

NORTH MACEDONIA

**EDUCATION, TRAINING AND EMPLOYMENT
DEVELOPMENTS 2021**

The content of this paper is the sole responsibility of the ETF and does not necessarily reflect the views of the EU institutions.

© European Training Foundation, 2021

Reproduction is authorised provided the source is acknowledged.

KEY POLICY DEVELOPMENTS IN EDUCATION, TRAINING AND EMPLOYMENT

September 2020 - August 2021

The key policy objectives in the education sector of North Macedonia, as described in the Education Strategy 2018-2025 are to tackle the low quality of education and to improve its relevance to labour market needs. This is to be achieved through improved standards, assessments, teacher training and investments in the teaching-learning environment. In addition, the government intends to improve the generally low education attainment of the population by creating learning pathways in the context of lifelong learning and through the implementation of the National Qualifications Framework (NQF).

Despite the COVID-19 pandemic, the Ministry of Education continued to carry out education reforms. New laws have been drafted and consulted for primary, vocational and adult education.

The core of reforms in the vocational education and training (VET) sector is the establishment of Regional VET Centres (RVETCs). Related policy objectives include the revision of governance arrangements, rationalisation of resources, improved labour market relevance through specialisations in sectors and occupations for which there is a demand, inclusion and lifelong learning (by incorporating the validation of non-formal and informal learning and training offers for disadvantaged groups), as well as quality and excellence. The governance model, infrastructure and capacity building needs of RVETCs are at an advanced stage of conceptualisation. Progress with the NQF, as well as the validation of non-formal and informal learning have been modest. The two technical assistance projects under the European Union's IPA II funding mechanism are supporting further developments in these areas. The ministry also implemented further measures to promote and scale up programmes with work-based learning components. Based on memoranda of understanding with private companies, 85 new classes were opened, which follow a dual model of VET.

To provide the regulatory framework for ongoing reforms, new draft laws for VET and Adult Education with relevant by-laws have been prepared and submitted for public consultation. New financing models for secondary education (including VET) are being designed.

The Employment and Social Reform Programme (ESRP) 2020 adopted in 2017 was revised and extended until 2022. North Macedonia's unemployment rate declined continuously from 26.1% in 2015 to 16.4% in 2020. Before the pandemic, the employment rate had been growing steadily, reaching 59.1% in 2020, which is however still low in comparison to the EU average (72.4%). Women, low-skilled and young people are at particular risk of being unemployed, and their activity rates remain low.

The macro-economic policies of the government before the pandemic provided fiscal space for expanding employment and social services. They also helped to mitigate the impact of the crisis. However, the falling employment rate in 2020, including among graduates, suggests that the pandemic has brought the positive employment trends to a halt.

North Macedonia was the first non-EU country that implemented a Youth Guarantee (YG) scheme. After a successful pilot, a large rollout followed in 2019 and 2020. These efforts have contributed towards reducing the proportion of young people who were not in employment, education or training (NEETs) from 24.1% in 2018 to 19.6% in 2020. Youth unemployment in the 15-24 age group dropped from 45.4% in 2018 to 35.7% in 2020. These rates, however, remain among the highest in Europe. Plans for further YG implementation include strengthening outreach activities, an early targeting of the most vulnerable groups and a general revamping of the offers. The EU's IPA II actions support these plans.

1. KEY DEMOGRAPHIC AND ECONOMIC CHARACTERISTICS

▪ Political developments and the health situation

Since 2017, North Macedonia has been making considerable progress in its socioeconomic development. The end of the dispute with Greece over the country's name in 2018 (the 'Prespa agreement') and the comprehensive reform progress were recognised internationally. In March 2020, North Macedonia became a full member of NATO. In July 2020 the European Commission presented a draft framework for EU-accession negotiations with North Macedonia to the EU Member States. However, the opening of membership talks has been blocked by Bulgaria. The latter demands that North Macedonia acknowledge that the Macedonian language and identity is of Bulgarian origin – a claim that the North Macedonian government strongly rejects (IFIMES, 2021, Euronews).

A left-leaning, pro-European government, with Zoran Zaev from the Social Democratic Union of Macedonia (SDSM) as Prime Minister, was formed after the elections in the summer of 2020. The SDSM currently governs both the legislative and executive bodies, which has made the law-making process less obstructionist. Albanian minority parties have gained more voters in the 2020 elections (The Freedom House, 2021).

There were no major political changes in the ministries of education or employment. Since 2020 Mila Carovska remains in charge of the Ministry of Education and Science (MoES) and Jagoda Shahpaska leads the Ministry of Labour and Social Policy (MoLSP).

In North Macedonia, there have been 181,875 confirmed cases of COVID-19 with 6,184 deaths up to 10 September 2021 (WHO, 2021). As of 1 September 2021, a total of 1,267,666 vaccine doses have been administered. The major outbreaks occurred in the autumn of 2020, spring of 2021 and August 2021. Despite the fact that the daily number of new COVID-19 cases were in the high hundreds at the beginning of September 2021, the new school year started with in-person teaching.

The vaccination campaign was launched in May 2021 with 200,000 doses of Sinopharm vaccine purchased from China. The rollout has initially been slow, mainly due to the delayed donation of the batch to which the EU had committed (120,000 doses). Since July 2021, the Ministry of Health is offering COVID-19 vaccines at walk-in sites in health centres and hospitals located throughout the country. Additional vaccine deliveries are expected in the coming months. North Macedonia, alongside Kosovo and Bosnia and Herzegovina, have had higher numbers of COVID-related deaths per 100,000 people (>11), compared to other European countries (ESPN, 2021).

▪ Demographics

With a population of just over 2 million, North Macedonia is one of the smallest ETF partner countries. Macedonians make up almost two-thirds of the population, while Albanians represent around 25%. There are also other smaller ethnic groups such as Turks, Serbs, Roma, Ashkali and Egyptians.

A recent study on migration (ETF, 2021[1]) indicates that, based on the Macedonian migratory stock from destination countries, 658,000 Macedonians lived abroad at the end of 2019, which corresponds to 32% of the domestic population. Despite the fear of a 'brain drain', the majority of emigrants have low levels of education, followed by people with a medium-level of education. Some professions, such as those in the medical sector, are currently experiencing a major shortage of highly skilled personnel. It is mostly young people who migrate, as they are looking for jobs and better public services. The same study also registered signs of a 'brain gain', with young people returning to North Macedonia

after graduating abroad. Nevertheless, migration is pervasive and is depleting the Macedonian labour force.

