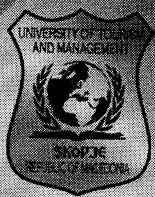


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UNIVERSITY OF TOURISM AND MANAGEMENT IN SKOPJE



UNIVERSITY OF TOURISM AND
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REPUBLIC OF MACEDONIA

(OCTOBER 15, 2018)

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GLOBAL EDUCATION, SKILLS AND COMPETENCIES:

*How to Deliver High
Quality Business
Education in Accordance
With the Market Needs*



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FOR BUSINESS, ECONOMY,
SPORT AND TOURISM



October 15–16, 2018

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Skopje, Macedonia

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LABOUR MARKET AND LABOUR RELATIONS: THE CASE IN MACEDONIA

Snezana Bardarova¹

Mimoza Serafimova

Abstract

Macedonia suffering from high unemployment. As a country with relatively young economy and with a long transition period, unemployment is one of the major concerns in the Macedonian economy. The condition of the market regulative is a field in which the country invests and strives to ensure a support for the population with relevant legislative, which is recognized through the regulative changes that influence the business and employment life cycle. However, it is worth to note the gradual decreasing trend of the unemployment in the last years, despite the global crisis impacts, that is due to several factors, including active labour market (ALM) measures, measures against grey economy, job creation in the new companies with foreign capital as well as gradual economic recovery.

The paper will analyze the active labour market policie, employment and unemployment in Macedonia and to give conclusions and recommendations for solving the unemployment as major problem for Macedonian economy.

Keywords: labor market; labour relations, employment, unemployment; Macedonia.

JEL Classification: G1,G11,G12

INTRODUCTION

Macedonia is facing with a difficult economicsituation and inadequate economic governance, which, among other things, results in poor labour market performance and outcomes. The region ischaracterised by persistently high levels of unemployment, low job creationrates², the presence of structural unemployment³

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²Dmitriy Kovtun et al., *Boosting Job Growth in the Western Balkans [IMF Working Paper]* (International Monetary Fund, 2014); Nikica Mojsoska-Blazevski, *Challenges to Successful Employment Policy in the Region: Towards More Jobs, Quality Labour Force and Greater Competitiveness [Discussion Paper]* (Western Balkans Investment Framework, 2012).

³ Ibid

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and a generally underdeveloped institutional framework of the labour market. Despite poor labour market outcomes and socio-economic issues that arise as a result, labour market policies are still insufficiently developed in Macedonia and have limited effects on employment and labour market improvement. This is especially relevant for active labour market policies, which are recognized in both developed and developing countries as one of the most important policy instruments in fighting unemployment, in mitigating labour market imbalances and contributing to long-term improvements in its efficiency. In that sense, effective activation policies are promoted by the Organisation for Economic Co-operation and Development (hereafter: OECD) and the European Commission with the conviction that they will help reduce unemployment and boost employment.¹

1. AN LABOUR MARKET POLICY

The labour market policy, generally speaking involves two groups of measures: active and passive. Despite the same objective of dealing with the unemployment, these two groups of measures are rather different. While passive labour market measures (PLM) intended to secure income to the unemployed people, the active labour market measures (ALM) are oriented towards reduction of the unemployment by improving the skills of the jobseekers, providing incentives for job creation or job search assistance to the unemployed. Obviously, the main advantage of the ALM measures is that they strengthen the individual ability of the jobseekers and functional capacity of the labour market on permanent basis.

Many studies supported the ALM measures and the need of their complementarity with PLM measure, promoting the role of the ALM measures as effective means for increasing labour efficiency and reduction of unemployment (OECD, 1994). Thus, ALM measures became quite popular in advanced economies since 1990s, while in the emerging economies they appeared later, mainly during the last decade. ALM measures in the Central and

¹John P. Martin, *Activation and Active Labour Market Policies in OECD Countries: Stylized Facts and Evidence on their Effectiveness* [IZA Policy Paper No. 84] (Bonn: IZA, 2014), p. 3.

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Southeastern Europe are mainly related to the transition process and the associated issue of the unemployment. Important difference regarding the environment for ALM measures implementation in emerging economies is the share of the informal unemployment as well as the weaker institutional capacity in these economies (ILO, 2017).

