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KEY POLICY DEVELOPMENTS IN EDUCATION, TRAINING AND EMPLOYMENT

NORTH MACEDONIA

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THE EU AGENCY SUPPORTING COUNTRIES TO DEVELOP THROUGH LEARNING

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EXECUTIVE SUMMARY

North Macedonia is fully engaged in the European cooperation process for vocational education and training (VET). The country's priorities are aligned with those of the EU, although progress in their implementation has been modest. This is mainly due to the delay in adopting – since 2021 – the laws needed to provide the statutory basis for implementing the planned reform.

Among the main challenges for VET are improving its quality, relevance and responsiveness to the labour market needs, to reduce skills mismatch, shorten school-to-work transitions, and combat informal employment. These challenges were already identified in the 2023 Economic Reform Programme for North Macedonia (European Commission, 2023), and confirmed in the 2024-2026 one (MoF, 2024). Furthermore, although VET graduates record higher employment rates than their peers from general education, most of them prefer to continue studying in higher education after upper secondary VET rather than accessing the labour market (Mauer, Spasovski, 2024).

Most of the policy developments in VET in the past years – with moderate progress in 2023 – have focussed on increasing participation in VET; enhancing WBL, by increasing the number of students, VET schools and companies involved; and in setting up Regional VET Centres (RVETCs) in cooperation with local employers. The RVETCs are expected to become regional centres of excellence that will optimise resources and provide more training opportunities for young people and adults relevant to the regional labour markets. In 2023, two new schools, in Strumica and Veles, in addition to those in Kumanovo, Tetovo and Ohrid, have been selected to become RVETCs. The process of making the centres operational is being held up by delays in adopting the necessary laws and bottlenecks in implementing projects to upgrade the requisite infrastructure and equipment. North Macedonia continues successfully implementing the Youth Guarantee (YG) scheme, under the 2023-2026 implementation plan. The new government is committed to further improving the implementation of the Youth Guarantee in line with the 'reinforced Youth Guarantee' (Council of the European Union, 2020), and to continue working on Regional VET centres, WBL and optimising the schools' network.

The North Macedonian labour market shares key characteristics with other Western Balkan economies, such as rather low participation rates, especially among women and young people, high structural unemployment (especially among youth), a high share of long-term unemployment and reliance on non-standard employment forms (MoLSP, 2023). Significant skill mismatches exist, with higher educated individuals often taking positions for which they are overqualified.

In terms of the education policy framework, the 2018-2025 Education Strategy is still in place and indicates how it is planned to address these challenges: through improved standards and assessment, teacher training and investment in the teaching and learning environment; by creating learning pathways in the context of lifelong learning and improving support for students with special educational needs. The Strategy has been implemented by developing policy documents, action plans and legislative changes. The reforms have been supported by a large package of projects funded by the EU and other international donors, most of which are completed or about to finish. However, this should be accompanied by sustainable investment in education, to continue increasing the country's capacity in this policy field. The level of national spending on education resulting in partial institutional capacity, the limited intersectoral coordination and the delays in adopting key legislation appear to hamper the successful implementation of the Strategy. The drafting of the new Education Strategy has not started yet, but work has begun on preparing the new Adult Education Strategy.

On the employment side, the strategic objectives of the National Employment Strategy 2021-2027 and the accompanying Action Plan for Employment 2021-2023 relate to: (1) improving the quality of education and learning outcomes; (2) enhancing the role of economic and enterprise development policies in creating decent jobs; and (3) strengthening the inclusiveness of labour market policies. A new action plan is being drafted but has not yet been approved because of 2024 elections and the inter-ministerial restructuring initiated by the new government.

North Macedonia is among the beneficiaries of the European Commission's 'New Growth Plan for the Western Balkans', launched in November 2023 to support the region's socio-economic convergence. The financial support is significant, amounting to EUR 6 billion for the six countries)[1]. The plan covers a broad range of areas that will help improve the situation of young people in the Western Balkans, such as better opportunities for employment and training, access to quality education, and removing barriers to learning (European Commission, 2023c). The national Reform Agenda identifies the reforms for which implementation funds will be disbursed between 2024 and 2027. These include measures in the fields of career guidance, 'dual education', regional VET centres, the validation of non-formal and informal learning, and continuous professional development for teachers with a focus on digital and green skills.

This report covers the developments in VET, in the labour market and employment in the years 2023/2024, and according to the latest information available. The previous version of this document is available here.

[1] New Growth Plan for the Western Balkans - European Commission (europa.eu) https://neighbourhood-enlargement.ec.europa.eu/enlargement-policy/new-growth-plan-western-balkans_en

1. KEY POLITICAL, DEMOGRAPHIC, ECONOMIC AND SOCIAL CHARACTERISTICS

Political developments

In 2024, general elections took place in North Macedonia. The national-conservative VMRO DPMNE party won both North Macedonia's parliamentary and presidential elections[2], with three times more votes than the previously ruling party, the Social Democrats (SDSM), led by Dimitar Kovacevski.

Hristijan Mickoski was elected prime minister of the coalition government, formed by his party VMRO DPMNE on 23 June 2024[3]. The other coalition members were 'Vlen coalition' (representing ethnic Albanian parties), and 'For Our Macedonia' (ZNAM) (the party of the current mayor of Kumanovo Maksim Dimitrievski).

The new president is Gordana Siljanovska Davkova, the first woman elected president in the country[3].

In their public speeches, both Mr Mickoski and Ms Davkova referred to their country as 'Macedonia' and not with the country's constitutional name 'North Macedonia'. By doing so, *de facto* they did not respect the Prespa Agreement, which in 2018 had ended the almost three-decades-old dispute with Greece over the country's name[4]. The positions of the president and the prime minister triggered the prompt reaction not only of Greece[5], but also of the President of the European Commission, who declared that 'For North Macedonia to continue on its successful path toward EU membership, it is essential that the country continue on the path of reforms and full compliance with binding agreements, including the Prespa Agreement'.

Another relevant political development concerned the adoption of a possible constitutional amendment. North Macedonia's previous SDSM-led government had proposed a text referring to the several ethnic minorities, including Bulgarians, who comprise North Macedonia's population. But the current ruling party, VMRO-DPMNE, back then in opposition, opposed its adoption[6]. This might impact future relationships with Bulgaria, which were settled in 2022 in an agreement that lifted the Bulgarian veto on North Macedonia's accession to the EU.

Despite signs of concerns and identity conflicts[7], the country is still committed to the EU enlargement process[8]. Among its strategic priorities, the new government includes the integration of the Republic of North Macedonia into the European Union; as well as comprehensive improvements to the quality, infrastructure and availability of education, creating a knowledge-based society and successfully dealing with contemporary challenges (Government of the Republic of North Macedonia, 2024).

In past years, political polarisation in Parliament and a lack of dialogue led to delays and obstacles in the law-making process and its planning (European Commission, 2024c). At the same time, the increased use of accelerated parliamentary procedures was recorded. This included the so-called 'EU flag' procedure, which was conceived to speed up changes leading to alignment with the EU acquis. However, this was used for other legislative changes, 'without public consultation or impact assessment, thus restricting public and parliamentary scrutiny and undermining the quality and legitimacy of legislation' (European Commission, 2024c, page 21).

[2] https://europeanwesternbalkans.com/2024/05/09/dominant-victory-of-vmro-dpmne-in-macedonian-elections/
[3] https://www.reuters.com/world/europe/north-macedonia-parliament-approves-new-nationalist-dominated-government-2024-06-23/
[4] https://meta.mk/en/did-siljanovska-davkova-violate-the-prespa-agreement-international-community-reacts-to-her-speech/
[5] https://balkaninsight.com/2024/06/18/prespa-agreement-must-be-respected-urge-tsipras-and-zaev/
[6] https://www.rferl.org/a/north-macedonia-president-siljanovska-davkova-brussels/32939952.html
[7] https://europeanwesternbalkans.com/2023/09/28/osmani-north-macedonia-the-most-harassed-country-in-eu-enlargement-process/
[8] https://europeanwesternbalkans.com/2024/06/24/new-government-of-north-macedonia-voted-in-plans-to-offer-legal-and-legitimate-proposals-for-the-issue-of-constitutional-change/

Local elections will take place in 2025 (the last ones were in October 2021). This is seen as a future opportunity to boost local democracy through independent candidates, such as 'Green Humane City' (GHC) in the City of Skopje and 'Chance for Centar' (CfC) in the Skopje municipality of Centar (Missini, Nikolovski, 2023).

Demographics

The latest census took place in September 2021 (the previous one was carried out in 2002; MAKSTAT, 2022). It was 'conducted by applying a new, so-called combined census method and new technological approach with entry of census data on handheld computers, laptops, and using data from the created pre-census database'[9]. The results showed that the population has decreased by a significant 9.2% in the last 20 years. The total number of residents was 1 836 713.

The ethnic composition has not changed much since the 2002 census. Of the total resident population, 58.4% identified as ethnic Macedonians, 24.3% as ethnic Albanians, 3.86% as Turks, 2.53% as Roma, 0.47% as Vlachs, 1.3% as Serbs, and 0.87% as Bosnians. In addition, 3 504 persons identified as Bulgarian.

North Macedonia is an ageing society. The share of young people aged 15-24 in the 15-64 age group decreased from 21.8% in 2010 to 17.3% in 2023 (World Bank). Over the next 30 years, the working age population (i.e. people aged 15-64) is expected to decrease by 21% (MoLSP, 2021, page 15).

The life expectancy at birth in North Macedonia was 75.9 years in 2018, compared to 83.6 in the EU (WHO and World Bank baseline reports) (MoF, 2024, page 104).

North Macedonia is on one of the main transit routes for migration movements (European Commission, 2023b, page 5). In 2023, there was a crude rate of net migration equal to -3.1% (UN DESA data[10]); and there were 18,898 refugees (UNHCR data[11]). The ETF study on migration (ETF, 2021a) indicates that, based on the Macedonian migrant stock from destination countries, 658 000 Macedonians lived abroad at the end of 2019, which corresponds to 32% of the domestic population. Despite fears of a 'brain drain', most migrants have a low level of education, followed by people with a medium level of education.

Key economic developments

North Macedonia 'is at a good level of preparation in developing a functioning market economy' (European Commission, 2023b, page 6). However, 'structural problems of the labour market, the skills mismatch between labour market requirements and graduate qualifications, a large informal economy, low innovation activity, as well as substantial infrastructure investment needs to boost the competitiveness of the domestic economy' (European Commission, 2024, page 145), coupled with 'slow progress in streamlining parafiscal charges and an untransparent and inefficient State aid regime' movements (European Commission, 2023b, page 6) are among the main factors hindering the business environment.

'The disruptions caused by Russia's invasion of Ukraine, including rising food and energy prices, exacerbated structural weaknesses in North Macedonia's economy. While the country's resilience to the crisis appears stronger than expected, its long-term potential growth rate continues to decline, driven by low and falling productivity and a chronic shortage of skilled labor' (World Bank, 2023b, page 8).

