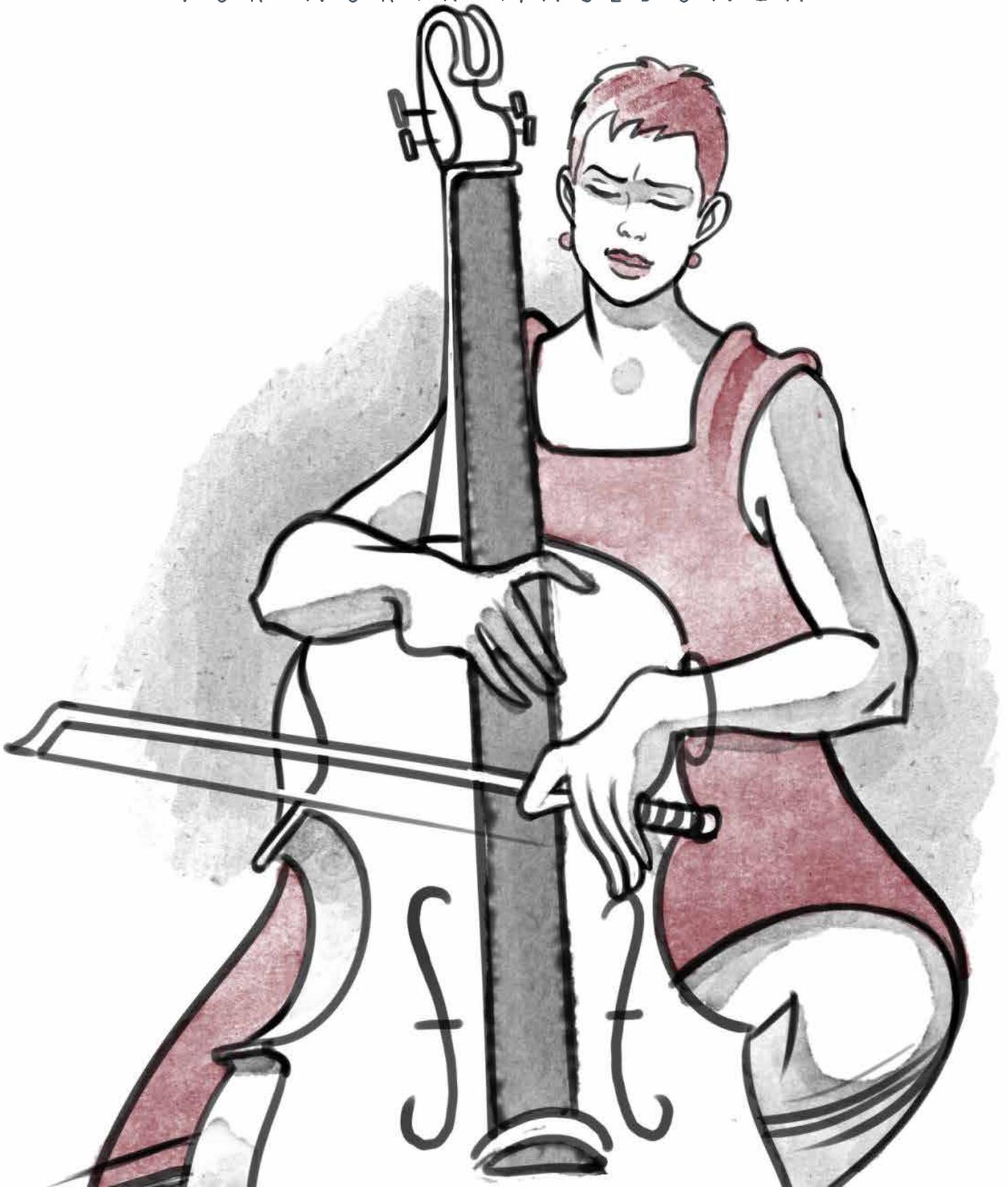


# WOMEN EMPLOYMENT STUDY FOR NORTH MACEDONIA



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# Abbreviations

<b>AALMP</b>	Active Labour Market Policy
<b>CEO</b>	Chief Executive Officer
<b>CIEP</b>	Competitiveness, Innovation and Entrepreneurship Program
<b>COVID-19</b>	Coronavirus Disease
<b>CSO</b>	Civil Society Organization
<b>EBRD</b>	European Bank for Reconstruction and Development
<b>EIB</b>	European Investment Bank
<b>EIGE</b>	European Institute for Gender Equality
<b>EMIS</b>	Education Management Information System
<b>EOC</b>	Commissions on Equal Opportunities on Women and Men
<b>EPSR</b>	European Pillar of Social Rights
<b>ESA</b>	Employment Service Agency
<b>ESARNM</b>	Employment Service Agency of the Republic of North Macedonia
<b>ESRP</b>	Employment and Social Reform Programme
<b>EU</b>	European Union
<b>EUR</b>	Euro
<b>GAP</b>	Gender Action Plan
<b>GDP</b>	Gross Domestic Product
<b>GEWE</b>	Gender Equality and Women Empowerment
<b>GFP</b>	Gender Focal Points
<b>ICT</b>	Information and communication technologies
<b>ILO</b>	International Labour Organization
<b>IMF</b>	International Monetary Fund
<b>IPA</b>	Instrument for Pre-Accession Assistance
<b>ISCED</b>	International Standard Classification of Education
<b>ISCO</b>	International Standard Classification of Occupations
<b>IT</b>	Information Technology
<b>LEO</b>	Law on Equal Opportunities for Women and Men
<b>LFS</b>	Labour Force Survey

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<b>MKD</b>	Macedonian Denar (currency)
<b>MLSP</b>	Ministry of Labour and Social Policy
<b>MoE</b>	Ministry of Economy
<b>MoES</b>	Ministry of Education and Science
<b>MoH</b>	Ministry of Health
<b>NACE</b>	Statistical classification of economic activities in the European Community
<b>NBRM</b>	National Bank of the Republic of North Macedonia
<b>NEET</b>	Not in Education, Employment, or Training
<b>NES</b>	National Employment Strategy
<b>NSGE</b>	National Strategy on Gender Equality
<b>ODIHR</b>	Office for Democratic Institutions and Human Rights
<b>OECD</b>	Organisation for Economic Co-operation and Development
<b>OP</b>	Operational Plan
<b>OSCE</b>	Organization for Security and Co-operation in Europe
<b>PES</b>	Public Employment Services
<b>RCC</b>	Regional Cooperation Council
<b>SDC</b>	System Development Charges
<b>SLI</b>	State Labour Inspectorate
<b>SSO</b>	State Statistical Office
<b>UN</b>	United Nations
<b>UNDP</b>	United Nations Development Programme
<b>UNGA</b>	United Nations General Assembly
<b>UNOPS</b>	United Nations Office for Project Services
<b>USAID</b>	United States Agency for International Development
<b>WB</b>	World Bank
<b>WHO</b>	World Health Organization



# I Executive summary

North Macedonia's economy has been heavily impacted for the past two years, while active anticrisis measures addressing the negative consequences of COVID-19 took place. International organizations and the Government note that these measures managed to save jobs and directed credit where it was most needed. However, data also show that the economy paid a high price in COVID-19 casualties and since the measures did not systematically include a gender perspective, except for a few notable examples, the crisis resulted in wider gender gaps. Women took the larger share of the burden at home and at work, since their unpaid care work increased, with the limited and later shrinking capacity of care services; as well as because many women work in sectors where they were directly exposed to the health threat.

The crisis did not alter the dominant perception of women as caregivers, especially among non-majority communities, neither did it transform horizontal and vertical gender segregation. Horizontal segregation is visible in education, whilst the choice of profession continued to reinforce gender stereotypes, resulting in women predominantly occupying labour-intensive low paid industrial sectors like textiles and shoe-making where the gender pay gap is also highest. The biggest challenge for economic growth remains the low participation rate of women in the labour market, as many assume the role of full-time housewife in the household. Young women especially continue to face discrimination in the labour market as many employers do not see them as attractive employees due to the prevailing expectation that women will prioritise family responsibilities once they have children. Data from the State Statistical Office shows that young females aged between 15 and 24 have a higher rate of unemployment than men, suggesting that young women have less access to employment than men of the same age. Discriminatory practices are not observed only in terms of access to jobs but also in respect to promotion to senior positions where the overwhelming majority of managerial jobs are held by men. This creates a vertical gender segregation of the labour market and results in a widening gender pay gap. The Government of North Macedonia does not collect, monitor or evaluate data on gender pay gaps which constrains the development of effective counterbalancing policies.

The COVID-19 crisis led to a large increase in government spending and a rise in public debt. The measures undertaken by the government were deemed as adequate from the standpoint of preserving the economy. However, as the gender perspective was not integrated in the policy design of the response measures or public procurement practices in the COVID-19 period, the crisis strengthened many inequalities. Only two of the measures introduced to offset socio-economic effects of COVID-19 can be recognized as gender-transformative, while the majority can be classified as gender neutral.

It must be recognized that North Macedonia has not put sufficient efforts into closing gender gaps using the policy instruments available. The "National Strategy for Gender Equality 2013-2020" was not used to its full potential during the COVID-19 crisis, neither were the institutional mechanisms available coordinators for equal opportunities at central and local level. The process of adoption of a new strategy has been prolonged by the crisis, delaying the requirement for cross-sectoral and horizontal perspectives to be put in place for achieving social and political priorities. To this end, a new

Law on Gender Equality is being prepared in the period of the COVID-19 crisis and is expected to strengthen the institutional capacity for promotion of gender equality and gender mainstreaming, which the analysis in this report shows is weak, especially in the institutions governing the employment policy area - Employment Service Agency and the State Labour Inspectorate.

The gender imbalances in the labour market are being addressed currently only through active employment measures implemented by the Employment Service Agency (ESA), but they focus only on active women in the labour market and are therefore limited in their effect on the gender gap in inactivity. The ESA also faces: (i) challenges with staff-to-client ratio, with ratios twice the benchmark used to signal quality service delivery, (ii) lack of resources to reach vulnerable inactive women, especially in rural areas; and (iii) relatively low gender mainstreaming capacity. As a result, the active employment measures are not gender specific and in practice are frequently institutionalizing prevailing gender stereotypes.

In regard to women's entrepreneurship, one of North Macedonia's major challenges is the lack of statistics on the size and incidence of women entrepreneurship, which is problematic both for researchers and for policy-makers considering gender responsive policies that would close the gender gap in the domain of finance, where the North Macedonia received the lowest score in the latest Gender Equality Index. The latest available data suggests that women's activity in business is still very low. The recent government-sponsored financial programs and initiatives to promote women entrepreneurship are novel and need to be assessed as to their impact on gender equality. Considering that North Macedonia is expected to receive EUR 130 million for post-COVID recovery of small and medium enterprises from the EU, it is essential that a gender perspective informs the criteria for distributing these funds, as well as in creating a gender responsive business and investment climate. This is especially important since women-led and owned businesses typically lack access to capital, to markets and are less networked with potential customers and clients which decreases their opportunities to contribute to job creation and economic growth.

In summary, the biggest challenge in the North Macedonian labour market is raising the participation rates of women, a path that can be followed with the adoption of expanded and retargeted active employment measures, gender-specific policies, and through the support of women's entrepreneurship. Further, there is a need to increase the financial and staffing capacities of the Employment Services Agency, the Labour Inspectorate and to better tailor the education and employability programs to guide labour market entrants into high-paying occupations and entrepreneurship. Changing cultural and social norms may take decades to occur, but there is still a lot that can be done today. A good start is the recently announced adoption of a transformative policy on parental leave which will promote the dual-earner-dual-carer model and alignment with the 2019 EU directive for balancing work and family responsibilities. This will eliminate preconditions for women to be the main carer of children, to one where both parents have equal rights and responsibilities according to the law of North Macedonia.



## 2 Introduction

According to estimations by the State Statistical Office, in 2020, the share of women and men in the total population in North Macedonia was almost equal. Women made up half of the population or 49.9%, compared to 50.1% men. If we analyse only the working age population aged from 15 to 64 years, in the same period, we will notice that there is also balanced gender structure. Women consist 49.2% of the total working age population, while men account for 50.8%.

Despite the balanced structure in the total population and the working age population, for decades there has been a large gender gap in the activity rates of women and men in the labour market (in 2021Q3, 53.6% of women as compared to 77.4% of men), followed by gender employment gap (in 2021Q3, 64.6% of active men as compared to 45.7% of active women) and gender pay gap, estimates from 2014 and 2015 show a similar gap of between 17% and 20% (Petreski, et al., 2014; Petreski & Mojsoska-Blazevski, 2015).

Before the COVID-19 crisis emerged, North Macedonia experienced steady job creation at an annual average of 2.4% of total employment between 2013 and 2019 and a reduction in the unemployment rate of more than 10 percentage points in the same period to 16.2% (European Commission, 2020). In the third quarter of 2020, when the crisis had its greatest impact on the labor market and before it started recovering, 785, 561 people were employed (out of which 82.13% employees, 9.58% employed for own account, 3.99% as employer, 4.29% unpaid family workers), 25, 545 fewer than in the first quarter of 2020 (State Statistical Office, 2021).

During the COVID-19 crisis the unemployment rate continued a slight decline, mainly due to the reduction in the size of the women's workforce which compensated for the rise of unemployment among men. Despite the relatively less severe impact of the crisis on the North Macedonian labor market compared to elsewhere in the region, the structural problems of the economy such as low participation rates, high rate of youth unemployment, and high rate of long-term unemployment (around 80% of total unemployment) continue to impair the growth of the economy (European Commission, 2019). The COVID-19 crisis had particularly hit hard vulnerable groups such as the Roma, who experienced rise in the numbers of registered unemployed in 2020 from 9 239 in 2019 to 13 703 in 2020 (ESARNM, 2021).

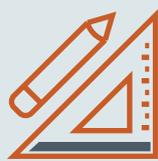
Women are on the front line of the pandemic and are disproportionately impacted by the COVID-19 health and economic crises. North Macedonia's Government in the past two years has developed many different policy measures that were designed to save jobs. A hundred and six measures were adopted in 5 consecutive economic relief packages. Two sets of measures aimed to achieve job retention directly by subsidizing salaries or social security contributions of different employee categories. Many other indirectly affected the labour market, such as the change in the income threshold for the quick entry of informal workers into the official labour market in order to receive minimum guaranteed welfare support or the measure for relaxation of rules for compensation benefit to registered unemployed. Gender mainstreaming of the measures was rarely applied (Risteska, et al., 2021) and the long-term impact of the policy response on gender equality of the labour market outcomes is still too early to assess. What has been confirmed nevertheless, is that the policy documents regulating gender equality,

such as the “National Strategy for Gender Equality 2013-2020” and the “National Employment Strategy 2021-2027” (hereinafter NES) provided insufficient frameworks to adequately respond to the crisis. The NES aims at addressing both the short-term labour market consequences of the COVID-19, as well as the structural challenges affecting employment growth and integrates the gender perspective as one of the strategic objectives. A challenge remains in strengthening the inclusiveness of labour market policies, which among others will have the effect of reducing the gender employment gap. This study will assess the status of women in the labour market of North Macedonia and identify the gender gaps that are affected by the COVID-19 crises, as well as provide recommendations for the policy frameworks to more effectively respond to the needs of women in the labour market in the post-COVID period.

The existing institutional mechanisms such as the gender ‘machinery’ of equal opportunities coordinators and the ESA which plays a key role in designing and implementation of labour market policies have not been fully used. While the ESA has in 2021 introduced specific active employment measures to respond to the negative labour market effects of the COVID-19 crises, the institution faces a challenge of the staff-to-client ratio of 1 to 226 unemployed persons. This is twice the benchmark used to signal a high quality of service delivery (Ministry of Labour and Social Policy, 2021). In addition, the spending of North Macedonia on active labour market programs (ALMPs) is relatively low, with little coverage of unemployed individuals. In 2020, North Macedonia spent only about 0.19% of the GDP on active measures covering approximately 7% of the total number of registered unemployed persons. This study provides an assessment of the active employment measures in 2021 and the gender responsiveness in their design, in order to understand their impact on existing gender inequalities and provides recommendations to improve their gender equality outcomes.

Analysis of women entrepreneurship in North Macedonia is still in its infancy. Data on the number of companies that are led or owned by a woman is lacking, as is research on the main barriers that women entrepreneurs face in owning and growing businesses. The Government has committed itself to specifically support women in business in post-COVID-19 recovery. This study explores how supporting women entrepreneurship can be used for encouraging increased labour market participation of women in the post-COVID-19 period.

To this end, this Study has seven key chapters: I) State of play of the labour market of North Macedonia; II) Labour Market outcomes during COVID-19 and policy response; III) Governance of employment policies and institutional strengthening; IV) Public employment service; V) Active labour market policies; VI) Women Entrepreneurship and VII) Good practices in employment policies.



## 3 Methodology

This Study is prepared based on a mixed method approach, used to delve deeper into the North Macedonian labour market, its developments and issues from a structural and gender perspective. The Study focuses on the roles and status of women in the labour market of North Macedonia. The methods used to complement data collected include qualitative and quantitative methods. An indepth analysis was carried to identify issues related to the gender employment, gender pay and gender care gaps.

### **Qualitative methods**

Qualitative methods are used to provide a more indepth analysis of the statistical data available and those collected through this Study. Three types of qualitative methods are used to provide relevant information for the Study:

#### **Desk research**

The core activity of the desk research is the review of the public data and reports. Thus, desk research of recent publications and economies statistics and documents form the bulk of the data sources that are used in this report. Previous publications have proven crucial in the preparation of a coherent report and the design of a future policy framework. To avoid repetition and duplication, the desk research focused on updating the information presented in previous publications and delve into a deeper analysis of the gender equality issues identified in those reports, in order to come up with concrete recommendations on the factors that determine the current inequalities in the labour market. The qualitative desk research is focused on:

- ◉ Collection of statistical data on the labour market and economic indicators from the Institutes of Statistics, Gender Equality Indexes, EU reports, WB reports, UN reports, ILO reports and other international publications.
- ◉ Review of policy-level practices in the economy, institutional setting and governance of the sector and labour market policies, assessed through gender-sensitive lenses.
- ◉ In depth analysis of the gender equality gaps and challenges identified in the published reviews to provide a more comprehensive analysis of the issues identified and propose policy recommendations.

#### **One-on-one interviews**

In-depth interviews with key stakeholders were realized based on a mapping of stakeholders conducted by the author at the beginning of the research work. The in-depth interviews focused on better understanding the data collected through desk research and quantitative methods, reform processes and current active policies in the labour market of North Macedonia. Interviews with line ministries in charge of implementing employment strategies helped identified areas of achievements and improvements in their implementation in practice. The interviews had open-ended questions and structured questions.

Below is the list of categories/institutions included in the stakeholder interviews:

Institution
Ministry of Labour and Social Policy, Labour Department
Ministry of Labour and Social Policy, Equal Opportunities Department
Employment Service Agency of North Macedonia, ALMPs Department
Employment Service Agency of North Macedonia
Agency for Promotion of Entrepreneurship of North Macedonia
International Labour Organization
Institute of Sociology (sociology of gender relations)
Institute of Economics
Professor at the University American College Skopje and Director of Macedonia 2025
Federation of Trade Unions of North Macedonia (the only representative trade union)
Finance Think Thank
Association for Emancipation, Solidarity and Equality of Women

Specific interview guides were prepared and followed. These research guides were adapted to the context of North Macedonia, organisational structures operating within the governance framework.

### Quantitative methods

The Study employed statistical data and their analysis, from public, independent and governmental sources such as the State Statistical Office of North Macedonia, Employment Service Agency of North Macedonia, Eurostat (European Statistical Office). These key institutions were approached by experts, on a case-to-case basis, to ensure the latest data possible was accessed. The Q3 2021 is the cut off period for the Study. Nonetheless, certain data limitations did not always allow for this approach.

In addition, recently published studies by the RCC, such as the Gender Equality and Women Empowerment (GEWE) Study of 2021, RCC ESAP Western Balkans Alignment with the EU Pillar of Social Rights (EUPSR) of 2021, EU PES reports, reports from EIGE, WB, ILO, IMF and other organizations were used for the literature review. The data analysis was carried out under a gender equality perspective to address the objectives of the Study.

### Limitations of the study and research methods:

- The data presented are mostly quarterly, except for indicators where such time-disaggregation was not found and annual data were used.
- The low level of gender-segregated data made publicly available by public institutions is considered a crucial limitation of the study. Most notable is the absence of data on the number of women owners of businesses which limits the analysis of the entrepreneurship status;
- The level of responsiveness, including availability, timeframe and extent of data, has affected the overall disclosure of data in the report. Key data on employability and economic growth in economy of North Macedonia were published in December 2021, as preliminary data, and further data processing will be carried until full publication of all indicators. Nonetheless, efforts were made to obtain such data, and provide an analysis of recent developments in the third quarter of 2021;

- 
- The data used for purposes of gender gap analysis were scarce, based on the four-yearly Structure of Earnings Survey. Unlike the European practice to provide national estimates for the years between the surveys, such data is not provided by the State Statistical Office of North Macedonia. Additionally, obtaining microdata from the Labour Force Survey for an independent Oaxaca-Blinder decomposition procedure was possible, but not within the timeframe of this Study, due to the Microdata Policy employed by the Institute of Statistics.



## 4 North Macedonia Study Chapters

### 4.1 State of Play

In the two last decades, many commitments were undertaken in the North Macedonian society to close gender gaps. The authorities ratified the Convention on Elimination of all Forms of Discrimination against Women in 1994 and the Beijing Declaration and Platform of Action in 1995. More recently, authorities also signed the Convention on Preventing and Combating Violence against Women and the Istanbul Convention in 2011, the latter being ratified later in 2018 (UN Women, 2022). North Macedonia has also ratified International Labour Organization (ILO) conventions on the abolishment of forced labour, freedom of association and collective bargaining, equal remuneration, minimum age, worst forms of child labour, elimination of racial discrimination, rights of child and persons with disabilities (ILO, 2022). However, even though progress is notable, especially in terms of closing gaps in the labour market, challenges still remain in upholding the commitments through implementation (USAID, 2019). This is perhaps best grasped by the 2021 gender gap index of the World Economic Forum (Crotti, et al., 2021). The index assesses gaps between women and men through economic, political, education and health criteria and it shows that North Macedonia's rank has declined to the 73rd place in 2021 out of 156 economies, compared to 70th in 2020 and 28th in 2006. North Macedonia is assessed lowest on health and survival (85th), economic participation and opportunity (97th) and educational attainment (99th) of women.

The Gender Equality Index also identifies in the domain of work that women in North Macedonia are, on average, less frequently employed in full-time employment, have 12 years shorter working life and have less flexibility with their working hours compared to men. Taken together these indicate that women, in general, have fewer opportunities to choose the desired balance between work, home production and private life (Bashevska, 2019).

#### 4.1.1 Social norms in North Macedonia

North Macedonia has adopted a comprehensive legal framework on attaining gender equality and prevention of violence against women, as well as labour laws which aim to improve the social and economic dignity of the employee. It is also aligning with the regulations of the European Union, especially in areas of human rights of women, children, ethnic minorities, persons with disabilities and refugees (UNGA, Human Rights Council, 2019). Nonetheless, there are still dominant patriarchal norms in the society that undermine some of the efforts and result in gender gaps and discrimination in

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the labour market and relatively low women's participation in economic and political life and violence against women.

Traditionally, women are seen as the backbone of the family and play multiple roles, such as care-givers in their homes and communities. In North Macedonia, women spend three times more time on household activities compared to men and have less free time (State Statistical Office, 2015). The fact that time spent by women on domestic activities starkly rises for the group of women aged from 25 to 44, while it reduces for men of the same age group paints a picture of a patriarchal family, where the woman almost completely takes over the care for children, but also that for other family members. This indicates that traditional gender roles are dominant in society and are strengthened, following partnership/marriage and especially after having children. There is a lack of awareness about women's imbalance between household activities and work, which results in challenges for women to freely express their needs and seek support at the workplace (Risteska, et al., 2021).

These gender roles have an impact on the most prominent gender gap on the labour market the women inactivity rates which are higher than the European average. Of course, the patriarchal model of family should not be considered as exclusive cause of this gap, as the uneven economic development (urban-rural) and scarcity of the social infrastructure across the territory and in rural areas (i.e., kindergartens and early development centres are not developed in all regions equally and are completely absent in some rural areas) have also had a considerable impact (Levin, et al., 2015).

Gender stereotypes influence the choice of professions in society of North Macedonia. The phenomenon is deeply rooted in the society and starts from an early age, so that young girls are being raised as to seek security, find a job preferably in a 'female' occupation (health, social work, education, or public administration) and not to 'dream big'. The education system and society in general transfers from generation to generation the traditional divide of labour and care within the household. This reflects not just horizontal market segregation based on gender, but also vertical (within sectors) 'whereby women are usually employed to execute the lower-level jobs and the higher, better-paid and senior positions are almost exclusively filled by men. Jobs like sales assistants, technicians, professionals and clerks are mostly delegated to women' (Kazandziska, et al., 2012). Girls more than boys choose a profession that resolves real life problems, they frequently need more support and boost of self-confidence than boys, and need greater opportunities for cooperative learning and career guidance (Mickovska Raleva & Trajkovski, 2017). The "Girls in Technology" study found that female and male highschool students were aware of the gender stereotypes that are barriers and limit their opportunities to choose a career across the gender line (Mickovska Raleva & Trajkovski, 2017). This in combination with the findings that about onethird of women in North Macedonia believe that their primary role is to give birth and to take care of the home and family, rather than to work in the formal labour market (Mojsovska-Blazevski, et al., 2017), explains how entrenched gender stereotypes are. Women are more likely to find jobs in the public sector. Often these are considered 'secure', but at the same time many are low-paid jobs in public health, public child care institutions, public education system and public administration (Risteska, et al., 2020).

Women typically do not start businesses not only for reasons of choice, but also due to lack of access to capital, which is closely related to traditional beliefs in the society related to men's control over assets (USAID, 2019). Although the laws in North Macedonia are gender-neutral when it comes to owning and managing land, traditionally, property, i.e., real estate acquired in a marriage, is usually

registered under the name of men. The practice of leaving the estate to the male heirs is prevalent in urban and rural areas and is spread across each of the communities that live in North Macedonia. Due to these male-normative customs, the gender disaggregated data of 2019 of owners of property show a serious disbalance where 73% of total owners are male and 27% are female. Such practice has multiple effects on gender equality. First of all, women are not entitled to the income made as a result of, for example, the lease of the property, nor can they access finance for doing business because they do not have property in their name to be used as collateral. As a result, females in North Macedonia are much less likely than males to start a business (6.6% compared to 14%). The entrepreneurship gap is both quantitative (expressed in number of business owners), but also structural, in terms of the sector in which males and females start a business. In particular, while men commonly start businesses in construction, transport, electricity, female entrepreneurs are usually operating in health, education and social work sectors (Bekh, 2014). Additionally, the State Statistical Office data on the total number of employees by economic status and gender, show that in 2020 men consist 78.7% of the employers and 75.6% of the self-employed, suggesting that women do not typically choose entrepreneurship as means of attaining a livelihood. Women are a majority only in the category of unpaid family workers where their share is 63.9% (State Statistical Office, 2021).

The most recent comprehensive survey led by OSCE has shown alarming results related to violence against women in North Macedonia. Fourteen percent of women said they had experienced physical or sexual violence since the age of 15 by a partner or non-partner (7% of Albanian-speaking women, versus 16% of Macedonian-speaking women). Psychological violence perpetrated by an intimate partner is significantly more common, with 44% of women confirming that they have experienced the same (43% of women who completed the survey in Albanian). Three out of ten women said they had been sexually harassed since the age of 15, and one in ten said they had been sexually abused in the 12 months prior to the survey (9% and 4%, respectively, of Albanian-speaking women). Seven percent of women said they had been secretly stalked (4% of Albanian-speaking women) (OSCE, 2019). Regardless of significant efforts to prevent and sanction violence against women, there has been little done in preventing violence in the work place. In this regard, the Government is considering ratifying ILO Convention 190 on violence and sexual harassment on the work place with changes in the new Law on Labour relations.

### 4.1.2 Analysis on the State of Play

North Macedonia is an upper middle-income economy that underwent significant economic reforms in the last decade. The reforms resulted in notable results especially in the first half of the decade with an average 2.5% GDP growth compared to 1.9% of the region (The World Bank, 2017). This positive performance had continued up until the COVID-19 crisis, although at slower pace compared to the neighbouring economies (The World Bank data, 2022). The COVID-19 pandemic had a strong negative economic effect in 2020 hitting the economy with 6.1% fall in GDP (State Statistical Office, 2021); thus, widening gender gaps and affecting the status of women and girls' rights, their economic opportunities and security (Risteska & Aleksoski, 2020). However, most recent macroeconomic indicators show a strong economic rebound across all Western Balkans region (The World Bank, 2021), including North Macedonia with GDP growth forecast of 4.0% in 2021 and 2022 (EBRD, 2021). The growth is mainly driven by strong growth in manufacturing, exports and retail trade in the first half of 2021 (EBRD, 2021).

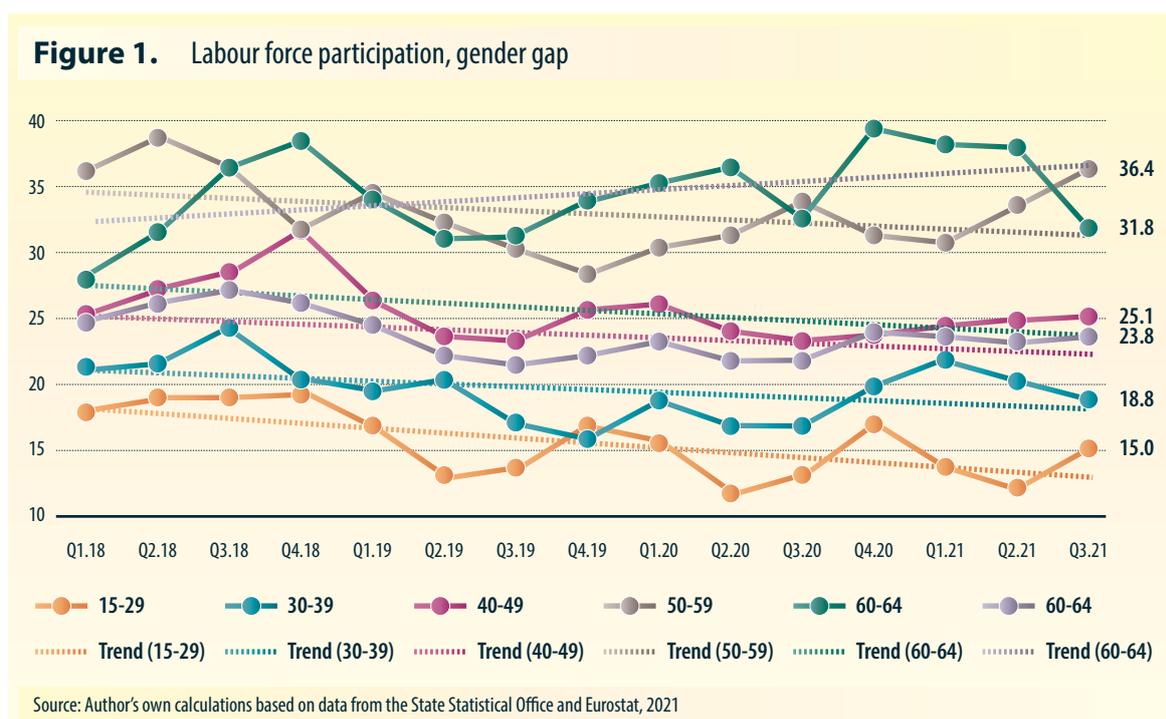
Yet, downside risks, such as disrupted supply chains, increased inflation and a tightening of financial conditions overshadow the economic outlook (The World Bank, 2021).

#### 4.1.2.1 Labour market indicators and gender gaps

The labour market of North Macedonia is historically characterized by high rates of long-term unemployment, with roots in the transition process after independence (NBRM, 2017) and high inactivity especially among women. An aging population also weighs down the economy and projections are that the working age (15-64) population drop by 10.2 percentage points in 2050 compared to 2015 (ILO, 2019). Yet, recent trends in labour market indicators such as declining unemployment rate among women and youth, notwithstanding the effects of the COVID-19 crisis, have been mainly positive. Thus, in 2020 the share of young people of age between 15 and 24 neither in employment nor in education and training (NEETs) had fallen to 19.4% for males and 19.8% for females, which is a significant drop compared to figures of close to 25% in 2011; albeit the rate is still almost twice the EU average (Eurostat, 2020).