2. ACTIVE LABOUR MARKET-ALMP

ALMPs can be defined as a set of economic measures applied “in order to improve the functioning of the labour market that are directed towards the unemployed”¹ or, in other words, “to improve the labor market position of unemployed workers”². However, ALMPs often do not target only unemployed persons, but are also directed toward preserving at-risk job and activating inactive persons. Therefore, an understanding of ALMPs can be expanded and they can be defined as policy measures intended to challenge structural imbalances in the labour market, to maintain the supply of labour by keeping long-term unemployed and “outsiders” in the labour market, to boost demand for labour through job creation and to improve human capital, mainly through training measures.³ Active measures are part of broader employment policies that also include passive measures, such as unemployment benefits and related welfare benefits. In the past two decades, ALMPs were usually understood as a pillar of the wider policy framework of activation. Although ‘activation’ is still underdefined as a concept, activation strategies aim “to bring more people into the effective labour force, to counteract the potentially negative effects of unemployment and related benefits on work incentives by enforcing their conditionality on active job search and participation in measures to improve employability, and to manage employment

¹Lars Calmfors, “Active Labor Market Policy and Unemployment – A Framework for the Analysis of Crucial Design Features”, *OECD Economic Studies*, no. 22 (1994), p. 8.

²Jan C. van Ours, *Do Active Labor Market Policies Help Unemployed Workers to Find and Keep Regular Jobs?* (Bonn: IZA, 2000), p. 2.

³Veronica Escudero, *Are Active Labour Market Policies Effective in Activating and Integrating Low-Skilled Individuals? An International Comparison* (Geneva: International Labour Office, 2015), pp. 2-5.

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services and other labour market measures so that they effectively promote and assist the return to work”.¹

The two main functions of ALMPs can be described as ‘economic’ and ‘social’.

The ‘economic’ pertains to the economic performance of labour markets, such as the generation of jobs, allocation of human resources, matching of labour demand and supply and overcoming structural gaps in that regard. The ‘social’ mitigates the social consequences of poor economic and labour market outcomes and seeks to remove obstacles to employment through the inclusion of vulnerable, socially excluded and hard-to-employ categories.²

Three fundamental target groups of ALMPs are the unemployed, employed persons who are endangered by potential involuntary job loss and inactive persons who can and would like to enter the labour market.³ Therefore, measures are primarily oriented towards employment and inclusion of the most vulnerable, excluded, hard-to-employ and disadvantaged social categories on the labour market, i.e. groups with the lowest prospects for employment and economic inclusion. In that sense, the typical target groups of ALMP measures are women, older people, youth, the long-term unemployed, the low-skilled, persons with disabilities, immigrants and others. However, ALMP measures are often also designed to cover unemployed persons who do not belong to these groups, and have higher chances of getting a job. The very basic dichotomy of ALMP types is between a human investment and an incentive-based approach.⁴ The first approach is based on various policy measures – primarily training and educational measures, such as on-the-job training, classroom training, re-training, and others – oriented towards

¹ Organisation for Economic Co-operation and Development (OECD), *OECD Employment Outlook 2013* (OECD Publishing, 2013) according to Martin, *Activation and Active Labour Policies in OECD Countries*, p. 3.

² Jovan Zubović, “Aktivne mere na tržištu rada i evaluacije uticaja” in *Aktivne mere na tržištu rada i pitanja zaposlenosti*, ed. Jovan Zubović (Beograd: Institut ekonomskih nauka, 2011), p. 522.

³ EUROSTAT, “Labour Market Policy”: Ibid., p. 523.

⁴ Giuliano Bonoli, *The Political Economy of Active Labour Market Policy* (Edinburgh: Dissemination and Dialogue Centre, 2010).

improving human capital. The second relies on work incentives and negative incentives “to move people from social assistance into employment” through benefit conditionality, benefit reduction and the use of sanctions¹. It is not possible to fully separate these two approaches: they are often intertwined in policy design.

