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## **EUROPEAN SOCIAL CHARTER**

1<sup>st</sup> National Report on the implementation of  
the European Social Charter

submitted by

***THE GOVERNMENT OF THE FORMER YUGOSLAV  
REPUBLIC OF MACEDONIA***

for the period from 30 April 2005 to 31 December 2006

on articles 1, 15

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# **EUROPEAN SOCIAL CHARTER**

## **FIRST REPORT ON THE IMPLEMENTATION OF THE OBLIGATIONS UNDERTAKEN FROM THE EUROPEAN SOCIAL CHARTER OF THE COUNCIL OF EUROPE**

**(FOR THE REFERENCE PERIOD 30.04.2005-31.12.2006)**

**(ARTICLES 1 AND 15)**

**SUBMITTED BY  
REPUBLIC OF MACEDONIA**

In accordance with Article 23 of the Charter, copies of this report have been communicated to the Federation of Trade Unions of Republic of Macedonia and the Organisation of Employers of Republic of Macedonia

## **INTRODUCTION**

In accordance with the last Census that was conducted in 2002, Macedonia has 2.022.547 inhabitants, with an average density of 78.5 inhabitants per square meters, of whom 60% live in the urban areas. Skopje is the capital city and is located at the northern part of the country. Other larger cities are Bitola, Kumanovo, Prilep, Tetovo. The city of Ohrid is the most famous tourist destination in the country, well known by its natural and cultural heritage as a result of which it has been granted the status of city of UNESCO. The country is administratively divided into 84 municipalities, whereas the City of Skopje constitutes a separate entity comprised of ten municipalities.

As a small country, Macedonia has a relatively open market economy where foreign trade accounts for more than 90% of the GDP, which makes the country vulnerable to external impacts, as result of which the country has suffered their negative impacts on several occasions since the day of becoming independent.

**TABLE 1**

### **Gross Domestic Product of the RoM, 1995-2005**

	GDP at current prices (in million MKD)	GDP per capita in US \$ <sup>1)</sup>	GDP in million US \$ <sup>1)</sup>	GDP in MKD as of 1995 (in million MKD)	Real GDP growth rate	GDP deflator
1995	169521	1209	2377	169521	-1.1	117.1
1996	176444	1420	2815	171530	1.2	102.9
1997	186018	1480	2955	174000	1.4	103.4
1998	194979	1573	3157	179879	3.4	101.4
1999	209010	1656	3340	187684	4.3	102.7
2000	236389	1771	3588	196222	4.5	108.2
2001	233841	1821	3706	187342	-4.5	103.6
2002	243970	1917	3872	188941	0.9	103.4
2003	251486	2032	4119	194263	2.8	100.3
2004	265257	2114	4298	202192	4.1	101.3
2005	286619	2226	4534	210486	4.1	103.8
1) The conversion has been made by applying the Price Adjusted Rates of Exchange (PARE) , UN Methodology (database 2000)						

Source: State Statistical Office

Following the initial recession caused by the transition which commenced in 1991, Macedonian economy restarted its growth in 1996. However, in the period between 1996 and 2003 the growth rate was relatively low, partly as a result of various external impacts. With an annual growth rate of approximately 2% in the afore stated period, the realized growth of the country was bellow the

growth rate of the most other economies in transition. However, in 2004 and 2005 the growth was accelerated up to approximately 4% per annum.

**TABLE 2**  
**Basic Economic Indicators for the period 1990-2006**

	Inflation Rate	Unemployment Rate	Poverty Rate
1990	596.6	-	-
1991	110.8	-	-
1992	1511.3	-	-
1993	362.0	-	-
1994	128.3	-	9.0
1995	15.7	-	16.2
1996	2.3	31.9	18.3
1997	2.7	36.0	19.0
1998	-0.1	34.5	20.7
1999	-0.7	32.4	23.3
2000	5.8	32.2	22.6
2001	5.5	30.5	22.7
2002	1.8	31.9	22.7
2003	1.2	36.7	30.2
2004	-0.4	37.2	30.2
2005	0.5	37.3	29.6
2006	3.2	36.0	29.8

Source: State Statistical Office

On the other hand, Macedonia always maintained stable macroeconomic position, with low inflation rate, stable MKD exchange rate, conservative fiscal policy by the authorities, growing foreign currency reserves, which, accompanied by the recent intensive structural and institutional reform enabled Macedonia to enter into a period of higher and sustainable economic growth.

As of the start of the transition process until 2004, the unemployment rate in Macedonia showed a declining trend. The negative trend was stopped and changed in 2005 when the number of employed persons was 4.4% higher compared to the previous year. In addition to the slightly increased economic activity, the new, more flexible regulations in the labour sector, the updating of the unemployed persons database and the exerted efforts of the Labour Inspectorate in the combat with unregistered employments, were the main drivers of the change.

## **Legislation of the Republic of Macedonia**

### **1. Constitution of the Republic of Macedonia**

Under the Constitution of the Republic of Macedonia, the citizens of the Republic of Macedonia are equal in their freedoms and rights, regardless of sex, race, colour of skin, national and social origin, political and religious beliefs, property and social status.

In accordance with Article 32 of the Constitution of the Republic of Macedonia, everyone has the right to work, to free choice of employment, every job is open to all under equal conditions, whereas the exercise of the rights of employees and their positions are regulated by laws and collective agreements.

### **2. International Agreements**

The Republic of Macedonia has ratified the following Conventions of the International Labour Organization:

1. C2 Unemployment Convention, 1919, ratified on 17.11.1991
2. C3 Maternity Protection Convention, 1919, ratified on 17.11.1991
3. C8 Unemployment Indemnity (Shipwreck) Convention, 1920, ratified on 17.11.1991
4. C9 Placing of Seamen Convention, 1920, ratified on 17.11.1991
5. C11 Right of Association (Agriculture) Convention, 1921, ratified on 17.11.1991
6. C12 Workmen's Compensation (Agriculture) Convention, 1921, ratified on 17.11.1991
7. C13 White Lead (Painting) Convention, 1921, ratified on 17.11.1991
8. C14 Weekly Rest (Industry) Convention, 1921, ratified on 17.11.1991
9. C16 Medical Examination of Young Persons (Sea) Convention, 1921, ratified on 17.11.1991
10. C17 Workmen's Compensation (Accidents) Convention, 1925, ratified on 17.11.1991
11. C18 Workmen's Compensation (Occupational Diseases) Convention, 1925, ratified on 17.11.1991
12. C19 Equality of Treatment (Accident Compensation) Convention, 1925, ratified on 17.11.1991
13. C22 Seamen's Articles of Agreement Convention, 1926, ratified on 17.11.1991
14. C23 Repatriation of Seamen Convention, 1926, ratified on 17.11.1991
15. C24 Sickness Insurance (Industry) Convention, 1927, ratified on 17.11.1991
16. C25 Sickness Insurance (Agriculture) Convention, 1927, ratified on 17.11.1991
17. C27 Marking of Weight (Packages Transported by Vessels) Convention, 1929, ratified on 17.11.1991
18. C29 Forced Labour Convention, 1930, ratified on 17.11.1991

19. C32 Protection against Accidents (Dockers) Convention (Revised), 1932, ratified on 17.11.1991
20. C45 Underground Work (Women) Convention, 1935, ratified on 17.11.1991
21. C48 Maintenance of Migrants' Pension Rights Convention, 1935, ratified on 17.11.1991
22. C53 Officers' Competency Certificates Convention, 1936, ratified on 17.11.1991
23. C56 Sickness Insurance (Sea) Convention, 1936, ratified on 17.11.1991
24. C69 Certification of Ships' Cooks Convention, 1946, ratified on 17.11.1991
25. C73 Medical Examination (Seafarers) Convention, 1946, ratified on 17.11.1991
26. C74 Certification of Able Seamen Convention, 1946, ratified on 17.11.1991
27. C80 Final Articles Revision Convention, 1946, ratified on 17.11.1991
28. C81 Labour Inspection Convention, 1947, ratified on 17.11.1991
29. C87 Freedom of Association and Protection of the Right to Organise Convention, 1948, ratified on 17.11.1991
30. C88 Employment Service Convention, 1948, ratified on 17.11.1991
31. C89 Night Work (Women) Convention (Revised), 1948, ratified on 17.11.1991
32. C90 Night Work of Young Persons (Industry) Convention (Revised), 1948, ratified on 17.11.1991
33. C91 Paid Vacations (Seafarers) Convention (Revised), 1949, ratified on 17.11.1991
34. C92 Accommodation of Crews Convention (Revised), 1949, ratified on 17.11.1991
35. C97 Migration for Employment Convention (Revised), 1949, ratified on 17.11.1991
36. C98 Right to Organise and Collective Bargaining Convention, 1949, ratified on 17.11.1991
37. C100 Equal Remuneration Convention, 1951, ratified on 17.11.1991
38. C102 Social Security (Minimum Standards) Convention, 1952, ratified on 17.11.1991
39. C103 Maternity Protection Convention (Revised), 1952, ratified on 17.11.1991
40. C105 Abolition of Forced Labour Convention, 1957, ratified on 15.07.2003
41. C106 Weekly Rest (Commerce and Offices) Convention, 1957, ratified on 17.11.1991
42. C109 Wages, Hours of Work and Manning (Sea) Convention (Revised), 1958, ratified on 17.11.1991
43. C111 Discrimination (Employment and Occupation) Convention, 1958, ratified on 17.11.1991
44. C113 Medical Examination (Fishermen) Convention, 1959, ratified on 17.11.1991
45. C114 Fishermen's Articles of Agreement Convention, 1959, ratified on 17.11.1991
46. C116 Final Articles Revision Convention, 1961, ratified on 17.11.1991

47. C119 Guarding of Machinery Convention, 1963, ratified on 17.11.1991
48. C121 Employment Injury Benefits Convention, 1964, ratified on 17.11.1991
49. C122 Employment Policy Convention, 1964, ratified on 17.11.1991
50. C126 Accommodation of Crews (Fishermen) Convention, 1966, ratified on 17.11.1991
51. C129 Labour Inspection (Agriculture) Convention, 1969, ratified on 17.11.1991
52. C131 Minimum Wage Fixing Convention, 1970, ratified on 17.11.1991
53. C132 Holidays with Pay Convention (Revised), 1970, ratified on 17.11.1991
54. C135 Workers' Representatives Convention, 1971, ratified on 17.11.1991
55. C136 Benzene Convention, 1971, ratified on 17.11.1991
56. C138 Minimum Age Convention, 1973, ratified on 17.11.1991
57. C139 Occupational Cancer Convention, 1974, ratified on 17.11.1991
58. C140 Paid Educational Leave Convention, 1974, ratified on 17.11.1991
59. C142 Human Resources Development Convention, 1975, ratified on 17.11.1991
60. C143 Migrant Workers (Supplementary Provisions) Convention, 1975, ratified on 17.11.1991
61. C144 Tripartite Consultation (International Labour Standards) Convention, 1976, ratified on 08.12.2005
62. C148 Working Environment (Air Pollution, Noise and Vibration) Convention, 1977, ratified on 17.11.1991
63. C155 Occupational Safety and Health Convention, 1981, ratified on 17.11.1991
64. C156 Workers with Family Responsibilities Convention, 1981, ratified on 17.11.1991
65. C158 Termination of Employment Convention, 1982, ratified on 17.11.1991
66. C159 Vocational Rehabilitation and Employment (Disabled Persons) Convention, 1983, ratified on 17.11.1991
67. C161 Occupational Health Services Convention, 1985, ratified on 17.11.1991
68. C162 Asbestos Convention, 1986, ratified on 17.11.1991
69. C182 Worst Forms of Child Labour Convention, 1999, ratified on 30.05.2002

### **3. Primary Legislation**

- Labour Law ("Official Gazette of the RoM" No. 62/2005),
- Law on Employment and Insurance in the Event of Unemployment ("Official Gazette of the RoM" No. 37/97, 25/00, 101/00, 50/01, 25/03, 37/04, 4/05, 50/06 and 29/07),
- Law on Employment of Disabled Persons ("Official Gazette of the RoM" No. 44/00, 16/04, 62/05 and 113/05),
- Law on Encouragement of Employment ("Official Gazette of the RoM" No. 6p.62/06),

- Law on Agencies for Temporary Employment ("Official Gazette of the RoM" No. 49/06),
- Law on Equal Opportunities of Women and Men ("Official Gazette of the RoM" No. 66/06)

#### **4. Collective Agreements**

##### **4.1. General Collective Agreements**

- General Collective Agreement for the public sector, public enterprises, state authorities, local self-government authorities and other legal entities that conduct non-economic activity ("Official Gazette of the RoM" No. 39/94). The procedure for adoption of a new General Collective Agreement for the public sector is underway.
- General Collective Agreement for the Economy ("Official Gazette of the RoM" No. 76/06).

##### **4.2. Branch Collective Agreements**

Thirty three (33) Branch Collective Agreements have been signed.

##### **List of Collective Agreements harmonized with the Labour Law**

###### Branch Collective Agreements:

1. Collective Agreement on Social Security of the RoM ("Official Gazette of the RoM" No. 83/2006);
2. Collective Agreement on the Health Sector of the RoM ("Official Gazette of the RoM" No. 60/2006);
3. Collective Agreement on the Common Utility Activities ("Official Gazette of the RoM" No. 107/2006);
4. Collective Agreement on the modifications and amendments to the Collective Agreement of the Ministry of Interior ("Official Gazette of the RoM" No.16/2006).

##### **List of Collective Agreements not-harmonized with the Labour Law**

###### Branch Collective Agreements in the non-economic sector:

1. Collective Agreement on Primary Education in the RoM (in force until 22.05.2007) – Trade Union of the Workers in Education, Science and Culture;
2. Collective Agreement on Secondary Education in the RoM (in force until 22.05.2007) – Trade Union of the Workers in Education, Science and Culture;

3. Collective Agreement on the Public Enterprises in the Energy Branch - Trade Union of Metal, Energy and Mine Workers of Macedonia;
4. Collective Agreement on Sports in the RoM;
5. Collective Agreement on the Macedonian Radio Television;
6. Collective Agreement on the public enterprises in the transport and communications sector;
7. Collective Agreement on regulating, i.e. further regulating the rights, obligations and responsibilities arising from the labour relation in the Ministry of Defence – Independent Trade Union of the Workers in the Defence (within the Confederation of Free Trade Unions);
8. Collective Agreements on the state, judicial and local self-government authorities;
9. Collective Agreement on the public institutions for children in the Child Care and Education Sector of the RoM (in force until 22.05.2007);
10. Collective Agreement on the Culture in the RoM (in force until 22.05.2007);
11. Collective Agreement of the enterprises for vocational training and employment of disabled persons in the RoM;
12. Collective Agreement of the Financial Organizations of the RoM.

Branch Collective Agreements in the Economy Sector:

1. Collective Agreement on Catering and Tourism of the RoM;
2. Collective Agreement on Forestry and Wood Industry of the RoM;
3. Collective Agreement on the employees in the water supply sector;
4. Collective Agreement on the metal manufacturing and processing, black and colour metallurgy, mining, electro-energy and energetic sectors
5. Collective Agreement on the employees in the mill and bakery industry of the RoM;
6. Collective Agreement on the chemical industry sector;
7. Collective Agreement on the construction, construction materials industry and design of the RoM;
8. Collective Agreement on the tobacco sector;
9. Collective Agreement on the handcrafts, auto repair enterprises and services;
10. Collective Agreement on Agriculture and Food Industry;
11. Collective Agreement on the Textile Industry of the RoM;
12. Collective Agreement on the Leather Processing Industry of the RoM;
13. Collective Agreement on Mines and Non-metal Industry;
14. Collective Agreement on Trade of the RoM;
15. Collective Agreement of graphic activity and paper manufacturing sector of the RoM.

## **1. By-laws**

- Statute of the Employment Agency of the RoM ("Official Gazette of the RoM" No. 79/04);
- Rulebook on training, re-qualification or further qualification of unemployed and other persons ("Official Gazette of the RoM" No. 30/2001; No.24/2005),
- Rulebook on the criteria and the method of granting non-refundable funds from the Special Fund for improvement of the conditions for employment and operation of disabled persons ("Official Gazette of the RoM" No. 85/2005);
- Rulebook on vocational training for disabled persons ("Official Gazette of the RoM" No. 6p.54/2004; ),
- Rulebook on keeping records in the labour sector ("Official Gazette of the RoM" No. 20/2004).

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## **2. Other Documents**

- National Action Plan for Employment 2004-2005;
- National Action Plan for Employment 2006-2008;
- National Employment Strategy 2010;

### **ARTICLE 1 PARAGRAPH 1**

***"With a view to ensuring the effective exercise of the right to work, the Contracting Parties undertake:***

***to accept as one of their primary aims and responsibilities the achievement and maintenance of as high and stable a level of employment as possible, with a view to the attainment of full employment;"***

### **Question A**

**Please indicate the policy followed by your government in attempting to reach and maintain full employment. Please supplement with details of the measures and programmes implemented to achieve as high and stable a level of employment as possible.**

**Please indicate, if possible, the trend in total employment policy expenditure over the past five years, including the relative shares of "active" (job creation, training, etc.) and "passive" (financial compensation, etc.) measures.**

***Please indicate the active policy measures taken in order to favour access to employment of groups most exposed to or affected by unemployment (eg. women, the young,<sup>1</sup> older workers, the long-term unemployed,<sup>2</sup> the disabled,***

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<sup>1</sup> Aged between fifteen and twenty-four.

<sup>2</sup> Persons without employment for over one year and seeking employment.

***immigrants and/or ethnic minorities). Please give indications on the number of beneficiaries from these measures and information, if possible, on their impact on employment.***

**Employment Policy over the past 2 years and measures aimed at increasing the employment and the flexibility of the labour market.**

The Government of the Republic of Macedonia continuously undertakes several measures for creation of new job positions, through a series of reforms of the labour market and creation of a positive climate for higher flexibility and competitiveness. The policies and measures aimed at increasing of the employment and the flexibility of the labour market are defined in the Work Programme of the Government and separate strategic documents.

To that end, in addition to the legal adjustments, the National Action Plan for Employment 2004-2005, National Employment Strategy 2010 and National Action Plan for Employment 2006-2008 have been adopted as instruments for fighting the unemployment, elaborated in accordance with the EU Integrated Guidelines on Growth and Jobs. Moreover, for the purposes of decreasing the unemployment and grey economy, an Action Plan on the Decrease of the Grey Economy has been prepared, the holder of which is the Ministry of Economy.

In 2004, the Government of the Republic of Macedonia in cooperation with the social partners for the first time adopted a National Action Plan for Employment 2004 – 2005. This document was elaborated in accordance with the EU Employment Guidelines and Employment Strategy and adapted to the conditions and specific features of the labour market of the Republic of Macedonia, taking into consideration the wider social, economic and other factors influencing the employment. The document defines the structure of the employment policy which stipulates the goals of the Government aimed at increasing the employment.

In addition to the modification of the legislation, the responsibilities of the separate bodies and institutions, the employment offices play an important role in the effective and efficient implementation of the policies. Due to the afore stated, a special attention has been paid to the institutional capacities of the public employment offices which resulted in reconstruction and modernization of the Employment Bureau. The reconstruction of the Bureau included full modernization and its reorganization into Employment Agency of the RoM and Employment Centres, wherein in the course of the reorganization, the existing departments have been transformed into a system comprised of six operational units. The Employment Office kept its role in the provisioning of improved passive employment policies and active participation in the elaboration and implementation of active labour market policies.

For the purposes of ensuring more stable level of employment and providing material and social security to the persons who became unemployed as a result of bankruptcy or redundancy, a new Law on Encouragement of

Employment was adopted in May 2006 ("Official Gazette of the RoM" No. 62/06), which created conditions for re-employment of certain categories of unemployed persons. The Law stipulates that the employer shall be provided with funds for the payment of pension and disability insurance of the newly employed employees. The employer, which will employ a newly employed person on an indefinite period of time, shall be entitled to reimbursement of the funds paid for contributions for a period of 24 months from the day of employment in the amount of MKD 3,000 per employee. The Law applies to unemployed persons with at least 25 years of service and over 54 years of age whose labour relation has been terminated as a result of bankruptcy or redundancy, and have used the right to monetary compensation. It has been projected that the funds required for the exercise of the afore stated right are to be provided from the Budget of the Republic of Macedonia. This right may also be exercised by persons who shall establish their own company. Notwithstanding the efforts exerted by the Government aimed at encouragement of the employment of the target group contemplated by the Law, the employers did not show an interest for employment in accordance with the legally prescribed solutions.

