



Network for Protection against Discrimination

TOWARDS EXERCISING THE RIGHT TO MONETARY BENEFITS DUE TO TEMPORARY INCAPACITY TO WORK OF INDIVIDUAL FARMERS

WHAT CAN (AND SHOULD) BE DONE IN ORDER TO GUARANTEE EQUALITY AND SOCIAL
SECURITY OF INDIVIDUAL FARMERS?

PUBLIC POLICY PAPER

Author: Goce Kocevski

Editor: Dragana Drndarevska

September, 2023

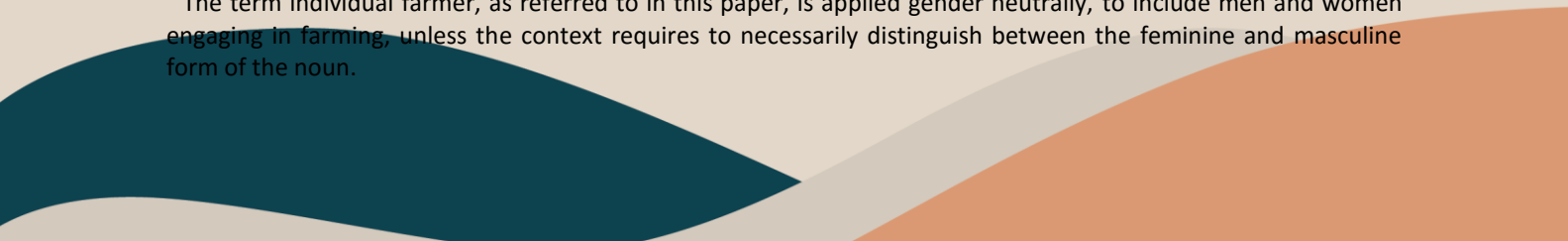
Executive Overview

The paper sets forth recommendations towards providing access for individual farmers to the rights to monetary benefits in cases of temporary incapacity to work. The recommendations are based on international standards and best practices in EU member states. Individual farmers in the Republic of North Macedonia do not have the right to monetary benefits due to incapacity during sickness, injury, pregnancy, giving birth and motherhood. This systematic failure leads to violation of their right to social security and social insurance, making them victims to discrimination, as has already been established by the Commission for Protection against Discrimination. Farmers are particularly concerned with this issue. The lack of benefits in cases when, due to objective reasons, an individual cannot engage in agricultural activities from which they generate income, increases the risk to poverty and social exclusion. Urgent measures and uniformed reforms in social, tax and agricultural policies are required in order to provide access to the rights for this category of individuals. Their integration in the system of social insurance, as essentially self-employed individuals, is possible and necessary. The paper proposes several measures towards the accomplishment of this goal.

Individual farmers¹ – They pay contributions without access to all rights as other payers of contributions in the compulsory social insurance system who are employed and/or engaging in an activity

Individual farmers in the Republic of North Macedonia, despite being payers of contributions in the compulsory social insurance system, do not have the right to monetary benefits due to incapacity to

¹ The term individual farmer, as referred to in this paper, is applied gender neutrally, to include men and women engaging in farming, unless the context requires to necessarily distinguish between the feminine and masculine form of the noun.



work during illness, injury, pregnancy, giving birth and motherhood.² The current social insurance model excludes this category,³ despite: the fact they engage in individual economic activity, pay contributions in the only social insurance system and contributions for health insurance.⁴

Such a systematic failure **violates their right to social security and social insurance**⁵ by placing an economically active category who pay contributions in the social insurance system (individual farmers) under law, in a disadvantage, without a legitimate purpose and disproportionately, in comparison to other economically active categories of contributors payers (employees and self-employed individuals). The discriminatory nature of this failure was in fact confirmed by the Commission for Protection against Discrimination as well.⁶

In the paper we propose evidence-based recommendations in line with the best practices of EU member states, in order to provide access to these rights to farmers, taking into considerations the characteristics of agricultural work, the social insurance system framework in North Macedonia and of course, specifically the legal and social context. The paper is based on findings from the comprehensive analysis of international standards and comparative practices on exercising the right to monetary benefits due to temporary incapacity to work during illness, injury, pregnancy, giving birth and motherhood. The paper and the analysis were developed and conducted by the Network for Protection against Discrimination (NPD), which has been pointing to this issue for a while and demanding a sustainable, long-term and systematic solution.

