



Employment and Social Affairs Platform

INTERNSHIP PROGRAMME

-CASE OF THE FORMER YUGOSLAV REPUBLIC OF MACEDONIA-

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I. BACKGROUND

Internships are activities within the labour market sphere, which can significantly contribute to creating quality workforce and vibrant labour markets. An internship can be generally defined as “temporary, supervised practical work of students, recent graduates and other unemployed persons in an organization¹ with a purpose of training and gaining practical skills and experience”. The internship is beneficial for both the intern and organizations. The intern obviously gains practical knowledge and experience, which is required by the organizations², whereas the organizations hire, for limited time and almost for free, talented people to perform specific tasks, who could also become future employees of the company. Another benefit for the company is that it receives temporary workers without having the burden of paying full salaries, social benefits and any long-term commitment.

It is accepted fact that internships increase the competitiveness on the labour market and raise the self-esteem and confidence of interns. Although training the interns requires time and resources, it can potentially save company’s money for recruitment and retainment of workers if they decide to hire some of the interns – they will be already trained and their performance evaluated. Many companies implement internship programs as part of their corporate social responsibility strategies, thus contributing to developing active and trained human resources in the society.

Practical education is part of the education system in The Former Yugoslav Republic of Macedonia at the secondary level for specific professions such as medicine, law etc., which need practical experience to better perform working duties. The internship is also included in the university level but only for those currently enrolled as students. The law for higher education regulates the internship for students at university level. Additionally, it is also one of the active measures to reduce unemployment. For many years now, the State Employment Agency, the Ministry of Labour and Social Policy, various civil society organizations and donor projects have implemented several internship programs. However, the practice has shown that existing legislation does not provide an appropriate framework to encourage internships. It is a general conclusion that in order to adequately exploit the potential offered by the internship, an appropriate legal and institutional framework is needed to provide guidance to all stakeholders in the process. In 2010-2011, an initiative was taken by an USAID project but did not result in specific legal solutions, after which the issue fell out of the political agenda and priorities of the Government and sector based Ministry.

The process was re-initiated in 2017 with an objective to adopt a legal framework that will provide the basis for a structured use of the potential of internships in The Former Yugoslav Republic of Macedonia.

¹ In this context, host organization would represent any legal subject within the public or private sector, which undertakes internships.

² Source: web site of Ministry of Labor and Social Policy

II. METHODOLOGY

A comprehensive 5-phased methodology was adopted in identifying and evaluating the employment policies focusing on the internship programmes more specifically. As it can be seen from the picture below, the methodology implemented in order to do the analysis and provide recommendations for future action was divided in three main phases:

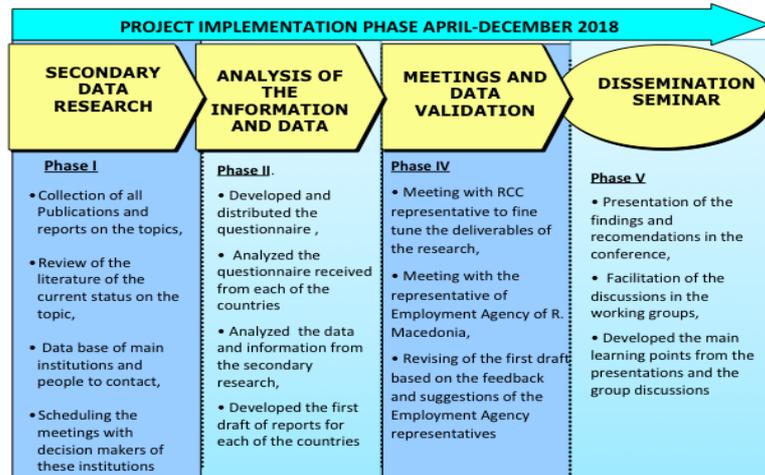


Fig.1 The Project Implementation Phase

- **Labour market assessment:** It includes the stockpiling of all related documents/reports/analysis available on the topic. Once it was identified and allocated, the consultant studied the data and information and pinpointed the main areas for further investigation. Of course the relevance of the materials available and the period of the publications were the main criteria in developing a database of available materials. It was very important before embarking in the field and meeting the main stakeholders to have a solid understanding of the economic outlook and characteristics of labour market dynamics in The Former Yugoslav Republic of Macedonia.

During this phase, the consultants also identified relevant stakeholders, assessing their willingness to meet and discuss the labour market dynamics focusing on internship programmes.

- **One to one Interviewing:** This includes developing the semi-structured questionnaire that assisted the consultant in conducting the meetings with selected number of participants from relevant institutions. The consultant carefully selected the decision makers to meet in order to have the best view on the functioning of the labour market in The Former Yugoslav Republic of Macedonia. During the following phase, the consultant conducted *face to face interviews* with more than 10 representatives of the main stakeholders such as representatives of Ministry of Labour and Social Policy and the Employment Agency of The Former Yugoslav Republic of Macedonia, civil society organizations working in the domain, international donor projects, Career Centres at the university level and several anchor companies recruiting interns. The full list is provided as annex 1 at the end of the document.