The Labour Law from 2005 and the Law on Agencies for Temporary Employment from 2006 stimulate the flexibility of the labour market with the flexible employment contracts. The Labour Law provides for the following employment contracts: employment contract for an indefinite period, employment contract for a definite period, seasonal work, part-time employment contract, part-time employment contract with several employers, employment contracts for working at home, employment contracts with housekeepers, managerial contracts.

The temporary employments are realised through the Agency for Temporary Employments, in accordance with the Law on Agencies for Temporary Employments. The aim of this Law is double:

- to improve the flexibility of the labour market, thus providing an opportunity for the employers to easily adapt the number of employees with their financial capabilities; and
- to replace the deed contracts, which actually did not constitute employment contracts, and thereby improve the protection of the employees.

In December 2006, the Government of the Republic of Macedonia, within a wider partnership with the social partners, adopted two documents of vital importance aimed at resolving the unemployment issue in the country. These documents are:

- National Employment Strategy 2010; and
- National Action Plan for Employment 2005-2008.

The National Employment Strategy is a document comprising the mid-term employment strategies. It includes the main challenges of the labour market for the period until 2010 from the aspect of macroeconomic and microeconomic

policies, employment policies and labour market policies, then policies in the area of social insurance and social security, and it defines the goals and specific employment policies that will provide for the implementation of the goals contained in the Employment Strategy.

The Strategy incorporates the employment strategies of the revised Lisbon Strategy and the EU Integrated Guidelines.

The National Employment Strategy sets the following goals for the period until 2010:

1. General Employment Rate of 48% until 2010;
2. Women Employment Rate of 38% until 2010;
3. Elderly Employees Employment Rate (55-64 years of age) of 33% until 2010;
4. Every young person to be provided with an opportunity in a form of training, re-qualification, etc., before they reach 6 months of unemployment, whereas for adults before they reach 12 months of unemployment, based upon the stated needs of the employers;
5. Until 2010, 15% of the long-term unemployed persons to be included in an active measure in a form of re-qualification, further qualification, internship or other employment measure;
6. to decrease the difference between the legally prescribed and the existing average age for leaving the labour market in accordance with the growth of the average lifetime, until 2010;
7. to improve the level of education with a higher emphasise on the secondary education, with an aim at least 75% of the persons in the Republic of Macedonia at an age of 22 to have completed secondary education by 2010;
8. to increase the lifetime learning and informal education. The average level of the participation in the lifetime learning to reach 8-10% of the adult population (25-64 years of age) until 2010; and
9. to provide better and more affordable conditions for care and accommodation of children within the children protection system.

The National Action Plan for Employment 2006-2008 constitutes an operational document which contains the main challenges of the labour market, as well as the planned and foreseen programmes, projects and activities that shall enable the attainment of the goals contained in the Employment Strategy. This document shall enable the implementation of the strategic priorities which pertain to the fight with the grey economy, decrease of the unemployment in young persons, long-term unemployment, etc.

In the direction of implementation of the national goals of the Employment Policy of the Republic of Macedonia, the activities are aimed at:

- Programmes on increasing the employment and keeping the existing jobs;
- Encouraging the lifetime learning system;
- Adaptability of the employees and the enterprises with flexible forms of employment and general learning;

- Increasing the level of human capital investments;
- Discontinuing the relation between the exercise of the right to health insurance and the unemployment;
- Ensuring the use of all types of state aid and assistance subject to regulated employment or entrepreneurship status; and
- Encouraging the employment according to years of age.

The National Employment Strategy and the National Action Plan for Employment have been prepared in wider partnership between the ministries competent for the implementation of the macroeconomic policy and employment policy, together with the Employment Agency of the Republic of Macedonia, the State Statistical Office, the Community of the Local Self-Government Units and the Social Partners.

The data and analysis conducted by domestic and foreign experts, as well as experts engaged in the CARDS Project: Employment Policy II, have been used in the preparation of the above stated documents.

### **Active Policies and Employment Measures**

The active policies of the labour market are aimed at improving the social status of the unemployed persons by providing opportunities for their remaining at the labour market. The new opportunities also give a chance to persons who have not been a part of the labour market to become a part of it. On 28.11.2006 the Government of the Republic of Macedonia adopted the Operational Plan on Active Employment Policies for 2007 provided for in the Work Programme of the Government for 2006-2010. The Plan defines 5 types of active measures for different target groups that shall be encompassed with the implementation thereof, as well as the amount and the source of the funds. The measures are as follows:

1. Active Employment Policies (local infrastructure, assistance) – public affairs in the local self-governance units;
2. Self-employment (Family Business) support and support in employment of young persons up to 27 years of age;
3. Engagement of unemployed persons from the underdeveloped regions for the performance of construction activities, ecological projects, etc.;
4. Subventions for the employment of single parents, handicapped persons and children without parental care; and
5. Providing training and counselling to unemployed persons regarding re-qualification, contact with the employers, improving of their knowledge and skills, computer trainings, etc.

For the purposes of full and successful implementation of the projected policies and measures, amendments have been made to the Law on Employment and Insurance in the Event of Unemployment, which provides for the legal ground and possibility to use the funds generated by the employment contribution for financing the active employment policies, as well as to the Law

on Employment of Disabled Persons, by means of which a part of the funds from the Special Fund are used for the active employment policies.

With reference to the measures aimed at improvements in the employment area, over the past 2 years (2005 and 2006), as well as in 2007, the Ministry of Labour and Social Policy in partnership with UNDP and the Employment Agency of the Republic of Macedonia, implemented several projects for executing active policies at the labour market. In the course of this cooperation with UNDP, the following projects were implemented:

#### **Employment Mediation of Highly Educated Young Unemployed – PHASE 2 (EMY) 2005/2006**

Within this project, financial aid has been provided for 23 municipalities based on a competitive process in the amount of 10.000\$ per municipality in order to provide voluntary internship, in average to 30 young unemployed persons, i.e. total 690 persons, of whom 371 person already got some type of work engagement.

All project activities ended in the middle of March 2006.

The budgetary support of this project was in the amount of € 200,000 provided by the Government of the Kingdom of Norway and € 200,000 provided by the Government of the Republic of Macedonia.

#### **Employment Mediation of Highly Educated Young Unemployed – PHASE 2 (EMY-2) 2006/2007**

Within this project, financial aid has been provided for 20 municipalities based on a competitive process in the amount of 10.000\$ per municipality in order to provide voluntary practice, in average to 30 young unemployed persons, i.e. total 600 persons, of whom 329 person already got some type of work engagement (109 on definite period, 40 on indefinite period, 7 with part-time employment and 173 other type of working engagement).

All project activities are to be completed by the middle of July 2007.

The budgetary support of this project was in the amount of € 200,000 provided by the Government of the Kingdom of Norway and € 70,000 provided by the Government of the Republic of Macedonia.

#### **Job Creation Programme (JCP) – component 1 – public jobs 2005/2006/2007**

The project included unemployed persons who live below the poverty line, unemployed women, young, handicapped persons, long-term unemployed persons without working experience, etc, through public jobs, salary compensation and individual employments plans.

The Project has 2 components, Component 1 – public jobs and Component 2 – salary subventions.

#### JCP-component 1- public jobs 2005/2006

The first component included 18 municipalities where activities were implemented in the sphere of labour-intensive infrastructural projects, wherein 622 persons were engaged on short-term basis for a period from 1 to 4 months. The project activities were focused on the reconstruction of facilities of public interest, recovery, and building of roads.

#### JCP-component 1- public jobs 2006/2007

The second component that was implemented in 2006/2007 is to provide long-term effects by creating new jobs through salary subventions that should lead to sustainable employment.

The salary subsidy is given directly to the employer, in the amount of 60% of the gross salary, not exceeding the amount of \$140 per month for a period of maximum 6 months. In this case, the employer shall be obliged to retain the employee for at least the same number of months as the employer has received the subvention.

An amount of \$45 per employee is provided as a support for the adaptation or equipping of the working premises for persons with special needs.

For this component UNDP shall provide \$165,000, whereas the grants that shall be granted for individual projects are in the amount between \$5,000 and 20,000.

This project includes 10 municipalities and 108 persons which are engaged for a period of at least one year from the day of signing of the contract.

This project activity is to be completed by the middle of November 2007.

#### **Partnership for Employment Generation – (PEG)-Self-employment**

The realization of this project is to provide strengthening of the potential of the local economies, improvement of the capabilities, readiness for work of the unemployed persons as well as encouragement of projects that generate higher level of education and training, promotion of entrepreneurship, as well as improvement of the general business climate. The project was implemented in 40 most disadvantaged municipalities in two phases.

Within the first phase, an initial assessment and selection of the applications was conducted, wherein 23 municipalities were supported with 35 local partners and 257 jobs were opened.

In the second phase that was implemented in 2006/2007, 10 projects were selected with cross-municipality partnership where it is expected that 45 family businesses will start to operate.

The most successful business planes that will be supported will be registered as legal entities.

The cooperation with UNDP continues in 2007 and in the implementation of the Operating Plan for Active Employment Policies for 2007 provided for in the Work Programme of the Government 2006-2010.

The largest portion of the active and passive employment measures are implemented through the Employment Agency of the Republic of Macedonia.

The activity of the Employment Agency of the Republic of Macedonia is regulated with the Law on Employment and Insurance in the Event of Unemployment ("Official Gazette of the RoM" No. 37/97, 25/2000, 101/2000, 50/2001, 25/2003, 37/2004, 4/2005 and 50/2006), which includes: labour exchange in terms of providing services to the employers, advices to the employers regarding the laws and other regulations and the application thereof, training prior to the termination of the labour relation, short-term trainings for employment of unemployed persons, training at the job position and training for the participation of the unemployed persons in public jobs.

In order to increase the flexibility of the labour market, primarily through the increase of the measures and instruments of the labour market and the new legal regulation, the Employment Agency shall provide a wider scope of possibilities. The training sphere (preparation for employment) got into new, more flexible dimensions, as well as the mediation forms, which shall be less administrative –technical and more active. The counselling of the unemployed persons and the labour market information, as well as the professional orientation and the other forms of services and assistance for employment shall further facilitate the perspectives for shortening the time-to-employment, the employers shall be able to satisfy their needs for employees in a more quality manner, and the mobility of the labour force shall be increased. In order to facilitate the overall administrative process, new, simplified procedures (organization of procedure) shall be introduced up until the moment of establishing computer connectivity of the offices and institutions with which the Employment Agency cooperates in its operation (Pension and Disability Insurance Fund of Macedonia, Health Insurance Fund of Macedonia, Social Work Centres, State Labour Inspectorate, Public Revenue Office, State Statistical Office, Central Register, etc.).

Active labour market policy is one of the most effective methods for increasing the flexibility of the labour market. The Employment Agency shall implement the employment policies defined in the regulations, as well as in the National Action Plan for Employment, which fall within the competences thereof through specific measures and programmes.

The participation of the active labour market measures is increased to the level of the prescribed framework with the legislation, and with broadening of own possibilities in this sector, primarily through extension of the forms and the scope of the clients in the Work Clubs, through the modernized types of services for mediation between the unemployed persons and the employers, and in other manner. The implementation of the active employment measures shall be conducted in accordance with the priorities of the programme contents, guided on the bases of the surveys of the unemployment structure and the labour force offer and demand.

The services that the Employment Agency provides to the unemployed persons shall be customised to the needs and priorities of the target groups. This will enable more precise definition of the types of services, depending of the

character of the needs of the unemployed persons or the (target) group of unemployed persons.

The Employment Agency as modern office dealing with unemployed persons, in the course of its operation puts the highest emphasise on the active participation of the unemployed persons in the resolution of the unemployment problem. With the introduction of new instruments and methods of operation, more intensive efforts are being exerted so as to motivate the unemployed persons to conduct self-assessment of their expert, professional and personal potentials, and that also provides an opportunity for the employers to conduct more quality assessment of the knowledge, skills and other characteristics of the unemployed persons. That contributes to the provision of high quality professional assistance and guidance so as to increase of the possibilities for successful presentation at the labour market and employment. The new instruments and techniques (individual work, work approach, team work, etc.) enable better selection of candidates for the needs of the employers, more descriptive database of the total human resources potential, planned and systematic work on the preparation for employment of the unemployed persons, especially the persons with lower employment possibilities.

In addition to the implementation of the above stated active employment measures, the Employment Agency actively participates and implements a large number of projects aimed at increasing the employment and modernization of the functions of the Agency (Projects within CARDS Programme, certain UNDP projects, and other projects financed by foreign donors).

The Law on Employment and Insurance in the Event of Unemployment, adopted in July 1997 as well as other laws define measures for encouragement of employment.

The active measures described bellow include all categories of unemployed persons, wherein special attention has been paid to increase the participation of the groups with lower labour market possibilities (women, young, adults, long-term unemployed, minorities, disabled persons, and other).

All active employment measures that are being implemented by the Employment Agency have been presented with financial indicators, apart from the measures pertaining to the professional orientation and guidance for employment in the work clubs, for which the required funds are provided from the funds generated with the regular operation of the Employment Agency.

#### Measure 1. Preparation for employment of unemployed and other persons

The Employment Agency of the RoM renders services for training, re-qualification or further qualification for employment in accordance with the Law on Employment and Insurance in the Event of Unemployment and the Rulebook on training, re-qualification or further qualification of unemployed and other persons. The training, re-qualification or further qualification enables acquiring and improving the knowledge of the unemployed and other persons for the purposes of their employment.

The training, re-qualification or further qualification of unemployed and other persons is conducted for a known employer and may last for a period between 1

and 3 months. The employer shall be obliged to establish a labour relation on an indefinite period with at least 70% of the total number of unemployed persons, i.e. employees included in the preparation for employment.

The Employment Agency of the Republic of Macedonia finances MKD 4000.00 per month as monetary assistance per one unemployed person included in the preparation for employment and MKD 2000.00 per one unemployed person monthly to the employer, as participation in the expenses for implementation and execution of the preparation for employment.

**TABLE 3**

**Review of the data from the implementation of the programme for preparation for employment (training, re-qualification or further qualification)**

<b>Year</b>	<b>Number of unemployed persons included in the preparation for employment</b>	<b>Number of unemployed persons who were employed following the completion of the preparation</b>	<b>Spent Financial Funds</b>
2005	2050	1205	29,493,466,00
2006	3216	2175	47,908,457,00

Source: Employment Agency of the Republic of Macedonia (EARM)

**Measure 2. Professional Orientation**

Professional Orientation Counselling is provided to unemployed persons, pupils, students, employed and disabled persons in order to assist them in the choice of occupation and professional development. Professional orientation includes the services of the Employment Agency rendered to unemployed and other persons seeking work, for selection of occupation or employment by means of testing and interview, and obtaining information as to the needs for certain occupations, and employment possibilities. It also includes the individual counselling in the selection of occupation according to the wishes, interests and capabilities of the person for certain occupation and in accordance with the needs and possibilities of the labour market.

In addition to the professional counselling and orientation as assistance in the selection of the occupation and future employment of the unemployed and other persons, the activities for professional selection are also aimed at the employers as an assistance in the selection of candidates for training, re-qualification and further qualification and in the selection of candidates for new employments.

***More detailed information regarding this measure of EARM is provided as answer to Article 1 Paragraph 4.***

### Measure 3. Employment Counselling – Work Clubs

In accordance with the Law on Employment and Insurance in the Event of Unemployment (Article 19), the Employment Agency renders services to unemployed persons through work clubs for the purposes of knowledge transfer and techniques for finding work.

Within the CARDS Programme, the employment centres have been equipped with adequate equipment, thus improving the working conditions in the work clubs. The activities of the work clubs are continuously improved and supplemented with new ones, in accordance with the needs of their clients and the needs of the labour market.

Employment counselling denotes services rendered to unemployed and other persons aimed at knowledge transfer and techniques for successful seeking for work and employment. The aim of the programme that is being implemented in the work clubs within the Employment Agency is to encourage the initiative and the active participation of the persons seeking for employment in the resolution of the employment problem, as well as to strengthen their capacity for successful presentation at the labour market, successful seeking for work and employment. In order to attain these goals, several types of activities are being implemented as follows:

- Open Office;
- Workshops;
- Lectures;
- Interviews;
- Trainings for acquiring knowledge and skills for work with computers and foreign languages;
- Individual employment plans; and
- Other types of activities (conducting surveys, questionnaires, etc.)

The activities conducted in the open offices as part of the regular operation of the work clubs were aimed at enabling the unemployed persons to obtain information as to their rights and obligations, as well as information on the labour market. With the active participation at the workshops, the unemployed persons were included in programmes for psychological assistance and support, were trained for assessment of their own interests, positions, skills and competences, obtained a training for the use of techniques for successful presentation on the labour market (interview, curriculum vitae, etc.), were motivated and advised about the possibilities for employment by means of self-employment, and in general about how to play an active role in the resolution of the unemployment problem. As part of the training and counselling of the unemployed persons, lectures on several topics were organized and held, customised to their needs and interests. In addition to the employees of the employment centres, external experts from various profiles were also engaged. Other than the afore stated activities, numerous meetings between the employers and the unemployed persons were organized aimed at employment mediation, interviews were conducted, and other activities.

The scope, number and type of activities, as well as the other aspects related to the operation of the work clubs were customised to the specific features of the employment centres, their technical equipment, human resources potential and the needs of the unemployed persons that used their services.

All categories of unemployed, employed persons as well as the employers were visitors of the work clubs and users of the services thereof.

**TABLE 4**

**Activities implemented in the Work Clubs**

Year	Number of persons who received service from the Open Office	Number of participants on the Lectures	Number of participants on the Workshops	Interviewed Persons	Trained persons	Other types of activities	Total number of participants in all activities
<b>2005</b>	15770	3789	2363	11282	1373	5339	39916
<b>2006</b>	14182	6976	2963	7688	2075	744	34628
<b>Total</b>	29952	10765	5326	18970	3448	6083	74544

Source: EARM

In **2005**, a total of 39916 persons were included in the activities of the work clubs. 216 workshops were held in which participated 2363 persons. 311 lectures were held (294 with internal and 17 with external lecturers) which were attended by 3789 listeners, whereas 15770 persons used the services of the open offices within the employment centres.

A novelty in the operation of the work clubs within the employment centres in 2005 was the introduction of a new method for conducting interviews with the unemployed persons (11282 persons) and the introduction of various types of short-term trainings for which the unemployed young persons showed a great interest.

From the unemployed persons records of the Employment Agency, 482 persons obtained training for basic skills for work with a computer, 600 persons attended English language courses, 64 persons Greek and German language course and 227 persons obtained other types of training.

The work clubs continuously conducted activities with the persons who have been present in the unemployed persons records for a period longer than one year (most of the persons included in these activities have been present in the unemployed persons records over 3 years). These persons were interviewed and asked to fill in a questionnaire in order to examine their activities, the methods applied in the process of seeking for employment, as well as their needs and interests over the period of seeking for employment. The questionnaire was filled in by 3972 unemployed persons. The data from the obtained answers to the given questionnaire were used for planning of the further activities with these persons (for example counselling, trainings, etc.), in order to strengthen their active role on the labour market.

Furthermore, in the course of 2005 regular activities were conducted with the beneficiaries of monetary compensation in a higher amount. They were regularly invited to an interview and were asked to fill in a questionnaire in order to examine their employment possibilities and their interest to use the possibility to resolve the problem of their unemployment by means of one-off payment of the monetary compensation. Out of total 1367 persons that were asked to fill in the questionnaire, only 47.26% answered that they were actively looking for employment, 35.63% of the persons would accept to be included in the programmes for preparation for employment (training, re-qualification and further qualification), whereas 21.07% were interested in the measure: one-off payment of the monetary compensation as a possibility for employment with another employer and 8.71% for self-employment. It is important to emphasise that a large portion of the examined persons were elderly persons and beneficiaries of a monetary compensation over a longer period of time.

In **2006**, a total of 34628 persons were included in the activities of the work clubs. Considering that a large number of the unemployed persons were included in a number of different activities (such as: one person used the services of the open office, participated in workshops and attended trainings, etc.), the number of persons, in terms of the conducted activities in the work clubs, is for 8925 persons higher compared to the actual number of persons 25703 who used the services of the work clubs.

269 workshops were held in the work clubs within all employment centres, in which participated 2963 persons. 491 lectures were held (482 with internal and 9 with external lecturers) which were attended by 6976 listeners, whereas 14182 persons used the services of the open offices within the employment centres. 7688 persons were interviewed in order to guide them towards certain adequate active employment measures.

The implementation of various types of short-term trainings was strengthened in 2006, for which the unemployed young persons showed a great interest. The trainings started to be implemented in a large number of employment centres, and compared to the previous year they included persons with university, college and high school education. It is highly positive that the trainers were unemployed persons with adequate education to the types of trainings, with minor exceptions in the centres that did not have adequate expert personnel in their unemployed persons records, nor in the records of the near-by employment centres.

