

# Impact

**The various forms of publications, visualizations, media appearances and communication through social networks, as well as numerous events, have created the impact of Finance Think.**

## Changes in policies

The results and conclusions of the conducted research and analyzes, translated into specific recommendations for policy changes, were disseminated to policy makers, and permanently fed the public discourse. Finance Think's cost-benefit analysis showed that the social measure "allowance for third child" generates more costs than benefits and in November 2018, the Government announced its intentions to make changes in the Law on child protection, by abolishing the article related to this allowance. The conduct of the decision has been postponed for 10 months, after it heated the political debate with strong opposing views.

Finance Think's recommendations that the Government should pass a by-law that will regulate the questions about business activity, independence in conduct of business activity, continuity of the business activity, occurrence of supply and the right to deduct VAT, all relevant for physical persons/individuals, have been welcomed by the policymakers in November 2018, after a period of silence on the issue. A working group was formed within the Ministry of Finance which produced Guideline for better informing of the physical persons for the VAT system. The Guideline is a product of a consultative and debate process between the Ministry of Finance, the Public Revenue Office and the Group Civitax and incorporates our key recommendations.

Finance Think's design and recommendations pertinent to reforming the pension system – amid the permanent worsening of the pension deficit – were channelled to the relevant laws, primarily the Law on Social Security Contributions. Changes have been made in the replacement rates, as well as the social contributions increased by a total of 0.5%. While by design the proposed reform was succinctly close to Finance Think's propositions, it did not include some elements (like announced increase of the retirement age), while other elements were implemented in a milder form, likely because the government assumed a political cost of a more rigorous changes.

Finance Think's design and recommendations pertinent to reforming the social assistance system, which were presented to the public at the end of 2017, were also accepted in the newly proposed Laws on social protection and on child protection. While the government introduced slightly modified structure of the new scheme for social assistance, the overall amount for a four-member family was set at 10.600 MKD, while Finance Think's one has been modelled at 10.800 MKD, as an amount that produces favourable development and labor-market outcomes.

The position of Finance Think that the bracket for the higher rate of the personal income tax – in its progressive form intended by the government – was ultimately accepted. The initial proposition was that the limit for the higher rate should be set at 60.000 MKD, while after a heated debate, this was set at 90.000 MKD. Another important aspect that Finance Think advocated for is the clear intention for utilization of the extra collected funds, i.e. for their productive channeling to the poorest parts of the income distribution, so as the progressive tax to justify its introduction, i.e. to significantly contribute to reducing income inequality. Such an intention was clearly articulated by the government by announcing that these extra collected funds will be used for funding of the reform of the social assistance scheme.

The minimum wage was also a topic for discussion in the course of 2018, following up the discussions of 2016 and 2017. The political party SDSM formed a government in June 2017 with a key promise stemming from the December 2016, or even earlier, that the minimum wage will increase to 16.000 MKD. Finance Think maintained its position, based on data and evidence, that such a big step would impair job creation, may exercise equalization of wages and hence negatively affect more productive workers who see less productive ones approach them with their wage level. At the end of 2018, there has been no discussion about more significant further increases of the minimum wage, besides the adjustment which was conducted in 2018 at a level of 12.165 MKD, being far below the initial promise.

Likewise, Finance Think had an impact on the local policies. The recommendation that the local communities have to be transparent in the process of public procurements, by publication of the Plan for conducting public procurements, was implemented by the municipalities of Prilep, Krushevo and Krivogashtani.

A number of other issues, part of a long-term, and part of daily interest, were part of the debate in 2018. For most of them, Finance Think communicated its opinion and position, for which policy makers expressed ap-



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Според анализата на Finance Think, социјалната програма #ИмајТретоДете генерира повеќе трошоци од придобивки.



## ИМАЈ ТРЕТО ДЕТЕ ПРИДОБИВКИ VS ТРОШОЦИ

Родителски додаток за трето дете

**8048** денари  
и се исплата 10 години

Вкупно корисници на  
родителскиот додаток  
за трето дете:

**1898**  
2009  
ГОДИНА



**21387**  
2015  
ГОДИНА



Зголемуван е на

appropriate appreciation, taking arguments in public debate and taking for further adequate articulation in policies.

## Changes in target groups

In order to reach direct impact on target groups, Finance Think undertook field activities and initiatives with target groups/stakeholders. In 2018, our main target group were domestic small and medium enterprises, whose representatives were embedded with skills and knowledge for establishing business relations with the multinational companies operating in the country. A five-day training on soft-skills improvement (presentation and communication skills and promotion and presentation of products and services to potential buyers and fair exhibition) was delivered to more than 40 persons, representatives of 25 domestic SMEs.

