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EUROPEAN SOCIAL CHARTER

REPLY TO SUPPLEMENTARY QUESTION

1st report on the implementation of
the European Social Charter

submitted by

**THE GOVERNMENT OF
THE REPUBLIC OF MACEDONIA**

(30/04/2005 – 31/12/2006)

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CYCLE 2008



REPUBLIC OF MACEDONIA
**MINISTRY OF LABOUR
AND SOCIAL POLICY**

No. 13-7109/

Skopje, June 26, 2008

To : **COUNCIL OF EUROPE**
Secretariat General
Directorate General of Human Rights and Legal Affairs
DEPARTMENT OF THE EUROPEAN SOCIAL CHARTER
Attn. Mr. Régis Brillat, *Head of Department*
F-67075 Strasbourg Cedex

Subject: **Reply to the additional questions in regard to the 1st Report submitted by the Republic of Macedonia on the European Social Charter**

Dear Mr. Brillat,

In reference to your letter ESC 112 NC/SF, sent to the Ministry of Labour and Social Policy, with the additional questions in respect of the first Report on the implementation of the obligations undertaken from the European Social Charter of the Council of Europe submitted by the Republic of Macedonia, please find enclosed our Reply on the questions of the European Committee of Social Rights.

Yours sincerely,

MINISTER
Ljupčo Meškov

REPLY TO THE ADDITIONAL QUESTIONS
in regard to the
FIRST REPORT ON THE IMPLEMENTATION OF
THE OBLIGATIONS UNDERTAKEN FROM THE
EUROPEAN SOCIAL CHARTER OF THE COUNCIL OF EUROPE
submitted by
REPUBLIC OF MACEDONIA
- June 2008 -

Article 1

1§1

Employment situation

- What is the employment situation for persons with disabilities and foreign nationals?

⇒ After passing the **Law on Employment of Disabled Persons** and establishment and functioning of the **Special Fund**, financing the activities aiming at improvement of the conditions for employment and work of the disabled persons, adaptation of the working place, procurement of equipment, practical vocational training of a disabled person for specified assignments according to the employer's needs and the needs of the disabled person, as well as the benefits that the employer is receiving for taxes relief and covering the costs for social contributions, have increased the interest for social inclusion of the persons with disabilities on the labor market. This kind of conveniences and benefits, provided by the Law, continue in the following period with the extensive scope and usage of the means from the Special Fund for employment of disabled persons, which facilitates and improves their integration in the labor market.

The effects of the employment stimulation activities for persons with disabilities supported by the Special Fund for the years of 2005 and 2006 are described in the 1st Report submitted by the Republic of Macedonia (regarding articles 1 and 15). In the year of 2007 with the support from the Special Fund a total of 267 persons with disability have been employed. In addition to that, the persons with disabilities who have been registered as unemployed in the Employment Agency are being also included in other active labour market measures carried out by the Government of Republic of Macedonia and the Employment Agency, in accordance with the Operation Plan for active employment programmes and measures for 2007 and 2008, thus resulting in permanent improvement of the employment situation of persons belonging to this vulnerable group.

According to the official data from the Employment Agency of the Republic of Macedonia, the situation concerning registered unemployment among the persons with disabilities, i.e. the number of registered unemployed persons with disabilities, is presented in the following table :

Number of unemployed persons with disabilities registered at the Employment Agency	
month / year	Number of registered unemployed disabled persons
Dec. 31, 2001	3,257
Dec. 31, 2002	3,035
Dec. 31, 2005	2,577
Dec. 31, 2006	2,216
Dec. 31, 2007	2,251
May 31, 2008	2,099
Source : Employment Agency of the Republic of Macedonia	

In regard to the employment situation of the persons with disabilities, the available and the most reliable is the statistics provided by the **Union of sheltered enterprises of Macedonia**. This union maintains the data on registered sheltered (protective) enterprises, established in accordance with the Law on Employment of Disabled Persons, as well as the data about the number of persons employed in these enterprises, as well as the number of disabled persons employed not in sheltered enterprises, but still subject to a special favorable conditions defined with the law.

According to the Union data, there are around **740 sheltered enterprises** in the country, which employ around 8,300 employees. Of these employees, **3,500** (42.2%) are persons with disabilities.

The number of employed persons with disabilities, in accordance with Article 2§1 of the Law on Employment of Disabled Persons, employed in the "open" economy or public administration (not in sheltered enterprises) is around **700**.

⇒ In relation to the employment of foreign nationals, in the year 2007 a new ***Law on Employment and Working Engagement of Foreigners*** has been passed and was put in force on 13.09.2007. This law regulates the conditions and the procedure according to which foreigners may be employed or can work in the Republic of Macedonia. In view of providing proper implementation of the newly adopted Law on Employment and Working Engagement of Foreigners ("Official Gazette of R. Macedonia" No.70/2007), the Minister of Labour and Social Policy has passed a *By-law on the procedure of registration and accomplishment of assignments performed by foreigners*, as well as the separate *By-law on the procedures for issuance of work permits and on the form and content of special types of work permits* (published in the "Official Gazette of R. Macedonia" No.108/2007)

In the period between **01.01.2007** to **30.09.2007** the Employment Agency of R. Macedonia has issued a total of **918 approvals** for establishment of a working relationship with foreign citizens - in accordance with the old Law for employment of foreigners.

The approvals are issued for a definite period of time, up to one year the most, out of which :

- **434** were approvals for extension of the already existing working relationship
- **484** approvals have been issued for the first time

After the *Law for Employment and Working Engagement of Foreigners* was put into force, followed by the *By-law on the procedures for issuance of work permits and on the form and content of special types of work permits*, in the period from **1.10.2007** to **31.12.2007** a total of **263 working permits** were issued on different basis - personal working permits, permits for employment and working permits.