North Macedonia is a slowly ageing society. The proportion of young people aged 15-24 in the total population declined from 22% in 2010 to 17.4% in 2020. This percentage is twice that of the EU-27 average (European Commission, 2021). During the same period, the proportion of old people increased steadily. In September 2021 a new population census started, the first in 20 years, which will reveal the extent of North Macedonia's depopulation and provide details of the ethnic composition.

- **Economic developments, informal economy, remittances**

In the pre-pandemic years, North Macedonia showed a good record of fiscal stabilisation. Both the budget deficit and public debt decreased, allowing for some expansion of state support for companies and socially disadvantaged groups. Employment rates and wages were rising slowly. However, the rising wages were not matched by a respective growth in productivity.

The government has been pursuing a growth strategy through exports. Tax exemptions, free-trade zones and various forms of state subsidies to companies, including subsidies to social system contributions and personnel training, have attracted higher levels of foreign direct investments. In 2019 industry contributed 24.6% of the gross value added to the economy and 30% of the jobs. It accounted for 90% of total exports. The manufacturing activities of foreign companies have positively influenced the share of higher value goods and the use of medium to medium-high technology in total production. Nevertheless, labour-intensive industries and low productivity dominate. Low skills levels and poor cooperation between academia and industry are hampering the introduction of new technologies. Integration with international value chains remains low (MoF, 2021). The innovation performance remains modest and stands at 42% of the EU average (European Innovation Scoreboard, 2021).

Despite the very high score in the World Bank Doing Business 2020 report, in which North Macedonia ranked 17th among 190 countries, poor skills and unfair competition from the informal economy are hampering the overall business climate. A shift in the government's strategy is needed to attract foreign direct investments by addressing the structural weaknesses of the economy, rather than prioritising state aid to companies. Improvements to human and physical capital are necessary, which implies higher public investments in education, research and development, transport, logistics, IT and energy (European Commission, 2021).

The service sector had a 57% share in GDP and a 57% share in employment (2020). The export of services is growing, with tourism and transport contributing the most. Service exports in the areas of telecommunications, IT and business services have some growth potential. The share of agriculture in GDP is gradually falling. In 2020, the agricultural sector contributed 9.1% to GDP and 12% to total employment (Eurostat).

The COVID-19 pandemic led to an economic recession, resulting in a -4.5% contraction of GDP in 2020. The most affected sectors were industry (10% contraction), trade, transport and tourism. Both investments and exports recorded double-digit falls. Five government support packages have mitigated the impact of the crisis. They included: employment retention measures; an expansion of the guaranteed minimum assistance (GMA); subsidising social contributions in affected companies; exempting firms from tax advances; and offering VAT refunds and loans (EBRD, 2020). Government support during the crisis has been assessed positively (Finance Think, 2021). The economy is expected to return to its pre-crisis levels of activity in 2022 (WIIW, 2021). GDP growth for 2021 is forecast to reach between 3.8% (IMF, 2021) and 4.1% (WIIW, *ibid*).

The State Statistical Office (SSO) estimates that, in 2018, 18% of the employed worked without written contracts and that this share decreased by 4 percentage points compared to 2014 (MoF, 2021). Other sources suggest that the informal economy may account for up to 37% of GDP (IMF, 2019). The informal economy is undermining the tax base and the government's efforts to improve productivity. as

In addition to the 2018-2023 SME strategy, the government has adopted a strategy for the period 2018-2022 and an action plan to address the informal economy. The government's support measures adopted during the pandemic required companies to register, which may have resulted in some reduction in undeclared work.

According to National Bank estimates, remittances exceed €1 billion per year, which is around 16% of GDP, on average (NBRM, 2021). They help alleviate poverty and act as an informal social protection buffer (Petreski, 2019). Between January and June 2020, remittances declined by 30% year-on-year, but recuperated by 18% in the first quarter of 2021 (WIIW, 2021).

The three most significant challenges to the economy are: (i) improving the quality and relevance of the education system to increase employment and address the persistent skills mismatch; (ii) increasing the competitiveness of domestic companies and their integration into global value chains; and (iii) formalising the economy (European Commission, 2021).

North Macedonia participates in the EU Western Balkans Agenda for Innovation, Research, Education, Culture, Youth and Sport, and expects to benefit from the EU Economic and Investment Plan 2021-2027, launched by the European Commission for the Western Balkan region in response to the pandemic and in support of the twin objectives of a digital and green transition.

2. EDUCATION AND TRAINING

2.1 Trends and challenges

- **Education expenditure, access, participation and early leaving**

The 2018-2025 Education Strategy and Action Plan covers six pillars of education and a range of objectives: increasing the proportion of children in pre-school education; reforming education programmes for compulsory education and orienting them towards learning outcomes; supporting quality teaching materials; orienting VET towards the needs of the labour market; strengthening teachers' competences; improving management and leadership at central and local levels; and improving assessment systems, particularly for VET students (MoES, 2018). The strategy highlights the need for increased funding of the education sector. Public expenditure on education has been below the average of the EU-27 and the other Balkan countries. In 2019, its share in GDP was 3.5% against the EU average of 4.7% (European Commission, *ibid.*). North Macedonia's public administration struggles with bottlenecks in the management of capital investments. Central administration is responsible for capital expenditure in education, while local administration is in charge of recurrent costs, including staff salaries. Municipalities receive their funds through block grants.

In 2020 the pandemic created an emergency in the education sector. State funds planned for projects in primary education were reduced by 46.5%, and those for secondary education by 26% (projects in secondary schools, adult education centres, regional VET centres, the Roma support project, inclusive education projects, etc.). Capital investments dropped by 20% in favour of social protection and child health expenditure. Local administration, which is responsible for staff salaries and material expenses, received higher block grants. However, considering the burden of distance or hybrid learning, these additional funds were modest (Finance Think / Unicef, 2021).

The 2021 budget prioritises investments to improve the quality of primary and secondary education. Funding for investments is expected to double to an historical maximum. Funds allocated to improving the quality of secondary education, covering mainly investments in VET (RVETCs), will increase by 5%. Capital investment projects, including the construction or renovation of facilities, are also expected to double. These changes, while still insufficient, are crucial for enhancing the quality of education and improving students' outcomes.

