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REPORT ON POVERTY HOUSING SITUATION IN MACEDONIA

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Center for Regional Policy Research and Cooperation

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OUR COMMUNITY

Considering Macedonia as a small country, the Interest Group for Habitat for Humanity - Macedonia has decided to reflect on as one community.

Geography and Climate

Macedonia is situated in the central part of the Balkan Peninsula, South-East Europe, bordering Serbia and Montenegro on the North, Albania on the West, Greece on the South and Bulgaria on the East. It occupies an area of 25,713 sq. km.

It is land-locked country, predominantly mountainous with striking massifs, as well as ravines and planes. Many significant transport and communication routes cross the country, connecting the countries of Central and Eastern Europe with the countries of the South and South-Eastern part of the continent and further to the countries of the Middle East and beyond.

In terms of climate Macedonia is influenced by two major climate zones, Mediterranean and Continental, with variations. Throughout the most of the country cold, rainy or snowy winters and hot, dry summers are experienced, with average temperatures ranging from -5°C in January to 35°C in August.

General Description of Population in the Community

General Population Information

According to the last census (2002), the total population in the Republic of Macedonia equals 2,038,059 inhabitants.

Although 86.7% of Macedonian territory is rural, it is a home to 40.2% of the population only. Many villages have suffered from demographic, economic and social decay over the past decade. Approximately two thirds of the villages are affected by de-population, particularly the sensitive hill and mountain regions. On the other side, close to 60% of the population live in the urban areas, half of which in the capital Skopje.

What makes Macedonia specific is its ethnic diversity. Ethnic Macedonians make up 65% of the population in the country. Albanians make up 25%. The balance of the country is made up of Turkish 4%, Serbian 2%, Roma (Gypsies) 3%, others 2%. Macedonian is also the major language of the country. Cultural diversity of the Macedonian population is expressed through the use of different languages (Macedonian, Albanian, Turkish, Vlach, Roma and Serbian), and through different religious affiliations. The East-Central part is mainly dominated by Eastern Orthodox tradition (66.5% of the total population). In the Western part, Islam (31% of the total population) plays an important role.

All citizens of Macedonia are equal under the law. The constitution and its accompanying laws provide for the protection of the ethnic, cultural, linguistic and religious identities of minority groups. This includes state support for education in minority languages, the official use of ethnic minority languages in areas where ethnic minorities are a majority of the population, support for minority media and so on.

However, ethnic tensions are present in Macedonian society, despite its constitutional framework which guarantees equality to all ethnic groups, and despite the fact that the government is committed to a policy of peaceful integration of all ethnic groups into the society. The principal source of these tensions can be identified as a heritage of mutual distrust and prejudice among ethnic groups. The tensions are evident between the Macedonian majority and some of the minorities, as well as between the minorities themselves.

Representatives of the ethnic Albanian community, by far the largest minority group, are the most vocal in charging discrimination. The tension is especially evident in western Macedonia, where an extremely critical issue involved the official use of Albanian language, including addition of Albanian-language university education. After a period of dangerous unrest that culminated in 2001, tensions were recently alleviated as a result of the efforts of both Macedonian and Albanian political parties.

Taking into consideration the population at the age of 10 and over, 5.3% of the population in Macedonia are illiterate. According to the educational attainment of those being at the age of 15 and over, 6.5% have no education, 18.2% have not completed elementary school, 33.3% have completed elementary school, 32.3% have completed secondary school, while 8.6% have completed college or university education.

In regard to the age composition 38% of the total population are aged up to 25 years, 52% are aged between 26 and 65, and 10% are older than 65. Total number of families equals 539,555, while typical family structure comprises of husband-wife couple with

children (65%), beside husband-wife couple without children (24.5%), than single mother with children (8.5%) and single father with children (2%). The average number of children is 2 among the Orthodox Christian families (Macedonians, Serbs, Vlachs), while the most common number of children in the Muslim community (Albanians, Roma) is 4 or more.

The number of children in Macedonia raised as orphans is very small and the most of those children are adopted in their earlier age.

The recent crises in the region (Bosnia, Kosovo) have left about 12,000 refugees, still being sheltered in Macedonia. In addition, there are about 4,000 internally displaced persons left from the internal Macedonia crisis in 2001.