Finance Think conducted one-day workshops for statistical analysis and interpretation of data, intended for analysts in government institutions. Participants gained new knowledge and skills for qualitative and quantitative data analysis and most important, gained skills for translation of the results into strategies and plans that should improve policies. Similarly, Finance Think worked with economic journalists who, at a one-day workshop gained skills for data analysis and interpretation into visual products understandable for the general public.

Field work was conducted with the member organizations of the FISCAS network, at the local level. During the training of trainers workshop, many local organizations gained skills for becoming trainers for participative budgeting, activity that led to organization of seven additional workshops where local stakeholders (policymakers, business sector, CSOs and citizens) met with the process of participative budgeting.

## Changes in the public discourse

Finance Think remained a major source of information to the public and encouraging economic debate. Economists of Finance Think spoke in all major media, on economic issues. It is estimated that FT was quoted in the media, on average, 4 times a week. Almost all the key messages that the Institute attempted to convey to the public sparked the attention of the media, with several unique news reports / stories in the mainstream media.

The organization of numerous events in settlements outside Skopje contributed to the establishment of new and deepening of the old co-operation with several local media. Representatives of the Institute were guests and gave statements for several local media: TV Kiss Tetovo, TVM Ohrid, TV Tera Bitola, TV Vizija Prilep, TV RTK Kavadarci, Radio Pela, Prilep web portals Revolucioner and 10bez10 and the like.

Generally, Finance Think's work is pushing public debate forward, from subjective and without evidence, with increased introduction (and acceptance) of such elements. The inclusion of quantitative assessments and other evidence obtained through research in public debate helped maintain objectivity and balance in politically turbulent times.

## Qualitative and quantitative evaluation

Based on our estimates of the impact of efforts on policy makers, direct target groups and public discourse, it is estimated that the targeted impact in 2018 increased 12.5% compared to the previous 2017, while the increase compared to 2016 amounted to 80.3%. The estimations suggest two key conclusions: i) the impact nears its steady state, given it is maintained, or slightly increases in 2018 compared to a year before; and ii) over time, the structure of the impact shifted from publications to media appearances, i.e. to proliferating the media exposure of existing publications and visual products (intensive margin), rather than producing more such outputs (extensive margin). Details are presented in the following table:



**Table 1: Quantitative measurement of the total impact**

	Number of...		Estimated impact (0 = no impact 10 = very high impact)			Increase in the impact in 2018 compared to 2017		
	2017	2018	Immediate target groups	Policymakers	Public discourse	Immediate target groups	Policymakers	Public discourse
<b>PUBLICATIONS</b>	<b>37</b>	<b>44</b>	<b>0</b>	<b>7.0</b>	<b>5.6</b>	<b>0.0%</b>	<b>-4.1%</b>	<b>-12.9%</b>
Macroeconomic monitor	4	4	0	4	8			
Graphometrix	3	1	0	4	10			
Policy briefs	3	8	0	10	6			
FT Comment	4	4	0	8	4			
FT Opinion	12	10	0	10	10			
Articles	2	2	0	5	2			
Quality of Life	1	1	0	5	8			
Policy studies	2	10	0	10	4			
Books	2	4	0	4	2			
Others	5	1	0	8	4			
<b>VISUALIZATIONS</b>	<b>70</b>	<b>76</b>	<b>4.6</b>	<b>6.8</b>	<b>8.1</b>	<b>-9.7%</b>	<b>-6.1%</b>	<b>2.4%</b>
Graphs	47	48	2	2	10			
Infographs	12	11	4	6	10			
Videos	4	3	10	6	10			
GIF	1	4	8	6	10			
Web platforms	6	5	4	2	8			
Let's chat economics	0	7	4	6	10			
<b>EVENTS</b>	<b>26</b>	<b>35</b>	<b>4.6</b>	<b>8.4</b>	<b>6.0</b>	<b>-23.7%</b>	<b>-8.5%</b>	<b>7.1%</b>
Economic forums	2	1	2	8	10			
Round tables	7	7	1	10	10			
Workshops	9	8	10	4	0			
Direct meetings with policymakers and/or target groups	7	12	10	10	0			
Number of changed regulations	1	7	10	4	0			
<b>MEDIA APPEARANCES</b>	<b>165</b>	<b>208</b>	<b>3.3</b>	<b>7.3</b>	<b>9.3</b>	<b>26.2%</b>	<b>26.1%</b>	<b>28.2%</b>
Number of media statements	155	102	2	4	10			
Number of media citations	.	151	2	4	10			
Interviews and media participations	3	12	4	10	10			
Blogs	7	1	4	8	8			
<b>INCREASED IMPACT BY GROUPS</b>						<b>2.3%</b>	<b>9.3%</b>	<b>17.5%</b>
<b>TOTAL INCREASE IN THE IMPACT</b>						<b>12.5%</b>		

The following table provides the achievement of the targets of the Monitoring and Evaluation Strategy 2018-2020. As it can be seen, almost all indicators are realized, and in many cases they are significantly exceeded.