The initial step during the analysis of this issue and the development of the recommendations is understanding that social security is above all a human right, not charity from the state towards the individual.⁷ The step up to above the national level mandated that the states build social security institutions. In addition, a just social security system without discrimination is a precondition for the application of social justice and the guarantee of gender equality. In the first part, the paper offers an analysis of the issue and the reasons behind it, proceeding to an analysis of the potential consequences should the state fail to act towards finding a resolution. The third part is an overview of international standards and comparative practices. Lastly, the paper proposes several general and specific recommendations, elaborated adequately, which, if accepted and introduced, shall allow this category of individuals to exercise their right to monetary benefits in cases of incapacity to work.

Why farmers in North Macedonia don't have access to the rights to benefits during incapacity to work – An analysis of the Issue

The short answer is because the Law on Health Insurance (LHI), governing the application of such rights, does not prescribe it. The response of the Ministry of Health, as the body competent to draft laws in this

² Due to simplification reasons, the terms used in the paper are **“sickness benefit”**, which in addition to sickness of the individual not working, also encompasses injuries outside the working place, injuries at the working place and occupational illness, treatment and medical examination, the care of a sick child, the care of a family member, accompanying a sick child, donation of blood, tissue or organ, as well as isolation due to prevention of contamination; on the other hand, **“maternity benefit”** encompasses benefits due to pregnancy, giving birth and motherhood (caring for a new-born baby).

³ [Law on Health Insurance](#), “Official Gazette” No. 25/00... 60/23. Article. 13, paragraph 1 and Article 14, paragraph 1.

⁴ [Law on Contributions from the Compulsory Social Insurance](#), “Official Gazette” No. 142/08... 247/18. Article 7, paragraphs 1, point 6 and Article 10, paragraph 1, point 4.

⁵ Constitution of the Republic North Macedonia, Article 34.

⁶ Commission for Prevention and Protection against Discrimination, [Opinion No. 08-119/3 from 03.03.2023](#).

⁷ International Covenant on Economic, Social and Cultural Rights, Article 9.

area, to a petition submitted by the Commission for Prevention and Protection against Discrimination, offers some insight as to the reasons. According to the Ministry of Health, **the activity individual farmers engage in cannot be considered as work** in the sense of the Law on Labour Relations, and they have not established labour relations.⁸ In this regard, the title of the rights (**salary benefits**)⁹ is quite self-explanatory, as are, partially, the categories of the insured in the compulsory social insurance¹⁰ who are entitled to these rights. However, the argumentation does convey a particularly weak point, which is **self-employed individuals are also entitled to this right,¹¹ who have not established labour relations, do not necessarily receive a salary and are not governed by the LLR** (according to which only employees who have established labour relations are entitled to the right to benefits during absence from work).¹²

What are individual farmers?

Domestic legislation includes two definitions on the term “individual farmer.” According to the [Law on Contributions from the Compulsory Social Insurance](#)¹³, individual farmers are **individuals for whom agricultural activity is their only occupation and who generate an income on the basis of engaging in agricultural activities**. On the other hand, regulations on agricultural activity¹⁴ define individual farmers as **physical entities engaging in agricultural activity of a lesser volume and who have been registered in the Registry of Individual Farmers. Agricultural activity of a lesser volume is considered the agricultural activity pursued by an individual farmer and up to ten other employees**, including the members of the family, as well as up to five other seasonal workers.

Apart from the two different definitions of the term offered by laws regulating different legislative areas, certain overlapping does occur, i.e. double regulation of engaging in agricultural activities between the Law on Engaging in Agricultural Activities (LEAA) as a special law and the Law on Agriculture and Rural Development (LARD) as a general law regulating agricultural policies overall.

⁸ In its response to the petition submitted by the Commission for Protection against Discrimination, the Ministry of Health highlighted that the right to salary benefits can be exercised by “all individuals who have established labour relations according to the regulations on labour relations and who receive a salary for their work.” In addition, the Ministry pointed out that the right is the result of labour relations regulations, further regulated with health insurance regulations. See Commission for Prevention and Protection against Discrimination, [Opinion no. 08-119/3 issued on 03.03.2023](#) p. 7.

⁹ The right to salary benefits during temporary incapacity to work due to sickness and injury and the right to salary benefit during absence from work due to pregnancy, giving birth and motherhood.

¹⁰ 1) a worker who has established labour relations; 2) a citizen of North Macedonia employed at foreign and international bodies etc. and 3) a self-employed individual (a sole proprietor or a performer of independent activities).

