

Labour market policies in Macedonia

(Comparative study)

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Abstract

Based on empirical researches this comparative study gives a portrait of the labour market situation in Macedonia. It gives a static analysis of the Macedonian economy compared to western Balkan countries. Besides high economic growth rates in the last five years, unemployment rate remained almost unchanged. This situation of “*jobless growth*” was common at the beginning of the 90’s in Central European countries. After reforming of the labour market in their economies, active labour market policies play major role in fighting unemployment.

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Keywords: Active labour market policies, Labour market

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<i>Introduction</i>	

After dissolution of Yugoslavia, five new states emerged in 1991 (Bosnia and Herzegovina, Croatia, Macedonia, Slovenia and Serbia and Montenegro), in 2006 Montenegro declared independence and in 2008 Kosovo declared independence from Serbia. The term “western Balkan countries” emerged in the beginning of ‘90’s, referring to the countries of ex Yugoslavia minus Slovenia plus Albania.

Transition into market economy in the western Balkan countries led to macroeconomic difficulties like hyperinflation, budget deficits, controversial privatization of the state and public owned companies, open unemployment etc. Governments had few instruments to fight all issues together and hence, less span for long term economic reforms and strategies. The rise of unemployment created mounting of budget expenditures in favour of unemployment benefit payments. Persistently high unemployment rates, rigid government spending and limited financial resources for active labour market policies are the basis for the growing interest in evaluating these ALMP programs.

Table 1: Macroeconomic indicators of western Balkan countries						
Country	Area (km²)	Population (000) 2007	GDP (billion US\$) (2007)	Average GDP growth (annual %)- 2003-2007)	GDP per capita US\$ 2007	Unemployment rate (2006)*
Albania	28, 748	3,166	10.619	5.6	3,354	13.8
Bosnia and Herzegovina	51,066	3,982	14.780	5.22	3,712	31.1
Croatia	56,594	4,436	51.356	4.9	11,577	11.1
Macedonia	25,713	2,049	7.497	3.94	3,659	36
Montenegro	13,812	684	2.974	4.92	4,348	29.6
Serbia	77,474	7,448	31.779	6.02	4,267	20.9
Total	253,621	21,765	119			
Source: own calculations based on data from IMF, World bank Economic outlook , ILO						

Note: *Labour Force Survey

Unlike the ex-Soviet economies, where an open unemployment practically did not exist, ex Yugoslavian and Albanian economic systems recognized the problems of unemployment. The

rate of unemployment in Albania was 13% in 1991, while differed in ex Yugoslav republics from 8% in Croatia to 21% in Macedonia. All six countries faced larger rate of unemployment since 1991 and most of them are still facing the open unemployment problem, weak demand for jobs, low level of productivity and limited mobility of workers in other regions.

The macroeconomic performance of Macedonia

Macedonia was the poorest country in ex-Yugoslavia with 2,180 US\$ per capita in 1990 and contributing with only 5% of the Yugoslavian GDP¹. After the collapse of Yugoslavia, Macedonian transition period was followed by four large scale events that contributed to economic downturn of the country:

- The embargo imposed to Federative Republic of Yugoslavia and interruption of trade and business connections with the other republics;
- Trade sanctions imposed by Greece, neglecting the name and the symbols of the country;
- NATO bombardment of Serbia and Montenegro in 1999 and Kosovo refugee crisis in Macedonia;
- Ethnic conflict in Macedonia in 2001.

Geopolitical instability in the region affected on a great mere country's economic performance and distracted FDI from the region. Despite macroeconomic stability and low inflation rate (2.05% average during the period 1997-2006), Macedonian GDP growth (2.3% during 1996-2006) was among the lowest in the region.

Trade balance shows constant deficits that have tripled in a decade from 480 million US\$ in 1996 to 1.36 billion US\$ in 2006 and reached nearly 22% of Macedonian GDP. Vast and increasing amount of worker's remittances have big and "healing" effect on macroeconomic stability and poverty alleviation, thus reduce negative effect on international trade deficit. In 2006, inward FDI in Macedonia reached 350 million US\$, compared with the countries from the

¹ World Bank, World Development Report 1991, Statistical Annex, Tables 1 and 2, 1991

region Macedonia had lowest FDI per capita ratio among the western Balkan countries². Largest portion of FDI were registered in 2001 as a result of privatizing the telecommunication operator “Makedonski Telekom” which raised 310 million US\$ or nearly 70% of total FDI in the same year. Macedonian trade openness index calculated as percentage of country’s total trade volume of the GDP, had relatively high values compared to other countries in the region. Since 2003, trade openness index had increased by 5 points every year as a result of country’s entry in regional associations as CEFTA and SAA with EU³. Main Macedonian trade partners are Serbia, Germany, Greece, Russia, Italy and Bulgaria that contributed with nearly 60% of total trade in 2006⁴.

Table 2: Main macroeconomic indicators in Macedonia

year	GDP in US\$ (000)	GDP growth at market prices	Trade balance (million US\$)	Trade openness index	Workers' remittances (million US\$)	FDI (net inflow in million US\$)
1996	4,422,159	1.18	-480	62.73	68	11.20
1997	3,735,312	1.44	-542	80.74	78	15.70
1998	3,571,043	3.38	-604	90.34	63	127.73
1999	3,673,288	4.34	-585	80.77	77	32.70
2000	3,586,884	4.55	-771	95.26	81	174.53
2001	3,436,961	-4.53	-536	82.98	73	441.53
2002	3,791,306	0.85	-879	82.06	106	77.82
2003	4,629,520	2.82	-939	79.34	174	96.29
2004	5,368,441	4.08	-1,256	85.83	213	157.01
2005	5,814,726	4.11	-1,187	90.61	226	99.84
2006	6,217,132	3.02	-1,362	99.15	267	350.52