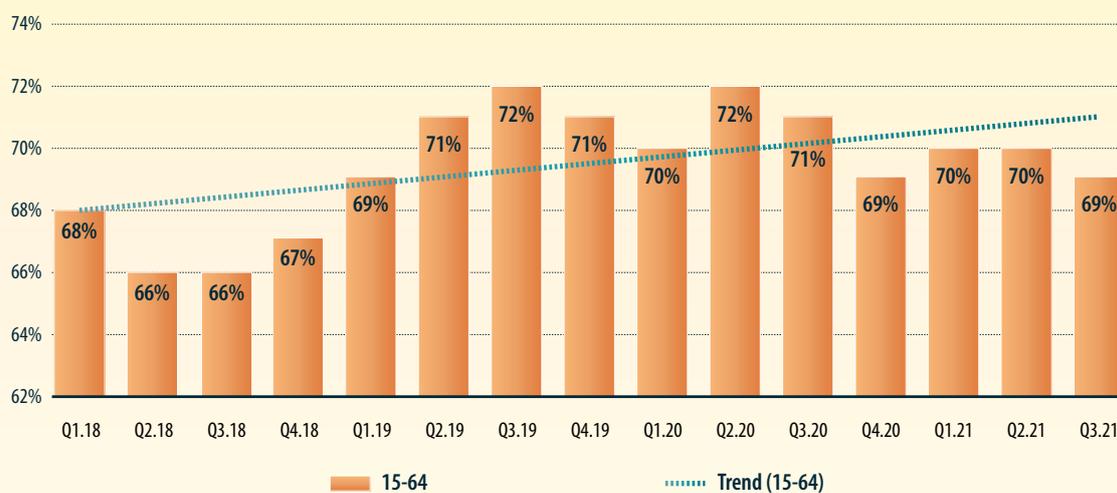
The labour force participation, measured as a percentage of the labour force of the working age population, is showing signs of slow positive developments, although the high inactivity rate of women is still a concern. In 2021Q3, of the working age (15-64) population, 77.4% of males participated in the labour market, compared to just 53.6% of females (State Statistical Office, 2021). Some age groups had experienced larger increase than others, such as the men and women of age 40-49 which had record level of participation rate in 2021Q3 and 2021Q2 at 94% and 69.2% respectively.

The gender gap in participation is present across all age groups (Figure 1) and it is among the highest in European Union (EU) (Eurostat, 2020). The gap range in 2021Q3 is between 15 and 36.4 percentage points and it increases amongst the highest age groups.



Thus, **the gender participation gap is lowest among the younger population aged between 15 and 29 years** with 15 percentage points in 2021Q3, **while it is highest among the elderly population of age between 50 and 64**, where the gap is above 30 percentage points in the same quarter. Within age groups, there were slight downward trends in the gap in the period 2018Q1-2021Q3, except for a possible increasing trend among the age group of 60-64. The small closing of the gender participation gap in the working age population is also seen through the female-to-male labour market participation ratio<sup>1</sup> which shows 1 percentage point rise in 2021Q3 compared to 2018Q1; the increase has been up to 4 percentage points but after 2020Q2 some of the gains have been lost, which corresponds to the period when the COVID-19 crisis emerged (Figure 2).

**Figure 2.** Female to male labour market participation ratio



Source: Author's own calculations based on data from the State Statistical Office and Eurostat, 2021

The employment rate is calculated as the percentage share of employed people to the working age population. This indicator shows similar trends to the inactivity rate for the working age (15-64) population i.e., **a slow improvement but still significant lagging behind the EU average, especially among women.** Namely, comparing to 2018Q1, in the third quarter of 2021 the rate changed by 4.8 percentage points for men rising from 59.6% to 64.6% and 3.8 percentage points for women increasing from 41.9% to 45.7%. This makes a gap with the EU average of 9.7 and 18.6 percentage points respectively for males and females (Eurostat, 2022).



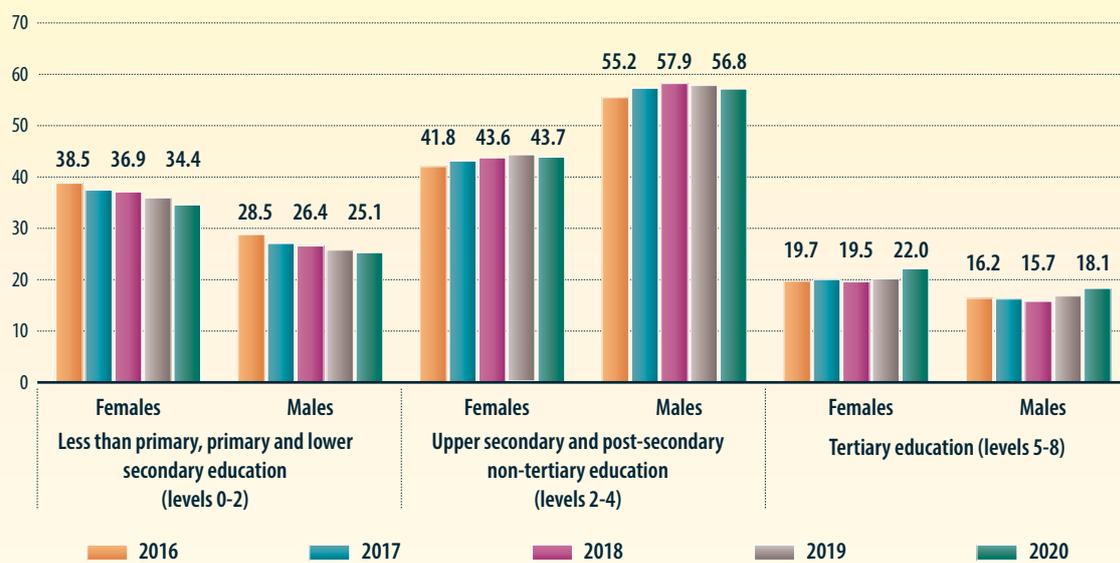
<sup>1</sup> The female-to-male ratio of labour force participation rates is calculated by dividing the labour force participation rate among women, by the corresponding rate for men.



The employment rate gender gap in 2021Q3 varies between 11.3 for the youngest of age 15-39 and 31.2 percentage points for the older age group of 50-59 (Figure 3). The gap also increases gradually with age. On another note, within age groups the gap has remained relatively stable across the period 2018Q1-2021Q3.

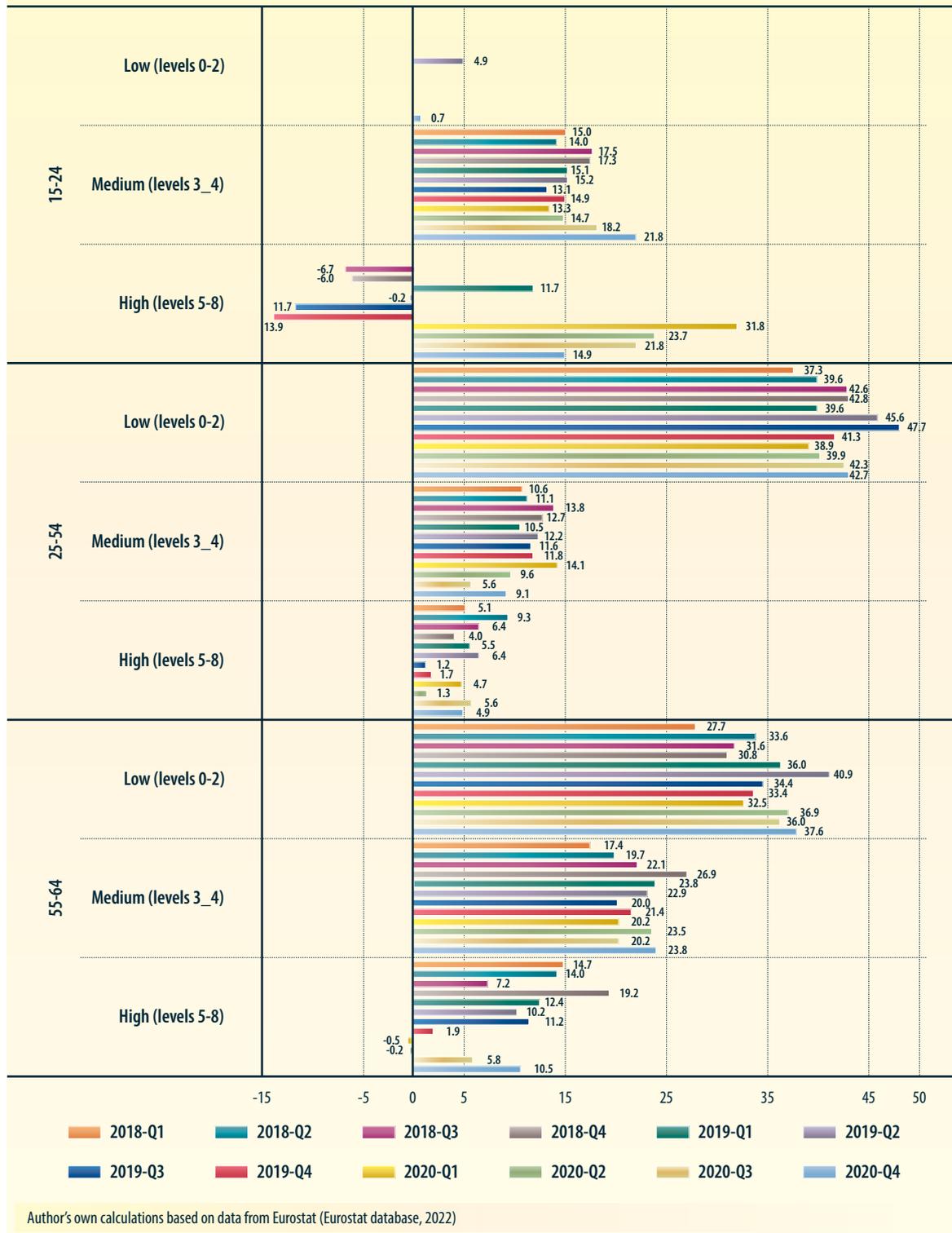
Women and men also differ in their educational attainment. Figure 4 shows that in the period 2016-2020 most men and women had obtained at least secondary education. There is also a gender gap for all levels of educational attainment. The gap is negative for the low and high levels of education meaning there is higher percentage share of women than men in these opposing groups on the spectrum. On the other hand, men take larger share of the group with medium level of education. In 2020, the gap was 9.3 percentage in the group of low level of education, 13.1 percentage points in the medium and 3.9 in the group of high levels of education. It also shows that there is a trend of year-on-year decline in the percentage of women and men who have obtained low levels of education on the account of rise in the other two groups.

**Figure 4.** Educational attainment by gender, percentage share



Source: Author's own calculations based on data from Eurostat (Eurostat database, 2022)

**Figure 5.** Employment rates gap by educational attainment and age

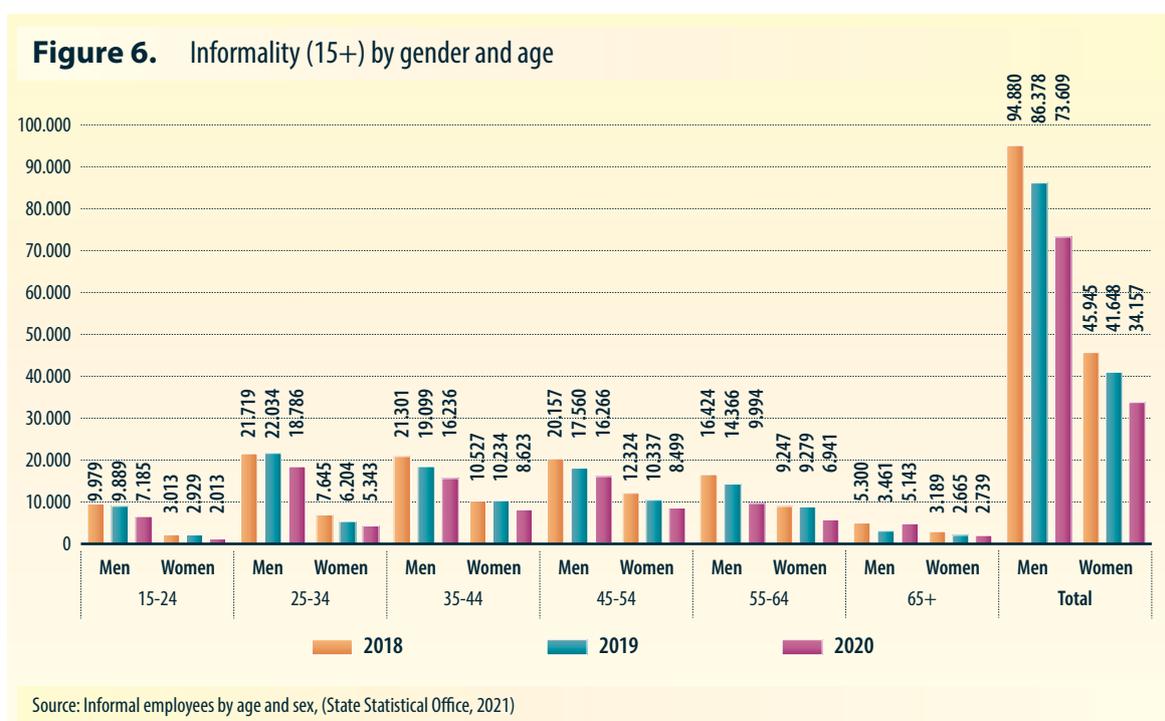


Author's own calculations based on data from Eurostat (Eurostat database, 2022)

When controlled for age, the gender employment rate gap varies differently across the subgroups of educational attainment (Figure 5). In the age groups of 25-54 and 55-64 the gender employment rate gap is highest among those with a low level of completed education with 42.7 and 37.6 percentage points respectively in 2020Q4. The gap gradually decreases in the medium level of education, with 9.1

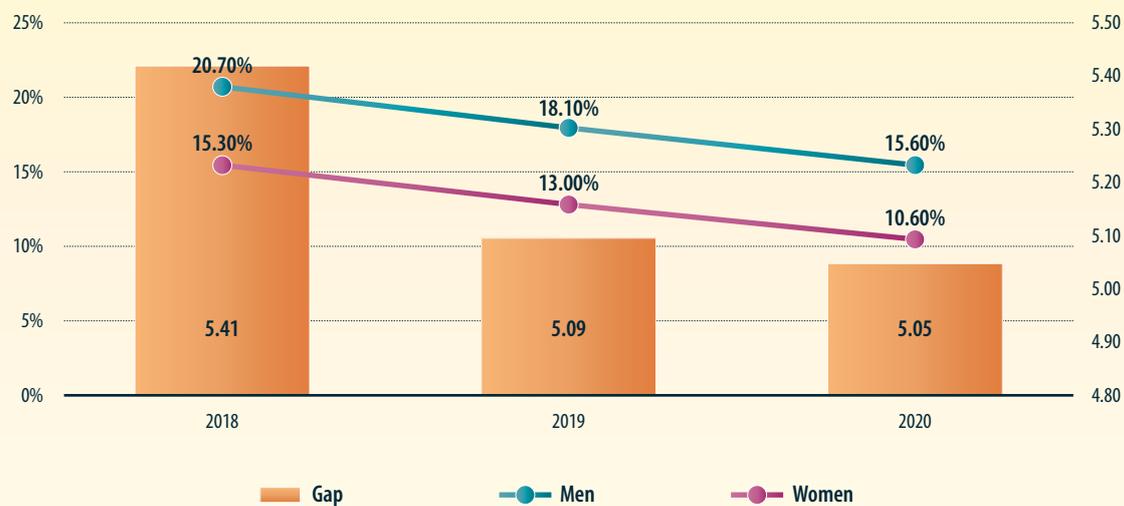
and 23.8 percentage points for the same age groups in 2020Q4. Lastly, the gap is lowest among those with a high level of education with 4.9 and 10.5 percentage points difference for the age groups 25-54 and 55-64 respectively.

Comparing to these age groups, the employment rate among the youngest from 15 to 24 age shows different movements. The gender employment gap is still high for the medium level of educational attainment with 21.8 percentage point's difference in 2020Q4. As for the tertiary education group Figure 5 shows that the employment rate gap has been fluctuating between positive and negative across the period 2018Q3-2020Q4. The traditional gap had been reversed before 2020Q2, with young well-educated women having a higher employment rate. However, their relative position quickly worsened from that period, the gender employment gap rose sharply to 31.8 percentage points and then gradually rebounded to 14.9 in the last quarter of 2020. This could be indicating that employment opportunities for young women with a high level of completed education were especially affected by the COVID-19.



**The numbers on the informal workers are encouraging** in the period 2018-2020. Figure 6 presents the number of informally employed workers across age groups. It shows that the number of informal workers is in decline, both for men and women. Thus, compared to 2018 these figures have fallen by 21 271 or 22.42% for men and 11 788 or 25.66% for women for the whole working age population (15+).

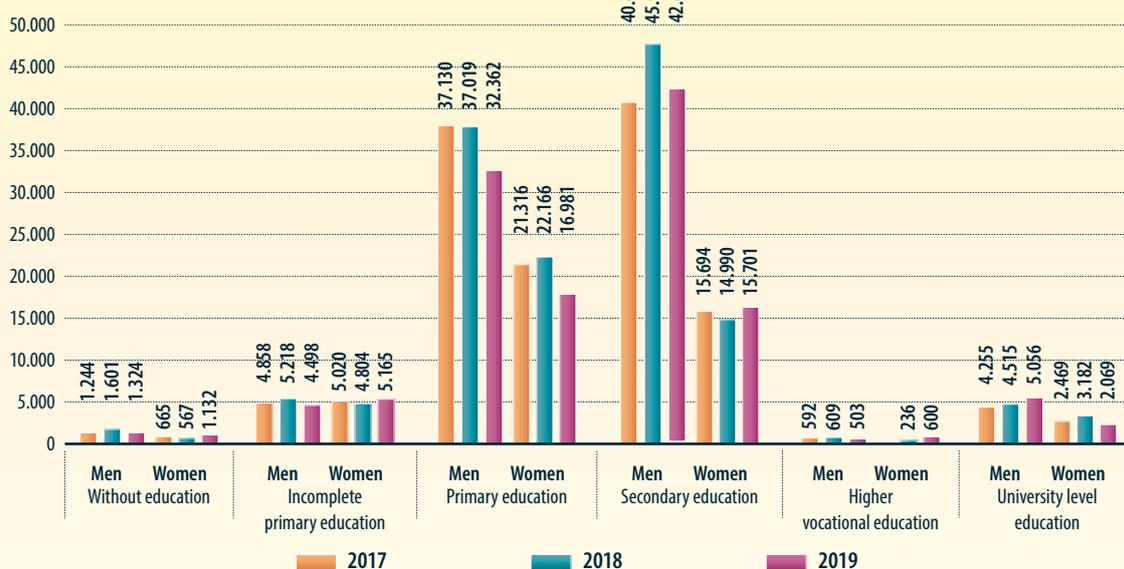
**Figure 7.** Share of informal to total employment 15+ years old



Source: Author's own calculations based on informal employees by sex data, (State Statistical Office, 2021)

The percentage share of informal employment to total employment for all working age population (15+) is showing a downward trend in the period 2018-2020, both for women and men. Women's share has decreased by 4.7 percentage points, while men's by 5.1. The gender gap in this indicator has also slightly decreased from 5.41 to 5.05 percentage points.

**Figure 8.** Informality by education (2017-2019)

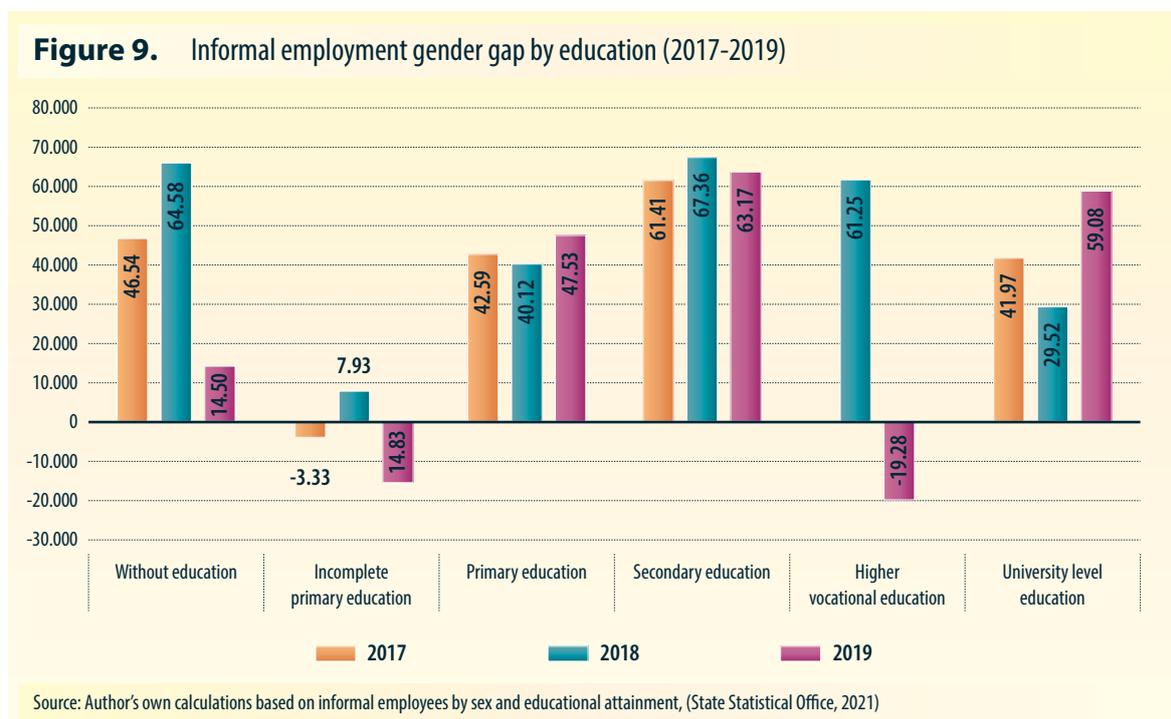


Source: Informal employment by educational attainment and sex, (State Statistical Office, 2019 and 2021)

Figure 8 presents the number of women and men that work in the informal sector disaggregated by gender and educational attainment. The bulk of both men and women who have informal employment come from a primary and secondary educational background. The numbers are stable across years

for both men and women, but there are some notable changes at both ends of the educational scale. Namely, the number of informal female workers without education has almost doubled in 2019 over 2018. On the other spectrum, men's number with university level education who work informally has the trend of rising by 12% in 2019 over 2018, while in the same period the number of female informal workers with the same degree of education has decreased by 35%. There is also a fall in the numbers for both men and women in the primary education sub-group by 12.6% and 23.4% respectively.

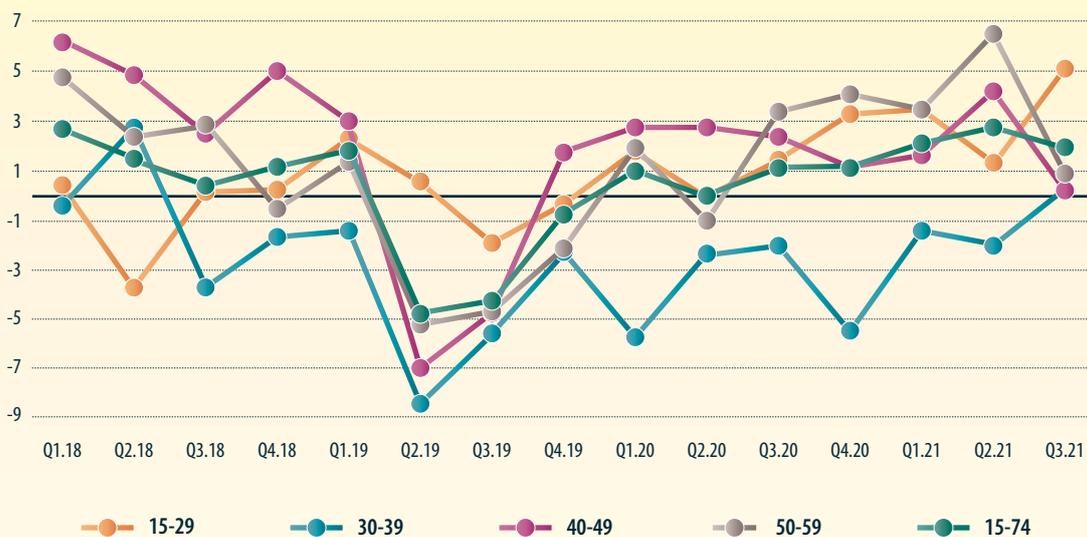
The gender gap in the informal employment varies across different levels of educational attainment with no clear tendency over the period 2017-2019. The gap is widest for the group with secondary education ranging between 61.41 and 67.36 percentages. On the other hand, it is even negative, for the group with incomplete primary education varying between 14.83 and 7.93 percentage points.



The unemployment rate, measured as percentage share of unemployed actively seeking for job from the total labour market participants of working age, has experienced positive developments despite the pressures from the COVID-19 crisis. The rate continued a declining trend for women and at least did not rise for men after the second quarter of 2020 when the crisis hit. This makes North Macedonia the economy in the region with a continuous decline in its unemployment rate during the health crisis, however, this is partially owing to a declining participation rate and increase in inactivity in this period (The World Bank, 2021). Thus, women's unemployment rate reached a record low level in 2021Q3 at 14.6%, while men's stagnated at 16.4 in the same period. Within the period 2018Q1-2021Q3 men's unemployment rate has been higher than women's, except during 2019.

The unemployment rate gap between men and women is generally positive across all age groups except for the youngest population, aged between 15 and 29 (Figure 10). This is particularly worrying because it shows that young women willing to participate in the labour force appear to have less access to work compared to men.

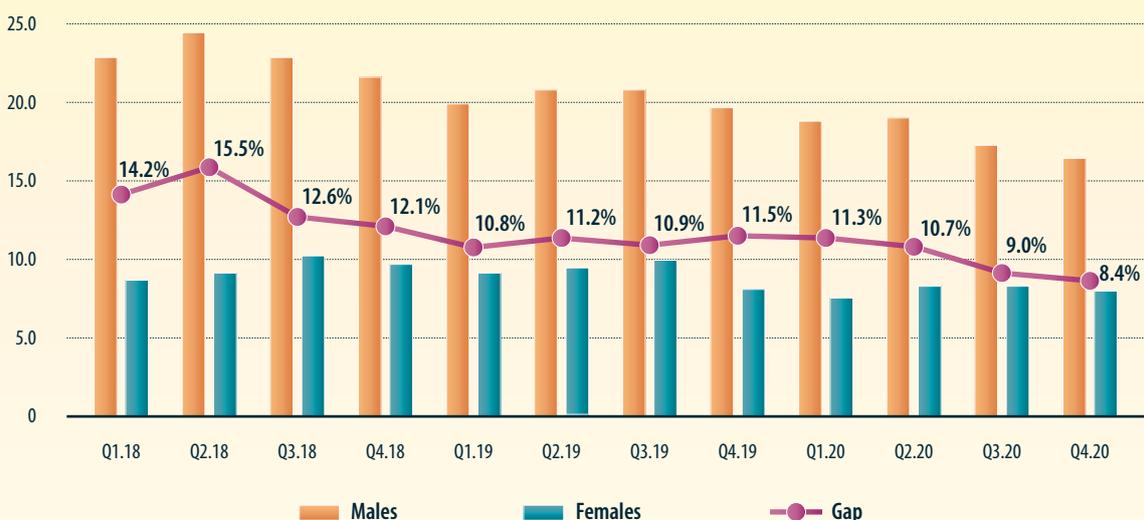
**Figure 10. Unemployment rate, gender gap<sup>2</sup>**



Source: Author's own calculations based on unemployment data from the State Statistical Office (2021)

The gender gap in the self-employment rate of working population age 15+ is still high when absolute figures are considered with a difference between men and women self-employed workers of 52 000 in the last quarter of 2020. Nevertheless, the gap has declined from 15.5 in 2018Q2 to 8.4 percentage points in 2020Q4, shrinking with relative change of 38.68% (Figure 11). Nonetheless, the ratio between men and women self-employed is still two-to-one.

**Figure 11. Self-employment rate (age 15+), gender gap**



Source: Author's own calculations based on data from Eurostat (Eurostat database, 2022)



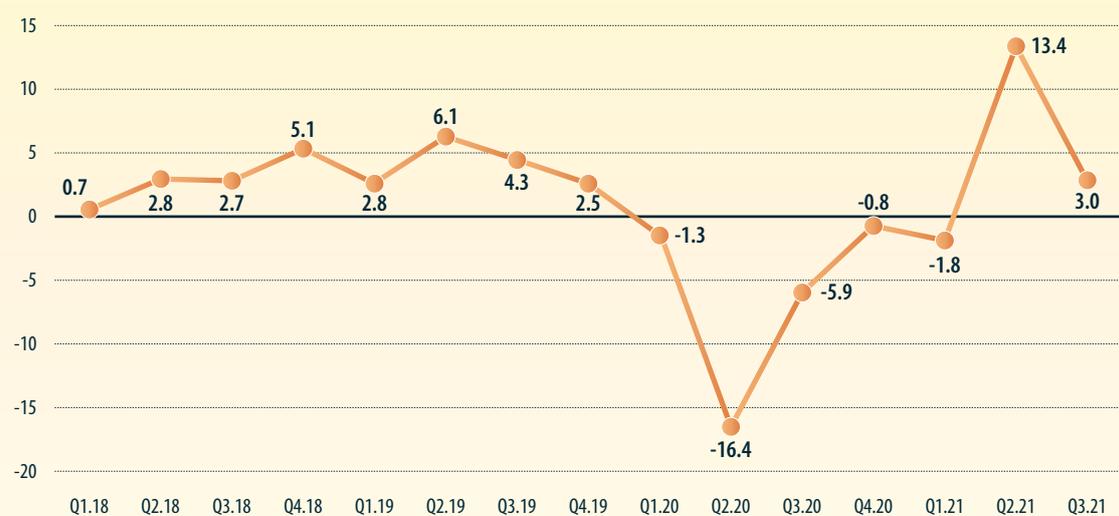
2 The 60-64 age group is excluded because of lack of data

The issue of self-employment is closely related to the participation of women in entrepreneurship activities which is discussed in more detail in chapter 4.6

#### 4.1.2.2 Overview and composition of the economy

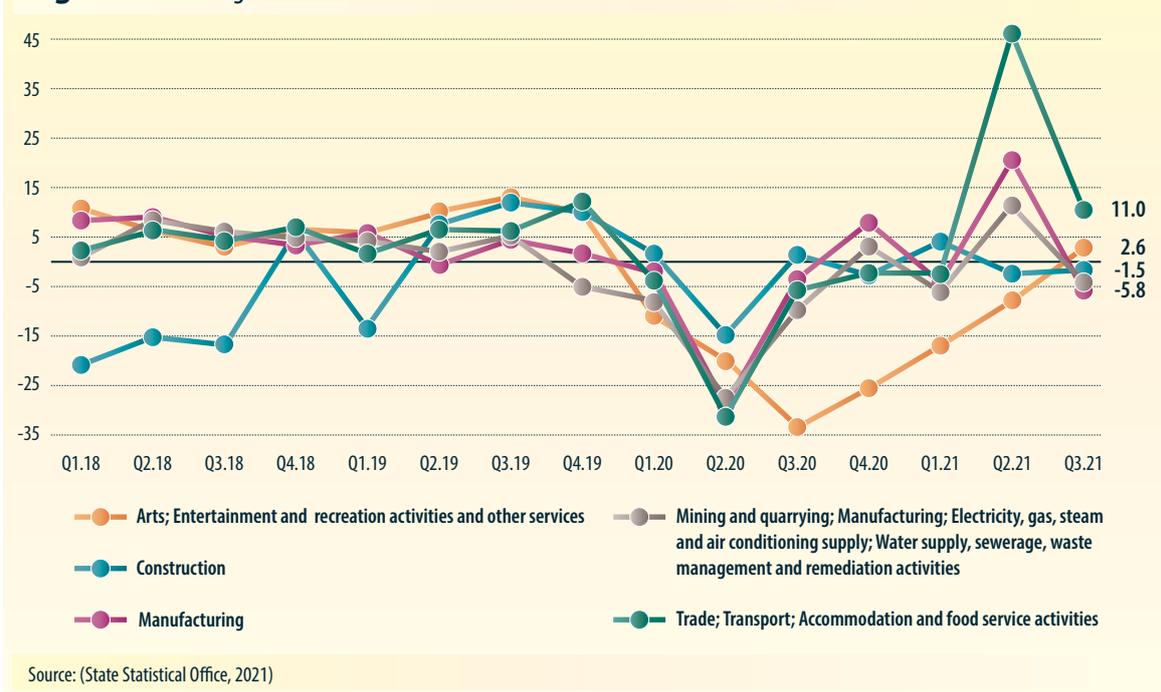
In the period 2018Q1-2021Q3 the economy was growing at an average rate of 1.15%. The low growth rate of GDP was highly influenced by the COVID-19 crisis, which hit the economy with a 16.4% contraction in the second quarter of 2020, after which followed a period of slow recovery to 3% growth in 2021Q3 (Figure 12). **However, North Macedonia is expected to grow at a rapid pace in the recovery period after the health and associated economic crisis.** The government anticipates growth of 4.1% in 2021 with projections of an annual increase by 5.4% in the period 2022-2026 (Government of North Macedonia, 2021). The expectation from the European Bank for Reconstruction and Development is similar at 4.0% growth for 2021 and 2022 (2021), while the World Bank places it higher at 4.6% (2021). This growth is expected to be driven by strong domestic demand (International Monetary Fund, 2021) and recovery of the exports and consumption by the government (EBRD, 2021).