From the unemployed persons records of the Employment Agency, 779 persons obtained training for basic skills for work with a computer, 1049 persons attended English language courses and 247 persons attended other language courses (118 Albanian, 118 Greek and 11 German language courses). In view of the labour market demands, the training these 2075 young unemployed persons for gaining foreign language knowledge and work with computers may considerably influence to the increase of their competitiveness on the labour market and to the increase of their possibilities to get employed.

The work clubs continuously conducted activities with the persons who are present in the unemployed persons records for a period longer than one year (most of the persons included in these activities were present in the unemployed persons records over 3 years). These persons were interviewed and asked to fill in a questionnaire in order to examine their activities, the methods applied in the process of seeking for employment, as well as their needs and interests over the period of seeking for employment. The unemployed persons see their inclusion in some sorts of vocational trainings and acquiring additional skills and knowledge, as one of the opportunities for getting employed faster.

Furthermore, regular activities were conducted with the beneficiaries of monetary compensation in a higher amount. They were regularly invited to an interview and were asked to fill in a questionnaire in order to examine their employment possibilities and their interest to use the possibility to resolve the problem of their unemployment by means of one-off payment of the monetary compensation. The data from the obtained answers to the given questionnaires were used for planning of the further activities with these persons (for example counselling, trainings, etc.), in order to strengthen their active role on the labour market.

As a novelty in the operation of the work clubs was the introduction of the elaboration of individual employment plans for the unemployed persons (a total of 744 plans were elaborated). For the purposes of their successful elaboration, an electronic version of the Questionnaire for Unemployed Persons was elaborated, in order to improve the unemployed person database and to facilitate the elaboration of the individual employment plans. A training was held for the responsible persons of the work clubs in order to ensure successful implementation of these activities.

One of the regular activities was the process of providing information to the unemployed persons regarding the vacant job positions in: the media, Employment Agency's WEB page where the employers publish their needs for employees and through the contacts established between the Employment Agency and the employers at the local labour market.

In a large number of work clubs, activities were implemented with the disabled persons and persons included in the activities aimed at increasing the employment, in which the Employment Agency takes part. For example, in the "Job Creation Programme", the persons were invited to the work clubs in order to participate in public jobs, meetings were organized in order to fill in questionnaires for unemployed persons which served as a basis for the elaboration of the individual employment plans, counselling was provided, etc. The activities were also conducted with the unemployed persons included in the UNDP projects and CARDS programme, and several other activities were conducted within the "Decade of Roma Inclusion 2005-2015" project, etc.

## **Results from the operation of the work clubs**

Out of the total number of 39916 persons who were using the services of the work club in the course of **2005**, 4446 (11,14%) persons established a labour

relation, of whom 1030 (23,17%) persons were employed by means of the participation in the employment preparation programmes (training, re-qualification or further qualification), whereas 2876 (64,69%) persons were directly employed by the mediation of the work clubs and 540 (12,14%) persons were employed by means of self-employment.

**TABLE 5**

**Number of persons who gained employment and were users of the work club services**

2006	Number of persons who gained employment by means of training, re-qualification or further qualification	Number of persons who gained employment by mediation of the work club	Number of persons who gained employment without mediation of the work club	Number of persons who gained employment by means of self-employment	Total number of persons who were included in the activities of the work club
Total persons	1686	1553	779	815	4833
female	1255	897	357	286	2795
male	431	656	422	529	2038

Source: EARM

Out of the total number of 25703 persons who were using the services of the work club in the course of **2006**, in one or more activities, 19% or 4833 persons established a labour relation. Out of the total number of 4833 persons who gained employment, 2795 (85%) are women.

Out of the total number of 4833 persons who established a labour relation, 1686 (35%) persons were employed by means of the participation in the employment preparation programmes (training, re-qualification or further qualification), whereas 1553 (32%) were directly employed by the mediation of the work clubs, 779 (16%) of the persons who used the services of the work club established a labour relation with another employer without the mediation of the work club, and 815 (17%) persons were employed by means of self-employment.

With reference to the employments it is important to emphasise that the results from the operation of the work clubs, i.e. efforts exerted by the human resources in the course of their activities, are long-term effects which do not manifest themselves immediately upon the completion of the trainings, lectures or other activities. The training of the persons aimed at taking initiatives and strengthening their motivation and interest for active search for employment, supported by the counselling and various types of trainings, contributes to their successful inclusion on the labour market.

#### Measure 4. Employment of disabled persons

One of the group of persons who are highly exposed, i.e. vulnerable to unemployment are the disabled persons. Due to these reasons, and in order to provide a special treatment to this target group, the Law on Employment of Disabled Persons ("Official Gazette of the RoM" No. 44/2000, 16/2004, 87/2005) , the Rulebook on the criteria and the method of granting non-refundable funds from the Special Fund for improvement of the conditions for employment of disabled persons "Official Gazette of the RoM" No. 34/2004, No. 85/2005) and the Rulebook on vocational training for disabled persons ("Official Gazette of the RoM" No. 6p.54/2004; ) were adopted in 2000.

The law further regulates the special conditions for employment and work of disabled persons: when they perform the activity as SOHO, with an employer or in the capacity of employer, in the state administration, the local self-government units, public enterprises, institutions, agencies and funds, and other state institutions, as well as the conditions for establishing and the benefits for the trade company for employment of disabled persons – protected company.

***More detailed information regarding this measure of EARM is provided as answer to Article 15 Paragraph 2, questions A and B.***

#### Measure 5. Investing the monetary compensation

In order to encourage the employment and stimulate the employers and the unemployed persons, this measure provides for the possibility to pay the unused portion of the monetary compensation upon a request of the unemployed person as one-off amount or in monthly instalments, for a period not longer than 24 months, should the unemployed person use the funds for the purposes of establishing a labour relation on indefinite period. The funds beneficiary shall be obliged to return the used funds to the Employment Agency if the labour relation of the unemployed person is terminated, due to reasons which are not on the part of the unemployed person, prior to the expiry of the double amount of time when the funds have been used, increased by bank's interest on ordinary deposits.

The funds for financing this measure are provided from the employment contribution of the Employment Agency. In 2005, 1032 unemployed persons established a labour relation on indefinite period, whereas in 2006 – 549 unemployed persons.

#### Measure 6 – Public Jobs

The persons who are registered with the Employment Agency are included in the public jobs for the purposes of working engagement. The public jobs are performed based on the public jobs programme prepared by the organizer. Organizers of the public jobs may be the local-self government units and the interested employers from the public sector.

For the performance of the public jobs, the organizer shall provide to the engaged persons a remuneration for the performed work, in an amount not lower than the defined amount of salary for the same type of jobs according to the Collective Agreement, transportation or travel allowance to the place of

performance of work and back, food, insurance in the event of accident at work and occupational illness, etc.

If the organizer of the public jobs engages unemployed persons, beneficiaries of monetary compensation, for a period longer than 30 days, the organizer shall be entitled to a compensation from the Employment Agency in the amount of the monthly monetary compensation of the engaged unemployed person, however not higher than the defined amount of salary for the same type of jobs according to the Collective Agreement.

The funds for financing this measure are provided from the employment contribution of the Employment Agency and the organizer of the public jobs.

#### Measure 7 – Exemption from payment of personal income tax

This measure is aimed at stimulating the employer to employ an employee on indefinite period, over the number of the existing employees on indefinite period, on the day of entry into force of the Law on Employment and Insurance in the Event of Unemployment, by providing an exemption from payment of personal income tax for a period of 3 years for this new employee, provided that it employs an unemployed person who has been registered with the Employment Agency for a period of at least one year. This measure also applies to the employer who shall commence conducting an activity in a capacity of SOHO or founder of trade company, as well as to natural persons who conducts activity in accordance with the Law, provided that such persons have not been previously registered for performing an activity prior to the commencement of the activity.

#### Measure 8 - Exemption from tax payment for agricultural activity

With the modification and amendment of the Law on Personal Income Tax (Official Gazette of the RoM No. 8/2001) in February 2001, a person who is registered as unemployed with the Employment Agency of the Republic of Macedonia and who will undertake agricultural activity for the first time as his primary occupation, as well as the person returning to the village, reactivating himself as performer of agricultural activity and having been registered as unemployed before, shall be tax exempt for a period of five years.

#### Measure 9 – Voluntary work

The Labour Law (Official Gazette of the RoM No. 62/2005) stipulates that if the voluntary internship is a precondition for the taking of a professional examination or for independent performance of activity in accordance with a special law, the internship is to be performed by means of concluding a Contract for a voluntary internship between the employer and the volunteer. The provisions of the Labour Law shall apply to such volunteer regarding the duration and the manner of the performance of the internship, the limitation of the working hours, the daily breaks and leaves, the responsibility for indemnity as well as for the provision of safety at work in accordance with the law.

The Contract for voluntary internship is to be submitted to the labour inspection within three days of its signature.

This measure applies to persons in the legal or medical profession who exercise their mandatory internship following the graduation based on the volunteer principle.

### **Right to insurance in the event of unemployment (Passive measures)**

Rights to insurance in the event of unemployment, in accordance with the Law on Employment and Insurance in the Event of Unemployment, are as follows:

- Right to monetary compensation;
- Right to health insurance;
- Right to pension and disability insurance.

The procedure for exercise of the rights to insurance in the event of unemployment shall be initiated upon a request of the unemployed person.

#### **I. Right to monetary compensation**

- The right to monetary compensation shall be exercised by

Unemployed person who until the moment of termination of the labour relation:

have been employed for at least 9 months uninterruptedly or 12 months with interruptions over the last 18 months.

- The right to a monetary compensation shall be exercise by an unemployed person for the time he/she has been employed and for whom salary contributions have been paid as follows:

- for a labour relation with full working hours;
- for a part-time labour relation, calculated as full working hours equivalent;
- for a labour relation on definite period (seasonal work) longer than 40 hours per week, provided that such hours have been included in the employment record and
- for working abroad.

- The right to a monetary compensation may not be exercised by unemployed person whose labour relation has been terminated due to:

- giving a written statement requesting that their labour relation be terminated, except when such statement is given due to change of place of residence of the spouse or due to marriage;
- termination of the labour relation with a mutual agreement;
- exercise of rights arising from the labour relation in contravention of the law;
- termination of the labour relation by force of law, except in the event of termination of the legal entity due to bankruptcy;

- unjustified absence from work for three consecutive working days, or five working days with interruptions during one year;
- termination of the labour relation with a dismissal by the employer due to violation of the work discipline or failure to comply with the obligations stipulated by law, collective agreement or employment contract;
- refusal to perform the tasks that he/she was assigned to perform in accordance with the law;
- refusal to be taken over by another employer based on an agreement in accordance with the law;
- refusal to attend a training, re-qualification or further qualification for another job position with the same or another employer, which he/she has been provided with in accordance with the law;
- loss of the working capacity in accordance with the regulations pertaining to pension and disability insurance; and
- fulfilment of the conditions for exercise of the right to retirement.

➤ **Submission of an application for monetary compensation:**

- The application for the exercise of the right to a monetary compensation shall be submitted to the Employment Centre at the place of residence of the unemployed person;
- The unemployed person shall be entitled to a monetary compensation as of the day of termination of the labour relation, provided that the unemployed person files the respective application within 30 days as of the day of termination of the labour relation;
- If the application is submitted upon the expiry of the stated deadline, the unemployed person shall be entitled to a monetary compensation as of the day of the submission of the application for the remaining period of time;
- The unemployed person who has filed an application following the expiry of the period for which he/she has been entitled to a payment of a monetary compensation in accordance with the law, shall not be entitled to receive monetary compensation.

➤ **Amount of the monetary compensation:**

The amount of the monetary compensation in the event of unemployment shall be defined on the bases of the calculated and paid salaries of the employee, in accordance with the law and collective agreement, and shall be in the amount of:

- 50% of the average monthly net salary of the employee over the last 24 months for persons who are entitled to a monetary compensation for a period of up to 12 months;
- 40% for persons who are entitled to a monetary compensation for a period longer than 12 months;

The monetary compensation may not exceed 80% of the average monthly net salary per employee in the Republic of Macedonia published for the last month.

➤ **Time period for which monetary compensation is paid**

The time period for which monetary compensation is paid depends on the time period that the unemployed person has been insured for the event of unemployment.

**TABLE 6**

**Time period for which monetary compensation is paid**

Time period for which monetary compensation is paid (expresses in months)	In the event of employment record of:
1 month	9 months uninterruptedly or 12 months with interruptions over the last 18 months
2 months	over 18 months up to two and a half years
3 months	over two and a half years up to five years
4 months	over five years up to seven and a half years
5 months	over seven and a half years and up to ten years
6 months	over ten years up to twelve and a half years
7 months	over twelve and a half years up to 15 years
8 months	over 15 years up to seventeen and a half years
9 months	seventeen and a half years up to 20 years
10 months	over 20 years and up to twenty two and a half years
11 months	over twenty two and a half years and up to 25 years
12 months	over 25 years

Source: EARM

The monetary compensation shall be paid to unemployed person with over 57 years of age (female), i.e. 59 years of age (male) and over 15 years of service until the moment of their employment, i.e. until the moment of occurrence of some of the bases for cancellation of the right to a monetary compensation.

**TABLE 7**

**Monetary Compensation Beneficiaries**

Year	Total beneficiaries of monetary compensation – with payment of pension and disability insurance (total)	Paid funds for monetary compensation (MKD)	Paid funds for pension and disability insurance (MKD)
2005	40124	2.414.580.121,00	1.551.660.601,00
2006	30572	1.979.693.627,50	1.228.925.214,00

Source: EARM

➤ Continuation of the payment of the monetary compensation:

The monetary compensation shall continue to be paid to the unemployed person even after the expiry of the period defined by Law in the following cases:

- to a women during pregnancy and labour in accordance with the regulations pertaining to labour relations; and
- if the Employment Agency has sent the unemployed person on a training, re-qualification or further qualification, until the expiry of the time period for completion thereof.

The unemployed person shall submit the application for continuation of the payment of monetary compensation within 30 days as of the day of cancellation of the monetary compensation.

## **II Right to health-care insurance**

In accordance with the regulations pertaining to health-care insurance, the unemployed person is entitled to health-care insurance:

- as long as he/she receives monetary compensation; and
- as long as the unemployed person is registered with the Employment Agency of the RoM, and has no other basis for insurance.

**TABLE 8**

### **Beneficiaries of health-care insurance and funds paid**

Year	Total beneficiaries of health-care insurance	Funds paid for beneficiaries of health-care insurance (MKD)
2005	242679	2.062.638.818,00
2006	252566	2.144.163.293,00

Source: EARM

## **III Right to pension and disability insurance**

The beneficiaries of monetary compensation who lack up to 5 years for the fulfilment of the conditions for exercise of the right to age retirement, and who do not have 15 years of service, are entitled to pension and disability insurance in accordance with the regulations pertaining to pension and disability insurance, until the completion of 15 years of service.

## **IV Payment of the unpaid portion of the monetary compensation**

The unpaid portion of the monetary compensation may be paid as a one-off amount or in monthly instalment for the purposes of establishing a labour relation on indefinite period.

The request of payment of the unpaid portion of the monetary compensation shall be submitted in writing by the unemployed person to the Employment Centre where he/she is registered as unemployed person. The

payment shall be effectuated for the remaining unpaid portion of the monetary compensation, however for a period not longer than 24 months.

From the total budget of the EARM in 2005, 11.2% of the funds were spent for financing of the active policies, 85.5% of the funds for the passive policies and 3.3% for the expert office. In 2006, 7% of the funds were spent for financing of the active policies, 89% of the funds for the passive policies and 4% for the expert office.

### **Question B**

**Please indicate the trends in employment<sup>3</sup> covering all sectors of the economy. In connection with this, indicate as far as possible, the activity rate,<sup>4</sup> the employment rate<sup>5</sup> and the breakdown of employment by region, by sex, by age, by employment status (employed, self-employed), by type of employment (full time and part time, permanent and fixed term, temporary), and by sector of activity.**

**Please give the trend of the figures and percentages of unemployed in your country, including the proportion of unemployed to the total labour force. Please give a break-down of the unemployed by region, category, sex, age and by length of unemployment.**

The data on the unemployment in the Republic of Macedonia may be obtained from two sources:

- Administrative data and
- Survey data.

The administrative data (registered unemployment) are collected and published by the Employment Agency of the Republic of Macedonia in accordance with the legal regulations.

The survey data on the number of employed and unemployed persons are collected from the Labour Force Survey that is conducted by the State Statistical Office.

The unemployment data obtained from the two sources differ due to methodological and conceptual differences between them.

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<sup>3</sup> Reference is made to the definition of employment adopted by the Thirteenth International Conference of Labour Statisticians (Geneva, 1982) or any further versions.

<sup>4</sup> The activity rate represents the total labour force as a percentage of the population aged 15 years and over and living in private households. The labour force is defined as the sum of persons in employment plus the unemployed.

<sup>5</sup> The employment rate represents persons in employment as a percentage of the population aged 15-64 years and living in private households.

### 1) Administrative data

The Employment Agency of the RoM, follows the registered unemployment records at the end of the reporting period (2005 and 2006).

According to the data of the Employment Agency of the RoM, on 31.12.2006, 366551 persons were registered as unemployed.

Compared to 31.12.2005, there is a rise in the unemployment for 6562 persons or 1.8%.

In the course of 2006 no big movements were recorded in the number of registered unemployed persons, i.e. in the period January – December 2006 there was a trend of increase of the unemployment for approximately 5747 persons or 1.6%, wherein the lowest unemployment record in 2006 was registered in June (354892).

The structural characteristics of the unemployed persons are significant in terms of assessing the quality of a part of the available human potential which is not economically active.

The structure of the unemployed persons per gender in the period 2005 and 2006 with a status on 31.12., is presented in the Table below.

**TABLE 9**  
**Structure of Unemployed Persons per Gender**

Gender	2005		2006	
	Number	%	Number	%
Male	208354	57.9	213941	58.4
Female	151635	42.1	152610	41.6
Total	359989	100.0	366551	100.0

Source: EARM

With a status on 31.12.2006, the structure of the registered unemployed persons per gender is characterised with a higher participation of men in the total number of registered unemployed persons – 213941 or 58.4%, compared to the women who participate in the total number of registered unemployed persons with 152610 or 41.6%.

From the table presented above it may be stated that the participation of women in the total number of registered unemployed persons is decreasing. Namely, in 2006 the women participated with 41.6% in the total number of registered unemployed persons, a percentage which is lower compared to the one in 2005 which was 42.1%.

The structure of the unemployed persons per age in the period 2005 and 2006 with a status on 31.12., is presented in the Table below.

**TABLE 10**  
**Unemployed Persons per Age**

Age	31.12.2005		31.12.2006	
	Number	%	Number	%
<b>between 15 and 19</b>	10193	2.8	9913	2.7
<b>between 20 and 24</b>	48166	13.4	47732	13.0
<b>between 25 and 29</b>	52506	14.6	53120	14.5
<b>between 30 and 34</b>	47525	13.2	48439	13.2
<b>between 35 and 39</b>	44578	12.4	44952	12.3
<b>between 40 and 44</b>	41774	11.6	42660	11.6
<b>between 45 and 49</b>	38035	10.6	38869	10.6
<b>between 50 and 54</b>	33495	9.3	35604	9.7
<b>between 55 and 59</b>	30018	8.3	30556	8.3
<b>60 and more</b>	13699	3.8	14706	4.0
<b>T o t a l</b>	<b>359989</b>	<b>100.0</b>	<b>366551</b>	<b>100.0</b>

Source: EARM

With a status on 31.12.2006, the structure of the total number of registered unemployed persons per age was as follows: 9913 (2.7%) of the unemployed persons were between 15 and 19 years, 47732 (13.0%) between 20 and 24 years, 53120 (14.5%) between 25 and 29 years, 48439 (13.2%) persons between 30 and 34 years, 44952 (12.3%) unemployed persons between 35 and 39 years, 42660 (11.6%) between 40 and 44 years, 38869 (10.6%) between 45 and 49 years and 80866 (22.1%) were unemployed persons with 50 and over 50 years of age.

With a status on 31.12.2006, the young unemployed persons below 24 years of age participated with 15.7% in the total number of registered unemployed persons.

The registered unemployed persons with 50 and over 50 years of age participated with 22% in the total number of registered unemployed persons.

The structure of the registered unemployed persons according to the time they are waiting for employment, in the period 2005 and 2006 with a status on 31.12., is presented in the Table below.

