Cost benefit analysis on third child allowances in North Macedonia

• Context
  • Decreased birth rate
  • Decreased fertility rate
• Third child allowances measure, introduced in 2009
• Main goal to increase birth rate and fertility
  • 8250 MKD, per month in the period of 10 years
• Cost benefit analysis for the period 2009-2039
Costs

• Direct costs as a budget transfers for the measure
  • In 2009 – 3 millions EUR, annually
  • In 2015 – 35 millions EUR, annually
  • In 2018 – 42 millions EUR, annually

• Public campaign

• Indirect costs – mothers inactivity in the labour market

• Child support costs after the age of 10
Benefits

• Increased personal consumption
  • 90% of received amount

• Decreased public expenditures on pensions
  • Due to decreased age dependency ratio

• Increased GDP
Net effects

• **Negative net benefits**

• **Fertility rate**
  • 1.48 in 2007
  • 1.53 in 2016
Budget funds allocated for social protection of children and structure per programmes -2010

Structure of budget funds for social protection of children, 2010

- Social protection allowances [PERCENTAGE]
- Child protection allowances [PERCENTAGE]
- Wages for staff in kindergartens and material costs [PERCENTAGE]
- Institutions for child protection [PERCENTAGE]
- Conditional cash transfers [PERCENTAGE]
- Day-care centres and shelters for extra-institutional social protection [PERCENTAGE]
- Construction, equipment and maintenance of child protection facilities [PERCENTAGE]
Budget funds allocated for social protection of children and structure per programmes -2018

Structure of budget funds for social protection of children, 2018

- Child protection allowances [PERCENTAGE]
- Social protection allowances [PERCENTAGE]
- Wages for staff in kindergartens and material costs [PERCENTAGE]
- Conditional cash transfers [PERCENTAGE]
- Child and social protection [PERCENTAGE]
- Construction, equipment and maintenance of child protection facilities [PERCENTAGE]
- Day-care centres and shelters for extra-institutional social protection [PERCENTAGE]
- Deinstitutionalisation [PERCENTAGE]
- Institutions for child protection [PERCENTAGE]