**Table 2: Evaluation of achievement of Finance Think's objectives**

Objectives and outcomes	Objective	Indicator	Baseline	2017 Realization	2018 Realization
<b>Objective 1:</b> To contribute to improved economic policies and reforms through producing evidence, based on economic research and driven by economic data					
Long term outcomes	1.1. Increased supply of economic research	Number of key research results that could be articulated in a policy recommendation	3-4	5	11
	1.2 Increased capacity among stakeholders (employees, Advisory Board, experts, trained individuals and CSOs) for understanding and/or conduct of economic analysis and usage of economic data	Number of persons of stakeholders affected	25	27	32
	1.3 Strengthened quality review process	Number of internal and external reviews conducted	10 internal 3-4 external	12 4	18 10
Short term outcomes	Increased number of FT research publications (policy studies, journal articles, books/manuals)	Number of research publications	10	11	14
	Increased number of the FT regular publications (Macro-monitor, Graphometrix, FT Comments, Briefs etc.)	Number of regular publications	30	35	27
	Increased number of the FT visual publications (graphs, infographs, GIFs, videos etc.)	Number of visual publications	60	76	78
	FT publications: <ul style="list-style-type: none"> <li>are source of information</li> <li>credible</li> </ul>	% of persons who responded "to some or to a large extent"	70%	71.1%	100%
	Increased number of external experts, who participated in FT projects	Number of experts	10	17	12
	Increased number of journalists, who participated in FT projects, writing about the local and/or regional economy	Number of journalists writing about economic/social issues, based on FT's findings and products	10	14	15
	Enhanced cooperation between FT and think tanks, specifically on economic/social issues from other countries.	Number of think tanks from other countries with which FT cooperates in economic issues  Number of think tanks which FT cooperates intensively (e.g. on particular project)	10 3	12 5	11 4
	Generated new data	Number of data-collecting instruments applied (survey, focus-groups, interviews etc.)	5	6	8
	Increased amount of web resources (data, evidence, research, regulations)	Number of web platforms maintained	5	5	7

Objectives and outcomes	Objective	Indicator	Baseline	2017 Realization	2018 Realization
<b>Objective 2:</b> To increase the effect that Finance Think's products (work) have on target groups (skills), economic policymaking (policies and reforms), and society (awareness)					
Long term outcomes	2.1. Increased uptake of research results by policymakers	Number of FT key policy recommendations put in the pipeline by the government  An issue is added on policymakers' agendas  An issue is discussed, or framed differently due to the institute's work	NA	The issues of the minimum wage increase, postponing of the introduction of the progressive taxation and the intentions to introduce the guarantee minimum income have been all framed based on FT's work.	The issues of the third child allowance, physical persons in the VAT system, reform of the social assistance system, reform of the pension system, elements in the introduction of the progressive income tax, minimum wage discourse and procurement policies at local level have been all framed based on FT's work. See section 10.1 for further details.
	2.2 Increased impact of the FT's research and materials on Macedonia's economy and economic policies	Number of government moves in line with FT recommendations/ opinions/ advice	Few moves	Same as before. In addition, many other moves of smaller importance have been in line with FT recommendations.	Same as before. In addition, many other moves of smaller importance have been in line with FT recommendations.
	2.3. Increased positive impact of FT's work on immediate target groups	% of immediate target groups who expressed satisfaction with the participation in FT activity (workshop, seminar, training, re-grant)	70%	88%	92%
	2.4. Increased debate on economic policies and reforms	Number of media appearances and citations  Number of events	150  20	195  40	253  35
Short term outcomes	Growing confidence in and reach of the FT research and expert opinions on economic issues.	Number of views in social media of the FT's posts, number of FT Facebook and Twitter page followers, LinkedIn posts	FT followers, 18.500	18.704	20.911
Twitter followers, 100			129	317	
FB post engagement, 20.000 weekly (average)			21.143	16.176	
FB posts, 5 weekly			10	9	
FB page views, 1.000 monthly (average)			1.386	1.166	
LinkedIn posts, 2 per week			4	2	
% of FT products published in popular media (even shortly)			50%	90%	90%