The gradual process of economic recovery that had started after the pandemic remains slow. Despite the positive effect of net exports on GDP growth, the latter decreased from 2.2% in 2022 to 1% in 2023 (World Bank data). Domestic demand was driven by private consumption, but its growth remained weak overall. Public consumption also declined in consequence of the phasing out of fiscal

[9] https://www.stat.gov.mk/OblastOpsto_en.aspx?id=31
[10] https://population.un.org/dataportal/data/indicators/66
[11] https://www.unhcr.org/refugee-statistics

support measures. Many of these were introduced by the government to support households and businesses with large-scale energy subsidies, tax reductions and targeted direct income support, to mitigate the consequences of Russia's war of aggression against Ukraine, which significantly slowed down its post-COVID-19 recovery. Yet, projections point to growth in real GDP, the economy, private consumption, export and relatively imports (European Commission, 2024, page 136).

The biggest share of value added to the GDP structure in 2023 came from the following labour-intensive and low productivity industries: wholesale and retail trade; repair of motor vehicles and motorcycles; transportation and storage; accommodation and food service activities (19.5%). These were followed by: mining and quarrying; manufacturing; electricity, gas, steam, and air conditioning supply; water supply; sewerage, waste management and remediation activities (15.9%, with manufacturing alone accounting for 12.4%). In 2023, the share of agriculture in the economy continued gradually declining accounting for 7% of gross value added (7.2% in 2021). Overall, the main driver of growth in 2023 was the service sector (+2.8%) mostly with trade, transport and catering activities contributing to growth. Significant growth was also observed in information and communications, financial activities and activities related to real estate. Growth in agriculture and industrial production was more modest or minimal, while the construction sector recorded reduced activity (MoF, 2024, page 14).

On 14 May 2023, the annual Economic and Financial Dialogue between the EU and the Western Balkan Partners, Türkiye, Georgia, the Republic of Moldova, and Ukraine took place. The jointly adopted policy guidance invites North Macedonia to, among others, control wage spending and reduce energy subsidies to meet the 2024 fiscal target; adopt the by-laws to the Organic Budget Law to ensure it can enter into force in 2025; and pursue a sufficiently tight monetary policy stance to preserve price stability.

According to the IMF estimates, the informal economy could have accounted for as much as 38% of GDP before the pandemic (International Monetary Fund, 2022); a much higher estimate than the one by the Ministry of Finance (17%). Its impact on informal employment, one of the main components of the informal economy together with unregistered labour, seems to have decreased: the number of informal employees as a proportion of total employees fell from 18.6% in 2018 to 13% in 2022. ILO calculations estimate that 21.1 per cent of total labour input in North Macedonia is undeclared (Petreski et. al, 2023).

A new Strategy for formalising the informal economy (2023-2027) was adopted in September 2023 (MoF, 2023b), with an action plan until 2025. This Strategy replaces the 2018 one, whose implementation remained slow. 'The [new] strategy aims at reducing the size of the informal economy to some 26% of GDP by the end of 2027'. At the same time, in 2023, the tax reforms adopted by the government at the end of 2022 to strengthen the tax-paying culture, and thereby fight the informal economy, were implemented. Nevertheless, 'the provision of State aid continues to suffer from a lack of transparency, which may distort the level playing field for companies' (European Commission, 2024, page 146). The Strategy outlines an effective legal framework, activities to increase the trust in institutions, preventive actions towards labour and company informalities, and strengthening the monitoring, control and repression system of informal operations and shadow work. The Joint Conclusions of the Financial and Economic Dialogue 2023 and EC Progress Report 2023 have recommended that the Macedonian authorities start promptly with the implementation of the Strategy and its Action plan and ensure high level political commitment. The (former) Ministry for Labour and Social Policy is responsible for its implementation.

The new North Macedonian Economic Reform Programme 2024-2026 (MoF, 2024) builds on a challenging assessment of previous ERP 2023-2025 (MoF, 2023) by the European Commission and ECOFIN. These pointed to several challenges including: 'the provision of targeted and temporary support to vulnerable groups and companies if needed, with simultaneous gradual fiscal consolidation and strengthening of fiscal management, better implementation of capital investments and careful monitoring of price movements and implementation of an appropriate monetary policy. Furthermore, the EC states that it is necessary to deal with the informal economy, the lack of skills, the lack of innovation and technological development in companies and the acceleration of the digital transition.

The need to increase energy independence through modernization of the energy sector and transition to clean energy is particularly emphasized' (MoF, 2024, page 7). The 2024-2026 ERP identifies three areas for key structural reform measures: (1) competitiveness; (2) sustainability and resilience; (3) human capital and social policies (see chapter 2).

Innovation is among the critical elements, in the ERP priority areas, which may impact on key economic developments. Innovation levels remain modest at 49.6% of the EU average, although the gap with the EU is narrowing: 'among Emerging Innovators, North Macedonia (+11.7%) showed the fastest growth as a non-EU country over 2017-2024' (European Commission, 2024b). Improvements have been made in the areas of environment-related technologies, resource productivity, and new (foreign) doctorate graduates (*ibidem*). In 2022, North Macedonia, a historically coal-dependent country, became the first country in the Western Balkans to adopt a National Energy and Climate Plan, which foresees the closure of coal-fired power plants by 2027 and their replacement mainly by renewable energy[12], using gas as a transition fuel.

Initiatives for a just transition are starting to be adopted. In December 2023, the country launched 'a just energy transition investment platform to guide its far-reaching plans for a low-carbon and just transition of the electricity sector […]. To address this, the platform will support regional economic diversification and human capital development in line with its Just Transition Roadmap, supported by the European Union and EBRD'[13]. This will have an impact also in terms of skill requirements in several occupations in the country, and in other Western Balkans: one out of every six current workers in the region will need to upskill in their current jobs or retrain into alternative green jobs in the medium term (World Bank Group, 2024).

The EU support to the country has continued and increased in 2023.

On 8 May 2023, the European Commission disbursed EUR 50 million in loans to North Macedonia as a first tranche of a EUR 100 million macro-financial assistance operation for the country. Prior to disbursement, the government had completed a number of policy reforms agreed on earlier with the Commission. A second tranche of EUR 50 million may be disbursed, depending on progress against agreed policy conditions[14].

In November 2023, a 'New Growth Plan for the Western Balkans', including North Macedonia, was proposed by the European Commission[15] to support the region's socio-economic convergence with significant additional financial support. The plan covers a broad range of topics that will help improve the situation of young people in the Western Balkans, such as better opportunities for employment and training, access to quality education and removing barriers to learning (European Commission, 2023c). In late 2023, the country started preparing the national reform agenda, identifying the reforms, for which implementation funds will be disbursed between 2024 and 2027. The 2024-2026 ERP served as a basis for the preparation of the national reform agenda.

Key social issues

Poverty rates have fallen in recent years. Recent progress may have resulted mainly from 'the expansion of employment opportunities and labour earnings among the less well-off' (World bank, 2024). Faster income growth among the poorest share of the population was accompanied by higher pensions; although these played a more limited role, together with social assistance programs.

[12] North Macedonia adopts National Energy and Climate Plan, commits to accelerate energy transition during Secretariat's visit to Skopje - Energy Community Homepage (energy-community.org) https://www.energy-community.org/news/Energy-Community-News/2022/06/01.html
[13] https://www.ebrd.com/news/2023/north-macedonia-launches-just-energy-transition-investment-platform-at-cop28.html
[14] €50 million in financial support to North Macedonia (europa.eu) https://ec.europa.eu/commission/presscorner/detail/en/ip_24_2521
[15] New Growth Plan for the Western Balkans - European Commission (europa.eu) https://neighbourhood-enlarement.ec.europa.eu/enlargement-policy/new-growth-plan-western-balkans_en

Yet, poverty remains a significant social issue, particularly child poverty. According to the latest Eurostat data (ILC_PEPS01N, 2020[16]) the share of people at risk of poverty or social exclusion stood at 32.6% in 2020 (EU average: 21.6%), with the unemployed being most exposed to this risk (more than 63% in 2020). The Gini coefficient was 31.4% 2022 (30% on average in the EU27). 'The share of poor employees, poor pensioners, poor unemployed and the rate of inactive persons was 7.9%, 7.0%, 45.1%, and 32.5%, respectively' (MoF, 2024, page 112). According to the World Bank 'poverty is estimated to 'have resumed its decline after COVID-19, albeit more slowly, constrained by decelerating growth and the erosion of households' purchasing power from elevated inflation during 2022-2023' (World Bank, 2024).

More up-to-date statistics and information on measures to combat child poverty are lacking. The latest figure is still the 2019 one, affecting 27.8% of children. Existing measures are directed at tackling post COVID-19 consequences, and the authorities need to make further efforts to trigger local level cooperation among stakeholders, to involve relevant CSOs and children. Social work centres should be enabled to offer new community services, including services for children at risk, 'Roma children and children with disabilities who are victims of discrimination and segregation' (European Commission 2023b, page 36).

The exposure to poverty is one of several factors that make individuals vulnerable to trafficking: children between 9 and 17 years of age constitute 70 per cent of the victims of trafficking in North Macedonia. 'The average age of child victims in the country is 15, with girls being disproportionately affected, often subjected to dual forms of exploitation: both sexual and labour'[17].

Income inequalities - with respect to disadvantaged income groups - are also correlated with inequalities in education, labour market access and health (ibid). Differences in educational outcomes persist depending on the ethnic group (OECD, 2020).

Concerning the life conditions of young people in general, the average life satisfaction score for young respondents (aged 18-29) to the ETF-Eurofound e-survey on working and living, is 5.3, which is significantly below the EU-27 average of 6.1 (ETF, 2024, forthcoming).

Gender inequality is an unresolved social issue as well.

Female participation in the labour market is one of the lowest in the region: in 2023, it stood at 42.6%, 19.2% lower than that of men (for the age group 15+ years). In 2019, the gender pay gap was the highest in the region (Nikoloski, 2019). In 2023, the female labour force participation rate is 42.6%, marking a declining trend since the 1990s (45.6% in 1991), and among males it is 62.8%[18]. 'Care for children and the elderly is cited as one of the primary reasons for inactivity of women' (MoF, 2024, page 103).

Despite some improvement in the work domain since 2015, 'there are still significant gender inequalities in the country in this domain. Women face lower activity rates, lower employment rates, and more often than men work as unpaid contributing family worker' (Bashevska, 2022, page 10). The European Gender Equality Index reveals that 'the gender gap in employment is highest for low educated women, indicating strong pressure for women (unlike for men) to be more qualified in order to secure employment' (*ibidem*). According to the ETF-Eurofound e-survey, only 23% of respondents believe that women have the same possibilities as men to access top positions in business; and 26% of respondents believe that jobs in any sector can be done by men and women with the same success (ETF, 2024 forthcoming).

[16] ec.europa.eu/eurostat/databrowser/view/ILC_PEPS01N/default/table, last access on 5 October 2024
[17] https://www.unicef.org/northmacedonia/press-releases/children-constitute-70-cent-all-identified-victims-human-trafficking-north-macedonia. For more information, National Commission for Combating Human Trafficking and Illegal Migration, 2023.
[18] North Macedonia World Bank Gender Data Portal https://genderdata.worldbank.org/en/economies/north-macedonia#:~:text=In%20North%20Macedonia%2C%20the%20labor,labor%20force%20participation%20has%20decreased.