North Macedonia made satisfactory progress in expanding access to education. The proportion of the population with low education attainment levels fell from 27.6% in 2010 to 17.6% in 2020. During the same period, the proportion of the population with medium and high attainment increased by 1.1% and 8.9%, respectively. Notwithstanding the fact that the younger population is generally better educated, the gross enrolment rates in secondary education remain below the rates of other Western Balkan countries and strongly below the EU average. In 2018, the gross enrolment in secondary education in North Macedonia reached 79.9%, against 95.4% in Albania, 89.8% in Montenegro and 95% in Serbia. The EU average for that year was over 110%. In 2018, gross enrolment in tertiary education in North Macedonia was 43.1% vis-à-vis the EU average of 70.9% (UIS, 2018). Other Balkan countries appear to achieve better outcomes with similar levels of spending on education. This indicates the need for optimising the school network and for increased efforts to reach out to disadvantaged students who do not participate in secondary education and are under-represented at tertiary level (OECD, 2019). The early school-leaving rate fell from 15.5% in 2010 to a record low of 5.7% in 2020, which was below the EU average of 9.9%. The expansion in participation and completion rates was achieved mainly as a result of the government decision taken in 2008 to raise the mandatory school-leaving age to 18. However, this decision was not accompanied by sufficient investments in quality and supervision.

▪ **PISA results**

PISA results from 2018 show substantial improvements and reduced shares of underachievement in reading, mathematics and science in comparison to the 2015 results. Underachievement in reading fell by 15.6%, in mathematics by 9.2% and in science by 13.4%. However, around 50% of 15-year-old students do not achieve basic literacy and numeracy skills. The performance of Macedonian students remains among the lowest in the region. Among all 78 participating countries, North Macedonia occupied the 68th place. There is a considerable gender gap in the students' performance, as boys score lower than girls.

A 2018 OECD review of the North Macedonian education system pointed out the need to improve national assessment and evaluation systems through the introduction of more rigorous and relevant standards, to improve teachers' competence development and to ensure that students who struggle with learning are identified and supported early on (OECD, 2018). In response to these challenges, a new concept for primary education was adopted in the spring of 2021 and subsequent legislation drafted. New curricula for the 1st and 4th grades of primary education were prepared. New frameworks for teacher competencies and professional development were introduced to orient teachers' performance towards improved learning. New professional categories of teachers are being introduced ('mentors' in 2020 and 'advisers' in 2022). Reforms to modernise assessment policies and practices have begun, which include a new concept for graduation exams. However, more support is needed to build respective institutional capacity.

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

The main reasons for the high rate of young people not in employment, education or training (NEETs) in North Macedonia included the skills mismatch and the bleak employment opportunities for young people, but also the lack of support to help them integrate into the labour market. Following the introduction of the Youth Guarantee scheme, the NEETs rate fell considerably, from 24.1% in 2018 to 18.1% in 2019. However, it is still approximately double the EU average. In 2020, the NEETs rate increased again due to the pandemic. It stood at 19.6% for the 15-24 age group and 26.2% for the 15-29 age group. The female rates are higher than the male rates.

▪ **Education during the COVID-19 pandemic**

In the school year 2020/2021, lower-grade pupils (1-3) attended school in person with reduced numbers of people and hours in the classroom. Students in the higher grades were offered online teaching classes. Distance learning increased the financial burden on schools due to the need for computers, internet connections and software. Printed materials, educational television programmes and additional assistance from school were made available to students who could not participate in online classes. The national online platform established for distance learning helped to systemise the online teaching process, and still serves as a valuable resource for teachers and students. The second edition of a survey on distance learning showed improved experiences by parents and students in comparison with the survey results of spring 2020 (Finance Think / Unicef, 2021). Safety protocols were put in place for the implementation of work-based learning. In 2021, secondary school exams took place in person, with a reduced number of students per classroom.

Recent gains made in students' learning outcomes are likely to be severely undermined by the pandemic. The World Bank estimates that, due to COVID-19-related learning losses, the mean PISA score for North Macedonia may decline to the order of 6 to 10 points, which would be the largest reversal in education on record (World Bank, 2020).

2.2 VET policy and institutional setting

▪ Strategic and legal framework for VET and adult learning

The Education Strategy and Action Plan 2018-2025 includes chapters on Education, VET and Adult Learning. The government aims to increase the attractiveness, quality and relevance of VET, introduce standards based on learning outcomes and labour market information, increase work-based learning and invest in human and infrastructural resources. Adult learning is recognised as key for improving the overall education attainment of the working-age population. The Strategy prioritises the development of flexible, modular education and training offers for adults, the validation of non-formal and informal learning (VNFIL) and awareness-raising activities.

The VET Law adopted in 2006 is the main legal framework for VET. In 2021, a new draft was prepared and submitted for public consultation. The main changes concern better ways for the inclusion of students with special needs, increased levels of work-based learning and practice-based education, and a separate chapter on Regional VET Centres (RVETCs). These will be at the focus of VET reform efforts in the coming years. RVETCs are expected to include both learners with special needs and learners in need of re-skilling and upskilling. They are expected to optimise their resources and provide more training offers that are relevant to regional labour markets and have been identified in collaboration with local employers. RVETCs will include flexible learning options, as well as VNFIL arrangements. RVETCs should eventually become regional centres of excellence. Major efforts are being taken to provide adequate human and infrastructural resources to the centres. This includes needs analyses, equipment procurement and organisational development. Three centres are being established, in Tetovo, Kumanovo and Ohrid. Two more are planned for 2021 with EU support.

The proportion of VET students in upper secondary education (ISCED level 3) of around 60% remained constant in the last decade.

The Strategy for Adult Education 2019-2023 is aimed at improving the attractiveness and quality of adult education, strengthening the quality of the training offer, developing VNFIL arrangements and improving partnerships. The Law on Adult Education adopted in 2008 has been revised. The main goal was to harmonise it with the Law on the NQF. Proposed changes aim at streamlining the process of verifying adult training programmes and providing a conducive framework for VNFIL.

Adult learning participation in North Macedonia increased slightly to 2.8% in 2019, but fell again to 2.6% in 2020, which compares poorly to the EU average of 9.2%. The current adult training offer of public VET institutions is limited.

▪ VET governance and financing arrangements

The Ministry of Education and Science oversees VET system management, where it falls under the responsibility of the secondary education sector. The Council for Vocational Education and the Council for Adult Education have advisory roles and ensure stakeholder consultation.