¹¹ The only definition of this term offered by a law is contained in the Law on Employment and Insurance in cases of unemployment, whereupon Article 2 defines a self-employed individual as a physical entity pursuing independent economic activity or professional and other intellectual services from which they earn income, on their behalf, under terms determined by law.

¹² The LLR determines solely **the labour relations between employees and employers** established by signing an employment contract. Article 1, paragraph 1 of the LLR.

¹³ [Law on Compulsory Social Insurance Contributions](#), “Official Gazette”, No. 142/08... 247/18

¹⁴ See Article 7 and 8 [Law on Performing Agricultural Activities](#), “Official Gazette”, No. 11/2002; 89/2008; 116/2010; 53/2011; 39/16.

Characteristics of Agricultural Activities

As regulated by law, the activities engaged by individual farmers, similar to every other independent economic activity, have the following characteristics:

- **Duration** – The activity is performed for a period indefinite beforehand, as a permanent activity;
- **Continuity** – The activity is performed continuously, depending on the requirements.
- **Direct** – As a rule, individual farmers engage in activities by themselves, together with family members, with the option of employing a limited number of people or hiring daily wage workers;
- **The activity generates income** – Individual farmers engage in the activity in order to generate income for their livelihood.

Individual farmers and compulsory social insurance

Individual farmers are contributors payers in the compulsory social insurance system.¹⁵ They are payers of contributions for **compulsory pension and invalidity insurance** and **compulsory health insurance**. The sole case where they do not pay contributions is regarding unemployment insurance. The corresponding funds are competent to calculate the contributions, while the contributions are paid by the farmers on behalf of themselves.¹⁶ Contributions are calculated on a determined lump-sum, which in the case of individual farmers is **20 % of the net average salary** per employee in the country announced in January for the current year.¹⁷ At the request of the individual farmer, the contributions **can be calculated on a higher lump-sum**.

Comparison of the lump-sums according to which contributions are calculated for economically active individuals

Category	Lump-sum
An individual who has established labour relations	Salary + additional employment benefits
Self-employed individual	The monthly advance payment of the net-income, i.e. the lump-sum determined net-income (cannot be lower than the average salary)
Individual farmer	20 % of the net average salary per employee in the country announced in January for the current year

In comparison to the other categories, the lump-sum determined for individual farmers is unquestionably lower. However, **the lower lump-sum according to which individual farmers pay their contributions cannot and should not be the reason for denying the right to benefits, particularly in cases of pregnancy, giving birth and motherhood**. The reason is that these benefits are disbursed from the state budget instead of the Health Insurance Fund to which the contributions are paid.¹⁸ Farmers also contribute to the state budget, just as everyone else, by means of income taxes and the Value Added Tax.

¹⁵ From January 2013 to November 2017, there was an attempt to change the term individual farmer and categorize the insured engaging in agricultural activities pursuant to the categorization prescribed with the Law on Agriculture and Rural Development (LARD), however the model failed to function in practices.

¹⁶ [Law on Contributions from the Compulsory Social Insurance](#), "Official Gazette", No.142/08... 247/18. Article 7, paragraph 1, point 6, Article 10, paragraph 1, point 4 and Article 11, paragraph 1, point 3.

¹⁷ Also Article 14, paragraph 1, point 2.

¹⁸ [Law on Health Insurance](#), "Official Gazette" No. 25/00... 60/23. Article 14, paragraph 3.

The problem of lacking a single definition of the term individual farmer

Instead of referring to the laws regulating agricultural activities, the Law on Contributions from the Compulsory Social Insurance (LCCSI) offers a definition of individual farmers as individuals whose occupation is agriculture and who earn income by engaging in agricultural activities.¹⁹ Consequently, in the process of establishing, i.e. acquiring the status of insured, the Health Insurance Fund requires one of the following documents in the application process: a title deed or ownership deed (issued no longer than 6 months before applying), or a certificate issued by the Public Revenue Office on the income generated from agricultural activities, or an agricultural land lease.²⁰

The HIF does not require proof that the individual is recorded in the Individual Farmers Registry, or in the Sole Registry of Agricultural Households, two different registries introduced by different laws regulating the performance of agricultural activities. **The lack of one registry results with unnecessary burden placed on individuals engaging in agricultural activities, making it more complex to administer, often leading to conflicting data.** On the other hand, the failure to connect the registries with the social insurance system, as a system determining who is an individual farmer, further indicates to the lack of coordination between the different policies.

How many individual farmers are there in the state?

