



Analysis research on local labor market needs for RFTFs and their families

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MACEDONIAN
CENTER FOR
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GCERF
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and Resilience Fund

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List of abbreviations

RNM – Republic of North Macedonia

RFTF – Returning Foreign Terrorist Fighters

EU – European Union

GCERF – Global Community Engagement and Resilience Fund

MLSP – Ministry of Labor and Social Policy

ESARNM – The Employment Service Agency of the Republic of North Macedonia

MAFWE – Ministry of agriculture, forestry and water economy

FITD – Fund for Innovations and Technology Development

APERM – Agency for Promotion of Entrepreneurship

CSO's – Civil Society Organizations

NGO's – Non-governmental Organizations

IEP – Initiative for European Perspective

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1. EXECUTIVE SUMMARY OF KEY RESEARCH FINDINGS

The economic situation and labor market condition

The general economic situation in the country, especially the labor market is arduous and demanding great exertion, affecting almost all economic sectors and business activities, including the public sector and the civil society community.

The situation has worsened in recent years as a result of the challenges of the Covid-19 Pandemic, the financial crisis and inflation of various products and services, the energy crisis, and finally the impact of the war conflict in Ukraine.

As a consequence of these factors, it is reported that many businesses have gone bankrupt or ceased their activity, furthermore, causing damage and obstacles to the market chain and other businesses, while other companies are struggling to survive. This is particularly the case for start-ups, micro, small or medium-sized enterprises. On the other hand, many large businesses are reported to have benefited and improved their position as result of the crisis situation.

A particular challenge for the Republic of North Macedonia is the constantly growing phenomenon of emigration of citizens to western countries, especially young people and those with advanced qualifications and experience ("brain drain"), which directly affects the reduction of the workforce as well as consumer power in the country.

The prolongation of the EU integration process and the lack of adequate opportunities and funds that would be available to the country's economy within this process, also have an effect on the deterioration of the economic situation in the country. In addition, as negative impact on economic development, but as well employment process, appears the lack of political stability and political crises in the recent years and ongoing.

At the national level there are a large number of strategic documents, programs and plans for economic development and based on them a considerable number of programs and measures are implemented by various local and international institutions and actors, in order to improve the economic situation and the labor market condition. The implementation of these measures is generally considered to have a positive result or impact, but they are not sufficient, often are inadequate or not well targeted in terms of target groups or according to the interest and needs of citizens and business sector.

Main challenges, developments and opportunities of labor market development

The labor market situation in the Republic of North Macedonia is in a critical point and very unpredictable, whereas as a result of the general economic challenges, it has suffered severe shocks. All the relevant actors and citizens who are related to the issue of labor market, are revealing a dose of skepticism and minimum expectation for its improvement in a near future.

The most significant challenges for the labor market are the lack of new economic development and support policies, suitable for encountering the problem and sustainable development measures by the relevant state institutions. In this regard, it is also necessary to develop and maintain more active and quality communication, coordination and cooperation between the public and private sector in terms of determining the appropriate measures and mechanisms that ensure more stable labor market.

As a general conclusion, despite the changes and improvements in recent years through several improvement and support measures from the government, unemployment is still at a very high level, but on

the other hand, there is a relatively constant increase in vacancies of new or available job positions among employers. One of the key issues in this regard is the lack of coordination between relevant actors (state and academic institutions, and the private sector) and the synchronization of the activities amongst them. Thus, there is a significant discrepancy (deficit and surplus) between the education or professional profiles required in the labor market and those that are currently available or continue to be produced by the education system.

Situation and main challenges and development potentials for the RFTFs and members of their families

The general public and representatives of some institutions, in particular those at the local level do not possess sufficient information on the issue of RFTFs and members of their families, and consequently do not implement necessary measures and activities to address this issue.

At the highest institutional level i.e central government institutions, this topic has been addressed in a limited way and not all necessary plans and mechanisms have been prepared and approved for the proper treatment of persons returned from foreign wars and their family members.

State institutions should develop and provide or support more appropriate programs and support for general rehabilitation and reintegration into society, but also additional education, vocational training for new skills training for employment or entrepreneurship in order to be more suitable and competitive in the economic market and labor market.

In general, people and local institutions have the will and readiness to be involved in certain measures and activities to support the cause of reintegration and economic empowerment of persons returning from foreign wars and members of their families. However, this process must be carried over or be led by the state institutions and the largest domestic and international organizations because they have the relevant knowledge, experience, and the safest mechanisms to carry out such activities. In this regard, it is important that any activity in this issue must have a concrete and clear plan, in order to be acceptable to all stakeholders or actors who will eventually be involved in the process.

2. INTRODUCTION AND BACKGROUND

Citizens returning from foreign conflict zones or Returning Foreign Terrorist Fighters (RFTFs) is a known phenomenon in recent years in the Western Balkans region and beyond. North Macedonia had a substantial number of people travelling to Syria and Iraq, which attracted thousands of foreign fighters from throughout European continent. More than 150 citizens are estimated to have travelled from North Macedonia, with most of them returned to the country. Significant part of this group has been on trial and are currently serving their sentences, while some of them already have been released.

This phenomenon and thereby this category of citizens requires continuous support, both through an institutional approach by the state institutions as well from the non-governmental community, to address the health, psycho-social and economic aspects of rehabilitation and reintegration. Particularly, the social and economic support to the affected individuals enables them and their family members to have a new chance for life with new opportunities to prevent recidivism but is also indirect support to the local communities.

Certain actions in the recent years have been taken in this direction, particularly in developing a comprehensive legal framework and measures to address R&R of returnees. In June 2020 Government adopted the National Plan for Reintegration, Resocialization and Rehabilitation and of Returning Foreign Terrorist

Fighters (RFTFs) and members of their families by the Government, as well as developed an Action Plan for other institutions to other institutions for providing support to returnees¹.

At the national level there are also various general measures and interventions which to a certain extent can contribute to the issue of improving the health, social and economic situation of this category, which are undertaken by various governmental and non-governmental actors.

Therefore, the Research on social and economic inclusion of Returning Foreign Terrorist Fighters (RFTFs) and their families aims to provide a qualitative analysis of available data on economic conditions at the local level within the targeted municipalities, especially with a review of current policies and labor market situation, inclusion of vulnerable groups and utilization of active programs, plans and measures for employment.

Furthermore, the Research aims to provide an analysis of the needs and opportunities for improving the economic situation, from a point of view of different key stakeholders and actors, such as the business sector, civil society organizations and representatives of local government institutions, as well as both from the perspective of employers and employees or future job seekers.

In addition to a this comprehensive analysis this report will provide a set of recommendations that can contribute to the development of new strategic documents, plans and measures related to the economic empowerment and inclusion in the labor market of vulnerable families (including those with RFTF's) in the targeted regions and municipalities.

The specific goal of the Research is to assess the potential for (self)employment of the RFTFs and their families in in six target municipalities in Skopje Region: Chair, Gazi Baba, Butel, Studenichani, Saraj, Arachinovo; two municipalities in Northeastern Region: Kumanovo and Lipkovo, as well as one in Polog Region: Tetovo.

The process of conducting this research, considering the time period when it was implemented has encountered certain limitations, initially due to the situation with the Covid-19 pandemic and barriers to access and movement of people and information, as well as partly due to specificity of the topic which is addressed. But despite these limitations and difficulties, the team of experts in cooperation with the IEP as the carrier of the activity has managed to successfully meet the objectives derived from the ToR.

3. RESEARCH METHODOLOGY

The specific objectives, approach and working methodology of the research developed in close collaboration with experts and the IEP are the following:

- Identification of target group of stakeholders with information on local labor market needs (employers, municipality, public institutions on local level, CSOs, local leaders, etc.)
- Development of semi-structured questionnaires and conducting survey through direct interviews with respondents in each target municipality;
- Conducting desk research for collecting secondary information on the labor market condition and opportunities in general, and specifically in the target municipalities;
- Producing this Research report containing key findings and more detailed data and information, as well as conclusions and recommendations on the potential labor market challenges and opportunities, both for self-employment and employment, for RFTFs and their families.

¹ Minutes from 73rd session of the Government of RNM, 30 June 2020

3.1. Identification of target group of stakeholders, preparation of semi-structured questionnaires and conducting the interviews

In order to obtain broader, more detailed and professional information regarding the key issues related the economic situation and opportunities in the labor market and employment for the returnees from foreign wars and their family members, a series of interviews (in total 67) with key stakeholders was conducted. Interviewees included individuals who have influence on the decision-making process and implementation measures and policies at the local level, as well as stakeholders in the business community.

The main purpose of these interviews is to provide perspective from different participants on the economic development and labor market condition and needs for vulnerable categories of citizens at the local and national level. The answers offer substantial information to gain a better understanding of the current situation and challenges as well identify priorities and opportunities for further measures and activities in this area.

For the successful conduction of the interviews, an operational plan was prepared, including the guidelines on developing the questionnaires and conducting the interviews, meetings with participants in each of the targeted municipalities, to make easier access to the target group.

The identification and selection of the participants

The identification and selection of the participants for the interviews was conducted by the expert's team in cooperation with the Initiative for European Perspective.

The respondents were identified and through several ways and sources of information including Central Register of the Republic of North Macedonia, the register of non-governmental organizations from different links (e.g. <https://civicamobilitas.mk/adresar/>), websites and databases of municipalities, websites and databases of chambers of commerce, etc.

According to the objectives of the project and the research, the respondents were selected based on their role as well their profile / background (employers, municipality, public institutions on local level, CSOs, local leaders, etc), and they are located or active in work or business in one or more of the targeted municipalities (six municipalities in Skopje Region: Chair, Gazi Baba, Butel, Studenichani, Saraj, Arachinovo; two municipalities in Northeastern Statistical Region: Kumanovo and Lipkovo, as well as one in Polog Region: Tetovo).

