031	0.03240	0.2780	0.02369	0.1612	0.01004	0.4571
Job_contract_temporary (ref= permanent)	-0.00282	0.7266	0.03592	0.2858	0.002537	0.8940	-0.01587	0.2973
Language_Albanian (ref= Macedonian)	-0.06141	<.0001	-0.05597	0.2599	-0.08268	0.0035	-0.03621	0.1286
-2 res log likelihood	-2226.9		548.6		-562.7		-987.8	
AIC (Akaike's Information Criterion)	-2222.9		552.6		-558.7		-983.8	
AICC (finite-sample corrected version of AIC)	-2222.9		552.6		-558.6		-983.8	
BIC (Bayesian Information Criterion)	-2217.7		557.8		-553.5		-978.6	

Notes: Data weighted. The table shows the coefficients of linear regression models with variance components (bold: $p < 0.05$; italic: $p < 0.1$). Coefficients are interpreted as the amount by which each indicator increases if the considered variable increases by one unit. Ref = reference group; Coeff = coefficient.

Source: EQLS, 2012.

Table A5: Variance regression on QL4, QL5 and QL6

	QL4 – Quality of public services		QL5 – Subjective well-being		QL6 – Quality of neighbourhood	
	Coeff	p-value	Coeff	p-value	Coeff	p-value
Intercept	0.6009	<.0001	0.6697	<.0001	0.6943	<.0001
Y11_ISCED_cat_low (ref= mid-level)	0.01481	0.5226	-0.07054	<.0001	0.004524	0.8945
Y11_ISCED_cat_high (ref= mid-level)	0.02935	0.0133	0.03875	<.0001	-0.03193	0.0677
Age_young (ref= middle-aged)	-0.01260	0.2677	0.02195	0.0060	0.005130	0.7595
Age_old (ref= middle-aged)	0.03741	0.0708	0.003100	0.8305	0.06930	0.0229
Rural (ref= urban)	-0.00802	0.6040	0.01991	0.0768	0.1045	<.0001
Female (ref= man)	-0.00274	0.7747	0.000495	0.9410	-0.00731	0.6030
Deprived (ref= not deprived)	-0.01405	0.2216	-0.03359	<.0001	0.02406	0.1560
Y11_inc_pc_quart	0.002151	0.6553	-0.00110	0.7441	-0.00894	0.2091
Fin_sit_worse (ref= normal)	-0.02145	0.1396	-0.08268	<.0001	0.03013	0.1594
Fin_sit_better (ref= normal)	0.01579	0.2400	0.06860	<.0001	-0.00844	0.6699
Makeendsmeet_easily (ref= not easily but without difficulty)	0.002841	0.8413	0.03779	0.0002	0.02455	0.2417
Makeendsmeet_difficult (ref= not easily but without difficulty)	-0.02137	0.1791	-0.06067	<.0001	-0.04648	0.0476
Nomoneyforfood (ref= enough money for food)	-0.00122	0.9333	0.03296	0.0013	0.01687	0.4324
Accproblems (ref= less than two problems)	-0.02387	0.0899	-0.06432	<.0001	0.01096	0.5987
Discriminated (ref= not discriminated)	-0.01188	0.2784	-0.06340	<.0001	-0.01975	0.2213
Fair_bad_health (ref= good or very good health status)	-0.03237	0.0110	-0.07010	<.0001	-0.01866	0.3203
Unemployed (ref= (self-) employed)	0.02148	0.1555	-0.03611	0.0007	0.007311	0.7424
Retired (ref= (self-) employed)	0.01350	0.5011	0.007282	0.6041	-0.04020	0.1734
Inactive_other (ref= (self-) employed)	0.04052	0.0064	0.01346	0.1954	0.03972	0.0693
Job_contract_temporary (ref= permanent)	0.01176	0.4817	-0.02000	0.0879	-0.00903	0.7139
Language_Albanian (ref= Macedonian)	-0.1239	<.0001	-0.03175	0.0660	-0.1749	<.0001
-2 res log likelihood	-826.8		-1513.8		-55.5	
AIC (Akaike's Information Criterion)	-822.8		-1509.8		-51.5	
AICC (finite-sample corrected version of AIC)	-822.7		-1509.8		-51.5	
BIC (Bayesian Information Criterion)	-817.5		-1504.6		-46.3	

Notes: see Table A4.
Source: EQLS, 2012.