The VET Centre at national level is mandated to develop occupational, qualifications and assessment standards, set curricula for VET levels 1 to 5, conduct teacher training and organise counselling activities. The Centre cooperates with national and international partners on matters relating to VET system development and monitoring. Its staffing (7 experts) in relation to the mandate is, however, very limited. The Centre of Adult Education accredits adult training programmes and providers. The State Education Inspectorate carries out inspections in VET, based on the quality indicators developed for schools, while the Bureau for the Development of Education is in charge of the general education subjects also taught in secondary vocational schools.

In 2017, funds to the municipalities for VET schools constituted 65% of the block grants for secondary education. Grants are funded based on a formula that includes the number of students, a 20% bonus

for VET, plus a weighting factor for students with special needs. Schools are allowed to generate additional revenue, but few actually do. In 2020, the ETF, together with Helvetas, supported a government group with the work on an improved financing system. Recommendations were made on how to rationalise VET financing and link it more closely with system outcomes (e.g. labour market relevance and inclusion). The proposals are currently being further elaborated. In the 2021 budget, capital investment for VET was envisaged to increase. A substantial proportion of the planned investment will be channelled to the RVETCs.

- **Quality and quality assurance**

The national evaluation system for VET providers is in line with the EQAVET Recommendation. It covers seven criteria: curricula and syllabuses; students' achievements; learning and teaching; student support; school environment; resources; and management and administration. It is carried out in the form of self-assessment by schools, followed up by an external assessment by the State Examination Centre. The Ministry is working to improve this system, with schools currently viewing it mainly as a bureaucratic procedure, rather than a means for allowing continuous improvement. Skills assessments are mostly carried out by the schools themselves. VET students sit the State Matura exam and/or the final VET exam. The VET Centre is currently developing new assessment modalities.

A system for collecting data on labour demand and forecasting future skills needs is still in a development phase. Tracer studies are not carried out on a regular basis. This limits evidence-based policy-making.

The NQF law specifies the procedures for developing and adopting qualifications in vocational education. However, employers consider these to be burdensome. Flexible learning pathways – one of the main aims of the NQF – have yet to materialise. In the autumn of 2021, an EU Twinning Project will start to support further NQF implementation, including streamlining quality assurance procedures and revamping the qualifications database.

The system of monitoring and evaluating teachers' performance is undergoing a major reform.

- **Work-based learning arrangements**

The reformed 4-year modular VET programmes have a mandatory work-based learning component. They were inspired by the dual VET model, which starts from the 3rd year. In the school year 2020/2021, the Minister and Deputy Minister campaigned throughout the country to promote partnerships between VET schools, business communities and municipalities and to encourage students to join the new programmes. As a result, 86 new classes with a dual training component were launched. 1,384 students have enrolled in 44 schools. Agreements were signed with more than 200 companies. In the school year 2021/2022 the ministry offered 2,000 scholarships of MKD 3,500 (ca. €55) monthly to students who enrol in dual VET programmes. 56 new occupational profiles for the academic year 2021/2022 have been verified in consultation with the business community.

- **Digital education and skills**

In the school year 2020/2021, North Macedonia took part in the EU SELFIE pilot. The COVID-19 crisis revealed the need for digitalising education content, but also challenges relating to the 'digital exclusion' of children from poorer households, Roma children and children with disabilities (Finance Think / Unicef, 2021). The ministry undertook actions to implement the reformed primary education curriculum with some digital content. The transformation of teaching materials will take place in stages, starting from grade four in the school year 2021/2022. The ministry has procured 10,000 tablets for socially vulnerable students. The goal is to equip all schools with a library pool of tablets with installed teaching content accessible also offline without internet access. In 2021 the ministry developed a comprehensive strategy for the digitalisation of the education sector.

- **Donor support to education and VET for young people and adults**

The EU's IPA II Action 'EU for Youth' Sector Reform Performance Contract, with a value of €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 Youth Guarantee. Additional actions under IPA II include the Twinning Project 'Further support to the implementation of the NQF' (€1,5 million; 2021- 2024), a project supporting the establishment of two additional RVETCs and a project to help develop a new concept for secondary education.

The World Bank 'Skills Development and Innovation Support Project' has been implemented in the period 2014-2021. Its goal was to enhance the relevance of VET and included a revision of programmes and curricula. Moreover, it covered quality and accountability in higher education.

The World Bank Primary Education Improvement Project (PEIP), with a budget of €21.5 million, was launched in 2021 and will support an improved learning environment and quality of primary education.

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

3. LABOUR MARKET AND EMPLOYMENT

3.1 Trends and challenges

- **Labour market and employment challenges in general**

North Macedonia continues to display poor labour market outcomes. The low activity and high unemployment rates, in particular among young people, point to persisting structural challenges.

The pandemic put to a halt some of the positive labour market trends, which were reflected among others in the steadily growing employment rate over the past 10 years. The activity rate of the population aged 15+ fell from 55.5% in 2019 to 54.6% in 2020. In 2020, the female activity rate amounted to only 44%, merely 1.1% higher than a decade earlier.

The employment rate (15+) fell, albeit only slightly, from 45.9% in 2019 to 45.7% in 2020. This indicates that the employment retention measures by the government to mitigate the impact of the pandemic have been effective at least to some extent. The unemployment rate in the 15+ age group kept falling, from 17.3% in 2019 to 16.4% in 2020.

- **Employment**

From 2015 to 2019, the employment rate increased for all age groups and at similar rates for men and women. However, the employment gap between men and women remains high, with men having a 20% higher chance of being employed than women. Many of the jobs created in recent years relied on government wage subsidies, active labour market measures, public sector jobs and demand created by foreign companies established in special economic zones (OECD, 2021).

The employment rate of recent graduates had increased considerably, by 8 percentage points, from 49.2% in 2018 to 57.2% in 2019. However, it fell again to 54.5% in 2020, indicating the negative impact of the pandemic on young people. This effect had a disproportionate impact on female graduates whose employment rate fell to the level of 2015, while the employment rate of male graduates kept growing. The employment rate of VET graduates is much higher than the employment rate of general education graduates (49.1%, as against 26.5% in 2020), but remains among the lowest in Europe. Young people face a very difficult transition from education to work.

The employment rate of persons with higher education qualifications is considerably higher than that of persons with low qualifications (71.3%, as against 25.3% in 2020). The gap between these two groups has been growing over the past 5 years. The employment rate of persons with medium-level qualifications grew by 5 percentage points in the past 5 years to 55% in 2020.

