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The Socio-Demographic Context of Rural Poverty

Abstract

A drop in standard of living does not have an equal influence on the way of life in different environments. So, for example, in more urban environments the possibility of realising greater purchasing power gets harder, and in others (economically underdeveloped) the minimal funds for food, clothing, footwear, children's education, health care etc. decrease. Poor households in rural environments have existed throughout the years. They exist today, but with different characteristics and dimensions than in the past. Chronically poor, the most vulnerable categories in the village are the households of elderly people. They represent a serious economic and social problem. Regarding the economic plan, the unexploited available capacities (cultivable soil), and on the social plan they either earn no income or a modest income.

A significant number of agricultural households in the village, run the risk of becoming poorer. The participation of cash income from property is decreasing, and the participation of income from social transfers and the value of natural expenditure is increasing. The main characteristics of these households are: low education level of the members, none of them are employed, bad quality of the owned land, the elderly. There is a significant increase and profound poverty in the households of mountain village districts. Beside low incomes, the households do not have any possibility of providing enough income for a decent living, there is a greater influence of the inaccessibility of basic living conditions (road, transport connections, health care, education, postal services etc.).

Keywords: population, unemployment, migration, de-agrarisation, poverty, elderly people, mountain village districts, agricultural households, mood in the village, social categories.

Introduction

The intensive economic and social changes, which the population of the Republic of Macedonia* has encountered on a daily basis, have undermined its social confidence. These changes emerged with the disintegration of the socialist system, when contrary to the expectations for increased and accelerated development the population had to face a much more difficult social crisis. During the years of transition economic activity in the Republic of Macedonia decreased and the continuous rise in unemployment has caused a decline in standard of living. This in turn has contributed to greater disappointment in the new system of values and norms, which the new society has offered.

The most detrimental factors from the social security system were increased unemployment (from 31.9% in 1996 to 36.0% in 2006), work dismissals, bankruptcies, lower wages, as well as an overall drop in standard of living. The unemployed are the most vulnerable members of the population, especially young people, women, pensioners and the rural population. In this category we have to include those employed people, whose wages are insufficient to cover basic living costs. All of this contributed to the deepening in social stratification of the population, as well as a larger number of people living below the poverty line, who use welfare. Welfare expenditures comprise a larger part of the state budget, which in turn contribute to lower investments in development.

The transformation of society as a whole caused radical changes in rural areas, and these are perceived as a very difficult problem. Rural areas faced high unemployment, insecure and low income, an increase in the natural exchange resources, and a drastic decline in living standards.

Current social and economic rural problems are not only due to the transition, but they are also due to the inherited low level of economic development from the past. For instance, there was hidden unemployment, the plains were overpopulated, there was economic emigration, and an underdeveloped infrastructure (no roads, bus lines, drinking water or sewage facilities). Furthermore, there was insufficient access to education, market and market information, as well as basic health services.

* The Republic of Macedonia is preconditioned by the UN and other international organisations to use the reference FYR Macedonia.

The goals of this research are to determine:

- the living standards in rural areas, the level of social stratification and its characteristics, as well as the rural population's attitudes towards social differences;
- the kind of changes expressed through demographic movements and in the social structure of the rural population.

The basic methodology applied in this research comprises the knowledge gained through the analysis of the conducted survey, previous statistical data and other research. In order to have a representative sample and be able to generalise the results of the research, a stratified matched sample was used. The sample was stratified according to two principles: regional and rural configuration. The proportional representation of the relationship between plains (below 800 m altitude) and mountain rural regions (above 800 m altitude) as well as their regional setting were taken into account. Eight hundred participants were surveyed, or 0.16% of the total rural population who were 18 years old or over. 658 came from the plains, whereas 142 came from mountain regions. 80 villages were chosen intentionally, and from each of these villages, 10 participants were chosen at random. This procedure and the number satisfied the requirement for the generalisation of results in the total rural population.

The Environment in the Republic of Macedonia

Villages in my country make up 86.7% of the national territory and according to the 1994 census, 40.2% of the total population live in villages. Agriculture is the basic activity of the rural population. Households owning individual farms have a significant place in the agricultural structure (73% useful farming space, 90% livestock, 96% tractors) and that contributes to a very important role in the production results. According to the 2002 census, the figures are given in the following graph of rural settlements according to number of inhabitants (Table 1).

As a result of migration many rural settlements are completely empty (145 or 8.5% according to the 2002 census), which for the state represents a serious, long-term task for revitalisation even for a part of these villages with under 50 inhabitants which poses a unique problem in the Republic of Macedonia. 360 or 68.2% of the total number of villages are inhabited by less than 100

inhabitants, or 20.6%, which is one-fifth of the total number of villages in the Republic of Macedonia. From this sub-group (up to 50 inhabitants) it could be expected that some settlements – especially villages of up to 10 inhabitants, to be completely migrated, and there are 104 villages of that kind.