Therefore, the total number of issued work permits for employment of foreign nationals in the period from **01.01.2007** to **31.12.2007** was **1,181 working permits** out of which 559 have been issued for first-time (new) employment and 622 were extended working permits.

According to the level of the person's **professional education**, approvals/work permits for establishing working relationship with foreign nationals have been issued for :

- for non-qualified or semi-qualified,
- highly qualified
- secondary vocational education
- with post-secondary education
- with high (academic) education
- Masters of Science

According to the **profile of the profession**, most of the approvals issued for employment of foreign nationalities were for the following professions :

- managerial positions (managers, directors) - 353
- professional consultants – 17 etc.

In comparison with the previous years, this year it is noticeable that there has been an increase in the number of the people with university education who have applied for work in our country.

According to the **date of expire** of the approvals/work permits they have been issued for :

- 12 months - for 718 persons, 9 months - for 21 persons, 6 months - for 269 persons, 3 months - for 16 persons, 11 months - for 25 persons, 5 months - for 4 persons, 7 months - for 2 persons and 125 for other duration.

According to the **state** of the foreign nationalities, most of the approvals/work permits, have been issued for persons coming from Serbia, Turkey, Greece and Bulgaria.

In relation to the **cities** in which the approvals for establishing a working relationship have been issued, most of them have been issued in Skopje-726, Gevgelija-100, Bitola-37, Tetovo-40, Ohrid-33 etc.

Employment policy

- What is the number of beneficiaries of the various active measures described in the report?

The active policies and measures for employment in 2007, anticipated within the Operation Plan for active employment programmes and measures - 2007, has been successfully implemented, that is, there has been a full realization of all the planned employments or working engagement of the unemployed persons. Namely, the Operational Plan contained concrete measures for employment, identifying the target groups, necessary means and resources, activities and deadlines for each subject responsible for implementation of each planned measure.

In regard to the implementation of the separate measures, the situation is the following:

Measure 1: Active labor market policies (local infrastructure, assistance etc) - public works in the Units of Local Self-Government

It was anticipated that this measure would provide financial support for engagement of 1,000 people in public works in the local communities, through coverage of the engagement expenses for a three-month period, in the amount of 6,000 MKD as well as the personal income taxes.

In addition to that, it was also planned for the local self-government to provide a financial support to cover travel and food expenses for the engaged persons during the engagement period.

Based on the submitted project proposals by the Units of local self government, the Ministry of local self-government, in collaboration with the Association of Units of Local Self-Government and the UNDP has made a ranking list of 63 projects from 51 municipalities covering 992 persons. This ranking list has been submitted to the Employment Agency for further action, that is, identification of the needed staff.

Within the period of implementation of this measure 50 projects have been implemented, in which **965** unemployed persons have been engaged, i.e. 97% of the planned number of unemployed persons to be covered.

The situation by months during the year of 2007 is the following:

Implementation of the <u>Measure : Public works in ULSG</u> by months during the year 2007					
month 2007	Number of Units of Local Self- Government	Engaged persons	Allowance for engaged persons (MKD)	Personal tax (MKD)	Total expenditures (MKD)
April	17	325	1,526,172	208,115	1,734,287
May	36	706	4,162,374	567,598	4,729,972
June	43	853	4,933,207	672,711	5,605,918
July	42	793	4,128,077	562,921	4,690,998
August	15	275	1,401,695	191,141	1,592,836
September	12	231	1,093,927	129,172	1,243,099
October	6	68	176,708	5,578	200,805
November	0	0	-	-	-
December	1	1	33,000	4,500	37,500
Total			17,455,160	2,341,736	19,835,415

Source : Employment Agency of the Republic of Macedonia

For implementation of this measure, 19.835.415 MKD have been spent, whereas with the Operational Plan the planned budget for this measure was 18 millions MKD.

From the abovementioned, it can be concluded that the measure was successfully implemented, providing the very much needed work engagement for the most vulnerable category of unemployed persons.

Measure 2: **A. Support for Self-employment (family business)**
 B. Support for first employment for young persons up to 27 years of age

A. Self-employment support (family business)

With the measure for self employment support (family business) it was anticipated to employ 500 unemployed persons from the undeveloped areas, as well as the long term unemployed persons, unemployment beneficiaries and young people up to 27 years of age that are to be employed for the first time.

This measure has been carried out through:

- development of individual plans for employment ;
- conducting tests for professional orientation ;
- development of business ideas;
- selection of the most appropriate candidates who have shown interest ;
- trainings for entrepreneurship;
- preparation of business plans, in cooperation with the Agency for Promotion of Entrepreneurship (APPRM)
- marketing ;
- coverage of the expenses for procurement of equipment or other basic means for starting a business;
- financial participation in the expenses of registration of the company ;
- financial participation in the salary contributions for the first 3 months and
- support through trainings, counselling and other information during the first year through the Agency for Promotion of Entrepreneurship .

The selection of the unemployed persons and their businesses was carried out through several phases.

At the beginning of the public announcement, there were 2,065 persons that applied, out of which 1,916 belonged to the defined target groups. The applications were reviewed by the Selection Commission nominated by the Steering Committee of the Project, that included representatives from Employment Agency, the Agency for Promotion of Entrepreneurship and representatives from UNDP. On the basis of the previously established criteria for sustainability of the business the Commission has prepared a ranking list.

Taking into consideration the ethnical participation of the applicants, the training “*From Idea to Business*” that included 815 persons has started. Out of 815 business ideas, 533 were selected for which consultants from the Agency for Promotion of Entrepreneurship in collaboration with the selected candidates developed 533 business plans. Subsequently, the Expert Commission for ranking of the business plans has elaborated a ranking list, based on which, the first 500 business plans were decided to be financially supported. Among the businesses that were selected the most numerous were from the area of cattle breeding (20%), services–crafts (16.4%), services (13.8%), trade (8.6%), production-food (6%) etc.