The structure of employment by occupation indicates a growing demand for employed people with secondary vocational education or higher education.

The labour market is characterised by strong regional disparities. The employment gap between the best-performing south-east and the worst-performing north-east regions reached around 25 percentage points (European Commission, 2021).

The quality of available jobs remains a matter of concern, with inadequate earnings, unstable and unequal working conditions and a lack of security, which all contribute to emigration (ILO, 2020). The proportion of vulnerable workers fell by 7.5 percentage points in the past 5 years, but remains higher than the EU average.

The recent skills mismatch study by the ETF (2021[2]) provides evidence of mixed developments during the period 2016-2019, affecting mostly employees with tertiary education attainment whose exposure to vertical mismatch (i.e. working in jobs below their level of education) increased to 25.8% in 2019 from 21.6% in 2016. Among the employees with intermediate level of studies (upper secondary education), the incidence in vertical mismatch decreased from 8.4% in 2016 to 7.6% in 2019. VET graduates are significantly less exposed to mismatched occupations. The proportion of horizontally mismatched employees (i.e. working in occupations different from the field of education) among those above the age of 15 and with any level of education increased from 2016 to 2019, from 65.6% to 67%. The proportion of horizontally mismatched employees with intermediate general education is significantly higher for all age groups than for employees with medium-VET or tertiary education. The biggest difference in the proportion of horizontally mismatched individuals can be observed in the 20-34 age group (71.5% with intermediate general education, compared with 37.8% with intermediate VET education and 71% with tertiary education).

▪ Unemployment

Unemployment has been persistent, but at the same time is improving. During the period 2015-2020, the unemployment rate in the 15+ age group fell from 26.1% to 16.4%. However, it remains more than twice as high as the EU average. It dropped in all age categories, but especially among young people. In 2020, it stood at 35.7% for the 15-24 age group. Young people in North Macedonia are twice as likely to be unemployed as adults. The rate of young people (aged 15-29) who are not in employment, education or training (NEETs) fell from 29.8% in 2018 to 24.5% in 2019. These gains were partially lost during the COVID-19 crisis, which disproportionately hit young people. In 2020, the NEETs rate (in the 15-29 age group) increased to 26.2%.

In 2020, unemployment among low-educated people was 21.4%. The unemployment rate for those with high education was 13.7%, and for those with medium-level education 16.2%. Unemployment among persons with VET qualifications halved in recent years, which indicates an improved matching (ETF, 2021[2]). Long-term unemployment stood at 12.4% of the labour force (15+), in comparison to 2.7% in the EU. Almost 75% of unemployed people are long-term unemployed, but their proportion has been falling steadily since 2015. Low-educated workers are at the highest risk of long-term unemployment, followed by those with intermediate non-VET qualifications (ETF, *ibid.*).

▪ Statistical data collection and labour market information

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

▪ Poverty

Poverty rates have dropped in recent years but remain significant. The latest data from the State Statistics Office (2019) show an at-risk-of-poverty rate of 21.9% (EU average 16.8%). Inequality, as measured through the Gini coefficient, is at a level comparable to the EU. These rates do not reflect the effects of the COVID-19 crisis, which had a particularly negative impact on the most vulnerable population. In 2019, 27.8% of children were at risk of poverty. Other groups at particular risk include those with low levels of education and the ethnic communities, in particular the Roma.

In recent years, the government introduced several new legislative acts, such as the Social Protection Law, Child Protection Law and Law on Social Security of Elders, which provided an expanded social protection coverage and an improved framework for response during the pandemic. In 2019, the Guaranteed Minimum Assistance (GMA) was introduced. In view of the pandemic, additional amendments to the Social Protection Law passed in December 2020 allowed for an automatic relaxation of GMA eligibility in the case of a national emergency (Finance Think, 2021). At the same

time, it became mandatory for all members of households receiving the GMA to participate in active employment programmes. Policy priorities include to further improve the coverage of state support; to target the most needy with a view to reducing a 'creaming effect' (targeting mainly those who have good prospects for social integration); and to improve cooperation between the employment and social services for offering integrated support to beneficiaries.

3.2 Employment policy and institutional setting

▪ Strategy and legal framework in the employment policy field

The key strategy documents in the area of employment include the Programme of the Government of the Republic of North Macedonia 2020-2024, the Revised Employment and Social Reform Programme 2022 – (r)ESRP – and the National Employment Strategy. The Ministry of Labour and Social Policy coordinates the development of the latter. PESA elaborates annual operational plans for its active labour market measures and services. The priorities of the Operational Plan 2021 are aimed at fostering job creation and increasing the employability of unemployed people, in particular young people up to the age of 29, the long-term unemployed, women and GMA beneficiaries. In addition, PESA focuses on support to unemployed people who lost their jobs due to the pandemic. The government's objectives include the reduction of unemployment by 3% annually, i.e. maintaining a similar level of progress as in recent years.

▪ Initiatives to boost employment

2020 saw a major increase in the number of registered unemployed people, with almost 50,000 new entries. However, this can be attributed partially to the fact that many people registered to receive the social protection benefit. The net increase in the number of unemployed who lost their jobs due to the COVID-19 crisis had been estimated at around 16,500 at the end of 2020 (ETF [3], 2021).

PESA delivers a whole range of modern services, divided into employment programmes and employment services.

Highly intensive employment programmes are offered to approximately 10% of the registered unemployed people. In 2021 they include:

- self-employment support,
- job creation support in micro, small and medium-sized enterprises,
- wage subsidies (including subsidies targeting people with disabilities),
- vocational training,
- additional state-of-the-art training in highly sought-after IT skills and in newly emerging areas, such as 'green jobs' or e-commerce,
- internships and additional allowance programme for hiring young people in the manufacturing sector.
- A separate programme in the care sector is aimed at providing training and creating jobs in community work, and includes support to the establishment of social enterprises.

Employment programmes in 2021 are planned to include approx. 10,000 persons, which is not a substantial change in relation to 2019 (PESA, 2021).

Employment services include job search support, motivational training, occupational guidance and career counselling, and job mediation. The Operational Plan 2021 envisages a special focus on the activation of unemployed Roma and other persons at risk of social exclusion, with a particular focus on psycho-social support. Additional attention is given to the counselling and motivational support of GAM beneficiaries.

PESA has a well-developed approach to individual profiling. Services are tiered by client type: standard services are provided for the ordinary client, while clients with major employability challenges receive tailored, more intensive services.