After the field visits and data gathering, the task was, through data analysis, to identify bottlenecks and inefficiencies that exist in the labour market.

- **Developing the concept:** the main ideas and initiatives are noted and inserted in this concept plan. It is up to the organization (RCC) to use this data analysis so it could provide relevant recommendations on the internship programme in the country.

III. DEFINITIONS OF THE INTERNSHIP PROGRAMME

Different terms are used to describe various forms of internships; traineeship, apprenticeship, training, internship, practical work, etc. are some of the most frequently used.

Working documents of the European Commission (EC) provide the following working terminology:

"Internships involves limited period of paid or unpaid work practices that includes a learning and training component and it is realized to gain practical and professional experience in order to improve employability and help the transition to regular employment."

In the English language, the term "traineeships" is used for internship, although in some countries (such as the United Kingdom) the word "internships" is also used.

The Framework for Qualitative Internship (FQI) explicitly states that internship does not include the following forms:

- Acquisition of work experience placements that are part of the curricula of formal or vocational education and training,
- Practice or internship regulated by national laws and whose implementation is a condition for access to a particular profession (e.g. medicine, architecture, law, etc.).

On the other side, apprenticeship is clearly linked to the vocational education and training (VET) and generally considered as a form initial vocational training. In terms of the apprenticeship, EC uses the definition CEDEFOP (European Agency for the development of VET)³:

"A systematic, long-term training alternating periods in a school or training centre and at the workplace; the apprentice is contractually linked to the employer and receives remuneration (wages or allowance). The employer assumes responsibility for providing the trainee with training leading to a specific occupation"

Some of the terms used in the state legislations anticipate employment relationship/contract. In this sense, those forms of practical work would not be considered for internship in the context of this study.

³ Invitation to tender No VT/2010/018 – Study on the apprenticeship supply in Member States, European Commission, EMPL/D/2 EL/MK D(2010) 344242

The labour legislation⁴ of The Former Yugoslav Republic of Macedonia in terms of definitions for the practical on the job trainings provides the following definitions:

- **On-the-job training period (приправнички стаж)** - concluding as a trainee (in case law, other regulation or collective agreement on the activity level may stipulate), who for the first time starts carrying out work according to the type and degree of professional training, aiming at making the employee capable for carrying out independently the work within the labour relation,
- **Voluntary Period (волонтерски стаж)** – In case it is a condition for taking expert examination or examination for independent performance of activity, in accordance with a special law, it should be conducted by concluding a voluntary period contract between the employer and the volunteer⁵.
- **Training, qualifications and retraining of unemployed persons**⁶ - organized for the unemployed persons registered with the Employment Agency within the framework of the active employment programs.

In addition, the laws in the area of education define the following types of practical education and training related to the people/students involved in the formal education system. According to the Labour Law⁷, only students aged 14 or above are eligible for internship work but only as part of the education program of the institution they're enrolled. These are some of the forms of this practical work training as part of the education process:

- **Practical training for students from higher education**⁸ - compulsory practice within the study programs in their respective institutions of higher education.
- **Practical training with employers**⁹ - practical training for students in the vocational education and training system that is implemented in special conditions prescribed by law.
- **Practical Training (практична обука)** – enables secondary school students who have reached 14 years of age and university students to perform practical training within the framework of their educational program with the employer.
- **Apprenticeship (чирак, чираштво, обука на чираци)** – acquiring vocational training with an employer, according to the law on apprenticeship.

Besides this terminology, the Law on adult education¹⁰ also defines the **non-formal education** as “*organized learning processes directed towards qualification of adults for work, various social activities or personal development*”.

⁴ Закон за работните односи, “Службен весник” на РМ, бр. 167/2015 (пречистен текст), 27/2016

⁵ Note that in the labor law the term “volunteer” differs and does not refer to the term “volunteer” as defined in the Law on volunteerism

⁶ Закон за вработување и осигурување во случај на невработеност, Сл.Весник на Р.М., Пречистен текст од 2014 година

⁷ Clen 250 od Zakon za Robotni Odnosi na R. M

⁸ Закон за високо образование (консолидиран текст), Сл.Весник на Р.Македонија (35/08, 103/08, 26/09, 83/09, 99/09, 115/10, 17/2011; 51/2011; 123/2012; 15/2013; 24/2013; 41/2014; 116/2014; 130/2014; 10/2015; 20/2015; 98/2015; 145/2015; 154/2015 и 30/2016)

⁹ Закон за стручно образование и обука (консолидиран текст), Сл.Весник на Р.Македонија (71/2006, 117/2008, 148/2009, 17/2011, 24/2013, 137/2013, 41/2014 и 145/2015)