Another indicator of gender imbalance is the average weekly hours spent on childcare. On average, North Macedonian respondents spend 9 hours a week (compared to 7 hours in the EU), whereas women spend 14 hours weekly compared to 2 hours for men (the gender gap in the EU is slightly lower at 10 hours) (ETF, 2024 forthcoming). The 2022 Gender Equality Index report confirms that women are mostly responsible for unpaid domestic work and childcare, 'in a context of prevalent traditional gender norms and roles, insufficient availability and quality of childcare services, lack of flexible and family-sensitive work arrangements, absence of shared parental leave, and insufficient coverage of paid maternity leave, which excludes registered women farmers and unemployed mothers' (Bashevska, 2022).

Another key societal issue is corruption. Experts, citizens, and businesses perceive a high level of corruption in the public sector. Public perception reports also reveal that 'the justice system does not treat everyone equally before the law and undue political influence prevents justice in corruption cases' (USAID, 2024). Corruption is considered an intrinsic feature of society, thus leading the population not to fight for justice. This has an impact on diminishing citizen and investor trust in institutions, as well as accountability and transparency; it ultimately hinders economic growth and contributes to political fragility and instability. 'In the 2023 Corruption Perceptions Index by Transparency International, North Macedonia, scored 42/100, and ranks 76th globally' (European Commission, 2024c).

2. EDUCATION AND TRAINING

2.1 Trends and challenges

Education strategy and legal framework for education

The main framework strategy for education and VET comprises the Education Strategy 2018-2025 and the Action Plan for its implementation (MoES, 2018). The latter covers six pillars of education and several objectives, namely: increasing the proportion of children in pre-school education; reforming compulsory education programmes and focusing them on learning outcomes; supporting quality teaching materials; aligning VET with labour market needs; strengthening teacher competences; improving management and leadership at central and local level; and improving assessment systems, particularly for VET students (MoES, 2018). The strategy highlights the need for increased funding for the education sector. Insufficient State financial support for education and training hinders the implementation of the Education Strategy (MoF, 2024, page 103).

The MoES regularly produces reports on the implementation of the Strategy. The latest one available is on implementing the annual work plan in 2023 (MoES, 2024). The government has not started drafting the new Strategy, post 2025.

The country's VET policy priorities are in alignment with those for EU cooperation in VET (ETF, 2023d). North Macedonia joined the Copenhagen process about a decade ago. In 2020, it signed the Osnabrueck Declaration and afterwards agreed to the joint monitoring of developments under its National Implementation Plan. In 2023, the relevant stakeholders involved in the 'Osnabrueck process' made considerable efforts to engage in EU cooperation in VET to enhance vocational education in alignment with labour market needs. To strengthen the governance, quality assurance, and responsiveness of the VET system to labour market needs, North Macedonia has worked on the following: the development of standards and curricula, strengthened school-company partnerships, improvement of teaching practices, and promotional activities. However, the lack of a stable regulatory framework still impedes the full realisation of the envisaged reforms. Therefore, the new government reopened the process. Dedicated working groups were set up in summer 2024 to revise the draft laws on primary, secondary, and adult education, on VET, on the NQF, and on textbooks. Public consultations will be open from September to October on the portal ENER[19]. According to the Cabinet, the adoption of the six laws is expected by December 2024.

Education spending

Public spending on education and training is below the EU average (5%) and peer-country averages, and it is decreasing. In 2022, it was 3.7% of the GDP, in line with the preceding five years. In 2023, it fell to 3.58%, and to 3.17% in 2024 (MoLSP, MoES, 2024, page 17).

The central government is responsible for capital expenditure on education, and local government is responsible for recurrent costs, including staff salaries. Municipalities receive funding through block grants. Among the challenges related to education spending is inefficiency mainly due to 'outdated formulas for the redistribution of public education funds by the municipalities, and intersectoral coordination needs to be improved' (European Commission, 2024, page 145). There have been no developments on the new financing formula for primary and secondary education, and higher education, which would have combined standard input parameters and variable components, with the latter including school performance.

[19] Електронски национален регистар на прописи на Република Северна Македонија (ener.gov.mk)

Access, participation and early school leaving

The State Statistical Office data show decreasing access to education in the country. In the school year 2023/2024, the number of students in primary and lower secondary schools was 182 124, which is 1.6% less than in the previous school year. The number of students in upper secondary schools was 67 278, which also marks a decrease of 2.8% compared to the previous school year[20].

Nevertheless, looking at the long-term trends, North Macedonia has made satisfactory progress in increasing participation in education. According to the latest ETF KIESE data, the share of population with a low level of education (age group 15+ years) decreased from 37.2% in 2015 to 29.6% in 2023 (still higher than the previous year: 27.3% in 2022). From 2022 to 2023, the country recorded an increase in the share of population with a medium level of education: from 42.7% to 49.7% (+3.1% since 2015). Additionally, the share of those with a high level of education increased, from 17% in 2022 to 20.7% in 2023 (+4.5% since 2015).

However, according to the ETF-Eurofound e-survey, in North Macedonia, education and training opportunities seem to be less accessible to young people than their peers in the EU. 56% of men and 45% of women reported having access to education opportunities, compared to 71% and 69%, respectively in the EU-27 (ETF, 2024 forthcoming).

The early school-leaving rate (of people aged 18-24) fell from 11.4% in 2015 to a record low of 3.7% in 2023, marking a significant drop from the previous year (6.2% in 2022), well below the EU average of 9.5%. In addition to this overall improvement, gender differences also seem to be lessening, with the same rate of 3.7% for early leavers for both male and female (the opposite of the EU average, which has higher shares for men than women).

With regard to VET, substantial efforts in the last decade have been made to increase the proportion of students in upper secondary education choosing VET over general education (ISCED level 3). This went from 60% in 2020/21, to 64% in 2022/23 and 67.3% in the 2023/2024 academic year (MoLSP, MoES, 2024). Most VET students follow 4-year programmes, and 9% to 10% of students are enrolled in 3-year programmes. This increase was recorded especially in dual programmes among VET students. Forty percent (40%) of all VET students were enrolled in only two sectors — healthcare, or business and law, and the remaining 60% were spread across all other VET sectors.

Increasing participation in VET should not hide broader but persistent challenges in the quality of education, which remains low (Maurer, Spasovski, 2024, page 8) and is reflected in the country's PISA results. These results are very low compared to other countries in the region (see dedicated section in this report). The following elements may help to better contextualise changes in participation levels (Maurer, Spasovski, 2024):

- There is a considerable dropping out rate between primary and secondary education, even though it is compulsory to continue (about 10% of all young people do not start secondary education).
- The rate of dropouts is considerable also in secondary education, often consequent to employment in the informal sector, family obligations or early marriages. As a result, the overall share of those aged between 15 and 19 attending school is lower (only 68 percent during the academic year 2021/2022).
- There is a negative trend in the total number of students dropping out in secondary education, which has been falling over the last years. It went from 71 811 in 2020/21 to 65 733 in 2023/24.
- Many VET graduates do not find a job in the labour market but continue to higher education, contributing to the significant surge in higher education enrolment in the country. This trend is strongly facilitated by the establishment of new universities, many of which are private.

[20] State Statistical Office: Primary, lower secondary and upper secondary schools in the Republic of North Macedonia at the beginning of the school year 2023/2024 https://www.stat.gov.mk/PrikaziSoopstenie_en.aspx?rbrtxt=17

Turning to adult education, in 2023, the participation in training returned to the pre-pandemic levels (2.8%), although this compares poorly with the steadily increasing EU average of 10.8%. The current provision of adult training by public VET institutions is limited. Taking the adult population in general, the ETF-Eurofound 'Living and working' e-survey reported that 69% of respondents consider that they have sufficient access to education and training opportunities, but only 33% of respondents have participated in the last 12 months in training courses to learn new job-related skills; 43% in workshops or seminars; and 42% in on-the-job training.

According to the European Skills and Jobs Survey 2023 'around half of Macedonian workers participated in job-related education or training last year, which is lower than the EU average. At the same time, many respondents still recognise the need to develop their computer/IT and social skills. Overall, participation in further education and training is higher among women, younger workers, or those with higher levels of education or in skilled occupations, suggesting a need for targeted initiatives to support specific groups of workers, such as those with lower levels of education and skills, to enable them to adapt to future technological advances' (ETF, 2023b). In another survey conducted by Eurofound and the ETF, more than half of the respondents in North Macedonia reported insufficient access to education and training opportunities (Eurofound-ETF, 2022, page 24).

PISA results

In December 2023, the OECD released the results of the 2022 round of the Programme for International Student Assessment (PISA) (OECD, 2023). The recent PISA cycle engaged also North Macedonia and its primary focus was on student proficiency in mathematics.

The PISA results (schoolchildren aged 15) for VET students have traditionally been lower compared to those of their peers in general education. From 2018 to 2022 (latest data), there has been a significant decline in students' performance in reading (-34.1) and science (-33.2), and, less pronounced, in mathematics (-5.9).

To prepare and motivate all students and teachers to achieve better results, the Ministry of Education has worked with UNICEF and the World Bank to develop an action plan on National Mental Health and Psychosocial Well-being of Children and Adolescents (2024 – 2030) published in 2024.

The root causes of VET students' lower performances may be, at least partially, linked to the effects of some recent VET reforms. For example, the increase in the share of WBL in VET programmes led to a decrease in the number of teaching hours for general education subjects, e.g. English; whereas the assessment standards and examination procedures remained the same for VET students and those coming from general education.

Young people not in employment, education or training (NEETs)

Following the introduction and subsequent rollout of the Youth Guarantee scheme (for the first time in a non-EU country), the NEET rate for the 15-29 age group fell significantly (ETF KIESE data): from 29.8% in 2018 to 22.8% in 2022, and with a slight increase in 2023, to 24.1%. This is still much higher than the EU average of 11.2% in 2023.

Female NEET rates are higher than male rates (26.7% compared to 21.7% in 2023), and from the labour market status young female NEETs tend to actively search for a job (unemployed) while majority of male NEETs are inactive (ETF KIESE 2024).

2.2 Initial VET and adult learning

Strategic and legal framework for initial VET and adult learning

The VET Act adopted in 2006 is still the main legal framework for VET. The new draft law on VET, drawn up and submitted for adoption to Parliament in 2021, has not yet been adopted.

The Education Strategy and Action Plan 2018-2025 includes chapters on education, VET, and adult learning. The main objectives revolve around increasing the attractiveness, quality and relevance of VET, introducing standards based on learning outcomes and labour market information, increasing work-based learning, and investing in human resources and infrastructure. Adult learning is recognised as key to improving the overall educational attainment of the working age population. The strategy prioritises the development of flexible, modular education and training provision for adults, the validation of non-formal and informal learning (VNFIL) and awareness-raising activities. Discussions about the main goals and funding for the post 2025 strategies have started in North Macedonia, but the drafting has not started yet.