PESA has a good record of reaching the targets set in its annual plans and of regularly evaluating and revising specific programmes and services. Targeting could be improved through multiple eligibility criteria with a view to reducing 'creaming'. The coverage of unemployed people with employment programmes could be higher if more funding were available (ETF, 2021[3]).

- **Youth Guarantee scheme**

North Macedonia introduced Youth Guarantee (YG) in 2018 as the first non-EU country. The scheme offers support to 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 a period of 4 months after registration. The scheme contributed to a substantial reduction of NEETs. In 2018, YG was piloted in three employment centres: in Gostivar, Strumica and Skopje. During 2020-2022, YG is being expanded to the whole country, but will be refocused on the three less developed regions of Polog, the north-east and south-west, and Resen. In 2021, the YG scheme is expected to include a total of 10,000 participants. The IPA II 'EU for Youth' programme supports related measures.

- **Initiatives to increase the capacity of the public employment services**

The PESA budget and special fund has grown steadily over the past 5 years, from €32 million in 2017 to the (planned) €56 million in 2021. The number of employees has also increased, with 35 new staff positions requested in 2021. PESA is considered a strong employment service with qualified staff and adequate procedures in place (EC, 2021). However, the progress achieved does not yet allow for a higher coverage rate, which also remains uneven across regional offices that experience disproportionately high workloads. The ratio of unemployed people per PESA staff member is still too high. Currently, a total of 338 employees deal with over 150,000 unemployed people – a ratio of over 440:1, which compares unfavourably to the ILO quality benchmark of 100:1 (ILO, 2020). PESA is undergoing restructuring to include a new Youth Guarantee Unit.

- **Donor support to the employment policy field**

The IPA II Action 'EU for Youth' (Sector Reform Contract, duration 2020-2023) supports the further implementation of the Youth Guarantee. The ILO, in collaboration with the ETF, provides some technical assistance towards the further implementation of the scheme.

Another IPA II Action 'Labour Market Activation of Vulnerable Groups' (budget: €4 million) includes a counselling and motivation programme and an employment support programme through training.

Amendments to the Annual Action Programme 2020 signed in September 2020 introduced a new action, 'EU Support for Social and Economic Resilience of North Macedonia', within the sector 'Competitiveness, Innovation, Agriculture and Rural Development'. The programme envisages active employment measures to mitigate the impact of the COVID-19 pandemic on employment by stimulating self-employment, entrepreneurship and direct job creation.

The Swiss Development Agency, United Nations Development Programme (UNDP) and United Nations Office for Project Services (UNOPS) have projects supporting the PESA Operational Plan 2021.

For further information, please contact Maria Rosenstock, European Training Foundation, email: Maria.Rosenstock@etf.europa.eu

STATISTICAL ANNEX – NORTH MACEDONIA

This annex includes annual data from 2010, 2015, 2019 and 2020, or the last available year.

	Indicator	2010	2015	2019	2020	
1	Total population (,000) ^{e (1)}	2,070.7	2,079.3	2,083.5	2,083.4	
2	Relative size of the youth population (age group 15-24 and age in the denominator 15-64, %) ^c	22.0	19.4	17.8	17.4	
3	GDP growth rate (%)	3.4	3.9	3.2	-4.5	
4	GDP by sector (%)	Agriculture value added	10.1	9.7	8.0	9.1
		Industry value added	21.0	23.9	23.5	22.6
		Services value added	55.1	53.7	55.2	57.0
5	Public expenditure on education (as % of GDP)	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.	
7	Adult literacy (%)	M.D.	97.8 ^e (2017)	M.D.	M.D.	
8	Educational attainment of adult population (aged 25-64 or 15+) (%) ⁽²⁾	Low ⁽³⁾	27.6	23.1	18.9	17.6
		Medium ⁽⁴⁾	53.8	54.2	56.1	54.9
		High ⁽⁵⁾	18.7	22.7	25.0	27.6
9	Early leavers from education and training (aged 18-24) (%) ⁽⁶⁾	Total	15.5	11.4	7.1	5.7
		Male	13.7	10.0	5.9	5.7
		Female	17.5	12.9	8.4	5.8
10	Gross enrolment rates in upper secondary education (ISCED level 3) (%)	75.9	78.8	71.9 (2018)	M.D.	
11	Share of VET students in upper secondary education (ISCED level 3) (%)	60.0	59.5	59.9 (2018)	M.D.	
12	Tertiary education attainment (aged 30-34) (%)	21.8	30.6	35.8	37.7	
13	Participation in training / lifelong learning (age group 25-64) by sex (%)	Total	3.5	2.6	2.8	2.6
		Male	3.4	2.7	2.8	2.5
		Female	3.6	2.5	2.7	2.7
	Participation in training / lifelong learning (age group 25-64) by education (%)	Low ⁽³⁾	0.2	0.2	0.2	0.2
		Medium ⁽⁴⁾	4.3	2.9	3.4	3.4
		High ⁽⁵⁾	8.8	6.1	4.5	4.0
	Participation in training / lifelong learning (age group 25-64) by working status (%)	Inactive	4.5	3.1	3.9	3.4
Employed		3.7	2.6	2.2	2.4	
Unemployed		1.6	2.1	2.9	2.3	
14	Low achievement in reading, mathematics and science – PISA (%)	Reading	N.A.	70.7	55.1 (2018)	N.A.
		Mathematics	N.A.	70.2	61.0 (2018)	N.A.
		Science	N.A.	62.9	49.5 (2018)	N.A.
15	Activity rate (aged 15+) (%)	Total	55.7	55.4	55.5	54.6
		Male	68.6	67.4	66.1	65.4
		Female	42.9	43.5	44.9	44.0