¹⁰ Закон за образование на возрасни (консолидиран текст), Сл.Весник на Р.Македонија бр. 7/2008, 17/2011, 51/2011, 74/2012, 41/2014, 144/2014 и 146/2015

IV. LEGAL REGULATION OF INTERNSHIPS PROGRAMS

In general, the legislation related to the forms of practical work (traineeship, apprenticeship, some forms of qualification and re-qualification for unemployed etc.) is elaborate, and outlines specific provisions related to the contract, conditions in which the work will be conducted, obligations for the company etc. However, the legal regulation of internships is quite limited and mostly consists of general statements. In principle, since most of the internships happen in the sphere of non-formal education, this approach can be considered as positive because it leaves flexibility to the actors to develop programs and measures according to their needs. On the other hand, the area of labour is quite sensitive. Usually, in our regional understanding of laws, unless specific legal framework exists, it can pose barriers for implementation, can become a subject of subjective interpretation by the labour inspectors and the actors are discouraged to get involved. This was the case with volunteering¹¹ which was finally regulated with separate law¹².

4.1. Legal regulation of internships

Internships in The Former Yugoslav Republic of Macedonia (as in many other countries in the region) are mainly covered as part of active employment policies. It is usually referred to as part of the training and education of unemployed registered by the public employment services. As part of active employment policies, they are usually part of the measures that involve funding or co-financing by the state.

The education and training programs for unemployed people, including internships, are coordinated and implemented by the public employment service, although other stakeholders authorized to perform this activity are not excluded such as international projects, NGO's and other institutions working in this domain. The laws in the given areas allow such activities to be carried out by the company, as well as public and private educational institutions.

4.2. Additional forms of internship/practical training

Besides the internships organized by the Ministry of Labour and Social Policy implemented by the Employment Agency of The Former Yugoslav Republic of Macedonia, there are other forms of practical training experiences that students take in order to obtain practical skills in the area of their specialization.

In The Former Yugoslav Republic of Macedonia, the Law on Employment and Insurance in Case of Unemployment, provides the general framework for training, re-training and further qualification of the unemployed, and is particularly focused on these activities that lead to direct employment with a specific employer. In this regard, the law stipulates that the Employment Agency will determine the needs of the employer and the training needs of the unemployed person, and inform them about the conditions and methods for conducting the training. Although the operational plans detail the various measures and ways in which they will be implemented, the law, despite the changes made in the past years, does not express

¹¹ Defined as voluntary giving of personal services, knowledge and skills and/or conducting other activities for the benefit of other people, organizations and other institutions without direct compensation.

¹² Zakon za volonterstvtvo, Sl. vesnik. na R.M. 85/2007

the clear commitment to providing benefits to stakeholders in the process of practical training for the unemployed.

This type of practical work is required by special laws as pre-condition for independent work in certain professions (medicine, law etc.), thus it is somewhat different from the internships. Nevertheless, it is useful to outline the provisions related to it mostly since this type of practical work does not presume employment contract.

The voluntary traineeship is regulated within the main labour laws. The trainee does not necessarily enter into employment relationship with the employer however a written contract of voluntary serving the traineeship is mandatory. The duration and realization of traineeship, limitation of working time, breaks and rests, liability for damages apply to the voluntary trainee according to the labour law. Safety and health at work apply in accordance with the special law in the respective profession.

4.2.1. Practical training of students

In The Former Yugoslav Republic of Macedonia, the Law on Vocational Education and Training also contains detailed provisions regarding the responsibilities of the involved parties.

- *Practical training of VET students*

In most countries, the practical training of VET students is mandatory part of the study programme.

The Law on Vocational Education and Training also provides detailed provisions related to the responsibilities of the parties involved. According to Article 15, the employer can receive financial, customs and tax incentives prescribed by this Law. The legislation of The Former Yugoslav Republic of Macedonia also gives more responsibility to the Chambers of Commerce, which prescribe the details of the contract for practical training (which is then signed by the employer, the VET institution and the student) and maintain register for verification of the employers for practical training.

- *Practical training of University students*

While the practical training within the VET system is prescribed in details in the national legislation, the practical training of the University students is not sufficiently covered by the legislation.

The Former Yugoslav Republic of Macedonia has made steps forward in this direction by introducing changes in the Law on Higher Education. Thus, Article 99 makes the practical instruction of not less than 30 days mandatory for admission into the following year of study. The recently adopted Rulebook¹³ prescribes the details for the duration of not less than 1 hour

¹³ Pravilnik za naciot i uslovite za organiziranje na prakticna nastava na studentite, Sluzben vesnik 120/2010

and not more than 8 hours a day. However, the Rulebook does not provide sufficient details and guidance for the companies and the cooperation between them and the universities.

Regarding the practical training for students, the VET laws provide sufficient scope for its regulation, although the benefits and tax incentives for employers listed in the law are not yet realized. There is a lack of a comprehensive legal framework and practice regarding practical training for university students and there seems to be no systematic approach in practice, although some faculties are making efforts in this direction.

