

## FYR Macedonia



## WORKFORCE DEVELOPMENT

SABER Country Report  
2014

## Dimensions

## Status

## 1. Strategic Framework

In the Former Yugoslav Republic (FYR) of Macedonia, the government is the strongest advocate and initiator for strengthening workforce development (WfD). However, Macedonia's top-down approach to WfD policy has not engendered coordination among government agencies and non-government stakeholders. This has impeded the establishment of institutionalized mechanisms for ensuring an efficient and rational approach to WfD and an efficient utilization of the capacities of state institutions. Social dialogue is the weakest component of this dimension, as it is still insufficiently developed.

Emerging  
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## 2. System Oversight

Numerous reform efforts have been undertaken in the last decade to increase the attractiveness and relevance of vocational education and training (VET) to the labor market, yet the VET system remains in a transitional stage. The country has embarked on processes to develop standards of qualification, changes in the structure of the VET system, quality assurance, expansion of the network of providers, and diversification of pathways for education and training, but it will take time for these initiatives to generate the desired effects.

Emerging  
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## 3. Service Delivery

The relevance of training programs is high on the policy agenda; however, the results are still not at a satisfactory level. Despite a number of good practices and initiatives at the central level, there are consistent mismatches between education supply and labor demand. Collaboration between the business sector and training providers has been weak, something that has negative implications for the relevance of the education supply. Existing opportunities for business to become more involved have not been sufficiently utilized. Efforts are being made to develop and continuously enhance standards of delivery through education reform, legislative change, and the development of mechanisms for support to public and private providers.

Emerging  
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## Executive Summary

### Key elements at the strategy level

Since FYR Macedonia's independence in 1991, a number of reforms have been carried out in the country aimed at the development of the economy and the labor force. These reforms have intensified in the last seven years and include strong advocacy for workforce development (WfD); the development of a systematic approach to gathering and using skills demands information to inform policy. The latter approach has sought to strengthen the role of stakeholders in the process of designing and adopting strategies and policies for WfD. However, social dialogue, regulated by laws and programs, is still not yielding the desired results in practice.

A number of sectoral strategies for economic development that contain a reference to WfD have been adopted, including strategies for industrial development, development of agriculture, tourism, innovation, SMEs, and vocational education and training. These strategies have been accompanied by reforms in the respective areas and sectors. With a view to improving the quality of labor market supply, compulsory education was extended to 13 years, encompassing elementary education, lower secondary, and upper secondary education, with the intention of increasing the share of the workforce that possessed higher qualifications. Two institutions were established: one supporting vocational education (Centre for VET) and one supporting adult education (Centre for Adult Education). Along with the increased investments in the infrastructure of VET education, these measures are expected to strengthen the system for WfD.

### Key elements at the system oversight level

The system of education supply remains insufficiently developed and does not display the features of a high quality WfD system. The structure of the VET system has shortcomings in the area of post-secondary vocational education, quality assurance, and development of standards of provision. Despite showing signs of development, the private education sector is weak and its contribution to workforce development is small.

The role of employers in supporting and providing training is also negligible. The system of continuing education is demonstrating an upward development trend, including, among other innovations, the development of procedures for the accreditation of training programs and for the licensing of adult education providers and the establishment of a specialized support institution (the Adult Education Centre). The financing of the WfD system is centralized, with funding coming both through the national budget and from international programs or grants. Funding is allocated mainly to the public sector and to support the objectives of sectoral programs, although there are some examples of support for private providers. The development of standards of occupations and qualifications has commenced, as has the formulation of the National Qualifications Framework.

### Key elements at the service delivery level

The greatest weakness of the delivery system is the unsatisfactory labor market relevance of the education supply. The main reasons for this situation include: (i) mechanisms for data collection are insufficiently developed and insufficiently transparent and accessible, and they are not used to their fullest potential for policy development; (ii) there are no collaborative mechanisms for long-term forecasting of labor market needs; (iii) and, while social dialogue is formally structured, it does not yield the desired effects in practice. Although efforts are being made to strengthen these components, they have not yet generated results. The government's adoption of the VET Strategy 2020 (adopted by the government in 2013) marks an important step in increasing the attractiveness and relevance of vocational education and training and in enhancing the social dialogue. Processes already underway include optimization of the network of public providers, development of competence-based curricula in line with the needs of the business sector, development of standards of occupations and qualifications in VET, development of a system for validation of prior learning, and enhancement of the social dialogue. Accountability mechanisms, although normatively regulated, are rarely used for resolving shortcomings and

enhancing procedures for the introduction of new initiatives. Quality assurance of delivery is the responsibility of the State Education Inspectorate (SEI) through its evaluation of public education providers and through external assessments of students and staff in the public education system.

## 1. Introduction

Since its independence in 1991, FYR Macedonia has faced a number of challenges in its political and economic transition. One of the greatest has been the shift from a planned economy to a free market oriented economy. This shift resulted in an average annual GDP growth rate of 0.2 percent between 1990 and 2006. Since then, the economy has embarked on an ambitious reform agenda, which has resulted in an average real annual GDP growth of 3.4 percent.

The government's objective is to steer Macedonia toward economic activities with higher value-added and technological content. Strengthening policies for the development of human resources is crucial for the future of the country. A huge challenge in this process is the set-up of an effective and efficient system for workforce development (WfD), one that provides future workers with the skills needed in a modern labor market, enhances the adaptability of those workers who have lost or are at risk of losing their jobs, and prepares the current and future workforce for mobility in work and learning.

To inform policy dialogue on these important issues, this report presents a comprehensive diagnostic of the country's WfD policies and institutions. The results are based on a new World Bank tool designed for this purpose. Known as SABER-WfD, the tool is part of the World Bank's Systems Approach for Better Education Results (SABER)<sup>1</sup> initiative, whose aim is to provide systematic documentation and assessment of the policy and institutional factors that influence the performance of education and training systems. The SABER-WfD tool encompasses initial, continuing, and targeted vocational education and training that are offered through multiple channels. It focuses on programs at the secondary and post-secondary levels.

<sup>1</sup>For details on SABER see <http://www.worldbank.org/education/saber>; for acronyms used in this report, see Annex 1.

## Analytical Framework

The SABER-WfD tool is based on an analytical framework<sup>2</sup> that identifies three functional dimensions of WfD policies and institutions:

- (1) *Strategic framework*, which refers to the praxis of high-level advocacy, partnership, and coordination, typically across traditional sectoral boundaries, in relation to the objective of aligning WfD in critical areas to priorities for national development;
- (2) *System Oversight*, which refers to the arrangements for governing funding, quality assurance and learning pathways that shape the incentives and information signals affecting the choices of individuals, employers, training providers and other stakeholders; and
- (3) *Service Delivery*, which refers to the diversity, organization and management of training provision, both state and non-state, that deliver results on the ground by enabling individuals to acquire market- and job-relevant skills.

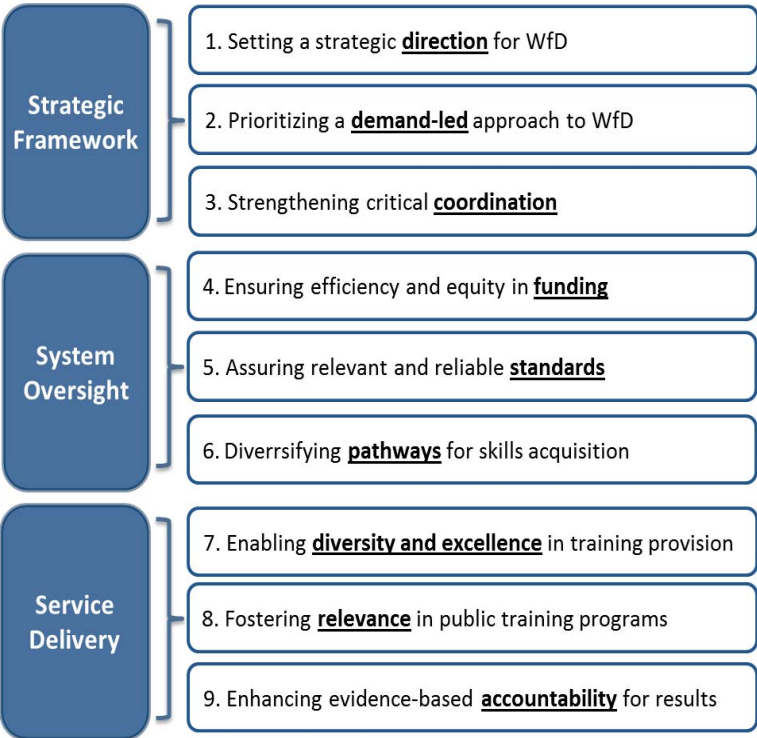
Taken together, these three dimensions allow for systematic analysis of the functioning of a WfD system as a whole. The focus of the SABER-WfD framework is on the institutional structures and practices of public policymaking and what they reveal about capacity in the system to conceptualize, design, coordinate and implement policies in order to achieve results on the ground.

Each dimension is composed of three *policy goals* that correspond to important functional aspects of WfD systems (see Figure 1). Policy goals are further broken down into discrete *policy actions* and *topics* that reveal more detail about the system.<sup>3</sup>

<sup>2</sup> For an explanation of the SABER-WfD framework see What Matters in Workforce Development: A Framework and Tool for Analysis Jee-Peng Tan et al. 2013.

<sup>3</sup> See Annex 2 for an overview of the structure of the framework.

Figure 1. Functional Dimensions and Policy Goals in the SABER-WfD Framework



Source: What Matters in Workforce Development: A Framework and Tool for Analysis, Jee-Peng Tan et al. 2013

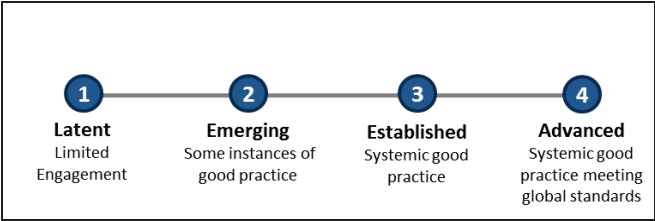
Implementing the Analysis

Information for the analysis is gathered using a structured SABER-WfD Data Collection Instrument (DCI). The instrument is designed to collect, to the extent possible, facts rather than opinions about WfD policies and institutions. For each topic, the DCI poses a set of multiple choice questions which are answered based on documentary evidence and interviews with knowledgeable informants. The answers allow each topic to be scored on a four-point scale against standardized rubrics based on available knowledge on global good practice (See Figure 2).<sup>4</sup> Topic scores are averaged to produce policy goal scores, which are then aggregated into

<sup>4</sup> See Annex 3 for the rubrics used to score the data. As in other countries, the data are gathered by a national principal investigator and his or her team, based on the sources indicated in Annex 4; and they are scored by the World Bank’s SABER-WfD team. See Annex 5 for the detailed scores and Annex 6 for a list of those involved in data gathering, scoring and validation and in report writing.

dimension scores.<sup>5</sup> The results are finalized following validation by the relevant national counterparts, including the informants themselves.

Figure 2. SABER-WfD Scoring Rubrics



Source: What Matters in Workforce Development: A Framework and Tool for Analysis, Jee-Peng Tan et al. 2013

The rest of this report summarizes the key findings of the SABER-WfD assessment in Macedonia and also presents the detailed results for each of the three functional dimensions. To put the results into context, the next section offers a brief profile of the country’s socioeconomic makeup.

<sup>5</sup> Since the composite scores are averages of the underlying scores, they are rarely whole numbers. For a given composite score, X, the conversion to the categorical rating shown on the cover is based on the following rule: 1.00 ≤ X ≤ 1.75 converts to “Latent”; 1.75 < X ≤ 2.50, to “Emerging;” 2.50 < X ≤ 3.25, to “Established;” and 3.25 < X ≤ 4.00, to “Advanced.”



## 2. Country Context

Macedonia is a small, landlocked middle-income country in the Balkan Peninsula with a population of only 2 million. Macedonia's solid growth and fiscal performance over the past decade has resulted in a decrease in unemployment, although its overall level remains high.<sup>6</sup> In addition to high unemployment, labor force participation remains well below EU levels, especially among women (around 50 percent). Improving the country's labor market performance and economic competitiveness will require a more skilled and better educated labor force, as well as increased technology absorption, diffusion of knowledge, and innovation. While access to education has improved, there is a challenging disconnect between what the education system produces and what the private sector needs. Companies complain about the quality and availability of workers' skills despite the high unemployment rate.

### Economic and Demographic Trends and Patterns

In 2012, Macedonia was the third poorest among the Southeastern European countries. But over the last decade, it has become the most open economy among its regional peers, with an openness index<sup>7</sup> of 112 percent. Since 1995, the country's exchange rate has been pegged to the euro, a practice that has successfully supported price stability, and inflation has averaged 2.5 percent over the past 10 years. The government has implemented important structural reforms in recent years, which include reducing the regulatory burden and cutting red tape, improving customs administration, and introducing a flat tax on personal and corporate income. In 2012, Macedonia ranked among the top five Doing Business reformers worldwide.<sup>8</sup>

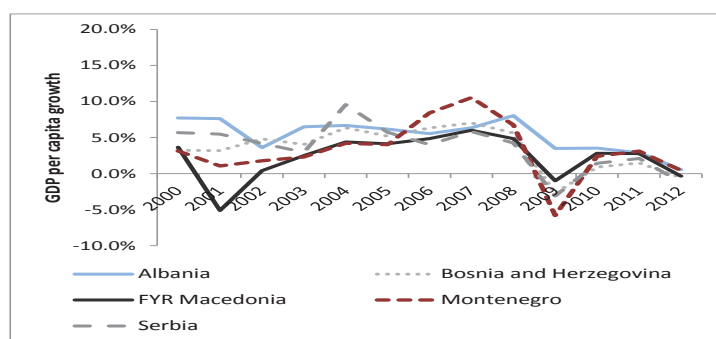
<sup>6</sup> In 2013 (2<sup>nd</sup> quarter) the rate was 28.8 percent.

<sup>7</sup> The Openness index is calculated as exports plus imports as a share of GDP.

<sup>8</sup> According to the World Bank's *Doing Business* report, FYR Macedonia has improved its "Distance-to-Frontier" from 57.2 in 2005 to 74.6 in 2012 (with 100 being the best possible value). In 2012, it ranked 23 worldwide in terms of the overall Ease of Doing Business, which placed it among the best economies for doing business in Europe, surpassed only by the Nordic countries, Ireland, and Germany.

Macedonia's real GDP per capita growth has been below the Southeastern European average during the last decade, but it has caught up in recent years (Figure 3). Between 2002 and 2012, the country's GDP grew at 3.1 percent in real per-capita terms, compared to 3.5 percent in other Southeastern European countries. Until 2008, its growth was among the lowest in the region, but since that time, it has outperformed most of its peers. The relative size of the shadow economy in Macedonia has also decreased. In the decade up to 2010, its relative size fell from 34 percent of GDP in 2000 to 24 percent of GDP in 2010.<sup>9</sup>

**Figure 3. GDP per capita Growth Performance, Balkan Countries, 2000 – 12**



Source: Authors' calculations, based on WDI data.

Note: Calculations are based on GDP per capita in constant 2005 international dollars.

Macedonia has also diversified its exports in recent years. In 2008, only six products accounted for roughly 70 percent of total exports. By 2012, this number had increased to 15 products. Macedonia's exports have grown at about 9.7 percent in real terms since 2008. Export growth has been largely driven by an increase in foreign direct investment (FDI)-related exports, which by end-2012 accounted for more than 55 percent of all exports. Most FDI-related exports are connected to the automobile industry and include goods such as catalysts and electronic dashboard components. Tobacco products, fresh vegetables, and furniture have also significantly contributed to export growth.

<sup>9</sup> V. Garvanlieva, V. Andonov, and M. Nikolov, *Shadow Economy in Macedonia* (Skopje: Center for Economic Analyses, Open Society Institute, 2012).

The majority of the population (57.8 percent) live in urban areas (of which there are 34), mostly concentrated in the capital, Skopje (20.5 percent of the population). Between 2000 and 2010, the share of the young population (ages 0-14) within the overall population decreased from 22.3 percent to 17.4 percent, while the share of the older population (ages 65 and over) increased from 10 percent to 11.7 percent of the population.

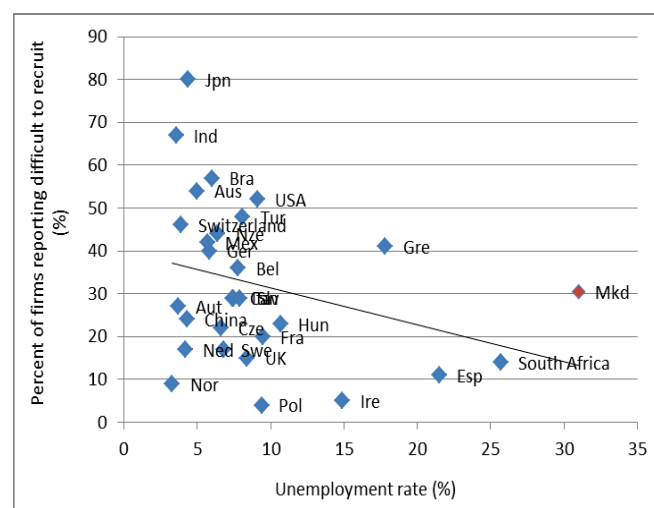
## Education, Skills and Employment Trends and Issues

Macedonia's education system comprises preschool, elementary, secondary, and higher education. Primary and secondary education are compulsory, and the former was recently extended from eight to nine years. As in other countries of former Yugoslavia, there are three types of secondary education: general secondary education, four-year vocational training, and three-year vocational training. Improvements in the education sector have been noticeable over the past few years, especially with regard to improved learning outcomes at the primary level and increased enrolment in secondary education. The gross enrolment ratio in primary education is about 90 percent, while enrolment in secondary education reached 84 percent in 2010. Enrolment in tertiary education has also been increasing rapidly in recent years, from 28 percent gross enrolment ratio in 2004 to 39 percent in 2010, through the efforts of both private providers and government interventions.