In the process of identifying respondents, about 90 people were identified and invited for interviews, including representatives of the business sector, public institutions at the local level, as well as non-governmental organizations. However, some of the identified persons had difficulties or were unable to participate in the interviews due to various limitations such as lack of time, the pandemic, while a small part of them expressed that are not willing or consider themselves competent to respond to this type of interview. Particular problems in identifying and mobilizing respondents were encountered in particular in the municipalities of Aracinovo and Studenichani, due to the smaller number of businesses in the field but also the lack of willingness to engage in this research.

Development of questionnaires and conducting the interviews

The interview questions were semi structured by design, with aim to gather relevant information on the current situation of vulnerable groups of citizens, their access to labor market as well as other challenges they

face and possible recommendations for improving their employment opportunities at the targeted municipalities.

Interviews were designed and conducted in order to stimulate sharing experiences about the effectiveness and efficiency of the currently used mechanisms and tools for economic inclusion. Questions addressed main challenges, public policies, measures and approaches, as well as key stakeholders which can contribute to building better and more effective labor market for vulnerable families (including those with RFTFs).

In addition, opportunities and suggestions were discussed to identify what can be improved in order to achieve effective economic involvement of these citizens. The interviews showed the differences and similarities among the attitudes and needs of different stakeholder's groups/respondents and it helped design appropriate recommendations for all beneficiaries.

The interview questions mainly addressed the following key areas:

- Local economic development and labor market conditions and needs;
- Employment conditions, needs and capacities, as well profiling of employment staff;
- Specific questions on the situation and opportunities in the labor market for RFTFs and members of their families;

3.2. Desk research

As part of this phase of the research the available literature related to labor market conditions and employment, especially of vulnerable families (including those with RFTF's and their family members), including previous research findings and reports on these topics, as well as databases in the relevant institutions were reviewed and addressed in the first part of the report.

The desk review was conducted on existing documents, development strategies and plans at national and local level which enables an improved analysis of the conditions and needs from the perspective of the local government, regarding the competencies and function of relevant institutions and bodies, as well as opportunities for improvement and efficient implementation of the programs for economic inclusion of vulnerable families (including those with RFTF's and their family members) and developing appropriate public policies and measures for economic development and employment.

The analysis of documents also included a review of municipal development documents and measures in the field of economy and social protection, as well as measures for financial support of entrepreneurship and social packages to support this category of citizens.

The documentation was reviewed and analysed in order to provide more data and information that will answer several key questions, such as:

- How is the issue of reintegration treated, primarily the social and economic inclusion of vulnerable families (including those with RFTFs and their family members), in terms of developing strategic documents and as well measures to tackle the issue in practice?
- Are appropriate measures envisaged to develop a multi-sectoral and coordinated approach between the different sectors at national and local level?
- Whether and on what scale activities for raising public awareness on this topic have been implemented and whether information on this specific target group is available to the public (through the media, websites, brochures, etc.)?

- What are the opportunities for economic inclusion and strengthening for the target group in the targeted municipalities and beyond?

The documentation was provided through publicly available sources and channels, from public manuals, research reports and similar documents available online or in printed form, and through the websites of key institutions at national and local level. In addition, some documentation was provided in cooperation with the project team of IEP and partners, as well as other organizations working on this topic.

3.3. Preparation of a final analysis report (with key findings, conclusions and recommendations)

The analysis report contains data on overall social and economic inclusion of vulnerable groups, main issues and challenges that vulnerable groups and the business sector are currently facing, the opportunities that labor market offers to key stakeholders and what would be the key measures and activities to undertake in order to achieve progress and improvements.

A particular focus was given to the analysis of social measures and benefits, both for employment and (self) employment programs, in particular to the main target group of this project and research - vulnerable families (including those with RFTFs and their family members).

The analysis includes compilation of all the findings and conclusions, as well as recommendations for improvement of the situation in the future.

4. RESEARCH FINDINGS

4.1. Desk research findings and information

At the **national level** there are a large number of legal documents, as well as strategic documents, programs and development plans, which determine and regulate the direction, action and measures for economic development and growth of North Macedonia.

These documents are in different areas, depending on the topic they address (economy, industry, employment, regional development, local development and decentralization, tourism, entrepreneurship, agriculture, etc.) and are usually compiled in the medium term (3-5 years) or long term (5-10 years) periods. Some of the documents and development plans are shorter and are compiled on an annual basis in the form of action plans, while in some cases the government and other state institutions prepare ad-hoc plans for interventions and emergency measures, as is the case of action plans for response for the Covid-19 pandemic, energy crisis, economic-financial crisis and other emergency situations.

The key documents² for economic development are the National Strategy for Sustainable Development, Economic Reform Program, National Strategy for Poverty Reduction and Social Exclusion, National Strategy for Small and Medium Enterprises, National Strategy for Tourism Development, National Strategy for Agriculture and Rural Development, Industrial Strategy and Strategy for innovation. Documents or policies³ which in particular address the issue of the labor market include the Strategy for employment, Program for employment reform and social policy, Operational plan for active programs and measures for employment and services in the labor market, National Strategy for Youth and National Strategy for Women Entrepreneurship.

The national strategic and planning documents are well elaborated, and their development or preparation mostly followed good international principles and practices and included the support or expertise of various local or foreign organizations.

Some of them regulate and provide measures for the improvement of economic conditions in various fields and for different categories of citizens, including various vulnerable or marginalized social groups. Nevertheless, none of the key development documents in the country address in particular the issue of regulating or improving the economic situation of RFTFs and their family members through employment or self-employment.

At the **level of local self-government units or municipalities** there are development documents in the form of programs, strategies or action plans. These documents are mainly in the medium term 3-5 years period and generally address the topics and direction of local economic development at local level or specific municipalities. Some of the municipalities also have special development plans or strategies in the field of rural development, tourism, youth, etc. None of the target municipalities possesses specific strategies or programs for the development of the labor market and employment.

It is worth noting that access to municipal development documents is difficult for citizens and the public, because most of the municipalities do not publish them regularly, or in accessible formats on their information portals and official websites.

In recent years, at the national level a series of analyses and reports on the economic situation and condition of labor market and employment have been conducted by relevant institutions and international

² Government of North Macedonia – Strategies <https://vlada.mk/nacionalni-strategii>

³ Ministry of Labor and Soacila Policies, North Macedonia <https://www.mtsp.gov.mk/dokumenti.nspix>

organizations. These documents to a certain extent further serve in the reform process and the creation of new development policies, programs and measures for the country's institutions.

Most of the analyses and research conducted report on the main challenges which are mainly related to economic development and the level of investment which are in a relatively stagnant or low state, the unemployment rate shows a constant decrease in recent years, but still remains high and this is particularly expressed among young people, women, Roma or in the small and rural areas, as well for other vulnerable or marginalized social categories., The main challenges for this situation are considered to happen due to the (non)relevance or adequate curriculum of the education system versus the required profiles in the labor market,. Also, the quality of products and services, the unfair competition, informal or "grey economy" in the economic and labor market, are presented as major challenges for the economic development of the country.

In the recent years a considerable number of programs and measures have been implemented by state institutions as well as international organizations and foreign donors in order to improve the economic situation and the labor market, in terms of general work conditions, wage growth, education and training of the workforce, education and employment of young people and women, etc.

The implementation of these measures has brought a positive result or impact, but it appears not to be sufficient, and often measures taken are inadequate, or not well targeted in terms of target groups or interested persons, target regions, etc.

According to the Annual Progress Report (2021)⁴ of the European Union North Macedonia has made some progress in the implementation of socio-economic measures, in particular in the implementation of mitigation measures of the consequences of the Covid-19 pandemic. However, the recommendations from previous years have not been fully met, therefore the same continue to apply and need improvements for the forthcoming period, such as: measures for employment and social inclusion, in particular of the unskilled unemployed people and those that are unemployed for longer period, including women, people with disabilities and Roma, and to provide mechanisms for monitoring and evaluating these measures.

In the report it is also noted that the country has made some progress in the field of private sector development - entrepreneurship by increasing financial support for enterprises, in particular in order to overcome the challenges and consequences from the Covid-19 pandemic. However the recommendations from previous years have not been fully met, therefore the same continue to apply and need improvement for the forthcoming period, such as: consolidating the institutional approach and state bodies to ensure efficient implementation, monitoring and reporting of strategies and development measures, and to create new measures to increase the capacity of local companies to integrate into the global economic market, as well as in the field of combating the illegal economy and unfair competition.

According to the same report the European Commission similarly assessed the country progress ("some progress" or "slow development") on other areas of development, which are closely related to improving conditions and building economic development capacity, such as: education, science and innovation, agriculture and rural development, transport policies, etc.

⁴ Chapter 19: Social policy and employment and Chapter 20: Entrepreneurship and industrial policies
https://ec.europa.eu/neighbourhood-enlargement/north-macedonia-report-2021_en

The holistic approach of North Macedonia on RFTFs reintegration process and policies

With the process of returning fighters (including women and children) from foreign wars in Syria and Iraq, the authorities of North Macedonia have prioritized their reintegration agenda. In this context, the Government established the Inter-agency Working Group for Resocialization, Rehabilitation and Reintegration of Foreign Terrorist Fighters and their families⁵. With a limited phase of consultation with stakeholders such as civil society, the business community and religious communities, the group drafted the National Plan for Reintegration, Re-socialization and Rehabilitation and (PNRR).

After a long period, partly due to the unprecedented circumstances caused by the COVID-19 Pandemic, the government approved the PNRR six months after the formation of the Group and the drafting of the Plan⁶. Such a delay caused frustration and increased distrust of public institutions among the beneficiaries of the Plan, namely the returnees released from prison as well as the families of the returned returnees. However, based on the PNRR the NCCVECT established Community Action Teams (CATs), and has drafted a Standardized Operational Plan (SOP) for more efficient case management of returnees' R&R.