**Figure 12.** Annual growth rate of real GDP (growth relative to the corresponding quarter of the previous year)



Source: (State Statistical Office, 2021)

Different economic sectors exhibited different response to the COVID-19 crisis. Figure 13 shows the five most hit sectors. Arts, entertainment and recreation services sector had the highest drop of 33.2% in 2020Q3 and it also had the slowest recovery compared to the other sectors in the following period. The trade, transport and the hospitality sector was the second worst hit sector with a contraction of 31.1% in 2020Q2, however it also exhibited the highest growth in the second and third quarter of 2021. The rest of the most hit economic sectors are Construction, Manufacturing and the heavy industry (e.g., mining and quarrying, electricity, gas, steam and air conditioning supply, water supply and water management, sewage, and et. cetera).

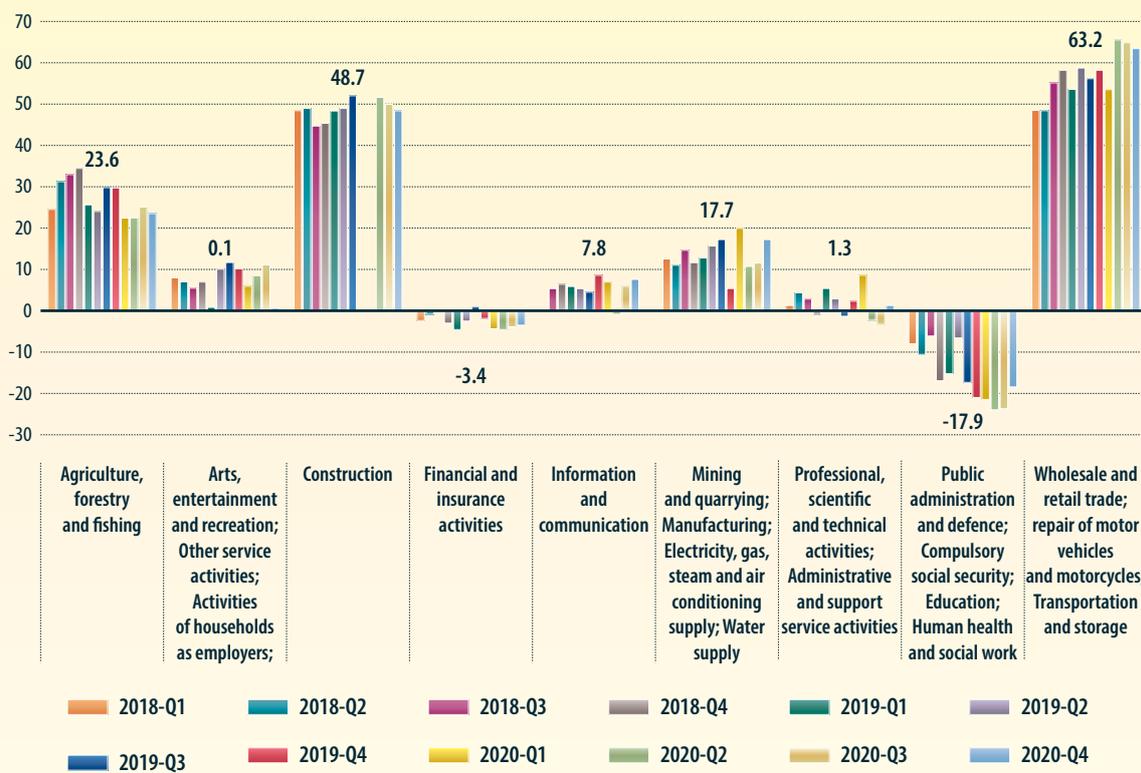
**Figure 13.** GDP growth rates across selected economic sectors

Women and men unequally participate in the different economic sectors. As shown in Figure 14, women dominate only two groups of sectors as per the NACE Rev 2. classification:

- ⦿ Public administration and defence; compulsory social security; Education; Human health and social work activities;
- ⦿ Financial and insurance activities.

In these two groups of sectors, the gap has been 17 900 and 3 400 more women workers than men in 2020Q4 respectively. More detailed analysis of the first group shows that the gap is mainly driven by the health and social protection and education sectors where women's participation is highest with 78.4% and 62.7% of the total employed in these sectors in 2020 (State Statistical Office, 2021). This also leads to the conclusion that women experienced the greatest burden during the COVID-19 crisis, by being directly exposed to the health threat in hospitals and schools. All other sectors show a domination of males with the trade, transportation and hospitality sector having the highest difference of 63 200 men over women in the last quarter of 2020. In addition, Table 1 presents overview of the share in occupations in 2020 based on ISCO-08 classification by gender. Men dominate all occupations except for Professionals. On the other hand, Table 2 shows that the distribution of women and men differ across occupations. Almost a quarter of the women are crowded in the occupation of Professionals, while men in the Craft and related trades workers occupation.

**Figure 14.** Share of employment by economic sector, gender gap, 15+, thousands



Source: Author's own calculations based on data from Eurostat (Eurostat database, 2022)

**Table 1.** Share in occupations (ISCO-08) by gender, 2020

Occupation (ISCO-08)	Females	Males
Armed forces occupations <sup>3</sup>	0.00%	100.00%
Clerical support workers	48.13%	51.87%
Craft and related trades workers	12.51%	87.49%
Elementary occupations	47.66%	52.34%
Managers	20.44%	79.56%
Plant and machine operators and assemblers	38.95%	61.05%
Professionals	58.57%	41.43%
Service and sales workers	43.70%	56.30%
Skilled agricultural, forestry and fishery workers	29.53%	70.47%
Technicians and associate professionals	47.87%	52.13%
All occupations	40.67%	59.33%

Source: Author's own calculations based on data from Eurostat (Eurostat database, 2022)

3 Low reliability because of lack of data on women in armed forces

Table 2. Distribution across occupations (ISCO-08) by gender, 2020

Occupation (ISCO-08)	Females	Males
Professionals	22.63%	10.97%
Service and sales workers	18.48%	16.31%
Plant and machine operators and assemblers	14.67%	15.76%
Technicians and associate professionals	13.22%	9.86%
Elementary occupations	12.60%	9.48%
Clerical support workers	7.96%	5.88%
Skilled agricultural, forestry and fishery workers	5.29%	8.66%
Craft and related trades workers	3.72%	17.80%
Managers	1.42%	3.80%
Armed forces occupations	0.00%	1.48%

Source: Author's own calculations based on data from Eurostat (Eurostat database, 2022)

Figure 15 presents a summary of the developments in the labour market in the period under review in comparison to GDP growth. The trend in the movement of the total employment rate (right scale) does seem to correspond with the one from the GDP (left scale), however it is also notable that the drop in GDP in the second quarter of 2020 has not been followed by such significant decline in the employment rate. This indicates that labour productivity has been more volatile than employment during the COVID-19 crisis. The rate of employed in 2020Q2 actually slightly increased from 54.4 to 54.5% when compared to 2019Q2, while the GDP contraction is significant at 16.4%. Figure 15 shows that the employment rate has slowed but continued on the path of growth and almost reached pre-pandemic levels by the end of the third quarter of 2021. This supports the claims that the 'forceful policy support has cushioned the economic impact of the pandemic' (International Monetary Fund, 2021). When looked from the perspective of the employment gender gap in the working age population (15-64), there are no notable matching trends with the movement of GDP.

Figure 15. Trends in employment, gender gap and real GDP growth



Source: Author's own calculations based on unemployment data from the State Statistical Office (2021)

This analysis is not full without considering the developments of the informal economy, however the scarcity of quarterly and recent data poses limitations in delving deeper into research.

Despite the above-presented encouraging data on the changes in the labour market in North Macedonia and economy in light of the severity of the recent crisis, there are noted challenges facing the economy ahead. The latest regular economic report of the World Bank remarks that the high level of tax concessions and subsidies, along with the other interventions of the government in the market disrupted the movement towards improved fiscal sustainability (The World Bank, 2021). They also emphasize that the authorities need to focus on structural and institutional reforms in a context of a green recovery which will boost growth and low-carbon transition.

### **4.1.2.3 Gender pays gap developments**

The movements in nominal net monthly wages in the society of North Macedonia are showing positive trend across all sectors according to NACE Rev. 2 classification (Figure 16). The information and communication industry leads the wage scale with EUR 902 net monthly average salary in October 2021, after which the financial and insurance activities sector follows with EUR 705. The employees in the public administration and defence; compulsory social security sector earned EUR 501 on average in the same month, which is above the overall average of EUR 474. The COVID-19 has had a negative effect on nominal wages, however this seems to be limited to the low paying jobs, while the sectors paying wages above the total average did not demonstrate a drop in the period after the crisis hit. The lowest earnings sector is the Accommodation and food service activities sector with EUR 357 average net monthly wage recorded in October 2021. This is the sector that experienced the sharpest drop during the first months of the health crisis, after which was followed by slow recovery.

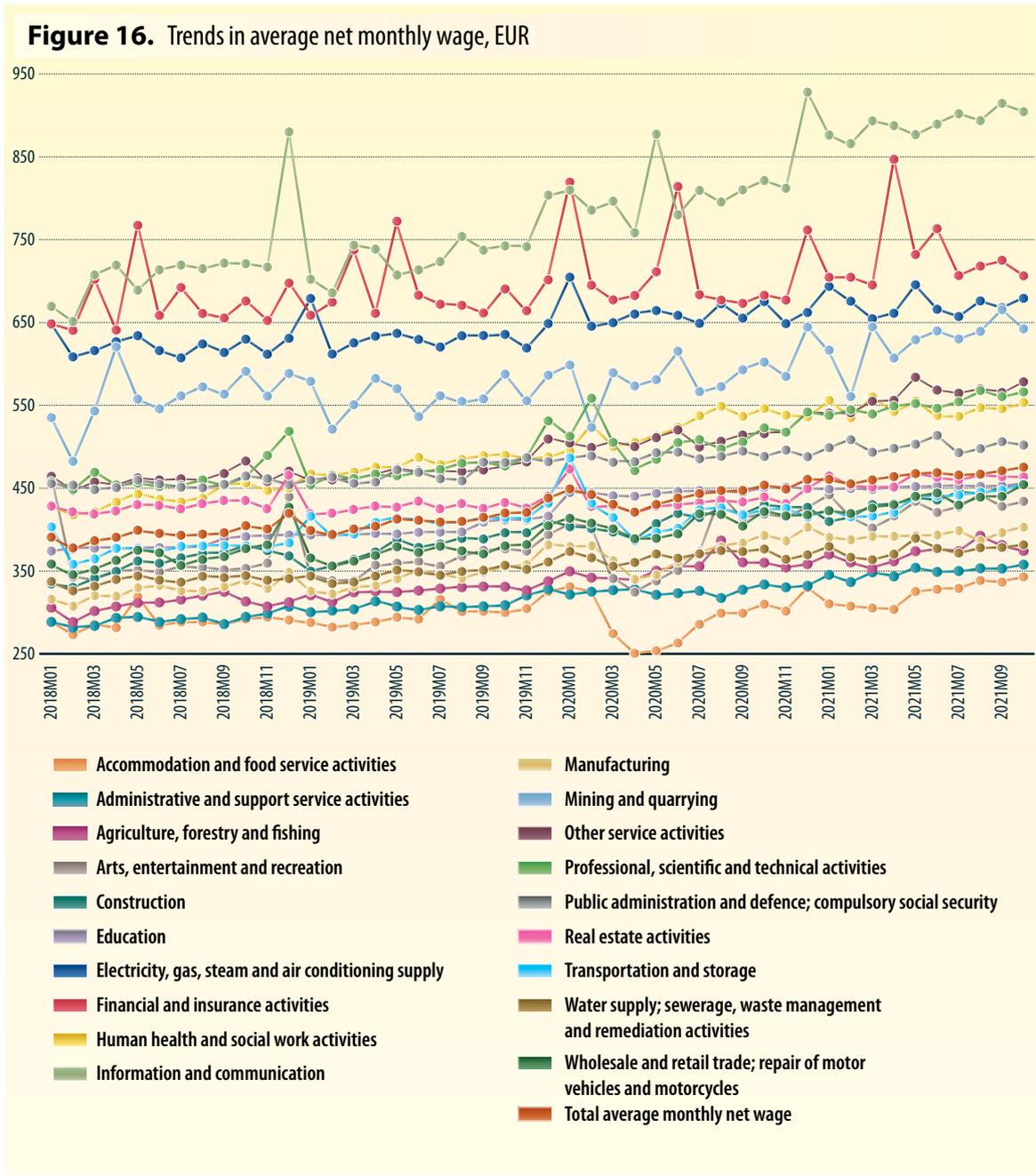


Table 3 shows the gender pay gap calculated as the difference between the mean hourly earnings of men and women in EUR based on the Structural Earnings Survey. The overall average hourly gender pay gap in 2018 was EUR 0.54. The table also shows that in 2018 the highest gap was among the wages of Managers, Professionals and Technicians and associate professionals' occupations. Men managers earned EUR 2.08 more per hour than women managers. Men professionals earned EUR 1.06 more, while men working in the occupation of Technician and associate professionals earned EUR 0.92 more for each hour of earning compared to women in the same occupation. The gap has also widened for these three occupations compared to the previously available data from 2014, Technicians and associate professionals' occupation having the largest increase of more than 600%

Table 3. Gender Pay Gap by group of occupations, EUR

Gap	2014	2018	Change 2018 over 2014
Managers	0.66	2.08	315%
Professionals	0.65	1.06	163%
Technicians and associate professionals	0.15	0.92	613%
Craft and related trades workers	0.71	0.74	104%
Non manual workers	0.36	0.74	206%
Plant and machine operators and assemblers	0.5	0.72	144%
Manual workers	0.51	0.6	118%
Overall average	0.25	0.54	216%
Elementary occupations	0.27	0.4	148%
Service and sales workers	0.26	0.22	85%
Clerical support workers	0.05	0.13	260%
Skilled agricultural, forestry and fishery workers		-0.36	/

Source: Gender pay gap trough mean hourly earnings by occupation-NACE Rev. 2, unadjusted form (Eurostat database, 2022)

The gap is also present across all other occupations and it has widened 2.16 times on average since 2014.

The drivers of the gender pay gap cannot be explained without application of econometrics methods such as decomposition which take into account differences in characteristics by gender, such as age, educational attainment, years of experience, et cetera. These methods require utilization of microdata from the Labour Force Survey, which are not easily accessible from the State Statistical Office due to confidentiality restrictions. The author of the study tried to access this data but the process is subject to approval from a special committee and the microdata are available only to certified researchers from academia which we feel is unnecessarily restrictive. Moreover, the procedure for accessing the data lasts unnecessary long and has to be done in a secured room in the State Statistical Office where access to resources is limited. Therefore, it is strongly recommended that the protocol for accessing microdata in North Macedonia be revised and loosened in order for high quality research to emerge.

There are only a few research papers on the adjusted wage gap in North Macedonia that have employed a rigorous econometric approach. Older ones from 2014 and 2015 found that women were paid between 17% and 20% less than men on average when personal and labour-market characteristics are considered (Petreski, et al., 2014; Petreski & Mojsoska-Blazevski, 2015). These studies, as cited by Mojsoska Blazevski (2020), attributed the gender wage gap to self-choice by women to not participate in the labour market, discrimination and the unobservable characteristics of men and women which are rewarded by employers, which may reflect discrimination, while job characteristics and traits of the worker play little role in the explanation of the gap.

Some of the consulted experts trace the main reasons for the gender pay gap to women's higher employment in low-paying economic sectors (Gjurovska, 2021). For example, in the textile industry, they only receive the statutory minimum wage and this later influences the average level of salaries. This is also confirmed by Petreski and Mojsoska Blazevski in their assessment of the economic impacts of the increase in the minimum wage, where they show that gender gap is highest in the textile industry because

women are over-represented in the lowest paying jobs (2017). In this sector women earned 16% lower wages compared to men in 2017. This is also the case with the health or education, considering that most of the teachers in primary education (and preschool) are women. There are only a small number of women in high paid jobs that would impact on closing the gender pay gap (Gjurovska, 2021). Their qualifications do not typically develop in parallel with the changes and the dynamics of the labour market (Gjurovska, 2021). It is worth noting that in the secondary labour market, consisting of high-turnover, low-pay, and usually part-time or temporary work, more than half of the workers are women. This is due to the dominance of traditional gender stereotypes on both sides of the job market (Gjurovska, 2021).

#### **4.1.2.4 Gender care gaps and unpaid care work**

Gender gaps could be further investigated through data from the Time Use Survey which could point out to differences in unpaid care work between men and women, however the latest data collected in North Macedonia are from 2014/2015, after which the State Statistical Office stopped releasing this data. Based on this older data, women had spent three times more time on household activities than men and had less free time (State Statistical Office, 2015). The time spent by women on domestic activities had risen for the group of women with age between 25 and 44, while it had declined for men of the same age group.

### **4.1.3 Conclusion and recommendations**

North Macedonia continues to have large gender gaps in the labour market. There are gender gaps in the labour force participation, employment, wages and crowding of women into certain sectors. The traditional gender roles are strong, and stereotypes are predominant in choice of profession and impact on women's participation in management positions.

High inactivity amongst the female working age population is a significant problem because many women do not seek jobs at all. There are several reasons for this gender inactivity gap. Namely, women are still expected to take care of the children, the elderly, and to maintain the household, while men typically take care of finances and are the main bread-winner. They spend three times more time on household activities and have less free time. The gender participation gap is also related to the reproductive role of the women and the inability of many mothers to remain in the labour market, driven by the lack of facilities for care of children. The birth rate has remained stable since 2008 and approximates to those of other Western Balkan economies. Additionally, there is a gender pay gap due to the fact that women disproportionately work in low paid economic sectors. All of the CEOs and 75% of the executives in the largest listed companies are men. Men also consists 78.7% of the employers in the economy and 75.6% of the self-employed. Women are majority only in the category of unpaid family workers where they consist 63.9%.

In view of the above, we recommend:

- ① **To approximate North Macedonian labour legislation with the EU work-life balance Directive from 2019.** Leave from work due to pregnancy, child birth or parenthood is regulated with Article 165 of the Law, in duration of nine months or fifteen months in the case of birth of two or more children. It should be recognized that the Law on Labour Relations, with the revisions in 2005, somewhat reformed the concept of parental leave, as it allowed for the *'father of the child to use the right to paid leave, if the mother does not use it, or in the event of death of the mother, if the mother abandons the child or if there are justifiable reasons that prevent her from exercising these rights'* (article 167). The wording itself suggests that the main child bearer is the mother. Only when, for whatever reasons, she does not want to, or cannot take care of the child, the father can use the entitlement. The provision would have been more gender sensitive if it had been formulated along the lines *'both parents can use the right to paid leave to take care of the child.'* In this regard the regulation is not in line with the model of dual earner-dual carer. The latter is promoted by the EU with the Directive 2019/1158 envisioning social and economic arrangements in which men and women engage symmetrically in both paid work in the labour market and in unpaid work in the home. The model assumes systemic changes as well as shifts in the traditional perception of gender roles. The Directive differentiates between: maternity leave; paternity leave; parental leave; carers' leave; and flexible working arrangements. The Directive 2019/1158 reinforces the non-transferable parental leave first provisioned with the Directive 2010/18/EU. This is to encourage fathers to make use of their right to such leave and promotes and facilitates the reintegration of mothers in the labour market after they have taken a period of maternity and parental leave.
- ② **To extend further the social infrastructure for child care** and explore the alternative models provisioned with the Law on child care so that child care is made accessible to everyone and everywhere, especially in rural areas, in order to provide for equal opportunities for women to access jobs and to career development. Improvement of the social services at local level should also include care for elderly/disabled persons, where women also take most of the burden engaging in unpaid care work.
- ③ **To introduce policies and legal provision that encourage more flexible working arrangements.** The labour relations legal framework of North Macedonia does not have all the features of flexibility at work that are regulated with the Council Directive 2010/18/EU of 8 March 2010 which puts into effect the revised Framework Agreement on parental leave and regulates that *'in order to promote better reconciliation, Member States and/or social partners shall take the necessary measures to ensure that workers, when returning from parental leave, may request changes to their working hours and/or patterns for a set period of time. Employers shall consider and respond to such requests, taking into account both employers' and workers' needs.'* These rights to flexible working arrangements of working parents are reinforced with the Directive 2019/1158 that gives all working parents of children up to at least 8 years and all carers a right to request flexible working arrangements comprised of: reduced working hours, flexible working hours and flexibility in place of work. To this end the legislation of North Macedonia needs to be approximated to the EU one until 2nd August 2022 when the latest Directive will be implemented and hopefully enforced.

- ◉ **To encourage women to pursue jobs in high-paying sectors.** North Macedonia needs to adopt and implement a sustainable strategy that will support career guidance free of gender stereotypes in high school. Promoting women in atypical women's professions, including by using affirmative action for enrolling girls in studies that will increase women's participation in 'men's occupations' as well as providing gender equality training to career guides/counsellors are some of the actions to be considered.
- ◉ **To regulate telework** in the Law on Labour Relations as it provides the prospects of a better worklife balance and thus can have positive outcomes on the labour market for women. The pandemic showed that the labour law must be revised so as to provide opportunity for emergency changes in labour contracts due to major and emergency situations like the pandemic. This should include unilateral redirection of the employee to work from home and the compulsory flexibility in working arrangements, which would include day breaks, working hours, tracking hours of work, as well as rules on night work and overtime. Considering that the employer is responsible for the protection of the occupational health and safety of the teleworker in accordance with Directive 89/391 and relevant associated directives, the Law on labour relations must regulate the right of the employer to inspect the telework place to ensure health and safety standards. As well as the responsibility of the employer to respect the teleworker's privacy and if any kind of monitoring system is put in place, to measure or monitor workers performance, it needs to be proportionate to the objective and introduced in accordance with Directive 90/270 on visual display units.
- ◉ **To regulate job sharing** in the Labour law as a flexible working arrangement which in particular is considered to be favourable for women with caring responsibilities who want to remain active in the labour market, and for employers that have prejudices of employing women in their reproductive years due to the care responsibilities they typically have for young children. The law should therefore regulate this form of employment contract and its elements: (i) job partners; (ii) how the job is divided among them (how many hours should they work); (iii) evidencing the work hours of each of the work partner; and (iv) the reporting of work outputs to employer. To this end the Labour law should also regulate the employee benefits of job sharing such as pay, leave, breaks from work, vacations, social, health, retirement and unemployment insurance benefits and leave entitlement for job sharing are allocated on a pro rata basis (divided approximately by hours worked).
- ◉ **To ratify the ILO Convention 190** and expand the scope of current antidiscriminatory provisions to all persons engaged in work, regardless of whether they are employed or not, as well as individuals exercising the authority, duties or responsibilities of an employer. Design and implement a workplace policy, in consultation with workers and their representatives; take into account violence and harassment and associated psychosocial risks in the management of occupational safety and health; identify hazards and assess the risks of violence and harassment, with the participation of workers and their representatives, and take measures to prevent and control them; and provide to workers information and training, in accessible formats, on the identified hazards and risks of violence and harassment and the associated prevention and protection measures.

## 4.2 COVID-19 Recovery

The COVID-19 pandemics presented an unprecedented challenge to the economy of North Macedonia and its public finances. The economy faced the deepest contraction since 2001 with annual decline in 2020 of 6.1% based on data from the State Statistical Office. According to the World Bank spring 2021 regular economic report on Western Balkans, private consumption in North Macedonia fell by 5.6% compared to 2019, investment expenditure by more than 10% and exports by 10.9% (2021). Analysed by sector, the two economic sectors which previously contributed the most in the GDP growth experienced largest declines, 10.6% for manufacturing and 7.9% for trade, transportation and tourism (World Bank Group, 2021).

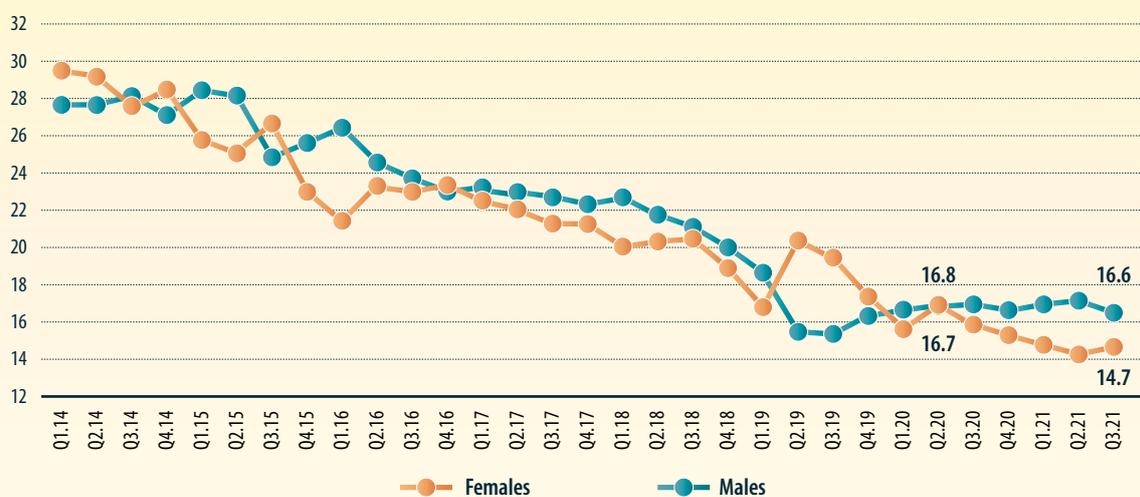
The crisis was followed with the imposition of severe restrictive measures in movement and rights. In 2021, Risteska and her colleagues in a comprehensive overview of the developments in this period noted that the government adopted 250 decrees having the force of law, of which 22 limited freedom of movement and 44 limited rights. In the wake of the crisis, the President declared a state of emergency on 18 March 2020 which lasted for 97 days. The restrictions limited travel into or out of the territory, as well as within the economy, whereby whole cities such as Debar, Kumanovo and Berovo were put under quarantine. Curfew was imposed for most of this period with movements banned between from 4 p.m./7 p.m. to 5 a.m.

In the efforts to counteract the effects from the developing economic and health crises, the government introduced large increases in spending, which led to an unprecedented rise in the public debt. Nine months after the start of the crisis the public debt rose by more than EUR 1 billion or 11.3 percentage points of GDP from 48.9% to 60.2% by the end of 2020 (Ministry of Finance of North Macedonia, 2021). The public debt kept climbing in 2021 reaching highest point of 63.1% of GDP until it was curbed in 2021Q3 at a level of 59.3%.

### 4.2.1 Review of the labour market and social conditions during COVID-19

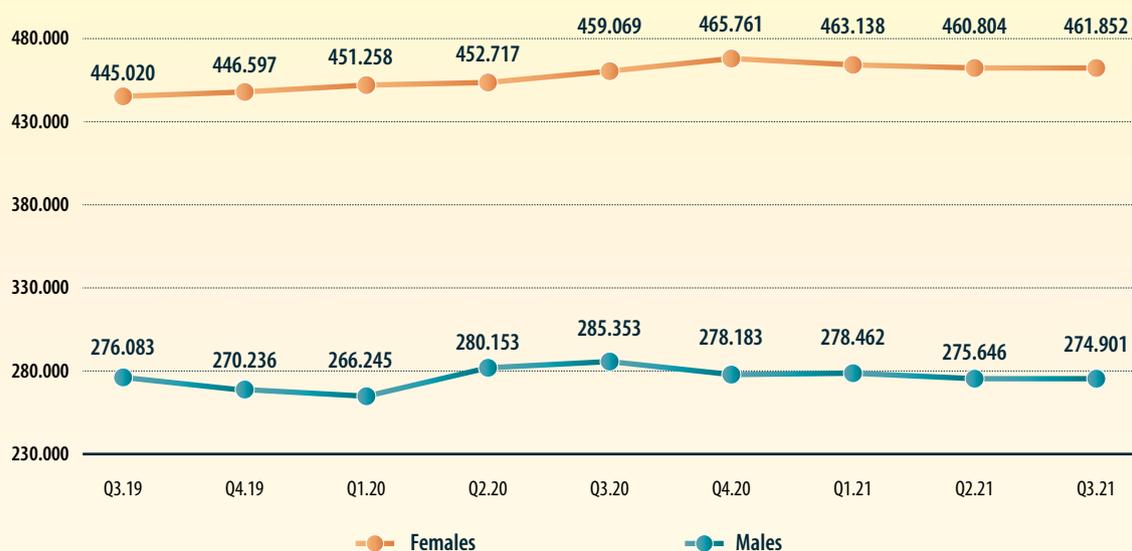
According to government officials, the actions taken by the government protected at least 80, 000 employees (Bitikji, 2021). In its Staff Concluding Statement of the 2021, the IMF has also noted that “Fiscal lifelines helped prevent large job losses and protect the most vulnerable...” (International Monetary Fund, 2021).

The above statements from officials are supported by the data on the unemployment rate (Figure 17). After the emergence of the crisis in the second quarter of 2020, the unemployment rate had not risen both for women and men by 2021Q3. Actually, in absolute numbers there were 2, 577 less unemployed men and 5, 573 less women in the same comparison period. The graph also shows an interesting development after the start of the crisis in that men’s unemployment rate stagnated in the period 2020Q2-2021Q3 while women’s unemployment rate continued to fall reaching 14.7% in 2021Q3. The reasons behind this divergence between the unemployment rate of men and women are yet to be fully explored.

**Figure 17.** Unemployment rate by sex

Source: State Statistical Office, 2021

However, after the crisis hit both men and women left the labour market altogether in higher numbers, as shown in the Figure 18. Namely, in the third quarter of 2021 the State Statistical Office registered 3.25% more men who left the labour market compared to precrisis period 2020Q1, while this change is 2.35% for women. In absolute numbers this translates to total of 19 250 people who gave up searching for job (10 594 women and 8 656 men).