**TABLE 11****Employment Waiting Time**

<b>Duration:</b>	<b>31.12.2005</b>		<b>31.12.2006</b>	
	<b>Number</b>	<b>%</b>	<b>Number</b>	<b>%</b>
<b>below 1 month</b>	6454	1.8	8205	2.2
<b>between 1 and 5 months</b>	20865	5.8	30455	8.3
<b>between 6 and 11 months</b>	23619	6.6	33976	9.3
<b>between 12 and 17 months</b>	25273	7.0	22039	6.0
<b>between 18 and 23 months</b>	20015	5.6	17302	4.7
<b>2 years</b>	41597	11.6	35168	9.6
<b>3 years</b>	29703	8.3	32606	8.9
<b>4 years</b>	23475	6.5	24113	6.6
<b>5 – 7 years</b>	58642	16.3	54176	14.8
<b>8 years and more</b>	110346	30.7	108511	29.6
<b>T o t a l</b>	<b>359989</b>	<b>100.00</b>	<b>366551</b>	<b>100.00</b>

Source: EARM

One of the structural features of the unemployment to which a special attention should be paid is the employment waiting time, with a special accent on the so called long term unemployment, i.e. the unemployed persons who have been waiting for employment for one and more than one year.

On 31.12.2006, 293915 or 80.2% of the unemployed persons were registered as persons who have been waiting for employment for one and more than one year. In this category of unemployed persons, the highest portion, approximately 45% were unemployed persons with the lowest level of education (finished or not finished primary education), whose inclusion on the labour market as active job seekers is very difficult due to the insufficient or inadequate knowledge and skills they possess. On the other hand, 75% of the unemployed persons with completed secondary education have been waiting for work for a period longer than one year, and another fact that raises concerns is that even the persons with completed university education have difficulties finding a job after the graduation, i.e. 66% of these persons wait for employment for a period of one or more than one year.

The Employment Agency of the Republic of Macedonia is a public institution and performs activity of public interest defined in the Law on Employment and Insurance in the Event of Unemployment.

The headquarters of the Employment Agency is in Skopje.

For the performance of the activities, the Employment Agency establishes unique expert office in:

- the Central Office of the Employment Agency;
- the Employment Centre of the City of Skopje;
- the regional Employment Centres for one or several municipalities, wherein 29 Local Employment Centres function in 29 cities at the moment.

The status of the recorded unemployed persons in 30 Employment Centres (including the Employment Centre in the City of Skopje) with a status on 31.12. for the period 2005 and 2006 is presented in the Table below:

**TABLE 12**

**Number of employments per Employment Centre**

Number	Employment Centre	31.12.2005		31.12.2006	
		Number	%	Number	%
1	Berovo	4116	1.1	4216	1.2
2	Bitola	18595	5.2	20200	5.5
3	Valandovo	3082	0.9	3028	0.8
4	Veles	15843	4.4	15447	4.2
5	Vinica	3659	1.0	3578	1.0
6	Gevgelija	4177	1.2	3776	1.0
7	Gostivar	16547	4.6	16636	4.5
8	Debar	4791	1.3	4689	1.3
9	Delcevo	5129	1.4	4239	1.2
10	Demir Hisar	2036	0.6	2040	0.6
11	Kavadarci	9259	2.6	9186	2.5
12	Kicevo	7970	2.2	8731	2.4
13	Kocani	11208	3.1	11170	3.0
14	Kratovo	2440	0.7	2601	0.7
15	Kriva Palanka	6883	1.9	6876	1.9
16	Krusevo	2655	0.7	2691	0.7
17	Kumanovo	28855	8.0	30599	8.3
18	Makedonski Brod	2645	0.7	2719	0.7
19	Negotino	4601	1.3	5056	1.4
20	Ohrid	11680	3.2	12393	3.4
21	Prilep	25033	7.0	24402	6.7
22	Probistip	4196	1.2	3934	1.1
23	Radovis	6852	1.9	6829	1.9
24	Resen	2946	0.8	2964	0.8
25	Sveti Nikole	5385	1.5	5181	1.4
26	Employment Centre in the City of Skopje	82790	23.0	86072	23.5

<b>27</b>	<b>Struga</b>	9356	2.6	9337	2.5
<b>28</b>	<b>Strumica</b>	21589	6.0	20367	5.6
<b>29</b>	<b>Tetovo</b>	27319	7.6	28857	7.9
<b>30</b>	<b>Stip</b>	8352	2.3	8737	2.4
	<b>T o t a l</b>	<b>359989</b>	<b>100.0</b>	<b>366551</b>	<b>100.0</b>

Source: EARM

The unemployment monitored by the Employment Centres shows different volume, as a result of several factors, wherein the influence of the size of certain municipality should be also taken into consideration. Thus, the region of the City of Skopje according to the number of inhabitants keeps the dominant position in the participation in the total unemployment figures.

On 31.12.2006, the largest number of registered unemployed persons was in the Employment Centre Skopje – 86072 unemployed persons or 23.5% of the total unemployed persons. Follows Kumanovo with 30599 (8.3%) registered unemployed persons, Tetovo with 28857 (7.9%), Prilep with 24402 (6.7%), Strumica with 20367 (5.6%), Bitola with 20200 (5.5%) registered unemployed persons, Gostivar with 16636 (4.5%), Veles with 15447 (4.2%), Ohrid with 12393 (3.4%), etc.

In these Employment Centres (which provide services to one or more municipalities) are registered approximately 70% of the total registered unemployed persons.

## 2) Survey Data

According to the data obtained from the Labour Force Survey, the number of economically active population of the Republic of Macedonia in 2006 was 891679 persons, wherein 543830 or 61% are men, and 347849 or 39% are female. The economically active rate in 2006 was 55,1% In 2006, the economically active rate in women was 24.4% lower than the one of men.

The data according to the age structure show that in 2006 the highest economically active rate – 77.6% goes to the age group of 25-49 years of age. The economically active rate of the age group 15-24 was 32.9% which is estimated as very high. As for the economically active rate for persons aged 50-64 - it was 49.9% which is relatively high.

**TABLE 13**

### **Measures of economically active population per age group and gender**

Age	Economically Active Rate		Employment Rate <sup>1)</sup>		Unemployment Rate	
	2005	2006	2005	2006	2005	2006
<b>Total</b>						
<b>Total</b>	<b>54,1</b>	<b>55,1</b>	<b>33,9</b>	<b>35,2</b>	<b>37,3</b>	<b>36,0</b>
15-24	32,9	35,8	12,3	14,4	62,6	59,8
25-49	77,6	78,8	49,8	52,0	35,9	34,0

50-64	49,9	50,8	36,0	36,4	27,9	28,4
65 and more	4,8	3,9	4,7	3,8	2,6	3,2
15-64	60,7	62,2	37,9	39,6	37,6	36,3
<b>Male</b>						
<b>Total</b>	<b>64,9</b>	<b>67,3</b>	<b>41,2</b>	<b>43,5</b>	<b>36,5</b>	<b>35,3</b>
15-24	38,2	42,0	14,1	17,2	62,9	59,0
25-49	89,1	92,1	58,6	61,9	34,2	32,8
50-64	66,1	68,5	46,2	47,9	30,2	30,0
65 and more	6,7	5,8	6,5	5,6	3,6	3,7
15-64	71,9	74,9	45,4	48,3	36,9	35,6
<b>Female</b>						
<b>Total</b>	<b>43,2</b>	<b>42,9</b>	<b>26,6</b>	<b>27,0</b>	<b>38,4</b>	<b>37,2</b>
15-24	27,3	29,3	10,3	11,4	62,2	61,0
25-49	65,6	65,0	40,5	41,6	38,2	35,9
50-64	34,1	33,8	26,1	25,3	23,5	25,1
65 and more	3,2	2,3	3,1	2,3	0,9	2,2
15-64	49,1	49,2	30,1	30,7	38,8	37,5
1) <i>Employment Rate – participation of the employed persons in the economically active population aged between 15 years and over (according to the recommendations of the International Labour Organization – ILO)</i>						

Source: Labour Force Survey

## Employment

According to the data of the Labour Force Survey, the number of employed persons in the Republic of Macedonia is 570404. 351974 of these persons are male, whereas 218431 are female. In 2006, the employment rate in the Republic of Macedonia was 35.2% which is very low according to the international standards. The employment rate in men is much higher 43.5%, whereas in women 27%.

In 2006 there was an increase in the employed persons according to the economic status. In 2006, out of the total number of employed persons - 570404, 403564 or 70.8% were employees, 33853 or 5.9% were employers, 70786 or 12.4% were self-employed and 62199 or 10.9% were unpaid family workers.

The highest rise of 9.4% in 2006 compared to 2005 was noted in the category unpaid family workers.

**TABLE 14****Employees according to the economic status**

Economic status		Total	Employee	Employer	Self-employed	Unpaid family worker
2005	Total	545253	391651	31276	65487	56840
	Male	332179	229996	25140	55714	21330
	Female	213074	161654	6136	9773	35510
2006	Total	570404	403564	33853	70789	62199
	Male	351974	240956	26903	59082	25033
	Female	218431	162608	6950	11706	37166

Source: Labour Force Survey

The structure of the employees per sectors in 2006 shows that 21.6% of the employees are in the processing industry, 20.1% in agriculture, 12.8% in trade, 7.6% in construction, 6.9% public administration, 5.9% education, 5.7% health, etc.

According to the structure of employees per sectors and ownership, the data show that the number of employees in the private ownership sector is highest in the agriculture sector (28.6%), and in other ownership in the public administration sector (20.3%).

**TABLE 15****Structure of employees per sectors and type of ownership**

Sectors		Total		Other ownership <sup>1)</sup>		Private ownership	
		2005	2006	2005	2006	2005	2006
	<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>
<b>A</b>	Agriculture, hunting and forestry	19,5	20,1	3,8	3,4	28,9	28,6
<b>B</b>	Fishing	0,1	0,1	0,1	0,0	0,0	0,1
<b>C</b>	Oar and stone mining	0,7	0,7	0,7	0,7	0,6	0,7
<b>D</b>	Processing Industry	22,0	21,6	15,5	13,7	25,9	25,6
<b>E</b>	Electricity, Gas and Water Supply	3,1	2,8	8,3	7,7	-	-
<b>F</b>	Construction	6,5	7,6	6,6	5,3	6,4	8,7
<b>G</b>	Wholesale Trade and Retail Trade; Repair of motor vehicles, motorcycles and consumption and households goods	13,7	12,8	2,3	2,5	20,5	18,1
<b>H</b>	Hotels and Restaurants	2,5	3,3	0,7	0,6	3,6	4,7

<b>I</b>	Transport, Storage and Communications	6,0	5,3	6,5	5,9	5,7	4,9
<b>J</b>	Financial Mediation	1,2	1,2	1,6	1,8	0,9	0,9
<b>K</b>	Real Estate, Renting and Business Activities	2,7	2,7	2,0	1,9	3,1	3,1
<b>L</b>	Public Administration and Defence, Compulsory Social Security	7,0	6,9	18,7	20,3	-	-
<b>M</b>	Education	5,8	5,9	14,5	16,1	0,6	0,6
<b>N</b>	Health and Social Security	5,7	5,7	13,1	13,9	1,3	1,5
<b>O</b>	Other public, cultural, community, social and personal service activities	3,3	3,2	5,1	5,5	2,2	2,0
<b>P</b>	Private households that employ home staff and undefined activities of households for production of goods for own needs	0,1	0,1	-	-	0,1	0,1
<b>Q</b>	Exterritorial organisations and associations	0,2	0,2	0,4	0,5	-	-
1) Other ownership (public, mixed ,joint, state)							

Source: Labour Force Survey

According to the data from the Labour Force Survey, in 2006 out of the total number of employees – 570404, 533025 persons or 93.4% are employed on full-time basis, whereas 37379 persons or 6.6% are employed on part-time basis. The number of full-time employees is increasing compared to the previous period, as a result of the decrease of the number of part-time employees.

In 2006, the number of persons employed on indefinite period was 401745 persons or 70.4%, whereas the number of persons employed on definite period was 168659 persons or 29.6%.

**TABLE 16****Full- and part-time employees**

Year	Total			Employees					
				Full-time employees			Part-time employees		
	Total	Male	Female	Total	Male	Female	Total	Male	Female
<b>2005</b>	545253	332179	213074	517978	317849	200129	27275	14330	12945
<b>2006</b>	570404	351974	218431	533025	331159	201866	37379	20815	16564

Source: Labour Force Survey

**TABLE 17****Employees on indefinite and definite period**

Employees on indefinite and definite period						
	Total	2005		Total	2006	
		Gender			Gender	
		Male	Female		Male	Female
Total	545253	332179	213074	570404	351974	218431
Indefinite period	410477	247315	163162	401745	243169	158577
Definite period	134776	84865	49911	168659	108805	59854

Source: Labour Force Survey

One of the main features of the Republic of Macedonia is the very low activity and employment of the economically active population and huge unemployment. That is an exceptionally serious economic and social problem. The current employment level and the employment, i.e. unemployment movements are directly dependant on the impact of the achieved level of economical development.

**Unemployment**

According to the data of the Labour Force Survey, the number of unemployed persons in the 2006 was 321274, which marks a decrease of 1% compared to 2005. The unemployment rate in 2006 was 36%, which constitutes a decrease of 0,5% compared to 2005.

TABLE 18

## Economically Active Population and Unemployed Persons

Age	Economically Active Population		Unemployed persons		Participation of the unemployed persons in the economically active population	
	2005	2006	2005	2006	2005	2006
<b>Total</b>	1607997	1618482	323934	321274	20,1	19,9
15-24	326478	325699	67197	69603	20,6	21,4
25-49	753641	753509	209735	202179	27,8	26,8
50-64	336626	341973	46761	49247	13,9	14,4
65 years and over	191252	197302	242	246	0,1	0,1
15-64	1416745	1421181	323693	321029	22,8	22,6
<b>Male</b>						
<b>Total</b>	<b>806621</b>	<b>808522</b>	<b>191096</b>	<b>191856</b>	<b>23,7</b>	<b>23,7</b>
15-24	167814	167012	40290	41310	24,0	24,7
25-49	385882	384145	117533	115882	30,5	30,2
50-64	165811	167565	33060	34473	19,9	20,6
65 years and over	87115	89800	213	191	0,2	0,2
15-64	719507	718722	190883	191665	26,5	26,7
<b>Female</b>						
<b>Total</b>	<b>801376</b>	<b>809960</b>	<b>132838</b>	<b>129418</b>	<b>16,6</b>	<b>16,0</b>
15-24	158664	158687	26906	28293	17,0	17,8
25-49	367759	369363	92202	86297	25,1	23,4
50-64	170815	174408	13701	14773	8,0	8,5
65 years and over	104138	107502	29	55	0,0	0,1
15-64	697238	702458	132809	129363	19,0	18,4

Source: Labour Force Survey

**TABLE 19****Unemployed persons according to the duration of unemployment**

Duration of Unemployment	Total		%	
	2005	2006	2005	2006
<b>Total</b>	323934	321274	100	100
up to 1 month	6490	7045	2,0	2,2
2- 5 months	16613	17780	5,1	5,5
6-11 months	19843	19246	6,1	6,0
12-17 months	19476	17259	6,0	5,4
18-23 months	16017	12411	4,9	3,9
up to 2 years	2960	2892	0,9	0,9
up to 3 years	30710	31344	9,5	9,8
4 years and more	211825	213298	65,4	66,4

Source: Labour Force Survey

**TABLE 20****Long term Unemployment <sup>1)</sup>**

	% of long term unemployment <sup>2)</sup>		long term unemployment rate <sup>3)</sup>	
	2005	2006	2005	2006
<b>Total</b>	86,7	86,3	32,3	31,1
Male	86,8	86,4	31,7	30,5
Female	86,6	86,2	33,3	32,1

Source: Labour Force Survey

The unemployment rate in men is 35.3%, whereas in women it is for 1.9% higher than in men.

The long term unemployment rate in 2006 was 31.1% which constitutes a decrease of 1.2% compared to the previous year.

<sup>1)</sup> Long-term unemployment - unemployed persons for a period longer than 1 year

<sup>2)</sup> % of long-term unemployment- participation of the unemployed persons for a period longer than 1 year in the total number of unemployed persons

<sup>3)</sup> Long-term unemployment rate – participation of the unemployed persons for a period longer than 1 year in the total labour force

### **Question C**

**Please state the trend of the number and types of vacant jobs in your Country.**

In accordance with the legal regulations of the Republic of Macedonia, the employers are not obliged to submit data on the vacant jobs to the EARM, and due to these reasons the Employment Agency of the RoM does not possess data on the number and types of vacant job positions. The State Statistical Office does not possess the requested data regarding this issue as well.

### ***ARTICLE 1 PARAGRAPH 2***

***"With a view to ensuring the effective exercise of the right to work, the Contracting Parties undertake:***

***to protect effectively the right of the worker to earn his living in an occupation freely entered upon;"***

**[The Appendix to the Charter stipulates that this provision shall not be interpreted as prohibiting or authorising any union security clause or practice.]**

### ***Elimination of all forms of discrimination in employment***

### **Question A**

**Please give information concerning legislative or other measures taken to ensure the elimination of all discrimination in employment which might be based on sex, social or national origin, political opinion, religion, race, colour or age and to promote effectively equal opportunities in seeking employment and in taking up an occupation.<sup>6</sup>**

**Please give information in this respect on existing sanctions and remedies in cases of discrimination in employment.**

The Constitution of the Republic of Macedonia guarantees the equality principle, according to which the citizens of the Republic of Macedonia are equal in their freedoms and rights, regardless of sex, race, colour of skin, national and social origin, political and religious beliefs, property and social status.

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<sup>6</sup> The term "discrimination" in this Form is to be understood in terms of ILO Convention No. 111 (Discrimination, Employment, Occupations), Article 1.

The Labour Law ("Official Gazette of the RoM" No. 62/2005), explicitly prohibits any kind of discrimination. Namely, Article 6 of the Labour Law stipulates that the Employer may not treat the employment applicant or the employee in a discriminatory manner on account of their race, colour of skin, sex, age, health condition, i.e. disability, or on account of their religious, political or other convictions, trade union membership, national and social origin, family status, property ownership, sexual orientation, or other personal circumstances.

Men and women are to be provided with equal opportunities and equal treatment in respect of employment, promotion, employment insurance, working conditions, working hours and cancellation of the employment contracts.

The Law stipulates that any provisions of the collective agreements or employment contracts which include discrimination on any of the bases given in Article 6 of this Law are null and void.

The Law also provides for the definitions for direct and indirect discrimination, the exceptions to the ban on discrimination, and harassment and sexual harassment.

Direct discrimination, in accordance with Article 7 of the Law, refers to any treatment motivated by any of the prejudices described in Article 6 of this Law whereby an employee is, was or could be put in a less favourable position in comparison to other persons in a similar position.

Indirect discrimination, in terms of this Law, refers to discrimination appearing in cases when a particular, apparently neutral provision, criterion or practice, puts or could put the employment applicant or the employee in a less favourable position compared to other persons, as a result of his/her particular features, status, convictions or beliefs from Article 6 of this Law.

Discrimination is forbidden with regards to: 1) employment requirements, including the criteria and requirements for the selection of applicants for the performance of a particular activity, in any branch of activity and at all levels of the professional hierarchy; 2) promotion at work; 3) access to all types and levels of vocational training, re-qualification and further qualification; 4) operational and working conditions and all the rights arising from and related to the labour relation, including equality of salaries; 5) cancellation of the employment contract and 6) the rights of the members and their activities within employees' and employers' associations or in any other professional organization, including the benefits arising from such membership.

Article 8 defines the exceptions to the ban on discrimination. Namely, differentiation, exclusion or preference in terms of assignment to a particular job will not be deemed as discriminatory when the nature or conditions of the job are such that the characteristics related to some of the bases given in Article 6 of this Law present an actual and decisive prerequisite for the performance of the work, provided that the purpose aimed for is justified and the condition is reasonable.

In cases of discrimination as described in Article 6 of the Labour Law, the employment applicant or the employee is provided with the right to request that

he/she be paid an indemnity amounting up to the sum of five monthly average salaries in the Republic of Macedonia, in accordance with Article 10 of the Law.

In the event of a dispute, if the employment applicant or the employee provides facts stating that the employer has violated Articles 6 and 9 of this Law, the burden of proof regarding the absence of discrimination, i.e. proof that the employer has acted in accordance with the said provisions, shall fall upon the employer, unless the employer is able to prove that the differentiation in treatment arose as a result of the exceptions defined in Article 8 of the Law.

In accordance with Article 264 of the Law, the employer –legal entity shall be issued a monetary fine in the event of unequal treatment of the employment applicant or the employee (Article 6)

### ***Gender Equality***

Republic of Macedonia has adopted the necessary legal framework and regulated the institutional setup aimed at promotion of the gender equality and establishing equal opportunities of men and women.

