

## **Covid-19 implications and the realisation of labour rights in the Republic of North Macedonia**

### **Abstract**

*The Covid-19 virus presents an invisible menace of major proportions. We have as yet no clear study of the causes of the virus – or, more precisely, its precise aetiology is disputed – yet it has had colossal implications. It has imposed a global public discourse which has severely eroded both collective and individual sense and consciousness. This article offers some thoughts on the social implications of the pandemic as regards labour in the early days after the virus arrived in North Macedonia, drawing on media reports of particular developments and focusing in particular on violations of employment rights and the problems of workers likely to be most at risk. The break in economic activities, a (further) fall in standards of living and the decline in GDP and, hence, the loss of jobs and the overall increase in unemployment rates deepen the sense of (inter)national crisis. We still do not know how long this will last and the death toll that will ultimately be reached; furthermore, countries that are already struggling will, at that point, face a disproportionately sizable task in achieving social reconstruction and rehabilitation.*

**Keywords:** Covid-19, social and labour rights, unemployment, labour inspectorate, payment of wages

### Introduction

The symbiotic relationship between the individual and society, i.e. the immediate and wider environment in which the individual lives and works, may produce sets of negative influences that have severe implications at the individual level on the one hand and, at the same time, also for the social processes which frame their existence. This is the case for illnesses which have serious consequences for health, such as those in the shape of epidemics and pandemics, and where these spread widely and with unmatched impact upon the life and health of indefinite numbers of people across the globe.

The development and spread of the Covid-19 pandemic is a specific example of an illness which is dramatically impeding individual human beings and obstructing normal social processes. More precisely, it is deepening the problems already being experienced by individuals and society as a whole. The result is that a vicious circle is formed with negative effects for individuals and society, magnifying human suffering even further.

Socio-pathological phenomena combine extremely negative situations for the individual (personality disorders) piled on top of severe states of disorders in society

(social disorders and social disorganisations). These are the precursors of social illnesses (both physical and mental) which ultimately, in turn, have specific consequences for health. More specifically, a pandemic of pathogenic micro-organisms circulates within a closed, dangerous and deadly determined loop between individual and society, all while the disease is spreading through uncontrolled and unstoppable self-reproduction and multiplication at global level.

Writing amidst the second wave of the Covid-19 pandemic, and with daily increases in the records of the numbers of people infected, critically ill and deceased right around the world, it is clear that, alongside the pronounced health consequences, humanity is at a low ebb. This is due also, and in no small part, to a whole series of impacts on economies and on the social situation of citizens everywhere in the new (ab)normality. These new sets of challenges include decreases in the production of goods and services, freezes in salary payments including those based on minimum wage subsidies from the state, closures of businesses and mass unemployment that predominantly affects those existing on and below the poverty line where it was already hard enough to make ends meet under the old normality.

The Republic of North Macedonia is not immune to this destructive impact on the new socio-economic situation of its citizens. With very few exceptions, citizens are finding it challenging to come across vacant jobs, they are losing work on a mass scale, thousands of employees are living on minimum wages subsidised by the state and a large part of the population is faced with increased costs for information communications technology to help the online schooling of their children. The list of problems goes on with increased electricity bills, problems with public transport as the most affordable means of transportation to the workplace and many other inconveniences including access to health services and quality health and care. To add to this are expenses related to medications and Covid-19 testing.

Such impediments translate into increased poverty at national level and to a first wave of severe implications regarding the standard of living and well-being of citizens. These were pronounced most acutely during the course of the state of emergency, police curfews and the complete lockdown of the country, while the long-term manifestation of the virus will continue in an undetermined time framework. At the same time, the cause of the Covid-19 pandemic and its medical background remains unknown while the virus itself carries on in its surreptitiously destructive path.

To add to the plethora of emerging negative effects are the impaired mental and emotional states of individual citizens expressed through fear, anxiety, panic attacks and aggression, all taking the shape of a form of mass hysteria and all of which will be difficult to prevent and treat even by the world's most developed and advanced health systems.