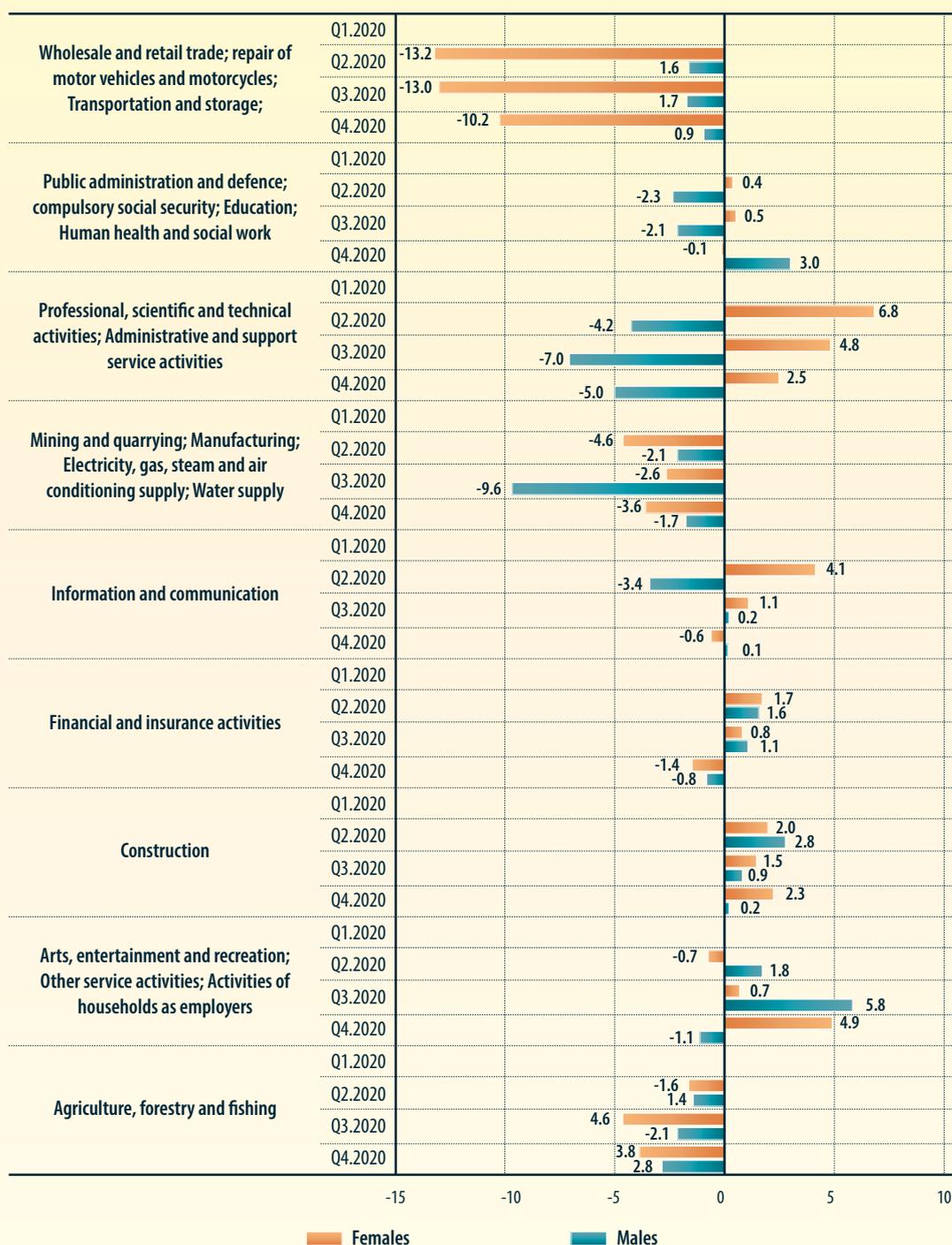
**Figure 18.** Inactive population, absolute values

Source: State Statistical Office, 2021

The pandemic has affected jobs differently between men and women. The chart below presents the number of job losses comparing the first quarter of 2020 employees with those at the beginning of that year, by sectors and disaggregated by sex. The chart shows that 5 500 women lost their jobs in the

sector of Accommodation and food and beverage service activities (Sector “I” as per the NACE Rev. 2 classification). The next largest sectors where women were particularly hit were the manufacturing (C), agricultural (A) and trade (G) industries with an employment reduction of 4 100, 3 800 and 3 500 positions respectively, as measured in 2020Q4. Men on the other hand, lost most employment positions in the sectors of travel agencies (N), mining (B) and agriculture (A), with 3 600, 3 200 and 2 800 less employees in 2020Q4 than their pre-crisis levels.

**Figure 19.** Change in the number of employees across economic sectors 2020Q4 compared to 2020Q1, (thousands)



Source: Author's own calculations based on Eurostat database (Eurostat database, 2022)

Another source of data on unemployment is regularly published by the Employment Agency of North Macedonia and a discussion of its movement over time is presented in chapter 4.4.

## 4.2.2 Relief packages and gender analysis of measures

The following section describes in detail the measures undertaken by the government during the pandemics to mitigate the effects on livelihoods. They were adopted and implemented in five economic relief packages (Government of North Macedonia, 2021), based on the target of intervention can be categorized as follows:

### 4.2.2.1 Tax delays and reductions

The government adopted several measures within this subgroup such as:

- ⦿ Delay of advanced payment of corporate income tax for March, April and May 2020 and personal income tax for freelancers for the same period. The payment of corporate income tax was further prolonged until March 2021 for companies with reductions in income larger than 40%.
- ⦿ Customs debt guarantee scheme to support exports to a total value of EUR 3 million;
- ⦿ Abolition of customs duties on medical equipment;
- ⦿ Reduction of VAT rate from 18% to 10% for restaurant services and catering in total a value of EUR 8 million;
- ⦿ No interest on delayed payment of VAT charges, up to 7 days after submitting VAT return.
- ⦿ Increase in the threshold of annual income for corporate income tax liability incitement above 5 million North Macedonian denars, in total a value of EUR 1.15 million;
- ⦿ Increasing the period for tax loss carry forward from 3 years to 5 years.

### 4.2.2.2 Financial support to companies and liquidity protection

A large share of the measures undertaken by the government were aimed at supporting the liquidity of companies and most of the 'monetary and financial measures kept credit flowing to the economy', which was also noted by the IMF (2021). These measures can be grouped as follows:

- ⦿ Subsidies of 50% of the social security contributions costs and/or MKD 14 400 per employee for April, May and June 2020 (can be also classified under the labour market measures);
- ⦿ Loans for micro, small and medium enterprises of MKD 13.7 million without interest;
- ⦿ Loans for small and medium enterprises with low interest rate of 1.5%, in total EUR 50 million;

- ⦿ Obligation to issue vouchers for cancelled trips of travel agencies;
- ⦿ Interest-free loans for micro and small companies in total EUR 31 million, with option for 30% non-return grants for companies who are either established by women or employ young people, or are export-oriented or rely on digitalization in their work;
- ⦿ Establishing credit risk guarantee scheme for start-ups, small and medium enterprises, in total an amount of up to EUR 10 million;
- ⦿ EUR 25 million financial support for competitiveness improvement;
- ⦿ Funds for development of digital platform for new markets of textile companies;
- ⦿ Domestic products and services development support through the Fund for Innovation and Technology Development of EUR 1.6 million;
- ⦿ Co-funding events and conferences of up to 50% as a direct relief measure aimed to the event and entertainment industry, up to MKD 30 000 per event.

### 4.2.2.3 Protection of living standards

Several measures were adopted with the goal to protect the living standard of the North Macedonian citizens, such as:

- ⦿ Price freezes on basic products;
- ⦿ Framework for the financial institutions and banks to provide restructuring of loans;
- ⦿ Reduction of legal default interest, forbidding loan default enforcement and bankruptcy litigations;
- ⦿ Direct financial support for certain categories of citizens such as athletes, musicians, tourist guides, and et cetera;
- ⦿ Cash support to workers who lost jobs in the period 11 March to 30 April 2020.

### 4.2.2.4 Encouragement of Consumption and Revitalization of the Economy

In this sub-group, the government adopted the following measures:

- ⦿ MKD 9 000 gift card for low-income citizens and recipients of minimum welfare support;
- ⦿ Vouchers for spending on domestic travel arranged of MKD 6 000
- ⦿ MKD 3 000 payment card for workers earning less than MKD 15 000 and young people;
- ⦿ MKD 30 000 for co-funding trainings and IT courses to build digital skills among young people;
- ⦿ MKD 6 000 worth financial support for students and young people at universities to cover tuition fees and pay for accommodation at dormitories.

#### 4.2.2.5 Support to agriculture

Seven measures were adopted that could be classified in this category:

- ⦿ Financial support to micro, small and medium size enterprises who engage in production or processing of agricultural products;
- ⦿ Gift card covering the costs of 50% of green oil for 50 000 farmers up to a total value of EUR 4.6 million;
- ⦿ Encouraging grape-processing companies to deliver new products such as disinfectants and alcohol in total amount of EUR 3.5 million;
- ⦿ Encouragement of public private partnerships in the viticulture and tobacco industries;
- ⦿ Consolidation of land for agricultural purposes and introducing long-term lease of pastures;
- ⦿ Development of a program for improving access to capital of micro companies working in agriculture in total EUR 3 million;
- ⦿ Modernization of agriculture with a loan program from the World Bank of EUR 50 million.

#### 4.2.2.6 Support to the labour market and social protection

Four measures were adopted under this sub-group:

- ⦿ Change in the calculation of income threshold to facilitate quick entry of informal workers into the official labour market and be eligible for minimum guaranteed welfare support;
- ⦿ Mobilization of 200 unemployed service providers to help people with disabilities and the elderly;
- ⦿ Relaxation of the rules for monetary compensation to unemployed persons;
- ⦿ Extension of maternity leave until 23 September 2021.

#### 4.2.2.7 Support to vulnerable groups and social solidarity

The government also devoted funds to support vulnerable groups which can be summarised as follows:

- ⦿ Rent payment deferral for subsidized housing beneficiaries and cash allowance of MKD 1 000 for utilities costs for April and May 2020
- ⦿ Extension of the deadlines for applications for child allowance and easier access to this right.

### 4.2.3 Gender-sensitivity of policy responses

Risteska and her colleagues performed gender and diversity analysis of the above measures based on the scale of contribution to gender equality as per the WHO Gender Responsive Assessment Scale: criteria for assessing programs and policies and adapted by Sanja Nikolin and Aleksandra Vladisavljević (Risteska, et al., 2021).

*Table 4. Scale of Contribution to Gender Equality*

Scale	Explanations
Gender Negative Interventions	Gender based inequalities are invested in, strengthened, or sustained with the attainment of programme/ project/measure objectives. <i>(Examples: the discontinuation of public transport has a negative effect on women who need to work outside their place of residence during the pandemic)</i>
Gender Neutral Interventions	In intervention planning, gender is not taken into account and it is deemed irrelevant for attainment of objectives. <i>(Example: reporting on the number of people who have contracted COVID-19 as proven by tests, number of people on respiratory machines, fatality, deaths, number of violations of the ban on movement and other information without gender disaggregation (i.e., disaggregation by sex, age, municipality and other relevant variables)</i>
Gender Sensitive Interventions	Gender is considered an important variable in attaining the intervention objective and data are, at least partially, available disaggregated by sex. <i>(Example: support to the economic resilience of micro and small enterprises)</i>
Gender Positive Interventions	Gender is considered to be of key importance in attaining the intervention objectives and gender analysis constitutes one of the main parameters in the planning and decision-making. <i>(Example: measures to address GBV in circumstances of COVID-19, designed in consultation with women's groups)</i>
Gender Transformative Interventions	Interventions tackling root causes of the gender gap. The transformation is systemic and sustainable. <i>(Example: gender responsive resource allocation during and after COVID-19 response, gender responsive fiscal policy; initiatives and policies to increase balanced distribution of unpaid work)</i>

Source: (Risteska, et al., 2021)

The findings are that only two of the measures adopted in North Macedonia can be classified as gender transformative: 1) loans and grants to companies established by women (Financial support to companies and liquidity protection) and 2) the extension of the deadlines for applications for child allowance and possibility for easier access to this right (Support to vulnerable groups and social solidarity). These measures are gender sensitive since they are considering gender norms and relations for women and men improving access to and control over resources and providing better conditions for vulnerable groups such as single mothers.

A further, 33% of the adopted measures can be classified as gender positive for the following reasons:

*Table 5. Analysis of gender positive measures*

Category	Measure	Gender and fiscal analysis of COVID-19 measures' beneficiaries (Risteska, et al., 2021)	Explanation
Tax Delays and Reductions	Delay of advanced payment of personal income tax for March, April and May 2020 for freelancers.	EUR 2 million spent No gender-disaggregated information on beneficiaries	The measure may particularly target women translators, who are working on Internet platforms. The number of freelancers is significant and among the highest in the world with 3.41 per 1.000.
Financial Support to Companies and Liquidity Protection	Funds for development of digital platform for new markets of textile companies	/	The measure directly targets the textile industry to encourage export and continue operations. These companies traditionally employ mostly women.
Protection of the Living Standard	Price freezes on basic products	/	The measure reduces social risk for vulnerable women who are struggling to survive.

Category	Measure	Gender and fiscal analysis of COVID-19 measures' beneficiaries (Risteska, et al., 2021)	Explanation
Encouragement of Consumption and Revitalization of the Economy	MKD 9 000 gift card for low-income citizens and recipients of minimum welfare support	EUR 26.8 million spent Support provided to <ul style="list-style-type: none"> <li>• 5.726 single parents</li> <li>• 182.271 pensioners</li> <li>• 85.108 unemployed passive job seekers</li> <li>• 520 independent artists, film workers, cultural workers and entertainment artists</li> <li>• 540 students</li> </ul> No gender-disaggregated data	These measures respond to needs of women, especially when considered the gender wage gap whereby women earn from 18% to 19% less than men on average
	MKD 3 000 payment card for workers earning less than MKD 15.000 and young people	/	
Public-private partnerships in the viticulture and in the tobacco sectors	Encouragement of public private partnerships in the viticultural and tobacco industries	/	Considering that high share of the workers in the viticulture and tobacco industries are women, the measure is considered as gender positive. However, information on actually realized partnership are missing for better assessment.



Republic, China, Sweden, Austria, Hungary, Netherland, Slovakia, Slovenia, Turkey, OSCE, United Kingdom, Germany and Bulgaria (United Nations North Macedonia, 2020). In addition to this support, the International Monetary Fund, the World Bank, and European Union have provided loans under favourable condition of over EUR 291 million. The loans were to support the liquidity of the budget and help reduce the costs of borrowing on the uncertain international market (United Nations North Macedonia, 2020). In June, 2020 the United States through the United State Agency for International Development (USAID) committed an additional US 450 000 or over EUR 408 000 to support the economy to cope with the COVID-19 pandemic (USAID, 2020).

In April 2020, the **World Bank approved EUR 90 million** of financing with the objective of supporting North Macedonia in their efforts to prevent, detect and respond to the threat posed by the COVID-19 pandemic, strengthen the systems for public health preparedness and help mitigate some of the social consequences of the pandemic (World Bank, 2020). The funds were provided through the Emergency COVID-19 Response project as immediate support to limit the local transition of the virus by strengthening the disease surveillance systems and public health laboratories (World Bank, 2020). Through this support the World Bank funding provided for additional intensive care unit beds, for improving the health capacities by financing the salaries, and financed temporary income support to vulnerable households affected by the economic crisis caused by COVID-19 (World Bank, 2020).

In September 2020, the Government and the **European Commission** signed amendments to the Financing Agreement for the Annual Action Program for IPA 2020 and introduced the new action 'EU for Social and Economic Resilience in North Macedonia'. The package of measures in total of EUR 40 million supported the economy in mitigating the negative socio-economic impact of COVID-19 (Ministry of Labour and Social Policy, 2020). It covered the funding of measures focused on improving the resilience of the micro and small enterprises and support for the reintegration of the unemployed into the labour market, reinforcing the gender and youth sensitive approach. The Action Program covered support for implementation of ALMPs of EUR 10 million, provided for self-employment grants for the unemployed persons to start a new business and grants for micro, small and medium companies creating new jobs. It was envisaged that this program in 2021 would employ 2 200 people (Ministry of Labour and Social Policy, 2020).

In June 2021, to support a faster recovery from the COVID-19 pandemic, **the European Investment Bank (EIB) provided EUR 100 million** to the Development Bank of North Macedonia. These funds will be available, under favourable conditions, to provide immediate support for small and medium-sized enterprises. This financial support is part of the Team Europe initiative and the EIB's financial package to help the region to recover from COVID-19. This support is for private sector development and employment (European Investment Bank, 2021).

Regarding the new IPA III allocations for the period 2021-2027 it is worth mentioning that there are no predefined allocations per economy, but only per five main thematic priorities per year (Tilev, 2021). To avoid major discrepancies in allocations the 'fair share' principle will be respected. The total indicative allocation to support the thematic priorities of the programming framework is EUR 14.16 billion, out of which the largest share is for the Window 3: Green agenda and sustainable connectivity, 42.5% (Tilev, 2021).

In October 2021, the European Commission adopted the 7-year Economic and Investment Plan for the Western Balkans with the goal to invigorate long-term economic recovery of the region, while

supporting the green and digital transition. The plan is to mobilize **EUR 9 billion in grants and up to EUR 20 billion by attracting public and private investments**, backed by a guarantee facility. Further, the plan is divided into 10 investment flagships focused on transport, renewable energy, waste management, digital infrastructure, improving competitive and youth guarantee.

Under these flagships, North Macedonia should benefit from:

- ⦿ Advancement of the rail corridors with designations VIII and X;
- ⦿ Gas connection with Kosovo\*, Serbia and Greece;
- ⦿ Integrated regional waste management systems;
- ⦿ Investments in broadband infrastructure, data centres;
- ⦿ Promotion through Digital Education Plan and promotion of equality in access, in particular for disadvantaged groups;
- ⦿ Mobilization of assistance for sustainable transformation of agrifood systems and rural development.

Even though the details on the allocation of funds by territories and programs is still not available, it is clear that the largest share of the investments are aimed at infrastructure development and construction. Considering that construction is the men's most dominated sector with 96% of male workers it could be expected that aside from indirect benefits women will feel little direct financial benefits from these activities.

## 4.2.5 Mid-term and long-term policy developments

The global economy is experiencing a robust recovery, although uneven as economies face different tests struggling with imbalances in GDP, employment and workforce, especially bottlenecks in production chains which cause rising inflation and high energy prices (OECD, 2021). The most recent OECD Economic Outlook projects that most advanced economies will return to their precrisis growth rates by 2023, exceeding previous expectations, though with worse public finances (2021).

In October, 2021, the Government of North Macedonia launched a Plan for accelerated economic growth in the period 2022-2026. The document envisages raising annual average real GDP growth above 5%, a 156 000 increase in employment reducing unemployment rate to 8.6% and total investment expenditures of EUR 12 billion along with fiscal consolidation (The Government of North Macedonia, 2021). The goals should be reached through traditional and innovative financial instruments, such as a mechanism for greater efficiency in capital expenditures, introduction of new types of bonds, guarantee scheme and establishment of new funding institutions.

The government also put special focus on post-COVID-19 recovery in the labour market and economy in the latest NES 2021-2027 adopted in November, 2021. The strategy envisages in the period 2021-2023 mitigation of the negative employment effects of the pandemics, through maintaining some of the emergency measures and additional job subsidies. The NES also recognizes that some of these



\* This designation is without prejudice to positions on status, and is in line with UNSCR 1244/1999 and the ICJ Opinion on the Kosovo declaration of independence

measures can be drivers of informality and thus envisages relaxation of the eligibility criteria for passive labour market measures. An important aspect of the strategy is the policy objective to strengthen the inclusiveness of labour market policies, as it promises to achieve a lowering of the gender employment gap to 15 percentage points among the other goals.

In December, 2021, the government also adopted a revised Strategy for public debt management, which aims to curb the budget deficit and lower the public debt to 56.6% of GDP by 2026 (Government of North Macedonia, 2021).

## 4.2.6 Conclusion and recommendations

In summary, North Macedonia and its government put significant efforts into combatting the COVID-19 pandemic, primarily with the focus on preserving the economy. International organizations and data recognize that in this goal the government has so far been largely successful, however there is an asserted probable cost in terms of lost human lives as the economy was being kept more open than the rest of the region. Gender considerations were not systematically included in the design of the COVID-19 measures, and it was not recognized that equal access does not translate to equality. The measures were mostly blind of historic discrimination against women and certain vulnerable groups and sub groups. The analysis has shown that only two of the measures aimed at preserving livelihood were gender transformative, while more than 70% were entirely gender-neutral or even institutionalized gender stereotypes, such as the subsidies for athletes and cultural workers. Even though some of the measures responded to women's needs, the data on the labour market shows that the measures failed to retain many women in the market and in 2021Q3 more than 10 000 left the market and stopped seeking job compared to precrisis level, 22% more than the rise in inactive men. The closing of schools and kindergartens and continued shrinking of their capacity during the crises, while safeguarding children may have contributed to this decrease in female participation. Hence, this has strengthened gender stereotypes and institutionalized gender role of women as caregivers, but decreased their employability and labour market participation. However, it is commendable that the reduction of the gender pay gap has been included as a key policy objective in the NES 2021-2027.

Considering the above, we recommend the following:

- ⦿ **The process of policy development needs to be improved.** Every policy designed by the Government and/or Parliament needs to be transparent, based on a gender analysis and should be accompanied with a reasoning or justification, estimation of the costs and benefits and expected effects. Given that the gender perspective ensures more targeted, fair, and effective policies, the Government needs to pay more attention to the gender perspective, when creating policies and adopting measures. By mainstreaming the gender perspective as an integral part of the policy design process, the impact of the measure at hand on all other subgroups of women can be assessed (women with disabilities, the elderly, single mothers, women belonging to ethnic minorities, rural women, et. cetera.)
- ⦿ **More women need to be included in the decision-making processes at every level in order to ensure that gender equality concerns are addressed.** More women need to become members of emergency task forces and be consulted when measures are developed

through consultations with women's groups/organizations, and by including equal opportunities coordinators in the policy development. The Government and municipalities need to establish better cooperation with the civil society sector, which can convey the voices of vulnerable groups in the decision-making process, but also contribute with years of experience and expertise on the social and economic aspects of the fight against the virus.

- ◉ **Strengthen inspectorates and monitoring and evaluation capacities to prevent gender gaps from being created, by implementing policy measures with gender positive or even transformative goal.** Strengthening the inspectorates and the monitoring and evaluation capacities is necessary now more than ever.
- ◉ **Enable and conduct fiscal gender impact assessment of budget resources.** Adopt restructured budget, accompanied with a report on the economic and budgetary situation and reasoning/justification for the modifications; then a detailed presentation of modifications; an analysis by budget lines where changes are made; and a performance framework. In order not to create new gender gaps it is necessary to continuously monitor and assess the gender fiscal impact of the public resources used to tackle COVID-19. Those measures and public finances that create gender inequality should be revised and changed with new measures and budgets that will improve gender equality.
- ◉ **Gather, keep and analyse gender disaggregated data on the impact of COVID-19 on the labour market and gender equality.** Although a requirement of the Law on Equal Opportunities of Women and Men, institutions still do not collect, keep and publish gender disaggregated data on users of the COVID-19 measures. This presents a serious limitation to the analysis of the gender impact of the responses, including on the labour market. Some institutions (e.g., courts, prosecutor's office, ministries (of economy, health, labour and social policy, information society and administration), agencies (for sport and youth, tourism), need to update their systems and comply with the law.
- ◉ **Create labour market COVID-19 response measures that target informal workers as the majority of them are women that provide help in homes (babysitters, cleaners, handy workers, nurses, et. cetera.), or work in the fields.** There is a large number of Roma women in this subgroup, as well as single mothers and other vulnerable groups. They need to be promptly covered by the social protection system. The crisis can be used to register and formalize their invisible labour.
- ◉ **Support frontline workers and design better benefits and labour protection for low paid employees.** Even two years after the beginning of the crisis, the salary structure of frontline COVID-19 workers does not reflect the activities and responsibilities that people have in their jobs, the number of hours they work on the job and from home, as well as the risks they take of being infected whilst doing their job. Most of these workers are low-paid women.

## 4.3 Governance of Employment policy and institutional strengthening

The employment policy reforms started with the adoption of the new Law on labour relations which approximated legislation of North Macedonia with EU directives. This was followed by policy reforms to improve the business climate, lower the administrative burden and reduce costs for employers. To create increased demand for labour and make employment policy more effective several operational plans for Active Employment Measures were designed to encourage job creation (for example the programs for selfemployment and subsidized employment/salaries).

The NES 2016-2020 included increasing the efficiency and effectiveness of the employment policy; improving creation of jobs in the private sector and better aligning of the education system and its outcomes to the requirements of the labour market. This approach meant not only strengthening the policies related to doing business or employment, but also institutional strengthening. Although, there was an absence of performance indicators to measure the success of the employment policy, the recent analysis of the current situation in the labour market presented in NES 2021-2027 indicates the persistency of specific challenges. Thus, the employment policy following the new strategy is a continuation of the efforts to create decent jobs and better match the demand and supply of labour through improving the quality of education, strengthening the inclusiveness of labour market policies, and strengthening the economy to create new jobs (Ministry of Labour and Social Policy, 2021).

The European Commission in the Commission Staff Working Document report for North Macedonia for 2021 in Chapter 19 (Social policy and employment) reports that the labour legislation provides for fair and equal treatment of workers and a relatively strong protection in case of dismissal, while the preparation of the new labour law continued through comprehensive consultation with stakeholders (European Commission, 2021). However, the capacities to implement these labour policies and labour legislation remain insufficient. There is also need to strengthening the capacities of the State Labour Inspectorate as its overall performance in monitoring and enforcing regulations remains weak (European Commission, 2021).

This chapter provides an overview of the: governance of employment policies in the economy, capacities of the key stakeholders responsible for gender employment, legal and policy framework and the state of play of the employment policy objectives through gender lenses.

### 4.3.1 An overview of the governance of employment policy

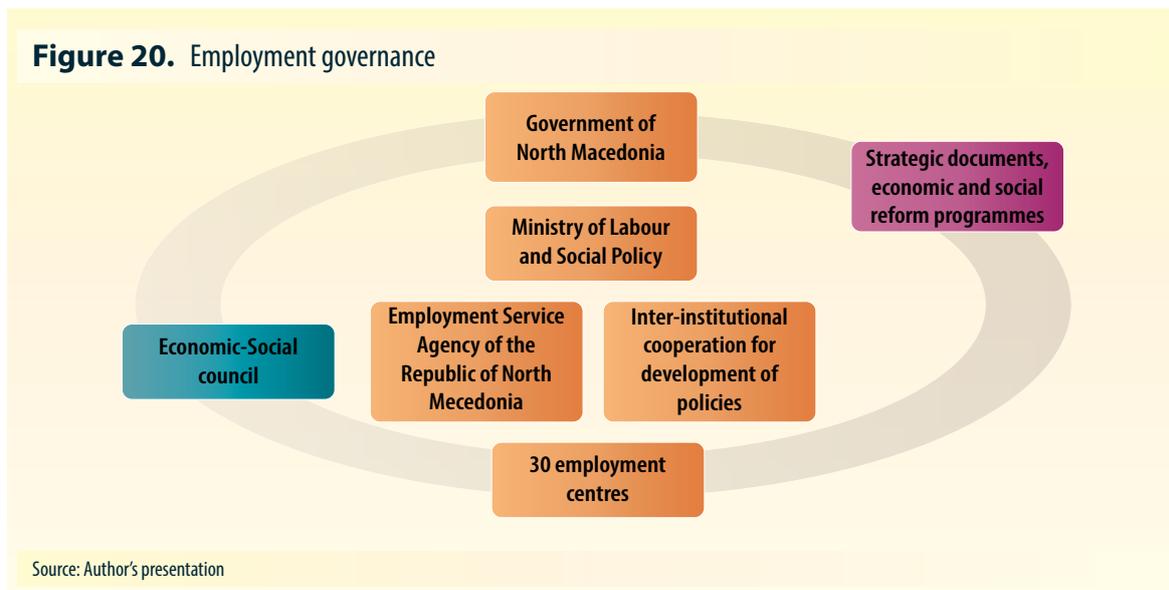
In North Macedonia, the governance of employment policies is in the competence of the Ministry of Labour and Social Policy (MLSP) and the Employment Service Agency (ESA).

The MLSP has a crucial role and coordinates the process of development of employment strategies, and policies that refer to employment, active labour market programs and measures, overcoming the problem of unemployment, labour relations, ensuring gender equality, protection of the unemployed,

health and safety of employees, et cetera (Ministry of Labour and Social Policy, 2020). The process of development and implementation of these strategies and policies involves cooperation with a large number of public institutions, domestic and international organizations, and associations. Thus, according to the Strategic Plan of the Ministry of Labour and Social Policy in addition to cooperation with the ESA, the Ministry cooperates with the social partners, the State Labour Inspectorate, the State Statistical Office, the funds for health, pension and disability insurance, the United Nations Development Programme (UNDP), the ILO, the World Bank (WB), the EU Delegation, et cetera (Ministry of Labour and Social Policy, 2020). Hence, in the preparation of the annual Operational Plans for Employment Measures, the consulted institutions within the inter-sectoral and inter-institutional cooperation are: the ESA, the Ministry of Education and Science, the Adult Education Centre, the Centre for Vocational Education and Training, the Agency for Promotion of Entrepreneurship of North Macedonia, and the Economic-Social Council (Ministry of Labour and Social Policy, 2020). The Economic-Social Council is an important tripartite body established by the Government of North Macedonia and the social partners that serves as a mechanism to create conditions for economic and social stability. This Council is chaired by the Minister of Labour and Social Policy, and within it the members discuss issues related to the labour legislation, but the Council also contributes to the process of developing operational plans. For example, the Operational Plan for 2021 was assessed by the Council and the members agreed that it meets the needs of the society of North Macedonia (Ministry of Labour and Social Policy, 2021).

One of the main responsibilities of the ESA regarding the governance of the employment policy is the direct implementation of active labour market programs and measures. Since 2010, the ESA significantly expanded its employment service and program delivery. It introduced new tools (such as individual profiling and employment planning) that improved managing the workflow, and developed a robust performance monitoring system for the implementation of ALMPs (Ministry of Labour and Social Policy, 2021). Confirmation of the efforts to improve its work is the certificate of ISO standards and the implementation of the quality management model Common Assessment Framework (Employment Service Agency of North Macedonia, 2021). However, the revisions carried out in the past years indicate the serious challenges that the ESA faces, particularly those related to available human resources for the implementation of its main responsibilities (Ministry of Labour and Social Policy, 2021). This is also noted in the Commission Staff Working Documents for North Macedonia in 2020 and 2021, where is stated that: 'the Employment Service Agency's capacity should be strengthened by recruiting additional staff, especially in light of the increased and diversified workload created by the newly adopted policy measures' (European Commission, 2020). More specifically there is need for staff with higher level of expertise that will provide services targeted at those groups of job-seekers at risk of exclusion, these issues are explained in more detail in the following chapters.

The State Labour Inspectorate have a key role in implementing, monitoring and enforcing the labour legislation. The Inspectorate operates as a separate body within the MLSP (State Labour Inspectorate, 2021). The Inspectorate has responsibility for the Law on Labour Relations and 12 other laws, collective agreements and bylaws in the field of occupational safety and health (State Labour Inspectorate, 2020). The Labour Relations Sector is responsible for inspecting employers' compliance with the labour legislation and other related regulations (State Labour Inspectorate, 2021). Given the important role that the State Labour Inspectorate has in terms of protecting workers' rights, and especially those of women who are often discriminated as applicants for a job and in the workplace, strengthening the capacity of this institution is of great importance.

**Figure 20.** Employment governance

### 4.3.2 Legal and Policy Framework

In North Macedonia, the legal framework regulating the right to decent work and labour/employment relations is provided by the **Constitution of North Macedonia** and the **Law on Labour Relations**. In the context of access to the labour market and rights to employment, the Constitution sets out a general framework. Article 32 regulates that: “Everyone has the right to work, free choice of employment, protection at work and material security during temporary unemployment. To everyone, under equal conditions, every job is available. Every employee has the right to proper earnings. Every employee is entitled to paid daily, weekly, and annual leave (...)”.

#### Box 1. Legislation related to employment policies

- The Constitution
- The Labour Law
- Law on minimum wage
- Law on volunteering
- Law on internship
- Law on health and safety at work
- Law on employment of persons with disabilities
- Law on peaceful resolution of labour disputes
- Law on employment and insurance in case of unemployment

The Law on Labour Relations was adopted in 2005, and since then has been amended 39 times (the last amendment was in 2021) to take into account recent developments and transpose the EU acquis and the ILO conventions (Government of North Macedonia, 2020). In November, 2017 the drafting of a new labour law begun, but the adoption procedure has not yet commenced. The European Commission in its 2021 progress report commends the comprehensive consultations with stakeholders (European Commission, 2021) that have accompanied the development of the new Labour Law.

The remaining legal framework consists of the **Law on Minimum Wage** which regulates the minimum wages; the **Law on Volunteering**; and the **Law on Internship** that provides for additional flexibility in the labour market and is relevant for improving the opportunities for employment of young people (Government of North Macedonia, 2020). Other

relevant laws are the **Law on Safety and Health at Work, Law on Employment of Persons with Disabilities** and the **Law for the Peaceful Resolution of Labour Disputes**.