While access to education has improved, there is a strong disconnect between the products of the education system and private sector needs, as companies complain about the quality and availability of skills despite high unemployment (Figure 4). A 2010 World Bank employer survey of the demand for skills showed that jobseekers lack skills that are expected by employers. Employers continue to find it difficult to hire workers particularly for the newly created jobs, most of which require high and medium-level non-manual skills.

A recent World Bank Competitiveness Study<sup>10</sup> conducted in 2012 recognizes that Macedonia's shortage of skilled labor is a key constraint for the export industry and the country's overall competitiveness. The study also shows that the growth and profitability of firms, especially small and medium-size enterprises (SMEs), are hampered by a lack of skills and limited investment in new technologies. Concerns about shortages of skilled labor and management capacity are also supported by the survey for the World Economic Forum Global Competitiveness Report 2011-2012, which ranked Macedonia 115th in "professional management." This comprehensive lack of higher order skills, coupled with the existing skills mismatch, underscores the serious problems that exist for employers seeking to fill vacancies in the more dynamic sectors of the economy.

**Figure 4. Unemployment Rates vs. Percent of Firms Reporting Difficulties Recruiting Workers, 2011**



Source: Analysis by World Bank staff, based on OECD (2012). For Macedonia: Rutkowski (2010).

Global tendencies indicate the need for qualified workers with higher level technical skills and soft skills. In recent years, employers in Macedonia have been searching for young workers with technical qualifications which can increase their prospects for

<sup>10</sup> World Bank, Unlocking Macedonia's Competitiveness Potential: A Sectoral Assessment of the Constraints and Opportunities in Automotive, Apparel, Agribusiness, and Logistic Services, 2012



a successful transition to the labor market. This trend is especially evident in companies using modern production technologies.<sup>11</sup>

The majority of the unemployed are persons who have completed four-year secondary education (42.0 percent) and those with lower education attainment<sup>12</sup> (42.3 percent).<sup>13</sup> Unemployment is especially high in urban areas, with 65.8 percent of all unemployed residing there.<sup>14</sup> The largest single group within the overall number of unemployed is persons with low skills (63 percent), while those with high skills make up the remaining 37 percent.<sup>15</sup>

In 2011, although persons with a tertiary education had the highest rate of employment (72.4 percent), this rate had declined by 1.5 percent in comparison with 2010. The employment rate for persons with a secondary education is 58.3 percent and 34.3 percent for those with a primary education.<sup>16</sup> It is evident that the labor market is increasingly seeking workers with higher skills, which adversely affects the employment possibilities for those persons (both employed and unemployed) who possess lower skills. The majority of the employed (51.9 percent) work in the services sector, a further 29.0 percent in the industry sector, and 19.1 percent in the agricultural sector.<sup>17</sup>

A review of the education attainment levels of the employed reveal that 24.5 percent have completed primary education (at most); 12.4 percent have completed a three-year and 42.17 percent a four-year upper secondary vocational education, and 21 percent have a tertiary education.<sup>18</sup>

Although the share of those employed in the private sector increased from 41.6 percent in 1999 to 74.34 percent in 2011, the private sector failed to absorb all those who had lost their jobs due to the economic crisis and the transition.<sup>19</sup>

<sup>11</sup> MoES: Strategy for vocational education and training in a lifelong learning context - 2013 – 2020, Skopje

<sup>12</sup> Pertains to persons with a three-year secondary education, those with primary or incomplete primary education, and those without any education.

<sup>13</sup> Macedonia, FYR, State Statistical Office (SSO), *Labor Market, Situation 12/2012* (Skopje: 2013).

<sup>14</sup> Macedonia, FYR, Employment Service Agency (ESARM). Situation 08.01.2010 (Skopje:2010).

<sup>15</sup> Macedonia, FYR, Employment Service Agency (ESARM). Situation 31.10.2012 (Skopje:2012).

<sup>16</sup> Macedonia, FYR, SSO, *Sustainable Development* (Skopje: 2012).

<sup>17</sup> Calculated based on 2010 data from the State Statistical Office.

<sup>18</sup> Macedonia, FYR, State Statistical Office (SSO), *Labor Market, Situation 12/2012* (Skopje: 2013).

<sup>19</sup> Ibid.

### 3. Overview of Findings and Implications

This chapter highlights findings from the assessment of Macedonia’s WfD system based on the SABER-WfD analytical framework and tool. The focus is on policies, institutions, and practices in three important functional dimensions of policymaking and implementation: strategic framework, system oversight, and service delivery. Because these aspects collectively create the operational environment in which individuals, firms, and training providers (both state and non-state) make decisions with regard to training, they exert an important influence on observed outcomes in skills development. Strong systems of WfD have institutionalized processes and practices for reaching agreement on priorities, for collaboration and coordination, and for generating routine feedback that sustains continuous innovation and improvement. By contrast, weak systems are characterized by fragmentation, duplication of effort, and limited learning from experience.

The SABER-WfD assessment results summarized below provide a baseline for understanding the current status of the WfD system in the country, as well as a basis for discussing ideas on how best to strengthen it in the coming years.

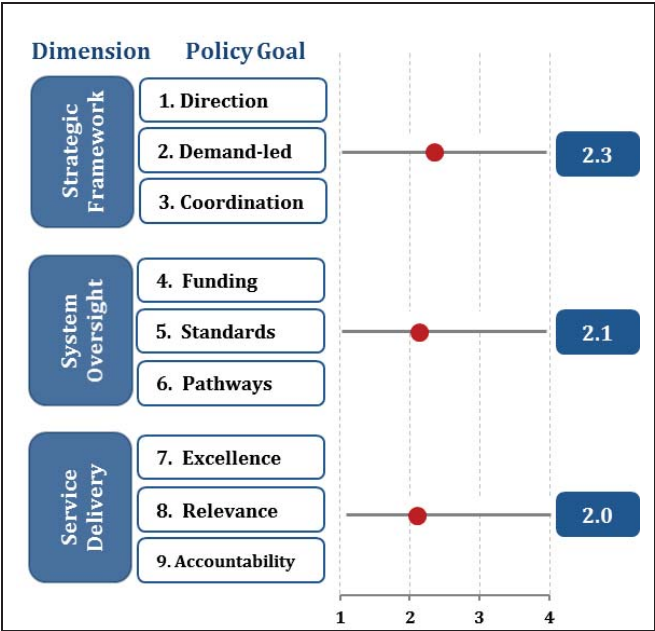
#### Overview of the SABER-WfD Assessment Results

Based on data collected by the SABER-WfD questionnaire, Macedonia’s WfD system receives a rating of 2.3 for *strategic framework* (at the Emerging level of system development but approaching the Established level), 2.1 for *system oversight* (Emerging level), and 2.0 for *service delivery* (Emerging level).

##### Strategic Framework

Macedonia’s WfD system displays a tendency toward centralized regulation and top-down initiatives. The government is the strongest advocate and initiator for strengthening WfD. The drawback of this approach is that processes for working across sectors at the level of line ministries and agencies to ensure the coordination necessary to promote a rational and efficient use of state

Figure 5. Dimension-Level Scores for Macedonia’s WfD System



Source: Authors’ analysis of data from the SABER-WfD questionnaire.  
Note: See Figure 2 for an explanation of the scale on the horizontal axis.

resources remain less developed. The weakest component of this aspect of WfD is its insufficiently developed mechanisms and practices for regular dialogue with social partners.

##### System Oversight

Policies for system oversight are often implemented with difficulty, given financial and institutional constraints. Despite numerous reform efforts, the VET system is still developing and increasing its attractiveness and relevance to the labor market. There has, nonetheless, been some progress in developing occupational standards and qualifications, establishing quality assurance procedures, expanding the network of providers, and diversifying pathways for education and training, but it will take time for these initiatives to generate the desired effects.

##### Service Delivery

Ensuring that training programs are relevant to labor market needs is a goal that is high on the policy agenda; however, the results are still not satisfactory, in part because input from stakeholders in the process is still weak. The business sector has not yet taken on the roles of

either advocate for improvement or active partner in training delivery, thus adversely affecting the relevance of the education supply. Existing opportunities for the business sector's greater involvement are not sufficiently utilized. Efforts are being made to develop and continuously enhance the quality of education and training through education reform, legislative change, and the development of mechanisms for both the government and the private sector to provide financial and technical support to public and private education and training providers.

## Policy Implications of the Findings

In its agenda for reform, published under the title "Policies and Reforms for More Dynamic Economic Development," the government has laid out a number of priority measures. A significant one is the improvement of the quality of the workforce.<sup>20</sup> The achievement of this priority must take into account several components that are part of the WfD system, ranging from WfD policy creation and appropriate governance and oversight arrangements to ensuring the efficient functioning of the WfD system and managing service delivery to supply firms with an appropriately skilled workforce.

The preceding overview of the scores for Macedonia's nine WfD policy goals identifies the strong and weak points of the WfD system in the country and provides a basis for discussing the policy implications of these findings. The key implications are discussed below.

### *Investing in WfD is investing in the future of the country.*

Investing in WfD is key to the development of the country's economy. The existing set-up indicates that most WfD funding is focused on the formal VET system and secured through the state budget. There is very little diversity in funding schemes. No models for cost-sharing between different partners

in workforce education and training—state, business community and individuals, foundations and alumni associations—have been established. The public financing system leaves no opportunities for the establishment of complementary financing by the private sector. Local authorities need to be encouraged to provide additional resources to support local WfD, and incentives and appropriate coordination need to be in place for the business sector to increase its investments in WfD by involving itself in alternative training models and by supporting schools (for example, by supplying the appropriate equipment).

### *Employers need a more relevant workforce.*

Analyses show that training in a number of occupations needs to be closed or revised as these jobs are no longer demanded by the labor market. So far, a number of occupational standards for ISCED<sup>21</sup> level 3 have been developed, but the process needs to be continued for ISCED level 4 and above. Standards of occupation are a novelty in the country and are expected to improve matching education supply with labor demand. These standards should ensure that employers receive the desired workforce, one that possesses the competences they need.

Coordination between the state, the business sector, and unions does not function on a level that could promote greater relevance in education and training. Enhanced social dialogue is needed to create the platform on which the qualifications and skills required by the labor market can be developed. However, modern economy is changing rapidly. Provision of needed skills will take more than applying the traditional approach whereby the education system is made more responsive to labor market needs through changes in curricula, qualification frameworks and teaching policies.

<sup>20</sup> Macedonia, FYR, "Policies and Reforms for More Dynamic Economic Development Program" (Skopje, 2011), accessible at <http://vlada.mk/sites/default/files/programa/2011-2015/2-ekonomski-razvoj.pdf>

<sup>21</sup> ISCED stands for International Standard Classification of Education. The system is maintained by the UNESCO Institute of Statistics. It provides a common framework for classifying educational programs by levels, with higher numbers corresponding to more advanced levels of education and training. ISCED 3 corresponds to upper secondary education and ISCED 4 corresponds to post-secondary non-tertiary education. More information is available at <http://www.uis.unesco.org/Education/Pages/international-standard-classification-of-education.aspx>

These important efforts need to be complemented with improvements in the incentive system throughout the education- labor market chain. As different interventions worldwide have shown in recent years, providing the right information, at the right time, to the right stakeholders, would help in increasing the relevance of the education and training system for the labor market. The FYR Macedonia may consider establishment of a labor market and skills observatory (LMSO) responsible for monitoring the labor market outcomes of graduates and the evolution of the demand for skills and competencies. The existing international evidence suggests that interventions that try to address information asymmetries in the education and labor market can be a cost-effective way of improving workforce development outcomes.

***Every adult should have an opportunity to learn.***

Evidence suggests that the much of the adult population does not possess the skills needed in today's economy and could benefit from opportunities for retraining, up-skilling and formal recognition of prior informal learning. Of the population aged 15 and older, 41.7 percent possess no qualification at all, and thus struggle to reenter the formal education system. Diverse and flexible learning pathways for skills acquisition that would allow these individuals to gain further education and develop their skills have not been developed, nor have procedures and mechanisms been established for validating non-formal and informal learning.

Although efforts to find budgetary support are being made, adult education is still not regarded as an integral part of the training system. Yet prompt interventions to meet the demands for new skills will be impossible without establishing alternative pathways for learning and the acquisition of qualifications.

***Higher quality education and training will mean increased employability and greater efficiency in the WfD system.***

Through the introduction of integral evaluation and the use of external testing of student achievement, the state is making efforts to improve the quality of

the education offered in public VET, but these efforts are far from enough. The quality assurance system for public and private education and training providers has still not been developed.

The participation of the business sector in VET school management and especially in quality assurance needs to increase. New VET appropriate mechanisms, instruments and techniques should be developed to complement existing elements of self-evaluation and external evaluation. In this process, it is crucial to ensure appropriate involvement of social partners to guarantee that secondary VET provides students with quality and relevant skills, through implementation of the Peer Review Model, external collaborative evaluation by critical friends, as well as development of new indicators for assessment of the quality of the work of VET schools, in tune with the European Quality Assurance Reference Framework for VET. The status of the business sector as a stakeholder should evolve in the direction of becoming a partner in VET, which would then contribute to improving the quality of the education. Improvements in quality, in turn, are inextricably linked to the revision of pedagogy in VET schools.

***Greater strategic coherence, transparency and accountability are needed to sustain the WfD system.***

A comprehensive, institutionalized system with clear responsibilities and roles for WfD stakeholders in the country does not exist.

Closer linkage between processes for setting strategic priorities, determining budgets, and setting implementation arrangements for planned changes is necessary for the establishment of an efficient WfD system. Change management requires mechanisms and procedures that guarantee that results from activities reflect and are assessed in relation to planned goals. Efficient change management can be achieved by establishing firm and clear goals and objectives, monitoring and evaluating respective outcomes, and establishing practical procedures for reporting achievements to ensure accountability for results.

## 4. Aligning Workforce Development to Key Economic and Social Priorities

WfD is not an end in itself but a path toward broader objectives of boosting employability and productivity; of relieving skills constraints on business growth and development; and of advancing overall economic growth and social wellbeing. This chapter briefly introduces Macedonia's socioeconomic aspirations, priorities, and reforms before presenting the detailed SABER-WfD findings on the strategic framework and their policy implications.

### Socioeconomic Aspirations, Priorities, and Reforms

Macedonia seeks to establish a cohesive multi-ethnic state and to advance in efforts toward greater integration with European and NATO partners. The main strategic aspirations of the country<sup>22</sup> are:

1. Increased economic growth and employment, as a precondition for improving citizens' standard of living and quality of life;
2. Integration of Macedonia into the European Union and NATO;
3. An uncompromising fight against corruption and crime, and the efficient implementation of law achieved by undertaking deep reforms in the judiciary and public administration;
4. Maintenance of good inter-ethnic relations based on the principles of mutual tolerance and respect and implementation of the Ohrid Framework Agreement; and
5. Investment in education, science, and information technology (IT) as elements of a knowledge-based society.

<sup>22</sup> Macedonia, FYR, "Strategic Priorities and Goals of the Government of the Republic of Macedonia" (Skopje: 2011). Accessible at: <http://vlada.mk/sites/default/files/programa/2011-2015/1-strateski-prioriteti-i-celi.pdf>

The primary interests of the state, based on the EU strategy for economic development *Europe 2020*<sup>23</sup> as well as the Southeastern Europe SEE 2020 Agenda<sup>24</sup>, are developing the economy, increasing economic growth, and increasing domestic and foreign investment, all as a precondition for job creation and higher standards of living. Such economic development will require a competitive and integrated economy, which would facilitate the realization of key economic goals such as macroeconomic stability, fast economic growth, and job creation. It will also require the implementation of reforms to achieve these key government goals<sup>25</sup>: moderate level of budget deficit and sustainable level of public debt; low taxes, social contributions and other duties toward the state; investments in improved and more developed infrastructure; growth of domestic and foreign investments; further improvement of the business climate; and *improvement of the quality of the workforce*.

Challenges to establishing coherence between the supply and demand for skills in the last decades have been posed by high unemployment, low labor force participation, a large portion of the population without qualifications or with low qualifications, population ageing, rapid technical progress, and the reorganization of production and global competition. It is harder than ever to ensure that skills and qualifications acquired in the education system are able to meet current and emerging needs, a trend that indicates that gaps between supply and demand for skills may persist or even grow in future. Therefore, one of the main priorities of the country is strengthening the WfD system to enable it to adequately respond to challenges it faces.

The regulatory framework for the design and governance of the WfD system consists of the Law

<sup>23</sup> European Commission, Communication from the Commission EUROPE 2020, A Strategy for Smart, Sustainable and Inclusive Growth (Brussels: 2010).

<sup>24</sup> Regional Cooperation Council, South East Europe 2020, Jobs and Prosperity in a European Perspective (2013). Accessible at: [www.rcc.int](http://www.rcc.int)

<sup>25</sup> Macedonia, FYR, "Program: Policies and Reforms for More Dynamic Economic Development" (Skopje: 2011). Accessible at: <http://vlada.mk/sites/default/files/programa/2011-2015/2-ekonomski-razvoj.pdf>



on VET (2006)<sup>26</sup>, Law on Secondary Education (2002)<sup>27</sup>, Law on Higher Education (2008),<sup>28</sup> Law on Adult Education (2008),<sup>29</sup> Law on Open Citizens' Universities for LLL (2011),<sup>30</sup> Law on Employment (2010)<sup>31</sup>, and the bylaws resulting from these laws and their amendments.