Table 1: Size of villages

Population	2002	
	Number	%
Completely moved out	145	8.5
Up to 100 inhabitants	630	36.7
101–300 »	323	18.8
301–800 »	318	18.6
> 801 »	299	17.4
Total	1715	100.0

Source: *Book 1, Total size of population according to sex and age – final data per populated places – Statistics Bureau of the Republic of Macedonia, Skopje, May 2004.*

Human Resources in Rural Environments

During the last few decades, the Macedonian village has passed through a process of dynamic transition. Apart from the positive changes, there are a lot of negative phenomena and processes. The inferiority of the Macedonian village starts with industry, and especially with forced industrialisation. A forced, discriminatory attitude towards the village and agriculture during the creation of the work force in the Republic of Macedonia, shows the inappropriate relation in prices for both agricultural and industrial products, the compulsory purchase of agricultural products for the needs of city inhabitants, inclusion of the rural population in the construction of industrial and infrastructure facilities etc. The systematic degradation of villages and agriculture had more consequences for the villages: the de-population of rural regions led to daily commuting between villages and cities, the number of mixed households increased, a lower number of households now live only from agriculture, the agricultural population was devitalised, and the lack of village infrastructure incited the young population to seek a future in the city and in non-agricultural activities.

Migration and de-agrarisation have negative consequences on distant villages located in the hills and mountains and on the backward regions. Economic and agrarian policy in the Republic of Macedonia have positively reflected on the development of large villages so far, as well as on those villages closer to cities, on villages with fertile soil which are well connected with roads to the cities, as well as those villages with plants and an infrastructure. Inhabitants from these villages could get employed in non-agrarian activities and did not have to leave their place of living, because they could commute to work and after work return to their villages and work on the farms.

On the other hand, rural populations from mountain villages and in backward regions, because of the inappropriate road communication and lack of basic infrastructure (public utilities and social activities), had to migrate permanently, leaving their villages and fertile land or cultivate it in a non-qualitative way.

Table 2: Demographic movements of villages in the Republic of Macedonia

Year	Total population		Rural population		Agricultural population	
	Number	%	Number	%	Number	%
1948	1.152.986	100.0	834.485	72.4	824.622	71.5
1961	1.406.003	100.0	863.070	61.4	723.116	51.4
1971	1.647.308	100.0	844.231	48.8	657.138	39.9
1981	1.909.136	100.0	879.937	46.1	392.293	21.7
1994	1.945.932	100.0	782.334	40.2	226.498	11.8
2002	2.002.547	100.0	821.586	40.6		

Source: *Statistical review of SRM no.115 and no.136 and Book II, Population according to its vital, ethnic, educational and economic features, Bureau of Statistics of the Republic of Macedonia, Skopje, 1996 and Book 1, Total population according to sex and age – final data per populated places – Statistics Bureau of the Republic of Macedonia, Skopje, May 2004.*

Analyses show that until the seventies, de-agrarisation in the Republic of Macedonia was carried out by migration of the de-agrarised population to the cities. Such a de-agrarisation process had a significant influence on the dynamics, degree and character of urbanisation.

In the economically developed countries, there was a diversification of the rural economy which shaped the regional features of rural communities. After the Second World War, many processing industries and services were located in the rural environments as a result of their potential and the initiating policy

of the state. There was a new trend in many rural environments during the seventies and eighties – small plants and services were developed, especially in northern Italy, southern Germany, France and in other countries. In Ireland, the Netherlands, Italy, Greece, Spain, Portugal and England there was an absolute growth in the rural population. The famous study SEGESA (Bontron 1995) discovered that French villages lost 550,000 farm households during the period from 1962 to 1982, but its household population increased to 620,000 new households.

In the Republic of Macedonia it was the opposite: inconvenient living and working conditions in the villages, the concentration of industry in the cities, poor road connections between the cities and villages influenced the population to migrate to the cities.

The trend of the drastic decrease of the rural and agricultural population in the Republic of Macedonia can be explained in two ways: by indicators of development of the secondary and tertiary sector and by indicators of the progress of society, but also by details for de-agrarization and depopulation initiated by difficult living conditions. The Macedonian village, with the trend of decreasing of the agricultural population does not differ very much from the developed world. Although the Republic of Macedonia is in the circle of countries with low participation of the agricultural population, it is different through its position of agriculture in the economic system, and by that with the attitude towards agriculture and the village. Today, that attitude towards agriculture could be well illustrated by the following factors which have an influence on the situation of Macedonian agriculture: high prices of raw materials, the uncertainty of the marketing of agricultural products, lack of working capital, unfavourable loans, neglected development of the cooperative sector etc.

In those places where the inhabitants are moving out, the agricultural capacities (the land) remain unused and where the villages are overpopulated farming land is relatively limited. The result of that is the disproportional spreading of the population and farming land, which is a specific social and economic problem.