Some of the issues related to practical training remain undefined, such as:

- Defining and providing quality content of practical training that will include learning objectives and knowledge and skills that the student should achieve during the practice,
- Arranging the practical training of university students longer than the obligatory 30 hours that could be the subject of abuse,
- Specific rights and obligations of universities, students and companies,
- Guidelines regarding the conclusion of contracts and the possible payment of compensation,
- Monitoring and measuring the results and effects of practical training.

In general, institutions should make efforts to recognize the potential of internships as part of non-formal education and to provide adequate, explicit legal provisions that will, on the one hand, enable practitioners' practical work and on the other hand, provide an appropriate framework for employers, interns and institutions that are intermediating this activity.

V. INSTITUTIONAL FRAMEWORK

Besides the legislation, the institutional support for the internships can play an important role in promoting internships especially in the cases when there are no legal barriers for its implementation. This section will look into the various strategies, measures and operational plans adopted by the government that cover the internships. It will also outline the incentives provided by the government to the employers and the interns for stimulating internships.

The legal framework for internships is somewhat limited; however, the employment strategies recognize the benefits of internships and have integrated specific measures in this area. Although specific measures vary between the countries, they have some common characteristics such as:

- ♦ *Most of them put focus on young people especially in mitigating the transition from education to work and facilitating their first employment;*
- ♦ *Their implementation is financed by the state budget (with support from foreign donors in specific years) and include incentives for the interns and/or employers;*
- ♦ *Are implemented by the Employment Agencies or other intermediaries,*
- ♦ *There is no direct contract between the interns and employers mostly since it is not provided in the law and since it entails some form of incentives. However, there is a mechanism introduced in which three parties sign the contract and the Employment Agency's role is to facilitate the process.*

5.1. The historical development of internship programs in The Former Yugoslav Republic of Macedonia

The internships are mentioned for the first time as part of the operational plans for employment of the government in 2007. At that time, the measure included young people (up to the age of 27) by engaging them in the internship programs for a period of three months, with an objective for the measure to lead to employment. In the first year, the measure included 30% of highly educated unemployed persons and 70% of persons with secondary education. To implement this measure, the government was covering 5,000 MKD per person per month. The total number of participants benefiting from the measure was 600 interns. It has to be mentioned that the largest proportion of costs were covered by UNDP and a smaller part by the government of The Former Yugoslav Republic of Macedonia.

During the next year, 2008, the government continued to support the internship program as one of the most effective measures that leads to employment. This year, however, the age group remained the same (up to 27) but compared to previous year, it changed the beneficiaries of the program including 50% highly educated unemployed persons and 50% people with secondary education. Additionally, the financial compensation was reduced to 4,000 denars per person per month.

In 2009, the internship program besides the unemployed people included also the students in their last year of studies enrolled in one of the higher education institutions in The Former Yugoslav Republic of Macedonia. The ratio of participants benefiting out of the program was 150 unemployed and 500 students in final year of studies. The financial compensation was again increased to 5.000 MKD as it was in the initial year. It is to be mentioned that the program was financially supported by other donors as well, such as USAID, UNDP and other international projects but implemented with the support of private sector companies, universities, Associations of Employers and Chambers of Commerce.

In the following year, 2010, the program covered 150 internship placements but only for young unemployed (up to 27).

In 2011, the program was open only for young unemployed people but the objective this year, was to place 300 interns. Compared to other years, the government developed a framework of how many interns could be engaged by one company, with the employers keeping in mind that the number of engaged interns had to be in proportion to the total number of employees and was as follows:

- 1 (one) intern if the total number of employees was up to 4 persons at the company,
- 2 (two) interns if the total number of employees was up to 10 persons at the company
- 3-5 internships if the total number of employees was over 10 persons at the company.

For 2012 and 2013, the program had the same objective, supporting the practical training of unemployed which would lead to the employment of unemployed through internship placement. The news this year was that there were two groups of beneficiaries: those that are

provided a financial stipend (213 placements) and without financial compensation (600 placements). For 2013, the number of beneficiaries was 250.

The program was supported by USAID and MyCareer, an NGO that works in facilitating the employment and internship placement of young people. As result of their involvement, for the first time there were formal guidelines developed regulating the internship. The detailed description of rules and procedures you can find at the end of the document- annex 2.

In the succeeding year, 2014, the program continued to be implemented as active measure for employment of young unemployed but, this time the age of beneficiaries was increased to 29. Additionally, the financial compensation was increased for the first time from 5.000MKD (on average for all of the years) to 6,200 MKD. The news here was as well that the measure for the first time allows the unemployed with previous working experience to apply for internship placement but, only if the previous work experience was not according to the education profile of the candidate. At the end of the internship, the company is obliged to issue a certificate of completion to the intern.

In 2015, all the information remained the same only the number of interns benefiting from program increased to 1,000 participants.