Around 33,8% of the supported businesses were from the underdeveloped areas in the country.

According to the pre-determined target groups for business support, 73.8% were from the pool of long-term unemployed persons, 1.4% were unemployment benefit beneficiaries and 24.8% were young people up to 27 years of age. In addition, 376 persons were male (75.25%) and 124 persons were female (24.8%). Attention was also paid to the inclusion of unemployed persons from the ethnic communities in the measure, i.e. around 10% of the persons were Albanians, 3% Roma, 1% Serbians etc.

Out of the total number of supported business plans, 8.8% were unemployed persons as a result of redundancies.

Due to the significant interest for this measure, additional financial means were provided and financial support was given to another 58 persons.

The situation according to separate phases of implementation of this measure, regarding the number of unemployed persons included and the financial means that were spent is presented in the following table :

Implementation of the <u>Measure : Support for self-employment</u>			
Description of the activity/measure	Number of unemployed persons	Amount per person (MKD)	Total expenditures (MKD)
Grant for self-employment	558	112,123	62,564,372
Training of 800 unemployed persons	800	2,330	1,864,000
Business plans-voucher system	591	14,760	8,723,160
Registration of companies	558	3,000	1,674,000
Administrative expenses		1,547,793	9,680,958
Total			84,506,490

For the implementation of this measure 84,506,490 MKD were spent, although 73.3 millions MKD were originally planned for it within the Operational Plan.

From the above mentioned, it can be clearly concluded that this measure had shown positive results :

- out of 500 planned new businesses, **558** were actually registered ;
- most of the candidates were from the most vulnerable target group - the long-term unemployed (415) ;
- 33% were candidates from under-developed areas ;
- there was a good communication and involvement of other institutions in the implementation of this measure (the Notary Chamber, the Central Register of Republic of Macedonia, the Ministry of Agriculture, the Craft Chambers etc.) ;
- high-quality trainings were provided.

B. Support for first employment of young people up to 27 years of age

In regard to the support for first employment of young persons up to 27 years of age, through their inclusion in internship programmes for a period of 3 months, with the purpose of their further employment, **600** persons were included during one year period, in 23 municipalities. The persons included in this measure were engaged during the months of March, April, May and June 2007.

Out of the total number of persons included in this measure, 109 persons were employed on an indefinite period, 40 were employed on a definite period, 7 are employed on a part-time work engagements, 173 had a working engagement on other basis, 84 have refused an offered working engagement and 187 have not been offered any possibilities for employment.

Measure 3: Working engagement of unemployed persons from the least developed regions in performing construction activities, ecological projects etc.

With this measure, it was planned to cover 400 unemployed persons from the least developed regions in the country and to include them public works - construction works, environmental projects and similar. For their engagement a monthly allowance for the performed activity in amount of 5,100 MKD has been provided, as well as the allowance for the food and transportation expenses in amount of 3,200 MKD and the personal tax as well, for a six month period. The costs were covered by the Employment Agency of the Republic of Macedonia.

Receiving the applications from the municipalities, the Commission composed by the representatives from the Ministries in charge of this measure - Ministry of Environment and Physical Planning and the Ministry of Transport and Communication, has prepared a ranking list which was submitted to Employment Agency. Due to the significant interest for involvement in this measure, the Employment Agency and the Ministries in charge, held a meeting on which it was agreed that instead of planned 400, 432 persons will be included in the measure.

Within this measure, 52 projects in 45 municipalities have been implemented, including **418** persons and a total of 20,180,974 MKD were spent, although 19.9 millions MKD were originally planned.

The following table shows the situation in relation to the number of people engaged within the measure, by months :

Implementation of the <u>Measure : Work engagement of unempl. persons from under-developed regions</u> by months during the year 2007		
month	Number of engaged persons	Expenditures (MKD)
April	135	794,360
May	338	2,971,229
June	388	3,432,966
July	393	3,435,759
August	350	3,084,083
September	347	3,081,838
October	322	2,434,358
November	93	755,856
December	30	190,525
Total		20,180,974

Source : Employment Agency of the Republic of Macedonia

The statistics presented above, indicate that the this measure was successfully implemented and due to the shown interest, a even larger number of persons than the anticipated has been engaged.

Measure 4: Subvention for employment of single parents, disabled persons and children without parents

With this measure it was anticipated to provide financial support for employment of unemployed persons from the vulnerable social categories, i.e. 500 single parents, 200 disabled persons and 100 children without parents. For each employment the monthly amount of up to 11,200 MKD was provided (for salary, social contributions and food and transportation expenses), for the duration of the six month period.

During the year 2007, in accordance with the Law for Employment of Disabled Persons, **276** disabled persons were employed.

As a response to the public announcement published by the Employment Agency, 114 employers has submitted their applications for employment to the local employment centres, for a total of 925 employments out of which 615 for single parents and 310 for children without parents.

Based on the evidence in Social Work Centres, the Ministry of Labour and Social Policy submitted to the Employment Agency a list of registered single parents (2,382 persons) and 333 children without parents.

Significant number of people registered as a single parents and children without parents in the lists in the Social Work Centres according the information provided by EA, have not registered in the employment centres for registration of employment contract.

After carried out activities, employments of **69** single parents and **3** children without parents have been realized.

According to the information from the Employment centres, one of the reasons for this very small number of concluded work contracts is the cancelling and giving up of the previously expressed requirements for new employments by the employers, as well as the low qualification structure and inadequate skills of the available persons in regard to reported needs of the employers.

Measure 5: Training and counselling for the unemployed for re-qualification, contact with the employers, improvement of unemployed person's knowledge and skills, computer training etc.