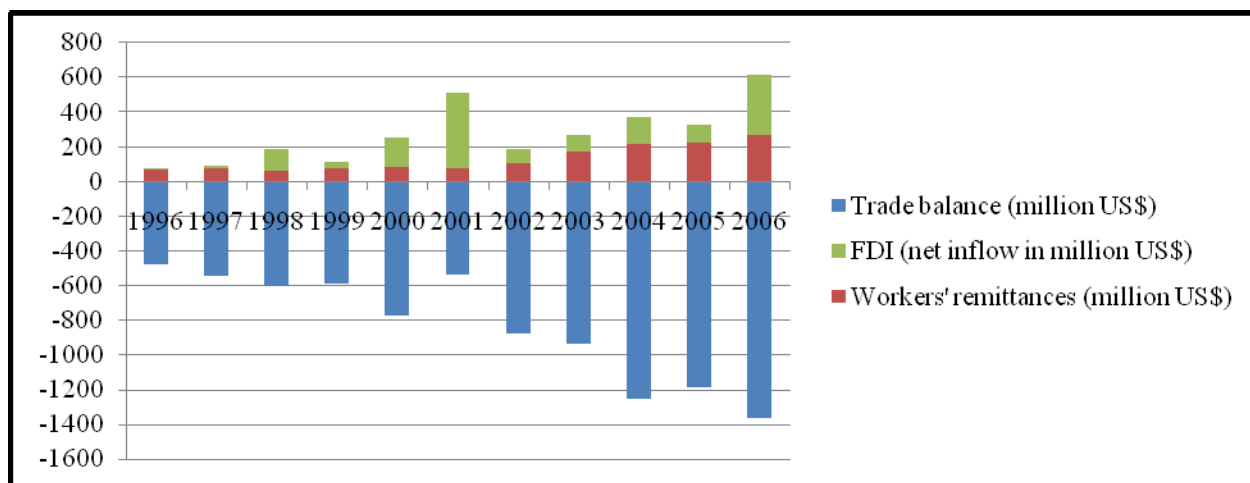
Source: World Bank, WTO, own calculations

² According own calculation based on data by The Vienna institute for international economic studies, Macedonia had 349US\$ FDI per capita for the years 2002-2006.

³ Macedonia was the first country in the region that signed Stabilization and association agreement in 2001 followed by Croatia.

⁴Source: Macedonian state statistical office

Figure 1: Trade balance, FDI inflow and worker's remittances in Macedonia



Labour market performance in Macedonia

According to the census in 2002, Macedonia had a population of 2.02 millions. Between 1996 and 2002 population has increased slightly of almost 50,000 citizens despite increasing emigration rate that begun in the beginning of the 1990's. Working age population increased by nearly 120,000 (7.7%) during the period 1998-2006. Activity rate in Macedonia for working age population (15-64) was 62.2% in 2006. Labour force measured as total of employed and unemployed persons counted for 782,686 persons in 1996 and increased to 891,678 in 2006 which is an increase of nearly 110,000 persons or 13.9%. If we take a closer look at the number of labour force, the increase was mostly due to the increased number of unemployed persons. Number of unemployed persons increased by nearly 76,000 for the period 1998-2006 and some 33,000 were more employed in 2006 than 1998 as presented in table 3. According to State statistical office, Macedonia had 537,597 employed in 1996 and nearly 570,000 in 2006. Employment rate of 35.2% is among the lowest in the region and Europe (OECD average was 65% in 2004), and remained low with exception of 2001 when reached 38.6% as a result of the war conflict when many young unemployed were mobilized. The war conflict ended on 13 August, 2001⁵ and employment rate reached its pre conflict rate of 35.8% as demobilization of

⁵ An agreement that ended armed conflict between the Macedonian security forces and armed Albanian extremist in the country. See more: Council of Europe: www.coe.int/justice

the security forces was made. There is a large difference among gender's employment participation. Female's employment rate remains low compared to males and some 38.6% were employed women among all employed in 2004 and this percent practically did not change in 2006 when 38.2% of total employed were women.

Table 3: Population, working age and employment rate in Macedonia						
year	Total population (000)	Working age population (15-64)	Total employment	Employed (000)		Employment rate
				male	female	
1996	1,973		537,591			
1997	1,983		512,301			
1998	1,992	1,503,515	539,762			35.9
1999	2,001	1,518,724	545,222			35.9
2000	2,009	1,535,883	549,846			35.8
2001	2,015	1,552,611	599,308			38.6
2002	2,021	1,567,992	561,341			35.8
2003	2,027	1,580,023	545,108			34.5
2004	2,032	1,594,497	522,995	320,640	202,355	32.8
2005	2,037	1,608,416	545,253	332,179	213,074	33.9
2006	2,041	1,620,466	570,404	351,973	218,431	35.2
Source: World bank, State statistical office, LFS, own calculations						

Note: Employment rates are calculated as total employed not ILO definition (15-64)