Table A6: Variance regression on QL7, QL8 and QL9

	QL7 – Housing quality		QL8 – Standard of living		QL9 – Health	
	Coeff	p-value	Coeff	p-value	Coeff	p-value
Intercept	0.9458	<.0001	0.5533	<.0001	0.8005	<.0001
Y11_ISCED_cat_low (ref= mid-level)	-0.03454	0.0542	-0.01900	0.2612	-0.06691	0.0005
Y11_ISCED_cat_high (ref= mid-level)	-0.00493	0.5907	0.02350	0.0063	0.000659	0.9464
Age_young (ref= middle-aged)	-0.00250	0.7766	0.02928	0.0004	0.05698	<.0001
Age_old (ref= middle-aged)	0.01013	0.5262	0.02683	0.0781	-0.05345	0.0019
Rural (ref= urban)	-0.01426	0.2506	0.01930	0.0198	0.000395	0.9731
Female (ref= man)	0.004801	0.5158	0.002617	0.7093	-0.01439	0.0702
Deprived (ref= not deprived)	-0.03735	<.0001	-0.2175	<.0001	-0.01882	0.0478
Y11_inc_pc_quart	-0.00197	0.5979	0.05770	<.0001	0.007321	0.0020
Fin_sit_worse (ref= normal)	0.001220	0.9135	-0.02715	0.0099	-0.03726	0.0020
Fin_sit_better (ref= normal)	-0.00924	0.3742	0.04118	<.0001	0.002859	0.7970
Makeendsmeet_easily (ref= not easily but without difficulty)	0.002437	0.8246	0.03956	<.0001	0.03032	0.0097
Makeendsmeet_difficult (ref= not easily but without difficulty)	-0.00086	0.9443	-0.03323	0.0041	0.01926	0.1438
Nomoneyforfood (ref= enough money for food)	0.05139	<.0001	0.06934	<.0001	0.01969	0.1021
Acceproblems (ref= less than two problems)	-0.3658	<.0001	-0.08075	<.0001	-0.03454	0.0029
Discriminated (ref= not discriminated)	-0.03208	0.0002	-0.01894	0.0174	-0.01914	0.0352
Fair_bad_health (ref= good or very good health status)	-0.02300	0.0197	-0.03244	0.0004	-0.2134	<.0001
Unemployed (ref= (self-) employed)	0.007340	0.5299	-0.00246	0.8244	0.009174	0.4647
Retired (ref= (self-) employed)	-0.00843	0.5869	0.02084	0.1584	-0.00333	0.8416
Inactive_other (ref= (self-) employed)	0.001019	0.9292	0.005428	0.6168	0.02105	0.0876
Job_contract_temporary (ref= permanent)	-0.00792	0.5400	-0.00528	0.6631	-0.02168	0.1175
Language_Albanian (ref= Macedonian)	-0.00591	0.7563	-0.03027	0.0175	-0.02330	0.1943
-2 res log likelihood	-1320.5		-1478.4		-1208.4	
AIC (Akaike's Information Criterion)	-1316.5		-1474.4		-1204.4	
AICC (finite-sample corrected version of AIC)	-1316.5		-1474.4		-1204.4	
BIC (Bayesian Information Criterion)	-1311.3		-1469.2		-1199.2	

Notes: see Table A4.

Source: EQLS, 2012.

Variance estimation of composite indicators

The jackknife repeated replication (JRR) method is used to estimate the variance of complex indicators. JRR is based on the sampling structure (EQLS 2012 is based on 16 strata – eight NUTS3 regions by urban/rural status – and 100 primary selection units) and takes into account stratification and clustering (Verma and Betti, 2011).