The Education Strategy priorities are reflected in the country's National Implementation Plan (NIP), developed for the purpose of monitoring the 2020 Osnabrück Declaration and Recommendation on VET.

With regard to adult education, the Adult Education Strategy 2019-2023 has the aim of improving the attractiveness and quality of adult education, strengthening the quality of training provision, developing VNFIL arrangements and improving partnerships. Adult learning participation in North Macedonia increased slightly to 2.8% in 2019, but decreased again to 2.5% in 2021, which compares poorly with the steadily growing EU average of 10.8%.

The Adult Education Act adopted in 2008 has been amended. The main objective was to harmonise it with the National Qualifications Framework (NQF) Act. The proposed amendments are aimed at streamlining the process of verification of adult education programmes and providing a favourable framework for VNFIL, which is not yet operational.

VET governance and financing arrangements

The Ministry of Education and Science oversees the VET system, which falls under the responsibility of the sector of secondary education.

The National Centre for Vocational Education and Training is responsible for developing occupational, qualification and assessment standards, setting curricula for VET levels 1–5, conducting teacher training and organising counselling activities. The Centre cooperates with national and international partners on issues relating to the development and monitoring of the VET system. However, its staffing is very limited relative to its mandate (five advisors for 14 sectors/qualifications). As a result of the changes introduced by the VET Law, the VET centre advisors will become also training providers. The new expected name of the centre is 'Centre for the development of VET'.

The Council for Vocational Education and the Council for Adult Education have an advisory role and ensure consultation with stakeholders. The Centre for Adult Education accredits adult education programmes and providers.

The State Education Inspectorate carries out inspections on VET based on quality indicators developed for schools, while the Bureau for the Development of Education (BDE) is responsible for general education subjects, which are also taught in secondary vocational schools.

Schools are under municipal responsibility and the financing formula based on which grants are calculated and distributed to municipalities is under review. Since 2023, the municipalities took up responsibility and the mandate for implementing the field campaign 'Learn Smart, Work Professionally' (see section on Work-based learning arrangements).

The five schools with the status of Regional VET Centres are under the responsibility of the Ministry of Education. The RVETCs will have a new governance and funding model and greater autonomy when they become operational. Their progress is as follows:

- In 2023, the reconstruction of Kumanovo and Ohrid was completed, while in Tetovo it was still ongoing in September 2024.

- Refurbishment is completed but generic and VET specific equipment was not in any of the three 'old' RVETCs by September 2024.
- In November 2023, the Government adopted a Decision to transform two secondary schools in Strumica and Veles into Regional Centres for Vocational Education and Training. Now there are five RVETCs. Two new centres have been operational since January 2024. The technical specifications for additional equipment are missing and should be prepared by the end of September 2024, or October if an extension to the IPA project supporting this process is granted.

Qualifications, validation and recognition

The further development of qualifications is an essential step to bring medium-skilled and low-skilled people into the labour market. Currently, the lack of funding and human capacity seems to hamper progress in reforming education curricula and reducing skills mismatches. Increasing numbers of people with higher education qualifications complete curricula that do not match the labour demand.

The NQF Act provides for the establishment of 16 sectoral qualifications councils to analyse labour market trends and propose and evaluate qualifications, of which 15 have been established to date. No sectoral qualifications council for the arts has been set up (ETF, 2023); a new law for the specific sector is expected to be drafted, which is the reason why a qualifications council for the arts has not been created.

The EU Twinning project 'Further support to the implementation of the National Qualifications Framework'[21], concluded in 2023, supported the reform of the qualifications system by implementing the Macedonian NQF. The project aim was to support the NQF effectiveness by further developing QA procedures, transparency, the governance of skills and qualifications in a lifelong learning perspective, and better adapting education and training to labour market needs. The project's recommendations concern improvements to the governance mechanism and advice to support the linking of the NQF register with the European online platforms (Europass, the Qualification Dataset Register). It puts a strong focus on the modernisation of qualifications in the sector of higher education, which has progressed at a slower pace than the VET sector. By 2023, 110 VET qualifications were included in the NQF register (ETF, 2023). There is no news about the implementation of the project recommendations.

The VET Centre is working on a Diploma Supplement with a national Europass office for general education and four-year VET programmes. This should be ready in 2025, if the NQF Act and the VET Act are adopted.

The new draft VET law provides for a vocational examination after each level of VET (NQF II, III or IV), and after four years of study (i.e. VET 'matura' examination). The National Examination Board is currently developing a concept paper on the VET 'matura' exam, which should first be piloted and then introduced in practice from the school year 2025/26.

Qualifications at post-secondary education levels are also being elaborated. In the frames of the IPA project 'Increasing attractiveness, inclusiveness and relevance of VET', a working group developed the draft 'Concept document on post-secondary education', which is now being reviewed by the VET Centre before adoption by the MOES. Two new programmes for post-secondary education are available, i.e. for computer administrators and Master Tailor. A working group, formed and led by the VET Centre, prepared plans and programmes for two qualifications, that of driving instructor and chauffeur/driver.

The preparation of a VNFIL system is at an advanced stage of development but the system is not yet operational. The main methodological documents are in place and pilot validation activities were carried out in 2021 for two occupations (ETF, 2021c). The current validation method, subject to validation providers' accreditation, cannot be deployed until the Adult Education Act is approved by

[21] More information about project MK IPA 17 SO 01 21 is available at: https://mon.gov.mk/en/content/?id=4539.

Parliament, expected by the end of 2024. This would allow validation services to be offered for eleven qualifications:

- Six standards for qualifications were developed by the MOES, NQF Board and Sectoral commissions. In July 2024, this work was still ongoing:
  - Qualification of locksmith: development of standards and a whole new programme (in cooperation between VETC advisers and employers, under the project supported by the Education Reform Initiative of South-Eastern Europe, ERI SEE).
  - Qualifications of waiter and cook: a decision to review standards has been taken.
  - Producer of milk products, web editor, and tractor driver, working groups were set up and tasked to develop new standards (in 2024).
- Another five qualifications were selected to be revised and adapted with a view to validating non-formal and informal learning by the MoES and the VET Centre, as part of the IPA project 'Increasing the attractiveness, inclusiveness and relevance of VET and adult education'. They were finalised and submitted to the NQF board in August 2024, to be approved in September. The qualifications are for dressmaker, beekeeper, hairdresser, auto-mechanic technician, and baker.

In the meantime, several initiatives to prepare the VNFIL system have taken place:

- Capacity building activities were carried out or planned for 2024 to support the development of the validation system until the adoption of a dedicated law:
  - The MOES and VET Centre developed a plan for training staff in Regional VET Centres on VNFIL arrangements.
  - For guidance counsellors and validation assessors, with the support of ETF and Adult Education Centre (since January 2024).
  - For representatives of the Ministry of Education, Adult Education Centre, VET Centre, all RVETCs, the Inspectorate and selected VET schools, to revise the identified five qualifications standards (August 2024).
- An awareness-raising campaign was prepared in August and launched in mid-September 2024 (promotional videos, social media, etc.).

In the field of adult education, it should be noted that:

- The VET Centre participated in the EU supported project 'Beyond Europe with Micro Credentials' in cooperation with the local company Brainster. The project is ongoing and will produce ten micro-credentials in the following five sectors: electro-technical, traffic, personal services, chemical-technology, and economy, law and trade. They should be finalised in November 2024 and submitted to the Euroskills bank in March 2025. The participating countries are North Macedonia, Georgia, Montenegro, Germany, Norway, Serbia, Ukraine, and Moldova. Microcredentials are being developed
- A strategic plan for remedial education in secondary education up to the age of 18 was finalised in December 2023. Capacity building training was carried out for teachers about how to implement remedial education.

Quality and quality assurance

Two reforms are in the pipeline, which were promoted by the MoES in consultation with the VET Centre and the State Education Inspectorate (SEI), for improving the quality of skills acquired through VET and closing the gap for skills needed in the labour market: regulation of the continuous improvement of standards for qualifications; and reforms in the evaluation methodology of VET schools. There have been no new developments since 2022 on this, as the related draft law has not been adopted yet.

As an ongoing investment in quality assurance, the VET centre focuses on producing new modern and up to date legal frameworks, concepts, methodologies, standards, etc., to strengthen the capacity of the system.

The following specific initiatives were taken on quality assurance in 2023:

- All activities related to quality assurance in VET under the IPA project 'Increasing the attractiveness, inclusiveness and relevance of VET and adult education' were completed in 2023. The project delivered training on quality assurance and selected EQAVET indicators to the State Education Inspectorate, Bureau for Development of Education, Adult Education Centre, VET Centre and VET providers. As an output of this activity, 280 people (more than the planned 150) from these institutions were trained in November and December 2023.
- The Twinning project 'Further support to the implementation of the National Qualifications Framework'[22], which supported the development of a modern quality assurance system in higher education, was also concluded in 2023.
- In December 2023, the IPA project 'Quality of Education' was revamped, after a long period of standstill. All envisaged deliverables should be delivered by the end of the project (2 November 2024). The project has three components: professional development of teachers; ICT in education; and inclusive education. Several activities were carried out between August and September 2023: 13 training courses targeting 12 500 participants, divided into 45 groups, were given in 75 days. A conference on education was organised in September 2024. The lessons learned from this project include:
    - There is a need to focus efforts on high quality and effective professional training of teachers, professional associates and school principals.
    - A training needs assessment system needs to be put in place.
    - Teachers have shown great interest in training and expressed a need for training in various areas (especially in ICT and inclusive education).
- As part of the 'EU for Youth' project, the MoES has launched the 'Study for evaluation of the employability of VET school graduates' (Tracer study)[23]. The aim is to introduce a system for monitoring the pathways of graduates after completing their education in terms of further training or employment, which will serve as evidence for the formulation of educational policies. Its implementation has been slowed down by a low response rate in the first phase of implementation. In January 2023, the MoES launched an information campaign on the tracer study, while the next phase is planned for the first semester of the school year 2023/24.
- The State Education Inspectorate revised the structure and indicators for external evaluation and self-evaluation of schools (although indicators were not specifically focused on VET).
- The State Examination Centre developed and delivered an advance training programme for school principals, on the following topics: quality assurance in managing schools; developing inclusive culture; leadership, managing human resources, and professional career development; improving media and digital literacy and integrating digital technologies in school management.
- The NQF Board has initiated a process for reviewing and developing all qualifications by integrating green transition and digital skills.

As part of the quality of education, the following capacity building measures taken in the field of inclusiveness should be reported:

- The MoES led a programme for training teachers and principals from RVETCs in Tetovo, Ohrid and Kumanovo in inclusive education, with the support of UNDP.

[22] For more information about the MK IPA 17 SO 01 21 project, see: https://mon.gov.mk/en/content/?id=4539.
[23] https://eu4youth.mk/en/objectives-pourpuses-expected-results/.

- In 2023, inclusive education programmes were also delivered to the two new RVETCs in Veles and Strumica: 40 teachers were trained with IPA support.
- The MoES and the VET Centre, with IPA support, provided training for teachers, of vocational and practical subjects from all VET schools in modern pedagogy and andragogy.