There is no specialized body or agency that is responsible for ensuring a coordinated government approach to WfD on a national level. Sectoral development programs have been created on the basis of sectoral analyses and/or strategies that are to be adopted by the government. WfD is an element of these development documents, produced by the relevant line ministries. Regardless of the sector, the commitment to its development is always accompanied by, among others things, measures for strengthening human resources in the respective sector, with special emphasis on training for new skills and strengthening of capacities. In the Strategy for Development of Tourism, for example, training and education are identified as one of the measures for this sector's development.

The cross-sectoral approach to policy development is most evident in the VET Strategy 2020, which was adopted by the government in April 2013. In addition to measures for strengthening the VET system, it provides for additional measures for strengthening the skills of youth and adults in key economic sectors in coordination with other ministries, including the Ministry of Labor and Social Policy (MoLSP), Ministry of Economy, and Ministry of Finance. This strategy represents the pillar for concerted reform efforts in the area of workforce development, proposing measures within four priority goals: (i) strengthening social cohesion and social inclusion through VET; (ii) improving the attractiveness of VET; (iii) improving quality and

relevance in VET as a guarantee for competitiveness; and (iv) improving governance, resources, capacity and accountability in the future VET system. It is accompanied by an Action Plan, which details measures, activities, timeframes, responsibilities, and financial implications.

## SABER-WfD Ratings on the Strategic Framework

In the SABER-WfD framework, the role of WfD in realizing Macedonia's socioeconomic aspirations materializes through actions to advance the following three policy goals: (i) setting a strategic direction for WfD; (ii) fostering a demand-led approach in WfD; and (iii) ensuring coordination among key WfD leaders and stakeholders. The ratings for these policy goals are presented and explained below, followed by a reflection on their implications for policy dialogue.

Based on data collected by the SABER-WfD questionnaire, Macedonia's system receives an overall rating of 2.3 (Emerging, but close to the Established level of system development) for the *Strategic Framework* dimension, reflecting underlying scores of 2.5 for *Setting a Strategic Direction*, 2.2 for *Fostering a Demand-led Approach* and 2.3 for *Strengthening Critical Coordination*. The rating of 2.5 for this goal is based on evidence of the priority placed on WfD by leaders as well as an assessment of the processes in which the strategic framework for WfD is created and the participation of stakeholders in those processes. The results indicate that WfD receives attention from top-level policy makers, and there are formal procedures and mechanisms in place for developing a strategic framework. The government takes a collaborative approach in identifying and implementing key WfD initiatives, but not enough non-government stakeholders have a seat at the table. Moreover, this collaboration has yet to yield broad-based and sustained efforts to make the WfD system more demand-oriented.

The following subsections offer explanations for these ratings and lay out their implications, by policy goal.

<sup>26</sup> Law on VET (*Official Gazette of the Republic of Macedonia* no. 71, June 2006).

<sup>27</sup> Law on Secondary Education, consolidated text (*Official Gazette of the Republic of Macedonia* no. 29, May 2002).

<sup>28</sup> Law on Higher Education (*Official Gazette of the Republic of Macedonia* no. 35, March 2008).

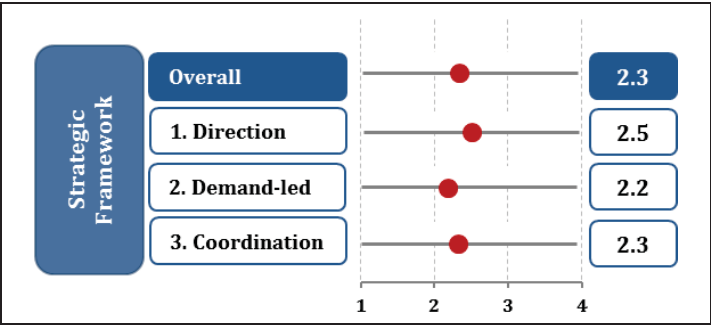
<sup>29</sup> Law on Adult Education (*Official Gazette of the Republic of Macedonia* no. 07, January 2008).

<sup>30</sup> Law on Open Citizen's Universities for Lifelong Learning (*Official Gazette of the Republic of Macedonia* no. 36, March 2011).

<sup>31</sup> Law on Employment, consolidated text (*Official Gazette of the Republic of Macedonia* no. 158, December 2010).



Figure 6. SABER-WfD Ratings of Strategic Framework (Dimension 1)



Source: Authors’ analysis based on SABER-WfD questionnaire data.

Note: See Figure 2 for an explanation of the scale on the horizontal axis.

Policy Goal 1: Articulating a Strategic Direction

Leaders play an important role in crystalizing a strategic vision for WfD appropriate to the country’s unique circumstances and opportunities. Their advocacy and commitment attract partnership with stakeholders for the common good, build public support for key priorities in WfD, and ensure that critical issues receive due attention in policy dialogue. Taking these ideas into account, Policy Goal 1 assesses the extent to which apex-level leaders in the government and private sector provide sustained advocacy for WfD priorities through institutionalized processes. Macedonia scores at the *Emerging* level for Policy Goal 1.

The main conclusion from the results for this policy goal is that Macedonia is strong in terms of elaborating strategic initiatives and the specific policies to support them, but weak in the number of leaders prioritizing WfD and the quality of their collective advocacy for WfD as a tool for supporting competitiveness and diversification.

The highest levels of government are actively involved in advocacy for economic development.

Presentations on Macedonia as an investment opportunity, which is high on the priority agenda of the prime minister, have been made both in the country and on roadshows in countries such as the United States, India, the United Kingdom, and Japan. These presentations have included references to a qualified workforce and its development, but broad leadership for WfD system improvement has not emerged in the face of reluctance or impassiveness on the part of economic stakeholders. This has an adverse impact on the effectiveness of strategic WfD initiatives as the sustained advocacy necessary to create enthusiasm and accountability for implementation of such initiatives has not emerged.

The office deputy prime minister responsible for economic issues frequently acts as a hub for consultations, strategic development, and innovations. Sectors and agencies are responsible for WfD and are more actively involved in WfD related advocacy. To this end, roundtables and regular consultations with employer associations are often held. In addition, the Economic-Social Council was co-founded by the government, the trade unions, and the employer associations with the aim of, among other things, maintaining social dialogue to create social and economic stability.

MoLSP addresses WfD through support to the labor market for economic development. MoLSP has a sector responsible for human resource development and it houses the EU Instrument for Pre-accession Assistance (IPA) coordination unit which is responsible for the Multi-Annual Operational Programme “Human Resource Development” Component IV of the EU support program. The Minister of Labor and Social Policy advocates enhancing interest among youth in vocational education as one of the key approaches in the Youth Employment Action Plan.

**Box 1: Recent Progress in Higher Education**

Some WfD measures are focused on the objective of increasing enrolment in higher education as a means of improving the overall skills of the Macedonian workforce. In the light of the fact that only 12.05 percent of the population has completed a higher education degree, the government actively supports increased enrolment in higher education, both as a response to sector demands and as a measure for increasing the share of population with tertiary degrees, which is one of the benchmarks of the Europe 2020 Strategy.

Several new higher education institutions have been founded in the last decade:

- 4 public universities
- 1 public-private university
- 9 private universities
- 4 private higher vocational schools, and
- 2 private institutes

The Ministry of Education and Science (MoES) supports WfD from the perspective of education supply. The government’s campaign, “Knowledge is Strength, Knowledge is Power,” started in 2007 and is ongoing; this has become the slogan of MoES, which has recently made secondary education compulsory and increased enrolments in higher education.

However, there is a need for more active involvement from the government and other stakeholders, on both institutional and individual levels, in advocating for greater investment in and improved quality of measures and activities for WfD within the formal system on a project basis. On the one hand, there is no structure within the government that brings together the interests and expertise of diverse stakeholders tasked specifically with raising awareness and advocacy. On the other hand, there is hesitation among the business sector, which hampers its more active and effective participation. Although represented in commissions and bodies, the business sector does not consistently advocate for WfD strategy and policy to be aligned with its interests. Also, systemic measures that could strengthen the effective

collaboration between social partners in advocacy for improved WfD are missing.

Industry’s contribution to WfD strategy is largely limited to the efforts of chambers of commerce and industry associations. Several chambers of commerce and crafts exist, but their operation and influence over the business community is limited to members. While the chambers have sustainable funding (membership fees), WfD is not their first priority. Nevertheless, examples of activities carried out by the Chamber of Commerce of the Republic of Macedonia include a survey on the lack of skilled workers in the processing industry, lobbying for diversification and intensification of training of the employed and unemployed, and lobbying for improving the formal education system.

A number of trade associations also operate in the WfD sector, such as the Macedonian Human Resources Association and the Confederation of Employers, although their efforts tend to be more project-based, focused on higher levels of qualification (tertiary), and are often centered on acting as employment brokers.<sup>32</sup> Some associations and larger or better-resourced companies have established internal systems for managing their engagement with the government and other stakeholders with regard to WfD and are encouraging and supporting educational institutions and other companies to follow suit.

Progress in the implementation of WfD-related active labor market programs (ALMPs), sectoral development programs, etc. is monitored by several agencies: the Employment Service Agency of the Republic of Macedonia (ESARM), MoLSP, MoES, the VET Centre, and the Adult Education Centre (AEC). This monitoring is reported through annual and occasional reports, along with the reports issued by the government on the implementation of budgets and projects. These reports are reviewed by sectoral ministries and the government and become a constituent part of the annual report of the government on what was achieved in each respective year. The annual report presents consolidated information on all planned and

<sup>32</sup> Based on the authors’ review of association documents and reports.

ongoing programs, the funds expended, and all the activities unplanned but realized by the respective ministries and state institutions.

## Policy Goal 2: Fostering a Demand-led Approach to WfD

Effective advocacy for WfD requires credible assessments of the demand for skills, engagement of employers in shaping the country's WfD agenda, and incentives for employers to support skills development. Policy Goal 2 incorporates these ideas and benchmarks the system according to the extent to which policies and institutional arrangements are in place to (i) establish clarity on the demand for skills and areas of critical constraint; and (ii) engage employers in setting WfD priorities and enhancing skills-upgrading for workers. Macedonia scores at the *Emerging* level for Policy Goal 2.

The transition from a planned to an open and market-oriented economy, the loss of traditional markets, and global competition are serious challenges facing the country. The pace of technological change requires an adaptive and technologically literate workforce. These dynamics put pressure on the VET system not only to ensure that measures to improve workers' skills, especially in critical sectors, are demand-led, but also to provide workers with flexible pathways and cross-cutting technological and soft skills to succeed in the future workplace. The government recognizes that selecting the most appropriate and effective interventions to address these challenges require data. To this end, the government conducts in-depth analyses of the current and projected future economic situation and the implications for skills. Such analyses include those done to inform or assess sectoral strategies and their operational programs or action plans<sup>33</sup> as well as those meant

to inform the design or implementation of laws. In addition, other processes inform decision-making, namely:

- Sectoral surveys, which are part of all strategic documents and annual programs for work. Each line ministry is responsible for the development of strategies within its mandate. However, while various strategies may address skills constraints, they pay insufficient attention to the skills implications of economic and other changes. In addition, the sectoral surveys often have a limited coverage of skills and/or have a narrow focus on occupational profiles.
- Independent research, carried out by research institutions or departments and often commissioned by international agencies.
- The State Statistical Office (SSO), which carries out statistical data collection in order to build an information system on education and training and the labor market as a prerequisite for systematic analysis and evaluation.
- Assessments that are part of the Annual Skills Surveys carried out by the ESARM since 2007. These surveys ask employers about their needs for new workers and the skills needed by employed workers.

The processes for developing strategic documents have come to include, as a rule, a broad consultation process including roundtables and regular consultations with employer associations and other social partners, all with the aim of establishing and maintaining dialogue for the purpose of creating social and economic stability. To ensure inter alia greater involvement of industry in forecasting future development and skills needs, the government established an Economic-Social Council, which includes representatives of government, the Federation of Trade Unions of Macedonia (SSM), the Confederation of Free Trade Unions of Macedonia, and the Organization of

<sup>33</sup> See: National Employment Strategy - 2010 (GoM, Dec. 2006) and National Employment Strategy of the Republic of Macedonia- 2015 (MoLSP, August. 2011), Industrial Policy of the RM 2009-2020 (Ministry of Economy 2009); Innovation Strategy -201220202(GoM, 2012); Action Plan for Competitiveness (GoM, 2012), Program for Promotion and Support of the Technological Development (2012-2015) various strategies by the Ministry of Agriculture, Forestry and Water Management (e.g., for organic production, wine production, rural development); and annual skills surveys. Also see Macedonia, FYR,

"Multiannual Operational Program for Human Resource Development" (OPHRD) 2007-2013" (Skopje: 2007).

Employers of Macedonia, and meets on a routine basis.

However, while industry is involved in a number of bodies and commissions, there is little evidence that the WfD system is becoming more sensitive to skills demand. Providing greater institutional outlets for industry's voice has not yet led to more effective policy, nor has it encouraged industry as a whole to be more proactive in forecasting, communicating, and addressing skills constraints. Challenges with implementation remain large, with research and analyses not always resulting in timely action in the respective sector. Often, interventions are hampered by a lack of funds for their implementation and inertia on the part of stakeholders, who do not normally react quickly to signals coming from the labor market analyses.

Regarding incentives for improving the workers' skills, the government undertakes measures for the continuing professional development of public servants. In some cases, professional development is mandatory, for example for judges, public prosecutors, and primary and secondary school teachers.

Incentives for the non-state sector are limited; within sectoral programs, measures are undertaken for strengthening the skills of workers in companies within each respective sector, such as the continuing training of managers of agricultural cooperatives and entrepreneurial learning. The Ministry of Economy offers diverse training for the business sector, for example on strengthening competitiveness and productivity, eco-labeling, and introducing the Hazard Analysis and Critical Control Points food safety system. .

### **Policy Goal 3: Strengthening Critical Coordination for Implementation**

Ensuring that the efforts of multiple stakeholders involved in WfD are aligned with the country's key socioeconomic priorities is an important goal of strategic coordination. Such coordination typically requires leadership at a sufficiently high level to overcome barriers to cross-sector or cross-ministerial cooperation. Policy Goal 3 examines the Extent to which policies and institutional arrangements are in place to formalize roles and

responsibilities for coordinated action on strategic priorities. This component is one of the stronger aspects of the country's WfD system, scoring at the *Established* level.

On a ministry level, the roles and responsibilities for specific activities have been well established. Various standing committees within the government (Economic and Social Council, VET Centre, AEC) and interministerial working groups and steering groups have been established to ensure coordination of efforts.

MoES is responsible for the development of training modules and curriculum, licensing, delivery of training, skills certification, quality assurance (at all levels of education), building and maintenance of infrastructure, provision of textbooks and materials to public providers, increasing the attractiveness of VET, career guidance, and training in IT and entrepreneurship.

MoLSP is responsible for employment issues and coordinates, supervises, and reports to the government on the training of the unemployed. It is also charged with promoting the mobility of the labor force, as well as internship and volunteer opportunities designed to give individuals opportunity for hands-on learning. The working group that addresses human resource development, comprising representatives of state authorities, institutions, and social partners, is coordinated by MoLSP. The working group meets as needed and reviews developments and issues annually.

Several agencies implement or oversee activities related to training. The VET Centre is responsible for developing standards of occupation and vocational profiles, syllabi, and curricula, supporting VET providers, and for stakeholder involvement and collaboration. The Employment Service Agency of the Republic of Macedonia (ESARM) is active in skills training for the unemployed and for undertaking analyses of labor market skills needs; the AEC is responsible for career guidance, promoting the availability of opportunities for workplace exposure for trainees, cooperation with social partners, second-chance education, development of adult education programming, licensing of training providers, and verification of

adult education programs; and the Agency for Promotion of Entrepreneurship (APERM) offers training for SMEs and related entrepreneurial learning.

Collaboration among stakeholders is increasing. Recently, most pertinent new policies have been developed with the presence and, more or less, active participation of individual representatives of stakeholders. The question remains, however, as to how much they represent their constituencies, as well as how much depth and substance their actual collaboration has. Also, due to this being a recent development, there has been no evaluation of the quality and impact of the role of these champions in effectuating the policies.

The government coordinates activities with non-state WfD stakeholders through formal memoranda of understanding and other agreements, especially with those stakeholders with legally-defined roles and responsibilities, such as chambers of commerce, chambers of crafts, employer associations and confederations, unions, and regional associations. Among the most notable of these bodies for collaboration among government and other stakeholders is the Economic and Social Council (ECOSOC), established in 1996 but convened for the first time in 2010 as a forum for tripartite coordination among the government, the Federation of Trade Unions of Macedonia, the Confederation of Free Trade Unions of Macedonia, and Employers' Organization of Macedonia. The VET and AE Centres, which by law include representatives of employers, the government, local authorities, trade unions, and the ESARM, are both important bodies for proposing strategies, standards, qualifications, policies and intervention in VET and adult education, respectively.

Another recent demand-focused mechanism is the conclusion of cooperation agreements between education/training providers and industry, such as the Joint Protocol for Collaboration with Social Partners in VET, which was signed on a national level (between MoES, MoLSP, trade unions, and chambers of commerce); and individual memoranda for cooperation, which were signed by universities, chambers and companies (for higher education) and by the VET Centre, chambers, and associations (for secondary VET).

## Implications of the Findings

The strategic framework for WfD points to a satisfactory level of policy coverage. Awareness of the importance of WfD among government leaders is evident, as reflected in strategic and development documents. However, less attention has been paid by other stakeholders, especially industry. Despite industry's formal involvement in the work of institutions, bodies and commissions, it has still not been able to push for a more demand-led policy agenda in a consistent and concerted way.

There are instances of good practice with respect to strategy and policymaking. However, for both these processes and the outcomes of good policies to be sustainable, more needs to be done to ensure that strengths and weaknesses are routinely documented and analyzed and that the lessons learned are disseminated. This will require introducing mechanisms and practices for impact evaluation, establishing procedures for mainstreaming best practices, and building centers of excellence.