With this measure, with the aim of improving the competitiveness of unemployed persons on the labour market, it has been planned to provide trainings, counselling and improvement of their knowledge and skills for the total of 3,000 unemployed persons, with participation in the expenses of the employer in amount of 2,000 MKD and in addition to that, financial aid for the unemployed person will be provided in amount of 4,000 MKD, for a three month period.

This is a regular measure of Employment Agency and there are continuous trainings and retrainings and re-qualifications of the unemployed, organized on the requests by the employers, with the aim of establishing working relationships with the persons for an indefinite period.

The total number of unemployed persons that participated in a preparation for employment (training, retraining, re-qualification) in the year 2007, taking into account the persons who were included in the realization of the programmes that started in 2006 and ended in 2007, as well as those whose preparation is in progress and continues in the year 2008, sums up to **3,866** persons. 2,751 of them have successfully completed the preparation for employment.

Out of the total number of persons who have successfully completed the preparation for employment, 2,526 unemployed persons, that is 91.82% have established working relationship on an indefinite period with the employer.

The budget spent for this measure was 52,097,796 MKD, although 50 millions MKD were originally budgeted with the Operational Plan.

The Employment Agency has also successfully organized trainings for foreign languages and computer trainings that included **3,339** persons out of which 3,043 persons have completed the training successfully. After the completing the trainings 414 persons were employed.

Taking into consideration the stated condition, this measure is also considered to be successfully realized, having in mind that 91.82% of the persons participating in the trainings and retrainings have been employed, and 14% of the persons successfully completing the general trainings for foreign languages and work with computers have been employed.

Measure : Pilot-project for employment of unemployed Roma through training

In December 2007, the Ministry of Labour and Social Policy together with the Employment Agency, has implemented a Pilot Project for support of employment of unemployed Roma. This project was implemented within the framework of activities directed towards decreasing the unemployment among Roma population in the country and in line with the overall Roma inclusion policies implemented along the lines of the Decade for Roma Inclusion.

This measure/project covered **50** unemployed Roma with completed at least elementary education for which training was provided within the employer with the purpose of their employment. Within the period of three months, and the provided budget for this measure of 1.2 million MKD, on-the-job training was delivered to 50 unemployed Roma (26 male, 24 female), during which the monthly allowance of 8,000 denars was provided per trained person (4,000 MKD for the employer and 4,000 MKD for the unemployed person, i.e. trainee). The selection of employers and the persons to be covered with this project was made by the Selection Commission, with the representatives from the Ministry of Labour and Social Policy and the Employment Agency, on the basis of applications submitted following the public announcement published by the Employment Agency. The employers expressed their interest to benefit from the project and submitted application together with their needs for workers and training programme to be financially supported by the project. After delivery of the training, the employers signed employment contract with the trained person for an indefinite period.

The following table summarizes the coverage in terms of persons involved in various active labour market measures implemented in accordance with the Operation Plan for active employment programmes and measures 2007, as described above. Taking into account the described situation by separate measures, the total number of realized employments or working engagement of unemployed persons is 10,135 :

Active Labour Market Measures (ALLM) implemented in 2007 and number of beneficiaries	
Measure / Activity	Number of persons
Support for self-employment (business start ups)	558
Support for first employment of young persons up to 27 years of age	600
Public works in the Units of Local Self-Government	965
Subsidies for employment of single parents, disabled persons and children without parents	339
Engagement of unemployed persons from the most undeveloped areas in construction activities, environmental projects, etc	418
Training and counselling, contacts with employers, improvement of knowledge and skills, computer training	7,205
Pilot-project for employment of unemployed Roma through training	50
Total	10,135

- What is the total expenditure on employment policies as a percentage of GDP?

The following table presents the expenditures for employment policies - active, as well as passive labour market measures, in relation to the GDP :

**Table on expenditures on employment measures
(active and passive labour market measures)**

	2005	2006	2007
GDP (MKD)	286,620,000,000	310,932,000,000	339,258,000,000
1. Active Labour Market Measures (ALMM)			
- Trainings, Qualifications	29,493,466	47,908,457	52,097,796
- Law on Employment Stimulation	515,600,842	65,551,183	630,321
- Employment of Disabled Persons	107,140,080	203,067,275	84,527,112
- Project for support of employment of young persons (in cooperation with UNDP)	10,000,000	60,000,000	0
- Operational Plan for ALLM 2007	0	0	144,361,279
- Pilot-project - Employment of Roma (2007)	0	0	1,200,000
Total Expenditures on ALMM	662,234,388	376,526,915	282,816,508
Expenditures on ALMM as % of GDP	0.231%	0.121%	0.083%
2. Passive Labour Market Measures			
- Unemployment Benefit	2,414,580,121	1,979,693,628	1,601,137,150
- Pension and Disability Insurance Contribution	1,553,947,440	1,232,726,343	873,969,212
- Health Insurance Contribution	2,062,638,819	2,144,163,293	2,142,482,664
Total Expenditures on Passive measures	6,031,166,380	5,356,583,264	4,617,589,026
Expenditures on passive measures as % of GDP	2.10%	1.72%	1.36%
Total Expenditures on Employment measures (MKD)	6,693,400,768	5,733,110,179	4,900,405,534
Expenditures on Employment measures as % of GDP	2.34%	1.84%	1.44%

- What urgent measures are planned to remedy the extremely high rate of long-term unemployment ?

With the aim to decrease the high level of unemployment, for the year 2008, the Government of Republic of Macedonia enacted the Operational Plan for active policies and measures for employment, where special types of assistance and support for different target groups are determined, with defined deadlines, institutions responsible for implementation, financial resources and coverage of the unemployed persons. The budget planned for implementation of this Operational Plan is 294 millions of MKD (approx. 4.8 million EUR).

