

## Program of activities

### 2015

This document presents the program of activities of the Association for economic research, advocacy and policymaking “Finance Think” Skopje for the calendar year 2015. The plan is structured around four pillars of Association’s work: **research, analytics, advocacy and communication; and capacity building and networking.**

#### 1. RESEARCH

Research activities for 2015 have been planned as follows.

##### 1. Does motherhood explain part of the gender wage gap in Macedonia?

The objective of the research is to estimate the contribution of the motherhood wage gap for the gender wage gap in Macedonia after considering workers’ characteristics and selectivity bias onto the labour market, for childbearing-age population. In particular, we aim to disentangle to which extent the natural role of women to have and raise children potentially affects the gender wage gap. Recent study (Petreski et al. 2014) estimated the adjusted gender wage gap in Macedonia at 5.7%. However, motherhood may still explain some portion of this gap and the preliminary descriptive analyses suggest that it likely biases the gap upwards. This suggests that once motherhood wage gap has been considered, the unexplained adjusted gender wage gap in Macedonia (gender wage discrimination) may be even lower. The literature is abundant in analyzing selectivity-corrected gender wage gaps and motherhood wage gaps separately, but merging the two literatures, and estimating these gaps together and at the same time correcting them for selectivity is rare. Hence, we propose a novel methodological approach to tackling this issue. Namely, we will estimate the gaps by employing a repeated imputation technique, which will impute the wages of those who are unemployed or inactive by making assumption on their position with respect to the median wage. Then the imputed samples will be compared to the base sample and the size of the selectivity bias obtained. The fairly standard Heckman estimates will be provided for comparison. Blinder-Oaxaca decomposition will be then applied to the imputed sample to disentangle the explained and unexplained parts of the gender and motherhood wage gaps, giving a figure of the contribution of the latter in the former. Non-parametric alternatives to the decomposition will be pursued as robustness checks. The Survey of Income and Living Conditions (2010) will be used.

2. Empowering women in Krushevo through mini clustering for production, sales and promotion of traditional products (ongoing project supported by The Embassy of USA in Skopje)

The main objective of the project is to improve the living standards and social inclusion and to reduce poverty in Krusevo, through association (mini-clustering) of women for production and sale of local, domestic, traditional and ecological, home-made products. Short-term goals: i) Prompting social inclusion and interaction through association of individual producers, unemployed housewives; ii) Promoting awareness for investing in their skills for pull out from poverty and improvement of their life; iii) Establishing system for production and promotion of local home-made products, in order to encourage and increase the production, sales and promotion; and iv) Strengthening the awareness among policy makers for the need of mini-clustering of the individual producers of traditional food, as a tool to promote local economic growth and improvement of socio-economic conditions.

3. Simulation of a voucher system for social protection of the individual socially-vulnerable remittance receivers in Macedonia (ongoing project supported by the Partnership for Economic Policies)

The purpose of the study is to develop a simulation of potential voucher system for social protection of individual members of the households receiving remittances in Macedonia.

Specific objectives:

- To conduct analysis for Macedonia at the individual level (using the DotM Remittance Survey 2008)
- To develop a MIMIC (multiple indicators, multiple causes) model;
- To simulate the effects of potential voucher for protection of socially vulnerable individual recipients of remittances by simulating the effects on the health indicator of the recipient.

4. Migration as social protection: Analysis of Macedonian, Albanian and Serbian remittance-receiving households (ongoing project supported by the Regional Research Promotion Program)

The objective of the proposed research is to investigate if remittances sent to Macedonia, Albania and Serbia serve an informal social protection for household members left behind and to suggest potential instruments/policies for transforming them into a formal social protection. In particular, we will analyse if and how remittances determine/influence social condition (stability or vulnerability) of the household, the latter being described through an index composition of the income level, employment status, nourishment, health and housing conditions. For the purpose of the study, we aim at defining social stability/vulnerability not in traditional terms - only as "dollar a day" - but rather in terms of household's ability to meet their basic needs: nutrition, health services, housing, leisure and the like. This touches upon Green's (2014) recent note that "being poor and sick is very different from being poor and healthy" and defines social stability in this multidimensional framework.

Macedonia and Albania receive about 10% of the GDP in remittances (almost half of the total amount of private transfers per year), while in Serbia they amount to 7% of the GDP. While unemployment, poverty and social vulnerability remain high, and the formal social assistance exerts limited effect on poverty reduction, the question is if remittances prevent social unrest, i.e. informally socially protect

vulnerable poor people. The literature has been rich in investigating the standard social protection schemes, but very scarce in tackling how informal protection mechanisms, like remittances, may alleviate households' social strains. We propose to address this gap in the literature. We will use the Remittances Survey 2012 for Macedonia – a nationally wide and rich dataset on migration and remittances. For Albania, the last wave of the Living Standard Measurement Survey, 2008, will be used. For Serbia we will use the newly established, nationally representative Survey on Income and Living Conditions 2013.