## 5. Governing the System for Workforce Development

Three of the most important functions of WfD authorities are to foster efficient and equitable funding of investments in workforce development, to facilitate effective skills acquisition by individuals, and to enable employers to meet their demand for skilled workers in a timely manner. The overall objective is to minimize systemic impediments to skills acquisition and mismatches in skills supply and demand. This chapter begins with a brief description of how the WfD system is organized and governed and goes to present the detailed SABER-WfD findings on System Oversight and the policy implications.

### Overall Institutional Landscape

The overall management of vocational education training (VET) is in the hands of the Ministry of Education and Science (MoES), with the following agencies playing a role: the VET Centre, the Adult Education Centre (AEC), the Bureau of Development for Education (BDE) and the Employment Service Agency of the Republic of Macedonia (ESARM). The VET Centre is an independent agency established under the government, and it is responsible for various analyses and research in VET, drafting policy and regulatory documents, developing occupational standards and education standards (profiles, syllabi and curricula), supporting social partnerships, supervising education and training delivery, and overseeing professional development for teachers and international cooperation. AEC is an institution under MoES that is responsible for providing high quality learning opportunities to the adult population, establishing standards for formal and non-formal adult education, and international cooperation. BDE is responsible for the general education component of the formal secondary VET (syllabus, curricula, teacher training). On the labor side, overall responsibility rests with Ministry of Labour and Social Policy (MoLSP). ESARM, which is under MoLSP, is responsible for issues related to labor rights and the needs of the unemployed. It is mandated to provide, organize, and support vocational training programs for unemployed

persons in general and especially for specific vulnerable groups.

Public expenditure on education in Macedonia was 3.5 percent of the country's GDP in 2011.<sup>34</sup> The majority of public funds are allocated to secondary VET, with some dedicated to skills training for vulnerable groups, primarily the unemployed, through active labor market programs (ALMPs). The budget also provides some funds for continuing training for public servants, for whom training is mandatory.<sup>35</sup> Funding for VET is provided from the government budget through two main channels. First, funds for education and training activities are channeled through MoES, which is responsible for all investments in education. The ministry transfers funds to municipalities according to a specific formula in which the number of students is the primary consideration. The municipalities are responsible for the transfer of funds to schools. Most of the funds allocated are used for salaries, the transport of students, and heating costs. Only minimal funds remain for materials and special programs. Some of the material costs are covered through schools' income generation activities.<sup>36</sup> Funds for the ALMPs are disbursed through MoLSP to ESARM. The bases for all allocations are the annual work programs of ministries, agencies and VET schools, and their annual budgets, all of which are approved by the government.

Some of the costs for WfD are covered through donor-funded programs. The EU, through the IPA I, provides funds for the development of occupational standards and curricula in formal three-year VET institutions, for the development and implementation of adult training, and for ALMPs. Some programs funded by donors are targeted at specific populations, such as Roma, women, and rural populations, others at specific issues

<sup>34</sup> Macedonia, FYR, SSO, *Sustainable Development* (Skopje: 2013).

<sup>35</sup> Although mandatory, the scope and successfulness of such CVET differs, e.g. the training system for judges and prosecutors functions very well, but a teacher professional development system is only in its initial stages; so far teacher training has been almost exclusively donor dependent and haphazard.

<sup>36</sup> Macedonia, FYR, "Budget of the RM: Regulation on the Methodology of Establishment of Criteria for Lump Sum Allocation for Secondary Education" *Official Gazette of the Republic of Macedonia* no. 176/2011; ZELS, Glasilo no: 11/2011 (Skopje: 2011).



(according to the priorities of the development partner or agency funding the program) such as teachers’ professional development and mobility, the development of curricula, or the purchasing of equipment.

The government and MoES also demonstrated commitment to reforming the overall system of vocational education and training, most notably through the development and adoption of the Strategy and Action Plan for VET. Further, in response to repeated criticism of the business sector on the insufficient relevance of secondary VET to its needs, in 2011 a new methodology was introduced for developing standards for occupations and curricula in two-year and three-year secondary VET profiles. It aims at improving the relevance of VET through enhanced social dialogue.<sup>37</sup> In addition, the government established the AEC in 2008<sup>38</sup> to make it easier for the adult population to gain and certify skills and competences and acquisition. In 2009, the government introduced a specific budget line in the national budget for funding programs for human resource development.

SABER-WfD Ratings on System Oversight

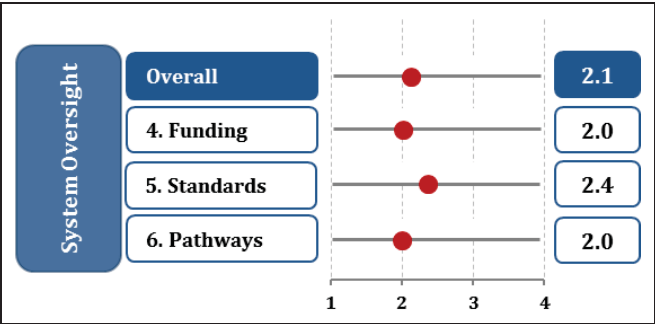
There are three pertinent policy goals corresponding to oversight mechanisms for influencing the choices of individuals, training providers, and employers: (i) ensuring efficiency and equity in funding; (ii) ensuring relevant and reliable standards; and (iii) diversifying pathways for skills acquisition. The ratings for these policy goals are presented and explained below, followed by a reflection on their implications for policy dialogue.

Based on data collected by the SABER-WfD questionnaire, Macedonia’s system receives an overall rating of 2.1 (*Emerging*) for System Oversight, reflecting underlying scores of 2.0 for *Ensuring Efficiency and Equity in Funding*, 2.4 for

*Assuring Relevant and Reliable Standards* and 2.0 for *Diversifying Pathways for Skills Acquisition*. The results show that not all aspects of policies and institutions for WfD in Macedonia are equally developed and that progress has been faster in some areas than others. For instance, procedures for determining the allocation of and monitoring the impact of funding have made more progress in programs for short-term targeted training than in mainstream programs of the TVET system. This partly reflects the assistance of international organizations in evaluating the former. By contrast, while students enjoy fairly open pathways through the initial vocational education system, they find it increasingly difficult to access VET opportunities and gain recognition for prior learning as they move on to receive more advanced qualifications, and especially after they have exited the education system. Nevertheless, the reliability of procedures for testing and certification is a strength of the system, something that holds promise as Macedonia makes progress toward expanding on recent gains in establishing a system of competency-based occupational standards. The following subsections offer explanations for these ratings and their implications, by policy goal.

Policy Goal 4: Ensuring Efficiency and Equity in Funding

Figure 7. SABER-WfD Ratings of System Oversight (Dimension 2)



Source: Authors’ analysis, based on SABER-WfD questionnaire data.  
Note: See Figure 2 for an explanation of the scale on the horizontal axis.

WfD requires a significant investment of resources by the government, households and employers. To ensure that these resources are effectively used, it is important to examine the extent to which policies

<sup>37</sup> Part of a twinning project, funded by EU; based on interviews with VET staff and international experts.  
<sup>38</sup> Law on Adult Education (*Official Gazette of the Republic of Macedonia* no. 07, January 2008).

and institutional arrangements are in place to: (i) ensure stable funding for effective programs in initial, continuing, and targeted VET; (ii) monitor and assess equity in funding; and (iii) foster partnerships with employers for funding WfD. Macedonia is rated at the *Emerging* level for this policy goal.

In addition to funding allocated from the state budget, VET provision has benefited from funds provided under the Instrument for Pre-accession Assistance (IPA) and the Multiannual Operational Program for HRD Component IV, addressing employment, education and training and social inclusion. VET receives additional funds through projects, most often implemented by international donors, and special funds from some government ministries. Some schools conduct income-generating activities such as training for the general public, provision of services, and the production and sale of products. However, such practices are rare and insufficiently encouraged.

Salaries for instructors and administrators are determined by the government. Public funds for the operation of the formal secondary VET system are channeled through MoES which is responsible for capital investments in VET—the government has invested heavily in refurbishing school buildings, construction of sports halls, and the provision of IT equipment. Some funds are also allotted for the provision of training to targeted vulnerable adult groups, such as programs for secondary VET school completion for adults from Albanian communities and the Program for Higher Education, which is for 35- to 45-year olds at specific faculties. Higher-education VET is funded within the overall funding made available to public universities.

Financing of secondary VET schools follows a methodology that establishes criteria for allocating block grants to municipalities and the City of Skopje.<sup>39</sup> The block grants are used for salaries, student transportation, and heating costs. Only a small remaining portion of the funds is available for

development issues. Part of the operational cost is covered by the schools themselves, through their own income generation activities, and more rarely by the municipality. There is no recurrent public funding of post-secondary VET. Training and certification are funded through user charges. Sometimes, in externally funded projects, donors cover user charges. The overall state expenses for initial VET (IVET) are difficult to calculate, as there is no disaggregation between general and vocational education and academic and higher VET, respectively.

Financing for CVET is a weak component in the WfD system. There are no dedicated institutions or systematic recurrent public funding for CVET. Mandatory continuing training for public servants is funded from the budgets of the respective line ministries or from project-based donor or government funds. Private CVET costs are borne by the employer or the employee.

Public funding of ALMPs goes through ESARM, and is complemented by EU IPA and by funds raised by ESARM itself; 5 percent of the unemployment contributions paid by all employees in the country are allocated to ALMPs. The distribution into specific training-related programs follows an annual plan, based on expressed needs and interests. Programs in 2012 included training and support to single mothers, victims of domestic violence, Roma, youth under 27 years of age, and the long-term unemployed.<sup>40</sup> The training offered in many programs is a direct response to employer needs. While many programs address direct business-sector skills constraints and demands, their delivery as part of fixed-term projects and measures and their dependence on external funds adversely affect their sustainability. The per-program funding varies between approximately US \$26,000 (training for under 29-year-olds at the request of a textile industry employer) to US \$316,000 (training in advanced IT skills), and the costs per user vary from free (for 1,009 trainees in a business start-up training program) to US \$1,755 (for 112 trainees in

<sup>39</sup> See “Directive on the Methodology for Allocation of Dedicated and Block Grants in Secondary Education,” in Macedonia, FYR (2011/2012); other information derived from project interviews with directors and reviews of school budgets.

<sup>40</sup> Annual reports of the Employment Service Agency of the Republic of Macedonia (ESARM); interviews with representatives of MoLSP and ESARM.

training in advanced IT skills)<sup>41</sup>. Although funding has not been a focus of reviews in IVET, ALMPs are better monitored for impact through the regular monitoring mechanisms of ESARM and an evaluation commissioned by UNDP, although the latter has not been updated. Critically, the results of such evaluations only partially inform the design and composition of ALMP programs. Follow-up actions focus on changes in the content of training.

In regard to partnerships with employers for providing resources to support WfD, significant progress has been made in the last 10 years. The government has facilitated partnerships through overall arrangements between training providers and employers in the form of the Joint Protocol for Collaboration with Social Partners in VET. Individual memoranda for cooperation have been signed by universities and companies (for higher education) and by the VET Centre, chambers of commerce and crafts, and industry associations for secondary VET. The collaboration focuses on the institutionalization of arrangements for the practical training of students, the participation of employer representatives in school management bodies, VET Centre and AEC, and institutionalized consultation processes during the development of policies and programs. The business sector's assistance is focused on the provision of scholarships for high achievers and the contribution of providers to the provision of services and goods.

### Policy Goal 5: Assuring Relevant and Reliable Standards

The WfD system comprises a wide range of training providers offering courses at various levels in diverse fields. An effective system of standards and accreditation enables students to document what they have learned and employers to identify workers with the relevant skills. For Policy Goal 5 it is therefore important to assess the status of policies and institutions to: (i) set reliable competency standards; (ii) assure the credibility of skills testing and certification; and (iii) develop and

enforce accreditation standards for maintaining the quality of training provision. Macedonia is rated at the *Emerging* level for Policy Goal 5.

Macedonia has begun developing competency standards for occupations. The VET Centre, with involvement of social partners and with financial support from the government, IPA, the British Council, and USAID, has developed a methodology for creating occupational standards. To date it has designed 51 standards within 12 occupational areas for occupations currently taught through two-year and three-year VET programs. These standards specify the level of complexity and vocational competencies to be achieved. They were developed in 2013, but they have not yet been implemented.

The National Qualifications Framework is under development and is the responsibility of MoES.<sup>42</sup> A working group, comprising representatives of government bodies and social partners established eight levels of qualifications with respective sublevels. The work on defining standards of qualification for the levels has not begun. As of 2011, a National Framework for Higher Education Qualifications exists, providing only descriptors of education levels for the first and second cycles of study in electro-technics, agriculture, psychology, ICT, pharmacy (including the third cycle), and medical nursing (only the first cycle).

Testing as a procedure for certifying qualifications is usually linked to completion of education or training. At the completion of formal secondary three-year IVET, students are required to pass a Vocational Exam, and at the end of TVET a Final Exam (labor market-oriented) or State Matura (more academic, entry requirement for tertiary education)<sup>43</sup>. Most jobs require a diploma or certificate for the respective qualification, hence testing is an important feature of the VET process.

<sup>41</sup> ESARM, National Report on the Survey of the Needs for Skills on the Labor Market in the Republic of Macedonia (Skopje: 2012).

<sup>42</sup> The process of referencing of the NQF with the EQF started in May 2014. A working group was established to prepare the National Report on linking the NGQ with the EQF. However, other Copenhagen process common principals such as the European Credit Point System and the European Quality Assurance Reference Framework for VET haven't been yet introduced in VET.

<sup>43</sup> In the second admission term if there is not enough candidates with State Matura, the Universities may enroll candidates with TVET Final Exams too.

There are a few testing procedures that are not necessarily always linked to periods of formal learning. Most of these occur in non-formal education or post-secondary education for sets of skills such as IT and languages, as well as in some skilled and semi-skilled occupations, usually related to crafts or lower levels of qualifications. In order to pass the respective test, the student must demonstrate command of both theory and practice.

The country has made significant progress in establishing a system for accrediting training providers. New training institutions need to undergo a mandatory licensing procedure, in which the Minister of Education and Science licenses VET secondary schools (upon the opinion of VET Centre), higher education institutions (upon the opinion of the Higher Education Accreditation and Evaluation Board), and adult education and training providers (upon the opinion of AEC). Licensing takes into account available space and staff, the financial assets of the institution, and other administrative requirements. Their programs are then accredited in the same process.

The standards for the necessary accreditation were established through internal consultations with: the VET Centre (for vocational subjects and practical training); the BDE (for general subjects); the AEC for non-formal education; and the Council for Financing and Development of Higher Education for higher education. All standards were afterwards endorsed by the Minister of Education and Science. They have not been revisited since their adoption. Relicensing procedure follows the same requirements as initial licensing. Performance according to defined outcome indicators is not considered.

Accreditation can be revoked, following establishment of non-compliance with requirements. The State Education Inspectorate (SEI) controls compliance with standards through a mandatory periodic integral evaluation in secondary VET, regular inspection in higher education, and ad hoc inspections in adult education. In addition, upon notification, the SEI is entitled to carry out inspections of all training providers to verify or reject complaints and to suggest remedies. The SEI submits reports on inspections carried out and may file misdemeanor charges, upon which the Minister of Education and Science determines sanctions.

## Policy Goal 6: Diversifying the Pathways for Skills Acquisition

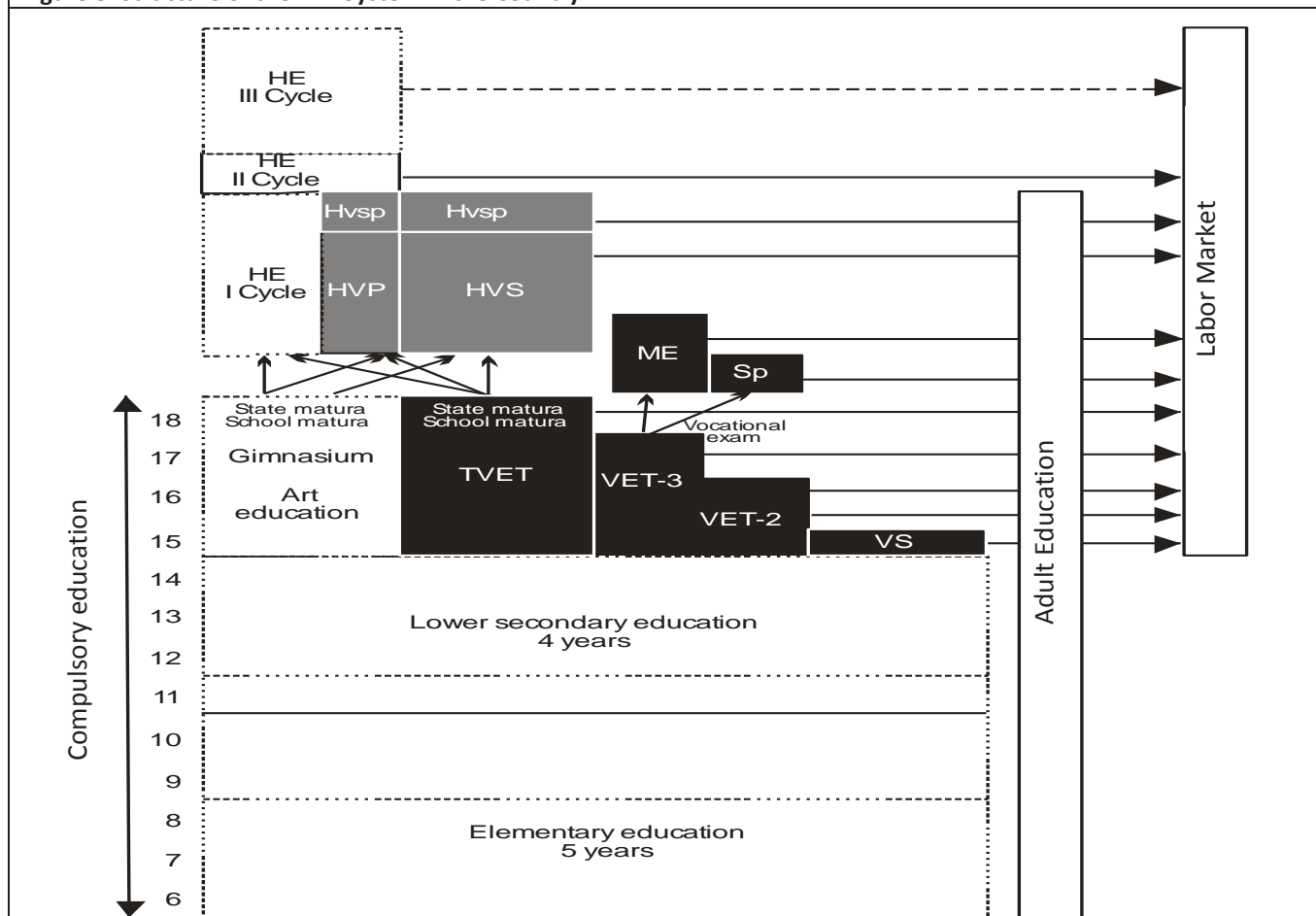
In dynamic economic environments, workers need to acquire new skills and competencies as well as keep their skills up-to-date throughout their working lives. They are best served by a system of initial and continuing education and training that promotes lifelong learning by offering clear and flexible pathways for transfers across courses, progression to higher levels of training and access to programs in other fields. For those already in the workforce, schemes for recognition of prior learning are essential to allow individuals to efficiently upgrade their skills and learn new ones. Policy Goal 6 therefore evaluates the extent to which policies and institutions are in place to: (i) enable progression through multiple learning pathways, including for students in TVET streams; (ii) facilitate the recognition of prior learning; and (iii) provide targeted support services, particularly among the disadvantaged. Macedonia is rated at the *Emerging* level for this policy goal.