In several public statements, government officials presented the reintegration plan with high marks, especially noting that it is whole-of-society^{7,8,9}. In the paper "Repatriation of family members participating in ISIS: a model of Northern Macedonia?", international experts emphasize the importance of including the host community in the plan, recognizing the critical role played by families, schools, local businesses, and community groups, in the process of resocialization.¹⁰

Equally important is the comprehensive approach of a wide range of professionals in various fields (psychiatrists, psychologists, professors, social workers, clergy and law enforcement personnel) to provide psychosocial support, vocational training and supported the reintegration into society not only of convicts during and after their imprisonment, but also of their families¹¹.

Moreover, Republic of North Macedonia strives to coordinate the ministries, governmental and non-governmental institutions in their activities through several directions, thus creating National strategy of the Republic of Macedonia for fight against terrorism (FAT) (2018-2022) and National strategy of the Republic of Macedonia for preventing violent extremism (PVE) (2018-2022).

Both documents are very similar and used approximately the same SWOT analysis for their needs. Both documents only to a limited extent tackle the issue of employment and resocialization of RFTFs, mainly identifying the issue in the SWOT analysis, and mostly not directly in the priority goals. Within this analysis, weaknesses at local level were identified as insufficient employment, especially in minority communities, and as a threat is mentioned the structural unemployment and underemployment.

⁵ Public announcement: 172nd Session of the Government of Northern Macedonia, on 24.12.2019. Online at: <https://vlada.mk/node/19885>

⁶ Public announcement: 73rd Session of the Government of Northern Macedonia, on 30.06.2020. Online at: <https://vlada.mk/node/21959>

⁷ Government presentation: National plan for reintegration, resocialization and rehabilitation of returnees from foreign wars and their family members, on 09.12.2020, online at: <https://vlada.mk/node/23473>;

⁸ Documentary: Reinforced security of institutions and embassies after the arrest of ISIS returnees, on 22.09.2021, online at: <https://bit.ly/3ceveqM>

⁹ News: *ISIS fighters return home: how does Macedonia expect them?*, *Sloboden Pecat newspaper*, 24.09.2020, online at: <https://bit.ly/2NAMi9b>

¹⁰ Rosand E., Ellis H., Weine S., *Repatriating ISIS Family Members: A North Macedonia Model?*, 2020, online at: <https://bit.ly/36gUp1s>

¹¹ Holmer. G. and Shtuni. A., *Special Report of United States Institute of Peace: Returning Foreign Fighters and the Reintegration Imperative* [2017]. pg. 8. Online nē: <https://bit.ly/3cA08Dw>

Key threats to resocialisation of RFTFs and their families, identified through research and analysis as well as interviews, are economic, social and ideological factors.

A strength at the regional level is considered effective cooperation of the EU, OSCE, and other international organizations for capacity building, expertise and donor resources, but from the desk research we did not recognize usage of adequate funds in terms of providing employment for these target groups. The reason for not using the donor resources is explainable if we analyse the threats identified in both Strategies in state level, that there is competition for the limited resources available to support communities and lack of unity in efforts, due to lack of government capacity.

Establishment of permanent State Working Groups for coordination and evaluation of FAT and PVE activities for each strategic priority are seen as opportunity at the state level as well as the establishment of Community Action Teams (CATs) to improve cooperation between central and local governments as opportunities at the local level.

In these strategies, as one of the key guiding principles for FAT and PVE is as well "Providing conditions for enhanced economic development".

In order to engage the civic society and religious leaders, the Strategy for Preventing violent Extremism aims to encourage the activities of youth-oriented civil society organizations, with opportunities for their involvement in youth programs, which channel the feeling of optimism, and reduce the feeling of political marginalization, economic pessimism and social isolation.

According to these strategies, the implementation of the activities envisaged will enable understanding of the dangers of marginalization, economic difficulties and threats of community divisions.

4.2. Interviews

4.2.1 General information about the structure and profile of the interviewees

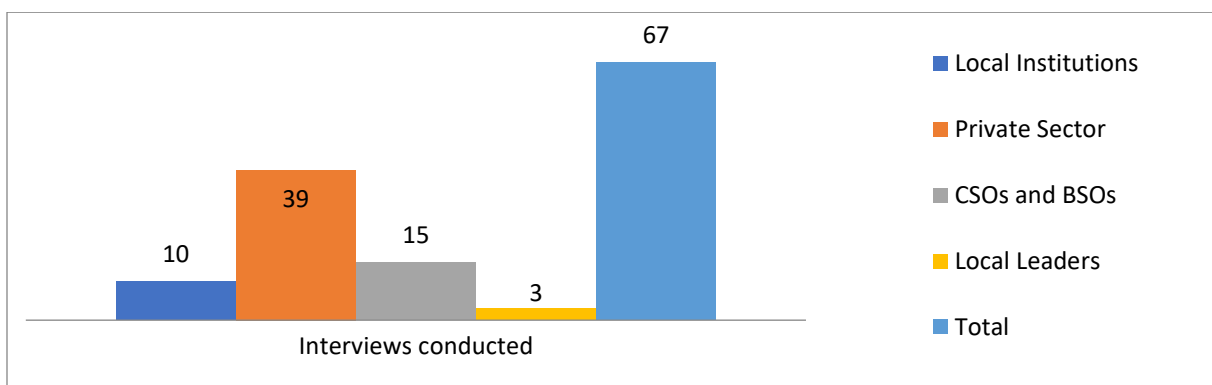
In the research process and activities, during a three-month period, a total of 67 interviews were conducted out of 75 individuals invited (12 women, 63 men), according to the project objectives and methodology.

For conducting the interviews, the respondents were selected based on their role as well their profile / background (employers, municipality, public institutions on local level, CSOs, local leaders, etc), and they were located or active in work or business the targeted municipalities (six municipalities in Skopje Region: Chair, Gazi Baba, Butel, Studenichani, Saraj, Arachinovo; two municipalities in North-East Region: Kumanovo and Lipkovo, as well as one in Polog Region: Tetovo).

Some of the identified and interviewed entities, in particular private companies and non-governmental organizations are active in more than one municipality, which has enabled the experts' team to obtain more diversified or comparative feedback and information, regarding to different geographic areas.

Entities or participants were identified and included in the interviews taking into account their profile and background, in order to enable as many target groups as possible or representatives of different sectors and levels to be involved and have possibility to give their assessments and ideas on the relevant issues and topics.

A total of 39 interviews with the private sector were conducted, which is also considered as the largest carrier of the market economy in the country, 10 interviews with public institutions at the local level and 15 interviews with representatives of non-governmental organizations. In addition, a total of 3 interviews were conducted with local activists in the community in some of the targeted municipalities.

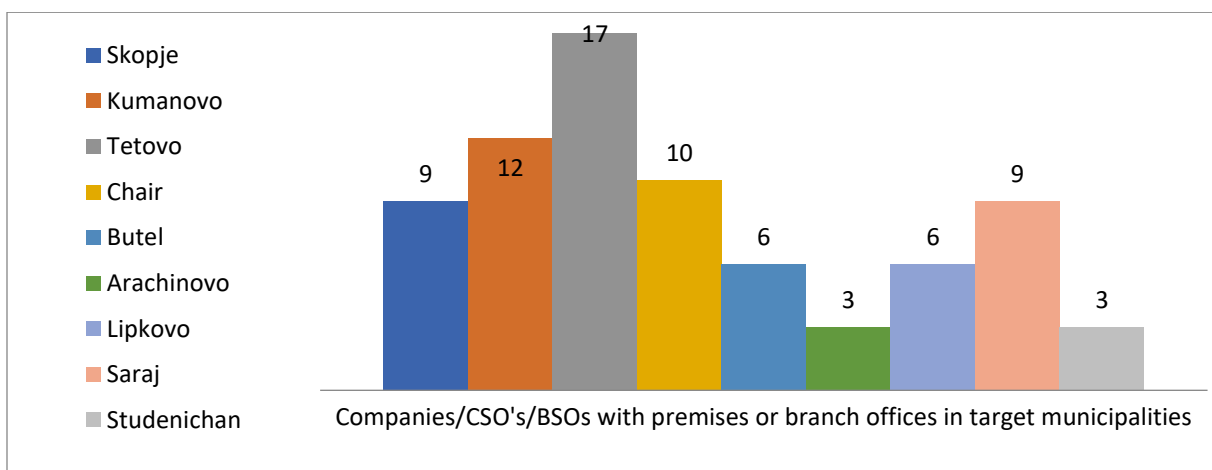


In the group of companies interviewed, most of them are active in more than one activity, while companies from different sectors are included, such as manufacturing, trading, service companies or from the construction, hotel and restaurant, transport sectors, etc.

The group of local public institutions interviews includes representatives from local self-government units as well as regional employment agency centres and one representative from the multidisciplinary group within MLSP – Centre for labor and social policies in Skopje.

Civil Society organizations involved in the research also come from different sectors and profiles, and they mainly work in the areas of democratic governance and human rights, social inclusion and social protection, economic and local development and entrepreneurship support, capacity building and education, marginalized groups, etc.

Out of all respondents interviewed, 40 are active or have branch offices in the Skopje Planning Region (Chair, Gazi Baba, Butel, Saraj, Aracinovo and Studeniciani), 18 in the North-East Planning Region (Kumanovo and Lipkovo), and 17 in the Region Planning Polog (Tetovo and some of the surrounding municipalities).



In all cases and profiles of participants, in addition to the diversity in terms of belonging to different target municipalities, sectors and activities, the team of experts has also taken into account other relevant parameters and conditions during the identification and involvement of respondents, including their size, number of employees, gender, age, ethnic, territorial and geographical (urban / rural) or other representation.

4.2.2 Local economic development and labor market conditions and needs

Current economic situation, especially in the area of labor market and employment

All respondents showed some knowledge and gave their general assessment of the economic situation and developments in the labor market in particular.