In 2016, there were two categories of internship programs: the first one, the internship provided to 1,000 young unemployed who actively searched for jobs at the Employment Agency and the second one, 500 graduates from secondary schools and universities, with no work experience in their profiles of studies. For these interns, it was up to companies to decide if they'd cover the cost of interns in the program. However, they were not obliged to do so, if they had no budget planned for this activity. Also during this year the standards and procedures for implementation of internship program developed in 2013 followed to be used as a guideline for all stakeholders.

The two categories of internship continued to be part of the active measures of employment in 2017 as well with 1,000 potential interns benefiting from the program.

5.2. The Former Yugoslav Republic of Macedonia – Strategies and measures

As mentioned above, The Former Yugoslav Republic of Macedonia included the internships as part of the action plans and operational plans for employment. The most recent National Action Plan for employment of youth is developed for the 2016-2020 period. One of the activities is the encouragement for practical work of young unemployed persons with completed secondary and university education, which lack working experience in order to increase their skills and employability.¹⁴

Besides, the Operational Plan for active employment policies and program for the labour market information in 2018, defines the specific activities of employment. The goals of these

¹⁴<http://www.avrm.gov.mk/content/%D0%9E%D0%9F/%D0%9E%D0%BF%D0%B5%D1%80%D0%B0%D1%82%D0%B8%D0%B2%D0%B5%D0%BD%20%D0%BF%D0%BB%D0%B0%D0%BD%20%D0%B7%D0%B0%202018%20%D0%B3%D0%BE%D0%B4%D0%B8%D0%BD%D0%B0.pdf>

programs are to improve the qualifications, competencies and skills of unemployed people for better inclusion in the labour market.

Current Internship Program

Planned scope of the measure for 2018: 1288 unemployed persons recorded in the Employment Service Agency (ESA)

Competent institutions: ESA (Employment Service Agency of The Former Yugoslav Republic of Macedonia), MLSP (Ministry of Labour and Social Policy).

The purpose of the measure is to acquire the practical knowledge and skills necessary for completing work tasks in certain jobs.

Support for acquiring specific knowledge and skills with an employer from the private sector and civil society organizations will be provided to unemployed young people from 29 years up to 34 years of age with a minimum secondary education completed and with no work experience according to the latest level or profile of education.

The persons who will be offered an internship placement will receive a monthly stipend of MKD 9,000 including insurance in the event of an accident at work and personal income tax for the duration of the practical work for a period of 3 to 6 months.

5.2.1. On the job training at the known employer

The purpose of the measure is acquiring the skills of the unemployed persons to perform the tasks based on the needs of the employer. This measure supports trainings for occupations (jobs) that require primary or secondary education and for which no certificates / licenses are issued. The obligation of the employer is to employ 50% of the unemployed people who have successfully completed the training.

5.2.2. Training for professional qualifications according to employers' request

The purpose of the measure is to provide training for professional qualifications according to employers' requirements. As it is stated in the program, the training is realized in close cooperation with local self-government and training providers (vocational training centres, and / or vocational schools, and other training providers). It is realized in period of three months at the workplace of the employer and it targets the unemployed persons, with primary or secondary education. They are provided with a stipend of 9,000 Denars per month and the employer receives a one-time fee of MKD 3,000 per person as a compensation for taking part in the program. However, the employer is obliged to employ at least 50% of participants and not reduce the total number of people employed indefinitely within a period of 6 months from the day of employment.

5.5. Youth Guarantee

Following the policies of the European Union, the Government of The Former Yugoslav Republic of Macedonia has introduced the so-called Youth Guarantee scheme in order to

provide employment, continuing education and training/ internship to young people (15-29 years), for a period of four months after entering the labour market offer.

The Youth Guarantee will be piloted in Gostivar, Strumica and Skopje during 2018, after which an analysis of the results will be made.

As stated in this pilot project initiative, “young unemployed people will be provided with services that will enable their activation and motivation within the guarantee, in order to provide them with an appropriate offer. Then, unemployed young people will be included in appropriate programs, measures and employment services in accordance with the annual Operational Plan for 2018, or their reintegration into the educational process ("second possibility"). The involvement of young people in the Youth Guarantee scheme will be done on the basis of previous registration in the Employment Service Agency and getting acquainted with the goals and activities in the YG. "

VI. FINDINGS AND RECOMMENDATIONS REGARDING INTERNSHIPS

There are several authors that have been working on assessing the impact of the internship programs over the years in The Former Yugoslav Republic of Macedonia. Below are the main findings from the implementation of this programme.