Figure 2: Population, labour force and working age population in Macedonia

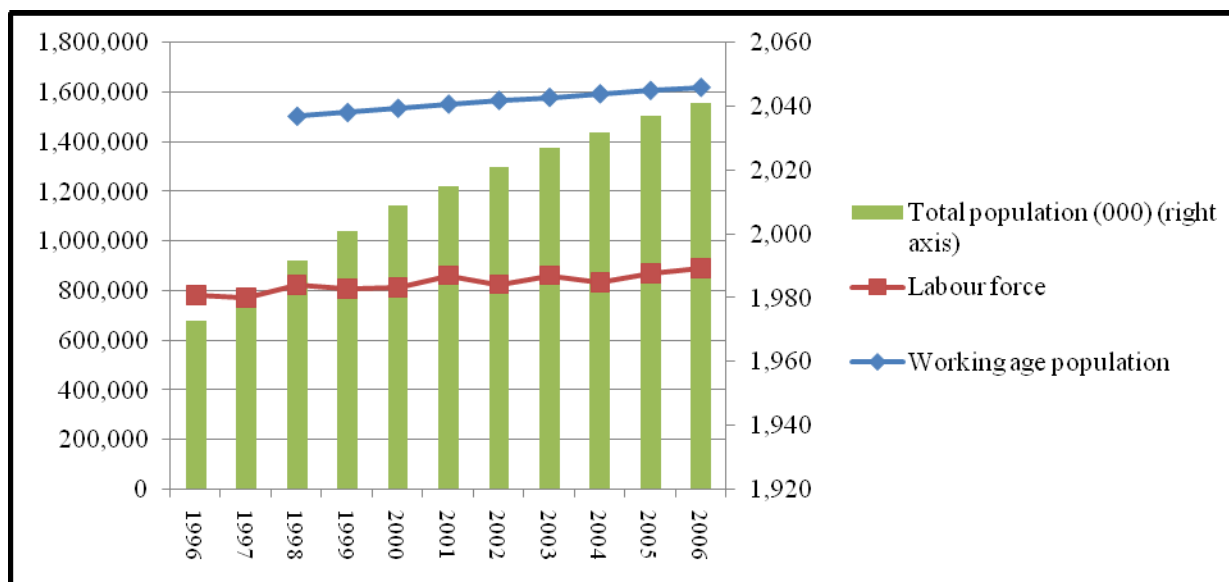
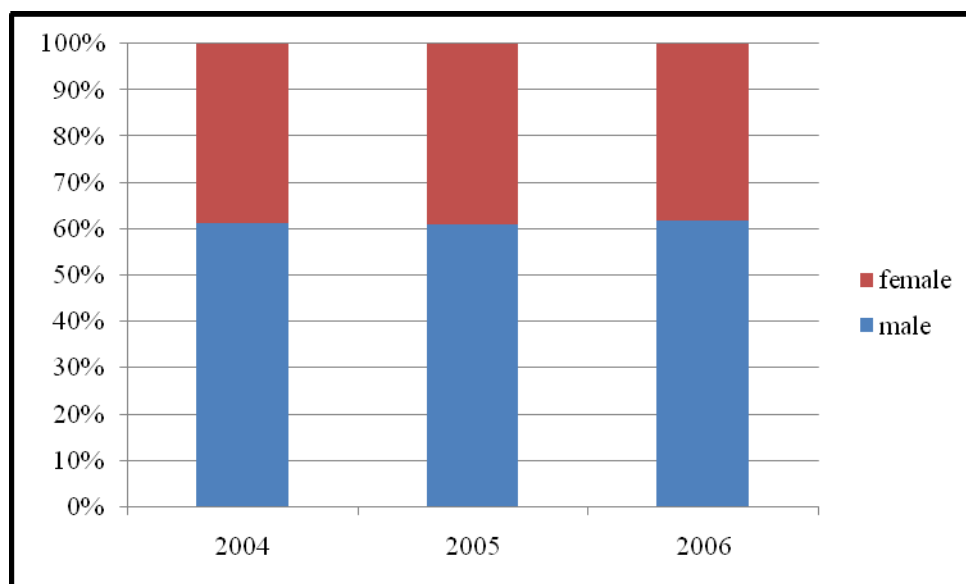


Figure 3: Percentage of employed in Macedonia by gender



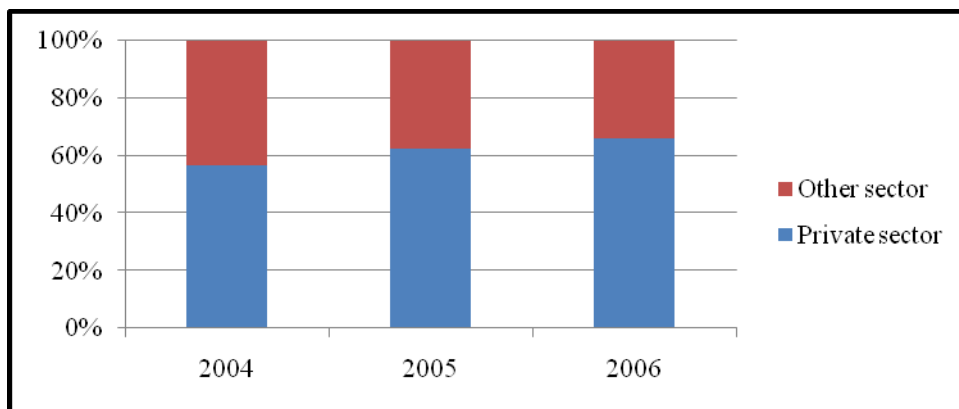
Increase of employed in private sector in Macedonia continued even a decade after start of transition. Number of employed in state, collective or public companies has decreased over the

years 2004-2006 by 30,000 while private sector continued to increase by almost 80,000 employees. Expressed in percents, there is still considerable part of employed in state sector or 33.9% in 2006. Number of employed in private sector increased by 21.2% for the period 2004-2006, while employed in state sector shrunk by 16.9% as shown in the table 4.

Table 4: Employed by sector in Macedonia				
Total employment by sector		2004	2005	2006
	Private sector	296,709	340,240	376,866
	Other sector*	226,286	205,013	193,538
Source: State statistical office				