## The socio-economic situation of the workforce during the pandemic

### *Economic indicators for North Macedonia*

It is indisputable that these broadly-outlined consequences of the pandemic have increased the levels of social disorganisation manifested through domestic family life, in the local community and the working environment in both public and private

sectors, as well as the amount of disorganisation found in the institutions and organs of state governance. The negative trends and processes of disorder have significantly affected basic human rights and freedoms, starting with freedom of movement, the right to work, the right to free communication, the right to assemble and the right to organise and attend public events and festivals. All of these deprive citizens of basic needs and rights, needs which are of a socio-existential, educational, cultural or sporting character to which may be added the need for peace and mindfulness, to security and the safeguarding of physical health: more broadly, the whole range of fundamental living needs. In this new context and reality, citizens are being exposed to a plethora of lies and ‘fake news’ circulating at an evermore increasing pace from different channels and at different levels, deliberately or not, either out of fear or with malicious intention, to achieve some overt or covert goal or effect.

The impact from the global social disorder caused by Covid-19 is ever more pronounced in the realisation of workers’ rights in North Macedonia. Covid-19 has caused a huge hit on the economy – a shock felt both by national markets but also within the world economy at large. North Macedonia was not impervious to any of this, but its economy has been hit particularly hard as the virus continues to snowball.

According to indicators from one recent study, for the first two months of the crisis (March and April), the most severely affected aspects were levels of productivity, sales and wage income (CEFE Macedonia and ‘Goce Delčev University 2020). Almost 26.4 per cent of companies surveyed had ceased the bulk of their business activities, resulting in a decrease in revenues, while 34 per cent had reduced the salaries of their employees. At the same time, only 13.2 per cent of companies were strongly concerned about the negative consequences of the Covid-19 crisis – an identical percentage to those who were not worried at all. The remaining responses, forming the bulk of the response base (i.e. 73.6 per cent were somewhat worried).

We believe that, if the research were to be repeated at this point in time (some eight months on from the beginning of the crisis), the results would be much more dramatic than those earlier reported. Thus the reduction in revenues, the postponement or freezing of existing projects and stagnation in the pipeline of new ones, the reduction in demand and consumption and the reduction of payments in respect of debt relief is now likely to be at least twice as pronounced. The CEFE Macedonia/ ‘Goce Delčev’ University research covered companies from different sectors and did not, however, extend to IT companies and those who intensively use information and communications technology to perform their core business. Nevertheless, based on the results obtained from the questions answered by several companies in Macedonia belonging to different industrial sectors, several recommendations for how the crisis could be mitigated were presented.

The economy in North Macedonia has, up to now, been supported by three government stimulus packages to mitigate the financial effects of the crisis, with several economic measures that have had a slight impact on reducing the negative effects. A fourth crisis package is, at the time of writing, about to be released due to the continuation and deepening of the crisis. This is confirmed in data published by the State Statistics Office which registers losses in both GDP and trade during the second

quarter (Q2) of 2020, compared to the first quarter (Q1), to the tune of a decline in GDP of 12.7 per cent while exports and imports both decreased by 30 per cent.

By the end of April 2020, a total of 8,160 employees had lost their jobs in the period since 11 March 2020, i.e. the beginning of the crisis, according to an analysis of Employment Agency statistics (360 Stepeni 2020). A majority, i.e. 4,279 (54.3 per cent) lost their jobs due to the expiry of a fixed-term employment contract, with mutual agreement on the termination of employment affecting another 1,987 (24.4 per cent), while 853 (10.5 per cent) had been fired by the employer. Some 597 (7.53 per cent) submitted resignations on their own account and the remaining 5 per cent lost their jobs due to business reasons (technological or other reorganisation), bankruptcy, liquidation, termination of the employer's activity or other reasons.

In the second quarter, however, a further 17,690 people lost their jobs, entailing a further decline in GDP, so the government introduced a stimulus package aimed at mitigating the impact on workers and companies. To be able to do so, however, the government had to increase national debt to a figure approaching 60 per cent of GDP, narrowing the fiscal space (World Bank 2020) and thus leading to another rebalancing of the budget.

Data on the number of unemployed people and on incomes, as well as the status of gross national product for the third quarter of 2020, had not, at the time of writing this article, been made publicly available. According to some robust indicators that point to a total number of unemployed standing at more than 143,000 at this point, however, we estimate that more than 40,000 employees have lost their jobs since the beginning of the Covid-19 crisis. This implies a denial of the basic human and social right to work as well as the infringement of other rights arising from the right to employment in times of such a potentially sizable decline in GDP. Given that the duration of the crisis is likely to be uncertain, an extremely unfavourable period must unfortunately be expected in terms of the exercise of employment rights, daily and weekly rest periods, annual leave, the right to employment protection, the right to wages and salaries, etc.

