

## 3.2 Administration and governance

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## Governance

Employment policies in North Macedonia are defined within the **Program of the Government of Republic of Macedonia 2020-2024** ([????????? ?? ?????? ?? ??????? ?? ?????????? ??????? ????????????? ?? ?????????? 2020-2024](#)), [Employment and Social Reform Programme 2020](#), [National Employment Strategy 2016-2020](#) and Action Plan for Youth Employment 2016-2020 ([????????? ????? ?? ?????????????? ?????? ????? 2016-2020](#)).

In the Program of the Government of Republic of Macedonia 2020-2024 it is stated that: The main task of this Government will be to restore the confidence of young people in a certain and secure future in our country, by pursuing targeted policies to increase youth employment. In this regard, the program is foreseen following measures:

- Extension of the payment of 3000 denars per month as a youth allowance for employed young people up to 23 years with completed at least secondary education working in production
- Personal income tax refund for all new employees under 30, in the first two years where the funds will be returned directly to their account
- Tax exemption for all newly established private enterprises, formed by young people up to 30 years or women, as long as the turnover is below 3 million denars
- Direct support of youth and women entrepreneurship through grants in the amount of 5000 to 15000 euros for starting their own and new business
- Establishment of a Fund for Young Minds which will include young people who have left the country and have proven and achieved results in science, business, and other fields. They will be engaged as mentors of children and youth from the homeland
- Law on Youth Guarantee, which will institutionalize this form of support for young people to employment

- Establishment of a scholarship fund for young people for the needs of handicrafts
- Intensified practical teaching in secondary vocational schools, through models of cooperation with the unions of chambers of commerce and local self-government, as well as youth competitions for entrepreneurship
- Cooperation of the so-called triple helix, where universities, the business community and the Government together prepare curricula that will be a real response to the needs and demands of the labor market
- Law on Support of Social Entrepreneurship, with a focus on youth and women, and the opening of three centers for support of social enterprises
- Opening the possibility for full-time students to enter full-time employment, a certain number of hours - an option available to students in most European countries.

In the Employment and Social Reforms Programme 2020 one of the goals is to improve youth employment and promote more and better jobs for young people. The foreseen measures for achieving the goal are: further strengthening of the coverage and participation of young unemployed persons in the design and implementation of services and active employment measures. Strengthening the system; Strengthening the system of profiling young unemployed persons when registering them within the Employment Service Agency of the Republic of North Macedonia in order to assess and identify the possibilities for employment and prioritize the interventions and others.<sup>[1]</sup>

The National Employment Strategy 2016-2020 is prepared with the support of three international institutions: the International Labor Organization (ILO), the World Bank, and the UNDP. It has a general scope and does not apply exclusively to young people, but points out the need to take active employment measures targeted at young people in order to facilitate the transition from education to the labor market, which on average last about 6 years.

In order to overcome the challenge of youth employment at national level, the Government of Republic of North Macedonia and the social partners in cooperation with ILO have developed an Action Plan for Employment of Young People 2016-2020. The ultimate goal of the Action Plan is promoting more and better jobs for young people. The specific objectives of the Action Plan are mainly focused on the areas that are key to promoting youth employment such as: 1. Improve the matching of the supply of skills with the requirements of the labor market; 2. Promotion of job creation led by the private sector; 3. Facilitating the transition of young people to the world of work. The MLSP in 2017 has revised the Action Plan ([?????????? ??????? ????? ?? ??????????? ????? ????? 2016-2020](#)) but the objectives remain the same.

Starting from 2007, the Ministry of Labor and Social Policy annually creates Operational Plans for Active Programs and Measures for Employment. The Operational Plan sets out the annual priorities of employment policies through the implementation of active employment programs

and services. The holder of the Operational Plan is MLSP, and its implementation is in the competence of Employment Service Agency of Republic of North Macedonia in partnership with other responsible institutions. It is important to note that the Operational Plans do not apply exclusively to young people but they always place special emphasis on young unemployed persons up to 29 years old. At the government press conference held on January 26, the new Operational Plan for Employment for 2020 ([?????????? ???? ?? ??????? ????????? ? ?????? ?? ?????????????? ? ?????? ?? ????????? ?? ??????? ?? 2020 ???????](#)) was presented. In September 2020 the Operational plan undergo some changes ([?????????? ??????????? ???? ?? ????????? ?????? ?? ?????????????? ? ?????? ?? ????????? ?? ??????? ?? ??????? ??](#) [2020 ???????](#)) for which the Government increased the total budget to 1.80 billion MKD which is the highest amount so far. Before revisions, the Operational plan had a budget of 1.45 billion MKD, which was almost three times higher than 2014. The measures focus on further qualification, self-employment, digital skills and internship.