Health and Social Issues in the Community

Many opinion polls done recently indicate that almost every citizen of Macedonia feels some kind of insecurity derived from the societal context or circumstance. The insecurity in the transitional period (over the last decade) is much higher in comparison to the previous period. The absolute strongest origin of insecurity is due unemployment (about 69% of the surveyed range it as the most important problem). The next type of insecurity derives from low and/or irregular remuneration, followed by inadequate social assistance (38% of the surveyed are facing low income problem). Political instability, interethnic tensions, crime and corruption are issues that are following. In general, causes related to subsistence (or obtaining the means to make a decent standard of living) dominate in Macedonia.

On the other hand, the health status in Macedonia is at the very high level compared with the neighboring countries. The average life expectancy at birth in 2000 was 70.5 years for female and 74.8 years for male. The infant mortality rate dramatically improved to 11.4 per thousand births in 2000. The accessibility to medical service is also very high: 90% of the population had access to medical service within 30 minutes distance in 2000. Recently, however, the number of hospitals, medical staffs decreased. At the same time, the quality of medical service deteriorated.

Macedonia has a high percentage of the population with access to safe water, which went up from 89.3% in 1997 to 92.6% in 2001. In particular, the accessibility to safe water of the agriculture households dramatically improved from 57.8% to 71.8% for the same period. As a result, the gap between the agriculture and non-agriculture household diminished in terms of the accessibility to safe water. The rural and urban difference, however, was significant in terms of the percentage of the households which had tap water in residence: 67% of the rural households and 98% of the urban households had access to tap water.

The access to sanitation also increased as well as other basic infrastructure: the percentage of population with access to sanitation rose from 70.5% in 1997 to 72.1% in 2001. However, there was a considerable rural and urban disparity in terms of the access to sanitation. While the access to sanitation remained the high percentage of around 85% among the urban population, the percentage of rural population with access to sanitation was only 25.6% in 2001, which improved from 19.1% in 1997. The underdeveloped sewage treatment in rural areas affected the health status and the environment situation in rural areas.

There are various heating methods that are used in Macedonia. Central heating system on crude oil has been used for decades in the capital and a few other major cities. In the rest of the country the majority of the households heat their living spaces on wood. In the urban areas, they pay for it in installments, and in the rural areas, they collect it in the forests or buy it at a much lower price from the lumber-thieves. They usually heat one room, and most frequently, it is the room where they cook because many households both cook and heat on wood. In the urban areas, part of the households use combined heating, by both electricity and wood, rarely oil. In the rural areas wood is the most common fuel.

Community Organizations

Local community structure - municipality has been composed by the mayor and a city/municipality council.

In terms of local self-governance Macedonia is currently divided in 123 municipalities and the city of Skopje, who is the capital of Macedonia and whose status is regulated with a special law. The central government is represented with administrative staff in 23 cities, which administratively cover the new municipalities rising from the old municipalities. Other cities with bigger economic impact in Macedonia are Tetovo in the West, Kumanovo in the North, Bitola in the Southeast, Prilep in the central part and Stip in the Eastern part of Macedonia.

However, due to the fact that Macedonia currently has highly centralized administration, decision-making process related to housing construction has been divided with the central Government. At present local governments are authorized in the sector of urban planning, while the land ownership issues and building/construction licenses/permissions are part of the central government authority.

Taking into consideration the fact that the local community is the basic social cell where citizens directly participate in decisions that may affect their lives, there is requirement by law to conduct purposed public debates amongst the non-governmental sector, the civil society and the representatives of the central and local

governments on issues as urban planning and housing. Formally, further development of a strong partnership with the local NGOs and citizens' association is at the top of the list of priorities of local authorities in order to guarantee an enhanced level of communication between the local institutions and the citizens.

However, on many places civil society organizations on a local community level are not yet effective mechanisms through which citizens identify their interests, negotiate conflicts, and influence government policy making. Public administration is inefficient, and potentially undermined by the rapidly changing composition of the country's populations. Throughout these issues, a common thread is that reform processes, including decentralization, are well underway, although they may be poorly understood. Reform processes confront the reality that established political and economic structures are too centralized, and the bureaucracy and citizenry lack a clear understanding of how to move effectively toward a modern, democratic, and developed state.

There are no other organizations in Macedonia that are dealing with poverty housing issues. Most of the organizations that are active in the housing sector (UNHCR, IMG) are coping with the consequences of the recent crises in the region, including Macedonia crisis from 2001, providing shelter for refugees or internally displaced persons. Some of them are involved in reconstruction of the burned/destroyed/damaged houses from the former conflict areas through grant-based programmes. Like-minded goals might be found among organizations that are working in the microfinance sector (Možnosti - Macedonian partner agency of Opportunity International) since the both programmes are dealing with revolving funds targeted to the working poor.