Note: *Employed in social, mixed, collective or state ownership

Figure 4: Employed by sector in Macedonia



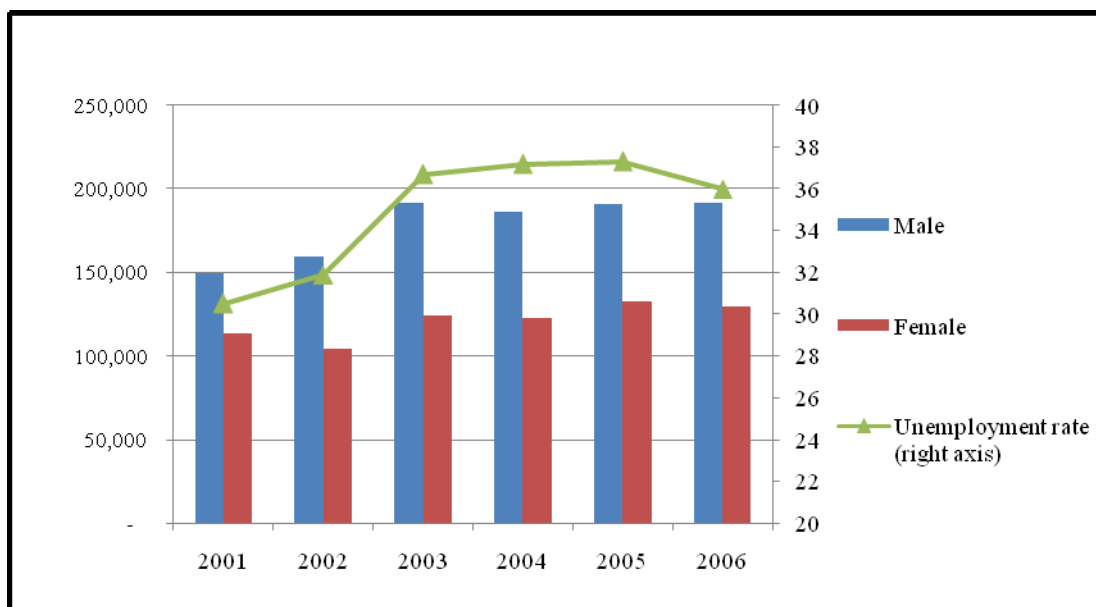
Unemployment rate in Macedonia had two digit figures since the times of Yugoslavia. Throughout 1990's restructuring of the companies, closure of international markets and fall of the GDP led to massive labour shedding and unemployment rate continued to increase over the years. Since 1996 there is continuing increase of unemployment rate and in 2006 reached 36% among registered unemployed and 36.3% according ILO methodology. There is a considerable difference among unemployed men and women. In 2001, 56.7% of total registered unemployed

were males and 43.25% were women. Two years after, in 2003, there is evidently higher number of nearly 40,000 of new registered unemployed among males as a result of demobilising of the security forces, while number of registered unemployed women continued to increase slightly.

Table 5: Total unemployed and unemployed rate in Macedonia				
	Total registered unemployment	Male	Female	Unemployment rate (15-64)
1996	245,095			31.9
1997	257,666			36
1998	284,064			34.5
1999	261,452			32.4
2000	261,711			32.2
2001	263,196	149,372	113,824	30.5
2002	263,483	159,144	104,339	31.9
2003	315,868	191,850	124,018	36.7
2004	309,286	186,223	123,063	37.2 (37.4)
2005	323,934	191,096	132,838	37.3 (37.6)
2006	321,274	191,856	129,418	36 (36.3)
Source: LFS, state statistical office, own calculation				

Note: Unemployment rate is calculated according registered unemployed, (in brackets are unemployment rates for 15-64 aged)

Figure 5: Unemployed persons, unemployed rate in Macedonia

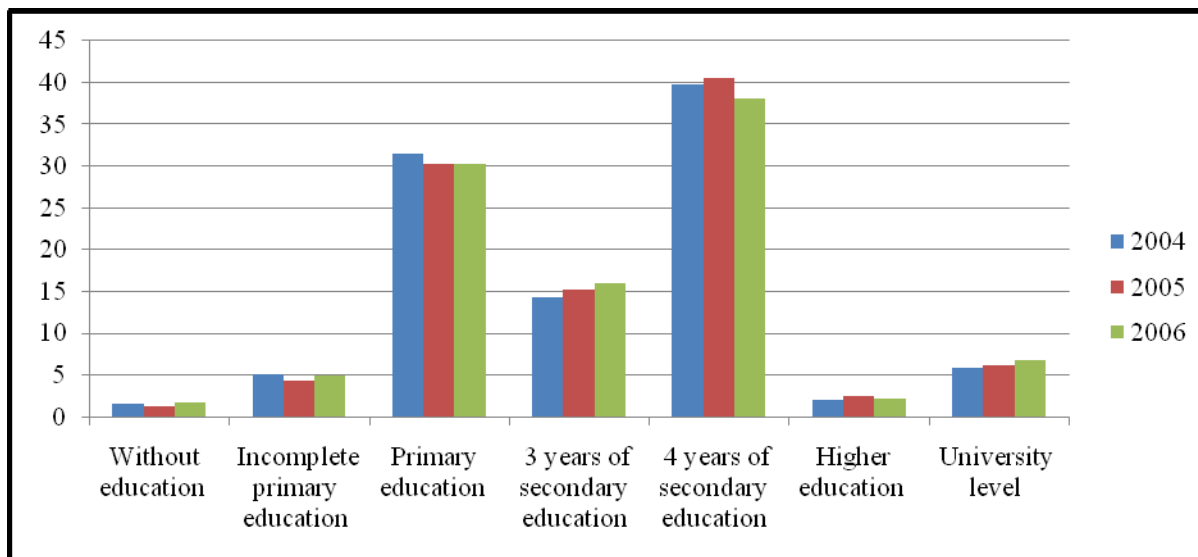


If we take a look at unemployed persons by education, it is evident that the biggest part of unemployed persons is consisted of persons with completed secondary education. Almost 91% of total unemployed had no higher or university education in 2006. Sharp increase of unemployment was registered among persons with university level of education, there is a significant increase of nearly 4,000 persons in just 3 years period of time, or number of registered unemployed with university level of education rose from 17,920 in 2004 to 21,910 in 2006. Unemployment rate in 2006 was highest among those without educational attainment 61.98%, while 21.3% with university level of education.