Data on the number of individual farmers is not publicly available on the website of the Ministry of Agriculture, Forestry and Water Economy (MAFWE), nor does the State Statistical Office offer (SSO) updated data on it. There is no publicly available data on this category, which is necessary for a more exhaustive analysis of their socio-economic situation. Some data is available on agricultural households, amounting to a total of 178,125 according to the last structural research conducted by the SSO in 2016, 172,663 according to the Sole Registry of Agricultural Households of the MAFWE in August 2020 and 86,650 according to the number of users of the direct payment measures in 2018, data issued by the Agency for Financial Support of Agriculture and Rural Development.²¹

However, in the context of our topic, of importance is the number of individual farmers actively insured in the compulsory social insurance system. It should be stressed, though, that only the insured/bearers of the right have the right to benefits due to incapacity, and not the insured persons/family members. Consequently, there is a significant difference between men and women in terms of who is a bearer of the right and who is an insured person, pointing once again that women are disproportionately more concerned by this issue.

*An overview of insured persons with health insurance who are individual farmers from 2018 to 2022*²²

	2018	2019	2020	2021	2022
Bearers of the right (The insured)	19796	18944	18077	17233	16697
- Female	4988	4893	4750	4635	4566
- Male	14808	14051	13327	12598	12131
Members (Insured persons)	21369	20477	19090	17567	16278

¹⁹ [Law on Contributions from the Compulsory Social Insurance](#), "Official Gazette" No. 142/08... 247/18. Article 4, paragraph 11.

²⁰ <<https://fzo.org.mk/utvrduvanje-steknuvanje-svojestvo-osigurenice>>

²¹ Ministry of Agriculture, Forestry and Water Economy (2021) [2021-2027 National Strategy for Agriculture and Rural Development](#), p. 11.

²² Source: [Health Insurance Fund An Overview of Insured Persons](#).

- Female	14839	14137	13168	12105	11244
- Male	6530	6340	5922	5462	5034
Total	41165	39421	37167	34800	32975

According to data issued by HIF, there is an apparent difference between the number of individuals in agricultural households and users of the direct payment measures, and the individual farmers who are the insured. The data also indicates to a drop in the number of the insured in the past five years for almost 15,6% in 2022, in comparison to 2018. There is a significant difference also between the number of women and men bearers of the right, i.e. the percentage of women bearers in comparison to the total number is somewhere between 25% and 27%.

The gender perspective of the problem

With only 35 % employed women, the disparity between employment of women and men in rural environments is obvious and significantly higher than in urban environments, in which the percentage is more balanced and amounting to 43% employed women. Most of the women in rural environments work at the family agricultural households without salaries, in addition to house work, and don't have personal health or pension insurance. They are not registered as individual farmers and don't pay contributions on their own behalf although in reality they do work. Their work falls under the grey economy, while state statistics registers them as inactive population. In cases when a woman is paid for her work, the earnings amount to only 33% of how much a man earns in the same field.²³ In rural environments, patriarchal norms are even more apparent. Consequently, women's livelihood directly depends on the men, which prevents their emancipation and exposes them to numerous risks. Divorce for these women is not an option since it forces them to face poverty and being homeless, hence they are particularly vulnerable to gender-based violence, making them less likely to report domestic violence. No access to monetary benefits in cases of pregnancy, giving birth or poverty impacts them negatively significantly. Consequently, these female workers and their children face numerous health and social risks caused by the impossibility to stop working during pregnancy and nursing.

Individual farmers are (not) self-employed individuals

The term self-employed person is defined in the LCCSO as a *physical entity engaging independently in an economic activity as well as any person who renders professional and any other intellectual services and makes earnings out of it*.²⁴ The definition contains three elements:

- To be a **physical entity**,
- They have to **engage in an independent economic activity** or render professional and other intellectual services and make earning out of it,
- **In accordance with the law**.

The same law defines the term "individual farmer" as a person whose sole occupation is engaging in agricultural activities and generating income on the basis of engaging in agricultural activities. This definition is listed under the definition of self-employed individuals. Individual farmers are **physical entities**. They independently engage in agricultural activities defined by the Law on Agriculture and Rural Development as "**economic activities**"²⁵, out of which they earn income. The activities are

²³ Ibid. P. 12.

²⁴ [Law on Contributions from the Compulsory Social Insurance](#), "Official Gazette" No.142/08... 247/18. Article 4, point 10.