**The Law on Employment and Insurance in case of Unemployment** governs the right to monetary benefits in the case of unemployment, but also established the ESA as a public institution, This Law regulates the obligations and responsibilities of the ESA. In line with the Law the Agency keeps a record of employers and their needs for workers; receives job offers from employers; keeps records of unemployed persons with information on their qualifications, knowledge, and experience (of those who are actively searching for a job); keeps evidence of other unemployed persons who are not actively seeking for a job or are not willing to work; is responsible for the adoption and implementation of operational plans for active measures and employment programs, preparation of individual job search and training plans for the unemployed persons and for determining the type and degree of necessary employment assistance; it also refers unemployed persons for retraining or additional training for employment (Article 3).

Central-level labour legislation and other relevant laws on discrimination are harmonized with the legislation of the European Union (Gjurovska, 2021). Women are protected from any type of discrimination in the workplace and when applying for a job, the problem occurs in the implementation and enforcement of this legislation. Many employers still find ways to avoid proper implementation of these legal provisions. For example, the Law on Labour Relations stipulates that men and women in the same jobs should receive the same salary, but in practice women are frequently paid less than their male colleagues (Tumanoska, 2021). In this regard, the Inspectorate should ensure that these legal provisions apply in practice (Tumanoska, 2021). Enforcement of employment laws is recognized as a problem by the NES and it is expected by 2027 that the number of inspections will have increased by 30% (Ministry of Labour and Social Policy, 2021). Additionally, it is worrying that the power of trade unions to safeguard workers' rights of the trade unions is decreasing in North Macedonia, this decline affects many women who find themselves in precarious employment relations (Gjurovska, 2021).

The framework of employment policies is defined by several documents, the “National Employment Strategy”, the “Programme of the Government of North Macedonia”, the “Revised Employment and Social Reform Programme”, and it is in line with the obligations arising from the ILO’s Global Labour Pact, the Youth Guarantee Plan, the IPA financing program, reforms in the social protection system and the introduction of the Guaranteed minimum assistance (ESARNM, 2021).

#### *Box 2. Key relevant strategic documents*

- “National Employment Strategy”,
- “Employment and Social Reform Programme”
- “Operational Plans for Active Employment Programs and Measures”
- “Strategy for Development of Women Entrepreneurship in the Republic of Macedonia 2019-2023”.

**“The National Employment Strategy 2021-2027”** is one of the crucial documents which contains analysis of the current and mid-term challenges of the labour market and sets strategic goals: ‘i) improve the quality of education and training outcomes for all; ii) enhance the role of economic and enterprise development policies in generating decent jobs; and iii) strengthen the inclusiveness of labour market policies’; and the priority of the Government of North Macedonia: ensuring decent employment opportunities for all men and women (Ministry of

Labour and Social Policy, 2021). As stated in this strategic document, it is expected that achieving the policy objective will contribute to an increase in the participation of adults in training, reducing the vertical skills mismatch, lowering of the unemployment rate and reducing the gender employment gap and lowering of the share of people at risk of poverty and social exclusion (Ministry of Labour and Social Policy, 2021).

It is important to note that one of the expected outcomes of the NES is a reduction in the gender employment gap, which in 2019 was assessed to be 19.7 percentage points. The Strategy sets the objective by 2027 to decrease the gender employment gap to 15 percentage points. The following policy actions are to be implemented: (i) creating mechanisms to promote formal employment in sectors with a high rate of informality; (ii) preparation and pilot testing of initiatives for recording and regulating seasonal work in the sectors affected by high levels of informal employment; (iii) preparation of a proposal to strengthen the implementation of the rules for trade activities via the Internet (e-commerce) in order to reduce the level of the informal economy and informal work; (iv) carrying out an ex ante assessment of a personal income tax reform for the second working member of a family and the tax burden on wages at lower income levels; (v) based on collected evidence, preparation and implementation of a communication plan for the public on the personal income tax reform, and (vi) implementation of tax reform. These policy actions are expected to reduce the burden on workers at the bottom of the wage scale, but as there are no employment measures planned it is not clear how the policy actions will decrease the employment gap between women and men.

The gender employment gap is in part targeted through the **“Strategy for Development of Women Entrepreneurship in the Republic of Macedonia 2019-2023”**, which aims to create a favourable business climate and provide support for the development of women’s entrepreneurial potential that will contribute to creation of new jobs, and thus strengthening the overall economy (Ministry of Economy, 2018).

**The Employment and Social Reform Programme 2022** (revised) created in cooperation and coordination with the European Commission which sets four objectives: improvement of the unemployment situation, especially with the most vulnerable categories (young, long-term unemployed and others); tackling informal employment; improvement of the quality of work and services of the PES; strengthening social dialogue and improvement of collective bargaining. For promotion of integration of women in the labour market and reducing the gender gap, the ESRP provides two measures: developing policies to support female participation and reconciliation of private and work life (Government of North Macedonia, 2020).

**Operational Plans for Active Employment Programs and Measures** are developed annually. The originator of the Operational Plans is the MLSP, while its implementation is in the competence of the ESA in partnership with other relevant public institutions, domestic and international organizations and associations. These active employment programs aim to provide direct employment through measures such as support for self-employment (entrepreneurship); support for new job creation; various training programs (on the job trainings, training for indemand occupations and crafts, and et. cetera) IT skills development, and internships (ESARNM, 2021). The Operational Plans and ALMPs for 2021 had a specific gender approach employed in scoping which resulted in half of the contracts signed for measures promoted under the plan requiring a balance between women and men participants. Though elsewhere gender mainstreaming in the design of ALMPs is still absent. As a result, the measures do not yet help

to break gender stereotypes and sometimes actually reinforce them. More discussion of ALMPs and the outcomes of the implementation of the Operational plans can be found in chapter 4.5.

One of the preconditions for sustainable economic growth, higher living standard, and a favourable business environment is to provide equal opportunities for all participants in the labour market and to support the transformation of the informal economic activities and labour into formal ones. The Government of North Macedonia continuously implements activities to reduce the size of the informal economy and formalize the informal and unregistered business activities. Thus, in 2018 North Macedonia adopted the **“Strategy for Formalization of the Informal Economy 2018-2022”**. It presents a comprehensive strategic document for tackling informality and it identifies the importance of empowering women because about 80% of informally employed women are working in agriculture and around onethird have the status of unpaid family workers (Ministry of Labour and Social Policy, 2018). Additionally, the informally employed women do not enjoy nonwage benefits such as maternity leave. The strategy recognises that the measures and policies regarding the informal employment should take into account the different outcomes and effect that they have on women and men. Several positive outcomes which could be applied in North Macedonia as well related to the status of women are specified, for example: regulation of domestic work; adding value to unpaid work; improving women’s access to finance, et cetera. One of the specific objectives envisaged in the strategy that could have a positive outcome on the status of women in the informal economy is the introduction of new models for formalization of the activities in the sectors with high incidence of undeclared work (Ministry of Labour and Social Policy, 2018). It could be noted that significant progress has been made regarding the implementation of this specific objective. Namely, the reform process is ongoing and in 2022 the focus will be on developing a new legal framework to implement the model for formalization of temporary, occasional and seasonal work engagements in agriculture, tourism, catering, personal and household services.

**The Decent Work Programme 2019-2022** is a result of the ILO’s strategic plan for cooperation activities in North Macedonia for the period 2019-2022. The Programme was prepared in consultation with the Government and the social partners to create employment, extend social protection, guarantee rights at work, and promote social dialogue. This program takes into account the gender perspective (International Labour Organization, 2019).

### 4.3.3 Current progress of employment policy objectives

The Economic Reform Program 2022-2024, which is in process of adoption, provides key summary notes on the status of implementation of the labour market policy objectives. It highlights the mismatch in education outcomes and the skills needed in the labour market, which often gives rise to prolonged school-to-work transitions, higher informality and outmigration. The document also recognizes that young people disproportionately experience precarious employment, often only being offered temporary contracts. As a way forward it considers an economy-level assessment system, modernisation of the education system, monitoring of VET graduates’ labour market outcomes and actively combating the informal economy.

The slow reform of the education system has also been noted in the latest report of the European Commission, along with the need for easier access of low-skilled vulnerable and unemployed people to ALMPs (2021). Regarding the policy objectives set in the I strategic and operational plans, progress can be observed in the 2018-2020 Employment Action Plan, which includes considerations for inclusion of vulnerable groups in the workforce (European Commission, 2021). It is again pointed out that the capacity of the ESA needs strengthening and the criteria for participation of vulnerable groups in the ALMPs, including Roma, requires review.

The sources of funds allocated for the labour market reforms derive from the budget of North Macedonia and the support of external partners and donors such as the European Union, in particular through the IPA financial framework (Government of North Macedonia, 2020). The total indicative budget planned for implementation of the reforms and measures in the labor market is EUR 125 million.

#### 4.3.4 Conclusion and recommendations

The governance of employment policy and the labour legislation in North Macedonia is at a satisfactory level. Several mechanisms are in place for coordination of the processes of development and implementation of employment policies (inter-sectoral, inter-institutional, and other working bodies such as the Economic-Social Council). There are no significant gaps identified in the legislation that could negatively affect the proper implementation of the objectives set by the ministries and public institutions. However, there is need to strengthen the capacities of the public institutions, in particular the ESA, because they need additional expertise and staff to provide appropriate services for the registered unemployed persons.

The NES 2021-2027 is a fit-for-purpose strategic document that contains relevant policies for improving labour market outcomes. Although the document has gender specific outcomes, it is not clear how the policy actions will contribute to their achievement. The Strategy for Development of Women Entrepreneurship is relevant but not fully coordinated with other employment programs and financial and tax reforms. The Operational Plans for Active Employment Programs and Measures has recently adopted a gender approach in scoping of participants in ALMPs, though the measures themselves lack gender mainstreaming.

Some effort has been made to close gender gaps in the labour market, but a more systematic approach is needed, especially in the comprehensive introduction of a gender perspective and effective realization of gender specific outcomes in the employment policy. An opportunity to achieve just that is the “National Strategy for Gender Equality” currently being developed.

The general conclusion from recent research is that the legal framework in North Macedonia is at a satisfactory level (Antic, 2021). Clearly, there is always space for improvement in the legal framework, but inadequate implementation and enforcement continue to constrain women’s economic empowerment (Mojsoska Blazevski, 2021). One recommended action is to change of the Labour Law to regulate parental leave, which would contribute to the easier integration of women into the labour market, and mechanisms for harmonization women’s private, family and professional life by designing measures that will enable flexible working hours, work from home, et cetera (Cvetkovska, 2021).

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Recommendations:

- ◉ **Introduce gender mainstreaming to improve the gender specific outcomes of employment policies.** For example, link the outcomes that are specified in employment policy frameworks with concrete measures/actions that directly improve status of women in the labour market.
- ◉ **Allocate funds for measures for the economic empowerment of women.** These measures dedicated to the empowerment of women should increase female participation rates, thus more fully using the potential of the working-age population to raise economic growth. The funds should structurally form part of the budget and the government needs to create additional capacity in its institutions for the implementation of such measures.
- ◉ **Introduce programs, measures and policies designed for women that should enable longer working lives and promotion.** This can be done through the amendment of the Law on pension and disability where equalization between women and men specific provisions is needed, as well as with a change in the Law on labour relations where the leave for care of family member needs to be defined and equally shared between parents.
- ◉ **In Active Employment Measures introduce measures for women who have had career breaks due to maternity leave or re-enter the labour market.** The salary subsidies for COVID-19 have been directed towards all employees and not the most vulnerable. If a more specific targeting is to be introduced then, women who had career breaks due to maternity leave and wish to re-enter the labour market need to be supported.
- ◉ **Strengthen the financial and human resource capacities of the ESA for gender mainstreaming** in design of measures so they can contribute to breaking gender stereotypes and increase the funds dedicated for ALMPs to cover a higher percentage of the total number of unemployed persons, especially vulnerable women who are out of the labour market.
- ◉ **Introduce monitoring gender indicators for implementation of all employment policy documents and ALMPs and allow for independent monitoring** of implementation and outcomes.
- ◉ **The capacities of the State Labour Inspectorate need to be enhanced.** In 2019 the number of inspections declined by 41% compared to 2015. Inspection functions should also serve towards formalization of the economy and check whether employers comply with health and safety legislation and provide lawful working conditions. The work of the inspection bodies can be improved by using IT devices and software to integrate their data with that of other relevant institutions.

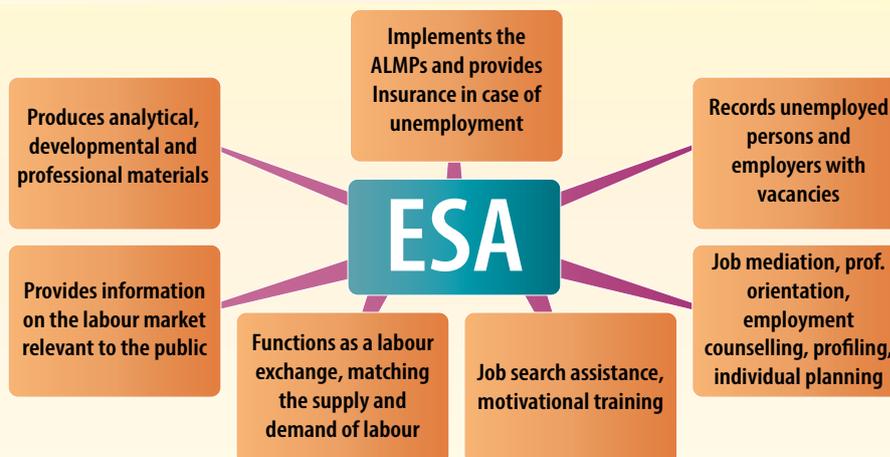
## 4.4 Public Employment Services

The Employment Service Agency of North Macedonia is ‘a public institution performing professional, organizational, administrative and other operations relating to employment and insurance in case of unemployment and providing support, assistance and services to participants in the labour market’ (ESARNM, 2021). The Law on Employment and Insurance in case of unemployment adopted in 1997 introduced the employment service, as a public service based in the capital, Skopje. The ESA represents a single professional service with its regional units (employment offices) established in thirty municipalities (ESARNM, 2021). The main objective of the ESA is to improve the matching of unemployed individuals with job vacancies in enterprises. Its principles are laid down in the ILO’s Employment Service Convention and it implements all essential functions of a modern Public Employment Service and that includes: collection of labour market information, job matching, delivery of ALMPs and administration of the unemployment benefits to those who are eligible (Ministry of Labour and Social Policy, 2021). Since 2020, the ESA has expanded its employment service and programme delivery, accompanied by the introduction of new tools to manage the workflow (Ministry of Labour and Social Policy, 2021). Beside the Law, it is tasked with responsibilities based on bylaws, strategies, action plans, and programmes, which refer to various segments in the domain of the labour market.

The ESA records the number of unemployed persons. Every 30 days unemployed registrants have to check into the ESA offices and submit proof that they have been looking for job in the previous month to confirm their status as active job seekers. The ESA also has records of other unemployed persons who have to check-in every 6 months, because they are not active job-seekers (ESARNM, 2021). The unemployed persons who are active have access to all types of employment programs and measures, as well as the labour market services provided by the ESA. On the other hand, those who are passive enjoy only the services of labour market information and counselling. Those who are recipients of the unemployment insurance benefit and the social assistance are mandatorily registered as active jobseekers (Government of North Macedonia, 2020).

The counselling program within the work clubs is a regular activity of the employment centres. The purpose of these activities is to encourage initiative and to strengthen the capacities of the job seekers towards finding employment (ESARNM, 2021). In the work clubs the officials undertake activities to provide job-seeking assistance, assistance in planning the process of active job search, various types of trainings, lectures, workshops and counselling (ESARNM, 2021). Besides the registered unemployed persons, employers can also be beneficiaries of the services provided in the work clubs. As previously mentioned, to provide adequate services to the unemployed, the ESA introduced a new profiling system, and for the clients who are most difficult to employ, it introduced the development of specialized individual employment plans which represent an upgrade of the basic individual employment plans (Government of North Macedonia, 2020). Additionally, motivational trainings have regularly been organized for unemployed persons, which aims to motivate them to actively seek job and strengthen their self-confidence during the process. Another of the main responsibilities of the ESA is the direct implementation of the ALMPs.

**Figure 21.** Activities undertaken by the ESA in terms of employment policy through its 30 offices



Source: Author's presentation

Over the past years it has been noted that the ESA is facing major challenges related to: human resources (staff-to-client ratio), limited funding allocation for the implementation of active labour market programmes, and limited investment in its infrastructure. The staff-to-client ratio in 2019 was 1:226 or over twice the benchmark used to signal high quality service delivery (Ministry of Labour and Social Policy, 2021). The ESA is affected by a chronic lack of psychologists, who play the most important role in the delivery of career guidance services and psychological support to those who are at risk of exclusion (Ministry of Labour and Social Policy, 2021). This was confirmed by the research which also detected insufficient resources to reach women (in particular inactive women) in rural areas, as they frequently have a lack of interest and initiative to register as unemployed and be active (Laci, 2021). As a consequence, women in rural areas are often in an even more disadvantaged position compared to other categories of the working age population. The ESA currently operates 30 employment centres throughout the economy (ESARNM, 2021). This can be considered to be insufficient, since North Macedonia covers 80 municipalities.

## 4.4.1 Overview of the ESA's services for unemployed registrants

The steps that the client needs to take to register as an unemployed person and which activities are undertaken by the ESA are briefly presented below. In order to receive labour market services and to

**Figure 22.** Steps of the client as unemployed person in the ESA



Source: Author's presentation

use the ALMPs provided by the ESA, the client must register as an unemployed person in one of the employment centres. The client has to complete this procedure in person by presenting identification document (ID card) and submitting original diplomas or certificates as proof of their highest completed level of education (Laci, 2021). Based on preferences s/he can be registered as an active or passive unemployed person. To use the ALMPs the client must be an active job-seeker and has to repeat this process every 30 days. The ESA's officials enter in the system all of the necessary data about the client and s/he is entered into the registry of the employment persons in the employment centre of the place of residence (ESARNM, 2021).

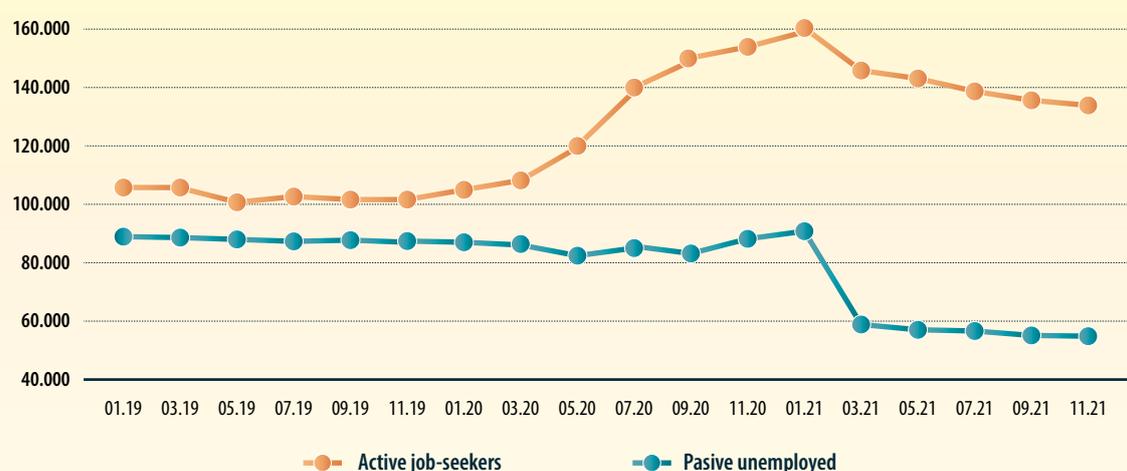
After being registered as an unemployed person for the first time, the client is referred to interview with staff of the ESA. The staff by using a questionnaire create a profile of employability (profiling). Once the profiling procedure of the client is completed an Individual employment plan is prepared by the responsible staff. The individual employment plan covers all of the possible questions relevant for the client related to her/his skills, qualifications, and job preferences (Laci, 2021). It stipulates the employment targets, the plan of activities for employment of the client, participation in the ALMPs and the preferred location of the employment sought. Based on a joint assessment, certain activities and measures may be proposed to the client that s/he has to undertake in the process of actively seeking a job. For the staff in the ESA, the individual employment plan presents a useful tool for further cooperation with the client. With this document, the client is obliged to actively seek job opportunities under the planned and agreed activities (ESARNM, 2021). Based on the experience of the ESA's staff it is of great importance if the client accepts the individual employment plan as a personal plan for increasing their employment opportunities. All of the information is documented in the individual plan

and then every six months it is updated. The ESA acts upon the individual employment plan and uses its information in the process of job mediation and for the active job seekers provides various services such as information on and referral to new vacancies and ALMPs, training, workshops, et cetera (Laci, 2021). Many unemployed persons want to make a career change. For example, a farmer may want to work in another economic sector that is not related to his previous experience. In these cases the ESA provides a personal orientation to the unemployed and assistance on the choice of occupation through testing, interviews, and information on the demand for a certain occupation. Professional orientation includes individual counselling (ESARNM, 2021).

## 4.4.2 Labour market through the lenses of PES

The number of registered unemployed who actively search for job increased rapidly after January, 2020 rising by 52% from 104 409 to 158 681 one year later (Figure 23). Passive registered unemployed also increased but only by 4.3% in the same period. However, these movements recorded in the statistics of the ESA significantly differ from the numbers of the Labour Force Survey conducted by the State Statistical Office (SSO) as shown below. The large influx of newly unemployed can be attributed to the benefits provided by the government via the measures for combating the economic effects of the COVID-19 crisis. Eligibility to receive these benefits was conditioned on the obligation to register (Jurukovski, et al., 2021). In the first quarter of 2021 the authorities decided to de-register those who were not actively re-registering as required by law (Sloboden pechat, 2021). This also suggests that the design of the COVID-19 measures and the conditions required for their utilization, created incentives for people to misrepresent their real employment status and may have affected the size of the informal sector (Ministry of Labour and Social Policy, 2021). This has also been recognized in the recently adopted NES 2021-2027, which aims to remedy this tendency by relaxation of the eligibility criteria for those seeking only passive labour market measures. Nonetheless, unfortunately this outcome also led to highly skewed and unreliable data on the numbers unemployed and actively seeking work. Accordingly, use of this data is limited in this study only to selected indicators such as assessing gaps and ratios between males and females.

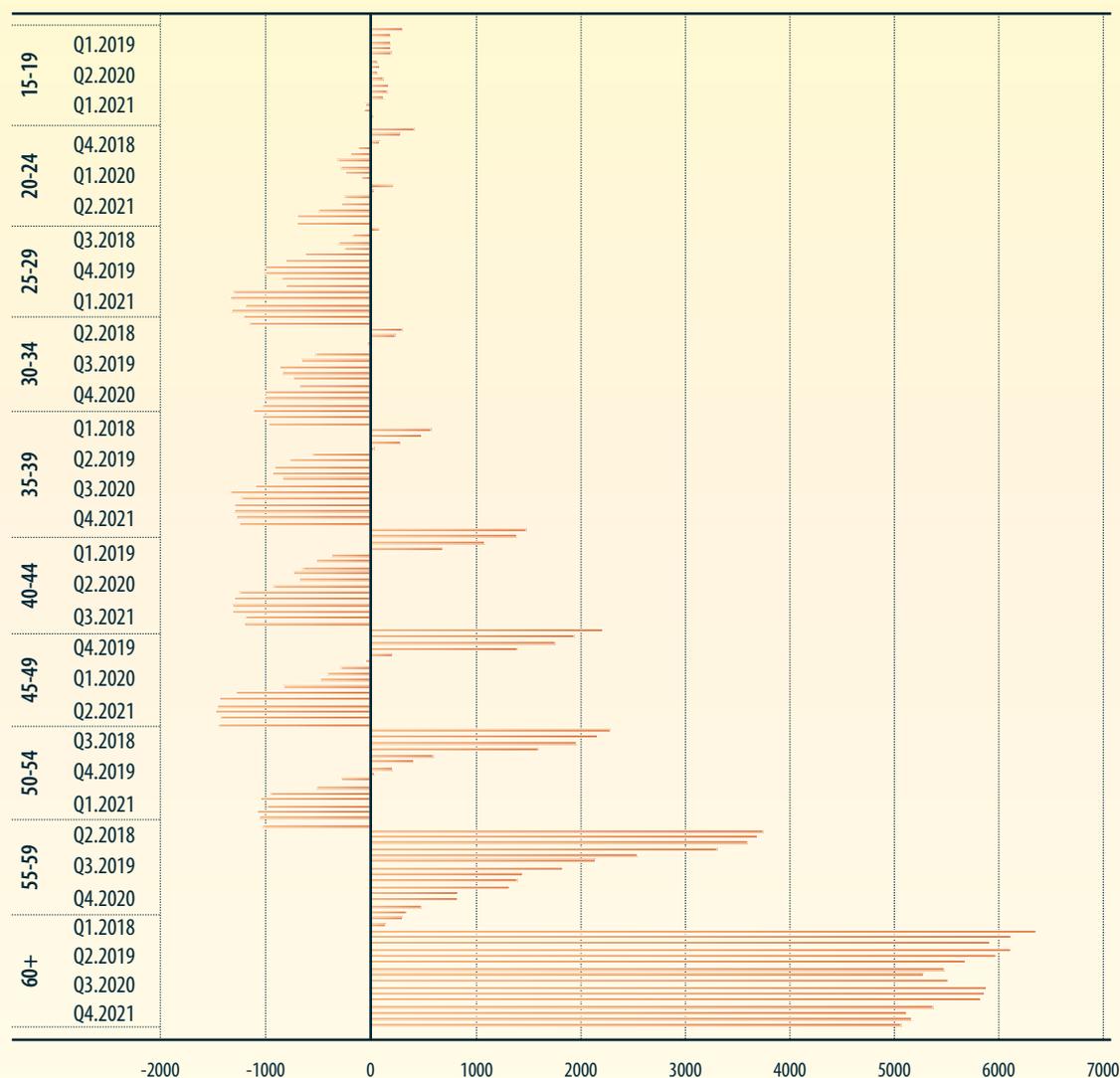
**Figure 23.** Registered active job-seekers and passive unemployed



Source: Author's own calculations based on (Employment Service Agency, 2021)

Figure 24 shows that the gender gap of the number of registered unemployed within the ESA is mainly negative for the groups of age between 20-50 years, meaning there are more women registered as unemployed than men in these sub-groups. The gap seems to be showing a trend of widening for these age groups. The chart also shows that before 2019 men used to be registered in higher numbers than women.

**Figure 24.** Number of registered unemployed, gender gap, by age

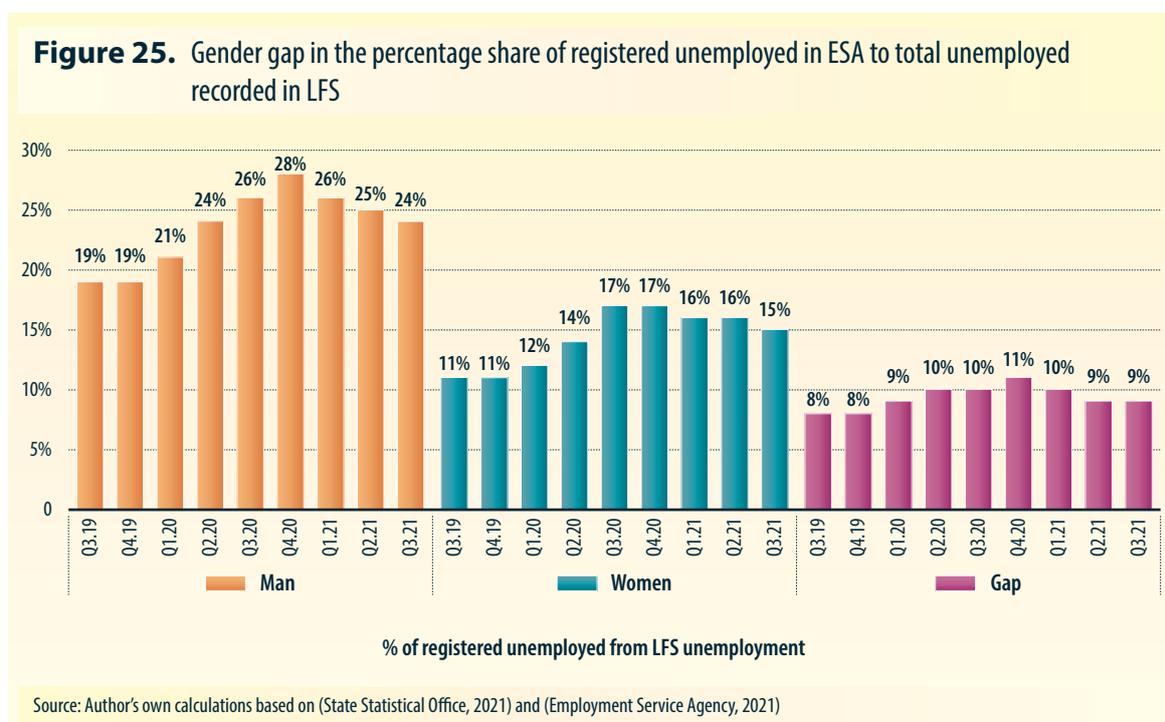


Source: Author's own calculations based on data from (Employment Service Agency, 2021)

For age groups of people older than 55 there is a very different picture, here men are registered in significantly higher number than women, although the gap is declining slightly over time.

Figure 25 compares the number of men and women officially registered as unemployed in the Employment Agency to the data from the Labour Force Survey performed by the SSO as percentage share. The ESA keeps records of the officially registered unemployed, while the SSO collects data based on the Labour Force Survey. The gender gap is also calculated.

The proportion of unemployed men who are also registered officially is higher across all period under review. The gap between men and women was 9 percentage points on average in the period between 2019Q3-2021Q3.



After the COVID-19 crisis began in the first quarter of 2020, the share of registered unemployed has increased by close to 50% for both men and women reaching a peak in the last quarter of 2020, after which the number gradually declined, although it was still higher than the precrisis level. This corresponds to the period of the implementation of measures against COVID-19 and the additional benefits for the registered unemployed.

#### 4.4.3 Comparison of ALMPs coverage by gender

The table below presents the number of women who received participated in ALMPs compared to the records of unemployed women in the Labour Force Survey. It shows that the number of women covered by ALMPs in 2020 fell almost 500 or 12% compared to 2019. On the other hand, the participation rate of female unemployed had slightly increased from 5.5% to 5.7% due to the reduction in the number of unemployed women according to the Labour Force Survey. In the same period, no major differences were observed in men.

Table 6. Comparison of ALMPs coverage of to total unemployed records as per LFS

	2019	2020
No. of women covered by ALMPs	4 004	3 513
No. of women unemployed as per LFS	72 165	61 335
Share	5.5%	5.7%
No. of men covered by ALMPs	3 594	3 527
No. of men unemployed as per LFS	94 198	94 614
Share	3.8%	3.7%

Source: Author's own calculations, (State Statistical Office, 2021) and (Employment Service Agency, 2021)

Table 7. Budget of the Employment Service Agency over the period 2018-2020

	2018		2019		2020	
	Local currency MKD	% of total PES budget	Local currency MKD	% of total PES budget	Local currency MKD	% of total PES budget
ALMPs	974,418,504	42.8%	1,176,581,733	42.1%	1,271,100,919	42.3%
Unemployment Benefits	1179,892,553	51.8%	1,471,974,840	52.7%	1,575,778,461	52.5%
Subtotal	2,154,311,057	94.6%	2,648,556,573	94.7%	2,846,879,380	94.8%
Total PES budget	2,276,520,825		2,795,494,367		3,004,098,779	
Total Budget as% of GDP	0.34%		0.41%		0.45%	

Source: Annual reports of the Employment Agency of North Macedonia, 2018, 2019 and 2020

Table 7 above shows the total budget of the ESA and the allocation between ALMPs and unemployment benefits. The budget for the ALMPs has been kept steady at close to 42% of the total budget of the agency, while the unemployment benefits had slightly increased their share from 51.8% to 52.5% in the period 2018-2020. On the other hand, the total budget of the ESA has increased as a share of GDP from 0.34% to 0.45% or by EUR 11.8 million in absolute numbers.

#### 4.4.4 Conclusion and recommendations

The ESA implements all essential functions of a modern Public Employment Service. Relevant ALMPs and labour market services are provided for the unemployed persons, but there is a need for additional staff, infrastructural and financial capacities to improve the quality and coverage of these services. These limitations affect the ability of the ESA's staff to provide quality services and to work with women that are not active in the labour market, as these women account for almost two thirds of the inactive population of working age. The presented data in this chapter shows that the total budget of the ESA has increased as a share of GDP and the allocations for the ALMPs has been kept steady close to 42%

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of the total budget. What might be worrying is that in 2020, the number of women covered by ALMPs was reduced by almost 500 or 12% compared to 2019.