Table 6: Percentage of unemployed persons in Macedonia by education

	Structure of total unemployed			Unemployment rate
	2004	2005	2006	2006
Without education	1.50	1.26	1.69	61.9
Incomplete primary education	5.09	4.26	4.99	33.3
Primary education	31.47	30.18	30.21	42.6
3 years of secondary education	14.36	15.16	16.00	44.3
4 years of secondary education	39.80	40.56	38.13	34.5
Higher education	1.98	2.43	2.16	20.7
University level	5.79	6.14	6.82	21.3
Total	309,286	323,934	321,274	
Source: LFS, State statistical office, own calculations				

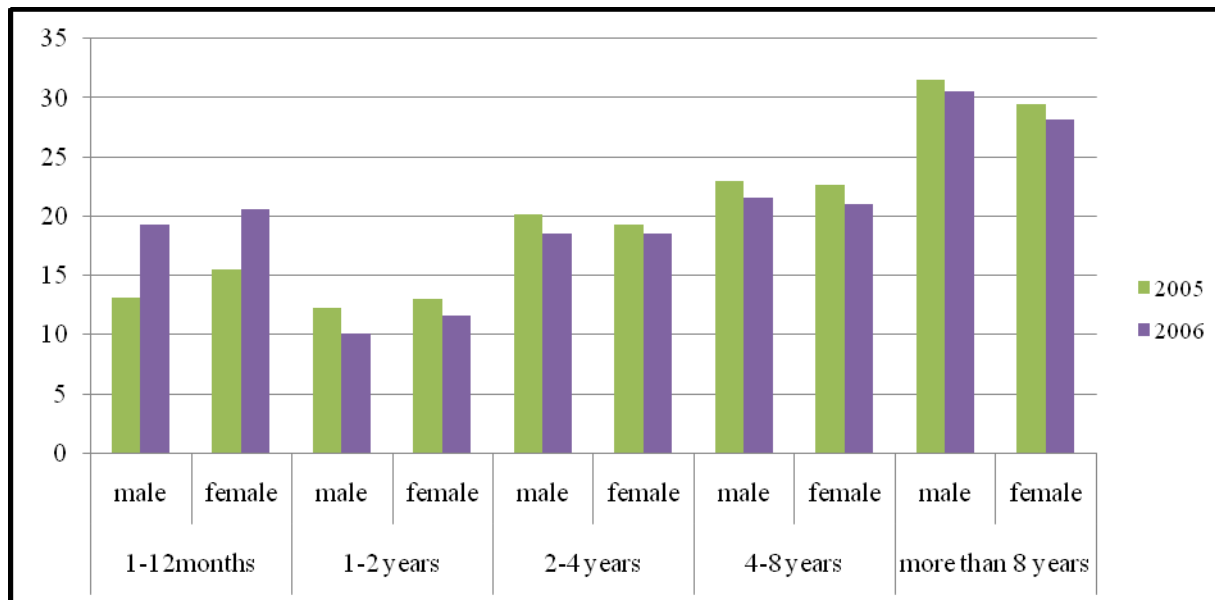
Figure 6: Structure of unemployed persons in Macedonia by education



Long term unemployment in Macedonia is another issue to worry about. Nearly 82% of total unemployed persons were unemployed for more than a year. This is a far greater number than those in Croatia where 42% of total unemployed were short term unemployed (less than a year) and 58% were long term unemployed in 2006. Percentage of unemployed women more than 8 years as a share of total unemployed had the biggest fraction of almost 28% and has increased since 2003 when it was 26%. If we include those women unemployed more than 4 years, it reaches 50%, which means that half of the registered unemployed women were unemployed for more than 4 years. Numbers are similar with the male's population; nearly 52% among registered unemployed were unemployed for more than 4 years.

Table 7: Unemployed persons in Macedonia by gender and duration		2003	2004	2005	2006
1-12months	total	69,208	58,724	50,938	72,636
	female	29,071	27,012	23,571	31,478
1-2 years	total	53,357	57,262	45,288	39,341
	female	23,240	23,575	19,774	17,776
2-4 years	total	68,234	69,096	71,300	67,774
	female	30,031	29,450	29,238	28,233
4-8 years	total	99,184	95,791	82,117	78,289
	female	40,561	39,161	34,314	32,086
more than 8 years	total	100,378	110,199	110,346	108,511
	female	45,034	47,266	44,738	43,037
Total unemployed	total	390,361	391,072	359,989	366,551
	female	167,937	166,464	151,635	152,610
Source: Employment agency, own calculations					

Figure 7: Percentage of long term unemployed in Macedonia by gender

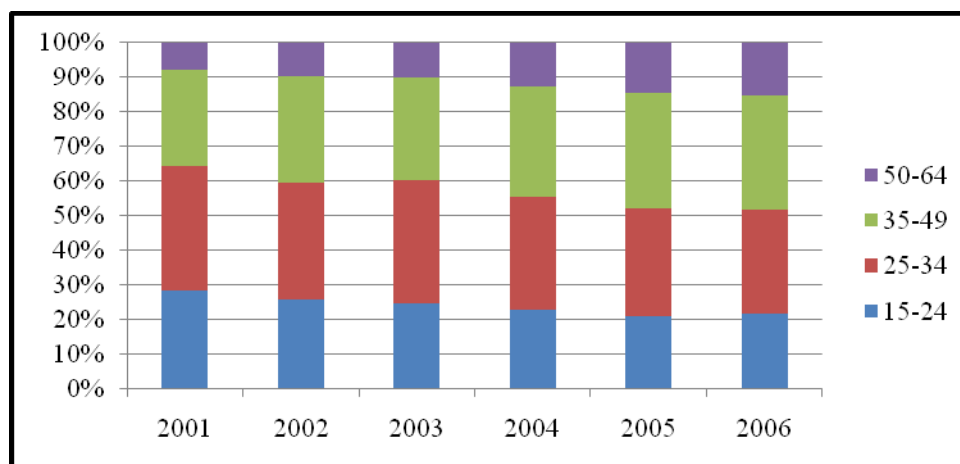


As everywhere, most of the unemployed rate is present among young (15-24) aged. In Macedonia this group is particularly hit by unemployment, as the unemployment rate of this group reached 59.8%⁶ in 2006. Unemployment rate by gender is almost even in that age group. According to the numbers presented in table 8, most of the unemployed among total registered unemployed were those aged (35-49). Number of those group registered sharp increase over the period 2001-2006 of 30.4%. The most productive age group 25-49 participated with 62% of total registered unemployed in 2006. Highest increase of registered unemployed is registered among 50-64 aged, there were 20,526 registered unemployed in 2001, and this number increased to 49,247 in 2006 which is an increase of 2.4 times.