²⁵ [Law on Agriculture and Rural Development](#). "Official Gazette" No. 49/2010... No. 65/2023. Article 2, point 6.

performed in accordance with the Law on Performing Agricultural Activities and the Law on Agriculture and Rural Development. In essence, there is no difference between an individual farmer and a self-employed person. The difference is normative and arising from (to a certain extent) the need to recognize the specifics of agricultural activities, particularly the higher level of social risks to which these individuals are exposed during their work, which further confirms the fact that it is necessary to strengthen their rights from social insurance. Furthermore, according to the ILO report on the Republic of North Macedonia,²⁶ EU Acquis and international laws, farmers are considered as self-employed individuals.

Status quo – What are the consequences of failing to undertake measures?

The lack of benefits in cases when a person is prevented from performing the agricultural activities out of which they earn income due to objective reasons increases further the present risk of poverty affecting this category.²⁷ Women from rural environments are particularly negatively affected since their only source of income are agricultural activities. Agriculture demands arduous physical labour which cannot be performed during pregnancy, even less in cases of high-risk pregnancies. Women farmers have to choose between poverty or risking their health and the health of their baby while pregnant and breastfeeding, forced to engage in the activity, even though their baby still needs to be cared for. Considering the lack of health services, as well as family planning services,²⁸ this places a burden on the life and wellbeing of the rural woman.

The fact that this discrimination is of systematic character, is caused by the law, and concerns the application of constitutionally guaranteed rights has serious consequences on the social security of an entire category of citizens, and imposes an immediate necessity of a comprehensive reform. Civil society organizations, as well as farmers' associations have been asking for access to benefits during incapacity to work, particularly the maternity benefit for years.

In an attempt to respond to the demands, the Government first announced and adopted a separate program in order to provide finances for “the support of the social security of women engaging in agricultural activities” for 2023.²⁹ This solution was deemed by civil society organizations (70 CSOs) as unsystematic, insufficient and unsafe, bearing in mind that whether this right could be exercised would depend on the Government's decision, not the Law.³⁰ In April 2023, a draft-Law was submitted by a group of MPs amending the Law on Health Insurance whereby the right to benefits due to incapacity of individual farmers is recognized, and determining a lump-sum for calculation and payment of the


²⁶ Mojsoska Blazhevski, N. Ristovski, A. Petreski, M. (2021) [Non-standard forms of employment in North Macedonia - Final integrative report](#). International Labour Organization. p. 21.

²⁷ On the risk of poverty among farmers in North Macedonia see Lazarov D. (2009) [Poverty, Inequality and Quality of Life in the Republic of Macedonia](#). Institute of Economy – Skopje, St. Cyril and Methodius University - Skopje; Tuna, E. Simonoska, A. Petrovska-Mitrevska, B. (2022) [A Multidimensional Analysis of Poverty in the Republic of North Macedonia](#). National Farmer Association; Tosheska, M. (2021) [The Situation of Rural Women in Macedonian Society](#). Association for Rural Development “Local Action Group AGRO LIDER”.

²⁸ On the limited access to health services and family planning services see Pavlovski, B. Frishchikj (2022) [When the Place of Living Determines Health – Access to Primary Health Care for Rural Population in the Republic of North Macedonia](#). Association for Emancipation, Solidarity and Equality of Women.

²⁹ Government of RNM (2023) [Program for Social Security of Women Performing Agricultural Activity for 2023](#).

³⁰ In December 2022, 70 CSOs issued a request demanding systematic solution towards providing paid maternity leave for women farmers. See <<https://sdk.mk/index.php/makedonija/70-organizatsii-baraat-promena-na-diskriminatorskoto-reshenie-so-koe-zemjodelkite-nemaat-pravo-na-platenno-porodilno-otsustvo/>>



maternity benefit for the so-called maternity leave.³¹ The procedure is still ongoing due to the necessary detailed and comprehensive analysis of the issue and the development of draft-solutions for sickness benefit (illness or injury).

How the issue is solved in other systems – International standards and comparative practices

International Organization of Labour and the Council of Europe

International standards, above all, those of IOL and the Council of Europe, oblige states to constantly promote their national systems to specifically prevent any type of discrimination among the different categories of citizens in their access to justice. Incapacity to work due to sickness, causing interruption or decreasing the earnings, should not exclusively refer to persons who have established labour relations but also to self-employed individuals. In this context, the European Social Charter considers self-employed individuals as employees as well, including farmers. In terms of motherhood, the corpus of international standards is more extensive and the states' obligations are more seriously defined. Convention (C183) applies to all employed women, including those in atypical forms of dependent work. Benefits are at a level which ensures “proper standards of living”, i.e. “cash-benefits must be at a level which ensures that the woman can maintain herself and her child in proper health conditions and with a suitable standard of living”.³² The conditions to qualify for monetary benefits should be formulated in such a manner that a large majority of women to whom this applies could meet them.