The analysis of the data on the registered unemployed persons shows that the gender gap is mainly negative for the groups of age between 20-50 years, meaning there are more women registered as unemployed than men in these sub-groups, though before 2019 men used to be registered in higher numbers than women. There is different picture for the age groups of people older than 55, in this category men are registered in significantly higher number than women, although the gap is declining over time. However, the proportion of unemployed men who are officially registered is higher and the gap between men and women was 9 percentage points on average in the period 2019 Q3 to 2021 Q3.

In view of the above, we recommend:

- ⦿ **Strengthen the human capacities of the ESA to reduce the staff-to-client ratio.** Besides strengthening in terms of the number of employees, the ESA should focus on developing its own human resources to improve the quality of the services and the implementation of employment policies.
- ⦿ **Invest to improve physical infrastructure and the working conditions of the ESA,** especially this is related to the smaller employment offices. Currently the ESA functions are constrained by poorly developed physical and IT infrastructure in these offices which results in uneven service delivery throughout the economy.
- ⦿ **Conduct need assessment in those municipalities in which there are no employment offices.** This should give information whether there is need to open more offices in the economy, because currently there are just 30 offices and 80 municipalities.
- ⦿ **Improve services such as the processes of profiling, development of individual employment plans and their linking with the ALMPs.** The career counselling and professional orientation counselling should include gender sensitivity to reduce gender segregation in the labour market. Also strengthening the services for promotion of cooperation with employers within work clubs, which should include raising awareness about discrimination in the recruitment of workers.

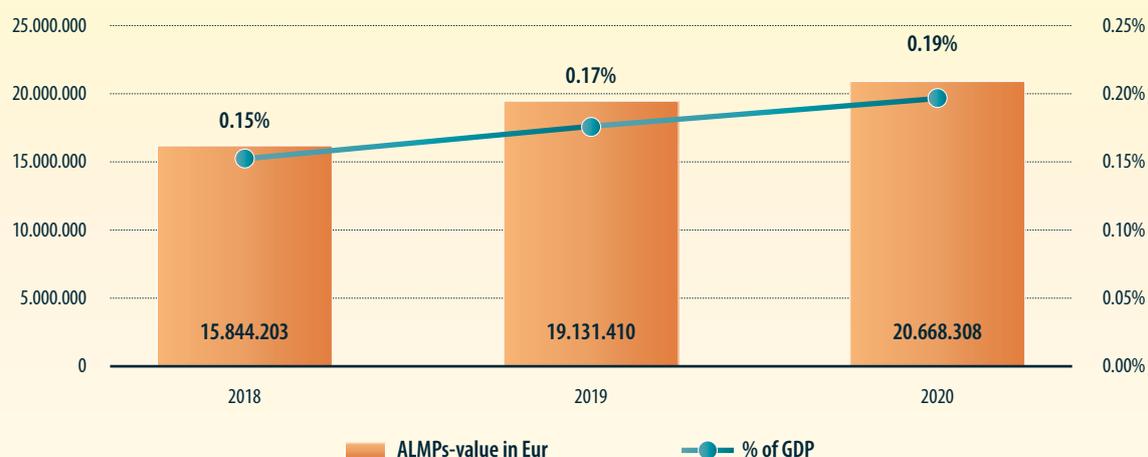
## 4.5 Active Labour Market Policies (ALMPs)

### 4.5.1 Strategic document on skills development and employment in North Macedonia

As explained in chapter 4.3.3, one of the key documents related to employment policy is the NES 2021-2027. It sets the Government's top priority, that is ensuring decent employment opportunities for all women and men (Ministry of Labour and Social Policy, 2021). Additionally, the employment policy is defined by the Program of the Government of North Macedonia, the Revised Employment and Social Reform Programme 2022, and it is in line with the obligations of the ILO's Global Jobs Pact, the Youth Guarantee Plan 2020-2022, the reforms in the social protection system and the introduction of the Guaranteed Minimum Assistance.

The employment policy framework is operationalized by annual operational plans. The plans determine the employment programs, measures, and services that should foster and support job creation, and increase the employability of unemployed persons, in particular of young people, the long-term unemployed persons and the social beneficiaries. The OP presents the nature and targeting of ALMPs in detail, explaining their objectives and budget for each one, the number of unemployed that can be covered, the target groups, the criteria and requirements for use, the public institutions and partners for implementation, and other information relevant to the beneficiaries and the public. Every year a new OP is adopted and during its implementation is revised, amended, or changed according to the circumstances and needs. Implementation of the OP is under the competence of the ESA, in partnership with other responsible units or institutions. All registered unemployed persons and employers have access to the programs and measures of the OP. As a general rule, the programs, measures and services of the operational plans strive to achieve equal representation of women and men under the Law on Equal Opportunities. Additionally, the participation of young people up to 29 years is encouraged with a target of at least 30% of participants (ESARNM, 2021). The ESA informs unemployed persons and employers about the opportunities available in the employment programs, measures and services via phone, SMS texts, email, and by open calls.

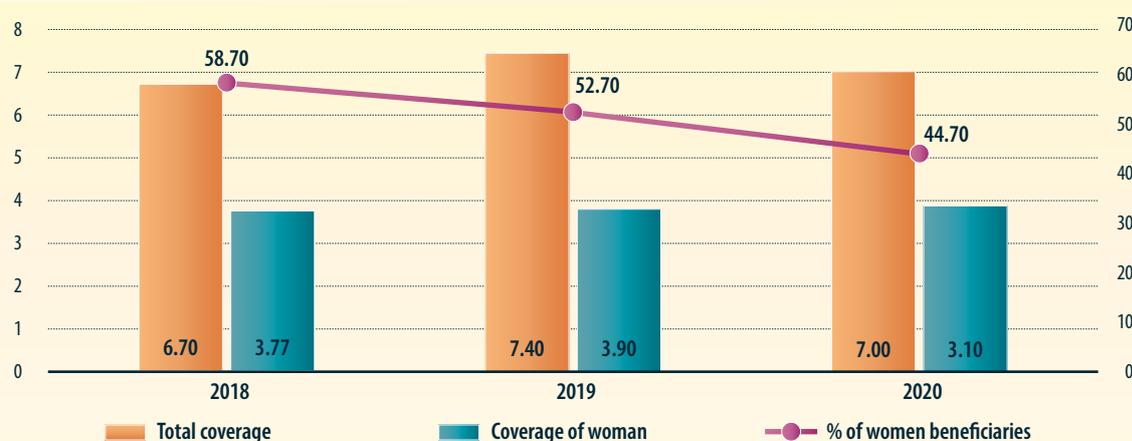
Implementation of the legal framework, the strategic documents, the operational active employment programs and measures, and strategic action plans create responsibilities and obligations for the public institutions to achieve results. Public institutions need funding to tackle the labour market challenges. The main financial support comes from the North Macedonia government central budget. ALMPs are financed through the ESA's budget, while some of the measures covered by the operational plans are supported by donors (UNDP). Currently it can be concluded that the spending of North Macedonia on active labour market policies is low in comparison to the number of potential beneficiaries.

**Figure 26.** Actual expenditures on ALMPs

Source: Author's own calculations based on data from State Statistical Office and Employment Services Agency

Regarding the budget allocations for ALPMs (Figure 26), in 2018, North Macedonia spent about 0.15% of GDP on ALMPs with approximate coverage of 6.7% of the total number of registered unemployed persons and in 2020 there was an increase to 0.19% of GDP. Although in 2020 the expenditure increased, the coverage of unemployed persons was lowered to 7%, since the total number of registered unemployed persons increased by 53.7% (see Figure 27). This suggests that there is a need to increase the amount of funds for employment policy especially after the economic shocks caused by the COVID-19 pandemic.

According to the NES 2021-2027, it is expected that by 2027 the investment in ALMPs will reach 0.4% of GDP covering up to 18% of the registered unemployed persons. If this objective is reached, there will be opportunity to introduce new employment programs tailored specifically for women, as almost half of them are inactive in the labour market.

**Figure 27.** Coverage of ALMPs beneficiaries as % of the total number of registered unemployed

Source: Author own calculations based on data from ESARNM's annual reports

Notes: [1] This is a manual calculation by the author based on the data presented in the ESARNM's annual report for 2018 which is gender segregated.

There is slight difference of the number of ALMPs beneficiaries related to the data presented in the text with the number of beneficiaries presented in the table from the report where the data is not segregated.

There has been a negative trend related to women's coverage in ALMPs. Namely in 2019, the ratio of female ALMP participants to the total of female registered unemployed was 3.9% compared to 3.1% in 2020 and their share of all ALMPs participants fell to 44.7%.

There is a need to support women to participate in the labour market and to increase their engagement in the ALMPs, in particular in those measures that lead to direct employment. For example, in 2020, women consist only 29.9% of the total beneficiaries of the program for Self-employment (entrepreneurship). In the future, North Macedonia needs to focus on increasing the spending for ALMPs, because proportionally more funds are spent on passive measures and especially on social assistance. The ESA should focus on increasing the opportunities for employment of women and promote measures for the integration into the labour market of those categories that are at social risk. These challenges are also identified in the ESRP 2020, which sets three objectives related to these issues: Improvement of the unemployment situation, especially with the most vulnerable categories; tackling informal employment; and improvement of the quality of work and services of the PES (Government of North Macedonia, 2020).

## 4.5.2 Analysis of the Active Labour Market Policies in North Macedonia

The ALMPs are a key component of the Operational Plan (OP) developed by the ESA and constitute around 42% of its total budget. Figure 28 below lists the eight current employment programs, each comprised of several operative measures, of the Operation Plan for 2021, amended in September (ESARNM, 2021) (see Appendix I for a comprehensive overview).

**Figure 28.** ALMPs of the Operational Plan 2021



Source: Author's presentation

- 1. The Self-employment (entrepreneurship)** program is designed to support registered unemployed persons start their own business. Targeting several categories as beneficiaries (one of them are the unemployed women from vulnerable groups, such as victims of violence, single mothers and Roma women) this program was expected to cover 1 877 persons in 2021 that will be

employed in newly established legal entities. There are no particular benefits specifically tailored for women. However, it is worth mentioning that advisory and mentoring support for a period of 12 months after the company is established will be provided to: persons with disabilities, Roma and women beneficiaries of social assistance, victims of domestic violence and human trafficking, single mothers, and socially excluded women made redundant. In 2020, 439 women started their own business through participating in this program, which is relatively low as it is only 29.9% of the total participants (see Table 8).

What is problematic is that the measure itself is not gender mainstreamed in its design and as a result it may not effectively contribute to achieve the desired gendered policy outcome. Namely, the beneficiaries of this ALMP to engage in entrepreneurship need to have social capital and family support to succeed, which the targeted groups of women may not have. Gender analysis is missing and the specific needs of the targeted women have not been detected. The data on results also shows that the aim to support vulnerable women with this measure has not been achieved as ESA did not record any beneficiaries in the target group of vulnerable women.

2. **Job creation support** is designed to encourage employment in micro, small and medium enterprises, and social enterprises. Within this program, several measures are introduced. **A Wage subsidy** for employment support for persons who find it difficult to enter the labor market. This measure targets several categories as beneficiaries (one of them Roma women and other specified minority communities). The wage subsidy was expected to cover 1, 978 persons in 2021. **The Employment and growth of legal entities** provide support in creating new jobs in micro, small and medium enterprises, as well as social enterprises and society organizations (planned to cover 353 unemployed persons in 2021) (ESARNM, 2021). Analyzed from a gender perspective, several categories of unemployed persons are covered, such as the unemployed who lost their jobs due to COVID-19, victims of domestic violence, women from minority communities and single parents. The expectations are that this measure will be more successful in 2021, given that in 2020, the wage subsidy was paid to cover the employment of 930 women or slightly over 49% of the total persons covered. The second measure does not emphasize women as a specific target group, but there was a positive experience from last year when 258 women were employed or 48.5% of the persons covered (see Table 8). The third component of this program is for employment of disabled persons.

Women's participation in this and other measures has faced an additional barrier the restrictions associated with COVID-19 have limited the provision of child care. The possibility of guaranteeing the enrollment in kindergarten of the children of the beneficiaries of all of the employment measures should be considered, as currently kindergartens are not enrolling children when one their parents is unemployed due to COVID-19. Job creation support is another measure that lacks gender mainstreaming. Namely, the measure could include subsidies for jobs that allow reduced working hours and working from home, such measures can further enable women to achieve a better balance between work and domestic obligations.

3. **The trainings program** aims to improve the skills and qualifications of unemployed persons to improve their chances to integrate into the labor market. The first measure is the **On-the-job training for a known employer** and it is planned to equip unemployed persons with the skills required for performing their work tasks in line with the employer's needs (planned

to cover 152 unemployed persons in 2021). The second is the **Vocational training in line with the employer's requirements** and its purpose is to provide training conducted by verified trainers in close cooperation with employers and the training providers (100 unemployed persons). **Vocational training (b)** has the same goal and is implemented in close cooperation with the private sector (80 unemployed persons). **The Online skills training in accordance with the employer's requirements** is aimed to provide online skills in close cooperation with the trainers and the private sectors covering 100 unemployed persons in 2021. The third measure of the Training program is **the Occupation-in-demand training** with a purpose to meet the needs for occupations in demand, including those in social services, qualifications leading to 'green jobs' and e-commerce through training. This measure was expected to cover 400 unemployed persons in 2021. To increase the employability of registered unemployed persons in the transport sector the ESA provides for training for **Driving lessons for C and D category licenses** and in 2021 this measure was planned to support the training of 50 persons (ESARNM, 2021).

In the Trainings program there is no quota for women but last years' experience showed that more than half of the participants were women (62.4%). Out of all beneficiaries of the first measure On-the-job training, more than half or 54.1% were women. The second measure was not specifically tailored for women and in 2020 only 9 women used this measure which was 69% of the total number of beneficiaries. In vocational training 58% of participants last year were women. The interest among the women for training in occupations in demand was also high and they consisted 71.3% of trainees on this program, while the jobs in the transportation sector are considered as male oriented and in 2020, only 1 woman completed the training for C and D category licenses (see Table 8).

- 4. Digital skills development trainings** consists of two measures. The first is **the Advanced IT skills training** that aims to upgrade the skills of unemployed young people under the age of 34 in the field of IT. This training is expected to increase the competitiveness of the beneficiaries and accelerate their integration into the labour market. This measure in 2021 was planned to cover 300 unemployed persons. The second is **the Advanced IT skills training for unlicensed training providers** that was planned to cover up to 100 persons (ESARNM, 2021). The training for advanced IT skills in 2021 was conducted for the following modular program packages: FullStack Java development; Front-end MERN Stack Development; Data analyst; Automation tester; and UX design specialist. The beneficiaries will have the opportunity to become more competitive in the labour market. It is worth analyzing whether women show interest in applying for this measure as the IT industry is currently providing much higher salaries compared to other sectors. ESA's staff in the future should focus on attracting women for career reorientation and retraining/upskilling through these measures. In 2020 for advanced IT skills only 35.8% of the beneficiaries were young women. The second measure in this program also covered several interesting and required vocations in the labour market. Thus, with the Advanced IT Skills (with co-financing) for unlicensed trainers, developed the following skills: Digital marketing; Graphic design; and WordPress development. Last year this was a pilot project and 55% of the trainees were women (see Table 8). One problem with this measure is that it targets only young people although the age limit could be easily be extended to 50 years. Also, updating the IT qualifications of those who lost jobs from COVID-19 crises (women being a majority of this group) could be considered in future policy making.

5. **Internship** provides financial support in the form of a monthly compensation for participants. The beneficiaries are unemployed persons up to 34 years with a minimum of secondary education. Its objective is by gaining the practical work knowledge and skills required to perform tasks in a certain job, to increase the participant's employability. This measure was planned to cover 1 413 persons in 2021. In 2020 60.8% of the users of this measures were women (see Table 8). This may suggest that women as workers are more suitable for employers when the engagement is of temporary character.
6. **Work engagement program** provides for social inclusion of persons who are difficult-to-employ to acquire certain skills so they can find employment. It covers unemployed persons with low qualifications and places them in local infrastructure and environmental protection projects. In 2021 this program was expected to cover 1 050 unemployed persons (ESARNM, 2021). In 2020, 59.4% of the users of this program were women (see Table 8).
7. **The care economy program** is designed for unemployed people to acquire skills to provide social and health care services, The first measure is **the Community work** at the local level introduced to increase the employability of persons that are keen to provide social and health services, and it is expected to cover up to 750 persons. The second measure, **Training and employment of persons to provide community care services for disabled persons and those with chronic illness**, supports unemployed persons acquiring vocational qualifications, thus increasing their chances of employment in the care economy. This measure was expected to cover 150 unemployed persons in 2021. The third measure **Entrepreneurship support and establishment of entities to provide community care services** supports the creation of jobs by opening new business for service providers (in 2021 it was planned to cover 70 persons) (ESARNM, 2021). In the program for Care economy introduced in 2021 there was no quota for women, nor for women from vulnerable categories, however in practice, it was expected to favour female participants.
8. **Payment of youth allowance** is designed to encourage the employment of young persons up to age 23 years in the manufacturing sector (after completing high school). This was expected to cover 2 500 persons that will receive MKD 3 000 as monthly financial support (ESARNM, 2021).

#### 4.5.2.1 Budget for ALMPs for 2020

Table 8 presents the total budget (planned vs. actually realized) for 2020 of the Employment Services Agency by ALMPs.

Across all active measures 1 157 more men received benefits than women from the ESA. Thus, the gender gap in the number of beneficiaries is 19.1% which translates to EUR 2.2 million more funds allocated to men compared to women.

Table 8. Report on the implementation of ALMPs for 2020

Name of the measure	Planned coverage of persons	Realized coverage of unemployed persons at 31.12.2020								Planned amount of funds	Realized funds as of 31.12.2020	Degree of realization of funds in%	
		Total	%	Young people up to 29 years old	%	Women	%	Roma	%				
<b>I SELF-EMPLOYMENT SUPPORT (entrepreneurship)</b>	1490	1468	98.5	509	34.7	439	29.9	13	0.9	492,320,711	391,207,000	79.5	Part of the grants were paid in 2021.
<b>2. SUPPORT FOR CREATING NEW JOBS</b>	2734	2617	95.7	1,247	47.6	1244	47.5	120	4.6	668,192,760	649,737,177	97.2	
2.1 Wage subsidy	1974	1896	96.0	942	49.7	930	49.1	69	3.6	438,952,260	423,168,000	96.4	
2.2 Employment and growth of legal entities	552	532	96.4	305	57.3	258	48.5	37	7.0	72,740,500	71,062,000	97.7	
2.3 Support for employment of persons with disabilities	208	189	90.9		0.0	56	29.6	14	7.4	156,500,000	155,507,177	99.4	
<b>3. TRAINING PROGRAM</b>	1562	607	38.9	294	48.4	379	62.4	38	6.3	72,005,038	22,948,850	32	

Name of the measure	Planned coverage of persons	Realized coverage of unemployed persons at 31.12.2020								Planned amount of funds	Realized funds as of 31.12.2020	Degree of realization of funds in%	
		Total	%	Young people up to 29 years old	%	Women	%	Roma	%				
3.1 On-the-job training for a well-known employer	338	61	18.0	42	68.9	33	54.1	4	6.6	13,594,000	1,488,000	10.9	
3.2 (a) Training for professional qualifications according to the requirements of the employers	100	13	13.0	4	30.8	9	69.2	0	0.0	5,993,550	5,685,750	94.9	The measure is implemented by UNDP in cooperation with ESA.
3.2 (b) Vocational training at the request of employers	380	62	16.3	36	58.1	36	58.1	1	1.6	10,755,488			The measure is implemented by the Swiss Agency for Development and Cooperation in cooperation with the ESA.

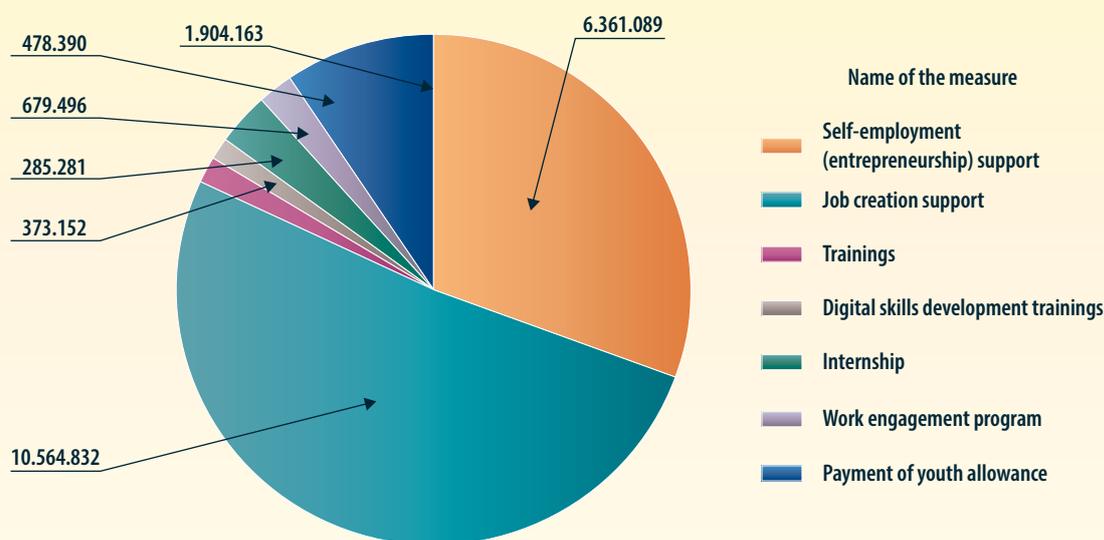
Name of the measure	Planned coverage of persons	Realized coverage of unemployed persons at 31.12.2020								Planned amount of funds	Realized funds as of 31.12.2020	Degree of realization of funds in%	
		Total	%	Young people up to 29 years old	%	Women	%	Roma	%				
3.3 Trainings for demanded occupations	694	421	60.7	193	45.8	300	71.3	32	7.6	39,838,000	14,464,000	36.3	150 people (funded by UNOPS) signed contracts and started training in January 2021
3.4 Training for drivers for C and D category	50	50	100.0	19	38.0	1	2.0	1	2.0	1,824,000	1,311,100	71.9	
<b>4. DIGITAL SKILLS DEVELOPMENT TRAININGS</b>	360	180	50.0	142	78.9	76	42.2	0	0.0	40,576,620	17,544,800	43.2	
4.1 Advanced IT skills training	120	120	100.0	87	72.5	43	35.8	0	0.0	14,400,000	14,399,000	100.0	
4.2 Advanced IT skills training (co-financed)	180		0.0									0.0	The measure was not implemented because there were no interested trainers

Name of the measure	Planned coverage of persons	Realized coverage of unemployed persons at 31.12.2020								Planned amount of funds	Realized funds as of 31.12.2020	Degree of realization of funds in%	
		Total	%	Young people up to 29 years old	%	Women	%	Roma	%				
4.3 Pilot measure for Advanced IT Skills (with co-financing) for unlicensed trainers	60	60	100.0	55	91.7	33	55.0	0	0.0	6,511,800	3,145,800	48.3	
<b>5. INTERNSHIP</b>	1575	1544	98.0	1362	88.2	935	60.6	49	3.2	45,747,000	41,789,000	91.3	
<b>6. WORK EMPLOYMENT PROGRAM</b>	1000	1063	106.3	285	26.8	631	59.4	207	19.5	40,670,450	29,421,000	72.3	
6.1 Municipal-useful work	450	613	136.2	190	31.0	486	79.3	71	11.6	35,795,250	26,507,000	74.1	The planned scope has been exceeded because the Municipalities fully cover the costs for hiring the persons who are additionally involved.
6.2 Public works	550	450	81.8	95	21.1	145	32.2	136	30.2	4,875,200	2,914,000	59.8	

Name of the measure	Planned coverage of persons	Realized coverage of unemployed persons at 31.12.2020								Planned amount of funds	Realized funds as of 31.12.2020	Degree of realization of funds in%	
		Total	%	Young people up to 29 years old	%	Women	%	Roma	%				
7 YOUTH SUPPLEMENT (12 months)	2,875	3,474	120.8	3,474	100.0	1,194	34.4		0.0	128,511,860	117,106,000	91.1	
Total employment programs and measures	11,596	10,953	94.5	7,313	66.8	4,898	44.7	427	3.9	1,488,024,439	1,269,753,827	85.3	Realization of the funds from the ESA Budget planned for active programs and measures for employment with 31.12.2020 is 96.9%. For some of the signed agreements, the payment was made in 2021.

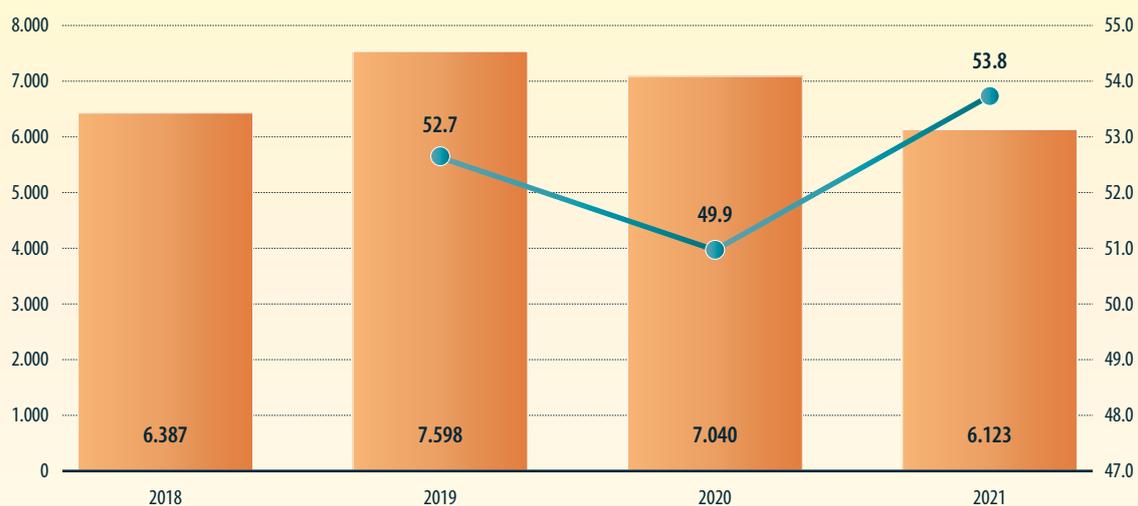
Source: Employment Service Agency, 2021

Note: [1] The total number of beneficiaries slightly differ from data presented in the annual reports of ESA because these include statistics for measures implemented in partnership with external partners.

**Figure 29.** Actual expenditures on ALMPs in 2020

Source: Data collected from ESA, 2021

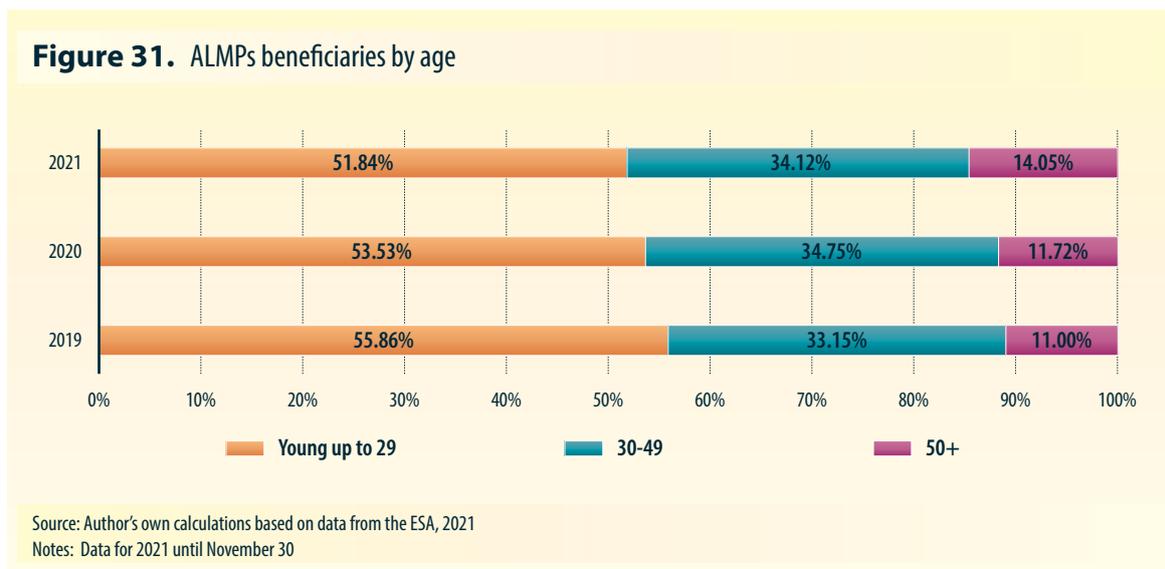
The highest share of expenditures in the total budget for ALMPs in 2020 was for the job creation program with total of EUR 10.57 million, followed by the program for self-employment (entrepreneurship) support with EUR 6.36 million (Figure 29). The budget for the youth allowance program was also large with EUR 1.9 million and these three programs comprised 91% of the 2020 total budget.

**Figure 30.** Total number of beneficiaries of ALMPs

Source: Author's own calculations based on data from the annual reports of the ESA for the period 2018-2020 and data collected from ESA

Notes: [1] Data for 2021 until November 30; [2] Aggregated no. of women beneficiaries of ALMPs not available in 2018, hence share is not calculated

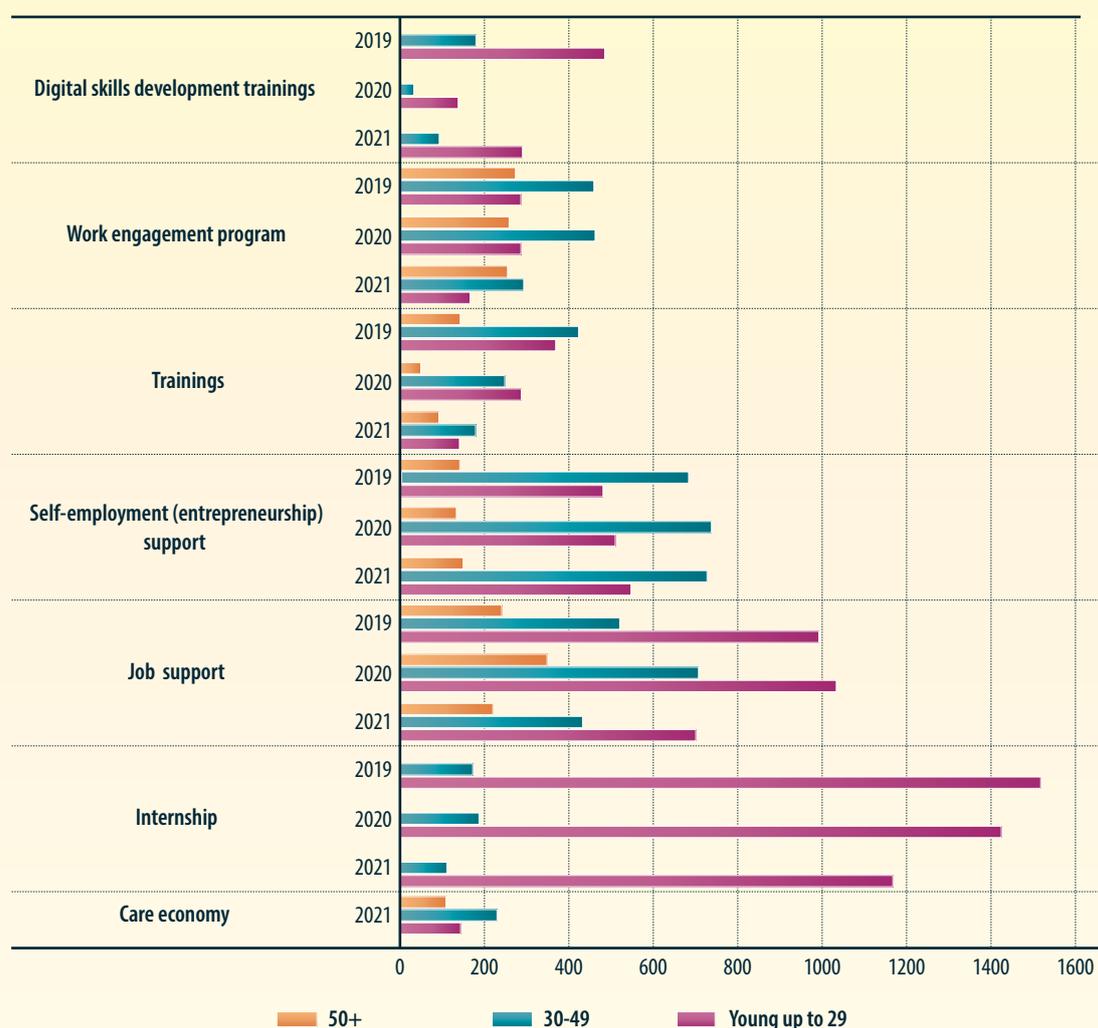
The total number of beneficiaries from ALMPs show a negative trend in the period 2019-2021, falling from 7598 to 6123.<sup>5</sup> Additionally, the analysis of the ALMPs shows that women's share of the total beneficiaries dropped in 2020 to 49.9% from 52.7% in 2019, after which it recovered to 53.8%. Nonetheless, the percentage is low considering the overall labour market context of women and their high ratio of unemployment registrants. This may be due to several factors, and among other things, the fact that women are identified as a subtarget group in only two ALMPs that can lead to direct employment. Apparently not all measures were adequately designed to encourage women's involvement.