Work-based learning arrangements

In recent school years, the Ministry of Education and Science has conducted a nationwide campaign to promote partnerships between VET schools, businesses and municipalities, and to encourage students to participate in work-based learning programmes.

In 2023, the main concrete development in this field concerned the WBL promotion campaign 'Learn Smart, Work Professionally', which went from being centrally managed to being the responsibility of the municipalities. The municipalities identify, in cooperation with companies, the qualifications needed in the region, based on a local level market needs analysis. A commission in the Ministry of Education (MoES), composed of representatives from the business sector, VET Centre, Union of municipalities, and MoES, assesses then the municipalities' proposal. The commission decides which public calls for enrolment places in the selected qualifications the schools should announce.

The offer of work-based learning opportunities and dual vocational education increased in the past year. There was significant growth in the number of companies offering placements, 84% of VET schools were involved, one in three VET students enrolled in 'dual VET' (Table 1), and 80% of all VET qualifications were offered as dual programmes. Work-based learning arrangements are supported by the long-term Swiss-funded project 'Education for Employment in North Macedonia', implemented by Helvetas.

Table 1: Students, classes, schools and companies in dual VET

Academic year	Students	Classes	Schools*	Companies
2020/21	98	11	8	16
2021/22	1486	97	46	210
2022/23	2763	225	61	450
2023/24	3895	259	61	560

Source: internal MoES reports
Note: * out of 75 total VET schools

According to the new Vocational Education and Training Act, the number of hours per week for work-based learning throughout VET will gradually increase from 4 hours in the second year, to 8 hours in the third year, and 10 hours in the fourth year. In addition, the minimum number of days for summer internships has been set at 10 days in the first year, 15 days in the second year, and 20 days in the third year.

The new legal framework envisages contracts to be signed by between students and employer, and a monthly allowance for participants in dual VET of at least 10%, 15% and 20% of the national minimum monthly wage in the second, third and fourth years of study, respectively. Currently, the government incentivises students' participation in dual VET with monthly scholarships in the amount of MKD 3 500 (approx. EUR 55). In addition, under the new law, institutions which provide dual training have to be approved by the MoES.

The main focus in the area of WBL is currently on the further training of vocational teachers and company mentors, the adaptation of curricula to accommodate work-based learning components, and the promotion of new programmes among ninth grade students in general education.

Together with the Economic Chamber of North Macedonia, Helvetas carried out the following key interventions in the recent past to support dual education in the country[24]:

- Work on the regulatory framework
  - Dissemination of relevant information and lobbying to advocate for the adoption and implementation of relevant legal documents.
  - Adaptation/development of relevant documents for the implementation of dual VET, in light of the needs of the private sector.
- Capacity building to implement dual VET and WBL
  - Training of in-company mentors.
  - Verification of training companies.
  - Development of schools' capacity, also through integration in international networks.
- Making dual VET more responsive to the labour market and working with the private sector
  - Adapting curricula, including cross-cutting topics (green skills, gender equality, innovation).
  - Improving teaching methods and materials.
  - Private sector engagement activities to trigger the demand for upskilling.
  - Upskilling of middle management staff in companies to support innovation projects.

Helvetas led a project to monitor the implementation of the WBL process with a view to developing a self-assessment quality assurance tool for WBL. The project has completed the pilot phase, to finalise the self-assessment tools. A working group with representatives of the Chambers (Economy, Artisans) and the VET Centre is working on this. Four questionnaires were developed about WBL implementation and satisfaction on its quality: for in-company trainers, students participating in WBL, parents, and schoolteachers. A manual/guide to use the questionnaires was prepared. The four questionnaires were piloted in 2023. The Economic Chamber analysed the results of the pilot questionnaire to companies (around 50), which showed employers' commitment to further work on QA. The VET centre checked the pilot results for the three questionnaires to students, parents and teachers. From September 2024, the survey will be fully implemented and the results are expected in 2025 when the project will carry out a nationwide implementation of the self-assessment tool for companies and VET providers. The institutions involved will carry out periodical initiatives to monitor the WBL system quality in the country, based on a transversal analysis of the results of all tools produced by the project.

The Economic Chamber is working on the verification of companies, based on several criteria on in-company trainers, health and safety, equipment, etc. About 151 companies (out of the 560 companies offering dual education) have received a 'verification' for WBL until now and have registered in the online portal 'Praksa'.

Since 2017, the Economic Chamber has organised training for in-company mentors. Once they get the certificate, they start the verification process. So far, more than 1 200 mentors, most of whom come from large size companies, have been verified. This initiative is progressing in line with the ongoing work of Helvetas on reviewing programmes for the initial training of mentors (latest update in 2020), leading to a certification for mentors in enterprises.

[24] 05_E4E_Helvetas.pptx (live.com) last accessed 6 August 2024.

Other efforts were made to enhance vocational education opportunities and international collaboration in this field (MoLSP, MoES, 2024, page 20).

- In May2023, the VET schools joined companies in consortia that were given grants from the 'Regional Challenges Fund' to procure equipment for practical training.
- The mobility for teachers and students in vocational education was promoted on an ongoing basis.
- Erasmus+ public calls were announced in September 2023 in the fields of adult education, vocational education and training, and school education, and for capacity-building activities, workshops, and skills development programmes.

Digital education and skills

As confirmed in the 2020 Concept for the Development of a Distance Education System in Primary and Secondary Schools[25], the government adheres to the EU's Digital Competence Framework (DigComp) and the European Framework for the Digital Competence of Educators/Teachers (DigiEduComp), which applies to educators at all levels of pre-tertiary education.

The National Education Strategy 2018-2025, under Priority III 'Ensuring digital literacy and widespread use of ICT in education and training', sets out measures to increase the effectiveness of the education process through the use of digital technologies. It envisages the necessary conditions and environment for the digital literacy and professional self-development of teachers. The strategy refers to the need to improve the efficiency of providing didactic materials for teachers and learning materials for learners, and the availability of pedagogical innovations, which will ultimately lead to a greater interest in ICT among younger generations. It also sets out guidance on how to create the necessary conditions for the preparation of future highly qualified ICT specialists and ICT technicians (mid-level professionals), available for the development, promotion, participation, and use of the information society[26].

Building on recent initiatives to promote digitalisation in various sectors in the country[27], the National ICT Strategy 2023-2027 (ITU, 2023), developed by the Ministry of Information Society and Administration, formulates recommendations for the country, including the review of strategies, policies, and regulations to align the education curriculum with industry and future needs.

Despite the several measures, programmes and steps taken towards the digital transformation of education, the level of digital skills development in North Macedonia remains low. Only 26% of individuals have basic digital skills (the EU average is 54%) (OECD, 2024). The ETF's European Skills and Jobs Survey reveals that only 23% of respondents in the country reported that new digital technologies were introduced at their workplace (ETF, 2023c).

A study carried out in 2024 by the ETF and Joint Research Centre, using the SELFIEforTEACHERS tool (ETF-JRC, 2024 forthcoming), provides evidence of gaps in the digital competences of secondary education teachers in North Macedonia in several areas, e.g. in online learning environments, emerging technologies, etc. It also points to a lack of awareness about competences linked to computational thinking and emerging technologies.

To improve this overall situation, 'authorities need to continue to strengthen efforts towards effective, coherent and inclusive digital transformation of the education and training systems in North Macedonia, including the capacity of the systems to develop digital skills' (European Commission, 2023, page 99). Tools such as the SELFIEforTEACHERS offer the opportunity to systematically collect relevant data on digital skills needs with the necessary evidence to shape policies in this field.

[25] Koncept za dalecinsko obrazovanie-design-MK-with logos.pdf (mon.gov.mk).
[26] North Macedonia | Technology | Education Profiles (education-profiles.org).
[27] The 2018-2020 Open Data Strategy, the 2018-2022 National Cyber Security Strategy, the 2018-2022 Public Administration Reform Strategy, the 2019-2029 National Operational Broadband Plan, and the 2018-2025 Education Strategy.

Statistics on education and training

There is a need to strengthen education planning and policy-making through improved data management and analysis.

The EU IPA action 'Development of a new Education Management Information System' (EMIS) was implemented and completed in 2024. The project started in response to problems related to low levels of data consistency and accuracy, data redundancy, and low levels of use. The aim was to contribute to strengthening policy-making in the education sector and improve the management of the education system. This would be done by streamlining the previous disparate education data systems, migrating data and training end-users, namely administrators from all relevant education institutions, in data collection, processing and reporting. The completed project deliverables included reports, technical workshops, analysis, database design, and software development. Capacity building was an asset of the project: the number of people involved in training activities (representatives from MoES, school administrators, etc.) went well beyond the initial targets. As a result of the project completion (June 2024), a new EMIS was created: a modern web-based solution that covers all educational processes at all levels (Chamurovski, 2024).

3. LABOUR MARKET AND EMPLOYMENT

3.1 Trends and challenges

Labour market characteristics

Like many countries, North Macedonia is experiencing a period of economic recovery and adaptation, after the severe crises of the past years. The labour market is witnessing 'a sectoral shift and technological advancements towards more technology-driven and service-oriented jobs' (MoLSP, MoES, 2024, page 9). The recent improvements in decreased unemployment and increased employment indicate positive trends, which are expected to continue in 2024. Such projections may reflect increased investments and the need for labour force, but also the availability of active measures and employment programs, as well as new jobs created by domestic and foreign enterprises (MoF, 2024, page 24).

However, North Macedonia continues to show persisting structural challenges in labour market outcomes, in terms of activity and rates of employment/unemployment, especially among young people. 'The unemployment rate remains relatively high compared to European standards. Youth unemployment and the underemployment of women are particularly concerning issues that require targeted policies and interventions. Furthermore, the labour market is characterized by a skills mismatch, where the qualifications of the workforce do not always align with the needs of employers, highlighting the need for enhanced education and training systems' (MoLSP, MoES, 2024, page 9).

According to ETF KIESE data, the activity rate of the population (aged 15+ years) first fell from 55.5% in 2019 to 52.1% in 2023. In 2023, the activity rate for women was only 42.6% compared to 61.9% for men. The employment rate (age group 20-64) keeps showing a gradual increase in the last years (61.7% in 2023, 59.5% in 2022, 56.1% in 2018, 51.9% in 2015). The gender employment gap remains high, with men being 18% more likely to be employed than women.

The employment rate of those with tertiary education is significantly higher than that of those with low education (62.6% and 24.1% respectively in 2023). But this difference decreased in the last year: in 2022, the employment rate for those with high education was 71.7%, and 21.5% for those with low education. The employment rate of persons with mid-level qualifications increased before the pandemic, but it started declining in recent years. In 2021, it stood at 54.4%, 0.6 percentage point lower than in 2020; in 2022, 53.6% and in 2023 it was even lower, at 51%.

The employment rate for recent VET graduates aged 20-34 (ISCED levels 3-4) marked a slight increase from 2022: from 57.8% in 2022 to 62.3% in 2023. The employment rate was also significantly higher than that of general education graduates: 41.1% and 60.8% in 2023, respectively. Yet, the recent VET graduates employment rate in North Macedonia remains one of the lowest in Europe, indicating a very difficult transition from education to work.