European Union

Within the EU, despite the fact that social policy issues are part of the so-called shared competences between EU and member states, the EU *acquis* has still mapped the direction for minimum standards in terms of social security to be applied by its member states. In this context, there is a need for alignment regarding the access to the rights to social security between employees and self-employed individuals, as well as the meaning of the term employee as an individual engaged in work regardless of their legal status, as developed with the caselaw of the ECHR. Pursuant to the EU *acquis*, farmers are listed in the category of self-employed individuals. Directives aim to decrease gender inequality in this area.³³ The key EU standard is recognizing women's unpaid work at the home and in agriculture, as the basis for acquiring the right to social security (sickness and maternity benefit). Therefore, women farmers should enjoy these rights based on their work and/or as spouses/partners of self-employed individuals-farmers.

Comparative Practices

In most of the analysed countries (Serbia, Croatia, Slovenia, Albania, Estonia, Poland, Germany, Bulgaria and Lithuania), farmers have the right to preferential treatment in terms of social contributions due to

³¹ [Draft Law Amending the Law on Health Insurance in summary proceedings](#) by Dimitar Apasiev and Borislav Krmov, April 2023.

³² ILO. Maternity Protection Convention (C183).

³³ Council Directive 79/7/EEC on the progressive application of the principle of equal treatment between men and women in the fields of social protection; Directive 2006/54/EC on the application of the principle of equal opportunities and equal treatment of men and women in matters of employment and occupation (recast); and Directive 2010/41/EU on the application of the principle of equal treatment between men and women engaged in an activity in a self-employed capacity and repealing Council Directive 86/613/EEC.

the specific circumstances in which they engage with the activity.³⁴ Out of the analysed systems,³⁵ all prescribe the right to monetary benefits in maternity cases for individuals engaging in agricultural activities, who are not sole proprietors, registered in the trade registry. The modalities and manners in which this right is exercised differ. Certain systems regulated the issue with special laws in the field of social protection with referral to the compulsory social insurance systems (like **Serbia** and **Croatia**). However, despite the obligation to insure these individuals, the models also prescribe the opportunity for individuals outside the system (like the unemployed) to have the right to certain benefits.

Slovenia and **Albania**, on the other hand, within their national social insurance systems prescribe a separate so-called parental insurance, with a rate lower than 1%, different from health insurance, ensuring all payers of contributions in the social insurance system (including farmers) can enjoy the rights arising from it. There is, however, a difference regarding the compulsory aspect of the insurance. For instance, in **Albania** and **Bulgaria**, farmers can, but don't have to be insured for sickness and maternity.

Some countries take into account the size of the individual agricultural household (**Serbia, Croatia, Slovenia, Lithuania**) when determining the amount of the contributions, as well as the types of contributions to which the insured persons have the right. Some states regulate this with tax law regulations, while other, particularly those with specific insurance systems (**Poland** and **Germany**), consider the size of the agricultural land.

In **Croatia** and **Slovenia**, payers of contributions in the social insurance system who engage in agricultural activities have the right to monetary benefits in cases of temporary incapacity to work, i.e. prevented from working due to the use of health services. In **Croatia** there is a difference between the right to salary benefits and the right to monetary benefits in cases of incapacity to engage in activities on the basis of which income is generated. In **Slovenia**, farmers have the right to benefits in cases of temporary absence from work if the contributions are paid on a lump-sum in the amount of 60% of the net average salary, calculated monthly. In **Albania** insurance for farmers in cases of illness or injury at work is voluntary. In **Estonia**, farmers have the right to benefits during incapacity to work due to illness and injury as all other individual independently engaging in an economic activity. In **Poland**, the sickness benefit is awarded to an insured person who was not able to work continuously for at least 30 days due to sickness.

What can and should be done? Policy recommendations

General Recommendations

1. **Clear and uniformed definition of the term “individual farmer” or analogously similar term encompassing all physical entities engaging independently in agricultural activity in order to generate income, and who are not registered as sole proprietors.**

The current model of three laws (LCCSI, LPAC and LARD) although regulate essentially the same matter, do so in a different manner, thus preventing the determination of the scope of the economic activity. An attempt was made to resolve this issue by making amendments to the 2013

³⁴ On tax treatment of farmers see Hill, B., Blandford, D. (2007), *Taxation Concessions As Instruments Of Agricultural Policy*. The Agricultural Economics Society's 81st Annual Conference, University of Reading.