The Operational Plan 2008 includes the following programs/measures:

1. Program for self-employment. The aim of this programme is reduction of unemployment and poverty through new business start-ups. The programme will be realised through trainings for the unemployed persons who have shown interest in obtaining basic knowledge in entrepreneurship, preparation of solid and sustainable family business plans, provision of assistance and support in registration of personal businesses and subvention for starting a business. This programme will be realised through the following measures:

- a. Self-employment of 250 young unemployed persons up to the age of 27 ;
- b. Self-employment of 100 unemployed females with secondary and university education, registered in Employment Agency as unemployed for more than 2 years ;
- c. Self-employment of 150 long-term unemployed persons, registered in the Employment Agency for more than 2 years.

It is planned for this measure to provide support for self-employment for the total number of 500 unemployed persons, belonging mainly to the target group of long-term unemployed. The budget for this measure is 97,235,600M KD.

2. Program for assistance in registering (formalisation) of existing family businesses. The purpose of this programme is to register existing businesses started up by unemployed individuals and their legal inclusion on the labour market with intention to reduce the grey economy. The program will be realised through providing support in procedures of registration of the existing businesses of 107 people, who have informal experience in field of retailed trade, agriculture and crafts. The anticipated funds needed for this programme are 18,136,500 MKD.

3. Employment preparation programme. This programme provides training, qualification or re-qualification, as well as counselling of unemployed persons in order to obtain the necessary knowledge and skills that would increase their employability and their competitiveness on the labour market. The following measures are anticipated within this program :

3.1. Training, qualification and re-qualification for known employer, with coverage of 3,000 unemployed persons for which an amount of 54,000,000 MKD has been planned. This employment preparation will be with duration of 3 months at least, with an obligation for the employer to employ at least 70% of the persons included in the training activities and keep them employed for at least 1 year.

3.2. Trainings provided in the job clubs for obtaining knowledge and skills (foreign languages and computer literacy) of 2,000 unemployed persons, aiming to improve their labour market competitiveness. The funds dedicated to this measure amounts to 1,900,000 MKD.

3.3. A pilot project for providing a training for specific professions and skills, that are deficit on the labour market, according to the Labour Market Skills Need Analysis prepared by the Employment Agency in 2007. The training will be conducted for 108 unemployed persons, upon a previously prepared program and the persons who successfully finish the training will receive a certificate for their working qualification. The budget planned to be spend for implementation of this measure, is 5,313,600 MKD.

3.4 Education for starting up a family business. With this measure it is planned to strengthen the capacities of the Employment Agency for providing education for unemployed persons, through training for trainers and education of unemployed people

for starting up a business. Within this measure it has been planned that 770 unemployed persons and 50 staff from the EA will be provided with the training which sums up to a total of 820 persons for which an amount of 150,000 MKD has been planned.

4. Employment subsidies. This Employment Subsidies Programme will be implemented through the following measures:

4.1. *Subvention for employment of children without parents.* This measure would provide financial support for 50 children without parents for which an amount of 6,750,000 MKD has been planned. Through this measure the financial support will be provided for salaries, social contributions and food and transportation expenses, in the monthly amount of 15,000 MKD for a nine month period. The employer benefiting from this program will have an obligation to keep the employed person for at least another 18 months (total of 27 months : 9+18m).

4.2. *Subvention for employment of disabled persons.* With this measure, subsidies for 200 disabled persons will be provided with the aim of supporting the social inclusion of this category of unemployed persons and integrate them on the labour market. An amount of 72,800,000 MKD has been planned for implementation of this measure.

4.3. *Subvention for employment of single parents.* This measure would provide a support for 200 single parents for their easier inclusion on the labour market for which an amount of 14,400,000 MKD has been planned. Namely, with this type of subvention, a financial support for salaries and salaries contributions, food and transportation expenses would be provided in the amount of 12,000 MKD per month for a six month period, with an obligation for the employer to keep these people employed for at least another 12 months (total of 18 months).

4.4. *Subvention for employment of elderly persons (55-64 years of age).* The implementation of this measure will contribute to the reintegration of 150 elderly unemployed persons and incorporate them back on the labour market. With this subvention, a financial support for salaries and contributions on salaries and food and transportation expenses would be provided in the amount of 12,000 MKD per month for a nine month period, with an obligation for the employer to keep these people employed for at least another 18 months (total of 27 months). A total amount of 16 200,000 MKD has been planned for this measure.

5. Internship as a support for the first employment of young persons up to the age of 27.

The aim of this programme is inclusion of 30 young, educated, unemployed persons into the internship programmes, which will lead to their permanent employment. This measure, with the planned budget of 360,000 MKD, will allow the participants to acquire certain practical knowledge and skills, preparing them for entering into the labour market.

* * *

Apart from the abovementioned, the Government of the Republic of Macedonia allocated additional 6 million EUR for 2008, as a credit support for establishing businesses where the unemployed persons from the target groups would be employed. Within this project, credits under favourable conditions will be provided, as well as additional funds for employment of redundant older workers, unemployed on the basis of bankruptcy and liquidation and long-term unemployed for more than 3 years. These credits will be in the amount of 3,000 EUR per

employment of an unemployed person, with the interest rate of 1% on annual basis and a payment period of three years.

* * *

One of the priorities is to actively promote the principle of “flexsecurity”, through the Agencies for Temporary Employments. So far, 20 of these agencies for temporary employments have been registered through which the fix-term employments are carried out. Up to November 2007, 10,501 applications for establishing a working engagement through these agencies have been registered. With the enacted *Law on Agencies for Temporary Employments* a double aim is being achieved :

- the flexibility of the labour market has been improved, allowing the employers the possibility to easily adjust the number of employees according to their current needs and financial possibilities ;
- this law allow replacement of the existing and widely used “short-time working contracts” which in fact, were not regular working contracts, but one of the forms of engagement of persons in the grey economy, and with this the protection of the workers has been improved.