To that end, in 2006 the Government of the Republic of Macedonia adopted the Law on Equal Opportunities of Women and Men (Official Gazette of the RoM No: 66/06). This law regulates the basic and special measures for the establishment of equal opportunities of women and men, the authorities, tasks and obligations of parties responsible for the ensuring equal opportunities, as well as the procedure for determining unequal treatment of women and men.

As regards the institutional framework that deals with these issues, a Department for Equal Opportunities was established within the Ministry of Labour and Social Policy in March 2007, whereas Commissions for Equal Opportunities of Men and Women have been established in the Assembly of the RoM and in the Local-self Government Units.

The Department for Equal Opportunities conducts activities and working tasks pertaining to the promotion of the status of the women and establishing equal opportunities of men and women in accordance with the Law on Equal Opportunities of Men and Women. The valid legal regulation of the Republic of Macedonia and the standards and principles of the international conventions and documents that the Republic of Macedonia has ratified or signed, and pertain to the equal opportunities and protection from discrimination (sex, ethnic origin, age, sexual orientation, persons with special needs, as well as double discrimination of individuals due to unequal treatment in the areas of labour, social security and social insurance) at national and local level; initiating and proposing changes for modification and amendment of the legal regulation in terms of gender equality, equal opportunities and legal protection of the discriminated persons due to their sex as well as the cooperation with all competent institutions in this area and wider.

The Republic of Macedonia has adopted a number of international documents passed by the United Nations, European Union, Council of Europe and other international institutions that contain a large number of norms related to the equal opportunities of men and women.

***Documents of the United Nations that refer to equal opportunities of women and men:***

- United Nations Universal Declaration of Human Rights
- Convention on the Elimination of All Forms of Discrimination against Women;
- Convention on the Rights of the Child;
- Declaration on the Right to Development;
- Beijing Declaration and Platform For Action, as well as Agreed Conclusions from the Special Session of the UN General Assembly in 2000 (Beijing+5)

***Regulations of the European Union that refer to equal opportunities of women and men:***

***Directives:***

- Directive 97/80/EC on the burden of proof in cases of discrimination based on sex;
- Directive 2002/73/EC amending Directive 76/207/EEC, which contains new definition of indirect discrimination and harassment as a form of discrimination;

***Recommendations:***

- Recommendation 96/694/EC on balanced participation of men and women in the decision making process;
- Recommendation 84/635/EEC on the promotion of positive action for women;
- Recommendation 92/131/EEC on the protection of the dignity of women and men at work;
- Recommendation 87/567/EEC on vocational training for women;

***Resolutions:***

- Resolution (95/C 296/06) dated 05.10.1995 concerning the image of women and men portrayed in advertising and the media;
- Resolution (85/C 166/01) dated 03.06.1985 which contains an action programme for the promotion of the principle of equal opportunities for women and men in education;

***Declarations:***

- Declaration dated 19.12.1991 on the implementation of the Recommendation of the Commission on the protection of the dignity of women and men at work, including the rules to be applied in order to prevent sexual harassment.

***Recommendations of the Council of Europe Committee of Ministers to the member states:***

- Recommendation No. P (85) 2 on legal protection against sex discrimination;
- Recommendation No. P (96) 5 on reconciling work and family life;
- Recommendation No. P (98) 12 on gender mainstreaming;

***Recommendations adopted at the Council of Europe Parliamentary Assembly:***

- Recommendation 1229 (1994) on equality of rights between men and women;
- Recommendation 1269 (1995) on achieving real progress in women's rights as from 1995;
- Recommendation 1413 (1999) on equal representation in political life.

The analysis of the position of women at the labour market shows that their participation in the unemployed persons category is high, especially in the long-term unemployed persons category. The educational structure of the unemployed women is very unfavourable due to the fact that participation of women with primary and secondary education is predominant. This strongly influences the employment opportunities and the level of earnings of the employed women. This is also confirmed by the data on the average net-salary of women, analysed by their education. The data show that women earn less compared to men with same education.

The earning differences are influenced by the educational level of men and women, but also by the activity where they are employed and the job position they hold. This shows that even in the activities where women are predominant holders of the job positions, the managerial positions are held by men. The situation in the health care and social security is even more distinguishing. This shows that women in all activities hold lower positions compared to men regardless of their education and therefore their average earnings are lower.

Ensuring equal treatment of men and women in employment, remuneration and promotion constitutes an integral part and is one of the strategic goals of the National Action Plan on Gender Equality adopted by the Government of the Republic of Macedonia in July 2007.

One of the highest priority activities in this area was the harmonization of the labour legislation of the Republic of Macedonia with the EU legislation. In that direction, in the course of the reform of labour legislation, the Labour Law was adopted in July 2005, which incorporates provisions of the Directive of the Council of Europe on equal salaries of men and women, the Directive on equal access to employment, education and equal working conditions and the Directive on the burden of proof in cases of discrimination.

The Law also provides for the definitions for direct and indirect discrimination, the exceptions to the ban on discrimination, and harassment.

The Law on Equal Opportunities of Men and Women defines the procedure for determining unequal treatment of men and women and the legal protection of the discriminated persons. Namely, the procedure for determining unequal treatment of women and men, based on a written initiative submitted by individuals, citizen associations, syndicates, and other legal entities (hereinafter referred to as: the Procedure), is lead at the Ministry of Labour and Social Policy, wherein the procedure at the Ministry of Labour and Social Policy is lead by a Representative. The Representative is a person employed as a civil servant at the Ministry of Labour and Social Policy, and is responsible to lead the procedures for determining unequal treatment of women and men.

The Representative submits the written opinion from Article 31 of this Law to the authorized body for inspections, to the Ombudsman or to another authorized body that performs supervision of the enforcement of the provisions of the law that regulate equal opportunities in cases when the entity against which the procedure for determining unequal treatment was initiated did not rectify the determined irregularities, in accordance with the written opinion of the Representative, or if the Representative was not notified by the entity against which the procedure for determining unequal treatment was initiated within the determined time period, when the case, in accordance to the opinion of the Representative, contains all the characteristics of discrimination, in accordance to this Law.

As an authorized body for inspection shall be considered the body for inspection that is authorized, in accordance with law, to conduct supervision over the enforcement of laws and bylaws, collective agreements, as well as, of general acts in cases when certain actions that are considered to be discrimination in accordance with the provisions of this Law have happened.

If the authorized body for inspection determines that in the case for which the Representative made a written opinion, this and other laws that regulate equal opportunities have not been enforced, a decision that orders compliance with the recommendations from the Representative is enacted for a time period that is determined by the authorized body for inspection, which cannot be longer than 30 days from the day the decision was enacted. The decision is delivered by the authorized body for inspection to the entity to which the Representative's opinion has been submitted within the specific case where the inspection supervision has been made and to the Representative, within a period of 15 days from the day the decision is enacted.

The decision of the authorized body for inspection may be appealed against before the authorized Commission within the Government, within a period of eight days from the day the decision was received, however the appeal does not postpone the execution of the decision. The decision upon the appeal is enacted within a period of 15 days from the day the appeal was received.

If the authorized body for inspection determines that by violating this and other laws that regulate equal opportunities, a misdemeanour or a criminal act have been committed, it is obliged to submit a request for initiation of a misdemeanour procedure, that is, report for pressing criminal charges.

The body to which the request or report have been submitted, is obliged to submit its decision to the authorized body for inspection.

In case of disrespect of the prohibition for discrimination determined with Article 3 of this Law, the person which considers that a certain right of his/hers have been violated with an individual act or action based on gender, has the right to seek protection of his/hers rights in an administrative and judicial procedure, in the manner and under the conditions determined by law.

The person, for which it has been determined by a decision of an authorized body or other legal entity that certain right of his/hers has been violated with an individual act or action based on gender, has the right to seek damage compensation in accordance with the Contract Law.

When a person which considers itself to be a victim of discrimination presents facts from which it could be assumed that certain discrimination has occurred, then the person which is blamed to have discriminated is obliged to prove that he/she did not violate the principle of equal treatment. This regulation is not applied for criminal procedures.

Citizen associations, associations of employers and syndicates can represent the persons from Article 39, Paragraph 1 of this Law, upon their request, in an administrative procedure for the purpose of protection of their rights which were removed or limited on the basis of gender.

The Ministry of Labour and Social Policy conducts supervision over the enforcement of the provisions of this Law and other laws and regulations that regulate issues of importance for establishing equal opportunities.

The entities that will not submit their periodical plans for establishment and promotion of equal opportunities for an opinion to the Ministry of Labour and Social Policy before the start of implementation of the positive measures from Article 8 of this Law, or will not submit the requested documents and information to the Representative, shall be punished for misdemeanour with a fine from MKD100,000 to 200,000 .

The responsible person within the ministries and bodies of the units of local self-government that will not appoint a Coordinator for Equal Opportunities in accordance with the obligations from Article 13, paragraph (3) and Article 16, paragraph (2) of this Law, shall be punished for misdemeanour with a fine from MKD10,000 to 15,000.

### ***Establishing labour relations with foreigners***

In accordance with the Law on the Conditions for the Establishment of the Labour Relation with Foreign Citizens (Official Gazette of SFRY No. 11/78 and 64/89), a foreign citizen, i.e. a person without a citizenship may establish a labour relation if the said person has obtained a permit for permanent or temporary stay or has obtained a permit for the establishment of a labour relation with foreign citizen.

The foreign citizens who want to establish a labour relation in the Republic of Macedonia and have not obtained a permit for permanent or temporary stay, may file an application for obtaining a permit for the establishment of a labour relation, provided that they have a multi working visa in their passport.

The permit for the establishment of a labour relation with a foreign citizen is issued by the Employment Agency of the Republic of Macedonia, upon a request of the employer accompanied by an explanation as to the need for employment of a foreign citizen.

The work permit shall be issued to the employers provided that among the unemployed persons in the records of the Employment Centres there are no persons meeting the conditions set by the employer. The permits shall be issued for a defined period up to one year.

According to the type of job positions, the highest number of permits for employment of foreign citizens have been issued for:

**TABLE 21****Issued permits per activities**

Year	Managers	Catering	Trade	Construction
<b>2005</b>	<b>289</b>	<b>39</b>	<b>35</b>	<b>27</b>
<b>2006</b>	<b>308</b>	<b>20</b>	<b>30</b>	<b>20</b>

Source: EARM

From the Table it can be concluded that the highest number of permits have been granted to foreign citizens who has established their own companies in the Republic of Macedonia, and has regulated their stay in the Country in such manner.

Issued permits for the establishment of a labour relation with a foreign citizen according to the level of education

**TABLE 22****Issued permits according to the level of education**

Year	Unqualified	Primary	Secondary	College	University
<b>2005</b>	<b>76</b>	<b>45</b>	<b>390</b>	<b>13</b>	<b>410</b>
<b>2006</b>	<b>47</b>	<b>76</b>	<b>407</b>	<b>8</b>	<b>412</b>

Source: EARM

From the Table it can be seen that in 2006 the qualification structure of the foreign citizens that have submitted an application for obtaining employment permit has improved, i.e. there is a rise in the number of issued permits to foreign citizens with higher level of education compared to the unqualified workers.

The number of issued employment permits to foreign citizens in 2005 and 2006 per cities is presented in the Table below:

**TABLE 23****Issued permits per cities**

Cities	2005	2006
Skopje	577	553
Bitola	64	68
Strumica	40	35
Gostivar	38	41
Struga	31	24
Tetovo	29	28
Ohrid	13	17

Source: EARM

From this Table it can be seen that the highest number of applications for permits for foreign citizens have been filed in the larger cities in Macedonia where the employment possibilities are higher and better.

Issued permits for establishing labour relation with foreign citizens per country of origin

**TABLE 24**  
**Issued permits according to the country of origin**

State	2005	2006
Serbia	285	250
Turkey	136	161
Greece	124	147
Bulgaria	68	65
Russia	31	24
Germany	29	32
Ukraine	22	25
Hungary	16	25

Source: EARM

According to the validity period of the permits, in 2005 and 2006 there is an increase in the number of permits for a period of 1 year and 9 months, and a decrease in the number of issued permits for the period of 6 and 3 months.

**TABLE 25**  
**Issued permits according to validity period**

Year	12 months	9 months	6 months	3 months
2005	802	38	57	19
2006	833	59	32	17

Source: EARM

Out of the total number of issued permits for establishing a labour relation with foreign citizens in 2005 and 2006, 1300 permits were extensions of the existing ones, whereas 586 permits were newly-issued ones.

**TABLE 26**

Year	Extension	New
2005	630	306
2006	670	280

Source: EARM

The total number of newly issued permits to foreign citizens per years and per type of stay is presented in the Table below.

**TABLE 27****Issued permits per type of stay of the foreigners**

Year	Visa	Marriage	Temporary	Permanent	Deficit
2005	173	95	27	1	10
2006	176	80	10	6	7

Source: EARM

According to the type of stay, the highest number of permits have been issued to foreign citizens with granted extended stay, as the highest number of them have regulated their stay based on a marriage, or they are founders, i.e. managers of a company. They file a request for extension of the previous permit every year, until they obtain permanent stay or regulate their stay in another manner (for example become eligible for citizenship).

**Question B**

**Please indicate any methods adopted:**

- a. **to seek the co-operation of employers' and workers' organisations and other appropriate bodies in promoting the acceptance and observance of the above policy of non-discrimination;**

The social partners are regularly included in the preparation of the legal regulations that provide for non-discrimination issues. Such was the case in the preparation and the adoption of the Labour Law, which contains separate provisions regulating the discrimination issue.

The adoption of the Law on Equal Opportunities of Men and Women in May 2006 ("Official Gazette of the Republic of Macedonia" No. 66/2006) constitutes a part of the affirmative activities at national level aimed at promotion of gender equality. The law regulates the common grounds for improvement and promotion of the status of women and establishing equal opportunities of women and men in the political, economical, social, educational field, as well as in other fields of social life. For the purposes of achieving this goal, the law regulates the general

and special measures for the establishment of equal opportunities, as well as the authorities, tasks and obligations of parties responsible.

In addition to the Labour Law, the Law on Equal Opportunities of Men and Women contains provisions pertaining to the equal treatment of men and women and ban on discrimination based on gender in the fields of employment and labour, education, social security, culture, and sport, both in the public and in the private sector (Article 3 and 4 of the Law on Equal Opportunities of Men and Women).

**b) to ensure the acceptance and observance of the above policy through educational efforts.**

The laws that regulate the primary, secondary and university education activities do not contain provisions limiting the right to employment on the grounds of nationality, gender, race and social security.

The Laws on primary and secondary education contain a provision stipulating that every employment is public and available to every person that meets the following conditions:

- has adequate education;
- is fluent in the language in which the curriculum is conducted.

The principle of adequate and just participation of the citizens from all communities is applied in the process of selection of expert associates, pedagogues and other non-teaching staff in the public high schools, without violating the criteria prescribed with this law.

**Question C**

**Please indicate the guarantees, including applicable sanctions and remedies, which prevent any discrimination in regard to members of workers' organisations at the time of engagement, promotion or dismissal.**

In accordance with Article 37 of the Constitution of the RoM, in order to exercise their economic and social rights, the citizens have the right to establish trade unions. The issue pertaining to the ban on unequal treatment due to trade union membership or activities is regulated under a separate provision of the Labour Law.

Article 198 of the Labour Law stipulates that an employee may not be put in a less favourable position than other employees due to Trade Union membership, wherein it is expressly forbidden:

- for an employment contract to be concluded with a particular employee under the condition that he/she agrees not to become a member of the trade union or that he/she quits his/her membership in the trade union; and
- for the employment contract of a particular employee to be terminated or the employee to be put in a less favourable position than other employees due to

his/her trade union membership or participation in trade union activities after the working hours and with consent of the employer within the working hours.

The same article also stipulates that the trade union membership and participation in trade union activities may not provide the basis for a decision of the employer to conclude an employment contract or change the work performed by the employee, promotion, payment, social contributions or termination of the employment contract. Furthermore, the employer or some other body and the employer's representative may not use coercive measures against any trade union.

The Labour Law provides for a special protection of trade union representatives for the entire period of the duration of their mandate and two years after the termination of the mandate, wherein the trade union representative shall not be held responsible or put in a less favourable position, including the termination of their labour relation due to trade union membership or participation in trade union activities aimed at protection of employees' rights, nor can their salary be decreased, should they act in accordance with the law and collective agreement. (Article 200).

The Law on Equal Opportunities of Men and Women regulates the procedure for determining unequal treatment of men and women. The procedure for determining unequal treatment of women and men, based on a written initiative submitted by individuals, citizen associations, syndicates, and other legal entities, is lead at the Ministry of Labour and Social Policy. The procedure is lead by a Representative who is a person employed as a civil servant at the Ministry of Labour and Social Policy.

### **Ban on Forced Labour**

#### **Question D**

**Please indicate whether any form of forced or compulsory labour is authorised or tolerated.<sup>7</sup>**

In accordance with Article 11, paragraph 3 of the Constitution of the Republic of Macedonia forced labour is prohibited. Article 118 of the Constitution stipulates that all international agreements ratified by the Republic of Macedonia are part of the internal legal order and cannot be changed by law. The Republic of Macedonia has ratified the following Conventions of the International Labour Organization pertaining to forced labour: C29 Forced Labour Convention, 1930, ratified on 17.11.1991, C105 Abolition of Forced Labour Convention, 1957, ratified on 17.11.1991 and C182 Worst Forms of Child Labour Convention, 1999, ratified on 30.05.2002.

The purpose of the Labour Law is to involve the employees in the working process as well as to ensure a harmonized implementation of the working

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<sup>7</sup> The term "forced or compulsory labour" in this Form is to be understood in terms of ILO Convention No. 29 (Forced Labour), Article 2.

process, respecting the employees' right to freedom of labour, dignity and protection of the employees' interests within the labour relation (Article 2 of the Labour Law). Article 5 of this Law regulates that labour relation denotes a contractual relation between the employee and the employer in which the employee enters the organized operational process of the employer on voluntary basis and within which he/she performs the work for a salary and other earnings, personally, uninterruptedly and according to the guidelines and under the supervision of the employer.

In accordance with Article 137 of the Criminal Code, a person who, based on a difference in gender, race, colour of skin, national and social origin, political and religious belief, wealth and social position, the language or other personal characteristics or circumstances, takes away or limits the rights of humans and citizens, determined by the Constitution, by law or by ratified international covenant, or who based on all these differences gives citizens favours in contravention to the Constitution, law or ratified international covenant, shall be punished with imprisonment of three months to three years. If the abovementioned crime is committed by an official person while performing his duty, he shall be punished with imprisonment of six months to five years. If the crime is committed by a legal entity, it will be terminated.

In accordance with Article 139 of the Criminal Code, a person, who by force or with a serious threat forces another to commit, not to commit, or to endure something, shall be punished with a fine, or with imprisonment of up to one year. If the abovementioned crime is committed by an official person while performing his duty, he shall be punished with imprisonment of six months to five years.

Article 418 of the Criminal Code stipulates that a person who by violating the rules of international law places another in slavery or in some similar relationship, or keeps him under such relationship, buys him, sells him, hands him over to another, or mediates in the buying, selling or handing over of such a person, or instigates another to sell his freedom or the freedom of a person he is keeping or caring for, shall be punished with imprisonment of one to ten years.

Furthermore, Article 418-a of the Criminal Code stipulates that a person that by force, serious threat, misleads or use of other forms of coercion, kidnapping, deceit and abuse of his/her own position or a position of pregnancy, weakness, physical or mental incapability of another person, or by giving or receiving money or other benefits in order to obtain consent of a person that has control over another person, recruits, transports, transfers, buys, sells, harbours or accepts persons for the purpose of exploitation through prostitution or other forms of sexual exploitation, pornography, forced labour or servitude, slavery, forced marriages, forced fertilization, unlawful adoption, or a similar relationship or illicit transplantation of human body parts, shall be punished with imprisonment of at least four years.

The Government of the Republic of Macedonia has established a National Committee against Human Trafficking and Illegal Migration as a reaction to human trafficking and illegal migration, in order to achieve a level of efficiency and joint action in the combat against such events and in line with its determination to take

an active participation in the efforts exerted by the international community aimed at prevention and fighting this type of trans-national organized crime.

The aim of the National Committee is to monitor and analyse this condition and to coordinate the activities of the competent institutions in our country that operate actively in this area. In the course of performance of its tasks, the Committee also cooperates with non-governmental organizations which are involved in this type of activities.

Starting from the provisions of the Constitution of the Republic of Macedonia pertaining to the basic freedoms and rights of the individual and citizen and the provision of the UN Convention against Trans-national Organized Crime, especially the Protocol to Prevent, Suppress and Punish Trafficking in Persons, Especially Women and Children, the National Committee has elaborated a National Strategy and Programme to Combat Human Trafficking and Illegal Migration, which was accepted by the Government of the Republic of Macedonia in 2006.