6.1. Findings during the implementation of the internship measure

The first impact assessment report was conducted in 2015, by Nikica Mojsoska- Blazevski and Marjan Petreski, which have been assessing the internship program of 2010 and 2012.¹⁵

The results of the internship program in 2012 suggest that it played sizeable role for the employment prospects of the involved individuals. In particular, the program led to current employment gains of about 25 p.p., both in terms of the actual and perceived employment status. Similarly, the program reduced the incidence of unemployment over the entire post-program period by 21 p.p., compared to non-participants, who actually face almost twice-larger probability to stay unemployed over a prolonged period of time. The fact that the program does not exert influence on the employment rate at program's end suggests that the benefits of the program are reaped over longer time horizon only, which in the framework of the assessment is about four years. Also, findings suggest that the program does not make difference in financial terms, as neither the financial condition nor the wage per hour was found systematically different between the treatment and control group. The program likely works through a couple of channels: the networking effects; the prevention of certain skills to erode; practicing and acquiring new skills, in particular, soft skills; and building a sense of organizational culture; all hence increasing the chances for faster and likely more suitable employment later. One should note here also that compared to all other programs of the Employment Agency, the targeted individuals within the internship program are more widely spread across all income groups of the households in The Former Yugoslav Republic of

¹⁵ Impact of Evaluation of active labor market programs in The Former Yugoslav Republic of Macedonia, By Nikica Mojsoska- Blazeski and Marjan Petreski, International Labor Organization, 2015;

Macedonia.

The results of the internship program in 2012 suggest that it played a sizeable role for the employment prospects of the involved individuals. In particular, the program led to current employment gains of about 31 p.p., both in terms of the actual and perceived employment status. Interestingly though, results suggest that interns had quite lower employment rate at the end of the program than the non-treated persons over the same period of time. Still, this may be in line with the finding of the 2010 program whereby unemployed at any time after program's end has been reduced for participants, in a sense that participants face larger employment opportunities in the long run only, i.e. they are not immediately hired by the host company at program end. That this may be the case is confirmed by the last finding whereby participants exhibit larger earnings today compared to non-participants, despite the latter were more frequently employed at program's-end time. Earnings are found more than twice larger, which is a sizeable impact in terms of the financial status that could be ascribed to the program.

The quantitative assessment of the internship program impact in both 2010 and 2012 suggests that both programs bring gains for interns, predominantly over the longer time horizon. In terms of employment, both subjective and actual, both designs led to very favourable results, increasing participants employability by 25 to 31 p.p. (in 2010 and 2012, respectively) compared to non-participants. The better employment probability of participants is slightly higher in the 2012 program. This is probably related to the introduced obligation to host companies to hire at least 50% of the interns. Both designs did not produce short-term impacts; quite the contrary, the 2012 evaluation suggests that more frequently interns are not hired at the program end but reap the benefits of it only in the longer term. The 2012 program also found significant financial gains for participants.

On the other hand, a report by Bojana Krstevska and Beno Savioli was assessing the internship program as part of the EU twinning project on Support of the Employment Service Agency for the implementation of the active measures in the labour market and services. Their report found the following challenges for successful implementation of the program.¹⁶

They are grouped into four main aspects:

- **Dissemination** - to recognize the role of local employment centres and the local officials as the basis for precise and accurate dissemination of information and to ensure the highest level of effective implementation of the measure,
- **Understanding** - Sharing information about procedures for application, archiving and reporting can help overcome difficulties and improve implementation,
- **Monitoring** - Ensuring regular on-site visits during implementation of the program,

¹⁶ Автори: Бојана Крстевска и Бено Савиоли, *Извештај за проценка, Практиканство како поддршка за вработување на млади лица до 29г.*, поддржан од Твининг проект на АВРМ, http://twinning-esa.mk/assessment/assess_reports/

- **Preparing a Risk Management Plan** can help prevent and better managing the expected risks. The assessment of the program also provides recommendations for its advancement that can be used in the drafting of the law.

The recommendations of the report are:

- **Increased number of internships as a target.** The number of internship agreements covered by the measure should be increased,
- **Increased number of local officials.** The appointment of new officials responsible for monitoring in Skopje office is one of the main needs for good and timely implementation of the project activities there,
- **Improve the promotion mechanisms in order to increase the number of applications in selected employment centres.** Improve the promotion of the measure and its benefits in some of the employment centres where a low interest is expressed. Use well-known methods, such as participation in fairs and service activities for people, direct representation to users, or promotion through dissemination materials. The dissemination of essential information to end-users must be ensured,
- **Extension of payment period.** The period of payment of the monthly cash benefit, as it is stated in the internship agreement and in accordance with the past experience should be extended from the 19th to the 29th of the month,
- **Record the number of proposed candidates.** The proposed candidates (and those with whom the contract was concluded) by the employer should be recorded in the ESA system with a certain symbol or sign such as a "proposed candidate". At the end of the internship, these data should be analysed so that the results can lead to significant findings regarding candidates "desired" by employers and those provided by ESA without being explicitly proposed by the employer,
- **Organizing a systematic process of giving feedback by users.** Providing quality feedback by users is currently only possible on hard copy, making it difficult for its regular use and research. For a continuous improvement process, this kind of information and resources are irreplaceable. Hence, it is recommended to establish a platform with an online survey as part of the project activities.