One of the most comprehensive and sufficiently broad classifications of ALMP measures is offered by Brown and Koettl (2012)². According to this proposed classification, ALMP measures are classified as interventions that are (a) targeting the demand side of the labour market, i.e. incentives for retaining and creating employment, (b) targeting the supply side of the labour market, i.e. incentives for seeking and keeping jobs and for human capital enhancement, and (c) improving labour market matching between the demand and supply sides (Table 1):

1. Incentives for retaining employment are based on financial incentives to employers to keep the employment relationship with workers in order to prevent and/or reduce employment outflow. Commonly used instruments to achieve these aims are (a) wage subsidies and non-wage labour cost reductions (such as taxes and contributions) and (b) short work schedules or work-sharing, which “incentivize employers to reduce labour costs along the intensive margin [number of hours per worker, author’s note] in contrast to the extensive margin [number of workers, author’s note] while fully or partly reimbursing workers for hours not worked”³. Such incentives are usually applied for a limited period (mostly during economic crises) and are oriented towards at-risk jobs, targeting “specific sectors, high unemployment areas or specific groups or workers”⁴. In short, the ultimate aim of these measures is to enable employers to keep employees (e.g. during negative business cycle periods) as well as to ensure job and income security for workers.⁵

¹Ibid, p. 10.

²Alessio J.G. Brown and Johannes Koettl, *Active Labor Market Programs: Employment Gain or Fiscal Drain?* (Discussion Paper No. 6880) (Bonn: IZA, 2012), p. 5.

³Ibid, p. 3.

⁴Ibid.

⁵Ibid.

2. Incentives for creating employment are based on financial incentives for employers to create new jobs in order to increase employment inflow. The main instruments of these programs are wage and hiring subsidies and non-wage labour cost reductions, which are targeted at employment of labour market outsiders, especially the long-term-unemployed and disadvantaged workers with outdated skills, inactive persons and informal workers. In addition, self-employment and entrepreneurship incentives in the form of subsidies, grants and credits, as well as advisory services (training, counselling and mentoring) intended for unemployed and inactive persons, are also a part of job-creating measures.¹

3. Incentives for seeking and keeping a job are oriented towards the labour supply “by increasing the payoff from employment for workers”². Within these programs, various instruments - such as financial transfers and subsidies designed as income supplement (e.g. in-work benefits) or public works – are deployed in order to incentivise low-wage, unemployed, discouraged and inactive workers to seek formal employment. At the same time, these measures have a strong redistributive role and objectives. For example, despite the fact that public works are found to be cost-inefficient and do not result in intended effects in terms of employment, this measure is implemented as a part of social welfare programs with redistributive aims or, more precisely, income support and poverty reduction objectives for disadvantaged workers.³

4. Incentives for human capital enhancement are oriented towards the improvement of labour skills and competences for both employed and unemployed workers. Most prominent instruments are “labor market training and retraining in classrooms covering basic job skills (for example, languages, computer knowledge, and so on) or specific vocational skills (for example, advanced computer or technical skills) as well as on-the job training and

¹ Ibid.

² Ibid, p.4.

³ Ibid, p. 4–6.

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training vouchers”¹. These measures are widely applied as a part of ALMPs in Europe.²

5. Improved labour market matching³ is a form of brokerage between unfilled vacancies and job seekers or, in other words, employers and the unemployed.⁴ The main policy instruments within this measure are job search assistance, counselling, monitoring and employer intermediation services.⁵ This measure is primarily based on information sharing (on vacancies, calls, etc.), preparation for employment (for example, in terms of improving presentation and communication skills), guidance (orienting unemployed persons towards those jobs for which they have the needed skills and qualifications) and provision of other types of support to job seekers. Some of the main tools for achieving these aims are, for example, individual employment plans, career guidance, jobs clubs etc. Such interventions are usually considered ‘cheap’ and relatively effective.

In addition, youth-oriented programmes and programmes intended for persons with disabilities are recognized as separate measures in some classifications⁶.

¹Ibid, p. 6.

²Ibid.

³In some classifications, this measure is called ‘public employment services’. See, for example, Lehmann and Kluve, *Assessing Active Labor Market Policies in Transition Economies*, pp. 3–4.

⁴Brown and Koettl, *Active Labor Market Programs*, pp. 6–7.

⁵Ibid.

⁶Brown and Koettl, *Active Labor Market Programs*, p. 5.