Age and Educational Structure of the Rural Population

The depopulation of rural settlements has also reflected on the structure of the population according to age, education, activity and occupation. Migrations contributed to the pouring out of the young population capable of working

and a demographic ageing of the village. The number of young people (aged up to 19) in the village population has been dropping. The number of those aged up to 19 decreased from 41% in 1981 to 32.2% in 2002. The dynamics of participation of people aged 65 and over, shows the process of ageing of the village population in a more descriptive way. The number of those aged 65 and over increased from 8% in 1981 to 10.9% in 2002. More emphasised tendencies of ageing could be noticed in the backward regions and mountain districts.

The social category of farmers comprises mostly older people in Macedonian villages. Households of old people in villages are becoming a serious economic and social problem. Economically speaking, it should be pointed out that capacities (the fertile working land) owned by ageing households in the villages are not used, and from a social point of view, they earn low or modest incomes.

On the threshold of the 21st century, education and professional training have become factors that depend on each other and that are moving forces of economic and social development. The connection between the level of technical progress and the quality of human intervention is more and more important, as well as the need of those who take an active part in the economy to be qualified to use new technology. In each sector and this is also the case with agriculture, the need for evaluating abilities connected with knowledge and technological know-how is varied. The application and ability to use the whole potential of new technology, as well as the choice of suitable methods of work in agriculture, depends on education and the flexibility of farmers in adapting and accepting changes.

The education of the village population and the level of professional training of farmers has so far been one of the more significant obstacles in the development of Macedonian agriculture and villages. A large proportion of the village and farming population have not completed primary education (Table 3).

According to the Table, of 567.102 persons in villages aged 15 or older, (registered in the census in 1994) 59.692 persons, or 10.5% were illiterate. They have not completed the first grade of elementary school; and that means that most of them are illiterate (55.552 or 7.8% of the total number of the rural population aged 10 and over). However, the illiterate – as well as the other educated groups – are not equally present regarding the sex structure. Females are significantly more present in the groups: illiterate (75%), not educated (73%) and with completed elementary education (57%), while males are significantly

more present in the groups with completed high school education (68%) and undergraduates and graduates (73%).

Table 3: Educational structure of the rural population

Situation in 1994

Level of education	Total	Male	Female
Total	100.00	100.00	100.00
Incomplete or no elementary education	37.9	29.3	46.6
Elementary school	41.1	42.5	39.7
High School	17.7	23.8	11.6
Undergraduate and graduate	2.3	3.4	1.3
Unknown	0.2	0.2	0.2

Source: *Book II, population according to its vital, ethnic, educational and economic features, Statistics Bureau of the Republic of Macedonia, Skopje, 1996, p. 36.*

Those who completed undergraduate studies, starting from high school and beyond, are much less present in the mountain village population and in the backward regions and there is a prevalence of people who have not completed elementary education. There are more reasons for that, and the most essential are the following: *moving out of the young and competent population, widespread use of traditional means and methods that are primitive; lack, or a small number of educational institutions or facilities; insufficient care for improvement of school education of the young population; isolation of the backward regions or the distance of the mountain villages.* But, regardless of the reasons that led to such a situation, the economic consequences are disastrous (especially in agriculture). People who have completed primary education are incapable of independently running and developing a modern agricultural or other form of production.

In the analysis of the social and economic structure of the village population, the economic structure of the population is of significant importance. Over three-fifths of the village population (59.8%) are economically inactive, and only 2/5 (40.2%) of it are economically active in the Republic of Macedonia.

For the economic structure of the rural population a great number of factors are important, which we have already mentioned, but because of the importance of the same, the following should be emphasised: the level of

economic development, different age structure and various mechanical and natural movements.

In the older agricultural groups labour has a greater rate of activity compared with the non-agricultural population. Namely, when comparing the activity rate of those aged 60 and over of the non-agricultural population (6.5) with the activity rate of the agricultural population (64.9), the result can be a disastrous situation in agriculture. It represents such a level of age that there is no basis for the modern organisation of agricultural production. By passing over the age limit (60 and over for women and 65 and over for men) the general maintenance of households becomes poorer, farm investments are lower, the cultivation of land is insufficient and of poor quality, the livestock fund decreases, the houses are not well maintained, etc. Certain psychological and social syndromes also appear in the behaviour of the elderly village population. The consequences at the beginning are the decrease of agricultural production, and later the total cessation of production in the household.

Social aspects of ageing of the population are connected with the transfer from being active to being supported, i.e. from independence to dependence. Such a structure creates a need to help the old people in all spheres of life: pensions, social welfare, health care and various kinds of support given by the family.

When farmers' pensions are minimal or relatively low, there is a question whether that population could bear the additional expenses for health care and medication. The ageing of the population also increases the number of persons who are potential users of various types of social welfare.