Economic Description of Community

Formerly centrally planned economy, Macedonia has been in its transitional phase since 1990. Over the ten year period since 1991, the country has been passing through, and continues to undergo, a painful and deep transition to a market economy that has led to a massive rise in unemployment, a sharp fall in family incomes, diminution in official support services and a rise in general poverty levels – widely based and extremely troubling for a large proportion of the population.

Income and Occupations

Being affected by the regional conflicts in the past years, Macedonia has not been a successful example of an Eastern European economic and political transformation. Its

current GDP per capita equals only 1640 USD and the average salary just over 200 USD per month with the latest depreciated exchange rate of the US dollar (1 USD = 51 denar). In addition, Macedonian unemployment rate has been highest in Europe, reaching 36 percent in 2002, threatening to reach 40% in 2004.

In terms of ranges of income, classified by net pay received from work, the major category of employees (32.6%) is that receiving between 5,000 and 8,000 denars. Next to this category are those being paid between 8,000 and 12,000 denars (22.5% of the employees), followed by those paid between 3,000 and 5,000 (15.1%). Among the other categories, the category of those being employed but not being paid for 6 months and longer should be underlined (12.6% of the employees).

Finally, it should be said that the number of unemployed in Macedonia exceeded the number of employees in 2003. This trend might endanger the pension fund, the social safety net and the general stability of Macedonia as whole.

The amount of social (welfare) benefits is calculated on the basis of the poverty line of 36,000 denars per year, or 3,000 denars per month. According to this methodology, depending on the household size, today the amounts are: 1,700 denars for a single-member household, 2,200 denars for a two-member household, 2,800 for a three member household, 3,600 for a four-member household and 4,200 denars for a household of five or more. The unemployed who subsist exclusively on welfare benefits, with total household income of 4,200 denars per month for a larger household or 3,600 per month for a family of four (30 denars per day per household member), are in a very difficult economic situation. Hence, the social welfare benefits as the only support to household with no income is increasingly failing in its aim and purpose. Responses of the surveyed citizens indicate that despite frugality, 49.1% of respondents spend those benefits in the first ten days of the month.

The deepening of poverty in Macedonia, has resulted in an increasing number of people receiving social aid, which, for the period 1995-2001 increased by 15,132 households to 76,939 households. This represents about 15.3% of the total population of the country. Additionally, 41,698 persons have been recipients of social compensation for being unemployed. However, some of these families (households) have multiple sources of income including the possibility of involvement in the gray economy (which involves about one third of the labor force, according to unofficial estimates), and the assistance that some receive from relatives working abroad.

Officially, the poor in the country are households with less than 60 percent of median household income (the official poverty line of about 75 USD per month).

During 1996–2000, no significant changes have been recorded in the structure, profile, and location of poverty in the Republic of Macedonia, in either an absolute or a relative sense. The portion of the population living below the National poverty line increased from 18.1% of the population in 1996 to 20.7% in 1998, reaching 25.4% in 2002, while the index of poverty depth moved from 3.9 to 5.3 percent. Poverty rate for the rural areas was 25.1% in 1998. By comparison, in Skopje, about 13.9% of the population was poor in 1998, while about 21.5% of the population in the provincial cities was poor.

Two-thirds of poor households live in rural areas under bad living conditions. The largest part of these households has multiple members and low educational status; they are socially more isolated, with a higher mortality rate. Some of the worst off rural households are the elderly, with only social assistance benefits or a small pension as income.

There have been some small shifts with respect to the type of households in poverty: the rate of poverty amongst the elderly rose from 12.5% to 14.5% from 1996–98. For households with young children, poverty rose to 27.5% in 1998, a full 5 percentage points above the 1996 rate. Last, the link between unemployment and poverty has also strengthened by 5% between 1996 and 1998, to a 36.9% rate of poverty for households with no employed members.

At the beginning of the transitional process the inflation rate was very high (596.6% in 1990) with a tendency of hyperinflation, which actually happened in 1992 (1,511.3%). A host of negative social consequences followed the hyperinflation and therefore an Anti-inflation program and Stabilization Program were developed as well as appropriate measures of the monetary policy; the salaries were limited, and the exchange rate was pegged. Those changes were specific for the first few years of the transition. In 1995, there was a stabilization of the inflation, with inflation rate that fluctuates from 2.8% in 1996 to 5.8% in 2000. The rate in 2002 was stabilized on about 3%.