* * *

The Employment Agency of the Republic of Macedonia, being undoubtedly, the most important institution on the labour market, during the year of 2007, continued with the numerous activities aimed at strengthening of its own capacities and its further modernization.

The Agency is confronted with great challenges, taking into account the condition of 357,166 unemployed persons registered in December 2007. However, we must bare in mind the fact that 75,508 of them are being registered in the Agency only to acquire the right for health insurance. Aiming to outrun this problem, in 2007 a working group has been established, and the MLSP submitted a proposal to the Government of Republic of Macedonia for amendment of the *Law on Employment and Insurance in Case of Unemployment* which will separate the registration of persons actively looking for an employment and all the efforts, allowing the Employment Agency staff to concentrate their effort and services to these persons - active job seekers.

In order to improve the labour market policies and to provide more quality services for the employers, the research and the Labour Market Skills Needs Analysis has become a regular activity of the Employment Agency. The first such report of the Analysis of the needs of the labour market in R. Macedonia was published in June 2007.

As part of the efforts for providing better and more quality services to the unemployed persons, the Employment Agency has also started with the preparation of individual employment plans, adjusted to the specific individual needs of the unemployed person.

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During the year of 2007 the Government of Republic of Macedonia has started with the implementation of the Action Plan for combating the grey economy. This problem requires an immense and appropriate treatment because the grey economy negatively influences the public revenues and it is the main abettor of the tax evasion, which directly harms the country and its citizens, evokes distortions of the national statistics and ruins the legal competition and slows

down the economical development. For this purpose the Government has undertaken a double approach in addressing this issue. It created a tax relief through introduction of the “flat-rate tax” of 10% (reduced income tax from 15, 18 and 24% to 10%, reduced profit tax from 15% to 10%, tax of reinvested profit 0% etc.) which was appealing to the ones that have been working in the informal economy to move to the formal economy, and simultaneously strengthened the inspection supervision and conducted a strong campaign, in cooperation with the social partners, against the unregistered work.

The social partners have taken an active participation in the campaign against the grey economy. This campaign is aiming to legalize the working relationship of the employees that work in the grey economy and thus, contribute to the overall economical development, increasing the employment and decreasing the disloyal competition.

In this respect, through the current changes in the Law on Working Relations, which is already in Parliament procedure, the sanctions will be stricter and the capacity of the State Labour Inspectorate will be increased.

Apart from the abovementioned measures, the business climate in the country has been improved with simplifying the procedures for registering and managing a business. Through the introduction of one stop shop, the procedure for registering a company is much simplified and it can be done in one day. Another measure undertaken by the Government is the regulatory guillotine, providing for the relief of the regulations that were unnecessarily complicating the procedures of the public administration and decelerating the process of realization of the citizen’s rights.

1§3

- What is the total number of vacancies notified to the public employment services?
- What is the placement rate, namely the ratio between the number of placements made by the public employment services and the number of job vacancies notified by employers to the public employment services?
- What percentage of the market the public employment services represent, namely the placements made by the public employment services as a share of total hirings in the labour market?

During the year of **2006** (01.01 to 31.12.2006), a total number of **150,816 applications** for establishing working relationship (employments) have been registered in the Employment Agency of Republic of Macedonia.

According to the way of establishing the working relationship :

- 70,819 (46,9%) applications are registered for established working relationships for the vacancies published (announced) in the Employment Agency (in accordance with the article 22 from the Law on Working Relations)
- 11,104 (7,4%) of the registered applications for established working relationships (employments) were done with the mediation of the Employment Agency (with referrals, provided training, qualification and re-qualification, employments in accordance with the Law on Employment of Disabled Persons etc.)

- 66,893 (45,7%) cases where employment applications without their announcement to the Employment Agency, i.e. with a newspaper advertisements or with mediation by other (private) agency for employment mediation.

In the year **2007** (01.01 - 31.12.2007), there were **191,474 applications** for established working relationships (new employments) registered in the Employment Agency

According to the method of employment establishment :

- 127,678 (66,7%) of the registered new employments were established with the vacancies announced in the Employment Agency (in accordance with article 22 from the Law on Working Relations)
- 15,456 (8,1%) registered new employments were concluded through Employment Agency mediation (with referrals, training, qualification and re-qualification, employments in accordance with the Law on Employment of Disabled Persons, through the employment measures from the Operational Plan for 2007 etc.)
- 48,338 (25,2%) were new employments without announcement to the Employment Agency, i.e. with an advertisements in the newspapers or with mediation by other (private) agencies for employment mediation

Article 15

15§1

- Does legislation explicitly provide for non discrimination in the field of education and training on the ground of disability? Please describe the legislative framework bearing in mind that Article 15§1 of the Charter requires persons with disabilities to be integrated into mainstream education and training facilities to the maximum extent possible - special facilities should be the exception - and it requires states to provide evidence that this is the case or at least that substantial efforts are being made to achieve this. An effective remedy for those unlawfully discriminated against should also exist.

The Constitution of the Republic of Macedonia stipulates that the primary and secondary education is compulsory and free of charge.

Legislation :

In the Republic of Macedonia a separate law for the children/persons with specific educational needs (children with disability) does not exist, yet their right to education is determined through other laws and regulations :

- *Law on Primary Education* ("Official Gazette of RM" No.44/95, 24/96, 34/96, 82/99, 29/2002, 40/2003, 42/2003, 63/2004, 82/2004, 55/2005, 81/2005, 35/2006, 70/2006, 51/2007)
- *Law on Secondary Education* ("Official Gazette of RM" No.44/95, 24/96, 34/96, 82/99, 29/2002, 40/2003, 42/2003, 67/2004, 55/2005, 113/2005, 35/2006, 30/2007, 49/2007)
- *Law on Higher Education* ("Official Gazette of RM" No.35/2008)
- *Law on Adult Education* ("Official Gazette of RM" No.7/2008)

- *Law on Student's Standard* ("Official Gazette of RM" No. 37/98 and 40/2003)
- *Law on Pupil's Standard* ("Official Gazette of RM" No. 52/2005)
- *Law on Financing of the Units of Self-Government* (because of the already started process of decentralization), as well as
- *Law on State Educational Inspectorate* and
- *Law on the Institute for Education Development*.