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Table 1: Classification of ALMP measures

Relevant instruments, target groups, and intended effects of ALMPs				
Target Area	Category (based on aims)	Instruments	Targeted Workers	Intended Effects
Labor demand	I. Provide incentives for retaining employment	Work sharing and short work	Insiders	<ul style="list-style-type: none"> – Reduce outflow from employment – Retain labor market attachment
		Wage subsidies		
	II. Provide incentives for creating employment	Hiring subsidies	outsiders	<ul style="list-style-type: none"> – Increase inflow into employment – Increase labor market attachment
		Business start-up support		
Labor supply	III. Provide incentives for seeking and keeping a job	In-work benefits, subsidies, tax credits	Insiders and outsiders	<ul style="list-style-type: none"> – Increase inflow into employment by strengthening work incentives – Reduce outflow from employment – Increase labor market attachment – Provide income support
		Public works	outsiders	<ul style="list-style-type: none"> – Increase inflow into employment by strengthening work incentives – Increase labor market attachment – Provide income support
		Activation and workfare	outsiders	<ul style="list-style-type: none"> – Increase inflow into employment by strengthening work incentives
		Sanctions		
	IV. Provide incentives for human capital enhancement	on-the-job training	outsiders and insiders	<ul style="list-style-type: none"> – Increase inflow into employment – Increase productivity – Improve match quality
		Classroom training		
Labor market	v. Improved labor market	Job search assistance	outsiders	<ul style="list-style-type: none"> – Improve job search efficiency – Increase inflow into employment

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matching	matching	Employer intermediation services	outside r and insiders	<ul style="list-style-type: none"> – Improve job search efficiency – Improve match quality – Increase inflow into employment
		Counselling and monitoring	outsiders	<ul style="list-style-type: none"> – Improve job search efficiency – Increase inflow into employment
Note: "Insiders" refer to those who are recurrently employed, "outsiders" to the unemployed, long-term unemployed, discouraged, informal workers, and inactive persons.				

Source: Table taken from Brown and Koettl (2012)¹

3. UNEMPLOYMENT AS MAJOR LABOUR MARKET INDICATOR IN MACEDONIA

The unemployment is one of the major concerns in the Macedonian economy, reflecting mainly transitional issues, as well as the overall macroeconomic environment and changing requirements for contemporary skills on the market as global phenomena. However, it is worth to note the gradual decreasing trend of the unemployment in the last years, despite the global crisis impacts, that is due to several factors, including active labour market (ALM) measures, measures against grey economy, job creation in the new companies with foreign capital as well as gradual economic recovery.

The unemployment creates significant macroeconomic consequences, therefore reducing the unemployment must be between top priorities of the Government policies. The unemployment is negatively reflected over households' disposable income and their spending ability which reduces the domestic demand and hamper the economic growth. In addition, the unemployment induces social impacts resulting with increase in the income inequality and poverty. Performances of the corporate and the household sectors, particularly their financial potential, the level of income they generate and the level of indebtedness, have direct impact on the performances of financial institutions and the overall stability of the financial system. The favorable labour market

¹Brown and Koettl, Active Labor Market Programs, p. 5.

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developments experienced in the last decade, contributed to accelerating the growth of disposable income, therefore enabling additional financing to the employed population. The increase of indebtedness of particular categories of the working population also highlights the importance of positive labour market conditions in terms of attaining stable employment and regular monthly payment of stable and feasibly growing net wages. There are strong efforts worldwide for strengthening policy and institutional capacity in dealing with the unemployment. In this regard, there is a strong orientation and support for ALM implementation considering their long term contribution on workers' skills and ability for job seeking, which is an important contribution relative to the passive labour market (PLM) measures which provide income support during the jobless time¹.

There are different types of ALM measures and many of them are oriented towards achieving different objectives – both economic and social. The variety of ALM measures allows for appropriate combination of measures in line with country specifics.

4. AN OVERVIEW OF LABOUR MARKET PERFORMANCE AND MEASURES IN MACEDONIA

Labour market in Macedonia face a number of challenges. They are characterised by deep structural imbalances and a high presence of structural unemployment in overall unemployment. The roots of such imbalances can be found in several factors, including a lack of regional mobility, deindustrialisation of these economies during the transition period and the resulting mass unemployment of low-skilled and hard-to-adapt labour, or weak links between education systems and industry requirements². Finally, there is a significant

¹National Bank of the Republic of Macedonia Developments in major labour market indicators and active labour market measures in dealing with unemployment: Evidence from Macedonia

²Mihail Arandarenko and Will Bartlett eds., *Labour Market and Skills in the Western Balkans* (Belgrade: FREN - Foundation for the Advancement of Economics, 2012); Mojsoska-Blazevski, *Challenges to Successful Employment Policy in the Region*; Kovtun et al., *Boosting Job Growth in the Western Balkans*.