Although economic stabilization was achieved, due to the long period of strong inflation the salaries of the employees faced real decline of about 40 percent. In addition, due to the privatization process, dynamic changes within the labor market were provoked, causing decline in employment, increase in unemployment, rise in the number of the employed persons who receive their salaries with delays up to few months.

Generally, the access to commercial bank loans has been limited due to the unavoidable requirement for strong collateral/guarantee (cash deposit, mortgage on

already existing object, etc.). For those living in poverty there is another limitation: still high interest rates on housing loans.

Average expenses per family

Many studies indicated that household consumption, especially among the unemployed and other people without income is limited only to the barest necessities.

Approximately one half of their income is spent on food alone. When the expenditures on food surpass 50% of their total income, under international standards this puts them in the category of the poor population. According to the reports of the developed countries an average household spends less than 15% of their income for food, while in the underdeveloped countries that percent is greater than 50% and somewhere even 80%. In Macedonia, food expenditure accounts for 41.1%, and drinks 4.6% of overall household expenditures.

Further to the data mentioned above, Macedonian consumer basket (in 2003 fixed on 10,200 denars) consists of 8.88% of monthly expenditures on heating, 9.76% on electricity (including TV subscription), 3.48% on telephone, 2.6% on water, 5.72% on vehicle fuel and transportation and 0.84% on rent. Medical drugs and health services take 2.98%, hygiene product 4.09% and books and periodicals (education) 1.69%.

The constant decline of personal expenditures for other needs is evident for clothing and footwear, personal hygiene, press, furniture, household appliances, entertainment etc. The substitution of these needs is seen in the fact that every other citizen is faced with a difficulty when buying clothes and footwear. About 34% have declared that they have used their old garments for too long, 10% receive their garments from others. As an example, 80% of Roma receive their clothing from humanitarian organizations.

Poverty

Poverty in Macedonia today is the result of two factors: fall in aggregate consumption during the 1990s; and rise in inequality in its distribution. Factors that have contributed the most towards deterioration of the economic and social well-being of the population are the following:

- Drastic decrease in economic activity. During the last ten years, and in spite of the rebirth of economic growth of recent years, real GDP fell by an average of 1.7 percent per year;

- Fall in real wages, pensions, and other social incomes of the population. The average net wage fell in real terms on average by 3.9 percent per year in the last 10 years;
- Increase in income differences among groups of the population;
- Implementation of privatization and other structural reforms, which have produced an army of unemployed workers; and
- Solvency and liquidity problems of banks and enterprises as well as the high deficits of the off-budget social funds.

The minimum wage according to national law is 8,200 denars (161 USD). However, many companies do not comply with the law requirements on minimum wages (they pay less), and they are not sanctioned by the authorities.

The poor in Macedonia, those who do not make minimum wage, can be usefully divided into three groups: the traditional poor, the new poor, and the chronically poor. The group of traditional poor consists of rural agricultural households with more than three children. That is the group which formed the majority of the poor in the period before transition. In the second group, the new poor, are some low-paid employees, many of the unemployed, pensioners and some recipients of social benefits. The chronically poor, the third group, are older people without pensions, the disabled, old rural households without any fixed income, and others not able to work. Those people are with minimal chances to escape poverty irrespective of economic growth.

As far as HFHI ECA recommendation on working with families who have 75% of the average per capita income is concerned, it is estimated that majority of the families in Macedonia will meet this criteria, bearing in mind the fact that the number of unemployed exceeded the number of employees, and that most of the families have only one member employed.

Two-thirds of those who fall below poverty line live in rural areas under bad living conditions. Overall, the poverty rate for the rural areas was 25.1 percent in 1998. By comparison, in Skopje, about 13.9 percent of the population was poor in 1998, while about 21.5 percent of the population in the provincial cities was poor.

The most recent extensive research indicate about 40% of citizens of Macedonia consider themselves as being poor or very poor. The largest parts of those considered to be poor in Macedonia are households that have multiple members and low educational status; they are socially more isolated, with a higher mortality rate. Some of the worst off rural households are the elderly, with only social assistance benefits or a small pension as income.

General Description of Housing in Community

General Housing

If considered as one community, Macedonia has 557,254 households according to the last census. Average number of household members decreased in the past 70 years, from 5.79 to 3.85.