³⁵ Serbia, Croatia, Slovenia, Albania, Estonia, Poland, Germany, Bulgaria and Lithuania.

LHI and introducing separate classes of farmers, however this approach was abandoned in 2017.³⁶ A consensus is necessary on the meaning of the term “individual farmer” or analogously another term (like bearers of agricultural household) among the key stakeholders, and then proper harmonization of the previously mentioned laws.

2. The next step should be revision of the individual farmer status as payers of contributions in the social insurance system, particularly considering that in essence these are self-employed individuals, and of the household size and income amount.

Pursuant to the principle of solidarity and fairness, in most of the comparative practices there is classification of farmers either on the basis of the income reported or on the basis of the agriculture household size. It is considered socially and economically justified for individuals owning small farms and generating minimal income to have a preferential treatment in the determination of the lump-sum and the height of the contributions in comparison to the farmers who have higher income. However, this does not affect the fact that they are self-employed individuals and should be recognized as such. By simply placing smaller farmers outside of the scope for being covered by social insurance, there is a risk of overburdening the social care system and bringing them to utter poverty. When defining the lump-sum, it is necessary to consider the nature of the farmers’ work and the risks they are constantly exposed to during it.

Alternative:

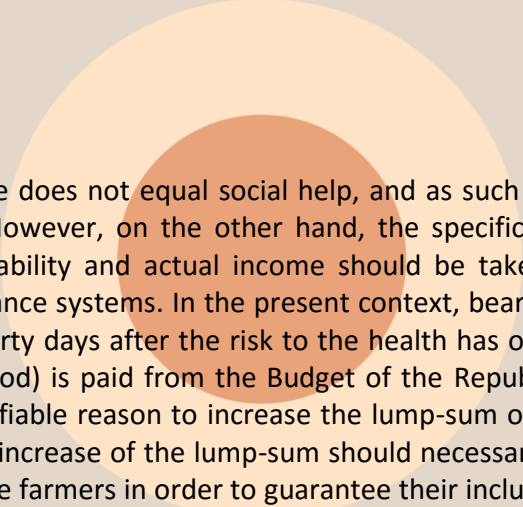
- Introducing compulsory minimum insurance (covering a limited number of risks), as well as the possibility of voluntary insurance covering additional risks/dangers.

3. Considering that sickness and maternity benefits are in fact compensation for an income that would have been generated if the person had not been incapacitated to work, it is necessary to establish a system for monitoring farmers’ income.

There are **two options** in terms of this question.

- a. One option is to legally speculate (decide on a lump sum) that their net income equals the minimum wage and calculate the contributions on the base of that sum.
 - b. The second option is to consider the factually generated income (possibly a better option for farmers who generate more income).
- 4. Introducing changes to the lump-sum on the basis of which contributions for individual farmers are calculated and on the basis of which they are paid is not recommended. A potential rise in the lump-sum should necessarily imply prescribing legal measures, particularly for farmers who lack the finances to pay the contributions in order to cover the difference in the expenses.**

³⁶ The Law Amending the Law on Health Insurance (Official Gazette No. 16/2013) replaced the terms “individual farmer” with “bearer of the family household from second and third category, pursuant to the Law on Agriculture and Rural Development”; The reform was abandoned with the amendments introduced to the LHI in 2017 (Official Gazette of RM No. 171/2017).



Indisputably, social insurance does not equal social help, and as such is based on paying a certain contribution/participation. However, on the other hand, the specific socio-economic features of certain groups, their vulnerability and actual income should be taken into consideration in the designing of the social insurance systems. In the present context, bearing in mind that the sickness benefit is paid by the HIF thirty days after the risk to the health has occurred, while the maternity benefit (birth and motherhood) is paid from the Budget of the Republic of North Macedonia and not the HIF, there is no justifiable reason to increase the lump-sum on the basis of which farmers pay their contributions. Any increase of the lump-sum should necessarily be followed up by proper legal measures to support the farmers in order to guarantee their inclusion in the compulsory social insurance system. Increasing the lump-sum may be counterproductive, i.e. it may discourage farmers from registering and paying contributions, which in turn increases the risks of poverty and deterioration of health.