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presence of theso-called grey economy, i.e. employment in informallabour markets¹.

In addition, is analys made on active population and the activity rate in the Republic of Macedonia in the period from 2010 to 2017. Data are taken from the State Statistical Office of the Republic of Macedonia. (Table 2)

Table 2: Active population and activity rate in the Republic of Macedonia²

	Population	total	employed	unemployed	activity	employe nt rate	unemploy ent rate
	1,648,522	938,294	637,815	300,479	56.9	38.7	32.0
	1,656,215	940,948	645,085	294,863	56.8	38.9	31.4
	1,669,965	943,956	650,554	292,502	56.5	39.0	31.0
	1,672,460	956,057	678,838	277,219	57.2	40.6	29.0
	1,673,494	958,998	690,188	268,810	57.3	41.2	28.0
	1,676,659	954,824	705,991	248,833	57.0	42.1	26.1
	1,678,890	948,599	723,550	225,049	56.5	43.1	23.7
	1,679,462	952,644	734,043	218,601	56.7	43.7	22.9
	1,679,525	955,699	739,892	215,807	56.9	44.1	22.6

Source: State Statistical Office of the Republic of Macedonia

There is a significant portion of long-term unemployment in the structure of the total unemployment in Macedonia. The high unemployment rate is accompanied by steady low employment: in 2015, the employment rate is 42.1%, which means a low increase in employment compared to previous years.

From the data presented, a trend of steady increase in the employment rate was noticeable, which in 2010 was 38.7%, so that

¹ Ibid.

² Official site of the State Statistical Office of the Republic of Macedonia and the Ministry of Finance of the Republic of Macedonia.

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in the second quarter of 2017 it climbed to 44.1% and is the highest employment rate in the analyzed period. On the other hand, the unemployment rate was steadily declining during the analyzed period, and in 2010 it was the highest and amounted to 32%, and in the second quarter of 2017 it reached the lowest level of 22.6%, which is by almost 10% decrease in relation of 2010. The activity rate during the entire analyzed period ranges around 57%. In Macedonia, the unemployment rate has been slightly falling in the past few years and was 32% in 2010 and in the second quarter in 2017 it was 22.6%.

The main reasons for this situation with the reduction of unemployment are the active policies undertaken by the Government of the Republic of Macedonia in the analyzed period, primarily attracting foreign investments and opening jobs, but also the methodological approach of the State Statistical Office, which, as employees, is also considered by the persons who worked at least one hour in the reporting week, then the deletion from the list of unemployed for the beneficiaries of subsidies, which according to the law changes. They are obliged to pay contributions. At the same time, some of the experts point out the emigration of young people as one of the reasons for this decline in unemployment.¹

5. ANALYSIS OF EMPLOYMENT AND UNEMPLOYMENT IN MACEDONIA

In Macedonia, official data for the unemployed are received from the Employment Agency and the Labor Force Survey conducted by the State Statistical Office. While official employment data are available from the Labor Force Survey conducted by the State Statistical Office and other publications of the Statistical Office.

In addition we will analyze the basic indicators of the labor market in Macedonia for the period 2000-2008, based on the data obtained from the Labor Force Survey conducted by the State Statistical Office (Table 3).

¹Radio Free Europe; Statistical gymnastics with unemployment, September 2015.
<https://www.slobodnaevropa.mk/a/27253503.html>

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Working age population consists of the population between 15 and 65 years of age (15-80 until 2004).

Labor force is the sum of people registered as employed and people registered as unemployed.

Participation rate is the ratio of the labor force over the working age population.

Employment rate is the ratio of the number of people employed over the working age population.

Unemployment rate is the ratio of the number of people unemployed over the labor force.

Underemployed person is one if his/hers employment is unsuitable for the specific norms taking into account his/hers professional abilities (education and working experience).

Visible underemployment is one reflecting insufficient working hours.

Invisible underemployment is one reflecting low income, insufficient use of professional abilities, low productivity etc.

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Table 3. Basic labor market indicators in Macedonia: 2000-2008.