⁶ Source: state statistical office of the Republic of Macedonia, report:2.1.7.14

Table 8: Unemployed persons in Macedonia by age					
year/age	15-24	25-34	35-49	50-64	over 64
2001	73,996	94,659	73,499	20,526	516
2002	67,348	89,522	80,464	25,823	326
2003	76,988	113,212	94,071	31,385	213
2004	69,895	100,709	99,592	38,745	256
2005	67,197	100,820	108,915	46,761	242
2006	69,603	96,451	105,728	49,247	246
Source: LFS, own calculations					

Figure 8: Unemployed persons in Macedonia by age



Labour market policies in Macedonia

Labour market in Macedonia is characterized with high and persistent unemployment. Slow economic growth of the country hampers job creation and stable employment rates. Unofficial employment is widespread and many people register only for obtaining health insurance. According various reports from the Employment agency, nearly 20% of registered for health insurance confirmed that are not seeking job but register for health insurance⁷. Some studies estimated that 109,300 were employed in unofficial sector in 2004 (Center for economic analyses, 2005). High participation of long term unemployed among total unemployed is a signal

⁷ Various yearly reports from Employment agency of the Republic of Macedonia, www.zvrm.gov.mk

that government should reassess current active labour market policies and increase expenditures on active labour market measures. Although sum spent on ALMP increased over the years, still percentage of expenditures on ALMP remains low compared to other western Balkan countries. Passive labour market policies are no excessive in terms of number of recipients. Nearly 7.5% of registered unemployed received unemployment financial benefit in 2007. Early retirement scheme is less used as nearly 1,900 persons were eligible in 2006.

Active labour market policies in Macedonia

Macedonian government and Macedonian agency for employment introduced various active labour market programs with support of UNDP. Following programs were implemented since 2002.

- Job creation program: Program aimed for temporary inclusion of long term unemployed persons. This program envisages public works in infrastructure and the target group are low or not qualified jobseekers.
- Job brokerage program: Aim of the program is to inform young unemployed graduates about possibilities for volunteering, search for local business and presenting their skills,
- Partnership for creation of new jobs is a program that envisages cooperation among employment agency and economic chamber of Macedonia.
- Job clubs is a program whose activities are: counselling of unemployed, development of presentation skills etc. Implementation of the program was made through: workshops, open office, trainings for acquiring knowledge and skills in foreign language and computers.
- Employment for target groups: is a program tailored for specified vulnerable groups of unemployed. Mostly were involved long term unemployed, young unemployed aged less than 27, disabled persons and Roma (Ministry of labour, 2006).

Macedonia remains on the lowest place of the scale among WB countries for spending on ALMP. Between 1996 and 2002 only about 10 million US\$ were spent on active labour market policies which represented only 0.05 % of the GDP (World Bank, 2003). Most of the programs were carried out with assistance of UNDP, USAID (United States Agency for International Development) and European agencies that contributed with technical assistance and financial

grants for participants. Nearly 85% of recruited unemployed were involved in job clubs for different types of counselling, courses for foreign languages and courses for computers. Just small group acquired training or retraining for specified employer. Participation in programs for target groups recruited 951 persons of which major part or 600 persons were practitioners in companies.

Table 9: Number of participants in ALMPs in Macedonia in 2007		
Programs and measures		Percentage [*]
Career guidance and counselling	49,479	100%
Vocational guidance	23,473	
Job clubs	26,006	
Additional education and training	6,168	68.4%
Training, retraining or additional training for specified employer	3,826	
Training for acquisition of knowledge and skills in foreign languages and computers in Job Clubs	3,339	
Self-employment support (family business)	500	5.5%
Public works	1,394	15.4%
Active employment policies (local infrastructure, assistance, etc) - public works in local self-government units	976	
Recruitment of unemployed persons from less developed regions for works on environmental projects or similar.	418	
Employment for target groups	951	10.5%
Subsidies for employment of single parents	84	
Disabled persons	267	
Support for first employment of young persons under 27	600	
Total recruited	58,492	
Source: (Centre of Public Employment Services of Southeast European Countries, 2008), own calculation		

Note: *Counselling and carrier guiding excluded

Expenditures on ALMP in 2007 were estimated at 4.5 million Euros which is 0.096% of country's output. In table 10 are presented planned expenditures on different programs in 2007 from the operative plan of the Ministry of labour and social policies.

Table 10: Operation plan of expenditures on ALMPs in Macedonia for 2007					
	Programs:	Number	Total (000 Denars)	EUR	% of GDP
1	Public works	1,000	27,600	451,718	0.009
2	Program for starting family business	500	73,300	1,199,673	0.024
	Program for subsidized employment of young aged less than 27	600	15,000	245,499	0.005
3	Employment of unemployed from less developed regions	400	19,900	325,696	0.006
4	Program for unemployed single parents, disabled persons and children without parents	500+200+100	111,800	1,829,787	0.036
5	Training, retraining	5,000	50,000	818,331	0.016
	Total	8,300	297,600	4,870,704	0.096
Source: Ministry of labour and social policy, own calculations					

Passive labour market policies in Macedonia

According to the Employment agency⁸, 357,166 persons were registered as unemployed in December 2007 of which 24,686 were eligible for financial benefit (6.9%). In order to qualify for financial benefit, an unemployed person needs to have at least 9 months full time employment record or at least 12 months part time employment record during the last 18 months. The amount of the unemployment benefit is varying from 40% of the average salary received during last 12 months of the employment period for those receiving financial benefit more than 12 months and 50% for those receiving financial benefit less than 12 months. The eligible period for financial benefit is varying from 3 months for those who have an employment record of at least 9 months

⁸ Employment service agency was set up in 2004 as a result of reforms of the National Employment Bureau

to 18 months for those who have an employment record of more than 20 years. Those with more than 25 years of employment record are eligible to receive financial benefit until next employment or pension (Official gazette of the Republic of Macedonia, 1998).