16	Inactivity rate (aged 15+) (%) ^C	Total	44.3	44.6	44.5	45.4
		Male	31.4	32.6	33.9	34.6
		Female	57.1	56.5	55.1	56.0
17	Employment rate (aged 15+) (%)	Total	37.9	40.9	45.9	45.7
		Male	46.7	49.4	55.2	54.5
		Female	29.1	32.6	36.7	37.0
18	Employment rate by educational attainment (% aged 15+) (%) ⁽⁶⁾	Low ⁽³⁾	23.5	25.6	26.1	25.3
		Medium ⁽⁴⁾	47.8	50.1	56.1	55
		High ⁽⁵⁾	65.0	65.2	71.0	71.3
19	Employment by sector (aged 15+) (%) ^C	Agriculture	M.D.	17.9	13.9	12.0
		Industry	M.D.	30.5	31.1	30.9
		Services	M.D.	51.6	55.0	57.0
20	Incidence of self-employment (aged 15+) (%)		28.5	26.1	21.1	18.1
21	Incidence of vulnerable employment (aged 15+) (%)		23.1	21.8	17.2	14.3
22	Unemployment rate (aged 15+) (%) ⁽⁶⁾	Total	32.0	26.1	17.3	16.4
		Male	31.9	26.8	16.5	16.7
		Female	32.3	25.1	18.4	15.9
23	Unemployment rate by educational attainment (aged 15+) (%) ⁽⁶⁾	Low ⁽³⁾	39.0	29.9	23.4	21.4
		Medium ⁽⁴⁾	32.1	26.6	16.6	16.2
		High ⁽⁵⁾	21.8	21.1	14.3	13.7
24	Long-term unemployment rate (aged 15+) (%) ⁽⁶⁾		26.6	21.3	12.4	12.4
25	Youth unemployment rate (aged 15-24) (%)	Total	53.7	47.3	35.6	35.7
		Male	53.9	49.7	33.4	34.0
		Female	53.3	43.3	38.9	38.6
26	Proportion of people aged 15-24 not in employment, education or training (NEETs) (%)	Total	25.5	24.7	18.1	19.6
		Male	25.1	24.5	17.1	19.4
		Female	25.9	24.9	19.2	19.8

Last update: September 2021

Sources:

Indicators 8, 9, 12, 13, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26 – Eurostat.

Indicator 14 – Organisation for Economic Co-operation and Development (OECD).

Indicators 7, 10, 11 – United Nations Educational, Scientific and Cultural Organization (UNESCO), Institute for Statistics.

Indicators 1, 2, 3, 4 – The World Bank, World Development Indicators database.

Notes:

(1) Mid-year estimations

(2) Active population

(3) Low – primary and basic general education

(4) Medium – general secondary and vocational-technical education

(5) High – secondary special and higher education

(6) Age group 15-74

Legend:

e = estimated

c = calculated

N.A. = Not applicable

M.D. = Missing data

ANNEX: DEFINITIONS OF INDICATORS

	Description	Definition
1	Total population ('000)	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 the 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 (74)/15+.
3	GDP growth rate (%)	Annual percentage growth rate of GDP at market prices based on constant local currency. Aggregates are based on constant 2010 US dollars. GDP is the sum of gross value added by all resident producers in 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 depreciation of fabricated assets or for depletion and degradation of natural resources.
4	GDP by sector (%)	The proportion of value added from Agriculture, Industry and Services. Agriculture corresponds to 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 depreciation of fabricated assets or depletion and degradation of natural resources. The origin of value added is determined by the International Standard Industrial Classification (ISIC), Revision 3 or 4.
5	Public expenditure on education (as % of GDP)	Public expenditure on education expressed as a percentage of 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 companies). Both types of transaction together are reported as 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 companies). Both types of transaction together are reported as 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 the adult population (25-64 or 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 (age group 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 4 weeks preceding the survey. Lower secondary education refers to ISCED 1997 levels 0-2 and 3C short (i.e. programmes lasting under 2 years) for data up to 2013, and to ISCED 2011 levels 0-2 for data from 2014 onwards.
10	Gross enrolment rates in upper secondary education (ISCED level 3) (%)	The number of students enrolled in a given level of education, regardless of age, expressed as a percentage of the official school-age population corresponding to the same level of education.
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	Tertiary education attainment (aged 30-34) (%)	Tertiary attainment is calculated as the percentage of the population aged 30-34 who have successfully completed tertiary studies (e.g. university or a higher technical institution). Educational attainment refers to ISCED 1997 levels 5-6 up to 2013, and ISCED 2011 levels 5-8 from 2014 onwards.
13	Participation in training / lifelong learning (age group 25-64) (%)	Participants in lifelong learning are persons aged 25-64 who stated that they received education or training in the 4 weeks 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.
14	Low achievement in reading, mathematics and science – PISA (%)	Low achievers are those 15-year-olds who are failing to reach level 2 on the PISA scale for reading, mathematics and science.
15	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.
16	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.
17	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 1 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.

	Description	Definition
18	Employment rate by educational attainment (% aged 15+)	<p>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 1 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.</p> <p>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).</p>
19	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 Statistical Classification of Economic Activities in the European Community (NACE) is consistent with ISIC.
20	Incidence of self-employment (%)	The incidence of self-employment is expressed by the number of self-employed workers (i.e. employers + own-account workers + contributing family workers) as a proportion of the total employed.
21	Incidence of vulnerable employment (%)	The incidence of vulnerable employment is expressed by the number of own-account workers and contributing family workers as a proportion of the total employed.
22	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 2 weeks following the reference week); are actively seeking work, i.e. had taken specific steps in the 4-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 3 months, at most).
23	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 2 weeks following the reference week); are actively seeking work, i.e. had taken specific steps in the 4-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 3 months, at most). 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).
24	Long-term unemployment rate (aged 15+) (%)	The long-term unemployment rate is the proportion of people in the total active population who have been unemployed for 12 months or more, expressed as a percentage. The duration of unemployment is defined as the duration of a search for a job or as the period of time since the last job was held (if this period is shorter than the duration of the search for a job).

	Description	Definition
25	Youth unemployment rate (aged 15-24) (%)	The youth unemployment ratio is calculated by dividing the number of unemployed people aged 15-24 by the total population of the same age group.
26	Proportion of people aged 15-24 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 4 weeks preceding the survey. Data are expressed as a percentage of the total population of the same age group and sex, excluding those respondents who have not answered the question on participation in education and training.