	2000	2001	2002	2003	2004	2005	2006	2007	2008
Working age	1,514,256	1,554,420	1,566,954	1,579,500	1,594,857	1,607,997	1,618,482	1,628,618	1,638,402
Employed	549,846	599,308	561,343	548,100	522,695	545,351	570,404	590,234	570,404
Unemployed	262,711	263,196	267,451	315,900	369,259	322,634	321,274	316,905	321,274
Labor force	812,557	862,504	824,234	861,000	832,281	869,187	891,678	907,139	891,678
Participation rate	53.69%	55.56%	52.64%	54.51%	52.29%	54.03%	55.69%	55.39%	54.99%
Employment rate	53.84%	55.56%	55.82%	54.51%	52.80%	53.93%	55.24%	56.34%	55.24%
Unemployment rate	37.30%	30.50%	31.94%	46.69%	37.46%	37.27%	36.03%	34.93%	36.03%
Working age growth	1.30%	1.30%	1.31%	0.80%	0.93%	0.25%	0.84%	0.65%	0.63%
Employment growth	9.80%	9.60%	9.00%	-6.34%	-2.80%	-4.00%	4.26%	4.61%	-3.48%
Unemployment growth	0.56%	0.20%	0.11%	19.89%	-2.09%	4.24%	-0.82%	-1.35%	1.08%
Labor force growth	9.76%	6.39%	6.45%	-4.31%	-4.49%	-3.34%	4.43%	2.59%	-3.73%

Source: LFS SSO.

We can see from the table 3 above that the unemployment rate declined from 2000 to 2001 and then began rising so that by 2005, the rate was higher than it was in 2000 and it was 37.27%. What is also interesting is that the participation rate is low and steady in Macedonia. The 50,000 newly employed in 2001 compared to 2000 increased the employment rate by 2.72 percentage points while the participation rate increased by 2.5 percentage points. Most of the 50,000 newly employed in 2001 were reservists engaged because of the crises in 2001¹.

¹ REPORT ON THE LABOR MARKET IN MACEDONIA, Center for Economic Analyses (CEA), Skopje February, 2010

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In the following section will be provided and analyzed data which refer to the gender representation on the labor market in Macedonia.

6. SELECTED LABOR STATISTICS IN MACEDONIA BY GENDER

Table 4. Basic labor market indicators in Macedonia: 2000-2008 (MALE).

MALE	2000	2001	2002	2003	2004	2005	2006	2007	2008
Working age	780592	772058	788189	791700	798134	806621	808522	814601	816772
Employed	539550	557266	542779	527300	520640	532179	551974	558835	573483
Unemployed	248994	2149372	259144	2691900	286223	2791096	2591856	2589306	2488222
Labor force	488544	406638	401923	419200	406863	423275	443830	448141	461705
Participation rate	2.59%	5.62%	3.68%	5.58%	3.51%	4.87%	7.26%	7.29%	1.27%
Employment rate	3.50%	6.27%	3.49%	1.34%	0.17%	1.18%	3.53%	4.05%	0.74%
Unemployment rate	0.50%	9.48%	1.71%	6.96%	6.74%	6.52%	5.28%	4.54%	3.51%
Working age growth	0.72%	3.02%	-1.09%	2.09%	0.45%	0.81%	1.06%	0.24%	0.75%
Employment growth	-1.14%	0.46%	5.22%	-4.05%	-4.52%	-2.03%	3.60%	5.96%	1.95%
Unemployment growth	-5.78%	0.25%	6.54%	20.58%	-2.96%	2.62%	0.40%	-1.33%	-0.57%
Labor force growth	-2.11%	-1.53%	3.70%	-0.93%	3.44%	-2.38%	3.24%	3.93%	0.79%

Source: SSO

We can see from the table 4 above that the unemployment rate for male is steadily declining since 2003 starting from 36.96% and declining to 33.51% in 2008.

The unemployment rate among women in Macedonia presented in table 5 has gradually decreased since 2005 when it was 38.40% and in 2008 it decreased to 34.16%.

We can see from the data presented in table 4 and table 5 above that there is still gender inequality in the employment structure in Macedonia but the "gender employment gap" (difference between male employment rate and female employment rate) is declining steadily in the same period 2001- 2004.