At the same time the number of dwellings has reached 690,762 being over the households' number with 133,508 units. Still, the dwelling stock has been among the lowest in Europe: being fixed on about 275 per 1000 inhabitants during the 1990-ies (partially caused by the catastrophic Skopje earthquake from 1963 that affected almost one third of the country's population). According to the most recent statistics from the 2002 census, it increased to 345/1000 in 2002.

The average dwelling surface in Macedonia is 71 sq. m., with average of 21 sq. m. per person. There are no data available on the average number of occupants in housing. However, many families live in their parents' houses. More generations living in one house is a frequent phenomenon.

In regard to the costs to rent or purchase accommodation unit, they are extremely high comparing with the average income. The most recent data of the average net salary in Macedonia say it reached 11,000 Macedonian denars (215 USD, 1 USD = 51 denar), which is enough to rent two room apartment in better Skopje's neighborhood. On the outskirts of the capital two rooms apartment might be rent for the half of the average salary, while the rent costs for the same apartment type in the province go down to one fourth of the average net salary (about 50 USD).

In terms of purchasing, the conditions are even harder to meet. Prices per sq.m. in the capital vary from 800 to 1,500 USD, estimating the average of 200 full net salaries (16.6 years of work without spending on anything else), needed for the cheapest apartment of 50 sq.m. Yet, the affordability of purchasing an apartment in the province is higher as the prices per sq.m. are lower.

During the period of centrally planed economy, low interest rate loans have been available for those intending to purchase an apartment or build the house. During the first years of transition the cash payment has been the most common way of purchasing, while recently, after the market has been stabilized, the commercial banks started housing loans with high interest rates (currently from 10% to 15% per year).

The most intensive construction period has been during 1970-s and 1980-s, meaning that the average age of buildings in Macedonia is about 30 years.

Both, hereditary (by law to closest relatives - children/wife/husband only) or sales as means of transfer for the housing units are taking place in Macedonia.

Traditionally, Macedonia has high rate of private ownership over the dwelling stock (85% in 1988). After the privatization during the 1990-s over 95% of the housing units in Macedonia has been privately owned and that figure is much higher even than the European Union's average.

Construction

In the year of 2000 the number of residential dwellings completed in Macedonia has been 5316, with the total surface of 432,249 sq.m. (average of 81.3 sq.m./dwelling). The most of those newly completed have been three rooms dwellings (36.5%), followed by two rooms (28%) and four rooms dwellings (19.3%).

However, the number of new dwellings completed per year substantially dropped during the period of transition, from 5 per 1000 inhabitants in 1990 to only 1.6 in 1999. In 2000 that number reached 2.6 dwellings per 1000 inhabitants.

Within the number of newly completed dwellings in 2000, as high as 97.6% were private sector constructions. Less than 3% of the newly completed dwellings are public investments, while the portion of social housing is even smaller. Some recently developed social housing programs (for young couples, etc.) are facing public pressure over the charges of corruption.

The availability of land for housing construction within the community has been left to the market, including the state owned plots. If the land is state owned, the law requires public bid for selling. At present, there are no regular social programs of granting plots of land for housing construction. This type of authority has been left on discretion of the central Government.

There are no general limitations for construction in regard to sizes, square meters per person or design restrictions. However, terms of construction for particular construction parcel (lot) prescribe specific conditions (dimensions, high, etc.) that have to be met.

There is a specific tax requirement in Macedonia according to the law (so called communal/infrastructure tax) that investors have to pay to the local/municipal

government. Funds collected by this taxation are aimed for local infrastructure development as an obligation of each municipality.

Law on Urban Land defines that urban land may be in the ownership of the Republic of Macedonia and domestic physical persons and legal entities. Urban land in the ownership of the Republic of Macedonia may be alienated, given under concession and lease. Trade with urban land is free, under terms defined with this Law. Facilities constructed on the area of the urban land or underneath the area intended to remain there permanently, shall be part of that urban land. Facilities of temporary character shall not be parts of the urban land. Mortgage may be established on urban land.

Statistically, the average price by 1 sq.m. housing surface in Macedonia in 2002 has been 39.862 denars (782 USD, 1 USD = 51 denar). As the capital (Skopje) is considered, the average price rises up to 46,087 denars (904 USD). Certainly, costs for the social interest housing should be lower. The expenditures of land supply, preparation and public utilities of the site contribute to the price with 19% on a whole country level, while in Skopje that share is 27%. At the same time, the expenditures for construction on a whole country level contribute with 74%, while in Skopje the share is 66%.