### *Complexities in the realisation of employment rights*

The number of employee complaints to the State Labour Inspectorate has almost doubled. According to the Inspectorate:

In the first eight months of this year, the State Labour Inspectorate received nearly 6,000 complaints from workers. Last year, there were a total of 3,300 complaints for the whole year. Most of the complaints for this year refer to the catering and textile industry. This year 1,345 people have complained in-person to the Inspectorate, while last year the number was 1,300 for the whole year. 4,500 complaints have so far been sent electronically while for the whole of last year there were 2,000 such complaints. (Radio Slobodna Europa 2020)

The volume of submitted complaints standing at such a level clearly implies the intensification of the violation of workers' rights by employers. The necessary urgent interventions have been undertaken by the non-governmental sector, the Federation of Trade Unions, the Chamber of Commerce and other organisations and institutions.

It must be acknowledged that state institutions reacted relatively quickly after the onset of the crisis to address workers' complaints. Several state-sponsored announcements and appeals were made in which workers were encouraged to file complaints regarding the realisation of their rights and to file complaints about any violations via several e-mail addresses and telephone numbers.

From a worker's point of view, the essential principles are clear: do not sign any documents with the employer before first consulting the trade unions, the Helsinki Committee for Human Rights and the Labour Inspectorate. This is a result of many incidents of employment contracts being transformed from open-ended to fixed duration or from full-time working hours to part-time ones. Furthermore, with regard to the conditions which apply to the termination of employment, employees are frequently informed about these only in the circumstances in which they had already lost their job – whether this be the amicable termination of employment, furloughs due to business reasons or dismissal as a result of lay-offs. Intervention has been frequently required in connection with the non-payment of wages, despite state assistance being made to companies in respect of subsidies equivalent to the minimum wage, with the state intervening with the threat of criminal charges against companies that abused such assistance. Such support and the open calls for assistance made by the State Labour Inspectorate<sup>1</sup> (State Labour Inspectorate 2020) were introduced relatively early after the onset of the Covid-19 crisis and it saw implementation at national level.

An analysis of the consequences of Covid-19 in particular for low-paid workers and those engaged in labour-intensive activities (the textile industry is especially relevant in North Macedonia) drew conclusions and made recommendations for the work of companies in these fields during the pandemic, setting out special conditions aimed at protecting employees (Friedrich-Ebert-Stiftung 2020). This is because low-paid workers were the first to be hit by the crisis, as were those engaged in labour-intensive activities.

To our analysis of the categories of workers most affected by the virus we must clearly add health workers in Covid-19 hospitals who are under constant threat of exposure from patients, those in the public health institutes that carry out Covid-19 testing and police officers. In all these categories, in addition to the very real threat of exposure to health dangers, the crisis has revealed a need for increased employment but in a way which carries with it the risk of increased violations of employment rights.

The academic community has also become involved in the Covid-19 crisis by highlighting and specifying the need for 'first aid' measures to protect workers in particular vulnerable groups (Iustinianus Primus Law Faculty 2020). It is indisputable that there is an evident need for the most urgent national and social response in order to overcome the consequences of the Covid-19 crisis, especially in the provision of human rights in general and employment rights more specifically.

1 A part of the Ministry of Labour and Social Policy of the Republic of North Macedonia.

## Conclusion

The Covid-19 pandemic has caused severe disruption and a state of social disorganisation which has permeated all segments of the social fabric from the global to the local. Crisis-hit economies have also experienced implications for the exercise of social and labour rights including the right to employment, the right to protection at work, the right to rest periods and leave, and the right to wages and salary benefits. Such consequences have been expressed through an increase in unemployment rates following various forms of employment termination, in connection with payments of minimum wages or the late payment of wages, changes in employment contracts that reduce working hours from full-time to part-time, etc. However, Macedonian society and the relevant authorities, right from the beginning, saw an open goal for the abuse of workers' rights and, in addition to providing financial support, they have encouraged employees to report abuses by employers including via the launch of email addresses and dedicated telephone lines.

In addition, the non-governmental sector is led by associations which are particularly active in the textile industry, working hand-in-hand with national and international associations, institutes and foundations, while academia and research institutes are continuously monitoring, analysing and researching in the field of the protection of employment rights.

Workers are, consequently, not alone. However, these are difficult times in terms of the preservation of the range of employment rights on top of a social situation that is already deleterious. Whenever it is that the crisis 'ends', the task of social reconstruction thereafter will be immense, not least in those countries such as North Macedonia where existing capacity indicates a task that is likely to be a disproportionately sizable one.

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