Information on economic developments and social policy in the country is usually provided or obtained through various information channels, such as visual and print media, social networks and websites of relevant institutions and organizations, as well as internal analysis, especially of larger companies, which also consult professional companies in this field.

Information is furthermore developed on the daily work basis, and direct contacts with partners and collaborators, but also by relevant institutions at the local and national level.

A part of the respondents, particularly from the business sector, are informed and updated of economic developments through various forms of networking, or through associations or chambers of commerce, where they participate as members and therefore in addition to informing them, are also provided with forms of various actions, advocacy and lobbying for problem solving, or the realization of certain interests and goals.

The vast majority of respondents gave a negative assessment, respectively answered that the economic situation is currently extremely difficult, both for businesses and the public sector, but as well for citizens in general. In particular, this is most noticeable in the last two years, as a result of the Covid-19 pandemic, which has caused difficulties in the operation of businesses, the free movement of goods and services, and the restriction of the movement of persons for research of new markets and products, consequently causing crises in the shortage of certain products, as well as rising prices significantly.

As a result of the crisis caused by the pandemic, it is reported that many businesses have gone bankrupt or ceased their activity, causing damage and obstacles to the overall economic chain and to other businesses, while a large part of business companies are surviving with the last constraints. These challenges are mainly targeting or influencing the start-ups, micro, small or medium-sized businesses where operating costs have risen and purchasing, or consumer power has fallen. On the other hand, many large businesses have benefited from the crisis situation of the pandemic.

In addition, a huge challenge in North Macedonia in recent years, is emigration, particularly of young people and those with advanced qualifications, which directly affects the reduction of consumer power, as well as weakening of the already sensitive workforce.

Some of the respondents, in addition to assessing the economic situation in the country and the weakened labor market, also show a dose of scepticism and lack of hope for improvements in the economic aspect, based on the slow development over the years, as well as the lack of creation and the implementation of new and sustainable development policies, in which more direction is expected from relevant institutions and organizations.

Many representatives of the private companies report on a poor communication and consultations between the public and the private sector, therefore the measures of reforms and support taken by the public sector often do not correspond to the reality and needs on the ground.

In addition, some of the respondents estimate that in the country, instability and successive political crises has negative impact on economic development, as well as employment.

Although most respondents agree that in general unemployment is a key challenge, the private sector also responds that there is big gap, or currently more manpower is needed on the market. This is reported as largely due to the lack of a synchronization of the strategy of action between academia and the business sector as well as public sector. Skills and education of graduates do not correspond to the needs of the of business or even the public sector.

The non-integration of the country in the European Union, as well as the successive delays in the beginning of EU accession negotiations, have a great impact on the economic situation and the creation of a stable climate for the development of the country as a whole, due to the improvement of conditions for the circulation of goods and services, the inflow of new investments from abroad and access to new development funds.

Other more specific problems and challenges noted by most of the interviewees were the shortcomings and delays in the supply procedures, difficulties in the field of transport, rising prices of goods, services and fuels, and in particular the new energy crisis is highlighted, which in the coming period is expected to hit businesses even harder. Recently, the economic situation has been aggravated by the crisis of the war conflict between Russia and Ukraine, causing a global economic shock, but particularly this is reflected in European and Balkan countries.

A comparative analysis across the target regions or municipalities of the project or subject of this research shows that in larger and urban municipalities (Skopje, Tetovo and Kumanovo) the situation is more favorable, while in small and rural municipalities, in particular Lipkovo, Aracinovo and Studenicani, the situation is assessed as more difficult, with the exception of the municipality of Saraj which is characterized by a relatively developed small and medium business sector, particularly in the last decade. It should also be noted that in entirely urban municipalities, such as Chair, but also part of Butel or Gazi Baba, the focus is more on trade and gastronomy, as part of the manufacturing industry cannot be included at large, due to surface or location limitations.

In rural municipalities, although agriculture is a potential field, it is almost not used, or used very little. Tetovo and its surroundings, as well as Saraj, are characterized by the presence of economic zones which play an important role in the organization and operation of the business sector, thus offering even more opportunities in the economic field and labor market for the population in these regions.

Development documents and strategies for the economy or local labor needs

At the local level, in contrast to the national or central level, the assessments of the respondents are mostly that in the municipalities there are not sufficient initiatives for the creation of economic development policies nor in the field of employment.

Most of the interviewees state that in the municipalities where they live and work, there are no specific documents (analysis, strategy, plans or programs), initiatives, or processes for economic or labor market development. If such documents do exist, there are not known to them, or publicly available to citizens.

Most of the participants stated that they have never been informed, or invited to participate in local initiatives, events, debates or forums, in which economic development was a topic or the issue of employment is discussed.

Where institutions do produce relevant documents, they are perceived to not accurately reflect the real situation of the public sector and developed merely pro-forma rather than a reflection of the substantial needs from the citizens or the community belonging to that municipality.

Respondents involved in the non-governmental sector have a little more knowledge about the existence of these documents, but a large part of them still answer that they were not part of the compilation of these documents.

In addition, a significant number of companies and organizations emphasize a lack of interest from institutions at the local level, for communication and support of business entities and civil society organizations, especially small ones. Communication and support are often done in an irregular and selective manner.

Some of the respondents pointed out that the local self-government units face major basic or functional problems, in particular in infrastructure, education or environment. As a result, economic development and the issue of employment is of secondary importance. P

Key challenges for entrepreneurs i.e. employers

The problems of entrepreneurs, respectively employers, which are identified through interviews and this research, are numerous.

The biggest problems and challenges are the global crisis with the pandemic and massive price increases in almost all activities, goods and services, especially energy. Other key challenges are lack of manpower, especially professional and experienced staff, mainly due to migration, but also due to the inadequate education system, which does not produce enough professional staff.

Another problem which emerges recently due the economic crises is related to freezing of the prices of some products, as a result of some late measures taken by the government, therefore some companies have come to sell their products with prices lower than the cost of production or wholesale value purchase, and this forces them to either produce less, or to stop production or selling, as they generate losses.

Moreover Many respondents emphasize that academic institutions should approach the businesses, meaning that the requests that come from the business for specific education profiles, to incorporate in the curricula of studies in the faculties, also have more interaction and collaboration for on-the-job training/practice for youth and students in the private sector companies.

Also, not all companies have the possibility to train staff who are not ready to take on tasks immediately and this causes them a significant problem in carrying out the basic activities of their business.

Certain industries, such as handicrafts and some small businesses, although institutionally receiving adequate measures, subsidies or tax relief, as well machinery and other small craft equipment, this does not seem to be sufficient for business survival, as the global market or mass imports of goods from China or Turkey make their situation unfavourable due to high competition and low production prices. Therefore, they see solutions in the adoption of the law for the protection of local products and crafts.

Other problems that have been identified by the interview process are:

- Reduced profit and incomes from domestic production,
- Increased imports and import prices,
- Increased prices and restrictions on domestic and international transport,
- Lack of adequate infrastructure (roads, water supply and sewerage networks),
- Unfair market competition, monopoly and "grey economy" (non-formal),
- Grey "online sales" market, which is not legally binding or controlled at all by the relevant institutions,
- Problems with the realization of payments on time and the low level of liquidity of businesses,
- Lack of public or organized transport, especially in the locations of entities outside the settlements,
- Lack of communication, cooperation and institutional support and state subsidies,
- Long and bureaucratic procedures, long waiting times for services, or low-quality services,
- Lack of interest and motivation, lack of discipline and low commitment to work, get employed or hold employment status by the youth, and sometimes women. the efficiency of work has decreasing, due to the lack of motivation by employees.

Key challenges for employees i.e. job seekers

On the other hand, the main problems and challenges faced by most employees or job seekers are the mismatch between the educational or professional profile required in the labor market, which appears to be present as a result of the lack of professional orientation and practical education / training of potential employees and shortcomings of the education system in general..

This imbalance or discrepancy between the profile or the potential of the candidates on one hand, and the demand in the labor market on the other causes many people to lose their jobs while many other jobs remain vacant due to professional incompetence and necessary skills of the employees and job seekers. As a result, jobseekers are often forced to look for work outside their educational and professional profile and similarly companies are also forced to accept workers with lower qualifications, or not suitable for the activity they do.

Other reasons, which were highlighted during the interviews by the respondents as problematic and challenging for workers and jobseekers, are:

- Low and non-regular payment, non-payment or declaration of health, pension and other tax and salary contributions, respectively submission to the employment office as an employee (this sometimes is an issue caused by the employers and sometimes by employees in order not to pay necessary taxes or not to lose some social benefits, etc.),
- Long working hours or work during holidays,
- Increasing the consumer expenses or increase of the standard of living, which burdens their family budget and increases ambitions or needs for higher pay, or change of job,
- Lack of public or organized transport, especially in rural and less developed municipalities,
- Lack of communication, correct relationship and appreciation of employees by employers,
- Discrimination in employment and at work on ethnic, gender or political grounds, in particular against Roma, women and persons with lower education,
- Lack of information, support or guidance in the process of education and career orientation or development of young people,
- Lack of support and liaison of jobseekers with employers and support in the process of finding and applying for new employment,
- Lack of opportunities for training and professional development, especially new and innovative skills,
- Lack of self-confidence and motivation by no-experience workers or jobseekers, and excessive self-confidence by workers or jobseekers who did only some practical work or have some experience and they appear to show bigger expectations.

Key stakeholders (institutions, organizations) for conducting economic activities at local level, and level of services or measures they provide to the business sector and citizens

Most respondents mentioned more than one institution at the local level, which they know or have information that they are key parties or carriers of economic activities and development at the local level. These institutions in most cases are mentioned the Employment Service Agency - ESARNM (regional units) as well as municipalities, specifically Local Economic Development sectors of the municipalities.