Recommendations in terms of incapacity to work due to illness and injury

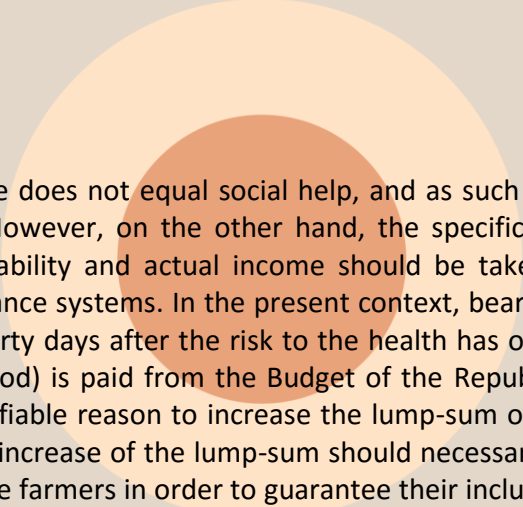
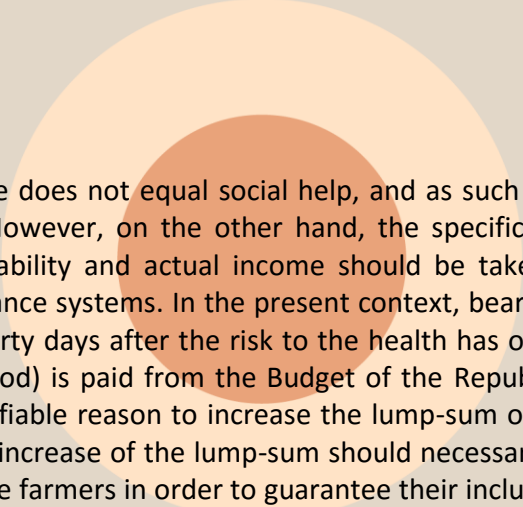
- 5. Recognizing the right to sickness benefit of individual farmers should be accomplished by amending the Law on Health Insurance, whereupon the word salary should be avoided in the definition of the right.**


Considering that individual farmers are not paid a salary but instead their income, pursuant to the Law on Personal Income Tax, is considered as an income generated from an independent activity, changes should be introduced to the name of the right itself (in terms of farmers and self-employed individuals). This would be in accordance with the current solution which allows access to these rights to self-employed individuals who are also not paid a salary. Croatia and Serbia could serve as an example, since these countries make a distinction between benefits from salaries and benefits from other income. In addition, Articles 15 and 18 from the LHI should also be amended in order to include the specifics of individual farmers (for instance, in the first 30 days of the incapacity to work due to sickness they do not have the right to benefits simply because there is no employer who would pay it off). Consequently, the benefit should be paid off immediately after the sickness or the injury occurs.

Recommendations in terms of incapacity to work due to pregnancy, motherhood or parenthood

- **In the short-term (six months) it is necessary to recognize a separate right to maternity benefits of individual women farmers with the Law on Health Care.**

The existing nomenclature and use of the phrase “benefits from salary” is not suitable to capture the essence of the benefit, even though terminology is not an obstacle for farmers to acquire the right if amendments to the Article are introduced as proposed in the draft-Law Amending the Law on Health Insurance from May 2023. However, it is still recommended to introduce different wording to the right of individual women farmers and other self-employed female individuals, in a separate article from the LHI in order to make a distinction from employment rights. It is necessary to introduce a separate article to determine that individual farmers shall have the right to sickness benefit due to pregnancy, giving birth and motherhood. The article would offer a definition on the right, determine the duration and specify that the finances shall be allocated from the state budget. Furthermore, it is important to add an **article (following Article 14) determining the amount of the benefit calculated on the basis of a**





percentage from the net average salary, or on the basis of the minimum salary established by law. The article should also determine the manner of payment.

- **In the long-term (one to two year), it is necessary to synchronize current reforms in the field of labour legislation, in order to distinguish between absence due to motherhood, fatherhood and parenthood, and to further regulate self-employment.**

In the long-term, it is necessary to launch a public discussion, undoubtedly imminent due to the necessity to transpose the directives on parental leave and to coordinate family and professional obligations. The discussion should focus on deciding whether to maintain the current regulation model, in which case the Law on Labour Relations regulates the right, while the Law on Health Protection the amount, or to regulate the matter with a separate law, similar to most of the analysed countries. Crucially important is to include the characteristics of self-employed individuals and individual farmers, in order to ensure complete equality. In addition, a decision should be made of whether monetary benefits would be deemed as rights arising from social insurance, in which we all participate pursuant to the solidarity principle, or as a social care instrument.