Objectives and outcomes	Objective	Indicator	Baseline	2017 Realization	2018 Realization
Objective 2: To increase the effect that Finance Think's products (work) have on target groups (skills), economic policymaking (policies and reforms), and society (awareness)					
	The FT's public events on economic issues (economic forums, round tables, press coffees etc.) attended and positively responded by relevant government decision makers	Certain number and quality of feedbacks from decision-makers on FT's events (e.g. letters from the government with promise to use FT recommendation / adopting any official document).	3 feedbacks from officials (feedback on policy briefs or inviting for cooperation)	5	7 Numerous feedbacks were received, large part of which informal, while meeting policymakers in various occasions.
		% of FT's public events attended by government relevant decision makers (or number of experts)	70% FT's public events attended by government relevant decision makers	70%	85%
	Increased number of media appearances	Number of media appearances (statements, interviews, expert opinions...)	50	70	114
	Increased number of citation of research/advocacy publications in media	Number of media citations	100	135	151
	FT publications: <ul style="list-style-type: none"> <li>raise awareness</li> <li>spark debate</li> </ul>	% of persons who responded "to some or to a large extent"	40%	43.2%	88%
	Growing number of opinion leaders participating in the FT's public events on economic issues.	Number of opinion leaders, who take part in FT's events	N/A	The events of FT sparked wide attention, among participants and media. Key policymakers and influential persons in the public discourse attended these, mainly as speakers.	The events of FT sparked wide attention, among participants and media. Key policymakers and influential persons in the public discourse attended these, mainly as speakers. See sections 10.3 and 10.4 for further details on this.

Objectives and outcomes	Objective	Indicator	Baseline	2017 Realization	2018 Realization
<b>Objective 3:</b> To develop the institutional capacity of Finance Think, in terms of research, advocacy, funding and communication, to have a stronger impact on economic reforms and the effects economic policies have for citizens					
Long term outcomes	3.1 Increased demand for FT research materials from the government, business and international community (increased relevance of these research materials)	Request for conducting research from the government , business and international community	3 requests to conducting research from the government, business and international community	4	6
	3.2 Financial sustainability of FT	Improved financial sustainability (strengthened fundraising)	Application approval rate(>25%)	29%	30%
		Implementing auditor's recommendations	100% of recommendations are implemented	100%	100%
	3.3 Improved quality of FT materials	Stakeholders which take part in the opinion poll of FT give positive evaluation of FT's research/advocacy materials (% of those who responded "yes, to a full extent")	70%	71.1%	88%
	3.4 Increased capacity for operational and strategic planning	All operational and strategic plans are designed, their fulfillment is monitored	Yes / No	Yes	Yes
Short term outcomes	Increased demand from the government for research materials of FT or feedback, implementing more projects together with the government	Feedbacks form the government	Most of feedbacks from the government are positive	Yes	Yes. However, representative of FT faced a negative event when a key policymaker condemned particular FT product with critical view on a current policy. After a brief explanation provided, the policymaker apologized for the tone and the wrong impression.
	FT produces positive societal change	Average grade of persons who responded on a 1-9 scale (1 = fully negative, 5 = no change, 9 = fully positive)	6.5	7.6	7.4

Objectives and outcomes	Objective	Indicator	Baseline	2017 Realization	2018 Realization
<b>Objective 3:</b> To develop the institutional capacity of Finance Think, in terms of research, advocacy, funding and communication, to have a stronger impact on economic reforms and the effects economic policies have for citizens					
	FT provokes trust with stakeholders	% of persons who responded "I trust fully" or "I trust to a certain extent" on a 1-5 scale (1 = fully trustful, 3 = indifferent, 5 = fully doubtful)	80%	97.4%	94%
	Increased transparency and financial discipline by improving accounting policies as well as through annual public reporting.	Fulfillment of Audit recommendations	Audit recommendations: 100% complete	100%	100%
	Implementing of procedures aimed at ensuring quality of research materials as well assurance sufficient number of qualified analysts	Increased confidence in the FT's research and materials	100% of research and materials are peer reviewed internally 100% of policy studies are peer-reviewed externally	100% 100%	100% 100%
	Improved procedures for strategic and operational planning and evaluation	Participation of stakeholders in planning and evaluation	80% of stakeholders participate in planning and evaluation	90%	All internal stakeholders participated in such activities.  During 2018, FT did not organize such activities for external stakeholders.
	Increased skills in FT	Increasing the skills of the current FT's employees	50% of FT's employees completed trainings and courses to upgrade their skills	75%	50%
		Hiring new employees	NA	None	3, to replace outgoing staff
		Number of adopted best practices of leading foreign think tanks after employees participate in experience projects	1	1	1
	Enhanced cooperation between FT and think tanks, specifically on economic/social issues from other countries.	Number of think tanks from other countries with which FT cooperates in economic issues	10	10	10
	Increased exposure to the international academic and CSO scenes, through participation at regional and international forums, conferences and networks.	Number of regional/ international forums/ conferences / similar events visited/ attended	5	8	7