The unemployment rate (age group 15-70) continued to decline from 26.1% in 2015 to 13.1% in 2023. The decline has been more pronounced for women, but this was rather due to their falling activity rate. The unemployment rate remains more than twice the EU average (6.1% for the 15–74-year-old group in 2023). Regarding youth unemployment (age group 15-29), the downward trend has continued: from 30.5% in 2019 to 24.9% in 2023 (slightly higher than 2022, at 27.4%), yet still far from the EU average (11.2% in 2023). In 2023, the unemployment rate was 18.8% for those with low education (21% in 2022), 8.9% for those with higher education, and 13.3% for those with medium education.

In 2022, the Employment Service Agency of the Republic of North Macedonia (ESARNM) registered 402,439 vacancies, an increase compared to the previous year (ETF data). The largest number of vacancies was in (i) manufacturing; (ii) wholesale and retail trade; repair of motor vehicles and motorcycles; and (iii) accommodation and food services. In terms of major occupational groups, the largest number of vacancies was for service and sales workers (ISCO group 5), elementary occupations (ISCO group 9), and professionals (ISCO group 2). Out-migration and the ageing

population contribute to explaining rising labour shortages (World Bank, 2023), which also influence the increase in vacancy rate, particularly for services and construction workers (see also Ninghui, Gade, 2023).

The quality of available jobs remains a matter of concern, with inadequate earnings, unstable and unequal working conditions, and a lack of security, all of which may contribute to emigration. However, the incidence of precarious employment has been steadily decreasing and reached 12.8% in 2021[28].

The 2023 ETF e-survey on working and learning (ETF 2024) investigated the respondents' perception of several aspects of their job quality. Most respondents highly rated the following ones: safe working environment for mental and physical health (81% assessed this as 'very important'), job security (78%), and good pay (75%).

Concerning wages, a 14.3% increase in net salaries was recorded between January and September 2023 compared to the same period in 2022, i.e. 2.5%. The increase applied to all sectors, but was highest in construction, administrative activities and the manufacturing industry (MoF, 2024, page 16).

Labour market and employment statistics

The statistical system of North Macedonia is well developed and provides data in line with Eurostat methodologies. The Employment Service Agency of the Republic of North Macedonia (ESARNM) conducts regular surveys to identify skills needs in the labour market. Survey results are used to inform ESARNM's employment programmes and services.

A system for collecting data on labour demand and forecasting future skills needs is still under development. In 2021, the Economic Chamber of North Macedonia, with support from Helvetas, published an analysis of the skills supply and demand by 2030 in five planning regions (Vardar, East, Pelagonija, South-East, and Skopje) and provided evidence for the establishment of regional vocational education and training centres (Economic Chamber, 2021). The skills demand is concentrated in a few sectors: mechanics, electrotechnics, food processing, bakery, and hotels (waiters, cooks). Regarding skills and qualifications for the green economy, there is a gap, for example, in water management. New qualifications in this field will be prepared in this sector with Helvetas.

Tracer studies are not carried out regularly. The only exception is the pilot tracer study carried out under IPA action EU4Youth (see section on quality assurance). This is limited to evidence-based evaluation and policymaking.

3.2 Employment policy and institutional settings

Strategy and legal framework in the employment policy field

The National Employment Strategy 2021-2027 and the Employment Action Plan 2021-2023 continue to define the improvement of the quality of education and training outcomes for all as the first employment policy objective. This policy objective includes three targets, namely to reduce the vertical skills mismatch for the age group 15-64 years by 5%; to increase the average score of North Macedonian students in the PISA 2025 assessment by at least 10 points; and to increase the share of adults (25-64 age group) in training to 16%.

The second policy objective relates to the role of economic and enterprise development policies in the creation of decent jobs and targets innovation, competitiveness, a reduction of informal employment, and increased female participation in the labour market.

[28] For a more detailed analysis on precariousness in North Macedonia, see Tumanoska et. At (2021).

The third policy objective focuses on inclusive labour market policies and sets targets for the share of people at risk of poverty (18% by 2027), and the share of workers in informal employment (10% by 2027).

Initiatives to boost employment

The Employment Service Agency of the Republic of North Macedonia (ESARNM) provides a comprehensive range of modern services, divided into labour market services and labour market measures.

Labour market services refer to labour market interventions where the main activity of the participants is job search and where participation does not normally lead to a change in labour market status, and they include:

- employment mediation;
- information and counselling on employment;
- information and counselling: 'Motivation training' service;
- active job searching, vocational orientation and career guidance.

A total of 54 921 persons benefited from labour market services in 2023, which is less than in 2022 (65 552) and 2021 (70 952).

In 2023, ETF carried out a research study with UNICEF about youth expectations regarding career guidance services (ETF, UNICEF, 2024). Respondents reported that they seek information and support to help them get their targeted profession through internet searches and websites (67.1%), followed by social media, chat rooms/message boards, online tutorials (43.5%) and parents (41.1%). As a next opportunity, 60.5% of respondents would like to participate in internships, volunteering, and job shadowing; 42.2% in training to develop life skills/career management skills; 38.9% would like to talk with a career counsellor about their skills, experience, and aspirations. This is very relevant, given the expected changes which the new law on VET should bring about, i.e. having at least one career guidance counsellor per secondary school. ETF, in coordination with the national Euroguidance office, is working intensively with institutions and NGOs in the country to develop standards for such counsellors. This work is expected to be finalised in 2025.

Labour market measures implemented by ESARNM include:

- Support for self-employment (Entrepreneurship).
- Support for creating new jobs.
- Training.
- Training for the development of digital skills.
- Training for Human Resources Specialist.
- Internship.
- Public work.
- Care work.
- Support for the creation of new jobs through green investments.
- Youth allowance.

The total number of participants in labour market measures has increased over the years, reaching 12°785 in 2023. However, participation in skills development opportunities such as internships remained rather limited (approx. 1 575 in 2023). A big portion of participants are involved in the 'Youth

Allowance' (3 500), although this initiative targets employed youth, so it should be considered separately from those targeting the unemployed. The law on Youth Allowance envisages that young people aged up to 22, who are employed in agriculture and manufacturing, receive MKD 3 000 (denars) per month until they turn 22, as a top up to their salary.

North Macedonia was the first country outside the EU to introduce the Youth Guarantee (YG) scheme, which supports young people aged 15-29 who register as unemployed for the first time. Support takes the form of employment, continuous education and training or inclusion in active employment programmes within four months after registration. The scheme is coordinated by the Ministry of Economy and Labour (former Ministry of Labour and Social Policy), and the Public Employment Agency is responsible for its implementation. The scheme's implementation also includes plans for outreach activities in cooperation with civil society organisations and partnerships with the Ministry of Education and Science on early intervention measures.

The introduction of the Youth Guarantee was followed by a reduction in the NEET rate (aged 15-29), which fell from 29.8% in 2018 to 22.8% in 2022, and rose to 24.1% in 2023.

The YG Implementation Plan for 2023-2026 focused on early intervention, outreach and improving the quality of provision. It was supported by the IPA II 'EU for Youth' programme and focused on the Polog, the Northeast and the Southwest regions, where the share of NEETs is the highest. In 2021, more than 19 200 NEETs registered with the scheme, which represents approximately 20% of the total NEET population (MoLSP, 2023).

Since 2018, over 110 000 NEETs registered on the scheme and 34% received an offer of employment, training, or a traineeship. According to the YG Implementation Plan 2023-2026 approximately 40% of NEETs who received a YG offer were in a positive situation 18 months after leaving the scheme (MoLSP, 2023). However, 20% of the beneficiaries returned to the system, which highlights the need for further improvement in the quality of offers. The new plan provides for improving the quality and for increasing the quantity of offers. This will be done through an in-depth analysis of data on service delivery, including research into achieving a better work and family life balance (which is relevant in light of the higher share of inactive young women) and the influence of the welfare system, and the provision of additional resources to the ESARNM. Any improvement (e.g. NEET population coverage, increase in annual registrations) will not be possible without investments in the ESARNM's structure and organization, especially in terms of human and financial resources (MoLSP, 2023).

Considering data from 1.1.2024 to 30.8 2024, there were 14 836 persons (7 640 women) aged 15 to 19 registered in the YG (all unemployed). 35% of them successfully completed the Youth Guarantee (5 060). Looking at the situation of young people six months after exiting the YG preparatory phase in the same period, 43.1% were employed, while 24.4% were either still unemployed or inactive (the status of 32.4% of those registered is unknown).

Another relevant initiative, besides the YG, is the Plan for the activation of users of the Guaranteed Minimum Income (GMI) for the period 2024-2026 (MoF, 2024). The project aims to reduce long-term unemployment and dependence on guaranteed minimum assistance, by effectively involving vulnerable groups, especially GMA recipients, in the labour market, by including them in specialized skills development programmes and services. This project was finalized in the beginning of 2024 and adopted by the Government of North Macedonia in the first quarter of 2024. This Plan was implemented under the IPA II project started in 2019 and is in its final stage of implementation, which was designed to activate vulnerable groups in the labour market[29]. The project, with reference to the Plan, has two components: one for counselling and motivation; one for support of employment through training. The total budget for this part of the project was EUR 3 million. A total of 788 people were involved until 31.7.2024. Most of them had a medium level of education (446) and were aged 15-19 (425). 574 of all participants were employed.

[29] https://av.gov.mk/labour-market-activation-of-vulnerable-groups2.nspx

The former Ministry of Labour and Social Policy prepared a Law on employment of persons who perform seasonal, temporary and occasional work. A working group, supported by the ILO, worked on the law but this has not been approved yet, although it has been on the government list of business since December 2023.

Target beneficiaries

The Employment Service Agency of the Republic of North Macedonia (ESARNM) has a well-developed approach to individual profiling. Services are tiered according to the type of client: standard services are provided to ordinary clients, while clients with major employability problems receive tailored, more intensive services. The ESARNM has a good record of meeting the targets set out in its annual plans and evaluating and revising specific programmes and services on a regular basis. Targeting could be improved through multiple eligibility criteria to reduce the 'creaming' effect (ETF, 2021).

In 2023, 152 741 jobseekers registered with the ESARNM, slightly less than in 2022 (159 823). Of these, 105 452 registered as unemployed, which was also lower than in the previous years (112 733 in 2022, 156°432 in 2020). From 2022 to 2023, what increased was the number of people registered as 'other jobseekers'[30] (from 47 090 to 47 289).

The trend, recorded over the years, of having slightly more women than men registered as unemployed continued in 2023. There was a difference between the unemployed under the age of 29 and those aged over 29. The latter category is more than three times larger than the under-29 category every year, and 2023 was no exception (19 214 under 29, and 86 238 over 29). The higher the level of education, the lower the number of registered unemployed. For example, in 2023, there were 8 888 registered unemployed with university education and 24 945 with completed secondary education. The highest number of registered unemployed had the lowest level of education, 72 511 persons in 2023 — a number that has been decreasing since 2020.

In 2023, 24.5% of the registered unemployed transited from unemployment into employment, with a slightly higher rate for women (25.4%), as opposed to men (23.6%).