6.2. Recommendations for improvement of Internship Program

In the consultation processes the stakeholders revealed the existing challenges and agreed that in order to adequately utilize the potential the internship offers, appropriate legal and institutional framework is needed that will provide guidelines to the actors that would like to engage in it.

It is worth mentioning that the Ministry of Labour and Social Policy has established a stakeholders group to discuss the draft of the new law on internship. Besides representatives of the Ministry of Labour and Social Policy and Employment Agency, members of USAID projects as well as other experts in this domain participate in the group. The Ministry has expressed that it wants to regulate the relationship between the actors of this program so, that there is no misinterpretation or confusion regarding the internship as it was until now because

this activity was regulated by several by-laws in both sections: Education and Labour. Therefore, the new law on internship would regulate once and for always the activities of the program by taking into the consideration the following:

6.2.1. The need for the Law on Internships

The law on internships is required to regulate the relationships between employers from the private sector and interns.

All stakeholder representatives have clearly expressed their view that the absence of the law is a major obstacle for admission to internships in the business sector. Therefore, the recommendation is to adopt a law that will regulate the relationships between persons wishing to be interns and employers.

The law on vocational education and training and higher education partly regulates this relationship, but unemployed persons, i.e. jobseekers do not have the opportunity to do practical training with an employer.

In the Operational Plans of the Government of The Former Yugoslav Republic of Macedonia for Active Measures for Employment, there is a possibility for practical work of unemployed persons, but this is not enough, since the interest for internships among unemployed and the employers is greater than the opportunities provided by the measure.

In essence, the view of stakeholders is that it is necessary to distinguish between intern's part of the educational process (high school students and students) and job seekers. The internship of students is actually a practical instruction, that is, training and represents a complement to the theoretical knowledge that they acquire during the school year which enables students to acquire practical knowledge and skills on the topics they are taught during their education. It is related to the curricula that students learn and through which they get the opportunity to expand it and practically apply them.

The internship that the unemployed conduct in companies gives them the opportunity to acquire skills and practical knowledge that will enable them to become more productive and faster in the labour market and it is not related to curricula, but is aimed at securing practical knowledge of concrete work that the unemployed receive from employers.

Therefore, a distinction should be made between internships that are compulsory and part of the educational process, and those that are voluntary and which cover the unemployed. The differences also arise from the way of implementing the practical work, the rights and obligations of employers, as well as defining the categories of trainees and employers, i.e. which category of interns (students, unemployed persons) where the employer (private sector, civil organization, public administration and other state bodies) can perform practical work / instruction.

6.2.2. The need for limiting internships on the basis of age

From past experience, interns are young people, students or unemployed persons up to 29 years of age who are considered ready for learning and acquiring new skills and more easily adaptable to the working conditions. The discussion with stakeholders points out that the law should not determine the age limit of the interns, although the goal is to enable the promotion of the skills of the unemployed, primarily young people who would be able to work on the labour market by doing internships. But this does not mean that elderly people should be denied the opportunity to do an internship.

6.2.3. Duration of the internship

Regarding the duration of internship, there are various opinions of the stakeholders. Representatives of the business sector believe that the practice should last from 1 to 3 months, and up to 6 months, depending on the activity in which it is performed. There are different processes in the ICT industry, textile industry, trade, etc. Most of the representatives of the business sector think that within a period of 1 to 3 months, the intern can learn all the processes in a company and acquire the necessary skills. During this period, the firm invests in the intern, and this is a period of learning and mutual adaptation of the intern and the employees. In order for an intern to contribute to the work in the firm and in order to be able to apply the acquired skills and knowledge, the majority of the participants think that he / she should stay in the company for up to 6 months. This allows the practitioner to contribute to the firm and thus firms will be encouraged to hire interns, and ultimately decide whether keep the hired interns.

Regarding the duration of the working day, this can be determined individually in the contract of practice. The law should be loose in terms of working days, leaving it up to the agreement between the intern and the company. In any case, the choice of full or part-time engagement should be clearly indicated in the internship agreement. In the case of a practice longer than one month, the practitioner should be allowed to use holidays according to the relevant laws.

6.2.4. Internship agreement

As far as the regulation of internships is concerned, there must be a contract between the employer and the intern. The agreement should be comprehensive and regulate all rights and obligations of both parties. This means that the agreement should be simple enough to implement, practical and accepted by both parties. Additionally, the agreement should have a unified form and regulate the rights and obligations of both parties.

The agreement should provide evidence of an established interpersonal relationship between the two parties. The treaty also needs to ensure that both parties feel secure and protected from any irregularities.

6.2.5. Internship Process

The general perception of the business community and professional organizations is that there are too complicated administrative barriers and responsibilities for the interns, which must be overcome.

Firms, especially SME's which make the largest proportion of the country's economy, should be motivated enough to hire interns as internship is one of the main sources of recruiting future workforce. Interns, in turn, need to feel secure and protected while doing an internship.