REFERENCES

- CRPM (2019), Centre for Research and Policy Making, *Monitoring the Hidden Economy in North Macedonia, Trends and Policy Options*, <http://www.crpm.org.mk/monitoring-the-hidden-economy-in-macedonia-trends-and-policy-options/>
- EBRD (2020), *Responding to the Coronavirus Crisis: Update on North Macedonia* (13/11/20), <https://www.ebrd.com/where-we-are/north-macedonia/overview.html>
- ESPN (2021), European Social Policy Network, *Social protection and inclusion policy responses to the COVID-19 crisis*, May 2021
- ETF, (2021[1]), The European Training Foundation, Petreski M. *How migration, human capital and the labour market interact in North Macedonia*, 2021
- ETF (2021[2]), The European Training Foundation, *Skills Mismatch Measurement in the ETF Partner Countries, National Report on North Macedonia*, 2021.
- ETF (2021[3]), The European Training Foundation, A. Onosimoski, *Effectiveness and innovation potential in the area of active labour market policies, with focus on ETF Partner Countries, Country Report North Macedonia*, Unpublished report, 2021
- Euronews (2021), *Could North Macedonia be the graveyard of the EU's ideals?* 20 July 2021, <https://www.euronews.com/2021/07/20/could-north-macedonia-be-the-graveyard-of-the-eu-s-ideals>
- European Commission (2021), *2021 Economic Reform Programmes of Albania, Montenegro, North Macedonia, Serbia, Turkey, Bosnia and Herzegovina and Kosovo**, *The Commission's Overview & Country Assessments Economic and Financial Affairs Neighbourhood and Enlargement Negotiations* Employment, Social Affairs and Inclusion ISSN 2443-8014 (online) INSTITUTIONAL PAPER 158, July 2021
- European Innovation Scoreboard, 2021, https://ec.europa.eu/growth/industry/policy/innovation/scoreboards_en
- Finance Think / Unicef (2021), M.Petreski, B.Petreski, A.Tomovska-Misoska, D.Tumanovska, *The social and economic effects of COVID-19 on children in North Macedonia: an Update (2021)*, <https://www.financethink.mk/wp-content/uploads/2021/05/The-Social-and-Economic-Effects-of-COVID-19-on-Children-in-North-Macedonia-An-Update.pdf>
- Finance Think (2020), M.Petreski, B.Petreski, A.Tomovska-Misoska, A. Stojkov, V.Dimkovski, A. Parnaredzieva- Zmejkova: *Bridging measures to alleviate COVID-19 consequences: Design proposal, cost and key effects*, 2020, <https://www.financethink.mk/wp-content/uploads/2020/12/Bridging-measures-to-alleviate-COVID-19-consequences-1.pdf>
- Gerovska Mitev, M. (2020), *Exclusion from social protection of people in non-standard employment: the case of North Macedonia* in: W. Bartlett, V. Monastiriotis and P. Koutroumpis (eds.) *Social Exclusion and Labour Market Challenges in the Western Balkans*, Newcastle upon Tyne: Cambridge Scholars Publishing, pp: 222-234
- IFIMES, (2021), The International Institute for Middle East and Balkan Studies, *2021 North Macedonia: Is EU heading towards its next historical mistake? Analysis*. Ljubljana/Brussels/Washington/Skopje, 19 May 2021, <https://www.ifimes.org/en/researches/2021-north-macedonia-is-eu-heading-towards-its-next-historical-mistake/4906>

- IMF (2019), International Monetary Fund, *Explaining the Shadow Economy in Europe: Size, Causes and Policy Options*, Working Paper no.19/278, <https://www.imf.org/en/Publications/WP/Issues/2019/12/13/Explaining-the-Shadow-Economy-in-Europe-Size-Causes-and-Policy-Options-48821>
- ILO (2019), International Labour Organisation, *Overview of the informal economy in North Macedonia*
- ILO (2020), International Labour Organisation, *Decent Work Programme for North Macedonia 2019-2022*, https://www.ilo.org/budapest/what-we-do/decent-work-country-programmes/WCMS_676193/lang--en/index.htm
- MoES (2018), Ministry of Education and Science, *Education Strategy for 2018-2025 and Action Plan*
- MoF, Ministry of Finance, Republic of North Macedonia, *Economic Reform Programme 2021-2023*, <https://finance.gov.mk/economic-reform-programme-2018-2020/?lang=en>
- MoLSP(2020), Ministry of Labour and Social Policy, *Revised Employment and Social Reform Programme 2022*, Skopje: Government of the Republic of North Macedonia
- NBRM (2020), National Bank of the Republic of North Macedonia, *Angelovska Bezhoska: Foreign currency remittances from emigrants and persons temporarily working abroad are important for the Macedonian economy*, Skopje, 5 August 2020, <https://www.nbrm.mk/ns-newsarticle-soopstenie-05082020-en.nspix>
- OECD (2018), *Programme for International Student Assessment (PISA), Volume III*
- OECD (2019), *Reviews of Evaluation and Assessment in Education: North Macedonia*, 4 June 2019, <https://www.oecd.org/education/oecd-reviews-of-evaluation-and-assessment-in-education-north-macedonia-079fe34c-en.htm>
- PESA (2021), Public Employment Service Agency, *Operational Plan 2021*
- Petreski M., Petreski B., Tumanoska D. (2016) *Remittances as a Shield to Vulnerable Households in Macedonia: the Case when the Instrument is not strictly exogenous*, International Migration, 8 September 2016
- RCC (2021), Regional Cooperation Council, W. Bartlett, S. Guxholli, P. Jovanovski, *Study on Youth Employment in the Republic of North Macedonia, Annex 5*, Publisher: Regional Cooperation Council, May 2021
- The Freedom House (2020), *Freedom in the World, 2020 North Macedonia Country Report*
- UIS, Unesco Institute of Statistics, 2018, *North Macedonia Country Profile*, <http://uis.unesco.org/en/country/mk>
- WHO, World Health Organisation COVID-19, North Macedonia, <https://covid19.who.int/region/euro/country/mk>
- World Bank (2020), *Doing Business 2020*
- World Bank (2020), *North Macedonia Country Brief: Estimate of COVID-19 Impact on Learning Loss*, Washington, DC: World Bank, 2020
- World Economic Forum (2019), *Global Competitiveness Report, 2019*

LIST OF ACRONYMS

EQAVET	European-wide framework to support quality assurance in VET
GDP	Gross Domestic Product
GMA	Guaranteed Minimum Assistance
MoES	Ministry of Education and Science
MoF	Ministry of Finance
MoLSP	Ministry of Labour and Social Policy
NEETs	Not in employment, education or training
NQF	National Qualifications Framework
PESA	Public Employment Service Agency
RVETCs	Regional VET Centres
VET	Vocational Education and Training
VNFIL	Validation of non-formal and informal learning

For further information about
our activities, please contact:
Communication Department
EUROPEAN TRAINING FOUNDATION
Viale Settimio Severo 65
I-10133 TORINO
E: INFO@ETF.EUROPA.EU
T: +39 011 6302222
F: +39 011 6302200
WWW.ETF.EUROPA.EU