It was also emphasized that important role in the local economic development in the targeted regions have several organizations and associations such as the Economic Chamber of North-West Macedonia, Albiz Foundation and some other national and international organizations and projects (UNDP, GIZ, USAID), etc.

Educational institutions, in particular professional (vocational) high schools and universities, also play an important role, as key actors in the process of development of adequate human resources to support businesses in the country.

Some of the respondents estimate that financial institutions, banks and other financial institutions also play an important role in economic development through their economic development products and loans.

However, the vast majority think that the private sector is the leader of local economic development and that the other parties mentioned, should only be supportive of this category, to move the processes forward, providing infrastructure, networking, institutional support and coordination of common steps towards economic development. Therefore, the private companies are often forced to encourage young people, in the steps of their institutional training, with the support of various scholarships, to prepare potential staff for the needs of the market.

Measures, activities and services which are usually implemented by institutions or organizations involved in local economic support and development (such as support for entrepreneurship, self-employment, support through various measures for education, training and mentoring, measures for entrepreneurship of young people, women or other marginalized group etc.)¹², as well as improving labor market conditions and employment are considered to be crucial for both, businesses and employers, as well as workers and jobseekers, and would have an impact on the local community as a whole.

A significant part of the respondents stated that they have knowledge and, in some cases, have been beneficiaries of the measures to support entrepreneurship (mainly the establishment of new businesses) and measures for the employment of new staff or subsidizing the existing staff in companies, as well as other financial aid, but always with the fear that they will have to face any penalties, as the criteria for obtaining these benefits are extremely complex and hold consequences which do not always depend on the applicant's or beneficiaries' (private entities, employers) actions or non-action.

However, the general assessment regarding these measures and activities is that they are usually not sufficient or that they are designed for short-term and limited access interventions and can only meet the needs of a small number of citizens or businesses.

In a way, these measures lack sustainability, and there is a lack of cooperation and coordination between the central and local level institutions in order to better synchronize the measures.

In some cases, respondents say that the procedures for applying and using these measures are often complicated and become a burden on the operation of businesses, due to the long administrative procedures and complex conditions for their application.

A very small number of respondents expressed that they are aware of the measures and support provided by central level institutions such as Entrepreneurship Support Agency, Fund for Innovation and Technology Development, Agricultural Support Agency, etc..

Interviewees mainly assess that access to these measures or support is very difficult, as entrepreneurs do not have enough information and knowledge, the criteria and application process is difficult and there are doubts about fairness of the selection process. For this reason, respondents think that a more encouraging strategy and appropriate guidance is needed for the employees of these institutions, so that they can make the information more accessible to the target group, for whom these measures are intended.

Special measures that have been mentioned, are as well the state support for citizens and entrepreneurs during the pandemic, but in most cases, it has been estimated that these measures have also not been sufficient and have only been active for a short period of time. Unlike citizen assistance, which is provided in the form of a non-repayable grant, subsidies to businesses have been in the form of low-interest loans, which after a certain period must be repaid (partial or in full).

¹² Operative plan of active measures and programs for employment and services in the labor market for 2022, Agency for Employment of North Macedonia, <https://av.gov.mk/content/pdf/FINALEN%20OP%202022.pdf>

The missing measures or support mechanisms are the creation of incubators and accelerators in the municipalities, which would stimulate self-employment among young people, and would change the classic way of doing business, approaching to the new global business development trends. Therefore, private companies state that they find it difficult to penetrate the new markets in Europe, as they are not sufficiently competitive with existent technologies.

Private companies also see the non-governmental sector as partners, as they find their support as more informal, tailor-made and driven by the real needs of the private sector, compared to the formal support of the public sector which is usually mass oriented

Main economic development activities or industries and potentials for further economic development, especially for development of local labor market

The answers regarding the main economic activities or developed industries, which consequently offer more new jobs and opportunities, differed depending on the region in which the interviews took place. It is worth noting that in some of the small and rural municipalities the respondents found it more difficult to identify or highlight any activity as primary or more developed, because they consider that in general in these municipalities, the economy is very underdeveloped, greater production capacities or factories are lacking, while the unemployment rate is very high.

However, in general as the main economically developed sectors or industries at the level of the three target regions, are the following:

- construction sector (production, trade and other construction activities),
- trade industry (clothes, food, other products) and shopping malls,
- catering, tourism and gastronomy, respectively restaurants and cafes
- handicrafts with a focus on the municipality of Chair, and partially in municipality of Tetovo
- manufacturing of furniture and other household furniture, with special emphasis on exports to foreign markets
- partly the agricultural sector, with great development potential, but inadequately used or developed

Consequently, we can conclude that the shortages or needs, as well as the potential or employment opportunities of a larger number of workers, are precisely in these sectors or activities. However, often the challenges are greater in the recruitment of new staff, due to the lack of skilled workers, especially for some specific sub-activities, which involve better professional training. Therefore, due to the lack of employees or work force potential, many companies cannot expand into new markets, with the new or the same products, as they are afraid that they will not be able to meet the commitments, even though they have the right know-how, and all the technology needed.

In addition, respondents said that a large economic role and in the field of employment in these regions, have micro and small businesses in different activities and sectors, which are in greater numbers than medium and large businesses and the latest trend is also Call centres, which provide services to clients abroad, and the IT sector that has potential, as there are adequate University Centres, which create profiles for this sector.

As one of the branches, or economic activities with greater development potential and which at the same time will have a greater impact on economic development in the country, and in particular on improving the employment situation through the creation of new jobs, is considered production or investment in larger production and processing capacities - factories for various products (agricultural,

textile, food, construction, wood, etc.) and this would make the country and entrepreneurs more successful and competitive in the regional and international market.

Also, as an activity with potential for development is the sector of agriculture, livestock and production of various agricultural products, for which the country has favorable conditions and potential, including the three regions targeted in this research.

In continuation of this line, the respondents said that the tourism sector also has the potential for greater development, if the necessary interventions and investments are made and more promotional measures are implemented.

Also, the latest trend is the provision of digital services, with special emphasis on foreign markets, including the leasing of online labor services, has impact on slow-down or preventing the emigration and increasing the export revenues.

The textile industry also has potential, as here there is a raw labor market that is not included in the market, and mostly it is about female workers, who gravitate to this industry, but because of the conservative environment, have not been until now involved in the hiring process. This is slowly starting to change, and at the same time it becomes a potential opportunity for businesses.

In general, all certain investments in various fields should have the support of municipal and central institutions, whereas municipal institutions should create preconditions, starting from the approval of general and detailed urban plans to the support of infrastructure, water, electricity, sewerage, etc., while central institutions should support them with incentives both financially and institutionally, with legal conveniences.

In general, it is estimated that in almost all sectors and economic activities there is a need for additional work force, but on the other hand there is a lack, both quantitatively and qualitatively of suitable candidates with adequate professional training and sufficient work experience for the labor market.

The potential or need for new workers is mostly from the deficient professions, which are usually with specific technical training, mostly in the activities which are more developed, or with greater potential for development (production and processing, construction, trade and hospitality).

The labor market in certain activities (construction, tourism, hospitality, etc.) also faces some oscillations that are evident due to changes that occur as a result of seasonal work, which makes the market even more volatile and unpredictable. But, for some tourist activities or regions that are related to the seasonal aspect, this is also seen as an advantage, as those activities that have activities in winter tourist centers, interact with the foreign market, such as Croatian market and thus keep workers not from emigrating completely, but being engaged in different countries, in different seasons.

4.2.3. [Current employment situation, trends needs and development potentials/capacities](#)

Analysis of the employment situation and trends in the interviewed entities

The participating companies, as well as the organizations and the public sector in this research, are of different profiles, sectors and sizes, in order to have more diverse feedback and information.

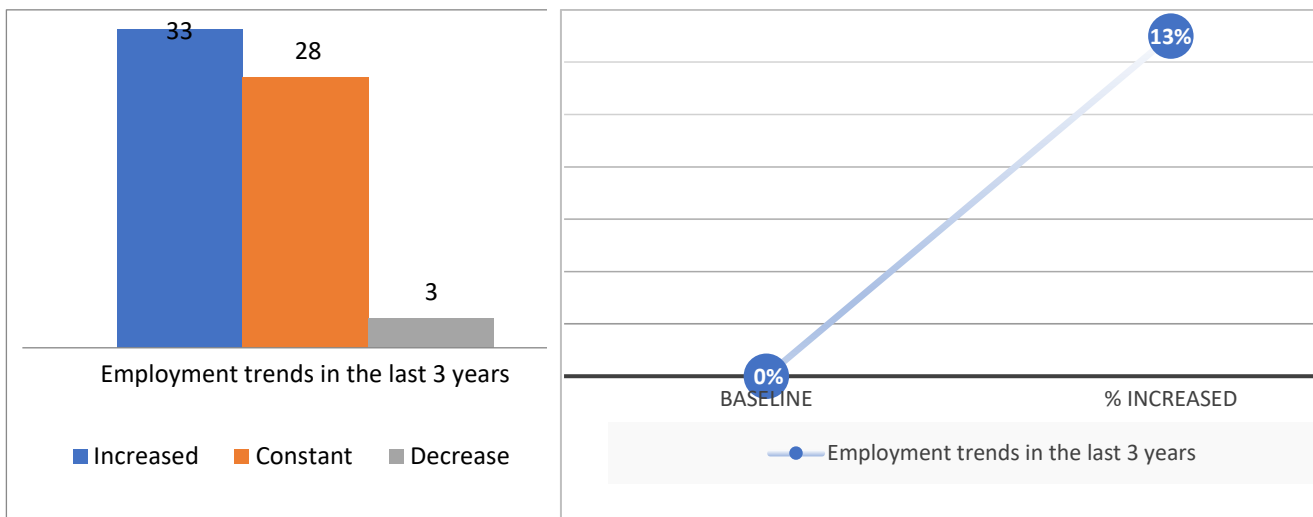
However, all companies, organizations and institutions were asked about the current employment situation, correspondingly the number of employees and employment trends, as well as about the challenges, needs and potentials for development in this regard. Some of the respondents were not able to answer certain

questions accurately, as in the larger organizations, companies or institutions, the obligations and responsibilities of certain areas are divided among more than one person.