The key tasks, hence include:

- developing a literature overview linking remittances to social protection and social vulnerability;
- devising an indicator of social vulnerability (discrete composite index comprising conditions as: income, employment, health, nourishment, housing and other material conditions);
- econometric investigation of the causal links between remittances and social vulnerability;
- deeper qualitative investigation through interviews of the linkages between and contexts of the two phenomena (remittances and social vulnerability);
- devising policy proposals and policy instruments of converting remittances into a more formal social protection;
- wide communication with the policymakers and the public.

5. Visualization of the gender wage gap in Macedonia: Demystifying wages and advocacy for gap minimization

The objective of this project is to raise the awareness for the gender wage discrimination in Macedonia. In particular, the project builds on an ongoing work, consisting of two pillars: i) calculating the gender wage gap in Macedonia, after workers' characteristics and selectivity bias have been taken into consideration; and ii) building the EdPlaKo-MK web tool which enables individuals to test their gender-neutral wage and companies to test their wage system against gender discrimination. The main activity of this proposal consists of visualization of the gender wage gap in Macedonia that will be added to the EdPlaKo-MK site, as well through two flyers, so as it gives further information on gender wage gap at the level of sector, occupation, age, experience and education, and further promotes the EdPlaKo-MK tool.

6. Economic research today for better policy tomorrow

The overall objective of this project is to build up the capacity of the Association for economic research, advocacy and policymaking "Finance Think" in supporting the economic policy decision makers to deliver credible policy decisions based on research findings and arguments based on quantification, as well in elevating the debate in the society about economic processes and reforms.

7. FISCAST: Building capacities and tools for fiscal accountability, sustainability and transparency in Macedonia

The overall objective of the project is twofold: first, to improve the capacity of civil society and media to contribute to evidence-based economic dialogue in the country, enabling more participatory and transparent policymaking, with strong focus on fiscal policymaking; and, second, to increase the public awareness for the process of spending public money.

**Table presenting stages and deadlines**

<b>Activity</b>	<b>Stage</b>	<b>Planned tasks</b>	<b>Deadline</b>
1. FISCAST	Not started yet	Meetings (November 2015 – March 2016) Building the network (throughout) Modelling and visualization (throughout)	April 2016
2. Does motherhood explain...?	Not started yet	Calculations Writing up the study	December 2015
3. Empowering women	Trainings for production, promotion and sale of traditional products	Establishing Association “Krushevo women” (February 2015) Fair on homemade, traditional products (July 2015)	August 2015
4. Simulation of a voucher	Analysis conducted MIMIC model developed	Devising a voucher Simulation of its effects Writing up a study	September 2015
5. Migration as social protection	Literature review and econometric analysis conducted Index of vulnerability devised	Interviews (November 2015) Policy brief (December 2015) Dissemination (thereafter)	July 2016
6. Visualization of the gender wage gap	Not started yet	Visualizing aspects of the GWG	June 2015
7. Economic research today	Ongoing activities for organizational development of Finance Think		October 2015

## 2. ANALYTICS

The following analytical activities have been planned for 2015:

1. Delivering at least 5 issues of Graphometrix – the observer of the national, regional and global economy through graphs;
2. Delivering 4 issues of the Macro-monitor – the macro-observer of the national economy with a forward looking elements;
3. Delivering at least 3 FT Comments – a commentary of important national and international documents, reports, strategies and so on, concerning Macedonia;
4. Devising an ‘Index of financial stability’ to inform policymakers in the financial areas (mainly central-bank policymakers) and the wider public, herewith understood as being financial analysts and employed in banks, pension funds, insurance system; economic faculties and research centers; financial managers in the corporate sector; other civil organizations; savers;
5. Devising a ‘Leading Composite Index’ based on combining indicators considered to precede economic activity with a time lag of about six months ahead.
6. Delivering monthly posts on the main blog ‘Economic Talks’ – short posts on current ‘hot’ topics.
7. Improving the economic datasets to be available for analysis purposes by the other NGOs and other interested parties, and presenting those data in an easily understandable format for non-economists;