Education and qualifications in VET are acquired through: vocational skill building (acquisition of low-level vocational skills),<sup>44</sup> upper-secondary vocational education with a duration of two, three, or four years, post-secondary vocational education (specialist education and master's exam), and higher vocational education (public and private higher vocational schools and vocational university study programs at existing faculties).

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<sup>44</sup> This form of VET is realized through examination for low-level qualification (ISCED 3 level) carried out by the regional chambers of crafts or the chambers of commerce, respectively.

Figure 8. Structure of the VET System in the Country



The basic platform on which the country's VET system is built is upper-secondary vocational education of two types: four-year duration and three-year duration. Two-year VET is under development. VET is offered in 42 profiles in 14 occupational areas. In 2012, the ratio between the uptake of vocational and general upper-secondary education (gimnasium) was 59.1 percent to 41.0 percent in favor of vocational education (94.9 percent for four-year VET and 5.1 percent for three-year VET).<sup>45</sup>

There are two forms of post-secondary VET: (i) the Master Exam, offered and delivered by the

Chamber of Crafts; and (ii) a specialization training and exam, carried out in secondary vocational schools. The Master Exam (which requires two-year training) allows the successful candidate to act as a trainer of students in the formal VET system or to take on apprentices. The fact that since 2010 no candidate has completed this form of training and certification speaks of the lack of interest and benefits. Specialization (which takes one year) enables candidates to enhance their vocational knowledge and acquire sets of operational skills, provides promotion opportunities for employed workers, and opens the possibility of taking on a new job (e.g., as a driving instructor).

Adult learning as a structured subsystem is only beginning to emerge, with a participation rate of 3.4 percent of those ages 25 to 64, against the EU

<sup>45</sup> Macedonia, FYR, SSO, "Population and Social Statistics," News Release, 2.4.12.04/718 (Skopje).



average of 9.3 percent.<sup>46</sup> Private initiative is limited, mostly oriented toward IT and languages (private providers) and very little toward vocational training (mostly through the activity of the 11 Public Open Citizens' Universities for Lifelong Learning). In 2011, 163 persons took part in privately organized Vocational Specialization, or 0.3 percent of all VET users for the given year. The most prominent form of adult training, with a strong focus on vocational skills, is the set of training components of the ALMPs. Under the oversight of MoLSP, ESARM provides the following programs: (i) a program for self-employment; (ii) training for new or upgraded qualifications for known employers; (iii) training for IT and language skills; (iv) training for under-29-year-olds for known textile industry employers; (v) training in specific skills that are in short supply; (vi) training in advanced IT skills; (vii) business start-up training; (viii) economic strengthening of women victims of family violence, and (ix) skills training for Roma.<sup>47</sup>

Higher vocational schools, either in the form of public higher vocational schools within existing universities, independent private higher vocational schools, or higher vocational study programs provided by universities, offer three-year higher education and are another source of post-secondary VET. While these schools are not traditionally considered VET within the Macedonian system, they provide qualifications below the bachelor level and aim to train mid-level and highly skilled workers for occupations in management, arts, business, administration, law, and journalism. The pathways open to graduates are transition to university education, continuation to vocational specialization, or continuation to post-graduate courses (although by law only to post-graduate vocational master's studies, a provision that is not fully respected). Students in higher vocational education make up 3.2 percent of the total number

of available enrolment places at the public universities.<sup>48</sup>

The business sector in Macedonia puts its faith in certificated qualifications and expects the formal system of education and training to bridge the gap between supply and demand of skills. Opportunities for on-the-job training are scarce, and mechanisms for validation of skills acquired outside of the formal system are absent. No attempts have been made, despite ongoing discussions, to establish a system for validation of prior learning; skill assessment occurs only within existing training programs, as necessary for issuance of certificates of completion.

In regard to career development, the government supports programs for public servants, within the respective sectors (teachers, judges, public prosecutors, police, customs officials, municipal administrators, etc.). Some publicly funded activities target the private sector or civil society (attorneys at law, enforcement agents, agricultural management, etc.), in combination with user fees and donor funds.

The needs of vulnerable groups are served mostly through the existing structures, both in formal education and through ALMPs. ESARM organizes training for Roma, women victims of violence, and unemployed youth under 27, all as part of ALMPs. They are funded by the government and through IPA funds. Special measures to assist persons with disabilities include making available special needs teachers in formal schools and the existence of special schools, including educational centers for persons with visual, hearing and physical impairment.

## Implications of the Findings

The results indicate that the state should consider strengthening several aspects of the WfD system.

**Public expenditure.** Public expenditure on education in Macedonia accounted for 4.5 percent of GDP in 2012.<sup>49</sup> The total public expenditure for

<sup>46</sup> Macedonia, FYR, SSO, *Situation from 16.11.2012* (Skopje: 2103). According to SSO, participation in lifelong learning is measured as the percentage of persons ages 25 to 64 who partake in education and training processes, in the total population from the same age group.

<sup>47</sup> Macedonia, FYR, ESARM, *National Report on the Survey of the Needs for Skills on the Labor Market in the Republic of Macedonia* (Skopje: 2012).

<sup>48</sup> Macedonia, FYR, *Decision on Number of Students to Be Enrolled in Year 1 at the Public Higher Education Institutions, 2011/2012* (Skopje: 2011).

<sup>49</sup> Macedonia, FYR, SSO, *Sustainable Development* (Skopje: 2012).



education in the EU-27 nations for the same year was 5.4 percent, including 1.2 percent for primary education and 2.4 percent for secondary education.<sup>50</sup> In the same year, Macedonia spent 1.8 percent of its GDP on primary and 0.9 percent on secondary education.<sup>51</sup> The expenditure on initial VET is difficult to calculate, as it is part of the total expenditure on secondary education (i.e., there is no delineation between funding of general and vocational education).

Shortcomings in funding WfD impose the need to increase the amount of public funding earmarked for underfunded areas of VET (postsecondary VET, CVET) and for establishing diverse financing sources and schemes and developing mechanisms for their use as models for pooling resources between the different partners—the state, the business sector, individuals, local authorities, foundations, and associations—to meet the demand for both IVET and CVET.

**Employer support.** It is common practice in European countries for employers to directly finance training through joint funds based on partnerships between stakeholders. Measures that motivate employers to invest in learning and training are mostly financial in nature and include the introduction or expansion of educational leave (Austria, Belgium, Luxembourg, Norway); financial support or tax allowances to individuals (Austria, Cyprus, Germany, Hungary, Italy, Liechtenstein, Luxembourg, Malta, Poland, Portugal, Slovakia, Sweden); financial support, including tax incentives to firms (Austria, Bulgaria, Cyprus, Greece, Hungary, Ireland, Italy, Malta, Portugal, Romania, Spain); establishment of multi-sectoral funds financed by a percentage of the total wage bill of firms and managed by joint bodies to promote and fund training (France, Italy, the Netherlands); and mandatory responsibility of employers to ensure that unskilled employees also acquire a qualification

(Czech Republic), or that employees have access to training programs (Romania).<sup>52</sup>

**Analyzing needs and matching demand.** The absence of fast and efficient procedures for changing syllabi and curricula and for introducing new and revising outdated occupational profiles, together with the absence of mechanisms for forecasting labor market needs, represent the main “bottlenecks” in the functioning of the WfD system.

Labor market analysis, developed through open dialogue with the business community, should be the starting point for developing relevant and reliable standards. The need for new knowledge and skills, and for new profiles and new technologies, is changing greatly. The forecasting of labor force development and skills needs should follow the logic of their relevance to local development and the local economy within the context of the overall economic development of the country. Planning for the educational profiles and skills required in the future should start from local needs and development plans.

Examples from Europe of measures designed to anticipate skills needs through increasing coordination between businesses, training providers and government include:

- Early identification of skills needs with the active participation of stakeholders and many organizations and exploration of new skills emerging in different sectors and occupations (Germany)
- Agreements between the social partners requiring each sector to establish ‘prospective observatories’ on professions and qualifications (France)
- New forecasting methodologies that work at both the national and transnational level (Finland)
- Introduction of a “Qualifications barometer” as a public-private initiative for

<sup>50</sup> Eurostat, *Total Public Expenditure on Education as Percent of GDP, for All Levels of Education Combined* (Skopje: 2013).

<sup>51</sup> J. Herczyński, *Financing Decentralized Education in Macedonia: An Overview of the National Allocation System* (Skopje: USAID Macedonia, 2011).

<sup>52</sup> CEDEFOP, “Maastricht Study: Vocational Education and Training- Key to the Future,” in *Lisbon-Copenhagen-Maastricht: Mobilizing for 2010* (Thessaloniki: 2010).

anticipating trends in qualification (Austria), and

- Establishment of Future Skills Needs Expert Groups (Ireland)<sup>53</sup>

**Serving those outside the initial education and training system with support for lifelong learning.**

Vocational education and training is expected to meet the needs and interests of diverse groups of users. Globalization, the economic crisis, and rapid technological development, coupled with population aging and increasing labor market volatility, are all generating new target groups, such as older workers, returnees to the labor market, and the long-term unemployed. These groups differ from the traditional young VET users in their education history, prior knowledge, experience, ambitions, desires and motives. Their education and training cannot follow the same traditional IVET system and learning models; instead, what is required is to develop diverse pathways and education and training opportunities that can help these groups acquire or upgrade their qualifications and competencies. This can only be achieved through the introduction of a high degree of flexibility in the approach to and delivery of education services. In turn, the introduction of flexible pathways to learning requires the integration of formal, non-formal, and informal learning and the development of an institutional basis for continuing education and lifelong learning. Such increasingly numerous and flexible learning and training pathways will enhance VET's attractiveness, efficiency, and cost-effectiveness and contribute to making the concept of lifelong learning a reality.

The TVET system can further be strengthened by adapting curricula to meet regional and local demands and individual needs, introducing modular learning and training programs, establishing new competence-based programs, introducing a system for the accumulation and transfer of credits, and increasing the availability and quality of post-secondary VET.

An important step toward improving both the quality assurance and the coherence and navigability of the TVET system could be the completion of the National Qualifications Framework. The framework could serve as a basis for revising the qualifications levels, standards of competence, design of new curricula, syllabi and programs, improvement of the vertical mobility of learners and trainees, and clarification of differences between academic and vocational higher education programs.

In the future, attention should be focused on professional development and career management services. Attention should also be focused on ensuring the availability of broader, more timely, and more relevant information and data on opportunities for transitioning to the labor market and further education. It could also be highly beneficial to create a dedicated web page for promulgating activities aimed at providing timely and disaggregated information on jobs, internships, salaries, training openings, and further education possibilities and benefits.

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<sup>53</sup> CEDEFOP, "Maastricht Study: Vocational Education and Training- Key to the Future," in *Lisbon-Copenhagen-Maastricht: Mobilizing for 2010* (Thessaloniki: 2010).

## 6. Managing Service Delivery

Training providers, both non-state and government, are the main channels through which the country's policies in WfD are translated into results on the ground. This chapter therefore provides a brief overview of the composition of providers and the types of services available in the system before presenting the detailed SABER-WfD findings on Service Delivery and their policy implications.

### Overview of the Delivery of Training Services

Services for training the country's workforce are provided by public (nonprofit) and private (profit) providers. The education and training of children, youth, and adults is predominantly carried out through the *formal education and training system*, which comprises:

- Public primary schools (which include lower secondary)
- Public and private upper secondary schools (general schools/gymnasias, vocational schools, art schools, religious schools), and
- Public and private universities and higher vocational schools.

Institutions for post-secondary education and training do not exist (specialization is carried out in the secondary vocational schools and the Master Exam is governed by the Chamber of Crafts). There are no dedicated institutions providing only post-secondary education. Whatever provision exists occurs mainly in secondary VET schools, Open Citizens' Universities for Lifelong Learning or private providers of specific services (e.g. hairdressers) or manufacturing units, within externally funded projects or following new legislation requirements. The dominant focus of the government is on tertiary education, with significant increase in enrolment rates of, in some of recent years, over 95% of secondary school/ State Matura graduates. In addition, the number of large companies that are interested in and able to provide internally postsecondary training programs is extremely low.

Hence, both supply and demand are lacking in this education tier.

The total coverage in the formal education system in all ISCED levels (2011) is 352,487 students, of whom 56.8 percent are in primary education, 26.4 percent are in secondary education, 0.1 percent are in post-secondary education, and 16.7 percent are in higher education. A huge gap is evident in post-secondary education, both in regard to participants and in the availability of dedicated institutions and training programs.

General upper secondary education is attended by 40.5 percent of students, and upper vocational education by 58.4 percent (three-year VET by 5.1 percent and TVET by 53.3 percent). In 2001, the ratio of enrolment in the two tracks was 70 percent to 30 percent in favor of vocational education. This changed over time due to increased interest in and the offer of general education. Most students attend TVET of four-year duration (91.3 percent); enrolment in three-year VET declined from 7,052 students in 2007<sup>54</sup> to 4,756 students<sup>55</sup> in 2011, a drop of 32.6 percent.

Available data on higher vocational education covers only students in public and private higher vocational schools; in 2011, public schools were attended by 1,853 students and private ones by 249 students. Students attending vocational study programs of three-year duration at universities are reported and counted as part of the overall university population.

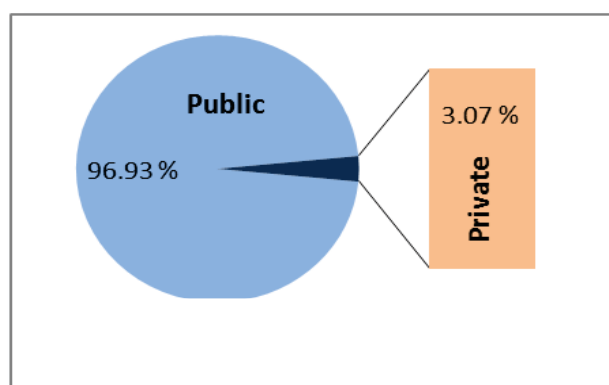
Data and research on VET reveal that it is not an attractive study destination for young people. With the exception of a few occupational areas (such as medical and economy/law) that lead to attractive professions or attractive study programs in higher education, VET is seen to attract students with lower primary school attainments. This is especially true of VET programs of shorter duration (two or

<sup>54</sup> Macedonia, FYR, SSO, "Primary and Secondary Schools at the End of the School Year 2006/2007," *Statistical Review* no. 2.4.8.03. (Skopje: 2008).

<sup>55</sup> Macedonia, FYR, SSO, *Primary, Lower and Upper Secondary Schools at the Beginning of the School Year 2011/2012*. (Skopje: 2012).

three years). The low value attributed to these qualifications by the labor market and the low-income prospects associated with them lead young people to enroll in technical programs, with the intention of continuing their education, which is seen as a guarantee for higher income. An overview of enrolment trends throughout the years identifies machine engineering, agriculture-veterinary, geology-mining and metallurgy, printing, chemistry-technology, and construction-geodetics as occupational areas where decline in interest has been most pronounced.

**Figure 9. Total Students in Public and Private Education Institutions**



The private sector is underdeveloped and has not managed to establish itself as an alternative provider of formal education. The participation of private providers at all ISCED levels is 3.07 percent of the total number of persons attending the country's formal education and training system; they participate with 1.8 percent in upper secondary education and with 15.0 percent in tertiary education.

