

CONCLUSIONS AND POSSIBLE SOLUTIONS

The poverty in the country is getting even worse in the period of transition from 1990 to 2000. Moreover, the poverty has increased from 4% in 1991 to 21% in 1999. The main cause of the increase of poverty is the decrease in the real spending. In order to adjust to the decrease of income the population has decreased the real spending.

Dramatically decreased real income, which still continues to fall, in fact, is a result of the fall of the real wages or of the earnings from the formal work.

Other incomes in the households that include income from self-employment and agriculture have, in fact, increased. The fall of the consumption, as a result of decreased costs of food is smaller than the fall of the real income, which a result of the domestic savings (reserves).

When talking about poverty, it can be said it is extremely realistic. In the period of transition, most vulnerable groups are the unemployed, the rural households with non-agricultural occupation, families with children younger than 7 years and old peoples' households. Referring to the general characteristics of poverty has to be said that the low level of the education and the status of the working force/ unemployment, the low income from the wage, not having own possessions, are the basic determinants of the poverty. It is estimated that almost 80% of the poor live in the households whose supporting family member has only primary education or less. Poor families live in primitive habitats made of stone and mud, with a deficiency of basic parts of furniture and household apparatus, in

addition to which personal hygiene is maintained in a primitive way (no bathroom nor toilet), also, there is no water supply, drainage and the like.

The differences between the rural and the urban poverty are mainly in the education and the working status. Possessing a certain diploma means also belonging to certain social stratum, because it creates opportunity, not only for a better economical status, but also, in the same degree it influences employment and social mobility.

Moreover, poverty is increasing and there are significant changes in the extent of poverty, resulting from the overall social development. Considering that poverty is complex multi-dimensional problem cannot be said that the overall development will solve this problem automatically. Furthermore, the large complexity and the different causes of the poverty, demands an universal approach to the economical possibilities that will enable promotion of incomes for existence and basic social services.

The decrease of poverty can be achieved, not only through programs for strife against poverty, but also through democratic participation and changes in the economic structure. People that live in poverty must be strengthened through their organization and participation in all aspects of the economic, social and political life.

Therefore, in order to decrease poverty a multidimensional approach adjusted to the environment is needed. If fast and appropriate measures are not engaged, it can be expected that negative tendencies in the social development will continue, even in conditions of more dynamic economic development.

Concepts for decreasing of poverty:

First, creating conditions for higher and stable economical growth. In order to create increase in the GDP, likewise, increase in the employment and individual standard, fast and successful implementation of reforms, which support the program for equitable structural reforms are necessary, whereas sources of this growth are increase of export and investments.

It is useful to point out that forming of investments has to be implemented together with the policy for general development. However, the choice of the structure of production has to be in concordance with regional conditions, whereas traditional and work-intensive branches can play a role of an active pole of economic development and in decreasing of poverty. In present conditions of the overall economic development, traditional branches can give considerable results in the rural environments, especially, when the relatively high degree of unemployment is kept in mind.

Second, the weaknesses of promoting the enterprise sector should be eliminated; in other words, the legal frame of the employees should be strengthened. This means, regular payment of wages, fulfillment of obligations toward the pension fund and health insurance. In this context, the promotion should be focused on the small and medium enterprises.

Nowadays, the possibility to exit the vicious circle of poverty lies in the spirit of entrepreneurship, initiativeness, and the ability to reanimate this spirit. The leadership function of the people in the economic subjects is of a primary importance. Their openness towards new initiatives, stimulation of co-operation, as well as their immediate inventiveness in the creating of the enterprises can open numerous new perspectives. Namely, the development program in the field of agriculture must primarily aim towards strengthening the organization of the small farms, in order to create an opportunity for the small farms. Moreover, to achieve an increase in the productivity, provide easier access to the market and market information, as well as, better prices for their products.

Third, in the Republic Macedonia special attention has to be paid to enhance the availability of the infrastructure and the social services of distant, marginal and isolated communities.

When prioritizing investments, it is necessary to keep in mind that with undeveloped infrastructure the absorption of investments in insufficiently developed regions is small. In order to secure complete use of the human and material potential, it is considered that in poor

regions, the investments for enhancing the communal infrastructure are of primary importance.

Communication as a significant motivating factor has a special place in the frames of infrastructure. Additionally, communication means improve the climate in the economical and social development.

In order to decrease the regional and local differences in the economical and non-economical development, the developmental policy of the Republic Macedonia should be based on affirmation of the environment. In addition, recognition of regional characteristics, encouraging and developing an economic structure, which guaranties economic efficiency and rational use of the available resources.

There has to be a change of attitude toward the countryside, in other words, special attention has to be paid to the development of the infrastructure as prerequisite for a live economical and cultural development that will provide a higher living standard for the population. It is important to develop financial institutions, to promote attractive possibilities for saving and providing equitable access to credits in the regions of the countryside.

Fourth, in the Republic Macedonia considerable efforts have to be made in re-organization of the high school system, education of adults and their re-qualification, in order to help them when changing their jobs, in concordance with the demand of the market. Accordingly, special attention has to be designated in increasing the average level of general education, in this case, the level of education of all risky groups, such as minorities and village population, which are doomed to stay poor and uneducated without this kind of help.

Fifth, for availability and quality in the health services it is necessary to focus the health policy towards the poor part of the population. In other words, financing the basic health protection, by providing access to the services and better quality of health services, as they are of considerable importance to the poorer section of the population. In today's highly unfavorable social and economic conditions of life, when the majority of the population is

facing existential problems, among which, one of the most prevailing is health protection, the same should be provided by the state.

Sixth, the principles for receiving social help should be defined, in order to enable lawful and equitable distribution of the resources. In this case a social fund should be founded that will provide and direct the resources towards the poorest households.

Seventh, the state should continuously take care of the policy for promotion of employment as an efficient measure for the strive against poverty and to promote social integration. Therefore, there is urgent need for:

- Giving priority to programs that promote a possible and long term increase in the employment;
- Increasing possibilities for founding of private enterprises and access of micro-enterprises to credit lines and technological innovations;
- Respect of basic working rights (elimination of exploitation, promotion of co-operation between workers and employers, equal access to education, providing healthy and safe conditions).

Eighth, a special body should be founded, in the Republic Macedonia, consisted of specialists from different social institutions and scientists that work on the related problems. This body should provide a larger inflow of new information and initiatives for solving existing problems. Additionally, in the frame of its authorization, which is given by the state, this body would maintain contacts with other subjects in order to act together in the area of poverty.