The respondents (companies, institutions and organizations) interviewed and answered the questions on their employability in total employ more than 3200 regular or fixed term employees. While some of the interviewed entities have informed that they also make temporary employments for specific activities, seasonal and other work, a number that is not constant and easily measurable but usually includes about 20-30% of the regular workforce.

In general, in the private sector there is a greater dynamic in the field of employment, both for the current figures, as well as for the potential for change, mainly to increase the number of employees. Thus, about 95% of the interviewed companies have stated that in the past three years, despite the economic crisis and the situation with the Covid-19 pandemic, the employment trend is constant, or it is increasing, while only 5% answered that there has been a decrease of the number of employees.

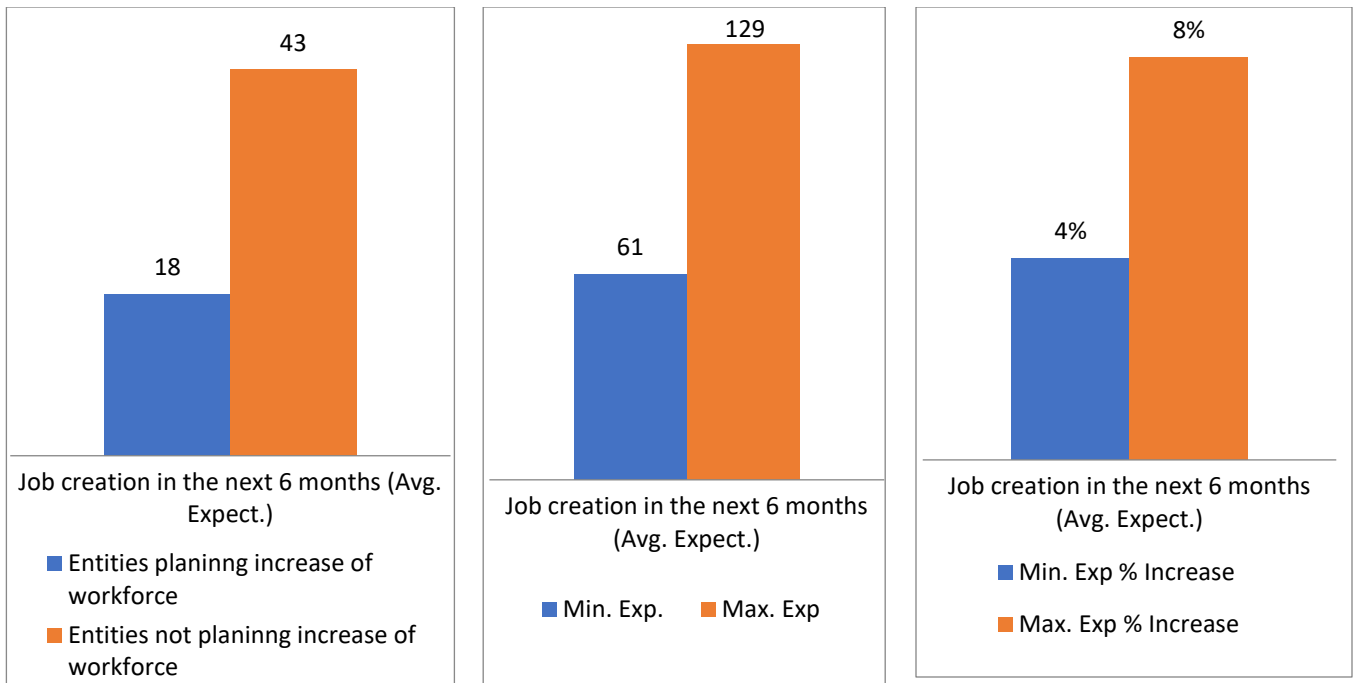
According to the data of this research analysis in the last three years there has been an increase of employment of 13% within the interviewed entities.



Around 30% of the interviewed subjects or entities have expressed that they are interested and need new employments in the next 6 months. The largest number of required positions are in the trade and construction sectors, followed by manufacturing and crafts, tourism and hospitality, information and technology, and others.

Consequently, the affinities or skills that candidates must possess are related to the required job positions: sales, marketing and public relations, hospitality, project management, technicians and construction workers, electromechanical technicians, programmers / computer scientists, etc.

According to the interviews, the expectations are that in the following period (6 months) between 60 and 130 new jobs will be created or available at the interviewed entities which are planning expansion or increase of workforce (18 companies), depending on different circumstances and factors, which compared to the current number of employees in these companies is between 4% to 8% expected increase.



As for the illustration and comparison of the findings from the analysis of the conducted interviews and the analysis of the labor market based on the announcements in the three portals of the largest employment agencies in the country in some way the attitudes from the interviews are confirmed.

Thus, for example, the ESARNM – The Employment Service Agency of the Republic of North Macedonia currently has about 7,000 active job vacancies published, most of them in the municipalities in the city of Skopje, and with dozens of vacancies in other municipalities and cities.

The portal vработuvanje.com currently has over 500 active advertisements for employment in various activities and professions, most in the ICT and telecommunications sector, followed by manufacturing and crafts, tourism and other catering, most or 4 out of 5 advertisements are for cheap labor in the Skopje region.

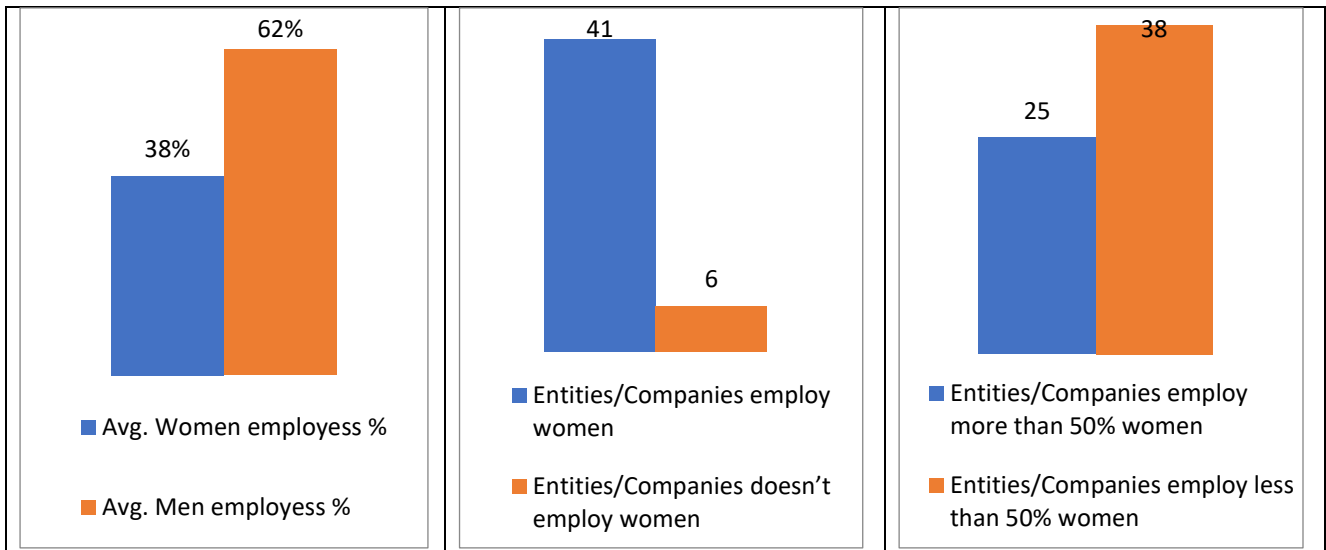
The portal kariera.mk also currently has published over 300 vacancies, most of them in the sector of trade, hospitality, and electromechanical technicians, programmers / computer scientists, and others. Again, most of the jobs are advertised in the Skopje region.

Gender

The largest number of interviewed entities or about 90 %, employ women with an overall average of 38 %. While in some of the companies the employment of female individuals dominates, in some others is the opposite. But, in these cases this usually happens due to the specific types of activity conducted by some entities e.g. in the construction or transport sector there are more male workers, while in the administration, education, trade or textile sector there are more female workers.

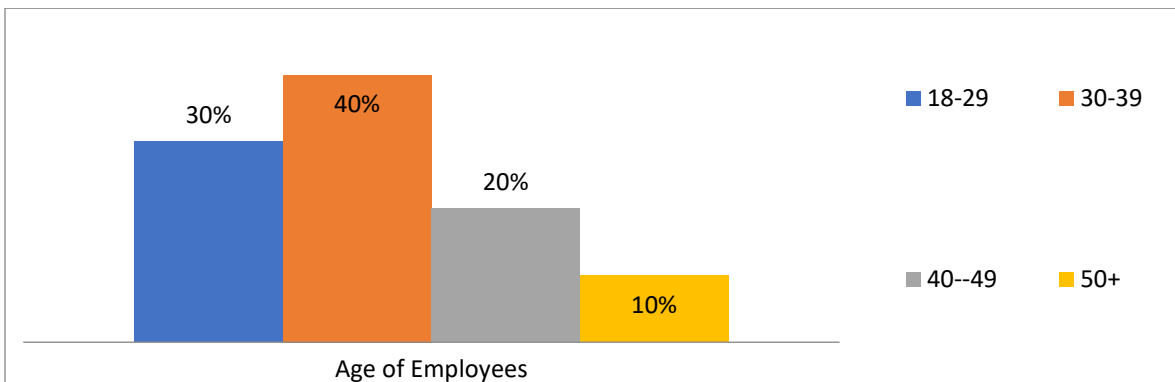
In some cases, mainly in small and rural municipalities, as issues that cause gender imbalance in employment is the low interest of women, due to family obligations, conservative mentality and prejudices in society, as well as business location, transportation or working hours, etc., although most companies say that

they want to have more women in the process of their work activity and related to this issue, it is necessary to raise awareness, educate the community and emancipation of women in general.