In terms of educational attainment, the percentage of registered unemployed who moved from unemployment to employment in 2023 was the highest for those with higher education (82.8%) and lowest for persons with a low level of education (only 12%).

Initiatives to increase the capacity of the public employment services

The total expenditure of the Employment Service Agency continued to slightly decrease, inverting the growth trend of the most recent years; from 0.44% of the GDP in 2019 to 0.46% in 2021, down to 0.41% in 2022 and 0.35 in 2023[31]. Spending on active employment programmes and measures also marginally dropped: from 0.17% of the GDP in 2019 to 0.21% of the GDP in 2021, down to 0.19% in 2022 and 0.16% in 2023.

The capacity of the ESARNM is limited not only by insufficient government investment in active labour market policies, but also by staff shortages (European Commission, 2022, page 83). The progress achieved does not yet allow for a higher coverage rate (e.g. in 2022 ESARNM provided services to 41% of all registered persons). Coverage also remains uneven between regional offices, which have a disproportionate workload. These challenges result in an uneven service delivery across the country. The latest strategy reports challenges related to low staff-to-beneficiary ratios (1 226 in 2019, twice the international benchmark), limited funding, reliance on donor projects for staff training and limited investment in IT infrastructure. Staff shortages relate in particular to the lack of psychologists and IT staff. However, in 2024 the employment agency prepared technical specifications to deliver capacity

[30] 'Other jobseekers' is defined as passive job seekers. This is an economically active or inactive person who is registered in the Employment Service Agency but is not actively looking for work and/or is not ready to accept work.
[31] Source: The Employment Service Agency of the Republic of North Macedonia (https://av.gov.mk): information about expenditure of the Employment Service Agency is extracted from Annual reports; ETF calculations.

building training for the employees of employment and social work centres, specifically to improve the labour market inclusion of Guaranteed Minimum Income users.

In 2024, the Employment Agency launched an initiative to build capacity and strengthen cooperation between employment centres and social work centres and education and training institutions to provide integrated services and measures for improving inclusion in the labour market. This should also support the monitoring of activation processes for vulnerable groups – recipients of GMI, most of whom are low skilled and at risk of poverty (MoF, 2024, page 15).

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STATISTICAL ANNEX – NORTH MACEDONIA

The Annex includes annual data from 2015, 2019, 2020, 2021, 2022, and 2023, or the last available year.

	Indicator		2015	2019	2020	2021	2022	2023
1	Total population (in thousands)[1]		1912.4	1876.3	1856.1	1837.1	1831.7	1812.0
2	Relative size of youth population (age group 15-24 and denominator age 15-64, %) [1] C		20.1	18.8	18.4	17.9	17.6	17.3
3	GDP growth rate (%)		3.9	3.9	-4.7	4.5	2.2	1.0
4	Gross value added by sector (%)	Agriculture	9.7	8.1	8.6	7.1	7.4	7.0
		Industry	23.9	23.7	22.7	22.6	22.2	21.4
		Services	53.7	55.0	56.6	56.7	56.8	58.2
5	Public expenditure on education (as% of GDP)		M.D.	M.D.	M.D.	M.D.	M.D.	M.D.
6	Public expenditure on education (as% of total public expenditure)		M.D.	M.D.	M.D.	M.D.	M.D.	M.D.
7	Adult literacy (%) [9]		97.6	M.D.	M.D.	M.D.	M.D.	M.D.
8	Educational attainment of total population (aged 15+) (%) [5][6]	Low[2]	37.2	32.8	31.8	31.9	27.3	29.6
		Medium[3]	46.6	49.4	48.7	48.9	42.7	49.7
		High[4]	16.2	17.9	19.4	19.3	17.0	20.7
9	Early leavers from education and training (aged 18-24)%) [6]	Total	11.4	7.1	5.7	4.6	6.2	3.7
		Male	10.0	5.9	5.7	4.7	5.5	3.7
		Female	12.9	8.4	5.8	4.6	6.9	3.7
10	Total NET enrolment rate (%)	Lower secondary	M.D.	M.D.	M.D.	M.D.	M.D.	M.D.
		Upper secondary	M.D.	M.D.	M.D.	M.D.	M.D.	M.D.
11	Share of VET students in upper secondary education (ISCED level 3) (%)		59.5	60.2	61.2	62.1	62.9	M.D.
12	Low achievement in reading, mathematics and science – PISA (%) [7]	Reading	70.7	55.1	N.A.	N.A.	73.6	N.A.
		Mathematics	70.2	61.0	N.A.	N.A.	66.2	N.A.
		Science	62.9	49.5	N.A.	N.A.	65.3	N.A.
13		Total	55.4	55.5	54.6	56.0	55.2	52.1

	Indicator		2015	2019	2020	2021	2022	2023
	Activity rate (aged 15+) (%) [6]	Male	67.4	66.1	65.4	67.2	66.1	61.9
		Female	43.5	44.9	44.0	44.9	44.5	42.6
14	Inactivity rate (aged 15+) (%) [6]	Total	44.6	44.5	45.4	44.0	44.8	47.6
		Male	32.6	33.9	34.6	32.8	33.7	37.9
		Female	56.5	55.1	56.0	55.1	55.7	57.0
15	Employment rate (aged 15+) (%) [6]	Total	40.9	45.9	45.7	47.2	47.3	45.3
		Male	49.4	55.2	54.5	56.2	55.9	53.0
		Female	32.6	36.7	37.0	38.3	38.8	37.8
16	Employment rate by educational attainment (aged 15+) (%) [6]	Low[2]	25.6	26.1	25.3	21.8	21.5	24.1
		Medium[3]	50.1	56.1	55.0	54.5	53.6	51.0
		High[4]	65.2	71.0	71.3	70.9	72.7	62.6
17	Employment by sector (%) [6][8]	Agriculture	17.9	13.9	12.0	11.5	10.0	7.8
		Industry	30.5	31.1	30.9	30.8	30.3	31.0
		Services	51.6	55.0	57.0	57.7	59.7	61.2
18	Incidence of self-employment %) [6]		26.1	21.1	18.1	17.4	16.8	16.0
19	Incidence of vulnerable employment (%) [6]		21.8	17.2	14.3	13.1	12.7	10.0
20	Unemployment rate (aged 15+) (%) [6]	Total	26.1	17.3	16.4	15.7	14.4	13.1
		Male	26.7	16.5	16.7	16.4	15.7	14.3
		Female	25.1	18.4	15.9	14.6	12.5	11.3
21	Unemployment rate by educational attainment (aged 15+) (%) [6]	Low[2]	29.9	23.4	21.4	22.8	21.0	18.8
		Medium[3]	26.6	16.6	16.2	15.6	15.0	13.3
		High[4]	21.1	14.3	13.7	11.7	9.5	8.9
22	Unemployment rate (aged 15-24) (%) [6]	Total	47.3	35.6	35.7	36.4	32.5	29.3
		Male	49.7	33.4	34.0	33.5	29.5	28.7
23	Proportion of people aged 15-24 not in employment, education or training (NEETs) (%)	Total	24.9	18.7	19.8	18.3	18.4	19.1
		Male	24.8	17.7	19.7	18.8	18.1	18.7
		Female	25.0	19.7	20.0	17.8	18.7	19.6
		Total	M.D.	24.5	26.2	24.3	22.8	24.1

	Indicator		2015	2019	2020	2021	2022	2023
	Proportion of people aged 15-29 not in employment, education or training (NEETs) (%)	Male	M.D.	20.9	23.6	22.6	21.1	21.7
		Female	M.D.	28.3	29.0	26.1	24.5	26.7
24	Participation in training/lifelong learning (% aged 25-64)	Total	M.D.	2.8	2.6	2.5	2.7	2.8
		Male	M.D.	2.8	2.5	2.3	2.5	2.8
		Female	M.D.	2.7	2.7	2.6	2.8	2.8
25	Human Development Index		0.777	0.787	0.766	0.764	0.765	M.D.

Last update: 07/10/2024

Sources:
Indicators 1, 2, 3, 4, 7: The World Bank, World Development Indicators database
Indicator: 11: UNESCO, Institute for Statistics
Indicators 8, 9, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23 (age 15-29), 24: MK Labour Force
Indicator 12: OECD PISA 2018 Results (Volume I) Annex B1; OECD PISA 2022 Results (Volume I)
Indicator 23 (age 15-24): ILOSTAT
Indicator 25: UNDP

Notes:
(1) Estimation.
(2) Low – ISCED 0-2
(3) Medium – ISCED 3-4
(4) High – ISCED 5-8
(5) Age 15-74 years old
(6) break in time series due to the implementation of new IESS regulation
(7) PISA: 2019 refers to 2018
(8) The totals do not add up to 100 due to economic activities not allocated by sector; Year 2020 (TOTAL and FEMALE) do not include 'Activities of households as employers; undifferentiated goods- and services-producing activities of households for own use' and 'Activities of Extraterritorial Organisations and Bodies'; Year 2015, 2019, 2020, Services (MALE) do not include 'Activities of households as employers; undifferentiated goods- and services-producing activities of households for own use' and 'Activities of Extraterritorial Organisations and Bodies'
(9) Applies to 2012

Legend:
C = ETF calculations
N.A. = Not Applicable
M.D. = Missing Data

ANNEX: DEFINITIONS OF INDICATORS

	Description	Definition
1	Total population (in thousands)	The total population is estimated as the number of people having their usual residence in a country on 1 January of the respective year. When information on the usually resident population is not available, countries may report legal or registered residents.
2	Relative size of youth population (age group 15–24) (%)	This is the ratio of the youth population (aged 15–24) to the working-age population, usually aged 15–64 (or 15–74 or 15+).
3	GDP growth rate (%)	Annual percentage growth rate of the GDP at market prices based on constant local currency. Aggregates are based on constant 2010 U.S. dollars. The GDP is the sum of the gross value added by all resident producers to the economy plus any product taxes and minus any subsidies not included in the value of the products. It is calculated without making deductions for the depreciation of fabricated assets or the depletion and degradation of natural resources.
4	Gross value added by sector (%)	The share of value added from Agriculture, Industry and Services. Agriculture corresponds to the ISIC divisions 1–5 and includes forestry, hunting, and fishing, as well as the cultivation of crops and livestock production. Value added is the net output of a sector after adding up all outputs and subtracting intermediate inputs. It is calculated without making deductions for the depreciation of fabricated assets or the depletion and degradation of natural resources. The origin of value added is determined by the International Standard Industrial Classification (ISIC), revision 3 or 4. Industry corresponds to the International Standard Industrial Classification (ISIC) tabulation categories C-F (revision 3) or tabulation categories B-F (revision 4), and includes mining and quarrying (including oil production), manufacturing, construction, and public utilities (electricity, gas, and water). Services correspond to the ISIC divisions 50-99 and they include value added in wholesale and retail trade (including hotels and restaurants), transport, and government, financial, professional, and personal services such as education, health care, and real estate services. Also included are imputed bank service charges, import duties, and any statistical discrepancies noted by national compilers as well as discrepancies arising from rescaling.
5	Public expenditure on education (as% of GDP)	Public expenditure on education expressed as a percentage of the GDP. Generally, the public sector funds education either by directly bearing the current and capital expenses of educational institutions, or by supporting students and their families with scholarships and public loans as well as by transferring public subsidies for educational activities to private firms or non-profit organisations (transfer to private households and enterprises). Both types of transactions together are reported as the total public expenditure on education.
6	Public expenditure on education (as% of total public expenditure)	Public expenditure on education expressed as a percentage of total public expenditure. Generally, the public sector funds education either by directly bearing the current and capital expenses of educational institutions, or by supporting students and their families with scholarships and public loans as well as by transferring public subsidies for educational activities to private firms or non-profit organisations (transfer to private households and enterprises). Both types of transactions together are reported as the total public expenditure on education.
7	Adult literacy (%)	Adult literacy is the percentage of the population aged 15 and over who can both read and write a short simple statement on their everyday life, and understand it. Generally, 'literacy' also encompasses 'numeracy' – the ability to make simple arithmetic calculations.