The National Programme contains: legislation and preventive activities, assistance and support for the trafficked victims, return and reintegration of the victims, international cooperation and coordination in the execution of laws, coordination of activities, education of personnel and informational and media influence on the public opinion regarding trafficking in humans.

In the part referring to specific preventive activities, the Ministry of Labour and Social Policy has signed a letter of support and cooperation with the International Migration Organization – Skopje for the purposes of implementation of the project for providing assistance for employment in the underdeveloped areas, wherein a flexible assistance mechanism has been established that will meet the specific reintegration needs of a certain part of the population, in order to actively promote the employment and self-employment of the said persons by targeted vocational training, practical training at the job position, training for basic entrepreneurship skills, providing temporary financial support as personal salary and micro credits by means of collecting and distribution of information.

Furthermore, the Ministry of Labour and Social Policy continuously supports the activities of the International Migration Organization aimed at providing assistance to illegal migrants identified in the RoM, by establishing cooperation with the Centres for Social Work, and it also mediates in the inspection and assessment of the families in the Republic of Macedonia in cases when some under aged victim of trafficking is to be returned to its family, and has been found and identified as victim in another state.

As per the special cases of children and persons with special needs, the MLSP, in accordance with the legal regulations, keeps special care through series of measures stipulated therein, with a particular accent to undertaking special measures for possible victims of trafficking in accordance with the international recommendations. In that direction, the Centres for Social Work and the professionals who are employed with these institutions shall provide maximum protection of the rights of these persons in accordance with their competences. Up to the present moment MLSP does not have any information on children and persons with special needs as victims of human trafficking.

In terms of modification and amendment of the legal regulation, especially in terms of undertaking preventive measures, the Ministry of Labour and Social Policy has introduced 11 new provisions in the Family Law pertaining to family violence. For the first time a definition has been provided as to what constitutes family violence and the assistance and the protection to be provided to the victims of family violence. This is very important if we consider the fact that the largest number of the victims of human trafficking, especially women and children, are victims of family violence. Furthermore, the modifications and amendments of the Family Law, Law on Social Security and Law on Protection of Children are in assembly procedure, in terms of their provisions pertaining to human trafficking and prevention and protection thereof.

In accordance with the interest and efforts of the International Community for joint activities and eradication of human trafficking and implementation of the National Programme to Combat Human Trafficking and Illegal Migration, the Ministry of Labour and Social Policy has intensified, upgraded and widened the measures and activities aimed at prevention and protection of victims of human trafficking, especially women and children.

In that context, since 2005, the National Referral Mechanism for the victims of trafficking in human beings (NRM) Office has functioned successfully within the Ministry of Labour and Social Policy. It was established as a part of the project realized by the Ministry of Labour and Social Policy and National Commission to Combat Trafficking in Human Beings and Illegal Migration, in cooperation with OSCE mission in the Republic of Macedonia. The Centres for Social Work, the local institutions, NGO's, the Association of the social workers organizations as well as the Commissions for equal opportunities of men and women of the local self-government units were included in this project.

In order to ensure easier re-socialisation and reintegration of the victims of child trafficking, the MLSP has elaborated a Programme for re-socialisation and reintegration of the children victims of human trafficking.

The NRM Office for the victims of trafficking in human beings promotes a good practice of democratic establishment of institutions by means of enhancing and coordinating effective relations between the state institutions and civil society. Moreover, it informs the public and the state bodies that the concept of the human trafficking should be changed, so that it should be considered as a flagrant harassment of the victim's human rights.

The Centres for Social Work are directly involved in all activities in the social protection for prevention and protection of the victims of human trafficking on a local basis.

### **Question E**

**If so, please describe the nature and scope of any such labour and indicate the extent to which recourse has been had thereto during the reference period.**

This is not a case in the Republic of Macedonia.

**Question F**

**Please indicate what measures are being taken to secure the complete abolition of forced or compulsory labour and the date by which these measures will be fully implemented.**

In accordance with the laws, forced labour or labour under threat is neither allowed nor tolerated in the Republic of Macedonia.

**Question G**

**Please give information concerning the conditions under which work is carried out in prison establishments.**

In the penitentiary system of the Republic of Macedonia, the work engagement of the convicted persons is an integral part of the re-socialization process, but it is regulated only as a right and not as an obligation to work. The convicts are provided with a work, which is useful and appropriate to the way of its performing at freedom. Through the work, the convicts achieve and develop the working habits, maintain their work capabilities and gain a professional knowledge for easier reintegration in the society and work at freedom. The convicts must not be required to do activities, which are dangerous and harmful for their health. According to the modern penological practice of the penitentiary-correctional facilities in the Republic of Macedonia, the work engagement of the convicts is considered as one of the primary methods of the correctional process, which creates conditions for the reinstatement of the convict population in the society.

The work engagement of the convicts is regulated with the provisions from Articles 113 to 122 of the Law on Execution of Sanctions ("Official Gazette of the Republic of Macedonia" No. 2/06).

The convicts work in accordance with their both physical and psychological abilities as determined by the institution's doctor. When determining the working engagement, according to the institution's possibilities, attention shall be paid to the convict's wish for performing certain activities.

The convicts' work shall be organised and performed as a rule in the institution's economy units, which in accordance with Article 71 of the Law on Execution of Sanctions are an integral part of the facilities as their organizational units.

The convicts under open section treatment may also work outside the institution, wherein the convicts under half open section treatment may occasionally work under supervision in legal entities and other institutions, if the requirements for the execution of the sentence of imprisonment as determined with the Law on Execution of Sanctions are met and if minimum technical conditions are provided.

A person convicted to imprisonment of up to six months, and for a crime not related to the nature of the work, may work in the legal entity where he used to work prior to serving the sentence. The Director of the Directorate shall give consent for performing a work outside the institution upon a contract with the

company or with other institution and will ensure a written consent from the convict.

The full working hours of a convict shall be 40 hours a week. As an exception, the full working hours of the convicts may last longer than 40 hours weekly, in the cases and under the conditions as stipulated by law. The convicts may work overtime up to two hours daily when they perform the activities necessary for maintaining hygiene and other ongoing activities necessary for the normal life in the institution. The duration of the full working hours shall be shortened for the convicts who attend classes of an elementary or secondary education.

The convicts shall have the right of compensation for the work up to one year.

The compensation's height shall be determined depending on the type, quantity and quality of both the product and the work being done by the convict himself, as well as depending on his skilfulness for performing such a kind of work, his engagement in the work and his contribution to the decreasing of production costs.

Both the convict's compensation and rewards for work, shall not be subject of paying taxes and other contributions.

The Rulebook on determining the compensation and rewards for the work of convicts, and the persons who don't work without their own guilt ("Official Gazette of the Republic of Macedonia" No. 123/2007) adopted by the minister of justice based upon Article 116 paragraph 4 of the Law on Execution of Sanctions, regulates more specifically both the compensation and reward for the work of convicts, and that the persons who don't work without their own guilt shall be provided with the essential means for satisfaction of their personal needs.

The convicts being temporarily unable to work without their own guilt because of illness, shall have a right of compensation from the funds achieved by the convicts' work, with an appropriate implementation of the general regulations on health insurance.

The convicts who don't work without their own guilt and who have not their own funds, shall be provided by the institution with the essential means for satisfaction of their personal needs.

70% of the convict's compensation may be used to satisfy personal needs, and the remainder of 30% shall be kept as a deposit in the institution and shall be given to the convict at his release from serving the sentence or, upon his request, it may be given to his family during serving the sentence.

As to the innovations and technical improvements achieved during serving their sentence, the convicts shall have the rights according to the general regulations.

The convicts having spent more than 6 months of work, including here also the time spent for healing because of their labour injury or vocational illness, shall have a right of an uninterrupted annual vacation in accordance with the general regulations.

If the convict has not obtained the privilege to use the annual vacation out of the penitentiary-correctional facility, the vacation shall be spent in special premises of the institution. The stay in those premises during the annual vacation should be organised in a way that will make possible relaxation, recreation and rest for the convict. During spending the vacation, the convict shall receive a compensation for work as if he has worked.

Both the sections and workshops where convicts work therein shall be contemporarily equipped.

When organising sections and workshops, attention shall be paid to the ecological protection of the environment, land, air and waters against any kind of pollution.

The convicts shall have the minimum technical prerequisites for protection while performing work in accordance with the general regulations.

The convicts shall have a right of disability insurance for an accident at work or a vocational illness.

The convicts shall be granted an accrued time for the period of time which they shall spend working with full working hours according to the general regulations, if they pay the contributions from the compensation for work.

Article 47 of the Law on Execution of Sanctions regulates that the convicts should be provided with a work, which will be useful and an appropriate to the way of its performing at freedom. The achieving of an economic benefit must not be the only goal of the work.

The promotion of the economy units that function within the penitentiary-correctional facility is dependant on the need of higher work engagement of the convicts, their vocational training for work and the possibility for de-burdening the budget by higher self-financing of these facilities in the performance of their function. Considering the fact that most of these penitentiary-correctional facilities exploit agricultural areas, the state could invest in the increase of the production by means of reimbursement credits, whereas in the wood processing activity and in the production of paper, the economy capacities of the penitentiary-correctional facilities may be used for providing services to all budgetary users by means of production of office furniture, repair of the existing furniture, etc.

The condition of the working engaged convicts and the reward they receive in accordance with the Rulebook on determining the compensation and rewards for the work of convicts, and the persons who don't work without their own guilt, per penitentiary-correctional facility is as follows:

**1.In KPD Idrizovo** there are two economy units (EU) as follows:

**a) EU “Ekonomija”** – located in the opened section of the facility. The activity of this Unit includes:

- cow farm where 30 convicts are working engaged with an average monthly salary of MKD 1540.00 ;
- poultry farm where 3 convicts are working engaged with an average salary of MKD 1400.00;

- sheep farm where 4 convicts are working engaged with an average salary of MKD 1625.00;
- agriculture where 4 convicts are working engaged with an average salary of MKD 100.00;
- pig farm where 3 convicts are working engaged with an average salary of MKD 1700.00;
- dairy where 8 convicts are working engaged with an average salary of MKD 1575.00;
- mill where 5 convicts are working engaged with an average salary of MKD 1390.00;
- garage where 20 convicts are working engaged with an average salary of MKD 1370.00;
- canteen where 7 convicts are working engaged with an average salary of MKD 1272.00;
- police school where 2 convicts are working engaged with an average salary of MKD 800.00;
- gate where 3 convicts are working engaged with an average salary of MKD 600.00;
- auxiliary warehouse where 1 convict is working engaged with an average salary of MKD 1300.00;
- lake where 1 convict is working engaged with an average salary of MKD 800.00;

The average monthly remuneration of the convicts in EU Ekonomija is in the amount of MKD 1338.00.

**b) EU Preporod** - located in the closed section of the Facility. The activity of this Unit includes the following departments:

- wood department with the following units: machinery (9 convicts with average remuneration of MKD 612.00), furniture (7 convicts with average remuneration of MKD 358.00), service (4 convicts with average remuneration of MKD 300.00), upholstery (5 convicts with average remuneration of MKD 800.00), carving and turning (17 convicts with average remuneration of MKD 371.00);
- metal department with the following units: toolsmith (5 convicts with average salary of MKD 540.00), locksmith (5 convicts with average salary of MKD 420.00), tinsmith (6 convicts with average salary of MKD 384.00);
- technical section – logistics: 4 convicts are working engaged with an average salary of MKD 625.00;
- construction department - 10 convicts are working engaged with an average salary of MKD 370.00;
- internal car service - 3 convicts are working engaged with an average salary of MKD 367.00;
- external car service - 2 convicts are working engaged with an average salary of MKD 400.00;

- Court goods warehouse - 3 convicts with an average remuneration of MKD 300.00.

**c) Female unit** - 13 convicts with an average salary of MKD 625.00;  
- in the kitchen - 8 convicts with an average salary of 670 MKD;

**d) Facility Administration:**

- bakery - 14 convicts with an average salary of MKD 829.00;
- dining room - 13 convicts with an average salary of MKD 631.00;
- boiling room - 18 convicts with an average salary of MKD 923.00;
- facility warehouse - 4 convicts with an average salary of MKD 625.00;
- plumbing - 3 convicts with an average salary of MKD 1000.00;
- laundry room - 3 convicts with an average salary of MKD 1000.00;
- barber shop - 3 convicts with an average salary of MKD 500.00;
- electricity group - 5 convicts with an average salary of MKD 1160.00;
- editorial - 4 convicts with an average salary of MKD 500.00;
- fire-fighting group - 8 convicts with an average salary of MKD 525.00 ;
- ambulance - 10 convicts with an average salary of MKD 764.00;
- couriers and monitors - 14 convicts with an average salary of MKD 479.00;
- Opened pavilion and opened section Veles - 21 convicts with an average salary of MKD 456.00;

The existence of the economy units enables the work engagement of the convicts to be performed within its working units. Through the work, the convicts maintain their work capabilities which enables adequate implementation of the correctional process of the convicts, which is the primary goal of serving the sentence. At the same time, the production satisfies a significant quantity of the needs of the Facility and wider.

18 convicts with opened treatment in the Facility have been engaged in companies outside the Facility.

**2. In the penitentiary-correctional facility of open type Struga** the convicts are engaged in and out of the facility.

a) The working engagement of the convicts in the Facility is oriented to agriculture, canteen, kitchen, driver and housekeeper, and the remuneration is in the amount between MKD 400.00 and 800.00.

b) For working engagement out of the Facility in average 16 convicts are engaged in companies within the Municipality with which the Facility has concluded a contract. Their remuneration is in the amount between MKD 2200.00 and 3000.00.

**3. In Bitola Prison with Open Section in Prilep** there is an economy unit in which three economy activities are organized: wood processing with locksmith workshop; agriculture, with agricultural land farming and cattle farm activity with pig farm and smaller number of cattle's. Agriculture – cattle farm activity is also organized in the Opened section of the Bitola Prison in Prilep. Total 50 convicts

are working engaged and their remuneration is in the amount between MKD 600.00 and 1040.00.

**4. In Skopje Prison with Open Section in Kriva Palanka** 94 convicts are engaged in the Economy Unit and several working units as follows: kitchen, canteen, courier service, pig farm, cattle farm, where the remuneration is in the amount between MKD 1000.00 and 1500.00, whereas for the working engagement in the locksmith and carpentry workshop, hygiene maintenance and car fleet the remuneration is in the amount between MKD 300.00 and 1000.00. 30 convicts are engaged out of the Prison in companies with which the Facility has concluded a contract and their remuneration is in the amount between MKD 1500.00 and 4200.00.

**5. In Ohrid Prison** no possibility exist for work engagement of the convicts within the Facility. Seven convicts are engaged solely out of the Facility in companies with which the Facility has concluded a contract and their daily allowance is in the amount of MKD 50.00.

**6. In Stip Prison with Open Section in Strumica,** the two economy unit have arable areas, cow and pig farm which satisfy the needs for meat, cheese and milk of the Facility, where 100 convicts are engaged with a remuneration between MKD 100.00 and 700.00. Ten convicts work out of the Facility for a remuneration of approximately MKD 1200.00 per month.

**7. Tetovo Prison** - 13 convicts are engaged within the Facility for maintenance of hygiene or as monitors and they do not receive a remuneration, whereas 6 convicts are engaged out of the Facility and receive a remuneration in the amount of MKD 2000.00.

**8. Gevgelija Prison** - 10 convicts are engaged within the Facility for maintenance of hygiene or as monitors and they do not receive a remuneration, whereas 15 convicts are engaged out of the Facility in companies with which contracts have been concluded. They receive a remuneration in the amount of approximately MKD 2000.00.

### **ARTICLE 1 PARAGRAPH 3**

***“With a view to ensuring the effective exercise of the right to work, the Contracting Parties undertake:***

***to establish or maintain free employment services for all workers;”***

### **Question A**

**Please describe the operation of free employment services available in your country, indicating the age, sex and nature of occupation of persons placed by them in employment and persons seeking employment.**

**Please indicate as far as possible the number of vacancies, the placement rate and the duration of unemployment of persons placed.**

In the period between 01.01 and 31.12.2006, the Employment Agency of the RoM registered 39312 applications for established labour relations (employment) from the unemployed persons records.

Compared to the same period previous year (01.01 – 31.12.2005) there is a 0,4% decrease in the employments from the unemployed persons records.

**TABLE 28**

**Registered applications for established labour relations from the unemployed persons records**

	01.01. - 31.12.2005		01.01. - 31.12.2006	
	Number	%	Number	%
<b>on indefinite period</b>	20939	53.0	17318	44.1
<b>on definite period and seasonal work</b>	18548	47.0	21994	55.9
<b>Total</b>	<b>39487</b>	<b>100.0</b>	<b>39312</b>	<b>100.0</b>

Source: EARM

From the total number of 39312 registered applications for established labour relations (employment) from the unemployed persons records in the period January – December 2006, 17318 or 44.1% are on indefinite period, whereas 21994 or 55.9% are on definite period and seasonal work.

According to the age structure, in the period January – December 2006, the highest number of registered applications for established labour relations from the unemployed persons records was in the age group 25-29 – 8584 or 21.7% of the total number of established labour relations.

The detailed and comparative review of the registered applications for established labour relations from the unemployed persons records according to age structure is given in the Table below.

**TABLE 29**  
**Registered applications for established labour relations**  
**according to age structure**

Age	31.12.2005		31.12.2006	
	Number	%	Number	%
between 15 and 19	1439	3,6	1457	3,7
between 20 and 24	7453	18,9	7578	19,3
between 25 and 29	8584	21,7	8543	21,7
between 30 and 34	5881	14,9	5894	14,9
between 35 and 39	5027	12,7	4880	14,4
between 40 and 44	4433	11,2	4323	11,0
between 45 and 49	3651	9,2	3521	8,9
50 and more	3019	7,6	3116	7,9
<b>T o t a l</b>	<b>39487</b>	<b>100.00</b>	<b>39312</b>	<b>100.00</b>

Source: EARM

According to age structure, from 39312 registered applications for established labour relations from the unemployed persons records in 2006, 18897 or 48.1% are women, and 20415 or 51.9% are men.

According to age structure, from 39487 registered applications for established labour relations from the unemployed persons records in 2005, 18768 or 47.5% are women, and 20718 or 52.5% are men.

According to the working hours, in 2006 were registered 35930 (91.4%) labour relations with full employment and 3382 (8.6%) with part-time employment.

According to the working hours, in 2005 were registered 35706 (90.4%) labour relations with full employment and 3781 (9.6%) with part-time employment.

In terms of established labour relations on indefinite period, definite period and seasonal work, there is a trend of decrease in the registered applications for established labour relation on indefinite period, and an increase in the registered applications for established labour relation on definite period and seasonal work. According to the main activity of the employer, the highest number of registered applications for established labour relations (employment) from the unemployed persons records are in the following activities:

- processing industry – 14107 or 35.9%
- trade – 8137 or 20.7%;
- education – 2848 or 7.2%;
- transport, storage and communications – 1653 or 4.2%;
- construction – 2534 or 6.5%;
- hotels and restaurants 1444 or 3.7%;
- agriculture, hunting and forestry – 1304 or 3.3%.

The processing industry and trade are activities where 22244 or 57% of the total number of employments from the unemployed persons records were registered in 2006.

According to the data from the Employment Centres, the highest number of registered applications for established labour relations (employments) from the unemployed persons records is in Skopje 12326 or 31.4%, Bitola 4246 or 10.8%, Kumanovo 1758 or 4.5%, Strumica 1668 or 4.2% of the employments.

### **Question B**

**Please describe the organisation of public employment services in your country indicating the accompanying measures for the unemployed, and where appropriate, the steps taken to revise the geographical distribution of local and regional employment centres and to redeploy resources when the changing patterns of economic activity and of population so warrant.**

The Employment Agency of the Republic of Macedonia. is established with the Law on Employment and Insurance in the Event of Unemployment ("Official Gazette of the RoM" No. 37/97, 25/2000, 101/2000, 50/2001, 25/2003, 37/2004, 4/2005 and 50/2006), as a public institution which regulates and further regulates the issues in the area of labour exchange, rights and obligations of the employers and unemployed persons, employment and insurance in the event of unemployment.

The activity of the Employment Agency of the Republic of Macedonia is of public interest.

The issues pertaining to the operation of the Employment Agency and the Employment Centres are regulated with the Law on Employment and Insurance in the Event of Unemployment ("Official Gazette of the RoM" No. 37/97, 25/2000, 101/2000, 50/2001, 25/2003, 37/2004, 4/2005 and 50/2006), the Statute of the Employment Agency of the Republic of Macedonia ("Official Gazette of the RoM" No. 79/2004) (revised text) and other acts.