Age

The analysis of the aspect of the age of workers, shows that the youth at age 18-29 is represented with more than 30% in employment, both in the private or the public sector. More than this is represented middle age generation of workers 30-49 with around 40%, the generation 40-49% is represented with more than 20% and workers more than 50 years old make around 10% of the total employment workforce at the selected and interviewed private or public entities.



Recruitment process, challenges and trends

Regarding the issue on how they hire or recruit new employees, most respondents said that the hiring process usually takes place through recommendation from the network of collaborators or acquaintances and advertising in the media (web sites, info portals or social media), while in some cases the recruitment of new employees is done through advertisement or intermediation of the Employment Agency, and significantly low part of subjects interviewed recruit their new personal or staff members through educational institutions (schools or universities) or in cooperation with municipalities.

Vast majority of interviewed entities or companies have expressed that they usually encounter significant challenges or problems in the process of finding or recruiting new staff.

Challenges in finding and recruiting staff in general are related to the general economic situation and the current state of the labor market, which is characterized by a lack of manpower in terms of quantity, but also in terms of quality, or skilled labor.

Some respondents point out that due to the lack of workforce and difficulties in recruiting new staff, the recruitment process has also become more costly as in these terms other outsourcing mechanisms must be engaged, and this usually comes with higher prices in the market.

Most problems or shortcomings are found generally in deficient sectors or professions, due to lack of adequate professional training and work experience, for example architects, technicians, operator of machines in production or processing departments, drivers of construction or heavy machinery, drivers of vehicles for international transport, mechanics, information technicians or engineers, as well as staffs closely related to gastronomy, chefs, waiters, etc.

In this regard, almost all sectors and activities face difficulties and shortages in finding adequate workers, largely due to the phenomenon or problem with the migration of citizens, especially young people from the country both inside the country and toward western countries.

Another challenge which is also presented in the field of employment and engagement of new staff, is the motivation or commitment of young people in certain jobs. It often happens that they are not satisfied with the expectations they have before employment or have lack of vision and clear goals for their professional or career orientation.

On the other hand, employers are not satisfied with the workforce offer available in the labor market, or the contribution that new employees can make to the company.

With the recent changes that have been implemented in the country in working conditions, such as the increase of the level of the minimum wage, limited working hours - respectively Sunday as non-working day, despite the fact that they are largely accepted as positive measures for workers, this is presented as a serious problem for a part of the business sector, in particular micro and small companies, namely they should find additional solutions and financial means, in already challenging economic conditions.

When asked if they have certain plans for the employment process, the majority of companies said that they do not have special plans or strategies for current or new employments and they usually act spontaneously or according to the certain needs of the moment and requirements they have. Some of the interviewed subjects stated that they meet the minimum conditions necessary for the realization of the employment process in the company, such as terms of reference or job descriptions for the advertised position and make public calls/announcement for hiring, which is usually mandatory to be done through the portal of the Employment Agency, as well as information portals or other public media.

Exceptions from these trends are the larger companies, which usually have a special department of human resources, and a part of civil society organizations, which have undergone training dedicated to human resources and who have a more advanced level of human resource management or have adequate HR plans and strategies.

A considerable part of the subjects has expressed that they take into account the candidates and applications that come from members of different social status, and from the marginalized or vulnerable groups in the community, which unlike in the past anymore do not poses a problem, or specific obstacle, as

long as candidates poses required competencies and working skills. On the contrary, the lack of labor force makes entrepreneurs already think and apply certain solutions to the employment crisis, through the recruitment of staff from other countries.

During the interviews, the respondents mainly emphasize that as long as the candidates meet the basic and special conditions for certain activities (professional training, experience, various certifications and licenses, etc.), they are open to applications from all possible categories of citizens.

A significant proportion of respondents stated that they usually organize basic training for the work process or the activities they carry out, either through special training, or on-the-job training – mentoring, with supervision at the beginning, or during the first months of employment.

Some of these trainings are performed by the staff of employers, while in some cases employers organize employees to trainings outside their premises. These trainings in some cases are free of charge and in other cases are paid and, in this case, usually the costs for training of employees are covered by the employer.

It is worth noting that most employers do not have own special centres or departments for training and capacity building of their current staff and newly hired staff.

In addition to the basic training on the work process and functioning of the employer entity, a significant part of employers have expressed the need for training on more specific topics and activities, which correspond to the needs and new trends in the economic and labor market, such as digitalization of services, information technology, marketing and public relations, business management, human resource management, finance and accounting, etc., and thus the capacities of the employees would be strengthened and greatly improve the process of their work and functioning.

In this regard, most entities need information and opportunities to attend quality training, including financial support.

Situation with the support of the employment process

A significant part of the respondents stated that they are informed about the active programs and employment measures implemented by the Employment Agency, and a part of them are beneficiaries of measures for support entrepreneurship (mainly self-employment or starting new businesses) and those for hiring new staff or subsidizing existing staff across companies (salary subsidies, various trainings).

In this part, the evaluations of the respondents are divided and some of them consider that these measures are positive, give certain results and as such should continue and expand even more. While the rest consider that the measures as such do not meet their expectations and sometimes have the opposite effect, or appear as an obstacle to their development, due to complicated procedures, restrictive conditions, inadequate application, or even not to be held accountable by the candidates engaged.

The vast majority of the interviewed entities stated that they did not have cooperation or support from any other domestic or foreign institution in the process of employment or capacity building of their existing staff, although this is to a large extent stated that it is required.

In addition to the institutions of the system, it is required that the non-governmental sector and foreign organizations be involved as much as possible in the process of supporting and developing entrepreneurship and reducing the unemployment rate in the country.

On the other hand, all CSOs have their main source of employment precisely through cooperation with foreign donors.

The interviewees, in particular those from the private and non-governmental sector, state that in cases when they need new employments, they are ready to fill positions or accept less qualified new workers, including members of different marginalized groups, and enable them a period of adaptation or training during the work process, through training and mentoring, for a certain period of time two to three months.

They emphasize that it is during this period that they are most in need of financial support and training process for new staff, by the state or foreign donors, as in this period newly employed workers do not give full productivity, while on the other hand business entities or organizations, as employers, lose valuable time from their productive staff.

In some cases, and more specific activities, entities from the beginning need to engage staff who possess certain skills and education, as often the process and nature of work is more complex and with high responsibilities and in these cases, there is no room for much flexibility.

In addition to basic training and during the work process, it is important for employees to follow special education and training processes, in order to upgrade their knowledge and skills, in line with new development trends in business and the labor market. However, this happens in rare cases, because these types of training usually require more financial resources and realization time, which smaller entities are usually not able to provide.

In this regard, most business entities and organizations need advisory, financial and expertise support in terms of capacity building, professional preparation and adequate training of existing and new employees.

4..2.4. Analysis of the situation and potentials for economic inclusion and strengthening for the target group in the targeted municipalities and beyond?

According to the analysis the issue of returnees from foreign wars is a relatively unknown topic to public opinion in the country. Respondents have general knowledge that in recent years there have been some developments within the topic in the region and that there are a certain number of affected persons, most of whom have returned to the country and the state in certain forms addresses the issue through certain measures for repatriation, rehabilitation and resocialization.

Most of the interviewed subjects did not have direct contact, or certain relations with this category of citizens, and consequently were not approached with requests for support or employment assistance.

The same situation appears with the members of their close families, the interviewed subjects are not aware or have barely identified very few representatives from this group.

Some of the interviewed subjects stated that in the future in case of eventual contact or requests for certain support and employment, they would consider supporting them, considering them as a category of citizens who have special needs and should help them providing access and opportunities to enter the labor market, or any other form of support. Some of those who are willing to hire such people, show concern about the reaction of the state security structures or services, and their donors, in case they would have hired such

people ie that would be subject to special regulation and controls, which would pose additional difficulties and uncertainties for them

On the other hand, there is a significant number of respondents, who have emphasized that this category of persons deserves treatment and opportunities to enter the economic and labor market, but through methods regulated in an institutional form and with support from the relevant state bodies.

Even in this case, most of the participants in the research consider that first of all, of great importance and primary should be the assessment of the abilities and capacities of persons in terms of their professionalism and experience, as it is for all other categories of people. Whereas, for this category of citizens, due to their past, it is very important to make an adequate assessment of the situation and other health and psycho-social preconditions in the process of their inclusion in the economic and labor market.

Hence, it is considered that the relevant state institutions play the most important role in achieving the goal of re-socialization and their economic inclusion, as the state and state institutions have more measures, possibilities and mechanisms for their treatment.

Also, there is a category of businesses that do not want to offer jobs at all for this category, as in principle they do not accept workers with problematic past, not only in terms of participation in foreign wars, but also for other general issues they have to deal with violations of the law. In all the pressure they have from state institutions to survive in the market, they see the commitment of such a category as a burden.

Those who have had direct interaction and access to their profiles, emphasize that most of this category have not been part of the criminal and problematic layer, but simply at some point did not feel fulfilled and have fallen under the influence of external factors.

Non-governmental organizations have a lot of opportunities to work with these groups and their families, but they have big restrictions to work with them, as they are not allowed by the security authorities, except with special permission, as they are constantly monitored, and can have problems, if worked with.

Females, part of their families, do not have much initiative to work with institutions, and at the same time do not have previous experience of self-employment.

Persons in this category usually prefer or are more comfortable to speak in their mother tongue with persons in the relevant institutions, and this should also be taken into account.