The analysis of the ALMPs beneficiaries by age groups, show that in the period 2019-2021, the share of the youngest population of up to 29 years has gradually declined from 55.86% to 51.84%, while the proportion of the elderly with age above 50 years has increased from 11.00% to 14.05% (Figure 31).

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5 Data for 2021 until November 30, but not significant rise is expected until the end of the year.

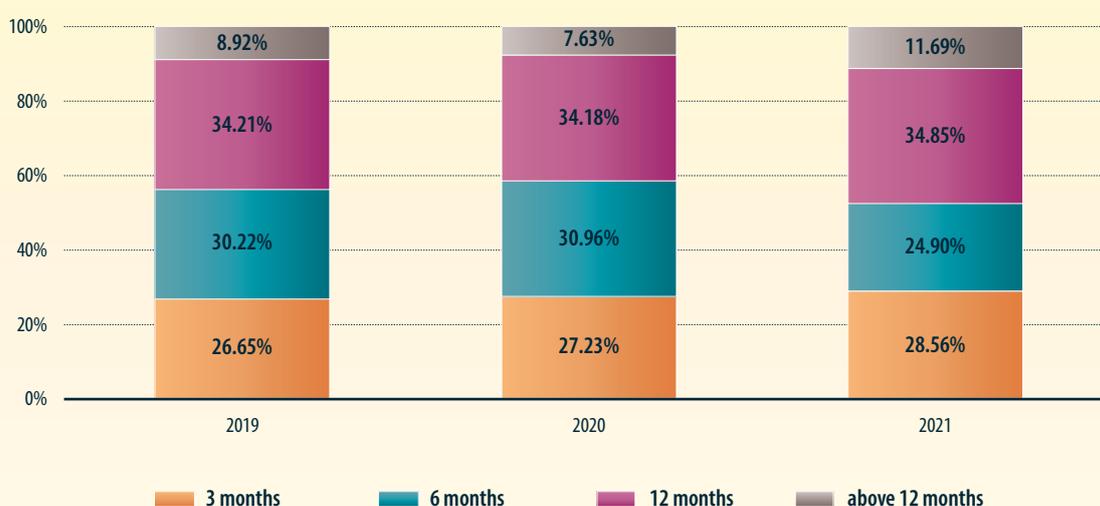
**Figure 32.** ALMPs beneficiaries by age and program for 2019-2021

Source: Author's own calculations based on data from the ESA, 2021  
 Notes: Data for 2021 until November 30

Disaggregated by program and age, young beneficiaries dominated the Internship program as planned, although there was a negative trend in their share in the period 2019-2021 (Figure 32). Young participants also dominated the job support measure, while the group of age 30-49 dominated the self-employment support and the work engagement programs. The elder population of age above 50 years had their highest share of participants in the job support category and work engagement programs.

In terms of ALMPs beneficiaries by duration of unemployment the majority of unemployed have been jobless for 12 months. A concerning sign is in that in 2021 the share of those with unemployment duration of more than 12 months has increased from 8.92% in 2019 to 11.69% in 2021, while those with duration of 3 months has declined from 26.65% to 24.9%, suggesting that the average time unemployed stay out of job is increasing and ALMPs fail to mitigate this.

**Figure 33.** ALMPs beneficiaries by duration of unemployment, structure

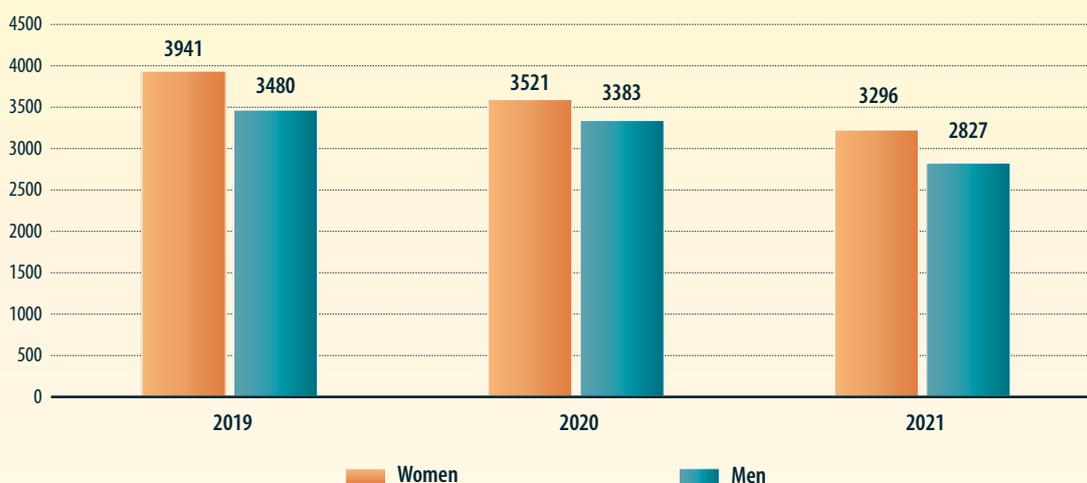


Source: Author's own calculations based on data from the ESA, 2021  
Notes: Data for 2021 until November 30

### 4.5.3 Gender analysis of the utilization of ALMPs

The number of both men and women beneficiaries of ALMPs has decreased in the last three years. The decline in the women's number of beneficiaries was 18.76% in 2021 compared to 2019, while for men the fall was 16.36%. There is also a gender gap in the beneficiaries which favoured women of an average 11.3 percentage points difference across the period 2019-2021.

**Figure 34.** ALPMs beneficiaries by sex



Source: Author's own calculations based on data from the ESA, 2021  
Notes: [1] Data for 2021 until November 30; [2] The total number of beneficiaries slightly differ from data presented in the annual reports of ESA because these include statistics for measures implemented in partnership with external partners

Table 9 gives a gender-disaggregated overview of the programs and measures implemented in 2021 until November 30, and the rate of effectiveness as measured by the number of applications, accepted applications and successfully completed trainings/courses by participants. Beside the ALMPs it also presents data on the services provided by ESA.

*Table 9. Overview of the ALMPs, services and loans provided by ESA for 2021*

Programs and measures	Number of applications		Number of accepted applications		Successfully completed trainings/courses by participants <sup>6</sup>		Rate of successfully completed trainings/courses <sup>7</sup>	
	Women	Men	Women	Men	Women	Men	Women	Men
Measure 1-Support for self-employment (entrepreneurship)	1281	2370						
Measure 2.1 IPA-Subsidizing salaries	16	18						
Measure 2.1-Subsidizing salaries	914	1062						
Measure 2.2-Employment and growth of legal entities	124	127						
Measure 3.1-On-the-job training for a known employer	70	41	5	5	5	10	15%	43%
Measure 3.2 (a)-Training for professional qualifications at the request of employers	71	37	18	18	18	9	30%	35%
Measure 3.2 (b)-Vocational training at the request of employers	82	54						
Measure 3.3 IPA-Training for required occupations	211	95						
Measure 3.3-Training for demanded occupations	492	192						
Measure 3.4-Driver trainings for C and D category	5	192						
Measure 4.1-Advanced IT skills training	286	297						
Measure 4.2-Advanced IT skills training (with co-inancing for unlicensed trainers)	89	56						

Programs and measures	Number of applications		Number of accepted applications		Successfully completed trainings/courses by participants <sup>6</sup>		Rate of successfully completed trainings/courses <sup>7</sup>	
	Women	Men	Women	Men	Women	Men	Women	Men
Measure 5 IPA-Internship	8	1						
Measure 5-Internship	1104	679	569	569	569	352	72%	72%
Measure 6-SDC-Public works	15	32	14	14	14	29		
Measure 6-Public works	346	468	280	280	280	382		
Measure 7.1-SDC-Municipal-useful work	49	25						
Measure 7.1-Municipal-useful work	542	73						
Service -Job search assistance	22114	20510						
Service -Motivational trainings	140	176						
Service 3-Preparation for employment and work	13	16						
Service 4-Professional orientation and career counselling	410	333						
Service 8-Labour Market Skills Needs Survey	13	7						
Loans 2021	154	308						
Loans to legal entities 2021	90	116						

Source: (Employment Service Agency, 2021)



6 Data not available for all measures

7 Data not available for all measures

Within the ALMPs, most men and women applied for Support for self-employment (entrepreneurship), Internship and Subsidizing salaries. Of the services provided by ESA most interest among women was raised by the Job search assistance service and the Professional orientation and career counselling.

The table also shows that women and men's participation in the measures is not equal and that some measures were predominantly favoured depending on the sex of the beneficiary. Thus, the Municipal-useful work measure had 88% applications coming from women. This is particularly interesting from a gender perspective as it strengthens traditional role of women as caregivers. Namely, the majority of activities performed under this measure comprise of care providing services to vulnerable groups such as the elderly and people with disabilities. However, women also applied in far greater numbers for Trainings for occupations in demand and Internships which shows a willingness of many women to acquire new skills.

Men on the other hand preferred and applied in greater numbers compared to women for the measures of Driver trainings and Support for self-employment, but they also applied for loans in higher numbers than women.

One observation from these data is that there is a gap in the acceptance rate between men in the programs of Advanced IT skills training of 10 percentage points, suggesting that women may need more assistance in preparing their application for these courses that lead to high-earning jobs. There is also a negative gender gap in the acceptance rate for the measure Support for self-employment, but closer look at the data suggests that the gap is driven by the very high number of applications for this measure coming from men. This also suggests that women still need more encouragement than men to engage in entrepreneurship.

The Support for self-employment, the Subsidies for salaries and the Employment and growth of legal entities were designed to bring new and preserve old jobs, hence these are the measures that led to most employments according to the ESA statistics. As for the rate of successful completion of the trainings/courses offered through the ALMPs Table 9 shows that internship had high rate of completion by both women and men of 72%, followed by the Training for professional qualifications at the request of employers with 30% by women and 35% by men, and the On-the-job training for a known employer with completion rate of 15% and 43% for women and men respectively. Even though these measures for which data on completion and successful employment are available had low number of participants in general, it may be suggesting that women need more support in following through the programs. However, ESA should provide such data on all measures in order for a more detailed analysis to be performed.

#### **4.5.4 Perspectives on vulnerable groups under-represented in the labor market**

Improving the social inclusion of vulnerable categories of persons in the labour market still poses one of the major challenges for the economy. The vulnerable category refers to those groups in the society that do not have equal access to services in various spheres of the social policy, including employment. The circumstances in which they find themselves makes them difficult-to-employ, retain their job

and get a promotion (Trbojevikj, n.d.). As most disadvantaged persons, in terms of unemployment in particular, are the youth, long-term unemployed, persons with disabilities and women (Government of North Macedonia, 2020), while the low employment rate of Roma still remains one of the most worrying aspects, hindering their full inclusion in society (Ministry of Labour and Social Policy, 2014). Modern social and employment policies go beyond the traditional forms of protection, which usually is provided by social insurance or other financial assistance to vulnerable persons. The current focus is more on providing indirect protection through integration in the economy, primarily with employment, guaranteeing a minimum income and ensuring adequate health and pension protection (Ruzin, n.d.).

To improve the integration of the different vulnerable categories in the labour market, North Macedonia adopted several strategic documents, programs, and plans. The following are identified as relevant: the **NES 2021-2027**, the **ESRP 2022**, Programme of the Government, and the other documents that concern employment policy framework, such as the ILO's Global Jobs Pact, Youth Guarantee, reforms in the social protection system and the introduction of the Guaranteed Minimum Assistance. The OPs consider the importance of increasing the inclusiveness of vulnerable categories, but their coverage of this objective is limited.

North Macedonia implemented the **“National Strategy for Equalization of the Rights of Persons with Disabilities 2010-2018”** and one of its objectives was the development of policies, measures and programs, especially in the field of education, employment, housing, which will give people with disabilities equal opportunities and encourage them to independence, and personal development and the specific objective providing equal opportunities to employment for persons with disabilities (Ministry of Labour and Social Policy, 2010). For improving the status of the Roma community as a vulnerable category, the economy implemented the **“Strategy for Roma in the Republic of Macedonia 2014-2020”**, in terms of employment the strategic commitment was to improve the conditions and opportunities for employment and reducing the unemployment of the Roma community and their integration (Ministry of Labour and Social Policy, 2014). Regarding women as one of the vulnerable categories that face many challenges in the labour market, the economy adopted two important strategic documents the **“Strategy for development of women entrepreneurship in the Republic Macedonia 2019-2023”** and the **“Strategy for gender equality 2013-2020”**.

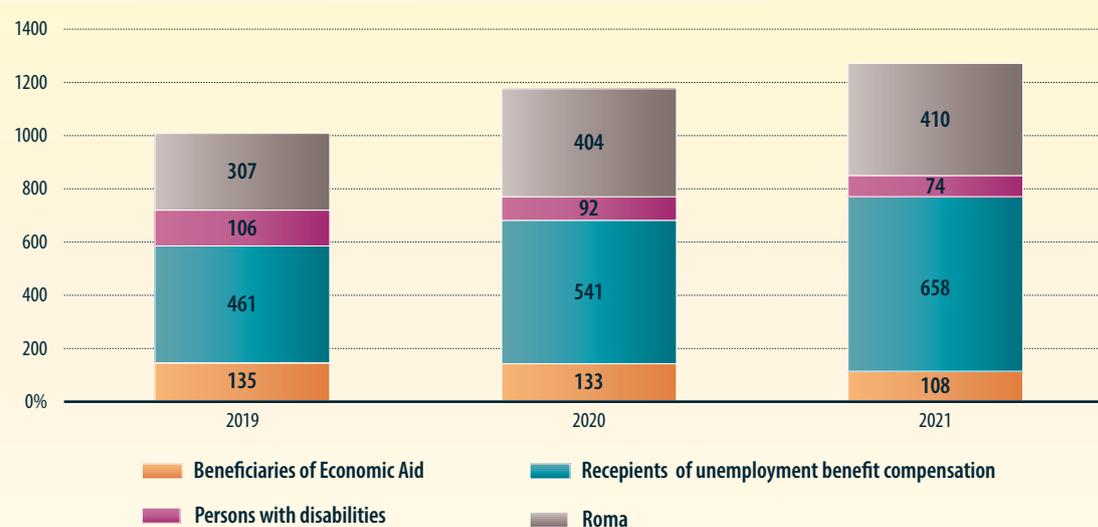
From the data and analysis presented in the previous chapters, we can conclude that gender differences are still profound and more pronounced in some communities, amongst rural women and women with low or no education. Interviewed experts on this issue shared findings from unpublished research that the labour participation rate among these groups of women is very low.

Although there have been slight improvements in Roma employment and activity rates, they still have a higher unemployment rate compared to the economy average, and it is even higher among Roma women (Ministry of Labour and Social Policy, 2014). Poverty and exclusion remain high among Roma. Discrimination also affects their opportunities for employment and their, on average, low level of education determines that the majority of Roma who work do so in lowpaid jobs, which are usually physical jobs (Ministry of Labour and Social Policy, 2014). Roma and citizens from disadvantaged backgrounds have difficulties in accessing education and they tend to underperform. Disparities in education outcomes start from an early age and are reinforced over time (Mojsoska Blazevski, 2020).

The crisis had particularly hit vulnerable groups such as Roma, who experienced a rise in the numbers of registered unemployed. The implementation of the ALMPs has had some impact on reducing

the unemployment among the vulnerable categories, but the general impression is that this has not been enough, which might be related to the small budget allocated to ALMPs or the capacities of the institutions to motivate these groups of people to formalize their employment and to participate in the labor market. According to a European Commission report in 2020, the criteria for participating in active employment schemes should be reviewed to ensure increased participation of vulnerable groups and this includes Roma (European Commission, 2020). The remarks were the same in 2021, noting that the Roma as beneficiaries of ALMPs remained at a low level and the public institutions should review the criteria for participation in active employment schemes to ensure increased participation of vulnerable categories (European Commission, 2021).

**Figure 35.** ALPMs beneficiaries by vulnerable groups



Source: Author's own calculations based on data from the ESA, 2021

Notes: [1] Data for 2021 until November 30; [2] The total number of beneficiaries slightly differ from data presented in the annual reports of ESA because these include statistics for measures implemented in partnership with external partners

Data on utilization of active employment schemes by Roma indicate a slight increase, especially after 2019 (Figure 36). However, if we take into account the high unemployment rate amongst the Roma, it can be concluded that additional targeted funds and measures are needed. In addition, the current portfolio of ALMPs needs to be adjusted to: meet the needs and characteristics of this target group, to increase their effectiveness and meet the strategic commitments for inclusion and employment of vulnerable categories of citizens.

One of the most vulnerable groups in the labour market due to the complexity of challenges they face are persons with disabilities. No official data is available of the total number of persons with disabilities, nor on their participation in the labour market (Ortakovski, n.d.). According to a survey in 2009, the rate of employment of persons with physical disabilities who can work is 30.3%, 20.5% actively seek a job through the ESA, and 49.2% are inactive. Regarding the gender structure, the employment of disabled women is slightly lower 29.2% compared to men 31.1%. People with intellectual disabilities are less likely to be employed than those with physical disabilities (Ortakovski, n.d.). Previous research indicates that unemployed persons with disabilities face specific obstacles in their search for a job. They often face a lack of completed education and training, lack of motivation, prejudices against them by the employers, communication problems, lack of access to the workplace, and adequate transportation (Ortakovski,

n.d.). In recent years efforts have been made to develop the capacities of the persons with disabilities to improve their employability. However, those who are employed are still mainly in companies that receive subsidies for their employment (Trbojevikj, n.d.).

In 2020, the Employment Service Agency supported the employment of persons with disabilities through a Special Fund. In 2020, 189 persons with disabilities were employed, 35 grants for procurement of equipment were awarded, funds for adaptation of the workplace were approved for 2 requests, though for training and work assistance the ESA did not allocate any specific funds (ESARNM, 2021).

North Macedonia has made some progress to meet the European standards in the sphere of social policy and employment, yet the recent assessment report of the European Commission for the progress of North Macedonia in Chapter 19 notes that North Macedonia remains moderately prepared to meet the set criteria (European Commission, 2021). In accordance with the recommendation of the 2021 report, North Macedonia needs to continue to implement activation measures for longterm and lowskilled unemployed persons, including women, Roma and persons with disabilities, and has to ensure proper monitoring and evaluation of such measures (European Commission, 2021). North Macedonia should also continue provision of assistance to all vulnerable groups and reform the social protection system with stronger links to both employment activation measures and social inclusion (European Commission, 2021).

## 4.5.5 Conclusion and recommendations

The operational plans of ESA determine the ALMPs, and labour market services that should foster and support job creation, and increase the chances of finding employment of the beneficiaries. As a general rule, these programs, measures and services strive to achieve equal representation of women and men. Yet, in 2020 there was a decline in women's coverage of ALMPs. There is need to support women to participate in the labour market and to increase their engagement in the ALMPs. The relevant institutions, in particular the ESA should focus on creating more opportunities for employment of women and promote measures for their better integration into the labour market. This is particularly important for the programs and measures that lead to direct employment, such as the program for Self-employment (entrepreneurship). Thus, in 2020, women consist only 29.9% of the total beneficiaries of this program. The analysis from a gender perspective of the ALMPs shows that there are significant gaps in the choices between men and women. Women have been predominantly choosing Municipal-useful work (79.3% women) and trainings for occupations in high demand (71.3% women) and acquiring professional qualifications according to the needs of employers (69.2% women). On the other hand, men predominantly participated as beneficiaries of the measures of Training for drivers (98% men) and Support for employment of persons with disabilities (70.4%). As stated in this chapter, across all ALMPs, 1 157 more men received benefits than women from the ESA, thus the gender gap in the number of beneficiaries is 19.1 percentage points.

Additionally, there is a gap in the acceptance rate between men in the programs of Advanced IT skills training of 10 percentage points. This suggests that women may need more assistance in preparing their application for these courses that lead to highearning jobs in the IT industry. Also, there is a negative gender gap in the acceptance rate for the measure Support for selfemployment, which is mainly related

to the very high number of applications coming from men. Women still need more encouragement than men to engage into entrepreneurship.

Regarding the vulnerable groups in the labour market such as Roma, additional targeted funds and measures are needed for their employment. The ALMPs need to be adapted to reflect the needs and characteristics of this vulnerable group. In 2020, the ESA supported the employment of persons with disabilities through a Special Fund, which in the future could be a good practice if the measures and means to support employment are designed based on the needs of the unemployed persons with disabilities.

Overall, North Macedonia's spending on active labour market policies is relatively low in comparison with the number of potential beneficiaries and funds allocated for passive labour market policies. Although it can be noted that in 2020 the expenditure on ALMPs increased, the coverage rate of unemployed persons fell, since the total number of registered unemployed persons significantly increased. This suggests that there is a need to increase the amount of funds allocated for employment policies, especially after the economic shocks caused by the global pandemic. According to the objectives set in the NES, by 2027 is expected economy's investment in ALMPs to reach 0.4% of GDP with potential of covering 18% of the registered unemployed persons.

Recommendations:

- **North Macedonia needs to consider allocating more funds for ALMPs (as a share of GDP) and these programs should cover a larger proportion of the unemployed persons.** In 2020, North Macedonia had only spent about 0.19% of GDP on ALMPs with active measures covering approximately 7% of the total number of registered unemployed persons. There is a relatively high rate of utilization of the measures by the current target groups, but there is a need for additional funds to improve the existing design, monitoring and evaluation of programmes and, where warranted, introduce new policies. **Increased budget for implementation of ALMPs would contribute to increasing the coverage of unemployed women and create an opportunity for the introduction of specifically tailored measures for vulnerable groups (women, Roma women, et. cetera).**
- **Encourage more women to engage in entrepreneurship and training that can lead to employment in high-paid jobs.** Available data suggests that there is a significant gender gap in applications for the Support for self-employment programs that promotes entrepreneurship.
- **Improve the design of the ALMPs and make them tailored to the specific needs of the target groups (women).** The ALMPs are general and currently are not targeting the specific needs of each category of unemployed persons (including women). There is need for improving the measures and make them more tailored to the specific needs of the target groups. There is a need for bottom-up approach in their design.
- **Develop measures that are gender specific or specifically target women.** None of the programs and measures from the Operational Plan 2021 target women as a primary target group. Only certain subgroups (marginalized or Roma and other minority women) are mentioned in the two measures that lead to direct employment: Support for self-employment (entrepreneurship) and Wage subsidy. Women compared to men participate more in those measures that aim to increase their employability, such as the training offered by the ESA, but even successful completion

does not guarantee that they will find a job. Even in using these measures women face certain challenges. For example, the training is usually conducted in Skopje or in other large cities, so a woman who is less often driving has difficulty to attend the training. Additionally, training often lasts more than one day and considering the time for travel, almost all of the day, the women has to be out of her home, perhaps with no one to care for dependents. There is need for a detailed needs assessment of women, particularly of those who are not active in the labour market. This will enable development and design of programs and measures that will increase the level of integration of women (including those at risk) in the labour market.

- ◉ **Introduce training measures specifically tailored to women who are reentering in the labour market after maternity leave and women who need to adapt their skills to meet the current demand.** This should be implemented based on the data collected upon registration of unemployed persons and their profiling, counselling for professional orientation et cetera.
- ◉ **Increase the scope of the measures to persons completely outside of the labour market,** as the currently implemented programs and measures cover only those persons who are registered as unemployed. Therefore, it is necessary to access those persons that are inactive in the labour market. This is especially important because almost half of the women potential workforce is currently inactive.

## 4.6 Women Entrepreneurship

Globally women own only a third of the businesses, although their share is on the rise as new firms are being opened in higher numbers by women than men (Halim, 2020). Estimations show that closing the gap between men and women entrepreneurs could spur an additional 2% growth in global GDP (Chastain, et al., 2014). The greatest obstacle for businesswomen across the world is access to finance, especially for micro, small and medium sized companies, which a recent study from the World Bank estimate lack USD 1.5 trillion to finance their businesses (World Bank Group, 2017). Women established start-ups have historically struggled to raise capital and before the health and economic crisis they received a meagre 2.8% of the total venture capital funding in 2019, which further declined to 2.3% in 2020 (Bittner & Lau, 2021). Also, their scarce access to capital is not only limited to financial, but also to social capital, such as access to networks (Chastain, et al., 2014).

Women entrepreneurship in North Macedonia has only recently become more prominent in the policies of decision-makers. Up until 2019, there was an absence of any formal recognition of issues regarding women's entrepreneurship and the economy scored low compared to the region on the SME Policy Index published by OECD, due to lack of monitoring and evaluation (OECD, et al., 2019). Most activities to stimulate women to engage in business have originated in business associations and CSOs, however lately there has been growing support from government institutions. For example, in May 2021, the Government supported the **National Platform for Women Entrepreneurship**, with the aim to stimulate women's engagement in business and innovation. More focus is also notable in the **“Strategy for Women Entrepreneurship Development in the Republic of Macedonia 2019-2023”**, which is the overarching plan guiding government policy on this issue (Ministry of Economy, 2018).

The document recognizes the need for creating a better supporting environment as top priority and envisages measures for reaching this goal. Additionally, the action plan for implementation of this Strategy allocates close to EUR 6 million for reaching the targets, however 84% of these funds are expected from the EU and other donors. Also, it is commendable that the **Economic Reform Program 2022-2024** (ERP 2022-2024), which is in process of adoption, envisages EUR 5.9 million for three years of match-funding to up to 150 Roma established businesses and promises a gender perspective in the distribution of these funds.

Increasing youth and women employment is also targeted in the **“Programme of the Government of the Republic of North Macedonia 2020-2024.”** In that regard the Government plans to provide direct financial support for women entrepreneurship (and youth) through grants from 5 000 to 15 000 euros for starting their own business (Government of the Republic of North Macedonia, 2020). **“The National Strategy for Small and Medium Enterprises 2018-2023”** also puts attention on several target groups including the SMEs owned by women and young people.

Even though the Central Registrar of North Macedonia does not publish data on ownership of companies disaggregated by gender, several analyses suggest that the rate of companies run by women is among the lowest in the region, ranging between 23% and 29% of all companies (National Council for Women Entrepreneurship, 2018). The latest available official data are from 2017, and according to this source the number of companies owned by at least one woman with founding investment over 50% was 29.39% of the total number of active companies. The number of employees that these companies hired is even less, at 12.9% of the total employed by entrepreneurs. On average, womenrun enterprises employ just 2 persons, and most of the companies are established in the wholesale and retail trade sector (7 489), processing industry (1 770) and Professional, scientific and technical activities (1 678). Table 10 also shows that most women entrepreneurs run micro and small enterprises.

*Table 10. Number of entities that have at least one female founder with over 50 % ownership*

Size	No. of entities				No. of employees			
	2014	2015	2016	2017	2014	2015	2016	2017
Micro	16,727	14,960	14,599	14,228	18,762	19,362	19,779	20,103
Small	5,547	3,845	3,881	3,911	23,805	25,763	26,869	28,055
Medium	52	56	56	50	3,903	4,083	4,179	3,738
Large	35	38	39	43	1,644	1,887	2,210	2,754
<b>TOTAL</b>	<b>22,361</b>	<b>18,899</b>	<b>18,575</b>	<b>18,232</b>	<b>48,114</b>	<b>51,095</b>	<b>53,037</b>	<b>54,650</b>

*Source: Central Registrar, June 2017, as cited in the “Strategy for Women Entrepreneurship Development in the Republic of Macedonia 2019-2023” (Ministry of Economy, 2018)*

Unfortunately, there are no more recent data. Researchers repeatedly note the scarce availability of data on the topic of women entrepreneurship, such as regular data on ownerships of companies. This lack of data prevents high quality research and the design of effective policies to support female entrepreneurs (National Council for Women Entrepreneurship, 2018). The establishment of databases for women entrepreneurs is a strategic priority in the Strategy for development of women entrepreneurship 2019-2023 and in the related Action plan. However, to the best of our knowledge these databases are still not online. It is paramount that the work on these tasks is expedited. Another important limitation of the current action plan is that it does not commit financial resources for creating such data base and only

identifies the Central Register as the responsible body together with the commercial banks and other institutions that have obligation to collect data including on access to finance.

In their economic analysis of December, 2018, the National Council for Women Entrepreneurship concluded that in North Macedonia more women should finish tertiary education and show greater entrepreneurship affinities during their studies. However, women's initiatives will typically decline after forming a family (2018). Nonetheless, they also note that women who had undergone training for entrepreneurship generally showed a proactive approach, which led to the conclusion that training programs for female entrepreneurs should be scaled up and made available to vulnerable groups through the ESA.

In terms of the impact of the COVID-19 crisis, businesses run by women differed in several aspects compared to those run by men. In general, they were more vulnerable to the COVID-19 crisis and had less confidence that they could overcome the crisis on their own and had less savings (Risteska, et al., 2021). The government did recognize the needs of women entrepreneurs during the crisis and, as described in chapter 4.2 above, it offered non-refundable grants and interest-free loans to women-owned businesses. This measure has been used by 1, 062 women-led businesses out of total of 2, 703 businesses (Government of North Macedonia, 2021). Further, recently the Fund for Innovation and Technological Development adopted a funding instrument with equal gender representation as a criterion for eligibility.

Aside from the recent economic relief measures aimed at women entrepreneurs and the ALMPs discussed in detail above, the Ministry of Economy has been running a financial support program, as from 2012, for women-led companies. Based on the data presented in the "National Strategy for Gender Equality 2021-2016", 21 female applicants have been supported through this measure with a total expenditure of MKD 2 307 370 (2021).

The Ministry of Economy has also developed a Program for competitiveness, innovations and entrepreneurship which also started in 2012. Under the program, 152 companies led by women were supported with MKD 14.1 million (Government of North Macedonia, 2021). These initiatives have not been evaluated but the Ministry of Economy claimed positive outcomes. That measure is presented as good practice in the Good Practices chapter.

However, despite efforts there are still major impediments for women to engage in entrepreneurship. Most important is their lack of access to capital due to their low ownership of resources. Women own only 27,27% of the registered property according to data from the Agency for Real Estate Cadastre (2019). Even worse, in rural households less than 6% of women own a house or land (Ministry of Labour and Social Policy, 2018). Recent data from summer 2020 show that many rural women continue to work entirely unregistered and they are in great need of training to acquire the skills for running their own business (Rural Coalition, 2020). However, there also subtle factors contributing to the low participation of women in business, such as cultural and societal norms on women's role, limited time for personal growth and new skill acquirement due to caring for their family and access to networks and information (National Council for Women Entrepreneurship, 2018).

## 4.6.1 Conclusion and recommendations

Recent efforts by institutions to place the issue of women entrepreneurship higher on the agenda is commendable, especially when such support is translated into financial aid and access to capital. Nonetheless, current financial support programs are ad-hoc and not systematically gender streamlined. Closing the gap in the control over resources is a major challenge, as it impedes women's access to loans. A lot more mobilization and active steps from stakeholders are required, considering that some of the roots of the issue are cultural. Women are still seen in the traditional role in the society and encouragement for entering business through public campaigns is welcomed. Institutional support for greater work-life balance of women is also needed by facilitating access to paid childcare.