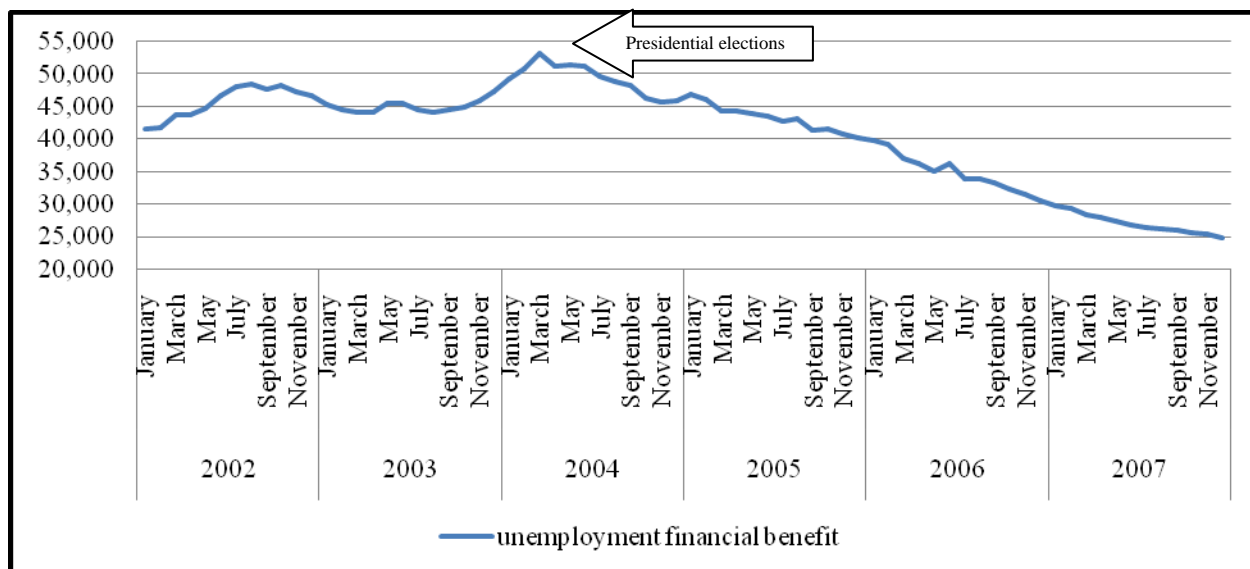
Health insurance is obligatory for all citizens in Macedonia. In December 2007, 244,717 (68.51%) were registered unemployed persons receiving health insurance. In order to meet the criteria for using unemployment health insurance, an unemployed person has to be registered at the employment office and declare that there is no other way to be insured e.g. through family member who is working. Disproportion between those receiving unemployment benefits and those registered for health insurance might be explained in the enormous percentage of those employed in grey economy and inactive or discouraged workers. Next table represents unemployed persons who received financial benefit and health insurance.

Table 11: Recipients of health insurance and unemployment financial benefit in Macedonia					
Year (as of 31.12)	Health insurance	Unemployment financial benefit (average)	Registered unemployed	Expenditures on PLMP in million Denars	Expenditures as share of GDP
2003	238,123 (61)*	45,041 (11.54)	390,361		
2004	252,612 (64.59)	49,335 (12.62)	391,072		
2005	242,679 (67.41)	43,221 (12.01)	359,989		
2006	248,564 (67.81)	34,880 (9.52)	366,551	5,686	1.84 %
2007	244,717 (68.52)	26,939 (7.54)	357,166	4,836	1.49 %
Source: Agency for employment of the Republic of Macedonia, State statistical office, own calculations					

Note: *In brackets are percentage of recipients out of registered unemployed

Number of persons with unemployment financial benefit decreased in last years as a result of high participation of long term unemployed and tough eligibility criteria. Next figure may raise some concerns about manipulation of real eligibility for unemployment benefits because during the time of the peak (April 2004), presidential elections were held in the country. Since then, number of persons continually decreases every year.

Figure 9: Recipients of unemployment financial benefit in Macedonia for the period 2002-2007



Early retirement benefit is not extensively used because of tough legislation and law on paying high amount of severance in case of lay off. Their number decreased over the years and 1,828 persons in working age population benefited full pension in 2006.

Disbursement on PLMP as sum of the GDP decreased during 2006-2007, but still remains high compared with the countries from the region. Almost two thirds of money is spent for health insurance and to the pension fund, while one third is allocated to recipients (Employment agency of the Republic of Macedonia, 2008).

Expenditures on LMP in Macedonia compared to western Balkan countries

Labour market policies in western Balkan countries varies considerably by program and persons involved. In table 12 are presented expenditures on active and passive labour market policies as percentage of GDP. In comparison also are presented expenditures in EU 27.