Annex II: Former Yugoslav Republic of Macedonia fact sheet

Indicators	2007	2008	2009	2010	2011	2012	2007–2012
Macroeconomy (Ministry of Finance, 2013)							
GDP real growth rate	6.1	5.0	-0.9	2.9	2.8	-0.4	+11% (*)
Foreign direct investment (in million €)	506	400	145	160	337	72	-86%
Export of goods (in million €)	2,472	2,693	1,933	2,530	3,211	3,107	+26%
Import of goods (in million €)	3,653	4,455	3,492	3,978	4,859	4,863	+33%
GDP per capita (in €)	2,919	3,283	3,269	3,434	3,630	3,616	+24%
Population (Eurostat online data, accessed March 2014; proportions: authors' calculations)							
Population on 1 January (in thousand)	2,041	2,045	2,048	2,052	2,057	2,059	+1%
Age structure, persons <15 years (in % of total)	18.9	18.5	18.1	17.7	17.4	17.2	-1.7
Age structure, persons 15–64 years (in % of total)	69.8	70.1	70.4	70.6	70.8	71.0	+1.2
Age structure, persons 65+ years (in % of total)	11.2	11.4	11.5	11.6	11.7	11.8	+0.6
Social							
Poverty rates – Head count index (%) SSO, 2013b	29.4	28.7	31.1	30.9	30.4		+1.0 (**)
Poverty gap index (%) SSO, 2013b	9.7	9.2	10.1	10.9	9.3		-0.4 (**)
Migrant remittance inflows (USD million) (World Bank)	345	407	381	388	434	394	+14%
Budget allocation on education – % of total (authors' calculation)		17.8	13.3	13.2	13.1	13.0	-4.8 (***)
Budget allocation on health – % of total (authors' calculation)		19.8	14.6	15.4	15.9	17.3	-2.5 (***)
Budget allocation on social protection – % of total (authors' calculation)		18.0	16.6	16.1	16.8	18.1	+0.1 (***)
Labour (Eurostat online data, accessed March 2012)							
Inactive population, % of total population (15–64 years), males	25.2	23.4	22.4	22.3	23.2	23.4	-1.8
Inactive population, % of total population (15–64 years), females	49.6	49.8	50.0	49.6	48.8	49.2	-0.4
Employment rate, total (%) (15–64 years)	40.7	42.0	43.3	43.5	43.9	44.0	+3.3
Employment rate, males (%) (15–64 years)	48.8	50.7	52.8	52.8	52.3	52.4	+3.6
Employment rate, females (%) (15–64 years)	32.3	32.9	33.5	34.0	35.3	35.3	+3.0
Unemployment rate, total (%) (15–64 years)	34.9	33.8	32.2	32.0	31.4	31.0	-3.9
Unemployment rate, males (%) (15–64 years)	34.5	33.5	31.8	31.9	31.8	31.5	-3.0
Unemployment rate, females (%) (15–64 years)	35.5	34.2	32.8	32.2	30.8	30.3	-5.2
NEET (%) (18–24 years, not employed persons)	39.9	38.1	35.8	33.1	33.0	32.3	-7.6
Education (SSO, MAKStat online database; proportions: authors' calculations)							
Low or no education, % of total working age population, males	4.2	4.0	3.5	3.3	3.2	2.9	-1.3
Low or no education, % of total working age population, females	9.2	8.8	7.9	7.7	7.0	6.6	-2.6
Mid-level education, % of total working age population, males	39.9	40.4	40.4	39.8	39.3	39.4	-0.5
Mid-level education, % of total working age population, females	35.4	36.1	36.1	36.2	35.9	35.8	+0.4
Higher education, % of total working age population, males	5.9	5.6	6.1	6.9	7.4	7.7	+1.8
Higher education, % of total working age population, females	5.4	5.1	6.0	6.1	7.1	7.6	+2.2
Health (Eurostat online data, accessed March 2012)							
Life expectancy at less than 1 year, male (years)	71.8	72.4	72.3	72.9	73.1	73.0	+1.2
Life expectancy at less than 1 year, female (years)	75.9	76.5	76.7	77.2	77.2	76.9	+1.0

(*) the change 2007–2012 is calculated by the authors (product of index numbers, where 2007 = reference year).

(**) 70% of median equivalent expenditures; the change is calculated over the period 2007–2011.

(***) the change is calculated over the period 2008–2012.

Is quality of life improving in the former Yugoslav Republic of Macedonia? Has the crisis worsened the particularly low baseline revealed by the second European Quality of Life Survey (EQLS)? This report shows the positive progress made in the country over the period 2007–2012 in several aspects of life quality. Major improvements relate to living conditions, health, quality of public services, well-being and satisfaction levels in general. The country's EU candidate status and the numerous sectoral reforms initiated in the last decade have undoubtedly contributed to this positive development. Nevertheless, there is still evidence of high material deprivation, low housing quality and low quality of the environment. Furthermore, there are rural–urban inequalities. Ageing and low levels of education often imply social vulnerability. An evident optimism for the future fuels the country's potential to further enhance its citizens' quality of life, especially if ethnic and religious tensions are reduced and democratic consolidation is achieved.

The European Foundation for the Improvement of Living and Working Conditions (Eurofound) is a tripartite EU body, whose role is to provide key actors in social policymaking with findings, knowledge and advice drawn from comparative research. Eurofound was established in 1975 by Council Regulation EEC No 1365/75 of 26 May 1975.