Recommendations:

- ⦿ **Gender criteria for the distribution of post-COVID recovery aid to small and medium enterprises need to be introduced to provide for equal distribution of available finances.** The 130 million in budget support for this purpose provided by the EU needs to follow the objectives of the EU GAP III which commits to 85% of the funding to contribute to gender equality goals. To this end, better coordination and more resources for promotion of women's entrepreneurship that will connect CSOs and women's associations through a single body, such as the newly established National Platform for Women Entrepreneurship;
- ⦿ **Create a Guarantee fund that will provide collateral for women led and women owned companies to get loans, survive the COVID-19 crises and/or grow.** To this end the Government should also uphold the commitments to develop alternative funding schemes for the support of women entrepreneurs, including vulnerable groups such as Roma women, as envisaged in the recently adopted Plan for accelerated economic growth and Economic Reform Program;
- ⦿ **Expedite the commitment in the strategies for development of infrastructure for data collection and monitoring of women entrepreneurial activities and allocate financial resources for achieving it.** The authorities should consider extending the obligation to collect data on women's owned business to other institutions such as commercial banks as well beside the Central Registrar of companies.
- ⦿ **Introduce ISO IWA34 Standard on Women Entrepreneurship.** The collection of data should be aligned with the IWA 34 ISO standard on common definitions related to women's entrepreneurship, which should be accepted in the system of North Macedonia. This is important for the development of women entrepreneurship and facilitating access to finance as the standard is a tool to be used across loan lines, programs, public procurement and in the collection of internationally comparable data.

## 4.7 Good Practices and Case studies

**Title:** Competitiveness, Innovation and Entrepreneurship Program for 2021

**Short description:**

This Program recognises the need to introduce support to strengthen women entrepreneurship in the economy. One of the measures within this Program presents good practice as it provides support for women-owned and women-led enterprises and this approach should be adopted in designing and implementing other government-funded measures and active labour market policies. This program envisages an amount of MKD 68 800 000 as funds for supporting competitiveness, innovation and entrepreneurship. The program consists of several measures in the following areas: A) Support and development of micro, small and medium enterprises and crafts; B) Implementation of industrial policy; C) Support and development of cluster associations; and D) Social responsibility.

*Table 11. Allocated budget funds for measures by areas (CIEP 2021)*

Year and allocated budget funds	A) Support and development of MSM enterprises and crafts	B) Implementation of industrial policy	C) Support and development of cluster associations	D) Social responsibility
2021				
MKD 68.800.000	50.000.000	13.000.000	4.800.000	1.000.000

*Source: Competitiveness, Innovation and Entrepreneurship Program 2021 (Government of North Macedonia, 2021).*

Within the Competitiveness, Innovation and Entrepreneurship Program (CIEP) there is specifically tailored measure for empowering women entrepreneurship. Namely, that is the measure 1.2 Financial support for women entrepreneurship in total an amount of MKD 4.000.000 (Government of North Macedonia, 2021).

Measures providing financial support for women entrepreneurship have been operating for nine years, with the Ministry of Economy funding a total of 152 women-owned and women-led companies with a total of MKD 14.1 million (or EUR 230.000). In the last four years companies from the production and processing industries and various services have used this measure. Additionally, women entrepreneurs have the right to apply for all other measures provided by the CIEP and the recent data are encouraging. Thus, last year with implementation of these measures 52.8% of the companies that received financial support were women-owned or women-led companies, however no data is shared from the Government on the outcomes of this funding in terms of survival and growth rates (Government of North Macedonia, 2021).

**Type/subject of the measure:** is subsidizing women-owned (above 50%) and women-led enterprises, by co-financing 80% of the proven costs of up to MKD 150.000 on:

**Purpose:**

- ⦿ Procurement of equipment and tools;
- ⦿ Arranging/improving business premises;
- ⦿ Introduction of new software (50% of the proven costs, but no more than MKD 60.000).

**Context:** Women entrepreneurship is in early stages of development in North Macedonia.

**Resources:** The funding of this Program is from the Budget of North Macedonia for 2021. These funds are allocated by the Ministry of Economy.

**Link to more information about this and other programs implemented by the Ministry of Economy:** <https://economy.gov.mk/docs/sektor-programi>



## 5. Conclusions

Women represent almost half of the population and half of the working age population, but for decades there have been large gender gaps in the labour market of North Macedonia, especially in terms of activity, employment and remuneration. In North Macedonia women account for almost two thirds of the inactive population of working age. This is mainly related to the traditional roles of women and men in the household that still prevail in society and are reinforced by the legislation, which although proclaiming equal parenting rights and responsibilities, still provides for women to take most of the leave from work for child care. The high level of inactivity amongst women is also related to their reproductive role and lack of adequate care services for children and the elderly.

In employment, there is both horizontal and vertical segregation of women workers. Horizontal segregation is observed with women predominantly employed in particular occupations, such as teachers, doctors, nurses, lawyers; while men are more likely to be engineers, technicians and economists. This gap is created by the different education choices of boys and girls in North Macedonia, frequently influenced by the gender roles women play in society, family expectations and societal norms of what is acceptable profession for a man or a woman. Vertical segregation also exists, as employers reinforce gender stereotypes and typically prefer to promote men to senior positions because of women's family responsibilities.

Both vertical and horizontal segregation contribute to a gender pay gap of between 17% and 20%. The pandemic did affect women disproportionately both economically and sociopsychologically. The response measures to tackle the virus did not integrate a gender perspective and, to an extent, contributed to the widening of the gender gap in employment observed in this study.

### 5.1 Key findings on legal and regulatory framework

North Macedonia has a fully developed legal and regulatory framework covering employment and promoting gender equality. Numerous laws and bylaws regulate the two areas. The analysis showed that employment law is one of the few policy sectors where gender has been integrated. Namely, the Law on Labour Relations is almost fully approximated with the EU directives (except for the EU Directive 2019/1158) on gender equality and nondiscrimination in labour market. This is in accordance with the nondiscrimination principles set by the Constitution. As related legislation, the Law on Employment and Insurance in case of unemployment promotes an equal rights regime for both women and men, it can be further gender mainstreamed as to recognize the specific and different situations women are in when compared to men when losing jobs after maternity leave or due to leave for caring for a family member.

Equality before law does not necessarily produce gender equality. The study has identified large and persistent gender gaps in the labour market covering participation, employment, pay and time use. These inequalities are the result of: the dominant traditional gender roles and overt discrimination, prevailing gender stereotypes, horizontal and vertical gender segregation and ineffective implementation and monitoring of the employment laws, due to lack of human resources and financial capacities of implementing institutions, as well as because gender equality remains receiving relatively low priority in enforcement efforts of these institutions.

The laws in the employment policy area are not fully aligned with the Law on Equal Opportunities requirement for gathering, keeping and publishing sex-disaggregated data that will allow monitoring of their implementation and a comprehensive gender analysis of labour market outcomes. To this end, appropriate gender indicators are frequently missing, as is regular independent monitoring of labour market outcomes from a gender perspective.

### **Key findings on governance, functions, and human resources**

The governance of employment policy is shared between the Ministry of Labour and Social Policy and the Employment Service Agency. The two institutions work in coordination with other relevant Ministries (i.e. Ministry of Finance and Ministry of Education) and agencies/centres and the social partners in the development of labour market policy measures and their implementation. While the Ministry has the function of policy development and coordination, the Agency is the implementing executive body. The State Labour Inspectorate has an important function in this regard as it enforces laws and protects workers' rights, including the elimination of gender-based discrimination in labour relations.

The ESA is facing challenges related to human resources (high staff-to-client ratio), limited funding for the implementation of active labour market programmes, and limited investment in its infrastructure. The staff-to-client ratio in 2019 was 1:226 or over twice the benchmark used to signal quality service delivery and is chronically lacking psychologists providing career guidance and psychological support to vulnerable groups (mainly women victims of violence, Roma and other socially excluded categories). The current provision of local employment offices is insufficient to reach many women (in particular inactive women) in rural areas.

The State Labour Inspectorate has an important role in detecting unequal treatment in the world of work and possible gender discrimination. While they do not have a mandate to prevent all forms of discrimination, the inspectors can advise employers to develop more gender responsive plans within their companies/organizations. As the Law on Equal Opportunities between Women and Men requires every private and public body to adopt a plan with specific measures that improve gender equality, action to enforce this is required by the Labour inspectorate. However, their capacity to detect and tackle gender inequality at work is currently very limited. Strengthening the capacity of the Inspectorate is of great importance.

## Key findings on policies, programs, and budgets

The employment policy framework has an integrated gender perspective in terms of defining priorities and policy outcomes, but the analysis shows that the policies implemented and planned are not fully connected with the needs of women in the labour market. The failure of policies to significantly close gender gaps in the labour market can be explained by the absence of evidence-based policy making and failure to use gender mainstreaming tools such as gender analysis and gender responsive budgeting in the process of policy development. Currently in many areas policy-makers do not have access to appropriate data to evaluate alternative policy options. Where suitable data is available, the statistical skills needed to analyse that data are often lacking.

The absence or very limited collection, monitoring and evaluation of data on outcomes is especially observed in the development of the portfolio of ALMPs. Little is known about the effectiveness and value for money of the different programs. Here the gender equality principle appears to be rigorously applied by the ESA and results in women applying and participating in programs in similar numbers to men in many of the ALMPs. What is problematic is that the measures themselves are not gender mainstreamed in their design and as a result there are not effectively contributing to gendered policy outcomes. For example, the self-employment measures specifically target the most vulnerable women (e.g. single mothers and victims of violence), although having access to social capital and a family support network are likely to increase the probability of succeeding as an entrepreneur. Those groups of women currently targeted for entrepreneurial training do not have the capital or support necessary for success. Another example concerns the employability measures. Frequently, rather than trying to weaken gender stereotypes they end up strengthening them, by training men in ICT skills and women in hairdressing.

While the active employment measures account for around 42% of the total budget of the Employment Services Agency, in 2020 it spent 52.5% of its budget on unemployment benefits. However, the implementation of ALMPs is not necessarily contributing to improved gender equality as the number of women who received benefits under the ALMPs compared to the records of unemployed women in the Labour Force Survey decreased by almost 500 or 12% compared to 2019. This decline in the number of women covered by ALMPs can create a bigger employment gap as the number of women who lost their jobs during COVID-19 (16, 600) exceeded the number of men (9, 600) in the same situation in 2020Q4.

## 5.2 Key findings and entry points for civil society

Civil society in North Macedonia has not been active in promoting the economic empowerment of women and few have so far been engaged in the development process of employment policies or monitoring their outcomes. This situation needs to be addressed and civil society needs to become more active both in policy development and monitoring. To this end the study identifies the following entry points for a more active role of civil society:

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- to continuously monitor and assess the gender impact of public finances earmarked for implementation of employment policy measures to tackle COVID-19 outcomes. In this regard and in addition to the requirement for the government to mainstream gender in the response measures, the civil society needs to be continuously monitoring the public finances that were put into implementation of the measures. In addition, it should track the beneficiaries of these measures and produce gender beneficiary analysis, as well as if these are creating new or widening existing gender gaps on the labour market.

To this end, the following entry points for civil society engagement have been identified. Civil society needs to continue producing independent monitoring based on gender indicators for implementation of the employment measures and scrutinize their implementation and outcomes. This is especially important to be done on the post-COVID recovery of small and medium enterprises (130 million euro in budget support provided to North Macedonia from the EU needs to follow the objectives of the EU GAP III to contribute to gender equality objectives). The CSOs need to assess whether institutions provide for an equal distribution of available finance and coordinate and advocate for more resources for the promotion of women's entrepreneurship through the newly established National Platform for Women Entrepreneurship. Civil society can also advocate for and monitor the introduction of ISO IWA 34, C-190 and the process of alignment of labour legislation with the EU directive 2019/1158.



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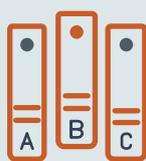
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## 7. Appendices

### 7.1 Appendix I. List of Active Labour Market Policies in the Employment Service Agency's Operational Plan 2020

Table 12. List of Active Labour Market Policies in the Employment Service Agency's Operational Plan 2020

Name of the program/measure	I.Support for self-employment (entrepreneurship)
Short description	The self-employment program is a support designed for the unemployed persons to start their own business.
Objective	Support of unemployed to start business
Target group	Unemployed persons of the evidence of ESARSM
Planned coverage of persons	1877 persons employed in newly established legal entities
Responsible institution and partners	<ul style="list-style-type: none"> <li>• Ministry of Labor and Social Policy</li> <li>• Employment Service Agency of North Macedonia</li> <li>• Agency for Support of Entrepreneurship of North Macedonia</li> <li>• Central Registry of North Macedonia</li> <li>• UNDP</li> <li>• Association REDI Skopje</li> </ul>
Planned amount of funds per person	Up to MKD 307 500 per person; Up to MKD 615 000 two persons.
Potential beneficiaries	<ul style="list-style-type: none"> <li>• Unemployed young people up to 29 years old</li> <li>• Unemployed disabled persons</li> <li>• Unemployed persons</li> <li>• Unemployed women from vulnerable categories</li> <li>• Unemployed people who want to formalize their business</li> <li>• Unemployed Roma</li> <li>• Unemployed as a result of COVID-19</li> </ul>
Additional subsidies	<ul style="list-style-type: none"> <li>• Companies founded by disa-bled people with business plan that envisages for employments of other people will be support with two additional employments.</li> <li>• At least 120 hours of mentor-ship support to develop positively evaluated busi-ness plans.</li> </ul>

Combination with other measures	Beneficiaries who will be supported will be able to use the measure 2.1. Subsidizing salaries and 2.2. Employment and growth of legal entities.
Name of the program/measure	<b>2.Support for creating new jobs</b> <b>Measure 2.1. Wage subsidy</b>
Short description	Support for job creation will encourage employment of unemployed persons in micro, small, medium and social enterprises that primarily focused on social goals and whose profits are reinvested to achieve those goals through business operations or investing in the community and civic organizations that are engaged in economic activities while performing.
Objective	Support for employment of unemployed persons who find it difficult to enter the labour market
Target group	Unemployed persons of the evidence of ESARSM who find it more difficult to enter the labour market
Planned coverage of persons	1978 unemployed persons registered in the ESA (out of which 80 unemployed beneficiaries of the guaranteed minimum assistance
Responsible institution and partners	<ul style="list-style-type: none"> <li>• Ministry of Labor and Social Policy</li> <li>• Employment Service Agency of North Macedonia</li> <li>• Centre for Social Work</li> <li>• Central Registry of North Macedonia</li> <li>• Public Revenue Office</li> </ul>
Planned amount of funds per person	MKD 19 000 per month as a subsidy on the salary of the employee for a period of 3, 6 or 12 months for employment of persons that are target group of this measure.
Potential beneficiaries	<ul style="list-style-type: none"> <li>• Long-term unemployed</li> <li>• Young people up to 29 years old</li> <li>• Persons older than 50.</li> <li>• Unemployed persons</li> <li>• Unemployed as a result of COVID-19</li> <li>• returnees from abroad as a result of COVID-19</li> <li>• Beneficiaries of the guaranteed minimum assistance</li> <li>• Beneficiaries of the right of insurance for unemployment</li> <li>• Persons who had status as children without parent or parental care</li> <li>• Victims of domestic violence</li> <li>• Disabled persons</li> <li>• Roma women or other ethnic communities</li> <li>• Roma</li> <li>• Single parents</li> <li>• Parents of 3 or more children</li> </ul>

Potential beneficiaries	<ul style="list-style-type: none"> <li>• Parents of children with disabilities</li> <li>• Released convicted persons</li> <li>• Homeless persons</li> <li>• Persons with lower education</li> </ul>
Additional subsidies	/
Combination with other measures	/
Name of the program/measure	2.Support for creating new jobs Measure 2.2 Employment and growth of legal entities
Short description	(This measure part of the Support for creating new jobs. Please check the info in the previous box)
Objective	Support in creating new jobs in micro, small and medium enterprises, social enterprises and civil society organizations
Target group	Unemployed persons of the evidence of ESA
Planned coverage of persons	353 unemployed persons of the evidence of ESA
Responsible institution and partners	<ul style="list-style-type: none"> <li>• Ministry of Labor and Social Policy</li> <li>• Employment Service Agency of North Macedonia</li> <li>• Central Registry of North Macedonia</li> <li>• Public Revenue Office</li> <li>• Centre for Social Work</li> </ul>
Planned amount of funds per person	For one person up to 29 = MKD 153 750 For one person over the age of 29 = MKD 92 000 For persons beneficiaries of guaranteed minimum assistance and unemployed Roma=MKD 200 000 Unemployed as a result of COVID-19 from March 2020=MKD 260 000
Potential beneficiaries	<ul style="list-style-type: none"> <li>• Unemployed young people up to 29 years old</li> <li>• Beneficiaries of guaranteed minimum assistance</li> <li>• Unemployed as a result of COVID-19</li> <li>• Roma</li> </ul>
Additional subsidies	/
Combination with other measures	/
Name of the program/measure	2.Support for creating new jobs Measure 2.3. Support for employment of persons with disabilities
Short description	(This measure part of the Support for creating new jobs. Please check the info in the previous box)
Objective	To increase the employability and employment opportunities of the registered unemployed persons with disabilities
Target group	Unemployed disabled persons registered in ESA
Planned coverage of persons	210 Unemployed disabled persons registered in ESA
Responsible institution and partners	<ul style="list-style-type: none"> <li>• Employment Service Agency of North Macedonia</li> </ul>

Planned amount of funds per person	<ul style="list-style-type: none"> <li>• 20 average net salaries for employment of person with permanent disability</li> <li>• 40 average net salaries for a blind persons or disabled person in wheelchair</li> <li>• Adaptation of the workplace=MKD 100 000</li> <li>• 200 average net salaries for procurement of equipment for which the additional criterion is the number of disabled employees.</li> </ul>
Potential beneficiaries	<ul style="list-style-type: none"> <li>• Unemployed disabled persons</li> </ul>
Additional subsidies	/
Combination with other measures	/
Name of the program/measure	<b>3.Trainings</b> <b>3.1 On-the-job training for a well-known employer</b>
Short description	The training aim to improve the skills and qualifications of the unemployed for their more successful integration in the labour market.
Objective	The objective is unemployed persons to acquire skills to perform work tasks in accordance to the needs of the employer
Target group	Unemployed persons of the evidence of ESA
Planned coverage of persons	152 unemployed persons of the evidence of ESA
Responsible institution and partners	<ul style="list-style-type: none"> <li>• Employment Service Agency of North Macedonia</li> <li>• Central Registry of North Macedonia</li> <li>• Public Revenue Office</li> <li>• Economic chambers</li> <li>• Associations</li> <li>• Project of the Swiss Agency for Development and Cooperation</li> </ul>
Planned amount of funds per person	<p>Each person that will attend a training will receive a monthly compensation of MKD 9 000 for the duration of the training up to 3 months.</p> <p>The employers will receive MKD 15 000 per trained person</p>
Potential beneficiaries	<ul style="list-style-type: none"> <li>• Persons with low qualifications</li> </ul>
Additional subsidies	/
Combination with other measures	<p>The unemployed persons who will not be employed after using this measure, will have the opportunity to be included in other programs and measures from the Operational Plan.</p> <p>An employer who will employ more than 50% of the persons who have been trained, for those persons will be able to use the measures from Program 2 in accordance with the established criteria.</p>

Name of the program/measure	<b>3.Trainings</b> <b>3.2a Training for professional qualifications according to the requirements of the employers</b>
Short description	(This measure part of the Training). Please check the info in the previous box)
Objective	The purpose of the measure is to provide training for professional qualifications conducted by verified trainers according to the requirements of employers.
Target group	Unemployed persons of the evidence of ESA
Planned coverage of persons	100 unemployed persons of the evidence of ESA
Responsible institution and partners	<ul style="list-style-type: none"> <li>• Ministry of Labour and Social Policy</li> <li>• Employment Service Agency of North Macedonia</li> <li>• Ministry of Education and Science</li> <li>• Adult Education Center</li> </ul>
Planned amount of funds per person	Each person that will attend a training will receive a monthly compensation of MKD 9 000 for the duration of the training from 2 to 4 months The trainers will receive a fee of up to MKD 30 000 per person for training.
Potential beneficiaries	<ul style="list-style-type: none"> <li>• Unemployed persons of the evidence of ESA</li> </ul>
Additional subsidies	/
Combination with other measures	The unemployed persons have the opportunity to use other programs and measures from the Operational Plan.
Name of the program/measure	<b>3.Trainings</b> <b>3.2b Vocational training at the request of employers</b>
Short description	(This measure part of the Trainings) Please check the info in the previous box)
Objective	The purpose of the measure is to provide training for professional qualifications according to the requirements of employers.
Target group	Unemployed persons of the evidence of ESA
Planned coverage of persons	80 unemployed persons of the evidence of ESA from the vulnerable groups
Responsible institution and partners	<ul style="list-style-type: none"> <li>• Ministry of Labour and Social Policy</li> <li>• Employment Service Agency of North Macedonia</li> <li>• Ministry of Education and Science</li> <li>• UNDP</li> <li>• Adult Education Center</li> </ul>
Planned amount of funds per person	Each person that will attend a training will receive a monthly compensation of MKD 9 000 for the duration of the training from 2 to 4 months The employer can increase the amount of the monthly compensation for the duration of the training through cofinancing, which will be appropriately reflected in the contract.

Potential beneficiaries	<ul style="list-style-type: none"> <li>• Unemployed vulnerable persons</li> <li>• Unemployed young people up to 29 years old</li> <li>• Disabled people</li> <li>• Roma</li> <li>• Other at risk of social exclusion</li> </ul>
Additional subsidies	/
Combination with other measures	The unemployed persons have the opportunity to use other programs and measures from the Operational Plan.
Name of the program/measure	<b>3.Trainings</b> <b>3.3 Trainings for demanded occupations</b>
Short description	(This measure part of the Training). Please check the info in the previous box)
Objective	The purpose of the measure is through training to meet the needs for in-demand occupations, social services and qualifications leading to “green jobs”, e-commerce.
Target group	Unemployed persons of the evidence of ESA
Planned coverage of persons	400 Unemployed persons of the evidence of ESA (out of which 200 beneficiaries of guaranteed minimum assistance)
Responsible institution and partners	<ul style="list-style-type: none"> <li>• Ministry of Labour and Social Policy</li> <li>• Employment Service Agency of North Macedonia</li> <li>• Ministry of Education and Science</li> <li>• Adult Education Center</li> </ul>
Planned amount of funds per person	Each person that will attend a training will receive a monthly compensation of MKD 9 000. The trainers will receive a fee of 24,000 denars per trained person. The training will be realized in a duration of 3 months. Preference for inclusion in the trainings will have the users of guaranteed minimum assistance.
Potential beneficiaries	<ul style="list-style-type: none"> <li>• Unemployed persons of the evidence of ESA</li> <li>• 40 Roma</li> <li>• 200 out of 400 beneficiaries of the guaranteed minimum assistance</li> </ul>
Additional subsidies	/
Combination with other measures	The unemployed persons have the opportunity to use other programs and measures from the Operational Plan.
Name of the program/measure	<b>3.Trainings</b> <b>3.4 Training for drivers for C and D category</b>
Short description	(This measure part of the Training). Please check the info in the previous box)
Objective	Increasing the employability of the registered unemployed persons by acquiring skills, in accordance with the requirements in is profession and the needs for labour force in this economic sector

Target group	Unemployed persons of the evidence of ESA
Planned coverage of persons	50 Unemployed persons of the evidence of ESA
Responsible institution and partners	<ul style="list-style-type: none"> <li>• Ministry of Labour and Social Policy</li> <li>• Employment Service Agency of North Macedonia</li> </ul>
Planned amount of funds per person	The trainings and exams will be realized in licensed driving schools.
Potential beneficiaries	• Unemployed persons of the evidence of ESA
Additional subsidies	/
Combination with other measures	The unemployed persons have the opportunity to use other programs and measures from the Operational Plan.
Name of the program/measure	4. Digital skills development trainings 4.1 Advanced IT skills training
Short description	/
Objective	The measure aims to upgrade the skills of unemployed young people up to 34 years old in the field of information technology in order to increase their competitiveness and faster integration in the labour market.
Target group	Unemployed persons up to 34 years old of the evidence of ESA
Planned coverage of persons	300 Unemployed persons up to 34 years old of the evidence of ESA
Responsible institution and partners	<ul style="list-style-type: none"> <li>• Ministry of Labour and Social Policy</li> <li>• Employment Service Agency of North Macedonia</li> <li>• Ministry of Information Society and Administration</li> </ul>
Planned amount of funds per person	The trainers will receive compensation in the amount of the price expressed in the offer of the most favorable bidder, for the types of trainings that are part of this measure.
Potential beneficiaries	• Unemployed persons up to 34 years old of the evidence of ESA
Additional subsidies	/
Combination with other measures	The unemployed persons have the opportunity to use other programs and measures from the Operational Plan.
Name of the program/measure	4. Digital skills development training 4.2. Advanced IT Skills (with co-financing) for unlicensed trainers
Short description	/
Objective	The measure aims to upgrade the skills of the unemployed with a minimum of secondary education in the field of information technologies in order to increase their competitiveness and faster integration in the labour market.
Target group	Unemployed persons of the evidence of ESA with a minimum of secondary education

Planned coverage of persons	100 Unemployed persons of the evidence of ESA
Responsible institution and partners	<ul style="list-style-type: none"> <li>• Ministry of Labour and Social Policy</li> <li>• Employment Service Agency of North Macedonia</li> <li>• Ministry of Information Society and Administration</li> </ul>
Planned amount of funds per person	The trainers will receive a compensation of up to 49% of the estimated market price for the types of trainings covered with this measure, and 51% of the funds will be covered by the trainer himself.
Potential beneficiaries	<ul style="list-style-type: none"> <li>• Unemployed persons of the evidence of ESA with a minimum of secondary education</li> </ul>
Additional subsidies	/
Combination with other measures	The unemployed persons have the opportunity to use other programs and measures from the Operational Plan.
<b>Name of the program/measure</b>	<b>5. Practice</b>
Short description	/
Objective	Acquisition of practical work knowledge and skills needed to perform work tasks in certain jobs
Target group	Unemployed persons up to 34 years old of the evidence of ESA with a minimum of secondary education
Planned coverage of persons	1413 Unemployed persons up to 34 years old of the evidence of ESA with a minimum of secondary education
Responsible institution and partners	<ul style="list-style-type: none"> <li>• - Ministry of Labour and Social Policy</li> <li>• - Employment Service Agency of North Macedonia</li> <li>• - UNDP</li> </ul>
Planned amount of funds per person	Each person that will be involved in internship/practice will receive a monthly compensation of MKD 9 000 for a period of 3 months
Potential beneficiaries	<ul style="list-style-type: none"> <li>• Unemployed persons up to 34 years old of the evidence of ESA with a minimum of secondary education</li> </ul>
Additional subsidies	/
Combination with other measures	The unemployed persons have the opportunity to use other programs and measures from the Operational Plan.
<b>Name of the program/measure</b>	<b>6. Work employment program</b> <b>6.1. Public works</b>
Short description	The program provides social inclusion of more difficult-to-employ persons in order to acquire certain skills and their gradual inclusion in the labour market, through the implementation of municipal infrastructure projects and environmental protection at the local level.
Objective	
Target group	Unemployed persons of the evidence of ESA
Planned coverage of persons	1050 Unemployed persons of the evidence of ESA

Responsible institution and partners	<ul style="list-style-type: none"> <li>• Ministry of Labour and Social Policy</li> <li>• Employment Service Agency of North Macedonia</li> <li>• City of Skopje</li> <li>• Other municipalities</li> </ul>
Planned amount of funds per person	MKD 400 per person daily. The engagement can be completed in one cycle per year for a period of 22 working days.
Potential beneficiaries	<ul style="list-style-type: none"> <li>• Unemployed persons of the evidence of ESA</li> <li>• Will strive to cover at least 200 Roma</li> </ul>
Additional subsidies	/
Combination with other measures	The unemployed persons have the opportunity to use other programs and measures from the Operational Plan.
Name of the program/measure	<b>7. Care economy</b> <b>7.1. Municipal useful work</b>
Short description	The program provides inclusion of unemployed people to acquire knowledge, skills and competencies for providing community care services and the opportunity for employment/employment as service providers in the field of care, according to the needs of citizens at the local level. This program will support the creation of new jobs through the establishment of new business entities (service providers) or the support of existing enterprises and non-governmental organizations.
Objective	Increasing employability through hiring unemployed persons for providing social and health services at local level
Target group	Unemployed persons of the evidence of ESA
Planned coverage of persons	750 Unemployed persons of the evidence of ESA
Responsible institution and partners	<ul style="list-style-type: none"> <li>• Ministry of Labour and Social Policy</li> <li>• Employment Service Agency of North Macedonia</li> <li>• Ministry of Education and Science</li> <li>• UNDP</li> <li>• City of Skopje</li> <li>• Other municipalities</li> </ul>
Planned amount of funds per person	<p>MKD 9 000 per person for a period from 6 to 9 months / 20 hours per week</p> <p>MKD 9 000 per person involved in training for a period of 3 months</p> <p>The program provides co-financing in cooperation with the municipalities.</p>
Potential beneficiaries	<ul style="list-style-type: none"> <li>• Unemployed persons of the evidence of ESA</li> </ul>
Additional subsidies	/
Combination with other measures	The unemployed persons have the opportunity to use other programs and measures from the Operational Plan.

Name of the program/measure	7. Care economy 7.2. Training and employment of persons to provide community care services
Short description	(This measure part of the Care economy. Please check the info in the previous box)
Objective	Support for unemployed to acquire vocational qualifications and skills through community care services and support for their employment in the field of care.
Target group	Unemployed persons of the evidence of ESA
Planned coverage of persons	150 Unemployed persons of the evidence of ESA
Responsible institution and partners	<ul style="list-style-type: none"> <li>• Ministry of Labour and Social Policy</li> <li>• Employment Service Agency of North Macedonia</li> <li>• UNDP</li> </ul>
Planned amount of funds per person	Implementers of training for professional skills and qualifications will receive a fee of up to MKD 30 000 per person for training. There are subsidies for employers.
Potential beneficiaries	<ul style="list-style-type: none"> <li>• Unemployed persons of the evidence of ESA</li> <li>• Unemployed young people up to 29</li> <li>• Other unemployed persons (parent/guardian) informal caregivers of persons with disabilities, long-term sick persons and the elderly.</li> <li>• Unemployed persons with a recognized certificate for acquired skills/competencies for occupations in the social sphere.</li> </ul>
Additional subsidies	/
Combination with other measures	/
Name of the program/measure	7. Care economy 7.3. Entrepreneurship support and formation of legal entities providers of community care services
Short description	(This measure part of the Care economy. Please check the info in the previous box)
Objective	Support for job creation through the opening of new business entities (future service providers) that will provide community care services.
Target group	Unemployed persons of the evidence of ESA
Planned coverage of persons	<ul style="list-style-type: none"> <li>• Ministry of Labour and Social Policy</li> <li>• Employment Service Agency of North Macedonia</li> <li>• UNDP</li> <li>• City of Skopje</li> <li>• Other municipalities</li> </ul>

Responsible institution and partners	Each person that will attend a training will receive a monthly compensation of MKD 9 000 for up to 3 months. Implementers of training for professional skills and qualifications will receive a fee of up to MKD 30 000 per person for training. The employer will be given a salary subsidy in the amount of MKD 29 180 per month per employee for a period of up to 10 months
Planned amount of funds per person	<ul style="list-style-type: none"> <li>• Unemployed young people up to 29 years old</li> <li>• Unemployed persons</li> <li>• Other unemployed persons (parent guardian) informal caregivers of persons with disabilities, long-term sick persons and the elderly.</li> <li>• Unemployed persons with a recognized certificate for acquired skills/competencies for occupations in the social sphere</li> </ul>
Potential beneficiaries	
Additional subsidies	/
Combination with other measures	/
<b>Name of the program/measure</b>	<b>8. Youth supplement</b>
Short description	
Objective	Encouraging the employment of young people up to 23 in the production sectors after graduating high school. This will contribute towards improving their living by working and meeting the needs of employers with appropriately qualified workforce.
Target group	Young people up to 23 who will be employed in the production sectors
Planned coverage of persons	2 500 young people up to 23
Responsible institution and partners	<ul style="list-style-type: none"> <li>• Employment Service Agency of North Macedonia</li> </ul>
Planned amount of funds per person	MKD 3 000 denars per month per employee.
Potential beneficiaries	<ul style="list-style-type: none"> <li>• Young people up to 23</li> </ul>
Additional subsidies	/
Combination with other measures	/



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