Quantified incomes per household

In order for the inhabitants of the village to remain living in it, apart from providing conditions for meeting infrastructure needs, i.e. the increase of satisfactory social standards, including public utilities (water supply, sewage, stores, trade services, public transport, Post Office services), as well as social and cultural services (schools, hospitals, institutions for culture and sports etc.), which we shall discuss later, an important condition for people to remain in the village and improvement of the social status of the village population, is certainly their economic state. The total annual income of farming households is the most important constituent element of the standards of living which should also include the constituent elements of social standards.

Expenditures of Farming Households

Within the structure of expenditures of the national average households, food expenditures (38.4%) are still the highest and they are likely to grow. However, we see a decrease of the percentage of resources spent on food in household budgets in developed countries. In France nowadays, only 15% of the family income goes on food, which if compared to 1940 is over half less of the 40% which people then spent on food. (Komar 2000)

Table 4: Structure of used assets by agricultural households in % in 2007

Food and non-alcoholic beverages	49.2
Alcoholic beverages and tobacco	5.6
Clothing and footwear	6.7
Housing, water, electricity, gas and other	8.9
Furnishing, household equipment and maintenance	6.0
Health care	2.6
Transport	4.9
Communications	2.6
Recreation and culture	1.9
Education	0.3
Restaurants and hotels	4.4
Miscellaneous goods and services	2.3
Losses, gifts, contributions and other	2.6
Repayment of loans and debt servicing	0.5
Flat, house and property expenditures	0.2
Savings	1.3
Total	100.1

Source: *Statistical Yearbook of the Republic of Macedonia, Skopje, 2008, p. 274.*

During recent years, with the high increase in living expenses and decreased purchasing power of households, the increase of expenses on food, heating and electricity, hygiene, healthcare and postal and telephone services has been considerable. That is certainly the result of a decline in the living standards of the rural population.

More specifically, in agricultural households, food expenses rose from 37.8% in 1994 to 49.2% in 2007 and expenses on housing, water, electricity, gas etc. rose from 5.3% to 8.9%. At the same time, in such conditions agricultural

households have had to decrease expenses on health care (from 4.0% to 2.6%) and savings (from 26.3% to 1.3%). This shows that the standard of living of the population is lower and the quality of living is generally worse.

Incomes of the Agricultural Households

The greatest part of available assets of agricultural households derives mainly from agriculture, but there is a decline in the dynamics (from 61.6% in 1994 to 51.7% in 2007).

Table 5: Structure of available assets in % in 2007

Revenues on the basis of regular employment	–
Revenues on the basis of part-time employment	0.2
Revenues on the basis of pension scheme	0.1
Other revenues on the basis of social insurance	–
Revenues from abroad	7.9
Net revenues from agriculture	51.7
Property leasing and selling	1.2
Donations, gifts and similar contributions	2.5
Loans	0.6
Savings decrease	20.7
Other income	–
Value of consumption from one's own production	15.1
Income in kind	–
Total	100.0

Source: *Statistical Yearbook of the Republic of Macedonia, Skopje, 2008, p. 274.*

Agricultural households have obtained a significant increase of the participation in the structure of cash income through savings decrease (from 9.1% in 1994 to 20.7% in 2007). According to the research “Strategy, Policy and Management with the Rural Environments in the Republic of Macedonia”, 40.2% of the population surveyed do not have any income from agriculture, 36.1% are not satisfied with the income from farming, only 21.6% are partly satisfied, and 1.6% are fully satisfied.

The enormous dissatisfaction with incomes from agriculture, especially in the mountain village regions, in normal conditions as they used to be a few

years ago, is a good reason for people to leave the village. In the EU regions which were economically underdeveloped in 1985, 30 per cent of farmers engaged in activities other than farming, either in their own households (they took up activities such as rural tourism, processing and sale of agricultural products, domestic artefacts etc.) or they found full-time or part-time work outside their households (Cveticanin 1990).

Improvement or Worsening of the Situation

Within the first years of the post-socialist period, apart from the economic and political problems, social problems also emerged. Living standards decreased and social uncertainty appeared in people as a result of increased unemployment, changes in social insurance schemes were made. Elements of the market economy were introduced. As such, the actual economic situation in the sphere of the economy contributed to the ruining of the stratified structure of society towards impoverishing the many layers of the population as well as enrichment within a very short time of a very small portion of the population. That is pointed out by the data for drastic decreases of the purchasing power of a great part of the rural population.

As a result of increased living expenses and decreased purchasing power of the households, there has been a rise in expenditures regarding the basic consumption of goods, expenses on food, housing, heating, electricity, health and hygiene. At the same time, the households have had to decrease their expenditures on clothing and shoes, furniture as well as their savings. The aforementioned shows that the living standards and quality of life of the rural population in the Republic of Macedonia are decreasing.