Given that most of the companies in The Former Yugoslav Republic of Macedonia are MSMEs, with very low capacity for hiring and serving interns, it is good that the procedure and conditions for admission of internships are simple and do not have additional administrative burden. This means that when admitting to internships, it is desirable for companies to have the opportunity to publish advertisements for internship opportunities via the Employment Service Agency or other agencies/intermediaries that will facilitate the process of finding of appropriate candidates. The same goes for interns who through the intermediaries should have the information on which firms are willing to hire interns.

An online platform for publishing job advertisements is also a solution that will make it easier for both, the advertiser and intern.

At the end, the firm should provide the intern with a recommendation for successful completion of the internship, which would serve the trainee in the further job search.

6.2.6. Registration of internship process

It is necessary to monitor the implementation and to periodically evaluate the success of the process. For these reasons, it is necessary to establish a system of monitoring and evaluation, which is now a legal obligation.

For that purpose, a competent institution should be appointed, in this case the most appropriate is the ESA, which will monitor the whole process and prepare annual reports on the implementation of the law.

For this purpose, it is good to anticipate the establishment of a registry of contracts that would serve as a source of information on number of contracts, duration, sectors, and so on.

In order to be able to publish advertisements, linking employers and seekers of internship, and in order to be able to follow internships and evaluate success, it is important the existence of a register of contracts / information / data related to internships. A potential register should be developed and remain with the Employment Agency, which also should serve a mediator in the process informing both parties (interns and firms) when the qualification has been met. The right to select interns should be given to all the firms wanting to hire interns.

The registry should have prescribed minimum information such as data about candidates, what kind of work they want to acquire, etc., data for companies that are willing to recruit interns, what type of internships, etc., registration of contracts, data on the employment of

interns, etc. Other organizations, such as chambers, professional organizations, employers' organizations and others, may also be mediators.

6.2.7. Fees, insurances and taxes

There are different experiences and opinions about the amount of compensation, but everyone considers that the minimum amount of compensation should be provided and prescribed by the law. The compensation should be determined on a monthly basis and should not be below the legally prescribed amounts for covering the costs of food and transportation. The compensation may be determined in accordance with other laws and acts, or be prescribed as a percentage of the minimum / average monthly salary in the country.

Regarding the compensation, there were views suggesting that it would be different during the duration of the internship. For example, in the first 3 months, when the intern is learning more and the firm invests in its training, the amount of compensation should be minimal, whereas in the next 3 months, when the intern contributes to the firm with its work, the fee could be higher. This will also show the firm's interest in further training of the interns.

In addition to the remuneration, the law should also provide compulsory insurance for the intern during the internship period, in accordance with the requirements of the legislation on occupational safety (specifics by activities) of the activity in which the internship is performed. Also, the firm should be insured against possible injuries that the intern can have during the internship work.

Providing fees for internships generates another discussion by the firms which is that the law should also provide incentives to micro and small firms in the form of tax exemptions or contributions, or other kind of incentives by the state when hiring interns.

ANNEX 1: The list of people and institutions met

No.	Full Name	Institution/Organization
1.	Mirjana Aleksevaska	Ministry of Labour and Social Policy
2.	Mladen Frckovski	Ministry of Labour and Social Policy
3.	Lidija Damceska	MyCareer, NGO
4.	Sajmir Shehu	UNIQA, The Former Yugoslav Republic of Macedonia
5.	Biljana Sanev	Stopanska Banka
6.	Nikica Kusinikova	KONEKT, NGO
7.	Burbuqe Kaprolli	SEEU Career Centre
8.	Zharko Pop Iliev	STEM Academy
9.	Biljana Zivkovska Vesna Milcevska	Employment Agency of R. M.
10.	Dejan Janevski	USAID Project

ANNEX 2: Rules and Procedure of the Internship Program, implemented by Moja Kariera

The rules and procedures were as the following:

- An internship contract between the employer and the intern shouldn't exceed the maximum period of 6 months;
- The interns education should be appropriate to the job description for which the intern is hired;
- If the intern is a minor, the contract must be authorized by the written consent of one of the parents or guardians of the intern. A copy of the consent together with the contract is must be submitted to the NGO "My Career" and
- Upon completion of the internship, the intern and the employer are obliged to fill in the Internship Form for the evaluation and send it to the email: evaluacii@mojakariera.com.mk.

The employer was obliged to:

- provide working conditions for internship implementation in accordance with the agreement, principles, and methodology of the program;

- Provide insurance in the event of an accident at work and potential disease;
- Nominate a mentor to provide appropriate training determined by the program;
- Instruct the mentor, in accordance with the established methodology, to continuously care for interns and their activities, guide them appropriately, support and evaluate their work;
- Provide materials and facilities for practicing internships;
- Cover timely the costs as specified in the contract;
- protect the data;
- Provide other conditions for which they have mutually agreed,
- After the completion of the internship, the employer is obligated to the send the internship and evaluation form to the NGO "Moja Kariera".