In accordance with the Law on Employment and Insurance in the Event of Unemployment, the professional, organizational, administrative and other issues pertaining to the employment and insurance in the event of unemployment are performed by the Employment Agency of the Republic of Macedonia.

For the performance of the professional, administrative, technical, auxiliary and other activities, the Employment Agency establishes unique expert office in:

- the Central Office of the Employment Agency;
- the Employment Centre of the City of Skopje; and
- 29 regional Employment Centres for one or several municipalities.

The activities and tasks of the Employment Agency are performed in organizational units.

Due to the character and scope of the activities and tasks, cross-municipality teams have been established in eight Employment Centres for conducting certain functions which are in the scope of the competences of the Agency, related to:

- professional orientation;
- coordination of training, re-qualification and further qualification;
- research and analysis of the local and regional labour market;
- marketing and information;
- support of legal and other administrative services; and
- IT operations.

Main tasks of the Employment Agency are:

- keeping records of the employers and their needs for employees;
- receiving offers for vacant job positions from the employers and identifying the employers' needs according to the conditions stated in the needs for employees;
- keeping records of unemployed persons according to their qualifications, skills and experience;
- comparing the needs of the employers with the qualifications, skills and experience of the unemployed persons;
- providing information to the employers and the unemployed persons regarding the labour market;
- sending the unemployed persons on training, re-qualification or further qualification for employment;
- providing assistance to the employers when employing unemployed persons under beneficial terms;
- providing special services for employment of unemployed disabled persons;
- providing professional orientation to the unemployed and other persons for the purposes of selection of occupation or employment by means of testing or interviews;
- monitoring the stated but unrealized needs for employees with the employer;
- researching, monitoring and analysing the events and movements on the labour market;
- providing expert and geographical mobility of the labour force for the purposes of harmonizing the labour force offer and demand in the Republic of Macedonia and abroad;
- establishing and maintaining good relations and cooperation between the Employment Agency of the Republic of Macedonia and the employers and the decision makers on employment; and

- providing rights on the basis of insurance in the event of unemployment.

### **Question C**

**If both public and private free employment services exist in your country, please describe the steps taken to co-ordinate such services, and to determine the conditions governing the operation of private employment agencies.**

Article 26 of the Law on Employment and Insurance in the Event of Unemployment ("Official Gazette of the RoM" No. 37/97, 25/2000, 101/2000, 50/2001, 25/2003, 37/2004, 4/2005 and 50/2006), regulates that the employment mediation in the country and abroad is conducted by the Employment Agency.

The Employment Agency performs the employment mediation free-of-charge and impartially, under the conditions and in a manner defined by this law.

Employment mediation in the country and abroad may also be performed by employment mediation agency, under the conditions and in a manner defined by this law.

Article 26-b regulates that the Employment Mediation Agency provides employment mediation services to the employers for a certain employment mediation fee.

The Employment Mediation Agency may not charge the services to the persons seeking for job with the mediation of the Agency.

The Employment Mediation Agency is registered in the Trade Register based upon a previously obtained approval for performing employment mediation.

The Employment Mediation Agency may not commence its operation prior to its registration with the Trade Register.

Article 26-c regulates that the Employment Agency and the Employment Mediation Agency exchange information about the vacant job positions and directing the unemployed persons for the purposes of employment.

Article 27 regulates that Commercial Employment Mediation Agency may be established by a person who is a citizen of the Republic of Macedonia with completed at least VI level of education and possesses adequate working premises in accordance with the law.

The Employment Mediation Agency may not be a founder of SOHO or trade companies.

The persons who are performing employment mediation with the Agency must have at least VI level of education.

The approval for performing commercial employment mediation services shall be issued by the minister competent for labour affairs with a validity period of two years and a possibility for extension.

The approval for performing commercial employment mediation services may not be fully or partially transferred to a third natural person or legal entity

and shall be revoked if it is established that the mediation is performed contrary to law.

The ministry competent for labour affairs conducts inspection in the operation of the Agencies.

Foreign citizens may be granted an approval for conducting commercial employment mediation services, provided that there is an established reciprocity for commercial employment mediation services with the country of their origin.

The ministry competent for labour affairs keeps records of the issued approvals for performing commercial employment mediation services.

Article 28 regulates that in the course of the employment mediation, the Employment Agency and the Employment Mediation Agency are obliged to observe the following:

- to respect the stated needs for employees by the employers and the special conditions listed in the stated needs;
- the unemployed person may not be forced to accept the offered job;
- the employer may not be forced to employ the offered labour force;
- the Employment Agency is obliged to timely and properly inform the unemployed persons about the vacant job positions, and to offer the requested labour force to the employers;
- to take into consideration the education and the previous experience in the occupation, knowledge, capabilities, wishes, psychophysical abilities of the unemployed persons, as well as the needs, character and features of the job position;
- the unemployed persons may be employed to job positions corresponding to their psychophysical abilities, which shall not endanger their health and for which they shall receive a salary in accordance with the employment contract; and
- not to offend the dignity and moral of the unemployed person, on the contrary they shall be entitled to file a civil lawsuit.

Article 26-a regulates that employment mediation abroad is conducted based on a bilateral interstate treaty, i.e. agreement or based upon a previously signed agreement between the Employment Agency, i.e. the Employment Mediation Agency and the employer where the unemployed person shall be sent for the purposes of employment.

The agreement between the Employment Agency, i.e. the Employment Mediation Agency and the employer where the unemployed person shall be sent for the purposes of employment shall mandatory define the conditions and the manner of sending and operating of the persons sent to work abroad.

The persons sent to work abroad shall be entitled to a compensation for the unfulfilled obligations on the part of the employer, i.e. the Employment Mediation Agency, in accordance with the bilateral interstate treaty, i.e. agreement or based on the previously signed agreement between the Employment Agency, i.e. the Employment Mediation Agency and the employer.

The Employment Mediation Agency, prior to sending the person to work abroad, shall sign a contract with the respective person regulating the mutual rights and obligations regarding the sending and operating of the person abroad.

The Employment Mediation Agency shall be obliged to submit one copy of each signed contract for employment mediation abroad to Employment Agency on the day of the signing of the contract.

#### **Question D**

**Please indicate whether and how the participation of representatives of employers and workers in the organisation and operation of the employment services and in the development of employment services policy is provided for.**

The operation of the Employment Agency is governed by a Management Board comprised of 9 members with expert knowledge and experience in the employment area, of whom 5 representatives are appointed by the Government of the Republic of Macedonia, 2 representatives are appointed by the employers' organization and 2 by the majority trade union, with a mandate of four years.

The scope, competences and the responsibilities of the Management Board are regulated with the Statute of the Employment Agency and the Rules of Procedure of the Management Board of the Employment Agency.

#### **Question E**

**Please indicate what legislation or administrative guarantees are provided to ensure that these services are available to all.**

The Law on Employment and Insurance in the Event of Unemployment ("Official Gazette of the RoM" No. 37/97, 25/2000, 101/2000, 50/2001, 25/2003, 37/2004, 4/2005, and 50/2006), regulates that the Employment Agency conducts the following activities:

- Labour exchange services for the employers, unemployed persons and other persons seeking employment; advices to the employers regarding the laws and other regulations and the application thereof; professional orientation to the unemployed persons and other persons seeking employment; employment mediation; training, re-qualification or further qualification to the unemployed and other persons; keeping records of the employers and the unemployed persons; and insurance in the event of unemployment.

Article 11 regulates that the employment mediation is aimed at assisting the employers to fill in the vacant job positions with qualified workers, and to assist the unemployed persons and other persons seeking employment to get employed.

Employment mediation includes expert, organizational, administrative and other activities of the Agency, aimed at providing services to the employers and to the unemployed and other persons seeking employment, in the labour exchange.

Article 26, paragraph 2 regulates that the Employment Agency performs the employment mediation free-of-charge and impartially, under the conditions and in a manner defined by this law.

Article 62 regulates that the employees in a labour relation are to be mandatory insured for events of unemployment.

Article 64 of this law regulates the following right to insurance in the event of unemployment:

- 1) right to monetary compensation;
- 2) preparation for employment (by means of training, re-qualification or further qualification);
- 3) right to health care insurance, in accordance with the regulations pertaining to health care insurance;
- 4) right to pension and disability insurance, in accordance with the regulations pertaining to pension and disability insurance; and
- 5) right of the disabled persons to get employed under more favourable conditions in accordance with the law.

#### **ARTICLE 1 PARAGRAPH 4**

***"With a view to ensuring the effective exercise of the right to work, the Contracting Parties undertake:***

***to provide or promote appropriate vocational guidance, training and rehabilitation."***

**Please indicate, illustrating with relevant data as far as possible, what measures have been taken to provide or promote:**

**a. vocational guidance;<sup>8</sup>**

The Employment Agency conducts professional orientation activities in accordance with the Law on Employment and Insurance in the Event of Unemployment.

Professional orientation in terms of this Law denotes the services of the Employment Agency provided to unemployed and other persons seeking employment, for selection of occupation or employment by means of testing and interview, and obtaining information as to the needs for certain occupations and employment possibilities.

Professional orientation also includes the individual counselling in the selection of occupation according to the wishes, interests and capabilities of the person for certain occupation and in accordance with the needs and opportunities of the labour market.

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<sup>8</sup> If your country has accepted Article 9, it is not necessary to describe the vocational guidance services here.

Professional Orientation Counselling is provided to unemployed persons, pupils, students, employed and disabled persons in order to assist them in the choice of occupation and professional development.

The professional orientation counselling is conducted by the Employment Agency in the region where the persons seeking counselling reside.

The professional orientation counselling for students in graduate years in all levels of education is provided by the Employment Agency in the region where the educational institution is located.

The Employment Agency is obliged, in a cooperation with the competent institutions in the education area, to organize counselling regarding the selection of occupation for the students in graduate years in the primary and secondary education by: organized lectures by scientific and expert workers, visits of exhibitions, movie projections, visits of enterprises regarding employment, institutions, etc.

The Employment Agency, upon the conducted individual guidance and testing for the selection of an occupation based on the individual qualities, knowledge, interests and affections of the student, shall recommend the most adequate type of occupation for the student.

The professional orientation services are provided free-of-charge in a manner defined with an act of the Employment Agency in accordance with this Law.

The Employment Centres provide the following services and assistance in the selection of occupation and employment:

- Providing information regarding the characteristics of the occupations, possibilities for continuing the education in the secondary schools and universities, the needs for certain occupations and employment opportunities, etc.;
- Professional orientation – counselling based on the examination of the professional interests, general and specific capabilities and other features of the client's personality;
- Professional selection – selection of candidates for training, re-qualification or further qualification and providing assistance to the employers in the selection of candidates for new employments.

The professional orientation has been fully integrated as a regular activity in the larger employment centres. Their activities mainly included students from the graduate years in primary and secondary schools, but also adult unemployed persons in order to obtain assistance in the selection of their future occupation by means of re-qualification or further qualification. The remaining smaller Employment Centres also conducted various activities in this sphere of operation, depending on the development level of the centre and the available human resources therein.

In accordance with the implemented changes for modernization and restructuring of the Employment Agency, in 2005 the professional orientation activities constituted an integral part of the activities of the Employment Centre of

the City of Skopje and of the activities of the other employment centres with cross-municipality teams (8), which provided these functions to the above stated and the remaining employment centres included in these teams.

The most present activity was professional information, i.e. 66% of the total activities for professional orientation. The least present in the total activities was the activity for professional selection of candidates, only 7%, which included only the unemployed persons category.

Within the professional information, the following types of activities were implemented:

- Professional information of 5419 students from the primary and secondary schools, 3991 unemployed and 109 employed persons.
- Organization of opened discussions with the students and their parents regarding the selection of their future occupation and their further professional development.
- Preparation of information material regarding the selection of occupation, the situation on the labour market, employment and employers' needs in terms of labour force, the needs for obtaining information and education of the clients (unemployed persons, employers, students and educational institutions).

The professional counselling and orientation comprised of psycho-diagnostic interview, examination and professional counselling as an assistance in the selection of occupation and planned career development.

- Psychological examination of the students in the graduate year of the primary and secondary schools (examination of the mental maturity of the student by applying techniques for examining the general and specific intellectual capabilities, examination of the professional interests, questionnaires for examining the family conditions, relationships and relations, techniques for personality assessment, etc) – 3219 students;
- Individual counselling and assistance in the selection of the future occupation and the adequate selection of secondary school and university for continuation of the education – 2177 students in the graduate year in the primary and secondary schools;
- Professional counselling and orientation for the registered unemployed persons in order to provide them with assistance in the selection of the future occupation by means of training, re-qualification or further qualification – 1760 unemployed and 62 employed persons.

1033 unemployed persons were included in the professional selection for the employers' needs for employment or included in various types of training for the purposes of gaining an employment.

In order to bring closer the activities of this office to its beneficiaries, adequate printed material was prepared in 2005 containing an explanation as to the goals and the types of services included in the professional orientation.

The development priorities of the professional orientation office is the continuous development and further equipping of the professional orientation

office within the employment centres, increasing the number of its beneficiaries, development and increase of the number of activities, their direct linking to the educational system and labour market needs, as well as higher coordination of the needs of the other offices within the Active Employment Policies Department.

In 2006 the professional orientation activities constituted a part of the activities of the Employment Centre of the City of Skopje and activities of the employment centres with cross-municipality teams: Bitola, Veles, Kumanovo, Ohrid, Prilep, Strumica, Tetovo and Stip, which provided these functions to the above stated and the remaining employment centres included in these teams.

The most present activity was professional information, (which included 13624 persons) i.e. 70% of the total activities for professional orientation. Professional orientation (testing and counselling) included 4392 persons. The least present in the total activities was the activity for professional selection of candidates, with only 7% (1311 person).

Within the professional information, the following types of activities were implemented:

- Professional information of 7622 students from the primary and secondary schools, 5784 unemployed and 218 employed persons.
- Organization of opened discussions with the students and their parents regarding the selection of their future occupation and their further professional development.
- Preparation of information material regarding the selection of occupation, the situation on the labour market, employment and employers' needs in terms of labour force, the needs for obtaining information and education of the clients (unemployed persons, employers, students and educational institutions).

The professional counselling and orientation comprised of psycho - diagnostic interview, examination (testing with psycho - diagnostic techniques) and professional counselling as an assistance in the selection of occupation and planned career development.

- Psychological examination of the students in the graduate year of the primary and secondary schools (examination of the mental maturity of the student by applying techniques for examining the general and specific intellectual capabilities, examination of the professional interests, questionnaires for examining the family conditions, relationships and relations, techniques for personality assessment, etc) and individual counselling – 2516 students;
- Professional counselling and orientation for the registered unemployed persons in order to provide them with assistance in the selection of the future occupation by means of training, re-qualification or further qualification – 1835 unemployed and 41 employed person.

1311 unemployed persons were included in the professional selection for the employers' needs for employment or included in various types of training for the purposes of gaining an employment.

Based upon the established needs from the conducted analysis of the situation and the development of this office within the employment centres, the following programme activities with the following goals have been planned:

- Increase the quality of the services in the area of professional orientation, in accordance with the current labour market situation and educational needs;
- Development of the existing activities;
- Promotion and increase of the number of activities that will be directed to the needs of the registered persons seeking employment (professional counselling in the selection of occupation and their inclusion in training, re-qualification or further qualification programmes, etc.);
- Promotion and increase of the number of activities that will be directed to the needs of the employers (professional selection of employment candidates);
- Introduction of new activities and methodologies in the professional orientation, harmonized with the requests of the clients and the labour market needs.

All listed activities are aimed to contribute to the modernization of the existing functions of this office, in the context of the tendency of the Employment Agency to be transformed into a genuine labour exchange market and service for the citizens that implements active employment policies.

The Employment Agency and its representatives actively cooperated with the Ministry of Education and Science, as well as with other ministries and relevant institutions in several projects related to the joint activities for promotion of the professional orientation and counselling for the needs of the education and the labour market.

#### **b. vocational training;<sup>9</sup>**

The changes in the social, economic and technical – technological developments, as well as the modern tendencies in the development of the secondary vocational education and training in the developed countries of the European Union. have imposed the need for re-examining the contents and the organization of the secondary vocational education and training in the Republic of Macedonia. Furthermore, the expert analysis and discussions, and primarily the new legal solutions incorporated in the Law on Secondary Education, Law on Vocational Education and Training from 2006, as well as the introduction of the mandatory secondary education has raised the need for creation of a new Concept for the secondary vocational education and training in the Republic of Macedonia

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<sup>9</sup> If your country has accepted the four paragraphs of Article 10, it is not necessary to describe the vocational training services here.

The new concept for vocational education and training in the Republic of Macedonia shall incorporate the goals of the Lisbon Declaration and the Copenhagen Declaration, with solutions based on the domestic educational traditions and realistic possibilities for their implementation, for the development of the secondary vocational education and training in the Republic of Macedonia.

The vocational education is comprised of curriculums and programmes with four- and three-year duration, vocational training with two-year duration and specialised education.

The aim of the four-year vocational education and training is in accordance with the function, contents and organization of the secondary vocational education and training with four-year duration of the education and is based on the generally accepted principles: democracy, individualisation and differentiation, integration, rationality and effectiveness, innovation and creativity, permanent education, compatibility. Namely, the four-year vocational education prepares the young persons for work, for further education and life in conditions where we have fast development of the science and technology and changes in the social relations.

The primary aim of the reformed vocational education and training is to create staff with expert knowledge and competences adequate to the modern demands of the dynamic labour market. In order to attain this goal, programme documents have been prepared for those occupations that have not been included in the VET-1, VET-2 and VET-3 programmes.

In the school year 2004/2005 the Reform was extended to the remaining occupations in the Republic of Macedonia with four-year education:

- geological-mining and metallurgy;
- wood processing;
- personal services;
- chemical- technological.

In the same school year, a revision was made on the reformed curriculums and programmes for which it was identified in practice that contain certain deficiencies. The deficiencies identified in the curriculums and programmes mainly referred to imprecisely defined goals and left outdated contents.

In the course of the same period, upon a request of the schools, the Department for Vocational Education and Training within the Bureau for Education Development, new educational profiles were created for the mechanical occupation (mechanical aircraft technician and mechanotronic technician), one educational profile for the agricultural – veterinarian occupation: farm production technician, and one educational profile for the transport occupation: transport and forwarding technician

Furthermore, in the same period activities were implemented for renaming of certain profiles and occupations for example production –

processing occupation was reformed into the educational profile: process technician in the chemical – technological occupation. The reformed four-year programmes are implemented in 14 occupations and 42 profiles.

Within the project of the German Government for technical cooperation, that included the mechanical, electro-technical and automotive-technical occupation, the three-year vocational education has been extended with one educational profile in the mechanical occupation: construction mechanic.

Furthermore, programmes for vocational training have been prepared in the specialised vocational education which is implemented in four vocational schools, for the following occupations: catering – tourism, health and agriculture – veterinarian.

Activities related to the preparation of the programme documents continued in the school year 2005/2006 as well with the preparation of the graduation exam programmes and the final exam for all occupations and educational profiles.

The Law on Vocational Education and Training was enacted in June 2006. With a certain delay, the Department for Vocational Education and Training was separated from the Bureau for Educational Development and became independent public institution. The Centre began its operation with seven employed counsellors.

During this period, the preparation of the curriculums for third year for the last four occupations was finished and certain modifications and amendment were conducted in the new programmes for the other occupations. The total number of elaborated curriculums for all occupations and profiles in the vocational education is approximately 300.

With the project for reformation of the three-year vocational education the biggest accent was put on the increase of the number of practical training classes which constitutes 50% of the total number of classes, thus improving the acquired professional competences of the students. That enables faster entry of the students on the labour market.

Modular packages have been prepared for the students who have finished their education according to the three-year education programme and wish to continue their education, one modular package for the general education and three modular packages for the vocational education for each educational profile separately. The number of modules is between 5 and 8 modules, in accordance with the differences in the curriculums.

Furthermore, the practical classes curriculums provide for the training to be conducted in companies - social partners. The interest of the companies for accepting students to attend practical training is gradually increasing.

For the simpler occupations, and order to speed up the labour market entry, certain schools offer curriculums for working vocational training that lasts up to two years, depending on the complexity of the occupation.

Certain schools organize specialised education for the purposes of specialising in the occupation, based upon the acquired experience in the respective occupation.