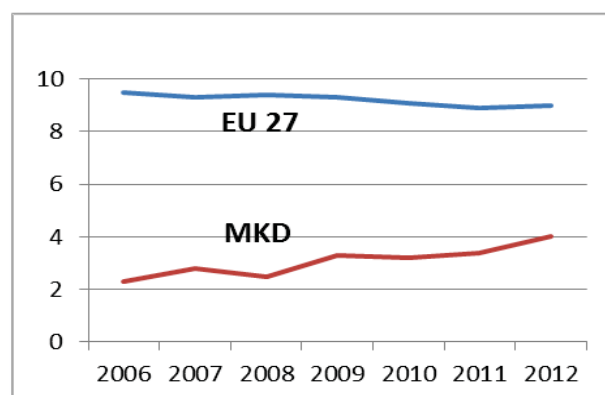
The system for non-formal education and training is beginning to develop, but it is not yet established as an integral part of the general education system. The total participation rate in programs for lifelong learning in 2012 was 4 percent (Figure 10).<sup>56</sup> In comparison with the EU-27 (9 percent in 2012), this rate is low and needs further strengthening. The system comprises specialized institutions for adult education (Open Citizens' Universities for lifelong learning, foreign language and IT centers, etc.) and

<sup>56</sup> Macedonia, FYR, SSO, *Sustainable Development* (Skopje: 2012).

civil society organizations and NGOs carrying out training for sets of competencies.

A 2010 study on the demand for skills in FYR Macedonia by the World Bank shows that many Macedonian companies provide training to their employees for skills upgrading. In particular, larger companies have adopted an active approach to the skills gap, with three out of four companies with more than 50 employees having provided training to their workforce in one year. Micro-companies, with up to 10 employees constitute the bulk of the country's economy. These companies are much less likely to provide training-- in fact, only one in six provided training to its workers. Accordingly, the overall incidence of training provision by firms is relatively low, only 23 percent.<sup>57</sup>

**Figure 10. Enrolment in Lifelong Learning, 2006-12**



Macedonian companies constantly highlight the difficulties in finding qualified employees. The same report found that there is evidence of a skills mismatch in Macedonia. Jobseekers lack skills that are demanded by employers. And despite high unemployment, employers find it difficult to hire workers with the required skills. Consequently, skill shortages are an obstacle to firm growth. At the same time, the skills gap contributes to

<sup>57</sup> Jan Rutkowski, *Demand for Skills in FYR Macedonia* (Washington DC: World Bank, 2010). This technical note was compiled as part of World Bank technical assistance to the countries of the Western Balkans (ECCU5) and served as an input for a workshop with the government on FYR Macedonia held in November 2010. The note was prepared by Jan Rutkowski (Lead Economist, ECSHD). Generous financial support was provided by the governments of Austria, Germany, Korea, and Norway through the Multi-Donor Trust Fund on Labor Markets, Job Creation, and Economic Growth.

unemployment. It is particularly difficult to recruit workers who possess skills required in the newly created jobs. Most of these jobs require high- and medium-level non-manual skills. However, in addition to “hard,” technical, job-specific skills, employers expect job applicants to possess “soft” skills, most importantly, a good work ethic. Unfortunately, from the point of view of employers, many young workers lack key skills for employability, mainly the critical soft skills. Modern and dynamic firms are hit particularly hard by the skills shortages, not least because they tend to demand higher-level skills—such as foreign language and ICT skills—than the traditional firms demand.<sup>58</sup>

SABER-WfD Ratings on Service Delivery

The policy goals for this dimension in the SABER-WfD framework focus on the following three aspects of service delivery: (i) enabling diversity and excellence in training provision; (ii) fostering relevance in public training programs; and (iii) enhancing evidence-based accountability for results. The ratings for these three policy goals are presented below and are followed by a reflection on their implications for policy dialogue.

Based on data collected by the SABER-WfD questionnaire, Macedonia’s system receives an overall rating of 2.0 (*Emerging*) for the Service Delivery dimension, reflecting underlying scores of 2.1 for *Enabling Diversity and Excellence in Training Provision*, 2.1 for *Fostering Relevance in Public Training Programs*, and 1.8 for *Enhancing Evidence-based Accountability for Results*. These scores reflect limited diversity in training providers and few measures for quality assurance, either incentives or penalties, for both public and private providers. Consistent collection of administrative data from providers would set the stage for improving quality control mechanisms, especially if it were bolstered by the collection of more robust data on outcomes (currently a weak area of the system). A strong point of the current system is the substantial input that industry has in the design of

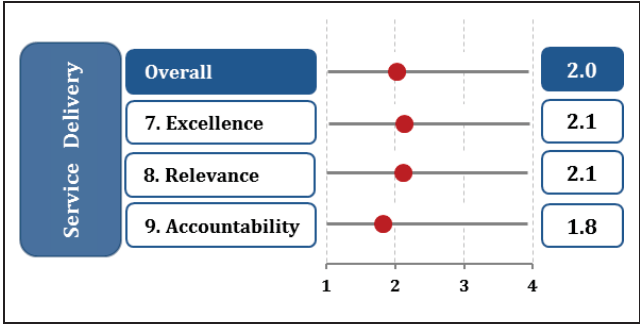
<sup>58</sup> Ibid.

curricula and in the specifications of facility standards in public institutions. The following subsections provide explanations for these ratings and their implications, by policy goal.

Policy Goal 7: Incentivizing Diversity and Excellence in Training Provision

Because the demand for skills is impossible to

Figure 11. SABER-WfD Ratings of Service Delivery (Dimension 3)



Source: Authors’ analysis based on SABER-WfD questionnaire data.

Note: See Figure 2 for an explanation of the scale on the horizontal axis.

predict with precision, having a diversity of providers is a feature of strong WfD systems. For non-state providers the challenge is to temper the profit motive or other program agendas with appropriate regulation to ensure quality and relevance. A key concern with state providers is their responsiveness to the demand for skills from employers and students. Striking the right balance between institutional autonomy and accountability is one approach to address this concern. Policy Goal 7 takes these ideas into account and benchmarks the system according to the extent to which policies and institutional arrangements are in place to: (i) encourage and regulate non-state provision of training and (ii) foster excellence in public training provision by combining incentives and autonomy in the management of public institutions. Macedonia is rated at the *Emerging* level for this policy goal.

The role of non-state training providers is one of the weakest links in the country’s WfD system; the number of these providers is very small and their role in education and training is minimal. The participation of private schools in the formal education and training system is marginal and is limited mostly to private secondary schools, higher vocational schools, and universities. Private



provision of post-secondary TVET is small compared to public provision. Out of 114 upper secondary schools, 13 are private and provide education in 113 specializations, of which 99 fall under general education and 14 fall under vocational education, mostly in the economy-law and trade occupational areas. Private schools tend to enroll far fewer students—only 2 percent of total students enrolled in upper secondary education attend a private school. In addition, 10 private universities, six higher vocational schools and one private institute function in the country, with study programs in humanities dominating and technical sciences being much fewer. At the tertiary level, approximately 14 percent of students enroll in private institutions. State universities are also partly privately funded through user charges and are encouraged to generate revenues through other sources.

Public higher education institutions, such as VET schools and universities, have a certain degree of autonomy in the development and introduction of programs, selection of students, student assessment, and additional revenue generating activities. For the latter, retention and distribution of revenues by public entities are subject to specific requirements that are meant to restrict the use of such revenues to development issues and material costs.

The licensing of public and private higher education institutions and the accreditation of their training programs are carried out by the Agency for Accreditation and Evaluation and approved by the Minister of Education and Science. Public and private providers are subject to the same regulations, as laid out in the Law on Higher Education. Accreditation can be revoked by MoES if the State Education Inspectorate (SEI) finds irregularities in the work of an institution.

In secondary IVET, curricula are developed by the Bureau for Development of Education (BDE) (for general subjects) and the VET Centre (for vocational subjects) upon a proposal from schools, enterprises or other entities with a vested interest. When approving new programs, MoES, in collaboration with the VET Centre, takes primarily into account the availability of financing for the new program. Opening new or innovative curricula is possible and is regulated through laws and bylaws. However, the

drawback of this arrangement is the slowness of its procedures which do not keep pace with the dynamics of the need for establishing them. If employment of new staff is needed, and schools have neither resources nor authority to establish new posts and hire new people without the approval of the Ministry of Finance, then the process of offering new or innovative curricula is additionally complicated.

The absence of dedicated public and private providers for CVET is another weak component of the WfD system. However, recent reforms aim to improve the availability of adult education. In January 2012, bylaws were adopted allowing MoES to license institutions for adult education and the Adult Education Center (AEC) to verify special programs for non-formal adult education. These legislative changes made it possible for private providers to deliver adult education programs. For example, the Chamber of Commerce of Macedonia established a Business Training Center, whose main activity is to carry out ACE-verified training programs that lead to qualifications. Similar action has been undertaken by the Chamber of Crafts, various associations and private entities.

So far, AEC has registered only 10 education and training providers, of which five are private. Among the 10 providers, only 23 training programs are currently being offered. The education and training provided consists mainly of the following: (i) Training for low levels of qualifications and skills<sup>59</sup> (hairdresser, firefighter, welder, pedicurist, etc.) designed to allow the trainees to gain employment or open up their own business; (ii) Remedial education, which leads to formal diplomas issued by public schools (primary or upper secondary, respectively) and by Open Citizens' Universities for Lifelong learning; (iii) Post-secondary specializations, where the certificate is issued by secondary schools providing the training and organizing the examination, which allows the successful candidates career advancement or employment in specific jobs, such as driving

<sup>59</sup> These qualifications are equivalent to qualifications acquired in three-year VET, but no state-recognized diploma is awarded, only a certificate issued by the institution where the training was completed.



instructor; (iv) Post-secondary Master Certificate issued by the Chamber of Crafts, allowing the successful candidate to be engaged as a trainer in formal or non-formal education; and (v) Various certificates for skills training (language, IT, vocational skills, soft skills). This last option is offered by both licensed and unlicensed providers. If the non-state provider is licensed and the program verified, the certificate is recognized by the state; if not, then it is regarded as internal and does not have the weight of an officially recognized certificate. It is up to the respective employer to validate it or not. Examples include language, IT, creativity, art courses, and various forms of on-the-job training carried out by companies for their own employees.

The incentives provided by government agencies to encourage non-state training provision to private providers revolve around their eligibility to apply and compete for state-funded training contracts. Licensed private providers using verified programs can respond to calls organized by AEC for provision of training services for specific target groups. The most prominent programs include the ALMPs and other state-funded initiatives (e.g., compensatory secondary vocational education for the Albanian community of Arachinovo). This policy is intended to enrich the poor training environment by involving a larger number of private providers and to increase the competition and quality of the offer.

Quality assurance of non-state training provision is carried out by SEI in the form of control and supervision of licensed training providers. In regard to non-formal education, SEI reviews compliance with licensing requirements. The technical supervision and control of implementation of verified programs is carried out by AEC, which is entitled to revoke license and verification. SEI has a stronger mandate in formal education, controlling all aspects of institutional organization, administration, and management and of the teaching process through regular (integral evaluation) or extraordinary (upon notification) inspections. Companies which organize training for employees are not subject to external control and are solely responsible for the quality of the training provision.

## Policy Goal 8: Fostering Relevance in Public Training Programs

Public training institutions need reliable information on current and emerging skills demands in order to keep their program offerings relevant to market conditions. It is therefore desirable for public training institutions to establish and maintain relationships with employers, industry associations, and research institutions. Such partners are a source of information about skills competencies and expertise and advice on curriculum design and technical specifications for training facilities and equipment. They can also help create opportunities for workplace training for students and continuing professional development for instructors and administrators. Policy Goal 8 considers the extent to which arrangements are in place for public training providers to: (i) benefit from industry and expert input in the design of programs and (ii) recruit administrators and instructors with relevant qualifications and support their professional development. Macedonia is rated at the *Emerging* level for this policy goal.

Weak cooperation between schools and industry is a critical issue in upper secondary VET, primarily in the area of providing inputs to support practical training or hosting internships. Efforts are being geared towards greater formalization of cooperation. The VET Centre has signed a number of memoranda for collaboration with VET stakeholders, but these efforts have been limited in scope. Companies often struggle to find programs that are aligned with their needs, and although the Law on VET provides for benefits and financial support for companies accepting students for practical training, this has so far not been put into effect.

Some of the more successful examples of cooperation between education and business are the reforms embarked on in recent years aimed at improving the quality and relevance of VET. This includes partial revision of curricula and syllabi for occupational profiles in TVET, innovation of curricula and syllabi for two-year and three-year VET, increase of allotment for practical training to 20 percent, streamlining of occupational areas from 24 to 14 and of profiles from 64 to 45, and the introduction of standards for practical training of

students at employers. The main feature of these innovations is the active participation of stakeholders, including ministries, professional agencies, employer associations and training providers, in policy dialogue through institutionalized arrangements, based on cooperation agreements and memoranda.

On a more practical level, although models of cooperation have been established (industry internships or training for trainees, practical training of students within curriculum requirements), the extent to which these arrangements are able to provide exposure to new technologies and practices is limited, since the number of individual agreements between schools and companies is small. Informal personal links between schools and companies, most often through managers, are the dominant form of cooperation. Companies still have not found broader cooperation to be in their interest, and schools are not encouraged to seek stronger links.

The education and business sectors achieve more dynamic and strategic collaboration in higher education. Motivated by the legal obligations and demand-side pressure, in recent years, with government support, a number of initiatives have been undertaken to improve the infrastructure (facilities, laboratories, books and didactic materials) and collaboration between the universities and the business sector. Examples include volunteering in the nonprofit sector (NGOs, government) as a regulated form of WfD, mandatory practical training in higher education,<sup>61</sup> the enhancement of bilateral cooperation between universities and higher vocational schools and the business sector to strengthen cooperation between the university and industry in a number of areas, most notably mandatory practical training (exemplified in the Memorandum of Cooperation between the Chamber of Commerce of the Republic of Macedonia, MoES, and Ss. Cyril and Methodius University (UKIM) in Skopje). Efforts have also been made by the government to intensify collaboration with the business community and chambers of

commerce to create opportunities to expose students to the world of work.<sup>61</sup>

Cooperation between training providers and research institutes is not a specific practice in Macedonia. Such institutes operate either within large companies (e.g., pharmaceutical industry) or universities (e.g., agriculture, animal husbandry). There are rare cases of cooperation between university centers and training providers, with examples in promotion of entrepreneurship within externally funded projects, but not in the area of technology transfer, training, or curriculum innovation.

### Policy Goal 9: Enhancing Evidence-Based Accountability for Results

Systematic monitoring and evaluation of service delivery is important for both quality assurance and system improvement. Accomplishing this function requires gathering and analyzing data from a variety of sources. The reporting of institution level data enables the relevant authorities to ensure that providers are delivering on expected outcomes. Such data also enable these authorities to identify gaps or challenges in training provision or areas of good practice. Additionally, periodic surveys and evaluations of major programs generate complementary information that can help enhance the relevance and efficiency of the system as a whole. Policy Goal 9 considers these ideas when assessing the system's arrangements for collecting and using data to focus attention on training outcomes, efficiency, and innovation in service delivery. Macedonia is rated at the *Emerging* level for this policy goal.

All schools report enrolment, drop-out, and completion rates in their annual reports to MoES and BDE. Data are to be entered into an integrated information management system (EMIS), to be used for calculating the number of textbooks needed, progression of students, and planning of financial and human resources and procurement needs, among other things. In addition, periodic inspection

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<sup>61</sup> Ministry of Education and Science, *Strategy for Vocational Education and Training in a Lifelong Learning Context 2013-2020*. (Skopje:2013)

processes, including self-evaluation and external inspection, require submission of data and information. Since the introduction of compulsory secondary education in 2008, the reporting obligations of non-state providers are the same as for state providers, with the exception of financial data, which private providers are not required to report.

Data are also submitted to the State Statistical Office (SSO) to be used for statistical purposes and are available in annual statistical reports of different kinds.

Research, surveys, and evaluations are among the weakest points of the education system in general, and VET in particular. Most surveys and evaluations are externally commissioned and funded or are connected to new policies and regulations. Although provisions for data collection and monitoring are strengthening, it is still not established as a regular practice in the WfD system. Research and evaluations are periodically carried out to address specific issues, such as within the program for training for occupations that are in short supply, or those carried out by MoES, MoLSP and ESARM in 2011 as well as the *Systematic Evaluation of the 4-year VET Provision* financed by the European Training Foundation (ETF) and prepared by independent experts in cooperation with MoES and VET in 2010. The results of this research present a basis for debates and most often result in specific measures and interventions.

## Implications of the Findings

The analysis of the service delivery dimension demonstrates weaknesses in the WfD system in the following areas: the network of non-state education and training providers; quality assurance of non-state education and training providers; support and incentives for public and private providers; cooperation of industry with education institutions and its role in the development of curricula and programs; research and evaluation of the status of WfD; and the generation of data and its use to improve the system.

The network of private training providers is weak and insufficiently developed. The business sector and the private sector have been resistant to

getting actively involved in the system of education and training service providers either by providing training opportunities for employees or by partnering with providers. The completion of the National Qualifications Framework will help differentiate the levels of qualifications and help clarify the relationship among current certificates and degrees awarded through different training programs. This will allow providers to more easily assess opportunities for opening new programs and market such programs to students and employers.

Other measures to offer incentives and support private providers include financial support measures or incentives (as in Bulgaria, Romania, and Hungary) by the government, collective agreements and/or legislation, simplification and speeding up of administrative procedures (Spain), development of networks for vocational skill-building and partnerships on the local and regional level (France, Japan), tax relief (Austria, Cyprus, Germany), the development of a “Learning Organization” model (Germany), or the development of regional vocational training centers (Czech Republic, Romania, Spain, Sweden).

The links between companies, VET providers, and research centers are mainly symbolic rather than functional and they need further development, especially in the areas of research and evaluation for VET activities and outcomes. To help fill this gap, a special department responsible for monitoring and tracking the status of VET and the training needs of the labor market should be set up. One possible solution—building on the latest developments in the EU<sup>62</sup> and using accessible EU funds—is the establishment of a Qualifications Council, which could institute and maintain dynamic collaborations with industry and carry out regular analyses of the relevance of the education supply to the labor market demands for qualifications and skills.