In terms of entrepreneurship, the Agency for Promotion of the Entrepreneurship in the Republic of North Macedonia([????????? ?? ?????????? ?? ????????????????????? ?? ?????????? ?????????? ????????????](#)) is state institution established to conduct Governmental policies for small and medium enterprises as well as other programmes adopted by the Government for supporting the entrepreneurship, competitiveness and innovation. In 2007, the Government of the Republic of North Macedonia through the MLSP launched the Self-Employment Program in order to stimulate entrepreneurship and support the creation of start-up businesses that will provide sustainable employment. The analyzes show that there is no municipality in the country where small businesses were not established through the Self-Employment Program. The program is jointly implemented by the MLSP, ESA, and in cooperation with the United Nations Development Program (UNDP). The Self-Employment Program is part of the Operational Plan for Active Programs and Measures for Employment and Labor Market Services for 2020.

This program is not specifically created for young people, but it also covers them. For the measure of the self-employment the amount of the financial support is to 307.500 or up to 615.000 MKD (if a legal entity is founded from two partners).<sup>[2]</sup>

[1][1] See more Program for Employment and Social Policy Reforms 2020. Government of the Republic of Macedonia (Skopje, 2017), p.84  
[http://www.mtsp.gov.mk/content/word/esrp\\_dokumenti/ESRP%20Makedonija%20-%20final%20\(MKD\).pdf](http://www.mtsp.gov.mk/content/word/esrp_dokumenti/ESRP%20Makedonija%20-%20final%20(MKD).pdf) (Accessed November 10, 2020)

[2][2] Operational Plans for Active Programs and Measures for Employment 2020. Ministry of Labor and Social Policy of Republic of North Macedonia,

## **Main actors**

The following public actors are involved in the process of creation and implementation of youth employment and entrepreneurship policies:

- Ministry of Labor and Social Policy (main authority)
- Ministry of Education and Science
- Ministry of Information Society and Administration
- Ministry of Finances
- Ministry of Economy
- Employment Service Agency
- Center for Vocational Education and Training
- Center for Education of Adults
- Agency for Promotion of the Entrepreneurship of the Republic of North Macedonia
- Centers for social work
- Agency for Youth and Sport

Our Governmental institutions also cooperate with UNDP office in North Macedonia, USAID office in North Macedonia, World Bank, ILO, Confederation of Free Trade Unions, Organization of Employers of North Macedonia and others.

## **Consultation of young people**

A key remark for government institutions is that, when youth employment policies are adopted, youth and youth organizations are rarely consulted about the development of such policies. There were several consultations with National Youth of Macedonia on Operative plan for employment 2018 and 2019 and for the revision of the Action plan for Youth Employment 2016-2020 but other than that, there weren't any other collaboration. It's important to mention that institutions are not obliged to incorporate the ideas from these consultations.

## **Policy monitoring and evaluation**

The Employment Service Agency and the Ministry of Labor and Social Policy are responsible institutions for monitoring the implementation of the active measures for employment, in order to

provide accurate information about their success. The effectiveness of Active Labor Market Measures (ALMM) in the country is most often analyzed by evaluating the results at the end of the duration of the measures, for example, the percentage of employed young people upon completion of internship. The National Employment Strategy envisages, on an annual basis, a working group led by the MLSP to inform the Government on the progress in the implementation of the Strategy. At the end of the implementation period of the Strategy (2020), a summary evaluation of the strategy will be carried out based on 1) the projected outcomes and the fulfillment of the targets, 2) the indicators for monitoring the Strategy. There are not many studies for evaluation of the effects and generally speaking it is difficult to derive a usual pattern of the impacts, although it is visible that intensification of ALM measures is in line with the unemployment decrease in recent years. Young people were included in the evaluation process of the youth employment measures by the International Labor Organizations, in accordance with the "Impact evaluation of active labor market programs in FYR Macedonia: key findings", through survey targeting beneficiaries from the measures (treatment group) and non-beneficiaries (control group). However, the authors reported relatively low response on the survey and got mixed and ambiguous results.