**Table presenting stages and deadlines**

Activity	Stage	Planned tasks	Deadline
1. Graphometrix	Ongoing	Devising at least 5 issues	Continuously over 2015
2. Macro-monitor	Ongoing	Devising 4 issues	Continuously over 2015
3. FT Comment	Ongoing	Devising at least 3 issues	Continuously over 2015
4. Index of financial stability	Published Index for the period 2006:Q1 – 2014:Q3	Devising and publishing the index for the period 2015 - onward	Continuously
5. Blog posts	Ongoing	Occasional posts on the blog	Continuously over 2015
6. Improving data-sets	Ongoing	Improving the datasets	Continuously over 2015

### 3. ADVOCACY AND COMMUNICATION

The following advocacy and communication activities have been planned for 2015:

1. Continuous publication of research results and findings in the form of articles in international peer-reviewed journals; monographs; chapters in books and so on;
2. Devising at least three policy briefs on issues pertinent to the economic development in Macedonia and stemming out of current research – so as to advocate for innovative solutions and to educate citizens on their potential contribution in solving the problems;
3. Web platform on traditional, homemade, ecological products and the Association “Krushevo women”;
4. Issuing and dissemination of catalogue on traditional products and a leaflet for promotion of the Fair on homemade, traditional products in Krushevo;
5. Issuing and devising a leaflet on the gender wage gap in Macedonia and promotion of the web platform [www.EdPlako.mk](http://www.EdPlako.mk)
6. Advocating (“fighting for”) for more space for economic news in the media by stronger links with them, through publishing the ‘Index of financial stability’ in ‘Kapital’ (the other prominent economic medium in the country, despite ‘Economics and Business’ where we publish the ‘Index of future activity’).
7. Establishing a cooperation with some internet media for publishing the regular posts on our blog “Economic Talks”
8. Organizing a round table in June for presenting the preliminary results of the project “Migration as social protection: Analysis of Macedonian, Albanian and Serbian remittance-receiving households”;
9. Organizing a round table in August/September on the Milton Friedman’s contribution to monetary economics;
10. Organizing a policy conference in November for presenting the preliminary results of the project “Voucher system ...”;
11. Organization of the Annual Panel Debate in December that will bring the government and citizens together to talk at a hot issue;

**Table presenting stages and deadlines**

Activity	Stage	Planned tasks	Deadline
1. International publications	Ongoing	Articles, monographs, chapters in books	Continuously over 2015
2. Policy briefs	Ongoing	Devising at least 3 issues	Continuously over 2015

3. Web for “Krushevo women”	Not started yet	Devising a web	February/March 2015
4. Catalogue and leaflet	Not started yet	Devising catalogue and leaflet	April 2015
5. Media	Ongoing	Increasing the presence in media	Continuously over 2015
6. Round table – “Migration as social protection”	Not started yet	Conduct of a round table on the topic	June 2015
7. Round table – Friedman	Not started yet	Conduct of a round table on the topic	August/September 2015
8. Policy conference “Voucher system...”	Not started yet	Conduct of a policy conference on the topic	November 2015
9. Annual Panel Debate – hot topic	Not started yet	Conduct of the Annual Panel Debate	December 2015

**4. CAPACITY BUILDING AND NETWORKING**

The following capacity building activities have been planned for 2015:

1. Conducting a research stay in Canada (University of Laval) by the Chief economist of the Association;
2. Participation in at least two international conferences to present results of ongoing projects and/or to build network with international researchers;
3. Participation at domestic conferences, round tables, forums and other similar events, so as to present ongoing research and build networks with domestic researchers, other NGOs, government representatives and media;
4. Initiating cooperation (leading to Memos of understanding) with reputable domestic institutions (like the central bank or a university) and other NGOs conducting similar or complementary activities;
5. Participation at seminars for equipping with advocacy skills (organized by USAID) and research methods (preferably those organized by the IMF);
6. Securing interns to develop a comprehensive datasets for the Macedonian economy which will be publicly available, but will serve the think tank the objective for analyses and research;
7. Securing a referent literature, mainly research methods and econometrics.

**Table presenting stages and deadlines**

<b>Activity</b>	<b>Stage</b>	<b>Planned tasks</b>	<b>Deadline</b>
1. Canada Research stay	Not started yet	Conduct of a research stay	January 2015
2. International conference participation	Not started yet	Participate on at least two conferences	Continuously over 2015
3. Domestic conference / round table participation	Not started yet	Participate on at least three events	Continuously over 2015
4. MoUs	Not started yet	Sign a MoU with at least one institution/organization	September 2015
5. Trainings	Not started yet	Attend seminars for advocacy and research skills	Continuously over 2015
6. Interns	Not started yet	Securing at least one intern for ongoing needs	Continuously over 2015
7. Literature	Ongoing	Securing relevant literature	Continuously over 2015