	Description	Definition
8	Educational attainment of total population (aged 15+) (%)	Educational attainment refers to the highest educational level achieved by individuals expressed as a percentage of all persons in that age group. This is usually measured in terms of the highest educational programme successfully completed, which is typically certified by a recognised qualification. Recognised intermediate qualifications are classified at a lower level than the programme itself.
9	Early leavers from education and training (aged 18-24) (%)	Early leavers from education and training are defined as the percentage of the population aged 18–24 with at most lower secondary education who were not in further education or training during the four weeks preceding the survey. Lower secondary education refers to ISCED 1997 levels 0–2 and 3C short (i.e. programmes of less than two years) for data up to 2013 and to ISCED 2011 levels 0–2 for data from 2014 onwards.
10	Total NET enrolment rate	The total number of students of the official age group for a given level of education who are enrolled in any level of education, expressed as a percentage of the corresponding population.
11	Share of VET students in upper secondary education (ISCED level 3) (%)	The total number of students enrolled in vocational programmes at a given level of education (in this case, upper secondary), expressed as a percentage of the total number of students enrolled in all programmes (vocational and general) at that level.
12	Low achievement in reading, maths and science – PISA (%)	Low achievers are 15-year-olds who fail to reach level°2 on the PISA scale for reading, mathematics and science.
13	Activity rate (aged 15+) (%)	The activity rate is calculated by dividing the active population by the population of the same age group. The active population (also called 'labour force') is defined as the sum of employed and unemployed people. The inactive population consists of all people who are classified as neither employed nor unemployed.
14	Inactivity rate (aged 15+) (%)	The inactivity/out of the labour force rate is calculated by dividing the inactive population by the population of the same age group. The inactive population consists of all people who are classified as neither employed nor unemployed.
15	Employment rate (aged 15+) (%)	The employment rate is calculated by dividing the number of employed people by the population of the same age group. Employed people are all people who worked at least one hour for pay or profit during the reference period or were temporarily absent from such work. If a different age group is used, this should be indicated.
16	Employment rate by educational attainment (aged 15+) (%)	The employment rate is calculated by dividing the number of employed persons by the population of the same age group. Employed persons are all persons who worked at least one hour for pay or profit during the reference period or were temporarily absent from such work. If a different age group is used, this should be indicated. Educational levels refer to the highest educational level successfully completed. Three levels are considered: Low (ISCED levels 0–2), Medium (ISCED levels 3–4) and High (ISCED 1997 levels 5–6, and ISCED 2011 levels 5–8).
17	Employment by sector (%)	This indicator provides information on the relative importance of different economic activities with regard to employment. Data are presented by broad branches of economic activity (i.e. Agriculture/Industry/Services) based on the International Standard Industrial Classification of All Economic Activities (ISIC). In Europe, the NACE classification is consistent with the ISIC.
18	Incidence of self-employment (%)	The incidence of self-employment is expressed by the self-employed (i.e. employers + own-account workers + contributing family workers) as a proportion of the total employed.

	Description	Definition
19	Incidence of vulnerable employment (%)	The incidence of vulnerable employment is expressed by the own account of workers and contributing family workers as a proportion of the total employed.
20	Unemployment rate (aged 15+) (%)	The unemployment rate represents unemployed people as a percentage of the labour force. The labour force is the total number of people who are employed or unemployed. Unemployed people comprise those aged 15–64 or 15+ who were without work during the reference week; are currently available for work (were available for paid employment or self-employment before the end of the two weeks following the reference week); are actively seeking work, i.e. had taken specific steps in the four-week period ending with the reference week to seek paid employment or self-employment, or had found a job to start later (within a period of, at most, three months).
21	Unemployment rate by educational attainment (aged 15+) (%)	The unemployment rate represents unemployed people as a percentage of the labour force. The labour force is the total number of people who are employed or unemployed. Unemployed people comprise those aged 15–64 or 15+ who were without work during the reference week; are currently available for work (were available for paid employment or self-employment before the end of the two weeks following the reference week); are actively seeking work (had taken specific steps in the four-week period ending with the reference week to seek paid employment or self-employment, or had found a job to start later (within a period of, at most, three months)). Educational levels refer to the highest educational level successfully completed. Three levels are considered: low (ISCED levels 0–2), medium (ISCED levels 3–4) and high (ISCED 1997 levels 5–6, and ISCED 2011 levels 5–8).
22	Unemployment rate (aged 15-24) (%)	The unemployment rate represents unemployed people as a percentage of the labour force. The labour force is the total number of people who are employed or unemployed. Unemployed people comprise those aged 15–24 who were without work during the reference week; are currently available for work (were available for paid employment or self-employment before the end of the two weeks following the reference week); are actively seeking work, i.e. had taken specific steps in the four-week period ending with the reference week to seek paid employment or self-employment, or had found a job to start later (within a period of, at most, three months).
23	Proportion of people aged 15–24/15-29 not in employment, education or training (NEETs) (%)	The indicator provides information on young people aged 15–24 who meet the following two conditions: first, they are not employed (i.e. unemployed or inactive according to the ILO definition); and second, they have not received any education or training in the four weeks preceding the survey. Data are expressed as a percentage of the total population of the same age group and gender, excluding the respondents who have not answered the question on participation in education and training.
24	Participation in training/lifelong learning (% aged 25-64)	Participants in lifelong learning refers to persons aged 25–64 who stated that they received education or training in the 12°months preceding the survey (numerator). The denominator is the total population of the same age group, excluding those who did not answer the question on participation in education and training. The information collected relates to all education or training, whether or not it is relevant to the respondent's current or possible future job. If a different reference period is used, this should be indicated.
25	Human Development Index	The index is a summary measure of average achievement in key dimensions of human development: having a long and healthy life, being knowledgeable and having a decent standard of living.

KEY DONOR PROJECTS IN EDUCATION, TRAINING AND EMPLOYMENT

The reforms of the education system are supported by a large package of EU IPA II actions that include:

- The 'EU for Youth' Sector Reform Performance Contract, with a value of EUR 16 million (2020-2023), aims to improve the quality, relevance and inclusiveness of the national VET system and increase employment opportunities for young men and women. It supports the establishment of RVETCs and the further implementation of the Youth Guarantee scheme.
- The Twinning Project entitled 'Further support to the implementation of the NQF' (EUR 1.5 million; 2021-2024) concluded in 2023.
- The Technical Assistance project 'Increasing attractiveness, inclusiveness and relevance of VET and adult education' (2021-2024) supports the identification and establishment of two additional RVETCs. Additionally, it includes components on the validation of non-formal and informal learning and on improving the post-secondary education system. It is due to end on 30 September 2024.
- The Technical Assistance project on the 'Quality of education' was revamped in December°2023, after a long period of stagnation. The overall objective is to improve the quality of the educational system by investing in teacher' professional and career development with the aim of providing comprehensive, quality and inclusive education for all.
- The 'Development of the new education management information system' (2021-2023) project has the aim of consolidating and upgrading the existing databases towards improved capacity for evidence-based policymaking. It finished in March 2023.

The 'Education for Employment in North Macedonia (E4E)' project (2018-2028), funded by the Swiss government and implemented by Helvetas, supports formal and non-formal VET, in particular work-based learning.

The World Bank 'Primary Education Improvement Project', with a budget of EUR 21.5 million, was launched in 2021 and is scheduled to run until 2026. It supports improvements in the learning environment and the quality of primary education.

The United Nations Development Programme (UNDP) provides support for inclusiveness policies, mainly in primary education, to support vulnerable groups through counselling and guidance.

ABBREVIATIONS

BDE	Bureau for Development of Education
CfC	Chance for Centar
COVID-19	Corona Virus Disease of 2019
CSO	Civil Society Organisations
DigComp	EU's Digital Competence Framework
DigiEduComp	European Framework for the Digital Competence of Educators/Teachers
E4E	Education for Employment
EC	European Commission
ECOFIN	Economic and Financial Affairs
EMIS	Education Management Information System
ENER	Unique national electronic register of regulations
EQAVET	European Quality Assurance in Vocational Education and Training
ERI SEE	Education Reform Initiative of South-Eastern Europe
ERP	Economic Reform Programme
ESARNM	Employment Service Agency of the Republic of North Macedonia
ETF	European Training Foundation.
EU	European Union
EU4Youth	Youth Employment and Entrepreneurship Program
Eurofound	European Foundation for the Improvement of Living and Working Conditions
GDP	Gross domestic product
GHC	Green Human City
GMA	Guaranteed Minimum Assistance
GMI	Guaranteed Minimum Income
ICT	Information and communications technology
IESS	Integrated European Social Statistics
ILC_PEPS01N	Persons at risk of poverty or social exclusion by age and se
ILO	International Labour Organization
IMF	International Monetary Fund
IPA	Instrument for Pre-accession Assistance

ISCED	International Standard Classification of Education
ISCO	International Standard Classification of Occupations
ISIC	International Standard Industrial Classification of All Economic Activities
JRC	Joint Research Centre
KIESE	Key indicators on education, skills and employment
MK IPA	Instrument for Pre-Accession Assistance for North-Macedonia
MoES	Ministry of Education and Science
MoF	Ministry of Finance
MoLSP	Ministry of Labour and Social Policies
NACE	Statistical classification of economic activities in the European Community
NEET	Person not in education, employment or training
NIP	National Implementation Plan
NQF	National Qualifications Framework
OECD	Organisation for Economic Co-operation and Development
PISA	Programme for International Student Assessment
QA	Quality assurance
RVETC	Regional Vocational Education and Training Centre
SDSM	Social Democrats
SEI	State Education Inspectorate
UN DESA	United Nations Department of Economic and Social Affairs
UNDP	United Nations Development Programme
UNHCR	United Nations High Commissioner for Refugees
UNICEF	United Nations Children's Emergency Fund
USAID	United States Agency for International Development
VET	Vocational Education and Training
Vlen coalition	Representing ethnic Albanian parties
VMRO DPMNE party	National-conservative party
VNFIL	Validation on non-formal and informal learning
WBL	Work-Based Learning
YG	Youth Guarantee
ZNAM	'For Our Macedonia' party

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