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Table 5. Basic labor market indicators in Macedonia: 2000-2008 (FEMALE).

	2000	2001	2002	2003	2004	2005	2006	2007	2008
Working age	794333	782363	778765	787800	796423	801376	809960	814034	816569
Employed	210297	242042	218562	217800	202355	213074	218431	231399	235532
Unemployed	112717	113825	104339	124000	123063	132838	129418	127599	122187
Labor force	323014	355867	322901	341800	325418	345912	347849	358998	357719
Participation rate	40.66%	45.49%	41.46%	43.39%	40.86%	43.16%	42.95%	44.10%	43.81%
Employment rate	26.47%	30.94%	28.07%	27.65%	25.41%	26.59%	26.97%	28.43%	28.84%
Unemployment rate	34.90%	31.99%	32.31%	36.28%	37.82%	38.40%	37.21%	35.54%	34.16%
Working age growth	1.26%	4.44%	-1.51%	-0.46%	1.16%	1.09%	0.62%	1.07%	0.50%
Employment growth	4.72%	1.48%	15.10%	-9.70%	-0.35%	-7.09%	5.30%	2.51%	5.94%
Unemployment growth	9.10%	0.98%	-8.33%	18.84%	-0.76%	7.94%	-2.57%	-1.41%	-4.24%
Labor force growth	-2.03%	4.01%	10.17%	-9.26%	5.85%	-4.79%	6.30%	0.56%	3.21%

From the analysis we can conclude that the employment rate of men continuously over the years is higher than the employment rate of women. From Table 5 we can notice that the employment rate for women was the highest in 2001 when it was 30.94% and in the following period it declined and in 2008 it was 28.84%.

From Table 4 we see that the employment rate of men in the analyzed period declined so that in 2001 it was the highest and amounted to 46.27%, while in 2008 the employment rate for men was 40.74%.

Comparatively speaking, the difference in the employment rate between men and women is noticed in the analyzed period.

The situation is completely different when it comes to the inactive population, which is not included in the workforce, and here, men participate with 35%, while women with 65%, due

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primarily to family responsibilities and homework, in which it is included woman traditional values in society.¹

CONCLUSION

The unemployment in Macedonia has deep roots, related to the transition process of the economy, that contributed to the long term unemployment. However, in the last years there is a trend of unemployment decline, due to the several factors, but mainly to job creation in the new companies with foreign capital, and in line with active labour market measures and measures against grey economy. It can be noticed in the data shown, that the number of active able-bodied men is much greater than able-bodied active women. Similar is the situation with the employment rate, ie unemployment by gender, where there is still gender inequality in the employment structure in Macedonia but the “gender employment gap” (difference between male employment rate and female employment rate) is declining steadily in the same period 2001- 2004. From this paper we can conclude that the employment rate of men continuously over the years is higher than the employment rate of women. The economic cycle also contributed to these positive developments in the labor market. Special contribution is the analysis of the ALM measures implementation in Macedonia, considering their usefulness in improving the labour force and therefore the ability for providing a job. The active employment programs and measures and the persistent education reforms are one of the underlying factors for these positive developments on the labour market. The continuous application of such active labour market measures will result in more efficient filling of job vacancies, for which it is important to ensure adequate response to supply and demand of skills that is accomplished by sufficient flexibility of wages by activities and occupation. The

¹Nikica Mojsoska-Blazevski and State Statistical Office of Macedonia. International Labor Organization, Transfer of young women and men to the labor market in the former Yugoslav Republic of Macedonia; June 2016, p. 30
http://embargo.ilo.org/wcmsp5/groups/public/---ed_emp/documents/publication/wcms_524997.pdf

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analysis has shown that the ALM measures are in place since 2007 onwards, although had different dynamics across the years. The analysis has shown that the ALM measures are in place since 2007 onwards, although had different dynamics across the years. Impacts of the ALM measures in Macedonia is still difficult to evaluate, considering relatively short time of their use, non-regularity in some of them as well as different dynamics across the years. However, in order to appropriately assess the impacts of the ALM there is a need of a proper system of ex-post monitoring of the involved participants in order to have track on training participants and whether they have really improved the ability for job seeking after the training as well as the long term track on the established firms under self-employment and credit-financing measures. Evaluating impacts of the ALM so far should create a basis towards their better design in the future.

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