It is especially important that dialogue with social partners on this issue be intensified across all aspects of the WfD system, from policy creation to issues concerning the governance and management

<sup>62</sup> For example, the EU’s various Cedefop research, Skills Panorama, and other actions linked to the New Skills and New Jobs initiatives.

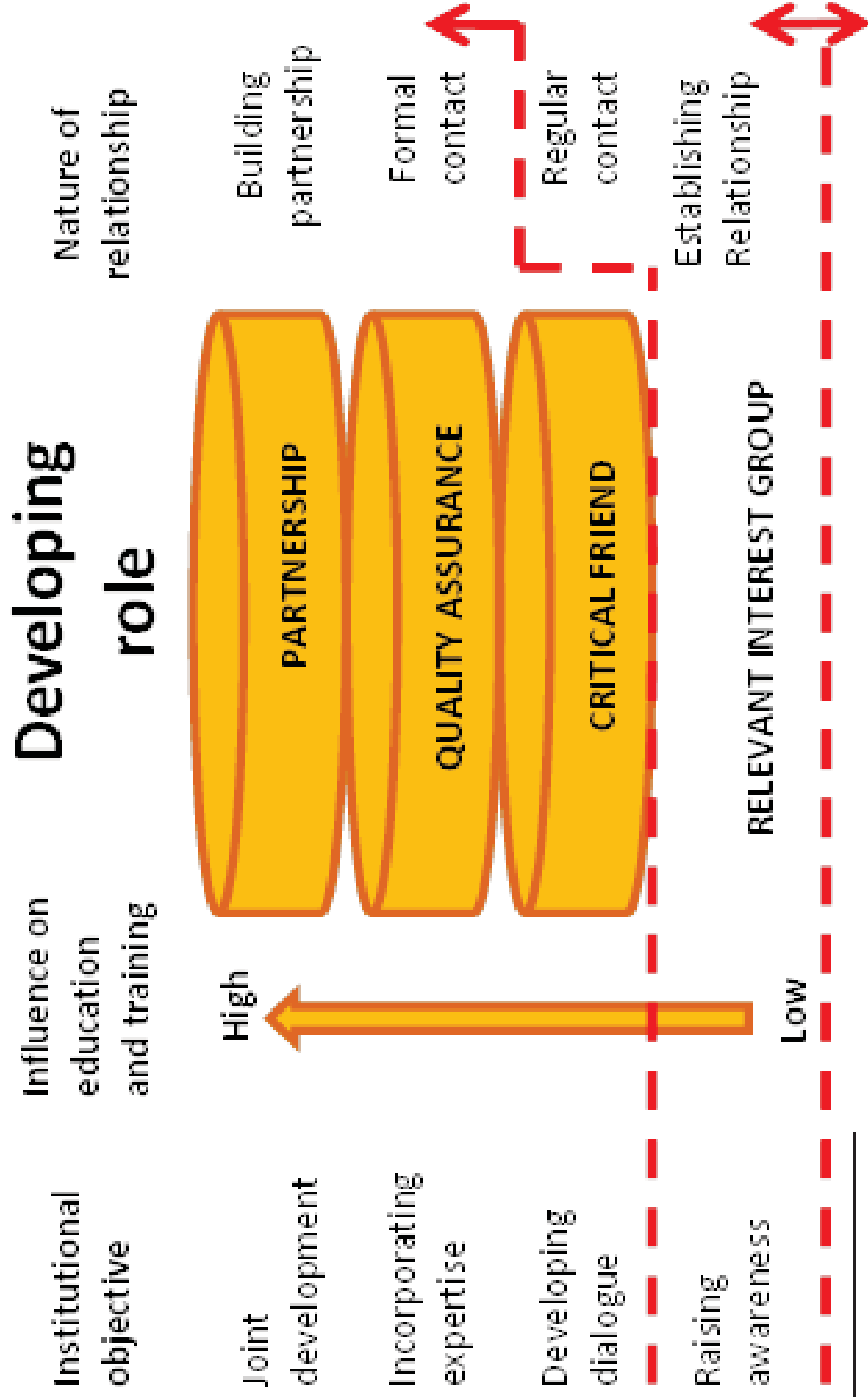
of WfD as well as service delivery and quality assurance. Currently, the role of stakeholders, especially of industry, is practically limited to receiving and using the outputs of the VET system. That role needs to be enhanced through stronger stakeholder involvement in WfD policymaking and management, which in turn would enhance their active participation and their accountability for interventions and outcomes. In particular, the business sector needs to transform itself from a relevant interest group into a partner. The strengthened role of industry in decision-making and in managing VET providers, together with a

reformed quality assurance system, should be underpinned by new regulatory measures and institutions to facilitate collaboration. (See Figure 12).

Collaboration can be promoted through a number of activities aimed at improving the system, its institutions, and the image and attractiveness of VET through information facilitation and sharing. Promising measures include joint curriculum development; improvements in the quality of teaching; the establishment of partnerships for on-the-job and practical training; improvement in the quality of the professional development of teachers, instructors, and management; the introduction of a model of external collaborative evaluation through enhanced local support; the promotion of joint activities and special projects; and the provision of additional resources and incentives to improve the scope and quality of VET.<sup>63</sup>

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<sup>63</sup> According to E. Misik, *European Peer Review – Quality Assurance in Vocational Education and Training*, MA thesis, UKIM, Skopje, 2010.

Figure 12. Current Status of Collaboration between Stakeholders and VET providers<sup>64</sup>

<sup>64</sup> Based on S. Humpl, *Quality Assurance in VET and HE v Possibilities for Mutual Learning*, a 2007 paper based on the final report from the 2007 Ghent Conference, DEQU Enhancing Quality in Practice Orientated Higher Education v External Stakeholders and the Relevance of Curriculum Project (re-published in E. Misik, *European Peer Review—Quality Assurance in Vocational Education and Training*, MA thesis, UKIM, Skopje, 2010).



## Annex 1: Acronyms

AEC	Adult Education Center
ALMP	Active Labor Market Program
APERM	Agency for Promotion of Entrepreneurship
BDE	Bureau for Development of Education
CEDEFOP	European Centre for the Development of Vocational Training
ECOSOC	Economic and Social Council
ECVET	European Credit System in Vocational Education and Training
EQAVET	European Framework for Quality Assurance in VET (previously EQARF)
ESARM	Employment Service Agency of the Republic of Macedonia
ETF	European Training Foundation
EU	European Union
GDP	gross domestic product
HEAEB	Higher Education Accreditation and Evaluation Board
HRD	Human Resource Development
IPA	Instrument for Pre-accession Assistance
IVET	initial vocational education and training
MoES	Ministry of Education and Science
MoF	Ministry of Finance
MoLSP	Ministry of Labor and Social Policy
NAEPM	National Agency for European Education Programs and Mobility
NFIL	Non-formal and informal learning
SEC	State Examination Center
SEI	State Education Inspectorate
SSO	State Statistical Office
TVET	technical vocational education and training
VET	vocational education and training
WfD	Workforce Development
ZELS	Association of Units of Local Self-government

## Annex 2: The SABER-WfD Analytical Framework

		Policy Goal		Policy Action	Topic	
Dimension 1	Strategic Framework	G1	Setting a Strategic Direction	Provide sustained advocacy for WfD at the top leadership level	G1_T1	Advocacy for WfD to Support Economic Development
					G1_T2	Strategic Focus and Decisions by the WfD Champions
		G2	Fostering a Demand-Led Approach	Establish clarity on the demand for skills and areas of critical constraint	G2_T1	Overall Assessment of Economic Prospects and Skills Implications
					G2_T2	Critical Skills Constraints in Priority Economic Sectors
				Engage employers in setting WfD priorities and in enhancing skills-upgrading for workers	G2_T3	Role of Employers and Industry
					G2_T4	Skills-Upgrading Incentives for Employers
					G2_T5	Monitoring of the Incentive Programs
		G3	Strengthening Critical Coordination	Formalize key WfD roles for coordinated action on strategic priorities	G3_T1	Roles of Government Ministries and Agencies
					G3_T2	Roles of Non-Government WfD Stakeholders
					G3_T3	Coordination for the Implementation of Strategic WfD Measures
Dimension 2	System Oversight	G4	Ensuring Efficiency and Equity in Funding	Provide stable funding for effective programs in initial, continuing and targeted vocational education and training	G4_T1	Overview of Funding for WfD
					G4_T2	Recurrent Funding for Initial Vocational Education and Training (IVET)
					G4_T3	Recurrent Funding for Continuing Vocational Education and Training Programs (CVET)
					G4_T4	Recurrent Funding for Training-related Active Labor Market Programs (ALMPs)
				Monitor and enhance equity in funding for training	G4_T5	Equity in Funding for Training Programs
				Facilitate sustained partnerships between training institutions and employers	G4_T6	Partnerships between Training Providers and Employers
		G5	Assuring Relevant and Reliable Standards	Broaden the scope of competency standards as a basis for developing qualifications frameworks	G5_T1	Competency Standards and National Qualifications Frameworks
					G5_T2	Competency Standards for Major Occupations
				Establish protocols for assuring the credibility of skills testing and certification	G5_T3	Occupational Skills Testing
					G5_T4	Skills Testing and Certification
				Develop and enforce accreditation standards for maintaining the quality of training provision	G5_T5	Skills Testing for Major Occupations
					G5_T6	Government Oversight of Accreditation
					G5_T7	Establishment of Accreditation Standards
					G5_T8	Accreditation Requirements and Enforcement of Accreditation Standards
					G5_T9	Incentives and Support for Accreditation
		G6	Diversifying Pathways for Skills Acquisition	Promote educational progression and permeability through multiple pathways, including for TVET students	G6_T1	Learning Pathways
					G6_T2	Public Perception of Pathways for TVET
				Facilitate lifelong learning through articulation of skills certification and recognition of prior learning	G6_T3	Articulation of Skills Certification
					G6_T4	Recognition of Prior Learning
				Provide support services for skills acquisition by workers, job-seekers and the disadvantaged	G6_T5	Support for Further Occupational and Career Development
					G6_T6	Training-related Provision of Services for the Disadvantaged

Dimension 3	Service Delivery	G7	Enabling Diversity and Excellence in Training Provision	Encourage and regulate non-state provision of training	G7_T1	Scope and Formality of Non-State Training Provision
					G7_T2	Incentives for Non-State Providers
					G7_T3	Quality Assurance of Non-State Training Provision
					G7_T4	Review of Policies towards Non-State Training Provision
			Combine incentives and autonomy in the management of public training institutions		G7_T5	Targets and Incentives for Public Training Institutions
					G7_T6	Autonomy and Accountability of Public Training Institutions
					G7_T7	Introduction and Closure of Public Training Programs
		G8	Fostering Relevance in Public Training Programs	Integrate industry and expert input into the design and delivery of public training programs	G8_T1	Links between Training Institutions and Industry
					G8_T2	Industry Role in the Design of Program Curricula
					G8_T3	Industry Role in the Specification of Facility Standards
					G8_T4	Links between Training and Research Institutions
			Recruit and support administrators and instructors for enhancing the market relevance of public training programs		G8_T5	Recruitment and In-Service Training of Heads of Public Training Institutions
					G8_T6	Recruitment and In-Service Training of Instructors of Public Training Institutions
		G9	Enhancing Evidence-based Accountability for Results	Expand the availability and use of policy relevant data for focusing providers' attention on training outcomes, efficiency and innovation	G9_T1	Administrative Data from Training Providers
					G9_T2	Survey and Other Data
					G9_T3	Use of Data to Monitor and Improve Program and System Performance

## Annex 3: Rubrics for Scoring the SABER-WfD Data

Functional Dimension 1: Strategic Framework				
Policy Goal	Latent	Level of Development		
		Emerging	Established	Advanced
<b>G1: Setting a Strategic Direction for WfD</b>	Visible champions for WfD are either <b>absent</b> or take <b>no specific action</b> to advance strategic WfD priorities.	<b>Some</b> visible champions provide <i>ad hoc</i> advocacy for WfD and have acted on <b>few</b> interventions to advance strategic WfD priorities; <b>no arrangements</b> exist to monitor and review implementation progress.	<b>Government leaders</b> exercise sustained advocacy for WfD with <b>occasional, <i>ad hoc</i></b> participation from <b>non-government leaders</b> ; their advocacy focuses on <b>selected</b> industries or economic sectors and manifests itself through <b>a range of specific interventions</b> ; implementation progress is monitored, albeit through <i>ad hoc</i> reviews.	<b>Both government and non-government leaders</b> exercise sustained advocacy for WfD, and rely on <b>routine, institutionalized</b> processes to collaborate on <b>well-integrated</b> interventions to advance a <b>strategic, economy-wide</b> WfD policy agenda; implementation progress is monitored and reviewed through <b>routine, institutionalized</b> processes.

Functional Dimension 1: Strategic Framework				
Policy Goal	Level of Development			
	Latent	Emerging	Established	Advanced
G2: Fostering a Demand-Led Approach to WfD	There is <b>no assessment</b> of the country's economic prospects and their implications for skills; industry and employers have a <b>limited or no role</b> in defining strategic WfD priorities and receive <b>limited</b> support from the government for skills upgrading.	<b>Some <i>ad hoc</i></b> assessments exist on the country's economic prospects and their implications for skills; <b>some</b> measures are taken to address critical skills constraints (e.g., incentives for skills upgrading by employers); the government makes <b>limited</b> efforts to engage employers as strategic partners in WfD.	<b>Routine</b> assessments based on <b>multiple data sources</b> exist on the country's economic prospects and their implications for skills; a <b>wide range</b> of measures with <b>broad</b> coverage are taken to address critical skills constraints; the government recognizes employers as strategic partners in WfD, <b>formalizes</b> their role, and <b>provides support</b> for skills upgrading through incentive schemes that are <b>reviewed and adjusted</b> .	A rich array of <b>routine and robust</b> assessments by <b>multiple stakeholders</b> exists on the country's economic prospects and their implications for skills; the information provides a basis for a <b>wide range</b> of measures with <b>broad</b> coverage that address critical skills constraints; the government recognizes employers as strategic partners in WfD, <b>formalizes</b> their role, and <b>provides support</b> for skills upgrading through incentives, including some form of a <b>levy-grant scheme</b> , that are <b>systematically reviewed</b> for impact and <b>adjusted</b> accordingly.



Functional Dimension 1: Strategic Framework				
Policy Goal	Level of Development			
	Latent	Emerging	Established	Advanced
<b>G3: Strengthening Critical Coordination for Implementation</b>	Industry/employers have <b>limited or no role</b> in defining strategic WfD priorities; the government either provides <b>no incentives</b> to encourage skills upgrading by employers or conducts <b>no reviews</b> of such incentive programs.	Industry/employers help define WfD priorities on an <i>ad hoc</i> basis and make <b>limited</b> contributions to address skills implications of major policy/investment decisions; the government provides <b>some</b> incentives for skills upgrading for formal and informal sector employers; if a levy-grant scheme exists its coverage is <b>limited</b> ; incentive programs are <b>not systematically</b> reviewed for impact.	Industry/employers help define WfD priorities on a <b>routine</b> basis and make <b>some</b> contributions in <b>selected</b> areas to address the skills implications of major policy/investment decisions; the government provides <b>a range</b> of incentives for skills upgrading for all employers; a levy-grant scheme with <b>broad</b> coverage of formal sector employers exists; incentive programs are <b>systematically</b> reviewed and <b>adjusted</b> ; an annual report on the levy-grant scheme is published with <b>a time lag</b> .	Industry/employers help define WfD priorities on a <b>routine</b> basis and make <b>significant</b> contributions in <b>multiple</b> areas to address the skills implications of major policy/investment decisions; the government provides <b>a range</b> of incentives for skills upgrading for all employers; a levy-grant scheme with <b>comprehensive</b> coverage of formal sector employers exists; incentive programs to encourage skills upgrading are <b>systematically</b> reviewed for <b>impact on skills and productivity</b> and are <b>adjusted</b> accordingly; an annual report on the levy-grant scheme is published in <b>a timely fashion</b> .