The social situation of the majority of citizens is worse as a result of the general low level of economic development, because of the high number of pensioners, low incomes in many households etc. The transition and unfavourable movements in the economy contributed to the decrease in number of actively insured people, on the one hand and on the other, an increase in the number of pensioners. This situation induced a decrease in incomes and an increase in expenditures in the budget and the Pension and Health Funds.

The social situation of most of the village population is bad. Public opinion is a result of our research where we have raised the question: What would be your estimation for your current standard of living compared with that in 1990?

From the answers we received, it could be concluded that public opinion in the village has a good assessment of the situation. Two-thirds of the people who were questioned (75.3%) think that their current standard of living, compared with that in 1990 is worse (significantly worse 41.3%, a little worse 34.0%).

The analysis of the given answers according to the social and professional features shows that almost the same categories under the influence of the economic situation estimated that the current standard of living is worse compared with 1990. For example, even 44.8% of the surveyed aged over 60, think that living standards are significantly worse, and 39.3% think that the standard of living is a little worse. The estimations given for the living standards undoubtedly point out that in the mindset of the village population hastily penetrates the cognizance for the problematic social and economic situation. Regardless of the objective and subjective dependence of the estimations, nonetheless, it is a reflection of the social and economic changes and the social situation of the population they come under the influence of those courses. In that sense, standards of living are measured by the success of the economic policy as well as an indicator that together with the objective indicators the social situation of the village should be reviewed in the further shaping of rural and agrarian policy.

The Mood in the Village

The reforms of social and economic life induced greater problems in the economic and social sphere: drop in living standards, a great number of unemployed people, new social restructuring, intensifying of social intolerance etc. All these results affect a large part of the population as they are losing trust in the expediency of the changes that are carried out. An expressive uncertainty is mainly present within the population that usually leads to defeatism, but in certain cases even to protest, and basically there is a feeling of hopelessness and lack of future prospects.

This begs for another question which we asked our respondents: *The situation of the economy and other events reflect on the general mood of people. What is your opinion regarding the prevailing mood among the people in the village?*

Table 5: Mood of the village population

Worry and fear	59.1
Indifference and passiveness	18.5
Optimism	16.3
Motivation for active participation in solving problems	6.1
Total	100.0

Source: Project: *The Social Structure of Villages*. GTZ, Deutsche Gesellschaft für, Technische Zusammenarbeit (GTZ) GmbH and Friedrich Ebert Stiftung in Skopje.

Dominant answers of the respondents are: ‘worry and fear’ – 59.1%, or in other words, almost three-fifths of the surveyed population manifests an evidently negative mood which results from the overall conditions in society, and especially in the village. Out of all independent variables that influence the formulation of the general attitude regarding the mood of the village population, manifested as statistically relevant are the social status and age of the respondents.

According to the social status of the respondents, *the farmer, the retired farmer and the employed farmer* manifest more significant deviations from the normal distribution per separate modalities. The most obvious deviations from the general distribution are manifested by farmers, 64.8% of whom think that among the population there is ‘worry and fear’, 19.4% think that there is ‘indifference and passiveness’, and only 13.0% think that there is ‘optimism’. On the other hand, *the employed farmers* usually believe that the situation will soon improve – optimism (29.6%). However, more significant deviations from the general distributions are seen in retired farmers regarding ‘indifference and passiveness’ (30.4%).

The age of the respondents also has a certain influence on their opinion, so over average passiveness ‘indifference and passiveness’ prevails in the group aged 60 and above (31.7%), and ‘optimism’ in the 18–29 year olds.

The apparent mass pessimism of the population does not result from the former retrograde ideologies of capitalism or exploitation of men by men in capitalist societies. On the contrary, pessimism is a product of the present economic and social policy in the country.

The economic and social crisis that took place in the Republic of Macedonia during recent years provoked significant changes regarding the welfare of the population, and especially in the village population expressed in worsening living standards, increase of poverty and social exclusion.

The most significant are the details that have been received by the scale of self-estimation within the framework of the common satisfaction and the mood of the citizens in these times of crises.