Table 12 Expenditures on LMP in WB countries

		almp	plmp
2004	Albania	0.037	0.147
2007	BaH*	0.078	0.22**
2007	Croatia	0.210	0.86
2007	Macedonia	0.096	1.49***
2007	Montenegro	0.375	0.205***
2007	Serbia	0.125	0.69***
2006	EU27	0.720	1.196

Note: *Not included District Brcko and grants from various donators

**for 2004, source (Pavlovic, Sarajcic, Phillips, Fetsi, Huitfeldt, & Damyanovic, 2006)

*** only unemployment financial benefit

Figure 10: Expenditures on active and passive LMP in WB countries

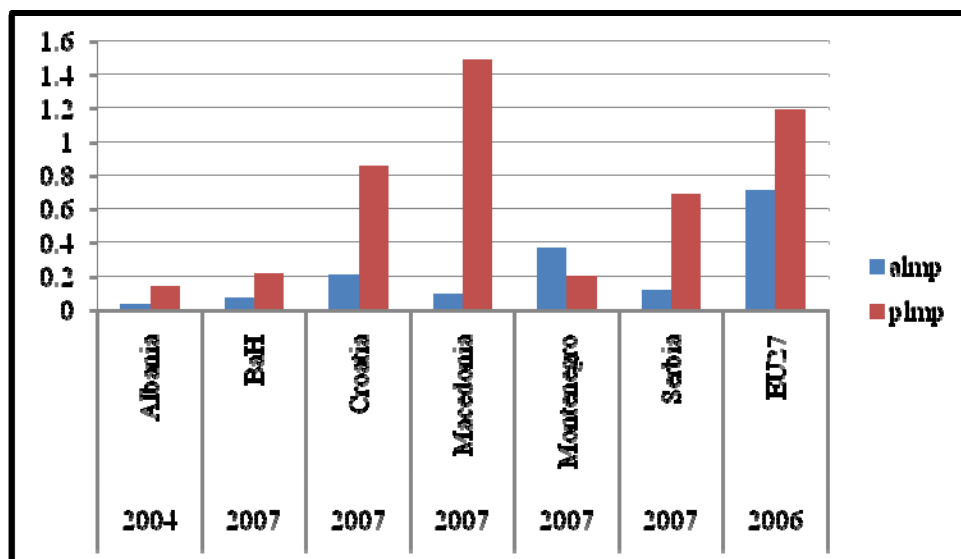
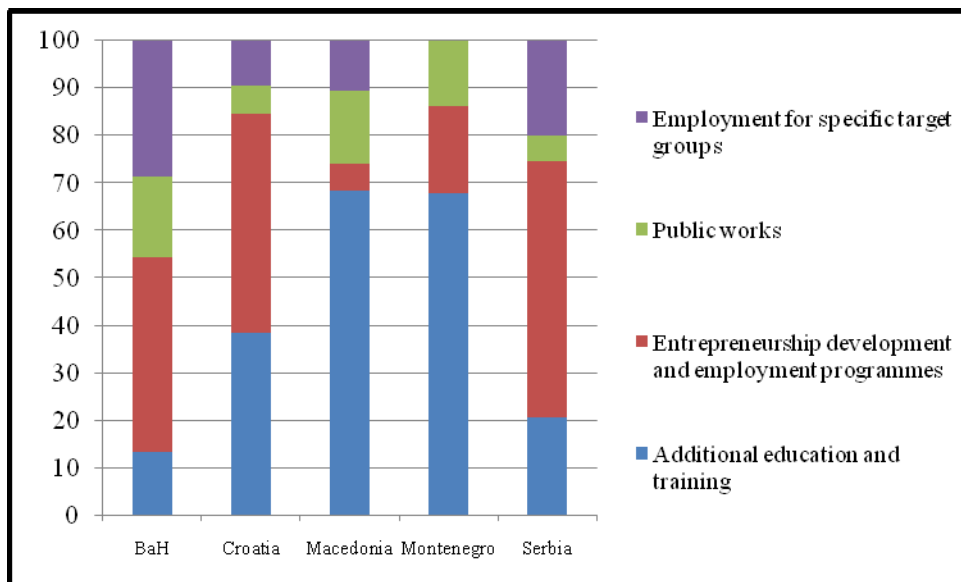


Figure 11: Percentage of persons involved in different ALMP in WB countries in 2007



In next table are presented percentages of unemployed persons who received unemployment benefit in 2007. While expenditures on unemployment in Macedonia are as high as in EU27, only 7.5% of total registered unemployed receive financial benefit. In Bosnia and Herzegovina for example, only 1.62% of registered unemployed received financial benefit which is extremely low level.

% of unemployed recipients of unemployment financial benefit in 2007	
Albania*	7.4
BaH	1.62
Croatia	22.53
Macedonia	7.54
Montenegro	22.34
Serbia	7.7

Note: *2006

Conclusions

The period of geopolitical instability and turbulence of the region ended. Countries from the western Balkan are confronted with restructuring of their economies and are making important decisions toward EU integration process. The need to put back the economic system on a sustainable growth path is very important in order to be eligible to apply for pre accession funds by the EU. Starting accession negotiations with the EU and NATO membership are goals to all western Balkan countries. At this stage only Croatia and Albania are the leaders in this view, since they are full members of NATO, while only Croatia started pre accession negotiations with EU. As a result of the name dispute with Greece, after granting candidate status in 2005, Macedonia remained outside the processes of NATO enlargement in 2008 and haven't started pre accession negotiations with the EU despite the fact that the country was first to sign Stabilization and Association Agreement with the EU in 2001.

In 2006, visible step forward was made toward regional cooperation processes in areas like democratic governance, economic and trade cooperation and security issues. The Bucharest process signed by the Ministries of labour of the WB countries is one of the most known for labour issues.

Main characteristics of the labour market in Macedonia remain low employment rate, slow job creation, big pool of inactive persons who likely have emigrated, long term unemployment and considerable number of unemployed persons who are demobilized after the war conflict in 2001. Reforms undertaken with assistance of the International and the EU agencies have big role in improving institutional capacity and more efficient managing of labour market programs.

Renewing demand for labour, fight unemployment, increase gender equalities, social inclusion of minorities and vulnerable groups are among most important issues that Macedonian Government should consider at most in the process of reforming the labour market.

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