Functional Dimension 2: System Oversight				
Policy	Level of Development			
	Latent	Emerging	Established	Advanced
<b>G4: Ensuring Efficiency and Equity in Funding</b>	<p>The government funds IVET, CVET and ALMPs (but not OJT in SMEs) based on <i>ad hoc</i> budgeting processes, but takes <b>no action</b> to facilitate formal partnerships between training providers and employers; the impact of funding on the beneficiaries of training programs has <b>not been recently reviewed</b>.</p>	<p>The government funds IVET, CVET (including OJT in SMEs) and ALMPs; funding for IVET and CVET follows <b>routine</b> budgeting processes involving <b>only government officials</b> with allocations determined largely by the <b>previous year's budget</b>; funding for ALMPs is decided by government officials on an <i>ad hoc</i> basis and targets <b>select</b> population groups through various channels; the government takes <b>some</b> action to facilitate <b>formal</b> partnerships between individual training providers and employers; recent reviews considered the impact of funding on <b>only training-related indicators</b> (e.g. enrolment, completion), which stimulated dialogue among <b>some</b> WfD stakeholders.</p>	<p>The government funds IVET, CVET (including OJT in SMEs) and ALMPs; funding for IVET is <b>routine</b> and based on <b>multiple</b> criteria, including evidence of program effectiveness; recurrent funding for CVET relies on <b>formal</b> processes with <b>input</b> from key stakeholders and annual reporting with <b>a lag</b>; funding for ALMPs is determined through a <b>systematic</b> process with <b>input</b> from key stakeholders; ALMPs target <b>diverse</b> population groups through various channels and are reviewed for impact but follow-up is <b>limited</b>; the government takes action to facilitate <b>formal</b> partnerships between training providers and employers at <b>multiple</b> levels (institutional and systemic); recent reviews considered the impact of funding on <b>both</b> training-related indicators and labor market outcomes; the reviews stimulated dialogue among WfD stakeholders and <b>some</b> recommendations were implemented.</p>	<p>The government funds IVET, CVET (including OJT in SMEs) and ALMPs; funding for IVET is <b>routine</b> and based on <b>comprehensive</b> criteria, including evidence of program effectiveness, that are <b>routinely reviewed and adjusted</b>; recurrent funding for CVET relies on <b>formal</b> processes with <b>input</b> from key stakeholders and <b>timely annual reporting</b>; funding for ALMPs is determined through a <b>systematic</b> process with <b>input</b> from key stakeholders; ALMPs target <b>diverse</b> population groups through various channels and are reviewed for impact and <b>adjusted</b> accordingly; the government takes action to facilitate <b>formal</b> partnerships between training providers and employers at <b>all levels</b> (institutional and systemic); recent reviews considered the impact of funding on a <b>full range</b> of training-related indicators and labor market outcomes; the reviews stimulated <b>broad-based</b> dialogue among WfD stakeholders and <b>key</b> recommendations were implemented.</p>

## Functional Dimension 2: System Oversight

Policy		Level of Development		
Goal	Latent	Emerging	Established	Advanced
<b>G5: Assuring Relevant and Reliable Standards</b>	Policy dialogue on competency standards and/or the NQF occurs on an <i>ad-hoc</i> basis with <b>limited</b> engagement of key stakeholders; competency standards have <b>not been defined</b> ; skills testing for major occupations is <b>mainly theory-based</b> and certificates awarded are recognized by <b>public sector employers only</b> and have <b>little</b> impact on employment and earnings; <b>no system</b> is in place to establish accreditation standards.	<b>A few</b> stakeholders engage in <i>ad hoc</i> policy dialogue on competency standards and/or the NQF; competency standards exist for a <b>few</b> occupations and are used by <b>some</b> training providers in their programs; skills testing is competency-based for a <b>few</b> occupations but for the most part is <b>mainly theory-based</b> ; certificates are recognized by <b>public and some private sector employers</b> but have <b>little impact</b> on employment and earnings; the accreditation of training providers is supervised by a <b>dedicated office</b> in the relevant ministry; private providers are required to be accredited, however accreditation standards are <b>not consistently publicized or enforced</b> ; providers are offered <b>some</b> incentives to seek and retain accreditation.	<b>Numerous</b> stakeholders engage in policy dialogue on competency standards and/or the NQF through <b>institutionalized</b> processes; competency standards exist for <b>most</b> occupations and are used by <b>some</b> training providers in their programs; the NQF, if in place, covers <b>some</b> occupations and a <b>range</b> of skill levels; skills testing for <b>most</b> occupations follows standard procedures, is competency-based and assesses <b>both theoretical knowledge and practical skills</b> ; certificates are recognized by <b>both public and private sector employers</b> and <b>may impact</b> employment and earnings; the accreditation of training providers is supervised by a <b>dedicated agency</b> in the relevant ministry; the agency is responsible for defining accreditation standards with <b>stakeholder input</b> ; standards are reviewed on an <i>ad-hoc</i> basis and are publicized or enforced to <b>some</b> extent; all providers receiving public funding must be accredited; providers are offered <b>incentives</b> and <b>limited support</b> to seek and retain accreditation.	<b>All key</b> stakeholders engage in policy dialogue on competency standards and/or the NQF through <b>institutionalized</b> processes; competency standards exist for <b>most</b> occupations and are used by training providers in their programs; the NQF, if in place, covers <b>most</b> occupations and a <b>wide range</b> of skill levels; skills testing for <b>most</b> occupations follows standard procedures, is competency-based and assesses <b>both theoretical knowledge and practical skills</b> ; <b>robust</b> protocols, including <b>random audits</b> , ensure the credibility of certification; certificates are <b>valued by most employers</b> and <b>consistently improve</b> employment prospects and earnings; the accreditation of training providers is supervised by a <b>dedicated agency</b> in the relevant ministry; the agency is responsible for defining accreditation standards <b>in consultation with stakeholders</b> ; standards are reviewed following <b>established protocols</b> and are publicized and <b>routinely</b> enforced; all training providers are required as well as offered <b>incentives and support</b> to seek and retain accreditation.

Functional Dimension 2: System Oversight				
Policy Goal	Level of Development			
	Latent	Emerging	Established	Advanced
<b>G6: Diversifying Pathways for Skills Acquisition</b>	Students in technical and vocational education have <b>few or no options</b> for further formal skills acquisition beyond the secondary level and the government takes <b>no action</b> to improve public perception of TVET; certificates for technical and vocational programs are <b>not recognized</b> in the NQF; qualifications certified by non-Education ministries are <b>not recognized</b> by formal programs under the Ministry of Education; recognition of prior learning receives <b>limited</b> attention; the government provides <b>practically no support</b> for further occupational and career development, or training programs for disadvantaged populations.	Students in technical and vocational education can only progress to <b>vocationally-oriented, non-university programs</b> ; the government takes <b>limited</b> action to improve public perception of TVET (e.g. diversifying learning pathways); <b>some</b> certificates for technical and vocational programs are recognized in the NQF; <b>few</b> qualifications certified by non-Education ministries are recognized by formal programs under the Ministry of Education; policymakers pay <b>some</b> attention to the recognition of prior learning and provide the public with <b>some</b> information on the subject; the government offers <b>limited</b> services for further occupational and career development through <b>stand-alone local service centers</b> that are <b>not integrated</b> into a system; training programs for disadvantaged populations receive <b>ad-hoc</b> support.	Students in technical and vocational education can progress to <b>vocationally-oriented programs, including at the university level</b> ; the government takes <b>some</b> action to improve public perception of TVET (e.g. diversifying learning pathways and improving program quality) and reviews the impact of such efforts on an <b>ad-hoc</b> basis; <b>most</b> certificates for technical and vocational programs are recognized in the NQF; a <b>large number</b> of qualifications certified by non-Education ministries are recognized by formal programs under the Ministry of Education, albeit <b>without the granting of credits</b> ; policymakers give <b>some</b> attention to the recognition of prior learning and provide the public with <b>some</b> information on the subject; a <b>formal association</b> of stakeholders provides <b>dedicated</b> attention to adult learning issues; the government offers <b>limited</b> services for further occupational and career development, which are available through an <b>integrated network of centers</b> ; training programs for disadvantaged populations receive <b>systematic</b> support and are reviewed for impact on an <b>ad-hoc</b> basis.	Students in technical and vocational education can progress to <b>academically or vocationally-oriented programs, including at the university level</b> ; the government takes <b>coherent</b> action on <b>multiple fronts</b> to improve public perception of TVET (e.g. diversifying learning pathways and improving program quality and relevance, with the support of a media campaign) and <b>routinely</b> reviews and <b>adjusts</b> such efforts to maximize their impact; <b>most</b> certificates for technical and vocational programs are recognized in the NQF; a <b>large number</b> of qualifications certified by non-Education ministries are recognized and <b>granted credits</b> by formal programs under the Ministry of Education; policymakers give <b>sustained</b> attention to the recognition of prior learning and provide the public with <b>comprehensive</b> information on the subject; a <b>national organization</b> of stakeholders provides <b>dedicated</b> attention to adult learning issues; the government offers a <b>comprehensive menu</b> of services for further occupational and career development, <b>including online resources</b> , which are available through an <b>integrated network of centers</b> ; training programs for disadvantaged populations receive <b>systematic</b> support with <b>multi-year budgets</b> and are <b>routinely</b> reviewed for impact and <b>adjusted</b> accordingly.

Functional Dimension 3: Service Delivery				
Policy Goal	Level of Development			
	Latent	Emerging	Established	Advanced
<b>G7: Enabling Diversity and Excellence in Training of Provision</b>	<p>There is <b>no diversity</b> of training provision as the system is largely comprised of <b>public providers</b> with <b>limited or no autonomy</b>; training provision is <b>not informed</b> by formal assessment, stakeholder input or performance targets.</p>	<p>There is <b>some</b> diversity in training provision; non-state providers operate with <b>limited</b> government incentives and <b>governance</b> over registration, licensing and quality assurance; public training is provided by institutions with <b>some</b> autonomy and informed by <b>some</b> assessment of implementation constraints, stakeholder input and basic targets.</p>	<p>There is <b>diversity</b> in training provision; non-state training providers, <b>some</b> registered and licensed, operate within a <b>range</b> of government incentives, <b>systematic</b> quality assurance measures and <b>routine</b> reviews of government policies toward non-state training providers, mostly governed by management boards, have <b>some</b> autonomy; training provision is informed by <b>formal analysis</b> of implementation constraints, stakeholder input and basic targets; lagging providers receive <b>support</b> and exemplary institutions are <b>rewarded</b>.</p>	<p>There is <b>broad</b> diversity in training provision; non-state training providers, <b>most</b> registered and licensed, operate with <b>comprehensive</b> government incentives, <b>systematic</b> quality assurance measures and <b>routine</b> review and <b>adjustment</b> of government policies toward non-state training providers; public providers, mostly governed by management boards, have <b>significant</b> autonomy; decisions about training provision are <b>time-bound</b> and informed by <b>formal assessment</b> of implementation constraints; stakeholder input and use of a <b>variety of measures</b> to incentivize performance include support, rewards and performance-based funding.</p>



Functional Dimension 3: Service Delivery				
Policy Goal	Level of Development			
	Latent	Emerging	Established	Advanced
<b>G8: Fostering Relevance in Public Training Programs</b>	There are <b>few or no attempts</b> to foster relevance in public training programs through encouraging links between training institutions, industry and research institutions or through setting standards for the recruitment and training of heads and instructors in training institutions.	Relevance of public training is enhanced through <b>informal</b> links between <b>some</b> training institutions, industry and research institutions, including <b>input</b> into the design of curricula and facility standards; heads and instructors are recruited on the basis of <b>minimum academic standards</b> and have <b>limited</b> opportunities for professional development.	Relevance of public training is enhanced through <b>formal</b> links between <b>some</b> training institutions, industry and research institutions, leading to collaboration in <b>several</b> areas including but not limited to the design of curricula and facility standards; heads and instructors are recruited on the basis of <b>minimum academic and professional standards</b> and have <b>regular</b> access to opportunities for professional development.	Relevance of public training is enhanced through <b>formal</b> links between <b>most</b> training institutions, industry and research institutions, leading to <b>significant</b> collaboration in a <b>wide range</b> of areas; heads and instructors are recruited on the basis of <b>minimum academic and professional standards</b> and have <b>regular</b> access to <b>diverse</b> opportunities for professional development, including <b>industry attachments</b> for instructors.

Functional Dimension 3: Service Delivery				
Policy Goal	Level of Development			
	Latent	Emerging	Established	Advanced
G9: Enhancing Evidence-based Accountability for Results	There are <b>no specific</b> data collection and reporting requirements, but training providers maintain their <b>own databases</b> ; the government <b>does not conduct or sponsor</b> skills-related surveys or impact evaluations and <b>rarely</b> uses data to monitor and improve system performance.	Training providers collect and report <b>administrative</b> data and there are <b>significant</b> gaps in reporting by non-state providers; <b>some</b> public providers issue annual reports and the government <b>occasionally</b> sponsors or conducts skills-related surveys; the government <b>does not consolidate data</b> in a system-wide database and uses <b>mostly administrative data</b> to monitor and improve system performance; the government publishes information on graduate labor market outcomes for <b>some</b> training programs.	Training providers collect and report <b>administrative and other</b> data (e.g., job placement statistics, earnings of graduates) and there are <b>some</b> gaps in reporting by non-state providers; <b>most</b> public providers issue internal annual reports and the government <b>routinely</b> sponsors skills-related surveys; the government consolidates data in a <b>system-wide database</b> and uses <b>administrative data</b> and information from <b>surveys</b> to monitor and improve system performance; the government publishes information on graduate labor market outcomes for <b>numerous</b> training programs.	Training providers collect and report <b>administrative and other</b> data (e.g., job placement statistics, earnings of graduates) and there are <b>few</b> gaps in reporting by non-state providers; <b>most</b> public providers issue <b>publicly available</b> annual reports and the government <b>routinely</b> sponsors or conducts skills-related surveys and impact evaluations; the government consolidates data in a <b>system-wide, up to date database</b> and uses <b>administrative data</b> , information from <b>surveys and impact evaluations</b> to monitor and improve system performance; the government publishes information on graduate labor market outcomes for <b>most</b> training programs <b>online</b> .

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## Annex 5: SABER-WfD Scores

		Policy Goal		Policy Action		Topic	
Dimension 1	2.3	G1	2.5	Provide sustained advocacy for WfD at the top leadership level	2.5	G1_T1	2.0
		G2	2.2	Establish clarity on the demand for skills and areas of critical constraint	3.0	G1_T2	3.0
					Engage employers in setting WfD priorities and in enhancing skills-upgrading for workers	1.7	G2_T1
				G2_T2		3.0	
				G2_T3		3.0	
				G2_T4		1.0	
				G2_T5	1.0		
		G3	2.3	Formalize key WfD roles for coordinated action on strategic priorities	2.3	G3_T1	2.0
		G3_T2	2.0				
G3_T3	3.0						
Dimension 2	2.1	G4	2.0	Provide stable funding for effective programs in initial, continuing and targeted vocational education and training	2.0	G4_T1	info
					G4_T2	2.0	
					G4_T3	1.0	
					G4_T4	3.0	
				Monitor and enhance equity in funding for training	2.0	G4_T5_IVET	2.0
					G4_T5_CVET	1.0	
					G4_T5_ALMP	3.0	
				Facilitate sustained partnerships between training institutions and employers	2.0	G4_T6	2.0
				G5	2.4	Broaden the scope of competency standards as a basis for developing qualifications frameworks	2.0
		G5_T2	2.0				
		Establish protocols for assuring the credibility of skills testing and certification	2.7			G5_T3	2.0
			G5_T4			3.0	
			G5_T5			3.0	
		Develop and enforce accreditation standards for maintaining the quality of training provision	2.3			G5_T6	info
			G5_T7			2.0	
			G5_T8			3.0	
			G5_T9			2.0	
		G6	2.0	Promote educational progression and permeability through multiple pathways, including for TVET students	2.0	G6_T1	3.0
					G6_T2	1.0	
				Strengthen the system for skills certification and recognition	1.0	G6_T3	1.0
					G6_T4	1.0	
				Enhance support for skills acquisition by workers, job-seekers and the disadvantaged	3.0	G6_T5	2.0
					G6_T6	4.0	
Dimension 3	2.0	G7	2.1	Encourage and regulate non-state provision of training	1.8	G7_T1	3.0
					G7_T2	2.0	
					G7_T3	1.0	
					G7_T4	1.0	
				Combine incentives and autonomy in the management of public training institutions	2.6	G7_T5	1.5
					G7_T6	4.0	
					G7_T7	2.3	
		G8	2.1	Integrate industry and expert input into the design and delivery of public training programs	2.0	G8_T1	2.5
					G8_T2	3.5	
					G8_T3	1.0	
					G8_T4	1.0	
				Recruit and support administrators and instructors for enhancing the market-relevance of public training programs	2.4	G8_T5	3.0
					G8_T6	1.8	
		G9	1.8	Expand the availability and use of policy-relevant data for focusing providers' attention on training outcomes, efficiency and innovation	1.8	G9_T1	2.5
					G9_T2	1.5	
					G9_T3	1.5	



## Annex 6: Authorship and Acknowledgements

This report is the product of collaboration between Zoran Velkovski, PhD, Elena Misik, MA, and staff at the World Bank comprising Bojana Naceva and Indhira Santos as well as Jee-Peng Tan and Ryan Flynn, leader and member, respectively, of the SABER-WfD team based in the Education Global Practice. Zoran Velkovski and Elena Misik collected the data using the SABER-WfD data collection instrument, and Zoran Velkovski prepared initial drafts of the report. The World Bank team scored the data, designed the template for the report, and made substantive contributions to the final write up.

The research team acknowledges the support of all who have contributed to the report and its findings, including informants, survey respondents, participants at various consultation workshops, as well as other members of the SABER-WfD team at the World Bank: Rita Costa, Viviana Gomez, Kiong Hock Lee, Francisco Marmolejo, Joy Yoo-Jeung Nam, Brent Parton, and Alexandria Valerio. The research team gratefully acknowledges the financial support of the European Commission. In addition, the research team acknowledges the generous financial support of the Government of the United Kingdom through its Department of International Development's Partnership for Education Development with the World Bank, which makes it possible for the SABER-WfD team to provide technical support to the principal investigator in the form of standardized tools for and guidance on data collection, analysis, and reporting.

The **Systems Approach for Better Education Results (SABER)** initiative produces comparative data and knowledge on education policies and institutions, with the aim of helping countries systematically strengthen their education systems. SABER evaluates the quality of education policies against evidence-based global standards, using new diagnostic tools and detailed policy data. The SABER country reports give all parties with a stake in educational results—from administrators, teachers, and parents to policymakers and business people—an accessible, objective snapshot showing how well the policies of their country's education system are oriented toward ensuring that all children and youth learn.

This report focuses specifically on policies in the area of **Workforce Development**.

This work is a product of collaboration between Lei Shen and the staff of The World Bank. The findings, interpretations, and conclusions expressed in this work do not necessarily reflect the views of The World Bank, its Board of Executive Directors, or the governments they represent. The World Bank does not guarantee the accuracy of the data included in this work. The boundaries, colors, denominations, and other information shown on any map in this work do not imply any judgment on the part of The World Bank concerning the legal status of any territory or the endorsement or acceptance of such boundaries.