Table 6: Self-estimation scale

	Very Satisfied			Neither Very Satisfied Nor Dissatisfied			Extremely Dissatisfied			Total
	9	8	7	6	5	4	3	2	1	
Configuration of the village										
From Plains	0.6	2.1	4.4	11.2	21.2	11.2	15.6	11.2	22.1	100.0
Mountain Districts	0.4	0.7	2.9	10.3	17.3	19.3	14.3	16.4	16.6	100.0
Educational Degree										
Not completed primary education	0.0	2.6	2.0	9.5	17.2	16.4	21.6	10.3	19.6	100.0
Primary school	0.8	0.4	3.6	9.1	16.7	17.3	15.1	13.9	26.2	100.0
Secondary school	0.9	2.4	4.7	13.3	21.6	11.2	12.7	11.2	21.9	100.0
Undergraduate and Graduate	1.3	3.9	6.6	5.3	38.3	5.3	18.4	11.8	9.2	100.0
Social categories										
Workers	1.9	1.9	4.5	12.3	22.1	12.3	11.0	16.2	17.5	100.0
Farmers	0.0	0.9	4.8	6.5	20.4	20.4	17.6	13.0	16.7	100.0
Worker-farmer	1.2	3.7	8.6	23.5	28.4	8.6	12.3	3.7	9.9	100.0
Pensioners	0.0	3.7	4.9	12.3	12.3	22.2	16.0	16.0	12.3	100.0
Pensioner-farmer	0.0	0.0	2.2	21.7	30.4	8.7	17.4	10.9	8.7	100.0
Housewives	0.0	0.0	3.5	7.1	19.5	14.2	17.7	16.6	27.4	100.0
Unemployed	0.5	1.1	1.1	6.5	14.0	8.6	16.7	12.9	38.7	100.0
Average	0.8	1.9	4.1	10.9	20.5	12.9	15.4	12.1	21.5	100.0

Source: *Project: The Social Structure of Villages. GTZ, Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ) GmbH and Friedrich Ebert Stiftung in Skopje.*

According to these figures, the village population in the Republic of Macedonia estimates its present social situation with 3.6, or, in other words, almost one-half of them are extremely dissatisfied, somewhat more than two-fifths are neither satisfied, nor dissatisfied, and less than one-tenth of them are very satisfied.

The configuration of the villages appears in the role of a factor that has an influence on their self-assessment of the present situation. In that sense, the most sensitive from the decrease of living standards and the worsening of the social security are the people questioned in the mountain district villages.

These estimations were expected. Namely, the level of incomes increases the risk of impoverishment. The analysis of the given answers, according to the social and demographic characteristics of the village population, points out that there is a certain influence on the satisfaction of the present social situation. The responses including extremely satisfied are given by the social category worker-farmer (13.5%) including those who possess undergraduate or graduate degrees (11.8%). Those who are unemployed are extremely dissatisfied (68.9%). Neither satisfied, nor dissatisfied has been expressed by the 'pensioner-worker' category.

The actual situation in the sphere of the economy (bankruptcy, liquidation of enterprises and structural adaptation of the enterprises) contributed to the accumulation of inactive or partially active human potential in the village. A great part of the population, (in conditions of decreased economic activity and employment), irregular payment of salaries, less and less could afford clothing, shoes, furniture, technical equipment and other home appliances.

Serious economic and social problems are retaining and provoking decreases of the real living standards of the population that influence the degree of human development. A great part of the population became increasingly dependent on social welfare (10% of the population receives social welfare).

The social problems led to social tensions, although not to conflicts among social classes, but nonetheless there is a conflict among certain social strata. The intensity of conflicts among certain strata today is strongly emphasised between the rich and the poor, then between people seeking jobs and those who are employed. Actually, the directions, measures and dynamics of the transition led to a drastic worsening of the situation, especially for the lower social strata, so that is the reason for their pressure.

Within the structure of the social categories, the category 'persons who are looking for jobs' and 'pensioners' increases on account of the social category 'employed'. There is a significant increase in the number of unemployed, bankruptcy workers and of those who have retired before the regular term and the surplus among employees.

In the structure of social groups in the category of people looking for jobs, there is a more intensified increase of the social groups 'unqualified workers

and those with completed elementary education,' than the group 'highly skilled and skilled workers'.

Starting from the three basic criteria: property, social power and social reputation, the categories listed below in the village could be identified in the present political and economic environment in the Republic of Macedonia:

1. Workers
2. Workers-farmers
3. Farmers
4. Pensioners
5. Pensioners-farmers
6. Unemployed
7. Housewives

According to the research, the structure of the social categories in the village is as follows: 23.25% unemployed, 19.35% workers, 14.13% housewives, 13.50% farmers, 10.13% workers-farmers, 10.13% pensioners, 5.75% pensioners-farmers. Although members of those households have individual agricultural economy – the farmers; their status is a little more secure regarding the economic and political changes, their social situation is not better than that of those citizens who work in the private sector, big businesses and the public sector. Household incomes are insufficient, and because of the market and climatic factors, they are unstable.

Table 7: Distribution of social categories according to educational level

Social Category	Incomplete Elementary Education	Complete Elementary Education	Complete Secondary Education	Undergraduates and graduates	Total
Workers	7.14	22.73	51.30	18.83	100.0
Worker-farmers	3.70	25.93	55.56	14.81	100.0
Farmers	19.44	43.59	37.96	0.0	100.0
Pensioners	33.33	28.40	28.40	9.88	100.0
Pensioner-farmers					
Housewives	24.42	53.10	19.47	0.0	100.0
Unemployed	11.74	29.57	56.99	5.91	100.0

Source: *Project: The Social Structure of Villages. GTZ, Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ) GmbH and Friedrich Ebert Stiftung in Skopje.*

The traditional village household has not only changed due to the fact that its members have been leaving agricultural activities in search of non-agricultural activities for a source of income, but it has gradually been transforming into a modern and professional approach to its own operation. The old type household relations, behaviour and connections are gradually disappearing and are being replaced by new ones. "Pure" farming households as a category are becoming much rarer in the social structure of village households.