**c. vocational rehabilitation;<sup>10</sup>**

**with the aim of giving everyone the possibility of earning his living in an occupation freely entered upon.**

**Please indicate whether equal access is ensured for all those interested, including nationals of the other Contracting Parties to the Charter lawfully resident or working regularly in your territory, and disabled people.**

The schools that perform vocational education conduct re-qualification and further qualification for the educational occupations and profiles for which they are certified, as they possess adequate staff, premises, equipment and monitoring assets. They are interested to perform training, re-qualification and further qualification for certain educational profiles for which they are not certified by the Ministry of Education and Science, but they are expert and competent to do so. The schools submit requests to the Centre for Vocational Education and Training for elaboration of modular packages for training for acquiring professional competences that will enable them to be competitive at the labour market.

The modular packages have been elaborated, and their implementation is expected to commence within the shortest possible period, however in order to do so it is necessary to elaborate Rulebooks on the issuance of adequate certificates to the interested candidates.

In accordance with the valid legal regulations pertaining to secondary education, all citizens of the Republic of Macedonia, the citizens of other countries that stay or work in the Republic of Macedonia, as well as the persons with special needs have been provided with equal access to vocational education and training, re-qualification and further qualification, as well as with other forms of vocational education and training.

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<sup>10</sup> If your country has accepted the two paragraphs of Article 15, it is not necessary to describe the rehabilitation services for physically or mentally handicapped persons.

**ARTICLE 15 - THE RIGHT OF PHYSICALLY OR MENTALLY DISABLED PERSONS TO VOCATIONAL TRAINING, REHABILITATION AND SOCIAL RESETTLEMENT**

**ARTICLE 15 PARAGRAPH 1**

***"With a view to ensuring the effective exercise of the right of the physically or mentally disabled to vocational training, rehabilitation and resettlement, the Contracting Parties undertake:***

***to take adequate measures for the provision of training facilities, including, where necessary, specialised institutions, public or private."***

**Question A**

**Please indicate the criteria applied to grant disabled status and give an estimation of the total number of disabled persons as well as the number of disabled persons of working age.**

A disabled person, in terms of the Law on Employment of Disabled Persons, is a person with vision impairment, hearing impairment, cognitive impairment, physical impairment, intellectual impairment, autism, persons with combined development impairment, who due to the level of disability has specific working needs. A person with labour disability with remained or decreased working capacity shall also be deemed disabled person.

For persons up to 26 years of age, the disability is determined by an expert body (Commission) based upon a submitted request of the disabled person, its parents or guardian, in accordance with the Law on Social Security.

For persons over 26 years of age, the disability is determined by the Commission for assessment of the working capacity within the Pension and Disability Insurance Fund of Macedonia, based upon a submitted request of the disabled person, its parents or guardian.

According to the data of the Employment Agency of the Republic of Macedonia on 31.12.2005, a total of 2577 economically active disabled persons were registered, whereas on 31.12.2006 a total of 2216 economically active disabled persons.

**TABLE 29**

**Registered economically active disabled persons by age groups**

	<b>15-19 years</b>	<b>20-24 years</b>	<b>25-29 years</b>	<b>30-34 years</b>	<b>35-39 years</b>	<b>40-44 years</b>	<b>45-49 years</b>	<b>50-54 years</b>	<b>55-59 years</b>	<b>60 years and over</b>	<b>Total</b>
<b>2005</b>	26	192	291	310	253	289	379	419	316	102	2577
<b>2006</b>	19	173	287	295	250	225	308	307	270	82	2216

Source: EARM

The Law on Social Security, provides the intellectually or physically disabled persons up to 26 years of age with the following:

- Institutional protection which includes the right to a training for work-production activity and a right to accommodation in a social protection institution. The right to accommodation in a social protection institution, in accordance with this law, may be exercised by the persons who do not have adequate living conditions with their family or need accommodation in a social protection institution due to other reasons, wherein another type of social protection can not be applied. This includes the persons with moderate and severe intellectual disability sent to training for working-production activity, persons with the most severe intellectual impairment and physical disability who need permanent accommodation and care, and adult disabled persons and persons with intellectual disability who are not able to take care for themselves, and who due to their social and family position may not be provided with another type of social protection.
- The persons with moderate and severe intellectual disability are entitled to the right to a training for working-production activity. The right to a training for working-production activity includes the sending of such persons to a social care institution, remuneration for accommodation and food expenses, remuneration of the expenses for the training for working-production activity, and travel allowance. The finding and opinion regarding the ability of children and young persons with moderate and severe intellectual disability to attend a training for working-production activity, are issued by the body competent for evaluation of the special needs of children and young persons with intellectual disability, in accordance with an act adopted by the minister for labour and social policy.

The Law on Employment of Disabled Persons ("Official Gazette of the RoM" No. 44/2000 and 16/2004) regulates the special conditions for employment and operation of disabled persons when they perform an activity in the capacity of SOHO, with an employer or in a capacity of employer, in the state administration, the local self-government units, public enterprises, institutions, agencies and funds or other state institutions, as well as the conditions for establishment and the benefits for the operation of a trade company for employment of disabled persons – protected company.

The adoption of this Law is aimed at overall and unique regulation of the status of the trade companies for employment of disabled persons, providing a clear definition of the concept, determining the type and the degree of disability in persons, regulating the issues pertaining to tax, contributions and other levies exemption, as well as other issues arising from the position and the role of these companies in the provisioning of special protection to the disabled persons and their integration in the social life.

This Law is also aimed at ensuring equal status of the persons with the same type or degree of disability employed outside the protected company, i.e. another employer and the persons employed with the protected company, by providing a certain level of taxes and salary contribution exemptions and right to adaptation of the workplace.

## 2.2.By-laws

- Rulebook on the criteria and the method of granting non-refundable funds from the Special Fund for providing conditions for employment and operation of disabled persons (“Official Gazette of the RoM” No.34/2000 and 16/2004) - for the employment of disabled person on indefinite period in the amount of 20 average salaries paid in the Republic of Macedonia in the year prior to the employment, or 40 average salaries paid in the Republic of Macedonia in the year prior to the employment of a fully blind person and person with physical disability who needs a wheelchair, adaptation of the workplace and procurement of equipment in the amount up to 200 average salaries paid in the Republic of Macedonia in the year prior to the employment.
- Rulebook on vocational training for disabled persons (“Official Gazette of the RoM” No. 6p.54/2004; ) which regulates that the Employment Agency of the Republic of Macedonia, i.e. the employer who sends the disabled person to a vocational training is to conclude a contract regulating the conditions of the vocational training, the duration of the training, certification of the obtained training, the assets for vocational training and the mutual rights and obligations.

They also apply to the citizens of the other contracting parties in accordance with: Law on the Conditions for the Establishment of the Labour Relation of Foreign Citizens, the Rulebook on the procedures for issuance of work permits and the form and content of the special types of work permits, and the Rulebook on the procedure of registration and completion of the activities performed by foreign citizens. These regulations apply on the whole national territory and to all categories of persons defined in the regulations.

### **Question B**

**Please describe the measures taken to give effect to this Article, in favour respectively of physically and mentally disabled persons through vocational training within the framework of general schemes, wherever possible, or within specialised public or private institutions. Please provide information in particular regarding:**

- a. assessment of the vocational skills of disabled persons (frequency, practical skills) and criteria used to assess the prospects of rehabilitation of a disabled person;**

The Minister of Labour and Social Policy, with an act, establishes a Commission for determining the activities that may be performed by the disabled person at the respective job position, determines its composition and the method of adopting findings and opinions. The employer may not employ a disabled person on a job position that does not comply with the general and special conditions, or if it has not obtained a Finding and opinion on the activities that may be performed at the respective job position, determined by the Commission. The disabled person may work in the capacity of employer (SOHO which independently performs the activity or in the capacity of employer), i.e. may work in the capacity of responsible person with an employer, provided that he/she has obtained a positive opinion from the Commission.

**b. adjustment of the methods of vocational rehabilitation in accordance with the needs of the labour market.**

Republic of Macedonia creates conditions for the handicapped persons to obtain training in order to exercise their human rights, especially in the sphere of employment on the labour market. The regulations pertaining to the labour relations incorporate provisions on ban on discrimination in terms of employment on handicapped persons. Furthermore, EARM implements programmes for support of the inclusion of the handicapped persons in the labour market. This support is mainly provided by adequate vocational education, providing favourable grants and certain adaptations that are aimed at ensuring adequate access to the job.

In the event of occupational illness, injury or accident of an employee, it is necessary to organize rehabilitation and, if needed, re-training for re-employment.

The employment and the operation of the handicapped persons, to a certain extent, is not exercised on the open labour market, but more in protected companies.

The re-training programmes include the handicapped persons as well, in order to increase their employment flexibility.

Preparation for employment (training, re-qualification or further qualification) in terms of the Law on Employment of Disabled Persons is training of the disabled person for practical work for certain jobs in accordance with the needs of the employer and the disabled person. One of the rights to insurance in the event of unemployment is the right to preparation for employment, i.e. training, re-qualification or further qualification. In addition to the unemployed persons, this right may also be exercised by the employees whose labour relation shall be terminated due to economic, technological, structural or similar changes. The duration of the training, re-qualification or further qualification is regulated based on a conducted analysis of the specific jobs and working tasks of the occupation, for which the unemployed persons, i.e. employees are being trained, wherein the training and re-qualification may not last longer than 3 months, and the further qualification may not last longer than 1 month in the

same occupation (educational profile), i.e. longer than 2 months in the same profession.

In 2006, the total number of unemployed persons that were included in preparation for employment (training, re-qualification or further qualification), including the persons that were included in the implementation of the programmes that commenced in 2005, and ended in 2006, and the persons whose training was ongoing in the course of the last months in 2006, was 3216 persons, of whom 2175 persons have established a labour relation on indefinite period.

1. Laws or by-laws, collective agreements or other regulations that provide for the application of the above stated:

- 1.1. By-laws

- Rulebook on training, re-qualification or further qualification of unemployed and other persons ("Official Gazette of the RoM" No. 30/2001 and No.14/2005), which regulated the manner, conditions and the procedure for exercising this right to insurance.

They also apply to the citizens of the other contracting parties in accordance with: Law on the Conditions for the Establishment of the Labour Relation of Foreign Citizens, the Rulebook on the procedures for issuance of work permits and the form and content of the special types of work permits, and the Rulebook on the procedure of registration and completion of the activities performed by foreign citizens. These regulations apply on the whole national territory and all categories of persons defined in the regulations, including the disabled persons.

### **Question C**

**Please specify:**

- a. **the number and nature of the principal specialised institutions giving suitable training and the total number of places available;**

In the Republic of Macedonia there are 4 specialized high schools for students with special needs, which operate according to adapted curriculums and programmes for:

- students with visual impairment;
- students with hearing impairment; and
- students with intellectual impairment.

Out of these 4 schools, one is for students with visual impairment, one for students with hearing impairment and two for students with intellectual impairment

All four schools have adequate premises, equipment and staff to accept all students with special needs.

In accordance with the decentralization process, certain number of primary schools and these four schools remained on central level, i.e. they are state public schools, as students from all over the country are educated and trained therein. The student acquire education according to adapted curriculums and programmes for vocational education with four- and three-year duration. Certain curriculums and programmes provide for continuation of the education of the students at the universities.

In addition to the vocational education, these schools provide a special form of education, i.e. vocational training which includes the students who are unable to attend the curriculums and programmes for three-year education, as well as persons who have not finished primary education.

These schools also have student houses where the students are accommodated.

Total number of available places in the four specialised high schools:

- the school for students with visual impairment has 30 places, both in the student house and the school, as the educational programme is performed in school cabinets;
- the school for students with hearing impairment has 132 places, both in the student house and the school;
- the two schools for students with intellectual impairment have total 300 places in the student houses and 170 places in the schools (the school in Skopje has 200 places in the student house and 70 places in the school, whereas the school in Stip has 100 places in the student house and 100 places in the school).

**b. the number of persons undergoing such training;**

In the school year 2005-2006, 354 students were enrolled in these 4 schools, of whom:

- 15 students with visual impairment;
- 53 students with hearing impairment; and
- 286 student with intellectual impairment.

In the school year 2006-2007, 329 students were enrolled in these 4 schools, of which:

- 15 students with visual impairment;
- 49 students with hearing impairment; and
- 265 student with intellectual impairment.

### **c. number of staff and their qualifications.**

In the school year 2005-2006, 66 teachers worked in these 4 schools, of whom:

- 14 in the school for students with visual impairment;
- 13 in the school for students with hearing impairment; and
- 39 in the schools for student with intellectual impairment.

In the school year 2006-2007, 74 teachers worked in these 4 schools, of whom:

- 17 in the school for students with visual impairment;
- 13 in the school for students with hearing impairment; and
- 44 in the schools for student with intellectual impairment.

The teachers hold university degrees in accordance with the normative act pertaining to teachers for the respective educational classes, with passed psychology, pedagogy and methodology, and defectology exams.

In addition to the teachers, the schools also employ expert associates, administrative staff, technical personnel and persons employed in student houses who take care of the students accommodation and food.

#### **Laws or by-laws, collective agreements or other regulations that provide for the application of the above stated:**

All valid legal regulations pertaining to high school education are adapted to the age and the special needs of the students in the respective school.

The new legal solutions incorporated in the Law on Secondary Education, Law on Vocational Education and Training from 2006, as well as the introduction of the mandatory secondary education created a new Concept for the secondary vocational education and training in the Republic of Macedonia.

The new concept for secondary vocational education and training incorporates the goals of the Lisbon Declaration and the Copenhagen Declaration, with solutions based on the domestic educational traditions and realistic possibilities for their implementation, for the development of the secondary vocational education and training in the Republic of Macedonia.

In accordance with the valid legal regulations pertaining to secondary education, all citizens of the Republic of Macedonia, the citizens of other countries that stay or work in the Republic of Macedonia, as well as the persons with special needs have been provided with equal access to vocational education and training, re-qualification and further qualification, as well as with other forms of vocational education and training.

These regulations equally apply to all students – citizens of the Republic of Macedonia and student – citizens of other countries who stay or work in the Republic of Macedonia.

The regulations apply to all categories of persons defined in the regulation.

## **ARTICLE 15 PARAGRAPH 2**

***"With a view to ensuring the effective exercise of the right of the physically or mentally disabled to vocational training, rehabilitation and resettlement, the Contracting Parties undertake:***

***to take adequate measures for the placing of disabled persons in employment, such as specialised placing services, facilities for sheltered employment and measures to encourage employers to admit disabled persons to employment."***

### **Question A**

**Please describe the measures taken to ensure the placement and, if appropriate, the employment of physically or mentally disabled persons (for instance quotas, financial subsidies, etc.).**

The special conditions and benefits for the employment and operation of the disabled persons are regulated in the Law on Employment of Disabled Persons ("Official Gazette of the RoM" No. 44/2000, No. 16/2004, No. 87/2005), the Rulebook on the criteria and the method of granting non-refundable funds from the Special Fund for improvement of the conditions for employment of disabled persons ("Official Gazette of the RoM" No. 34/2004, No. 85/2005) and the Rulebook on vocational training for disabled persons ("Official Gazette of the RoM" No. 54/2004).

The law further regulates the special conditions for employment and work of disabled persons: when they perform the activity as SOHO, with an employer or in the capacity of employer, in the state administration, the local self-government units, public enterprises, institutions, agencies and funds, and other state institutions, as well as the conditions for establishing and the benefits for the trade company for the employment of disabled persons – protective company.

For the purposes of financing the activities aimed at improvement of the conditions for employment and operation of the disabled persons, adaptation of the workplace and procurement of equipment, 10% of the total generated funds from the employment contribution are being transferred to the sub-account of the Employment Agency of the Republic of Macedonia (Special Fund) not later than the 30th day of the month for the previous month.

The Employment Agency is obliged to use the funds allocated to the Special Fund solely for the purposes defined by law.

The employed disabled person with determined disability shall be exempt from the payment of personal income tax. The funds for the payment of contributions for pension and disability insurance, health-care insurance and employment contribution shall be provided from the Budget of the Republic of Macedonia.

The employees of the protected company who are not disabled persons or persons with occupational disability shall be exempted from the payment of personal income tax, and the funds for their pension and disability insurance contributions shall be provided from the Budget of the Republic of Macedonia. The protected companies are exempted from the payment of profit tax and all profit tax related levies.

The employers shall submit the request for granting non-refundable funds from the Special Fund accompanied with the necessary documents, to the Management Board of the Employment Agency through the Employment Centres where the employer's headquarters are located, which provide an opinion on the established situation at the location.

The adoption of the Decisions on granting funds from the Special Fund is in the competence of the Management Board of the Employment Agency.

The decision on granting funds from the Special Fund of the Management Board of the Employment Agency may be appealed against before the Minister of Labour and Social Policy.

In accordance with the above stated law, the funds from the Special Fund are granted as non-refundable upon the following bases:

1. Employment of disabled person on indefinite period - in the amount of 20 average salaries paid in the Republic of Macedonia in the year prior to the employment, or 40 average salaries paid in the Republic of Macedonia in the year prior to the employment of a fully blind person and person with physical disability who needs a wheelchair.
2. Adaptation of the workplace - in the amount up to MKD 100,000 which may be used again, if that is necessary due to changes in the technical - technological process or the character or degree of disability of the disabled person;
3. Procurement of equipment - in the amount up to 200 average salaries paid in the Republic of Macedonia in the year prior to the employment; and
4. Vocational training of the disabled persons for practical work at a certain jobs in accordance with the needs of the employer and the disabled persons.

The funds granted for vocational training of unemployed disabled person are in the amount of:

- a monthly amount of MKD 5,000 as a monetary aid for each unemployed disabled person;
- for the implementation of the Vocational Training Programme with the employer, as a compensation of costs for a group consisted of:
  - 1-5 persons, a monthly amount of MKD 10,000;
  - 6-10 persons, a monthly amount of MKD 20,000;
  - above 10 persons, a monthly amount of MKD 30,000;

The funds granted for vocational training of employed disabled person are in the amount of:

- a monthly amount of MKD 3,000 as a monetary aid for each unemployed disabled person;
- for the implementation of the Vocational Training Programme with the employer, as a compensation of costs for a group consisted of:

- 1-5 persons, a monthly amount of MKD 8,000;
  - 6-10 persons, a monthly amount of MKD 16,000;
  - above 10 persons, a monthly amount of MKD 24,000;
5. The upgrade and adaptation of the working premises for the employment of disabled persons includes the planned upgrade of the working premises and adaptation of the working premises where the disabled persons shall work. To that end, non-refundable funds are granted from the Special Fund for:
- up to two employed disabled persons – 30 average salaries;
  - between three and five employed disabled persons – 40 average salaries;
  - above five employed disabled persons – 50 average salaries;

### **Question B**

**Please indicate the number (actual or approximate) of physically or mentally disabled persons who during the reference period found paid employment (whether in specialised institutions or not).**

In the period 01.01-31.12.2005, 140 requests upon all grounds were considered and a total of MKD 107,140,080.00 non-refundable funds were granted from the Special Fund, of which:

- 140 requests on the grounds of employment of 270 disabled persons, for which MKD 64,711,060 were granted.
- 83 requests on the grounds of procurement of equipment, for which MKD 37.703.120,00 were granted.
- 10 requests on the grounds of upgrade and adaptation of the working premises, for which MKD 4.725.900,00 were granted.

**TABLE 30**

**Review of the requests for funds from the Special Fund in 2005**

<b>Grounds</b>	<b>Approved</b>	<b>Number of disabled persons</b>	<b>Amount of granted funds</b>
<b>Employment of disabled persons</b>	140	270	64.711.060,00
<b>Adaptation of the working premises</b>	/		
<b>Procurement of equipment</b>	83		37.703.120,00
<b>Upgrade and adaptation of the working premises</b>	10		4.725.900,00
<b>Total</b>	233	270	107.140.080,00

Source: EARM

In the period 01.01-31.12.2006, 364 requests upon all grounds were considered and a total of MKD 203,067,275.00 non-refundable funds were granted from the Special Fund, of which:

- 305 requests on the grounds of employment of 416 disabled persons, for which MKD 111,011,820 were granted.
- 2 requests on the grounds of adaptation of the working premises, for which MKD 473,390,00 were granted.
- 46 requests on the grounds of procurement of equipment, for which MKD 91,036,065.00 were granted.
- 11 requests for vocational training of employed persons and unemployed persons, for which MKD 546,000.00 were granted.

**TABLE 31**

**Review of the requests for funds from the Special Funds in 2006**

<b>Grounds</b>	<b>Approved</b>	<b>Number of disabled persons</b>	<b>Amount of granted funds</b>
<b>Employment of disabled persons</b>	305	416	111.011.820,00
<b>Adaptation of the working premises</b>	2		473.390,00
<b>Procurement of equipment</b>	46		91.036.065,00
<b>Vocational training of employed and unemployed persons</b>	11	36	546.000,00
<b>Total:</b>	364	452	203.067.275,00

Source: EARM