Law on Primary Education

- The primary education is compulsory for all children from the age of 6 to the age of 15. The duration of the primary education is nine years and it is organized in three periods (Article 3)
- For all the pupils with physical and intellectual disabilities, depending on the type and the level of the disability, a **specialized elementary schools** or **special units** (class sections) in the primary schools are being organized (Article 5)
- In the article 25 of the Law, it is stated that the primary school should provide education to the pupils with special educational needs, to the pupils with difficulties in the process of studying and especially to the gifted pupils, applying an appropriate methods and forms of work and inclusion in the teaching process, as well as other forms of individual and group work.
- Article 50 anticipates that the pupils with special needs/pupils with disabilities have the right to transportation that is free of charge, or if the transportation can not be provided, they have the right to accommodation and nutrition free of charge in a boarding school or in a family.

Law on Secondary Education

- With the most recent amendments on the Law on Secondary Education passed in 2007, the secondary education became compulsory for each citizen under equal conditions, determined with this Law. The secondary education in the public secondary schools is free of charge. Discrimination based on gender, race, skin colour, national or social origin, political or religious stand, property and society condition (article 3) is not allowed.
- In the secondary education, for pupils with specific educational needs, the education is provided in accordance with the suitable (adjusted) programmes for appropriate professions, i.e. for educational profiles or working qualifications. Depending on the following of the suitable programmes for appropriate professions, i.e. the educational profiles of the pupils with special educational needs, they can take the state graduation exam or some other final exam (article 39 and article 40)

The fact that the state graduation can be taken only by those pupils who attend the teaching program from general secondary school (gymnasium) or four-years vocational secondary school education, points to the fact that certain number of pupils with special needs / pupils with disabilities attend the regular secondary schools (general and vocational secondary schools).

Law on Higher Education

With the Law on Higher Education, passed in 2008, the Article 108 anticipates that a person who successfully passed the state graduation exam or an international graduation exam can be enrolled in the first cycle of university or professional studies.

The university determines the procedures for selection of the candidates that are to be enrolled, in a manner which strictly guaranties the equal treatment of all candidates regardless their race, skin colour, gender, language, religious or political or other stand, ethnicity, national or social origin, social standing, disability, sexual orientation and age.

In relation to the provisions for co-financing and financial participation of the students, the Article 87 stipulates that the higher education institution will not be charging financial participation for :

- children without parents
- persons with first and second level of disability
- war disabled
- persons raised in institutions for abandoned children.

National legislation provides for equal possibilities in regard to the educational possibilities for all citizens, but the Government and the Ministry of Education and Science are obliged to provide conditions for equal access to all forms of education to everybody, as well as to ensure quality in education for all.

Training for teachers

The Ministry of Education and Science in cooperation with the World Bank in Republic of Macedonia are implementing the *Project for modernisation of the education*. One of the very important components of this Project is the training for the teachers in the primary and the secondary schools.

Within the wide range of training topics delivered to the teachers, the teachers from **80 schools** (75 primary and 5 secondary schools) will receive a training on the topic "***Work with the pupils with special needs (disabled children)***". The total number of teachers that will be included in the training on this specific topic, by the end of 2008, will be **1,236 teachers**. This number of trained teachers represents around 7% of the total number of teachers that will receive some training, within the Project on modernization of education.

Projects

Starting from the year of 1998 the Ministry of Education and Science, with the support provided by UNICEF, has started the implementation of the project with the main objective to promote the concept of integration of the children with special educational needs into the regular, mainstream, schools. Initially, the Project started with the implementation in 5 pilot-schools, growing, in the later stage, to 75 elementary schools and 5 kindergartens. The activities of the project included extensive training of the teachers from the covered schools and kindergartens to work with children with disabilities. Based on the results and experiences with implementation of this activities, subsequently, the work on the relevant legislation has started, providing for a legal basis for inclusion of children with disabilities in regular educational system.

During the year 2006, Republic of Macedonia as an EU candidate country, has worked on development of "*child-friendly school*" standards. These are educational standards that are related to all aspects of education, covering 6 wider areas, with *Inclusion* being the first one, that covers the standards for inclusion and equal access to schools for all children, regardless of their

origin or capabilities. These developed standards and principles are incorporated into the current concept of nine-year elementary education and into the new curricula, emphasizing that the children with special educational needs are included into the regular school classes with application of individual approach in the education process.

The Ministry of Education, together with the civil sector, as well as number of participants from the private business sector, implement different activities aimed to promote work and success (achievements) of the disabled children in joint events together with other pupils from the regular schools (such as the competition named "*Domijada*" or "*The success of the youth is a success for all*" - aiming at promotion of the achievements of the elementary and secondary schools pupils)

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Although there is an evident tendency for larger inclusion of the children with disabilities in the mainstream schools, we have to recognize that there are still significant obstacles in the practical implementation of these efforts. These problems and difficulties are result of some :

- existing conceptual differences;
- absence of or insufficient training for teachers for work with children with disabilities;
- insufficient information and involvement of the parents;
- lack of financial resources;
- insufficient inclusion of professionals and professional teams;
- absence of or non-professional categorisation etc.

The responsibility of the Government and the Ministry of Education and Science is, in collaboration with the other relevant ministries, institutions, civil sector and especially the local self government, to undertake appropriate measures for inclusion of the children with special needs in the mainstream schools, to develop a system for monitoring of the results and performance in school and to provide a system for support of the children with special educational needs.