The social categories, *farmers and housewives* have a relatively homogenous composition, over two-thirds of whom have not completed elementary education whereas the social categories, *workers, pensioners and unemployed* have generally completed elementary or secondary education.

The above quoted three constitutional elements of social categories are not always in mutual positive correlation. Namely, someone could possess a large estate but could have a lot of social power (if he/she is in some political structure or is on good terms with the leading structure, he/she could have an influence on decision making), but if that estate has been gained in a dishonest way, he/she will not have any social reputation.

The drop in living standards has not had an equal influence on the way of living of different social categories. For example, for some of them purchasing power has become weaker, for others, representing a great number, the already minimal financial assets for food, clothing, money for school for their children etc. are a problem. In that sense, their dissatisfaction from the effects of the economic transition are not of the same nature, with the same intensity and does not provoke equal readiness for changing the situation in a certain direction.

It seems that education is one of the crucial dimensions in social stratification. *Owning a certain kind of diploma means belonging to a certain social stratum, because it creates a possibility not only for better economic status, but also has an influence on the social (employment) and social and political mobility.* (Jakimovski 1998: 13).

One of the basic obstacles for children's education in the area are the low and unstable incomes of village households. In many cases this has been present in the Republic of Macedonia for a long time. In connection with this current problem we asked the respondents the following question:

“Have any of your children interrupted their further education because they could not afford it between the period from 1990 until now?”

We were given the following answers:

1	Yes, after four years' education	2.6%
2	Yes, after the elementary eight year education	11.0%
3	Yes, after the completion of high school education	17.4%
4	Yes, during university studies	4.4%
5	Have not interrupted their education	55.6%
6	No children	9.0%
7	Total	100.0%

Source: Project: *The Social Structure of Villages*. GTZ, Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ) GmbH and Friedrich Ebert Stiftung in Skopje.

From the collected data we can conclude that the children of over one-third (35.4%) of the respondents interrupted their education due to *lack of funds*. It is very important that most children interrupted their education after the completion of *high school* (17.4%) and after the completion of elementary education (11.0%). Such a general distribution of the most important deviations, which is a statistically important correlation, shows the aspect of the education ($C=0,3685$). The amount at which education gets interrupted correlates with the inverse educational level of the respondents. In 54.3% of the respondents who *have not completed elementary education* their children stopped their education, 44.4% of the respondents who *have completed elementary education*, 24.6% who have completed *higher and high education* and 21% of the respondents have completed post-faculty education.

The next factor that causes a statistical correlation on the education of the children is the configuration of the village. In this sense, the deviations from the normal distribution are mostly obvious in respondents in *mountain district villages*, of which 55% stated that their children interrupted their education due to household funds (6.4% after four years' education, 25.7% after eight years' education, 19.3% after the completion of secondary school education and 3.6% during their university studies).

Situation

Factors which contribute to the social insecurity in the village population in the Republic of Macedonia, are as follows:

- lacking elementary infrastructure in rural environments – roads, regular bus line, supply of elementary products, drinking water, sewage etc.;
- lack of access to educational institutions, especially for people who live in mountain regions;
- insufficient access to the market and the market information which is the reason why farmers are unable to get better prices for their products and lower prices for raw materials;
- Inaccessibility to fundamental health services, including primary health services.

In general, the village population is dissatisfied with the services in some aspects of life in the Republic of Macedonia. This especially refers to the services of: the secondary school, the Centre for social protection, local government, the justice and cultural institutions.

The degree of dissatisfaction with services of the enterprises and institutions increases according to the location above sea level and the distance of the villages from municipal centres. Namely, the location above sea level (the configuration) appears as a factor influencing the degree of social exclusion of the village population.

There is uncontrolled emigration of this population. In contrast with 1948, when 72.4% of the population lived in rural regions, only 40.6% live there today. The rapid decrease of rural population, especially those who lived in mountain areas, is due not only to the development of the cities, but also to their socio-economic and infrastructure neglect. This problem is emphasised by the demographic structure of these rural regions. They are mainly inhabited by an old and insufficiently educated population, whereas the young and educated population emigrates. The educational level of the population in rural regions is lower, compared to the educational level of the population in urban regions. Thus, more than 62% of the total population is “without any education”, and 58% “with incomplete primary education” lives in the rural regions. More precisely, 41% of the rural population only has primary school education and 27% of them only have incomplete primary school education.