There are no known legal restrictions on using mutual self-help and volunteer labor. However, there are legal requirements in terms of personal safety of those being engaged in construction activities.

There are no known fiscal allowances made for social interest housing beneficiaries. Even more, the most recent changes on VAT Law require higher taxation (18%, instead of 5%) on housing.

If there is no change in the exterior (outer dimensions), there are no restrictions for renovation of individual houses. Intervention in apartment buildings requires consent of 2/3 of the apartment owners if façade, or common spaces (stairs, elevators, garages etc.) are being planned for renovation. Certainly, specific permission is necessary if public utilities (electricity, central heating etc.) are to be connected to the house/apartment.

Poverty Housing

Substandard housing has multiple dimensions in Macedonia and cannot be adequately defined through simple parameters. However, basic understanding of the substandard housing includes absence of property rights and housing titles, followed by lack of proper connection to water and sewage networks and solid waste collection.

Although sub-standard quality dwellings have been officially estimated on 12% of the dwelling stock in Macedonia, it is wide known that the number of families living in sub-standard conditions is much higher.

As an example, there are about 40,000 units built illegally (without building permission) in the past decades, most of whose (80%) in the sub-urban areas of the capital Skopje after the catastrophic earthquake in 1963. Not being obliged to build a proper infrastructure for those housing units, the authorities left the families living in to face sub-standard conditions for decades.

The worst examples of substandard housing in Macedonia are found among the Roma communities. They live on the outskirts of cities, often in ghetto-like spontaneous settlements, which typically lack the basic infrastructure and services such as piped water, sewage disposal, paved roads and connections to electricity. Roma households located in Central and Eastern Macedonia are overcrowded and sparsely furnished. Often, their houses lack kitchen facilities and indoor toilets. Women and youngsters are often encumbered in a daily effort to fetch for water from public fountains or shared taps. Disposal and collection of the domestic solid waste is also a visible issue in the Roma communities. Due to few waste disposal containers and/or their infrequent collection, more often than not, there is an overspill of wastepaper, plastic bags and empty bottles in the streets, backyards and open space.

Typically, in the sub-standard neighborhoods, most households do not own the land on which their houses are built and do not have building permits. Most houses are built on municipal owned land that complicates the procedure of clearing the land tenure status. The lengthy legal procedures and the high transaction costs involved in the legalization of housing do not favor the poor.

As of those legally owned sub-standard houses, most of them are old constructions that need to be renovated. The situation inside these dwellings can be evaluated as "miserable" due to the broken windows, doors, old and bad quality woodenware, yellow walls not being varnished for years, etc.

As the most of the sub-standard housing units are unauthorized since their construction, there are no figures that will clarify the ownership status. According to estimates, every fourth house in these areas was built without land ownership title. In some of those settlements, household could not determine the borderlines of their lot for nearly every third house. Most of the people actually do not know to whom the lot may belong to, or when their houses were built.

There is no relevant data available on how many people in Macedonia are homeless.

A rise in the rate of certain health problems including lice, hepatitis, mange, tuberculosis, and rheumatics, due to the poor housing conditions is evident.

In regard to the ethnic background, it has been noted that the poorest housing conditions are found among the Roma population living in the urban peripheries. While old Roma areas are located within the city center, more recent settlements tend to be located on the city peripheries, or further out in places that are difficult to access. In many cities, Roma families (usually of 4-8 members) live in small settlements, which are spatially and socially segregated, usually located near industrial zones or between housing projects. These families depend on the social welfare support and by peddling products on the streets; others scavenge in garbage containers. About 85% of Macedonia Roma live in Shuto Orizari, north of Skopje. This settlement is reasonably close to the city center and is well connected to it. Inhabitants use inexpensive public transportation to commute, as well as abundant taxis. This provides an opportunity for an easy access to informal employment, mostly for women, as cleaning ladies in houses and apartments in Skopje, and to several open markets, another source of earning for living.

Unfortunately, Roma families usually have no regular income, therefore not being in position to plan better housing on a long term basis. Most of them can not afford to pay additional bills, including housing expenses, as their present income goes on fulfilling their very basic needs (food, etc.). Bearing in mind their situation, potential Habitat partner families have to be selected from those which do not belong to the poorest of the poor, as the most of the Roma families do.