Statistical data

In Republic of Macedonia, there are no reliable and accurate statistical data on the total number of children with special needs (disabled children), therefore it is very difficult to estimate the exact percentage, i.e. level of their coverage in the educational system. Many of the parents do not take their children to be examined by the Commission for many reasons, mainly, to avoid for their children to be labelled as "children with special need" or sometimes, due to financial or some other reasons.

The statistical data provided by the State Statistical Office refer to the pupils attending the **special schools** or the **special classes** in the regular (mainstream) schools. The most recent data are the ones from the beginning of the 2007/2008 school year (September 2007)

Basic data on the enrollment on children with special educational needs in the special schools and special classes in primary and secondary education		
	Beginning of school year 2006/2007	Beginning of school year 2007/2008
Primary Education (Special primary schools & Special classes in regular schools)		
Number of classes	170	173
Number of enrolled pupils	1,016	993
Secondary Education (Special secondary schools & Special classes in regular schools)		
Number of classes	49	47
Number of enrolled students	329	307

Source : State Statistical Office

In addition, we also present the statistical data about the **number of disabled children included into the regular, mainstream, schools** (not in the special schools or in special classes in regular schools). These data were obtained by the Ministry of Education and Science, through a questionnaire, distributed to the Local self-government authorities, for the schools (primary and secondary) on the territory of respective municipality.

Number of children with special educational needs in the regular (mainstream) classes in primary and secondary education	
	Number of pupils/students
In Primary schools	1,830
In Secondary schools	146

Source : Ministry of Education and Science

Some of the identified diagnoses which are the most common, according to the officially provided data from the school are the following :

- hearing impairments and speech difficulties;
- behavioural disorders as a result of emotional problems;
- educational neglecting and lower achievements on the exams for determination of maturity;
- psychomotor, psychosocial and emotional immaturity;
- Grapho-motor and psychosocial immaturity, under average intellectual capacities and speech difficulties;
- insufficient psychomotor coordination and emotional problems;

- Epilepsy, educational neglecting;
- Under average intellectual capacities and hearing impairments;
- Under average intellectual capacities;
- Hyperactivity;
- Hearing impairments;
- Hearing and sight impairments
- Physical disability
- Daun syndrome
- Hyperactivity, reduced concentration, constant movement;
- Cerebral paralysis
- Paresis and other.

15§2

- Does legislation explicitly provide for non discrimination in the field of employment on the ground of disability, including the obligation of adjustment of working conditions (reasonable accommodation)? Please describe the legislative framework bearing in mind that Article 15§2 of the Charter requires persons with disabilities to be employed in an ordinary working environment - sheltered employment facilities must be reserved for those persons who, due to their disability, cannot be integrated into the open labour market. States should provide evidence that this is the case and that substantial efforts are being made to assist the beneficiaries of sheltered employment to enter the open labour market. An effective remedy for those unlawfully discriminated against should also exist.

The legislation presented in the ***Law on Working Relations*** (“Official Gazette of the R. Macedonia” No. 62/05 from 28.07.2005) in the general provisions explicitly provides for **prohibition of discrimination**, having in mind the Article 6 stating that “*the employer must not put the job seeker or the employee in unequal position due to his/her race, skin colour, gender, age, health condition, i.e. disability, religious, political or other belief, membership in unions, national or social origin, family status, his property, sexual orientation or due to some other personal circumstances*”.

In addition to the above, Article 177 of this Law regulates the protection of the disabled persons, i.e. their employment, training or re-training and it regulates the rights of the labour invalids stating that “***to the worker-invalid with remained or changed working capability, the employer is obliged to provide execution of some other appropriate work, i.e. work with shortened working hours corresponding to the worker's remained or changed working capability, as well as an appropriate salary compensation related to obtaining these rights, in accordance with the regulations on pension and disability insurance***”.

At the same time this Article also states that “***for the worker in immediate danger of disability, the employer is obliged to provide execution of some other appropriate work, as well as an appropriate salary compensation related to obtaining this right, in accordance with the regulations on pension and disability insurance.***”

The ***Law on Employment of Disabled Persons*** ("Official Gazette of RM" No.87/2005) in its general provisions regulates the special conditions for employment and working engagement of disabled persons, when they perform activities as single traders, are employed with an employer or have the position of an employer, work in state administration, in the units of the local self-government, public enterprises, public institutions, agencies and funds or other state institutions, as well as the conditions for establishing and provided benefits for working of the trade company for employment of disabled persons-**protective (sheltered) enterprise**. With this provisions, we believe this law is in line with the Article 15, paragraph 2 of the European Social Charter, providing for a support and incentives for the persons with disabilities to be employed in regular working environments, not only in protective employment facilities, and there are efforts being made to support access to the open labour market for the persons with disabilities.

In this relation, the Article 4 of the Law on Employment of Disabled persons defines the measures aimed at stimulating the employment of persons with disabilities within the sheltered enterprises, but also in the other sectors : "*Measures for improving the conditions for employment and work of disabled people are: a)allocating non-refundable financial means for employment on indefinite time of unemployed disabled people, adaptation to the job post where the disabled person should work if such adaptation is needed and procurement of equipment according to the criteria and the manner determined by Act passed by the Minister of labour and social policy; b)tax exemptions and provision of financial means for the contributions and c financial support for the work.*".

Article 9 of this law says: "*The employed disabled person with determined level of disability in accordance with the Article 2 paragraph 1 of this law is exempt from personal income tax. The means for the contributions for pension and disability insurance, health insurance and the contribution for employment for the persons from paragraph 1 of this article shall be provided from the Budget of the Republic of Macedonia*"

The existing information about the status of the persons with disabilities in relation to their employment and unemployment are provided under the reply on the first additional question in relation to the Article 1§1 of the Charter.