Almost 1/3 of the rural population lives below the poverty line (29%). The high concentration of poor households, whose members have grown old, renders this problem even more difficult. This population cannot utilise the

existing possibilities in agriculture and their economic activities only generate a very low income. Among the poorest rural households are the old households in the mountain regions. The main reason for the increase of rural poverty is the decrease in the real income of these households. This is due to the low profit of agriculture and low real wages. The living standard is significantly worsened in the rural population in the mountains. Specifically, 24% of this population have insufficient funds to buy food, whereas 41% have the funds to buy food, but not enough to buy clothing.

The old rural households are chronically poor, without a pension, regular income or income from agriculture. They are by far the poorest, least educated, undernourished, and with insufficient access to public services, than any other category. The poorest rural households are those whose only income is from agriculture. These households have all of the characteristics of poverty, such as being without a regular income. A small number of them are retired, but their pensions are too low. They have a low level of education, women especially, and the members of these households are predominantly old. The non-agricultural households are a new category of poor in the rural regions. The breadwinners in these households are mostly unemployed, or their wages are too low.

The amount of pension is an important variable in explaining rural poverty. The pensions for farmers are lower compared to other pensions. The average pension for farmers is 30% lower than the average pension in the Republic of Macedonia.

Directions for Actions

The appearance of non-agricultural activities in the rural community signals economic and social stabilisation. Heterogeneity of the business and social structures may ensure the future of the rural community.

Larger participation of the non-agricultural economy in the rural community will contribute to the socio-economic and demographic stability of the village. Modern rural community agriculture and the rural population are closely connected with other activities and professions both in and outside the households. This is the reason why any isolated attempt to solve the problems in agriculture results in failure.

A successful model for the enlivening and progress of rural regions in Western Europe was the development of the rural community as a whole that is its complete economic, social and cultural progress.

This concept of development demands special conditions, not only to maximise the economic variables (the profit) but also to optimise natural and human resources. This approach implies not single-regional development, as was the case in the Republic of Macedonia up to the present, but multi-regional development (agriculture). The non-agricultural sector offers opportunities to absorb the surplus of the work force in agriculture, decrease migration from rural to urban regions, increase national wealth and balance the division of income.

As regards the strategy of spatial development, integrated rural development requires the urbanisation of rural communities. In order to decrease regional and local differences regarding infrastructure and economic development, there must be a shift from the concept of development of urban centres to the concept of development of space. The village will always have its own characteristics due to agricultural production and we know that regardless of the degree to which it will be industrialised and modernised, there will always be a certain way of living in it. That means that it will pass from the economic to the social and cultural sphere. Only in the non-agricultural segment of the social structure of the village its urban and non-agricultural structure could be expected to be even. The village and the town should always be different and that is our luck.

The village needs development of its infrastructure as a precondition for economic and cultural development that will provide a higher standard of living for the population. The development of the village requires a multi-regional approach to be created in accordance with the opportunities of the rural environment. Special attention should be given to the development of small and medium enterprises in rural communities and regions where there are unused capacities and human resources. In order to improve access to raw materials, market and technology, the promotion of rural cooperation and associations is necessary.

The development of entrepreneurship is especially important in rural communities, in order to make a gradual transition from traditional craftsmanship and professions to contemporary industrial activities. This includes promoting traditional rural tourism, introducing tourist packages from non-traditional experiences, such as survival courses, mountain excursions, agricultural work, etc. to encourage the NGO sector and their programmes for the support of non-agricultural business in the poor rural population.

Measures should be undertaken for the integration or reintegration of the population from the mountainous and undeveloped regions with investments for the building of infrastructure, favourable loans, tax exemptions, etc. In order to enable people to return to their villages and work on their land building and improvement of the roads to the distant mountain villages is needed.

In order to improve access to education for children who live in mountain regions primary schools and school buildings have to be maintained, free text books and health care should be provided. Transportation of students from these regions to high schools should be organised. Moreover, education for the more efficient use of modern agricultural technology should be enhanced.

Each person with an agricultural profession should have the right to social insurance (pension, disability pension and health insurance). The pension/disability insurance has to include each member of the household whose primary profession is agriculture regardless of whether or not they are obliged to pay taxes. For the elderly and exhausted persons in the rural regions a welfare system is to be developed (formal and informal) in order to create conditions to organise care for old people in their families. In order to help in the creation and direction of the funds for social protection the role of local self-government has to be established. The local self-government has to develop capacities (means) for coping with rural poverty. The system of social welfare has to be developed for elderly and poor people who live in rural regions. Support for these programmes for social protection such as tax covers for the wages during specific deficient periods for enterprises which employ people who were previously on welfare.

Support the measures and procedures for finding ways to increase land ownership (rent, concession, loans). Financial institutions and programmes in rural regions that provide equal access to loans at local level should be promoted and expanded; to provide stimulation for those who give loans to improve access to loans for people living in poverty. These loans incite stimulating measures for the economic development of agriculture and the village.

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