The program offered to these groups is on a voluntary basis, respectively depends on the desire of these groups to accept the assistance provided by these measures. These groups usually refuse to seek professional help from psychologists, and almost after a longer period of accessing them, they begin to take advantage of these opportunities as well.

It should be noted that a very small percentage of those who, after obtaining permission to work with them, have expressed interest in being employed, even those with secondary or higher education.

There is a lack of coordination of all institutions, as there is no connection of information, and often the movement of these persons becomes difficult to be followed by the municipalities themselves, school institutions, and assistance to them for resocialization becomes difficult.

There are cases when the general situation of these families worsens even more as children born in crisis centers have problems with registration, and this is reflected in both financial and psychological terms (there are four such cases, for whom there is going effort with the Ministry of Justice to find a solution).

A significant part of the respondents expressed that they have the will and readiness to be involved in certain measures and activities, to support the cause of reintegration and economic empowerment of persons

returned from foreign wars and members of their families, but again emphasizing that this process should be led by state institutions and the largest organizations in the country and internationally because they have the knowledge, experience and the safest mechanisms to carry out such activities.

The entities that have expressed positively for such support, emphasize that for them it is important that every activity in this regard must have a concrete and clear plan, in order to be acceptable to all stakeholders that will eventually be involved in the process.

Some of the respondents consider that this topic is really specific and still not sufficiently treated or regulated, and even the institutions of the country do not have the experience and adequate mechanisms to address it, therefore they have certain refrain for possible inclusion in certain measures and activities.

Also, educational institutions and civil society organizations are ready to participate in measures related to information on resocialization and reintegration, as well as raising awareness to prevent future similar situations.

Relevant state institutions (Government, Courts, Ministry of Labor and Social Policy, Center for Social Work, Employment Agency, Ministry of Interior, etc.), as well as local self-government units should be as committed as possible to addressing the issue of persons returning from foreign wars and members of their families. Therefore, according to the conditions and circumstances in which the target groups is currently, taking into account the challenges, needs, at the same time their opportunities and potentials, relevant institutions are required to engage more in finding adequate solutions and their support for reintegration, re-socialization and training for access to the labor market in the country, preferably with special and facilitating conditions and criteria.

Moreover, state institutions should create and provide more appropriate programs and support for general rehabilitation and integration into society, but also additional education, vocational training for new skills or crafts, in order to be more suitable and competitive in the economic and labor market.

The main measures that need to be adopted are related to enabling an environment and opportunities for the target group joining the labor market, as this is the basis which will prevent them from repeating the same actions. Although the social work centers provide some measures and services for them, after their release from prison, those measures do not differ much from measures to other prisoners, as this category differs substantially from the category of other prisoners.

Therefore, rehabilitation measures should start much earlier, not just during the period after release from prison, so that they can prepare for a profession that would offer them a real opportunity to find work. The intervention systems here are not connected, and the measures are not integrated, thus most of the rehabilitation measures are incidental. Also, their situation is not analyzed in all aspects, e.g. most of them are in debt due to expenses during court proceedings and after being released from prison, most of them have accounts blocked by bailiffs, as they have not been able to pay their debts to other debts, due to the above-mentioned expenses. This leads to most not daring to be hired on a regular basis, as the bailiff (enforcement agent) automatically withdraws income that comes to their account, unless this income comes from state social services. Therefore, this aspect must be analyzed, so that they can start from zero, and have an initiative for employment.

As there is a national plan, many institutions that have concrete measures do not coordinate and do not inform the National Body about this issue. From the beginning of serving the sentence they should start with

programs for resocialization, while now, only the last 6 months of prison they are starting with measures for this category, for the creation of individual plan, as all this is on a voluntary basis, and therefore refuse to work with these institutions. Although, this measure has not started to be practiced in the field, as now the standard operating procedures of the institutions themselves have been approved.

These are not vulnerable categories and receive the same or less help than vulnerable categories and are returned directly to the community. The main problem is that the responsible institutions in most cases deny the responsibility, and transfer it elsewhere, so an integral plan and much more efficient coordination is needed.

More active involvement of the Islamic Community is needed, as there are divergences in the way of practicing religion between these two parties, but they are still part of the same ideology or dogma. Most of them have an affinity for repeating the previous deeds, so a lot of work has to be done to change the consciousness, raise awareness and this is a complicated process.

In western countries, the access of civil society organizations is easier to this category, they even establish civil society organizations, where the counter-narrative is promoted, respectively the prevention of other potential cases. This is the ideal promotion for prevention when the promotion comes from these people themselves.

But since at the moment the institutional approach is that they are a risk to the state and access to them is limited by other organizations, then the possibility should be considered that the resocialization program and communication with multidisciplinary teams be mandatory, not voluntary, and this is practice even in many other countries with similar problems. Otherwise, the approach must change, the limitation must be smaller, which will change the perception of these persons, not as a security risk, but as persons in need of reintegration assistance. With this, the access of all actors would be easier.

Some companies that have supported the idea of joining the eventual measures of the relevant institutions emphasize that concrete measures for employment would be welcome for all parties, so that there is a subsidy for their salaries in the longer term, while private companies would be involved in providing jobs and retraining them in the regular work process.

5. CONCLUSIONS & RECOMMENDATIONS

The general economic condition in the country, and consequently the labor market and employment situation, is in a difficult situation, especially in recent years as a result of the crisis with the Covid-19 pandemic, the economic and financial crisis, as well as the war conflict in Ukraine. Key challenges in economic terms are the prolongation of the country's integration process in the structures of the European Union and the lack of political stability. Thus, the stability and progress of the country in the future can only happen if these key issues are overcome. In this regard, it is necessary to make improvements and harmonization legislation with that of EU, but also concrete development measures by state institutions, such as investments in infrastructure development and a more suitable business climate, subsidizing measures in the most vulnerable sectors, tax relief, taxes and excises, etc.

In addition, the main challenge in terms of the labor market is the lack of adequate manpower, which is mostly caused as a result of population displacement from the country, but also the inadequate education system which does not develop adequate staff in line with market demands of work.

In this regard, the country and its institutions must respond with an adequate organization of all resources and capacities at its disposal, starting from the development of fair and adequate development policies to the implementation of concrete measures to promote, stimulate, support and advancing entrepreneurship and employment at all levels and sectors. Therefore, more concrete measures and active interventions are needed to be undertaken within the institutions for social protection and employment, as well as the education sector, in particular the secondary and universities and their educational curricula in order to produce more prepared and professional staff. Furthermore, it is necessary to take measures on raising awareness and interest of young people and unemployed people about the opportunities and ways to activate them in the labor market. It is of crucial interest to include private sector during the creation of the educational curricula linked to the practical work of students, in order to synchronize the expectation of the private sector and preparedness of the potential new employees.

Measures and activities for supporting local economic development are not sufficient, sustainable or are designed for short-term and limited access and can only meet the needs of a small number of citizens or businesses, and there is a lack of cooperation between central and local level, in order to synchronize the implementation of these measures.

Therefore, state institutions should take care of the equal development of different target groups, economic sectors as well as regions in the country, in particular the less developed, small and rural ones, by supporting them through special investment measures, depending on the needs, priorities but also the advantages that they may have in different fields or economic sectors.

The business sector, along with the public and non-governmental sector, seems to be the most active and potential sector for economic development and improving the employment situation, but this also requires support and cooperation from other sectors, in particular central and local institutions in the country for creating a more favourable economic environment and legal framework as well as in the form of subsidies, tax relief, support for the training and professionalization of workers, as well as in the process of their employment.

Retaining employees has become a critical challenge across all markets and industries. Therefore, employers should provide more appropriate and favourable conditions and opportunities for workers and young jobseekers so that they find themselves as easily and sustainably as possible in their workplace, through the creation of employment plans and strategies and their realization. Therefore, workers and jobseekers

require to obtain quality education and training on new skills and about working processes, in order to be more competitive, prepared and accountable.

At the national level there are certain development and strategic policies, they must be further expanded and adapted to the trends and needs of the time in order to be as much as possible for all constituents, especially citizens and entrepreneurs. While at the local level it is necessary to prepare as many new development and strategic policies and documents in coordination and mutual cooperation with the private and civil sector and with joint forces implement them on the field. However, new development documents and policies need to be drafted in a broad consultation and coordination process with the involvement of all stakeholders and stakeholders in society. Furthermore, institutions need to invest more commitment in their implementation through concrete action plans and monitor and monitor their implementation on a regular basis.

In general, there is a need to strengthen cross-sectoral and cross-institutional coordination and cooperation mechanisms at all levels.

In addition, more appropriate economic development policies and economic empowerment measures should be developed in order to address marginalized groups in the society and enable them easier access to support instruments for entrepreneurship and (self)employment, especially of young people, women, smaller ethnic groups, etc.

In this regard, there are still no clear and concrete measures and mechanisms with regards to socio-economic treatment, especially in terms of developing activities for entrepreneurship and (self)employment of Returning Foreign Terrorist Fighters (RFTFs) and members of their families, among other needs they may have for Reintegration, Resocialization and Rehabilitation of this category of citizens.

The general public and even representatives of some institutions, in particular those at the local level do not possess sufficient information on the issue of RFTFs and members of their families, and consequently do not take part and implement necessary measures and activities to address this issue, although they express readiness to be involved in certain measures and activities to support the cause of decent reintegration and economic empowerment of RFTF's persons and members of their families, but this process must be carried over or be led by the state institutions and the largest domestic and international organizations. Therefore, relevant state institutions and organization should work more in the process of information and raising awareness of the RFTF's issue in the society, and in particular in the regions where RFTFs and member of their families are present, and actively involve them in intervention measures.

Moreover, state institutions and international organizations should create and provide more appropriate programs and support for general rehabilitation and integration into society, but also additional education, vocational training for new skills for employment or entrepreneurship for them to be more suitable

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